

# Cash allocation - Misdirected payments

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## 2. Objective and scope

This OP explains how to handle payments received in wrong Solvay bank accounts.

This operating procedure (OP) applies to all payments managed by Accounts Receivables.

## 3. Definitions

- SBS: In the current document, "Solvay Business Services" will be replaced by its abbreviation "SBS".
- CCT AR: Customer Credit & Trade Accounts Receivable
- CCT CM: Customer Credit & Trade Credit Management
- OP: Operating procedure
- SSA: Solvay SA Factoring company
- SFA: Solvay Finance America Factoring company
- IBA: Internal Bank account of the Solvay entity
- P1: Factoring ERP
- PF1: Local ERP
- WP1: Local ERP

## 4. How to manage payments received on wrong Solvay bank account

This section explains how to handle payments received on incorrect bank accounts:

- Received in local bank accounts instead on SSA/SFA which was in charge of collecting the payment;
- Received in SSA when the invoices are assigned to SFA;
- Received in SFA when the invoices are assigned to SSA;

The steps to be followed are described in this procedure.

### 4.1 Payment received in local bank account for an invoice assigned to SSA/SFA

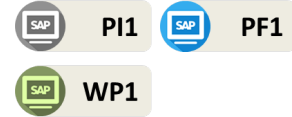
This chapter explains how to handle payments which customer paid directly to his supplier (affiliate), instead of paying to SSA/SFA bank account which was in charge of collecting the payment.

When processing a misdirect payment, it will represent a movement in the IBAs by debiting the affiliate which received the payment and Crediting SSA /SFA.

## Scope



## ERP



## References

## Attachments

**Warnings**

- If the currency of the payment is different then the affiliate main currency an email must be sent to [treasury.ihb@solvay.com](mailto:treasury.ihb@solvay.com) informing of the currency, amount and type of movement (debit/credit affiliate).
- When we are not able to process the payment on the same day (e.g. Account Blocked for Posting; Technical Issue...), we have to mark the invoice (s) with dunning block D, so that the invoice(s) are not included in the Reminders job.
- In case of unknown customer please check with the person who made the posting in local ERP if there are further details and request the bank statement. If still not possible to find the customer follow the steps described in OP "Cash allocation - Manual Payments" Chapter 4.10 Unallocated payments (Freshdesk ticket must be added to the text of the posting in local ERP).
- Even if there are payment discrepancies, or details missing but we are sure of the correct customer account the posting the Misdirect Payment should be processed and the payment allocated on customer account.
- In case of discrepancies between customer payment and invoice's amount, check OP "Payment Discrepancies".
- In case of a payment received in a local Bank account for an affiliate different then the one that assigned to SSA/SFA the misdirect process should be processed anyway since there will be a movement in the IBA. It is not necessary to do additional adjustments between the IBAs of the affiliates.
- Whenever processing a misdirected payment, after clearing the corresponding invoice(s), customer must be contacted please see chapter 4.4 Contact customers to avoid Misdirect Payments

**Misdirect Payments at D+1**

**At D+1 the transaction is changing the Document date and Posting date to the last day of the previous month** in order to allocate the payment in the same month it was received.

**4.1.1 Clearing the invoice in SSA/SFA**

Use transaction **Z3F\_FA\_MISDIRECT2** in **PI1** to do a follow up of all payments posted on the transitory accounts (5080930000 for PF1 system, 51100860 for WP1).

Use option "with Affiliate".

When opening the transaction it is advised to open only one of the transit accounts (PF1 or WP1) to fasten the extraction.

In case the objective is to process the payment for a specific company it is also possible to add the PRS code to open it.

The screenshot shows the SAP program interface for Z3F\_FA\_MISDIRECT\_V2. It has three main sections:
 

- With affiliate** (selected):
  - Selection options: PF1 Account (5080930000), WP1 Account (51100860), Company Code (PRS).
  - Between factoring companies: PI1 Account (5080930000), Company Code.
- Process errors** (unselected):
  - With Affiliate (selected)
  - Between factoring companies (unselected)

After the selections are done press to open the transaction.

The lines in orange represent the information that was retrieved from local ERP (Company; Document; Year; Line item; Amount; Currency; Date; Text; G/L; D/C Indicator; Customer; Company; Factoring Company)

Landnahme	COGS	DocumRef	Year	Doc	Amount	Currency	Posting Date	Text	G/L	D/C	Customer	Company	Factoring Company			
508093	0000	251027810	2017	2	4.000,00	EUR	21.04.2017	D	IMP	1010278/00058810250877	508093000	5	1010278	0000	0000	
508093	0000	251027810	2017	3	4.000,00	EUR	21.04.2017	D	IMP	1010278/00058810250877	508093000	5	1010278	0000	0000	
508093	0000	251027810	2017	2	10.000,00	EUR	21.04.2017	D	IMP	1010278/00058810250877	508093000	5	1010278	0000	0000	
508093	0000	251027810	2017	3	10.000,00	EUR	21.04.2017	D	IMP	1010278/00058810250877	508093000	5	1010278	0000	0000	

The white Lines represent what the program found to be cleared in SSA /SFA (Invoice Reference; Factoring Company; Posting Document; Line Item; Amount; Currency; D/C Indicator; Reference)

**Warnings**

The transaction will show all documents open on the transitory account. However it is the Text field in the posting in Local ERP that will Enable the program to find the correct items to clear. The Text should be in the format "D.PMT Customer/Affiliate+Invoice/Invoice /Invoice...." e.g. D.PMT 1010278/00058810250877/8810249324

The way the text is fulfilled and the type of payment (Full or with discrepancies) will affect the processing mode.

**Remark:** Sometimes the details of the payment might be in the long text of the document in local ERP.

In case of doubt please copy the document number (251\*\*\*\*\*) in the column **DocumentNo** and check the document (FB03) in Local system to see the Long Text.

PRSCustCod CoCo Pay.				
1010278	0005	0231		
1010278	0005	0231		
1010278	0005	0231		

There are 3 Processing modes:



Train - Full automatic Clearing;



Plane - Display all Screens;



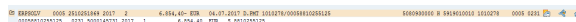
Crane - Leave open on account;

#### 4.1.1.1 Full Automatic Clearing

When the text is correctly inserted, it is a full payment and the items are open on customer account, the program will identify that a full automatic clearing is

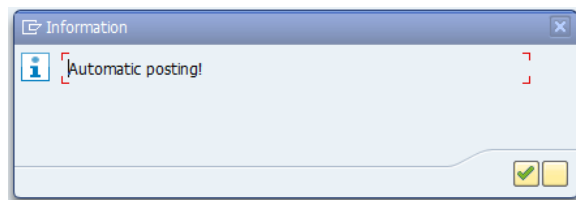
possible and will show the icon

The information of the items that will be cleared is shown in the white line.



By pressing the icon the process will be fully automatic.

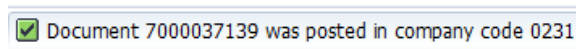
Validate by pressing the green arrow:



A message will appear in the bottom of the screen confirming the posting on customer account was generated.

And in the line of the misdirect there will

be a green tick and a log showing all the postings that were made.





Here the description of the postings done in case of invoice assigned to SSA:

- **Posting 1: Clear Misdirect account in local ERP** - debit 51100860 wp1 / 5080930000 PF1; by crediting 58999930 WP1 / 5919010010 PF1;
- **Posting 2: in 0231 Clear Misdirect @ IBA** - debit IBA of company who received the payment by Crediting account 5080930000;
- **Posting 3: in 0231 Clear Customer @ Misdirect** - Debit Misdirect account 5080930000

CoCode	DocumentNo	Fiscal Yr	Item	Text	Message Text
0005	2510251872	2017		(rfc) Posting 1: Clear OI in affiliate (remotely)	Posted successfully.
0231	7000037138	2017		Posting 3: Clear customer @ misdirect	Posted successfully.
0231	7000037139	2017		Posting 2: Clear misdirect @ IBA	Posted successfully.

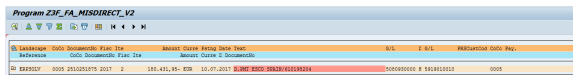
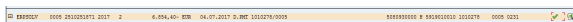




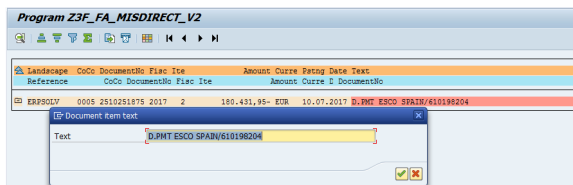
And in the line of the misdirect there will be a green tick  and a log  showing all the postings that were made.


#### 4.1.1.4 Change the TEXT

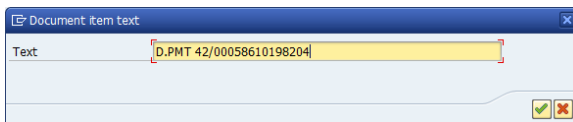
There might be some situations where the text in the posting in local ERP is not correctly fulfilled or there is some information missing.



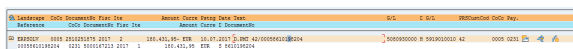
It's possible to edit the text directly in the transaction by double click in the text area.




Change the text then press .

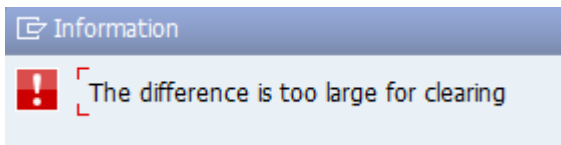



If we have a full payment, changing the text will even allow a fully automatic posting.



#### 4.1.1.5 How to manage errors in the transaction

In case there is an error processing the transaction, some messages will appear and in misdirect screen there will be an  showing that the payment was not processed.

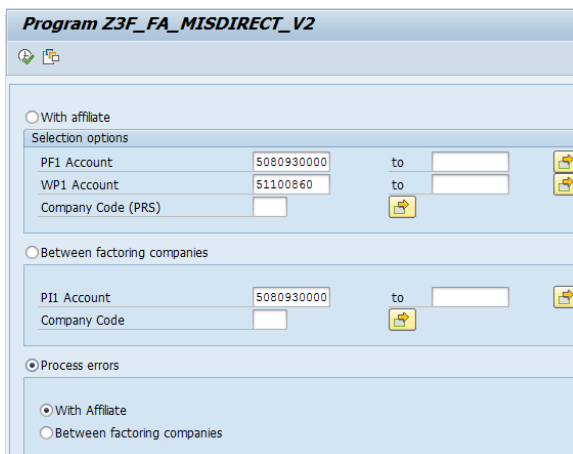



Check the log button  to take note of the postings done.




When at least one of the postings was done but there was an error in another it is possible to Re-post by using the selection "Process errors"

Make sure the initial error was corrected before processing the missing posting.




Access the "Process errors" and choose if it was related "with affiliate" or "Between factoring companies" then press Process .




Press icon (in this case ) in order to proceed with the posting.

At the bottom there will be the confirmation if the posting is done

It is also possible to press the button  to see which actions were taken.

Reference	CoCd	DocumentNo	Fiscal Yr	Item	Amount	Posting Date	DocType	DocNo	DocDate	DocType	DocNo	DocDate
5080930000	0005	2510289470	2018	999	(f/c)	Posting 1: Clear OI in affiliate (remotely)						
5080930000	0231	7000093002	2018			Posting 3: Clear customer @ misdirect						
5080930000	0231	7000093003	2018			Posting 2: Clear misdirect @ IBA						

 Document 7000093003 was posted in company code 0231

CoCd	DocumentNo	Fiscal Yr	Item	Text	Message Text
0005	2510289470	2018	999	(f/c) Posting 1: Clear OI in affiliate (remotely)	Posted had already been done.
0231	7000093002	2018		Posting 3: Clear customer @ misdirect	Posted successfully.
0231	7000093003	2018		Posting 2: Clear misdirect @ IBA	Posted successfully.



### Warnings

If necessary it is possible to reverse immediately the postings done to avoid IBAs to run when there is something incorrectly processed. Check the OP "Reversals" Chapter 4.5 Misdirect payment reversal for further information.

After that (and even if there were no postings done like the e.g.) the situation should be analyzed to avoid the error and to be able to process the misdirect payment without further mistakes.

In case the IBA already run it is not possible to reverse the posting done on the IBA account. So in 0231 check the posting from account 5080930000 to 591CURcccc to see if there is already an IBA movement (Doc Xcccc\*\*\*\*\*) clearing the IBA account and if so it's no longer possible to reverse:

G/L Account	591EUR0005	C/Cp SOLVAY CHEM INTL (BE)-EUR
Company Code	0231	SOLVAY SA - TREASURY DPT
		Doc. no. 7000023075
Line Item 1 / Debit entry / 40		
Amount	6.600,00	EUR
Additional Account Assignments		
Business Area		Trdg Part.BA
Value Date	01.05.2017	Blinc Date
Clearing date	05.05.2017	X000504406
Assignment	0005/FAMD	
Text	0005/4210004475/2017/005	Long text

For 4044 the IBA movement entry in 4044 is not clearing the Posting 6 automatically, A Manual Clearing is being performed so before reversing confirm if no SX was posted on account 5080930000 Cc 4044.

## 4.2 Payment received in factoring SSA for an invoice assigned to SFA

In Case of a payment received in SSA which belongs to an invoice assigned to SFA, the amount must be transferred from Sub-account to the misdirect account 5080930000.

Using FEBA transaction press back



then add the "pst key" 50 , account 5080930000 and press enter.

### Post with Clearing Select open items

Process open items

Open item selection	Additional selections
Company Code: 0231	<input checked="" type="radio"/> None
Account: [ ]	<input type="radio"/> Amount
Account Type: D	<input type="radio"/> Document Number
Special G/L ind: [ ] <input checked="" type="checkbox"/> Normal OI	<input type="radio"/> Posting Date
Pmnt advice no.: [ ]	<input type="radio"/> Dunning Area
<input type="checkbox"/> Other accounts	<input type="radio"/> Reference
<input type="checkbox"/> Distribute by age	<input type="radio"/> Payment order
<input type="checkbox"/> Automatic search	<input type="radio"/> Collective Invoice
	<input type="radio"/> Document Type
	<input type="radio"/> Business Area

### Post with Clearing Display Overview

Process open items Choose open items Display Currency Acct model Taxes

Document Date: 21.11.2017 Type: DZ Company Code: 0231  
 Posting Date: 21.11.2017 Period: 11 Currency: EUR  
 Document Number: INTERNAL Fiscal Year: 2017 Translatn Date: 21.11.2017  
 Reference: BNPI1CLEUR17225 Cross-CC no.: [ ]  
 Doc.Header Text: 0031334000017 Trading Part.BA: [ ]  
 Branch number: [ ] Number of Pages: [ ]

PK	BusA	Acct	EUR	Amount	Tax amnt
001	40	50513EUR16 BNP Ital	EUR	65.409,97	

D 65.409,97 C 0,00 65.409,97 \* 1 Line Items

Other line item  
 PstKy: 50 Account: 5080930000 L Ind: [ ] TType: [ ] New co.code: [ ]

Add the Amount of Payment and Text.

The Text must have format: **D.PMT Customer/Company code + Invoice Number/Invoice Number 2**

e.g. **D.PMT 2112846/62601800000221**

(attention to the # of zeros between company and invoice number)

To complete the operation press save



### Post with Clearing Add G/L account item

Choose open items Process open items Acct model

G/L Account: 5080930000 WARP MISDIRECT PAYMENT  
 Company Code: 0231 SOLVAY SA - TREASURY DPT

Item 2 / Credit entry / 50  
 Amount: 65.409,97 EUR  
 Calculate tax  More  
 Value Date: [ ] Due on: [ ]  
 Assignment: [ ]  
 Text: D.PMT 2112846/62601800000221 [Long Texts](#)

### Post with Clearing Display Overview

Display Currency Taxes Reset

Document Date: 21.11.2017 Type: DZ Company Code: 0231  
 Posting Date: 21.11.2017 Period: 11 Currency: EUR  
 Document Number: INTERNAL Fiscal Year: 2017 Translatn Date: 21.11.2017  
 Reference: BNPI1CLEUR17225 Cross-CC no.: [ ]  
 Doc.Header Text: 0031334000017 Trading Part.BA: [ ]  
 Branch number: [ ] Number of Pages: [ ]

PK	BusA	Acct	EUR	Amount	Tax amnt
001	40	50513EUR16 BNP Ital	EUR	65.409,97	
002	50	5080930000 WARP MISDIRECT PAYM	EUR	65.409,97-	

In case the payment is no longer available in FEBA use **FB05 to transfer the payment from GL or customer account to the misdirect account.**

**The objective is always to have a credit line in 5080930000 to be transferred with the misdirect transaction.**

### Post with Clearing Display Overview

Display Currency Taxes Reset

Document Date: 16.03.2018 Type: DT Company Code: 0231  
 Posting Date: 16.03.2018 Period: 3 Currency: EUR  
 Document Number: INTERNAL Fiscal Year: 2018 Translatn Date: 16.03.2018  
 Reference: [ ] Cross-CC no.: [ ]  
 Doc.Header Text: [ ] Trading Part.BA: [ ]

PK	BusA	Acct	EUR	Amount	Tax amnt
001	05	0000603646 PROCTER & GAMBLE IN	EUR	10.000,00	
002	50	5080930000 WARP MISDIRECT PAYM	EUR	10.000,00-	

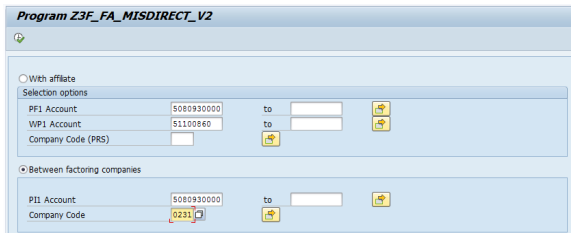
Here the example of a transfer from customer account to Misdirect account.

Once the payment is on the Misdirect Account we are in conditions to use the transaction **Z3F\_FA\_Misdirect2** to clear the invoice in Cc 4044.

Select the Option "**Between factoring companies**".

PI1 Account: **5080930000**

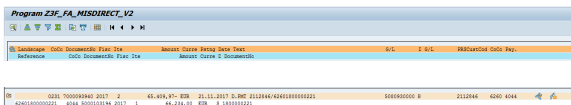
Company code: **0231**




Apply the payment to the invoice by clicking on the processing options



and proceed as described in chapters 4.1.1.1 / 4.1.1.2/ 4.1.1.3



To clear the invoice(s) in Cc 4044.

### 4.3 Payment received in factoring SFA for an invoice assigned to SSA

In case of a payment received in SFA for an invoice assigned to SSA the amount should be **posted on account 5080930000 Cc 4044 using FB05**.

**Doc date and posting date: According to Statement**

**Doc Type: DT**

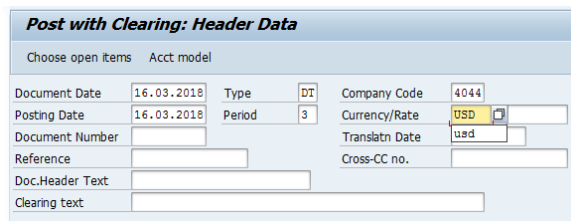
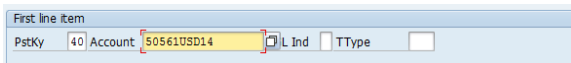
**Company code: 4044**

**Currency: According to Statement**

**Pst Key: 40**

**Account: the one where the payment was received.**

**Enter.**

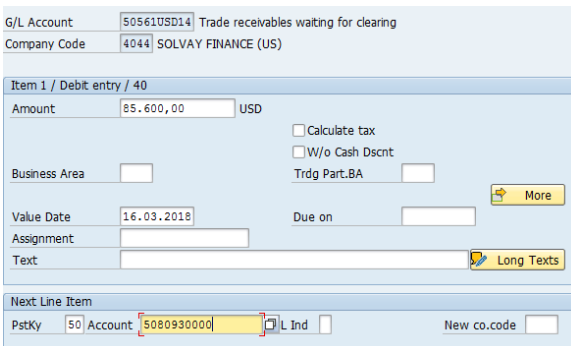



**Amount: Of payment**

**Pst Key: 50**

**Account: 5080930000**

**Enter.**



Add the **Amount of Payment** and **Text**.

The Text must have format: **D.PMT Customer/Company code + Invoice Number/Invoice Number 2**

e.g. **D.PMT 301479/61080099560361**

(attention to the # of zeros between company and invoice number)

G/L Account: 5080930000 WARP MISDIRECT PAYMENT  
 Company Code: 4044 SOLVAY FINANCE (US)

Item 2 / Credit entry / 50  
 Amount: 85.600,00 USD  
 Business Area: Trdg Part.BA  
 Value Date: 16.03.2018 Due on:  
 Assignment:  
 Text: D.PMT 301479/61080099560361 Long Texts

To complete the operation press save



Once the payment is on the Misdirect Account we are in conditions to use the transaction **Z3F\_FA\_Misdirect2** to clear the invoice in Cc 0231.

Select the Option "**Between factoring companies**".

PI1 Account: **5080930000**

Company code: **4044**

Program Z3F\_FA\_MISDIRECT\_V2

With affiliate  
 Selection options  
 PF1 Account: 5080930000 to  
 WP1 Account: 51100860 to  
 Company Code (PRS):  
 Between factoring companies  
 PI1 Account: 5080930000 to  
 Company Code: 4044



Apply the payment to the invoice by clicking on one of the processing



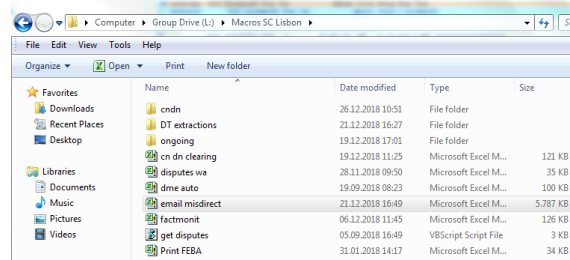
options and proceed as described in chapters 4.1.1.1 / 4.1.1.2/ 4.1.1.3

Selection	Doc	Document	Flan	Flan	Amount	Value	Posting Date	Text	Acc	E-Bill	Payment Date	Doc	Pay
1	61080099560361	0231	5080930000	2017	1	85.400,00	2018	16.03.2018	D.MISDIRECT				

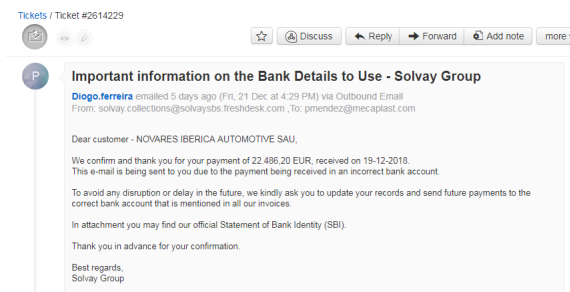
To clear the invoice(s) in Cc 0231.

## 4.4 Contact the customers to avoid Misdirect Payments

Once a week, AR team in Lisbon is running the following macro "email misdirect" which will check the misdirected payments processed in the last week and will originate an email with a specific letter (in customer language) informing that a payment was done to the incorrect bank account and asking an update on his masterdata.

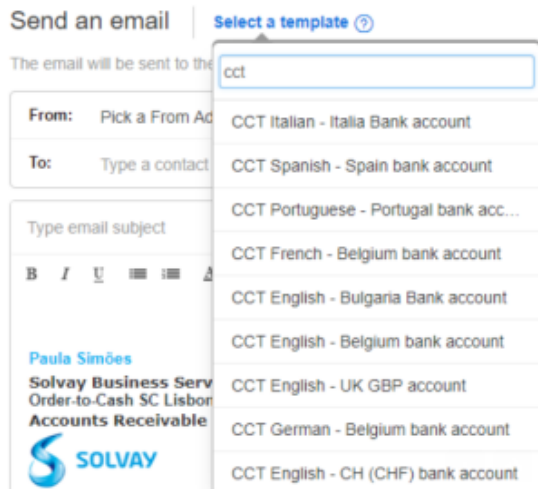


Example of an email sent to a customer:



**⚠ Whenever the customers don't have an email contact in the customer masterdata, a ticket will be created in AR queue (macro output) and we will need to follow the next steps:**

1. Search in Freshdesk a customer contact (through PRS number, customer name or company extension ex: @basf.com) or in the Internet (by customer name and address details)
2. Send an email with Misdirected payment template option by inserting "CCT..." to see all the possible templates and choose the correct one:



**!** Remark: Please be very cautious regarding the template you choose. First you should check the customer language in customer masterdata which after should be **ALWAYS** crossed with Bank account which customer should pay. If you choose the wrong bank, we are giving the **WRONG** information to the customer!!

To double-check, open the invoice copy and you will see the correct bank account.

Examples of tickets sent by the macro for customers without email contact:

	<b>Misdirect payment - 3511823 SERVICIOS Y PRODUCTOS PARA BEBIDAS - No contact #2878096</b> From: solvay ar Created: about 17 hours ago , Due in 1 day		Agent: - Status: Open Priority: Low
	<b>Misdirect payment - 3302914 RECKITT BENCKISER COLOMBIA - No contact #2878094</b> From: solvay ar Created: about 17 hours ago , Due in 1 day		Agent: - Status: Open Priority: Low
	<b>Misdirect payment - 606781 JOSEPH IFEANACHO OFOBUIKE - No contact #2878073</b> From: solvay ar Created: about 17 hours ago , Due in 1 day		Agent: - Status: Open Priority: Low

**!** Transfers between the two factoring companies (SSA and SFA) and misdirect payments processed in Cc 4044 are not included in the macro.

## 5.Attachments