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Preface

Introduction

Before You Begin This Course

Before you begin this course, you should have the following qualifications:

- Thorough knowledge of navigating Oracle applications
- Working experience with accounts receivable

Prerequisites

None

How This Course Is Organized

Oracle Receivables 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

Title	**Part Number**
Oracle Receivables User's Guide	A58475-01
Oracle Receivables Technical Reference Manual	A58489-01
Oracle Receivables Tax Manual	A58477-01

Additional Publications

- Installation and user's guides
- *read.me* files
- System release bulletins
- Oracle Applications User's Group (OAUG) proceedings and articles
- *Profit Magazine*
- *Oracle Magazine*

Typographic Conventions

Typographic Conventions in Text

Convention	**Element**	**Example**
Uppercase	Commands, functions, column names, table names, schemas	Use the SELECT command to view information stored in the LAST_NAME column of the EMP table.
Initial cap	Triggers, windows, check boxes, buttons	Assign a When-Validate-Item trigger to the ORD block. Open the Master Schedule window. Select the Can't Delete Card check box. Click the Executable button.
Lead cap	Graphics labels (unless the term is a proper noun)	Customer address (*but* Oracle Payables)
Italic	Titles of books and courses, emphasized words and phrases, variables	For further information, see *Oracle7 Server SQL Language Reference Manual.* Do *not* save changes to the database. Enter `user_id@us.oracle.com`, where *user_id* is the name of the user.
Bold italic	Term that is defined in a glossary (used only if there is a glossary)	The ***algorithm*** inserts the new key.

Convention	**Element**	**Example**
Courier, case sensitive (default is lowercase)	Filenames, directory names, pathnames, URLs, usernames, scripts, user input, code output	Filename: Locate the `init.ora` file. Pathname: Open `c:\my_docs\projects` first. URL: Go to the `http://www.oracle.com.` Password: Use `tiger` as your password. Username: Log on as `scott`. User input: Enter `300`. Code output: The following statement is displayed: `debug.seti('I',300);`
Quotation marks	Lesson and chapter titles in cross-references, interface elements with long names that have only lead caps	This subject is covered in Unit II, Lesson 3, “Working with Objects.” Select “Include a reusable module component” and click Finish. Use the “WHERE clause of query” property.
Arrow	Menu paths	Select File—>Save.
Brackets	Key names	Press [Enter].
Plus signs	Key combinations	Press and hold keys simultaneously: [Control]+[Alternate]+[Delete]
Commas	Key sequences	Press and release keys one at a time: [Alternate], [F], [D]

Typographic Conventions in Code

Convention	Elements	Example
Uppercase	SQL commands and functions	`SELECT userid` `FROM emp;`

Initial cap	Oracle Forms triggers	`Form module: ORD`
		`Trigger level: S_ITEM.QUANTITY item`
		`Trigger name When-Validate-Item`

Lowercase	Column names, table names, filenames, PL/SQL objects	`OG_ACTIVATE_LAYER` `(OG_GET_LAYER ('prod_pie_layer'))`
		`SELECT last_name` `FROM s_emp;`
		`DROP USER scott` `IDENTIFIED BY tiger;`
Lowercase, italic	Syntax variables	`CREATE ROLE` *`role`*

Typographic Conventions in Navigation Paths

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

Example:

Invoice Batches Summary

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

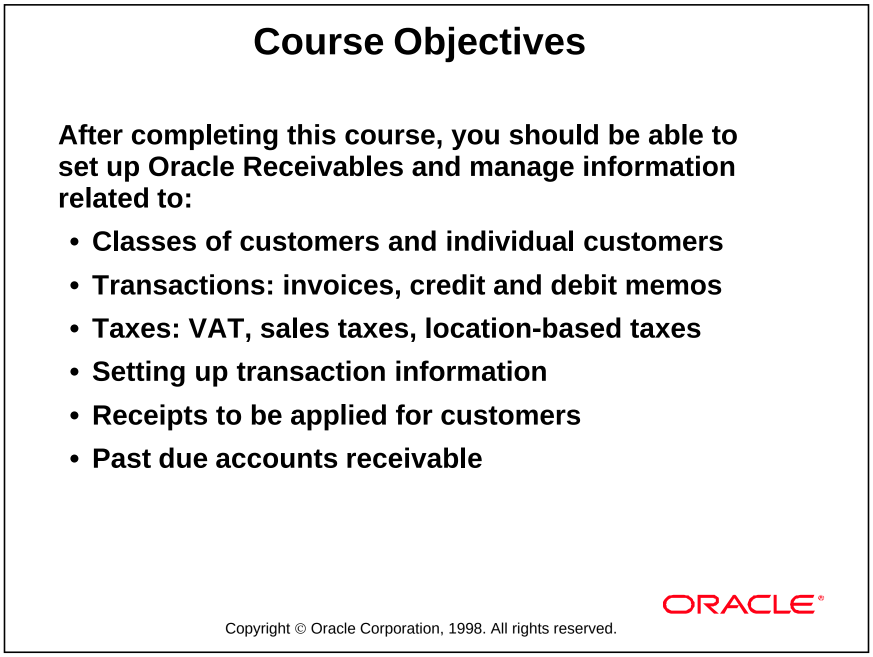
This simplified path translates to the following:

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

1

Course Introduction

Course Objectives

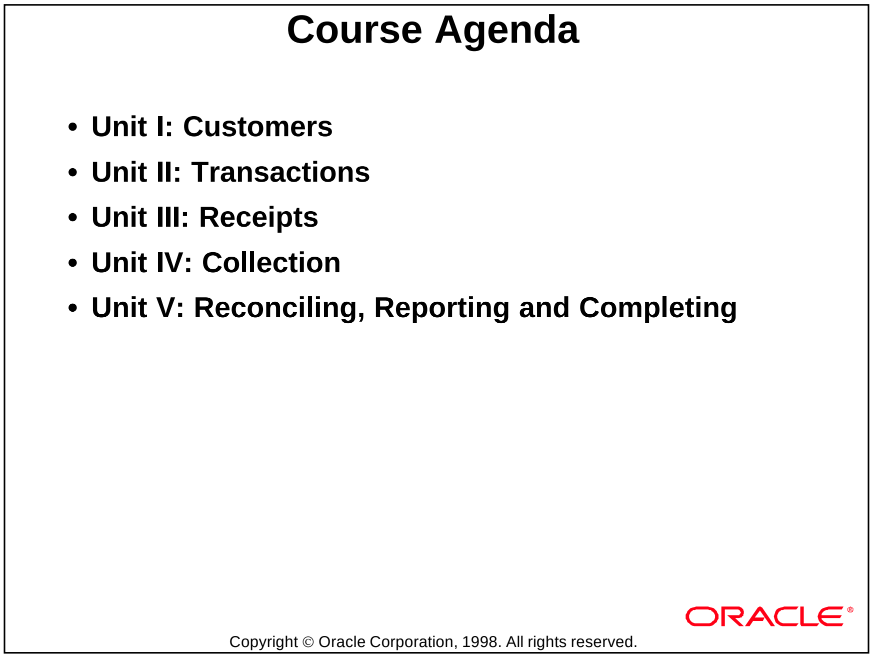


Course Objectives

After completing this course, you should be able to set up Oracle Receivables and manage information related to:

- **Classes of customers and individual customers**
- **Transactions: invoices, credit and debit memos**
- **Taxes: VAT, sales taxes, location-based taxes**
- **Setting up transaction information**
- **Receipts to be applied for customers**
- **Past due accounts receivable**

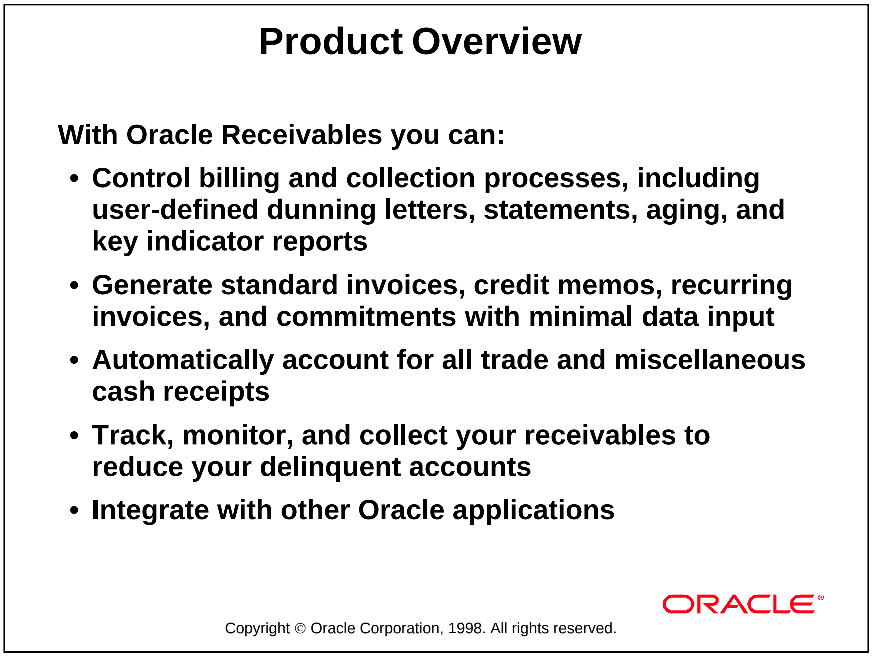
Course Agenda



Course Agenda

- Unit I: Customers
- Unit II: Transactions
- Unit III: Receipts
- Unit IV: Collection
- Unit V: Reconciling, Reporting and Completing

Product Overview

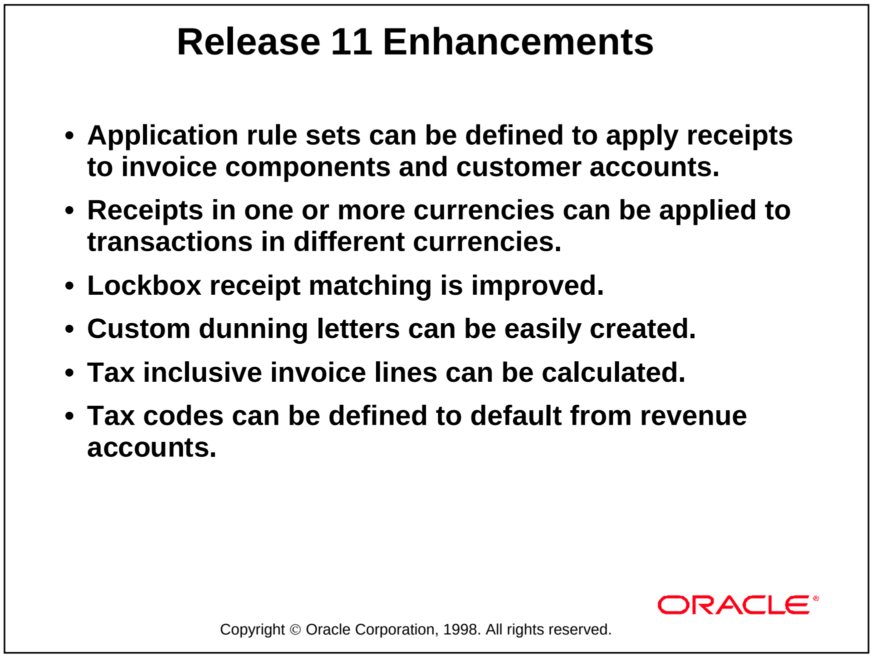


Product Overview

With Oracle Receivables you can:

- **Control billing and collection processes, including user-defined dunning letters, statements, aging, and key indicator reports**
- **Generate standard invoices, credit memos, recurring invoices, and commitments with minimal data input**
- **Automatically account for all trade and miscellaneous cash receipts**
- **Track, monitor, and collect your receivables to reduce your delinquent accounts**
- **Integrate with other Oracle applications**

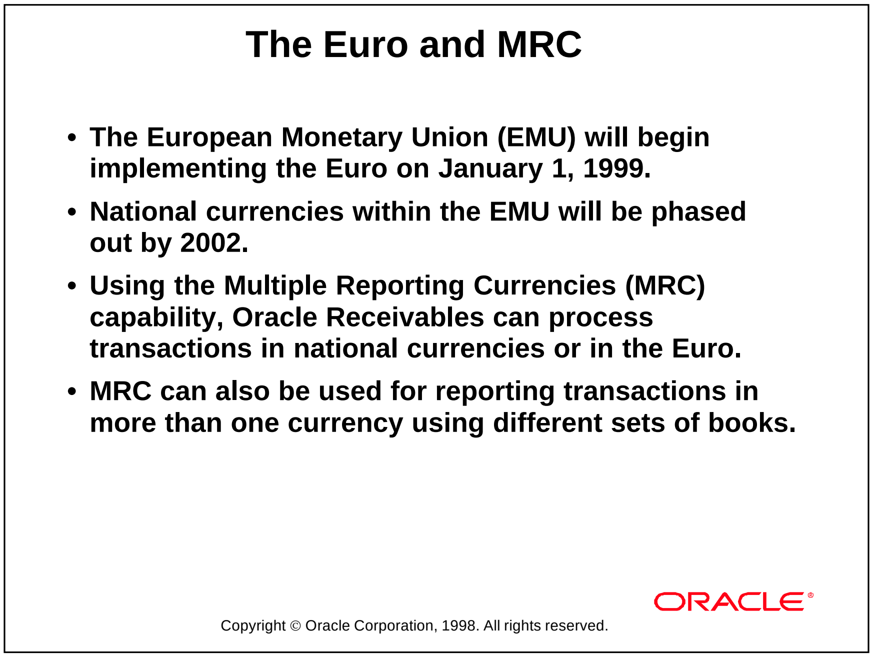
Release 11 Enhancements



Release 11 Enhancements

- Application rule sets can be defined to apply receipts to invoice components and customer accounts.
- Receipts in one or more currencies can be applied to transactions in different currencies.
- Lockbox receipt matching is improved.
- Custom dunning letters can be easily created.
- Tax inclusive invoice lines can be calculated.
- Tax codes can be defined to default from revenue accounts.

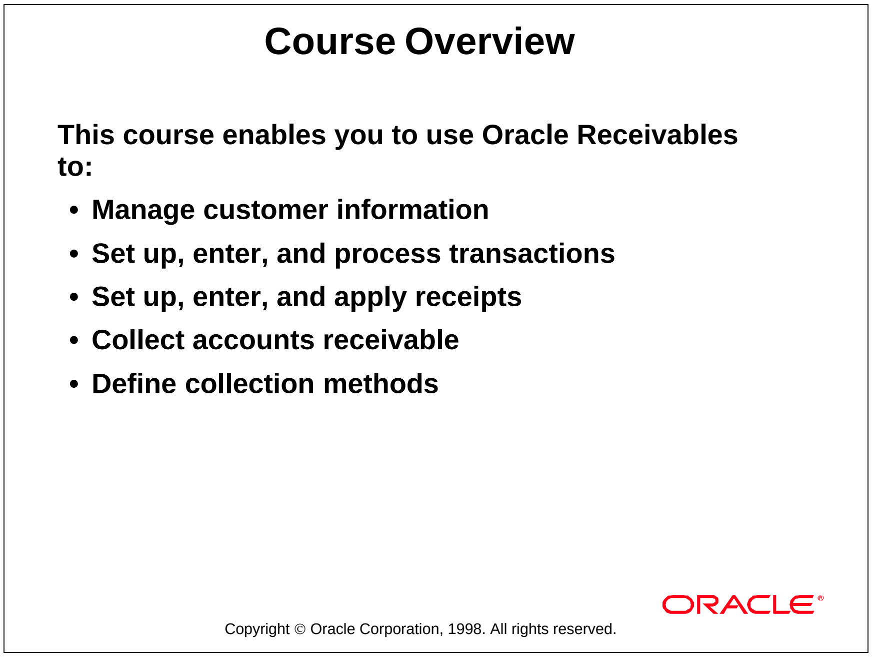
The Euro and Multiple Reporting Currencies



The Euro and MRC

- The European Monetary Union (EMU) will begin implementing the Euro on January 1, 1999.
- National currencies within the EMU will be phased out by 2002.
- Using the Multiple Reporting Currencies (MRC) capability, Oracle Receivables can process transactions in national currencies or in the Euro.
- MRC can also be used for reporting transactions in more than one currency using different sets of books.

Course Overview

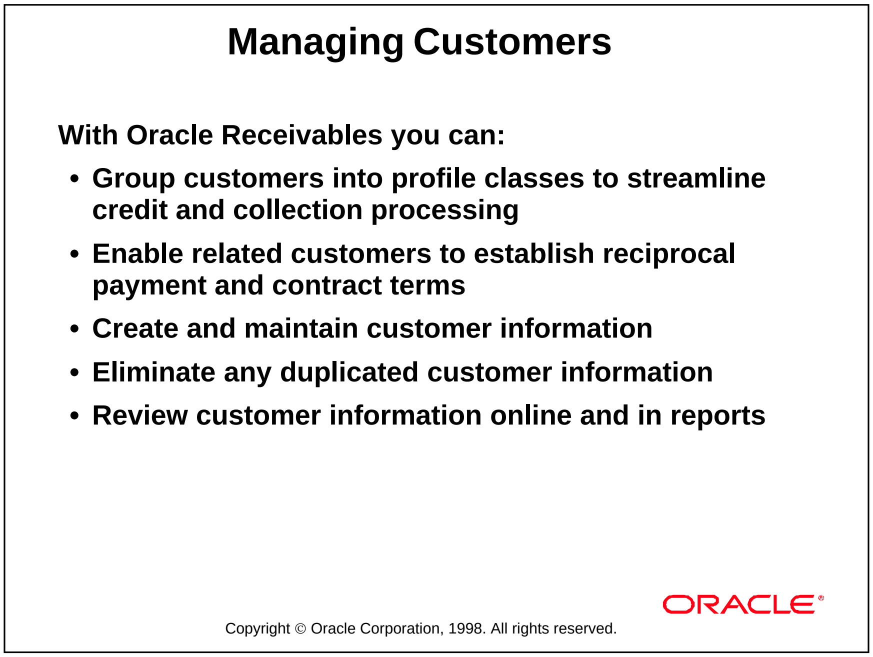


Course Overview

This course enables you to use Oracle Receivables to:

- **Manage customer information**
- **Set up, enter, and process transactions**
- **Set up, enter, and apply receipts**
- **Collect accounts receivable**
- **Define collection methods**

Managing Customers

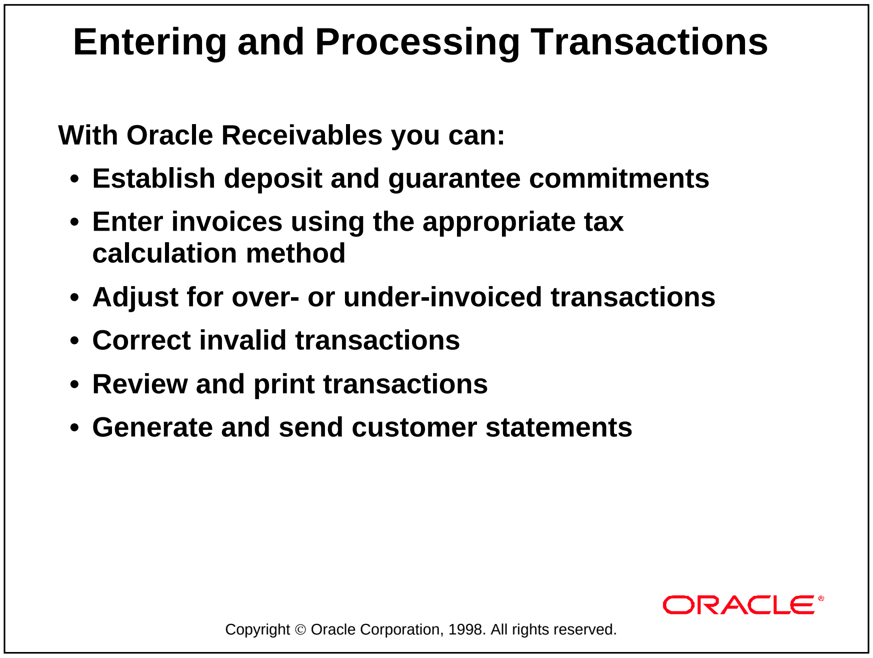


Managing Customers

With Oracle Receivables you can:

- **Group customers into profile classes to streamline credit and collection processing**
- **Enable related customers to establish reciprocal payment and contract terms**
- **Create and maintain customer information**
- **Eliminate any duplicated customer information**
- **Review customer information online and in reports**

Entering and Processing Transactions

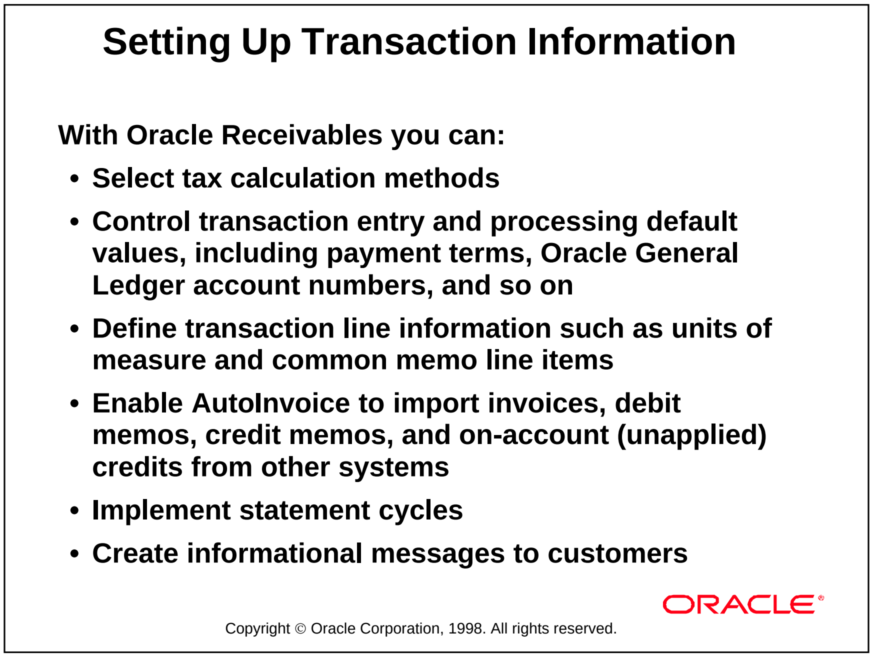


Entering and Processing Transactions

With Oracle Receivables you can:

- **Establish deposit and guarantee commitments**
- **Enter invoices using the appropriate tax calculation method**
- **Adjust for over- or under-invoiced transactions**
- **Correct invalid transactions**
- **Review and print transactions**
- **Generate and send customer statements**

Setting Up Transaction Information

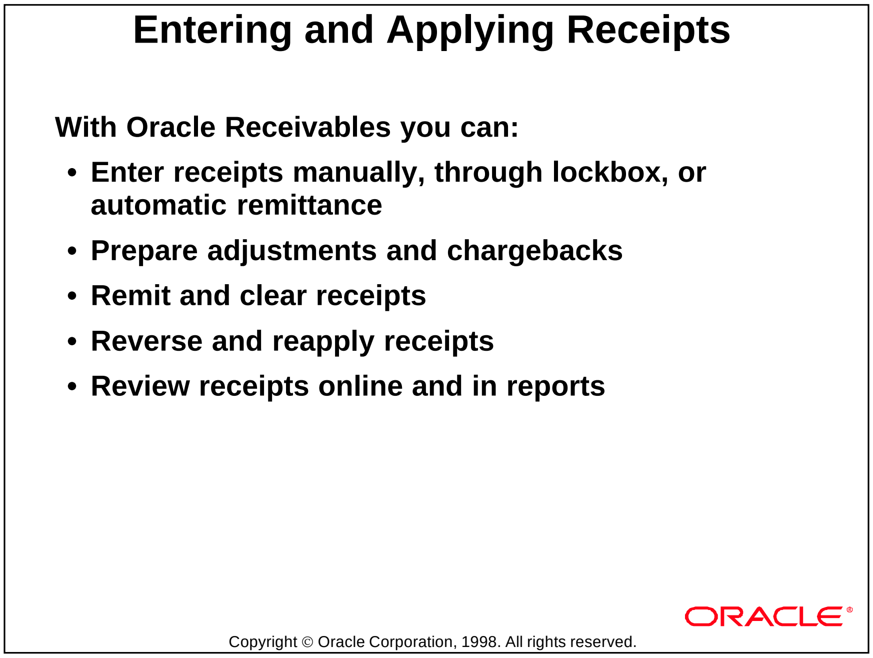


Setting Up Transaction Information

With Oracle Receivables you can:

- Select tax calculation methods
- Control transaction entry and processing default values, including payment terms, Oracle General Ledger account numbers, and so on
- Define transaction line information such as units of measure and common memo line items
- Enable AutoInvoice to import invoices, debit memos, credit memos, and on-account (unapplied) credits from other systems
- Implement statement cycles
- Create informational messages to customers

Entering and Applying Receipts



Entering and Applying Receipts

With Oracle Receivables you can:

- **Enter receipts manually, through lockbox, or automatic remittance**
- **Prepare adjustments and chargebacks**
- **Remit and clear receipts**
- **Reverse and reapply receipts**
- **Review receipts online and in reports**

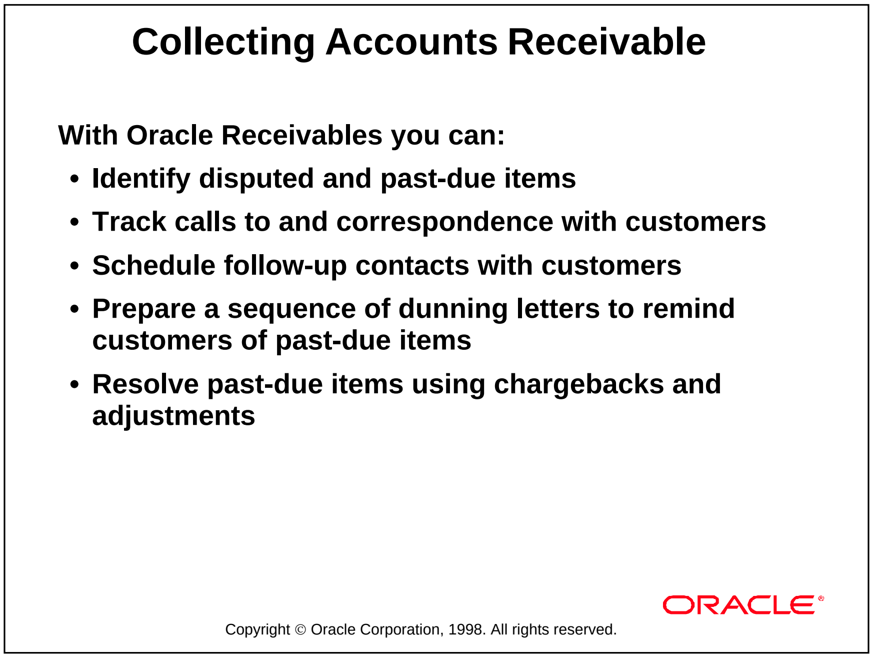
Setting Up Receipt Information

Setting Up Receipt Information

With Oracle Receivables you can:

- **Enter banking and accounting information before entering and processing receipts**
- **Identify lockboxes to import receipt and application information from banks**

Collecting Accounts Receivable

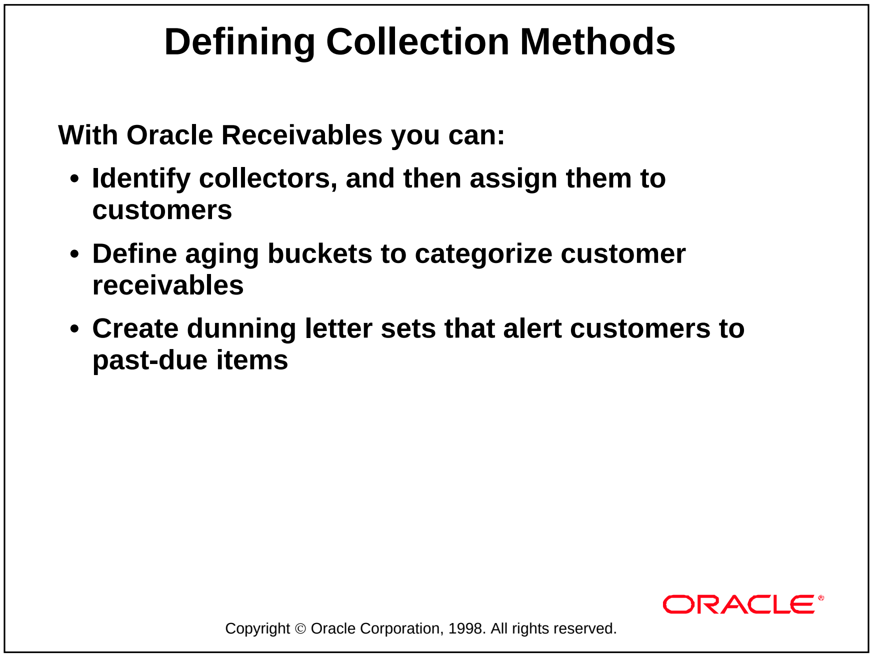


Collecting Accounts Receivable

With Oracle Receivables you can:

- **Identify disputed and past-due items**
- **Track calls to and correspondence with customers**
- **Schedule follow-up contacts with customers**
- **Prepare a sequence of dunning letters to remind customers of past-due items**
- **Resolve past-due items using chargebacks and adjustments**

Defining Collection Methods



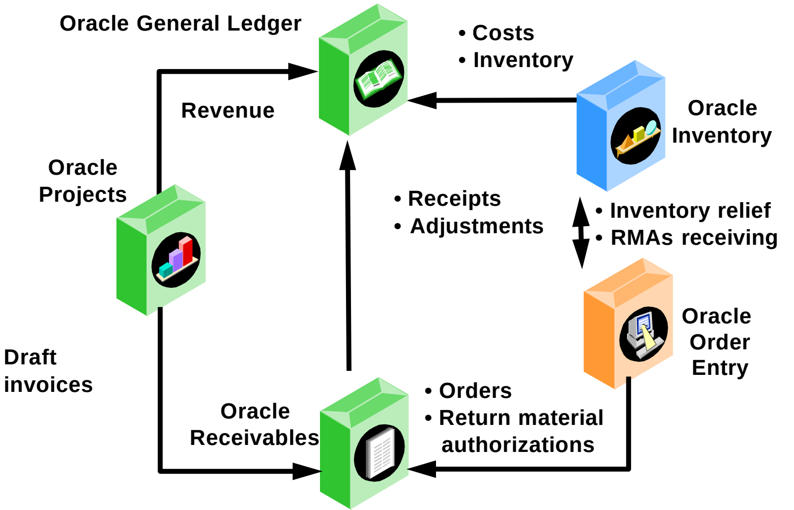
Defining Collection Methods

With Oracle Receivables you can:

- **Identify collectors, and then assign them to customers**
- **Define aging buckets to categorize customer receivables**
- **Create dunning letter sets that alert customers to past-due items**

Oracle Applications Transaction Flow

Transaction Flow



Oracle General Ledger

- Costs
- Inventory

Oracle Inventory

Revenue

Oracle Projects

- Receipts
- Adjustments

- Inventory relief
- RMAs receiving

Oracle Order Entry

Draft invoices

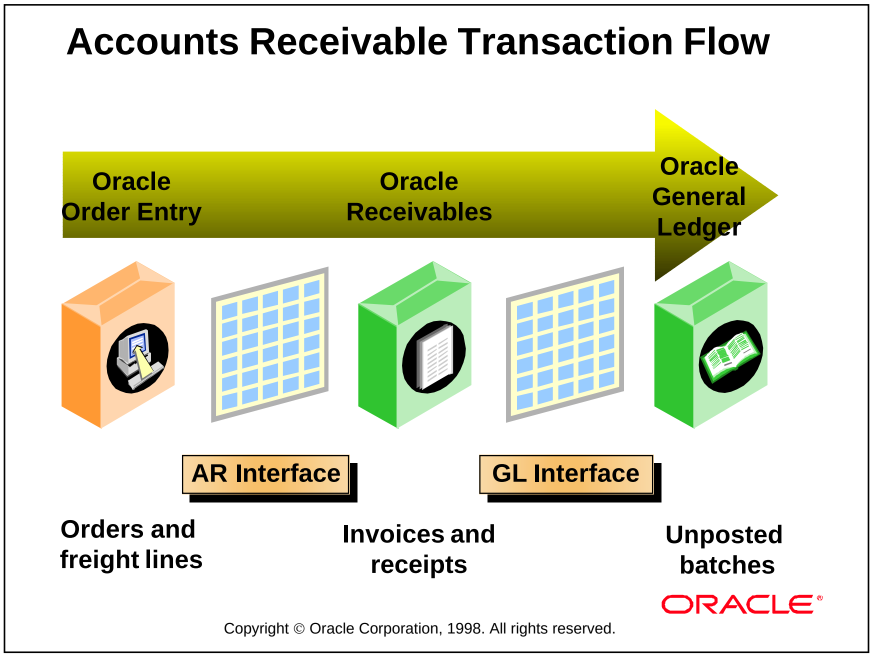
Oracle Receivables

- Orders
- Return material authorizations

Transaction Flow Among Oracle Applications

Transactions flow directly to Oracle Receivables from Oracle Order Entry and Oracle Projects. Other transactions, including journal entries, flow from Oracle Receivables to Oracle General Ledger.

Accounts Receivable Transaction Flow



Accounts Receivable Transaction Flow

Oracle Order Entry

Oracle Receivables

Oracle General Ledger

AR Interface

GL Interface

Orders and freight lines

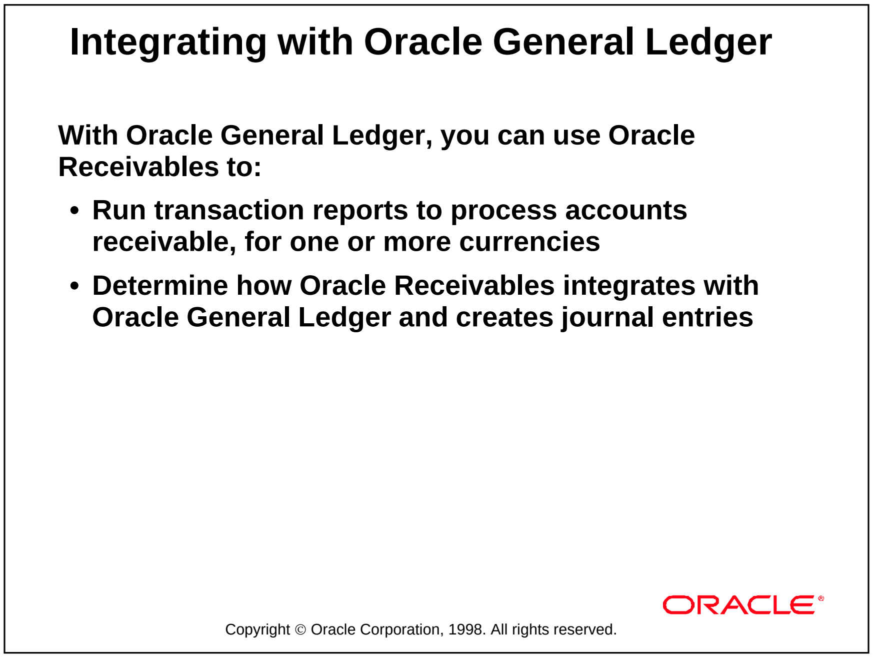
Invoices and receipts

Unposted batches

Transaction Inflow Through Interfaces

The usual flow of transactions data includes interface tables that act as intermediary tables between Oracle applications. The interface tables collect data from source systems and map the data to the appropriate attribute columns.

Integrating with Oracle General Ledger

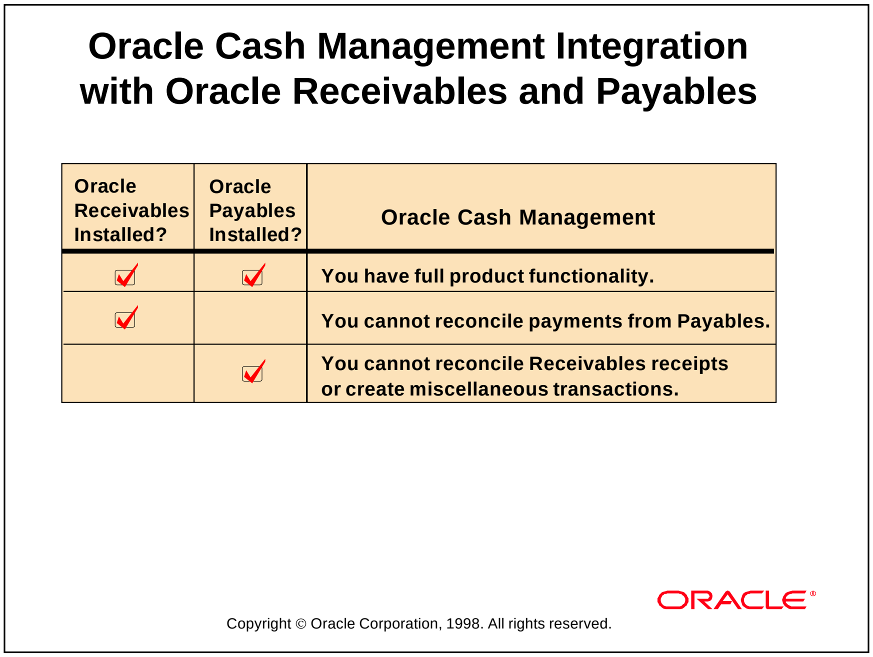


Integrating with Oracle General Ledger

With Oracle General Ledger, you can use Oracle Receivables to:

- **Run transaction reports to process accounts receivable, for one or more currencies**
- **Determine how Oracle Receivables integrates with Oracle General Ledger and creates journal entries**

Oracle Cash Management Integration

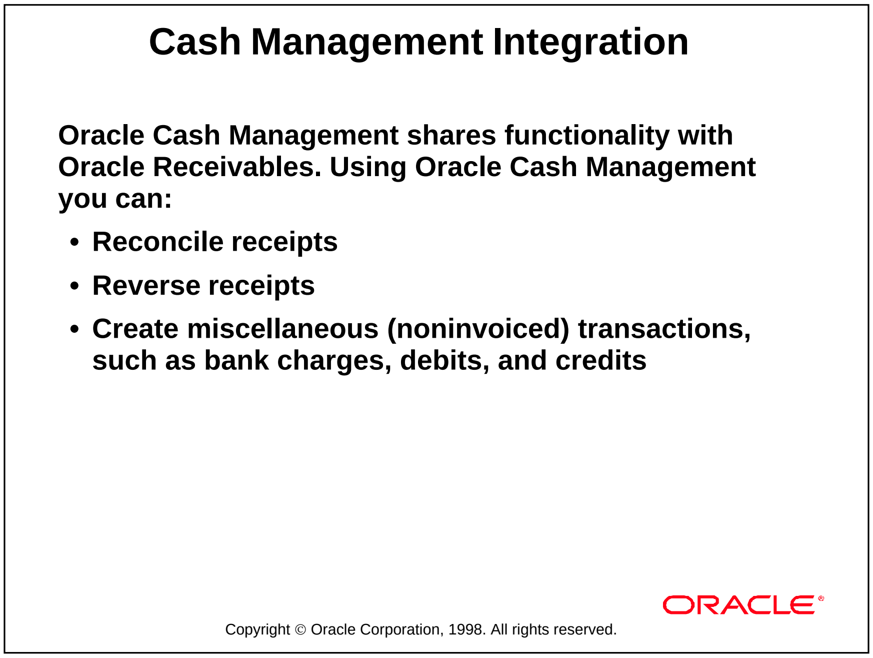


Oracle Cash Management Integration with Oracle Receivables and Payables

Oracle Receivables Installed?	Oracle Payables Installed?	Oracle Cash Management
☑	☑	You have full product functionality.
☑		You cannot reconcile payments from Payables.
	☑	You cannot reconcile Receivables receipts or create miscellaneous transactions.

Oracle Cash Management Integration

- Use Oracle Cash Management to import your bank statements, then to reconcile the details of the statements against payments (Oracle Payables), receipts (Oracle Receivables), and journal entries (Oracle General Ledger).
- You can create and reconcile miscellaneous transactions, such as bank charges, that originate from any applications other than Oracle Payables, Oracle Receivables, or Oracle General Ledger. Also, you can use Oracle Cash Management reports to review your bank account activity.



Cash Management Integration

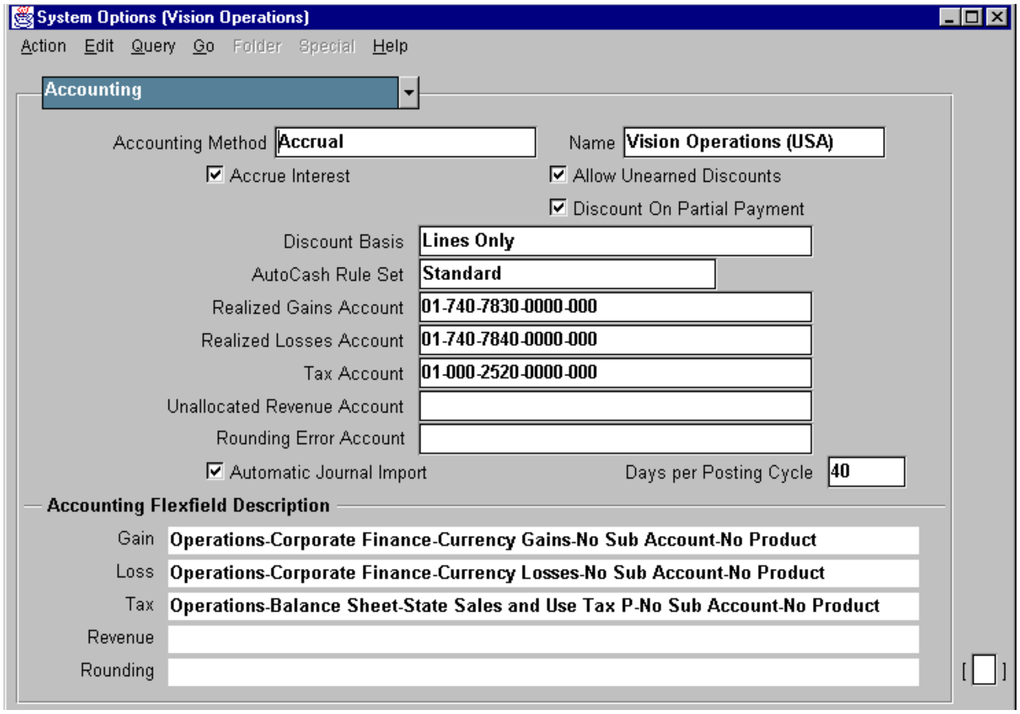
Oracle Cash Management shares functionality with Oracle Receivables. Using Oracle Cash Management you can:

- **Reconcile receipts**
- **Reverse receipts**
- **Create miscellaneous (noninvoiced) transactions, such as bank charges, debits, and credits**

Reconciling Receipts with Oracle Receivables

- If you clear receipts in Oracle Receivables, the receipts are cleared but not reconciled against a bank statement.
- If you use Oracle Receivables, you must use Oracle Cash Management to reconcile your receipts.

Overview of System Options


System Options (Vision Operations)
Action Edit Query Go Folder Special Help

Accounting

Accounting Method: Accrual

Name: Vision Operations (USA)

☑ Accrue Interest

☑ Allow Unearned Discounts

☑ Discount On Partial Payment

Discount Basis: Lines Only

AutoCash Rule Set: Standard

Realized Gains Account: 01-740-7830-0000-000

Realized Losses Account: 01-740-7840-0000-000

Tax Account: 01-000-2520-0000-000

Unallocated Revenue Account:

Rounding Error Account:

☑ Automatic Journal Import

Days per Posting Cycle: 40

Accounting Flexfield Description

Gain: Operations-Corporate Finance-Currency Gains-No Sub Account-No Product

Loss: Operations-Corporate Finance-Currency Losses-No Sub Account-No Product

Tax: Operations-Balance Sheet-State Sales and Use Tax P-No Sub Account-No Product

Revenue:

Rounding:

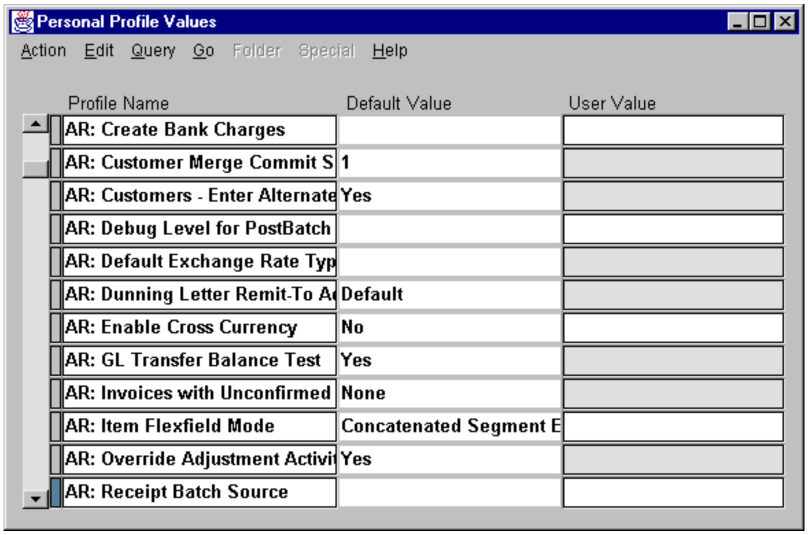
System Options

(N) Setup—>System—>System Options

Many of the system options available in Oracle Receivables are explained throughout this course. These options appear in the alternative regions of the System Options window. Some of the options in these regions are:

- Accounting region: Accrual or cash basis accounting method, early payment discount treatment, Oracle General Ledger account numbers for selected accounts, foreign exchange gain and loss account numbers, and so on
- Tax region: Method used to calculate transaction based taxes (sales tax and value-added taxes), location structures, rounding of tax amounts, and so on
- Tax Default and Rules region: Default tax codes, exemption and exception handling, and so on
- Transactions and Customers region: Automatic site and customer numbering, printing of transactions, permitting the deletion of transactions, and so on
- Miscellaneous region: Printing of remit-to addresses on transactions, number of invoices processed per commit, default receipt application rules, and so on

Overview of Profile Options



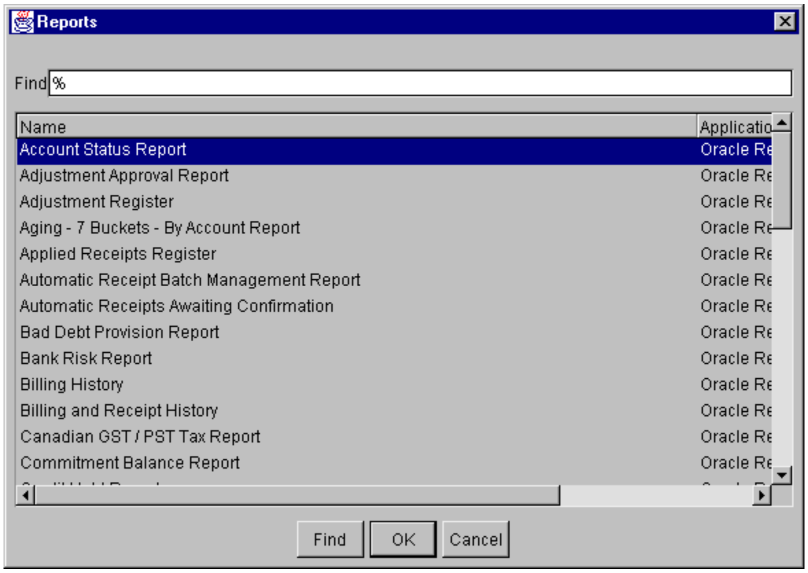
Profile Name	Default Value	User Value
AR: Create Bank Charges		
AR: Customer Merge Commit S	1	
AR: Customers - Enter Alternate	Yes	
AR: Debug Level for PostBatch		
AR: Default Exchange Rate Typ		
AR: Dunning Letter Remit-To A	Default	
AR: Enable Cross Currency	No	
AR: GL Transfer Balance Test	Yes	
AR: Invoices with Unconfirmed	None	
AR: Item Flexfield Mode	Concatenated Segment E	
AR: Override Adjustment Activi	Yes	
AR: Receipt Batch Source		

Personal Profile Values

(N) Control—>Profile Options

Thirty profile options are available to control an individual’s capability to access and change data or options in Oracle Receivables. Because some of these options have a broad impact on the data maintained by Oracle Receivables, these options should be carefully controlled as part of the implementation process or when adding new users. The ability to set profile options is often restricted to application system administrators.

Overview of Standard Reports



Find %

Name	Applicatio
Account Status Report	Oracle Re
Adjustment Approval Report	Oracle Re
Adjustment Register	Oracle Re
Aging - 7 Buckets - By Account Report	Oracle Re
Applied Receipts Register	Oracle Re
Automatic Receipt Batch Management Report	Oracle Re
Automatic Receipts Awaiting Confirmation	Oracle Re
Bad Debt Provision Report	Oracle Re
Bank Risk Report	Oracle Re
Billing History	Oracle Re
Billing and Receipt History	Oracle Re
Canadian GST / PST Tax Report	Oracle Re
Commitment Balance Report	Oracle Re

Reports

(N) Reports—>Accounting (or Collections, Listing, Other, and View)

More than 100 standard reports are available from Oracle Receivables. Reports can be generated individually or as part of a report set.

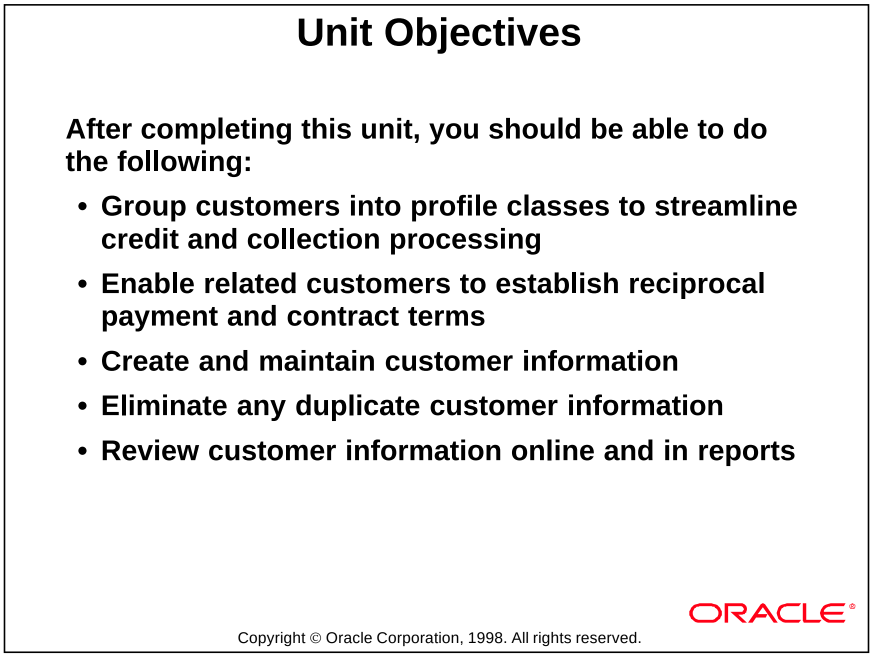
Unit I

Customers

2

Unit Introduction

Unit Objectives

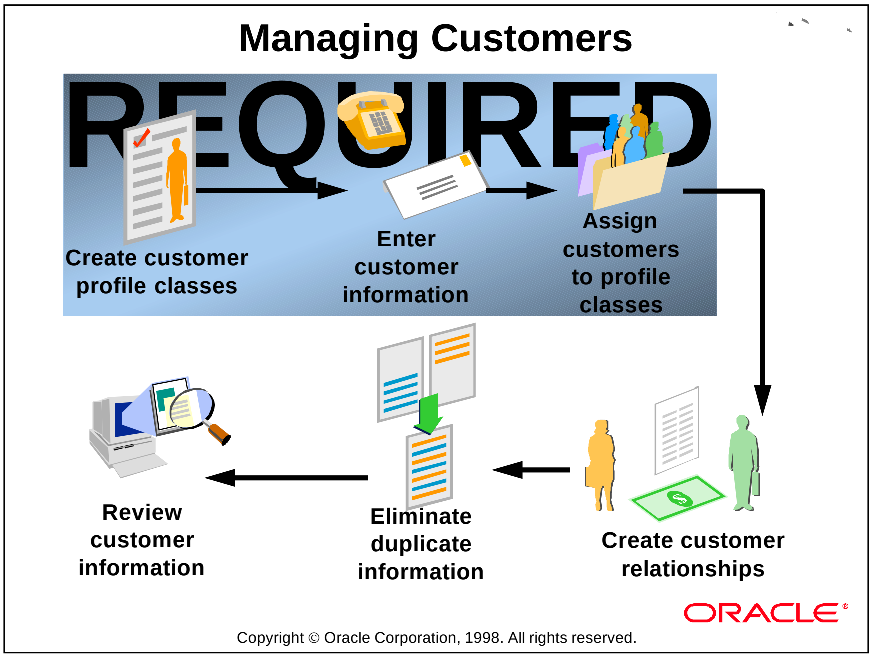


Unit Objectives

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

- **Group customers into profile classes to streamline credit and collection processing**
- **Enable related customers to establish reciprocal payment and contract terms**
- **Create and maintain customer information**
- **Eliminate any duplicate customer information**
- **Review customer information online and in reports**

Unit Overview: Managing Customers



Managing Customers

REQUIRED

Create customer profile classes

Enter customer information

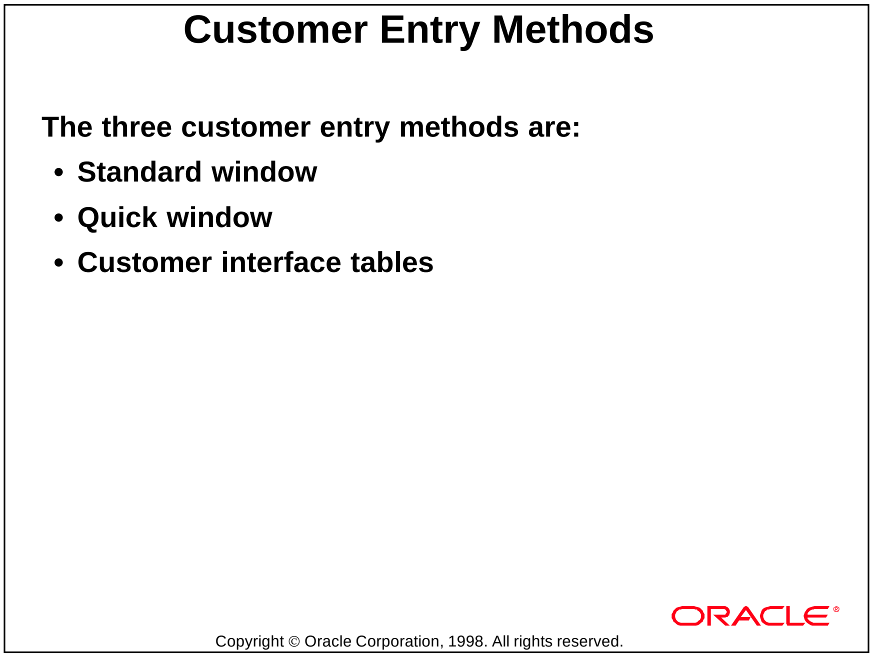
Assign customers to profile classes

Create customer relationships

Eliminate duplicate information

Review customer information

Customer Entry Methods

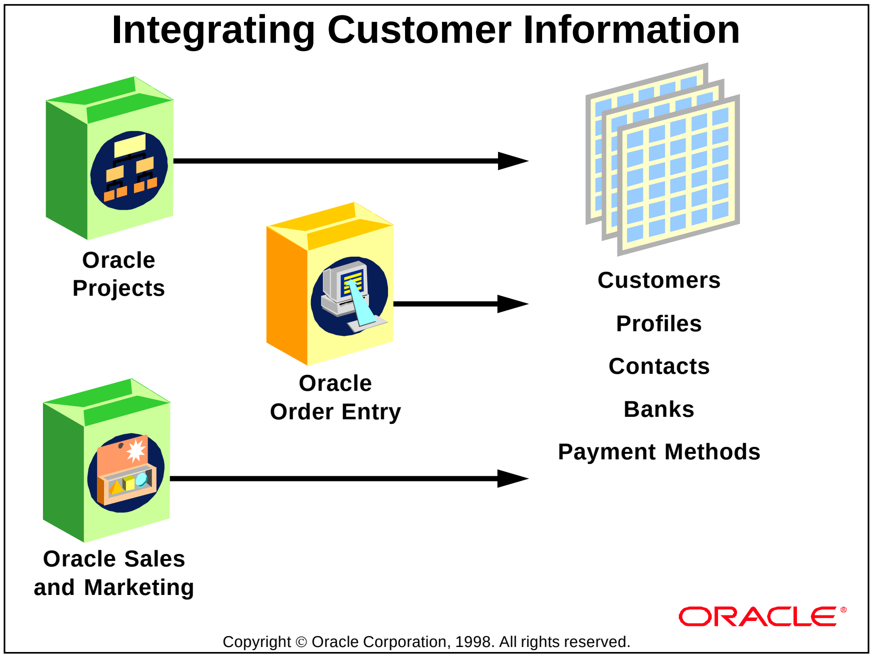


Customer Entry Methods

The three customer entry methods are:

- **Standard window**
- **Quick window**
- **Customer interface tables**

Integrating Customer Information



Integrating Customer Information

Oracle Projects

Oracle Order Entry

Oracle Sales and Marketing

Customers

Profiles

Contacts

Banks

Payment Methods

Entering or Importing Customer Information

Customer information can be entered directly into Oracle Receivables or imported through interface tables from other Oracle Applications.

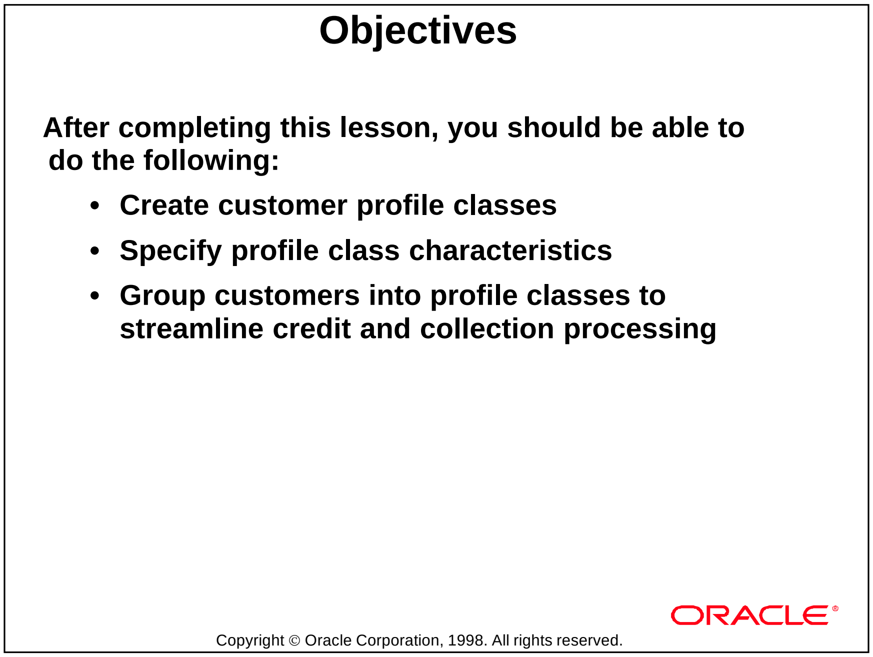
The first two tables can be used to provide customer and profile class information required for all implementations of Oracle Receivables.

Customer Interface Tables	
Table Name	**Contains Items Such As**
RA_CUSTOMERS_INTERFACE_ALL	Name, number, location
RA_CUSTOMER_PROFILES_INT_ALL	Profile class information (credit, and so on)
RA_CONTACT_PHONES_INT_ALL	Contact name, phone, email
RA_CUSTOMER_BANKS_INTERFACE	Account, location, currency
RA_CUST_PAY_METHOD_INTERFACE	Payment receipt methods

3

Defining Customer Profile Classes

Objectives

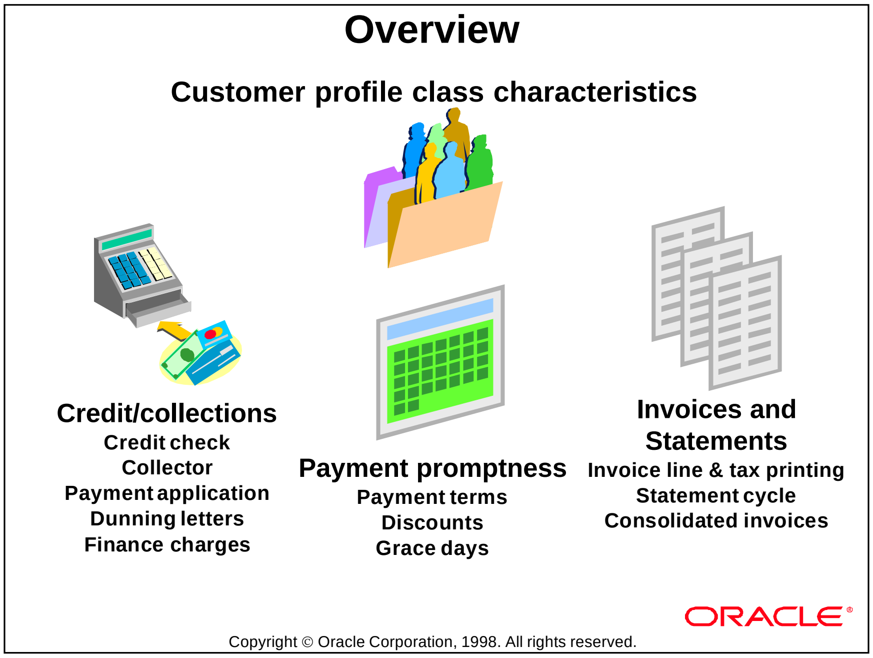


Objectives

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

- **Create customer profile classes**
- **Specify profile class characteristics**
- **Group customers into profile classes to streamline credit and collection processing**

Overview



Overview

Customer profile class characteristics

Credit/collections
Credit check
Collector
Payment application
Dunning letters
Finance charges

Payment promptness
Payment terms
Discounts
Grace days

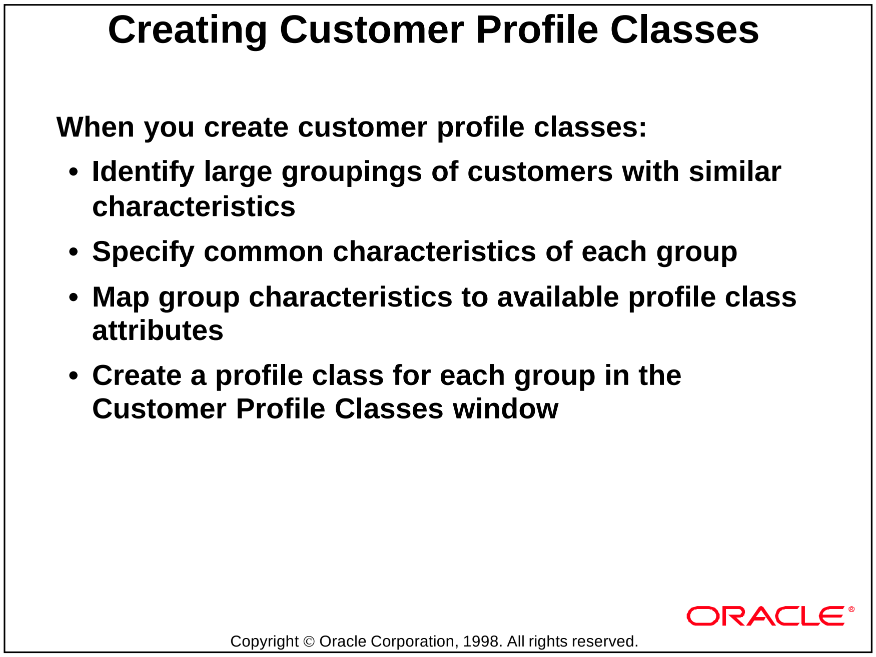
Invoices and Statements
Invoice line & tax printing
Statement cycle
Consolidated invoices

Creating Customer Profile Classes

To make the creation of new customers in 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 customers’s payment terms to Cash On Delivery.

Creating Customer Profile Classes



Creating Customer Profile Classes

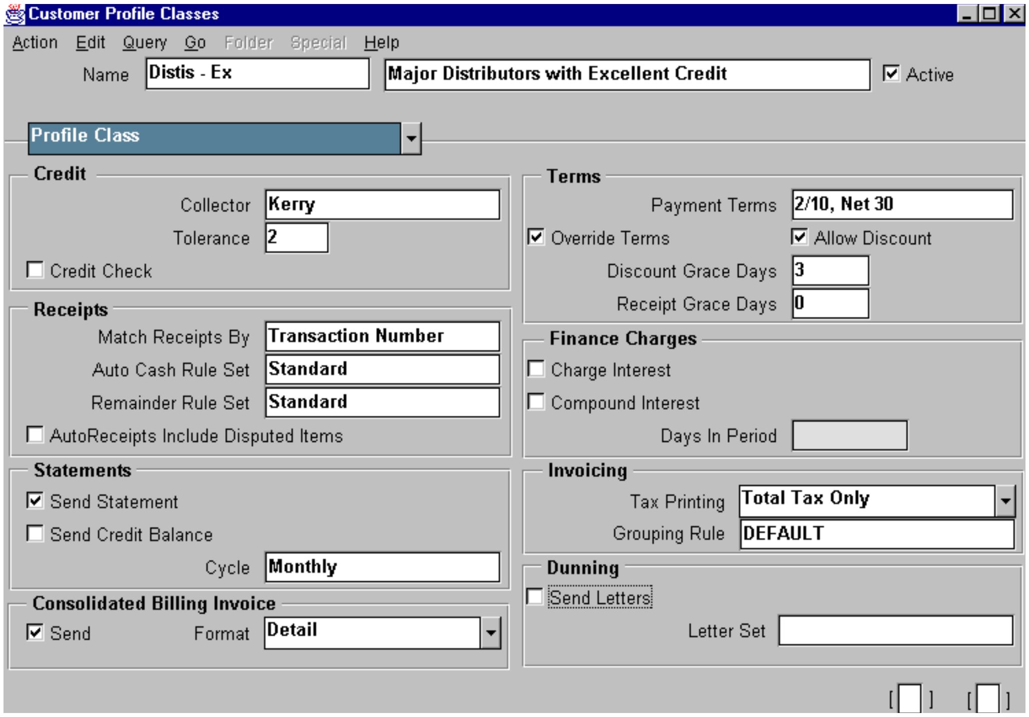
When you create customer profile classes:

- **Identify large groupings of customers with similar characteristics**
- **Specify common characteristics of each group**
- **Map group characteristics to available profile class attributes**
- **Create a profile class for each group in the Customer Profile Classes window**

Customer Profile Classes

- Based on current business practices, identify a few commonly used groupings of similar customers. Most organizations should be able to identify five to ten groups.
- For each group, specify the characteristics that describe the group. Consider characteristics related to credit requirements such as collection activities, payment terms, and invoice and statement distribution.
- Using the characteristics specified for each group, map them to the profile class attributes available in Oracle Receivables.
- For each group, create a profile class in the Customer Profile Classes window.

Profile Class Example



Name: Distis - Ex | Major Distributors with Excellent Credit ☑ Active

Credit
Collector: Kerry
Tolerance: 2
☐ Credit Check

Receipts
Match Receipts By: Transaction Number
Auto Cash Rule Set: Standard
Remainder Rule Set: Standard
☐ AutoReceipts Include Disputed Items

Statements
☑ Send Statement
☐ Send Credit Balance
Cycle: Monthly

Consolidated Billing Invoice
☑ Send
Format: Detail

Terms
Payment Terms: 2/10, Net 30
☑ Override Terms
☑ Allow Discount
Discount Grace Days: 3
Receipt Grace Days: 0

Finance Charges
☐ Charge Interest
☐ Compound Interest
Days In Period:

Invoicing
Tax Printing: Total Tax Only
Grouping Rule: DEFAULT

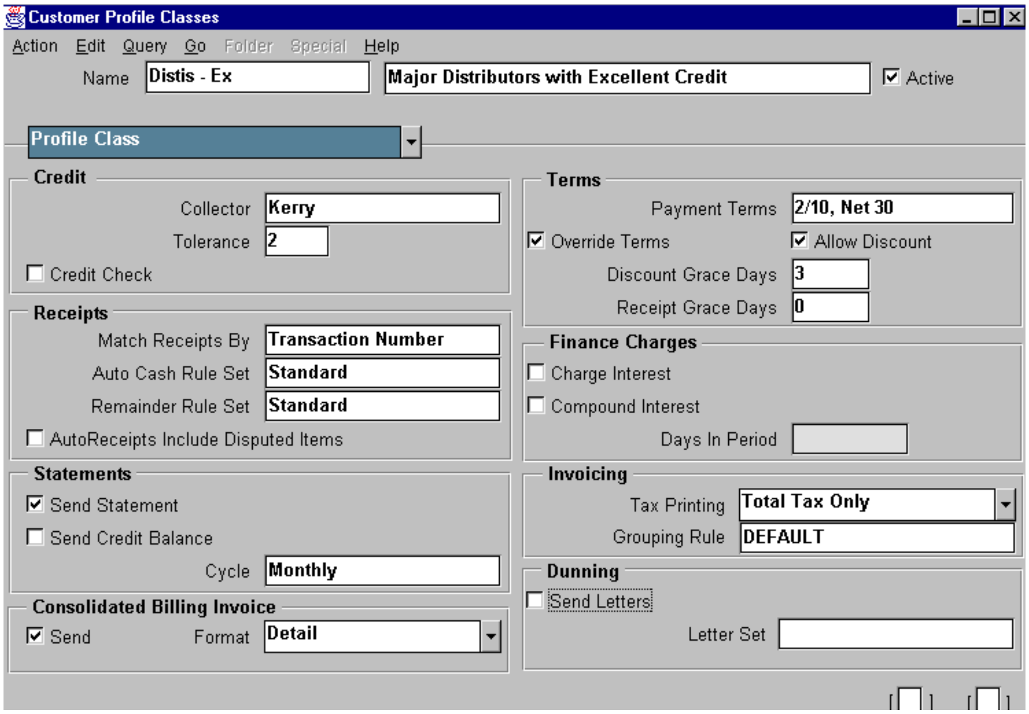
Dunning
☐ Send Letters
Letter Set:

Customer Profile Classes: Profile Class Region

(N) Customers—>Profile Classes

In the Customer Profile Classes window, the Profile Class region shows some of the characteristics that you use to define a profile class. This profile class is named Distis Ex, because it consists of large distributors that have excellent credit ratings:

- Credit: Kerry is assigned as the collector for all large distributors. Because these are very good customers, they are allowed to exceed their credit limits by two percent. And because their credit rating is excellent, a credit check does not have to be done in Oracle Order Entry before an order can be entered. You can only do credit checking between Oracle Order Entry and Oracle Receivables.
- Receipts: Payments from these customers are matched against outstanding invoices using a set of rules called Standard. Payments are not applied to disputed items.
- Statements: Statements are sent monthly. Because the level of activity is expected to be high, no credit balance statements are expected.
- Dunning: Because there should only be a few customers in this profile class, no standardized dunning letters are used.



Name: Distis - Ex | Major Distributors with Excellent Credit | ☑ Active

Credit
Collector: Kerry
Tolerance: 2
☐ Credit Check

Receipts
Match Receipts By: Transaction Number
Auto Cash Rule Set: Standard
Remainder Rule Set: Standard
☐ AutoReceipts Include Disputed Items

Statements
☑ Send Statement
☐ Send Credit Balance
Cycle: Monthly

Consolidated Billing Invoice
☑ Send
Format: Detail

Terms
Payment Terms: 2/10, Net 30
☑ Override Terms
☑ Allow Discount
Discount Grace Days: 3
Receipt Grace Days: 0

Finance Charges
☐ Charge Interest
☐ Compound Interest
Days In Period:

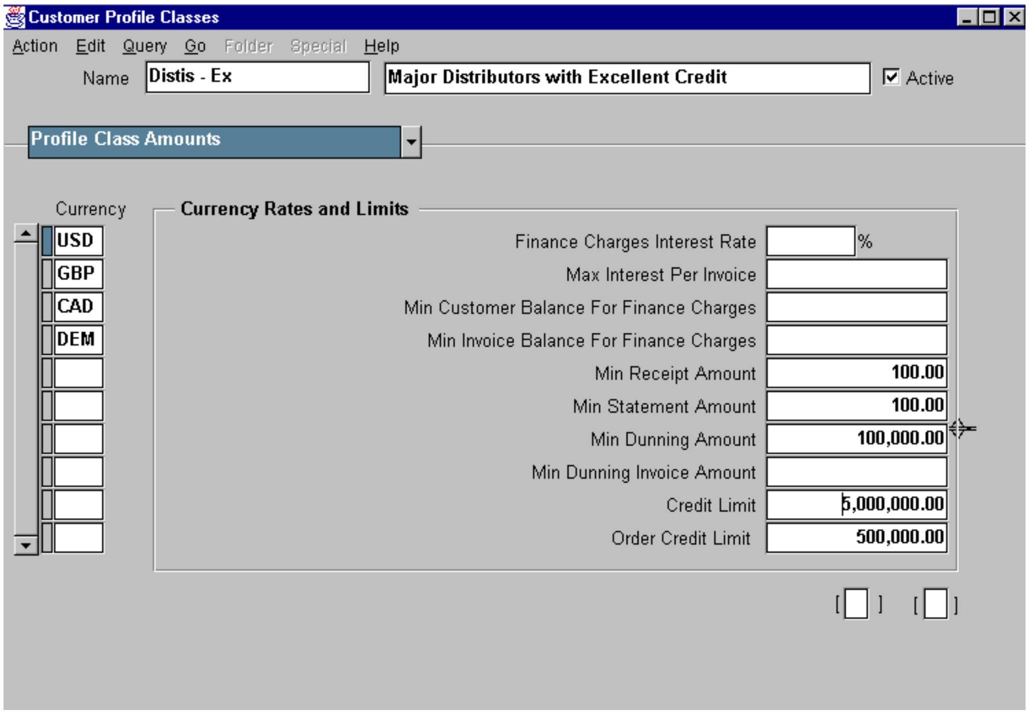
Invoicing
Tax Printing: Total Tax Only
Grouping Rule: DEFAULT

Dunning
☐ Send Letters
Letter Set:

Customer Profile Classes: Profile Class Region (continued)

- Consolidated Billing Invoice: The customer requests a single summary invoice for payment purposes.
- Terms: Customers in this profile class are allowed a two percent discount if they pay invoices within 10 days. On transactions directly entered into Oracle Receivables, terms can be overridden. Although payment should be made within ten days for customers to qualify for the two percent discount, customers in this profile class are given a three-day grace period in case payments are briefly delayed.
- Finance Charges: Because customers are not charged interest for unpaid transactions, whether to compound and the length of the period are not required.
- Invoicing: Because these distributors are not subject to value-added taxes (VAT) and sales taxes are not collected on goods purchased for resale, taxes are seldom collected from these customers. Taxes are totaled at the bottom of invoices, rather than shown on each line. Items on each invoice are grouped using the DEFAULT rules.

Entering Limits by Currency



Name: Distis - Ex — Major Distributors with Excellent Credit ☑ Active

Currency: USD, GBP, CAD, DEM

Currency Rates and Limits

Finance Charges Interest Rate: %
Max Interest Per Invoice:
Min Customer Balance For Finance Charges:
Min Invoice Balance For Finance Charges:
Min Receipt Amount: 100.00
Min Statement Amount: 100.00
Min Dunning Amount: 100,000.00
Min Dunning Invoice Amount:
Credit Limit: 5,000,000.00
Order Credit Limit: 500,000.00

Customer Profile Classes: Profile Class Amounts Region

(N) Customers—>Profile Classes

For each currency that you use for invoicing or payments, set the interest rate for calculating finance charges; establish minimum or maximum limits that control several activities; and specify a credit limit by currency as well as a per order credit limit.

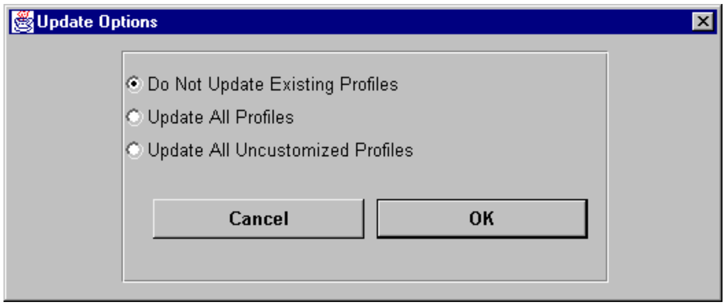
Specifying Credit Limits

- Oracle Order Entry uses the specific currency credit limit and the order credit limit during the credit check process.
- The profile class amounts are independently set for each currency. Oracle Receivables does not accumulate amounts in different currencies into a single total. For example, you determine the total credit limit for a customer as a total of the credit limits set in each currency.

Caution

If a Currency Rates and Limits field is left blank, the amount is unlimited.

Maintaining Existing Profile Classes


Update Options
● Do Not Update Existing Profiles
○ Update All Profiles
○ Update All Uncustomized Profiles
Cancel
OK

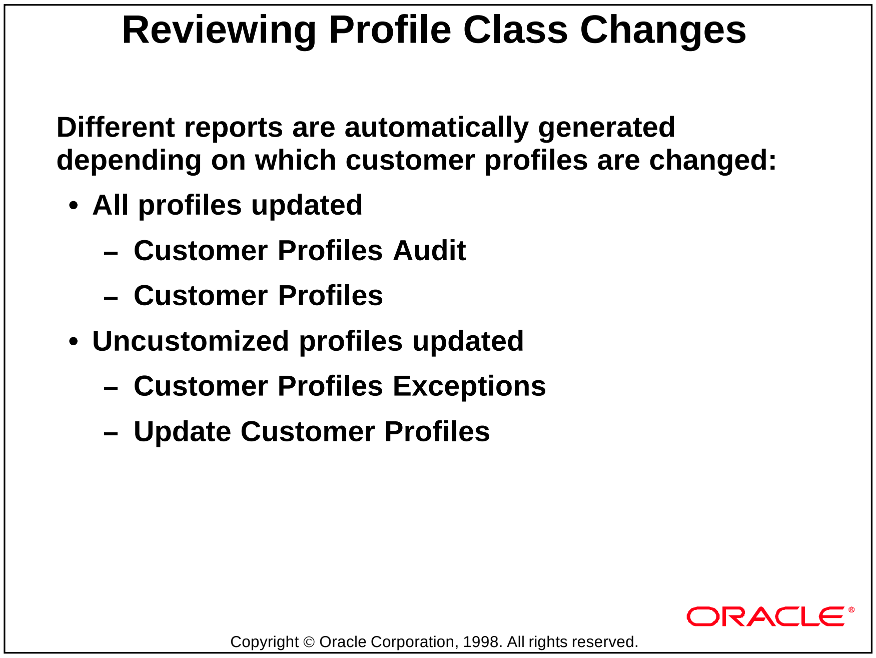
Update Options

Oracle Receivables 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.

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 customer 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**

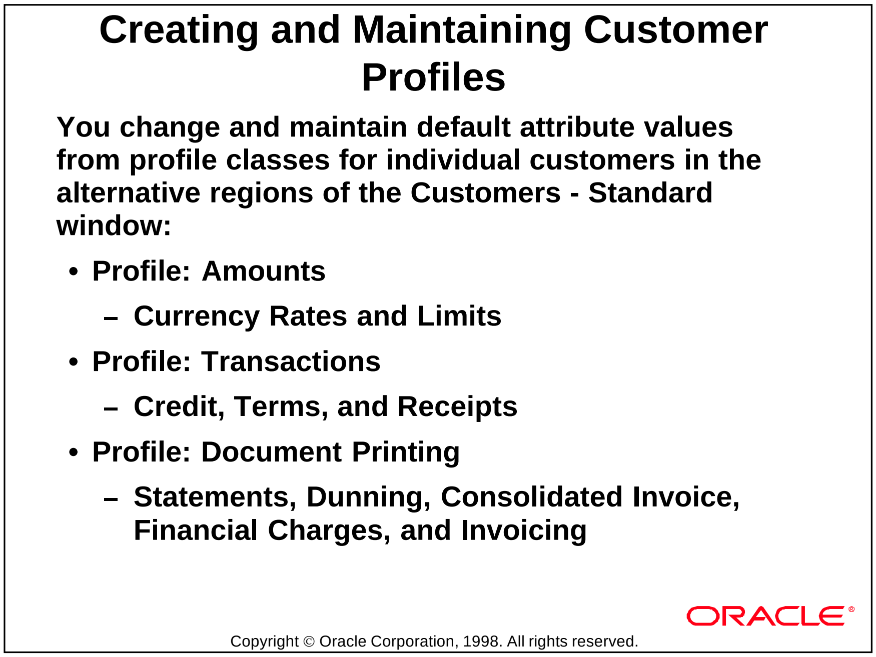
Reports Generated After Changes

When changes to a profile class cause changes to customer profiles, Oracle Receivables 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.

These reports can also be generated on demand, using:

(N) Reports—>Listing—>Name.

Creating and Maintaining Customer Profiles



Creating and Maintaining Customer Profiles

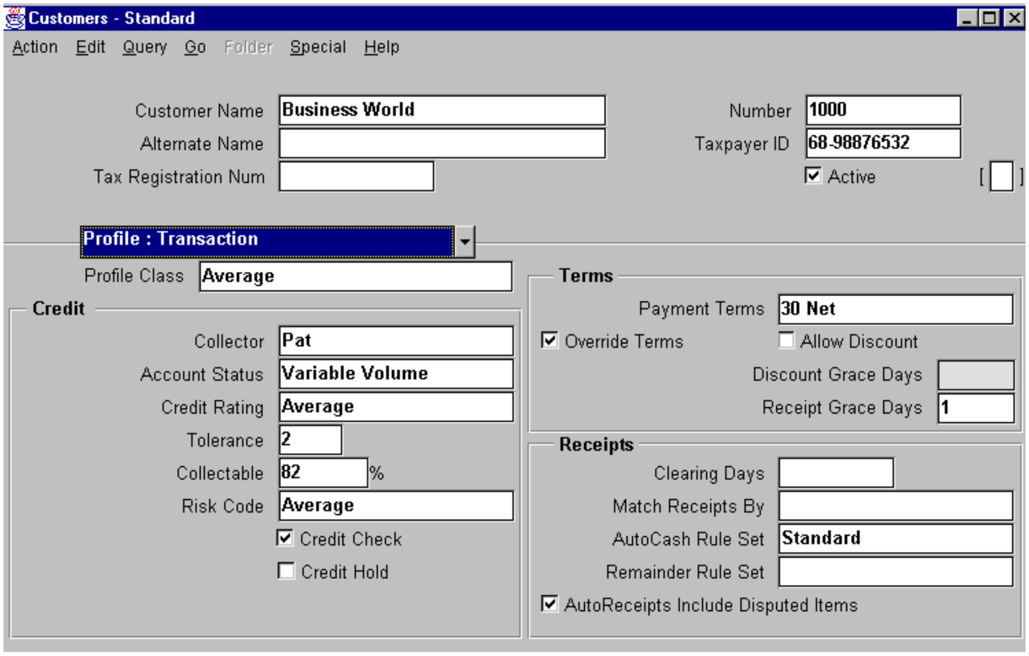
You change and maintain default attribute values from profile classes for individual customers in the alternative regions of the Customers - Standard window:

- **Profile: Amounts**
  - **Currency Rates and Limits**
- **Profile: Transactions**
  - **Credit, Terms, and Receipts**
- **Profile: Document Printing**
  - **Statements, Dunning, Consolidated Invoice, Financial Charges, and Invoicing**

Use the Customers - Standard window to create and maintain new customers.

In the Classification alternative region of the Customers - Standard window, you can assign the profile class, as well as other attributes, to a customer. If no profile class is assigned to a new customer, Oracle Receivables assigns the DEFAULT profile class.

Maintaining Customer Profiles



Customer Name	Business World
Alternate Name	
Tax Registration Num	
Number	1000
Taxpayer ID	68-98876532

☑ Active

Profile : Transaction

Profile Class	Average

Credit

Collector	Pat
Account Status	Variable Volume
Credit Rating	Average
Tolerance	2
Collectable	82 %
Risk Code	Average

☑ Credit Check
☐ Credit Hold

Terms

Payment Terms	30 Net
Discount Grace Days	
Receipt Grace Days	1

☑ Override Terms
☐ Allow Discount

Receipts

Clearing Days	
Match Receipts By	
AutoCash Rule Set	Standard
Remainder Rule Set	

☑ AutoReceipts Include Disputed Items

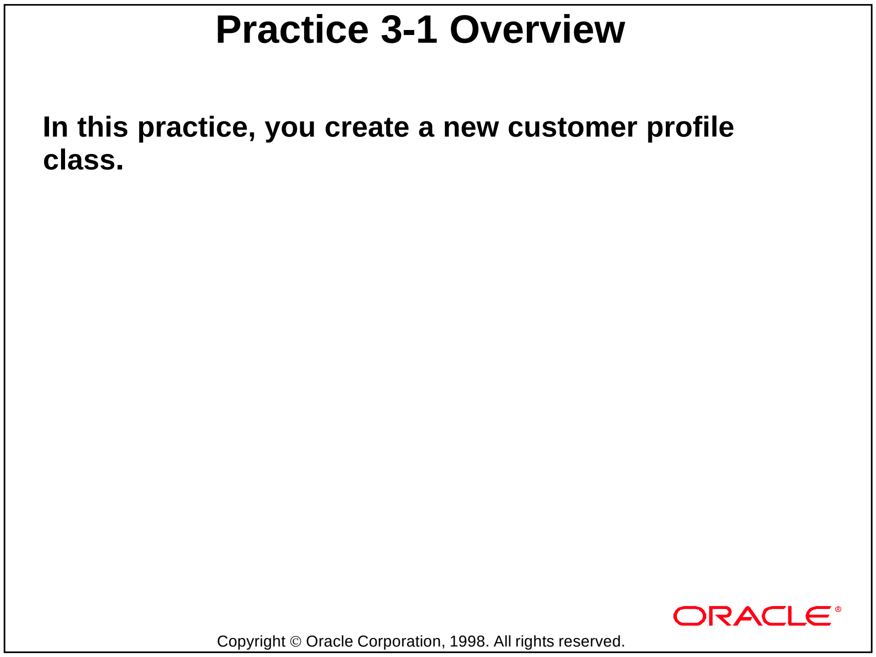
Customers - Standard: Profile: Transactions Region

(N) Customers—>Standard—>Profile: Transactions

To change the attribute values initially set by the profile class for an individual customer, navigate to the Profile:Transaction, Profile:Document Printing, or Profile:Amounts alternative regions in the Customers - Standard window.

The Profile regions include the same attributes that are defined in the Customer Profile Classes window.

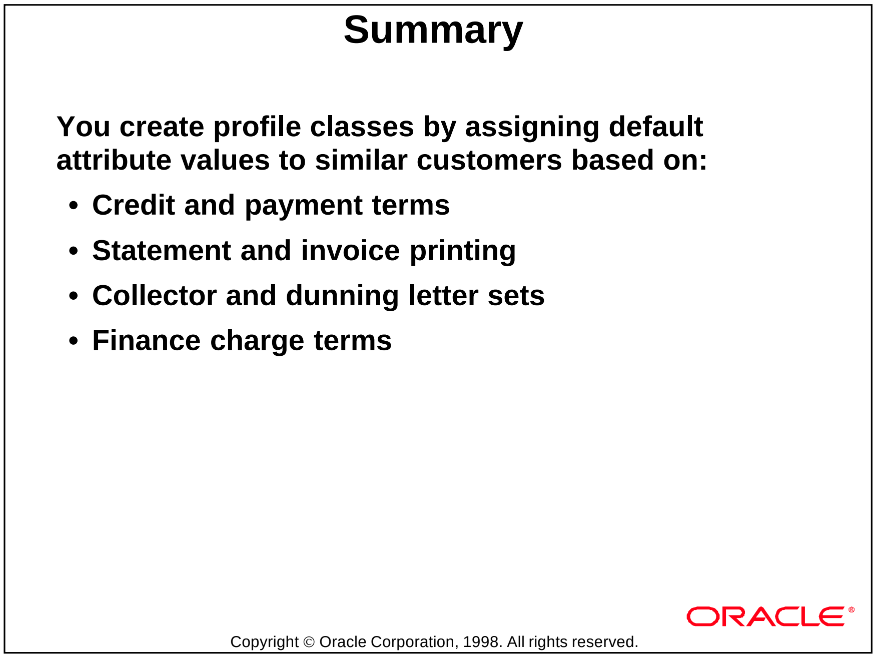
Practice 3-1 Overview



Practice 3-1 Overview

In this practice, you create a new customer profile class.

Summary



Summary

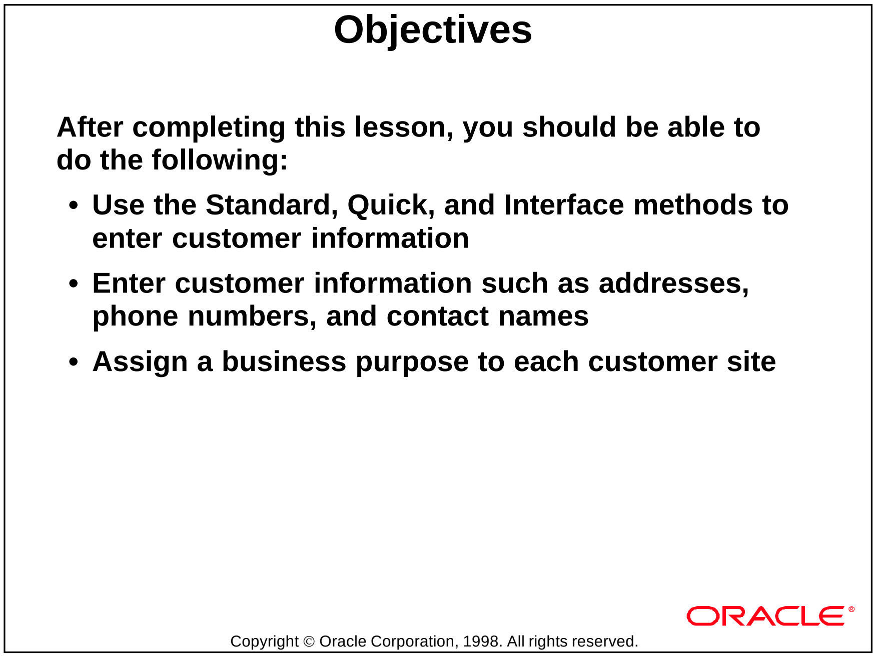
You create profile classes by assigning default attribute values to similar customers based on:

- **Credit and payment terms**
- **Statement and invoice printing**
- **Collector and dunning letter sets**
- **Finance charge terms**

4

Entering Customer Information

Objectives

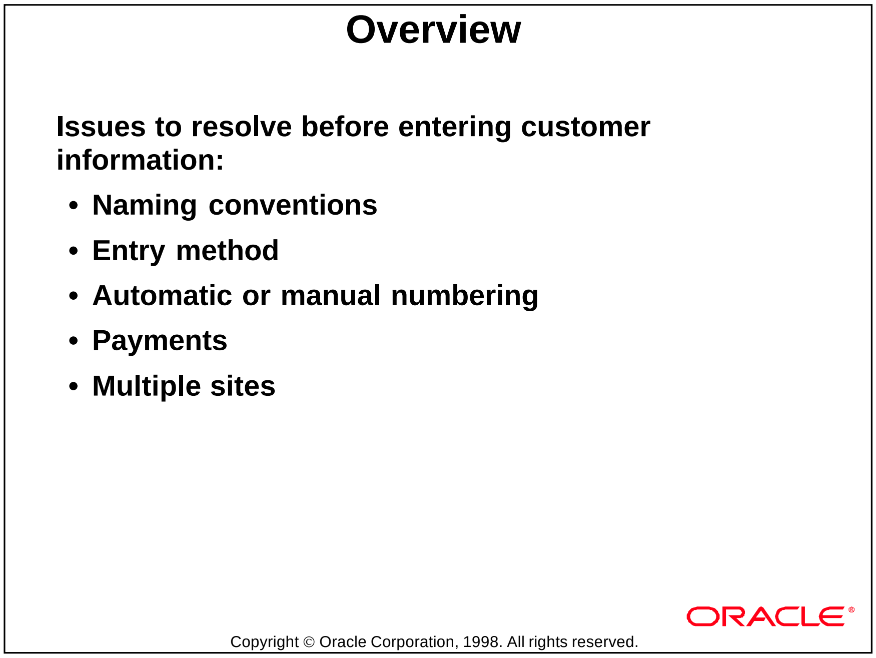


Objectives

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

- **Use the Standard, Quick, and Interface methods to enter customer information**
- **Enter customer information such as addresses, phone numbers, and contact names**
- **Assign a business purpose to each customer site**

Overview



Overview

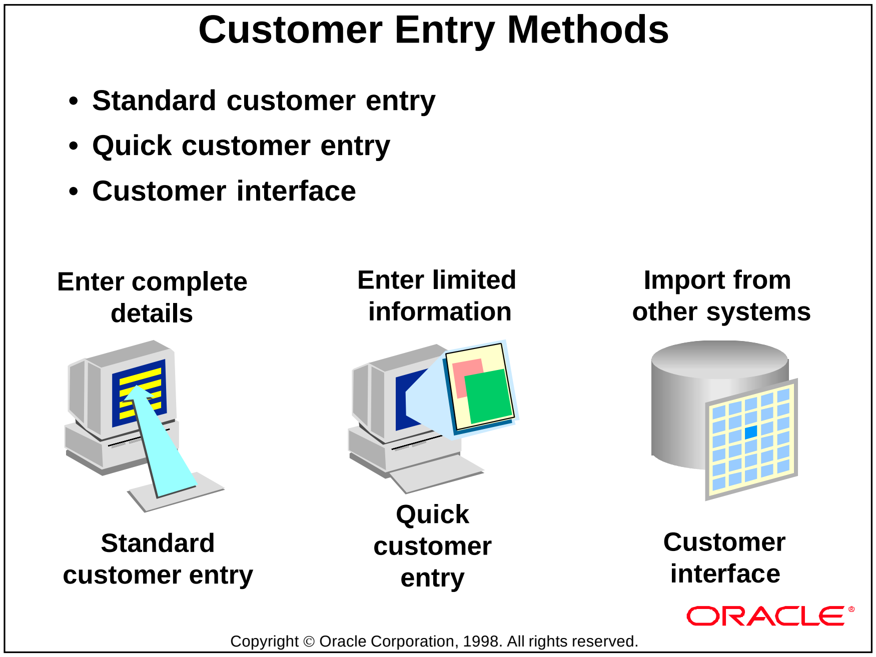
Issues to resolve before entering customer information:

- **Naming conventions**
- **Entry method**
- **Automatic or manual numbering**
- **Payments**
- **Multiple sites**

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.
- Create Customer Class QuickCodes to help identify similar customers; for example by industry, location, channel, and so on. Classes are useful for printing invoices and for customized reports.
- Use the Default Country systems option to set a default value for the Country field when addresses are entered.
- Select a predefined address style or create appropriate Flexible Address styles to be used when entering customer addresses.

Customer Entry Methods



Customer Entry Methods

- Standard customer entry
- Quick customer entry
- Customer interface

Enter complete details

Standard customer entry

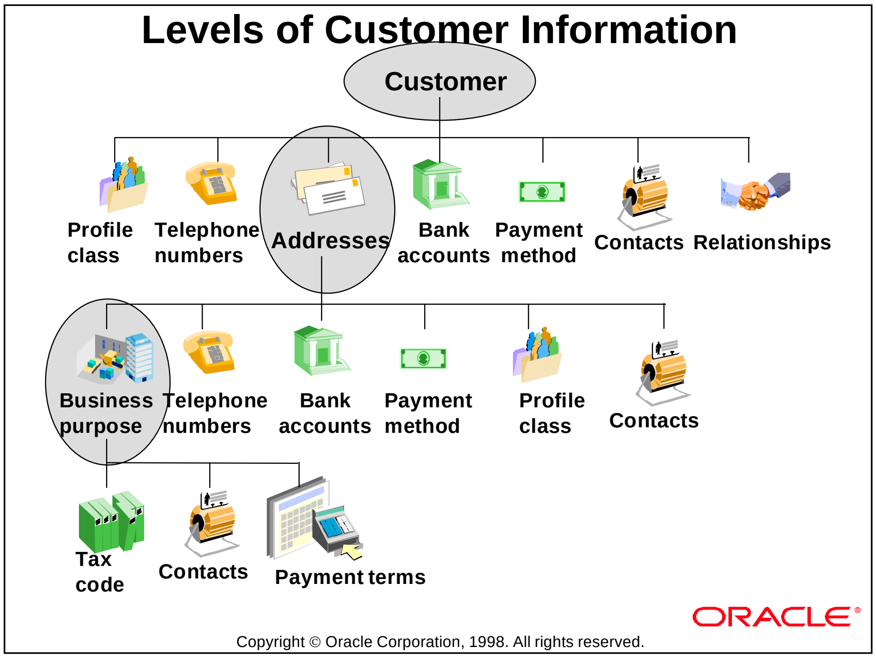
Enter limited information

Quick customer entry

Import from other systems

Customer interface

Levels of Customer Information



Levels of Customer Information

Customer

Profile class
Telephone numbers
Addresses
Bank accounts
Payment method
Contacts
Relationships

Business purpose
Telephone numbers
Bank accounts
Payment method
Profile class
Contacts

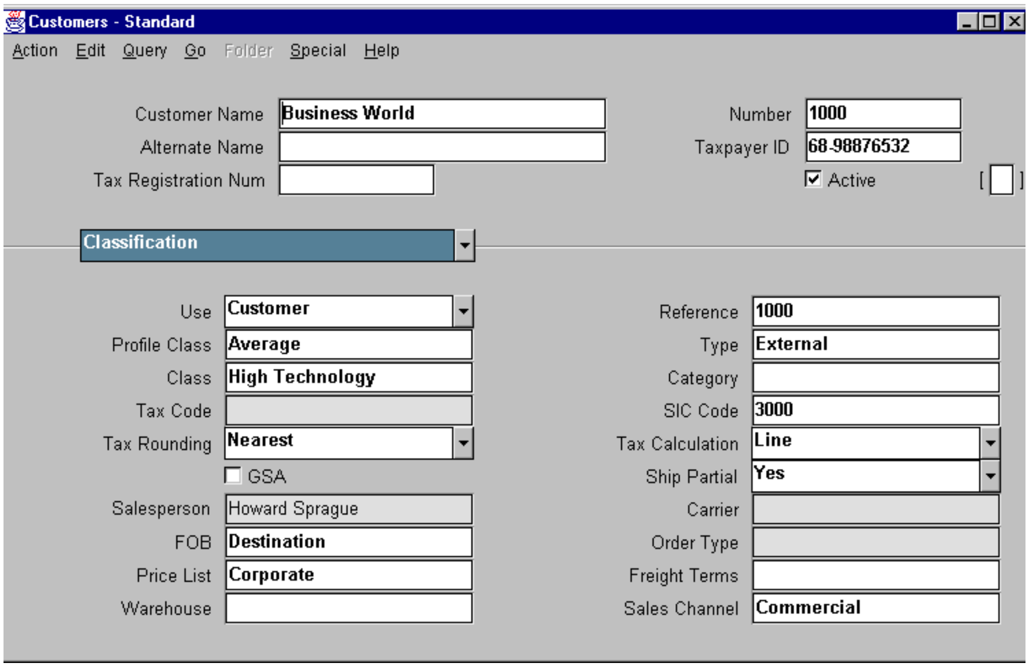
Tax code
Contacts
Payment terms

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.

Entering Customer Information



Customer Name: Business World
Alternate Name:
Tax Registration Num:
Number: 1000
Taxpayer ID: 68-98876532
☑ Active

Use: Customer
Profile Class: Average
Class: High Technology
Tax Code:
Tax Rounding: Nearest
☐ GSA
Salesperson: Howard Sprague
FOB: Destination
Price List: Corporate
Warehouse:
Reference: 1000
Type: External
Category:
SIC Code: 3000
Tax Calculation: Line
Ship Partial: Yes
Carrier:
Order Type:
Freight Terms:
Sales Channel: Commercial

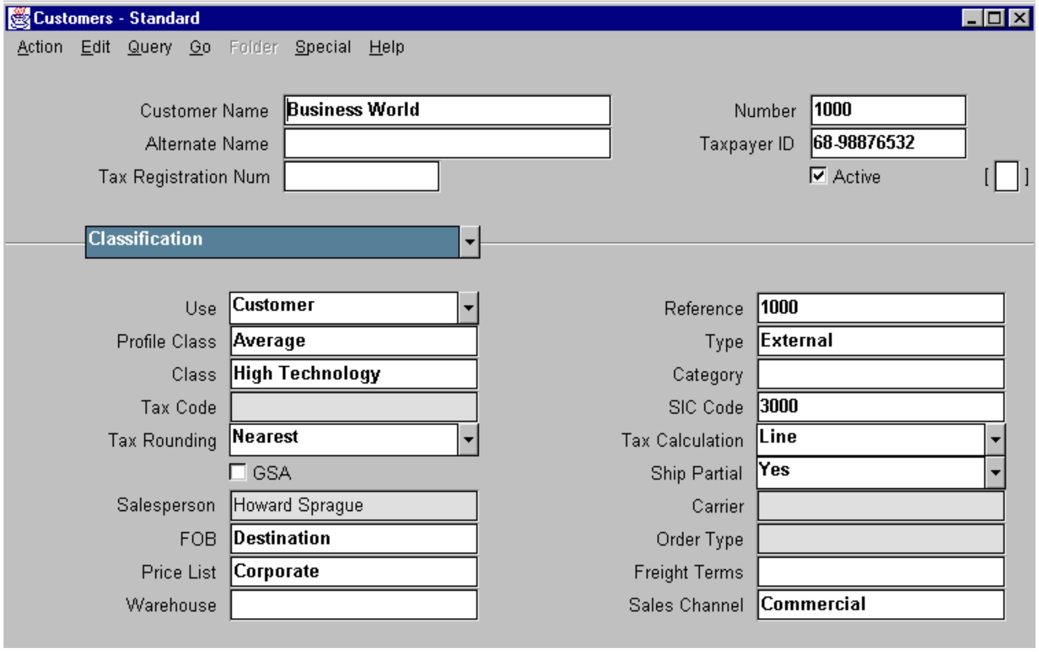
Customers - Standard

(N) Customers—>Standard

Enter customer information in the appropriate alternative regions in the Customers - Standard window. The following fields are the most commonly used:

- Customer name and number. These are required.
- Profile class. The DEFAULT you define will be assigned if nothing is entered.
- Customer telephone number(s). Customer address(es). An address is required.
- Bank account information if the Automatic Receipts payment method is set up.
- Payment method(s).
- Contacts and contact telephone numbers.
- Order entry information.

Standard Customers Window



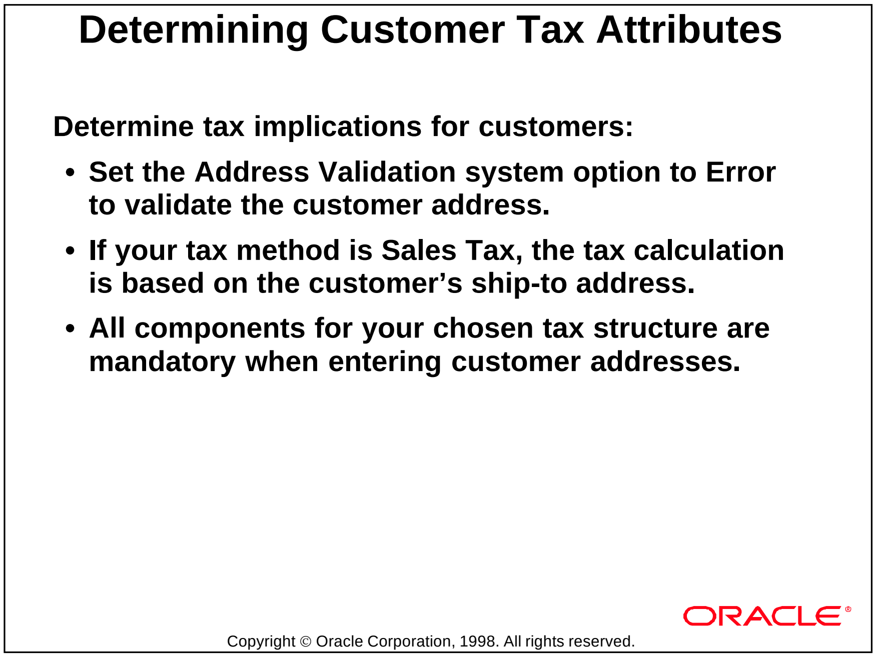
Customer Name	Business World	Number	1000
Alternate Name		Taxpayer ID	68-98876532
Tax Registration Num		☑ Active	
Use	Customer	Reference	1000
Profile Class	Average	Type	External
Class	High Technology	Category	
Tax Code		SIC Code	3000
Tax Rounding	Nearest	Tax Calculation	Line
☐ GSA		Ship Partial	Yes
Salesperson	Howard Sprague	Carrier	
FOB	Destination	Order Type	
Price List	Corporate	Freight Terms	
Warehouse		Sales Channel	Commercial

Customers - Standard

(N) Customers—>Standard

Business Needs	**Options**
Track customer information back to legacy systems.	Enter legacy customer number in the Classification region's Reference field.
Manage customers who have sites with one or more payment locations.	Create multiple addresses. Assign different business purposes to each address.
Identify GSA customers.	Select the GSA check box. Oracle Order Entry will control GSA discounting.
Identify customer order preferences.	Use Ship Partial, Carrier, Salesperson, and other order entry information to identify customer preferences.

Determining Customer Tax Attributes



Determining Customer Tax Attributes

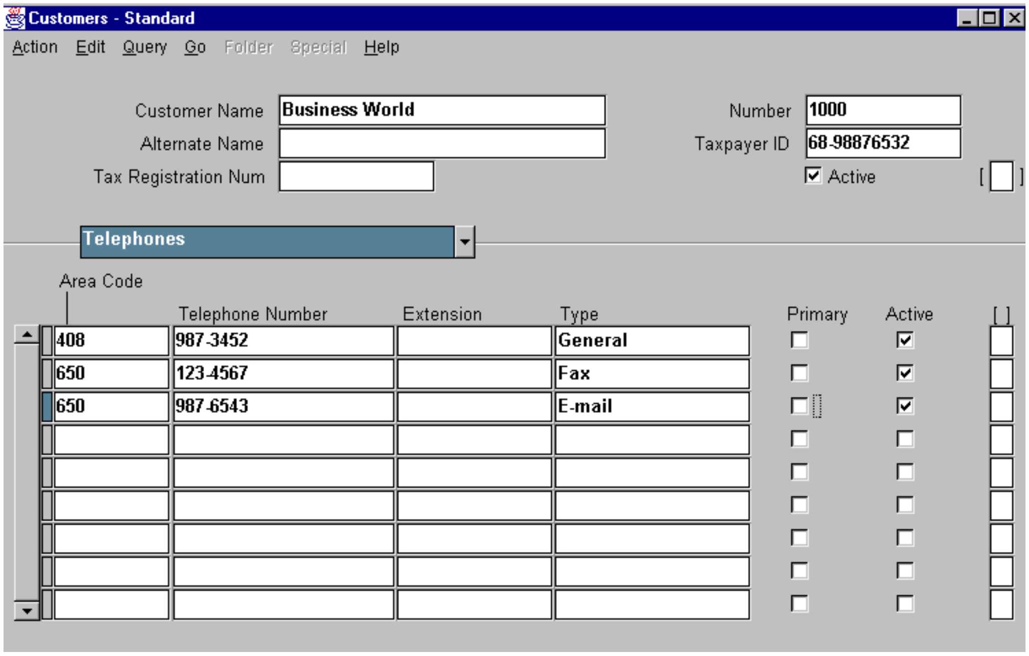
Determine tax implications for customers:

- **Set the Address Validation system option to Error to validate the customer address.**
- **If your tax method is Sales Tax, the tax calculation is based on the customer’s ship-to address.**
- **All components for your chosen tax structure are mandatory when entering customer addresses.**

Entering Partial or Complete Tax Exemptions

- Select Setup—>Taxes and enter tax exemptions for a customer or an item in the Tax Exemptions window.
- Tax exemptions are linked to tax codes. For example, a customer can be fully or partially exempt from a tax code called Luxury Tax.
- Customers can be completely or partially exempt from tax.

Entering Customer Telephone Numbers


Customers - Standard
Action Edit Query Go Folder Special Help
Telephones

Customer Name	Business World	Number	1000
Alternate Name		Taxpayer ID	68-98876532
Tax Registration Num		☑ Active	

Area Code	Telephone Number	Extension	Type	Primary	Active
408	987-3452		General	☐	☑
650	123-4567		Fax	☐	☑
650	987-6543		E-mail	☐	☑
				☐	☐
				☐	☐
				☐	☐
				☐	☐
				☐	☐
				☐	☐

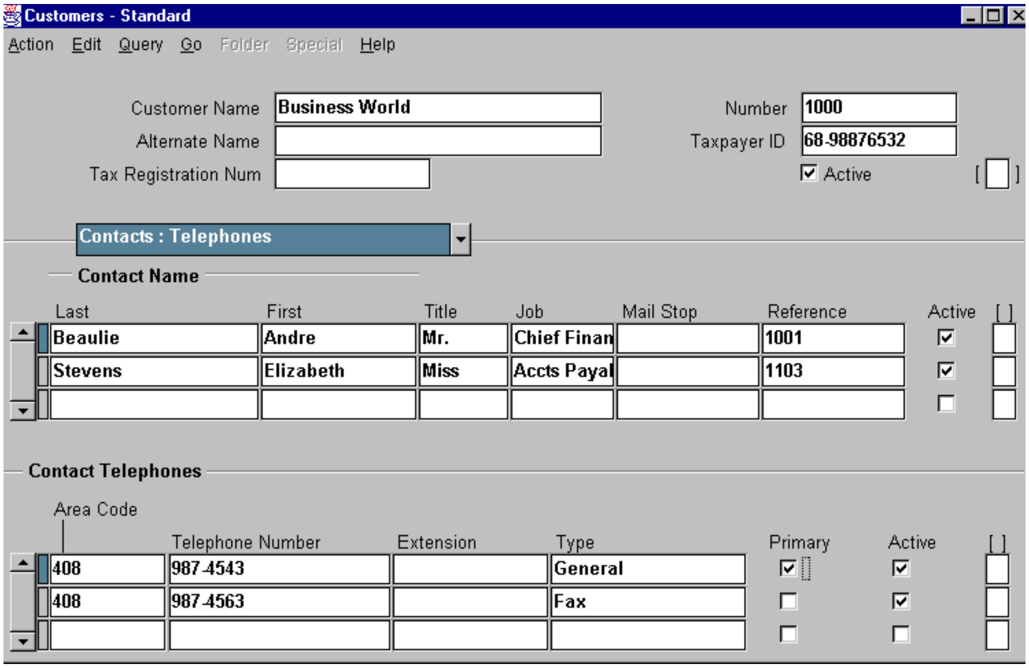
Customers - Standard: Telephones Region

(N) Customers—>Standard

Entering General Purpose Customer Telephone Numbers

You can use this form to enter and maintain customer contact information without specifying an individual contact.

Entering Contact Information



Customer Name: Business World
Alternate Name:
Tax Registration Num:
Number: 1000
Taxpayer ID: 68-98876532
☑ Active

Contact Name

Last	First	Title	Job	Mail Stop	Reference	Active
Beaulie	Andre	Mr.	Chief Finan		1001	☑
Stevens	Elizabeth	Miss	Accts Payal		1103	☑
						☐

Contact Telephones

Area Code	Telephone Number	Extension	Type	Primary	Active
408	987-4543		General	☑	☑
408	987-4563		Fax	☐	☑
				☐	☐

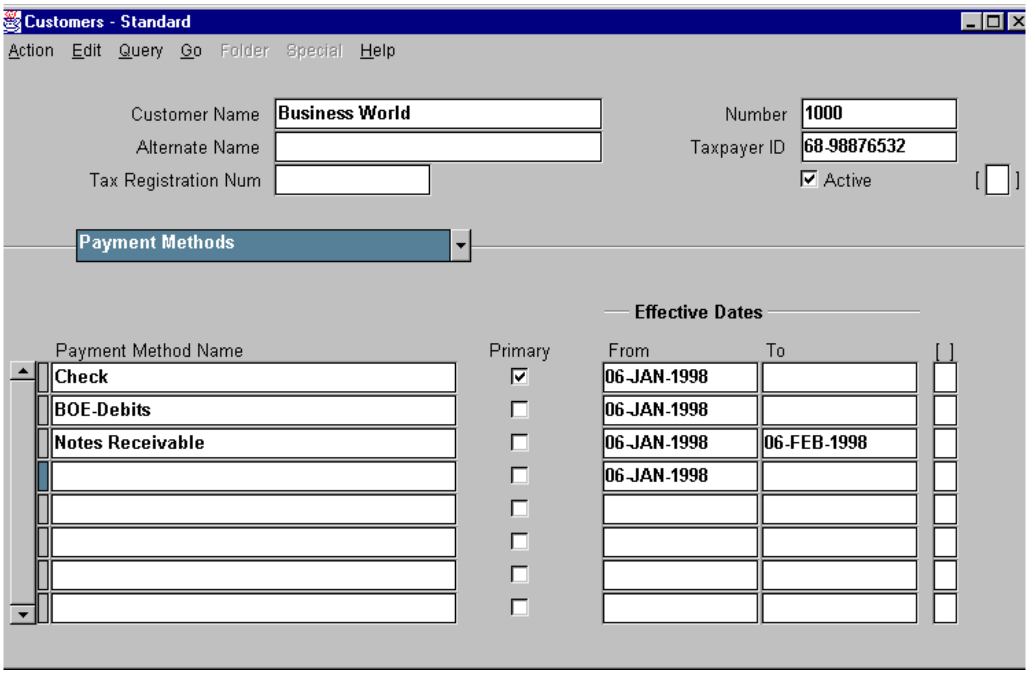
Customers - Standard: Contacts: Telephones Region

(N) Customers—>Standard—>Contacts: Telephones

Entering Specific Contacts and Telephone Numbers

- Assign contact names and numbers at the customer and address levels.
- Assign the type of General or Fax to the telephone numbers that may be used for collection purposes because the numbers will appear in the Customer Calls window.
- Customer and address contacts are displayed in the Transactions, Orders, and Returns windows.

Assigning Payment Methods


Customers - Standard
Action Edit Query Go Folder Special Help
Payment Methods
Effective Dates

Customer Name: Business World
Alternate Name:
Tax Registration Num:
Number: 1000
Taxpayer ID: 68-98876532
☑ Active

Payment Method Name	Primary	From	To
Check	☑	06-JAN-1998	
BOE-Debits	☐	06-JAN-1998	
Notes Receivable	☐	06-JAN-1998	06-FEB-1998
	☐	06-JAN-1998	
	☐		
	☐		
	☐		
	☐		

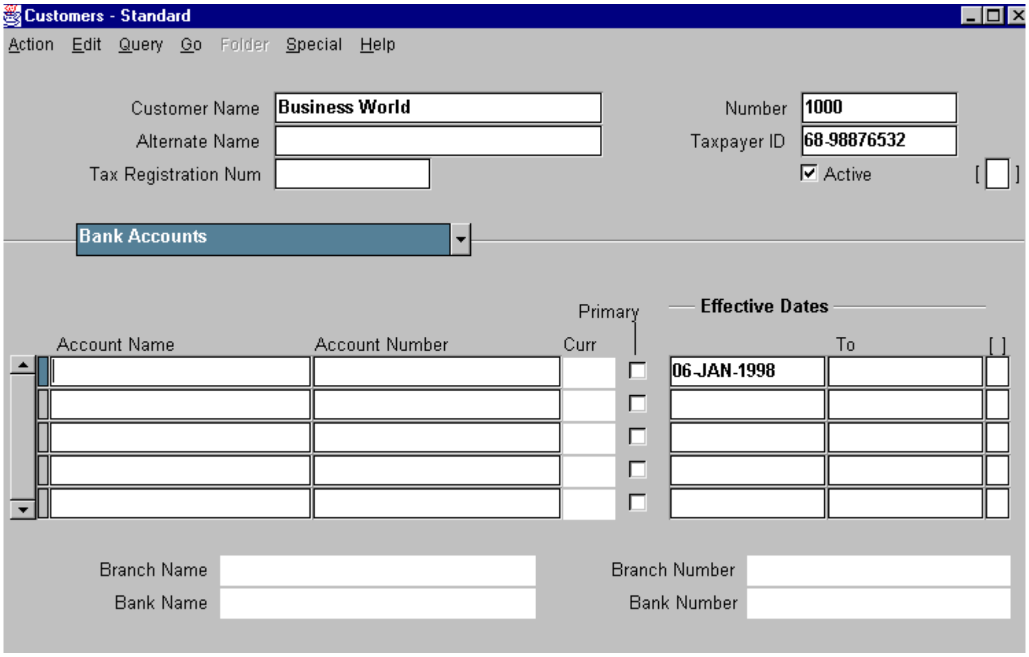
Customers - Standard: Payment Methods Region

(N) Customers—>Standard—>Payment Methods

Assigning Payment Methods

Default payment methods can be assigned at the customer or address level. If you are using Automatic Receipts, you must assign an automatic payment method as the primary payment method.

Entering Customer Banks


Customers - Standard
Action Edit Query Go Folder Special Help
Primary
Effective Dates
Account Name
Account Number
Curr
To
Branch Name
Bank Name
Branch Number
Bank Number

Customer Name: Business World
Alternate Name:
Tax Registration Num:
Number: 1000
Taxpayer ID: 68-98876532
☑ Active
Bank Accounts
Effective Dates: 06-JAN-1998

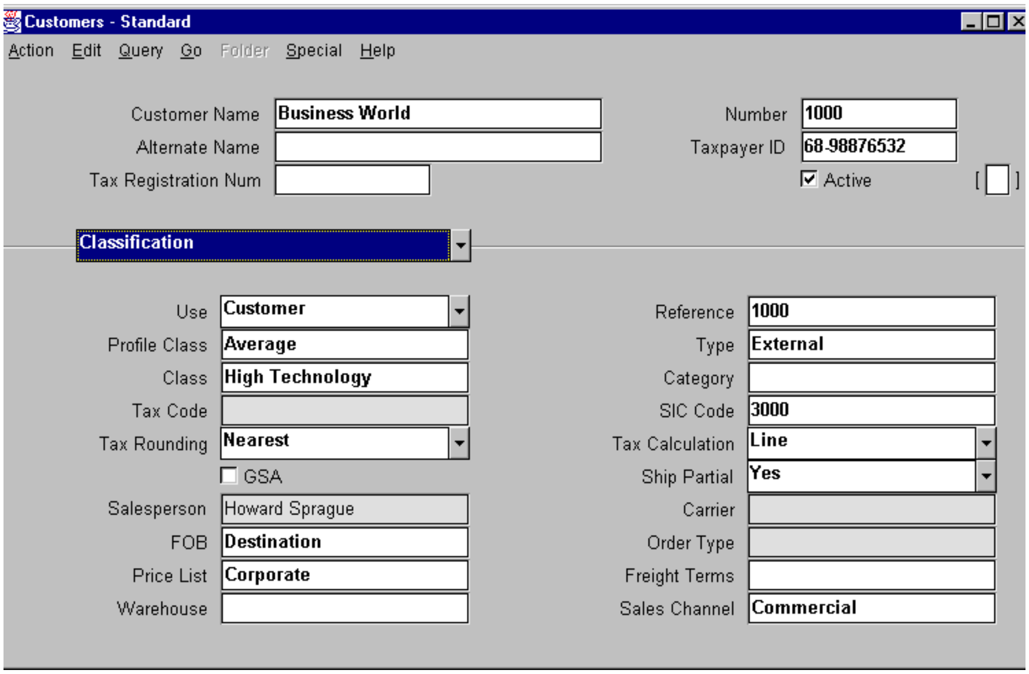
Customers - Standard: Bank Accounts Region

(N) Customers—>Standard—>Bank Accounts

Entering Customer Banks for Automatic Receipts

- Customers must provide bank information to enable the transfer of funds automatically from the customer’s (paying) bank to the remittance (receiving) bank.
- You can assign bank accounts at the customer and address level. Bank accounts can only be assigned to an address with a bill-to business purpose.
- Oracle Receivables ensures that each customer or address has only one primary account for each currency.

Relationship to Oracle Order Entry



Customer Name	Business World	Number	1000
Alternate Name		Taxpayer ID	68-98876532
Tax Registration Num		☑ Active	

Use	Customer	Reference	1000
Profile Class	Average	Type	External
Class	High Technology	Category	
Tax Code		SIC Code	3000
Tax Rounding	Nearest	Tax Calculation	Line
☐ GSA		Ship Partial	Yes
Salesperson	Howard Sprague	Carrier	
FOB	Destination	Order Type	
Price List	Corporate	Freight Terms	
Warehouse		Sales Channel	Commercial

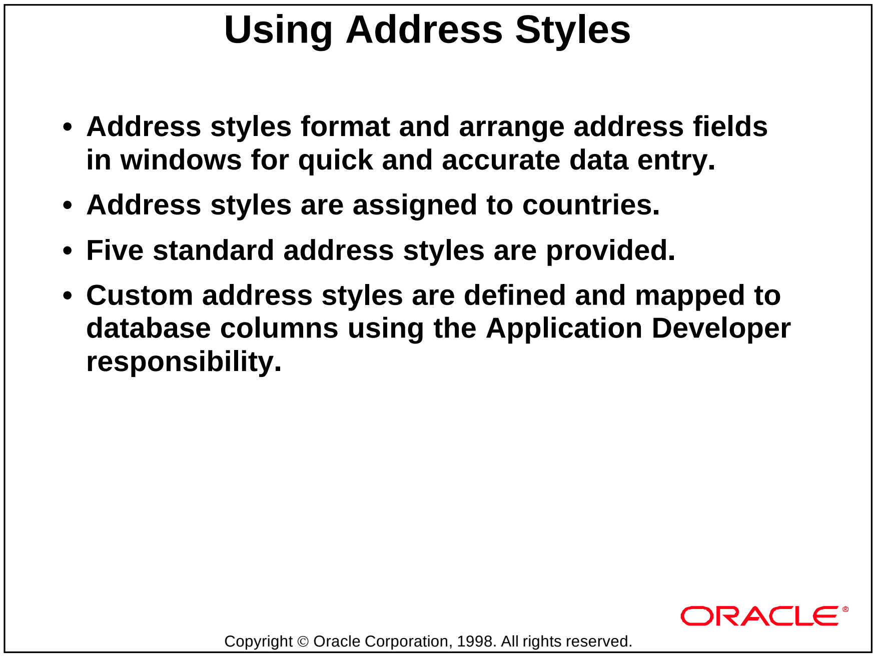
Customers - Standard: Classification Region

(N) Customers—>Standard—>Classification

Order information that you enter in the Customers - Standard window is copied into the Orders window in Oracle Order Entry, if the Standard Value rule in Oracle Order Entry uses Customer as a source.

Otherwise, Oracle Receivables validates order information using values defined in Oracle Order Entry.

Using Address Styles



Using Address Styles

- **Address styles format and arrange address fields in windows for quick and accurate data entry.**
- **Address styles are assigned to countries.**
- **Five standard address styles are provided.**
- **Custom address styles are defined and mapped to database columns using the Application Developer responsibility.**

Standard and Custom Address Styles

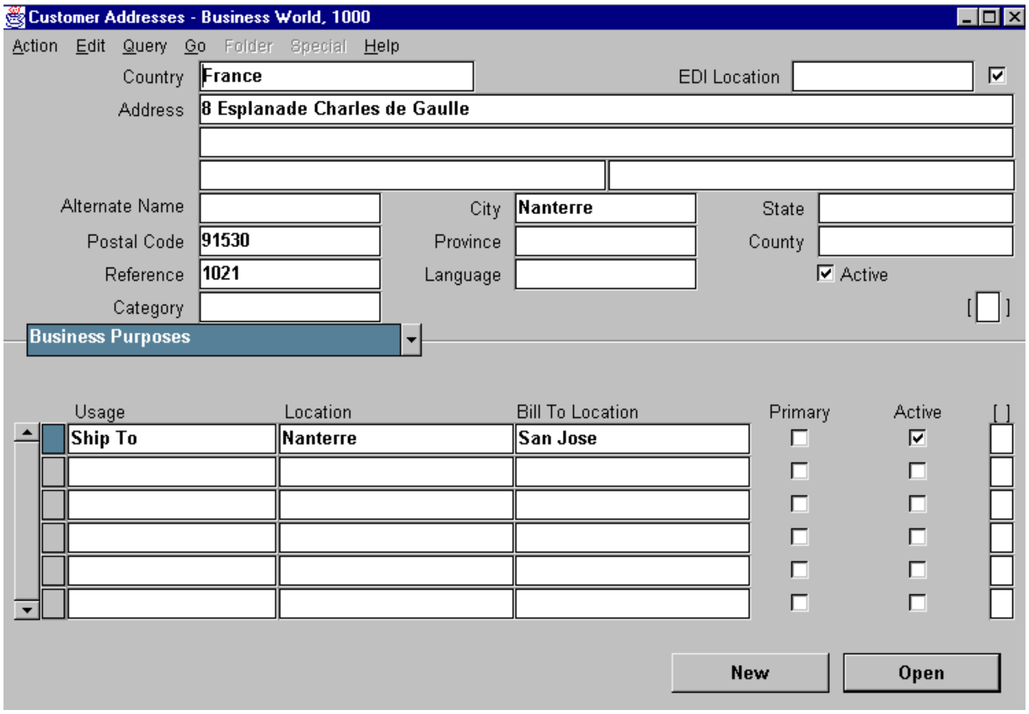
Oracle Receivable includes five standard address styles:

- Japanese
- Northern European
- Southern European
- South American
- United Kingdom/Asia/Australasia

Custom address styles can be created in the Application Developer responsibility using descriptive flexfields. To create custom address styles:

1. Choose address style database columns. From the database, you must choose which columns are included in the custom address style.
2. Map address style to database columns. This is done in the Application Developer responsibility. (Using the Application Developer responsibility is not covered in this course.)
3. Add address style to the address style QuickCodes. This is done in the Special QuickCodes window of the Application Developer responsibility.
4. Assign the address style to countries in the Countries and Territories window.

Entering Address Level Information



Country: France

EDI Location: ☑

Address: 8 Esplanade Charles de Gaulle

Alternate Name:

City: Nanterre

State:

Postal Code: 91530

Province:

County:

Reference: 1021

Language:

☑ Active

Category:

Usage	Location	Bill To Location	Primary	Active
Ship To	Nanterre	San Jose	☐	☑

Customer Addresses: Business Purposes Region

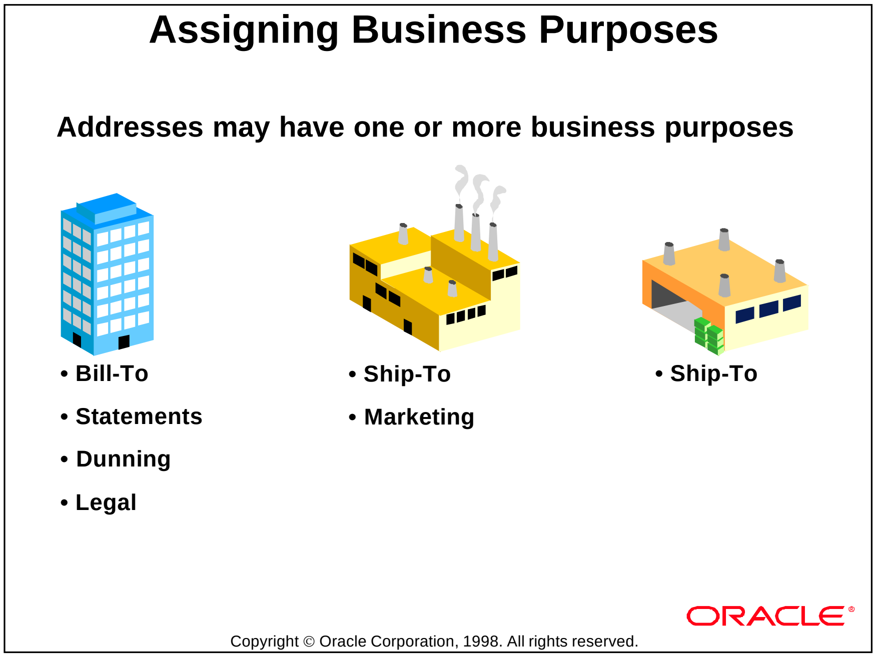
(N) Customers—>Standard—>Addresses—> (B) Open—>Business Purposes

The information you enter at the address level is very similar to what is entered at the customer level. Customer information is the default for address information.

Entering Address Level Information

- Multiple addresses for a customer
- Telephone numbers for each address
- Contact and contact telephone numbers for each address
- Profile class for each address
- Primary and other business purposes for each address, including:
  - Tax code
  - Contact
  - Payment terms
- Payment methods (and bank accounts, if an Automatic Receipts method is used) for addresses with bill-to business purposes

Assigning Business Purposes to Addresses



Assigning Business Purposes

Addresses may have one or more business purposes

- **Bill-To**
- **Statements**
- **Dunning**
- **Legal**

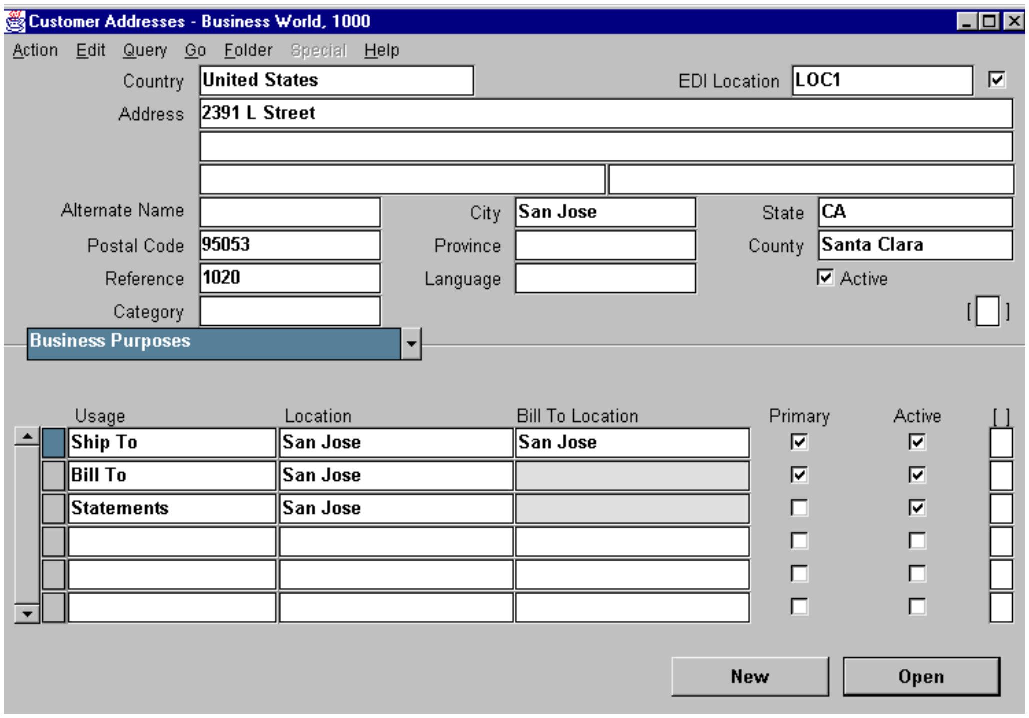
- **Ship-To**
- **Marketing**

- **Ship-To**

Defining Multiple Sites and Assigning Business Purposes to Sites

Purpose	**Description**
Bill-To	All invoices are sent here for payment; typically the site of the customer’s Accounts Payable department.
Ship-To	Where the goods are shipped. Sales taxes are calculated based on this address.
Dunning	Dunning letters are sent to this location. Only one active dunning site can be defined per customer.
Legal	The legal location, which serves as the government point of contact and is responsible for all government reporting requirements.
Statements	Consolidated statements and invoices are sent to this location. Only one active statements site can be defined per customer.
Marketing	Marketing literature such as product announcements and data sheets are sent to this address.

Creating Multiple Sites with Multiple Purposes


Customer Addresses - Business World, 1000
Action Edit Query Go Folder Special Help
Business Purposes
New
Open

Country: United States
EDI Location: LOC1 ☑
Address: 2391 L Street
Alternate Name:
City: San Jose
State: CA
Postal Code: 95053
Province:
County: Santa Clara
Reference: 1020
Language:
☑ Active
Category:

Usage	Location	Bill To Location	Primary	Active
Ship To	San Jose	San Jose	☑	☑
Bill To	San Jose		☑	☑
Statements	San Jose		☐	☑
			☐	☐
			☐	☐
			☐	☐

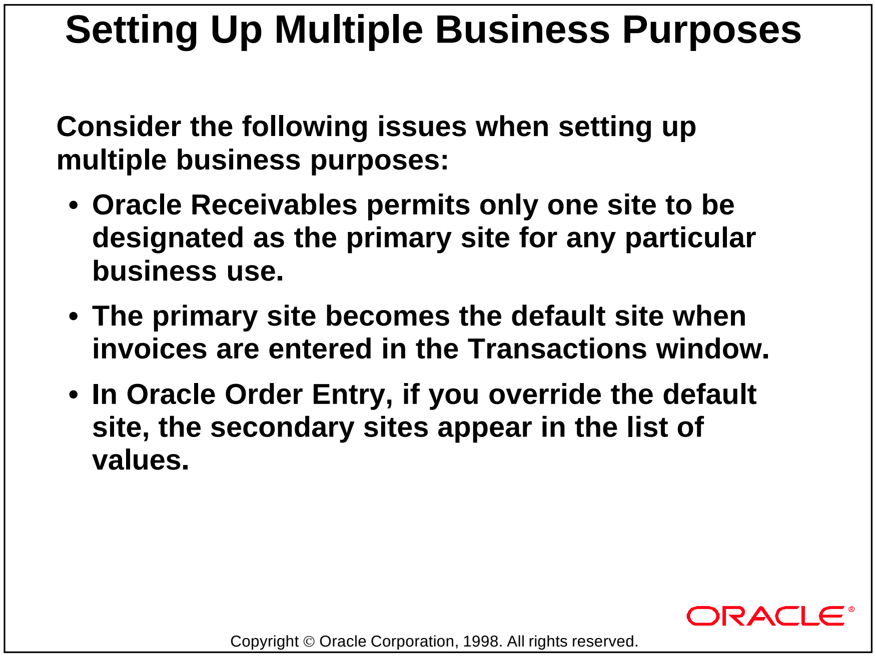
Customer Addresses: Business Purposes Region

(N) Customers—>Standard—>Addresses (B) Open—>Business Purposes

Entering Multiple Customer Sites in Oracle Receivables

- Define multiple addresses for a customer with multiple sites.
- Assign business purposes to each address appropriate to the degree of centralization in the customer’s organization.

Setting Up Multiple Business Purposes



Setting Up Multiple Business Purposes

Consider the following issues when setting up multiple business purposes:

- **Oracle Receivables permits only one site to be designated as the primary site for any particular business use.**
- **The primary site becomes the default site when invoices are entered in the Transactions window.**
- **In Oracle Order Entry, if you override the default site, the secondary sites appear in the list of values.**

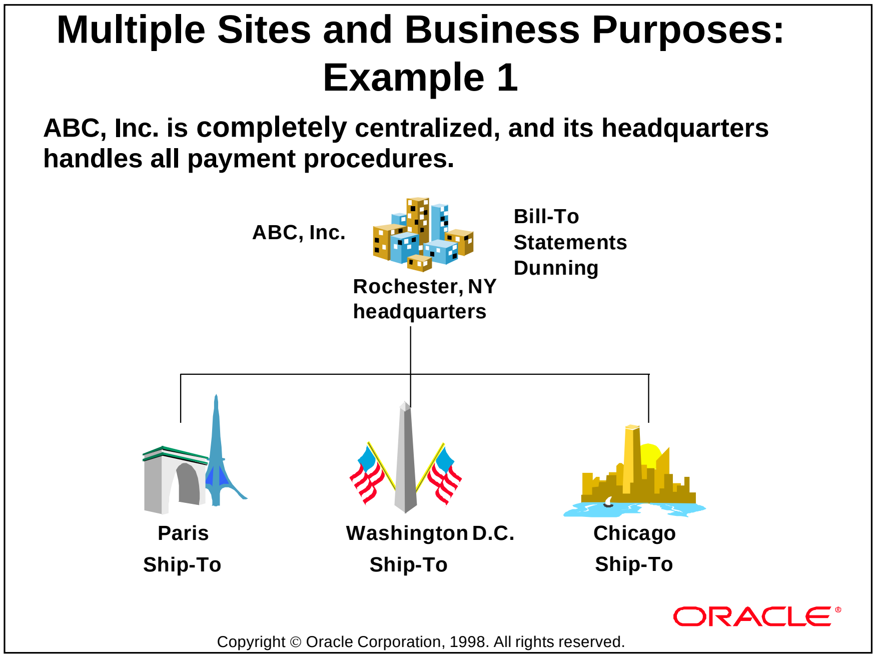
Linking Bill-To and Ship-To Locations

- 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 Oracle Order Entry Standard Value Rules refer to customer as a source, the Bill-To address defaults during order entry in the Orders window.
- During order entry in the Orders window of Oracle Order Entry, the Bill-To address is entered by default, if the Standard Value rule in Oracle Order Entry uses Customer as a source.

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 Oracle Receivables automatically number locations, you can use the Automatic Site Numbering system option. If the system option check box is selected, Oracle Receivables will uniquely number all the customer locations.

Multiple Sites and Business Purposes



Multiple Sites and Business Purposes: Example 1

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

ABC, Inc.

Rochester, NY
headquarters

Bill-To
Statements
Dunning

Paris
Ship-To

Washington D.C.
Ship-To

Chicago
Ship-To

Example 1

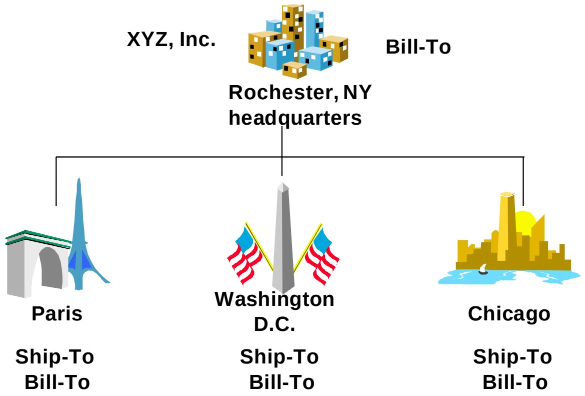
ABC, Inc., headquartered in Rochester, New York has sites in Chicago, Washington D.C., and Paris.

Invoices, consolidated statements, and dunning letters go to the New York address.

Goods are shipped to each ship-to address, and any sales tax is determined by the ship-to address.

Multiple Sites and Business Purposes: Example 2

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



XYZ, Inc.

Bill-To

Rochester, NY
headquarters

Paris

Ship-To
Bill-To

Washington
D.C.

Ship-To
Bill-To

Chicago

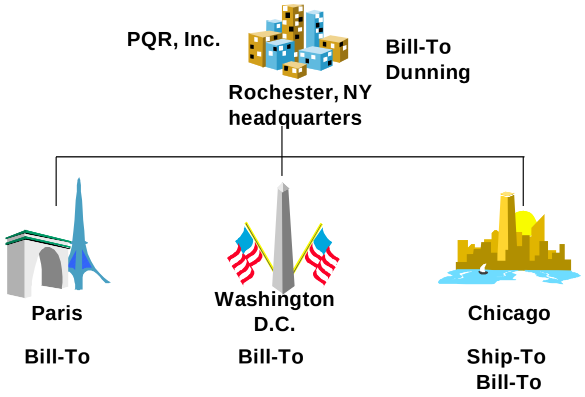
Ship-To
Bill-To

Example 2

If no statement site is defined, statements are sent to each bill-to address. Therefore, each site receives its own statements, bills, and dunning letters.

Multiple Sites and Business Purposes: Example 3

PQR, Inc. has one receiving site (Chicago), but each site handles its own payment procedures.



PQR, Inc.

Bill-To
Dunning

Rochester, NY
headquarters

Paris

Bill-To

Washington
D.C.

Bill-To

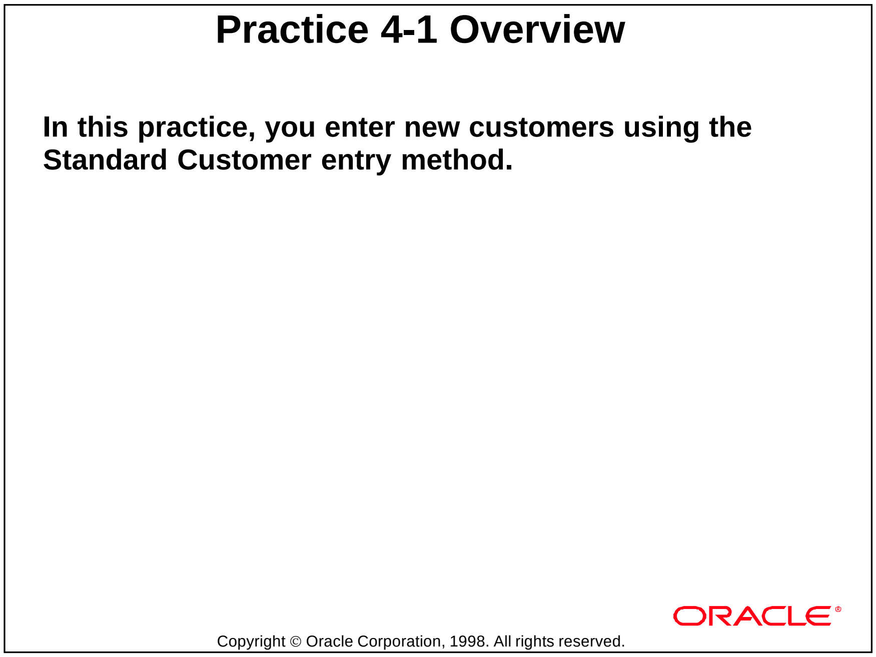
Chicago

Ship-To
Bill-To

Example 3

Goods are shipped to the Chicago site, and sales tax is calculated using the Chicago site address. Invoices and statements are sent to their appropriate sites, and dunning letters are sent to New York.

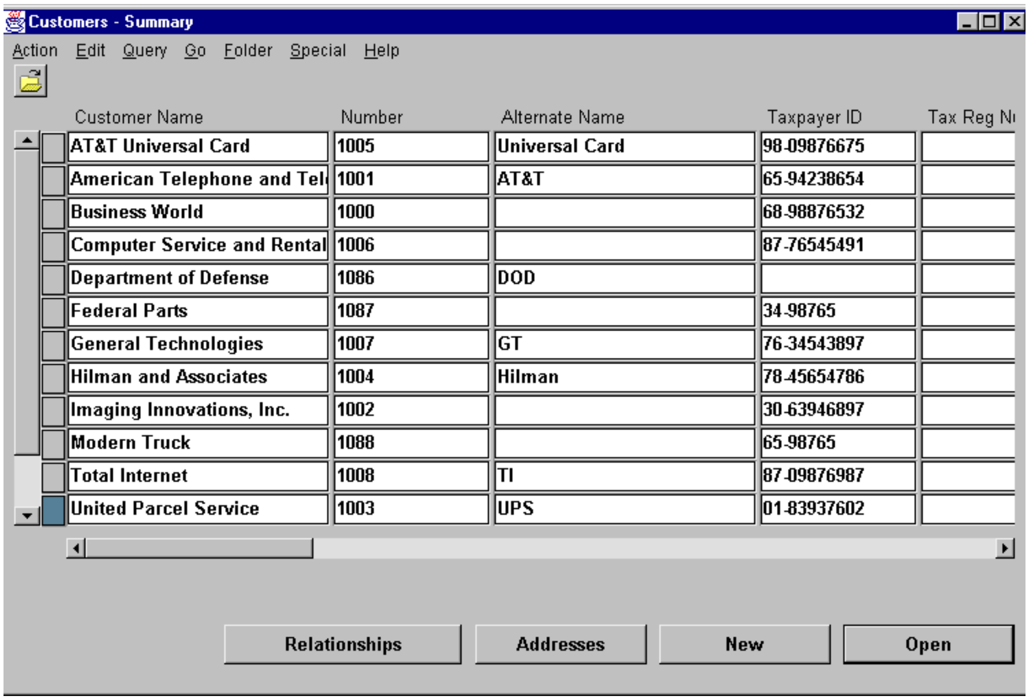
Practice 4-1 Overview



Practice 4-1 Overview

In this practice, you enter new customers using the Standard Customer entry method.

Entering Summary Customer Information



Customer Name	Number	Alternate Name	Taxpayer ID	Tax Reg N
AT&T Universal Card	1005	Universal Card	98-09876675	
American Telephone and Tel	1001	AT&T	65-94238654	
Business World	1000		68-98876532	
Computer Service and Rental	1006		87-76545491	
Department of Defense	1086	DOD		
Federal Parts	1087		34-98765	
General Technologies	1007	GT	76-34543897	
Hilman and Associates	1004	Hilman	78-45654786	
Imaging Innovations, Inc.	1002		30-63946897	
Modern Truck	1088		65-98765	
Total Internet	1008	TI	87-09876987	
United Parcel Service	1003	UPS	01-83937602	

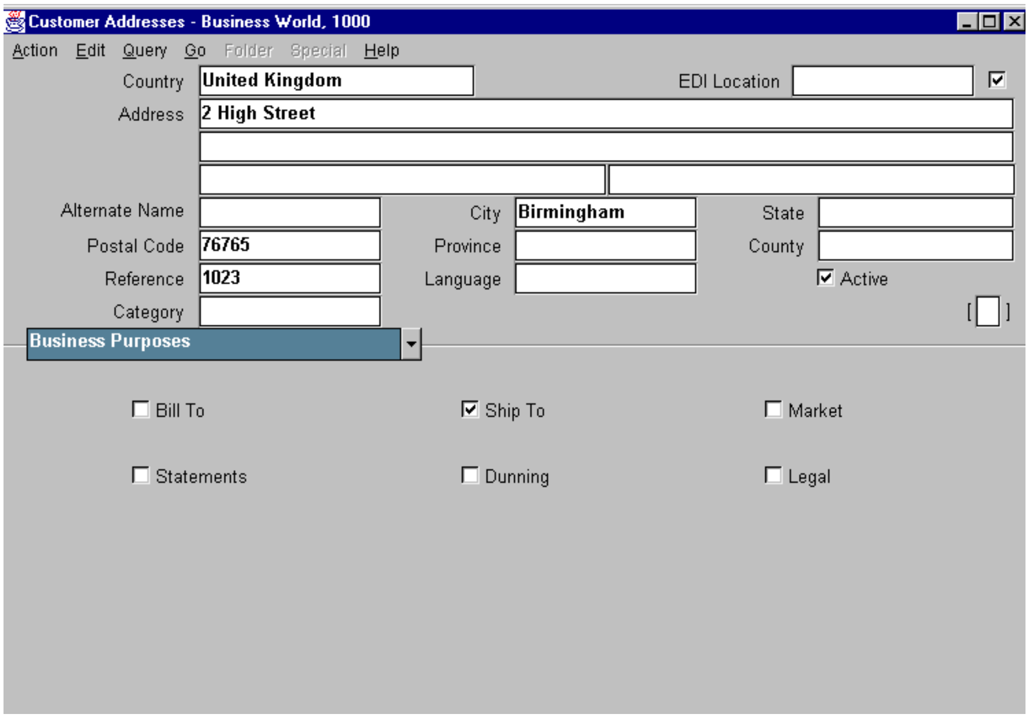
Customers - Summary

(N) Customers—>Summary

The Customers - Summary window lists customer information in rows for one or more customers. Use this window to enter or change information quickly for several customers. You can select a listed Customer Name, then use the buttons at the bottom of the window to navigate to the Customers - Standard window for that specific customer.

This form is folder-enabled so that you can modify how or whether the fields in the window are displayed.

Using Quick Customer Entry


Customer Addresses - Business World, 1000
Action
Edit
Query
Go
Folder
Special
Help
Business Purposes

Country: United Kingdom

EDI Location: ☑

Address: 2 High Street

Alternate Name:

City: Birmingham

State:

Postal Code: 76765

Province:

County:

Reference: 1023

Language:

☑ Active

Category:

☐ Bill To

☑ Ship To

☐ Market

☐ Statements

☐ Dunning

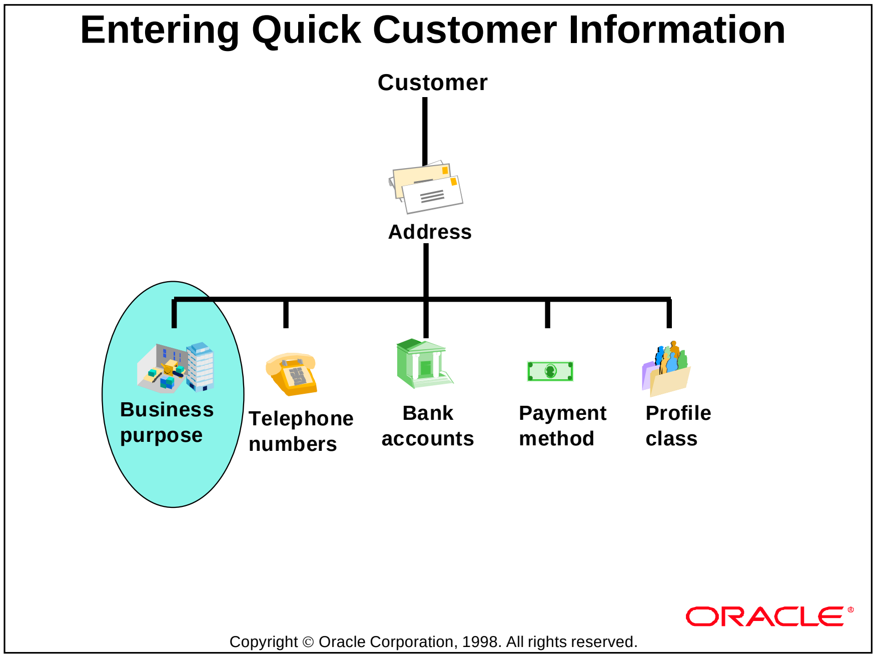
☐ Legal

Customer Addresses: Business Purposes Region

(N) Customers—>Quick—> (B) New

Use the Quick Customer entry method to create customers with minimal information. You can add more detailed information later with Standard Customer Entry. Quick Customer entry is most commonly used for one-time or drop shipments.

Entering Quick Customer Information



Entering Quick Customer Information

Customer
Address
Business purpose
Telephone numbers
Bank accounts
Payment method
Profile class

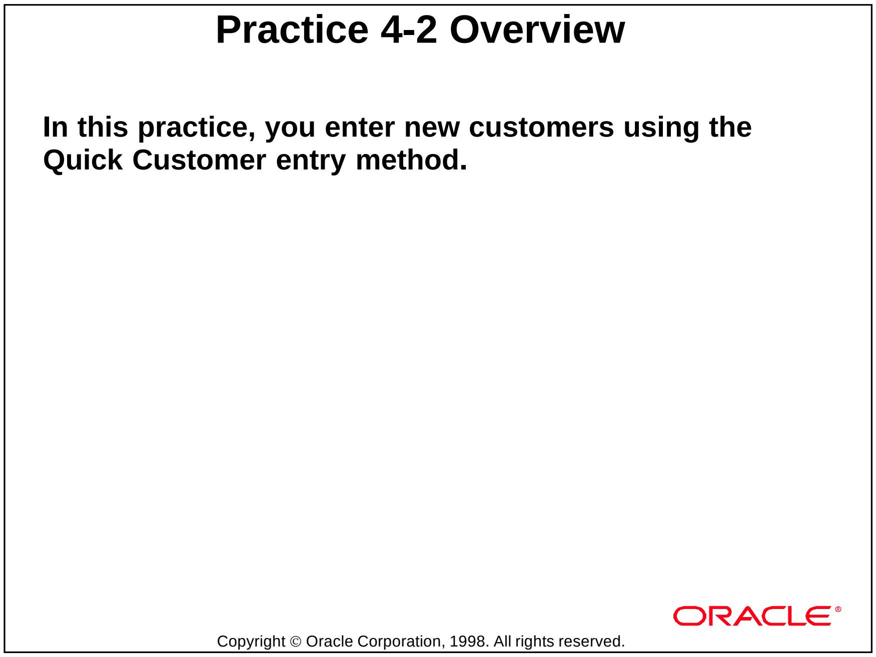
Differences Between Quick and Standard Customer Entry

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 can not be linked to each other.
- Profile classes can not be defined.
- Business purposes can not be identified as primary, or default.
- Location names can not be assigned to an address.

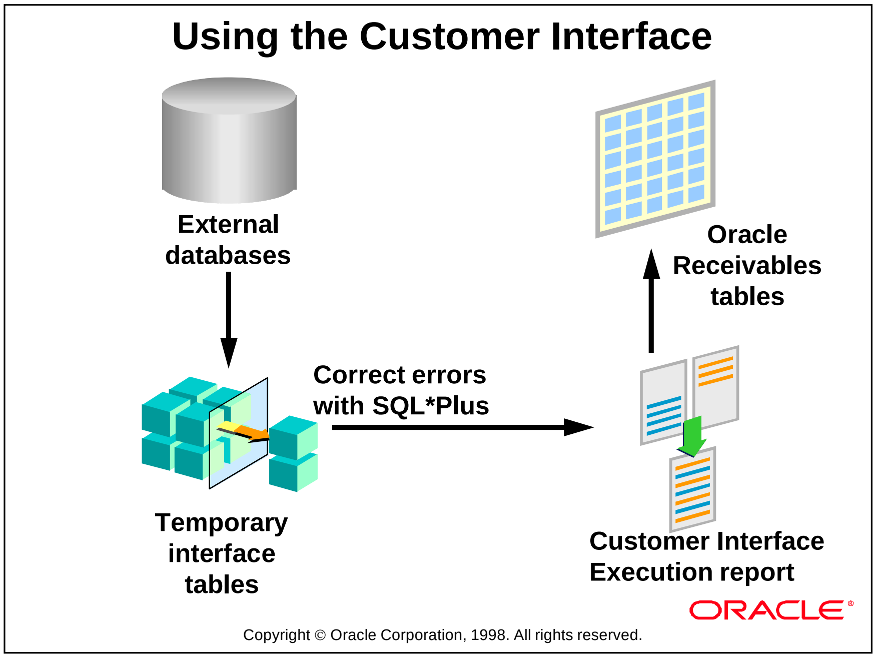
Practice 4-2 Overview



Practice 4-2 Overview

In this practice, you enter new customers using the Quick Customer entry method.

Using the Customer Interface



Using the Customer Interface

External
databases
Oracle
Receivables
tables
Correct errors
with SQL*Plus
Temporary
interface
tables
Customer Interface
Execution report
ORACLE

Importing Customer Data

- All customer data that you enter in the Customers - Standard 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.

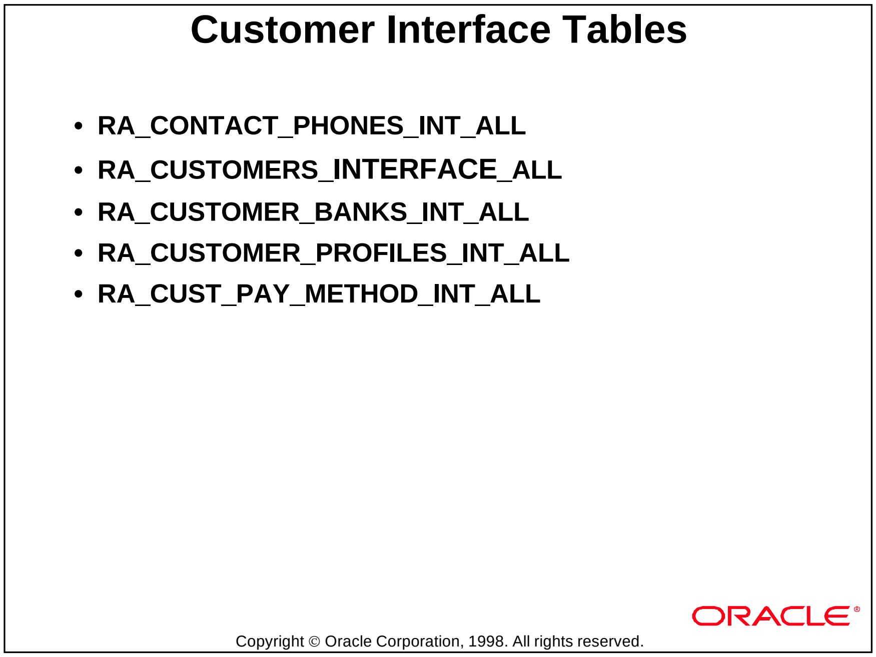
Updating Customer Data

- If customer data is maintained in an external system, use the customer interface to update the information at regular intervals.
- In all records that are for update purposes only, set Insert_Update_Flags to U. This signals to the interface program that these records should be used to update existing records in the customer database.

Validating Customer Data

- All data imported or updated with the customer interface is validated by Oracle Receivables. Valid data is automatically transferred into the appropriate tables.
- Invalid data stays in the interface tables and must corrected using SQL*Plus.

Customer Interface Tables



Customer Interface Tables

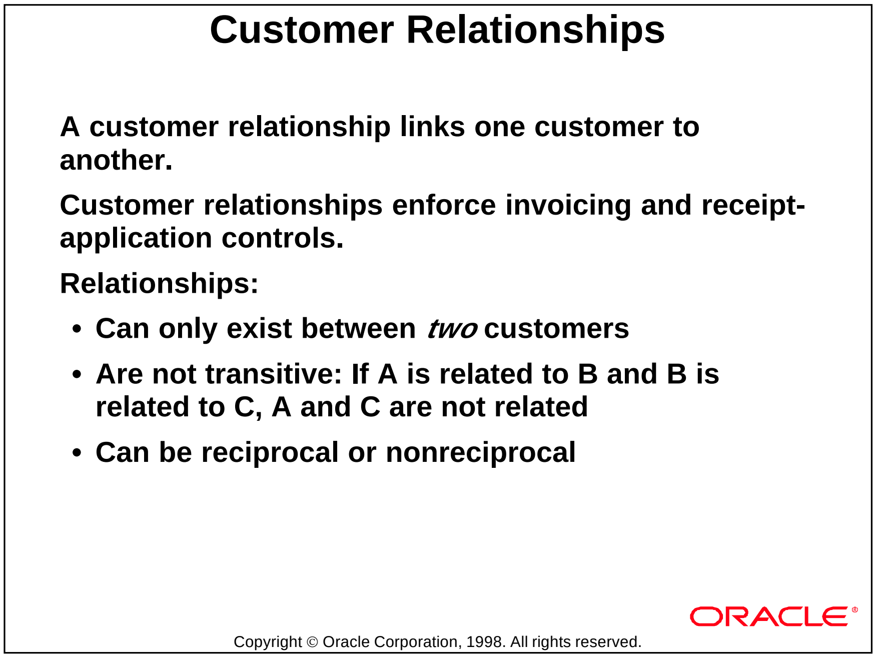
- RA_CONTACT_PHONES_INT_ALL
- RA_CUSTOMERS_INTERFACE_ALL
- RA_CUSTOMER_BANKS_INT_ALL
- RA_CUSTOMER_PROFILES_INT_ALL
- RA_CUST_PAY_METHOD_INT_ALL

Interface Tables of Customer Data

Table	**Sample Data**
* RA_CONTACT_PHONES_INT_ALL	Original system references, contact name, e-mail address, mail stop, and phone numbers
* RA_CUSTOMERS_INTERFACE_ALL	Customer name, address, tax codes, profile class, and site use
RA_CUSTOMER_BANKS_INT_ALL	Bank account number, currency, bank number and address
RA_CUSTOMER_PROFILES_INT_ALL	Customer profile information
RA_CUST_PAY_METHOD_INT_ALL	Payment method name

Interface tables highlighted with an (*) are deleted after conversion.

Creating Customer Relationships



Customer Relationships

A customer relationship links one customer to another.

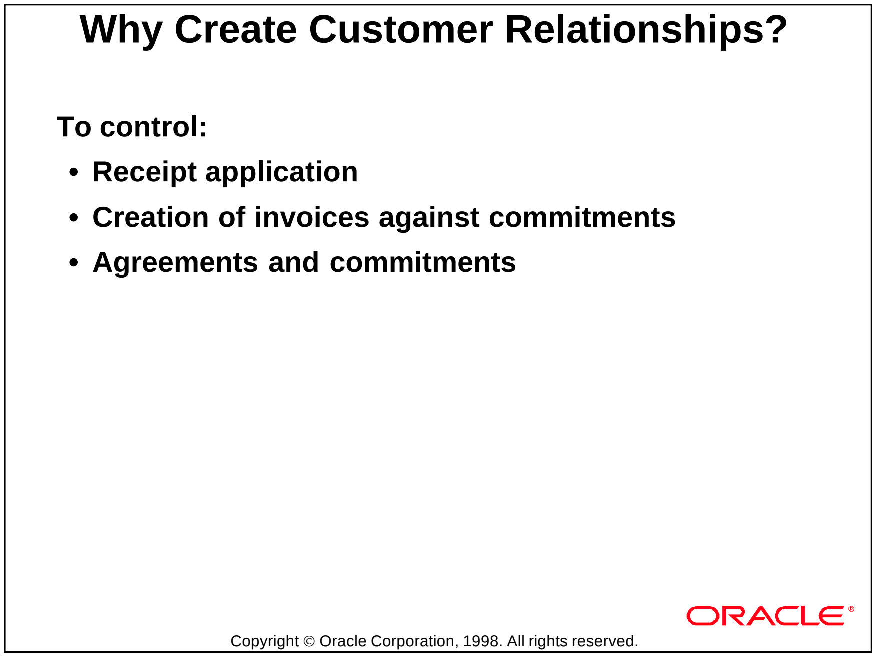
Customer relationships enforce invoicing and receipt-application controls.

Relationships:

- **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**

No Affect on Credit

Customer relationships do not affect calculations of outstanding balances for credit checking purposes.



Why Create Customer Relationships?

To control:

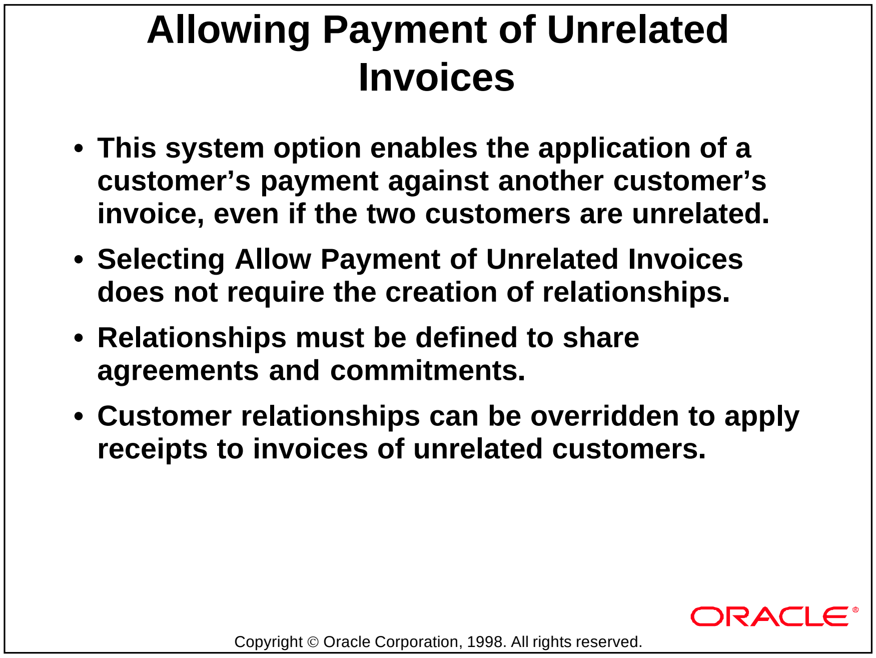
- **Receipt application**
- **Creation of invoices against commitments**
- **Agreements and commitments**

Controlling Customer Relationships

Control application of payment receipts: In the System Options window, if the check box Allow Payment of Unrelated Invoices is clear, Oracle Receivables 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: Oracle Receivables 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.

Allowing Payment of Unrelated Invoices



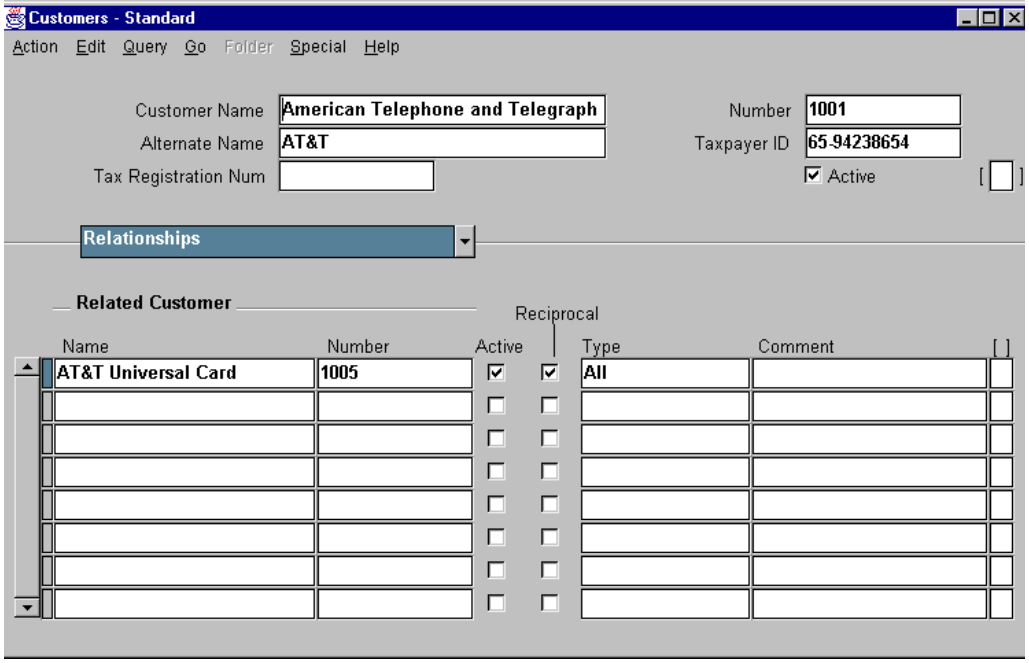
Allowing Payment of Unrelated Invoices

- This system option enables the application of a customer’s payment against another customer’s invoice, even if the two customers are unrelated.
- Selecting Allow Payment of Unrelated Invoices does not require the creation of relationships.
- Relationships must be defined to share agreements and commitments.
- Customer relationships can be overridden to apply receipts to invoices of unrelated customers.

Enabling Customers to Pay Invoices of Unrelated Customers

In the System Options window, selecting the Allow Payment of Unrelated Invoices option enables a customer to pay invoices for a customer without an existing relationship.

Defining Customer Relationships



Customer Name: American Telephone and Telegraph
Alternate Name: AT&T
Tax Registration Num:
Number: 1001
Taxpayer ID: 65-94238654
☑ Active

Relationships

Related Customer

Name	Number	Active	Reciprocal	Type	Comment
AT&T Universal Card	1005	☑	☑	All	
		☐	☐		
		☐	☐		
		☐	☐		
		☐	☐		
		☐	☐		
		☐	☐		
		☐	☐		

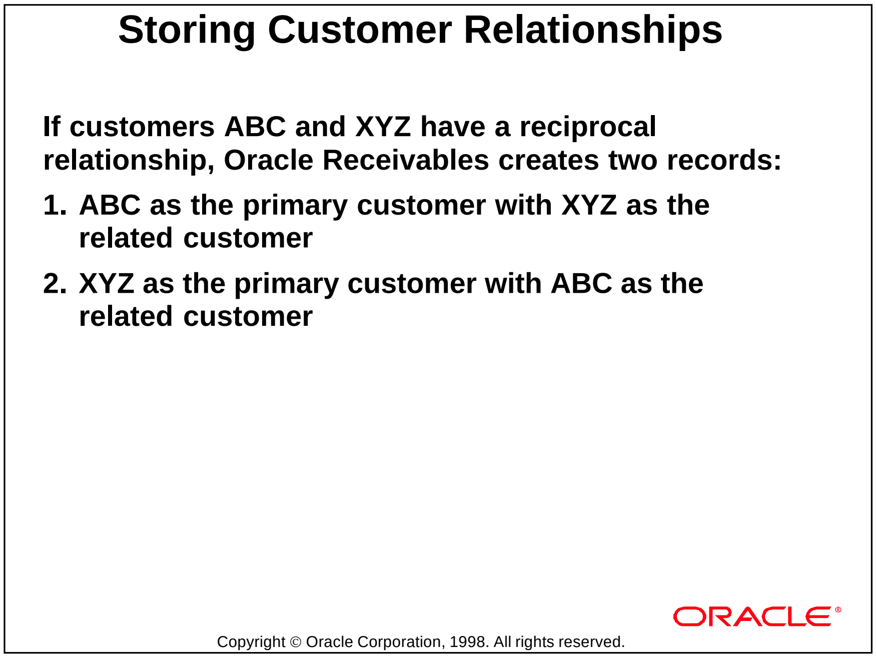
Customers - Standard: Relationships region

(N) Customers—>Standard—>Relationships

Example of Defining a Customer Relationship

- A nonreciprocal relationship implies a parent-child relationship, where the primary customer is the parent and the related customer is the child.
- The Create Reciprocal Customer option, in the Transactions and Customers alternative region of the System Options window, determines the default value used in the Reciprocal check box of the Relationships region of the Customers - Standard window. It does not automatically create reciprocal relationships.

Storing Customer Relationships

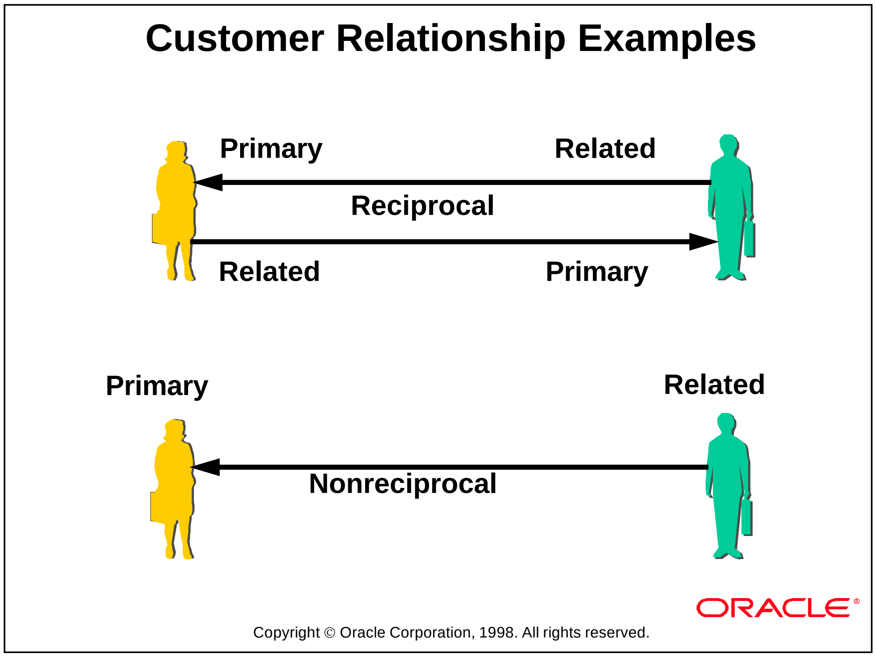


Storing Customer Relationships

If customers ABC and XYZ have a reciprocal relationship, Oracle Receivables creates two records:

1. **ABC as the primary customer with XYZ as the related customer**
2. **XYZ as the primary customer with ABC as the related customer**

Customer Relationship Examples



Customer Relationship Examples

Primary

Related

Reciprocal

Related

Primary

Primary

Related

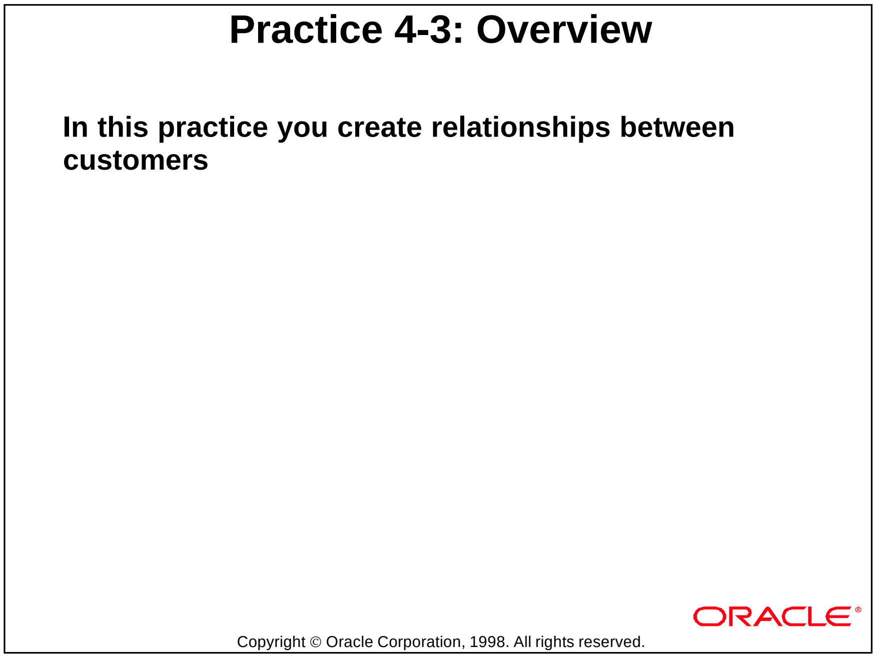
Nonreciprocal

Reciprocal and Nonreciprocal

A reciprocal relationship allows two customers to apply payments to each others' invoices and 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 can not be used to pay invoices issued to the parent.

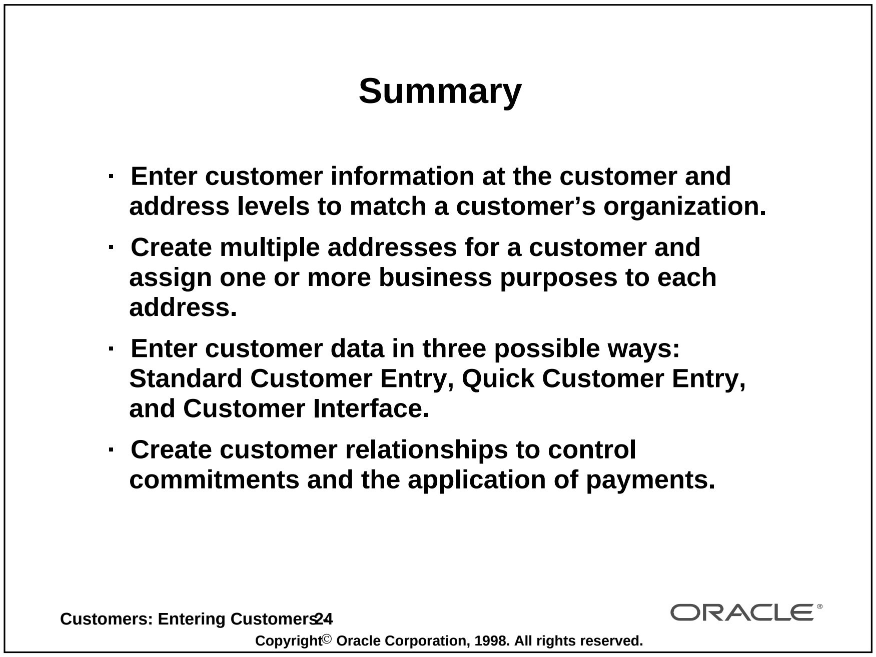
Practice 4-3 Overview



Practice 4-3: Overview

In this practice you create relationships between customers

Summary



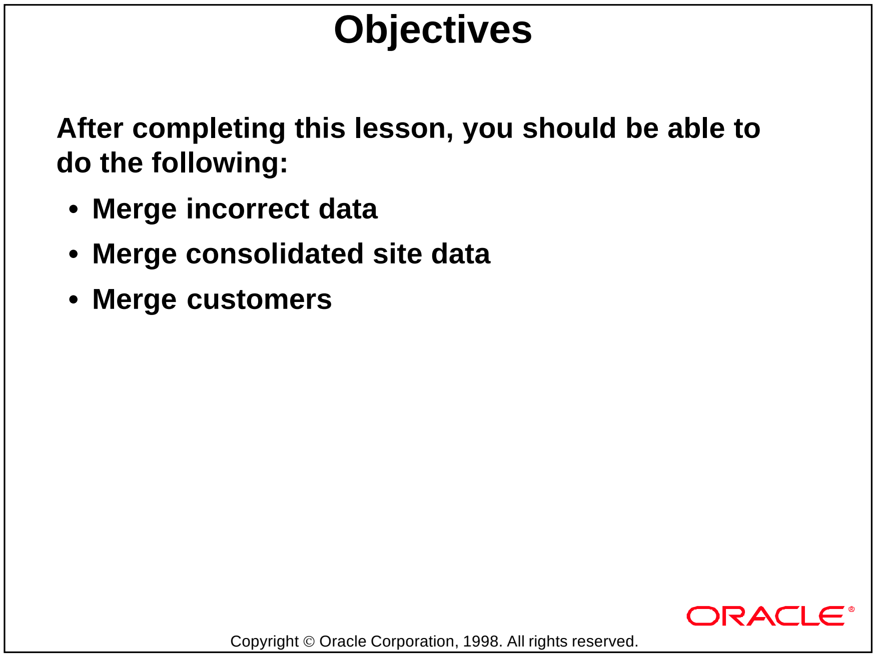
Summary

- Enter customer information at the customer and address levels to match a customer’s organization.
- Create multiple addresses for a customer and assign one or more business purposes to each address.
- Enter customer data in three possible ways: Standard Customer Entry, Quick Customer Entry, and Customer Interface.
- Create customer relationships to control commitments and the application of payments.

5

Merging Customer Information

Objectives

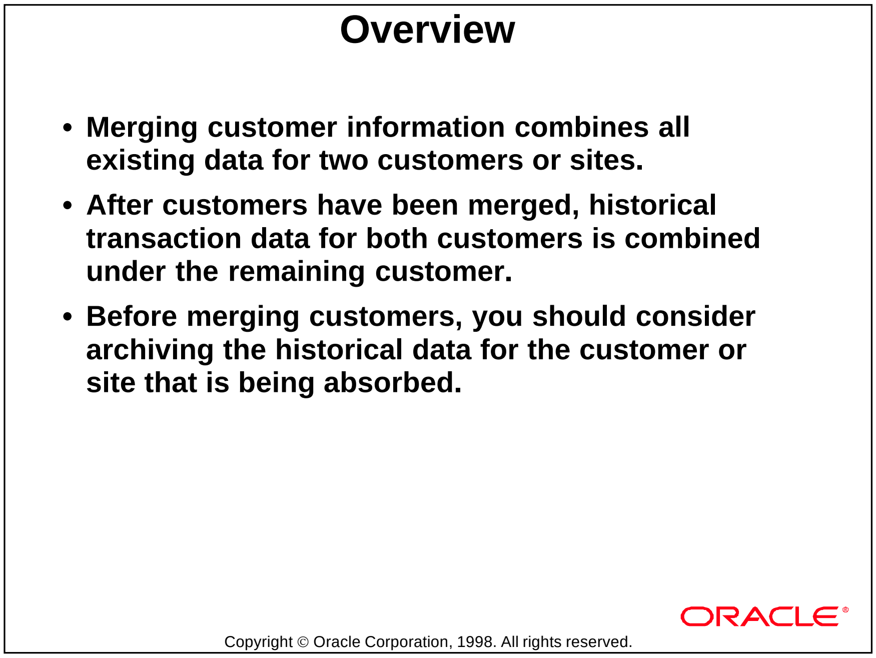


Objectives

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

- **Merge incorrect data**
- **Merge consolidated site data**
- **Merge customers**

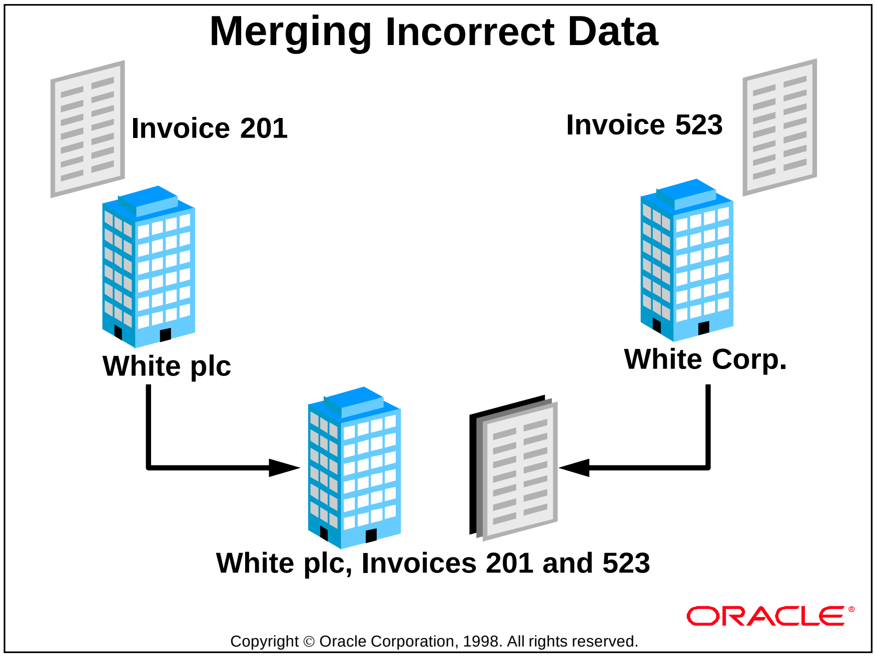
Overview



Overview

- **Merging customer information combines all existing data for two customers or sites.**
- **After customers have been merged, historical transaction data for both customers is combined under the remaining customer.**
- **Before merging customers, you should consider archiving the historical data for the customer or site that is being absorbed.**

Merging Incorrect Data



Merging Incorrect Data

Invoice 201

Invoice 523

White plc

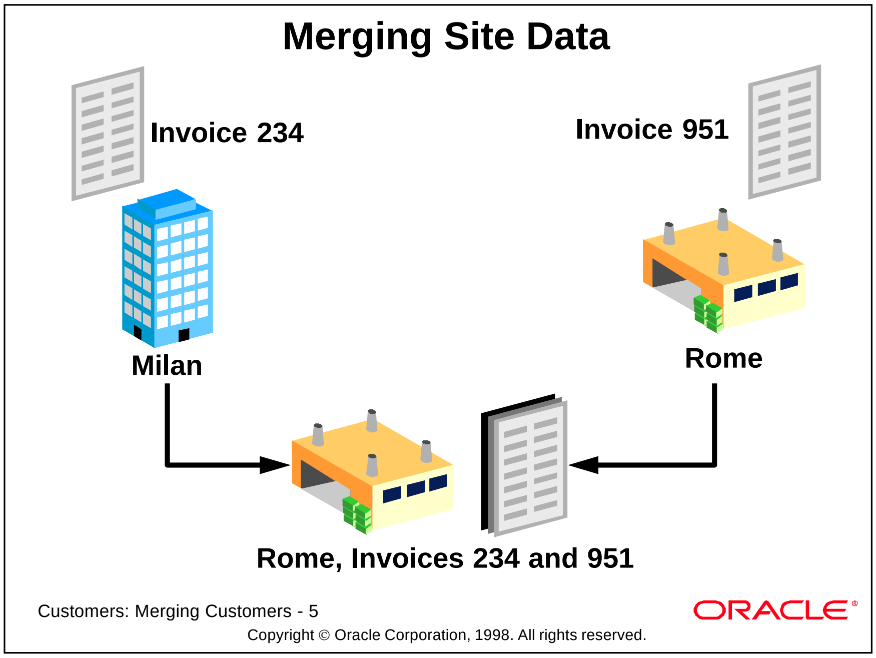
White Corp.

White plc, Invoices 201 and 523

Data Correction

The most common reason to merge customers is to clean up data entered in error. For example, data related to an existing customer “White plc” 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 plc. Misspellings and the incorrect use of upper and lower case are also common reasons to merge customers.

Merging Site Data



Merging Site Data

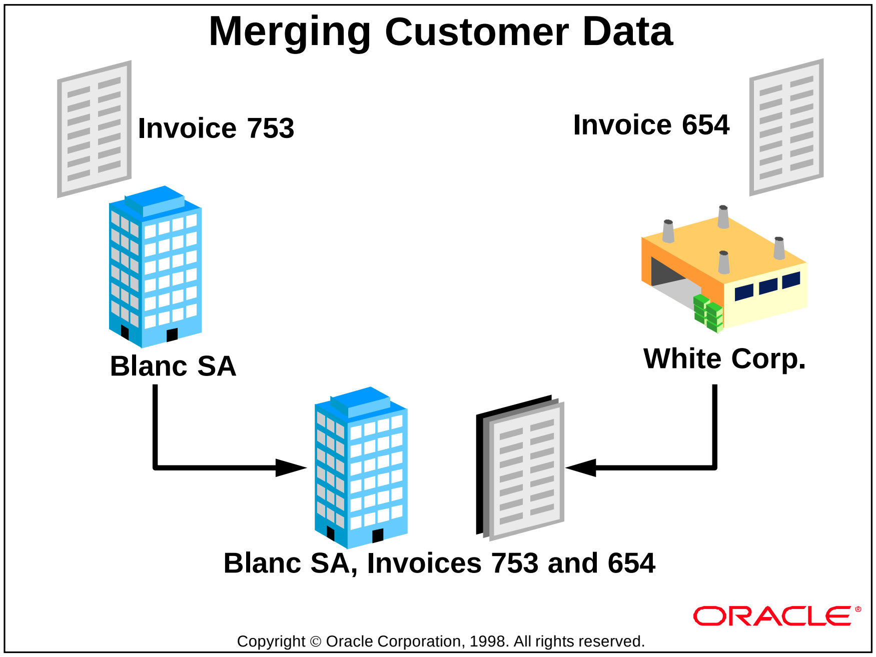
Invoice 234
Invoice 951
Milan
Rome
Rome, Invoices 234 and 951

Customers: Merging Customers - 5

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.

Merging Customer Data



Merging Customer Data

Invoice 753

Invoice 654

Blanc SA

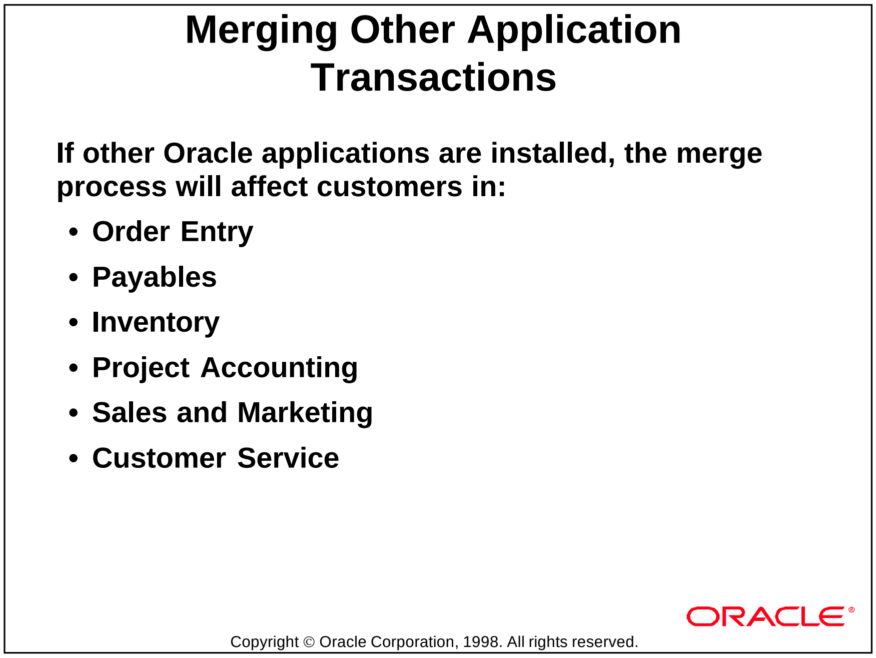
White Corp.

Blanc SA, Invoices 753 and 654

Merger of Customers

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

Merging Other Application Transactions

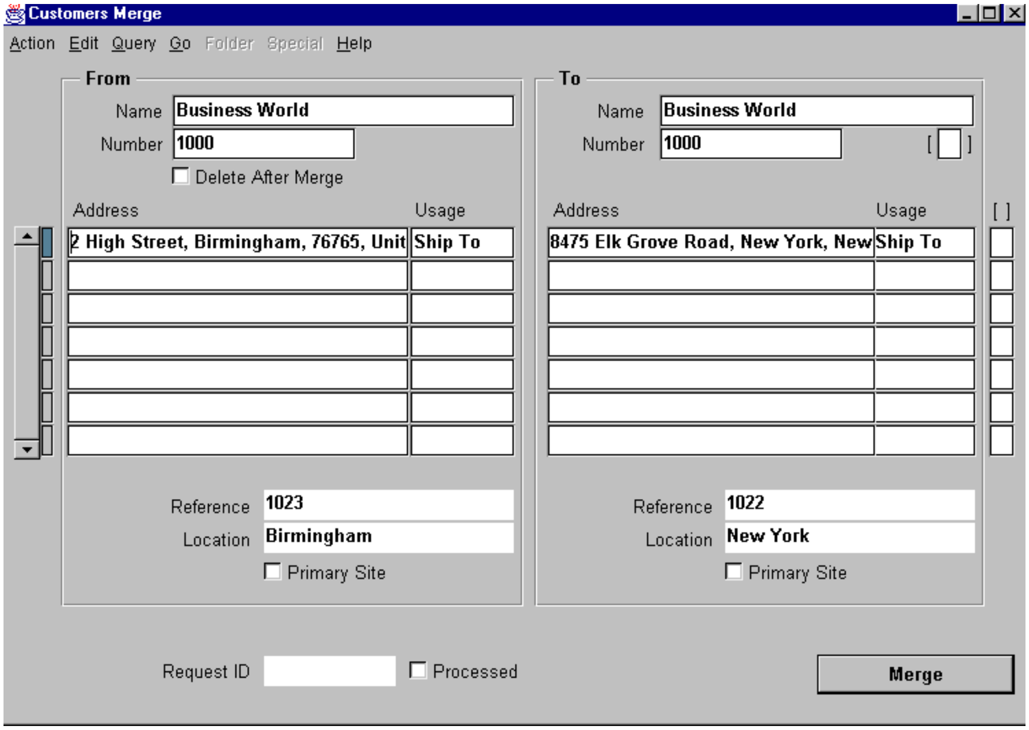


Merging Other Application Transactions

If other Oracle applications are installed, the merge process will affect customers in:

- **Order Entry**
- **Payables**
- **Inventory**
- **Project Accounting**
- **Sales and Marketing**
- **Customer Service**

Merge Customers Window



From

Name: Business World
Number: 1000
☐ Delete After Merge

Address	Usage
2 High Street, Birmingham, 76765, Unit	Ship To

Reference: 1023
Location: Birmingham
☐ Primary Site

To

Name: Business World
Number: 1000

Address	Usage
8475 Elk Grove Road, New York, New	Ship To

Reference: 1022
Location: New York
☐ Primary Site

Request ID:
☐ Processed

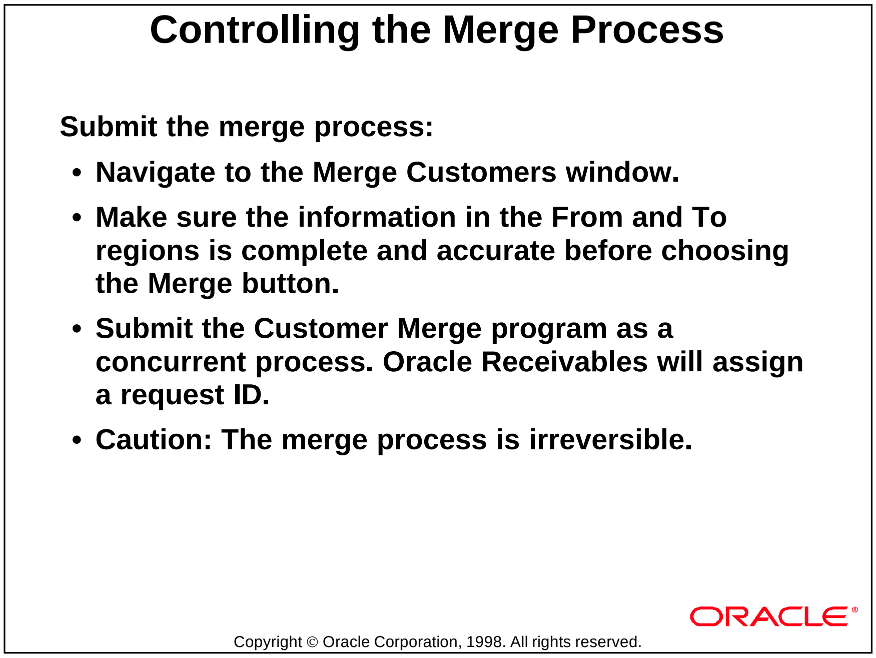
Customers Merge

(N) Customers—>Merge

Run the Duplicate Customer Report in the Control Requests window to identify duplicate customers. For each Ship-To, Bill-To, and Marketing business site in the From region, a corresponding business site must be identified in the To region.

If you select the Delete After Merge check box, all data related to the previous (From) site will be deleted. This data can not be retrieved using Oracle Receivables. If you do not select the Delete After Merge check box, information for the sites are assigned an Inactive status. The Inactive status helps maintain an audit trail. The previous (From) customer appears in the Customers - Standard and Quick Customer Entry windows with an Inactive status.You can not delete some of the customer sites in the From region and allow others to become inactive. Inactive merged customers can be reactivated, but reactivation does not link merged transactions back to the reactivated customer.

Controlling the Merge Process



Controlling the Merge Process

Submit the merge process:

- **Navigate to the Merge Customers window.**
- **Make sure the information in the From and To regions is complete and accurate before choosing the Merge button.**
- **Submit the Customer Merge program as a concurrent process. Oracle Receivables will assign a request ID.**
- **Caution: The merge process is irreversible.**

Merge Process

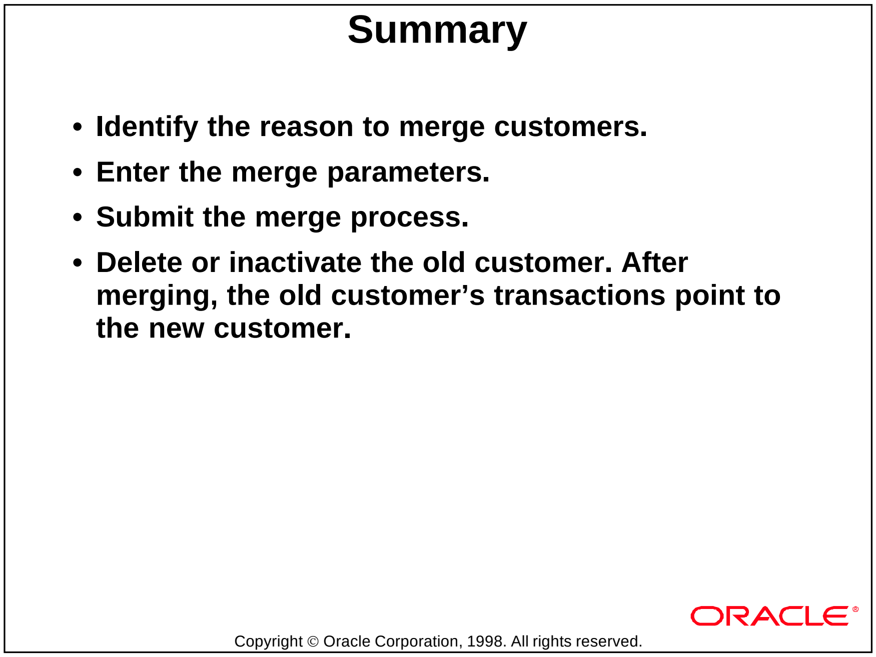
If the From (previous) customer had a site use that does not exist for the To (new) customer, the system leaves the To address blank. You must assign this site use to the new customer before you complete the merge.

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 Oracle Receivables and in any other Oracle applications that use customer tables.

When merge processing is complete, Oracle Receivables 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.

Summary



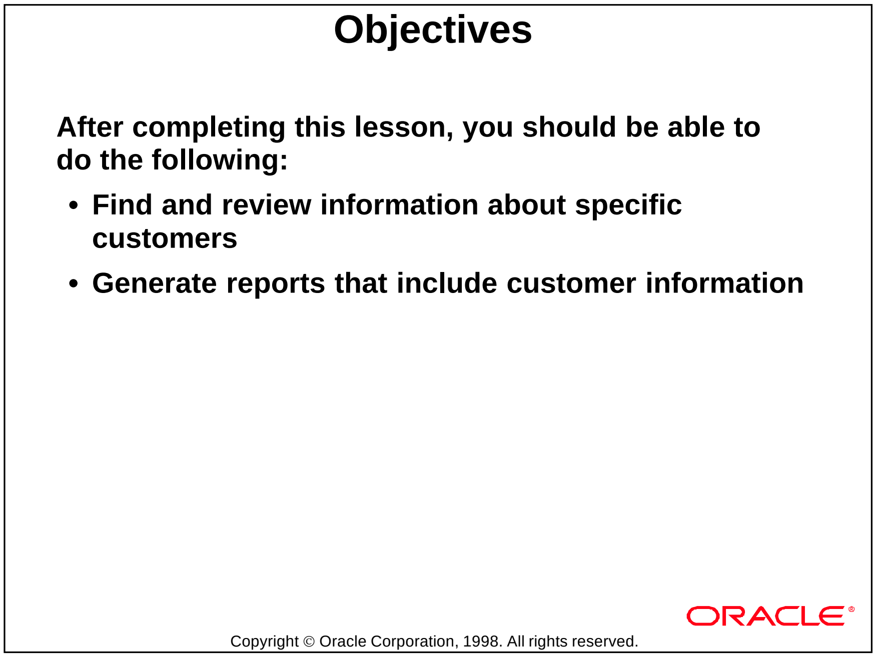
Summary

- **Identify the reason to merge customers.**
- **Enter the merge parameters.**
- **Submit the merge process.**
- **Delete or inactivate the old customer. After merging, the old customer’s transactions point to the new customer.**

6

Reviewing Customer Information

Objectives

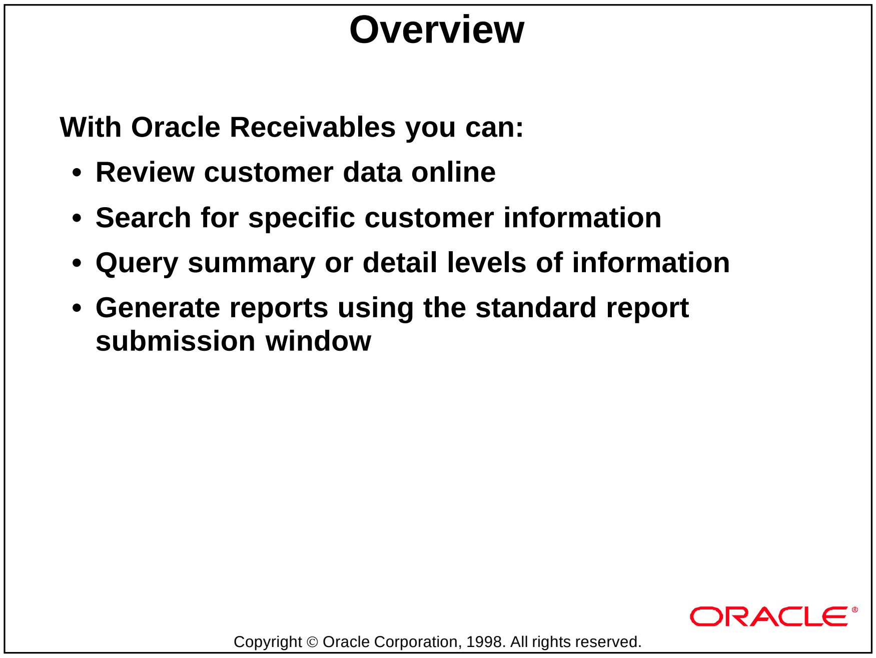


Objectives

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

- **Find and review information about specific customers**
- **Generate reports that include customer information**

Overview

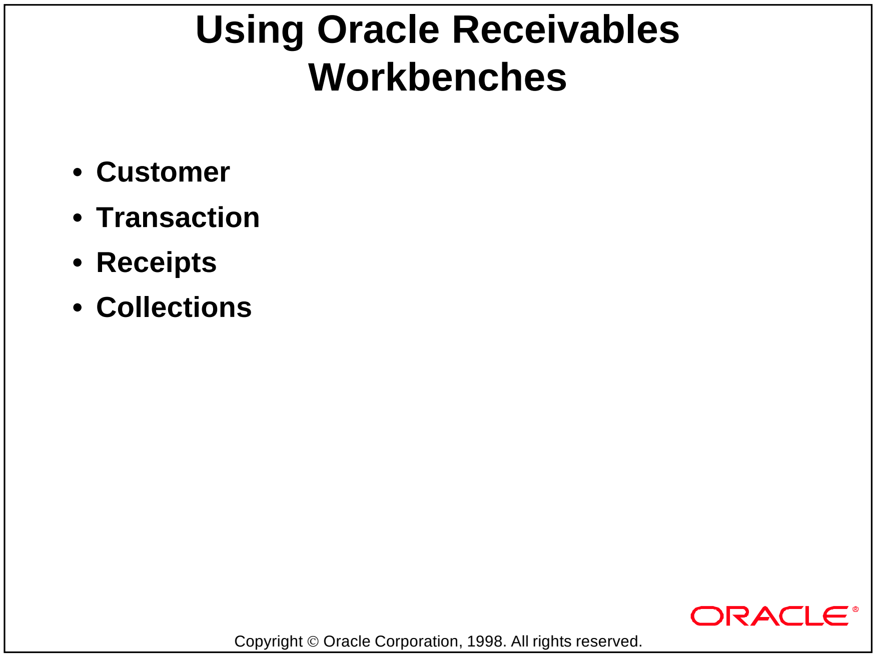


Overview

With Oracle Receivables you can:

- **Review customer data online**
- **Search for specific customer information**
- **Query summary or detail levels of information**
- **Generate reports using the standard report submission window**

Using Oracle Receivables Workbenches



Using Oracle Receivables Workbenches

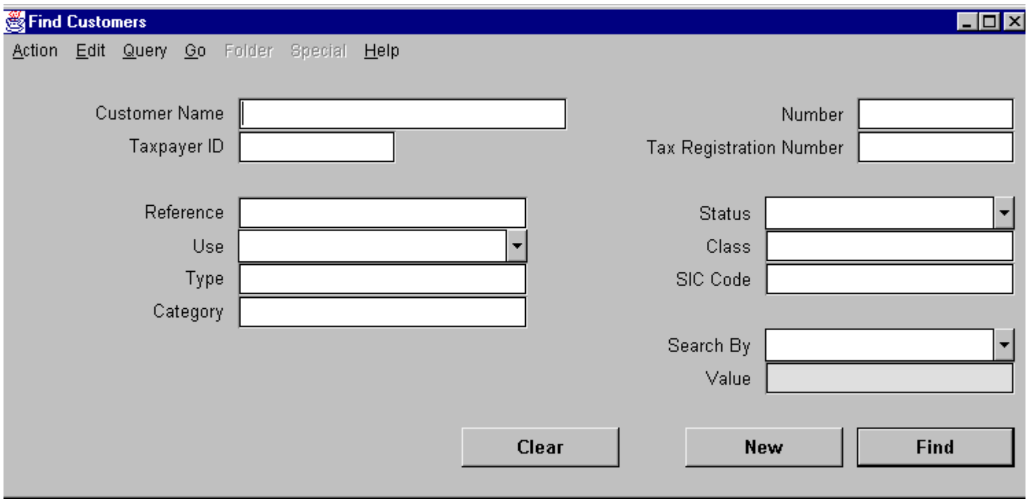
- **Customer**
- **Transaction**
- **Receipts**
- **Collections**

Workbenches

Workbenches are windows that can be used for several purposes. The following workbenches are used to review customer information online.

Name	**Item Detail**	**Details Displayed**
Customer	Name, customer number, address, telephone number, contact information, profile class, relationships, credit limits, payment methods	By customer
Transaction	Invoices, credit memos, deposits and guarantees, debit memos, on-account credits	By transaction
Receipts	Receipts, remittance bank accounts, currencies, application rules, reversals, statements	By individual receipt transaction
Collections	Customer calls, customer account details, customer account history, transaction information for selected transactions.	Navigate to details displayed for selected customer; then view details

Finding Customers

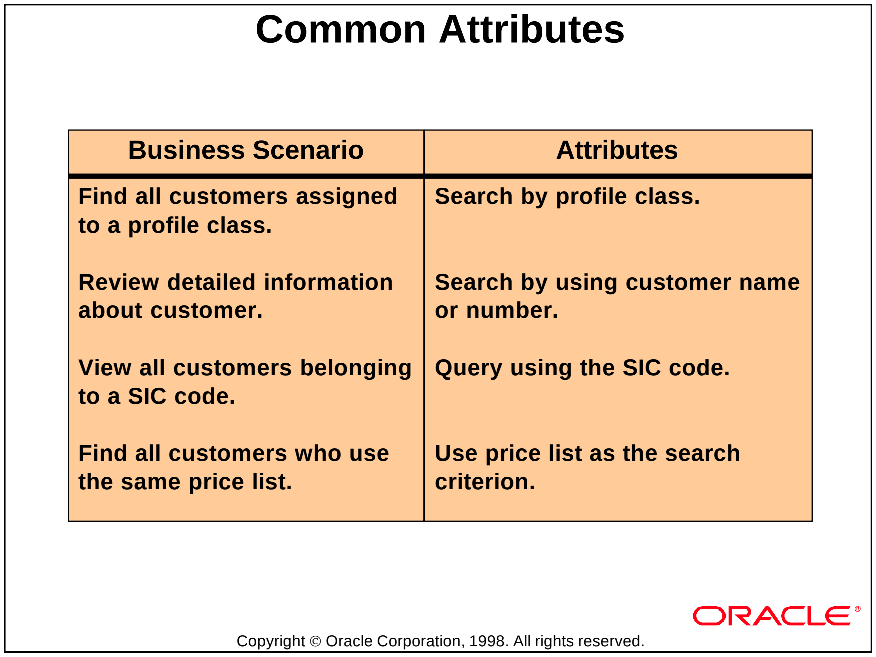

Find Customers
Action Edit Query Go Folder Special Help
Customer Name
Taxpayer ID
Number
Tax Registration Number
Reference
Use
Type
Category
Status
Class
SIC Code
Search By
Value
Clear
New
Find

Find Customers

(N) Customers—>Standard (Quick or Summary)—>(M) Query—>Find

You can find customers using either the Customer - Summary or Customer - Standard window and the Query menu items Find or Find All. Selecting Find opens the Find Customers window, which you use to search for customers matching specified values that have been entered into the appropriate attribute fields.

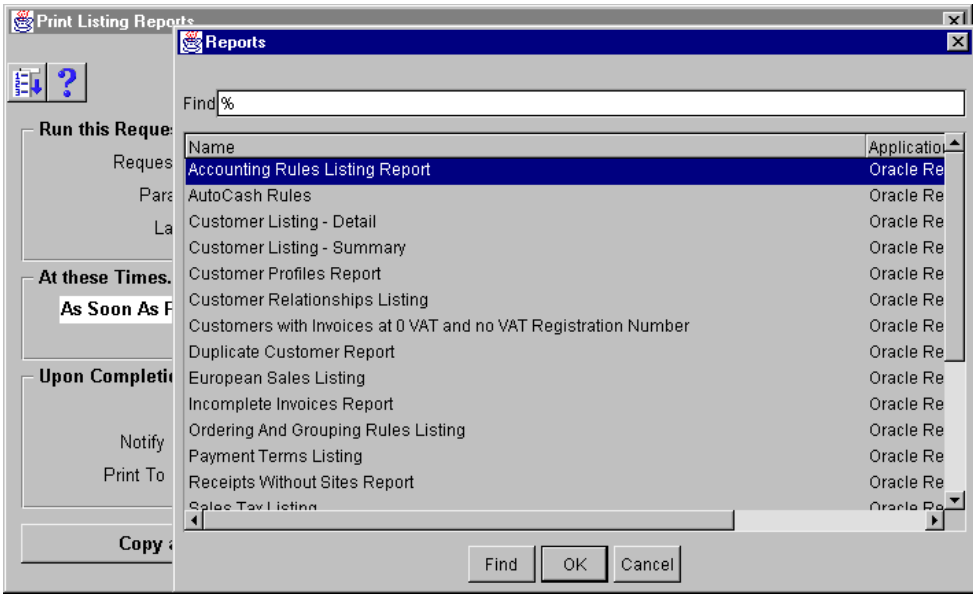
Common Attributes



Common Attributes

Business Scenario	Attributes
Find all customers assigned to a profile class.	Search by profile class.
Review detailed information about customer.	Search by using customer name or number.
View all customers belonging to a SIC code.	Query using the SIC code.
Find all customers who use the same price list.	Use price list as the search criterion.

Reviewing Customer Information Reports



Find %

Name	Applicatio
Accounting Rules Listing Report	Oracle Re
AutoCash Rules	Oracle Re
Customer Listing - Detail	Oracle Re
Customer Listing - Summary	Oracle Re
Customer Profiles Report	Oracle Re
Customer Relationships Listing	Oracle Re
Customers with Invoices at 0 VAT and no VAT Registration Number	Oracle Re
Duplicate Customer Report	Oracle Re
European Sales Listing	Oracle Re
Incomplete Invoices Report	Oracle Re
Ordering And Grouping Rules Listing	Oracle Re
Payment Terms Listing	Oracle Re
Receipts Without Sites Report	Oracle Re
Sales Tax Listing	Oracle Re

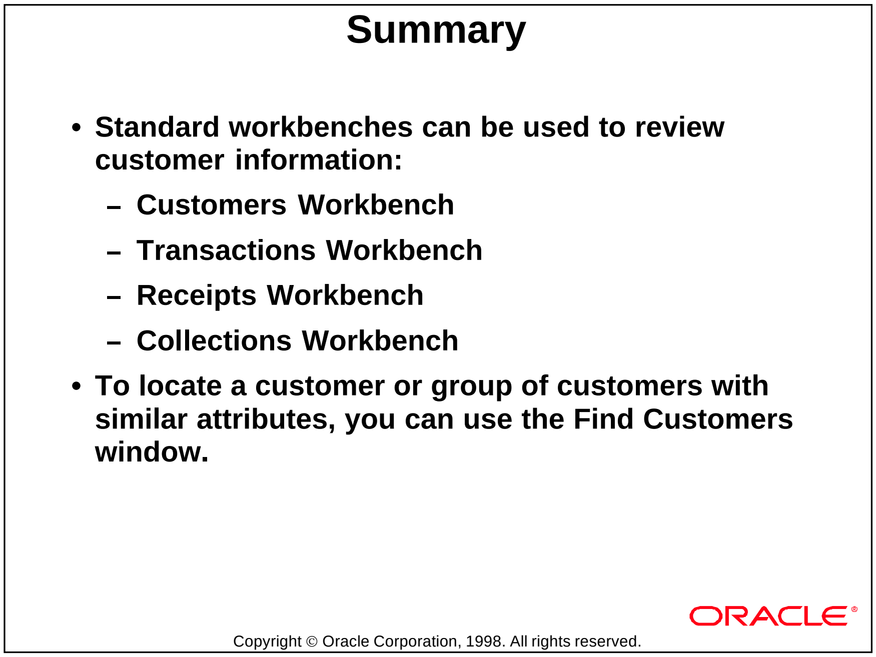
Reports

(N) Reports—>Listing (or Accounting, Collections, Other, and View)

Run reports in the report submission window to review customer information.

Report Name	**Description**
Customer Profiles	Listing of your customers' profile classes.
Customer Follow-Up History	A history of collection calls to a customer.
Customer Listing	Detailed or summary customer information.
Customer Merge	Automatically generated when Customer Merge is initiated. Provides details of merge process.
Duplicate Customer	Identify possible duplicate customers.
Customer Interface	Details about imported customer data.
Customer Relationships Listing	Review previously defined relationships.

Summary



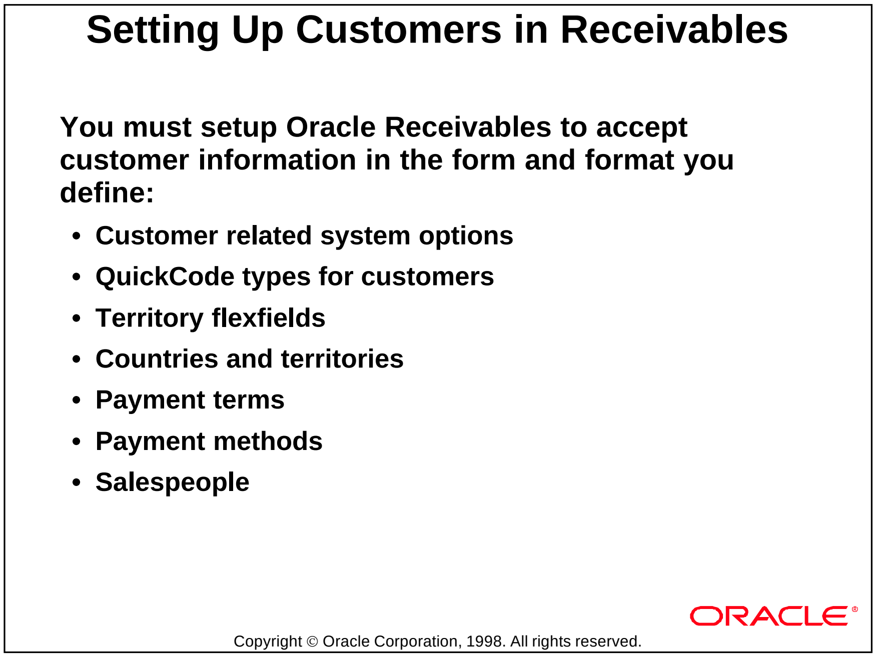
Summary

- Standard workbenches can be used to review customer information:
  - Customers Workbench
  - Transactions Workbench
  - Receipts Workbench
  - Collections Workbench
- To locate a customer or group of customers with similar attributes, you can use the Find Customers window.

7

Setup Considerations

Setting Up Customers in Receivables



Setting Up Customers in Receivables

You must setup Oracle Receivables to accept customer information in the form and format you define:

- **Customer related system options**
- **QuickCode types for customers**
- **Territory flexfields**
- **Countries and territories**
- **Payment terms**
- **Payment methods**
- **Salespeople**

Customer Setup

In the System Options window, you set options that control automatic customer and site numbering, and customer relationships.

QuickCodes are included in a list of values to make data entry faster and more consistent. QuickCodes include: business purposes, freight options, and so on.

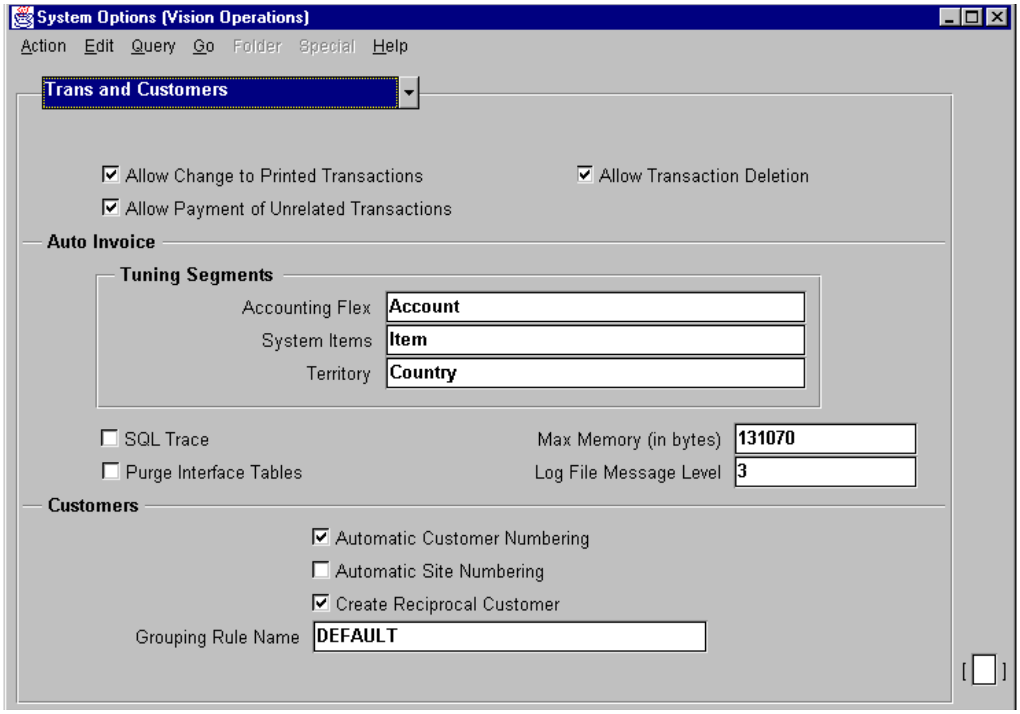
Territories (optional) can be defined for reporting purposes related to salespeople, invoices, commitments, and business purposes.

Countries and territories are predefined by standard international codes. Appropriate address styles and VAT codes can be modified.

You can define payment terms and payments methods for lists of values.

You can also assign identification numbers to salespeople to be used in calculating sales credit and compensation in Oracle Sales Compensation.

Selecting Customer System Options


System Options (Vision Operations)
Action Edit Query Go Folder Special Help
Trans and Customers

☑ Allow Change to Printed Transactions

☑ Allow Transaction Deletion

☑ Allow Payment of Unrelated Transactions

Auto Invoice

Tuning Segments

Accounting Flex: Account

System Items: Item

Territory: Country

☐ SQL Trace

☐ Purge Interface Tables

Max Memory (in bytes): 131070

Log File Message Level: 3

Customers

☑ Automatic Customer Numbering

☐ Automatic Site Numbering

☑ Create Reciprocal Customer

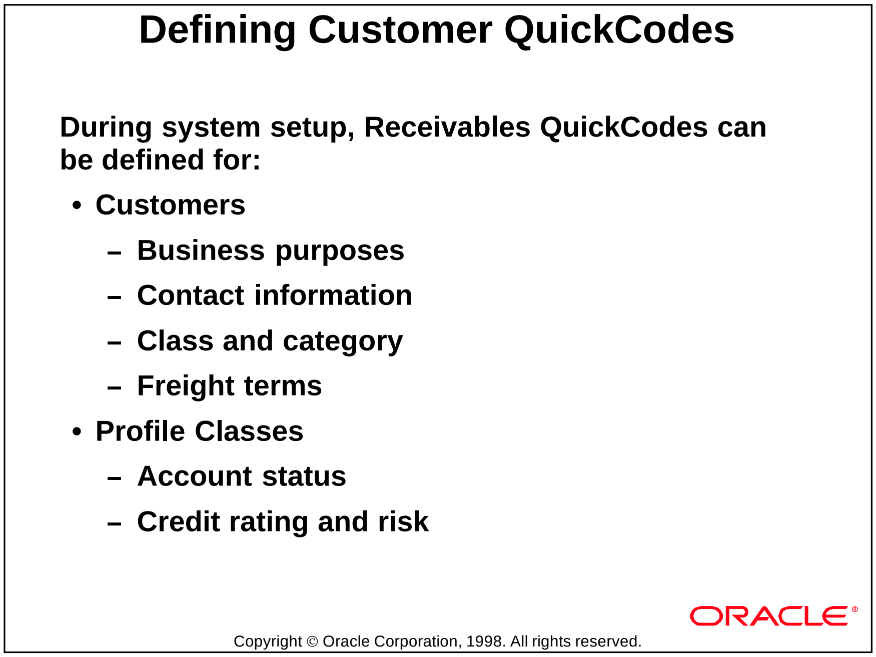
Grouping Rule Name: DEFAULT

System Options: Transactions and Customers region

(N) Setup—>System—>System Options

- Navigate to the Transactions and Customers alternative region.
- To allow the application of receipts to unrelated customers, select the Allow Payment of Unrelated Invoices check box.
- To automatically assign unique customer numbers to new customers, select the Automatic Customer Numbering check box.
- To automatically assign numbers to new customer's business purposes, select the Automatic Site Numbering check box.
- To automatically create a reciprocal relationship between two customers when you are defining customer relationships, select the Create Reciprocal Customer check box. A reciprocal relationship is one in which related customers can apply payments to each other's invoices.
- Enter the default Grouping Rule Name you want AutoInvoice to use. AutoInvoice uses grouping rules to group transactions (invoices, debit memos, and credit memos) on customer reports and documents.

Defining Customer QuickCodes



Defining Customer QuickCodes

During system setup, Receivables QuickCodes can be defined for:

- **Customers**
  - **Business purposes**
  - **Contact information**
  - **Class and category**
  - **Freight terms**
- **Profile Classes**
  - **Account status**
  - **Credit rating and risk**

List of Values QuickCodes

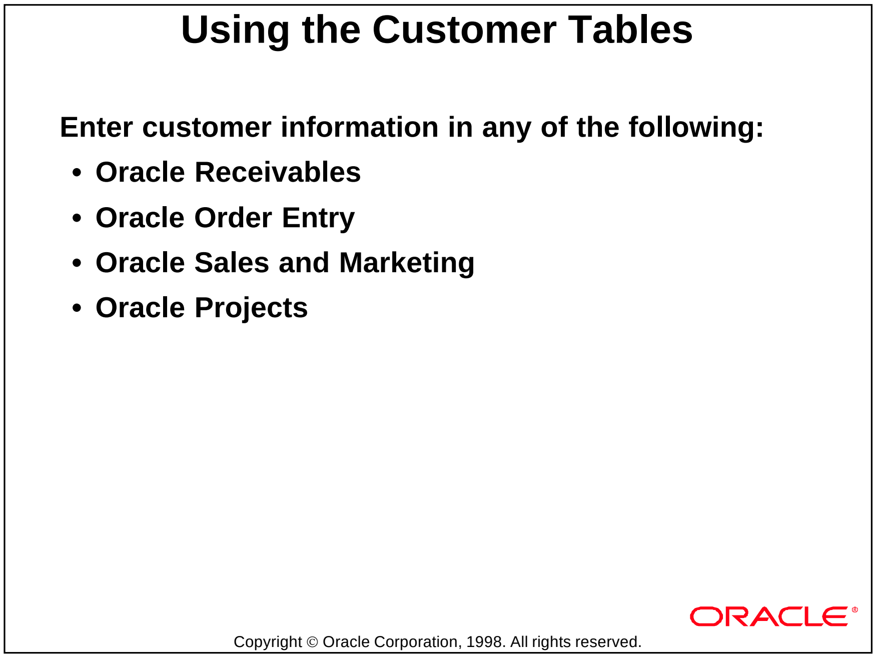
Customer QuickCode Types

- CUSTOMER_CLASS
- CUSTOMER_CATEGORY
- FOB
- FREIGHT_CODE
- DEMAND_CLASS
- SITE_USE_CODE
- RELATIONSHIP_TYPE
- CONTACT_TITLE
- COMMUNICATION_TYPE
- RESPONSIBILITY

Customer Profile QuickCode Types

- ACCOUNT_STATUS
- CREDIT_RATING
- RISK_CODE

Using the Customer Tables



Using the Customer Tables

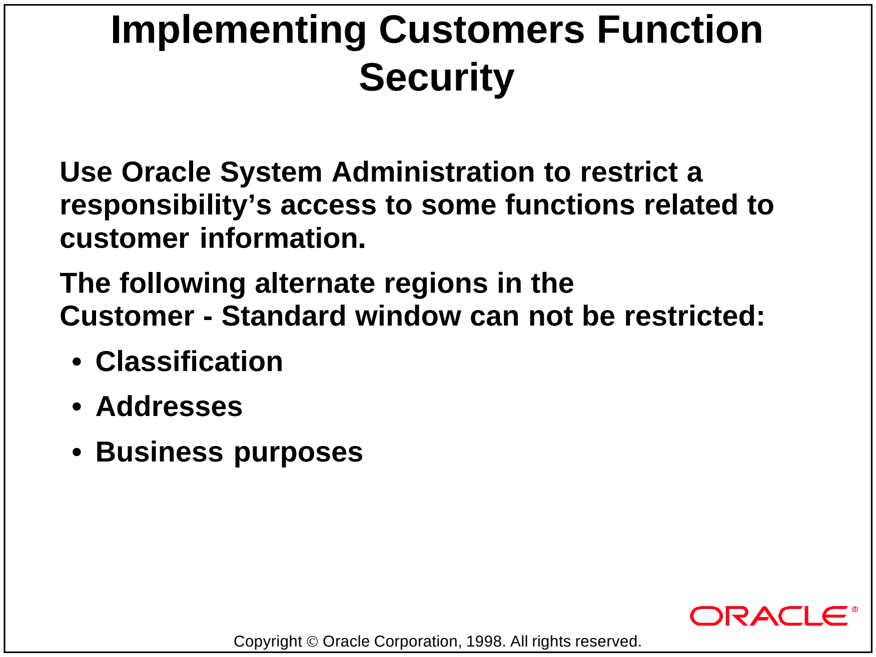
Enter customer information in any of the following:

- **Oracle Receivables**
- **Oracle Order Entry**
- **Oracle Sales and Marketing**
- **Oracle Projects**

Sources of Customer Information

Information concerning customers can be entered in several Oracle applications. Changing information in one application requires validation with the same information in any other installed Oracle application before the changes are permanent.

Implementing Customers Function Security



Implementing Customers Function Security

Use Oracle System Administration to restrict a responsibility's access to some functions related to customer information.

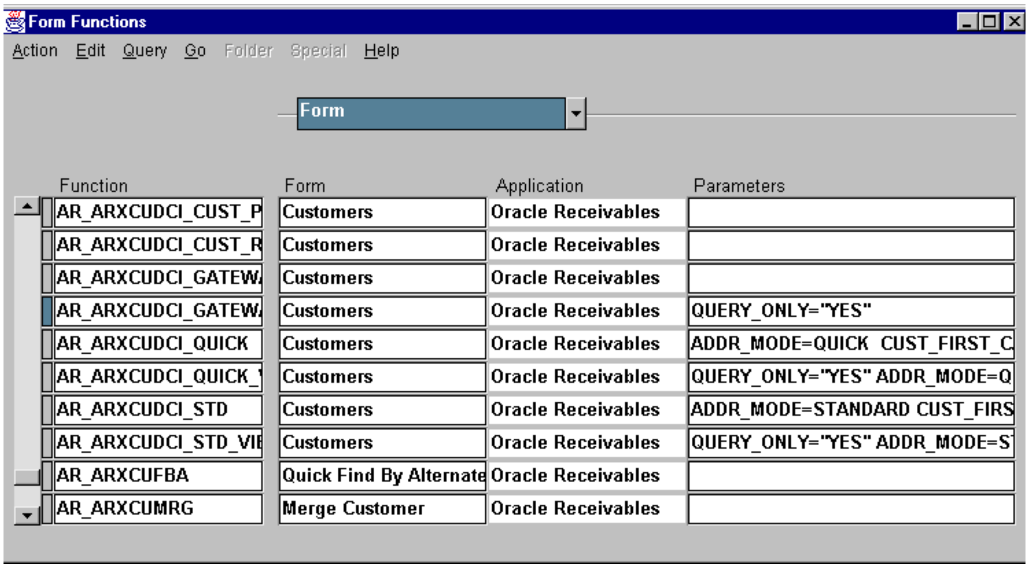
The following alternate regions in the Customer - Standard window can not be restricted:

- **Classification**
- **Addresses**
- **Business purposes**

Functions That Can Be Excluded from the Customers Workbench

Function Name	**Function**
Customers: Telephones	Enter customer telephone numbers.
Customers: Contacts	Enter contact names, contact telephone numbers, and contact roles.
Customers: Profile	Assign and maintain customer profiles.
Customers: Banks	Assign banks to customers.
Customers: Payment Methods	Assign payment methods to customers.
Customers: Marketing	Enter marketing information.
Customers: Relationship	Create and view customer relationships.
Customers: Address Telephones	Enter address telephone numbers.
Customers: Address Contacts	Enter contact names, contact telephone numbers, and contact roles.
Customers: Address Profile	Maintain customer site profiles.
Customers: Address Banks	Assign banks to addresses.
Customers: Address Payment Method	Assign payment methods to addresses.

Setting Customers Function Security



Function	Form	Application	Parameters
AR_ARXCUDCI_CUST_P	Customers	Oracle Receivables	
AR_ARXCUDCI_CUST_R	Customers	Oracle Receivables	
AR_ARXCUDCI_GATEW	Customers	Oracle Receivables	
AR_ARXCUDCI_GATEW	Customers	Oracle Receivables	QUERY_ONLY="YES"
AR_ARXCUDCI_QUICK	Customers	Oracle Receivables	ADDR_MODE=QUICK CUST_FIRST_C
AR_ARXCUDCI_QUICK_	Customers	Oracle Receivables	QUERY_ONLY="YES" ADDR_MODE=Q
AR_ARXCUDCI_STD	Customers	Oracle Receivables	ADDR_MODE=STANDARD CUST_FIRS
AR_ARXCUDCI_STD_VI	Customers	Oracle Receivables	QUERY_ONLY="YES" ADDR_MODE=S
AR_ARXCUFBA	Quick Find By Alternate	Oracle Receivables	
AR_ARXCUMRG	Merge Customer	Oracle Receivables	

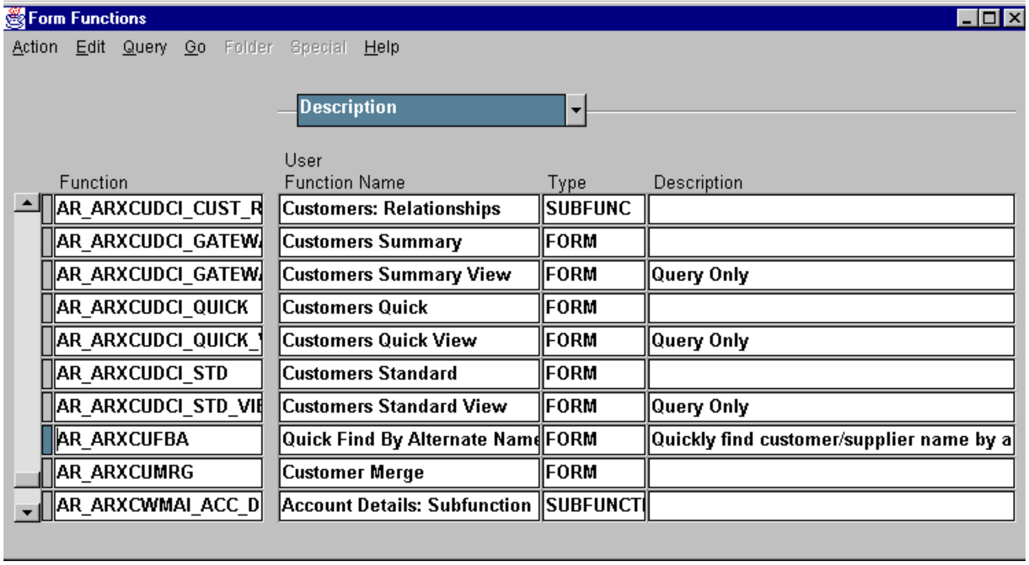
Form Functions: Form Region

In the System Administrator responsibility:

(N) Application—>Function—>Form

Your Oracle Applications system administrator can set parameters to enable or restrict users' access to windows and functions within windows.

Reviewing Customers Function Security



Function	User Function Name	Type	Description
AR_ARXCUDCI_CUST_R	Customers: Relationships	SUBFUNC	
AR_ARXCUDCI_GATEW	Customers Summary	FORM	
AR_ARXCUDCI_GATEW	Customers Summary View	FORM	Query Only
AR_ARXCUDCI_QUICK	Customers Quick	FORM	
AR_ARXCUDCI_QUICK_	Customers Quick View	FORM	Query Only
AR_ARXCUDCI_STD	Customers Standard	FORM	
AR_ARXCUDCI_STD_VI	Customers Standard View	FORM	Query Only
AR_ARXCUFBA	Quick Find By Alternate Name	FORM	Quickly find customer/supplier name by a
AR_ARXCUMRG	Customer Merge	FORM	
AR_ARXCWMAI_ACC_D	Account Details: Subfunction	SUBFUNCT	

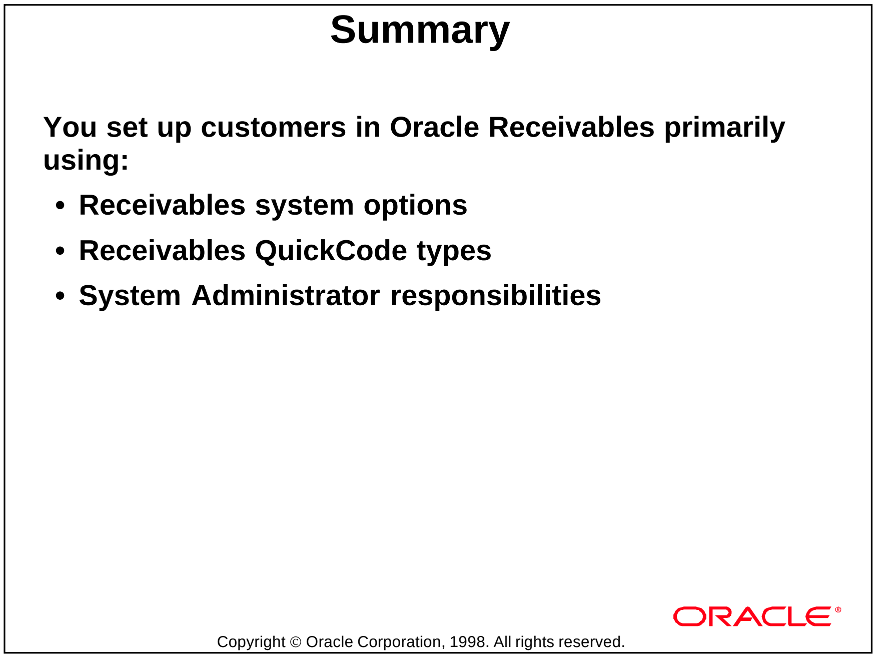
Form Functions: Description Region

In the System Administrator responsibility:

(N) Application—>Function—>Description

In the Description alternative region, you can easily review the parameters set for each function.

Summary



Summary

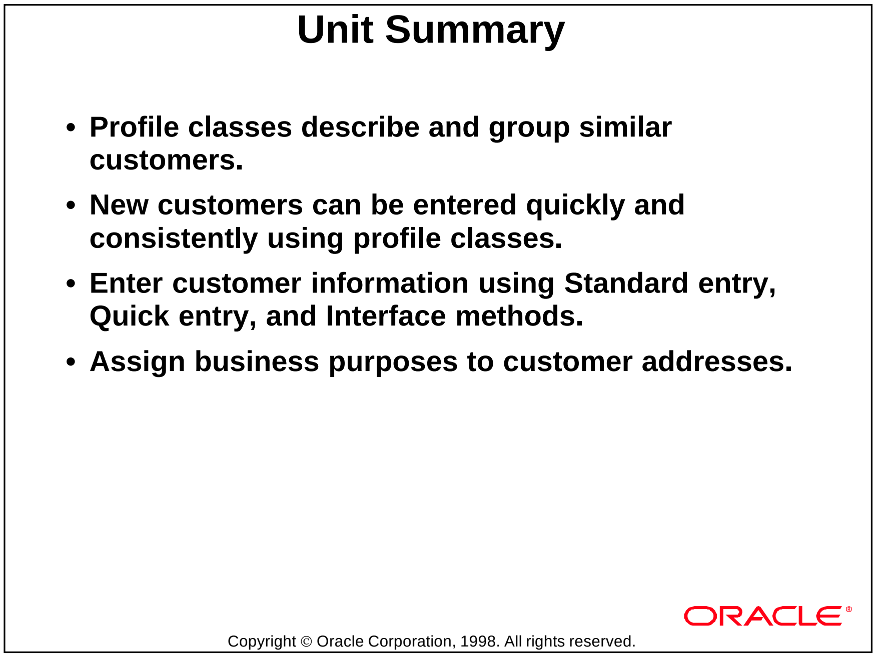
You set up customers in Oracle Receivables primarily using:

- **Receivables system options**
- **Receivables QuickCode types**
- **System Administrator responsibilities**

8

Unit Summary

Unit Summary



Unit Summary

- **Profile classes describe and group similar customers.**
- **New customers can be entered quickly and consistently using profile classes.**
- **Enter customer information using Standard entry, Quick entry, and Interface methods.**
- **Assign business purposes to customer addresses.**

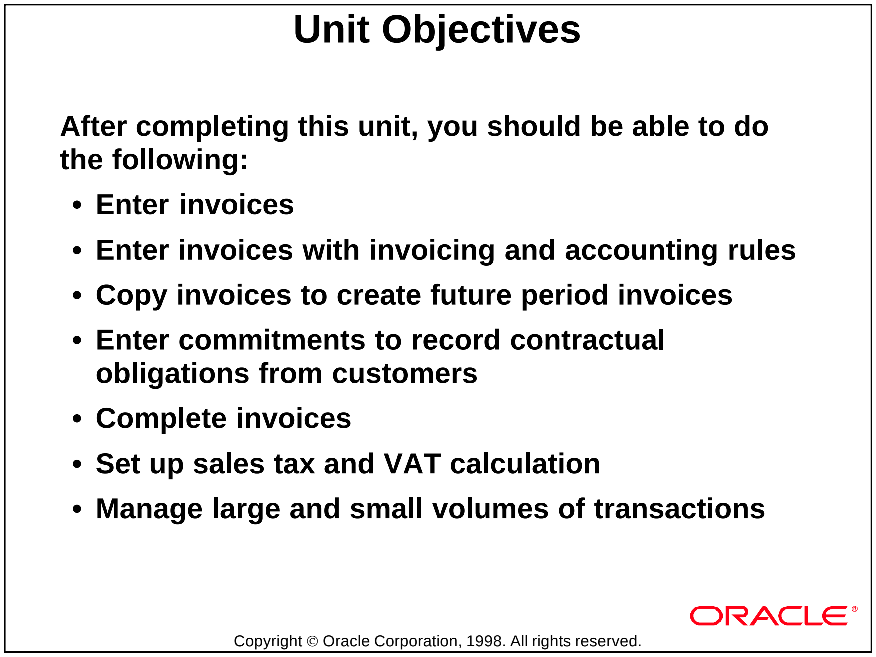
Unit II

Transactions

9

Unit Introduction

Unit Objectives

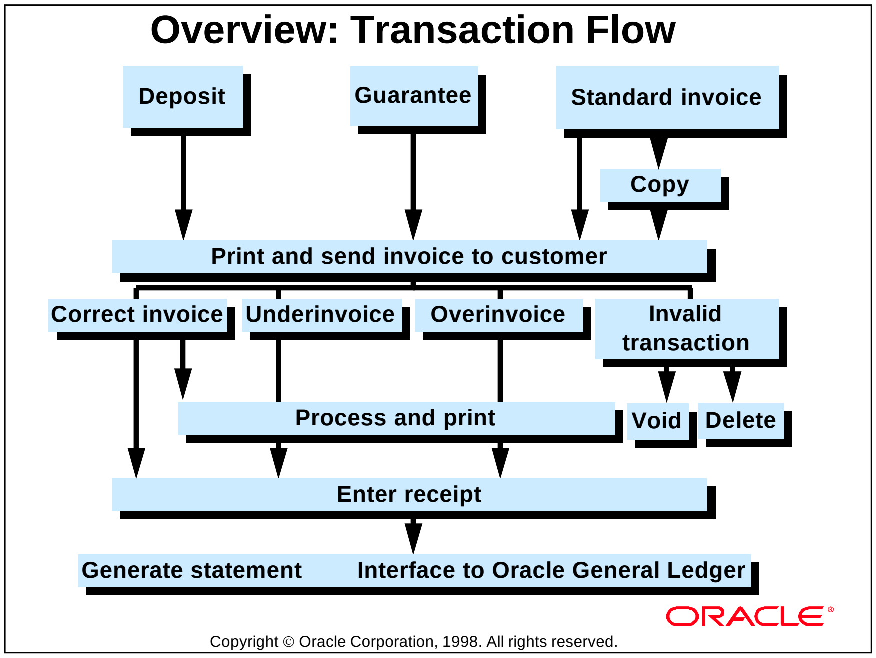


Unit Objectives

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

- **Enter invoices**
- **Enter invoices with invoicing and accounting rules**
- **Copy invoices to create future period invoices**
- **Enter commitments to record contractual obligations from customers**
- **Complete invoices**
- **Set up sales tax and VAT calculation**
- **Manage large and small volumes of transactions**

Overview: Transaction Flow



Overview: Transaction Flow

Deposit

Guarantee

Standard invoice

Copy

Print and send invoice to customer

Correct invoice

Underinvoice

Overinvoice

Invalid transaction

Process and print

Void

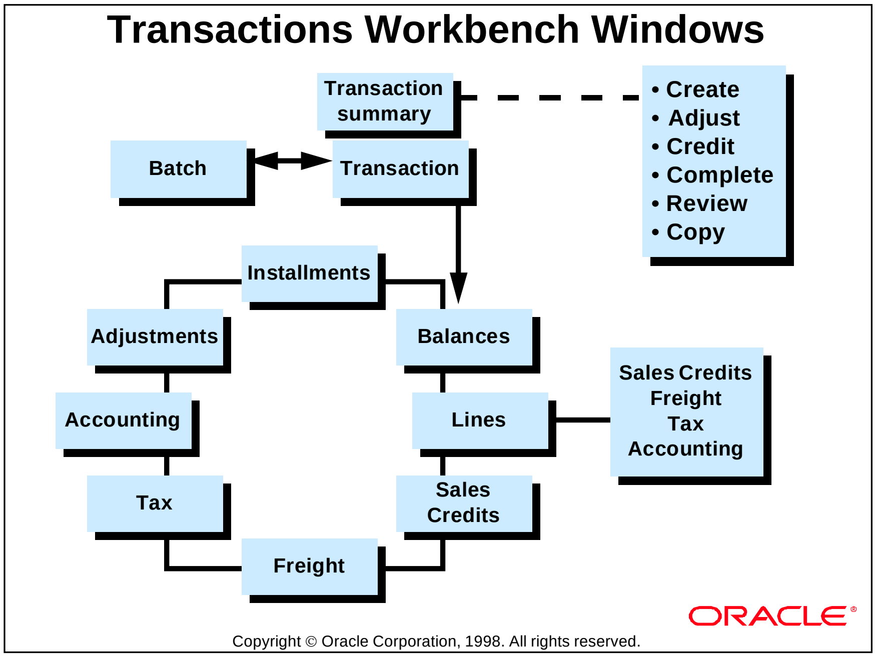
Delete

Enter receipt

Generate statement

Interface to Oracle General Ledger

Transactions Workbench Windows



Transactions Workbench Windows

Transaction summary

- Create
- Adjust
- Credit
- Complete
- Review
- Copy

Batch

Transaction

Installments

Adjustments

Balances

Accounting

Lines

Sales Credits
Freight
Tax
Accounting

Tax

Sales Credits

Freight

Transactions Workbench

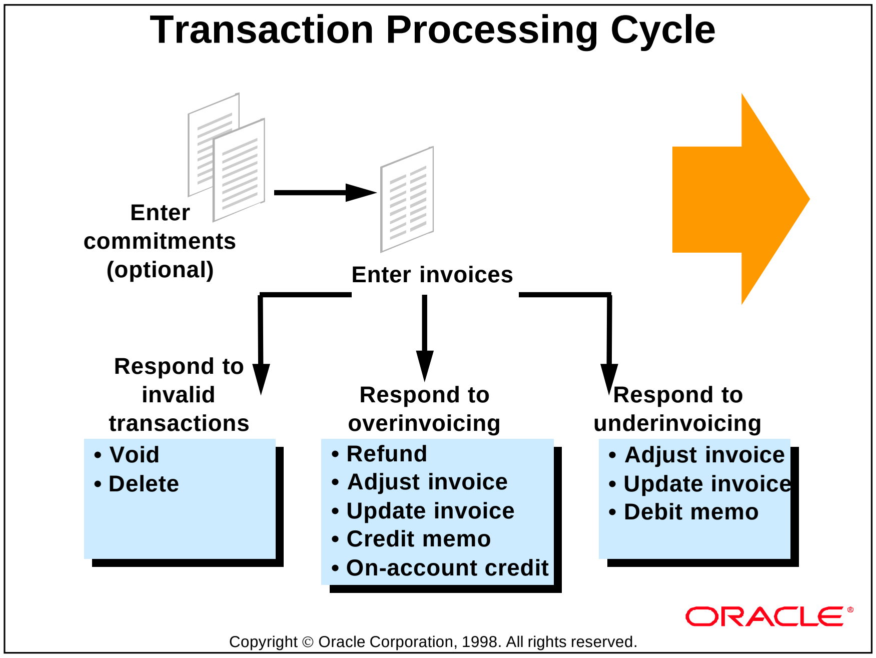
Use the Transactions workbench windows to add new and to update existing invoices, commitments, and debit memos in Oracle Receivables. You can copy invoices, create adjustments and credit memos, complete transactions, and review installments and applications in this form. For example, to adjust a transaction using the Transactions workbench, you would follow these steps:

1. Select Transactions–>Transactions Summary from the Navigator.
2. Select Find from the menu to open the Find Transactions window to find the transaction to adjust.
3. Select the transaction in the Transaction Summary window.
4. Click the Adjust button to open the Adjustments window.

For transaction lines, the following windows are also available:

- Sales credits
- Freight
- Tax
- Accounting

Transaction Processing Cycle



Transaction Processing Cycle

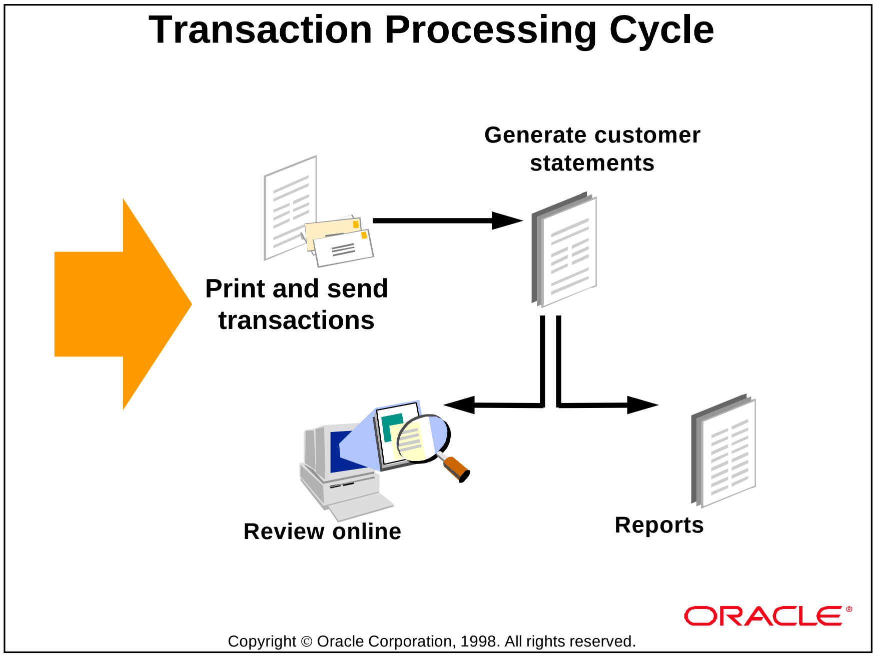
Enter commitments (optional)

Enter invoices

Respond to invalid transactions
- Void
- Delete

Respond to overinvoicing
- Refund
- Adjust invoice
- Update invoice
- Credit memo
- On-account credit

Respond to underinvoicing
- Adjust invoice
- Update invoice
- Debit memo



Transaction Processing Cycle

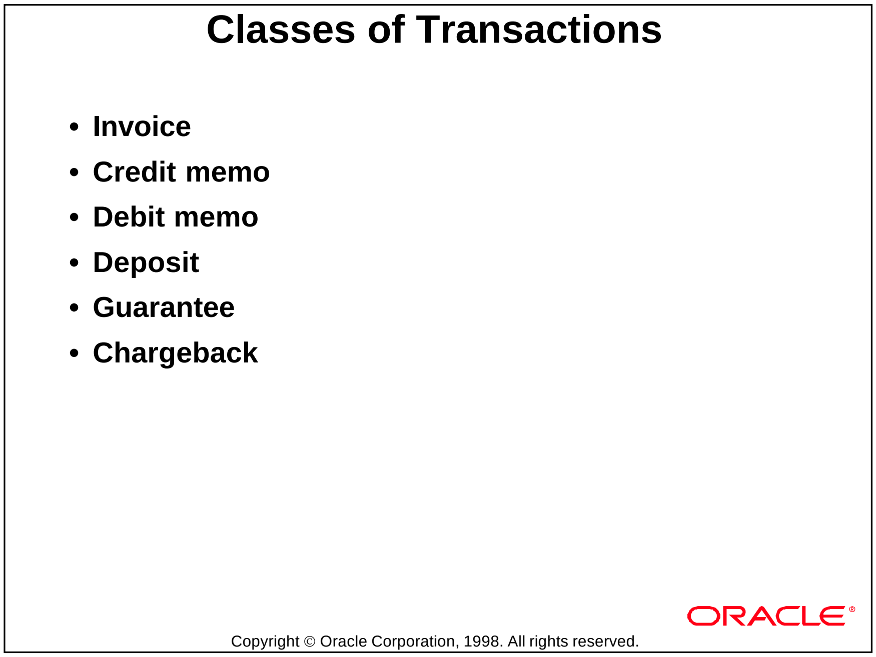
Print and send transactions

Generate customer statements

Review online

Reports

Classes of Transactions



Classes of Transactions

- Invoice
- Credit memo
- Debit memo
- Deposit
- Guarantee
- Chargeback

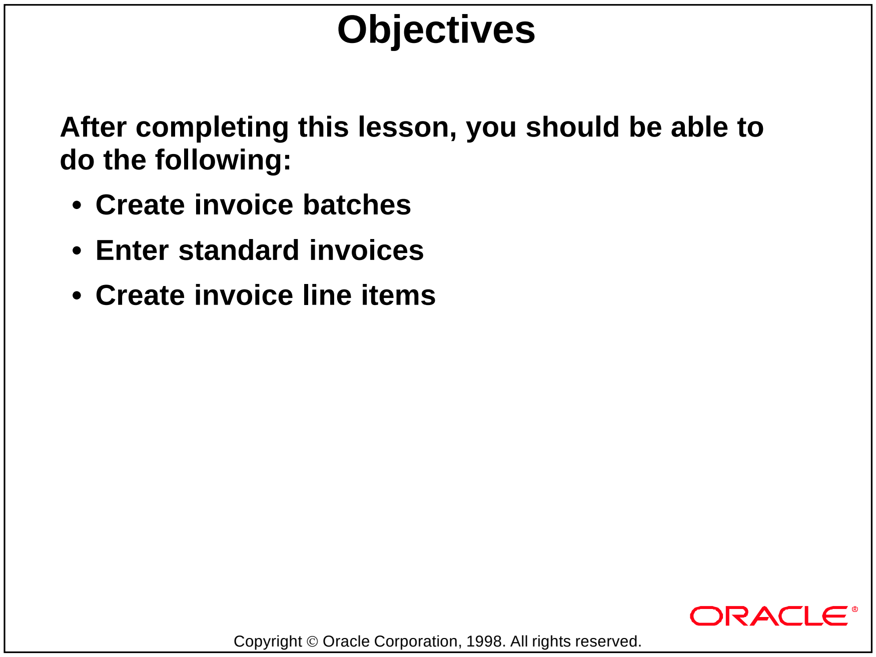
Transaction Classes

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
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.)
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.

10

Entering Standard Invoices

Objectives

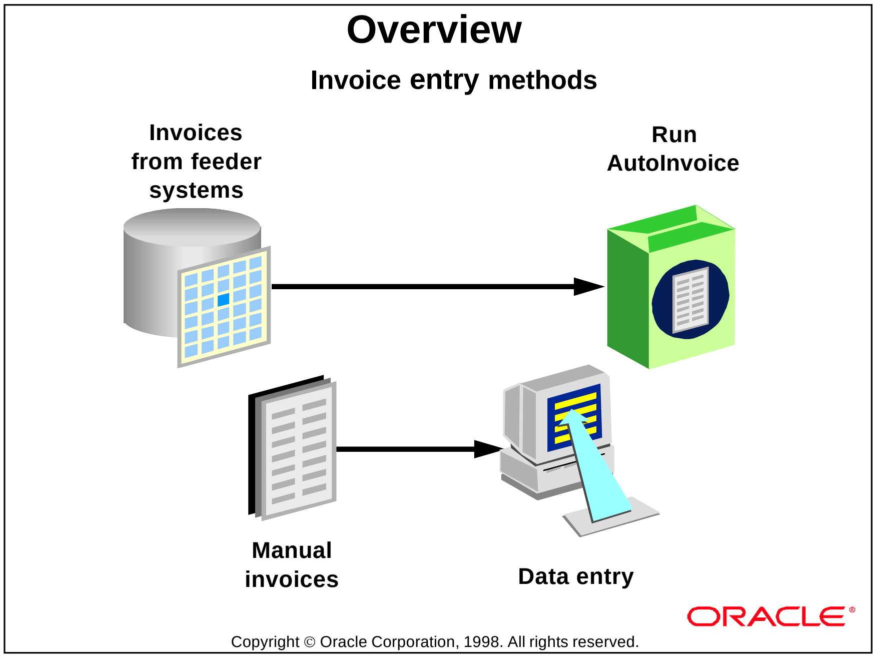


Objectives

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

- **Create invoice batches**
- **Enter standard invoices**
- **Create invoice line items**

Overview



Overview

Invoice entry methods

Invoices from feeder systems

Run AutoInvoice

Manual invoices

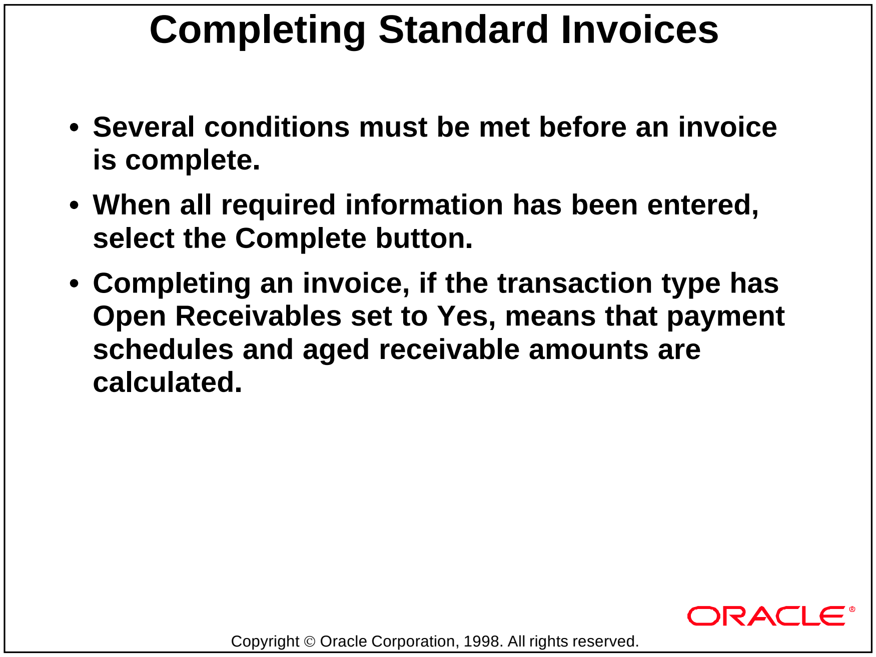
Data entry

Standard Invoices Overview

Enter standard invoices according to business needs.

Business Need	Solution
Import legacy transactions.	Use AutoInvoice to import legacy data.
Bill items to one customer and ship to a different customer.	Enter a different Ship-To customer.
Customer pays for the invoice in multiple installments.	Assign a payment term where different percentages of the invoice are due at different times.
Customer is not charged tax.	Update the Tax Calculation field for the transaction type to No, or create a customer exemption.
Allow discounts for early and partial payment.	Assign a payment term that allows discounts for early payment and partial payments.
Control the accounting period in which transactions are posted.	Assign a general ledger date to post transactions. The date must be in an open or future period in Oracle Receivables.
Automatically number invoices.	Set Automatic Invoice Numbering to Yes.

Standard Invoice Requirements



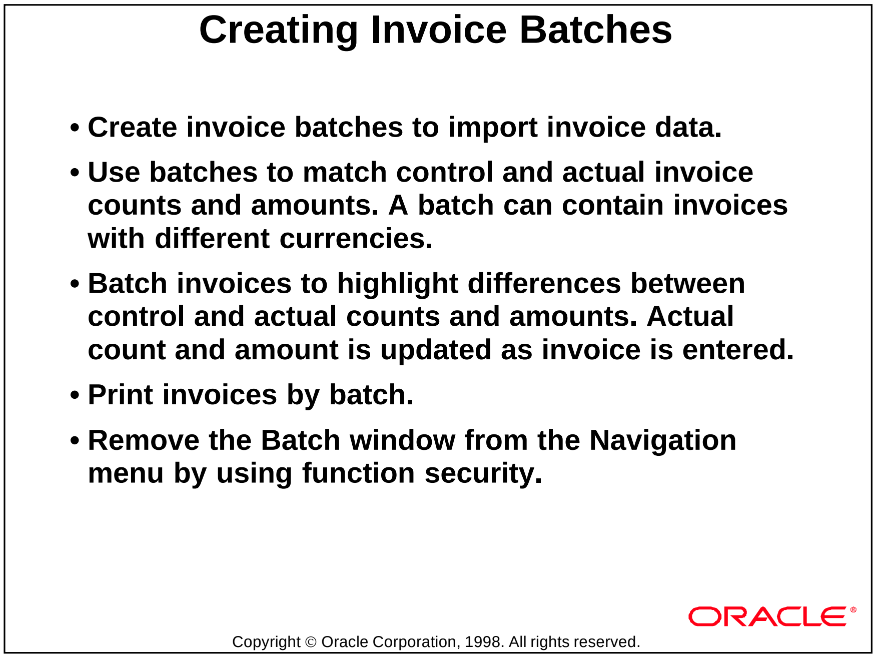
Completing Standard Invoices

- Several conditions must be met before an invoice is complete.
- When all required information has been entered, select the Complete button.
- Completing an invoice, if the transaction type has Open Receivables set to Yes, means that payment schedules and aged receivable amounts are calculated.

Requirements for Completing a Standard 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 (positive or negative) matches the sign of the transaction type.
- The sum of distributions for each line must equal the invoice line amount.
- If Calculate Tax for transaction type is set to Yes, tax is required on each line.
- If taxes are calculated or freight was entered, the tax account must be entered or determined by AutoAccounting.
- If the invoice requires salespeople, a salesperson must be assigned to each line and the total revenue credit percentage must equal 100%.
- All the activity date ranges for the setup values (for example, payment terms) must be valid for the invoice date.
- Customer bank, branch, and account are required for automatic payments.

Creating Invoice Batches



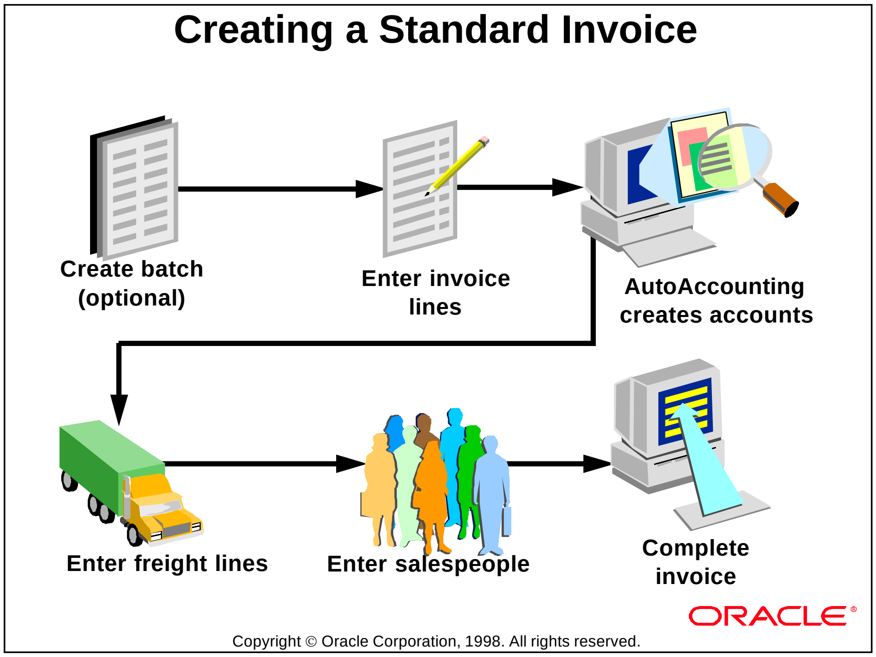
Creating Invoice Batches

- Create invoice batches to import invoice data.
- Use batches to match control and actual invoice counts and amounts. A batch can contain invoices with different currencies.
- Batch invoices to highlight differences between control and actual counts and amounts. Actual count and amount is updated as invoice is entered.
- Print invoices by batch.
- Remove the Batch window from the Navigation menu by using function security.

Batch Default Values

- The batch date defaults to the invoice date.
- If a batch is entered, Oracle Receivables uses the source assigned to the batch.

Creating a Standard Invoice



Creating a Standard Invoice

Create batch (optional)

Enter invoice lines

AutoAccounting creates accounts

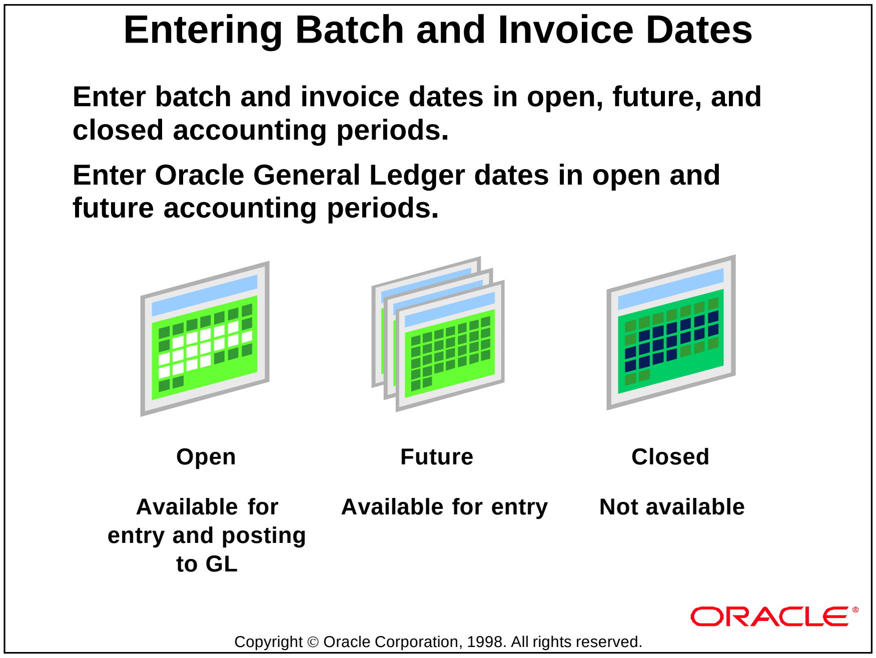
Enter freight lines

Enter salespeople

Complete invoice

ORACLE®

Entering Batch and Invoice Dates



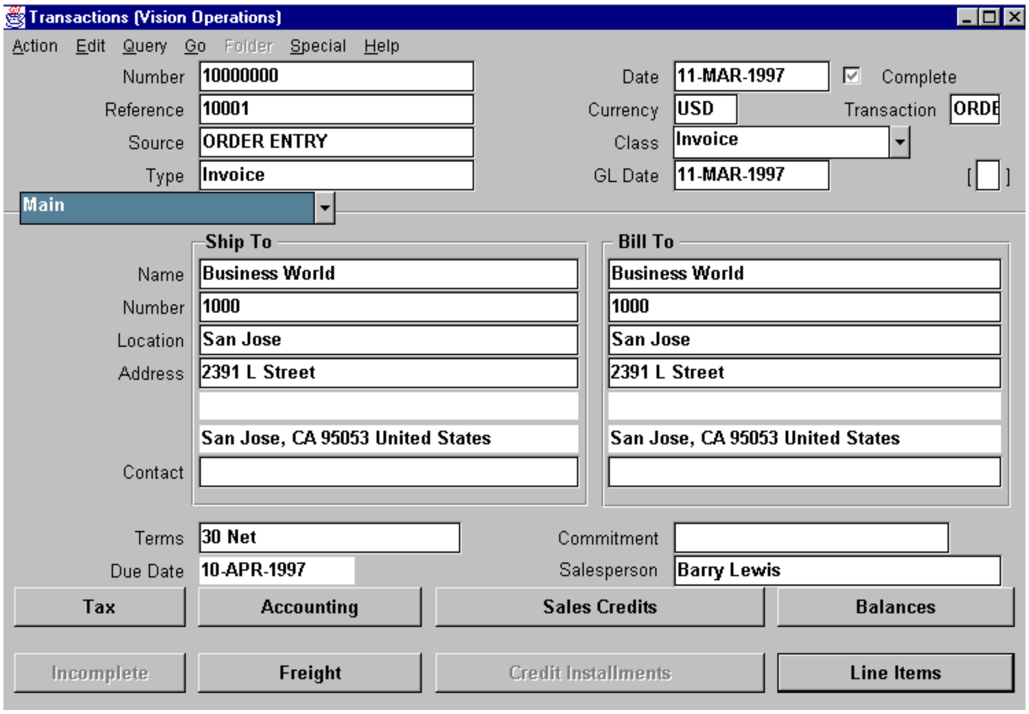
Entering Batch and Invoice Dates

Enter batch and invoice dates in open, future, and closed accounting periods.

Enter Oracle General Ledger dates in open and future accounting periods.

Open	Future	Closed
Available for entry and posting to GL	Available for entry	Not available

Entering Invoice Header Information


Transactions (Vision Operations)
Action Edit Query Go Folder Special Help
Main
Tax
Accounting
Sales Credits
Balances
Incomplete
Freight
Credit Installments
Line Items

Number 10000000
Reference 10001
Source ORDER ENTRY
Type Invoice
Date 11-MAR-1997 ☑ Complete
Currency USD Transaction ORDE
Class Invoice
GL Date 11-MAR-1997

	Ship To	Bill To
Name	Business World	Business World
Number	1000	1000
Location	San Jose	San Jose
Address	2391 L Street	2391 L Street
	San Jose, CA 95053 United States	San Jose, CA 95053 United States
Contact		

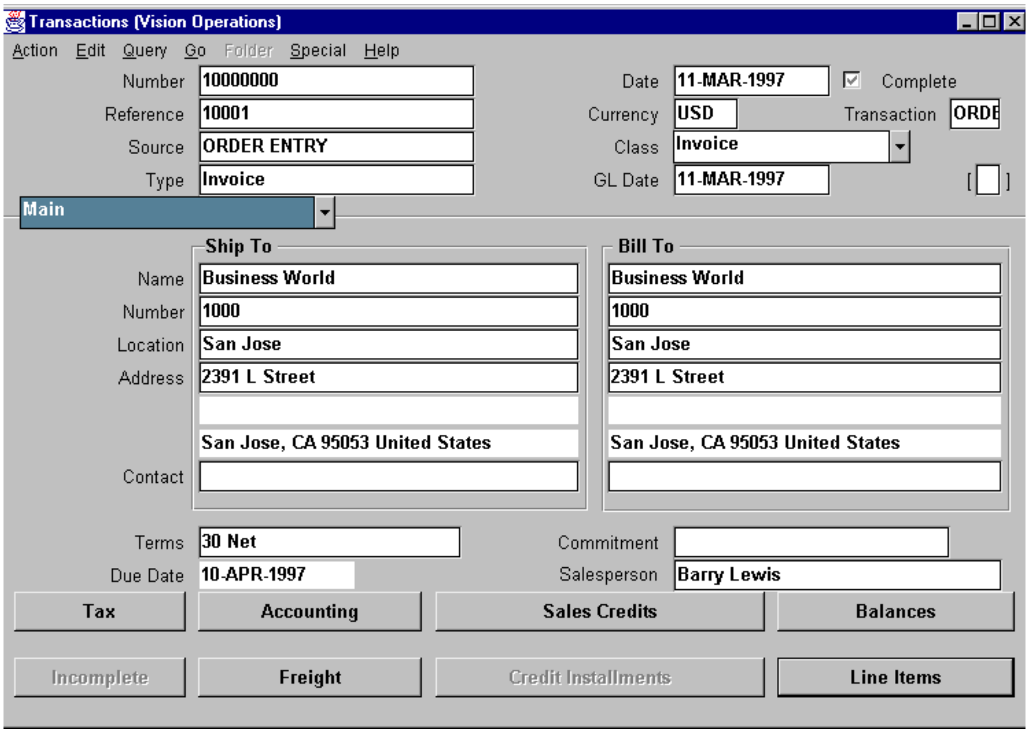
Terms 30 Net
Due Date 10-APR-1997
Commitment
Salesperson Barry Lewis

Transactions

(N) Transactions—>Transactions

Entering Required Invoice Header Information

Field	**Description**
Source	Sets default values and AutoInvoice options. Controls numbering.
Type	Determines whether receivable amounts can be recorded and whether transactions can be posted to the general ledger. Determines creation sign, application method, and tax calculation. May assign AutoAccounting default values.
Terms	Determines payment schedule and discounts for the invoice.
Salesperson (Conditional)	Determines who receives credit for the sales of items on an invoice. (Required if Require Salesreps check box in the System Options window is selected.)
Remit-To	Informs customers where to send payments. An alternative region.


Transactions (Vision Operations)
Action
Edit
Query
Go
Folder
Special
Help
Tax
Accounting
Sales Credits
Balances
Incomplete
Freight
Credit Installments
Line Items

Number 10000000
Reference 10001
Source ORDER ENTRY
Type Invoice
Date 11-MAR-1997
☑ Complete
Currency USD
Transaction ORDE
Class Invoice
GL Date 11-MAR-1997
Main

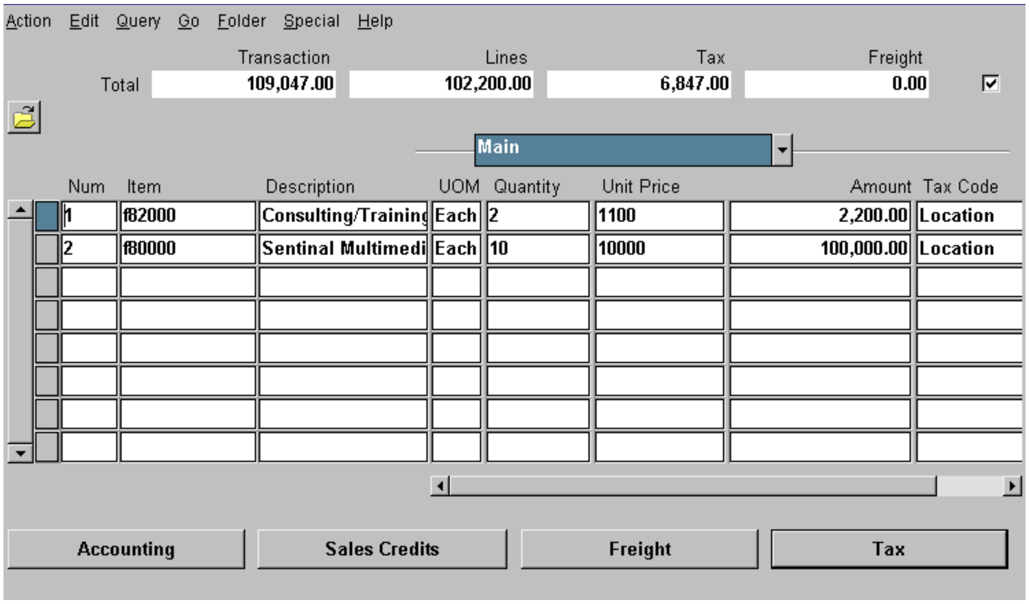
	Ship To	Bill To
Name	Business World	Business World
Number	1000	1000
Location	San Jose	San Jose
Address	2391 L Street	2391 L Street
	San Jose, CA 95053 United States	San Jose, CA 95053 United States
Contact		

Terms 30 Net
Due Date 10-APR-1997
Commitment
Salesperson Barry Lewis

Entering Optional Invoice Header Information

Field	Description
Reference	Provides information from feeder or legacy system. If Oracle Order Entry is being used, the Sales Order number is displayed. This does not print on statements.
Class	Either Invoice or Debit Memo.
GL Date	Posting period for this transaction. Must be open or future enterable period.

Entering Invoice Lines



	Transaction	Lines	Tax	Freight	
Total	109,047.00	102,200.00	6,847.00	0.00	☑

Num	Item	Description	UOM	Quantity	Unit Price	Amount	Tax Code
1	f82000	Consulting/Trainin	Each	2	1100	2,200.00	Location
2	f80000	Sentinal Multimedi	Each	10	10000	100,000.00	Location

Lines: Main Region

(N) Transactions—>Transactions—>(B) Line Items

You can enter line item details manually that should appear on an invoice using predefined or free-form item identifiers and descriptions.

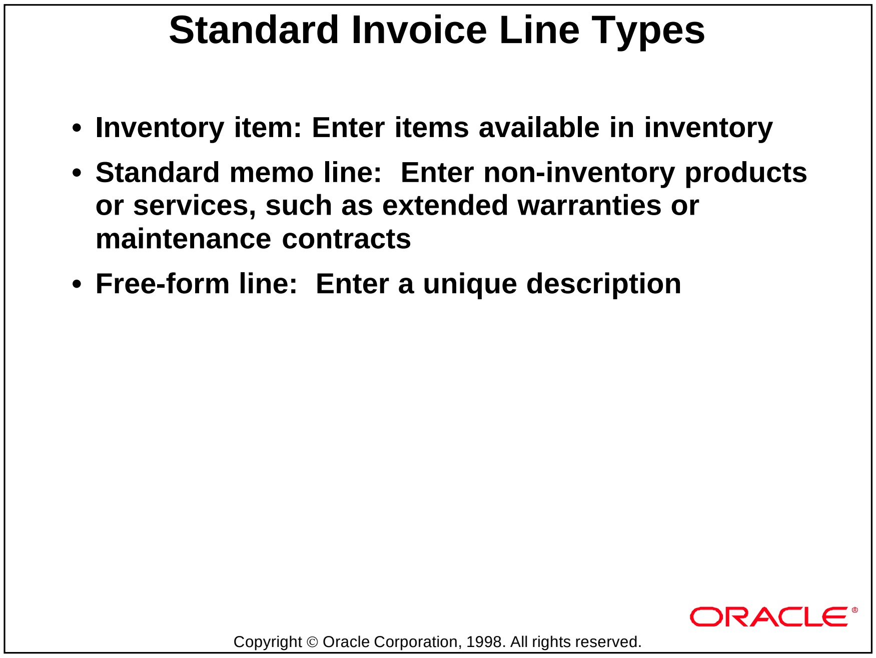
Entering Invoice Lines to Record Invoice Details

- Select a predefined inventory item identifier from the list of values in the Item field.
- Select a predefined standard memo line from the list of values in the Description field.
- If an appropriate standard memo line that describes the item is not available, enter a free-form description line in the Description field.

Exempting an Invoice or Invoice Line from Tax

- Update the Tax Handling field in the Tax Exemptions region if the profile option Tax: Allow Override of Customer Exemptions is set to Yes, and enter the exemption certificate number and reason.
- Select an item or customer that is tax exempt.

Standard Invoice Line Types



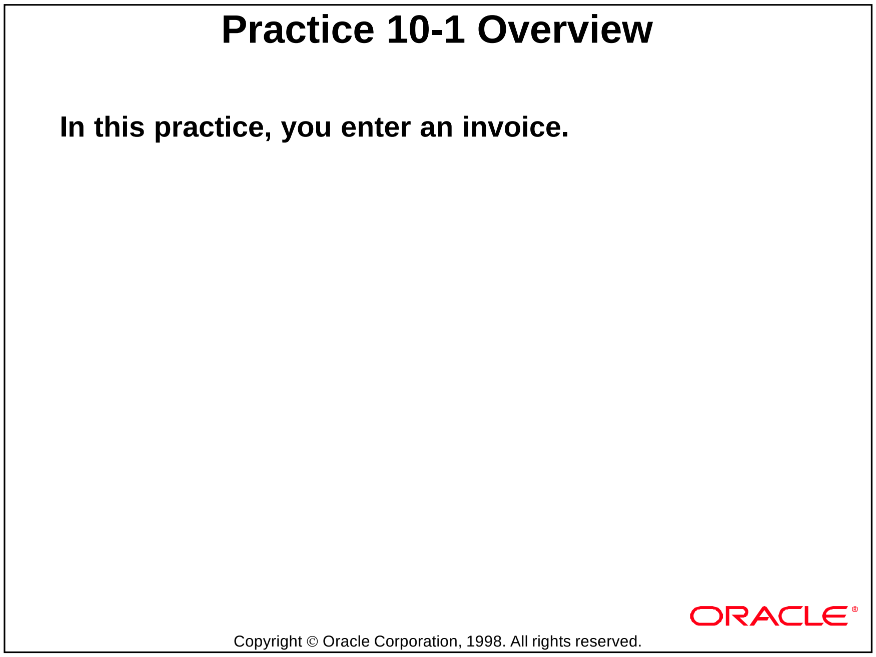
Standard Invoice Line Types

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

Standard Invoice Lines

Type	Default	Enter	Description
Inventory item (add an Item)	Unit of measure	Quantity Unit price	Speed data entry and restrict lines to pre-defined items.
Standard memo line (select from Description)	Unit of measure (if available) Unit price (if available)	Quantity Unit of measure (if no default) Unit price (if no default)	Speed data entry and restrict lines to pre-defined memo lines.
Free-form line (add Description)	None	Quantity, unit of measure, unit price	Enter a unique line.

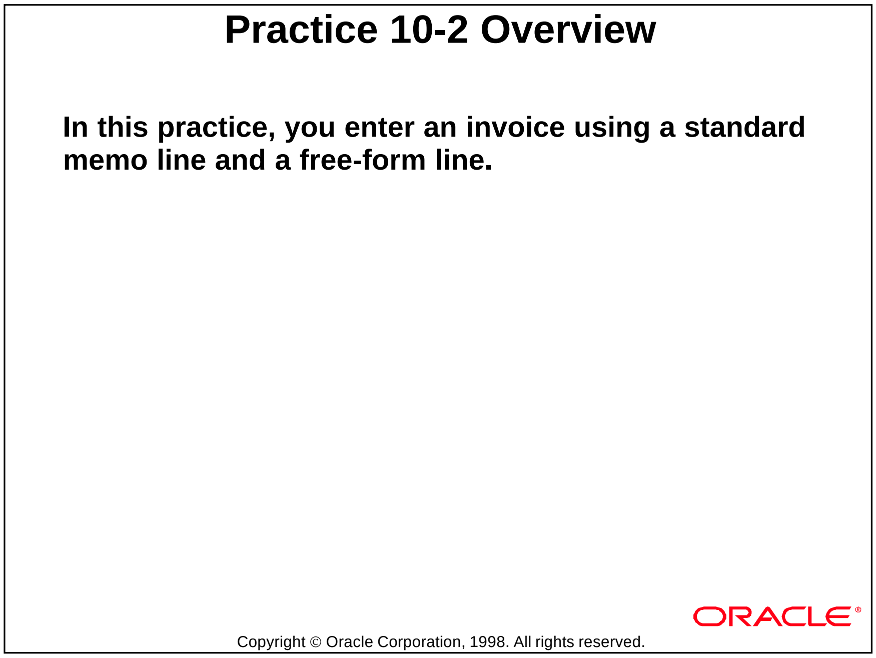
Practice 10-1 Overview



Practice 10-1 Overview

In this practice, you enter an invoice.

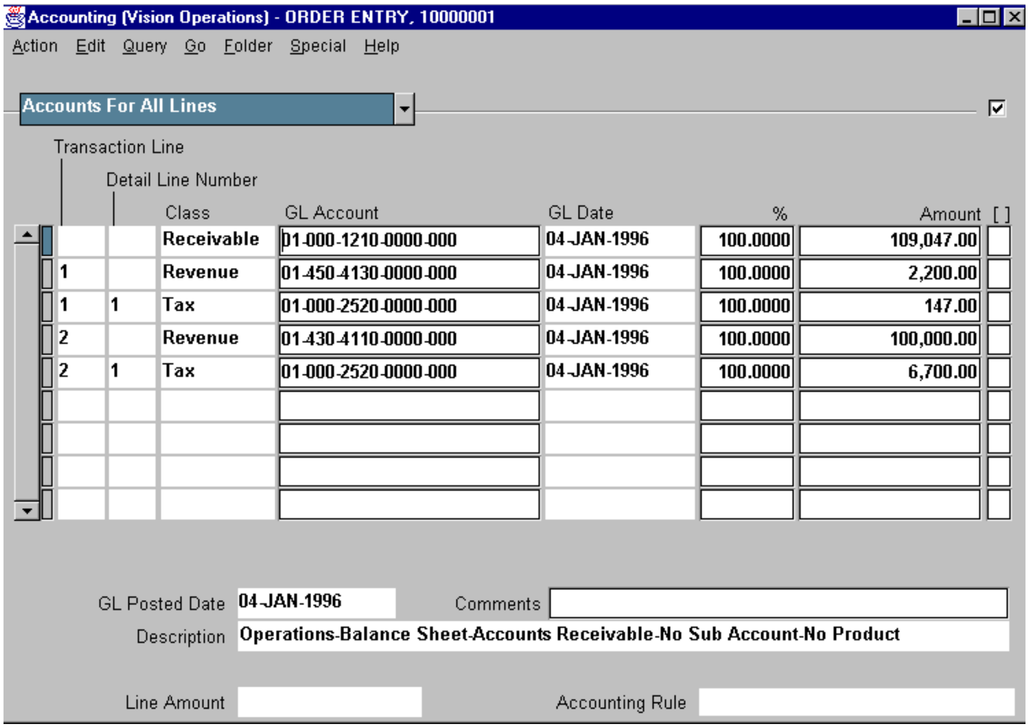
Practice 10-2 Overview



Practice 10-2 Overview

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

Using AutoAccounting for General Ledger Accounts


Accounting (Vision Operations) - ORDER ENTRY, 10000001
Action Edit Query Go Folder Special Help
Accounts For All Lines

Transaction Line	Detail Line Number	Class	GL Account	GL Date	%	Amount	[ ]
		Receivable	01-000-1210-0000-000	04-JAN-1996	100.0000	109,047.00	☐
1		Revenue	01-450-4130-0000-000	04-JAN-1996	100.0000	2,200.00	☐
1	1	Tax	01-000-2520-0000-000	04-JAN-1996	100.0000	147.00	☐
2		Revenue	01-430-4110-0000-000	04-JAN-1996	100.0000	100,000.00	☐
2	1	Tax	01-000-2520-0000-000	04-JAN-1996	100.0000	6,700.00	☐

GL Posted Date: 04-JAN-1996

Comments:

Description: Operations-Balance Sheet-Accounts Receivable-No Sub Account-No Product

Line Amount:

Accounting Rule:

Accounting: Accounts for All Lines Region

(N) Transactions—>Transactions—>(B) Accounting

Oracle Receivables AutoAccounting determines default general ledger accounts for receivables and revenue.

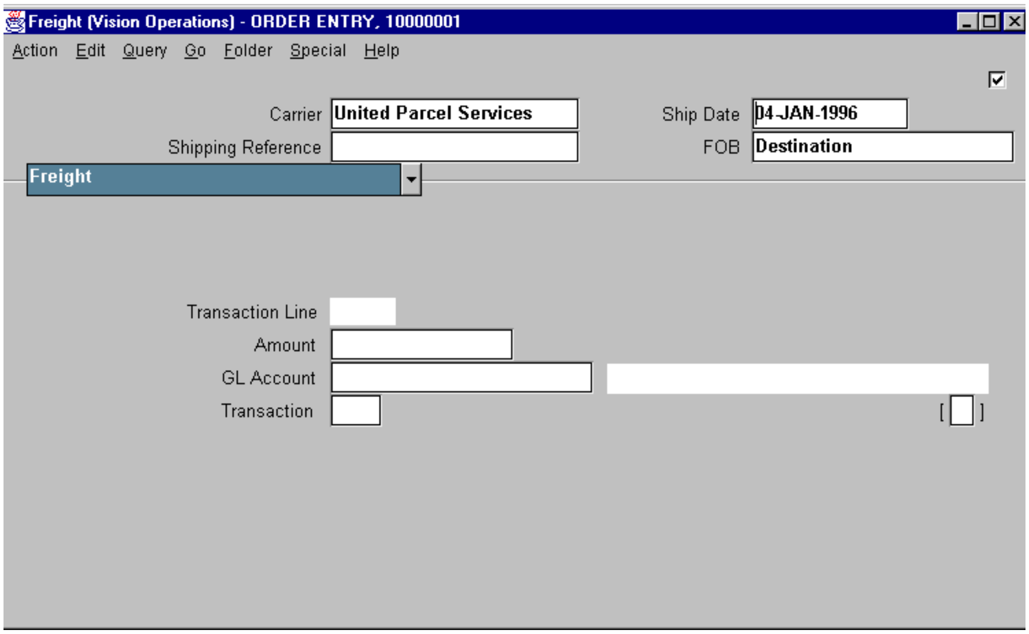
Example: Default Accounting Entries for an Invoice

Dr.	Receivables	default GL account #	1000	
Cr.	Revenue	default GL account #		900
Cr.	Tax	default GL account #		90
Cr.	Freight	default GL account #		10

To Override Default Accounts

- Specify the receivables and revenue accounts in the GL Account field of the Accounting window.
- Assign one receivables account to an invoice.
- Manually distribute line revenue to one or more revenue accounts.

Entering Freight Lines


Action
Edit
Query
Go
Folder
Special
Help
Shipping Reference
Freight
Transaction Line
Amount
GL Account
Transaction

Freight (Vision Operations) - ORDER ENTRY, 10000001

Carrier: United Parcel Services

Ship Date: 04-JAN-1996

FOB: Destination

Freight: Freight Region

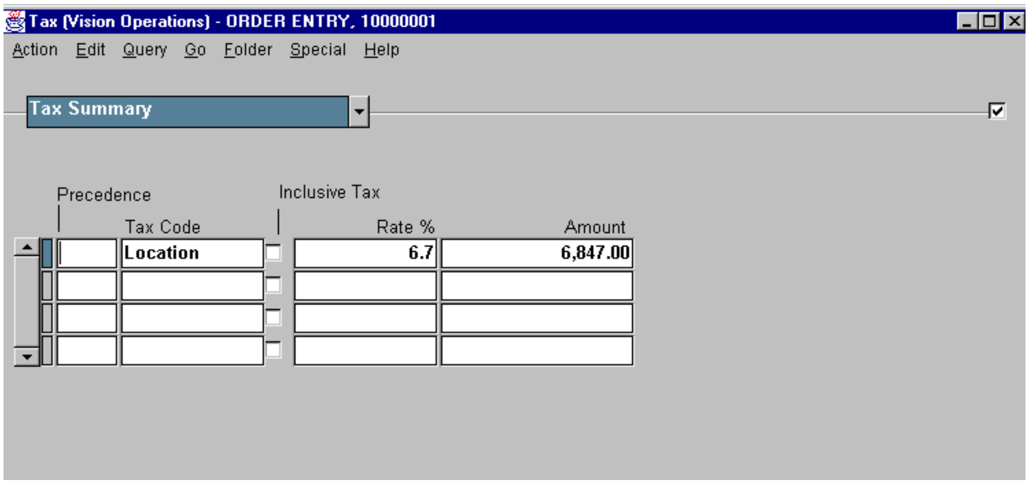
(N) Transactions—>Transactions—>Freight

Bill shipping charges for the entire invoice or for each line.

Specifying Invoice Freight Charges or Line Freight Charges

- If the transaction type assigned to this invoice allows freight charges, enter freight amounts.
- Enter freight at the invoice level or the line level.
  - 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.
- AutoAccounting determines the default freight account.

Entering Tax Lines


Tax (Vision Operations) - ORDER ENTRY, 10000001
Action Edit Query Go Folder Special Help
Tax Summary

Precedence	Tax Code	Inclusive Tax	Rate %	Amount
	Location	☐	6.7	6,847.00
		☐		
		☐		
		☐		

Tax: Tax For All Lines Region

(N) Transactions—>Transactions—>(B)Tax

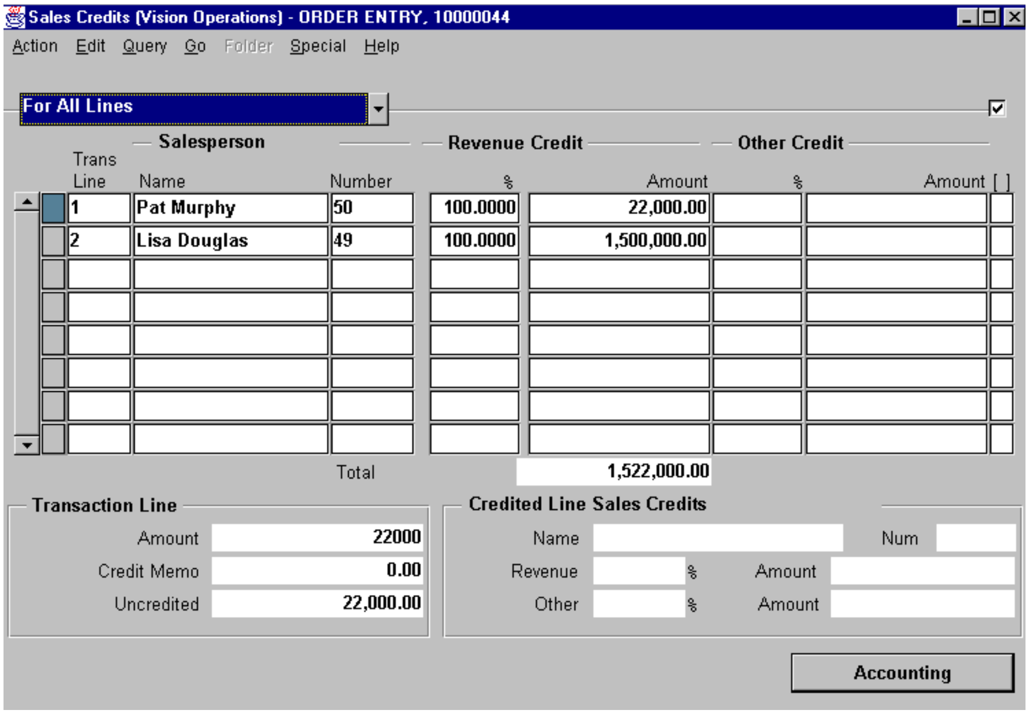
Charging Tax Based on Location

Location-based taxes cannot be entered manually. They are calculated by Oracle Receivables.

Charging Tax Based on Tax Codes

- Tax codes can be entered manually or determined by Oracle Receivables.
- Oracle Receivables displays tax line, tax code, tax rate, and tax amount.
- Update the tax rate and amount assigned to ad hoc tax codes.

Entering Sales Credits


Sales Credits (Vision Operations) - ORDER ENTRY, 10000044
Action Edit Query Go Folder Special Help
For All Lines
☑
Accounting

Salesperson			Revenue Credit		Other Credit	
Trans Line	Name	Number	%	Amount	%	Amount [ ]
1	Pat Murphy	50	100.0000	22,000.00		
2	Lisa Douglas	49	100.0000	1,500,000.00		
		Total		1,522,000.00		

Transaction Line

Amount	22000
Credit Memo	0.00
Uncredited	22,000.00

Credited Line Sales Credits

Name		Num	
Revenue	%	Amount	
Other	%	Amount	

Sales Credits: For All Lines Region

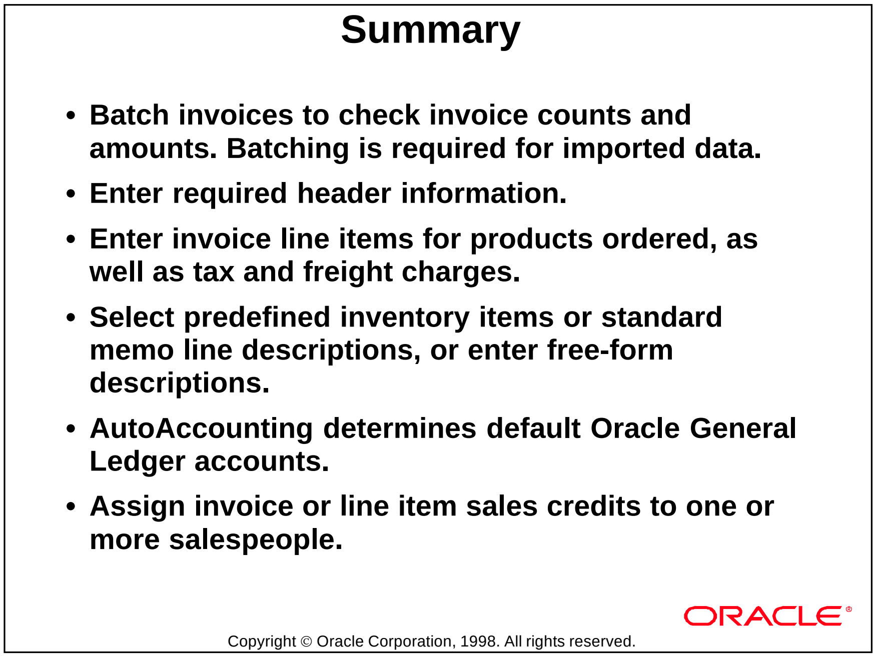
(N) Transactions—>Transactions—>(B) Sales Credits

You can cause sales credits to default to all lines from the Default region of the Sales Credits window. Enter sales credits for each line from the Sales Credits window.

Distributing Credit Evenly or by Line

- If the Require Salesperson check box in the Miscellaneous alternative region of the System Options window is selected, a salesperson must be assigned to each invoice.
- Use the Sales Credits window to allocate sales credit evenly among salespeople. This information defaults to line-level 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.

Summary



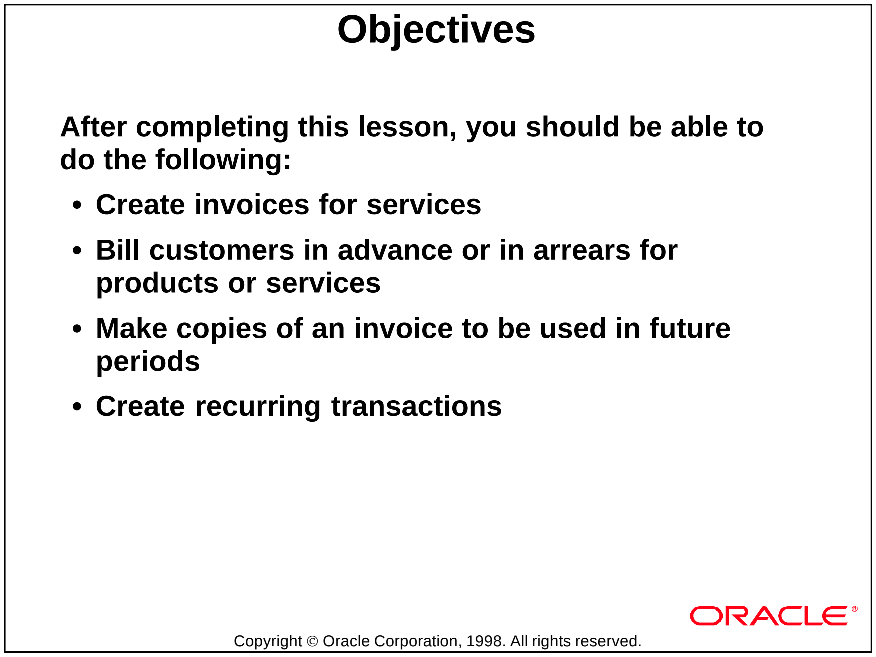
Summary

- **Batch invoices to check invoice counts and amounts. Batching is required for imported data.**
- **Enter required header information.**
- **Enter invoice line items for products ordered, as well as tax and freight charges.**
- **Select predefined inventory items or standard memo line descriptions, or enter free-form descriptions.**
- **AutoAccounting determines default Oracle General Ledger accounts.**
- **Assign invoice or line item sales credits to one or more salespeople.**

11

Entering Invoices with Rules

Objectives

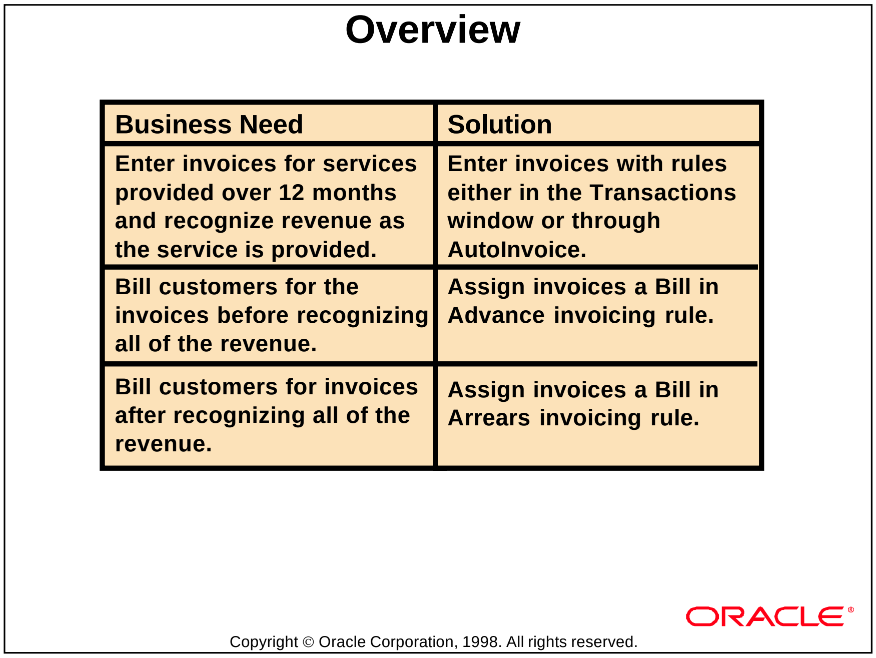


Objectives

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

- **Create invoices for services**
- **Bill customers in advance or in arrears for products or services**
- **Make copies of an invoice to be used in future periods**
- **Create recurring transactions**

Overview



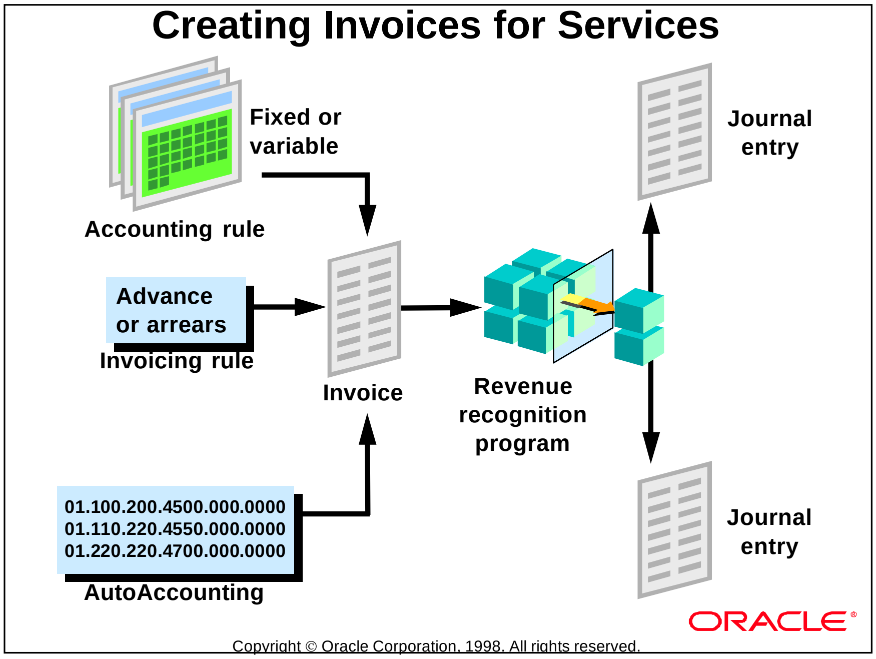
Overview

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.

Overview of Entering Invoices with Rules

Create other invoices with rules to recognize revenue across different periods.

Creating Invoices for Services



Creating Invoices for Services

Fixed or variable

Accounting rule

Advance or arrears

Invoicing rule

Invoice

Revenue recognition program

Journal entry

Journal entry

01.100.200.4500.000.0000
01.110.220.4550.000.0000
01.220.220.4700.000.0000

AutoAccounting

Creating Invoices for Services

Accounting rules determine the accounting periods for revenue recognition and billing.

Set up an unlimited number of accounting rules using the predefined types:

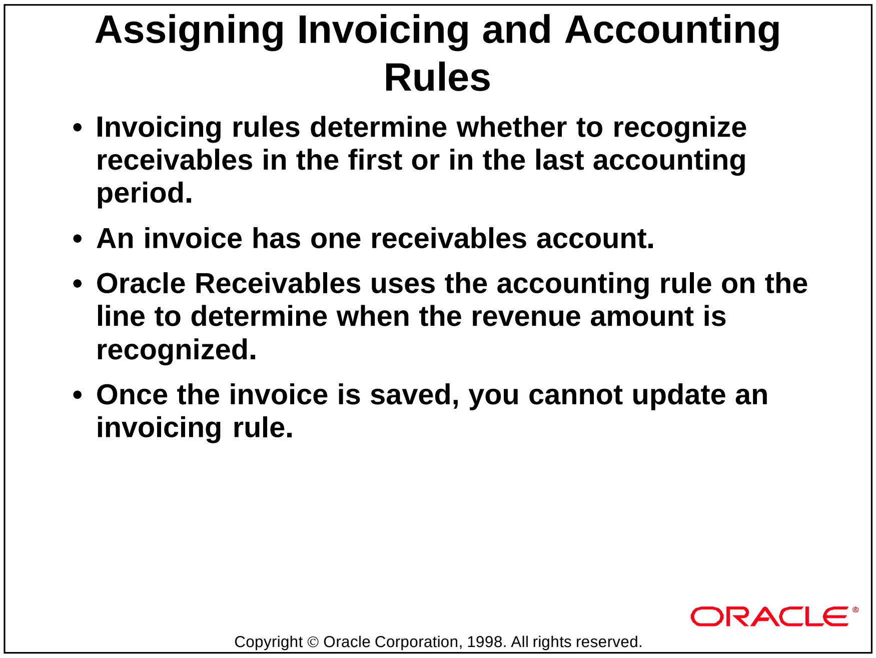
- Fixed duration
- Variable duration

Invoicing rules determine when to bill the customer in relation to the accounting rule periods.

Two invoicing rules are available:

- Advance
- Arrears

Assigning Invoicing and Accounting Rules



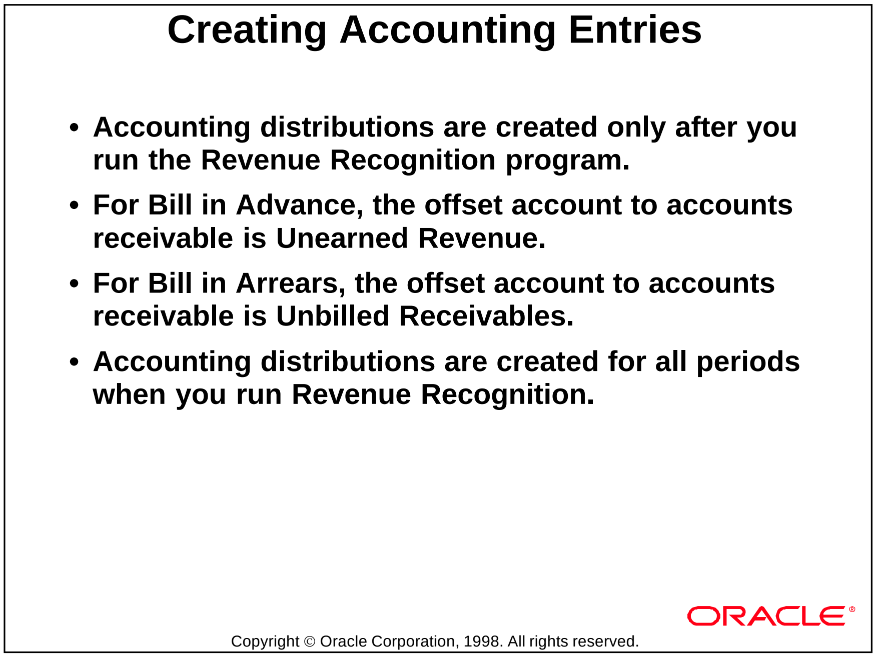
Assigning Invoicing and Accounting Rules

- **Invoicing rules determine whether to recognize receivables in the first or in the last accounting period.**
- **An invoice has one receivables account.**
- **Oracle Receivables uses the accounting rule on the line to determine when the revenue amount is recognized.**
- **Once the invoice is saved, you cannot update an invoicing rule.**

Assigning Accounting Rules to Invoice Lines

- Invoice lines can have different accounting rules.
- Accounting rules determine when to recognize revenue amounts.
- An invoice line can have many revenue accounts, and revenue can be recognized over many periods.
- 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.
- Oracle Order Entry passes this information to Oracle Receivables.

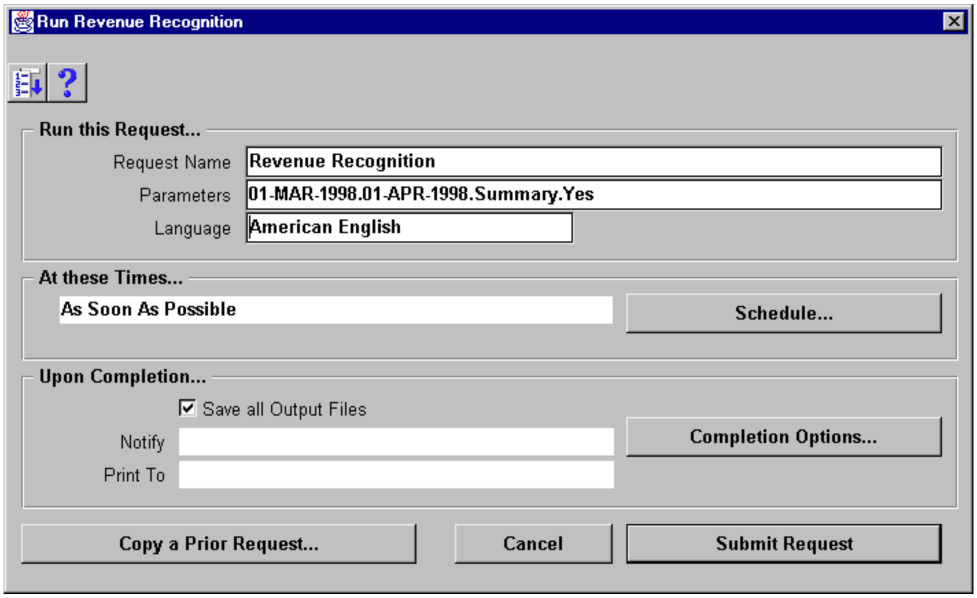
Creating Accounting Entries



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.

Running the Revenue Recognition Program


Run Revenue Recognition
Run this Request...
At these Times...
Schedule...
Upon Completion...
Completion Options...
Copy a Prior Request...
Cancel
Submit Request

Request Name: Revenue Recognition
Parameters: 01-MAR-1998.01-APR-1998.Summary.Yes
Language: American English
As Soon As Possible
☑ Save all Output Files
Notify
Print To

Run Revenue Recognition

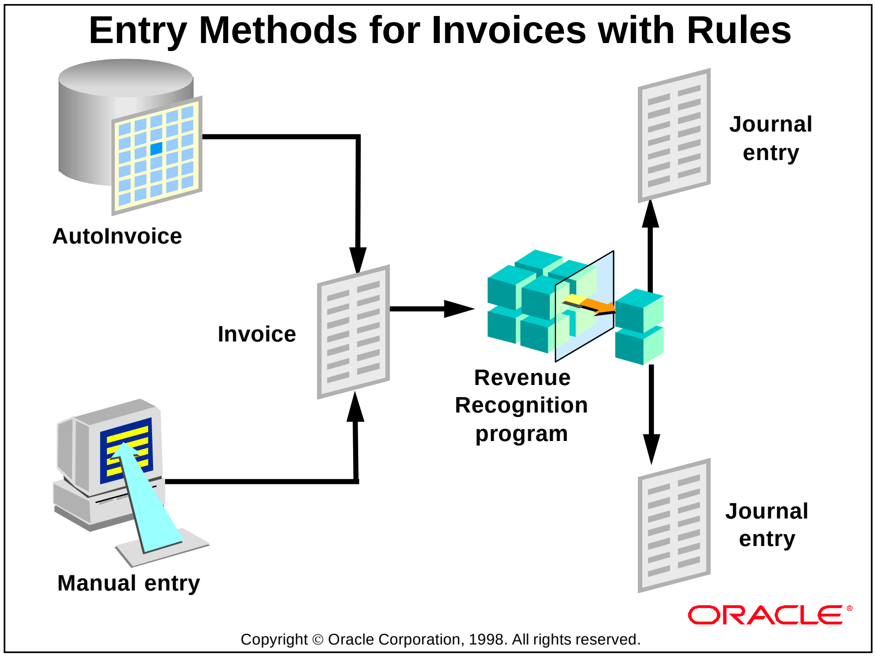
(N) Control—>Accounting—>Revenue Recognition

The Revenue Recognition program gives you control over the creation of accounting entries. Submit the Revenue Recognition Program to create accounting entries.

Submitting the Revenue Recognition Program

- 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.

Entry Methods for Invoices with Rules



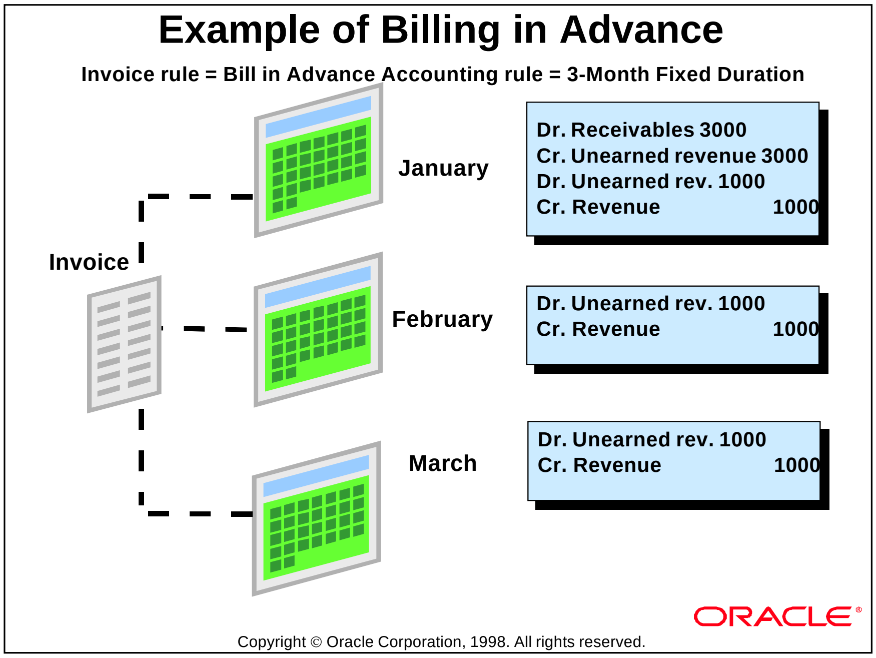
Entry Methods for Invoices with Rules

AutoInvoice
Invoice
Manual entry
Revenue Recognition program
Journal entry
Journal entry
ORACLE®

Entry with Rules

Oracle Receivables lets you enter invoices with rules either manually through the Transaction window or automatically through AutoInvoice.

Example of Billing in Advance



Example of Billing in Advance

Invoice rule = Bill in Advance Accounting rule = 3-Month Fixed Duration

Dr. Receivables 3000
Cr. Unearned revenue 3000
Dr. Unearned rev. 1000
Cr. Revenue 1000

Dr. Unearned rev. 1000
Cr. Revenue 1000

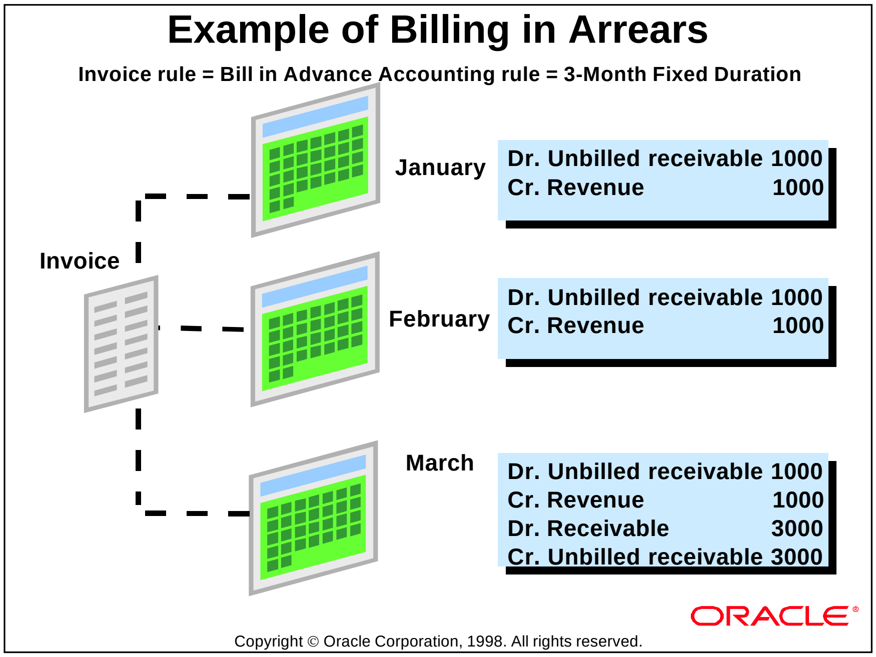
Dr. Unearned rev. 1000
Cr. Revenue 1000

Billing in Advance

Because you are billing the customer for the entire invoice in the first accounting period, the offset account must be Unearned Revenue. Revenue is considered earned only when services or support have been provided.

Billing in advance and billing in arrears are available in the More alternative region in the Transactions window.

Example of Billing in Arrears



Example of Billing in Arrears

Invoice rule = Bill in Advance Accounting rule = 3-Month Fixed Duration

January:

- Dr. Unbilled receivable 1000
- Cr. Revenue 1000

February:

- Dr. Unbilled receivable 1000
- Cr. Revenue 1000

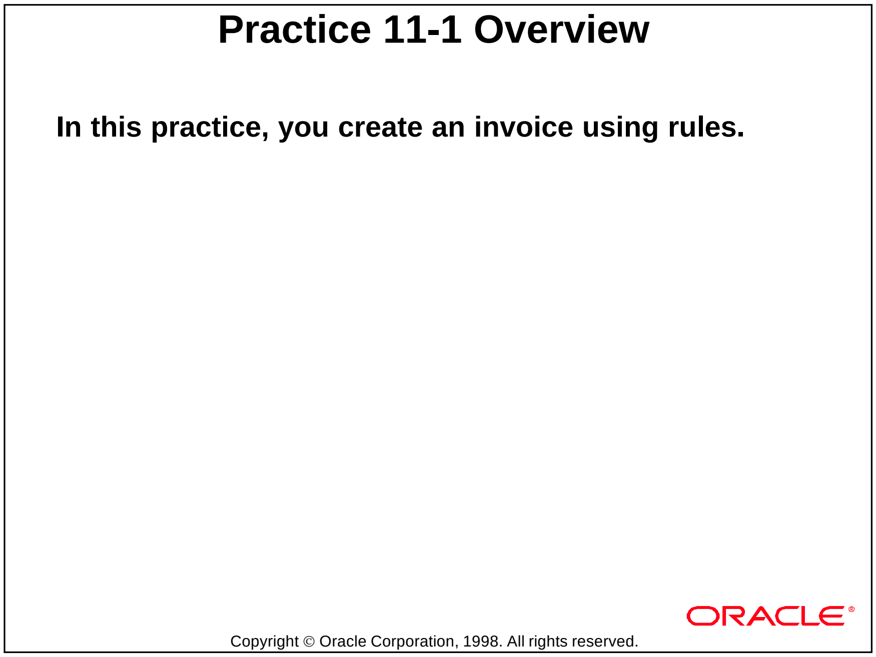
March:

- Dr. Unbilled receivable 1000
- Cr. Revenue 1000
- Dr. Receivable 3000
- Cr. Unbilled receivable 3000

Billing in Arrears

Because you are billing the customer for the entire invoice in the last accounting period, the offset account must be Unbilled Receivable.

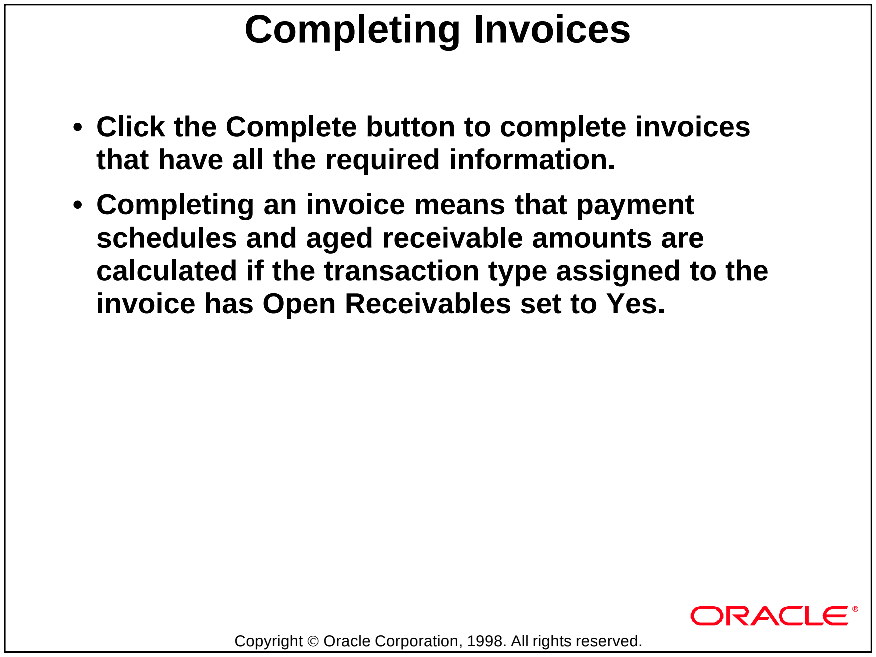
Practice 11-1 Overview



Practice 11-1 Overview

In this practice, you create an invoice using rules.

Completing Invoices



Completing Invoices

- **Click the Complete button to complete invoices that have all the required information.**
- **Completing an invoice means that payment schedules and aged receivable amounts are calculated if the transaction type assigned to the invoice has Open Receivables set to Yes.**

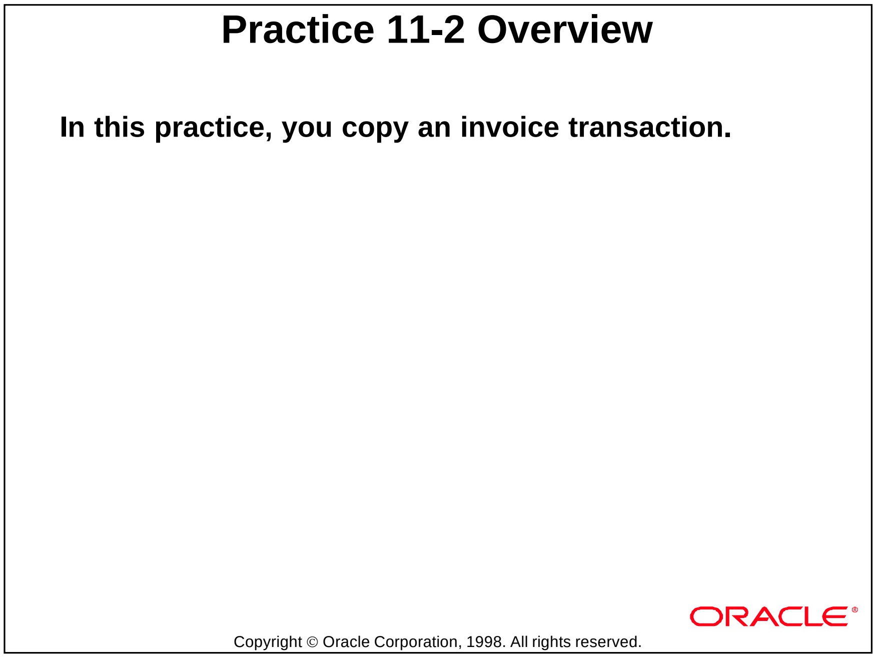
Requirements for Completing an Invoice

- 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 (positive or negative) matches the sign of the transaction type.
- The sum of distributions for each line must equal the invoice line amount.
- If Calculate Tax for transaction type is set to Yes, tax is required on each line.
- If taxes are calculated or freight was entered, the tax account must be entered or determined by AutoAccounting.
- If the invoice requires salespeople, a salesperson must be assigned to each line and the total revenue credit percentage must equal 100%.
- All the activity date ranges for the setup values (for example, payment terms) must be valid for the invoice date.
- Customer bank, branch, and account are required for automatic payments.

Additional Requirements for Completing an Invoice with Rules

- Each line must have an accounting rule and a rule start date.
- Valid account sets must exist for invoice lines and for calculated or entered tax.

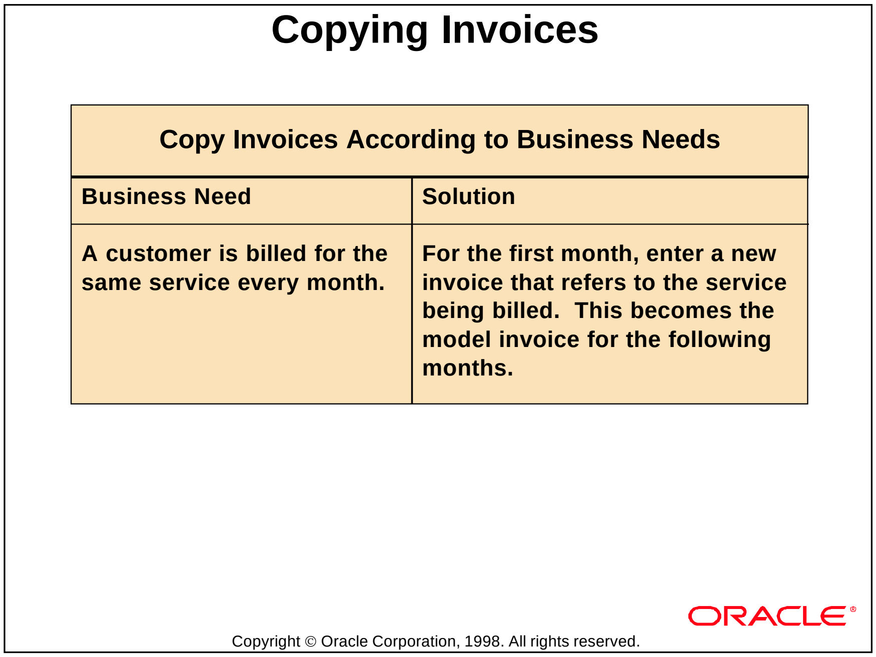
Practice 11-2 Overview



Practice 11-2 Overview

In this practice, you copy an invoice transaction.

Copying Invoices



Copying Invoices

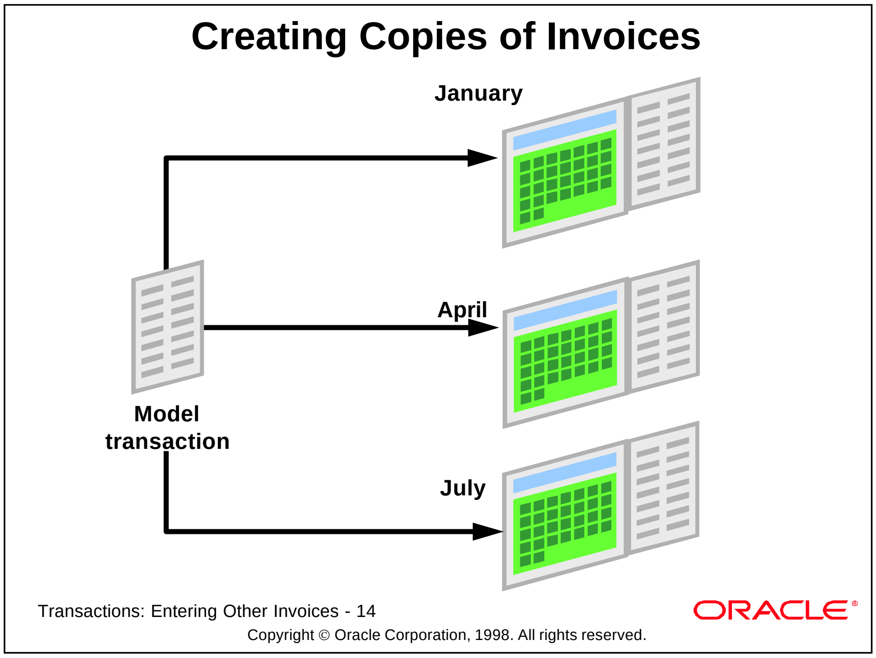
Copy Invoices According to Business Needs

Business Need	Solution
A customer is billed for the same service every month.	For the first month, enter a new invoice that refers to the service being billed. This becomes the model invoice for the following months.

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

January

April

July

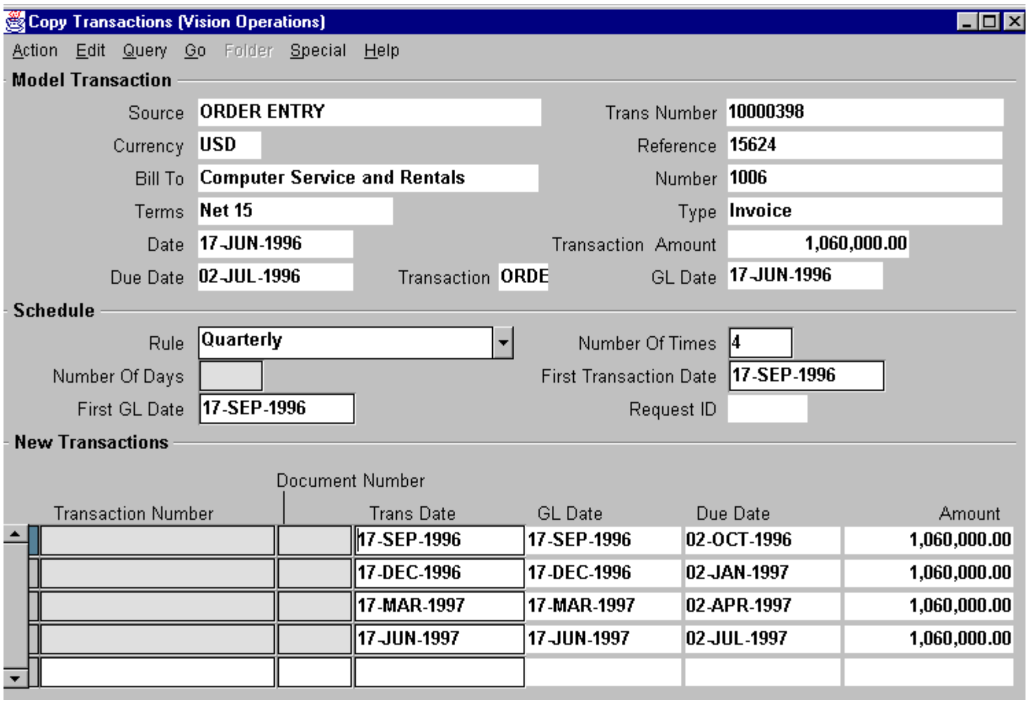
Model
transaction

Transactions: Entering Other Invoices - 14

Creating Invoice Copies

Use the Copy Transactions window to create invoices for services and products billed on a regular cycle.

Copying Transactions



Model Transaction

Source: ORDER ENTRY
Currency: USD
Bill To: Computer Service and Rentals
Terms: Net 15
Date: 17-JUN-1996
Due Date: 02-JUL-1996
Transaction: ORDE
Trans Number: 10000398
Reference: 15624
Number: 1006
Type: Invoice
Transaction Amount: 1,060,000.00
GL Date: 17-JUN-1996

Schedule

Rule: Quarterly
Number Of Days:
First GL Date: 17-SEP-1996
Number Of Times: 4
First Transaction Date: 17-SEP-1996
Request ID:

New Transactions

Transaction Number	Document Number	Trans Date	GL Date	Due Date	Amount
		17-SEP-1996	17-SEP-1996	02-OCT-1996	1,060,000.00
		17-DEC-1996	17-DEC-1996	02-JAN-1997	1,060,000.00
		17-MAR-1997	17-MAR-1997	02-APR-1997	1,060,000.00
		17-JUN-1997	17-JUN-1997	02-JUL-1997	1,060,000.00

Copy Transactions

(N) Transactions—>Copy Transactions

Choosing Model Transaction

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

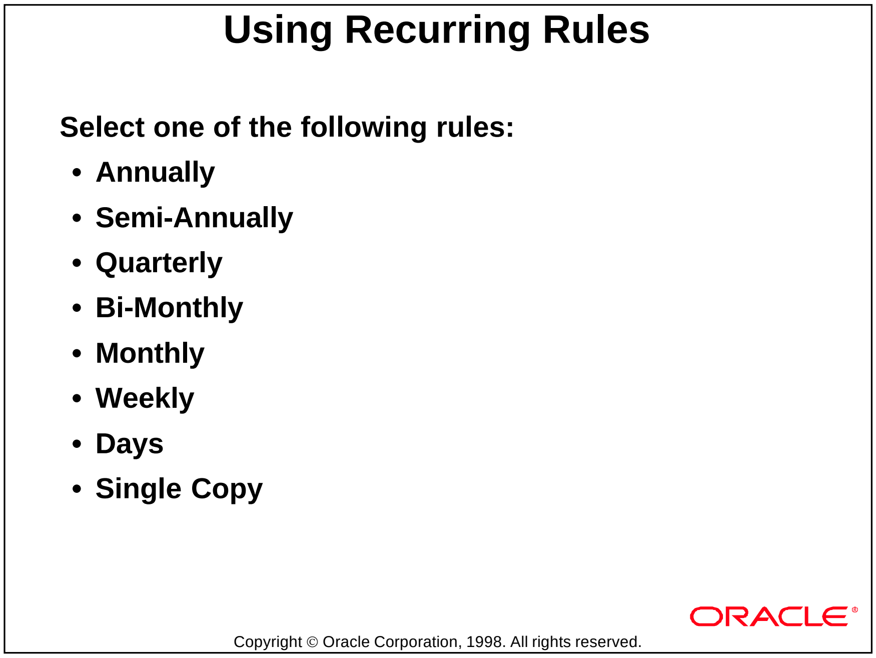
Determining Transaction Schedule

- 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.

Maintaining Invoice Copies

Use the Transactions workbench to maintain the copied invoices.

Using Recurring Rules



Using Recurring Rules

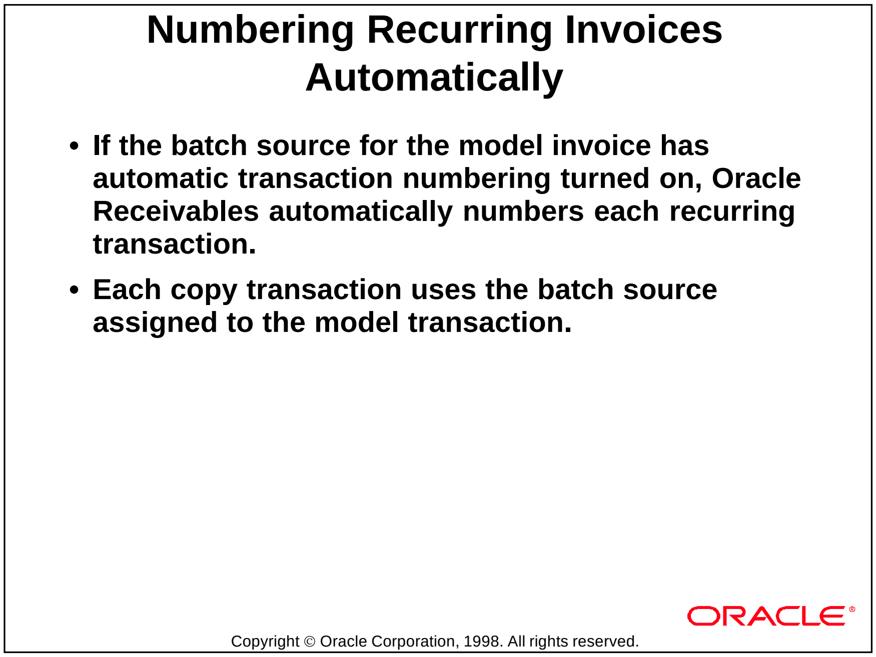
Select one of the following rules:

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

Examples of Recurring Rules

Schedule Rule	**First Invoice Rule**	**First GL Date**	**Number of Times**	**Dates of Copied Invoices**	
Semi-Annually	01–JUN–97	15–JUN–97	3	3 Invoices are created	
				Invoice Date	GL Date
				01–JUN–97	15–JUN–97
				01–DEC–97	15–DEC–97
				01–JUN–98	15–JUN–98
Quarterly	01–JUN–97	15–JUN–97	3	3 Invoices are created	
				Invoice Date	GL Date
				01–JUN–97	15–JUN–97
				01–SEP–97	15–SEP–97
				01–DEC–97	15–DEC–97

Numbering Recurring Invoices Automatically



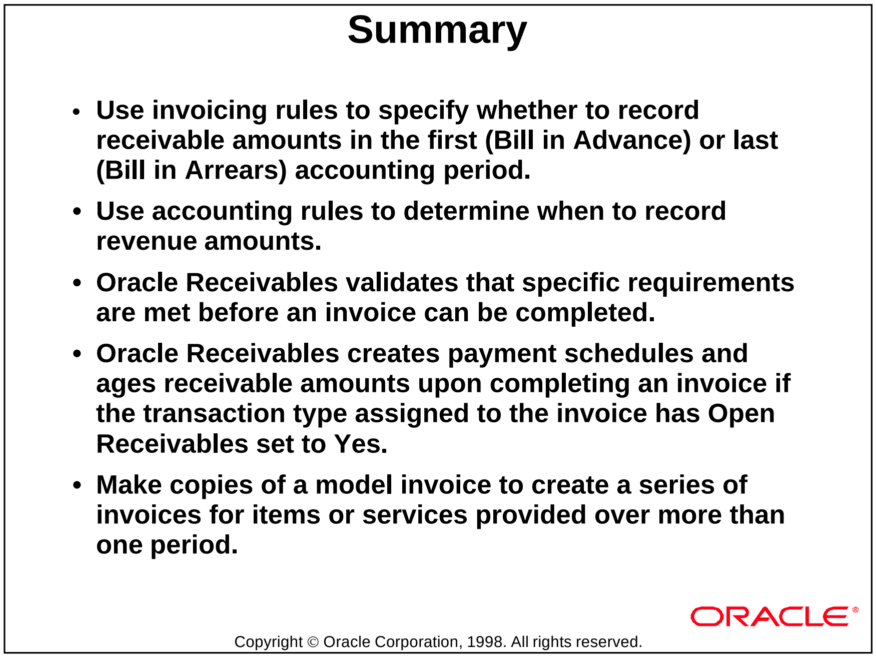
Numbering Recurring Invoices Automatically

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

Automatically Numbering Recurring Transactions

Default Transaction and General Ledger Dates		
Date	**Derivation**	**Example**
Invoice Date	The default transaction date is determined based on the recurring rule specified and the date for the model transaction. This date can be updated.	If the transaction date for the model invoice is 01-JAN-97 and the recurring rule is Monthly, the transaction date for the first recurring transaction will be 01-FEB-97.
General Ledger	The default Oracle General Ledger date is determined based on the recurring rule specified and the general ledger date for the model transaction. This date can be updated.	If the GL date for the model transaction is 15-JAN-97 and the recurring rule is Monthly, the GL date for the first recurring transaction will be 15-FEB-97.

Summary



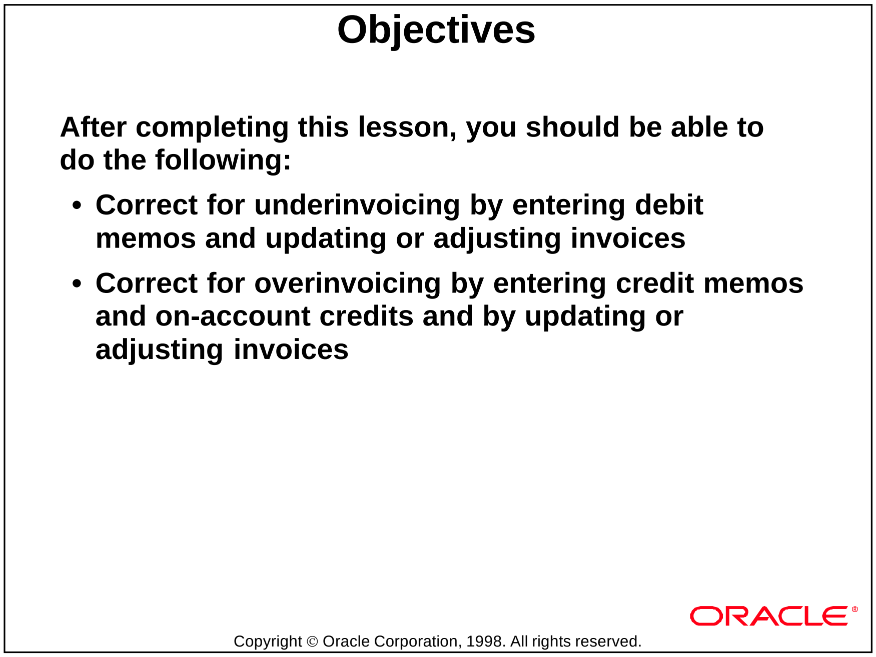
Summary

- Use invoicing rules to specify whether to record receivable amounts in the first (Bill in Advance) or last (Bill in Arrears) accounting period.
- Use accounting rules to determine when to record revenue amounts.
- Oracle Receivables validates that specific requirements are met before an invoice can be completed.
- Oracle Receivables creates payment schedules and ages receivable amounts upon completing an invoice if the transaction type assigned to the invoice has Open Receivables set to Yes.
- Make copies of a model invoice to create a series of invoices for items or services provided over more than one period.

12

Correcting Transactions

Objectives

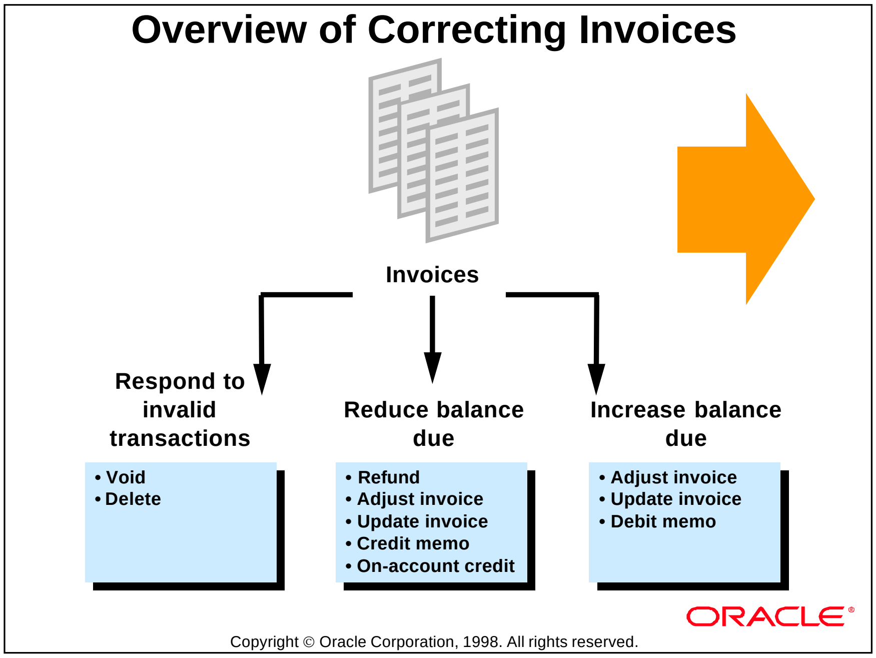


Objectives

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

- **Correct for underinvoicing by entering debit memos and updating or adjusting invoices**
- **Correct for overinvoicing by entering credit memos and on-account credits and by updating or adjusting invoices**

Overview of Correcting Invoices



Overview of Correcting Invoices

Invoices

Respond to invalid transactions

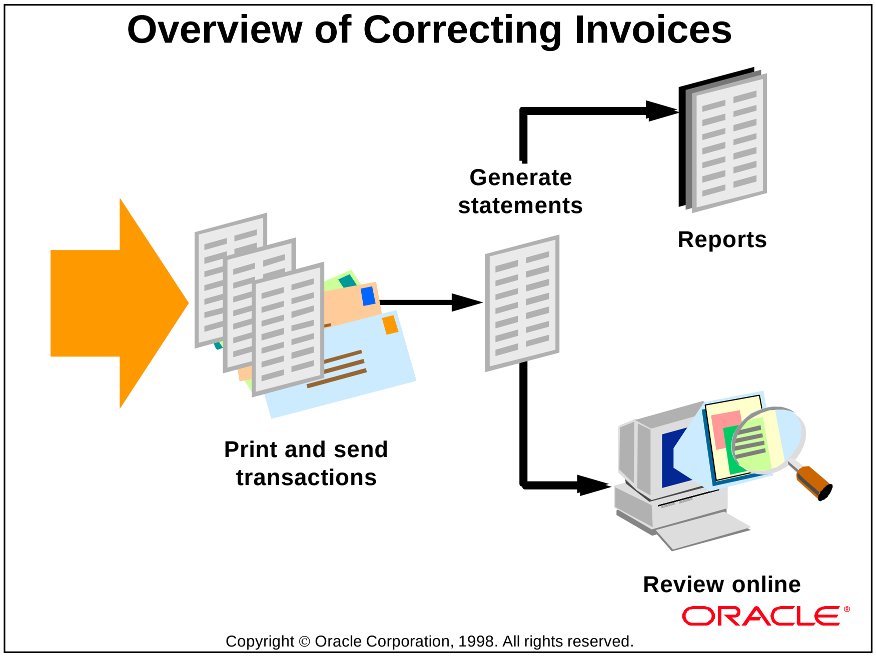
- Void
- Delete

Reduce balance due

- Refund
- Adjust invoice
- Update invoice
- Credit memo
- On-account credit

Increase balance due

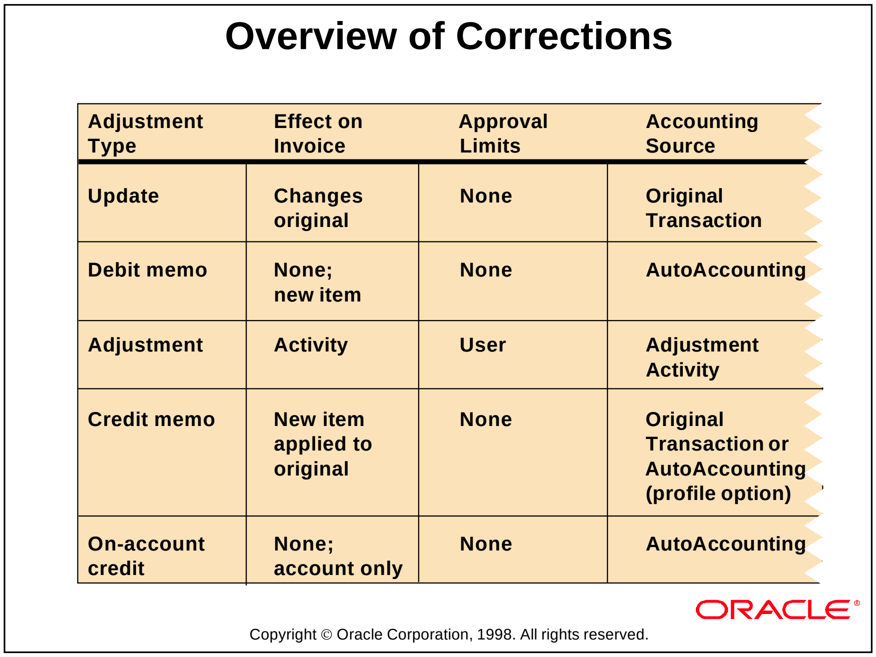
- Adjust invoice
- Update invoice
- Debit memo



Overview of Correcting Invoices

Generate statements
Reports
Print and send transactions
Review online

Overview of Corrections



Overview of Corrections

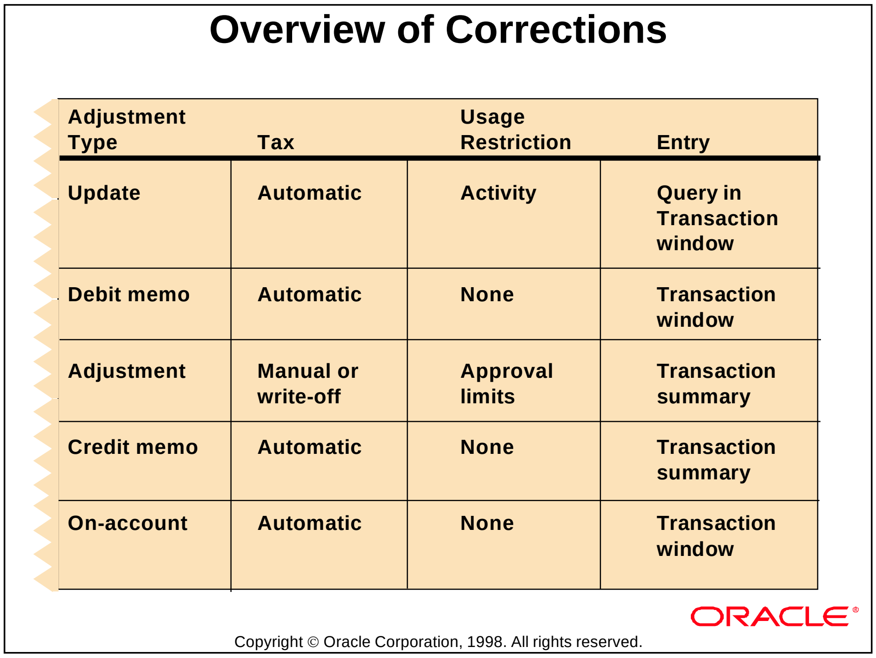
Adjustment Type	Effect on Invoice	Approval Limits	Accounting Source
Update	Changes original	None	Original Transaction
Debit memo	None; new item	None	AutoAccounting
Adjustment	Activity	User	Adjustment Activity
Credit memo	New item applied to original	None	Original Transaction or AutoAccounting (profile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

Examples of Corrections

You can update an invoice if there is no activity against it (payment receipts, credit memos, or adjustments) and it has not been posted to the general ledger.

Debit memos are useful in charging customers for items not included on normal invoices. If freight charges were not included on an invoice which has already been sent to a customer, you can enter a debit memo to charge the customer for freight.

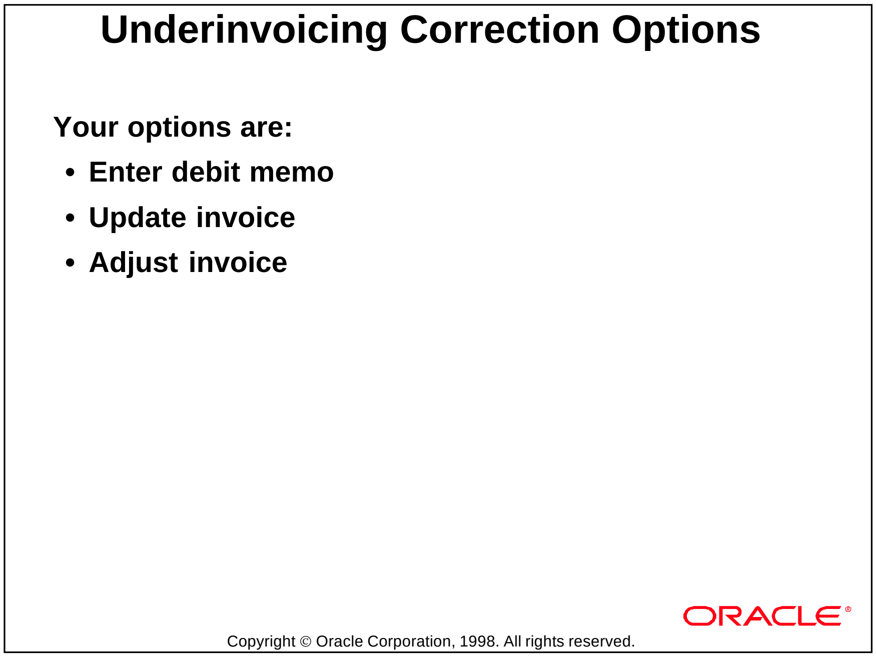
Adjustments are more useful for write-off activity rather than normal billing related activity.



Overview of Corrections

Adjustment 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

Correcting for Underinvoicing



Underinvoicing Correction Options

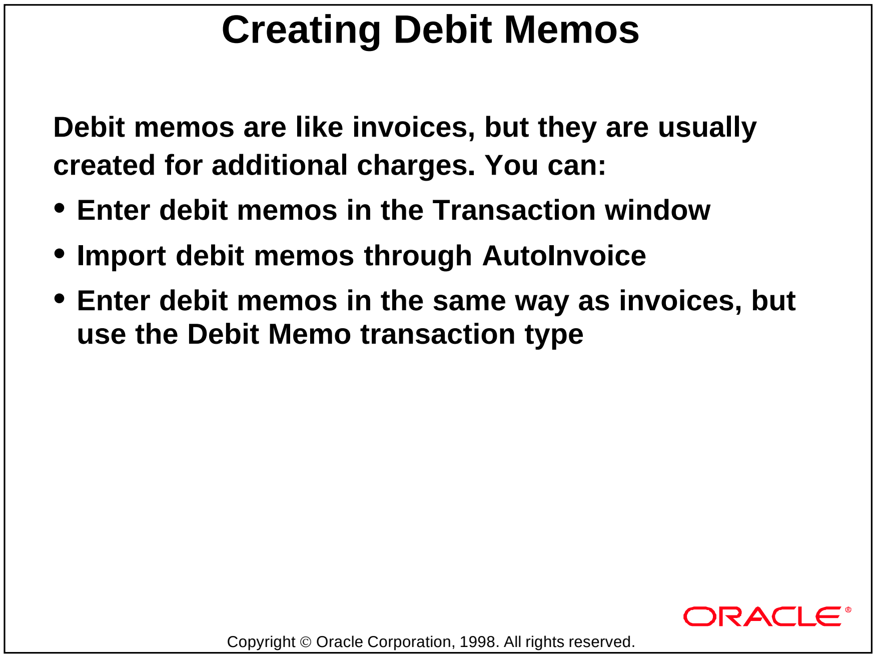
Your options are:

- **Enter debit memo**
- **Update invoice**
- **Adjust invoice**

Options to Correct for Underinvoicing

- Enter debit memo: Create a new receivable for additional charges.
  This has no system relationship to the original invoice.
- Update invoice: Update the line, tax, and freight amounts on the original invoice.
- Adjust invoice: Manually adjust line, tax, and freight amounts on the original invoice.

Creating Debit Memos



Creating Debit Memos

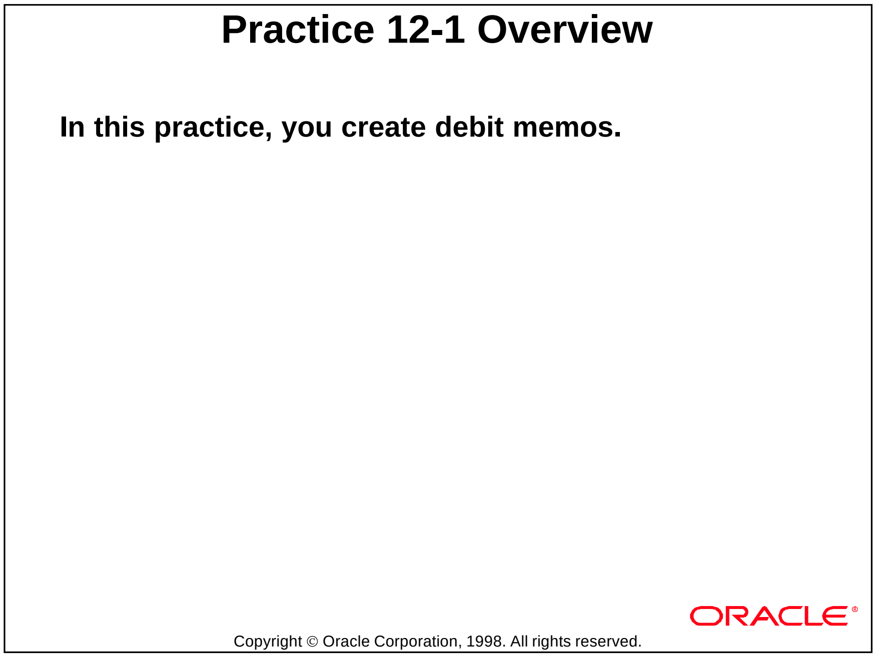
Debit memos are like invoices, but they are usually created for additional charges. You can:

- **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**

Example of Accounting Entries for Debit Memos

Dr.	Receivables	1000	
Cr.	Revenue (if line amounts are entered)		800
Cr.	Tax (if tax amounts are entered)		80
Cr.	Freight (if freight amounts are entered)		20
Cr.	Finance charges (if finance charge amounts are entered)		100

Practice 12-1 Overview



Practice 12-1 Overview

In this practice, you create debit memos.

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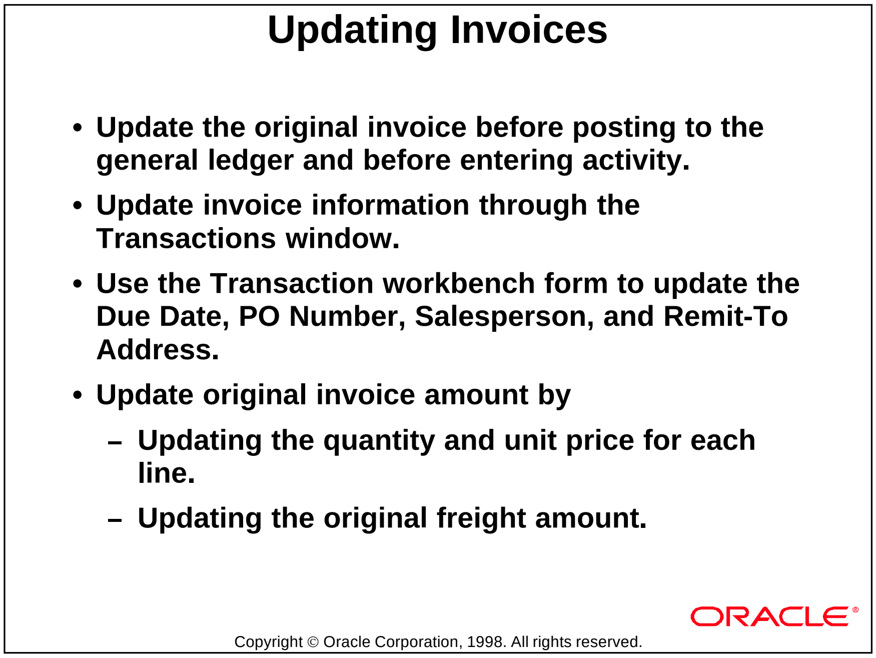
Updating Invoices



Updating Invoices

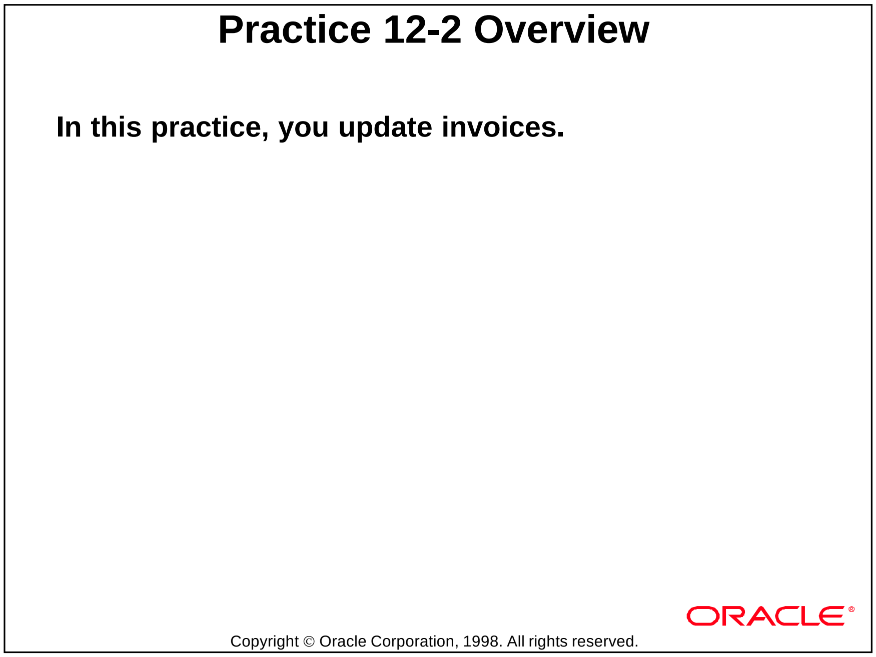
- **Update the original invoice before posting to the general ledger and before entering activity.**
- **Update invoice information through the Transactions window.**
- **Use the Transaction workbench form to update the Due Date, PO Number, Salesperson, and Remit-To Address.**
- **Update original invoice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

Updating Unposted Invoices

If an invoice has not been posted to Oracle General Ledger, the invoice can be changed in the Transactions window. This is the preferred method since it prevents incorrect invoices from being posted to the GL.

Once the invoice has been posted to the GL, it must be adjusted.

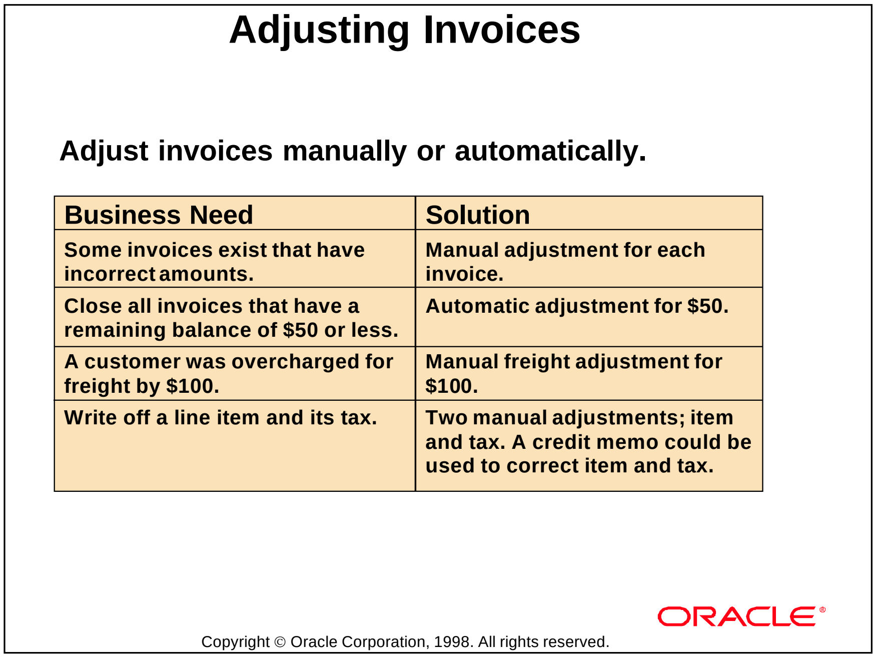
Practice 12-2 Overview



Practice 12-2 Overview

In this practice, you update invoices.

Adjusting Invoices

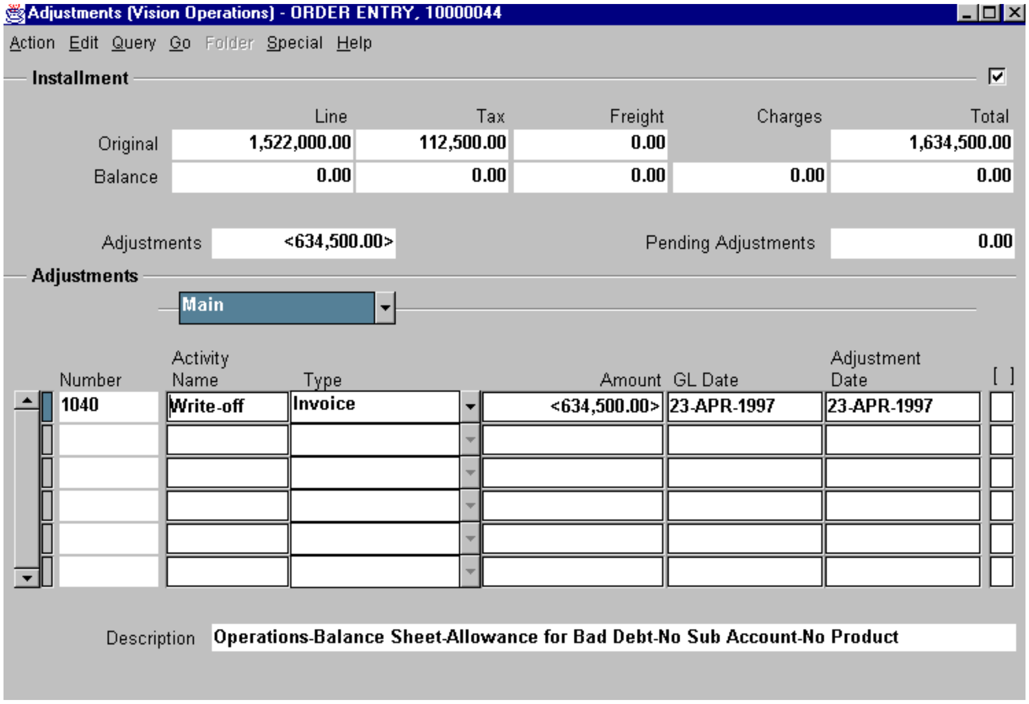


Adjusting Invoices

Adjust invoices manually or automatically.

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.	Two manual adjustments; item and tax. A credit memo could be used to correct item and tax.

Adjusting Invoices Manually


Adjustments (Vision Operations) - ORDER ENTRY, 10000044
Action Edit Query Go Folder Special Help
Installment
Adjustments
Main

	Line	Tax	Freight	Charges	Total
Original	1,522,000.00	112,500.00	0.00		1,634,500.00
Balance	0.00	0.00	0.00	0.00	0.00

Adjustments <634,500.00>

Pending Adjustments 0.00

Number	Activity Name	Type	Amount	GL Date	Adjustment Date
1040	Write-off	Invoice	<634,500.00>	23-APR-1997	23-APR-1997

Description Operations-Balance Sheet-Allowance for Bad Debt-No Sub Account-No Product

Adjustments

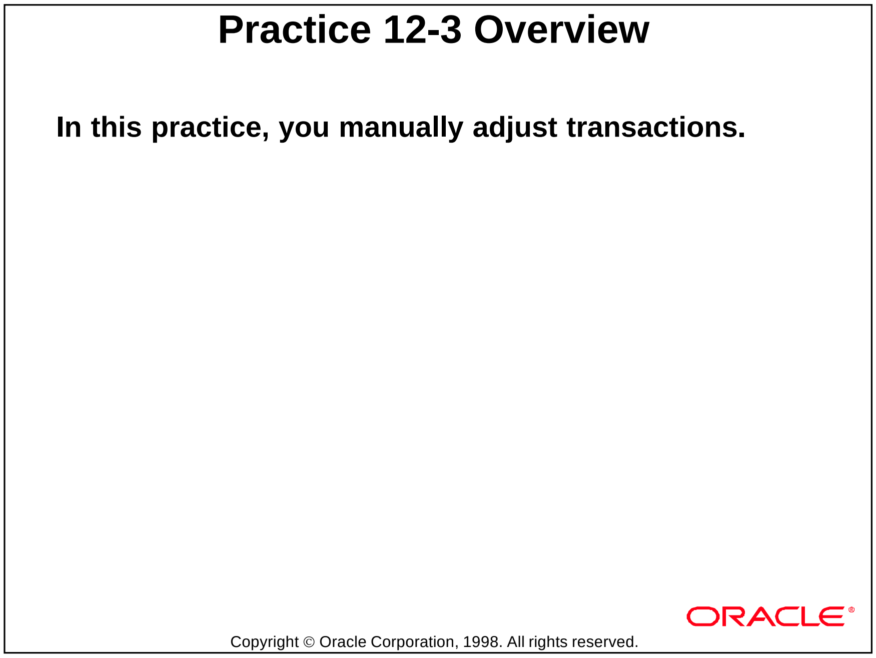
(N) Transactions—>Transactions Summary—>(M) Find or Find All—>(B) Adjust

Make manual adjustments to the original invoice and to debit memos, chargebacks, credit memos, on-account credits, and commitments.

Type	**Select to Adjust**
Invoice	Balance due of the invoice to 0
Tax	Total tax amount
Freight	Total freight amount
Lines	Total invoice line amount
Charges	Total finance charge amount

The Accounting flexfield defaults from the account or account set associated with the adjustment activity. Assign the appropriate accounts or distribution sets to adjustment activities in the Receivables Activity window.

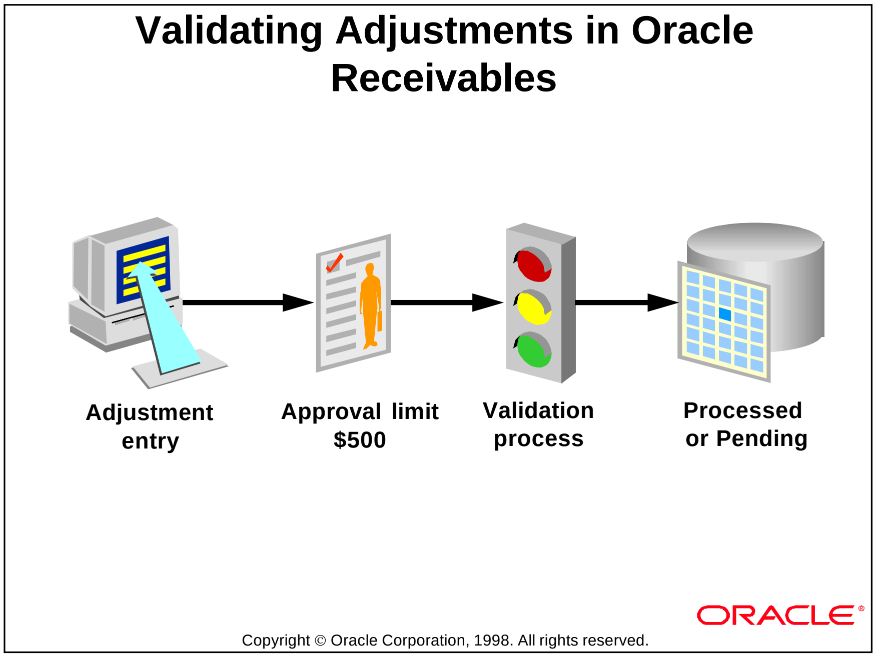
Practice 12-3 Overview



Practice 12-3 Overview

In this practice, you manually adjust transactions.

Validating Adjustments in Oracle Receivables



Validating Adjustments in Oracle Receivables

Adjustment entry

Approval limit $500

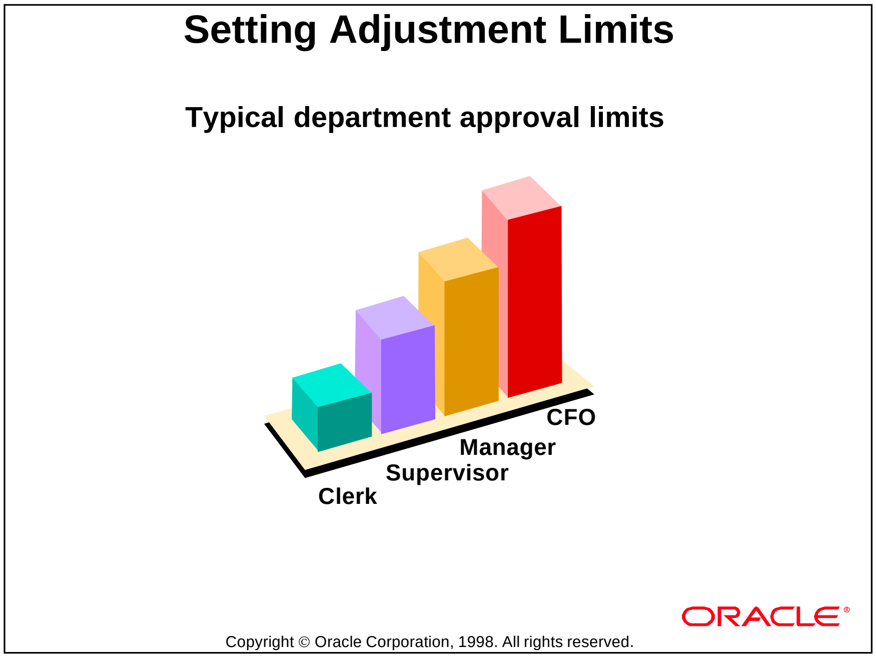
Validation process

Processed or Pending

How Oracle Receivables Validates Adjustments

- 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.
- If you specify Invoice Adjustments as your type of adjustment, Oracle Receivables requires that your adjustment amount be the exact amount to close the item you are adjusting and enters this amount in the Amount field.
- 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.

Setting Adjustment Limits



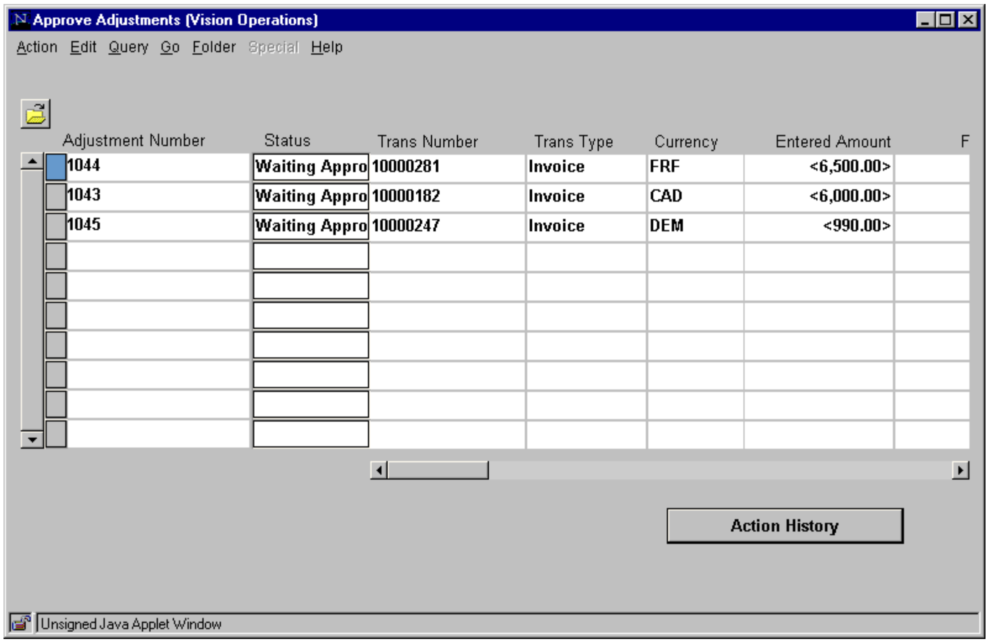
Setting Adjustment Limits

Typical department approval limits

Adjustment Approval Limits

You can control adjustment approvals by creating individual approval limits in the Adjustment Approval Limits window (Setup—>Transactions—>Adjustment Limits) by specifying a minimum and maximum approval amount for each user by currency.

Approving Adjustments


Approve Adjustments (Vision Operations)
Action Edit Query Go Folder Special Help
Action History
Unsigned Java Applet Window

Adjustment Number	Status	Trans Number	Trans Type	Currency	Entered Amount	F
1044	Waiting Appro	10000281	Invoice	FRF	<6,500.00>	
1043	Waiting Appro	10000182	Invoice	CAD	<6,000.00>	
1045	Waiting Appro	10000247	Invoice	DEM	<990.00>	

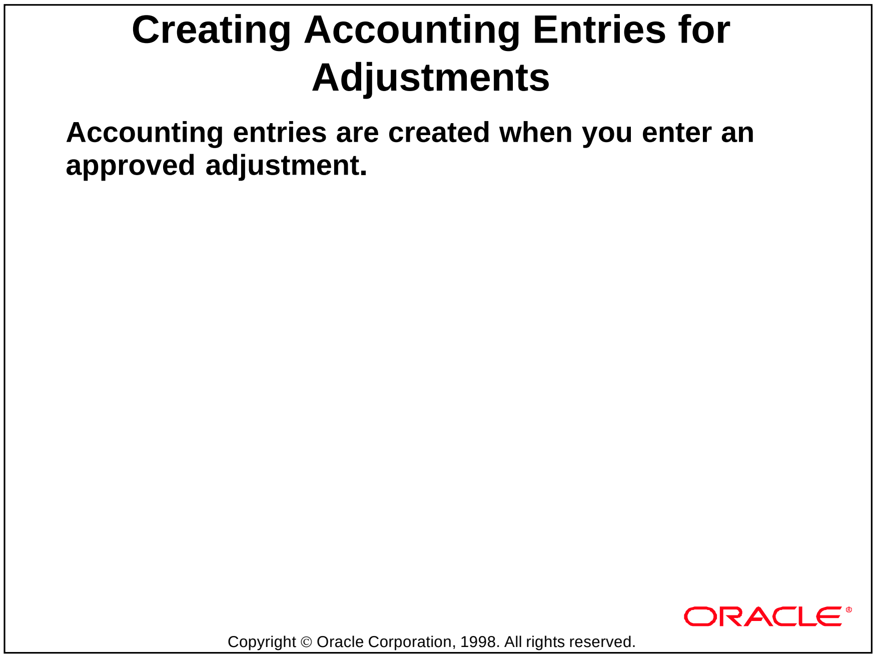
Approve Adjustments

(N) Control—>Adjustments—>Approve Adjustments

A pending adjustment must be approved before it affects the balance of a transaction. The Adjustment Approval report provides a listing of adjustments and their status. Use the Adjustments window to review and approve pending adjustments.

A pending adjustment does not prevent you from processing any other receivables activities at month-end.

Creating Accounting Entries for Adjustments



Creating Accounting Entries for Adjustments

Accounting entries are created when you enter an approved adjustment.

Example of an Adjustment that Increases the Invoice Amount

The accounting entry for an invoice:

Dr. Receivables	1000	
Cr. Revenue		1000

The accounting entry to increase the invoice by 500:

Dr. Receivables	500	
Cr. Receivable activity account		500

Example of an Adjustment that Decreases the Invoice Amount

The accounting entry for an invoice:

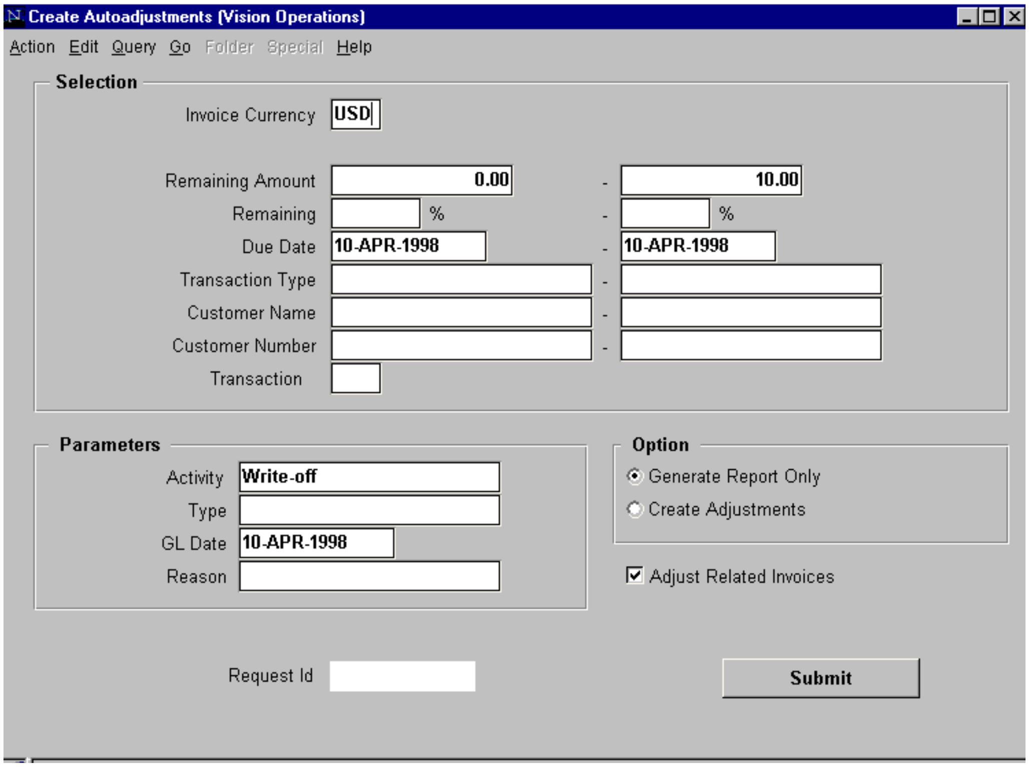
Dr. Receivables	1000	
Cr. Revenue		1000

The accounting entry to decrease the invoice by 300:

Dr. Receivable activity account	300	
Cr. Receivables		300

A receivable activity account is an account used for miscellaneous activities such as bank errors and miscellaneous receipts.

Adjusting Invoices Automatically


Create Autoadjustments (Vision Operations)
Action Edit Query Go Folder Special Help
Submit

Selection

Invoice Currency USD

Remaining Amount 0.00 - 10.00

Remaining % - %

Due Date 10-APR-1998 - 10-APR-1998

Transaction Type -

Customer Name -

Customer Number -

Transaction

Parameters

Activity Write-off

Type

GL Date 10-APR-1998

Reason

Option

● Generate Report Only

○ Create Adjustments

☑ Adjust Related Invoices

Request Id

Create Autoadjustments

(N) Control—>Adjustments—>Create AutoAdjustments

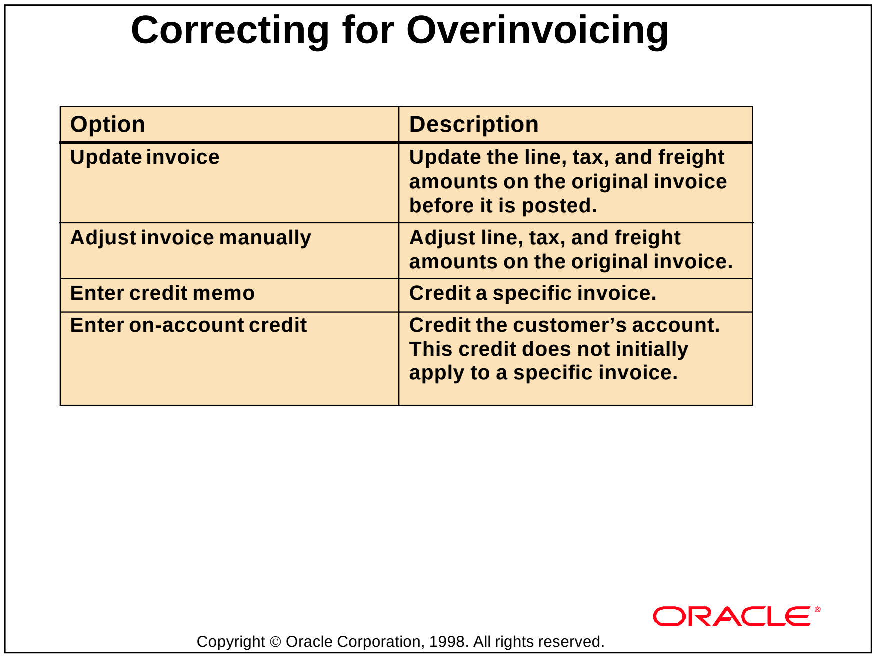
Automatic adjustments eliminate remaining balances for invoices, taxes, freight, invoice line items, or finance charges. You can restrict the remaining currency or percentage amounts that can be reduced to zero, based on the user's adjustment approval limits. Adjustments outside a user's approval limits are assigned a Pending Approval status.

The Activity field in the Parameters region determines which general ledger account is debited to eliminate remaining balances. The Type field determines what type of transactions are affected.

Caution

Because of the impact of this feature, you should limit its availability to users when setting up Oracle Receivables. Also, if Remaining Amount or % Remaining field is left blank, the amount is unlimited.

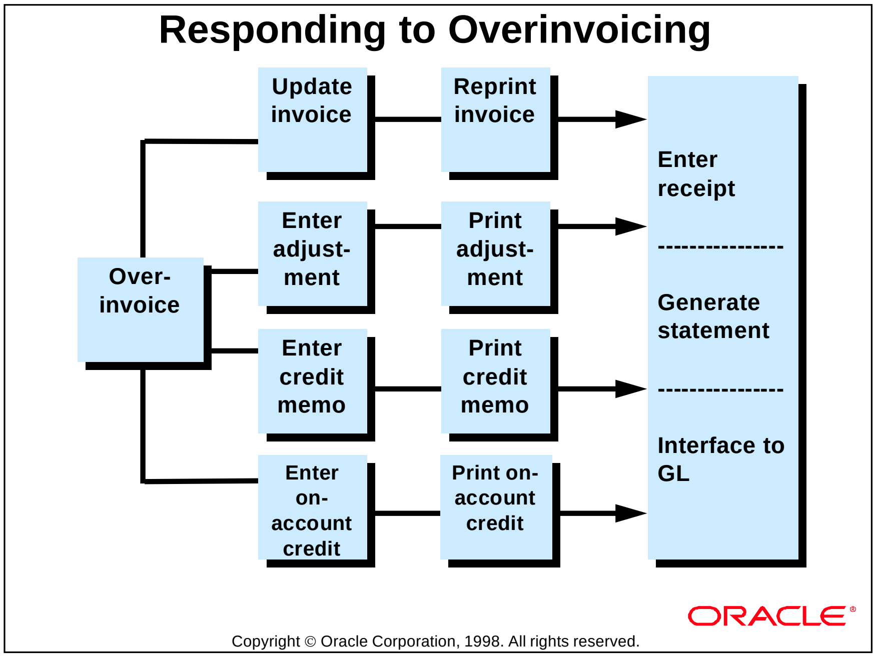
Correcting for Overinvoicing



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.

Responding to Overinvoicing



Responding to Overinvoicing

Over-invoice

Update invoice

Reprint invoice

Enter adjust-ment

Print adjust-ment

Enter credit memo

Print credit memo

Enter on-account credit

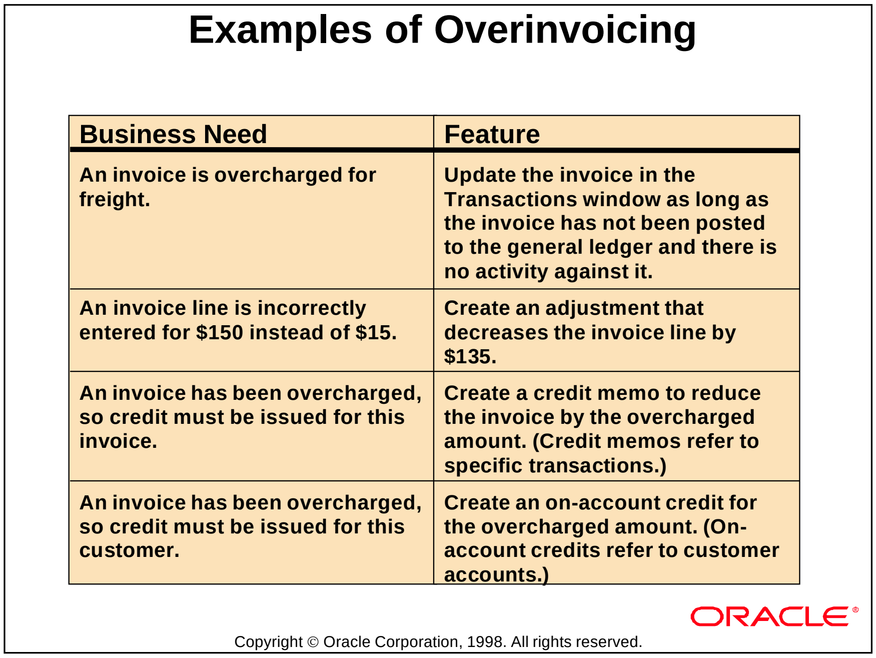
Print on-account credit

Enter receipt

Generate statement

Interface to GL

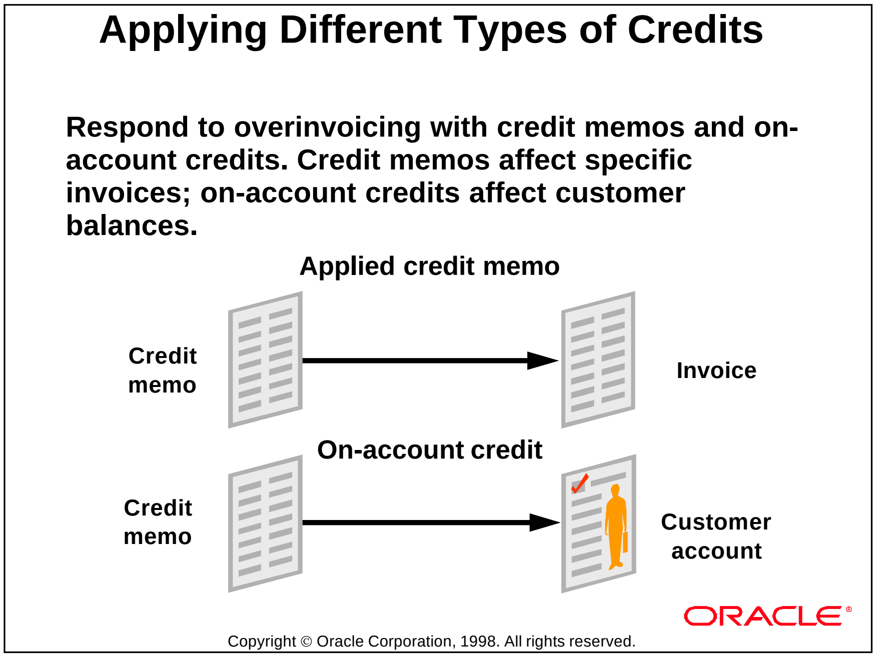
Examples of Overinvoicing



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.)

Applying Different Types of Credits

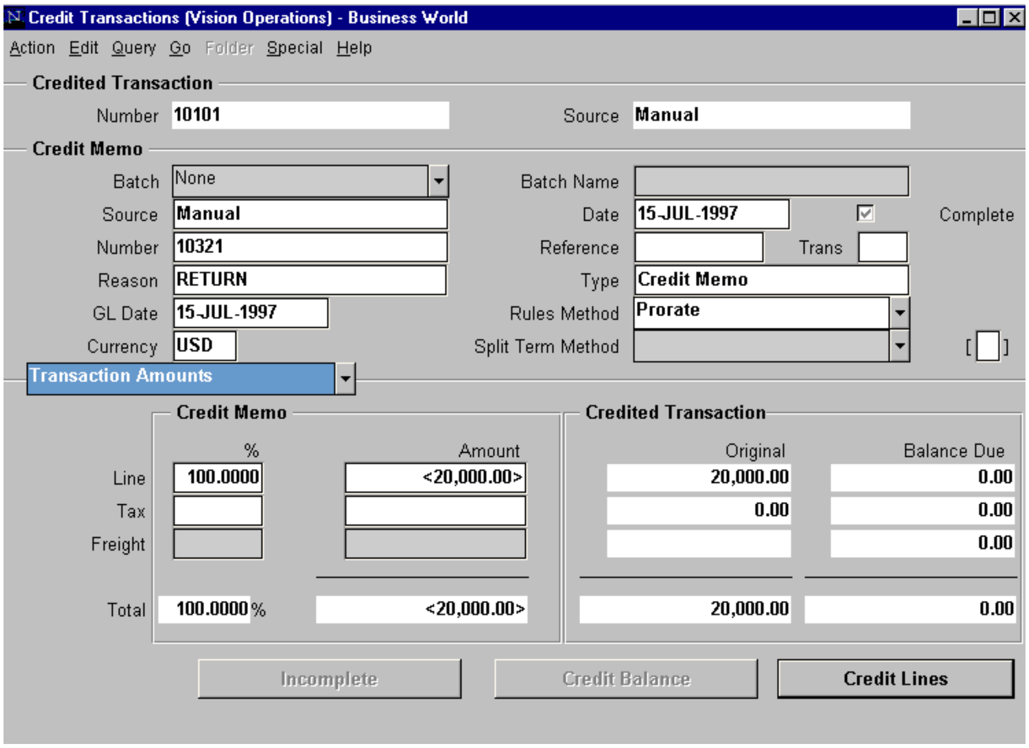


Applying Different Types of Credits

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

Applied credit memo
Credit memo
Invoice
On-account credit
Credit memo
Customer account

Creating Credit Memos


Credit Transactions (Vision Operations) - Business World
Action Edit Query Go Folder Special Help
Incomplete
Credit Balance
Credit Lines

Credited Transaction

Number: 10101
Source: Manual

Credit Memo

Batch: None
Batch Name:
Source: Manual
Date: 15-JUL-1997
☑ Complete
Number: 10321
Reference:
Trans:
Reason: RETURN
Type: Credit Memo
GL Date: 15-JUL-1997
Rules Method: Prorate
Currency: USD
Split Term Method:

Transaction Amounts

	Credit Memo %	Credit Memo Amount	Credited Transaction Original	Credited Transaction Balance Due
Line	100.0000	<20,000.00>	20,000.00	0.00
Tax			0.00	0.00
Freight				0.00
Total	100.0000 %	<20,000.00>	20,000.00	0.00

Credit Transactions: Transaction Amounts Region

(N) Transactions—>Credit Transactions

Enter credit memos for a specific invoice or invoice line.

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 credited must allow overapplication.

Batching Credit Memos

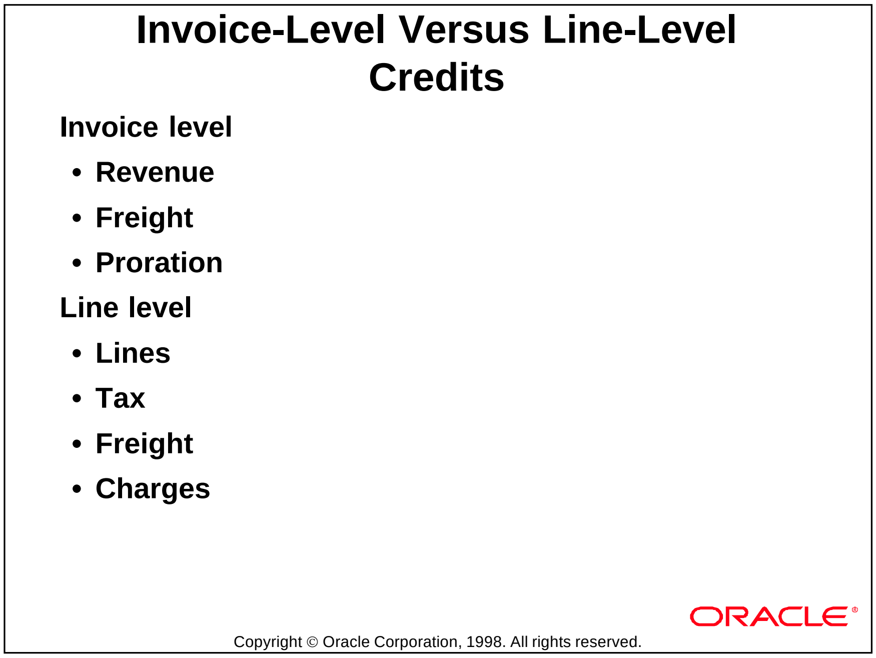
You can batch credit memos to help identify data entry errors.

Practice 12-4 Overview

Practice 12-4 Overview

In this practice, you enter a credit memo.

Invoice-Level Versus Line-Level Credits



Invoice-Level Versus Line-Level Credits

Invoice level

- **Revenue**
- **Freight**
- **Proration**

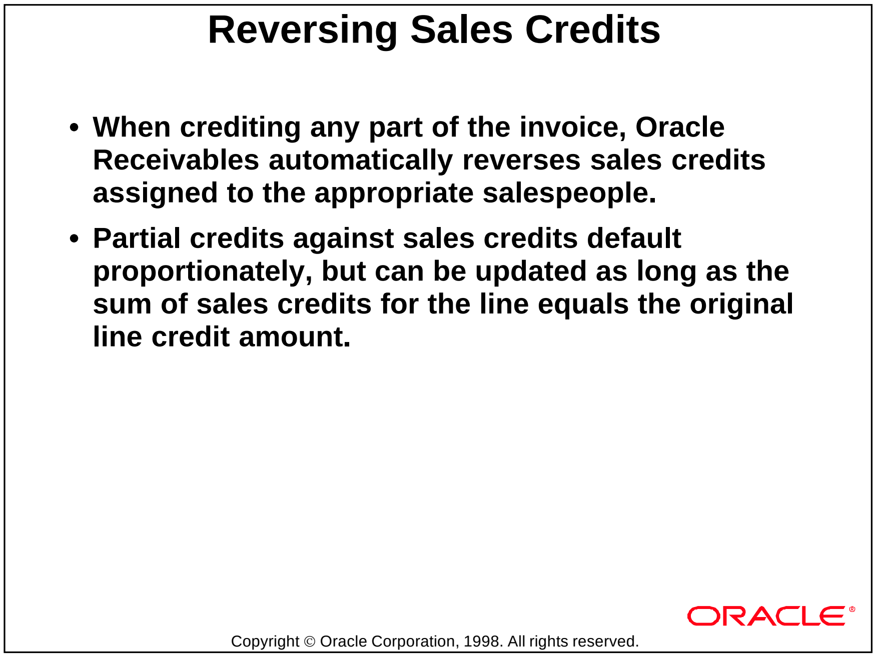
Line level

- **Lines**
- **Tax**
- **Freight**
- **Charges**

Invoice-Versus Line-Level Credits

Business Need	**Solution**
Proportionately credit an invoice with lines, tax, and freight charges.	Enter an amount or percent in the Credit Memo region of the Credit Memo window. Oracle Receivables proportionately credits all components of the invoice.
Credit all remaining tax amounts for an invoice with multiple tax lines.	Either enter 100% in the Tax % field or enter the remaining tax amount in the Amount field of the Credit Memo region of the Credit Memo window.
Credit an invoice line.	Enter an amount in the Credit Lines window.
Credit freight for invoice.	Enter an amount or percent in the Freight field.
Credit specific tax lines.	Enter a tax amount in the Tax window, which is accessed from the Lines window.
Credit specific freight lines.	Do not enter a freight amount in the Credit Memo region. Enter an amount in the Freight window.

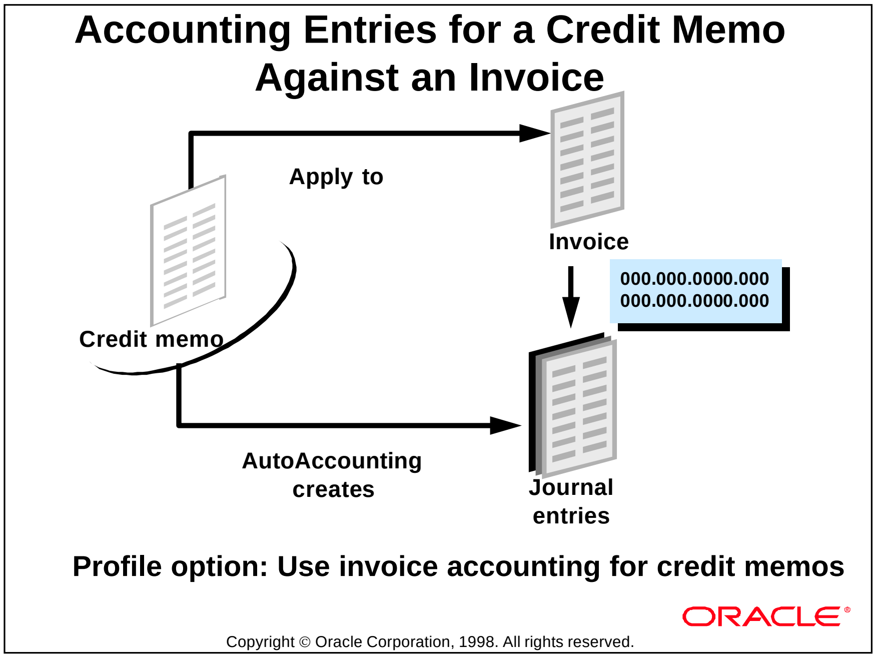
Reversing Sales Credits



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.**

Accounting Entries for a Credit Memo Against an Invoice



Accounting Entries for a Credit Memo Against an Invoice

Apply to

Invoice

Credit memo

000.000.0000.000
000.000.0000.000

AutoAccounting creates

Journal entries

Profile option: Use invoice accounting for credit memos

Example: Accounting Entries for a Credit Memo Against an Invoice

When an invoice for 1000 is initially entered, the following accounting entry is created:

Dr. Receivables	1000	
Cr. Revenue		900
Cr. Tax		80
Cr. Freight		20

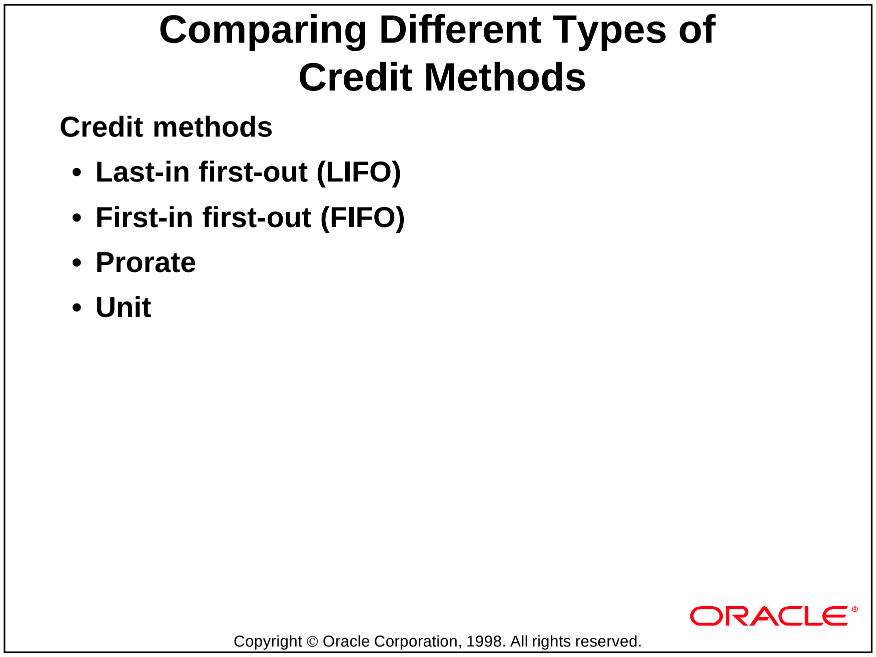
When a credit memo for 800 (credit 700 to lines, 80 to tax, and 20 to freight) is created against the invoice, the following accounting entry is created for the credit memo:

Dr. Revenue	700	
Dr. Tax	80	
Dr. Freight	20	
Cr. Receivables		800

The net effect of the invoice and credit memo is:

Dr. Receivables	200	
Cr. Revenue		200

Comparing Different Types of Credit Methods



Comparing Different Types of Credit Methods

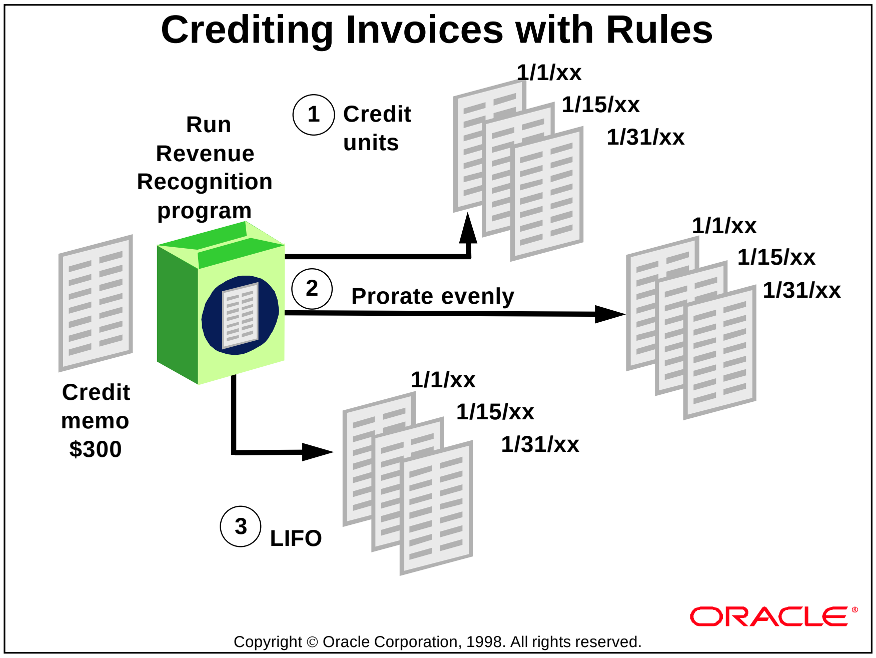
Credit methods

- Last-in first-out (LIFO)
- First-in first-out (FIFO)
- Prorate
- Unit

Credit Application Methods

Credit Method	Type of Invoice	Description
LIFO	Used for invoices with rules and split payment terms.	For credit memos against invoices with rules, the accounting entry with the most recent general ledger date is credited first. For credit memos against invoices with split payment terms, the accounting entry with the most recent due date is credited first.
FIFO	Used for invoices with split payment.	The credit is applied to the accounting entry with the oldest due date first and works forward until the credit is completely used.
Prorate	Used for invoices with rules and split payment terms.	The credit is prorated across all accounting entries.
Unit	Used for invoices with rules.	The credit is based on the number of units specified and the period in which the credit begins.

Crediting Invoices with Rules



Crediting Invoices with Rules

Run
Revenue
Recognition
program
1
Credit units
1/1/xx
1/15/xx
1/31/xx
2
Prorate evenly
1/1/xx
1/15/xx
1/31/xx
Credit
memo
$300
1/1/xx
1/15/xx
1/31/xx
3
LIFO
ORACLE

Using Rules to Credit Invoices

1 A 3-unit credit is associated with the journal entries dated 1/31/xx.

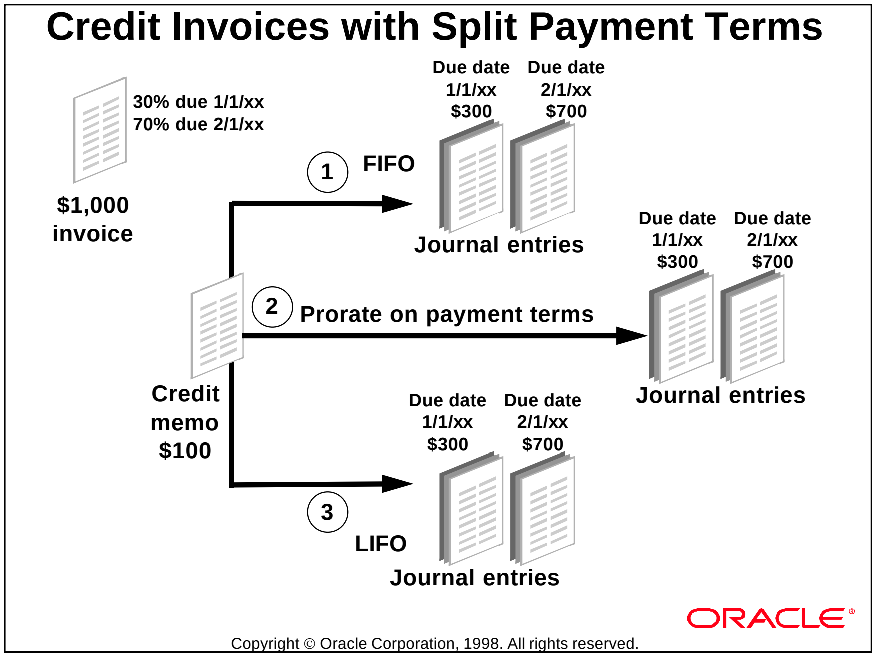
2 A $100 credit is spread evenly against all three journal entries.

3 A $300 credit is associated with the journal entries dated 1/31/xx.

Note the Following Points on the Illustration

- The Unit example assumes that each unit is $100, and that 3 units remain on the 1/31/xx entry. If there were only 2 units remaining on the latest entry, 1 unit in the 1/15/xx entry would be credited. This example also assumes that the last period to credit starts on 1/31/xx.
- The prorate example assumes that the remaining balance on each of the three entries is $100. If the credit memo were more than $300, a balance would remain on the credit memo.
- The LIFO example assumes that the remaining balance in the 1/31/xx entry is at least $300. If the remaining balance were less than the balance of the credit memo, the 1/15/xx entry would be credited.

Credit Invoices with Split Payment Terms



Credit Invoices with Split Payment Terms

30% due 1/1/xx
70% due 2/1/xx

$1,000
invoice

Credit
memo
$100

1 FIFO

Due date 1/1/xx $300
Due date 2/1/xx $700

Journal entries

2 Prorate on payment terms

Due date 1/1/xx $300
Due date 2/1/xx $700

Journal entries

3 LIFO

Due date 1/1/xx $300
Due date 2/1/xx $700

Journal entries

Split Payments Terms to Credit Invoices

1 A $1,000 credit is associated with journal entries dated 1/1/xx.

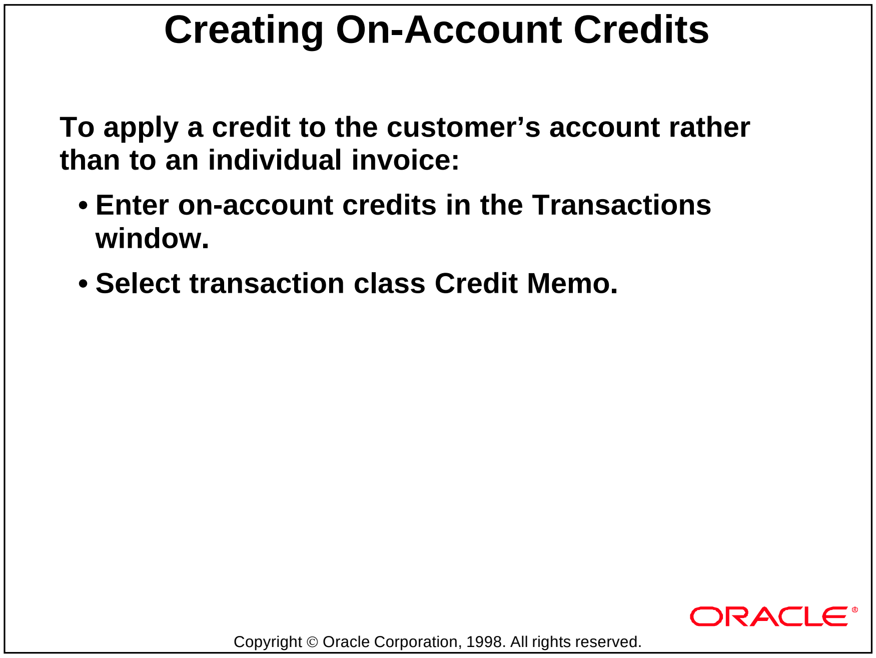
2 A $300 credit is associated with the journal entry batch dated 1/1/xx and a $70 credit is associated with the batch dated 2/1/xx.

3 A $1,000 credit is associated with journal entries dated 2/1/xx.

Note the Following Points on the Illustration

- For the FIFO example, if the credit memo were more than the remaining balance for the 1/1/xx entry, then the remaining credit amount would be applied to the 2/1/xx accounting entry.
- For the prorate example, if the credit memo were more than the remaining balance for both entries, a balance would remain on the credit memo.
- For the LIFO example, if the credit memo were more than the remaining balance for 2/1/XX, the remaining credit amount would be applied to the 1/1/xx accounting entry.

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.**

No Specific Rules or Split Terms Credit Methods

- Oracle Receivables skips the Rules and Split Terms credit method fields.
- Credit methods apply only to invoices with rules and split payment terms, not to on-account credits.

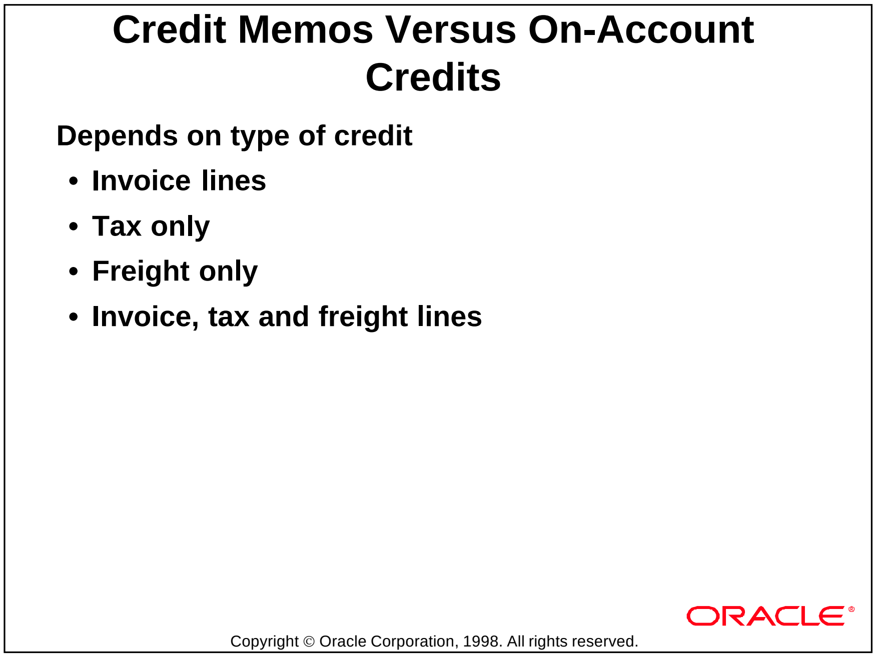
Credit Appropriate Accounts

Oracle Receivables uses AutoAccounting to determine the default accounts.

On-Account Credit Tax Calculation

- Return material authorizations (RMAs) in Oracle Order Entry may require tax. You can enter your tax code on your RMA in Oracle Order Entry. The tax information is then passed through AutoInvoice and is displayed on the resulting on-account credit.
- The tax calculated on on-account credits generated in Oracle Order Entry cannot be changed in Oracle Receivables.

Credit Memos Versus On-Account Credits



Credit Memos Versus On-Account Credits

Depends on type of credit

- **Invoice lines**
- **Tax only**
- **Freight only**
- **Invoice, tax and freight lines**

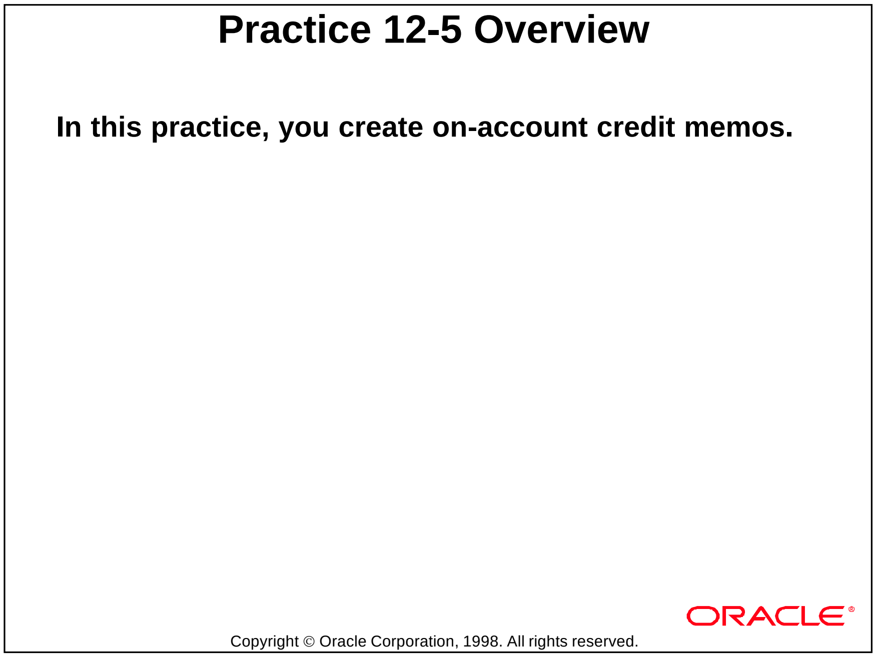
Credit Memos Versus On-Account Credits

Type of Credit	Credit Memo	On-Account Credit
Invoice lines	Credit specific invoice lines in the Lines window accessed from the Credit Memo window.	Use free-form lines, standard memo lines, or inventory lines in the Transactions window.
Tax only	To credit all remaining tax amounts enter 100% in the Tax % field or enter remaining tax amount in the Amount field of the Credit Memo region of the Credit Memo window.	To credit tax, select a standard tax memo line, or enter a dummy credit memo line in the Credit Memo Lines region.

Credit Memos Versus On-Account Credits (continued)

Type of Credit	Credit Memo	On-Account Credit
Freight Only	To credit freight, either enter the freight amount in the Freight field of the Credit Memo region of the Credit Memo window, or credit specific freight lines in the Freight window accessed from the Lines window.	To credit freight, select a standard memo line for freight.
Invoice, Tax and Freight	To credit a proportional amount of invoice lines, tax, and freight, enter the amount or percent in the Transaction Amounts region of the Credit Memo Window.	To credit invoice, tax, and freight amounts on one on-account credit, enter line level credits.

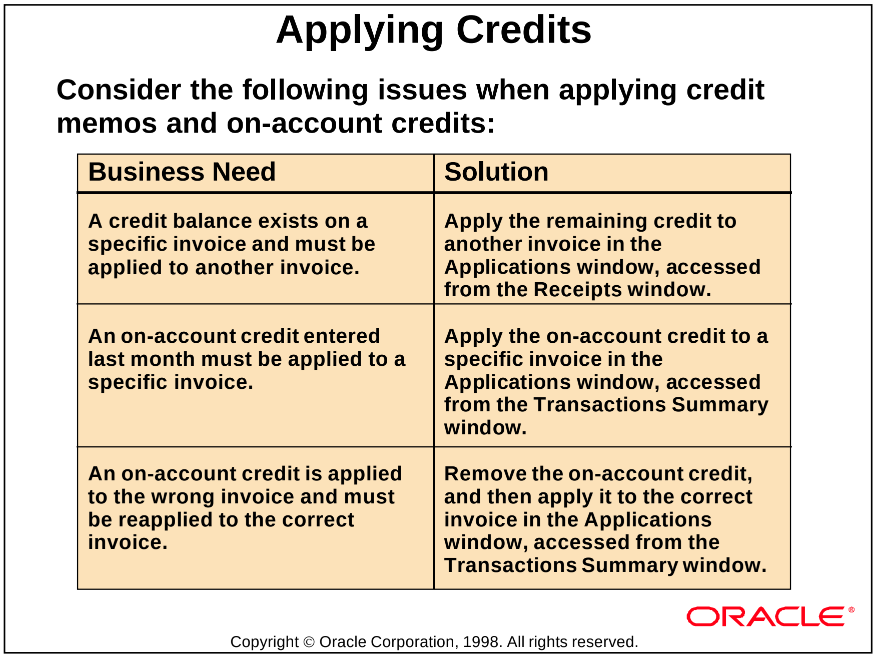
Practice 12-5 Overview



Practice 12-5 Overview

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

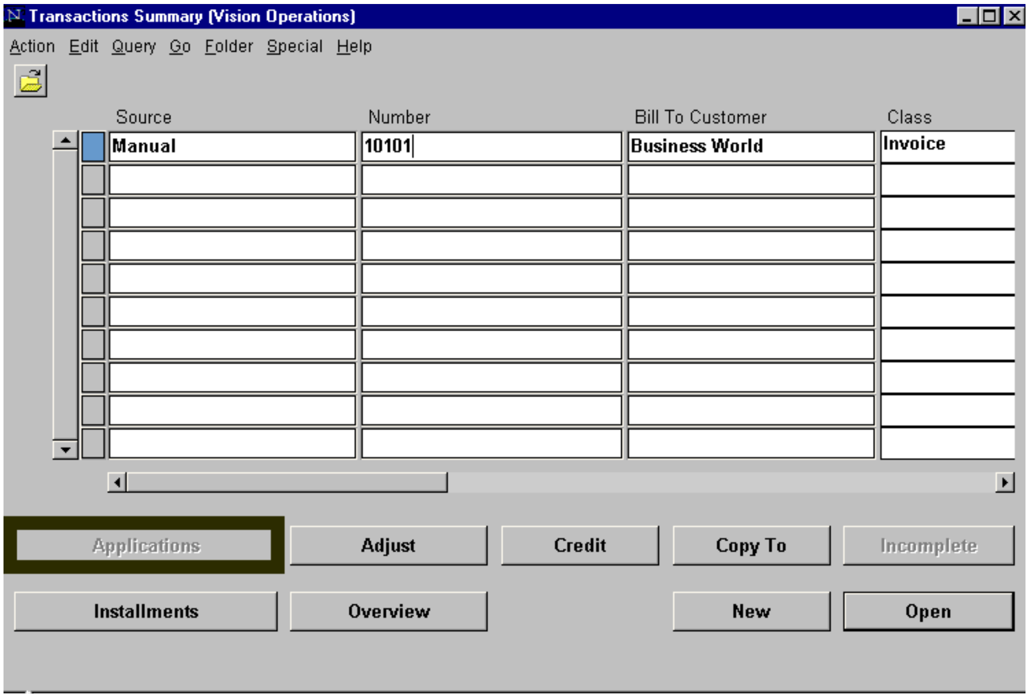
Applying Credits



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.


Transactions Summary (Vision Operations)
Action Edit Query Go Folder Special Help
Applications
Adjust
Credit
Copy To
Incomplete
Installments
Overview
New
Open

Source	Number	Bill To Customer	Class
Manual	10101	Business World	Invoice

Transactions Summary

(N) Transactions—>Transactions Summary (B) Applications

Apply credit memos and apply or reapply on-account credits in the Applications window.

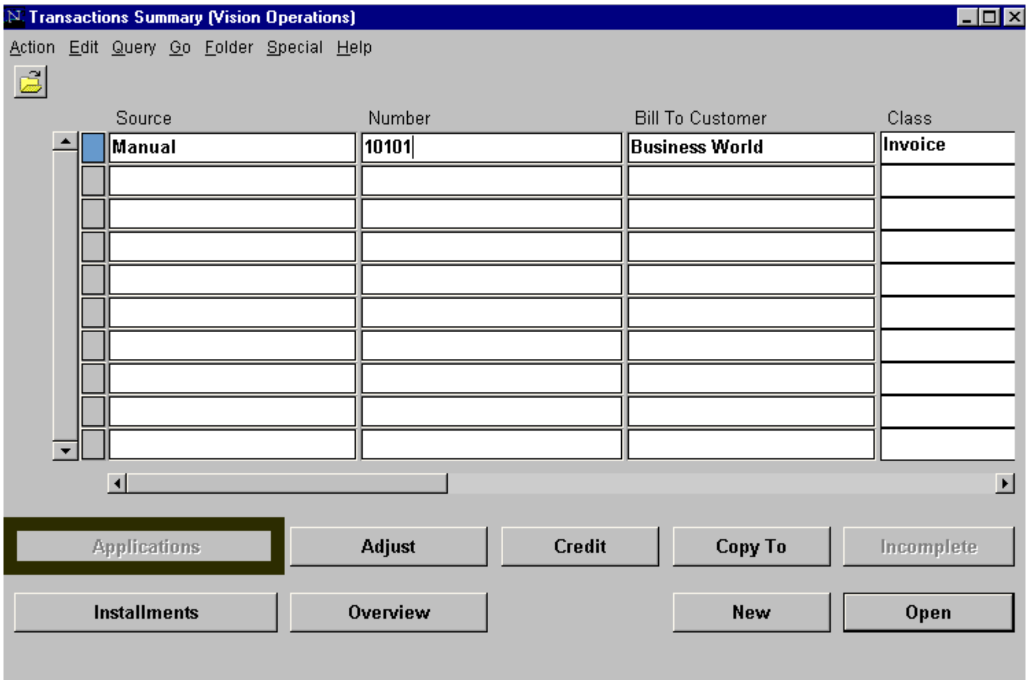
Example of Accounting Entries for Applying Credits

When the invoice for 30 is initially entered, the following accounting entry is created:

Dr.	Receivables	30	
Cr.	Revenue		30

When an on-account credit for 200 is entered, the following accounting entry is created:

Dr.	Revenue	160	
Dr.	Tax	30	
Dr.	Freight	10	
Cr.	Receivables		200


Transactions Summary (Vision Operations)
Action Edit Query Go Folder Special Help
Applications
Adjust
Credit
Copy To
Incomplete
Installments
Overview
New
Open

Source	Number	Bill To Customer	Class
Manual	10101	Business World	Invoice

Example of Accounting Entries for Applying Credits (continued)

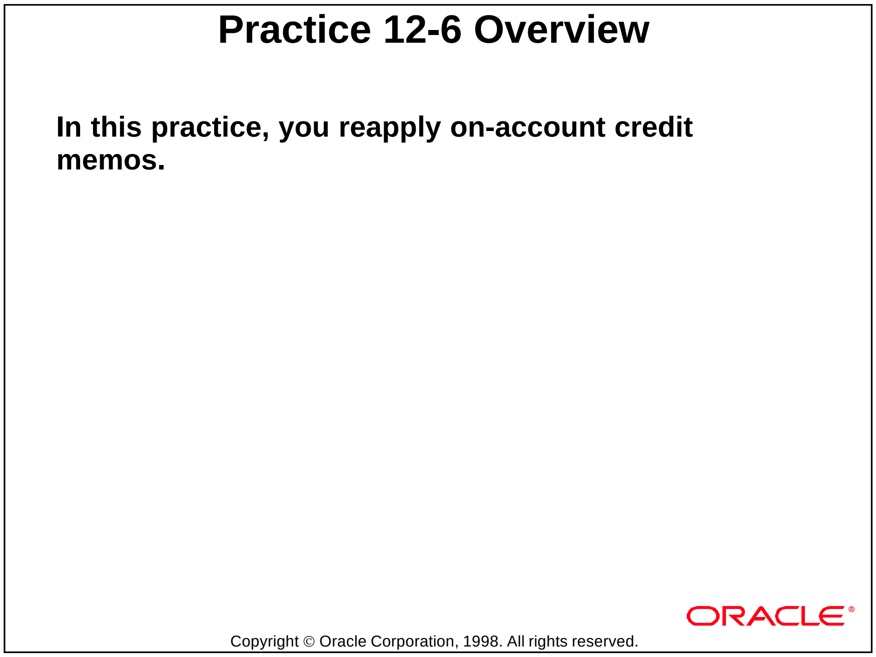
The net effect on the on-account credit after being applied to the invoice:

Dr. Revenue	130	
Dr. Tax	30	
Dr. Freight	10	
Cr. Receivables		170

The net effect of the invoice:

Dr. Receivables	0	
Cr. Revenue		0

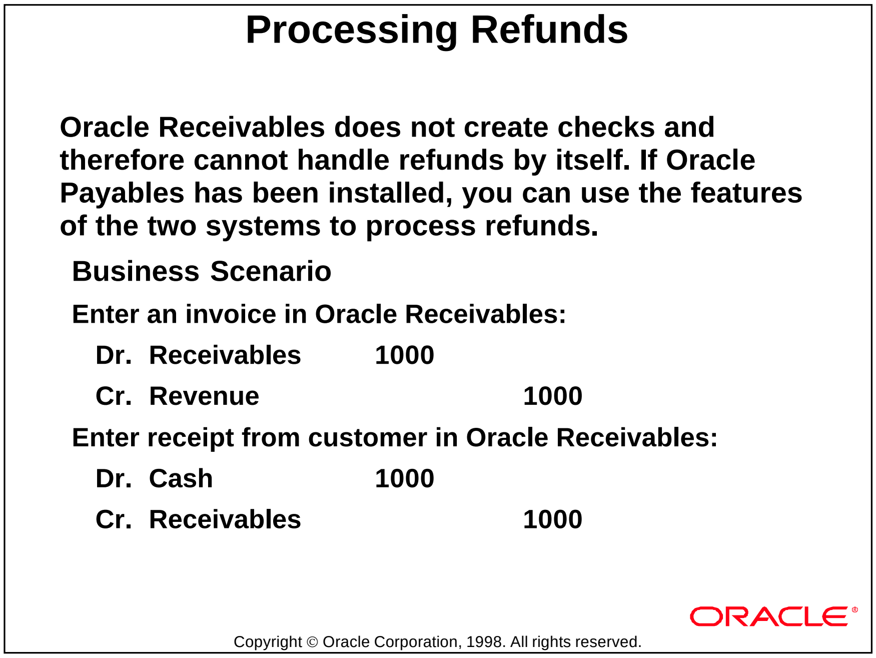
Practice 12-6 Overview



Practice 12-6 Overview

In this practice, you reapply on-account credit memos.

Handling Refunds



Processing Refunds

Oracle Receivables does not create checks and therefore cannot handle refunds by itself. If Oracle Payables has been installed, you can use the features of the two systems to process refunds.

Business Scenario

Enter an invoice in Oracle Receivables:

Dr.	**Receivables**	**1000**	
Cr.	**Revenue**		**1000**

Enter receipt from customer in Oracle Receivables:

Dr.	**Cash**	**1000**	
Cr.	**Receivables**		**1000**

Example: Customer Returns Goods and Wants Refund for $200

Enter a credit memo in Oracle Receivables to reduce revenue and create an amount due to the customer.

Dr.	Revenue	200	
Cr.	Receivables		200

Enter a debit memo in Oracle Receivables to transfer the amount owed to the customer to a clearing account.

Dr.	Receivables	200	
Cr.	Clearing (or Refund)		200

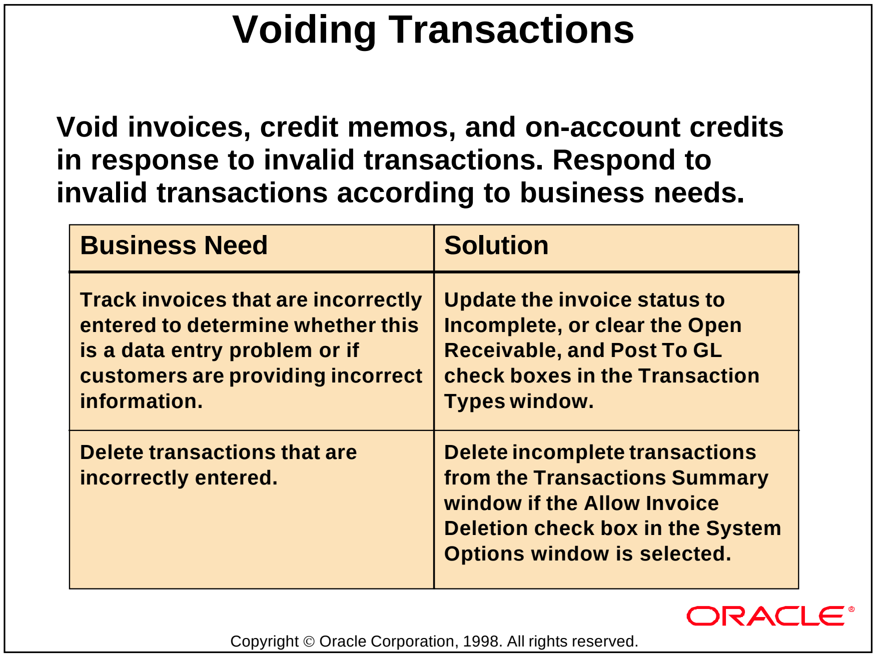
Enter an invoice in Oracle Payables to clear the clearing account and create an accounts payable for the customer.

Dr.	Clearing	200	
Cr.	Payables		200

Issue a check in Oracle Payables to send the refund to the customer.

Dr.	Payables	200	
Cr.	Cash		200

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.

Updating Complete Status

Clear the Complete check box in the Transactions window for the transaction to be voided.

Updating Transaction Type

Create a transaction type in the Transaction Type window with the Open Receivables and Post to GL check boxes cleared. If there is no activity against the transaction, and if it has not been posted, assign this transaction type to the transaction you want to void.

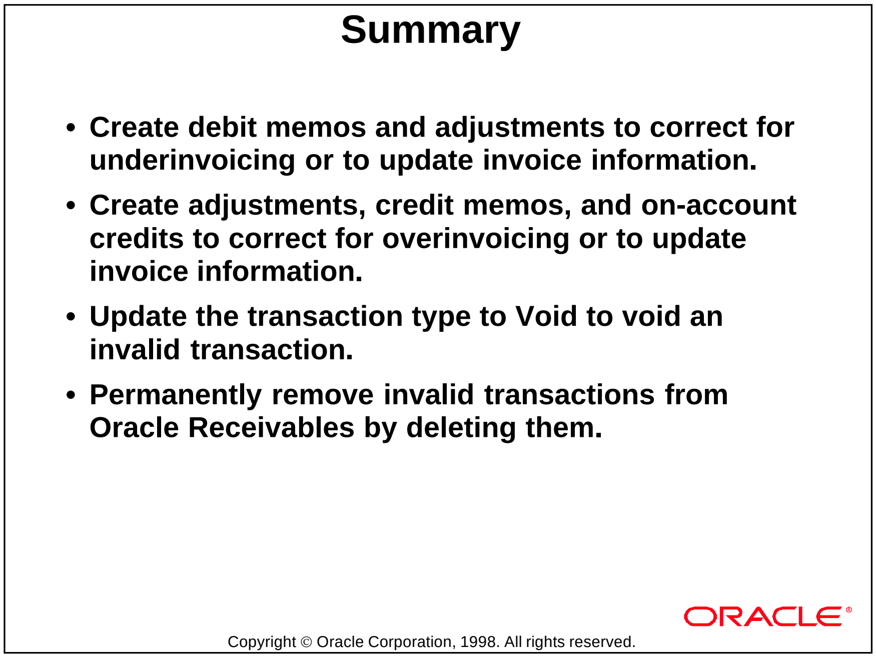
Deleting Incomplete Transactions

If the Allow Transaction Deletion check box in the Transactions and Customers alternative region of the System Options window is selected, delete incomplete transactions from Oracle Receivables. Select Delete Record from the Edit menu to delete invoices from Transactions Summary.

Running Reports

Run the Incomplete Invoices report from the Print Listing Reports window to review a list of incomplete invoices. Find transactions with the Open Receivables check box cleared using the Invoice Exception report.

Summary



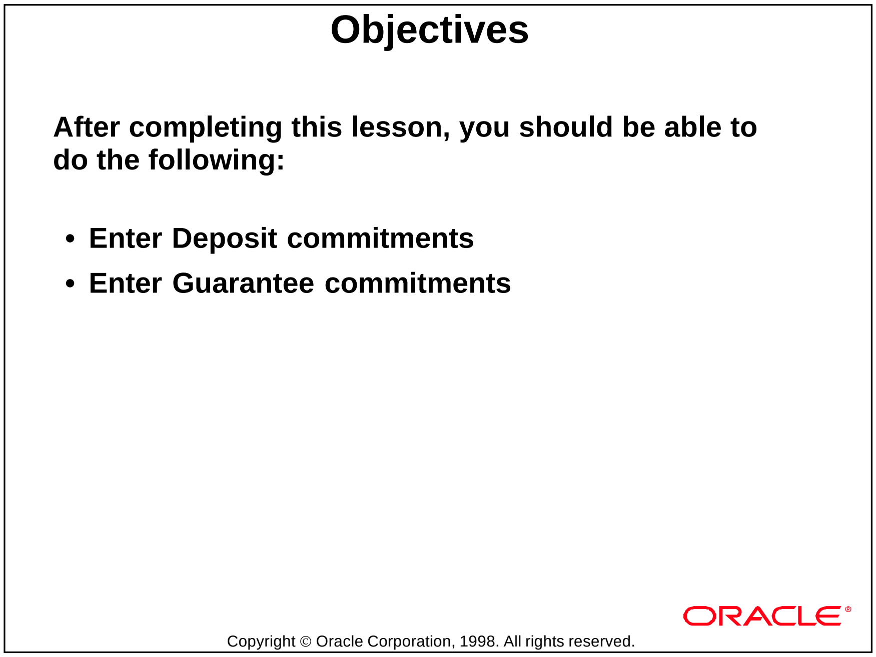
Summary

- **Create debit memos and adjustments to correct for underinvoicing or to update invoice information.**
- **Create adjustments, credit memos, and on-account credits to correct for overinvoicing or to update invoice information.**
- **Update the transaction type to Void to void an invalid transaction.**
- **Permanently remove invalid transactions from Oracle Receivables by deleting them.**

13

Entering Commitments

Objectives

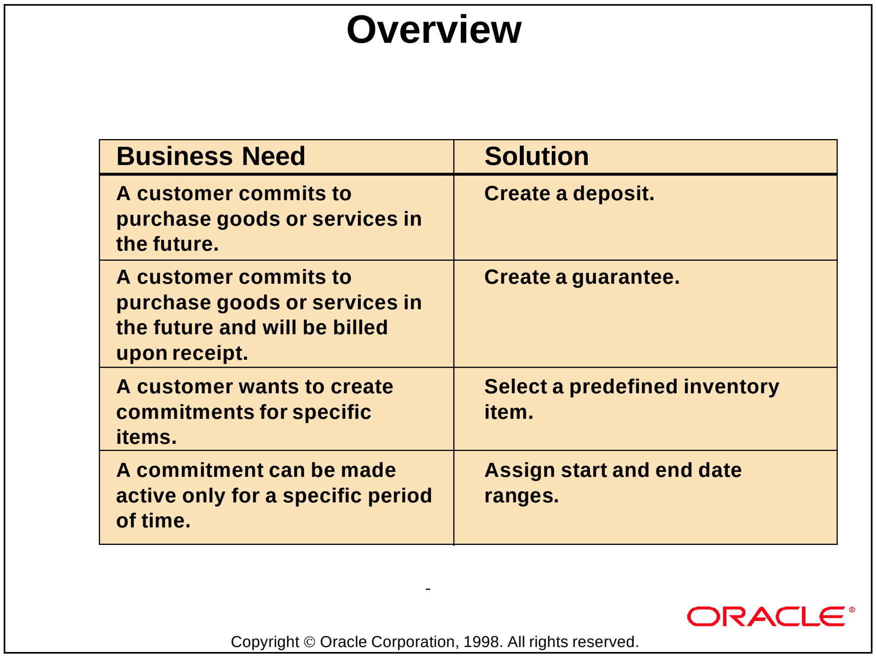


Objectives

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

- **Enter Deposit commitments**
- **Enter Guarantee commitments**

Overview



Overview

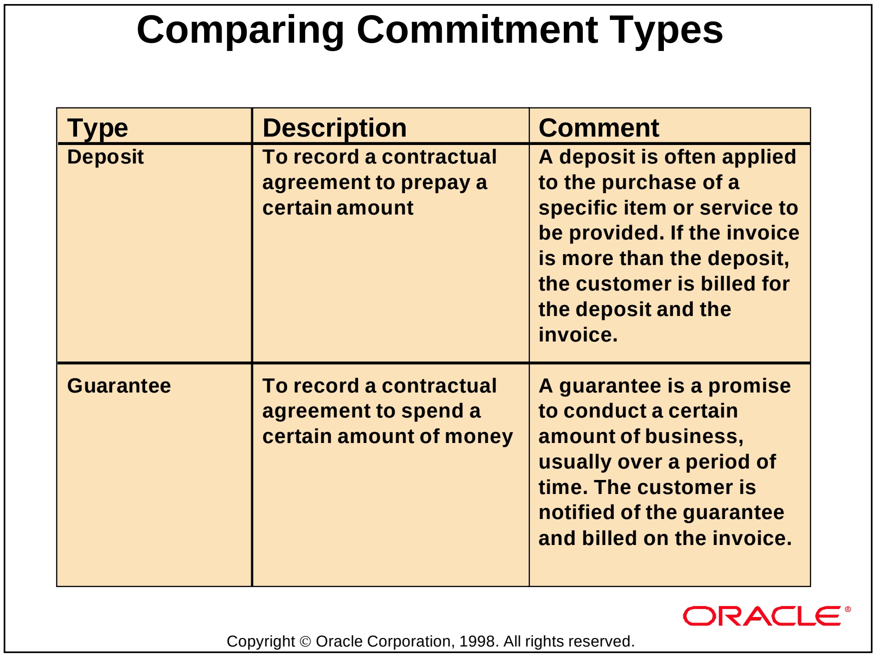
Business Need	Solution
A customer commits to purchase goods or services in the future.	Create a deposit.
A customer commits to purchase goods or services in the future and will be billed upon receipt.	Create a guarantee.
A customer wants to create commitments for specific items.	Select a predefined inventory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

-

Overview of Commitments

Create commitments according to business needs.

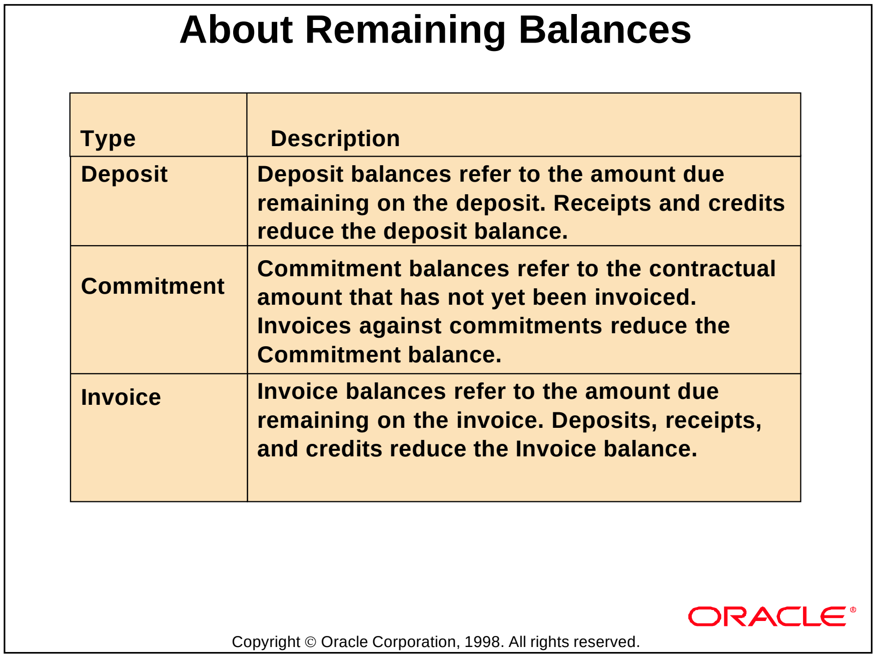
Comparing Commitment Types



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.

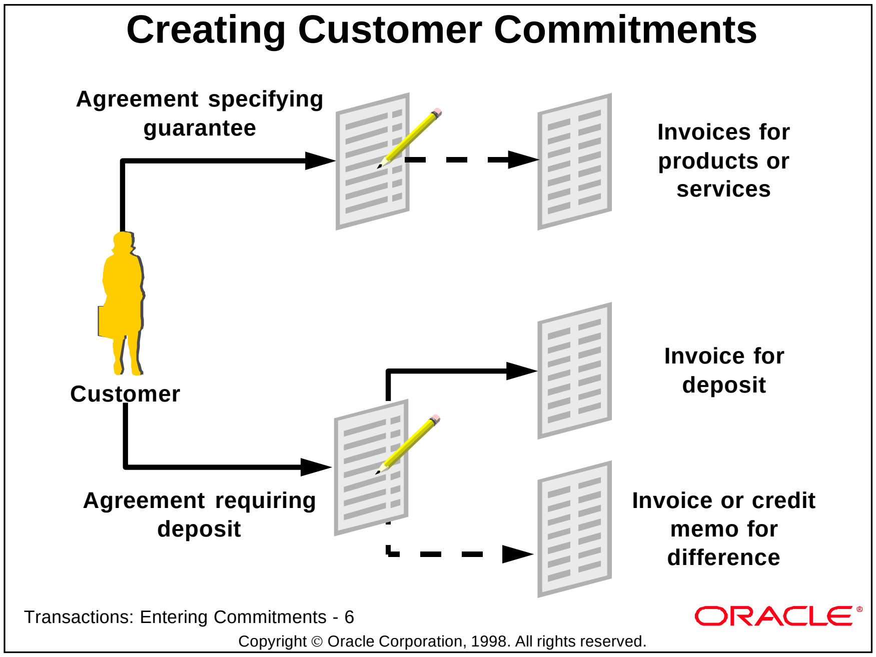
About Remaining Balances



About 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.

Creating Customer Commitments



Creating Customer Commitments

Agreement specifying guarantee

Invoices for products or services

Customer

Invoice for deposit

Agreement requiring deposit

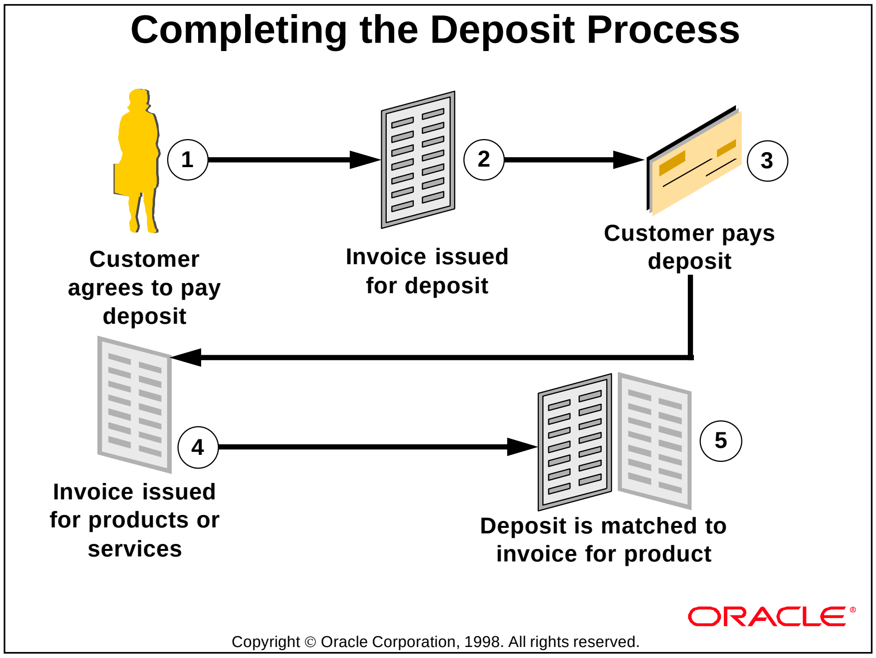
Invoice or credit memo for difference

Transactions: Entering Commitments - 6

Customer Commitments

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

Completing the Deposit Process



Completing the Deposit Process

1 Customer agrees to pay deposit

2 Invoice issued for deposit

3 Customer pays deposit

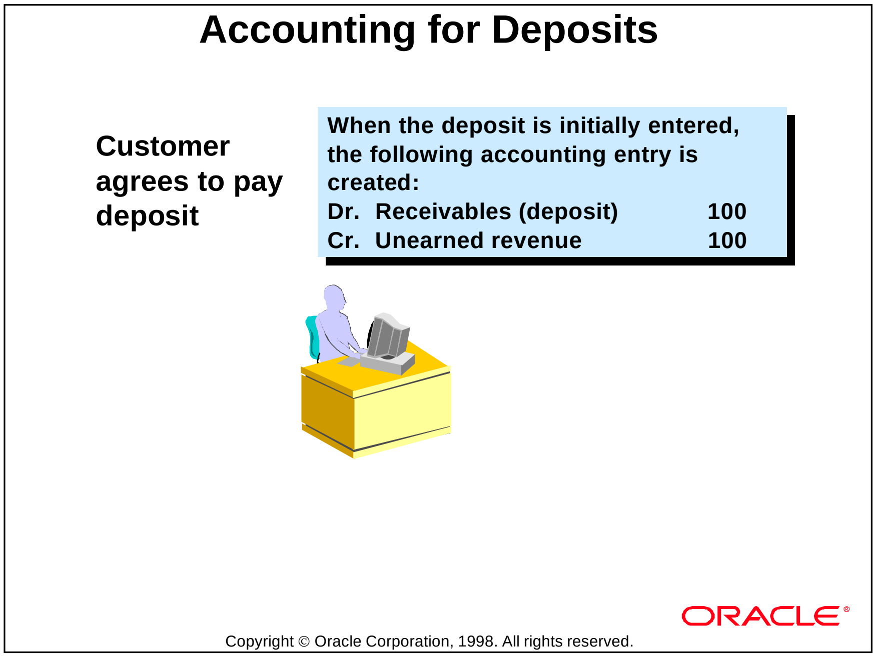
4 Invoice issued for products or services

5 Deposit is matched to invoice for product

Deposit Process

1. Customer agrees to pay deposit.
2. An invoice is issued to the customer for the amount of the deposit.
3. The customer pays the deposit
4. An invoice is issued to the customer for products or services related to the deposit.
5. The deposit is matched to the invoice. The deposit commitment is reduced by the amount of the product invoice.

Accounting for Deposits



Accounting for Deposits

Customer agrees to pay deposit

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

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

Invoice for Products or Services

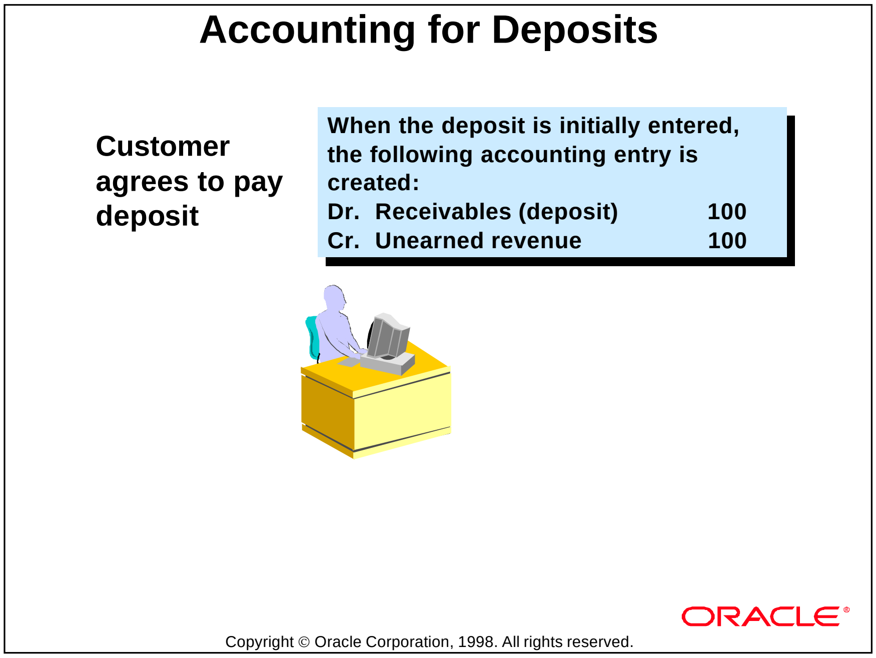
When an invoice for 40 is applied to the deposit, the following accounting entries are created. An adjustment of 40 is made to the Receivables account of the invoice, because the customer is billed for the deposit.

Dr.	Receivables (Invoice)	40	
Cr.	Revenue		40

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

The net effect is:

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



Accounting for Deposits

Customer agrees to pay deposit

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

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

When Payment Is Received

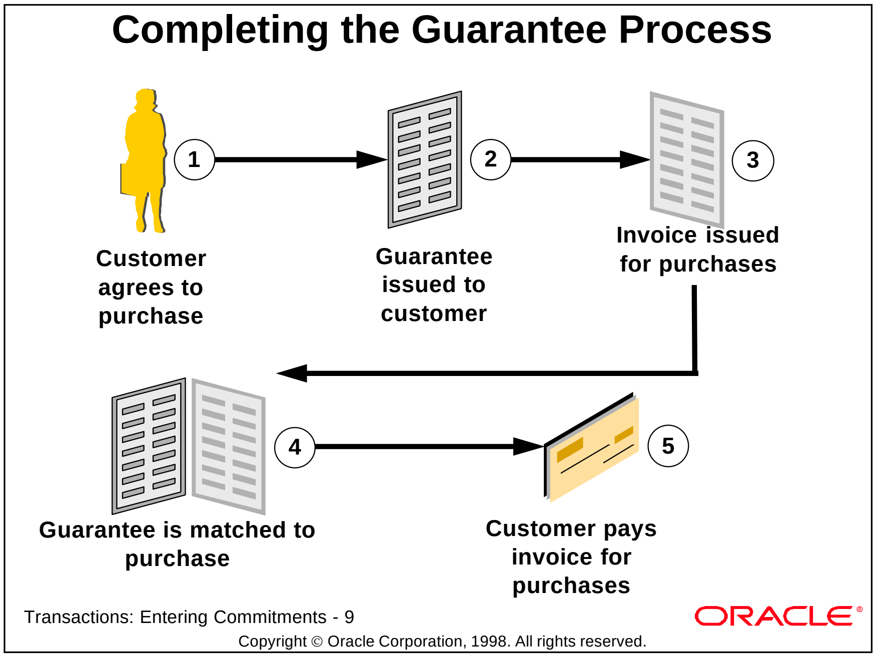
When a payment of 100 is received for the deposit, the following accounting entry is made:

Dr.	Cash	100	
Cr.	Receivables (Deposit)		100

The net effect is:

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

Completing the Guarantee Process



Completing the Guarantee Process

Customer agrees to purchase

Guarantee issued to customer

Invoice issued for purchases

Guarantee is matched to purchase

Customer pays invoice for purchases

Transactions: Entering Commitments - 9

Guarantee Process

1 Customer guarantees to spend a certain amount.

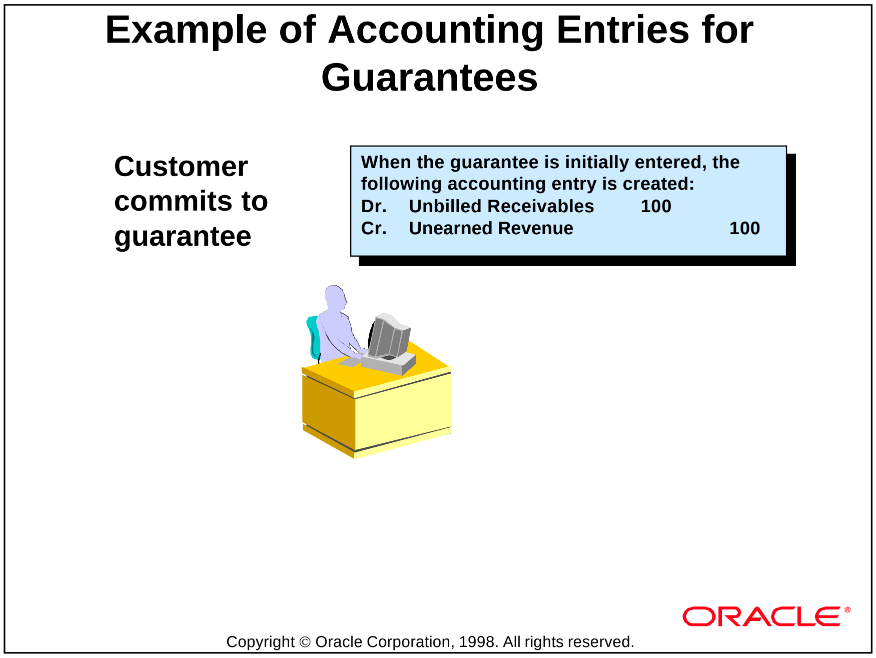
2 Guarantee is created and sent to customer.

3 Invoice is created for purchase related to guarantee.

4 Guarantee is applied to invoice.

5 Customer pays invoice.

Accounting 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

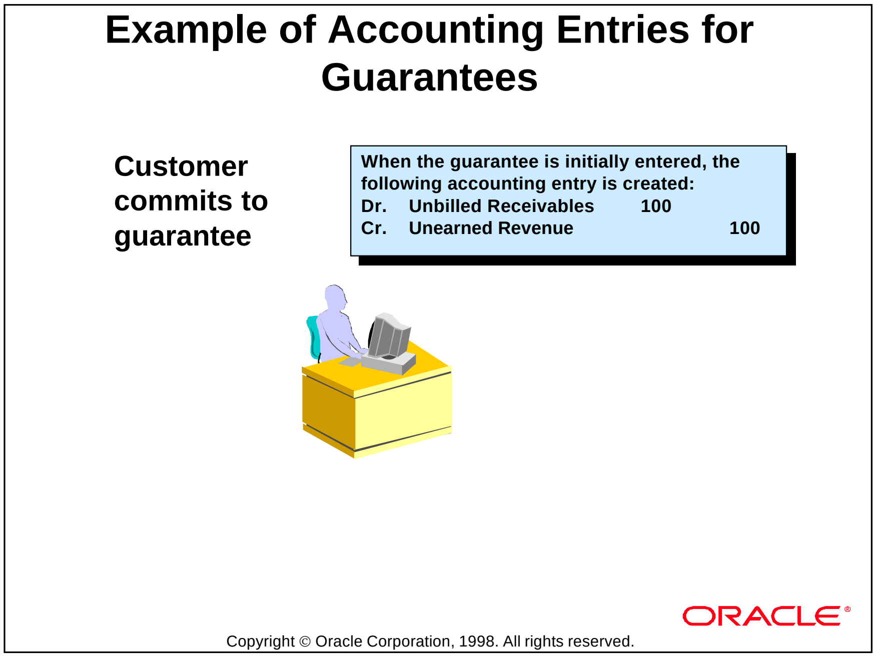
Guarantee Entries

When a guarantee for 40 is applied to the invoice, the following accounting entry is created. An adjustment of 40 is made to the guarantee, because the customer is billed for the invoice.

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

The net effect is:

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



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

When Payment Is Received

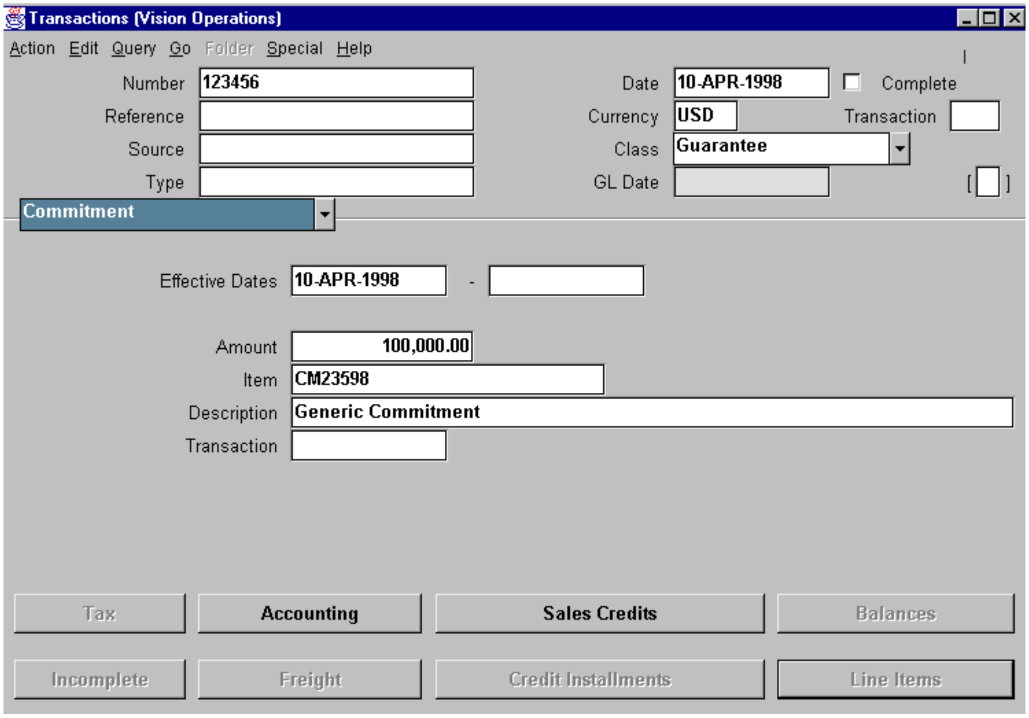
When a payment for 40 is received for the invoice, the following accounting entry is made:

Dr.	Cash	40	
Cr.	Receivables (Invoice)		40

The net effect is:

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

Creating Commitments


Transactions (Vision Operations)
Action Edit Query Go Folder Special Help
Tax
Accounting
Sales Credits
Balances
Incomplete
Freight
Credit Installments
Line Items

Number: 123456
Reference:
Source:
Type:
Date: 10-APR-1998
☐ Complete
Currency: USD
Transaction:
Class: Guarantee
GL Date:
Commitment
Effective Dates: 10-APR-1998 -
Amount: 100,000.00
Item: CM23598
Description: Generic Commitment
Transaction:

Transactions: Commitment Region

(N) Transactions—>Transactions—>Commitment

Creating Commitments for Specific Items

- Enter commitments for specific inventory items in the Item field.
- Invoices are validated for the specific items in the guarantee.

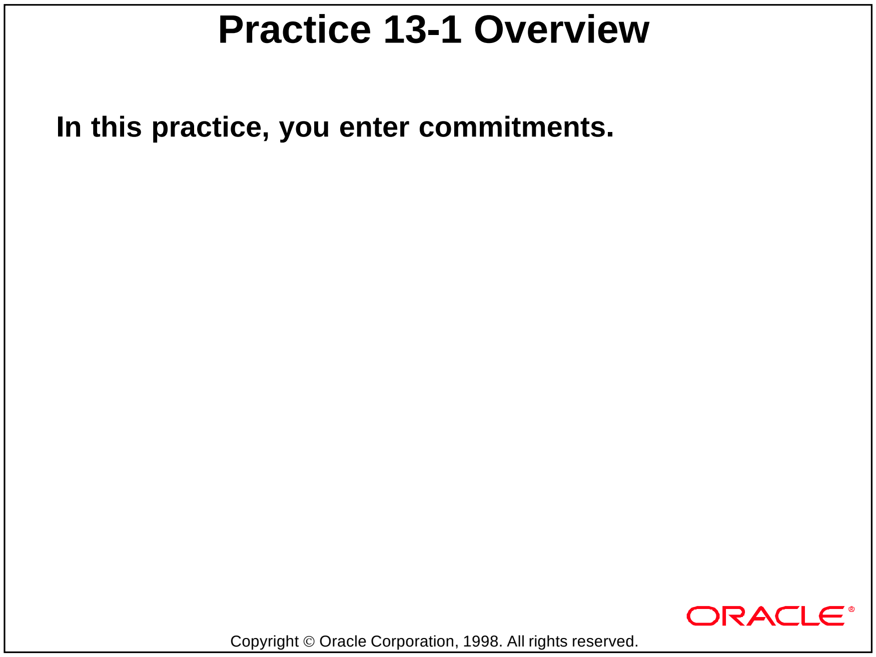
When Creating Invoices Against Commitments in Main Region

- Specify the commitment amount in the Commitment field for the invoice.
- Choose commitments for the Bill–To customer or its reciprocal customers.
- Any remaining commitment is displayed at the bottom of the Balances window.
- To review commitment information generate the Commitment Balance Report.

Reviewing Commitments

Use the Commitment Balance report and the Other Applications report to review invoices against guarantees and invoices against deposits and to review credit memos against invoices, guarantees, and deposits.

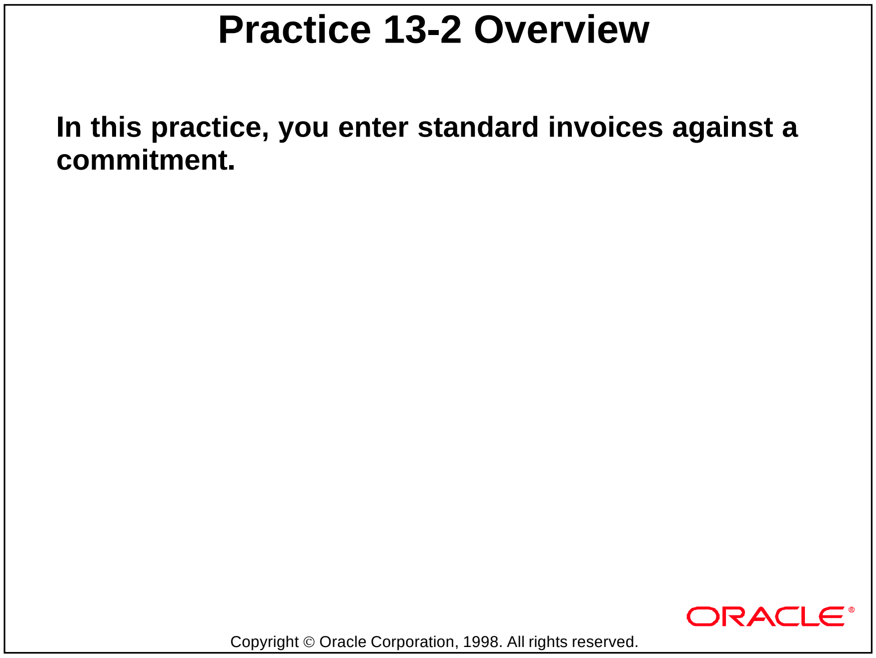
Practice 13-1 Overview



Practice 13-1 Overview

In this practice, you enter commitments.

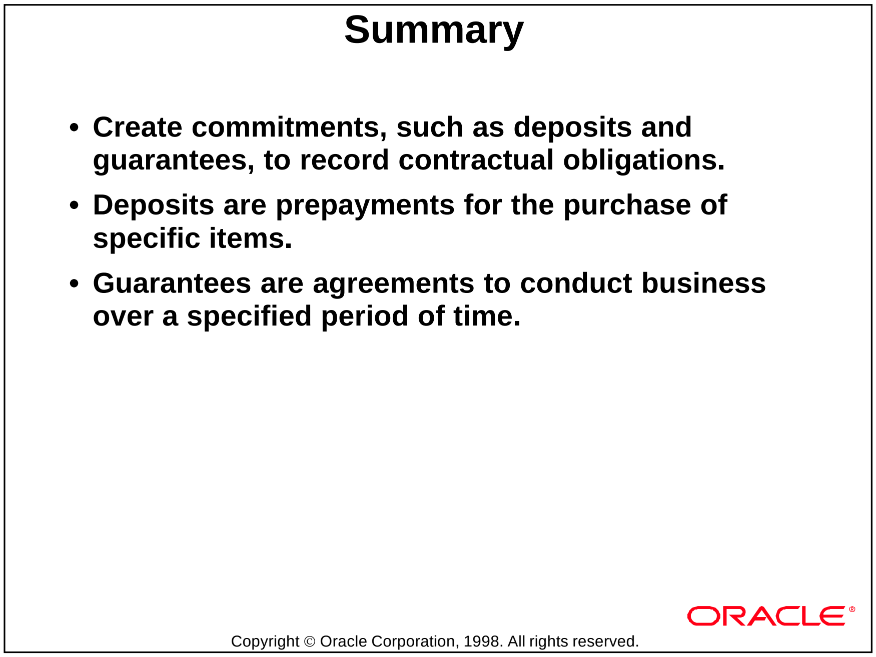
Practice 13-2 Overview



Practice 13-2 Overview

In this practice, you enter standard invoices against a commitment.

Summary



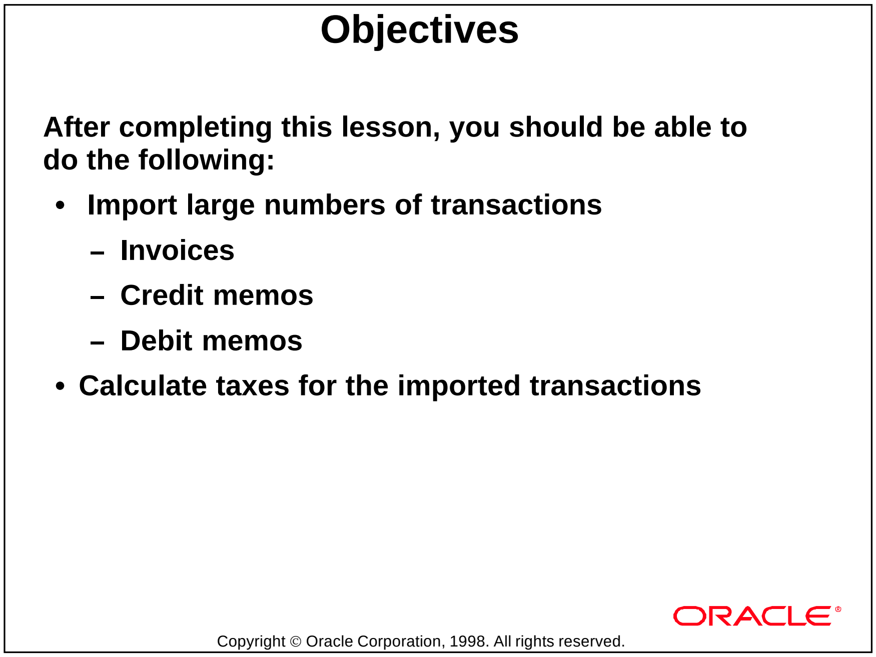
Summary

- Create commitments, such as deposits and guarantees, to record contractual obligations.
- Deposits are prepayments for the purchase of specific items.
- Guarantees are agreements to conduct business over a specified period of time.

14

AutoInvoicing

Objectives

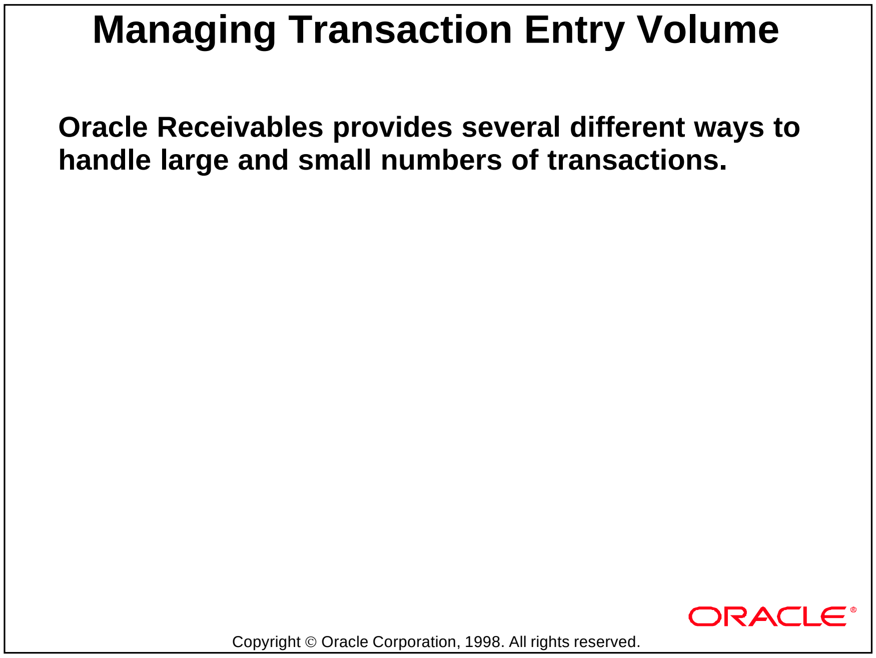


Objectives

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

- **Import large numbers of transactions**
  - **Invoices**
  - **Credit memos**
  - **Debit memos**
- **Calculate taxes for the imported transactions**

Managing Transaction Entry Volume



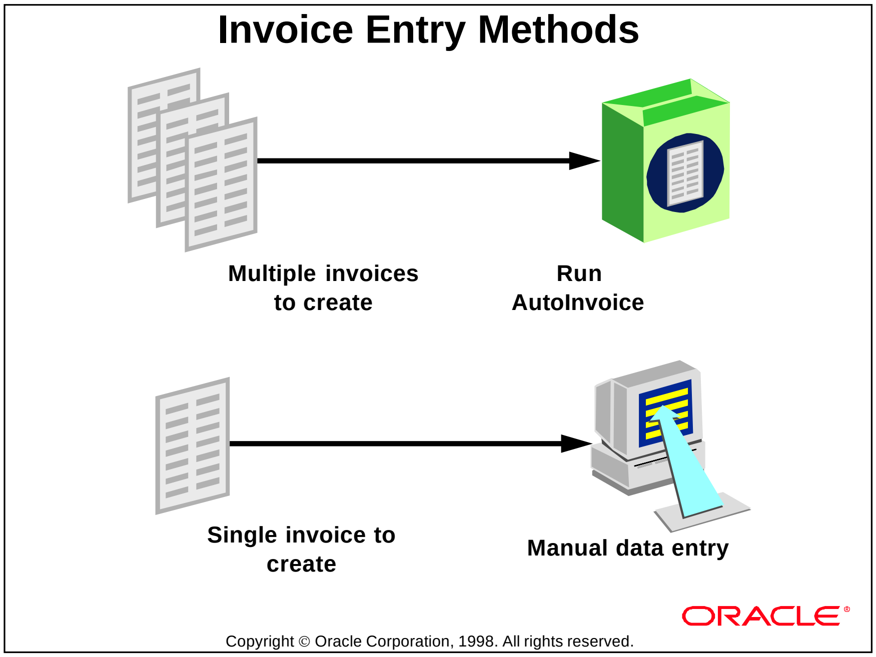
Managing Transaction Entry Volume

Oracle Receivables provides several different ways to handle large and small numbers of transactions.

Managing Transaction Volume According to Business Needs

Business Need	Solution
Import large volumes of invoices, debit memos, credit memos, and on-account credits from an external system.	Import these transactions using the AutoInvoice program.
Import sales orders from Oracle Order Entry.	Use the AutoInvoice program to import sales order information.
Quickly enter simple one-line invoices, debit memos, and on-account credits.	Use the Transactions Summary window to enter these transactions. Complete the Line Item information in the Transactions window.
Enter invoices, debit memos, deposits, guarantees, and on-account credits.	Use the Transactions window to enter these transactions.

Invoice Entry Methods



Invoice Entry Methods

Multiple invoices to create

Run AutoInvoice

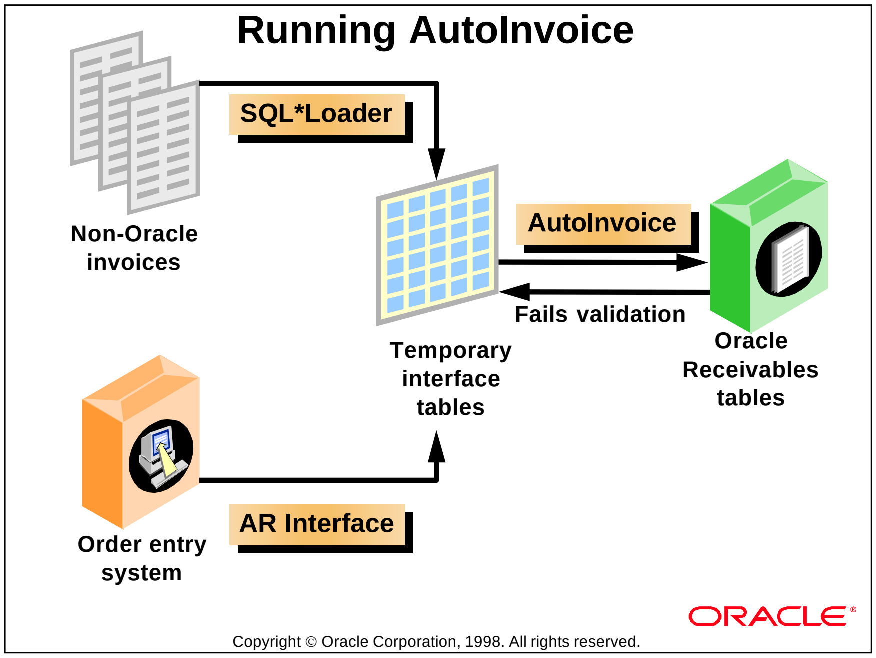
Single invoice to create

Manual data entry

Invoice Entry Methods

Enter single transactions through the Transactions window, or enter a large volume of transactions with AutoInvoice.

Running AutoInvoice



Running AutoInvoice

Non-Oracle invoices

SQL*Loader

Temporary interface tables

AutoInvoice

Fails validation

Oracle Receivables tables

Order entry system

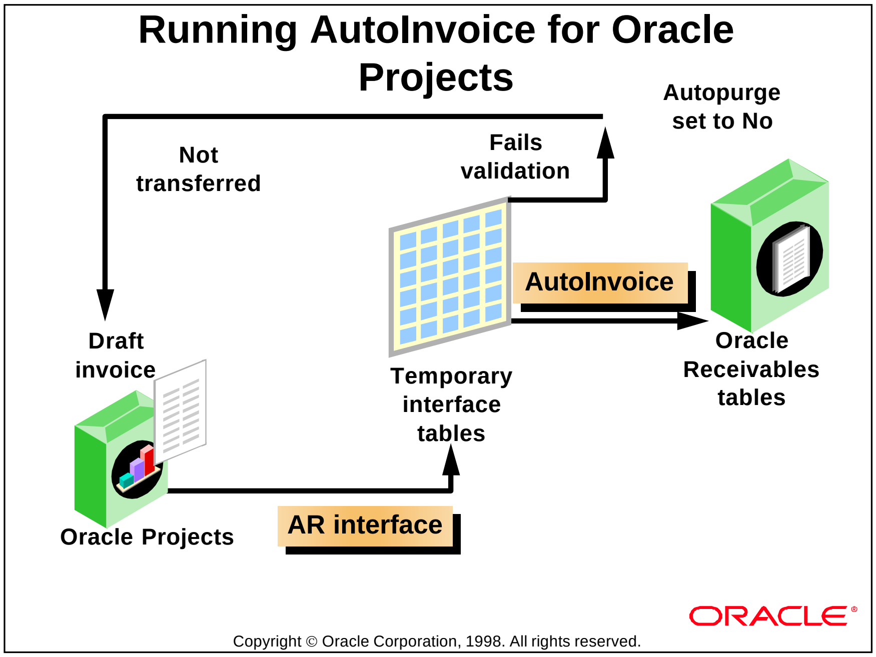
AR Interface

ORACLE®

AutoInvoice

Use AutoInvoice to manage large volumes of invoices, debit memos, credit memos, and on-account credits, or to import transactions.

Running AutoInvoice for Oracle Projects



Running AutoInvoice for Oracle Projects

Autopurge set to No

Not transferred

Fails validation

AutoInvoice

Draft invoice

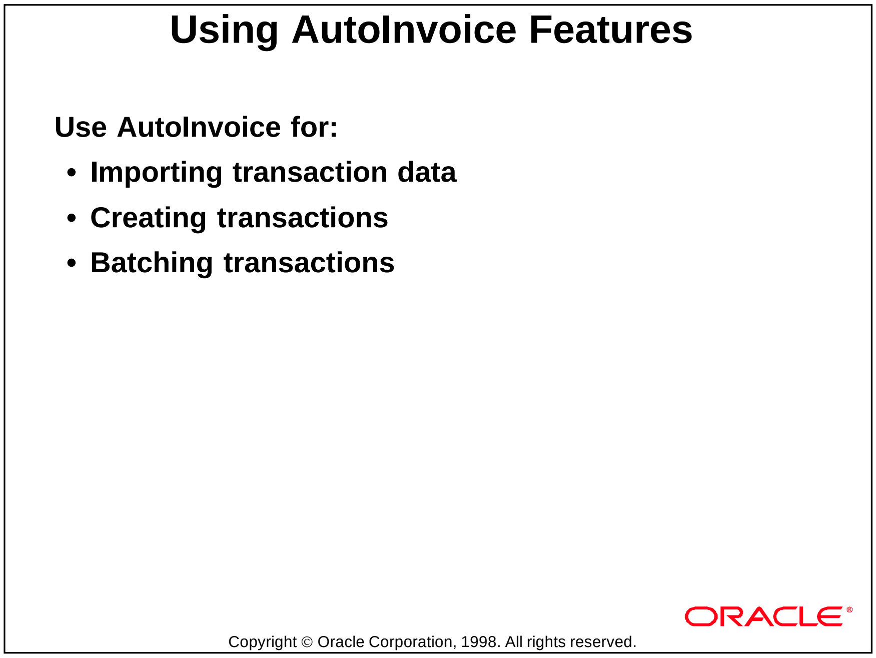
Temporary interface tables

Oracle Receivables tables

Oracle Projects

AR interface

Using AutoInvoice Features



Using AutoInvoice Features

Use AutoInvoice for:

- **Importing transaction data**
- **Creating transactions**
- **Batching transactions**

Importing Transaction Data

- AutoInvoice imports invoices, debit memos, credit memos, on-account credits, and sales credits from Oracle Order Entry or from external systems.
- AutoInvoice does not import deposits or guarantees.
- Use the Transactions window to create new transactions.

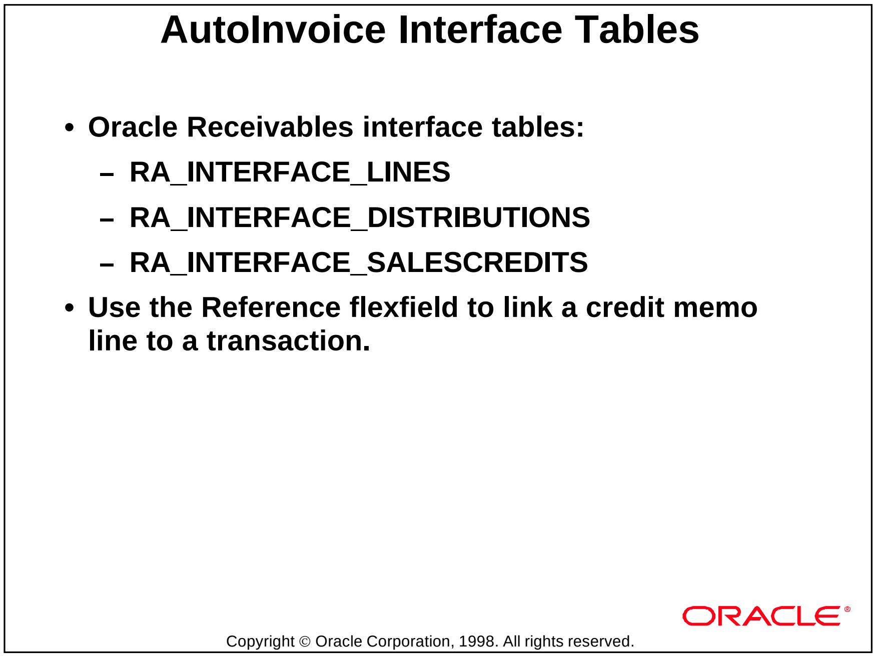
Creating Transactions from Non-Oracle Sources

- Define Transaction flexfields to uniquely identify imported transactions.
- Use grouping rules to determine how transaction lines are grouped into transactions such as invoices, credit memos, and debit memos.
- Use line-ordering rules to determine the order in which transaction lines are displayed on a transaction.

Batching Transactions

- AutoInvoice requires transaction batching.
- AutoInvoice batches transactions by batch source name and request ID.

AutoInvoice Interface Tables



AutoInvoice Interface Tables

- **Oracle Receivables interface tables:**
  - **RA_INTERFACE_LINES**
  - **RA_INTERFACE_DISTRIBUTIONS**
  - **RA_INTERFACE_SALESCREDITS**
- **Use the Reference flexfield to link a credit memo line to a transaction.**

RA_INTERFACE_LINES Table

- Contains information relating to transactions to be processed by AutoInvoice.
- Each record contains line, tax, freight, or finance charges information.
- The Line_Type field identifies the type of information contained in the record.
- A record can be a parent record: Line, Header Freight, or Charges; or a child record: Tax or line-level Freight.
- The Link-To Transaction flexfield links child records to parent records.

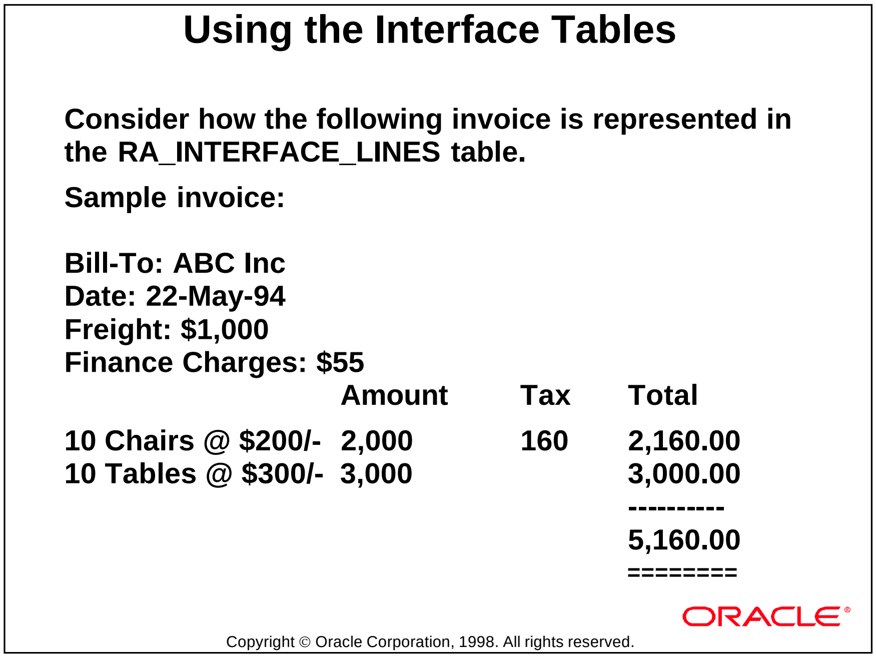
RA_INTERFACE_DISTRIBUTIONS Table

- Contains accounting distributions used by RA_INTERFACE_LINES.
- Accounts defined in this table override accounts created using AutoAccounting.
- You can choose to pass some or all accounts information to AutoInvoice. Any accounts that are not passed will be derived using AutoAccounting.
- The Transaction flexfield links these records to RA_INTERFACE_LINES table.

RA_INTERFACE_SALESCREDITS Table

Contains sales credit information for the transactions in the RA_INTERFACE_LINES table. The two tables are linked using the Transaction flexfield.

Using the Interface Tables



Using the Interface Tables

Consider how the following invoice is represented in the RA_INTERFACE_LINES table.

Sample invoice:

Bill-To: ABC Inc
Date: 22-May-94
Freight: $1,000
Finance Charges: $55

	Amount	Tax	Total
10 Chairs @ $200/-	2,000	160	2,160.00
10 Tables @ $300/-	3,000		3,000.00

			5,160.00
			========

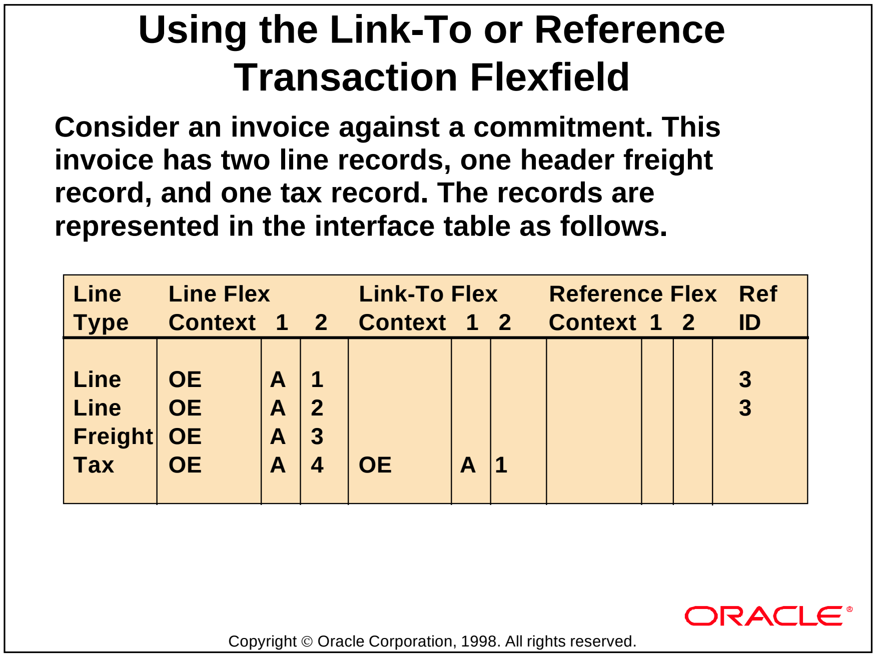
Interface Tables

This invoice is split into five records in the RA_INTERFACE_LINES table.

RA_INTERFACES_LINES Table

RA_INTERFACES_LINES Table					
LINE_TYPE	**Header Info Columns**	**Line Info Columns**	**Freight Info Columns**	**Tax Info Column**	**Charges Info Columns**
Line	Bill-To Date	Chairs $2000			
Line	Bill-To Date	Tables $3000			
Freight	Bill-To Date		1000		
Tax				160	
Charges	Bill-To Date				55

Using the Link-To or Reference Transaction Flexfield



Using the Link-To or Reference Transaction Flexfield

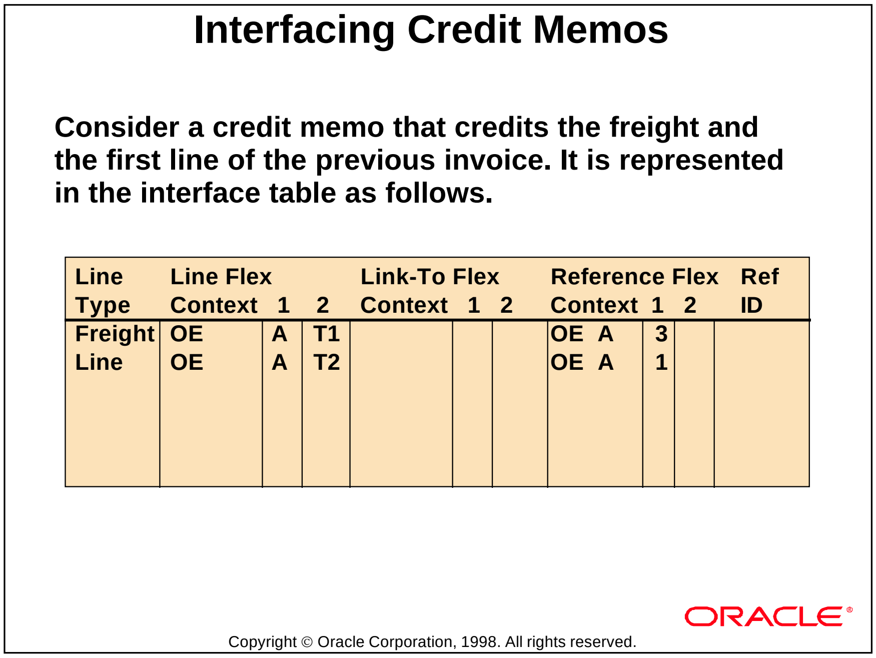
Consider an invoice against a commitment. This invoice has two line records, one header freight record, and one tax record. The records are represented in the interface table as follows.

Line Type	Line Flex Context	1	2	Link-To Flex Context	1	2	Reference Flex Context	1	2	Ref ID
Line	OE	A	1							3
Line	OE	A	2							3
Freight	OE	A	3							
Tax	OE	A	4	OE	A	1				

Link-To or Reference Flexfield

- The transaction type for invoices is INV.
- Each record in the interface table is uniquely identified by its Line flexfield. In this example, two segments have been enabled for the line flexfield service context. Therefore the combination of context plus the two segments should be unique.
- Tax records must always be linked to line records. In this example, the tax record is linked to the first line record, OE A 1.
- Because the freight is at the header level, it is not linked to any line record by way of the Link-To flexfield.
- Records with different contexts can be grouped together into one invoice.
- If the invoice is against an existing commitment, populate the Reference_line_id (Ref ID) column with the unique identifier (customer_trx_line_id) of the commitment.

Interfacing Credit Memos



Interfacing Credit Memos

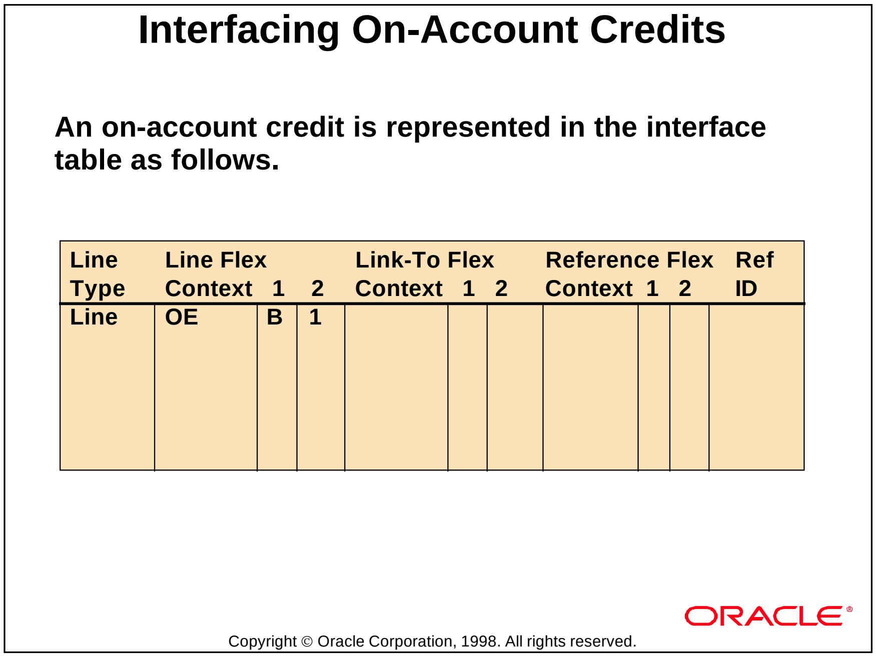
Consider a credit memo that credits the freight and the first line of the previous invoice. It is represented in the interface table as follows.

Line Type	Line Flex Context	1	2	Link-To Flex Context	1	2	Reference Flex Context	1	2	Ref ID
Freight	OE	A	T1				OE A	3		
Line	OE	A	T2				OE A	1		

Credit Memo Interface

- The transaction type of credit memos is CM.
- Link credit memos to invoices either by way of the Reference flexfield or the reference_line_id. The reference_line_id is the unique ID in Oracle Receivables.

Interfacing On-Account Credits



Interfacing On-Account Credits

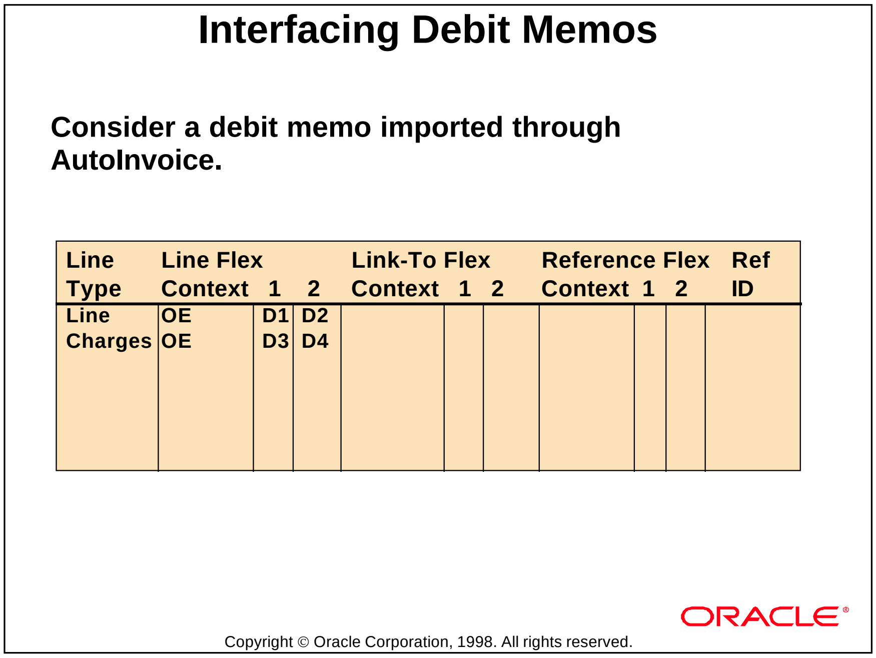
An on-account credit is represented in the interface table as follows.

Line	Line Flex			Link-To Flex			Reference Flex			Ref
Type	Context	1	2	Context	1	2	Context	1	2	ID
Line	OE	B	1							

On-Account Credit Interface

- The transaction type for on-account credits is CM.
- AutoInvoice assumes all records with transaction type CM to be on-account credits if there are no values in the reference_line_id column (Ref ID) or the Reference flexfield.

Interfacing Debit Memos



Interfacing Debit Memos

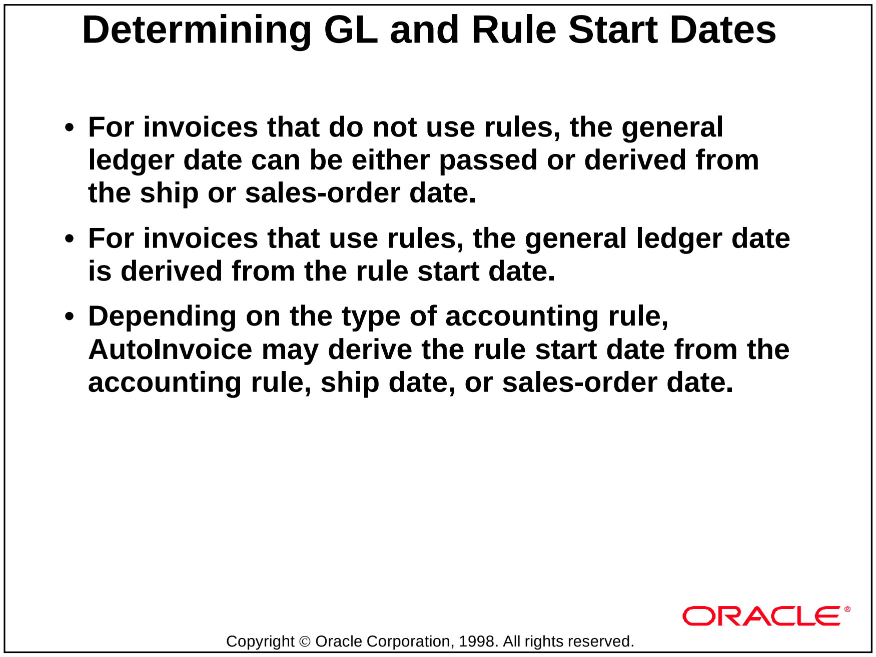
Consider a debit memo imported through AutoInvoice.

Line Type	Line Flex Context	1	2	Link-To Flex Context	1	2	Reference Flex Context	1	2	Ref ID
Line	OE	D1	D2							
Charges	OE	D3	D4							

Debit Memo Interface

- The transaction type for the records of a debit memo is DM.
- A line type of Charges denotes a header record and cannot be linked to another line record.
- AutoInvoice processes regular debit memos with finance charges lines and credit memos that are against debit memos with finance charges lines.

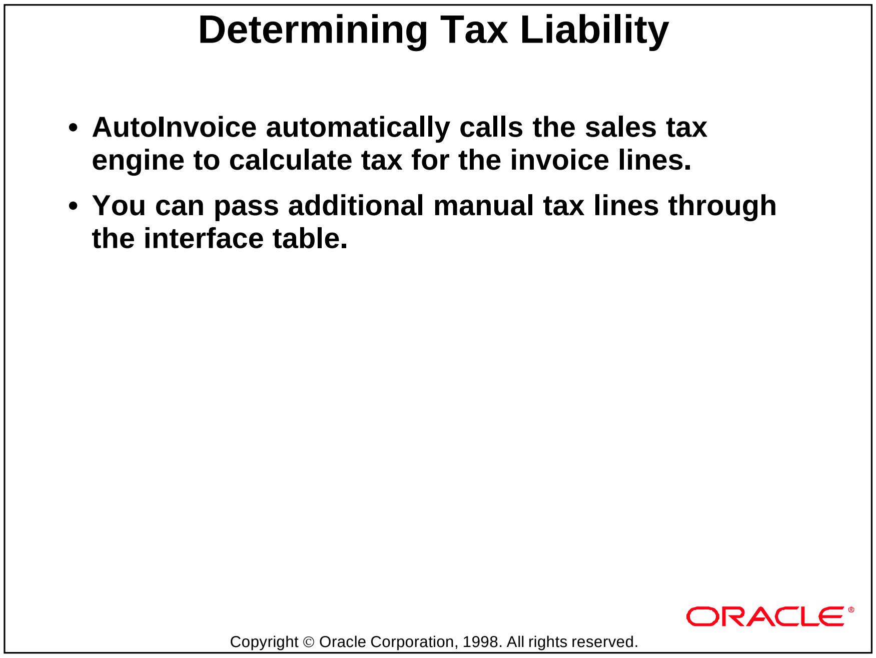
Determining GL and Rule Start Dates



Determining GL and Rule Start Dates

- **For invoices that do not use rules, the general ledger date can be either passed or derived from the ship or sales-order date.**
- **For invoices that use rules, the general ledger date is derived from the rule start date.**
- **Depending on the type of accounting rule, AutoInvoice may derive the rule start date from the accounting rule, ship date, or sales-order date.**

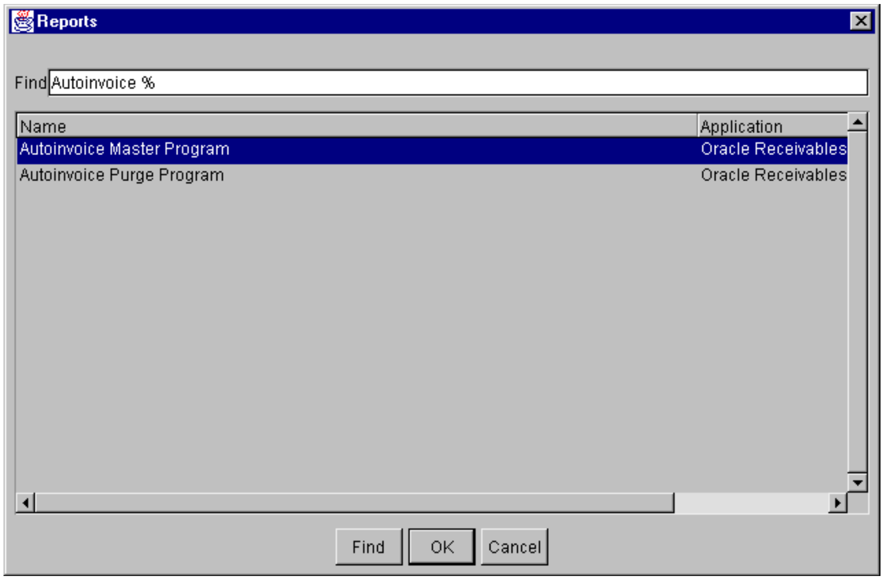
Determining Tax Liability



Determining Tax Liability

- **AutoInvoice automatically calls the sales tax engine to calculate tax for the invoice lines.**
- **You can pass additional manual tax lines through the interface table.**

Submitting the AutoInvoice Program



Find: Autoinvoice %

Name	Application
Autoinvoice Master Program	Oracle Receivables
Autoinvoice Purge Program	Oracle Receivables

Reports

(N) Interfaces—>AutoInvoice—>Request Name (M) List of Values

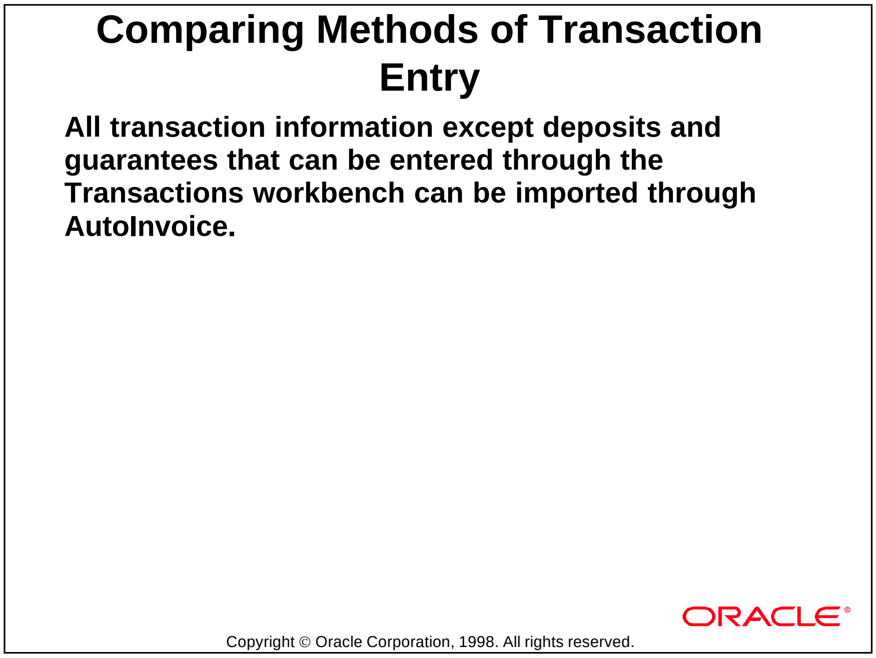
Process specific transactions or a range of transactions by entering report parameters.

Use different selection criteria to submit individual transactions or groups of transactions for processing.

Purging AutoInvoice Interface Tables

- Purge data that has been validated and successfully transferred into Oracle Receivables.
- If the system option Purge Interface Tables check box is selected, Oracle Receivables automatically purges data after it has been validated and transferred by AutoInvoice (this feature cannot be used with Oracle Projects).
- If the Purge Interface Tables check box in the Transactions and Customers alternative region of the System Options window is not selected, submit the AutoInvoice Purge program directly from the Run AutoInvoice window.

Comparing Methods of Transaction Entry



Comparing Methods of Transaction Entry

All transaction information except deposits and guarantees that can be entered through the Transactions workbench can be imported through AutoInvoice.

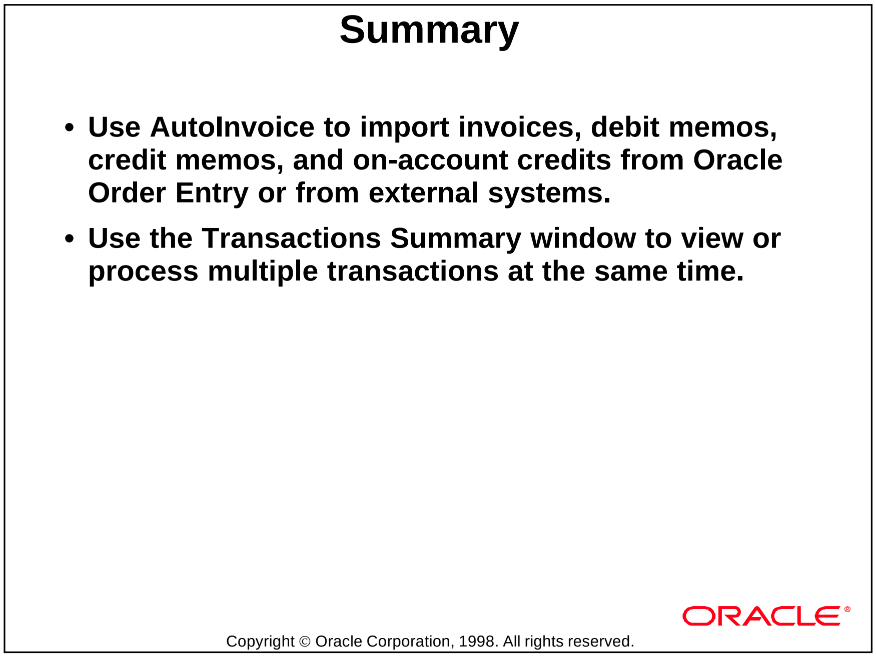
Transaction Entry Methods

Feature	AutoInvoice Program	Transactions Workbench
Invoices with multiple lines	Yes	Yes
Invoices with rules	Yes	Yes
Credit memos	Yes	Yes
On-account credit	Yes	Yes

AutoInvoice Exceptions

- Effectivity dates assigned to all setup data are validated by all Oracle Receivables windows. AutoInvoice does not validate effectivity dates, because AutoInvoice is sometimes used to import historical data.
- Import credit memos associated with amounts through AutoInvoice. AutoInvoice does not import credit memos that reference percentages. Use the Credit Memo window to assign percentages to credit memos.

Summary



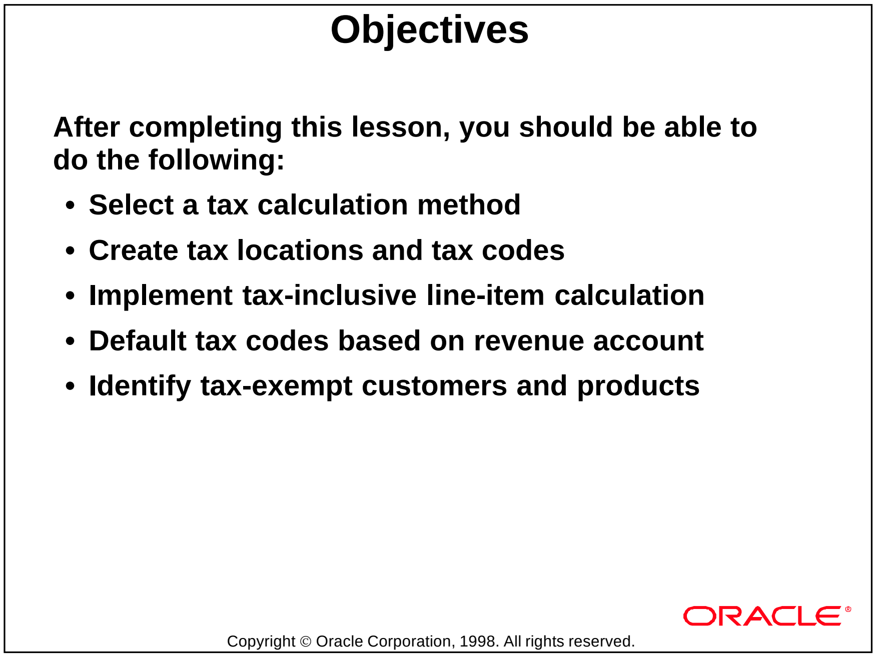
Summary

- **Use AutoInvoice to import invoices, debit memos, credit memos, and on-account credits from Oracle Order Entry or from external systems.**
- **Use the Transactions Summary window to view or process multiple transactions at the same time.**

15

Tax Processing

Objectives

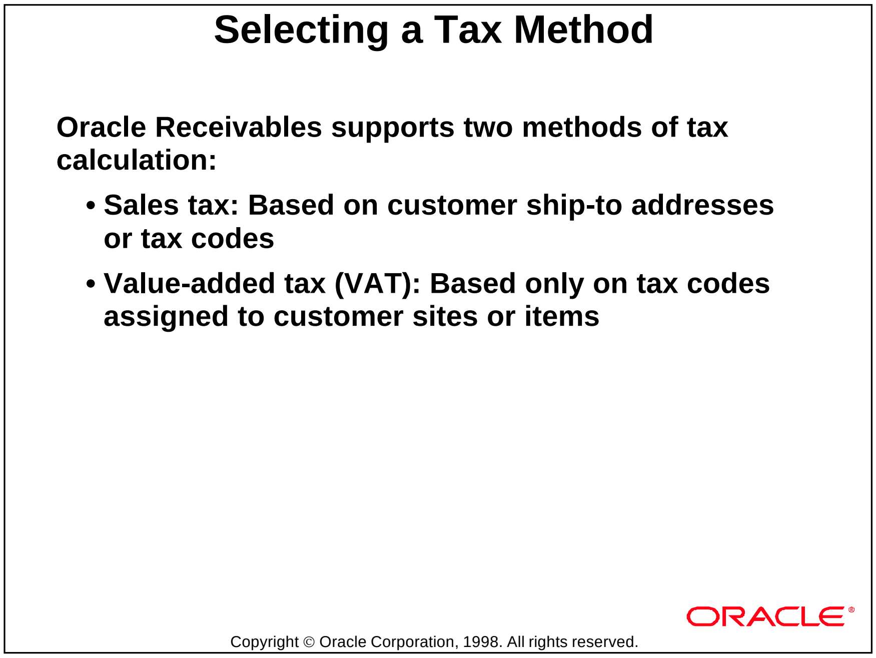


Objectives

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

- **Select a tax calculation method**
- **Create tax locations and tax codes**
- **Implement tax-inclusive line-item calculation**
- **Default tax codes based on revenue account**
- **Identify tax-exempt customers and products**

Selecting a Tax Method



Selecting a Tax Method

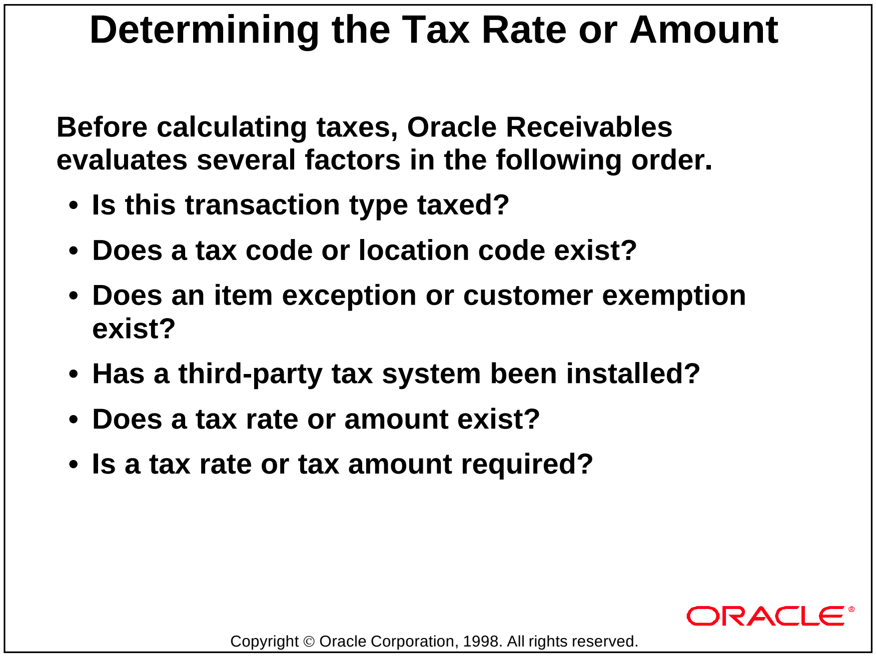
Oracle Receivables supports two methods of tax calculation:

- **Sales tax: Based on customer ship-to addresses or tax codes**
- **Value-added tax (VAT): Based only on tax codes assigned to customer sites or items**

Tax Method Requirement

Even if you are not normally required to calculate sales taxes for VAT, you must select a tax method in order to validate customer addresses.

Determining the Tax Rate or Amount



Determining the Tax Rate or Amount

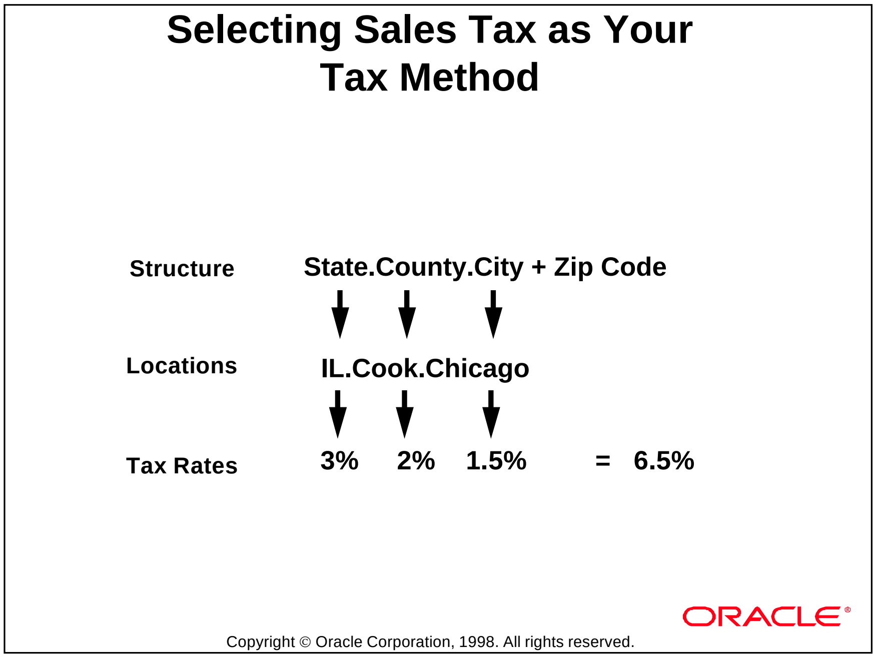
Before calculating taxes, Oracle Receivables evaluates several factors in the following order.

- **Is this transaction type taxed?**
- **Does a tax code or location code exist?**
- **Does an item exception or customer exemption exist?**
- **Has a third-party tax system been installed?**
- **Does a tax rate or amount exist?**
- **Is a tax rate or tax amount required?**

Tax Rate Used in Calculating Taxes

Oracle Receivables uses the same basic process to determine what tax rate or amount to use in calculating taxes. At each stage in the process Oracle Receivables checks to determine whether a tax code is available or a new tax code must be created. Two factors (item exceptions and location codes) that may affect sales tax calculation do not affect the rates used in calculating VAT.

Selecting Sales Tax as Your Tax Method



Selecting Sales Tax as Your Tax Method

Structure State.County.City + Zip Code

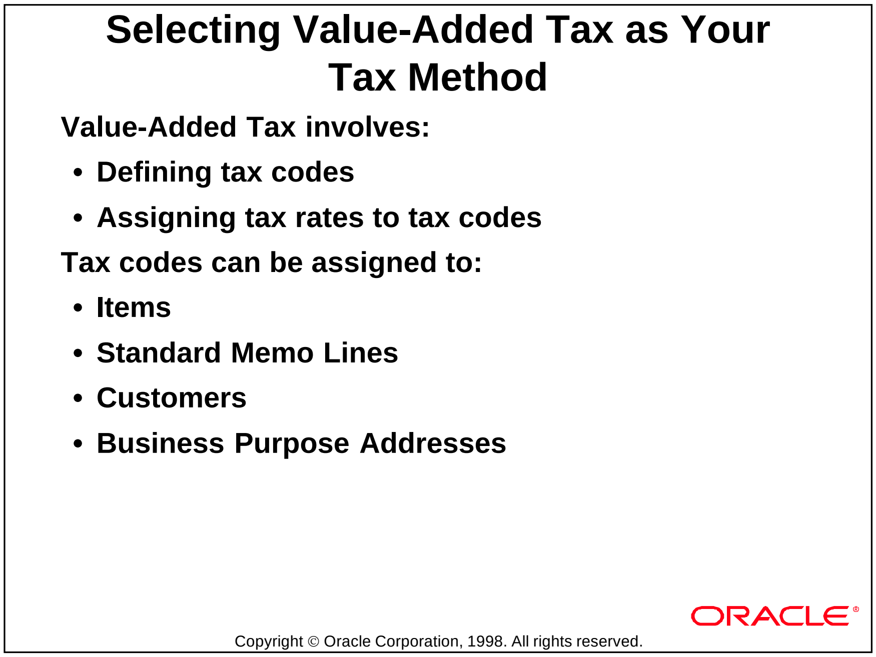
Locations IL.Cook.Chicago

Tax Rates 3% 2% 1.5% = 6.5%

Selecting Sales Tax as Your Tax Method

- In the Tax alternative region of the System Options window, set Tax Method to Sales Tax.
- Tax is calculated based on the customer’s shipping address. If no ship-to address or Oracle Project work site exists, the bill-to address is used.
- The Sales Tax Location flexfield structure specifies which address components to include when determining sales tax rates.
- Locations are assigned to each address component, and tax rates are assigned to each location.
- Oracle Receivables sums the tax rates for each location to determine the sales tax rate for a specific address.
- For U.S. sales tax, the State.County.City Sales Tax Location flexfield structure is provided.

Selecting Value-Added Tax as Your Tax Method



Selecting Value-Added Tax as Your Tax Method

Value-Added Tax involves:

- **Defining tax codes**
- **Assigning tax rates to tax codes**

Tax codes can be assigned to:

- **Items**
- **Standard Memo Lines**
- **Customers**
- **Business Purpose Addresses**

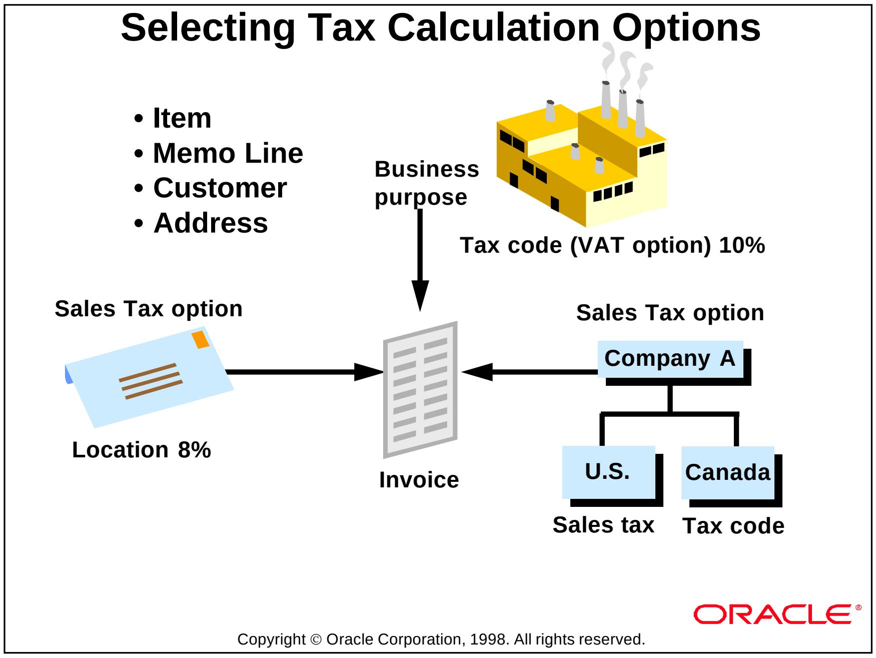
How to Select Value-Added Tax

1. In the System Options window, set Tax Method to VAT. Tax is calculated based on previously defined tax codes.
2. Assign tax codes to items, standard memo lines, customers, and customer business purposes. For VAT, the No Validation-Country Tax Location flexfield structure is provided.

Using New Features in Oracle Receivables Release 10.7

- Round VAT calculations at the line level or the header level.
- Specify a rounding method.
- Specify the number of decimal places to display.

Selecting Tax Calculation Options



Selecting Tax Calculation Options

- Item
- Memo Line
- Customer
- Address

Business purpose

Tax code (VAT option) 10%

Sales Tax option

Location 8%

Invoice

Sales Tax option

Company A

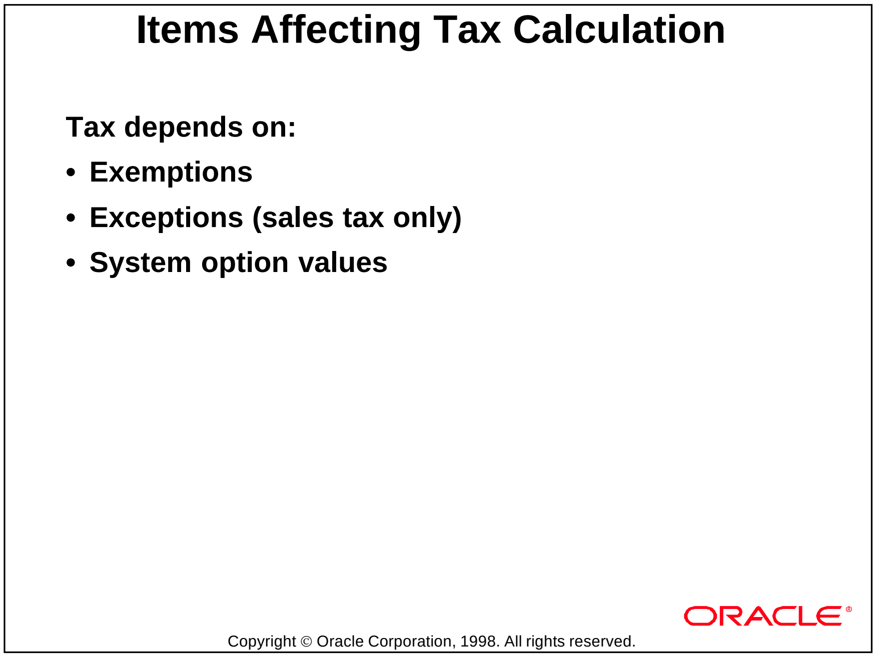
U.S.

Canada

Sales tax

Tax code

Items Affecting Tax Calculation



Items Affecting Tax Calculation

Tax depends on:

- **Exemptions**
- **Exceptions (sales tax only)**
- **System option values**

Creating Tax Exemptions

- In the System Options window, select the check boxes for Use Customer Exemptions and Use Product Exemptions.
- Fully or partially exempt customers, customer sites, and items from specific tax codes.

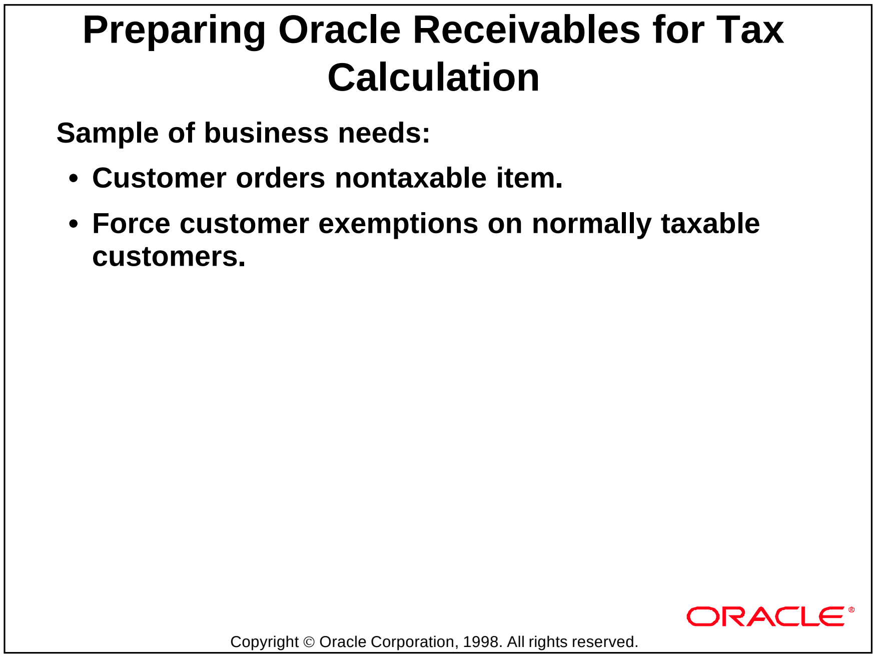
Creating Tax Exceptions

- In the System Options window, select the check box for Use Item Tax Rates Exceptions.
- Assign special tax rates to items shipped to specific addresses or locations.

Defining Tax Codes and Rates

- In the System Options window, select the check boxes for Use Tax Code for Customer and Use Tax Code for Customer Sites.
- Define tax codes and rates and assign them to customers or customer sites.

Preparing Oracle Receivables for Tax Calculation



Preparing Oracle Receivables for Tax Calculation

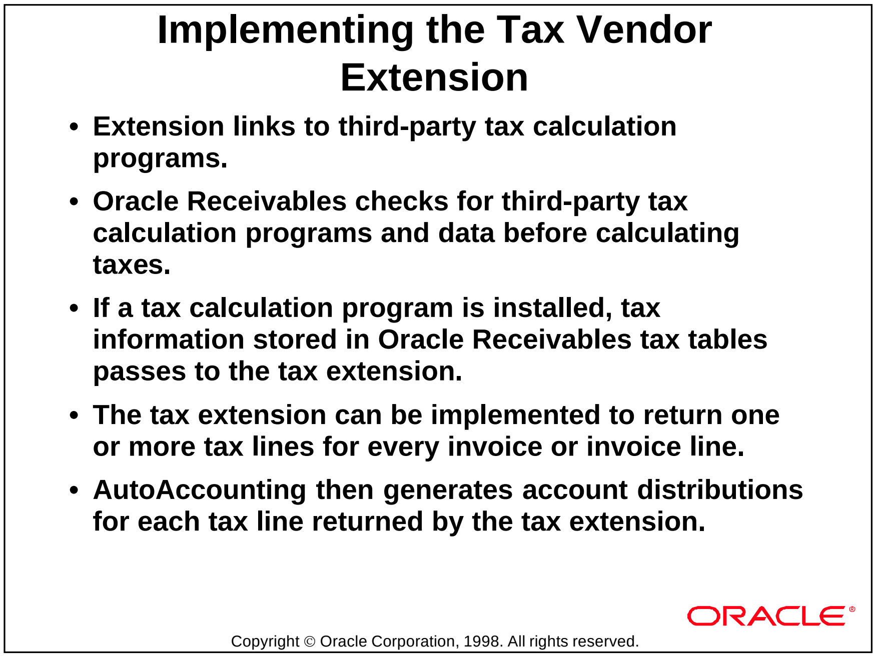
Sample of business needs:

- **Customer orders nontaxable item.**
- **Force customer exemptions on normally taxable customers.**

Tax Calculation Preparation

Business Need	**Solution**
Charge customers sales tax.	Select Sales Tax method. Do not assign tax codes. Do not define tax exceptions.
Charge customers tax for specific items.	Assign tax codes to items.
Customer orders a nontaxable item.	Define an exception for the item.
Customer orders item that requires tax to be calculated on other tax charges.	Allow for compound tax in the system options and assign precedence numbers.
Force customer exemptions on normally taxable customers.	Enter customer exemptions on orders and automatically generate pending exemptions in your receivables system.
Tax on normally exempt customers.	Enter tax on orders. Override exemptions.

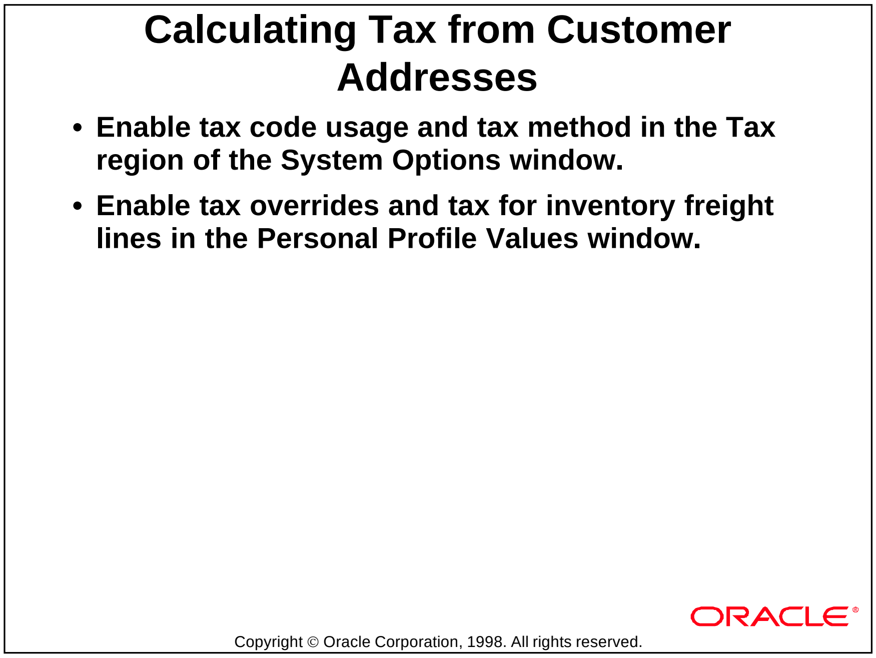
Implementing the Tax Vendor Extension



Implementing the Tax Vendor Extension

- **Extension links to third-party tax calculation programs.**
- **Oracle Receivables checks for third-party tax calculation programs and data before calculating taxes.**
- **If a tax calculation program is installed, tax information stored in Oracle Receivables tax tables passes to the tax extension.**
- **The tax extension can be implemented to return one or more tax lines for every invoice or invoice line.**
- **AutoAccounting then generates account distributions for each tax line returned by the tax extension.**

Calculating Tax from Customer Addresses



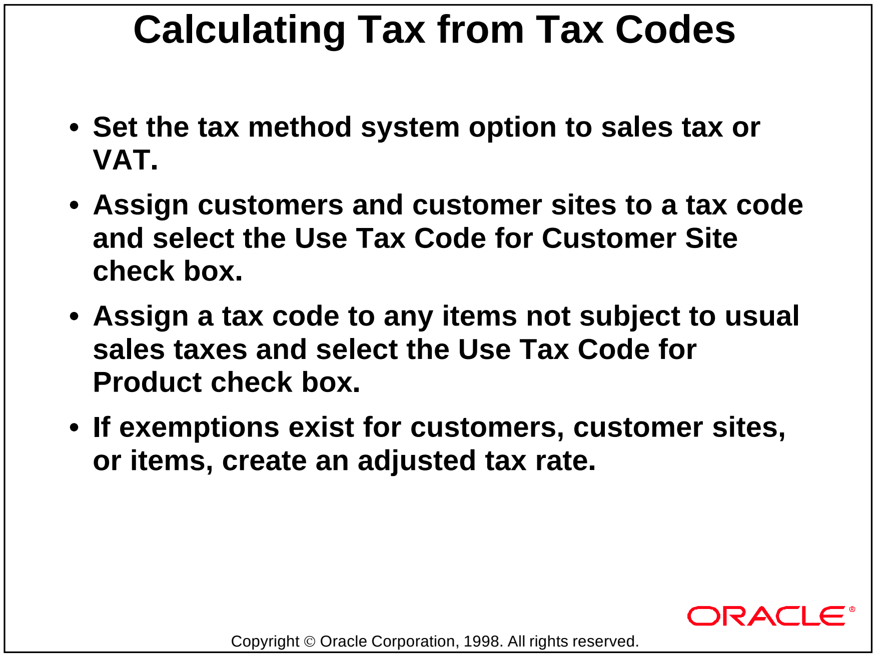
Calculating Tax from Customer Addresses

- **Enable tax code usage and tax method in the Tax region of the System Options window.**
- **Enable tax overrides and tax for inventory freight lines in the Personal Profile Values window.**

Tax from Customer Addresses

Action	**Reason**
Set Tax Method field in System Options window to Sales Tax.	This field determines which tax hierarchy to use.
Select the Tax Calculation check box or set the Tax field to Required.	The Tax Calculation field controls whether Oracle Receivables can calculate tax. The Required flag overrides this value.
Set the Tax field to Standard or Required and the profile option Tax: Allow Override of Customer Exemption to No.	If the Tax field is set to Exempt, Oracle Receivables forces a tax exemption on the invoice line.

Calculating Tax from Tax Codes



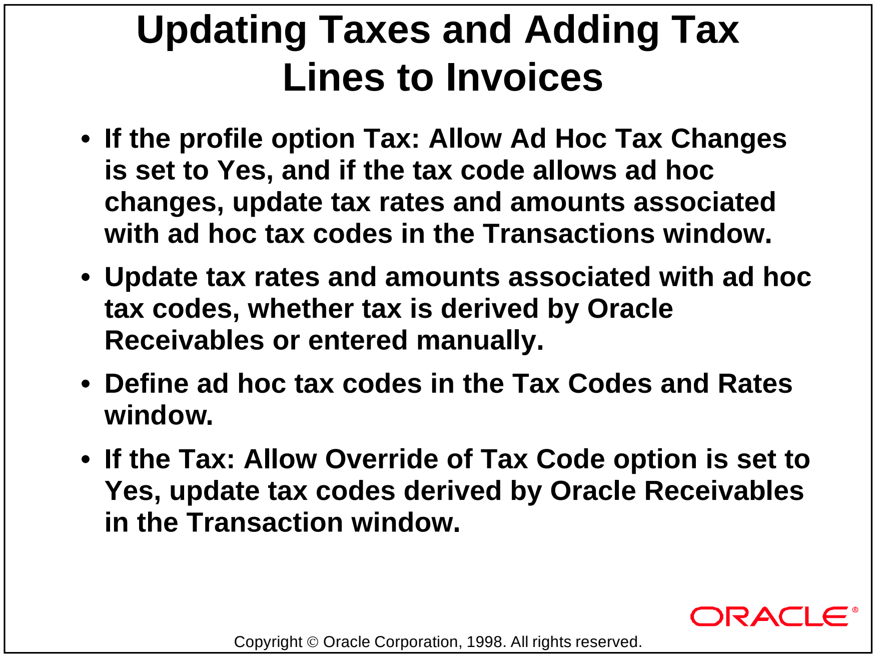
Calculating Tax from Tax Codes

- Set the tax method system option to sales tax or VAT.
- Assign customers and customer sites to a tax code and select the Use Tax Code for Customer Site check box.
- Assign a tax code to any items not subject to usual sales taxes and select the Use Tax Code for Product check box.
- If exemptions exist for customers, customer sites, or items, create an adjusted tax rate.

Tax from Tax Codes

Requirements	**Reason**
Select the Tax Calculation check box for the transaction type or set the Tax field to Required.	The Tax Calculation field controls whether Oracle Receivables can calculate tax.The Required flag overrides this value.
Set the Tax field to Standard or Required. Set profile option Allow Override of Customer Exemption to No.	If the Tax field is set to Exempt, Oracle Receivables forces a tax exemption on the invoice line.

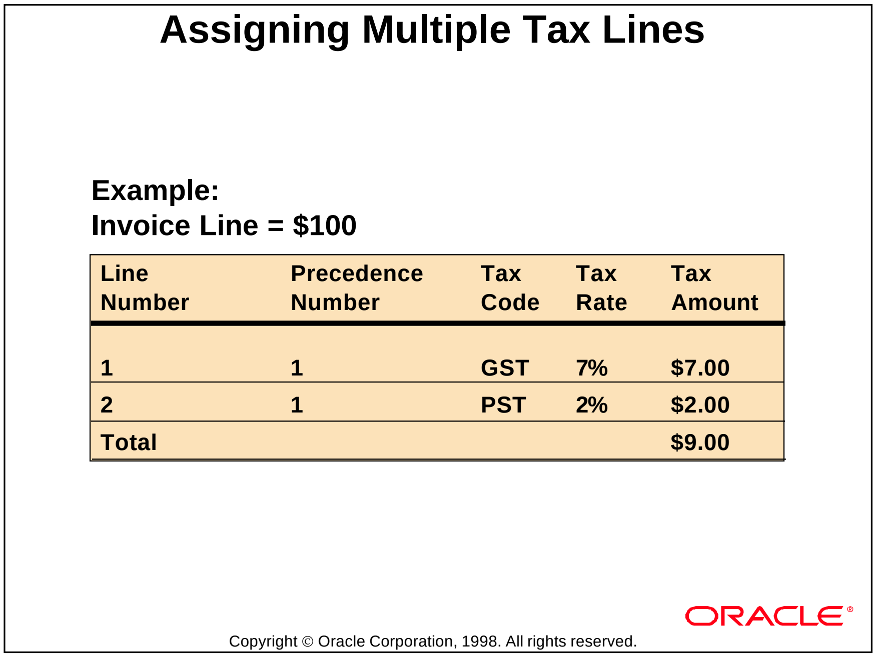
Updating Taxes and Adding Tax Lines to Invoices



Updating Taxes and Adding Tax Lines to Invoices

- **If the profile option Tax: Allow Ad Hoc Tax Changes is set to Yes, and if the tax code allows ad hoc changes, update tax rates and amounts associated with ad hoc tax codes in the Transactions window.**
- **Update tax rates and amounts associated with ad hoc tax codes, whether tax is derived by Oracle Receivables or entered manually.**
- **Define ad hoc tax codes in the Tax Codes and Rates window.**
- **If the Tax: Allow Override of Tax Code option is set to Yes, update tax codes derived by Oracle Receivables in the Transaction window.**

Assigning Multiple Tax Lines



Assigning Multiple Tax Lines

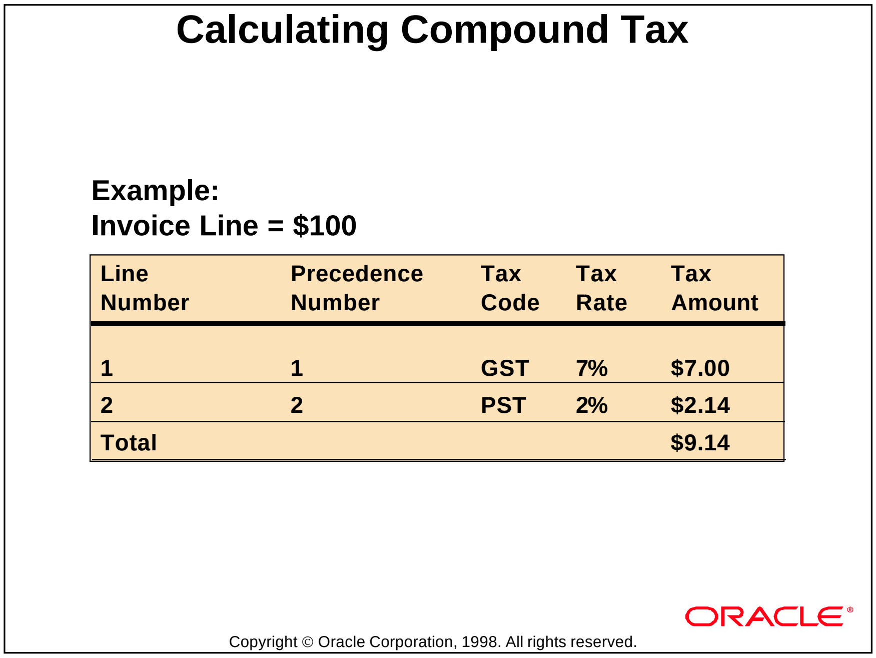
Example:
Invoice Line = $100

Line Number	Precedence Number	Tax Code	Tax Rate	Tax Amount
1	1	GST	7%	$7.00
2	1	PST	2%	$2.00
Total				$9.00

Assigning Multiple Tax Lines

- In this example, a tax code is defined for the Canadian Goods and Services Tax and for the Provincial Sales Tax. Both taxes are calculated on the invoice line amount without compounding.
- If the profile option Tax: Allow Manual Tax Line is set to Yes, assign multiple tax lines to each invoice line in the Transactions window by assigning additional tax codes.
- Assign precedence numbers to each tax line. If tax lines do not have precedence numbers, or if they all have the same precedence number, Oracle Receivables calculates tax only on the line amount.

Calculating Compound Tax



Calculating Compound Tax

Example:
Invoice Line = $100

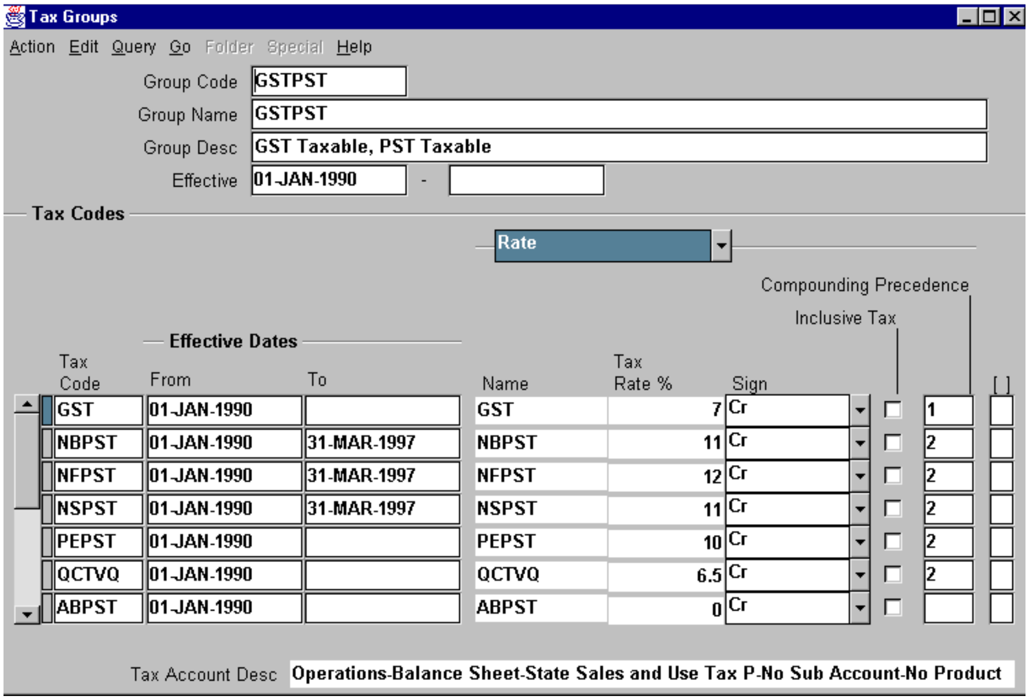
Line Number	Precedence Number	Tax Code	Tax Rate	Tax Amount
1	1	GST	7%	$7.00
2	2	PST	2%	$2.14
Total				$9.14

ORACLE®

Calculating Compound Tax

- In this example, the Canadian Provincial Sales Tax calculation includes Goods and Services Tax.
- If tax lines have different precedence numbers, and if the system option Compound Taxes check box is selected, Oracle Receivables calculates compound tax.
- The highest precedence number calculates tax on all tax lines with a lower precedence number.
- To assign precedence numbers to tax lines, the system options must allow compound tax.

Using Tax Groups



Group Code: GSTPST
Group Name: GSTPST
Group Desc: GST Taxable, PST Taxable
Effective: 01-JAN-1990 -

Rate

Tax Code	From	To	Name	Tax Rate %	Sign	Inclusive Tax	Compounding Precedence	[ ]
GST	01-JAN-1990		GST	7	Cr	☐	1	☐
NBPST	01-JAN-1990	31-MAR-1997	NBPST	11	Cr	☐	2	☐
NFPST	01-JAN-1990	31-MAR-1997	NFPST	12	Cr	☐	2	☐
NSPST	01-JAN-1990	31-MAR-1997	NSPST	11	Cr	☐	2	☐
PEPST	01-JAN-1990		PEPST	10	Cr	☐	2	☐
QCTVQ	01-JAN-1990		QCTVQ	6.5	Cr	☐	2	☐
ABPST	01-JAN-1990		ABPST	0	Cr	☐		☐

Tax Account Desc: Operations-Balance Sheet-State Sales and Use Tax P-No Sub Account-No Product

Tax Groups

(N) Setup—>Tax—>Groups

By using tax groups, conditional taxes can be applied to each invoice line. Use the Precedence field of the Tax Groups window to identify the sequence used to calculate compounded taxes, such as those required in Quebec, Canada. Taxes are compounded only if a compounding precedence number is assigned to both the GST and PST tax codes.

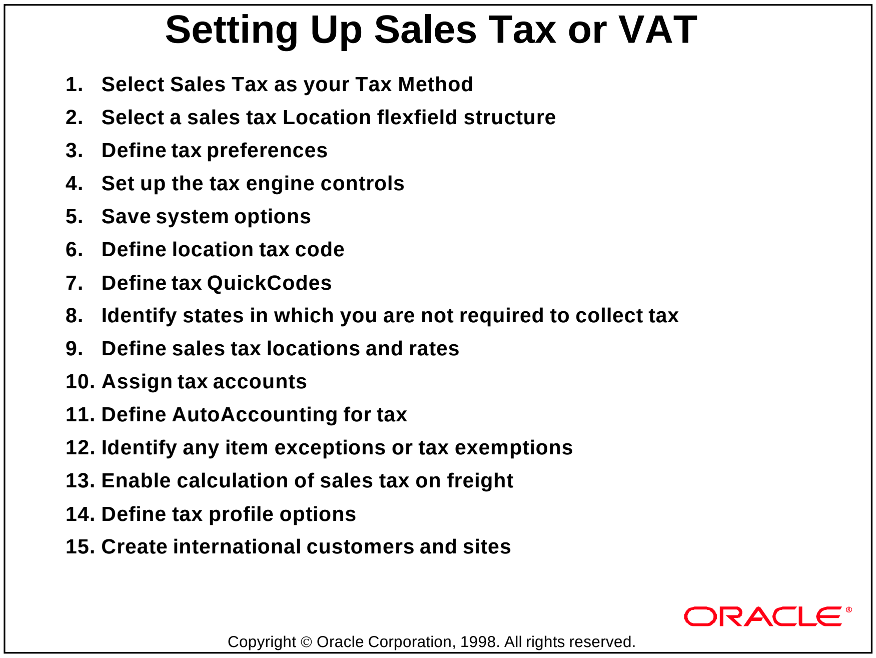
Tax Schedules and Tax Groups

After you define a group of tax codes, you can select any group name as a default value for the System Option, Bill-To Customer, Ship-To Customer Address, Item, and Memo-Line.

The default tax group is copied to the invoice line and can only be overridden if the profile option Tax: Allow Override of Tax Code is set to Yes. Default tax groups should be set up so that no override is necessary.

When a tax group has been assigned to an invoice line, Oracle Receivables creates a set of tax codes, rates, and accounting processes based on the Ship-To address or factors defined in that group. Tax compounding is calculated automatically.

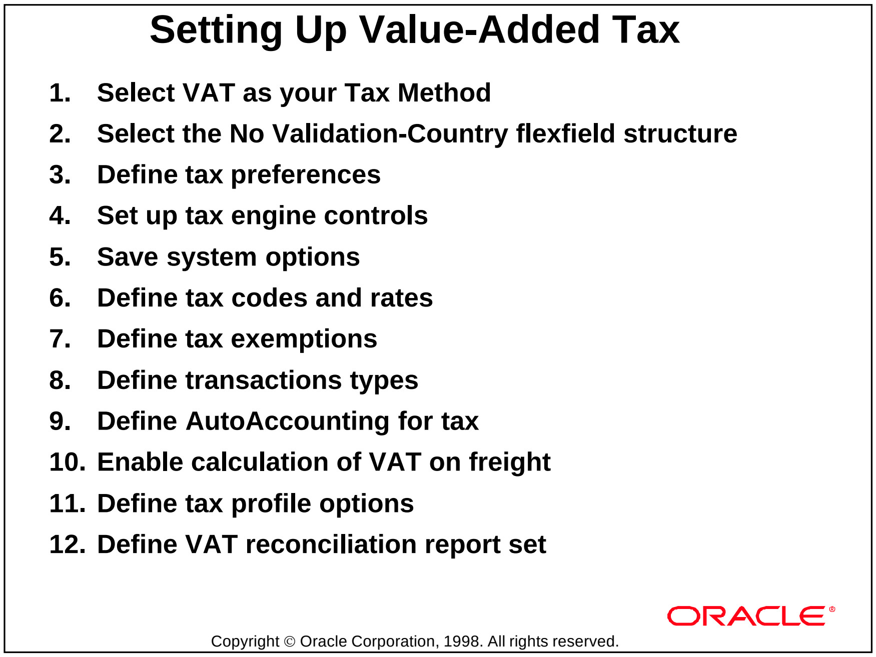
Setting Up Sales Tax



Setting Up Sales Tax or VAT

1. Select Sales Tax as your Tax Method
2. Select a sales tax Location flexfield structure
3. Define tax preferences
4. Set up the tax engine controls
5. Save system options
6. Define location tax code
7. Define tax QuickCodes
8. Identify states in which you are not required to collect tax
9. Define sales tax locations and rates
10. Assign tax accounts
11. Define AutoAccounting for tax
12. Identify any item exceptions or tax exemptions
13. Enable calculation of sales tax on freight
14. Define tax profile options
15. Create international customers and sites

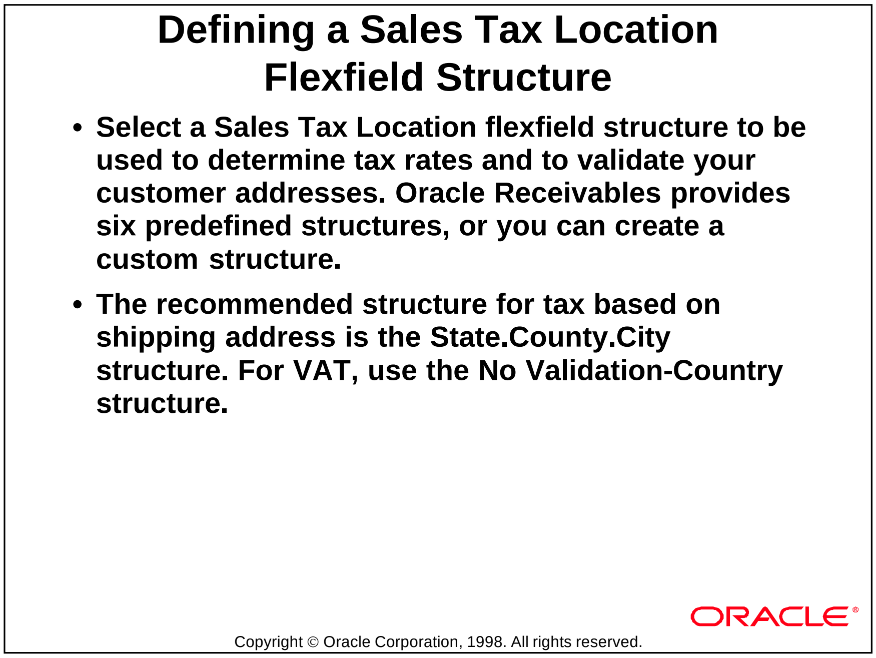
Setting Up Value-Added Tax



Setting Up Value-Added Tax

1. Select VAT as your Tax Method
2. Select the No Validation-Country flexfield structure
3. Define tax preferences
4. Set up tax engine controls
5. Save system options
6. Define tax codes and rates
7. Define tax exemptions
8. Define transactions types
9. Define AutoAccounting for tax
10. Enable calculation of VAT on freight
11. Define tax profile options
12. Define VAT reconciliation report set

Defining a Sales Tax Location Flexfield Structure



Defining a Sales Tax Location Flexfield Structure

- **Select a Sales Tax Location flexfield structure to be used to determine tax rates and to validate your customer addresses. Oracle Receivables provides six predefined structures, or you can create a custom structure.**
- **The recommended structure for tax based on shipping address is the State.County.City structure. For VAT, use the No Validation-Country structure.**

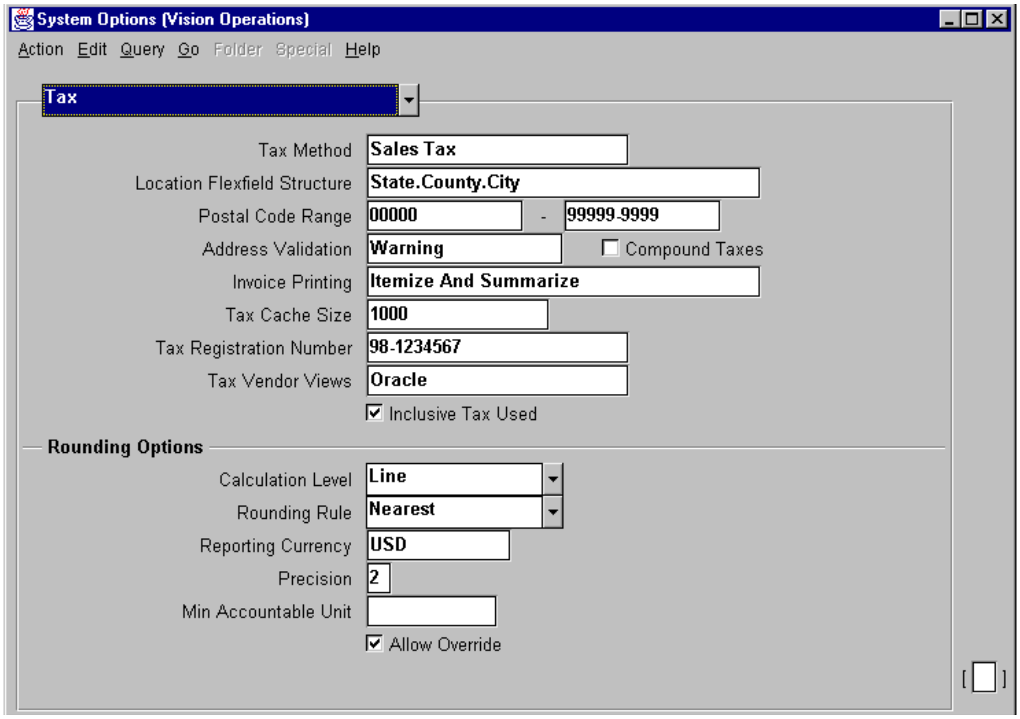
Predefined Sales Tax Location Structures

Structure Name	**Enabled Segment**	**Value Set**	**Enabled Qualifiers**
State.County.City	State	AR_LOC_STATE	STATE, TAX_ACCOUNT, EXEMPT_LEVEL
	County	AR_LOC_COUNTY	COUNTY
	City	AR_LOC_CITY	CITY
No Validation-Country	Country	AR_LOC_COUNTRY	COUNTRY, TAX_ACCOUNT
State.City	State	AR_LOC_STATE	STATE, TAX_ACCOUNT, EXEMPT_LEVEL
	City	AR_LOC_CITY_GIVEN_STATE	CITY

Predefined Sales Tax Location Structures (continued)

Structure Name	**Enabled Segment**	**Value Set**	**Enabled Qualifiers**
Province.City	Province	AR_LOC_PROVINCE	PROVINCE, TAX_ACCOUNT, EXEMPT_LEVEL
	City	AR_LOC_CITY_ GIVEN_PROVINCE	CITY CITY, TAX_ACCOUNT
City	City	AR_LOC_CITY?_NO _ PARENT	PROVINCE, TAX_ACCOUNT
Province	Province	AR_LOC_PROVINCE _NO_PARENT	

Choosing Tax-Related System Options


System Options (Vision Operations)
Action Edit Query Go Folder Special Help
Tax

Tax Method: Sales Tax
Location Flexfield Structure: State.County.City
Postal Code Range: 00000 - 99999-9999
Address Validation: Warning
☐ Compound Taxes
Invoice Printing: Itemize And Summarize
Tax Cache Size: 1000
Tax Registration Number: 98-1234567
Tax Vendor Views: Oracle
☑ Inclusive Tax Used

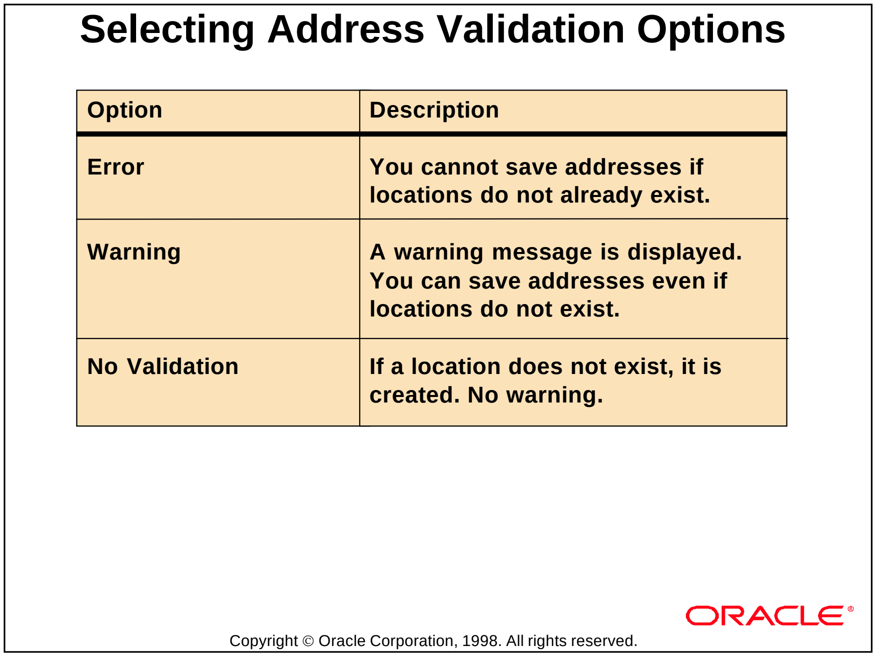
Rounding Options
Calculation Level: Line
Rounding Rule: Nearest
Reporting Currency: USD
Precision: 2
Min Accountable Unit:
☑ Allow Override

System Options: Tax Region

(N) Setup—>System—>System Options—>Tax (or Tax Defaults and Rules)

- Select the Sales Tax Location flexfield structure used to calculate tax and validate customer addresses. The recommended structure for sales tax is the State.County.City structure; for VAT, use the No Validation-Country structure.
- If a postal code range is not entered for a location in the Tax Locations and Rates window, enter the postal code range to be used.
- Select the Compound Taxes check box to permit compounding of taxes.
- In the Tax Defaults and Rules region, specify whether to use:
  - Tax codes based on customers, customer sites, product, revenue account, or default System Options
  - Exceptions or exemptions
- In the Tax Codes and Rates alternative region of the Set Up - Tax window, enter the tax account that defaults for the Location tax code.
- Select a customer address validation option.

Selecting an Address Validation Option



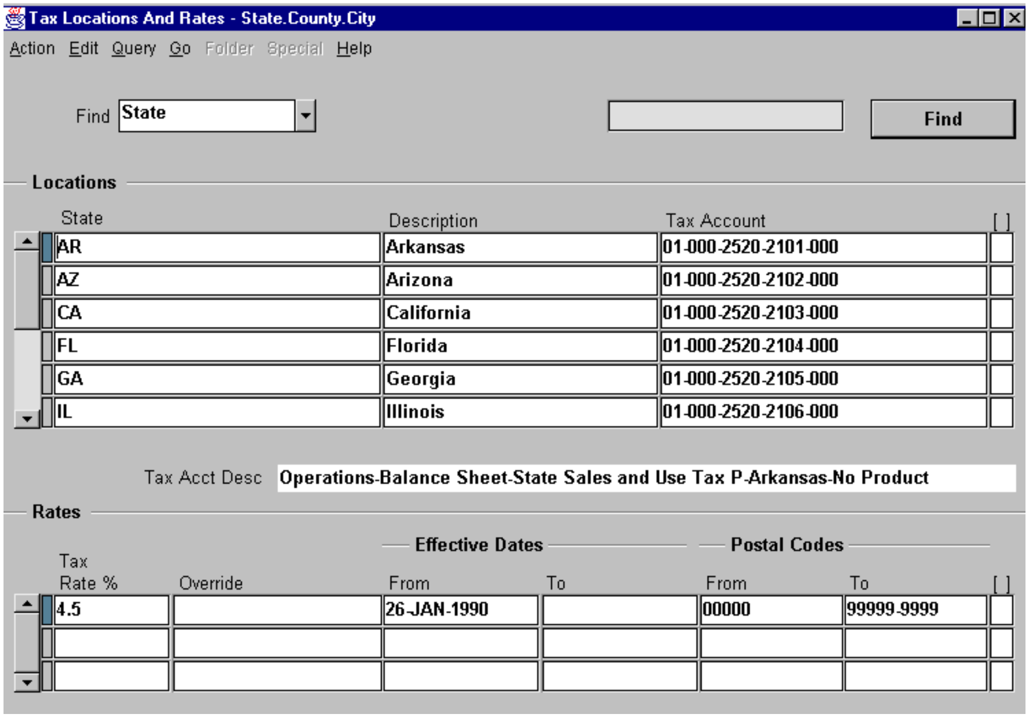
Selecting Address Validation Options

Option	Description
Error	You cannot save addresses if locations do not already exist.
Warning	A warning message is displayed. You can save addresses even if locations do not exist.
No Validation	If a location does not exist, it is created. No warning.

Validation Options

Error is the most commonly used option because it does not allow addresses to be entered that do not have valid locations. Warning is seldom used, except by firms with very small geographic markets. No Validation is rarely used because it accepts invalid locations and saves them as valid for future use.

Defining Sales Tax Locations and Rates


Tax Locations And Rates - State.County.City
Action Edit Query Go Folder Special Help
Find
Locations
Rates
Effective Dates
Postal Codes

Find: State

State	Description	Tax Account
AR	Arkansas	01-000-2520-2101-000
AZ	Arizona	01-000-2520-2102-000
CA	California	01-000-2520-2103-000
FL	Florida	01-000-2520-2104-000
GA	Georgia	01-000-2520-2105-000
IL	Illinois	01-000-2520-2106-000

Tax Acct Desc: Operations-Balance Sheet-State Sales and Use Tax P-Arkansas-No Product

Tax Rate %	Override	Effective Dates From	Effective Dates To	Postal Codes From	Postal Codes To
4.5		26-JAN-1990		00000	99999-9999

Tax Locations and Rates

(N) Set Up—>Tax—>Locations

Maintain locations for each flexfield segment of the Sales Tax Location. Locations are used to validate customer addresses and determine the tax rates.

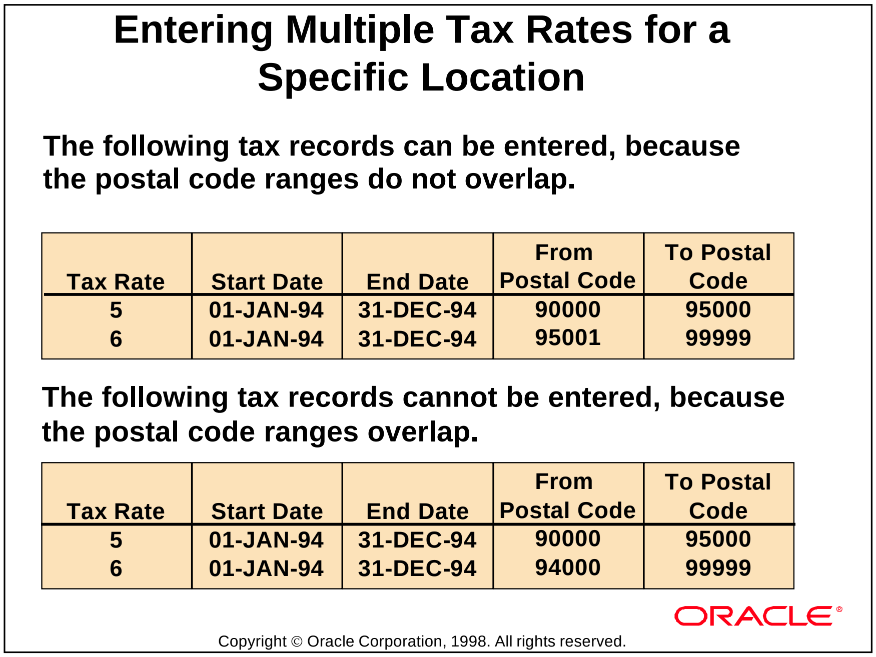
Entering Locations for Each Segment

- Specify the value set for segments of the Sales Tax Location flexfield structure.
- Define locations and tax rates for each value set. For example, the Sales Tax Location flexfield State.County.City, requires locations and tax rates for each of the default value sets, AR_LOC_State, AR_LOC_County, and AR_LOC_City.
- Oracle Receivables delivers the State Value Set; you must enter counties and cities. No tax rates are provided.

Entering Tax Accounts for Each Segment

Assign the tax account qualifier to one of the segments of your Location flexfield structure in the Flexfield Qualifiers window. For example, if you assign the tax account qualifier to the state segment, the tax account defaults for each state.

Entering Multiple Tax Rates for a Specific Location



Entering Multiple Tax Rates for a Specific Location

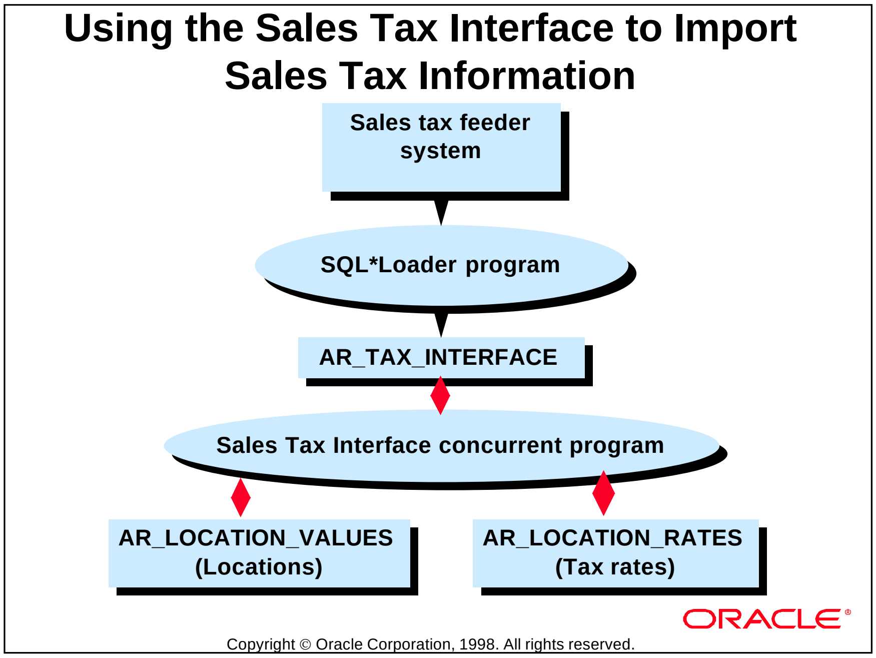
The following tax records can be entered, because the postal code ranges do not overlap.

Tax Rate	Start Date	End Date	From Postal Code	To Postal Code
5	01-JAN-94	31-DEC-94	90000	95000
6	01-JAN-94	31-DEC-94	95001	99999

The following tax records cannot be entered, because the postal code ranges overlap.

Tax Rate	Start Date	End Date	From Postal Code	To Postal Code
5	01-JAN-94	31-DEC-94	90000	95000
6	01-JAN-94	31-DEC-94	94000	99999

Using the Sales Tax Interface to Import Sales Tax Information



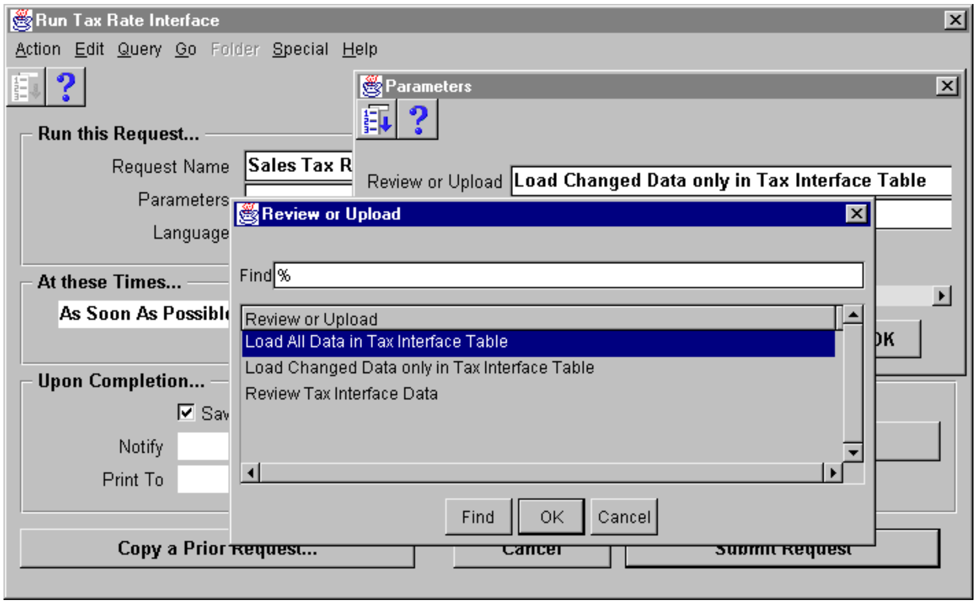
Using the Sales Tax Interface to Import Sales Tax Information

Sales tax feeder system
SQL*Loader program
AR_TAX_INTERFACE
Sales Tax Interface concurrent program
AR_LOCATION_VALUES (Locations)
AR_LOCATION_RATES (Tax rates)
ORACLE

Importing Sales Tax Information

Oracle Receivables lets you import locations and tax rates through the Sales Tax Interface program to reduce data entry or to load historical tax rates.

Options Available to Submit the Interface Program


Run Tax Rate Interface
Action Edit Query Go Folder Special Help
Run this Request...
At these Times...
Upon Completion...
Parameters
Review or Upload
Find
OK
Cancel
Copy a Prior Request...
Submit Request

Request Name: Sales Tax R

Parameters

Language

As Soon As Possible

☑ Sav

Notify

Print To

Review or Upload: Load Changed Data only in Tax Interface Table

Find: %

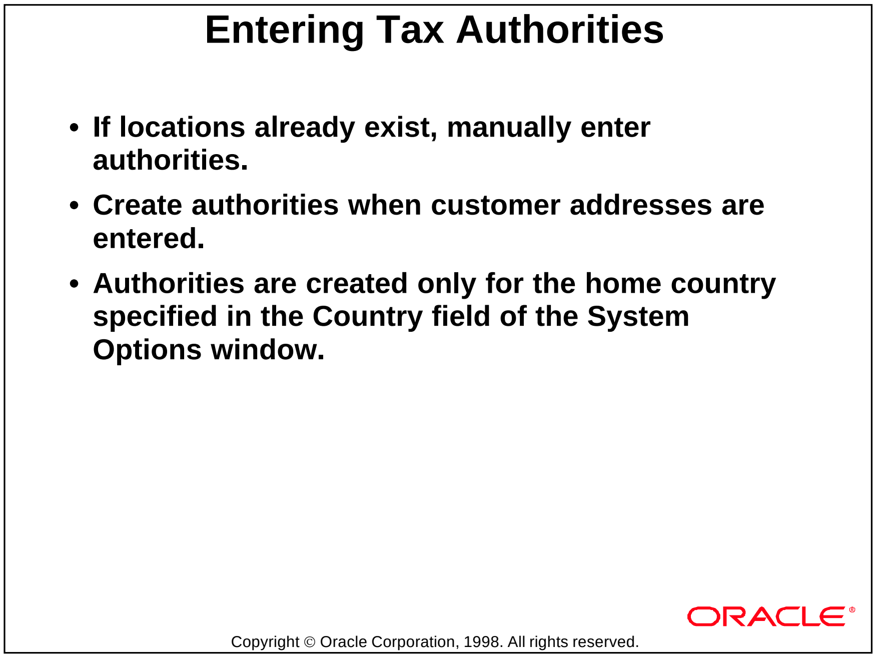
Review or Upload
- Load All Data in Tax Interface Table
- Load Changed Data only in Tax Interface Table
- Review Tax Interface Data

Review or Upload

(N) Interfaces—>Tax Rate—>(B) List of Values

Options Available to Submit the Interface Program	
Load All Data in Tax Interface	The interface program loads all tax data from the tax Table interface table.
Load Changed Data Only in Tax Interface Table	The interface program only loads tax rows from the Tax Interface Table interface table that are different from the current tax rows in the locations and rates tables.
Review Tax Interface Data	The interface program generates a report without actually uploading any data. Use this report to review data in the tax interface table.

Entering Tax Authorities



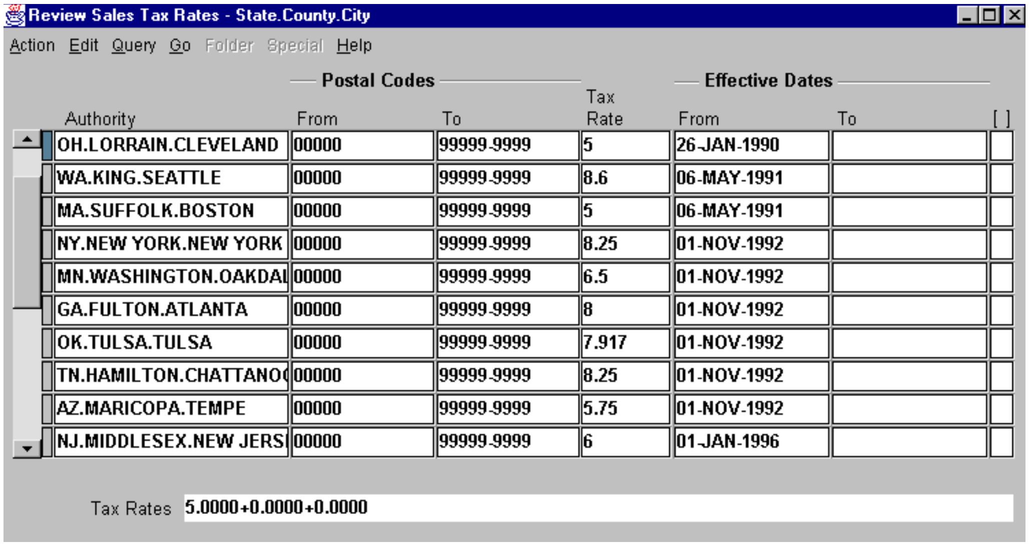
Entering Tax Authorities

- If locations already exist, manually enter authorities.
- Create authorities when customer addresses are entered.
- Authorities are created only for the home country specified in the Country field of the System Options window.

Tax Authorities

Address Validation Values	Authority Exists	Location Exists	Tax Rate Exists for Location	Outcome
Error Warning No Validation	Yes	Yes	Yes	Authority already exists. Uses associated tax rates.
Error Warning No Validation	No	Yes	Yes	Creates authority. Calculates tax.
Error Warning No Validation	No	Yes	No	Creates authority. Tax is not calculated.
Error	No	No	No	Does not create authority, and tax is not calculated.
Warning No Validation	No	No	No	Create locations and authority, tax is not calculated.

Reviewing Sales Tax Rates


Review Sales Tax Rates - State.County.City
Action Edit Query Go Folder Special Help

	Postal Codes			Effective Dates		
Authority	From	To	Tax Rate	From	To	[ ]
OH.LORRAIN.CLEVELAND	00000	99999-9999	5	26-JAN-1990		
WA.KING.SEATTLE	00000	99999-9999	8.6	06-MAY-1991		
MA.SUFFOLK.BOSTON	00000	99999-9999	5	06-MAY-1991		
NY.NEW YORK.NEW YORK	00000	99999-9999	8.25	01-NOV-1992		
MN.WASHINGTON.OAKDAL	00000	99999-9999	6.5	01-NOV-1992		
GA.FULTON.ATLANTA	00000	99999-9999	8	01-NOV-1992		
OK.TULSA.TULSA	00000	99999-9999	7.917	01-NOV-1992		
TN.HAMILTON.CHATTANO	00000	99999-9999	8.25	01-NOV-1992		
AZ.MARICOPA.TEMPE	00000	99999-9999	5.75	01-NOV-1992		
NJ.MIDDLESEX.NEW JERS	00000	99999-9999	6	01-JAN-1996		

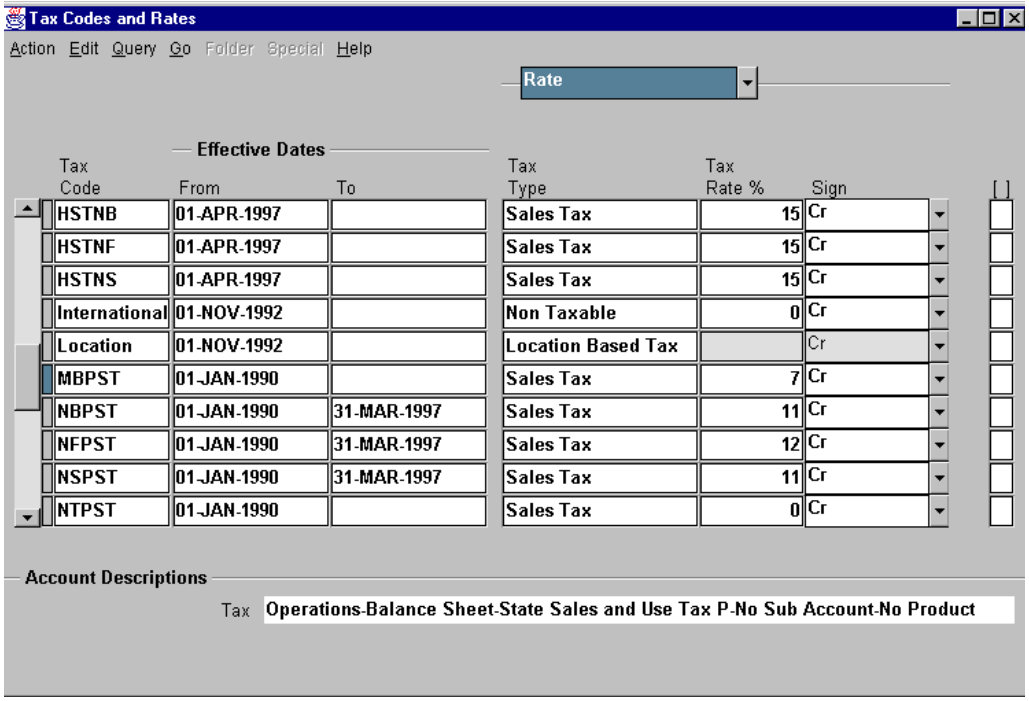
Tax Rates 5.0000+0.0000+0.0000

Review Sales Tax Rates

(N) Setup—>Tax—>Sales Tax Rates

- Review sales tax rates assigned to each authority. Oracle Receivables sums tax rates associated with each location included in the authority.
- Review the authority, postal code range, tax rate, and effective date associated with each sales tax rate.
- Oracle Receivables defaults postal codes from the Postal Code range From and To fields in the System Options window, if this range was not entered for this location in the Tax Locations and Values window.

Defining Tax Codes and Rates



Rate

Tax Code	Effective Dates From	Effective Dates To	Tax Type	Tax Rate %	Sign	[ ]
HSTNB	01-APR-1997		Sales Tax	15	Cr	☐
HSTNF	01-APR-1997		Sales Tax	15	Cr	☐
HSTNS	01-APR-1997		Sales Tax	15	Cr	☐
International	01-NOV-1992		Non Taxable	0	Cr	☐
Location	01-NOV-1992		Location Based Tax		Cr	☐
MBPST	01-JAN-1990		Sales Tax	7	Cr	☐
NBPST	01-JAN-1990	31-MAR-1997	Sales Tax	11	Cr	☐
NFPST	01-JAN-1990	31-MAR-1997	Sales Tax	12	Cr	☐
NSPST	01-JAN-1990	31-MAR-1997	Sales Tax	11	Cr	☐
NTPST	01-JAN-1990		Sales Tax	0	Cr	☐

Account Descriptions

Tax: Operations-Balance Sheet-State Sales and Use Tax P-No Sub Account-No Product

Tax Codes and Rates

(N) Setup—>Tax—>Codes

Charge customers tax based on tax codes. Assign tax codes to customer sites and items.

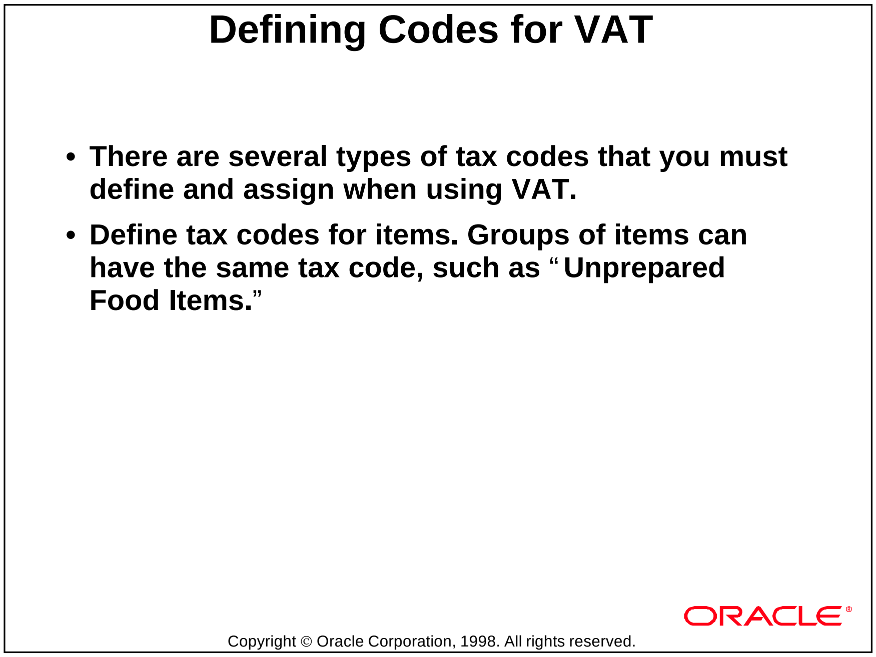
Defining a Code for Sales Tax

Define one active tax code of the type Location for Sales Tax. The Tax account defined for this tax code is used as a default when creating new locations in the Tax Locations and Rates window. Use this tax code to define customer exemptions for sales tax. You cannot assign a Location tax code to a customer or item, and you cannot assign a tax rate to a tax type of Location.

Creating Ad Hoc Tax Codes

Create ad hoc tax codes to be able to update the associated tax rates and amounts in the Transaction window. Before tax rates associated with ad hoc tax codes can be updated, you must set the profile option Tax: Allow Ad Hoc Tax Changes to Yes. Oracle Receivables does not permit ad hoc changes to tax codes of the type Location.

Defining Codes for VAT



Defining Codes for VAT

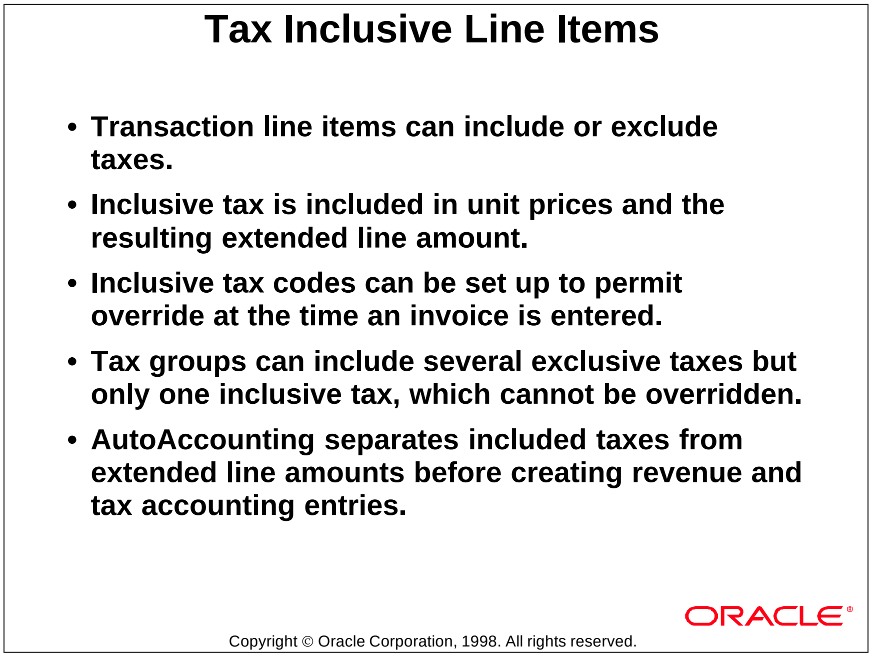
- **There are several types of tax codes that you must define and assign when using VAT.**
- **Define tax codes for items. Groups of items can have the same tax code, such as "Unprepared Food Items."**

VAT Codes

Tax codes for a country in the European Economic Community might include the following.

Country Use	**Tax Code**	**Definition**
Home Country	STD	A standard tax code and rate used for transactions in your home country.
	ZERO	An exempt code used in your home country.
European Economic Country (other than home country)	IntrEU-Zero	An exempt code used in the EEC but not in your home country.
	IntraEU-Taxed	A standard tax code and rate used for transactions in the EEC but not in your home country.
IntraEU-Taxed Outside the EEC	Export	Tax code used for transactions outside the EEC.

Tax Inclusive Line Items



Tax Inclusive Line Items

- Transaction line items can include or exclude taxes.
- Inclusive tax is included in unit prices and the resulting extended line amount.
- Inclusive tax codes can be set up to permit override at the time an invoice is entered.
- Tax groups can include several exclusive taxes but only one inclusive tax, which cannot be overridden.
- AutoAccounting separates included taxes from extended line amounts before creating revenue and tax accounting entries.

Tax Inclusive or Exclusive Line Items

In some countries, transaction lines must include the appropriate tax amount. Oracle Receivables uses the tax code default hierarchy created in System Options to determine whether taxes are to be included or excluded when transaction lines are calculated. When accounting entries are created by AutoInvoicing to recognize revenue, taxes included in the transaction line must be calculated and separated from the amount to be entered as revenue.

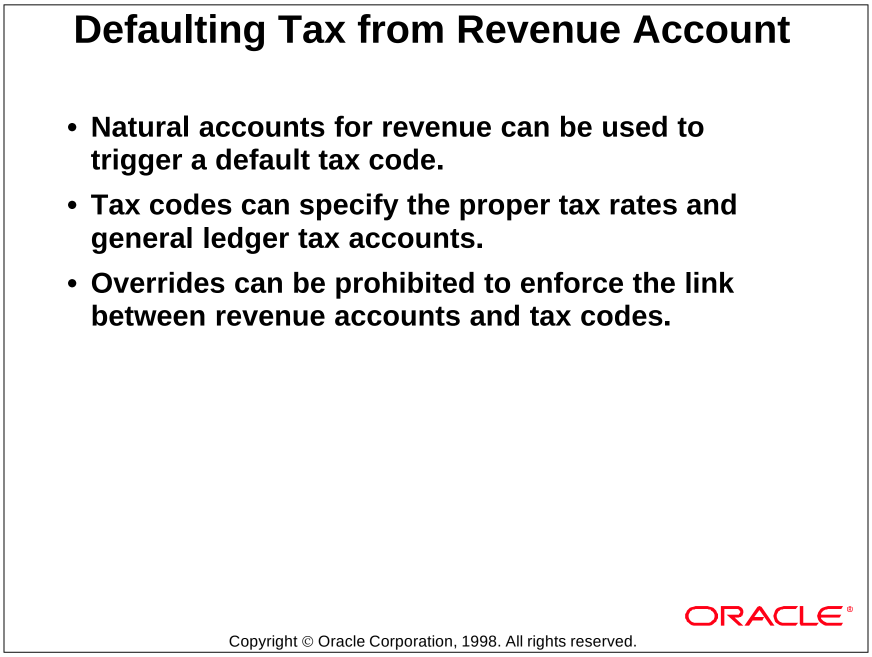
Tax inclusion and the ability to override tax inclusion can be assigned to a tax code in the Control alternative region of the Tax Codes and Rates window of Set Up;

(N) Set Up—>Tax—>Codes—>Control

Tax inclusion can also be assigned to tax groups in the Rate alternative region of the Tax Groups window of Set Up:

(N) Set Up—>Tax—>Groups—>Rate

Defaulting Tax from Revenue Account



Defaulting Tax from Revenue Account

- **Natural accounts for revenue can be used to trigger a default tax code.**
- **Tax codes can specify the proper tax rates and general ledger tax accounts.**
- **Overrides can be prohibited to enforce the link between revenue accounts and tax codes.**

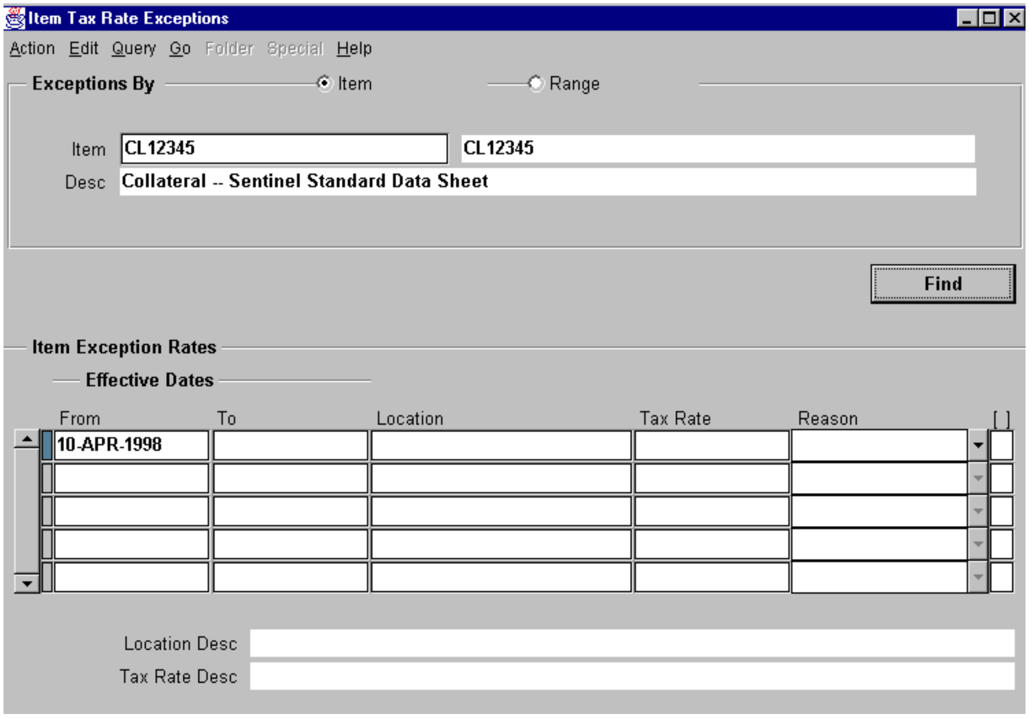
Tax Code Determined by Revenue Account

In some countries, tax laws and regulations require that tax calculations at the transaction line item level be linked to revenue accounts for auditing purposes.

In the Tax Defaults and Rates alternative region of the System Options window, the Revenue Accounts check box can be selected and its hierarchy entered as 1 to set the default calculation method to use tax codes based on revenue accounts.

To prevent the use of any tax codes not based on revenue accounts, select the Enforce Tax from Revenue Account check box in the Tax Defaults and Rates alternative region of the System Options window to maintain the link between revenue accounts and tax codes.

Defining Item Tax Rate Exceptions


Item Tax Rate Exceptions
Action Edit Query Go Folder Special Help
Find
Item Exception Rates
Effective Dates
From To Location Tax Rate Reason [ ]
Location Desc
Tax Rate Desc

Exceptions By: ● Item ○ Range

Item: CL12345 CL12345

Desc: Collateral -- Sentinel Standard Data Sheet

From: 10-APR-1998

Item Tax Rate Exceptions

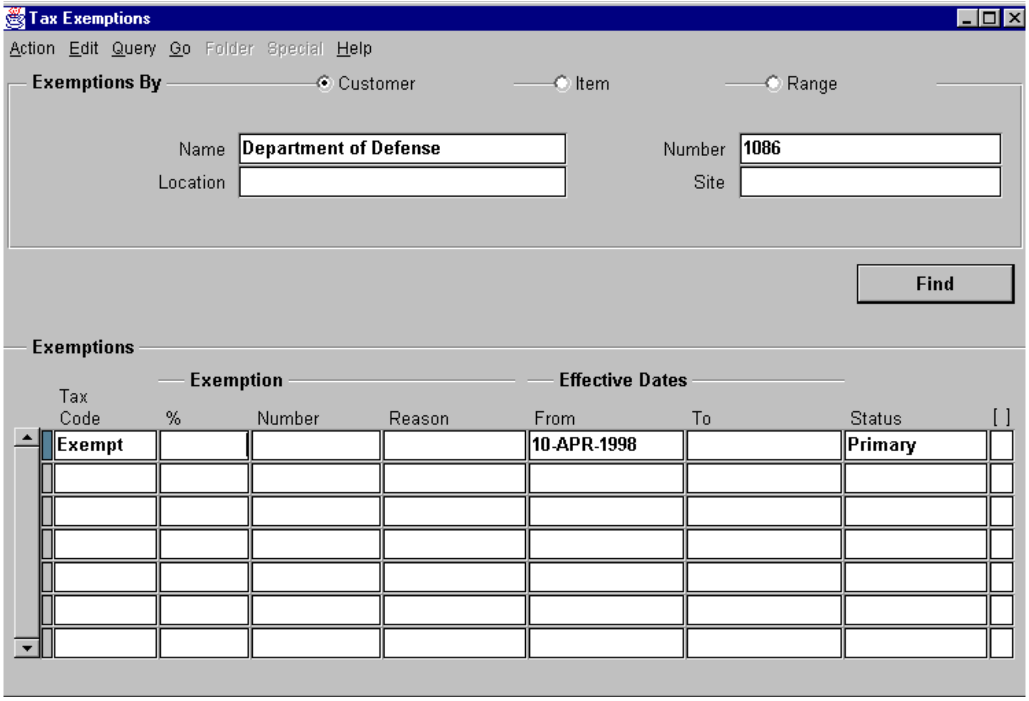
(N) Setup—>Tax—>Exceptions

Assign special tax rates to items shipped to specific tax locations. To use item exceptions, you must set the system option Tax Method to sales tax and assign no tax codes to customers or customer sites. The Tax Calculation check box for the transaction type must be selected. Enter a valid item to assign to a specific authority. Oracle Receivables displays segment and description information.

Assigning Tax Exceptions

Enter the authority to which to define a tax exception for this item. Use the Item Exception Rate Assignment window to enter tax rates for segments of the authority. Entering values for a location overrides the default value for that location.

Defining Tax Exemptions



Exemptions By: ● Customer ○ Item ○ Range

Name: Department of Defense

Number: 1086

Location:

Site:

Exemptions

Tax Code	Exemption %	Exemption Number	Exemption Reason	Effective Dates From	Effective Dates To	Status	[ ]
Exempt				10-APR-1998		Primary	

Tax Exemptions

(N) Setup—>Tax—>Exemptions

Use tax codes to partially or fully exempt customers, customer sites, or items. Navigate to the Tax Exemptions window from the Set Up menu or from the Special menu item in the Customers - Standard window.

Entering Exemption Information

Exempt a customer or customer address or an item with a specific tax code. You can restrict the exemption to a particular region within a tax authority.

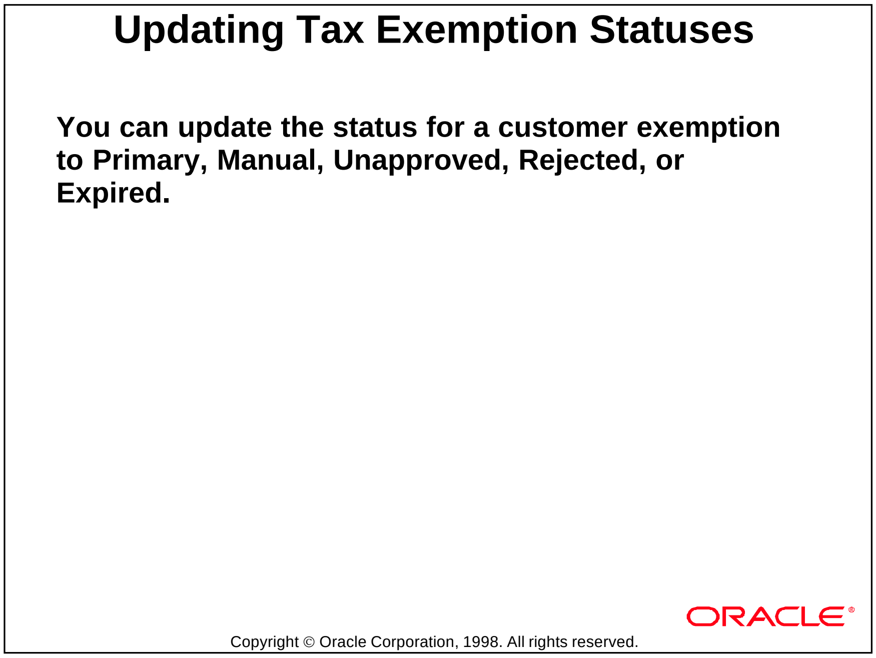
Use the list of values to select the tax code from which to exempt the customer or item.

Oracle Receivables defaults the status of an exemption to Primary.

- Enter the percent of the tax code from which to exempt the customer or item.
- Enter the first date on which to exempt the customer or item.
- Enter the exemption number, the reason for the exemption, and an end date.

Customer Site overrides Customer/Location (State) Exemptions, which override Customer Exemptions.

Updating Tax Exemption Statuses



Updating Tax Exemption Statuses

You can update the status for a customer exemption to Primary, Manual, Unapproved, Rejected, or Expired.

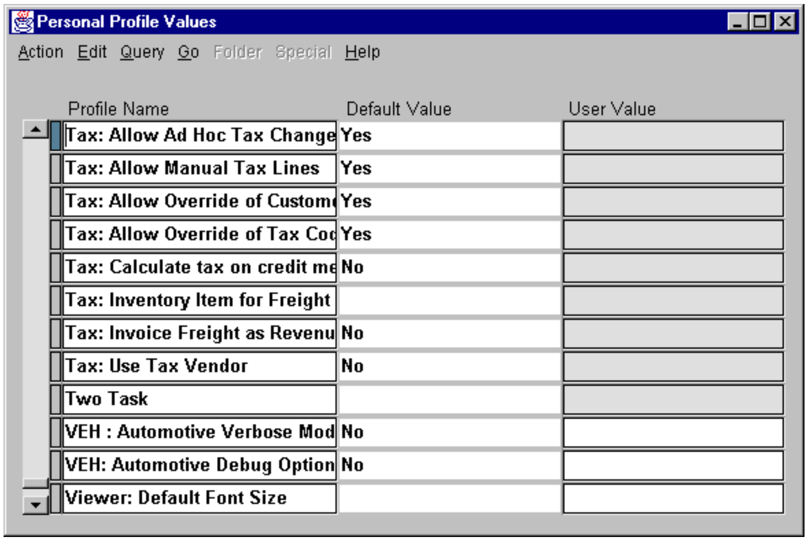
Updating Tax Exemption Statuses

Use the Tax Exemptions window to update the status of an exemption from Unapproved to Primary, Manual, Rejected, or Expired.

The following statuses are associated with tax exemptions:

- Primary: Exemption approved and used automatically. The status defaults to Primary for any exemptions created through the Tax Exemptions window.
- Manual: Exemption approved, but is not used unless explicitly requested during invoice entry. The status of any customer exemption can be updated to Manual in the Tax Exemptions window.
- Unapproved: Exemption unapproved and is not automatically used. Exemptions created during order entry or invoice entry have a status of Unapproved.
- Rejected: The exemption cannot be used. Typically the Tax Department may reject an unapproved exemption that was previously created during invoice entry or order entry. Rejection of an unapproved exemption has no effect on prior tax calculations based on this exemption. Unapproved exemptions may be rejected. Once rejected, their status cannot be updated.
- Expired: The exemption cannot be used. Primary, Manual, or Unapproved exemptions may become expired. Once expired, their status cannot be updated.

Setting the Profile Options



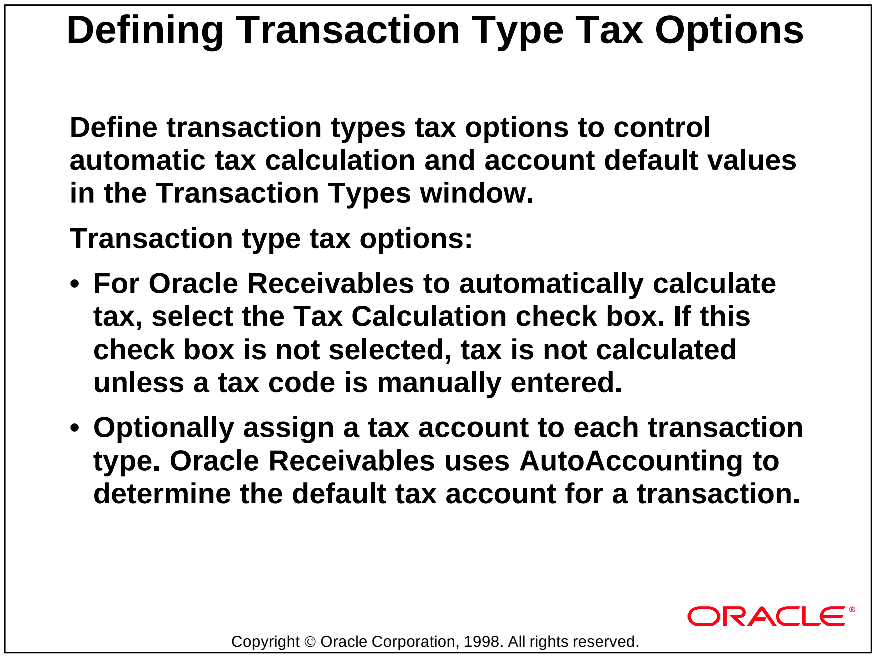
Profile Name	Default Value	User Value
Tax: Allow Ad Hoc Tax Change	Yes	
Tax: Allow Manual Tax Lines	Yes	
Tax: Allow Override of Custom	Yes	
Tax: Allow Override of Tax Co	Yes	
Tax: Calculate tax on credit m	No	
Tax: Inventory Item for Freight		
Tax: Invoice Freight as Revenu	No	
Tax: Use Tax Vendor	No	
Two Task		
VEH : Automotive Verbose Mod	No	
VEH: Automotive Debug Option	No	
Viewer: Default Font Size		

Personal Profile Values

(N) Control—>Profile Options

- Tax: Allow Ad Hoc Tax Changes: Permit updates to rates and amounts assigned to tax codes in the Transactions window. Applicable only to sales tax codes defined in the Tax Codes and Rates window with the type Sales or VAT with the Ad hoc flag set to Yes. Not permitted for tax codes of Location type.
- Tax: Allow Manual Tax Lines: Prevent the entry of manual tax lines in the Transaction windows. You might restrict this if you have an outside tax system installed and the system manages tax audits. If this profile is set to No, system-generated tax lines can not be deleted.
- Tax: Allow Override of Customer Exemptions: Permit override of normal tax calculations using assigned tax rates, exceptions, and exemptions.
- Tax: Allow Override of Tax Codes: Permit update of the tax code in the Transaction window for automatically generated tax lines.
- Tax: Inventory Item for Freight: Controls the tax rate for freight service using an associated Freight item.
- Tax: Invoice Freight as Revenue: Determines how Order Entry provides freight data to Oracle Receivables during AutoInvoice. If set to Yes, Oracle Order Entry creates a line item of type Line on the invoice for the freight amount.

Defining Transaction Type Tax Options



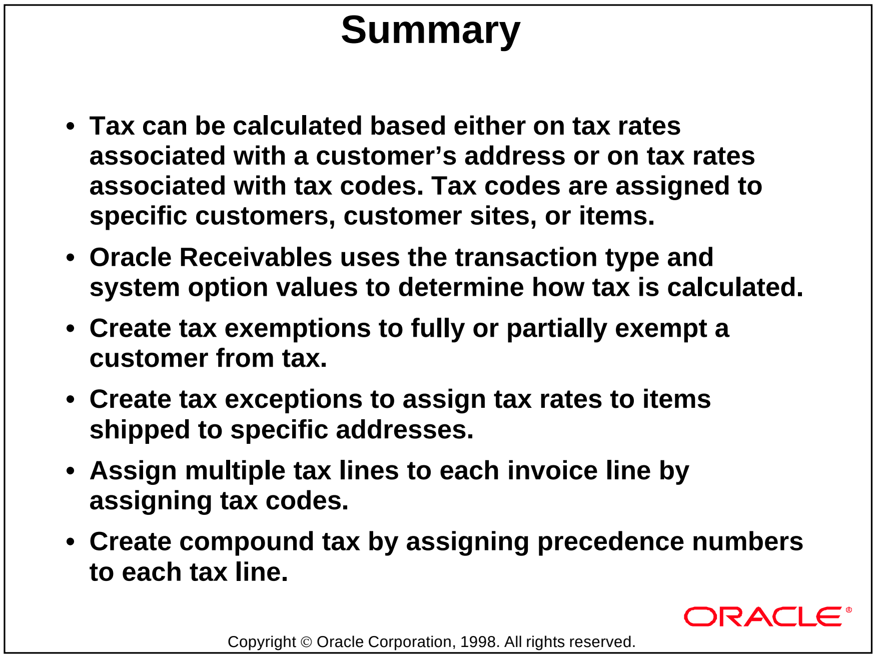
Defining Transaction Type Tax Options

Define transaction types tax options to control automatic tax calculation and account default values in the Transaction Types window.

Transaction type tax options:

- **For Oracle Receivables to automatically calculate tax, select the Tax Calculation check box. If this check box is not selected, tax is not calculated unless a tax code is manually entered.**
- **Optionally assign a tax account to each transaction type. Oracle Receivables uses AutoAccounting to determine the default tax account for a transaction.**

Summary



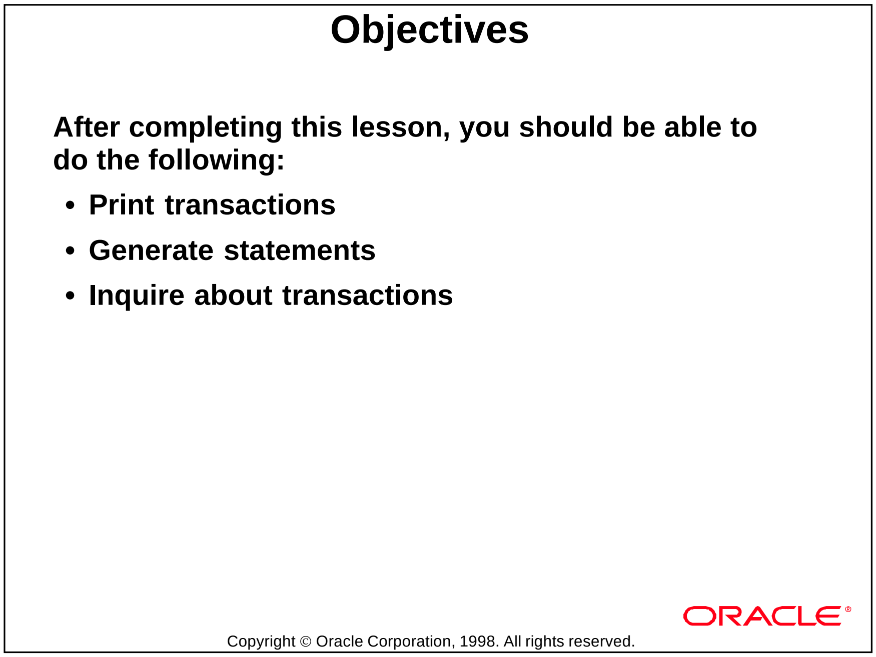
Summary

- **Tax can be calculated based either on tax rates associated with a customer’s address or on tax rates associated with tax codes. Tax codes are assigned to specific customers, customer sites, or items.**
- **Oracle Receivables uses the transaction type and system option values to determine how tax is calculated.**
- **Create tax exemptions to fully or partially exempt a customer from tax.**
- **Create tax exceptions to assign tax rates to items shipped to specific addresses.**
- **Assign multiple tax lines to each invoice line by assigning tax codes.**
- **Create compound tax by assigning precedence numbers to each tax line.**

16

Completing the Transaction Process

Objectives

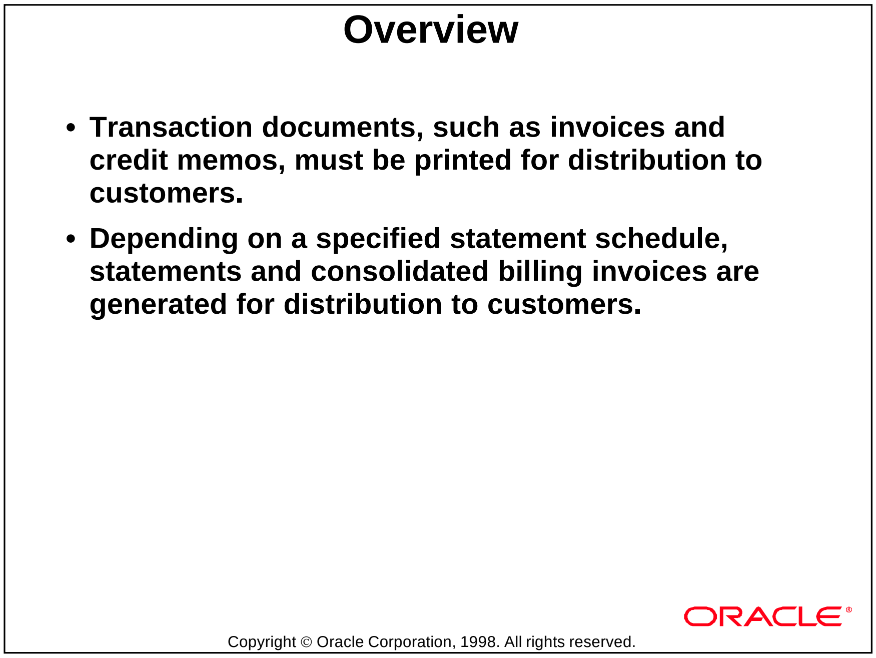


Objectives

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

- **Print transactions**
- **Generate statements**
- **Inquire about transactions**

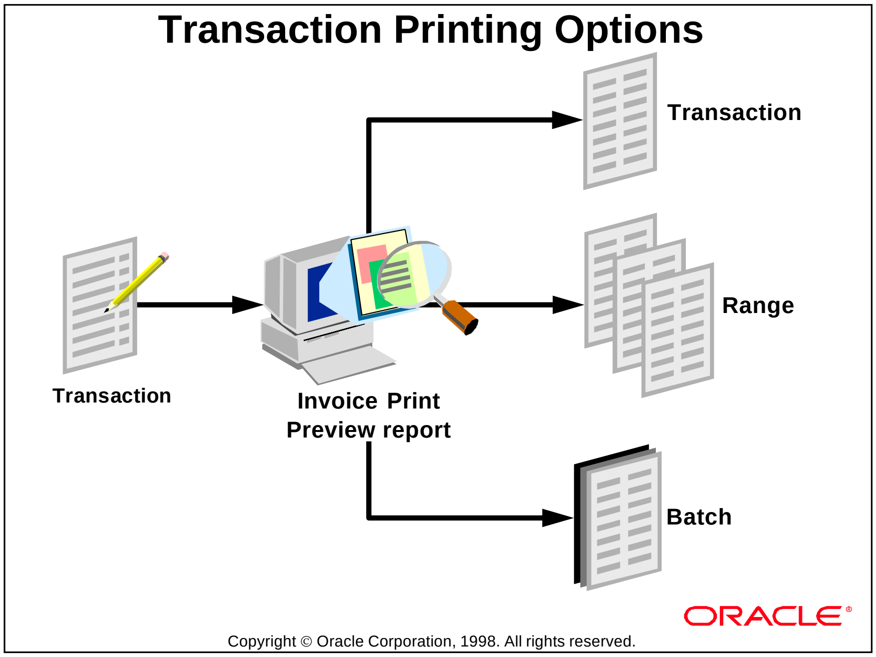
Overview



Overview

- Transaction documents, such as invoices and credit memos, must be printed for distribution to customers.
- Depending on a specified statement schedule, statements and consolidated billing invoices are generated for distribution to customers.

Transaction Printing Options

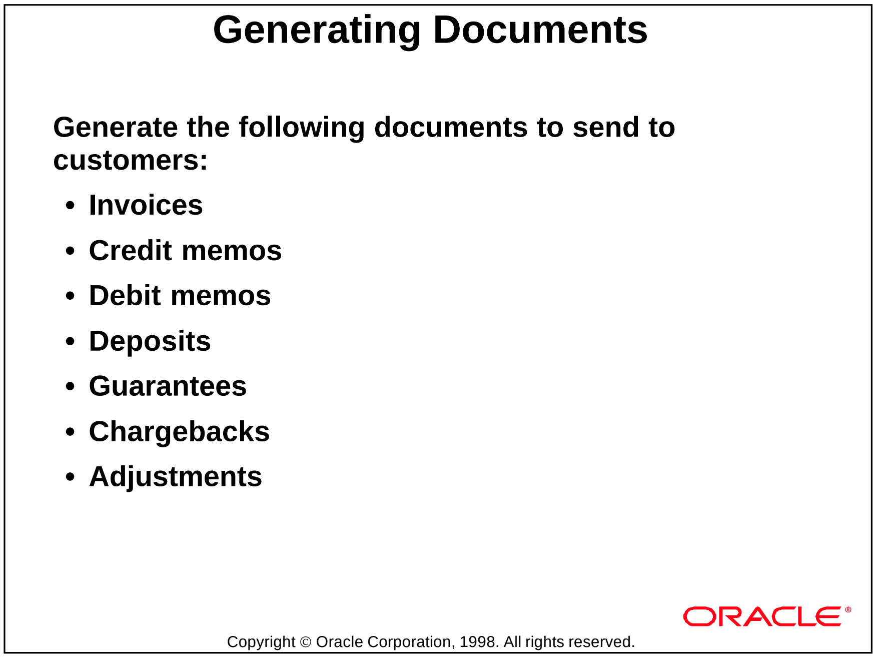


Transaction Printing Options

Printing Transactions

Business Need	**Solution**
Print a batch of transactions.	Select Invoice Print-Batch of Invoices as report name. Enter batch name as a report parameter.
Print transactions that have not been printed before.	Select Invoice Print-New Invoices as the report name.
Print a specific range of transactions.	Select Invoice Print-Selected Invoices as the report name. Enter transaction number range.
Print only invoices.	Specify Invoice as the transaction class report parameter.
Print the details of each tax line.	Assign customers to a profile class with the tax printing option set to Itemize By Line.
Do not print transactions.	Update printing option to Do Not Print.

Generating Documents



Generating Documents

Generate the following documents to send to customers:

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

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.

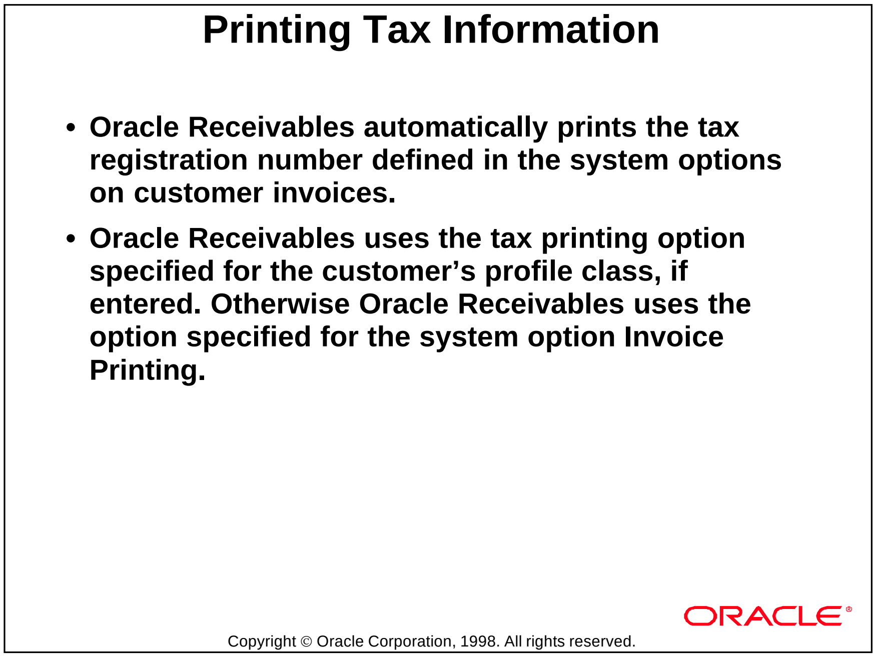
Printing Transactions

- Print transactions by batch.
- Print transactions that have not been printed.
- Specify a range of transactions to print.

Printing Adjustments

- Print adjustments associated with an invoice by specifying the invoice number.
- Print specific adjustments by specifying the adjustment number.

Printing Tax Information



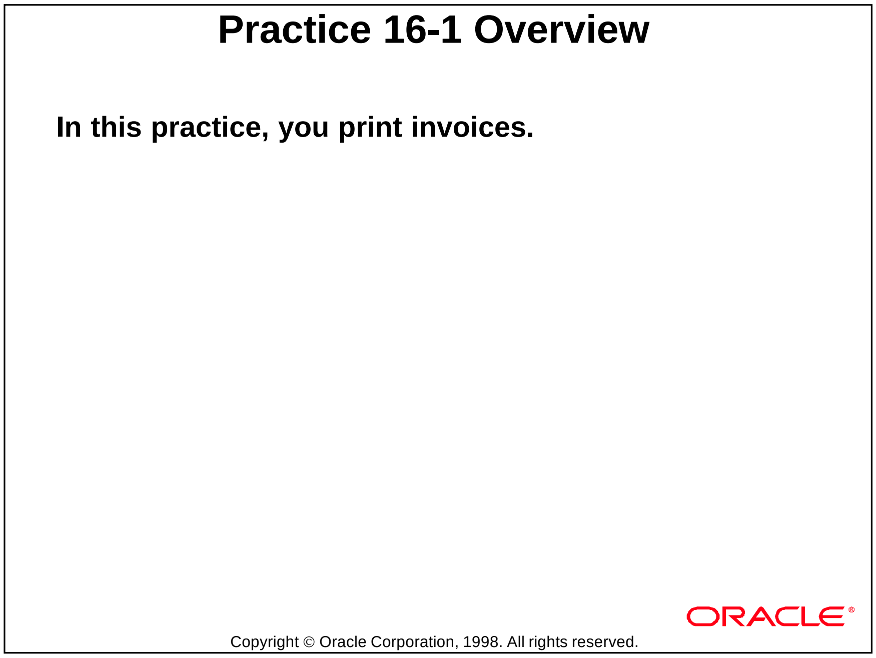
Printing Tax Information

- **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.**

Tax Printing Options

Option	**Description**
Itemize By Line	Itemize tax lines associated with each invoice line.
Summarize By Tax Code	Summarize tax amounts by tax code.
Summarize By Tax Name	Summarize tax amounts by tax name.
Itemize and Summarize	Itemize and summarize tax amounts.
Total Tax Only	Display the total tax amount for the invoice at the bottom of the invoice.
European Tax Format	Display the tax rate as the last column on each invoice line and display freight items as the last invoice line. Display the taxable amount with summarized tax codes at the end of the invoice.

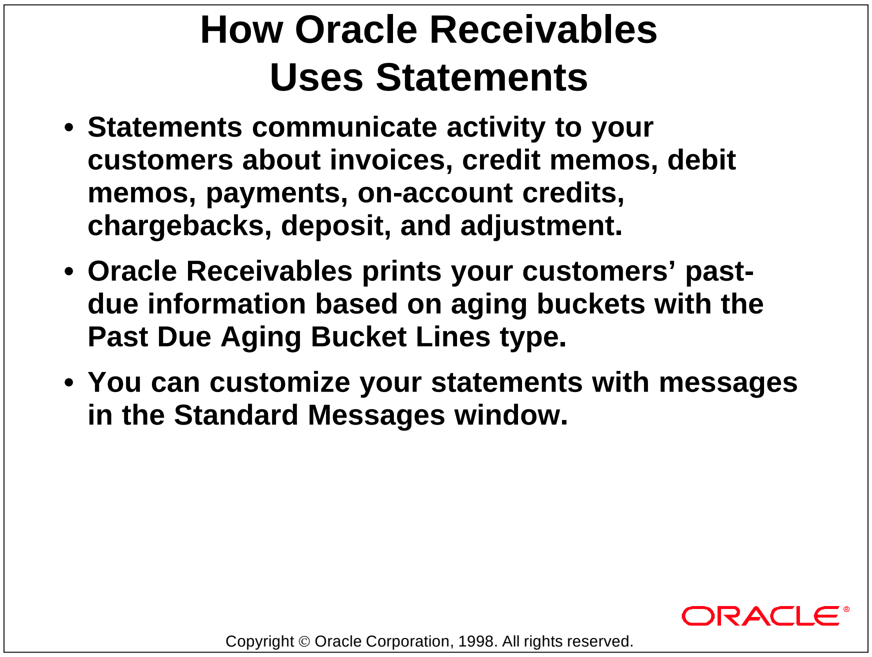
Practice 16-1 Overview



Practice 16-1 Overview

In this practice, you print invoices.

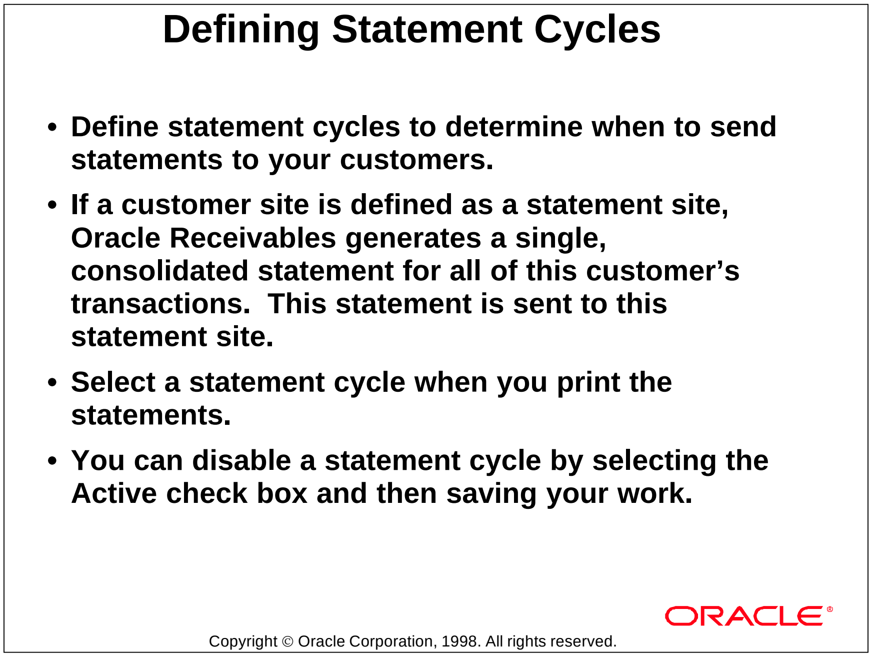
How Oracle Receivables Uses Statements



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 prints your customers’ past-due information based on aging buckets with the Past Due Aging Bucket Lines type.
- You can customize your statements with messages in the Standard Messages window.

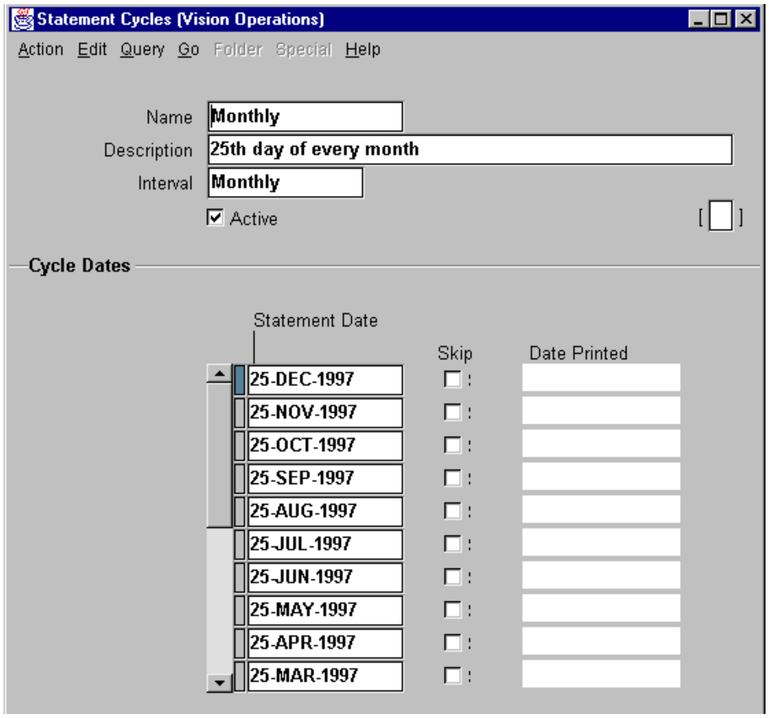
Defining Statement Cycles



Defining Statement Cycles

- Define statement cycles to determine when to send statements to your customers.
- If a customer site is defined as a statement site, Oracle Receivables generates a single, consolidated statement for all of this customer’s transactions. This statement is sent to this statement site.
- Select a statement cycle when you print the statements.
- You can disable a statement cycle by selecting the Active check box and then saving your work.

Setting Up Statement Cycles


Statement Cycles (Vision Operations)
Action Edit Query Go Folder Special Help

Name: Monthly
Description: 25th day of every month
Interval: Monthly
☑ Active

Cycle Dates

Statement Date	Skip	Date Printed
25-DEC-1997	☐	
25-NOV-1997	☐	
25-OCT-1997	☐	
25-SEP-1997	☐	
25-AUG-1997	☐	
25-JUL-1997	☐	
25-JUN-1997	☐	
25-MAY-1997	☐	
25-APR-1997	☐	
25-MAR-1997	☐	

Statement Cycles

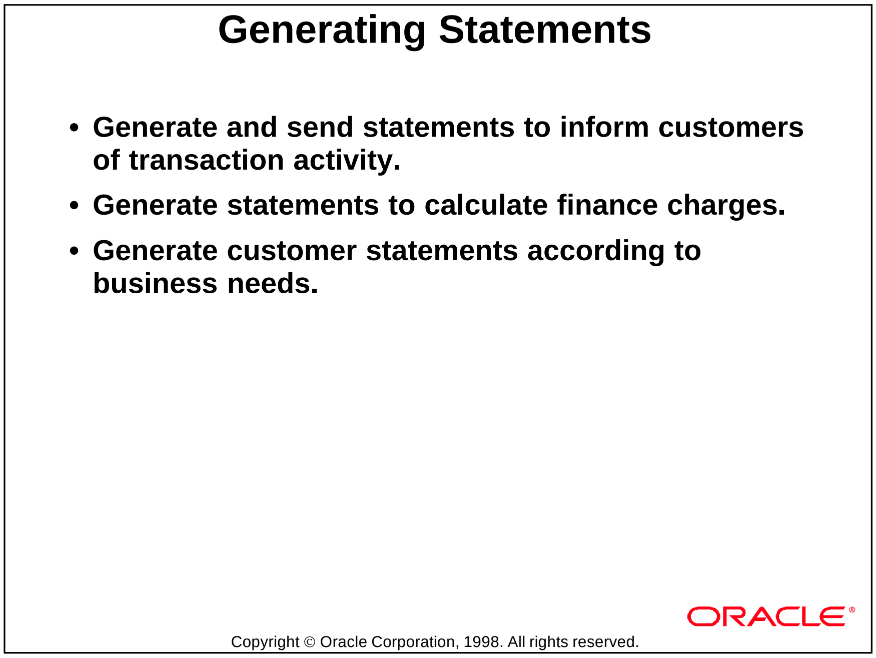
(N) Setup—>Print—>Statement Cycles

To define a statement cycle:

1. Navigate to the Statement Cycles window.
2. Enter a name and description for this statement cycle.
3. Enter the interval (Weekly, Monthly, or Quarterly) for this statement cycle to indicate how often Oracle Receivables will generate your statements.
4. Enter statement dates for this statement cycle. Oracle Receivables uses the statement date to determine past-due transactions and to calculate finance charges.
5. To prevent Oracle Receivables from printing a statement on a specific statement date, select the Skip check box.
6. Save your work.

The Date Printed field displays the last date you printed statements through the Print Statements window for each statement date in a statement cycle. Oracle Receivables does not display a printed date for statement dates that you have either specified to skip or have not yet selected for a statements submission.

Generating Statements



Generating Statements

- Generate and send statements to inform customers of transaction activity.
- Generate statements to calculate finance charges.
- Generate customer statements according to business needs.

Needs for Customer Statements

Business Need	**Solution**
Send customer statement to each Bill-To site with only activity for that site.	Assign a Bill-To to each customer site.
Send customers consolidated statements.	Assign statement business purposes to customers.
Include receipts applied to specific Bill-To locations.	Assign Bill-To locations to receipts in the Receipts window and through the Automatic Lockbox program.
Specify no statements sent to customers with credit balances.	Set the Send Credit Balance Statements field for the customer profile class to No.
Include on-account and unapplied receipts on statements.	Assign on-account and unapplied receipts to specific customer locations, or generate a consolidated statement.

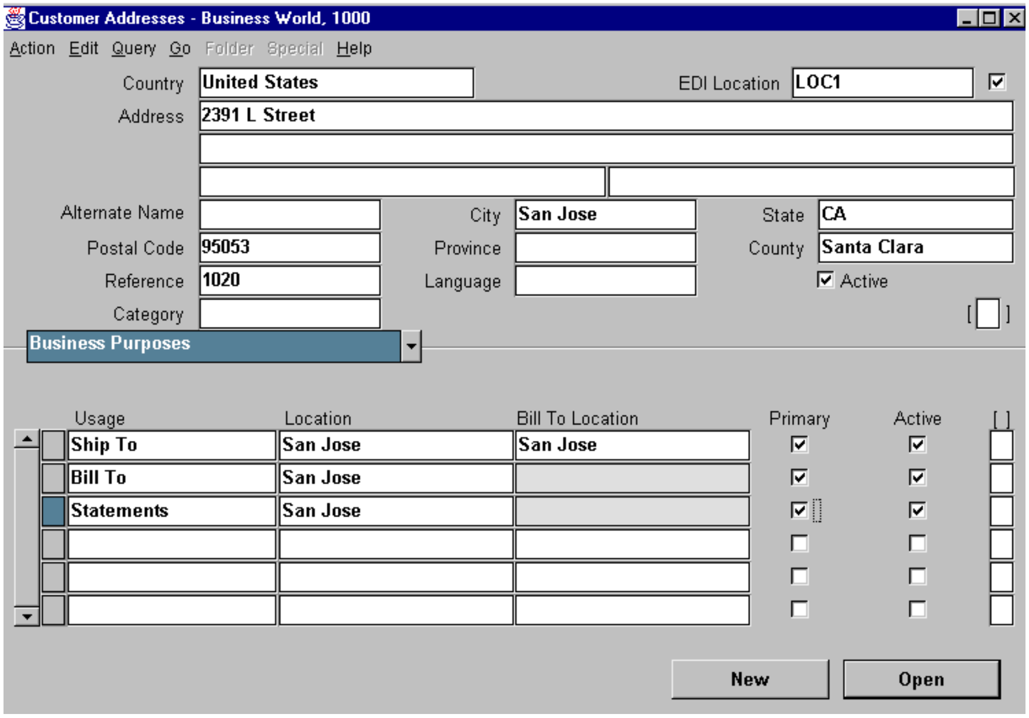
Generating Statements

- **Oracle Receivables subdivides each customer’s consolidated statement to show subtotals for each of the customer’s Bill-To sites.**
- **If there are any on-account or unapplied receipts with no location, they are printed on a separate sheet before the summary page.**
- **If you do not have a statement site, Oracle Receivables prints a separate statement for each Bill-To site that shows all the transactions relating to that site, subtotaled by currency.**
- **In both cases, cross-site and cross-customer receipts are displayed below the unapplied receipts for each Bill-To site.**

Needs for Customer Statements (continued)

Business Need	**Solution**
Include holiday greetings or promotions on statements.	Define statement messages and assign them to statements during statement submission.
Generate statements for each Bill-To site depending on the minimum statement balance for each currency.	Assign a unique customer profile class to each Bill-To site.
Print the Remit-To address(es) on statements.	Set the system option Print Remit-To Address to Yes.

Entering Statement Sites


Customer Addresses - Business World, 1000
Action Edit Query Go Folder Special Help
New
Open

Country: United States

EDI Location: LOC1 ☑

Address: 2391 L Street

Alternate Name:

City: San Jose

State: CA

Postal Code: 95053

Province:

County: Santa Clara

Reference: 1020

Language:

☑ Active

Category:

Business Purposes

Usage	Location	Bill To Location	Primary	Active
Ship To	San Jose	San Jose	☑	☑
Bill To	San Jose		☑	☑
Statements	San Jose		☑	☑
			☐	☐
			☐	☐
			☐	☐

Customer Addresses: Business Purposes Region

(N) Customers—>Standard—>Addresses—>(B)Open—>Business Purposes

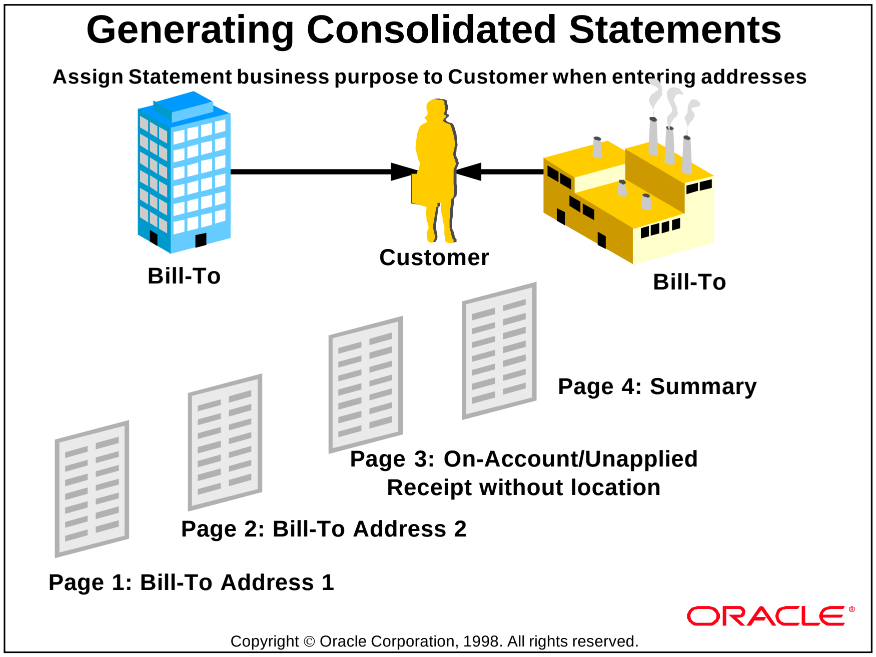
You can define a statement site to better manage customers who have multiple Bill-To sites. By defining a statement site, you can send customers a single, consolidated statement for all of their Bill-To sites, rather than sending a statement for each site. You can define only one active statement site use per customer. You create a statement site when defining business purposes for your customer addresses.

If you have defined an active statement site for your customer, you can still enter different options for the site-level credit profile. However, Oracle Receivables ensures that the statement cycles are still all the same by using the statement cycle assigned to the customer-level profile.

Statements for a Customer Without a Statement Site

If you have not defined a statement site for a customer that you include in a print statements submission, Oracle Receivables generates statements for each of this customer's billing locations that have the Send Statement parameter of their profile class set to Yes.

Generating Consolidated Statements

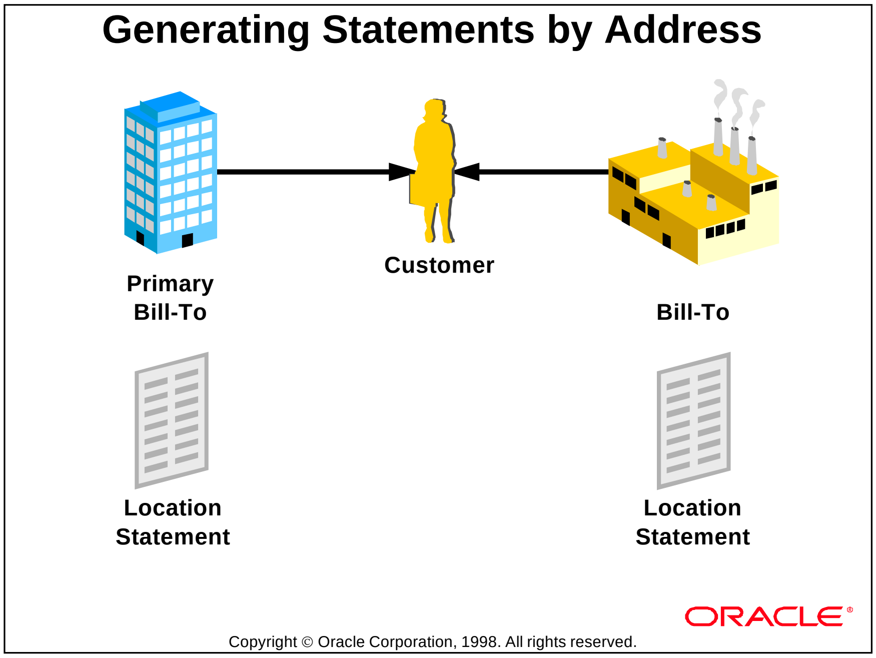


Generating Consolidated Statements

Assign Statement business purpose to Customer when entering addresses

Bill-To
Customer
Bill-To
Page 4: Summary
Page 3: On-Account/Unapplied Receipt without location
Page 2: Bill-To Address 2
Page 1: Bill-To Address 1

Generating Statements by Address



Generating Statements by Address

Customer

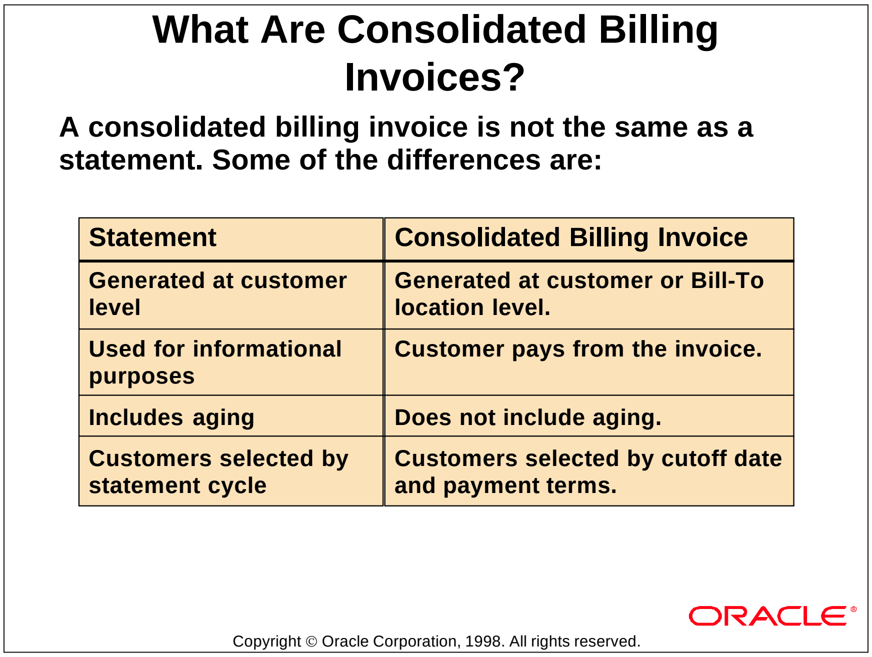
Primary
Bill-To

Bill-To

Location
Statement

Location
Statement

What Are Consolidated Billing Invoices?



What Are 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.

Consolidated Billing Invoices

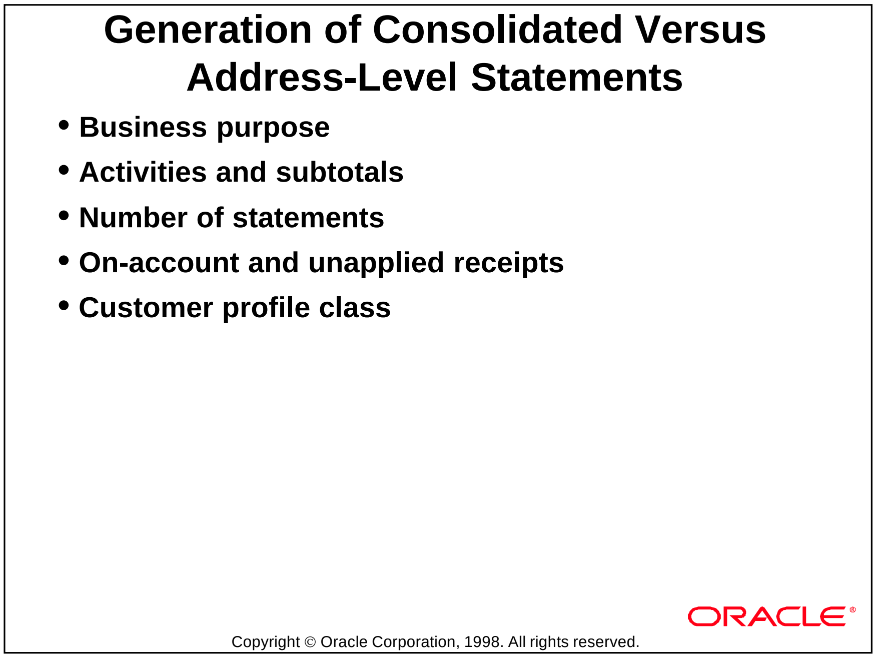
Use the Consolidated Billing Invoice program to print a single monthly invoice that includes all transactions for that period, rather than an invoice for each transaction.

A consolidated billing invoice includes the following information:

- A beginning balance
- Payments received since the previous consolidated billing invoice
- An itemized list of new charges (invoices, credit memos, adjustments) in either summary or detail format
- Separate reporting of taxes
- The total balance due for this customer

Customers receive consolidated billing invoices based on their customer profile class. The customer profile class also controls whether the invoice format is detail or summary. The detail includes the same information as the summary report except for the item detail. The detail consolidated billing invoice lists the item description, quantity, and unit price for each item on each invoice; the summary invoice lists only the total amount of each invoice. When you print draft or final consolidated billing invoices, Oracle Receivables assigns a unique billing invoice number.

Consolidated Versus Address-Level Statement Generation



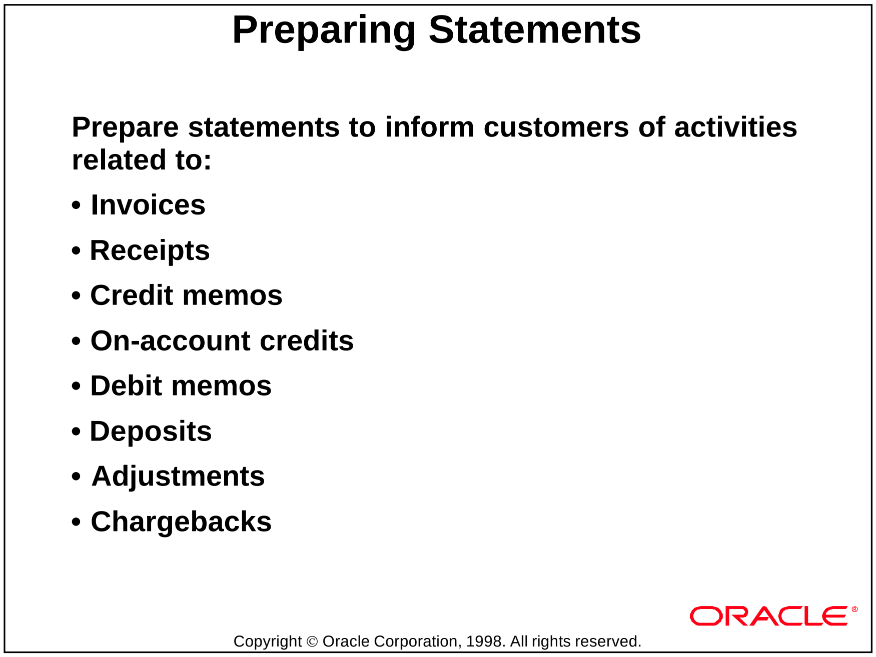
Generation of Consolidated Versus Address-Level Statements

- **Business purpose**
- **Activities and subtotals**
- **Number of statements**
- **On-account and unapplied receipts**
- **Customer profile class**

Statement Generation Level

Feature	**Consolidated**	**Address-Level**
Setup	Assigns one statement business purpose to each customer.	Do not assign statement business purpose.
Format	Displays subtotals for activities assigned to each Bill-To site.	Displays activities at the specific Bill-To site.
Number of Statements	Generates one statement, sent to the statement business purpose address.	Generates a statement for each Bill-To site.
On-Account, Unapplied Receipts	Appears on the statement even if they are not assigned to a specific location.	Do not appear on statement if they are not assigned to a location.
Customer Profile Class	Uses profile class assigned to customer to determine statement cycle. For other profile class options, uses profile class assigned to the Bill-To site first.	Uses profile class assigned to each Bill-To site first.

Preparing Statements



Preparing Statements

Prepare statements to inform customers of activities related to:

- **Invoices**
- **Receipts**
- **Credit memos**
- **On-account credits**
- **Debit memos**
- **Deposits**
- **Adjustments**
- **Chargebacks**

Assigning Statement Cycles

- Statement cycles are schedules that determine when statements are created.
- Use the Customer Profile Classes window to assign statement cycles to customer profile classes based on products, markets, channels, and so on. Use the Profile: Document Printing region of the Customers - Standard window to maintain statement cycles for individual customers.

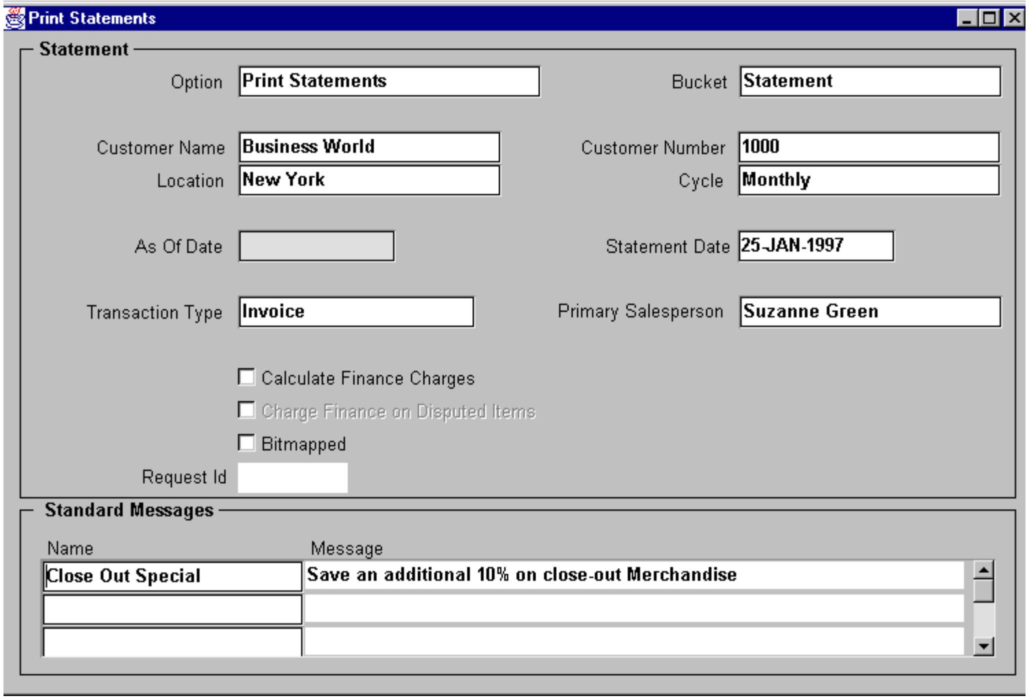
Entering and Assigning Statement Messages

- Define messages in the Print Statements window to be printed on statements.
- Use messages to inform customers of special promotions or to personalize statements.
- Assign messages to statements during statement submission.

Assigning Aging Buckets

- In the Print Statements window, classify receivables activities, based on due dates, with aging buckets.
- Aging buckets used for statements have an aging bucket type of Statement.
- Aging buckets are printed on the bottom of statements.

Submitting the Print Statements Program



Statement

Option: Print Statements
Bucket: Statement
Customer Name: Business World
Customer Number: 1000
Location: New York
Cycle: Monthly
As Of Date:
Statement Date: 25-JAN-1997
Transaction Type: Invoice
Primary Salesperson: Suzanne Green

☐ Calculate Finance Charges
☐ Charge Finance on Disputed Items
☐ Bitmapped

Request Id:

Standard Messages

Name	Message
Close Out Special	Save an additional 10% on close-out Merchandise

Print Statements

(N) Print Documents—>Statements

Submit the Print Statements program to generate customer statements.

Calculating Finance Charges

Calculating Finance Charges

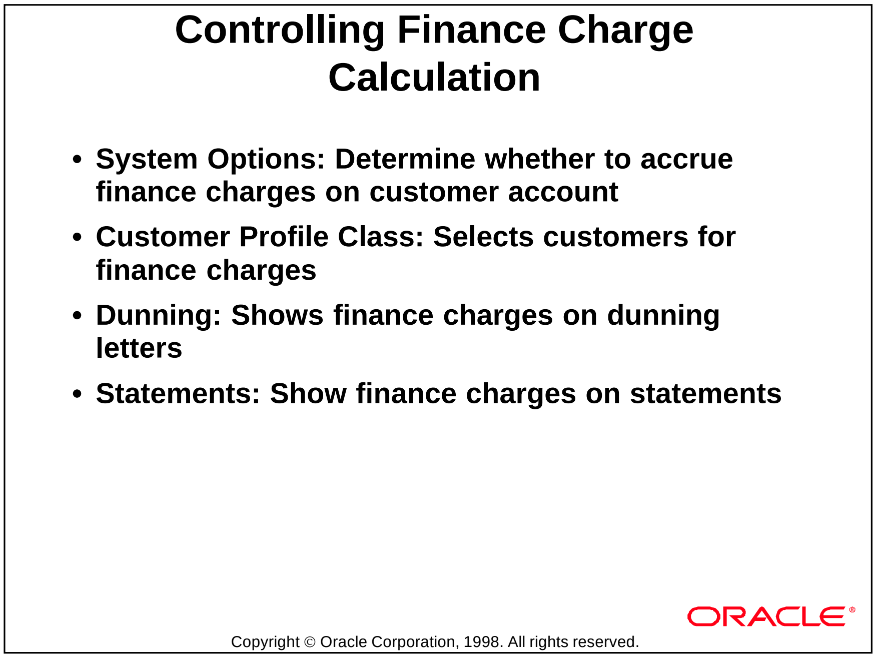
- **Finance charges are calculated on past-due items.**
- **Oracle Receivables calculates finance charges only when dunning letters or statements are generated.**
- **Oracle Receivables uses the transaction due date and receipt grace days to determine the number of days an item is past due.**
- **Select either Print Statements or Reprint Statements to calculate finance charges. Finance charges are calculated from the last time they were calculated for each customer.**
- **Calculate finance charges for items in dispute by selecting the Charge Finance on Disputed Items check box in the Print Statements window.**

Formula for Calculating Finance Charges

The following formula is used to calculate the finance charge:

$$\text{Finance Charge} = \frac{\text{Interest Rate}}{\text{Days in Period}} \text{ x Number of Days Late x Remaining Amount}$$

Controlling Finance Charge Calculation



Controlling Finance Charge Calculation

- **System Options: Determine whether to accrue finance charges on customer account**
- **Customer Profile Class: Selects customers for finance charges**
- **Dunning: Shows finance charges on dunning letters**
- **Statements: Show finance charges on statements**

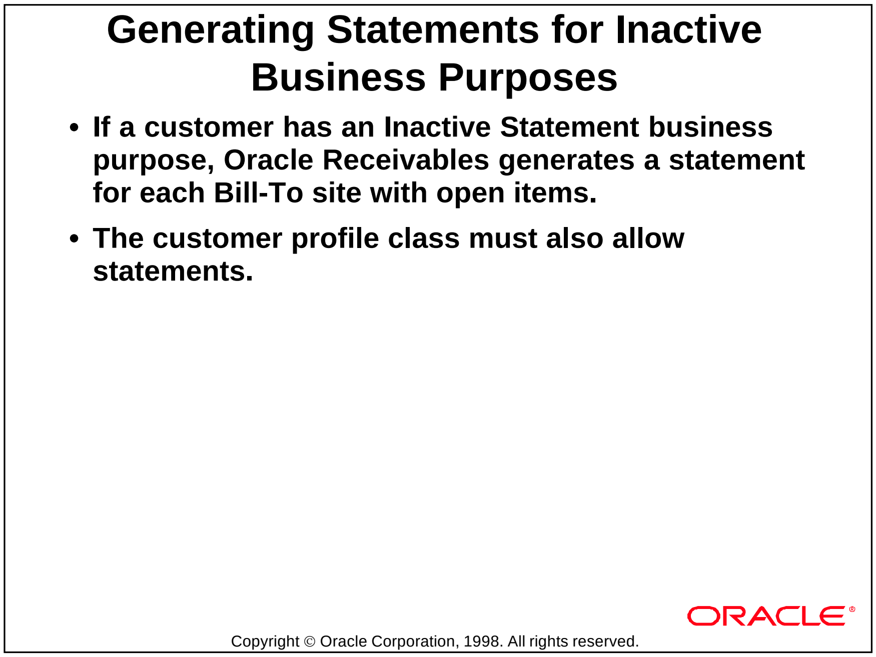
Calculating Finance Charges

If you plan to charge interest to customers with past-due amounts, select the Accrue Interest check box in the Accounting alternative region of the System Options window.

To enable the matching of customer payments you have received to finance charges invoiced to customers, select the Finance Charges button in the Receivables Activities window. The path to this window is:

(N) Set Up—>Receipts—>Receivables Activities

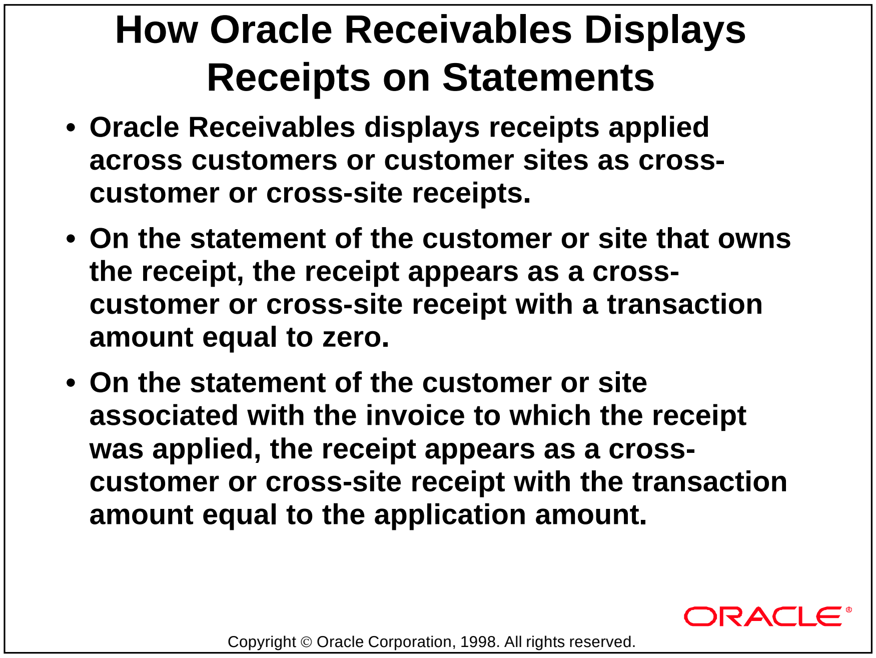
Generating Statements for Inactive Business Purposes



Generating Statements for Inactive Business Purposes

- **If a customer has an Inactive Statement business purpose, Oracle Receivables generates a statement for each Bill-To site with open items.**
- **The customer profile class must also allow statements.**

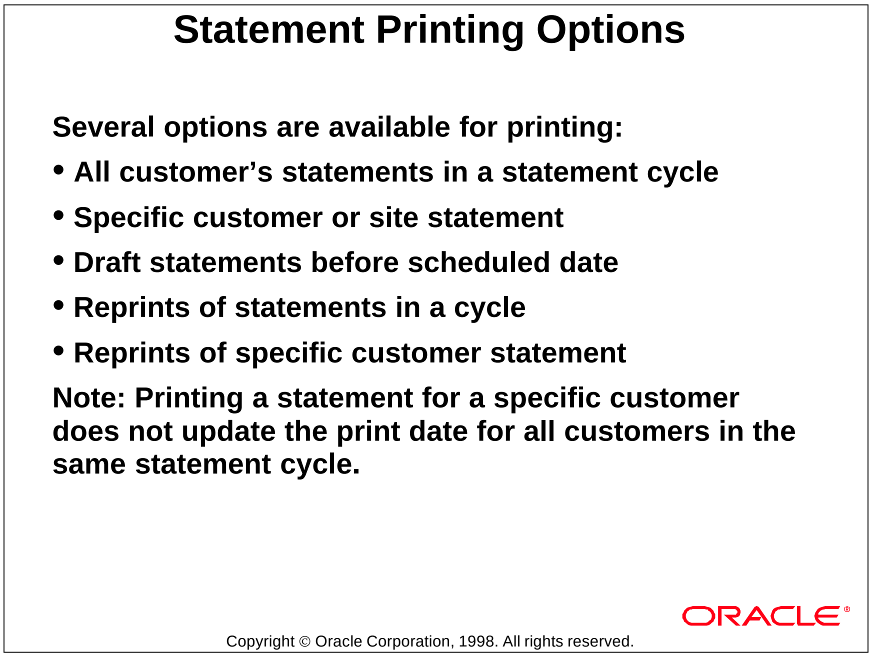
How Oracle Receivables Displays Receipts on Statements



How Oracle Receivables Displays Receipts on Statements

- **Oracle Receivables displays receipts applied across customers or customer sites as cross-customer or cross-site receipts.**
- **On the statement of the customer or site that owns the receipt, the receipt appears as a cross-customer or cross-site receipt with a transaction amount equal to zero.**
- **On the statement of the customer or site associated with the invoice to which the receipt was applied, the receipt appears as a cross-customer or cross-site receipt with the transaction amount equal to the application amount.**

Statement Printing Options



Statement Printing Options

Several options are available for printing:

- **All customer’s statements in a statement cycle**
- **Specific customer or site statement**
- **Draft statements before scheduled date**
- **Reprints of statements in a cycle**
- **Reprints of specific customer statement**

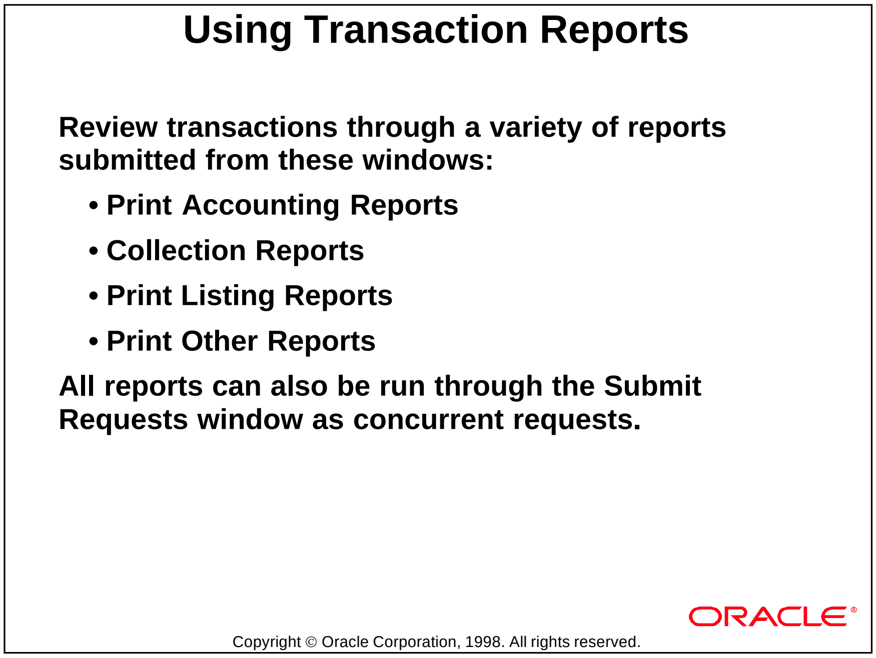
Note: Printing a statement for a specific customer does not update the print date for all customers in the same statement cycle.

Statement Printing Options

(N) Print Documents—>Statements

Business Need	**Print Option**
Print statements for customers with a specific statement cycle.	Select Print Statements. Do not specify customer name or number. Enter appropriate the statement cycle.
Print statements for a specific customer or Bill-To site.	Select Print Statements and enter the customer name or number and the location.
Print a sample statement for a specific customer before the scheduled statement date.	Select Print a Draft Statement and enter the customer name or number.
Reprint most recent statements for customers in a statement cycle.	Select Reprint Statements and enter the statement cycle.
Reprint statements for a specific customer.	Select Print Statements and enter the customer name or number.

Using Transaction Reports



Using Transaction Reports

Review transactions through a variety of reports submitted from these windows:

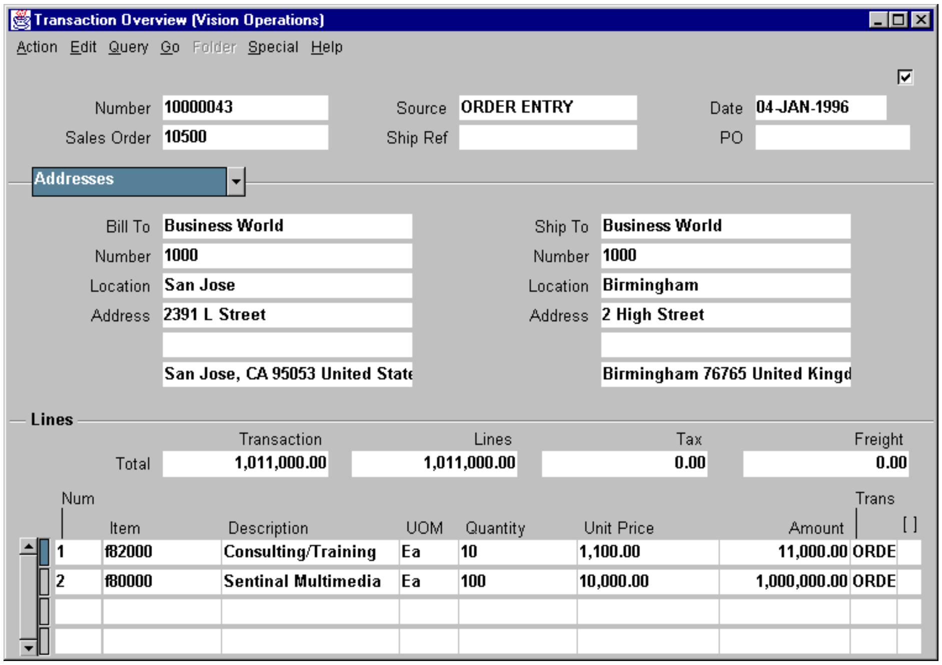
- **Print Accounting Reports**
- **Collection Reports**
- **Print Listing Reports**
- **Print Other Reports**

All reports can also be run through the Submit Requests window as concurrent requests.

Using Transaction Reports

- Billing History: Summarized history of transactions affecting a customer’s invoices, debit memos, and chargebacks.
- Billing and Receipt History: Detailed history of transactions affecting a customer’s invoices, debit memos, and chargebacks.
- Commitment Balance Report: Summary commitment balance information, including all invoices and credit memos against the commitment.
- Incomplete Invoices Report: Incomplete invoices, debit memos, credit memos, and on-account credits. Not collectable and not displayed on aging reports.
- Invoice Exception Report: Transactions that have transaction types with Open Receivables set to No. Not collectable and not displayed on aging reports.
- Key Indicators Report Summary: Summarized transaction and receipt information for a specific accounting period, and compared to another period.
- Key Indicators Report Daily Summary: Comparison of current invoice and credit memo activity to a prior period to see changes in the number of invoices and credit memos entered.
- Transaction Report: Information entered for invoices, debit memos, credit memos, commitments, and chargebacks.

Reviewing Transactions


Transaction Overview (Vision Operations)
Action Edit Query Go Folder Special Help
☑
Addresses
Lines

Number	10000043	Source	ORDER ENTRY	Date	04-JAN-1996
Sales Order	10500	Ship Ref		PO	

Bill To	Business World	Ship To	Business World
Number	1000	Number	1000
Location	San Jose	Location	Birmingham
Address	2391 L Street	Address	2 High Street
	San Jose, CA 95053 United State		Birmingham 76765 United Kingd

	Transaction	Lines	Tax	Freight
Total	1,011,000.00	1,011,000.00	0.00	0.00

Num	Item	Description	UOM	Quantity	Unit Price	Amount	Trans	[ ]
1	f82000	Consulting/Training	Ea	10	1,100.00	11,000.00	ORDE	
2	f80000	Sentinal Multimedia	Ea	100	10,000.00	1,000,000.00	ORDE	

Transaction Overview

(N) Collections—>Transaction Overview

Review invoices, debit memos, chargebacks, deposits, guarantees, credit memos, or on-account credits in Transaction Overview window of Collections workbench.

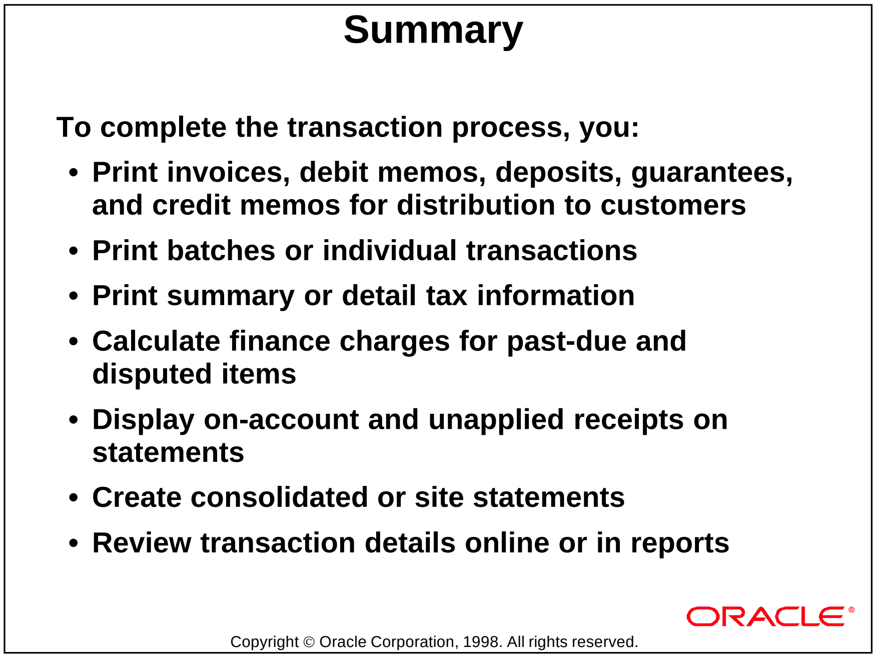
Accessing Other Inquiry Forms

- Access the Account Details window from the Collections menu. Access the Customer Calls window, the Activities window, and the Transaction Overview window by selecting the corresponding buttons in the Account Details window.
- When you select a button, Oracle Receivables transfers the appropriate information into the new window.

Submitting Transaction Detail Report

- Review all information entered for invoices, debit memos, deposits, guarantees, chargebacks, credit memos, on-account credits, and adjustments.
- Submit this report from the Print Other Reports window, or use the Submit Requests window to run the report as a concurrent request.

Summary



Summary

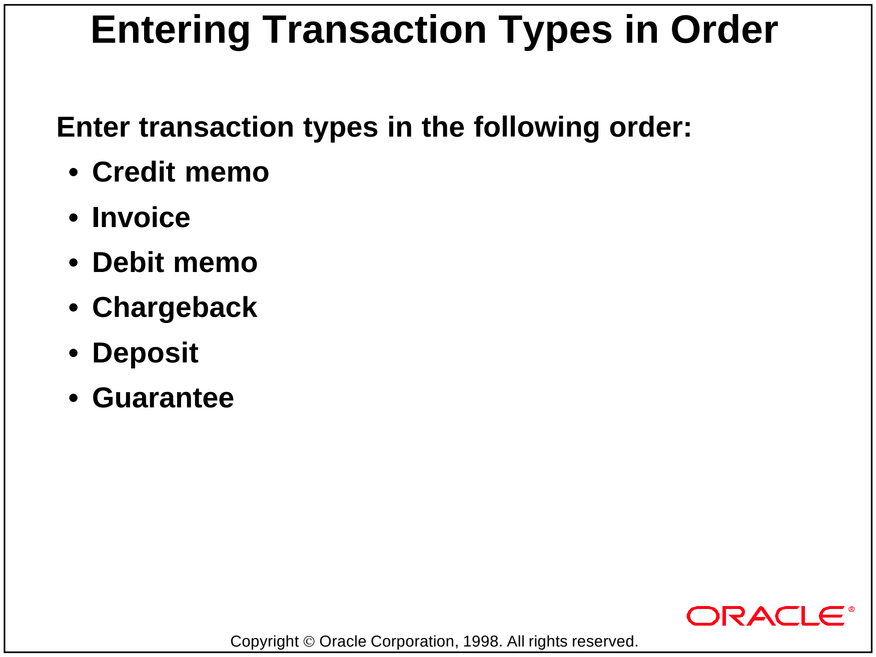
To complete the transaction process, you:

- Print invoices, debit memos, deposits, guarantees, and credit memos for distribution to customers
- Print batches or individual transactions
- Print summary or detail tax information
- Calculate finance charges for past-due and disputed items
- Display on-account and unapplied receipts on statements
- Create consolidated or site statements
- Review transaction details online or in reports

17

Setup Considerations

Entering Transaction Types in Order

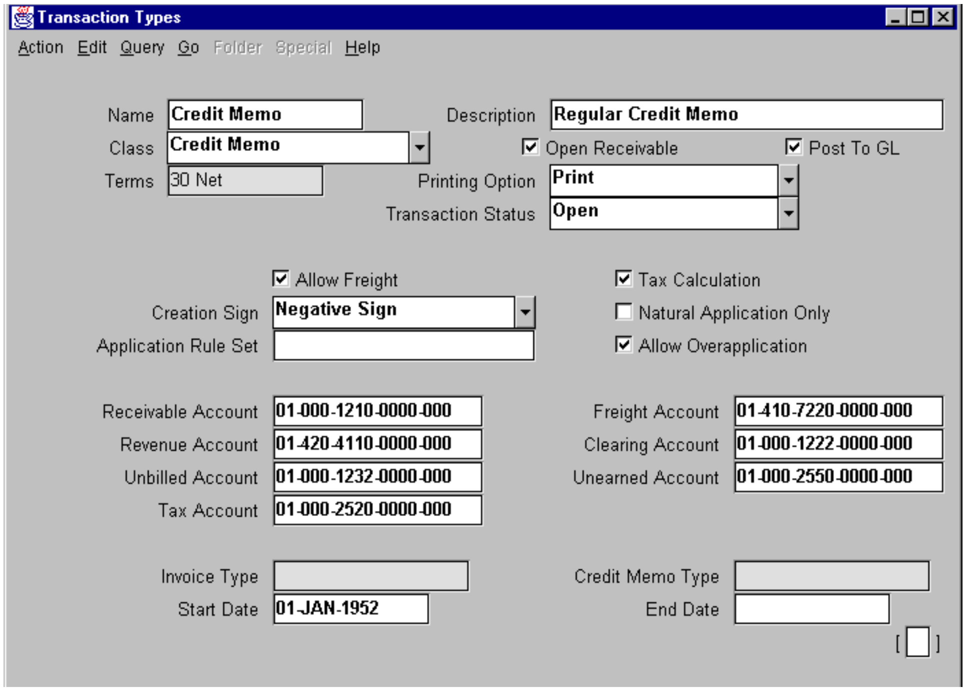


Entering Transaction Types in Order

Enter transaction types in the following order:

- **Credit memo**
- **Invoice**
- **Debit memo**
- **Chargeback**
- **Deposit**
- **Guarantee**

Defining Transaction Types



Name: Credit Memo
Description: Regular Credit Memo
Class: Credit Memo
☑ Open Receivable
☑ Post To GL
Terms: 30 Net
Printing Option: Print
Transaction Status: Open
☑ Allow Freight
☑ Tax Calculation
Creation Sign: Negative Sign
☐ Natural Application Only
Application Rule Set:
☑ Allow Overapplication
Receivable Account: 01-000-1210-0000-000
Freight Account: 01-410-7220-0000-000
Revenue Account: 01-420-4110-0000-000
Clearing Account: 01-000-1222-0000-000
Unbilled Account: 01-000-1232-0000-000
Unearned Account: 01-000-2550-0000-000
Tax Account: 01-000-2520-0000-000
Invoice Type:
Credit Memo Type:
Start Date: 01-JAN-1952
End Date:

Transaction Types

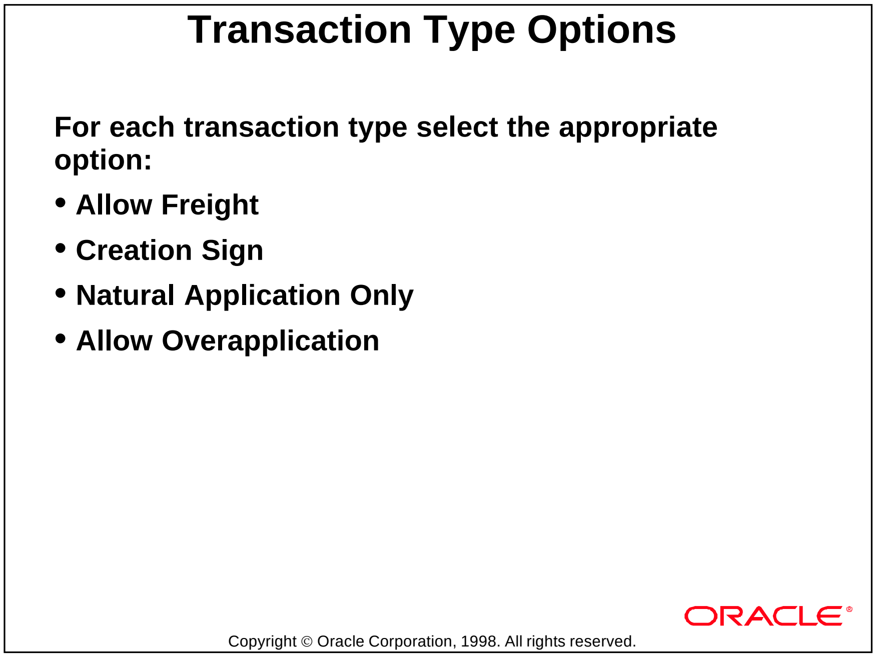
(N) Setup—>Transactions—>Transaction Types

Define and assign transaction types to default payment term, account, tax, freight, creation sign, posting, and receivables information.

Entering Transaction Type Information

- Categorize transaction types by assigning them to a class of Invoice, Credit Memo, Debit Memo, Deposit, Guarantee, or Chargeback. Transaction types are displayed in windows as lists of values.
- Select the Open Receivable check box to have transactions update customer balances and aging reports. Required for deposits and guarantees.
- Clear the Open Receivable check box for internal invoices that don’t age.
- Select Post To GL check box to post transactions with this transaction type to the Oracle General Ledger. Required for deposits and guarantees.
- Specify whether to print transactions with this transaction type.
- Assign a status of Open, Closed, Pending, or Void to this transaction.

Transaction Type Options



Transaction Type Options

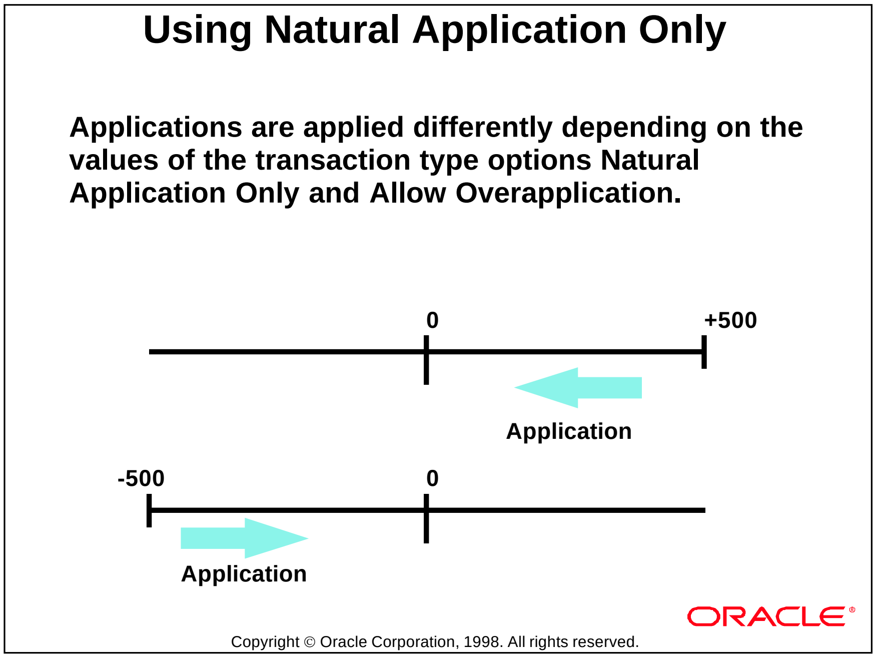
For each transaction type select the appropriate option:

- **Allow Freight**
- **Creation Sign**
- **Natural Application Only**
- **Allow Overapplication**

Transaction Type Options

Option Name	Description
Allow Freight	Allow freight amounts to be entered.
Tax Calculation	Calculate tax automatically.
Creation Sign	Positive, Negative, or Any Sign for initial sign of transaction. Positive required for guarantees and deposits.
Natural Application Only	Restrict the direction in which invoices, debit memos, deposits, guarantees, credit memos, and on-account credits can be updated by applications entered against them. Natural application does not apply to adjustments and chargebacks. If Natural Application Only is selected, clear the Allow Overapplication check box.
Allow Overapplication	Allow items to be overapplied. Check box defaults to cleared for guarantees and deposits. If this check box is selected, clear Natural Application Only check box.

Using Natural Application Only



Using Natural Application Only

Applications are applied differently depending on the values of the transaction type options Natural Application Only and Allow Overapplication.

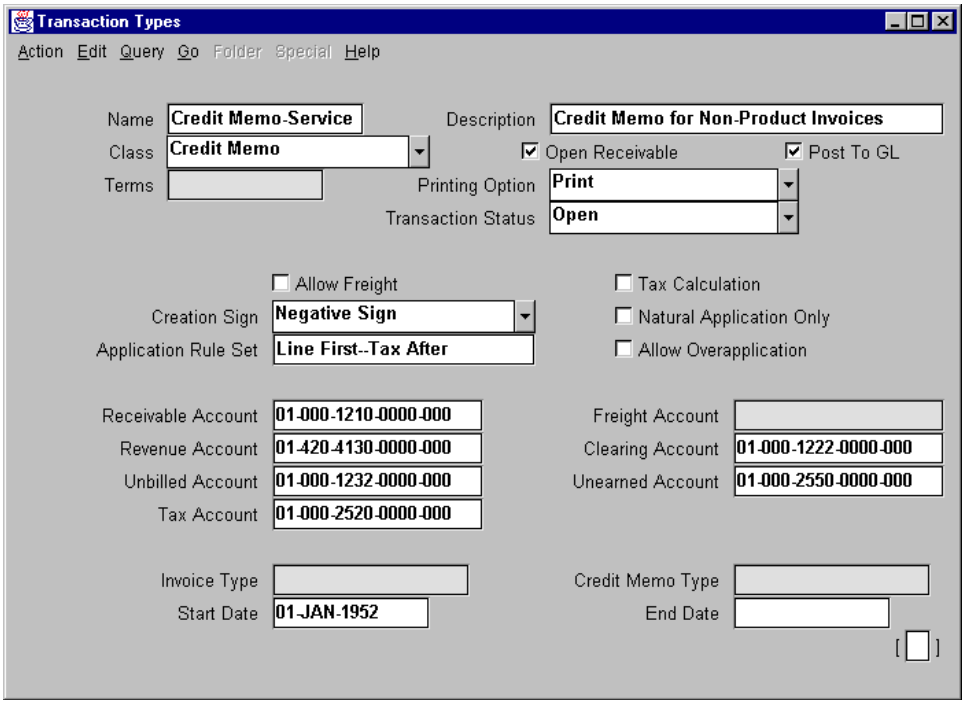
Natural Application Only Selected, Allow Overapplication Clear

Oracle Receivables allows any application, other than adjustments and chargebacks, that reduces the transaction amount toward or to zero *without* changing the sign of the transaction. For example, if the transaction amount is ±$500, Oracle Receivables allows the applications as shown in the diagram.

Natural Application Only Clear, Allow Overapplication Selected or Clear

Oracle Receivables allows any application that reduces or increases the transaction, even if the application changes the sign of the transaction.

Entering Transaction Type Account Information



Name: Credit Memo-Service
Description: Credit Memo for Non-Product Invoices
Class: Credit Memo
☑ Open Receivable
☑ Post To GL
Terms:
Printing Option: Print
Transaction Status: Open
☐ Allow Freight
☐ Tax Calculation
Creation Sign: Negative Sign
☐ Natural Application Only
Application Rule Set: Line First--Tax After
☐ Allow Overapplication
Receivable Account: 01-000-1210-0000-000
Freight Account:
Revenue Account: 01-420-4130-0000-000
Clearing Account: 01-000-1222-0000-000
Unbilled Account: 01-000-1232-0000-000
Unearned Account: 01-000-2550-0000-000
Tax Account: 01-000-2520-0000-000
Invoice Type:
Credit Memo Type:
Start Date: 01-JAN-1952
End Date:

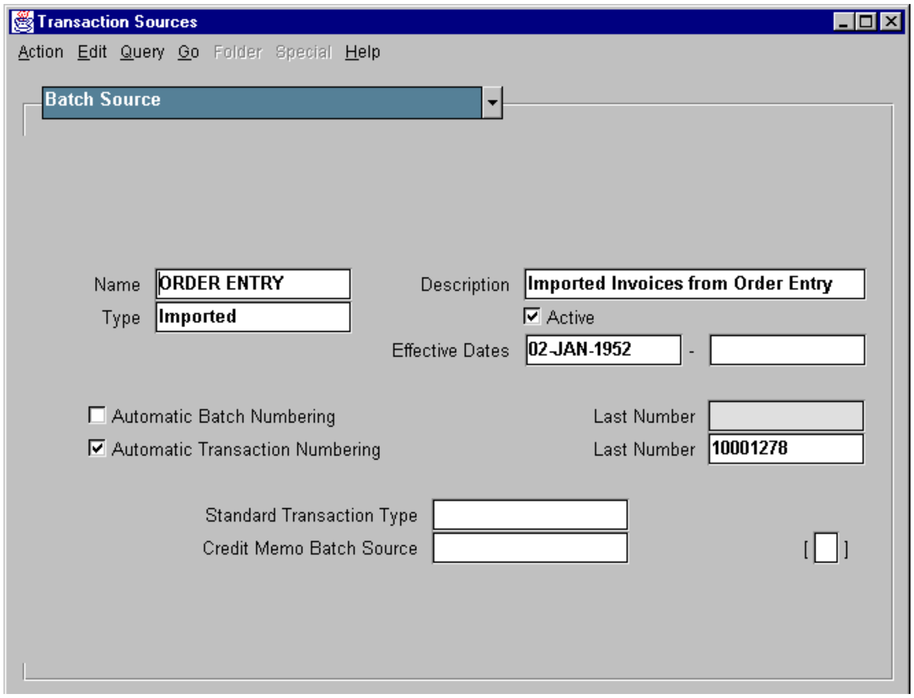
Transaction Types

(N) Set Up—>Transactions—>Transaction Types

- Receivable and revenue accounts for all classes of transaction types.
- Freight Account if Allow Freight is selected and the transaction type class is set to Invoice, Debit Memo, Credit Memo, or Chargeback.
- Clearing Account if the transaction type class is set to Invoice, Debit Memo, Credit Memo, or Chargeback. The account holds differences between the revenue amount and selling price (pro-rated discounts from Oracle Order Entry).
- Unbilled Account if the transaction type class is set to Invoice, Debit Memo, Credit Memo, or Chargeback. Used when billing in arrears
- Unearned Account if the transaction type class is set to Invoice, Debit Memo, Credit Memo, or Chargeback. Used when billing in advance.
- Tax Account if Tax Calculation is selected and the transaction type class is set to Invoice, Debit Memo, Credit Memo, or Chargeback.
- For deposits or guarantees, enter the invoice and credit memo types.

AutoAccounting is used to determine the default Oracle General Ledger accounts.

Defining Invoice Sources



Name: ORDER ENTRY
Type: Imported
Description: Imported Invoices from Order Entry
☑ Active
Effective Dates: 02-JAN-1952 -
☐ Automatic Batch Numbering
Last Number:
☑ Automatic Transaction Numbering
Last Number: 10001278
Standard Transaction Type:
Credit Memo Batch Source:

Transaction Sources: Batch Source Region

(N) Setup—>Transactions—>Sources

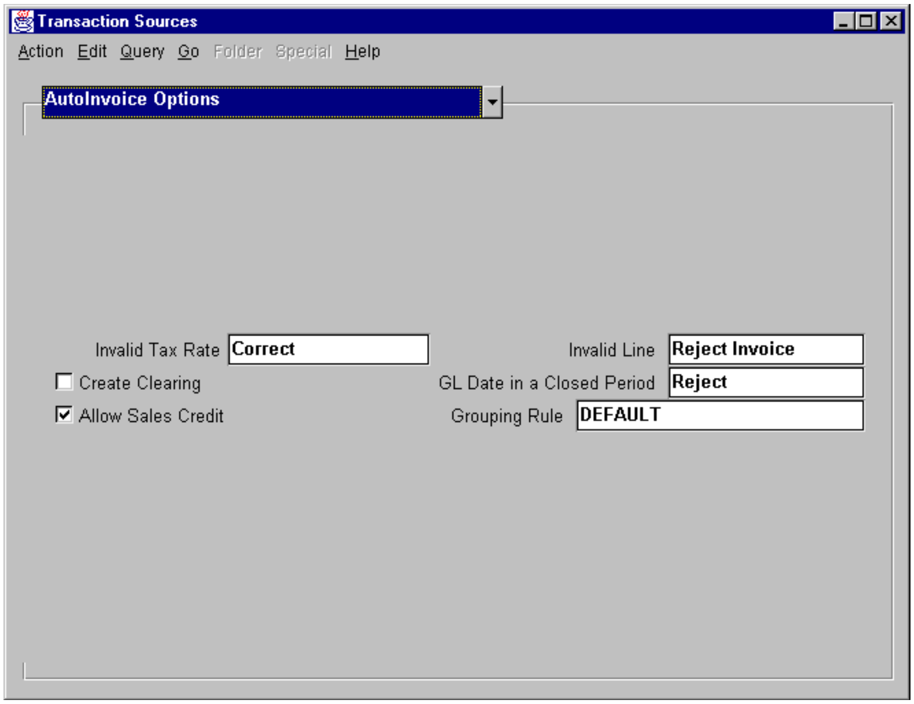
Control transaction batching and numbering, specify default transaction type, and select validation options for imported transactions. Assign batch sources to invoices, debit memos, commitments, credit memos, and on-account credits.

Select or specify the following fields:

- Batch source type: Imported for transactions that are imported through AutoInvoice. Manual for transactions that are entered manually.
- Automatic Batch Numbering to automatically number batches created using this source. Not available for imported type sources.
- Automatic Invoice Numbering to automatically number invoices created using this batch source.
- Last Number(s) as one less than the desired starting number.

Imported batches are named using batch source and concurrent request ID.

Selecting AutoInvoice Processing Options



Invalid Tax Rate: Correct

Invalid Line: Reject Invoice

☐ Create Clearing

GL Date in a Closed Period: Reject

☑ Allow Sales Credit

Grouping Rule: DEFAULT

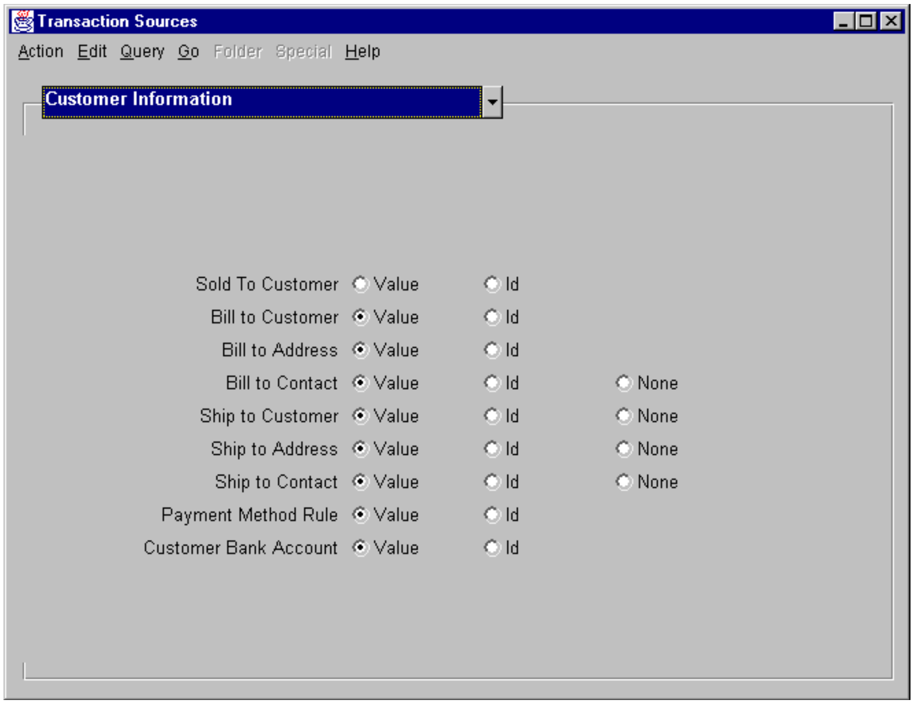
Transaction Sources: AutoInvoice Options Region

(N) Setup—>Transactions—>Sources

Entering Processing and Validation Options

- If the tax rate does not match the tax rate for the tax code of the imported transaction, you can either correct the tax rate or reject the transaction.
- You can create or reject an invoice, debit memo, or credit memo that does not have valid transaction lines.
- If there is a difference between the passed and calculated revenue amount, use the AutoInvoice Clearing account. AutoInvoice calculates the revenue amount by multiplying the quantity and unit selling price. If you don’t want to use the AutoInvoice Clearing account, the passed and calculated revenue amount must be the same.
- If the transaction date is in a closed period, you can adjust the date to the first GL date of the next open or future period or you can reject the transaction.
- Optionally, enter an AutoInvoice grouping rule.

Specifying Calculation and Validation Options



Sold To Customer ○ Value ○ Id
Bill to Customer ● Value ○ Id
Bill to Address ● Value ○ Id
Bill to Contact ● Value ○ Id ○ None
Ship to Customer ● Value ○ Id ○ None
Ship to Address ● Value ○ Id ○ None
Ship to Contact ● Value ○ Id ○ None
Payment Method Rule ● Value ○ Id
Customer Bank Account ● Value ○ Id

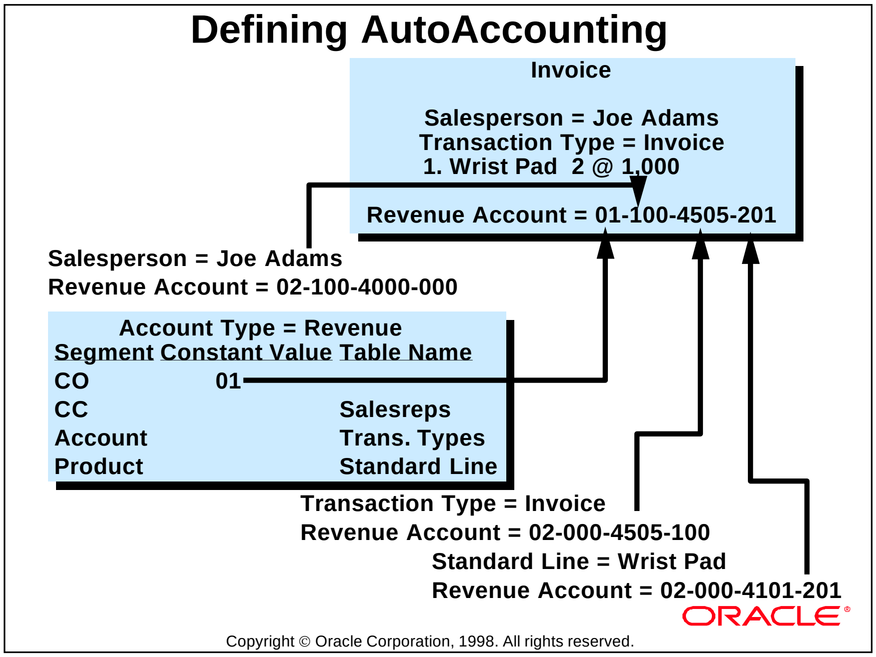
Transaction Sources: Customer Information Region

(N) Setup—>Transactions—>Sources

Specify validation options for transactions created and imported through AutoInvoice. Complete this window if the batch source type is Imported.

Option	**AutoInvoice Validates Imported**
ID	IDs for this field (AutoInvoice validates IDs faster than it validates values and segments.)
Value	Value for this field
None	AutoInvoice ignores any information imported for this field
Segment	Segment for this field (Applies only to Accounting flexfield, Sales Territory, and Inventory Item.)
Code	Code for this field (Applies only to FOB Point and Freight Carrier.)

Defining AutoAccounting



Defining AutoAccounting

Invoice

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

Revenue Account = 01-100-4505-201

Salesperson = Joe Adams
Revenue Account = 02-100-4000-000

Account Type = Revenue

Segment	Constant Value	Table Name
CO	01	
CC		Salesreps
Account		Trans. Types
Product		Standard Line

Transaction Type = Invoice
Revenue Account = 02-000-4505-100

Standard Line = Wrist Pad
Revenue Account = 02-000-4101-201

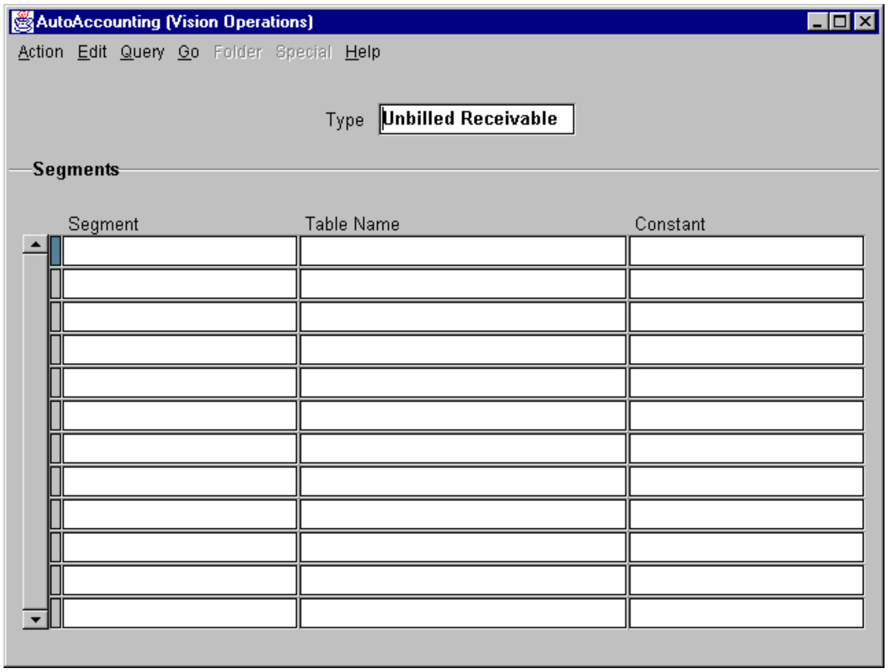
AutoAccounting Default Accounts

Specify how Oracle Receivables determines the default Oracle General Ledger accounts for transactions.

Segment values can point to:

- Constant values
- Salesperson
- Transaction type
- Standard memo line or inventory item
- Tax code

Setting Up AutoAccounting


AutoAccounting (Vision Operations)
Action Edit Query Go Folder Special Help
Segments
Segment
Table Name
Constant

Type: Unbilled Receivable

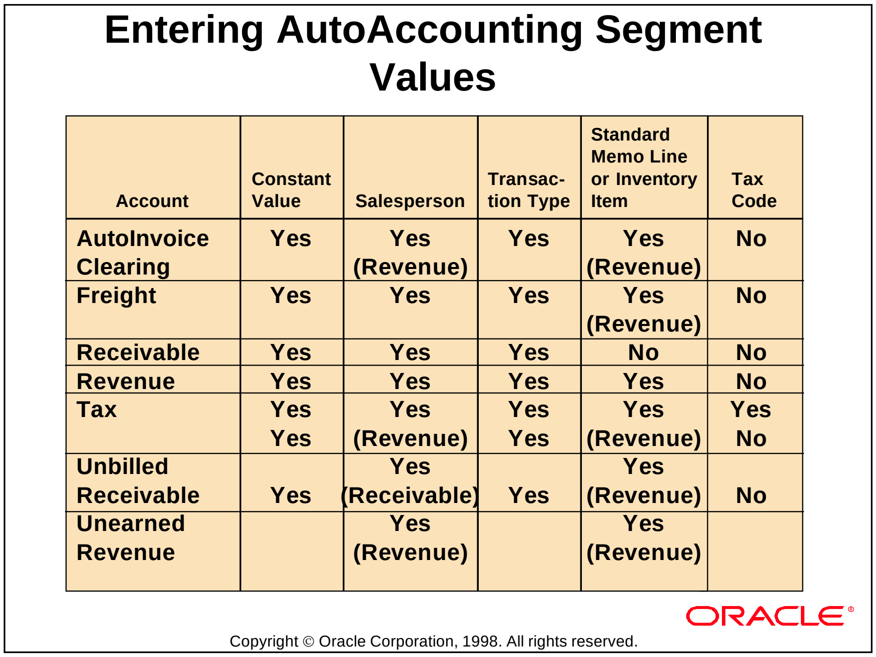
Auto Accounting

(N) Setup—>Transactions—>AutoAccounting

For each account type, define the flexfield segmentsby selecting a table name or entering a constant value.

Type	**Enter**
Freight	Freight account for transactions.
Receivable	Receivable account for transactions.
Revenue	Revenue account for transactions and unearned commitments.
AutoInvoice Clearing	Clearing account for imported transactions. Clearing account holds difference between imported and calculated revenue amount.
Tax	Tax account for transactions.
Unbilled or Unearned Receivable	Unbilled (arrears) or Unearned (advance) receivable account for transactions with rules. Used if accounting rule recognizes revenue before (arrears) or after (advance) billing.

Entering AutoAccounting Segment Values



Entering AutoAccounting Segment Values

Account	Constant Value	Salesperson	Transac-tion Type	Standard Memo Line or Inventory Item	Tax Code
AutoInvoice Clearing	Yes	Yes (Revenue)	Yes	Yes (Revenue)	No
Freight	Yes	Yes	Yes	Yes (Revenue)	No
Receivable	Yes	Yes	Yes	No	No
Revenue	Yes	Yes	Yes	Yes	No
Tax	Yes Yes	Yes (Revenue)	Yes Yes	Yes (Revenue)	Yes No
Unbilled Receivable	Yes	Yes (Receivable)	Yes	Yes (Revenue)	No
Unearned Revenue		Yes (Revenue)		Yes (Revenue)	

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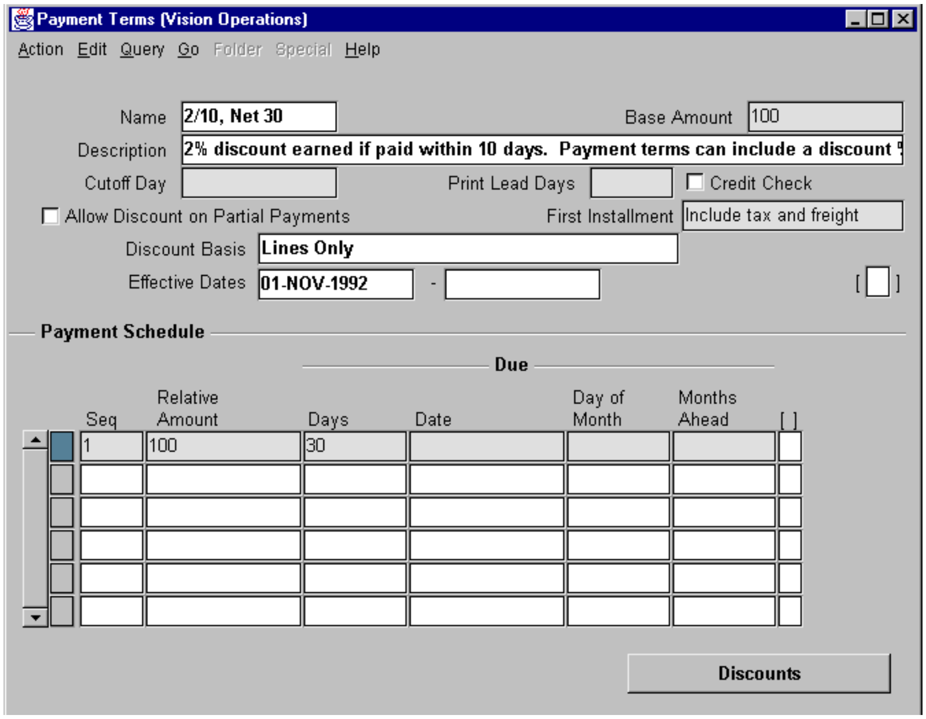
Assigning Segment Values

Enter either a constant value or one of the following values for each segment:

- (Revenue) = Segment value from the revenue account
- (Receivable) = Segment value from the receivable account

Defining Payment Terms


Payment Terms (Vision Operations)
Action Edit Query Go Folder Special Help
Payment Schedule
Due
Discounts

Name: 2/10, Net 30
Base Amount: 100
Description: 2% discount earned if paid within 10 days. Payment terms can include a discount
Cutoff Day:
Print Lead Days:
☐ Credit Check
☐ Allow Discount on Partial Payments
First Installment: Include tax and freight
Discount Basis: Lines Only
Effective Dates: 01-NOV-1992 -

Seq	Relative Amount	Days	Date	Day of Month	Months Ahead
1	100	30			

Payment Terms

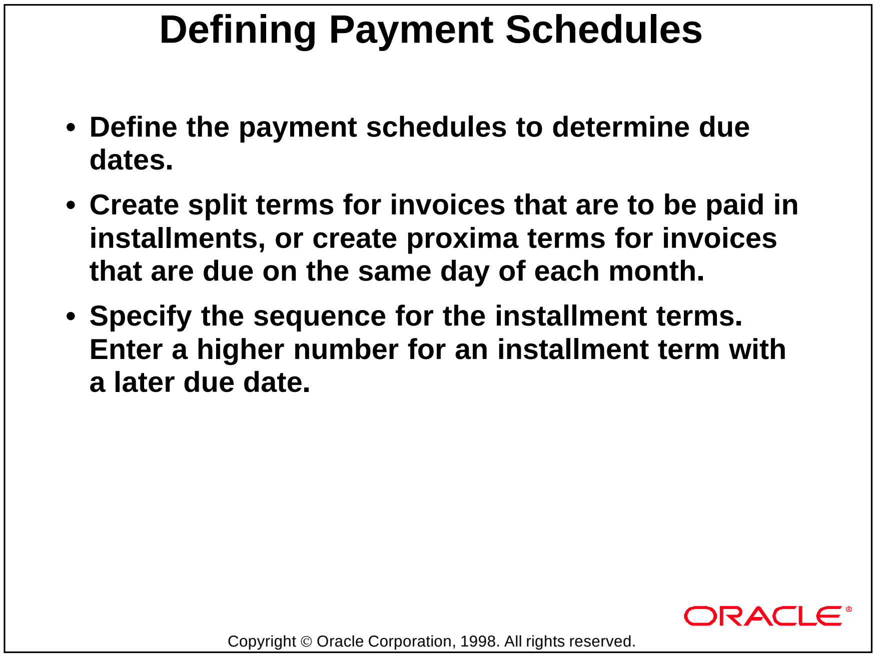
(N) Setup—>Transactions—>Payment Terms

Define standard payment terms to determine payment schedules and percentages of discounts allowed.

- Enter formula used to determine amount due:

  Amount Due = Relative Amount/Base Amount x Invoice Amount
- Define proxima terms to pay expenses occurring on the same day each month. The Cutoff Day field specifies day that will start the next billing cycle. Transactions due before this day are billed in the current period.
- In the Print Lead Days field, enter the number of days before the due date for transactions with split-payment terms to be printed.
- Select Credit Check check box to trigger Order Entry credit check.
- Select the check box to allow discounts on partial payments.
- Specify how to allocate tax and freight on invoices with split terms: in the first installment, or pro-rated across all installments.

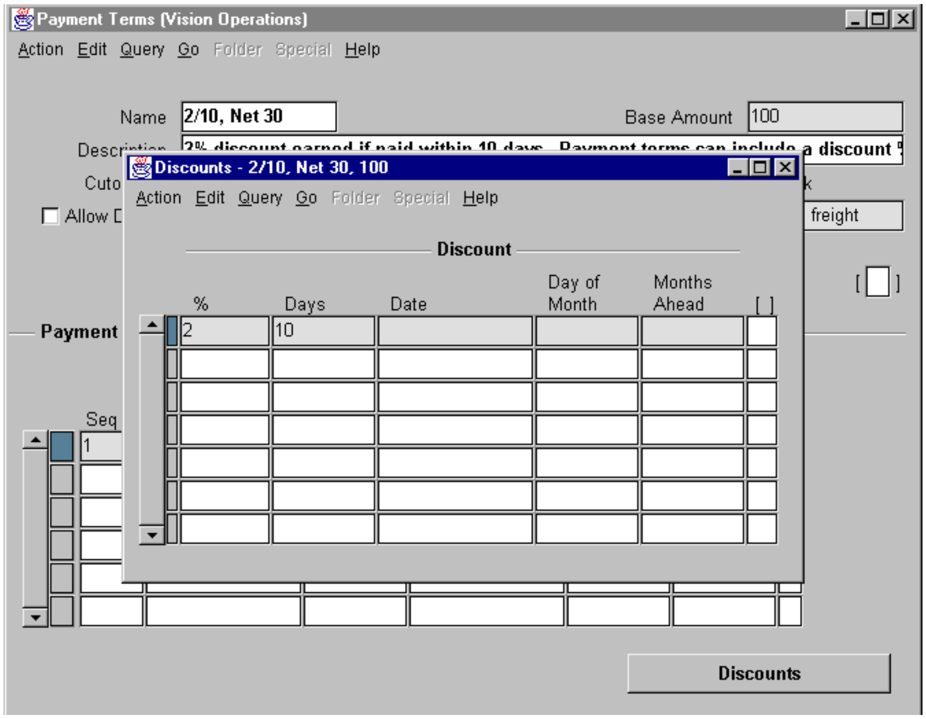
Defining Payment Schedules



Defining Payment Schedules

- Define the payment schedules to determine due dates.
- Create split terms for invoices that are to be paid in installments, or create proxima terms for invoices that are due on the same day of each month.
- Specify the sequence for the installment terms. Enter a higher number for an installment term with a later due date.

Defining Discounts


Payment Terms (Vision Operations)
Action Edit Query Go Folder Special Help
Discounts - 2/10, Net 30, 100
Action Edit Query Go Folder Special Help
Payment
Seq
Discounts

Name: 2/10, Net 30

Base Amount: 100

Description: 2% discount earned if paid within 10 days. Payment terms can include a discount

☐ Allow D

freight

Discount

%	Days	Date	Day of Month	Months Ahead	[ ]
2	10				

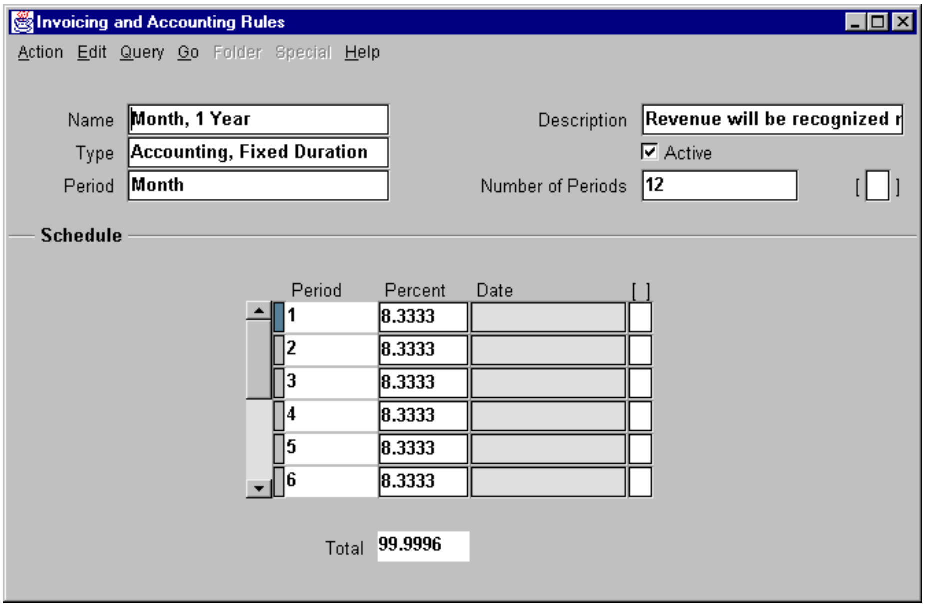
Payment Terms: Discounts

(N) Setup—>Transactions—>Payment Terms—>Discounts

Enter the discounts to assign to each payment schedule line of the payment terms.

- Assign multiple discounts to each payment schedule.
- Enter the discount percent and the time period in which this discount can be given to customers.
- Enter a specific date, or enter the number of days after the invoice date when the amount becomes due.

Defining Accounting Rules



Name: Month, 1 Year
Type: Accounting, Fixed Duration
Period: Month
Description: Revenue will be recognized r
☑ Active
Number of Periods: 12

Period	Percent	Date
1	8.3333	
2	8.3333	
3	8.3333	
4	8.3333	
5	8.3333	
6	8.3333	

Total: 99.9996

Invoicing and Accounting Rules

(N) Setup—>Transactions—>Accounting Rules

Use accounting rules with invoicing rules to determine when to book revenue and receivable amounts over several periods.

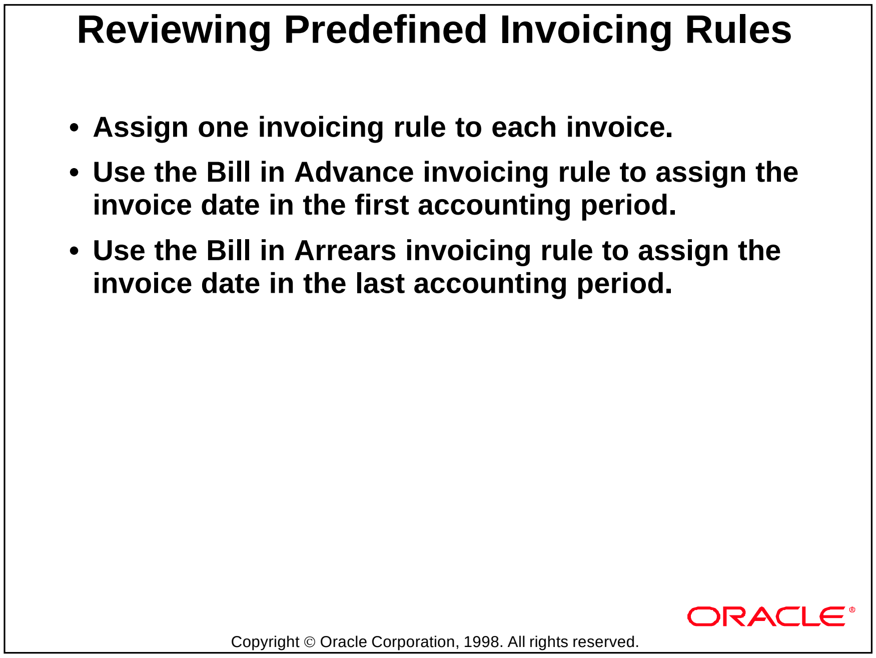
Defining Accounting Rules

- Assign one accounting rule to each invoice line.
- Use the Accounting, Fixed Duration type to recognize revenue evenly over a specific number of periods. Enter the Number of Periods.
- Use the Accounting, Variable Duration type to pass a revenue recognition value to AutoInvoice.

Specifying Percentage Schedule

- If you are using fixed duration, Oracle Receivables displays a rule schedule based on information entered in the previous region. Accept or change this evenly pro-rated schedule.
- Create one variable duration for each period type.

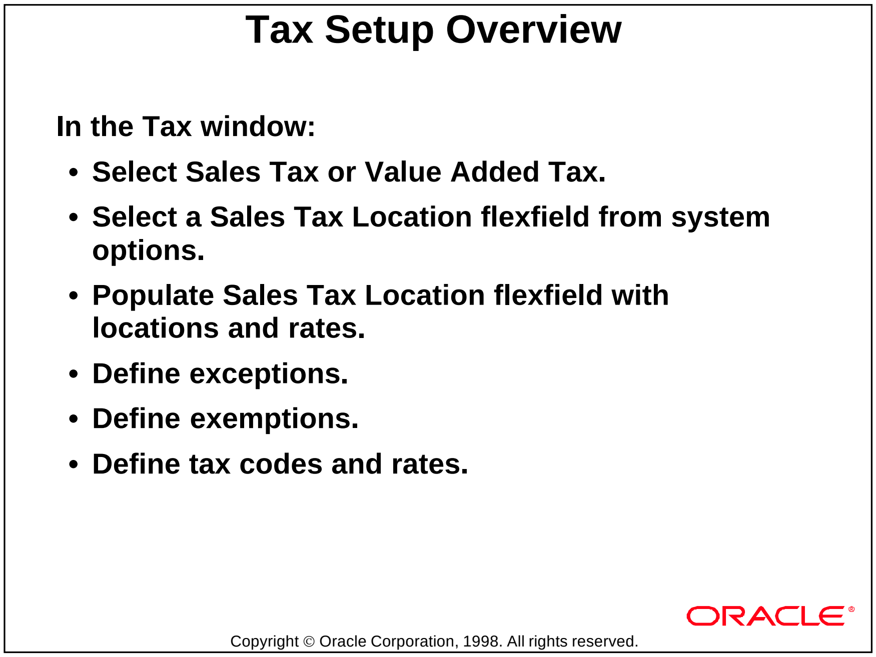
Reviewing Predefined Invoicing Rules



Reviewing Predefined Invoicing Rules

- **Assign one invoicing rule to each invoice.**
- **Use the Bill in Advance invoicing rule to assign the invoice date in the first accounting period.**
- **Use the Bill in Arrears invoicing rule to assign the invoice date in the last accounting period.**

Tax Setup Overview

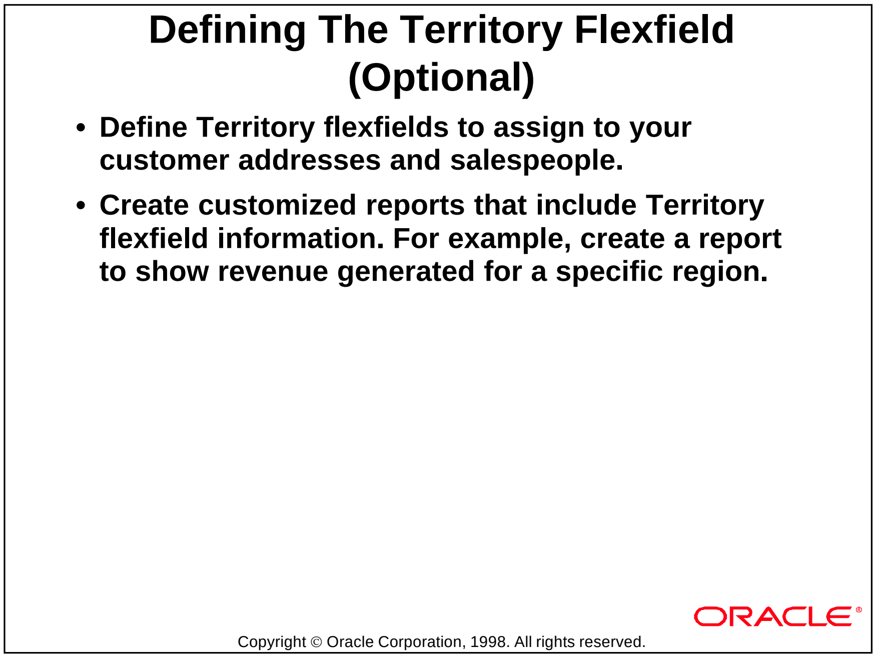


Tax Setup Overview

In the Tax window:

- **Select Sales Tax or Value Added Tax.**
- **Select a Sales Tax Location flexfield from system options.**
- **Populate Sales Tax Location flexfield with locations and rates.**
- **Define exceptions.**
- **Define exemptions.**
- **Define tax codes and rates.**

Defining the Territory Flexfield (Optional)



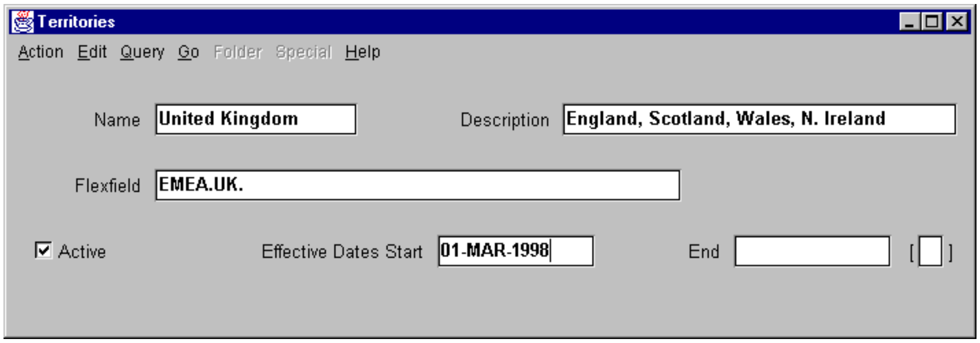
Defining The Territory Flexfield (Optional)

- **Define Territory flexfields to assign to your customer addresses and salespeople.**
- **Create customized reports that include Territory flexfield information. For example, create a report to show revenue generated for a specific region.**

Territory Flexfields

From the available list of values, select Source of Territory in the Miscellaneous region in the System Options window. The Source of Territory will determine what Territory flexfield values are assigned to transactions.

Defining Territories


Territories
Action Edit Query Go Folder Special Help

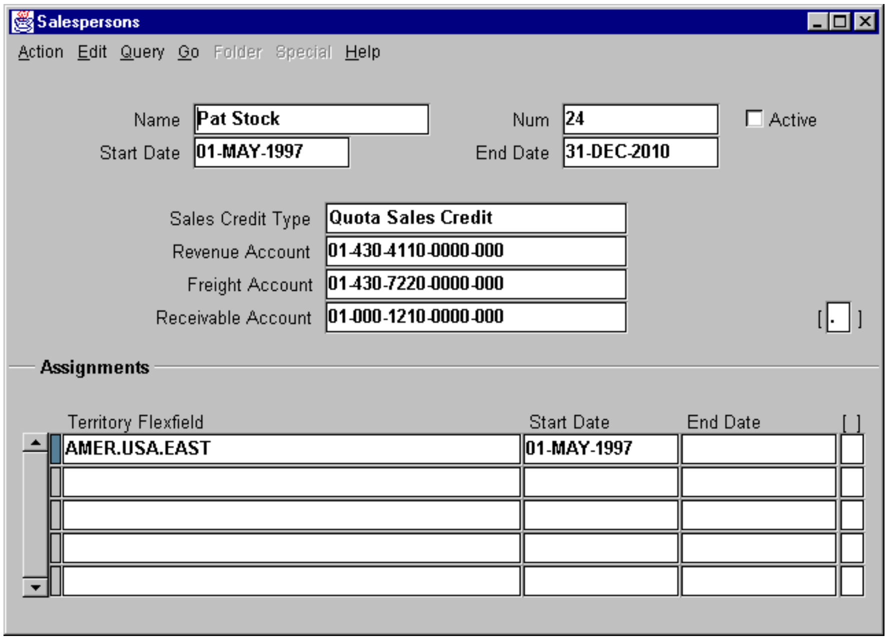
Name	United Kingdom	Description	England, Scotland, Wales, N. Ireland		
Flexfield	EMEA.UK.				
☑ Active		Effective Dates Start	01-MAR-1998	End	

Territories

(N) Setup—>Transactions—>Territories

Create and assign names to specific Territory flexfield combinations. Assign key flexfields to these territories to use with custom reporting.

Defining Salespeople



Name: Pat Stock
Num: 24
☐ Active
Start Date: 01-MAY-1997
End Date: 31-DEC-2010
Sales Credit Type: Quota Sales Credit
Revenue Account: 01-430-4110-0000-000
Freight Account: 01-430-7220-0000-000
Receivable Account: 01-000-1210-0000-000

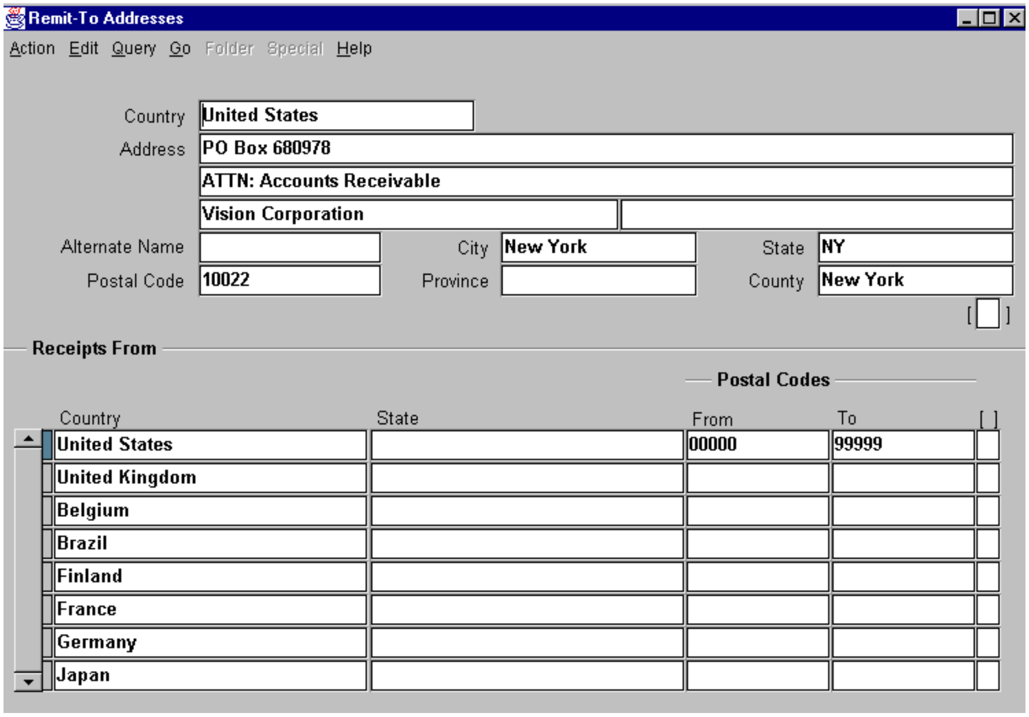
Territory Flexfield	Start Date	End Date
AMER.USA.EAST	01-MAY-1997	

Salespersons

(N) Setup—>Transactions—>Salespersons

- Define salespeople to allow you to allocate sales credit for transactions.
- Assign revenue, freight, and receivable accounts to each salesperson. If the AutoAccounting process uses salesperson information, Oracle Receivables uses these accounts to determine default general ledger accounts for transactions.
- Optionally assign a Territory flexfield to each salesperson.
- Determine the source of the Territory flexfield default for the Transactions window by entering a value in the Source of Territory field in the Miscellaneous region of the Define System Options window.
- Determine whether a salesperson name is required when entering transactions by selecting the check box for Require Salesreps in the Miscellaneous region of the System Options window.

Defining Remit-To Addresses



Country	United States				
Address	PO Box 680978				
	ATTN: Accounts Receivable				
	Vision Corporation				
Alternate Name		City	New York	State	NY
Postal Code	10022	Province		County	New York

Receipts From

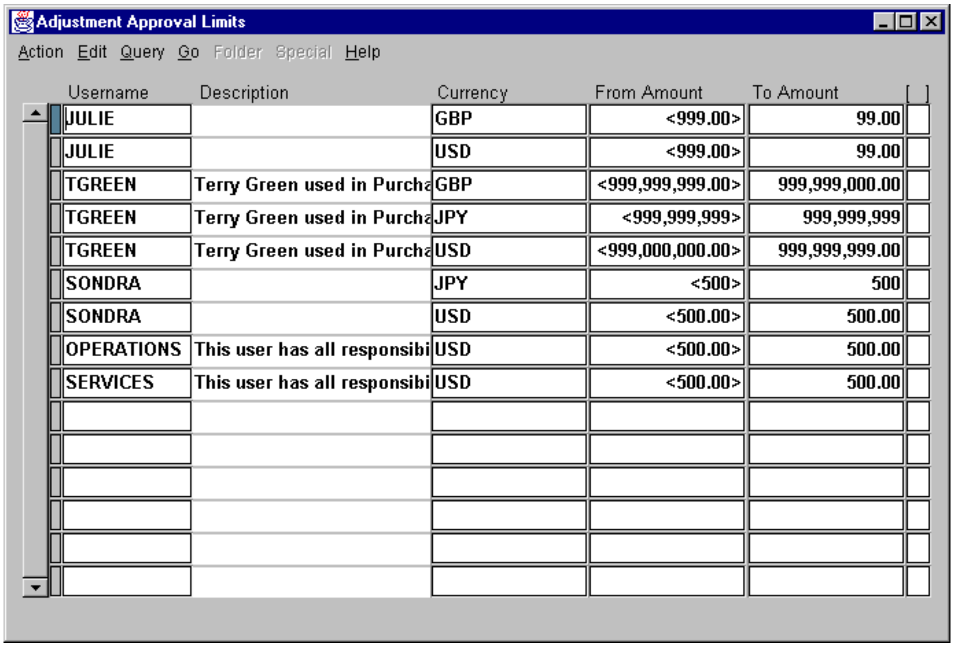
		Postal Codes	
Country	State	From	To
United States		00000	99999
United Kingdom			
Belgium			
Brazil			
Finland			
France			
Germany			
Japan			

Remit-To Addresses

(N) Setup—>Print—>Remit-To Addresses

- Define remit-to addresses to let customers know where to send payment. These could be a lockbox addresses.
- Assign each remit-to address to one or more state, country, and postal code combinations. Oracle Receivables automatically assigns all customers with bill-to addresses in the states and countries defined here to corresponding remit-to addresses.
- To catch any missing assignments, set up a remit-to address assigned to the default location. If you enter or import an invoice with an address that does not correspond to any of your assignments, it uses the default remit-to address.
- Use flexible address formats to enter your remit-to addresses.

Defining Adjustment Limits



Username	Description	Currency	From Amount	To Amount	[ ]
JULIE		GBP	<999.00>	99.00	
JULIE		USD	<999.00>	99.00	
TGREEN	Terry Green used in Purcha	GBP	<999,999,999.00>	999,999,000.00	
TGREEN	Terry Green used in Purcha	JPY	<999,999,999>	999,999,999	
TGREEN	Terry Green used in Purcha	USD	<999,000,000.00>	999,999,999.00	
SONDRA		JPY	<500>	500	
SONDRA		USD	<500.00>	500.00	
OPERATIONS	This user has all responsibi	USD	<500.00>	500.00	
SERVICES	This user has all responsibi	USD	<500.00>	500.00	

Adjustment Approval Limits

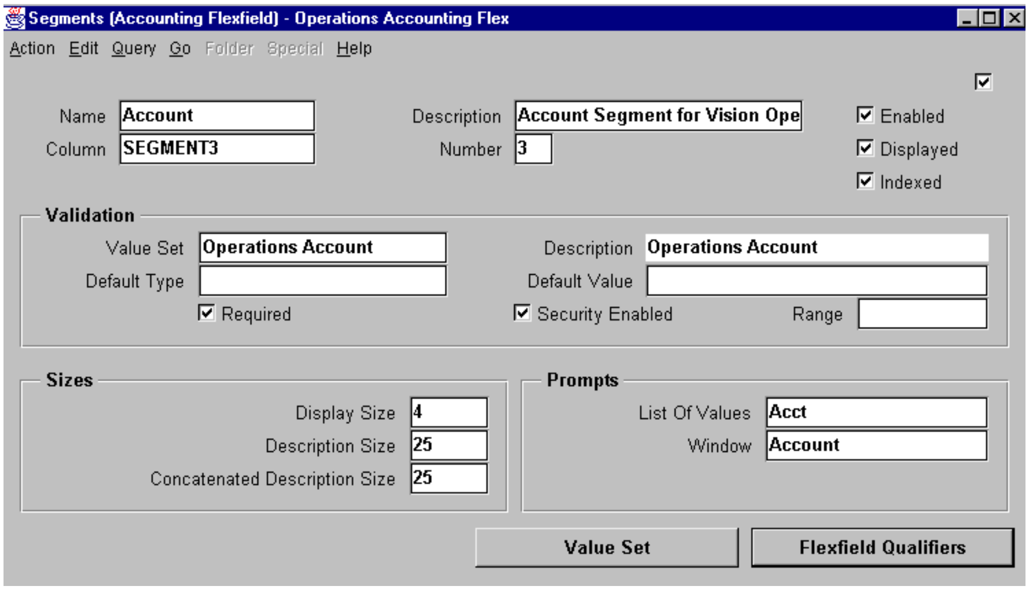
(N) Setup—>Transactions—>Adjustment Limits

Define adjustment approval limits for each currency to be enforced when each user creates adjustments to invoices, debit memos, chargebacks, deposits, guarantees, credit memos, and on-account credits.

Specifying Limit Amounts

- Enter a positive or negative minimum adjustment 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 adjustment amount that the user can approve. The maximum amount must be greater than or equal to the minimum amount.
- Enter adjustment approval limits for each currency.
- The Submit AutoAdjustments window and the Adjustments window (accessed from the Transactions, Receipts, and Collections workbenches) check approval adjustment limits.

Defining the Item Flexfield


Segments (Accounting Flexfield) - Operations Accounting Flex
Action Edit Query Go Folder Special Help
Validation
Sizes
Prompts
Value Set
Flexfield Qualifiers

Name: Account
Column: SEGMENT3
Description: Account Segment for Vision Ope
Number: 3
☑ Enabled
☑ Displayed
☑ Indexed

Validation
Value Set: Operations Account
Description: Operations Account
Default Type:
Default Value:
☑ Required
☑ Security Enabled
Range:

Sizes
Display Size: 4
Description Size: 25
Concatenated Description Size: 25

Prompts
List Of Values: Acct
Window: Account

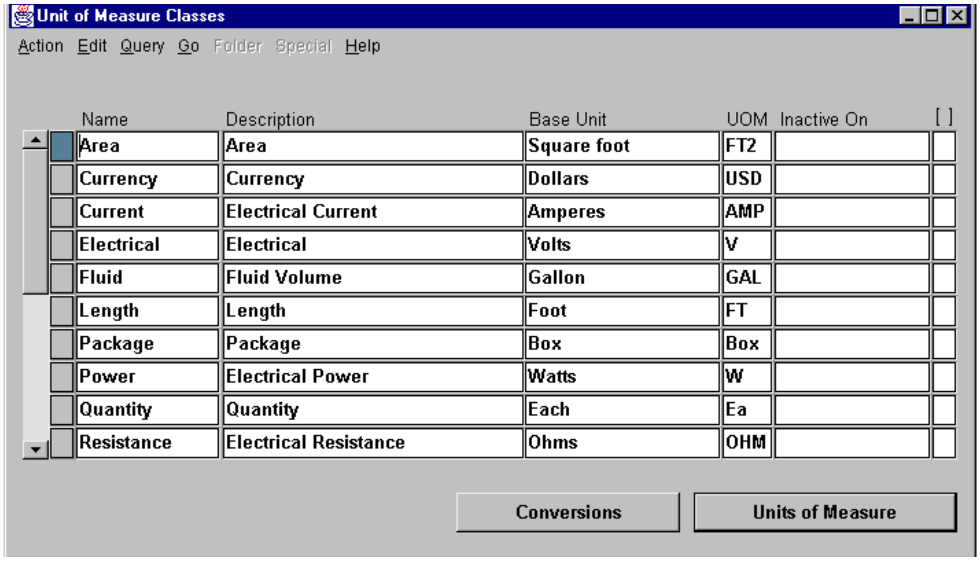
Segments

(N) Setup—>Financials—>Flexfields—>Key—>Segments—>
(B) Segments—>(B) Open

Defining the Item Flexfield

- Define the Items flexfield structure in the Categories window of Items in Set Up if inventory items are used in Oracle Receivables and if Oracle Inventory and Oracle Order Entry are not installed.
- If Oracle Inventory is installed, the Item flexfield is implemented.

Defining Unit of Measure Classes


Unit of Measure Classes
Action Edit Query Go Folder Special Help
Conversions
Units of Measure

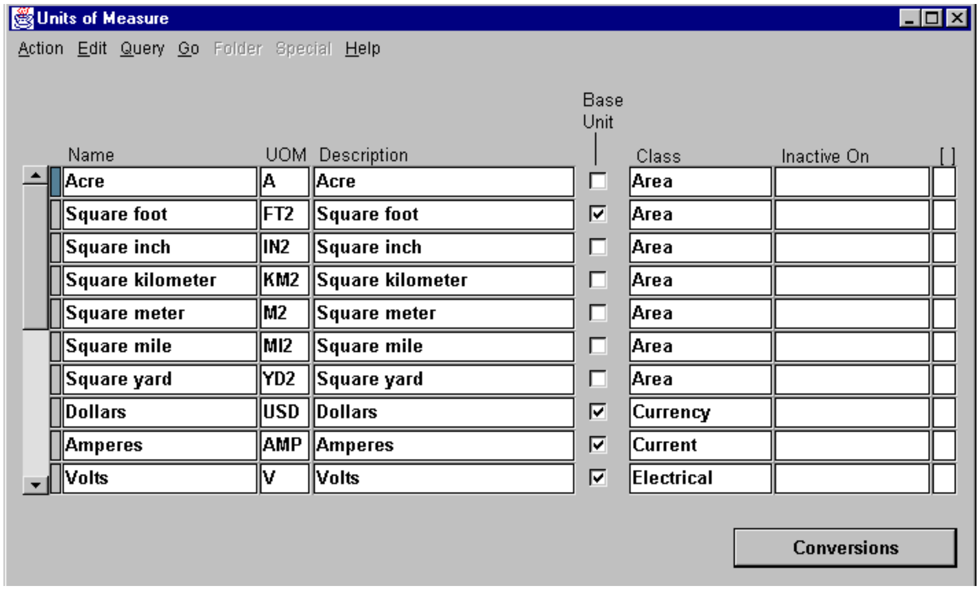
Name	Description	Base Unit	UOM	Inactive On	[ ]
Area	Area	Square foot	FT2		
Currency	Currency	Dollars	USD		
Current	Electrical Current	Amperes	AMP		
Electrical	Electrical	Volts	V		
Fluid	Fluid Volume	Gallon	GAL		
Length	Length	Foot	FT		
Package	Package	Box	Box		
Power	Electrical Power	Watts	W		
Quantity	Quantity	Each	Ea		
Resistance	Electrical Resistance	Ohms	OHM		

Unit of Measure Classes

(N) Setup—>System—>Units of Measure—>Classes

Define unit of measure classes to represent groups of units of measure with similar characteristics.

Defining Units of Measure



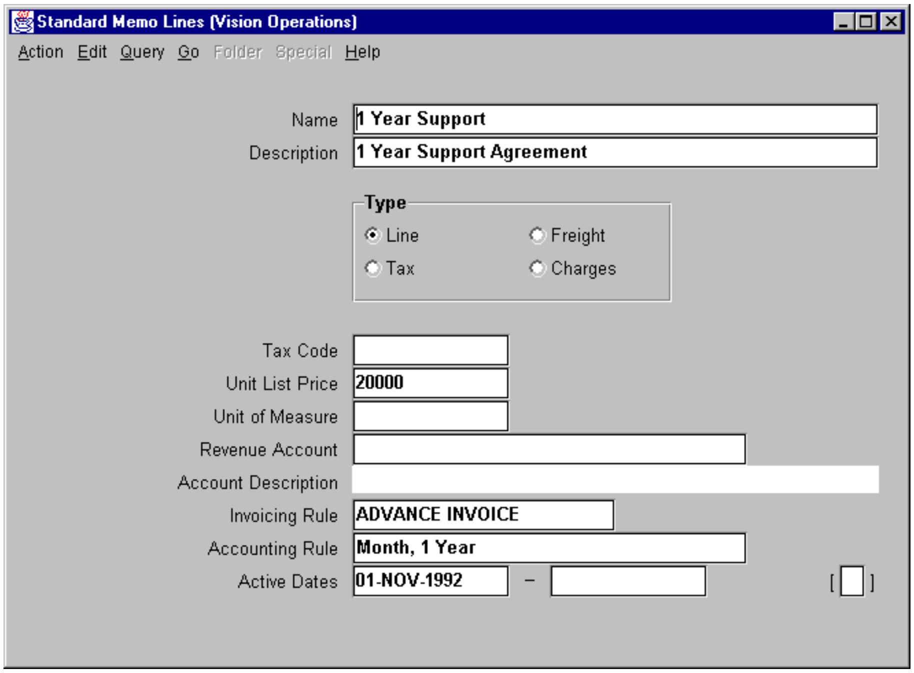
Name	UOM	Description	Base Unit	Class	Inactive On	[ ]
Acre	A	Acre	☐	Area		
Square foot	FT2	Square foot	☑	Area		
Square inch	IN2	Square inch	☐	Area		
Square kilometer	KM2	Square kilometer	☐	Area		
Square meter	M2	Square meter	☐	Area		
Square mile	MI2	Square mile	☐	Area		
Square yard	YD2	Square yard	☐	Area		
Dollars	USD	Dollars	☑	Currency		
Amperes	AMP	Amperes	☑	Current		
Volts	V	Volts	☑	Electrical		

Units of Measure

(N) Setup—>System—>Units of Measure—>UOM

Define and update units of measure used for tracking, issuing, purchasing, receiving, and storing inventory items. Units of measure are required on most transactions.

Defining Memo Lines


Standard Memo Lines (Vision Operations)
Action Edit Query Go Folder Special Help

Name: 1 Year Support

Description: 1 Year Support Agreement

Type: ● Line ○ Freight ○ Tax ○ Charges

Tax Code:

Unit List Price: 20000

Unit of Measure:

Revenue Account:

Account Description:

Invoicing Rule: ADVANCE INVOICE

Accounting Rule: Month, 1 Year

Active Dates: 01-NOV-1992 –

Standard Memo Lines

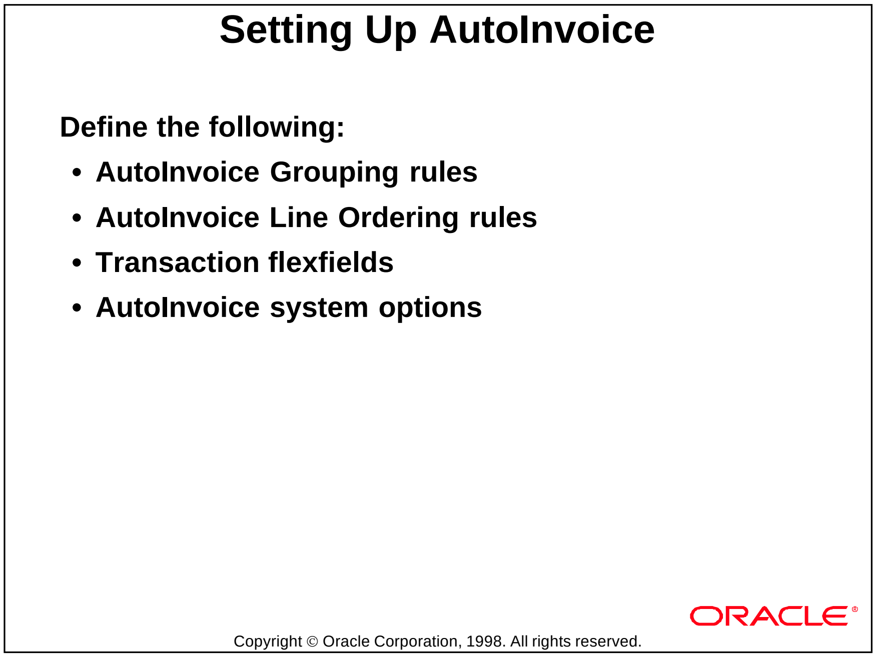
(N) Setup—>Transactions—>Memo Lines

Predefine lines for debit memos, on-account credits, and invoices.

Entering Standard Memo Line Information

- Select one of the following standard line types: Charges, Freight, Line, or Tax. AutoAccounting may use this type along with the Revenue flexfield to determine the revenue account for this standard memo line.
- Enter the tax code to associate with this standard memo line. Oracle Receivables uses this tax code and AutoAccounting rules to determine the default tax account for invoices with this standard memo line.
- Enter the unit price for this standard memo line. Oracle Receivables displays this price on debit memos, on-account credits, chargebacks, and invoices that include this standard memo line.

Setting Up AutoInvoice



Setting Up AutoInvoice

Define the following:

- **AutoInvoice Grouping rules**
- **AutoInvoice Line Ordering rules**
- **Transaction flexfields**
- **AutoInvoice system options**

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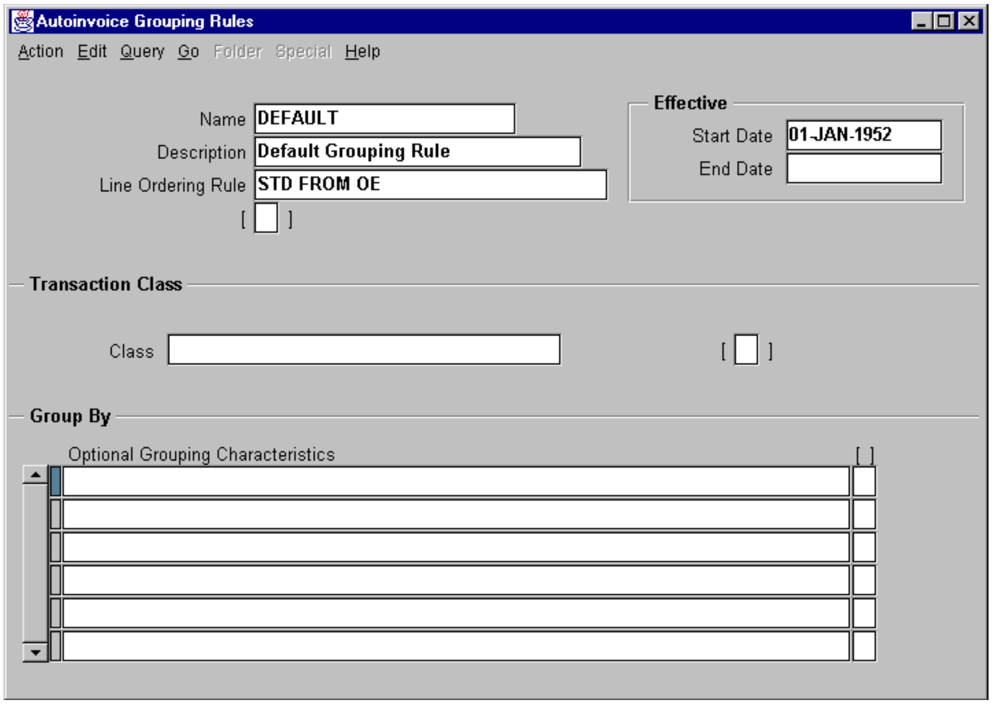
Defining AutoInvoice Rules and Options

Use AutoInvoice to import invoices, debit memos, credit memos, and on-account credits from other systems and from Oracle Order Entry.

Defining AutoInvoice Grouping Rules


Autoinvoice Grouping Rules
Action Edit Query Go Folder Special Help
Effective
Transaction Class
Class
Group By
Optional Grouping Characteristics

Name: DEFAULT
Description: Default Grouping Rule
Line Ordering Rule: STD FROM OE
Start Date: 01-JAN-1952
End Date:

Autoinvoice Grouping Rules

(N) Setup—>Transactions—>AutoInvoice—>Grouping Rules

Specify how to group imported transaction lines into transactions such as invoices and credit memos. A default grouping rule is provided with Oracle Receivables. Transaction lines are grouped using the required transaction attributes. Optional transaction attributes are also available to create custom grouping rules. An AutoInvoice Line Ordering Rule must be assigned to each grouping rule to order the lines of each transaction.

Grouping Rule Hierarchy

Assign grouping rules to invoice sources, customer credit profile classes, or system options. AutoInvoice uses the following hierarchy to determine which grouping rule to use:

- Invoice source
- Customer credit profile class
- System options

Required Transaction Attributes

These attributes must be included in all transactions.

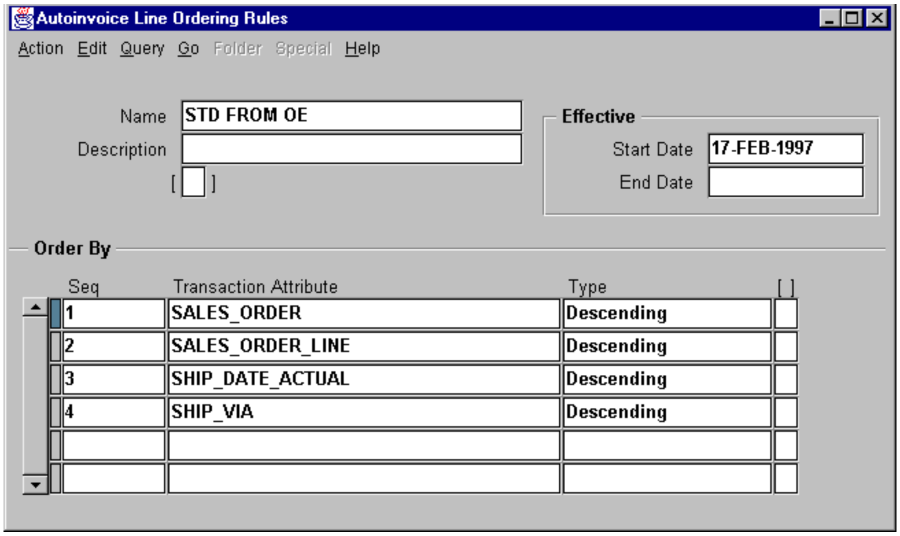
Agreement
Bill-To Address, Bill-To Contact, Bill-To Customer
Comments
Commitment Document’s ID
Conversion Date, Conversion Rate, and Conversion Rate Type
Credit Method for Accounting Rule and Credit Method for Installments
Credited Documents ID
Currency
Customer Bank Account
Document Number
Document Number Sequence ID
GL Date
Internal Notes
Invoice Date
Invoice Level Descriptive Attribute #1-15
Invoice Level Descriptive Category
Invoicing Rule
Memo Reason
Payment Terms
Primary Salesperson, Primary Agent
Printing Option
Purchase Order, Purchase Order Date, Purchase Order Revision
Receipt Method
Related Document
Sales Territory
Territory
Set of Books ID
Ship-To Address, Ship-To Contact, Ship-To Customer
Transaction Number
Transaction Type

Optional Transaction Attributes

These attributes may be included in transactions, but are not required.

Accounting Rule
Accounting Rule Duration
Inventory Item
Line Level Descriptive Attribute Category
Line Level Descriptive Attribute #1-15
Reference Line ID
Rule Start Date
Sales Order
Order
Sales Order Date
Order Date
Sales Order Line
Order Line
Sales Order Revision
Order Revision
Sales Order Source
Order Source
Tax Code
Tax Rate
Transaction Flexfield Attribute #1-15

Defining AutoInvoice Line Ordering Rules


Autoinvoice Line Ordering Rules
Action Edit Query Go Folder Special Help

Name: STD FROM OE

Description:

Effective

Start Date: 17-FEB-1997

End Date:

Order By

Seq	Transaction Attribute	Type
1	SALES_ORDER	Descending
2	SALES_ORDER_LINE	Descending
3	SHIP_DATE_ACTUAL	Descending
4	SHIP_VIA	Descending

Autoinvoice Line Ordering Rules

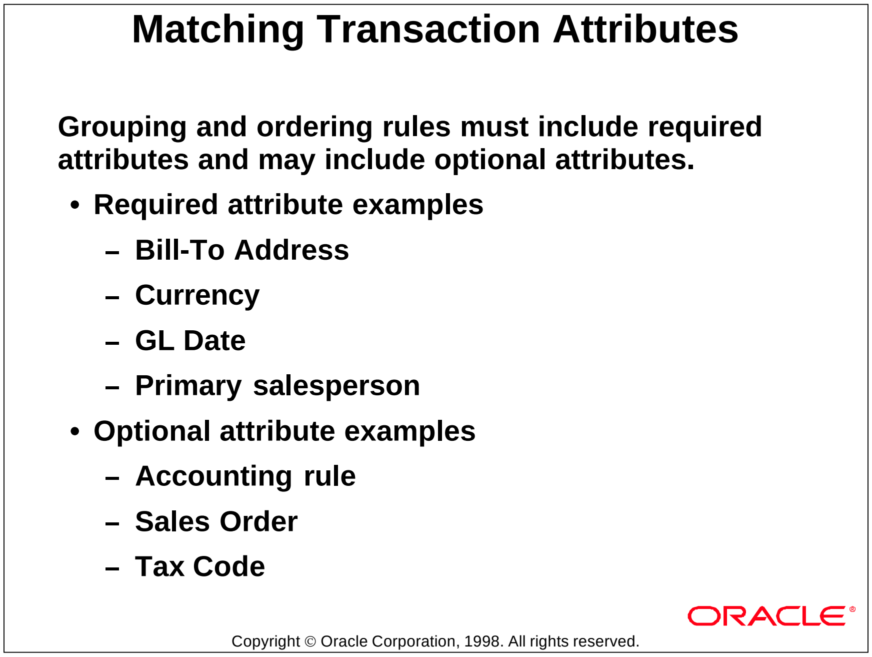
(N) Setup—>Transactions—>AutoInvoice—>Line Ordering

Define line ordering rules for lines grouped into transactions. AutoInvoice uses these rules to order and number the lines grouped into transactions. If an ordering rule is not defined, lines will appear on transactions in random order.

Assigning Transaction Attributes to Each Line Ordering Rule

- Enter the priority of the transaction line attribute in the Sequence field. A higher number specifies a lower priority.
- Select Line Attributes in the Transaction Attribute field to determine which line attributes control the ordering of lines.
- Specify a value in the Type field to order this transaction line attribute in ascending or descending order.

Matching Transaction Attributes



Matching Transaction Attributes

Grouping and ordering rules must include required attributes and may include optional attributes.

- **Required attribute examples**
  - **Bill-To Address**
  - **Currency**
  - **GL Date**
  - **Primary salesperson**
- **Optional attribute examples**
  - **Accounting rule**
  - **Sales Order**
  - **Tax Code**

Required and Optional Transaction Attributes

More than 35 required transaction attributes must be matched at the line level to group lines into a transaction. The ordering rule assigned to a grouping rule then uses the same attributes to sort lines on transactions. Another fifteen optional attributes are available to create custom grouping and ordering rules.

Defining Transaction Flexfields

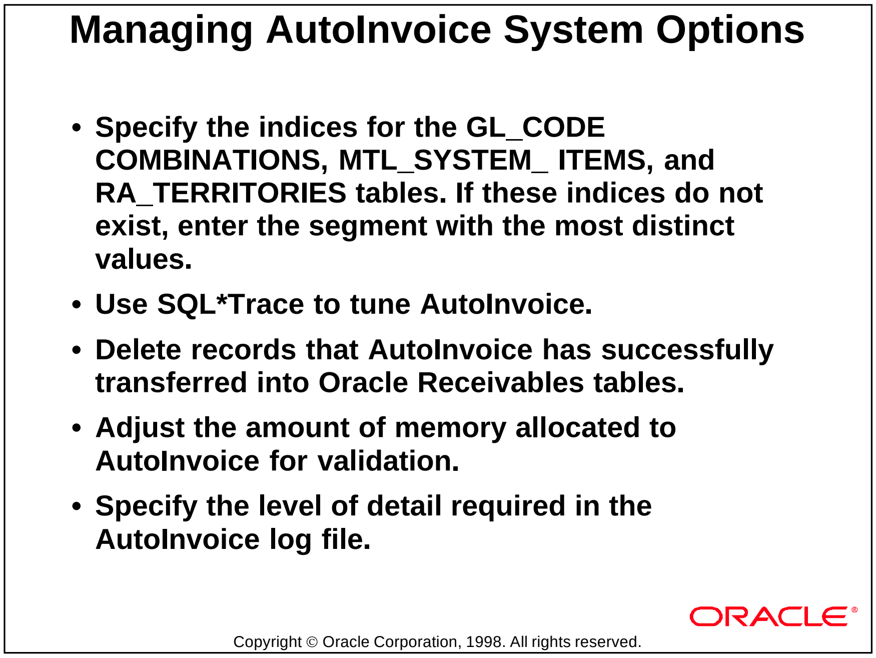
Defining Transaction Flexfields

AutoInvoice uses four transaction flexfields:

- **Invoice Header (optional): Specifies invoice header information**
- **Line (required): Uniquely identifies invoice lines**
- **Link-To (optional): Link tax and freight to invoice lines**
- **Reference (optional): Links credit memos to transactions**

The Line, Link-To, and Reference structures must be identical.

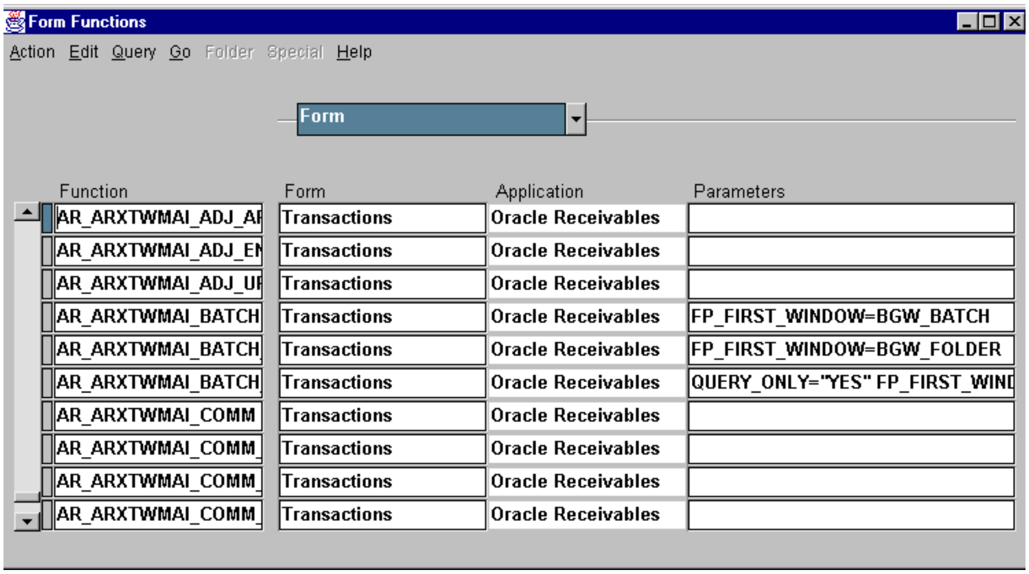
Managing AutoInvoice System Options



Managing AutoInvoice System Options

- **Specify the indices for the GL_CODE COMBINATIONS, MTL_SYSTEM_ ITEMS, and RA_TERRITORIES tables. If these indices do not exist, enter the segment with the most distinct values.**
- **Use SQL*Trace to tune AutoInvoice.**
- **Delete records that AutoInvoice has successfully transferred into Oracle Receivables tables.**
- **Adjust the amount of memory allocated to AutoInvoice for validation.**
- **Specify the level of detail required in the AutoInvoice log file.**

Setting Transaction Function Security



Function	Form	Application	Parameters
AR_ARXTWMAI_ADJ_A	Transactions	Oracle Receivables	
AR_ARXTWMAI_ADJ_E	Transactions	Oracle Receivables	
AR_ARXTWMAI_ADJ_U	Transactions	Oracle Receivables	
AR_ARXTWMAI_BATCH	Transactions	Oracle Receivables	FP_FIRST_WINDOW=BGW_BATCH
AR_ARXTWMAI_BATCH	Transactions	Oracle Receivables	FP_FIRST_WINDOW=BGW_FOLDER
AR_ARXTWMAI_BATCH	Transactions	Oracle Receivables	QUERY_ONLY="YES" FP_FIRST_WIN
AR_ARXTWMAI_COMM	Transactions	Oracle Receivables	
AR_ARXTWMAI_COMM_	Transactions	Oracle Receivables	
AR_ARXTWMAI_COMM_	Transactions	Oracle Receivables	
AR_ARXTWMAI_COMM_	Transactions	Oracle Receivables	

Form Functions: Form Region

In the System Administrator responsibility:

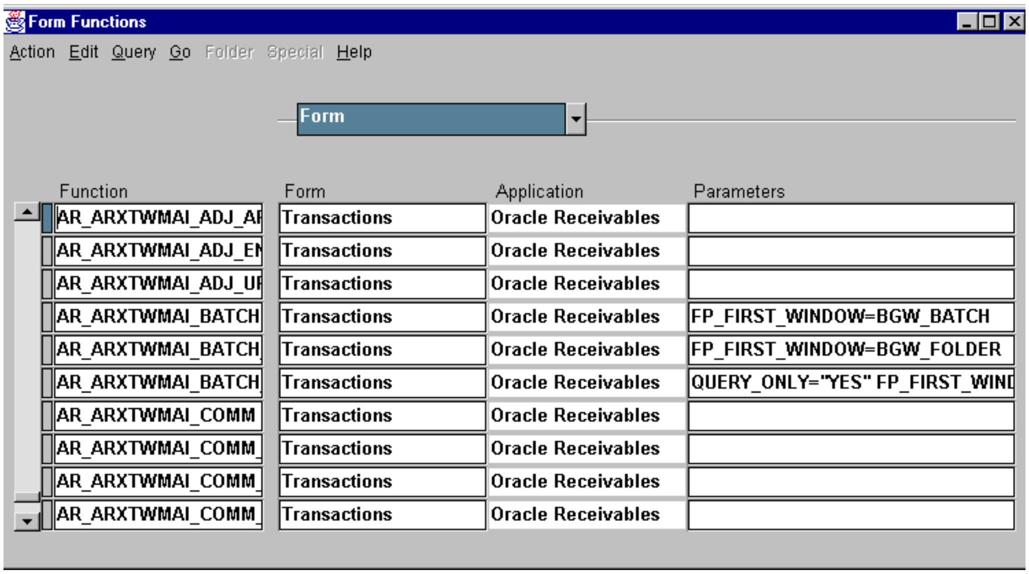
(N) Application—>Function—>Form

Function Name		Activities That Can Be Restricted
Transactions: Complete		Complete transactions
Transactions: Dispute	*	Place transactions in dispute
Transactions: Copy	**	Copy Transactions
Transactions: Print	**	Print transactions
Inv: View		View invoices
Inv: Enter		Enter invoices
Inv: Update		Update invoices
Inv: Delete		Delete invoices

* If you exclude the Transactions: Dispute function from Transactions workbench, it is automatically excluded from the Collections workbench.

** These activities can be accessed either via a button or from the menu. Excluding the function disables access via the button. The system administrator must remove access from the menu when defining menu structures.

Reviewing Transaction Function Security



Function	Form	Application	Parameters
AR_ARXTWMAI_ADJ_AI	Transactions	Oracle Receivables	
AR_ARXTWMAI_ADJ_EI	Transactions	Oracle Receivables	
AR_ARXTWMAI_ADJ_UI	Transactions	Oracle Receivables	
AR_ARXTWMAI_BATCH	Transactions	Oracle Receivables	FP_FIRST_WINDOW=BGW_BATCH
AR_ARXTWMAI_BATCH	Transactions	Oracle Receivables	FP_FIRST_WINDOW=BGW_FOLDER
AR_ARXTWMAI_BATCH	Transactions	Oracle Receivables	QUERY_ONLY="YES" FP_FIRST_WINI
AR_ARXTWMAI_COMM	Transactions	Oracle Receivables	
AR_ARXTWMAI_COMM_	Transactions	Oracle Receivables	
AR_ARXTWMAI_COMM_	Transactions	Oracle Receivables	
AR_ARXTWMAI_COMM_	Transactions	Oracle Receivables	

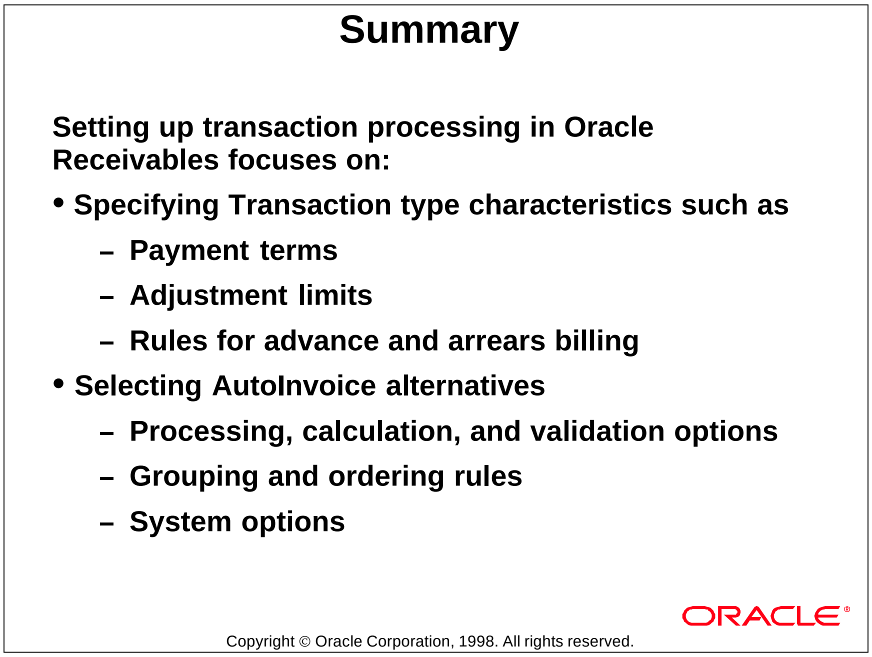
Form Functions: Description Region

In the System Administration responsibility:

(N) Application—>Function—>Description

Function Name	Activities That Can Be Restricted
DM: View	View debit memos
DM: Enter	Enter debit memos
DM: Update	Update debit memos
DM: Delete	Delete debit memos
Reg CM: View	View credit memos
Reg CM: Enter	Enter credit memos
Reg CM: Update	Update credit memos
Reg CM: Delete	Delete credit memos
OnAcc: View	View on account credits
OnAcc: Enter	Enter on account credits
OnAcc: Update	Update on account credits
OnAcc: Delete	Delete on account credits
OnAcc: Applications	Apply on account credits

Summary



Summary

Setting up transaction processing in Oracle Receivables focuses on:

- **Specifying Transaction type characteristics such as**
    - **Payment terms**
    - **Adjustment limits**
    - **Rules for advance and arrears billing**
- **Selecting AutoInvoice alternatives**
    - **Processing, calculation, and validation options**
    - **Grouping and ordering rules**
    - **System options**

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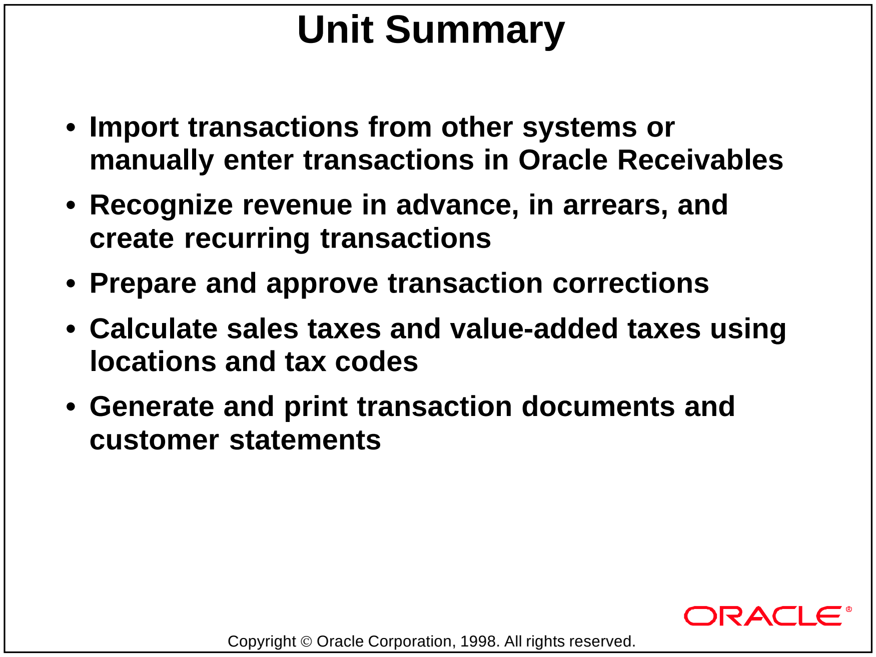
Unit Summary

Unit Summary



Unit Summary

- **Import transactions from other systems or manually enter transactions in Oracle Receivables**
- **Recognize revenue in advance, in arrears, and create recurring transactions**
- **Prepare and approve transaction corrections**
- **Calculate sales taxes and value-added taxes using locations and tax codes**
- **Generate and print transaction documents and customer statements**