

# CS – Oracle Receivables Fundamentals and How it Fits Into the Quote to Cash Process

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# Agenda

- Quote to Cash Flows
- Customers/Parties
- Shared Setups
- Orders to Invoices
- Oracle Receivables Processes
  - Transactions
  - Payments
  - Adjustments
  - Accounting
- Questions??



# Target Audience

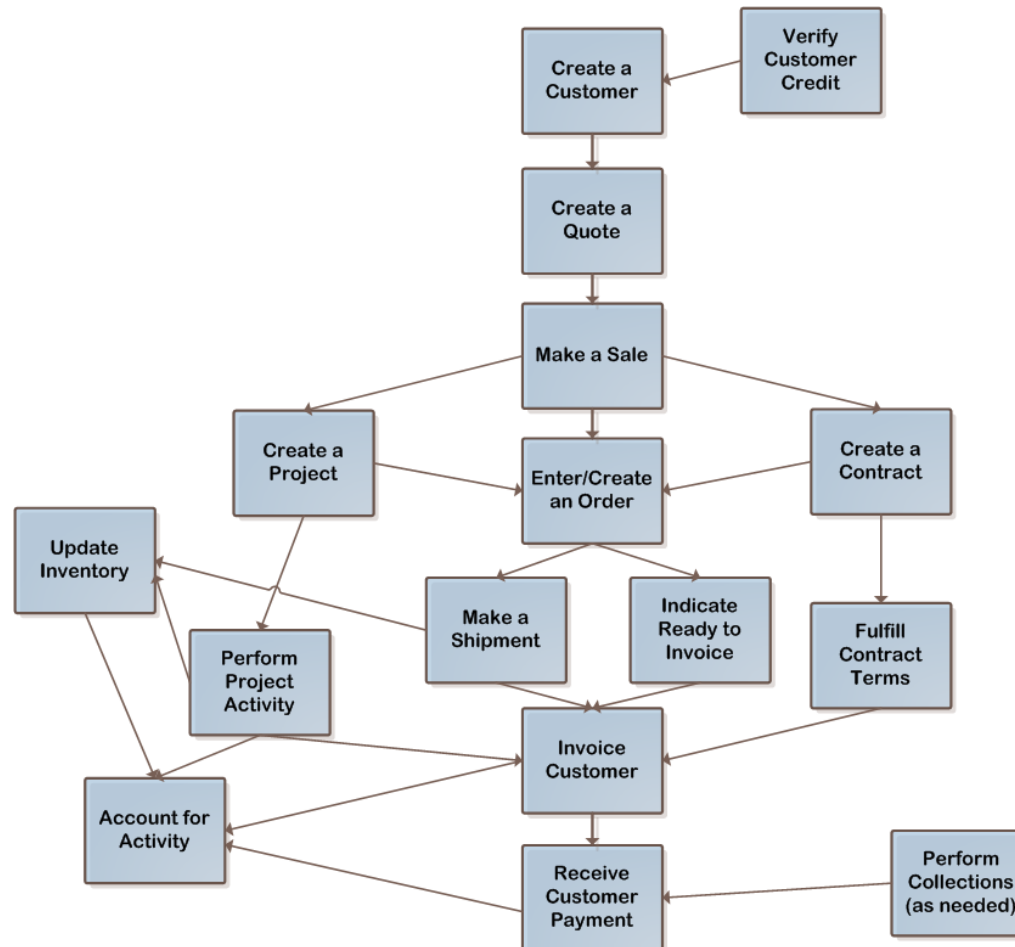
- Folks Who Use Oracle Receivables
  - To Learn More About Where Their Data Comes From
  - And, to Learn About Shared Setups
- Folks Who Use Applications That Pass Data to Oracle Receivables
  - To Learn More About Where Their Data Goes
  - To Learn The Impact of Their Activities
  - And, to Learn About Shared Setups
  - CRM, Order Management, Contracts and Projects folks

# Basic Premise

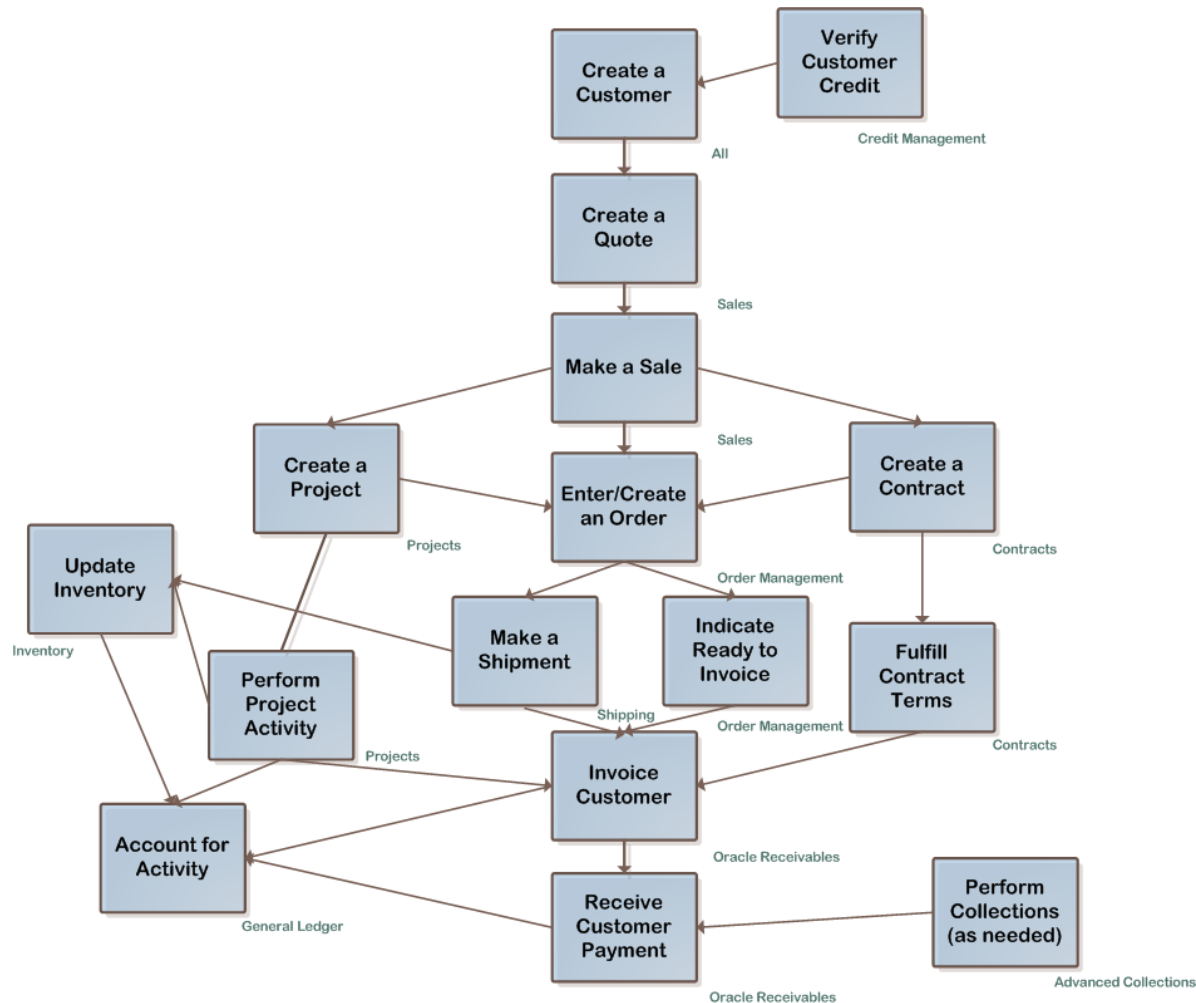
The Oracle E-Business Suite is comprised of many different applications performing various business functions. A key aspect of this is that most of these applications share setups with other applications and data is often passed from one application to others. What this means is that what you do in your application may have an impact on many other applications, in ways that you may not be aware of.

The purpose of session is to provide attendees with the details of how the data flows in and out of Oracle Receivables, how certain setups are shared across multiple applications and to see how Oracle Receivables fits in the “Big Picture”.

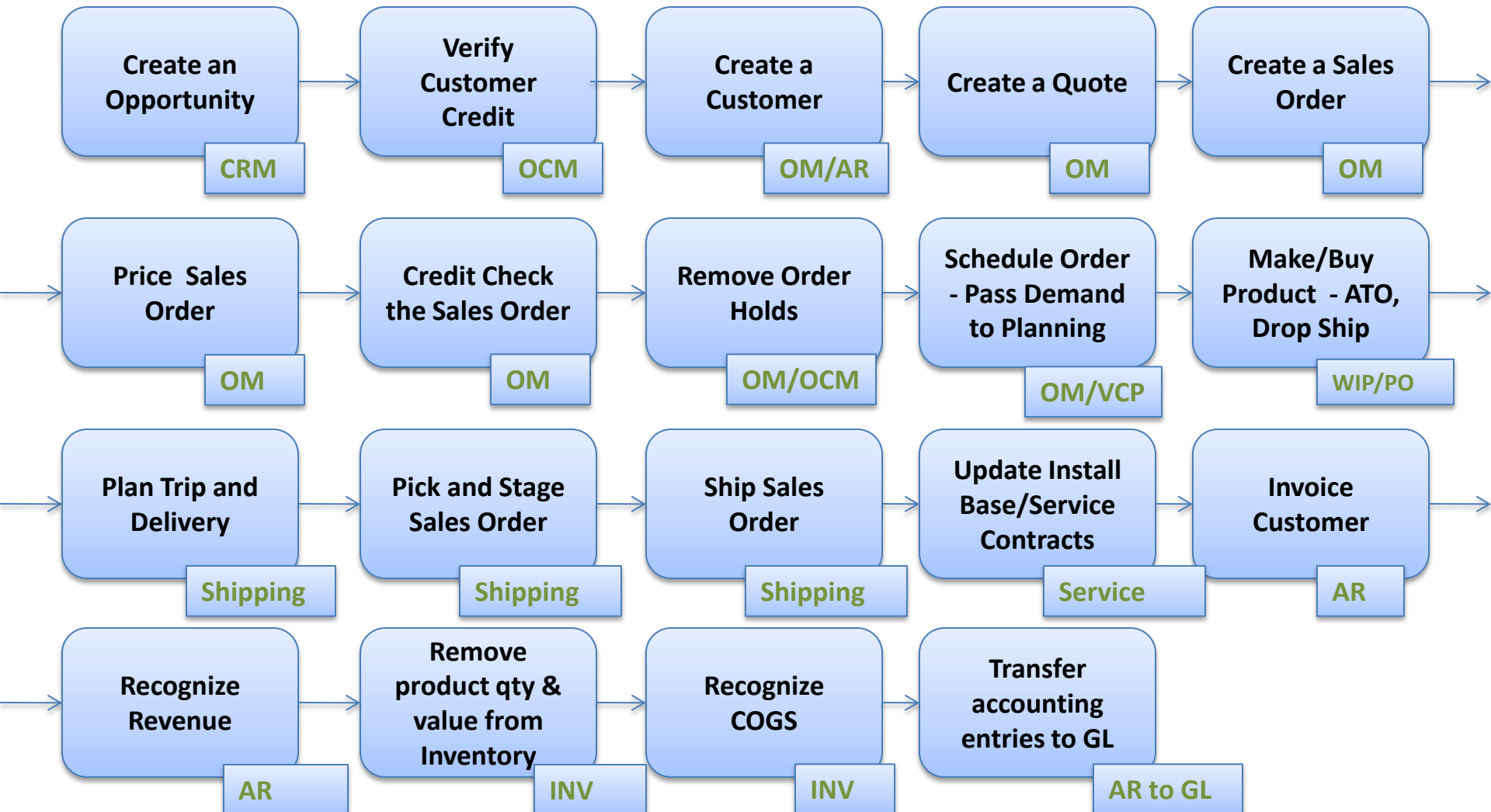
# Quote to Cash Flows



# Quote to Cash Applications



# Standard “Quote to Cash” Flow



# One Way Only!!!

**Order Management to Oracle Receivables**

**Order Management to Inventory**

**Oracle Receivables to General Ledger**

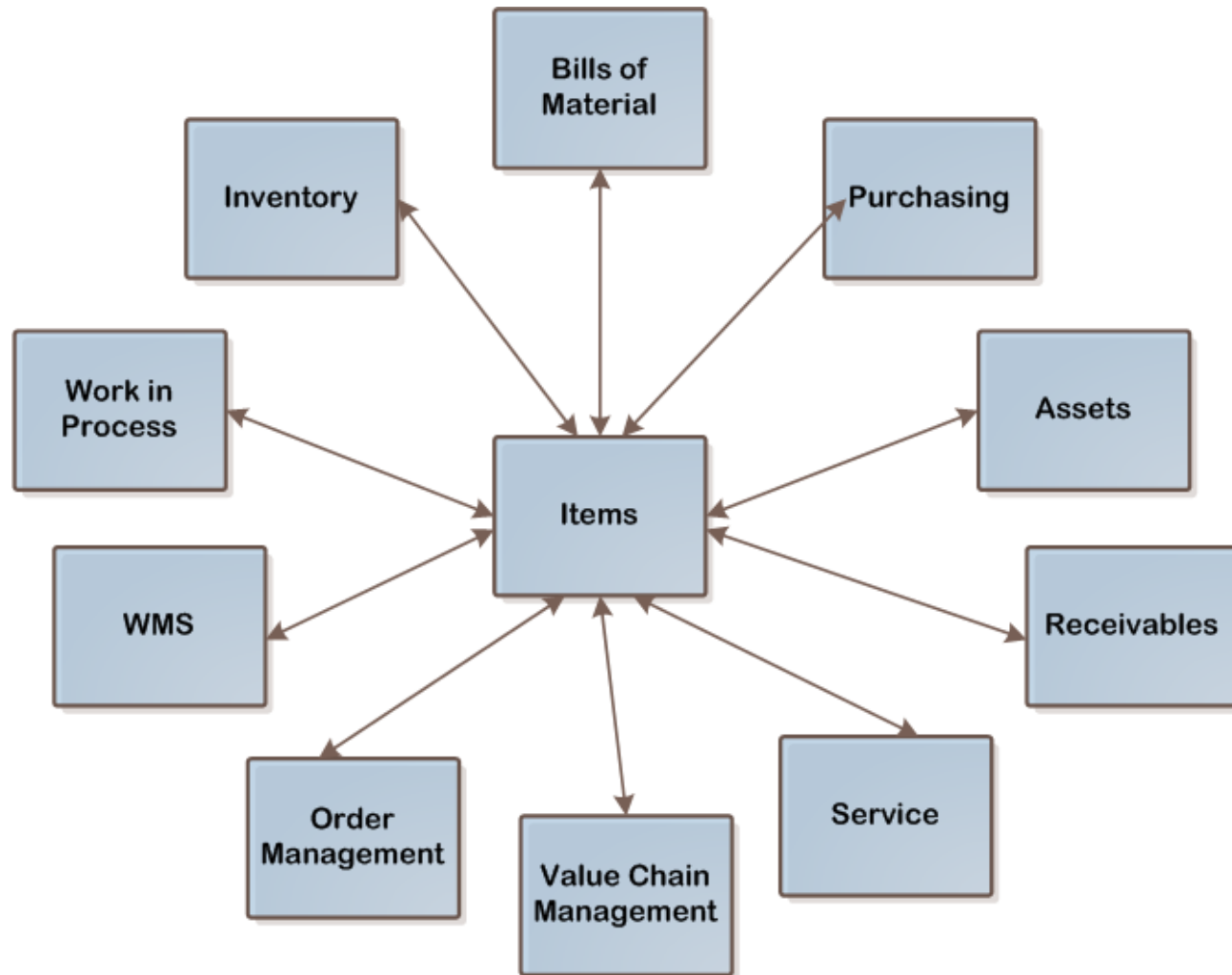
**Contracts to Oracle Receivables**

**Tip:** Make Corrections in the Source System,  
Whenever Possible



# Shared Setups

# Items



# Items and Receivables

Oracle Applications - Solution Beacon Vision R12.1.2

File Edit View Folder Tools Window Help

Master Item (V1)

Organization: V1 Vision Operations

Item: Top Hat

Description: Silk Top Hat

Display Attributes: ☐ Master ☐ Org ☒ All

Lead Times Work In Process Order Management **Invoicing** Process Manufacturing Service Web Option

**Rules for Revenue and Receivables**

Accounting Rule: Immediate

Invoicing Rule: Arrears Invoice

Output Tax Classification Code:

Sales Account: 01-510-4110-0000-000

Payment Terms:

**Able to be Invoiced?**

☒ Invoiceable Item

☒ Invoice Enabled

**Default Revenue Account**

# Payment Terms

## (Orders, Invoices, Contracts, Projects)

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File Edit View Folder Tools Window Help

Payment Terms (Receivables, Vision Operations (USA))

Name: 2/10, Net 30

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

☐ Allow Discount on Partial Payments

☐ Prepayment

☐ Credit Check

Billing Cycle:

Base Amount: 100

Discount Basis: Invoice Amount

Effective Dates: 01-NOV-1992 -

Print Lead Days:

Installment Options: Include tax and freight in first installment

Payment Schedule

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

Discounts

# Banks and AR

**View Branch Details - Mozilla Firefox**

File Edit View History Bookmarks Yahoo! Tools Help

http://vis1212.solutionbeacon.net/OA\_HTML/OA.jsp?OAFunc=CE\_BRANCH\_VIEW&BranchId=302649&BankId=301079&BankInstitutionType=BANK&\_ti=4

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**ORACLE Cash Management**

Bank Branch: 1 Market Square, San Mateo, CA

**Branch Information**

Branch Name	1 Market Square, San Mateo, CA	Description
Alternate Branch Name		BIC
Routing Transit Number	7760048-98	Bank Code
RFC Identifier		Branch Type
Inactive Date		

**Branch Addresses**

**Addresses**

**Address**

100 E. 4th Ave., SAN MATEO, CA 94401

**Branch Contacts**

**Contacts**

Select	Name	Phone
<input type="radio"/>	Sandra Jones	(650)3484525 (Telephone)

Close Window Pref

Privacy Statement

Done

**View Account - Mozilla Firefox**

File Edit View History Bookmarks Yahoo! Tools Help

http://vis1212.solutionbeacon.net/OA\_HTML/OA.jsp?OAFunc=CE\_ACCOUNT\_VIEW&BankAccountId=21007&View=Y&addBreadcrumb=Y&\_ti=437290869&oapc=30

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**View Account**

**General Controls**

Cash	01-000-1110-0000-000	Cash Clearing	Company-Department-Account-Sub-Account-Product
Bank Charges	Company-Department-Account-Sub-Account-Product	Bank Errors	Company-Department-Account-Sub-Account-Product
Foreign Exchange Charges	Company-Department-Account-Sub-Account-Product	Agency Location Code	Company-Department-Account-Sub-Account-Product
Netting Account	No		

**Cash Management Controls**

Minimum Target Balance	Maximum Target Balance
Minimum Payment Amount	Minimum Receipt Amount
Rounding Factor	Rounding Rule
Cash Flow Display Order	

**Payables Controls**

Multiple Currency Payments	Y	Allow Zero Payments	N
Pooled Account	N	Maximum Outlay	
Minimum Payment		Maximum Payment	

**Reconciliation Controls**

Payables Matching Order 1	Transaction	Float Handling	Ignore
Payables Matching Order 2	Batch	Receivables Matching Order	Transaction

**Foreign Currency Bank**

Exchange Rate Type	Corporate	Exchange Rate Date	Statement Line Date
--------------------	-----------	--------------------	---------------------

**Open Interface Controls**

<input type="checkbox"/> Use Reconciliation Open Interfaces	Open Interface Matching Criteria	Transaction Number
Float Status	Clear Status	

**Manual Reconciliation Tolerances**

Tolerance Amount	Tolerance Percentage
------------------	----------------------

**Auto Reconciliation Tolerances**

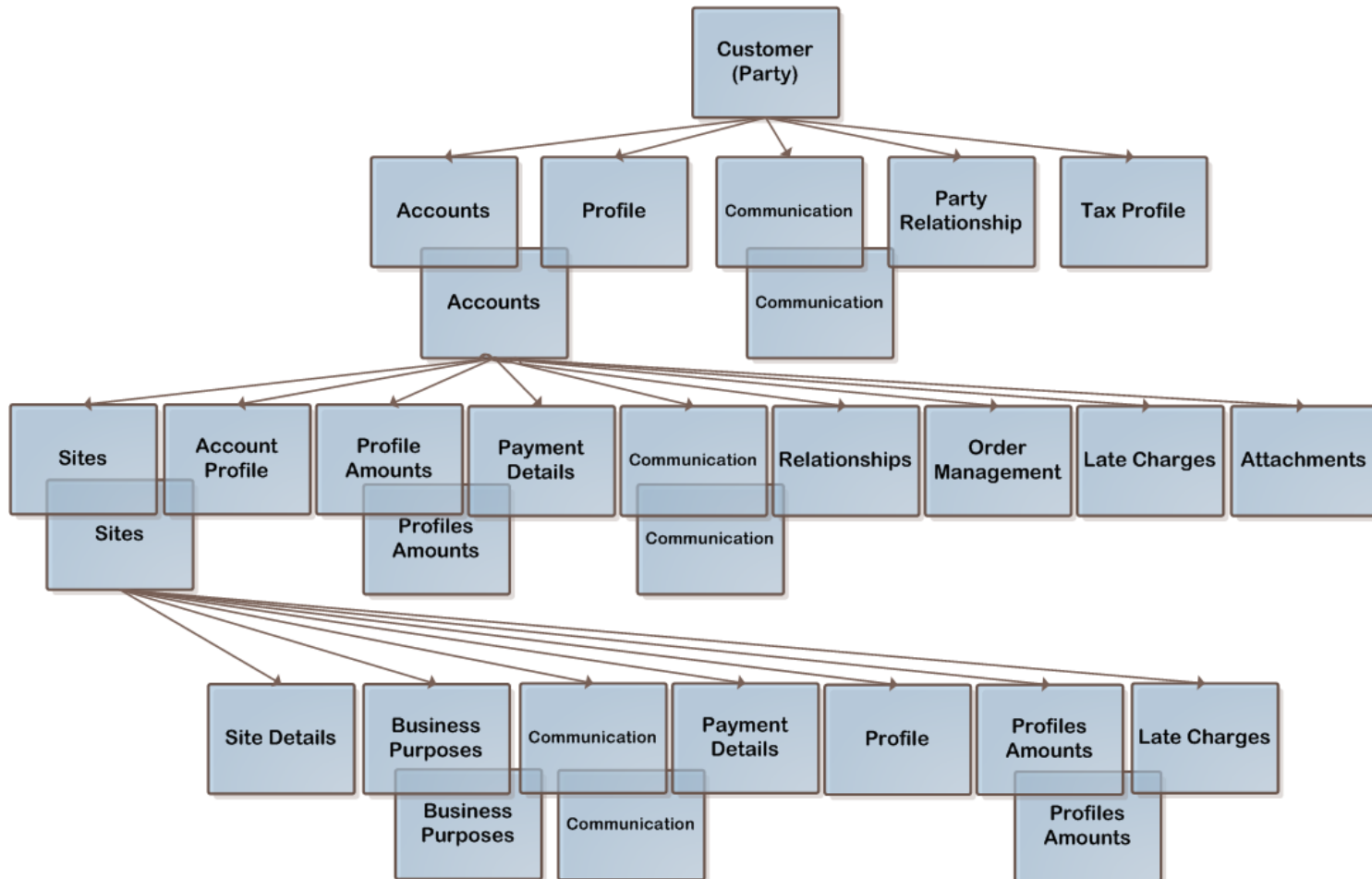
Done

Shared With  
Accounts Payable

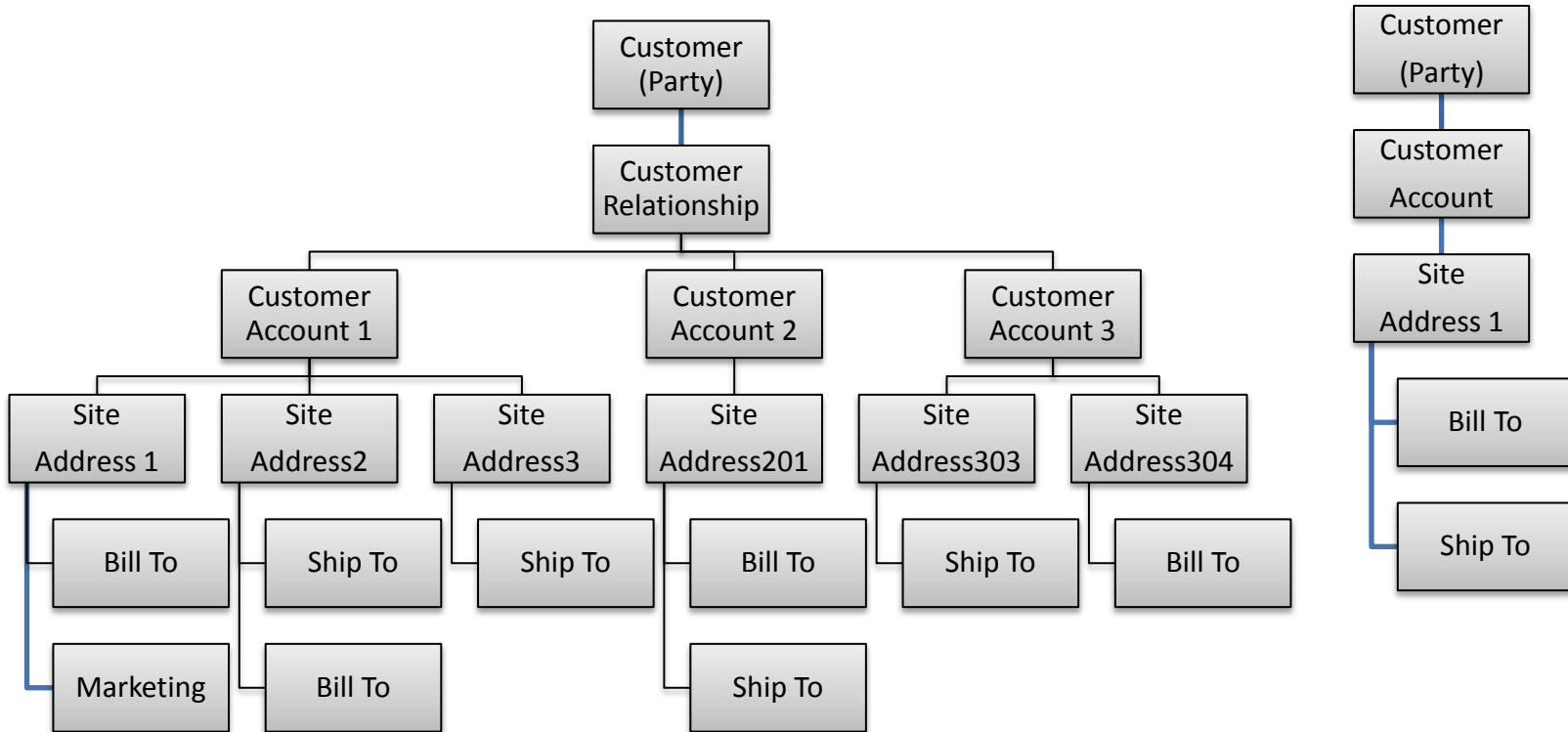
# Oracle Customers

- Three Levels: Party, Customer Account, Site
- One “Customer” May be All Three
- Party
  - Highest Level – “Global Entity”
  - Used More By CRM Applications Than “Back Office”
  - Can Be:
    - Customer, Suppliers, Employees, Anyone/Business That Interacts With Your Company
- Customer Account
  - Made Up of One or More Legal Entities
  - Made Up of One or More Addresses /Sites
  - Entity for Orders and Invoices
- Customer Site
  - Address and How You Interact With the Address
  - Specific to an Operating Unit

# Customer Components



# Customer Examples





# Typical Customer Creation (Who)



Complete Credit Application  
(Salesrep/Customer)



Approve Credit Application  
(Credit and Collections)



Add New Customer  
(Credit and Collections / Salesrep / Order Entry / Accounts Receivable)



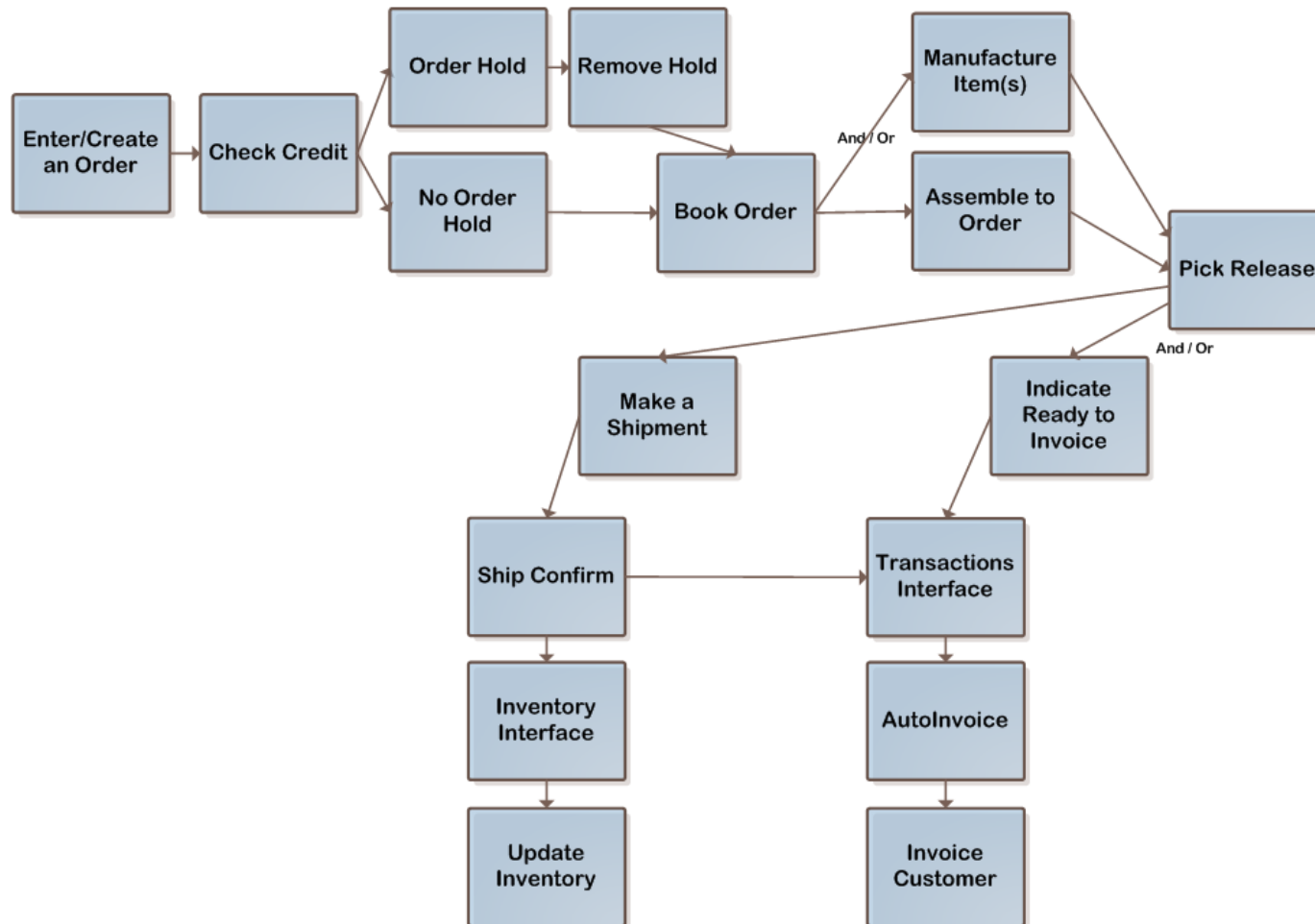
Update Credit Details  
(Credit and Collections)



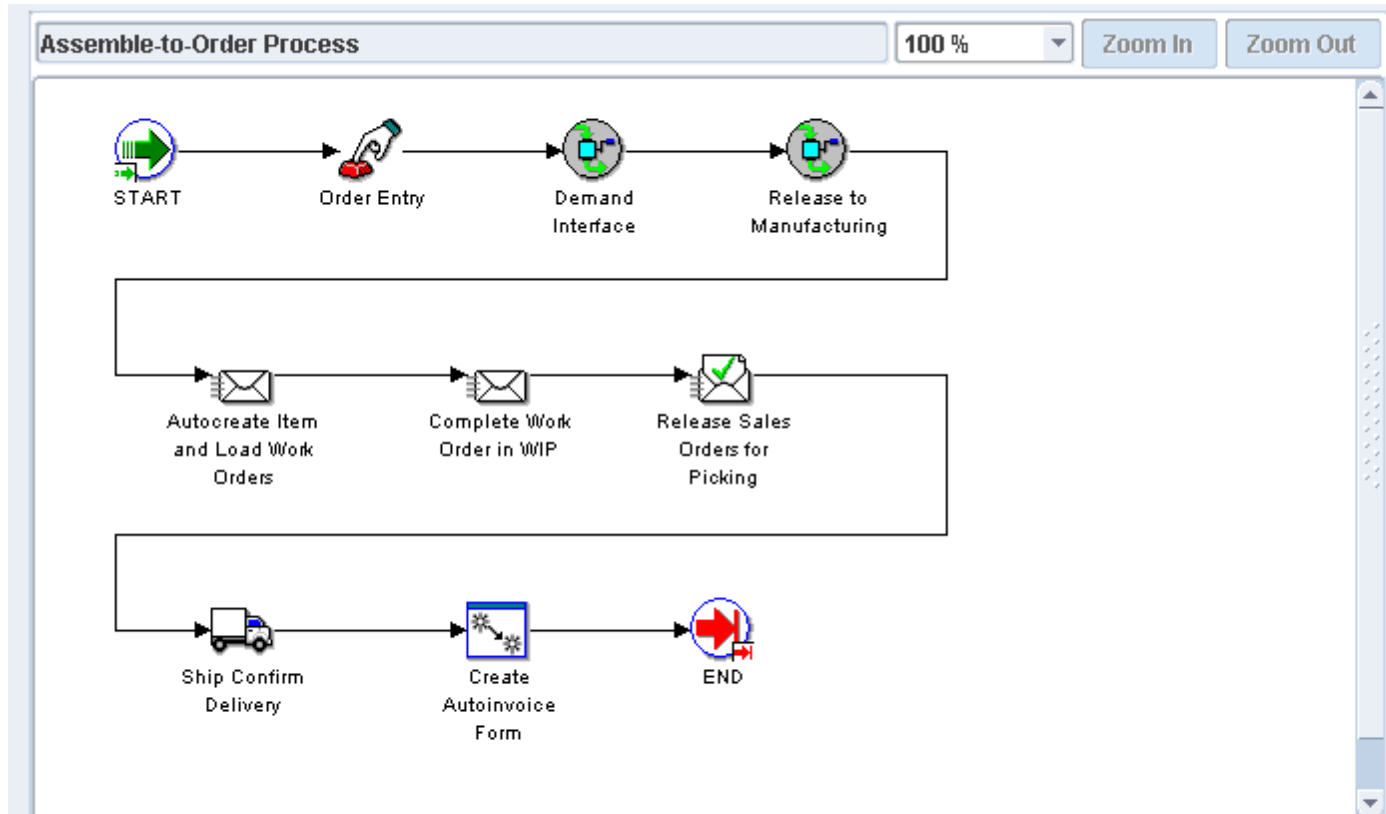
Add New Relationships (as Needed)  
(Credit and Collections / Accounts Receivable)

# Order To Invoice

# Orders – Workflow Example



# Assemble to Order Workflow



# Order Transaction Types and AR

Oracle Applications - Solution Beacon Vision R12.1.2

File Edit View Folder Tools Window Help

Transaction Types

Operating Unit: Vision Operations  
Description: Standard Order Type for T  
Order Category: Order  
Fulfillment Flow:  
Effective Dates: 01-JAN-199 -  
Layout Template: Sales Agreement RTF Ter  
Contract Template: Vision Operations Order T  
☒ Retain Document Number

Transaction Type: Standard  
Sales Document Type: Sales Order  
Transaction Type Code: ORDER  
Negotiation Flow:  
Default Transaction Phase: Fulfillment  
[ ]

Validate Workflow  
Approvals  
Assign Line Flows

Main Shipping Finance

Rule  
Invoicing Rule: ... Accounting Rule:  
Source  
Invoice Source: Non Delivery Invoice Source:  
Credit Method For  
Invoices With Rules: Prorate Split Term Invoices: Prorate

Receivables Transaction Type: Invoice  
Cost of Goods Sold Account: 01-510-5110-0000-000  
Conversion Type:  
Tax Event: ENTERING  
Currency: USD

# Order Holds - Define

**Holds**

Name:

Description:

Type:

Workflow Item:

Workflow Activity:

☐ Hold Included Items ☐ Progress Workflow on Release

☐ Apply to Order And Line

Effective Dates:  -  [ ]

**Authorizations**

Responsibility	Authorized Action	Effective Dates		[ ]
		From	To	
<input type="text"/>	Apply Hold	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

# Credit Check Rules

**Credit Check Rules**

Rule: Ordering

Effective Start Date: 15-NOV-2005 Date:

**Options** **Exposure**

Credit Check Level: Sales order

Credit Hold Level: Sales order

☒ Override Manual Release

Days to Honor Manual Release: 30

Conversion Type: Corporate

☐ Check Item Categories

☒ Send Hold Notifications

**Credit Check Rules**

Rule: Ordering

Effective Start Date: 15-NOV-2005 Date:

**Options** **Exposure**

☒ Use Pre-Calculated Exposure

☐ Include External Credit Exposure

☒ Include Open Receivables Balance

☒ Include Payments at Risk

Open Receivables Days:

☒ Include Uninvoiced Orders

☒ Include Freight and Special Charges

☒ Include Tax

☐ Include Orders Currently On Hold

☒ Include Returns

Scheduled Shipping Horizon Days:

Maximum Days Past Due:  [  ]

# Customers/Sites Profile Classes

**Customer Profile Classes**

Name: Average Average Credit Rating: Average Credit Rating ☒ Active

Profile Class: Late Charge Profile Profile Class Amounts

**Balance Forward Billing**

☐ Enable Bill Level:                      Type:                     

**Terms**

Payment Terms: 30 NET

☒ Allow Discount ☒ Override Terms

Discount Grace Days: 2

**Collectors**

Name: Pat Beasley Classification: Moderate Risk

Periodic Review Cycle: Monthly Analyst: Taylor, Mr. Phillip Charles

Tolerance: 5 % ☒ Credit Check

**Invoicing**

Tax Printing: Itemize With Recap Grouping Rule: DEFAULT

**Statements and Dunning**

☒ Send Statement ☒ Send Credit Balance ☒ Send

**Receipts**

Match:                      Auto C:                      Remain:                     

☒ Auto

**Customer Profile Classes**

Name: Average Average Credit Rating: Average Credit Rating ☒ Active

Profile Class: Late Charge Profile Profile Class Amounts

**Currency**

CAD EUR GBP SEK USD

**Currency Rates and Limits**

Credit Limit: 5,000,000.00 Min Receipt Amount: 0.01

Order Credit Limit: 1,000,000.00 Min Statement Amount: 100.00

**Exchange Rate Information**

Exchange Rate Type:                     

**Tolerance**

Minimum Customer Balance: Amount Value: 100.00

Minimum Invoice Balance: Amount Value: 50.00

Minimum Charge Per Invoice:                      Maximum Charge Per Invoice: 100

**Interest Charge**

Type: Fixed Rate Value: 2 Charge Schedule:                     

**Penalty Charge**

Type:                      Value:                      Charge Schedule:

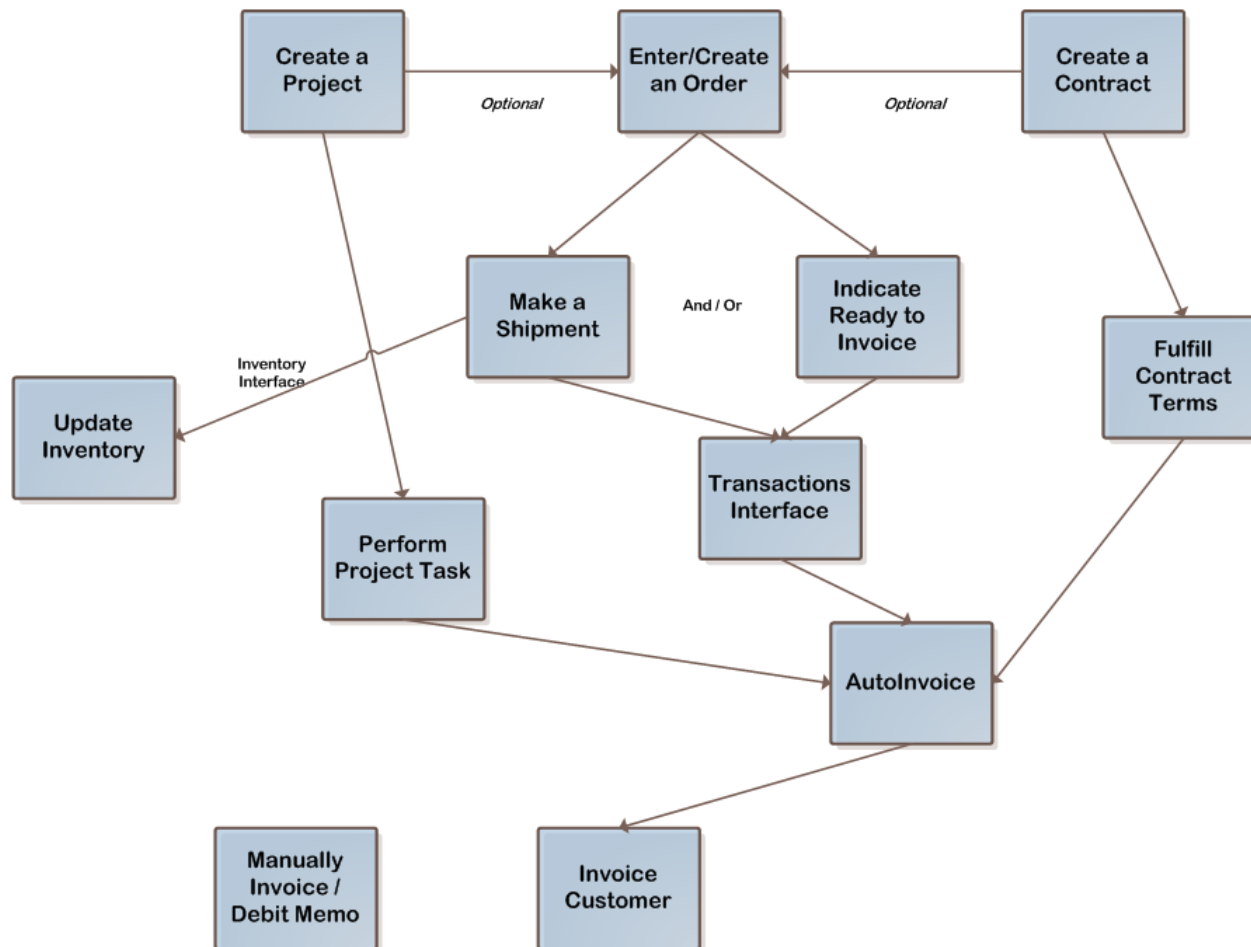




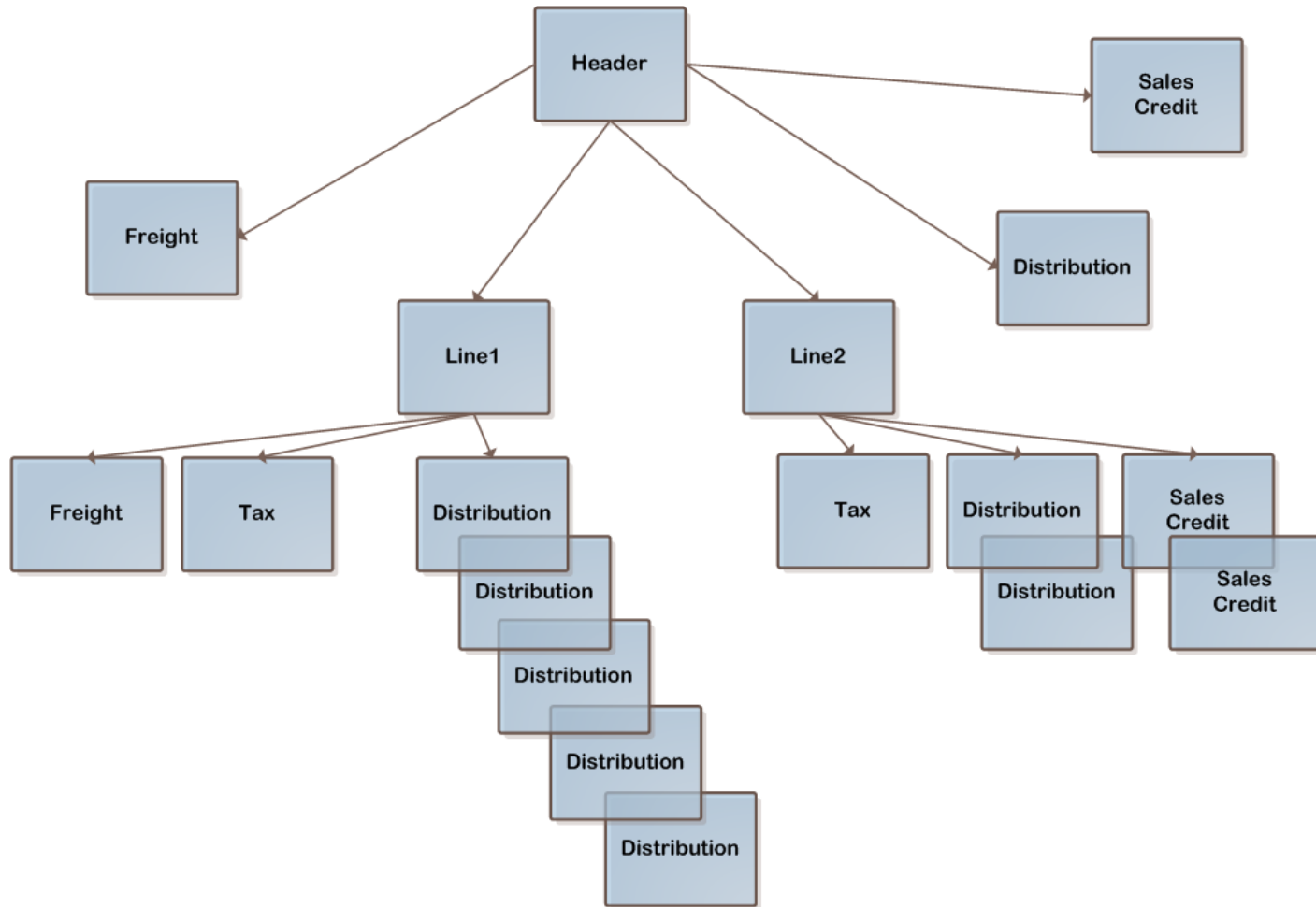
# Receivables Transactions

- Invoices
- Credit Memos
- Debit Memos
- Deposits
- Guarantees

# Transactions Flow / Sources



# Transactions Example - Invoice



# Transaction Header

## *Who and Where?*

Source: Orders  
Contracts  
Projects

Note: Ship to Location  
Determines Tax Rates

The screenshot shows the Oracle Applications Transaction Header form for Vision Operations. The form is titled "Oracle Applications - Solution Beacon Vision R12.1.2" and includes a menu bar (File, Edit, View, Folder, Tools, Actions, Window, Help) and a toolbar. The main form area is divided into several sections:

- Transaction**: Contains fields for Source (Manual-Consult), Number (500996), Class (Invoice), Type (Inv-Consult-East), Reference, Legal Entity (Vision Operations), Date (01-MAR-2011), GL Date (01-MAR-2011), Currency (USD), Document Num, Transaction, and a checkbox for Complete.
- Balance Due**: A summary table showing Line (2,529.91), Tax (227.69), Freight (0.00), Charges (0.00), and Total (2,757.60). Buttons for Details and Refresh are present.
- Main**: A tabbed interface with sub-tabs for Ship To, Bill To, Sold To, Paying Customer, and Payment Details.
  - Ship To**: Fields for Name (Business World), Number (1608), Location (San Jose (OPS)), Address (2391 L Street), and Contact (San Jose, CA 95106 United States).
  - Bill To**: Fields for Name (Business World), Number (1608), Location (San Jose (OPS)), Address (2391 L Street), and Contact (San Jose, CA 95106 United States).
  - Sold To**: Fields for Name (Business World) and Number (1608).
  - Paying Customer**: Fields for Name (Business World), Number (1608), and Location (San Jose (OPS)).
  - Payment Details**: Fields for Receipt Method, Payment Method, and Instrument Number, with a Select Instrument button.
- Commitment**: Fields for Commitment, Payment Term (2/10, Net 30), Invoicing Rule, and Due Date (31-MAR-2011).

At the bottom of the form, there are buttons for Line Items, Tax, Freight, Distributions, Sales Credits, and Incomplete.

**Lines** (Vision Operations: USD) - Business World, 500996

	Total	Transaction	Lines	Tax	Freight
		2,757.60	2,529.91	227.69	0.00

Main Sales Order Tax Exemption Rules Ship To Information More

Num	Item	Description	UOM	Quantity	Unit Price	Amount	Tax Classifica	Trans
1	Thermostat - Co	Cooling Thermostat T19	Each	5	257.99	1,289.95	Location	.
2	Thermostat - He	Thermostat for Heat Pump	Each	4	309.99	1,239.96	Location	.

Tag Tax Information Freight Distributions Sales Credits

# Transaction Distributions

## *Accounting Details*

Distributions (Vision Operations)

Accounts For All Lines

Trans Line	Detail Line	Class	GL Account	GL Date	%	Distribution Amount
		Receivable	01-000-1210-0000-000	01-MAR-2011	100.0000	2,757.60
		Rounding Distribution	01-740-7827-0000-000	01-MAR-2011	100.0000	0.00
1		Revenue	01-420-4110-0000-000	01-MAR-2011	100.0000	1,289.95
1	1	Tax	01-000-2520-0000-000	01-MAR-2011	100.0000	77.40
1	2	Tax	01-000-2520-0000-000	01-MAR-2011	100.0000	29.02
1	3	Tax	01-000-2520-0000-000	01-MAR-2011	100.0000	9.67
2		Revenue	01-420-4110-0000-000	01-MAR-2011	100.0000	1,239.96
2	1	Tax	01-000-2520-0000-000	01-MAR-2011	100.0000	74.40
2	2	Tax	01-000-2520-0000-000	01-MAR-2011	100.0000	27.90

Transaction Line Amount

GL Posted Date Accounting Rule

Description Operations-No Department-Accounts Receivable-No Sub Account-No Product

Tax Account

Description

Comments

# Transactions Setup

- Payment Terms (*Shared – Defines When Payment is Due*)
- \*\*Transaction Types (*Business and Accounting Grouping and Default GL Accounts*)
- Sources (*Where Transactions Come From & Numbering Rules*)
- Items (*Shared – “Parts”*)
- Memo Lines (*Used for Debit Memos*)
- Accounting Rules (*Derive How Revenue and Receivables Are Accounted For*)
- \*\*AutoAccounting (*Derive Accounting Values*)
- AutoInvoice
  - Line Ordering Rules (*Rules for Sequencing Transaction Lines*)
  - Grouping Rules (*Rules for What Goes on the Same Transaction*)

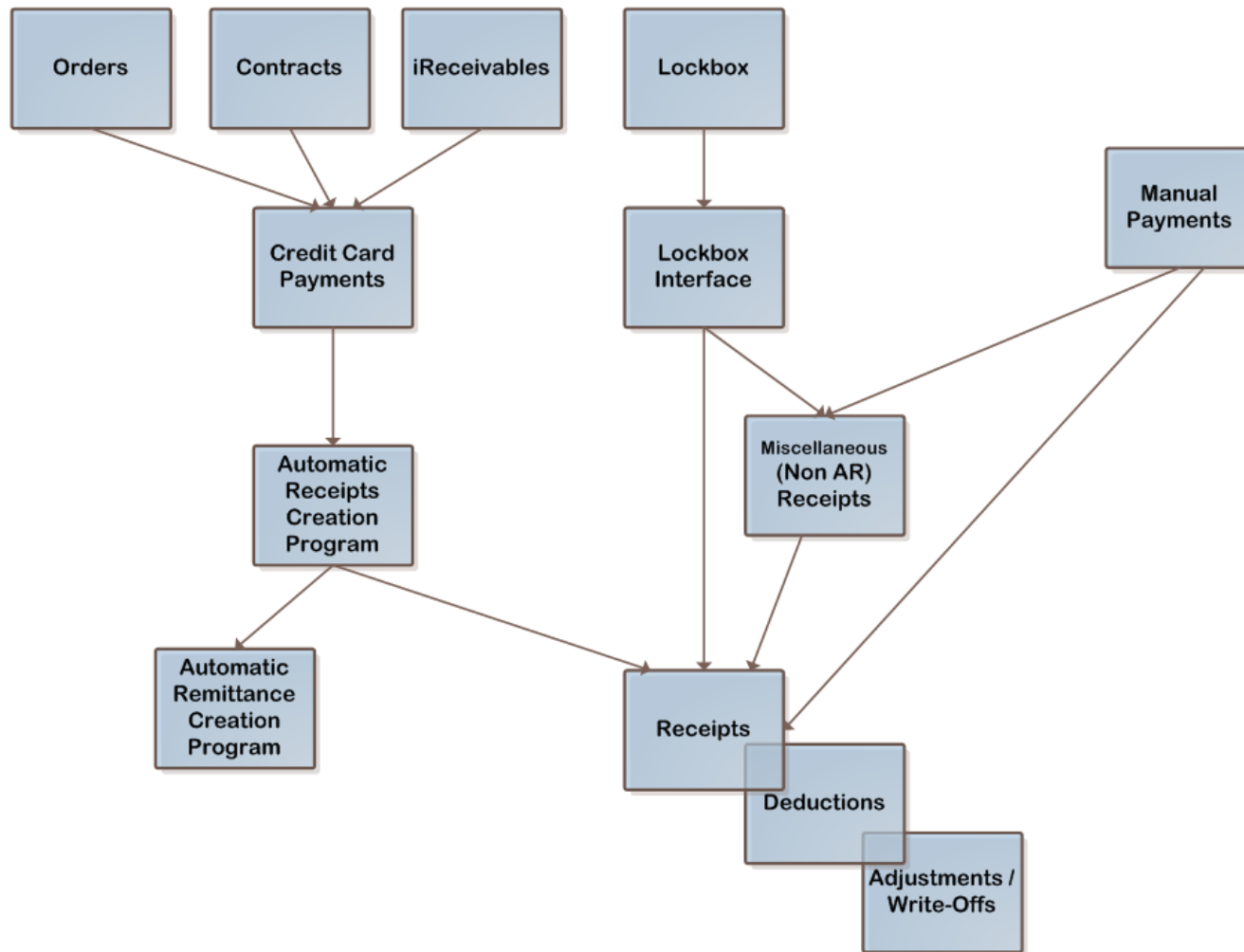
# Receipts (Payments)



# Receipts

- Payments for Non-Accounts Receivable Activity called “Miscellaneous Receipts”
  - Payments for Company Events, T-Shirts, COBRA Payments, Utility Refunds...
- Payments from Customers For Accounts Receivable Activity (Paying for Open Transactions)
- Forms of Payment:
  - Checks
  - Cash
  - Credit Card Payments
  - Letters of Credit

# Receipt Sources



# Receipt

Oracle Applications - Solution Beacon Vision R12.1.2

File Edit View Folder Tools Actions Window Help

Receipts (Vision Operations : USD)

**Receipt**

Receipt Method: Cash  
 Receipt Number: 57791  
 Receipt Amount: USD 5,500.00  
 Receipt Type: Standard  
 State: Cleared

Receipt Date: 01-MAR-2011  
 GL Date: 01-MAR-2011  
 Maturity Date: 01-MAR-2011  
 Functional Amount: 5,500.00

**Balances**

Unidentified	0.00
Applied	0.00
On Account	0.00
Unapplied	5,500.00
Cash Claims	0.00
Prepayments	0.00

**Main More**

**Detail**

Identify By  
 Trans Number: 500996

Customer  
 Name: Business World  
 Number: 1608  
 Location: San Jose (OPS)  
 Taxpayer ID:

Earned Discounts: 0.00  
 Unearned Discounts: 0.00  
 Bank Charges:

**Customer Bank**

Name:  
 Account:

**Remittance Bank**

Name: Bank of America  
 Branch: New York  
 Account: \*\*\*\*\*619

Reference:  
 Postmark Date:

Comments:

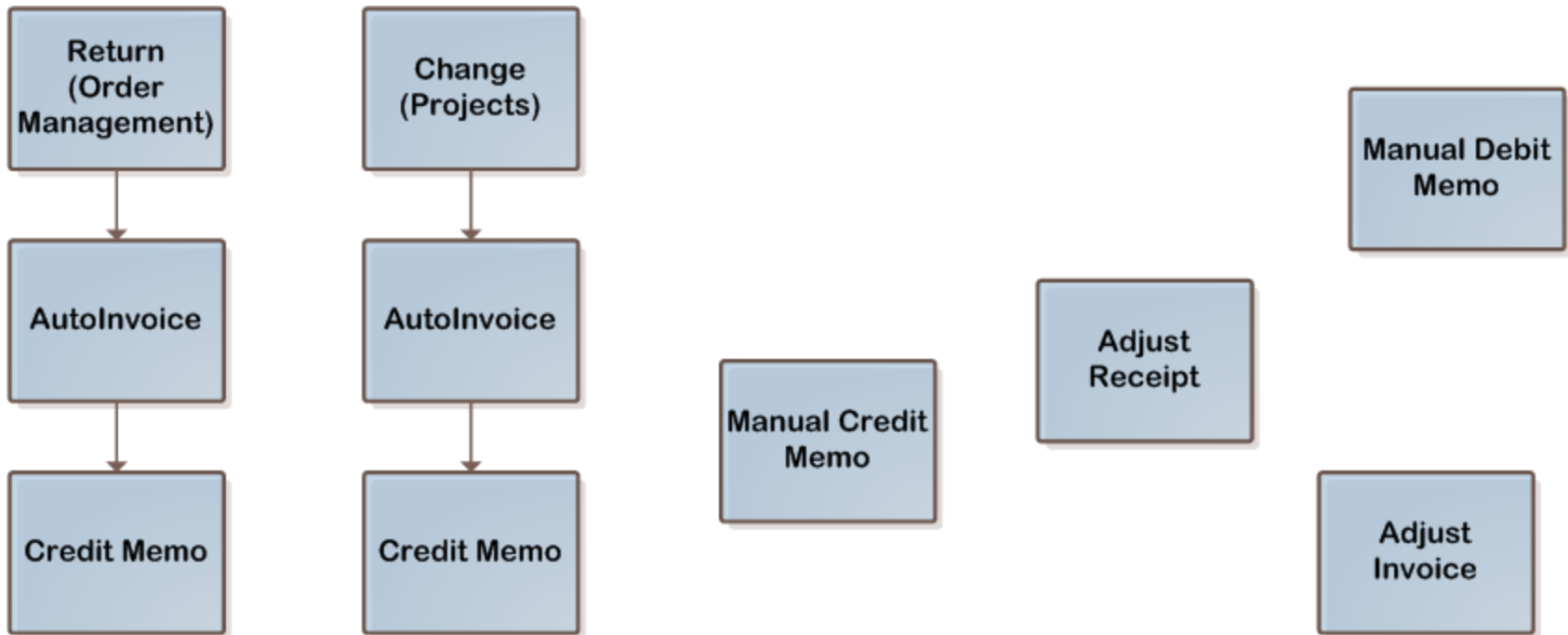
Confirm... 1 Reverse... 1 Receipt History Search and Apply Apply

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# Receipts Setup

- \*\*Receivable Activities (*Base Activity and Miscellaneous Cash Definitions*)
- AutoCash Rule Sets (*Rules for How to Apply Cash Through Lockbox*)
- Application Rule Sets (*Rules for Partial Payments*)
- Distribution Sets (*for Miscellaneous Cash with Multiple Accounts*)
- Receipt Sources (*Where Receipts Came From and Rules*)
- \*\*Receipt Classes (*Key Accounting Setup*)
- Bank Charges (*Rules for Bank Charges*)
- Lockboxes
  - Lockboxes (*Bank and Processing Rules*)
  - Transmission Formats (*Layouts of Data From Bank*)
- Banks (*The Banks and Associated GL Accounts*)

# Adjustments



Credit Memos:

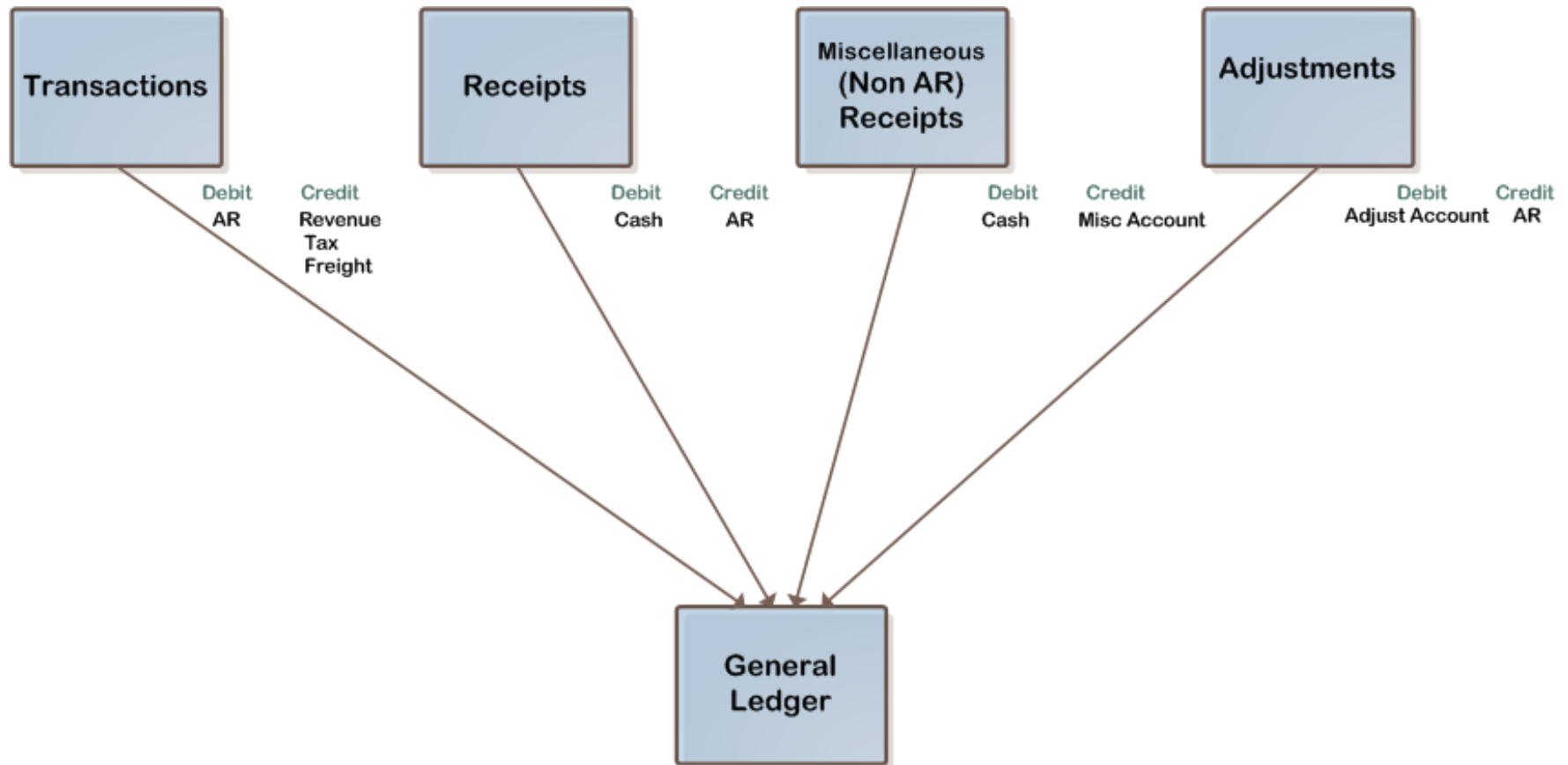
- 1) Tied to an Invoice When Created
- 2) "On-Account Credit" Not Tied to an Invoice When Created

# Payables and Receivables





# Accounting (Basics)







# Questions and Answers

## Questions?

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