Reversals

1. Table of contents

Scope

APAC EMEA
LAM NAM

ERP

PI1 PF1
WP1

References

Attachments

2. Objective and Scope

The purpose of this document is to describe the steps to be followed in order to reverse reconciliations on customer's account and on sub-accounts. The reversals can have several reasons namely wrong automatic matching, human error or under Cash Collections and/or Credit Manager request.

This operating procedure (OP) applies to all postings in customers and on bank accounts

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
- CM : Credit Management team
- DZ: customer payment
- TI: Transfer IN
- TO: Transfer OUT
- DT: Misdirected payment
- GBU: Global business unit

4. Reversals

> **Warning**
>
> Before doing a reversal, we should be sure that we really need to reverse, especially if the clearing was done in a previous period which is already closed. Reversing a clearing will imply that all documents will be re-opened, having an impact in the GBU (invoices will appear as overdue as there isn't anymore a payment linked)

Reversals guidelines

There are two **cancellation transactions** that can be used to reverse the documents:

- **FBRA –** When the reversal already includes cleared items. Ex: A payment (DZ) was already cleared with invoices
- **FB08 –** When the reversal does not include cleared items. Ex: An open payment (DZ) on customer's account

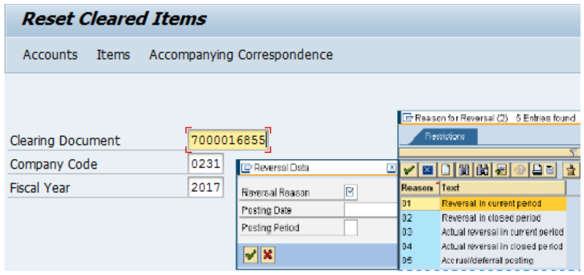
There are two **reversal reasons** depending on the period:

- **01 code –** If the document is reversed during the current opened period
- **02 code –** If the document is from a period that is already closed

See below an example:

If the reason code is 01, leave the "**Posting Date**" field blank. If the reason code is 02, fill in the "**Posting Date**" field with today's date.

> **Warning**
>
> In case a payment was left on customer account and cleared afterwards with invoices using **F-32**, we should start to reverse this document before the others



4.1 Bank transfer reversal

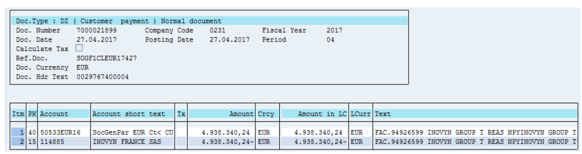
Due to a wrong clearing between a payment and one or more invoices, sometimes it is needed to cancel a matching on customer's account. In order to reverse the erroneous reconciliation, it is necessary to know the following items:

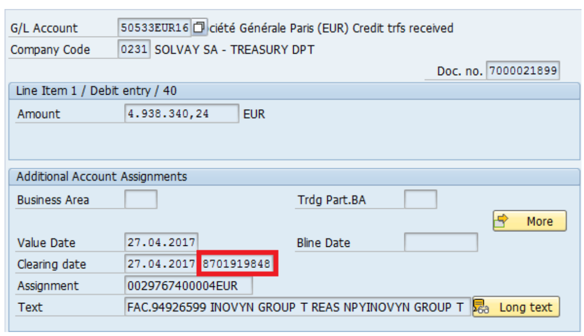
- Document type «700.... » which corresponds to the reconciliation item on customer's account;
- Document type «870.... » which corresponds to the reconciliation item of the bank sub-accounts (**if** the sub-account was reconciled already)

Example:

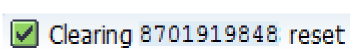
The first step is to reverse bank sub-account clearing (clearing between the TI with DZ) as below:

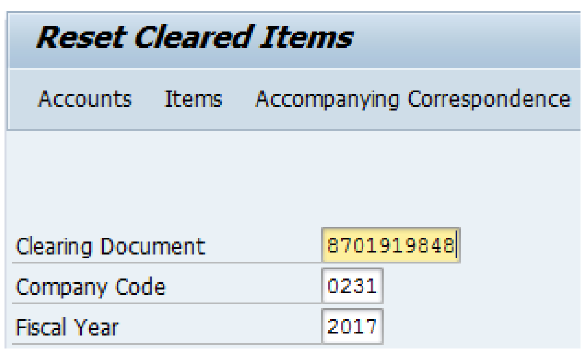
Enter on the DZ document and click above the posting in the sub-account (in this case 50533EUR16):



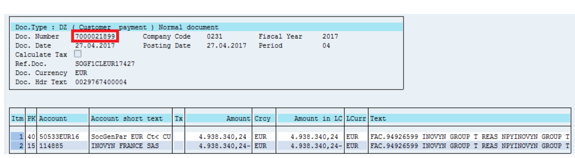


The document to be reversed is the one underlined (doc. 8701919848). Use **FBRA** transaction as below:



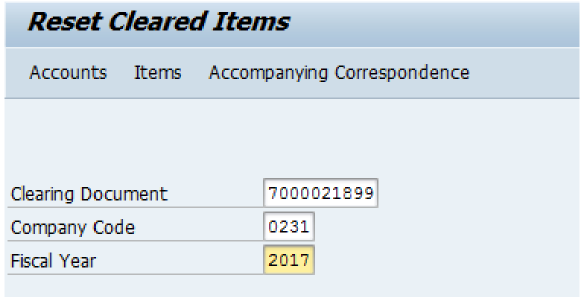


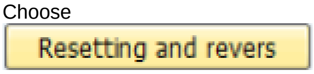
After this reversal, reverse DZ document (700…).

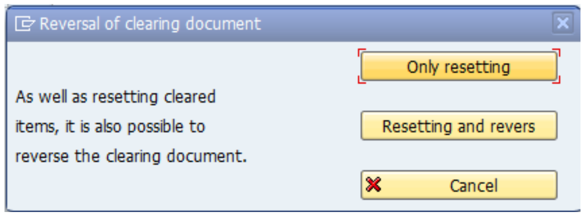


Open **FBRA** in case the DZ is already cleared with invoices and **FB08** if not.

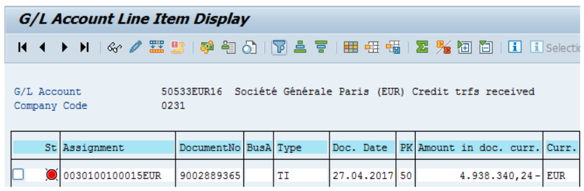
In this case **FBRA** transaction:



Choose  and Execute



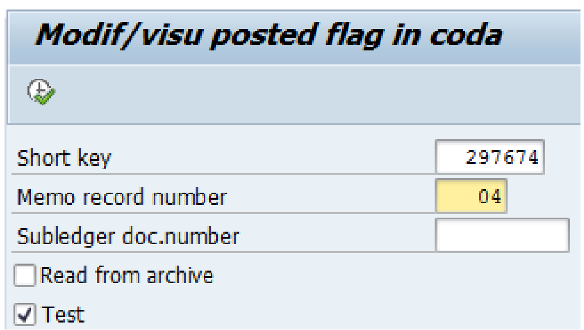
After this, the DZ is cancelled and the TI will open back in bank sub-account. See example below:



Warning

In order to post again the payment in FEBA transaction, we should change the flag using transaction **Z_FLAG_CODA**. After this, the payment will be available again to be posted. See below the steps to be executed.

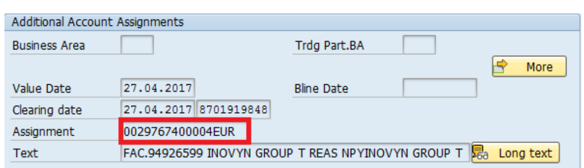
Open **Z_FLAG_CODA** transaction. The following screen appears:



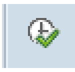
It should be filled with the assignment number of the payment that can be consulted on the DZ document, as below:

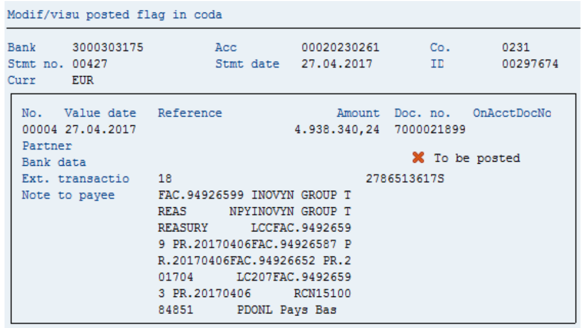
Itm	PK	Account	Account short text	Tx	Amount	Crcy	Amount in LC	LCurr	Text
1	40	50533EUR16	SocGenPar EUR Ct< CU		4.938.340,24	EUR	4.938.340,24	EUR	FAC.94926599 INOVYN GROUP T REAS NPYINOVYN GROUP T
2	15	114885	INOVYN FRANCE SAS		4.938.340,24-	EUR	4.938.340,24-	EUR	FAC.94926599 INOVYN GROUP T REAS NPYINOVYN GROUP T

Double-click on the Sub-account item and the following screen will appear:



- **Short Key:** The first digits of the assignment field (in this case 297674)
- **Memo record number:** The last digits that identifies the payment's line (in this case 04)

Leave the "Test" box ticked and view the payment to be sure that it is the correct one (click on the  **icon).**



When you are sure of the payment, remove the tick from the "Test" box and click on the  icon.

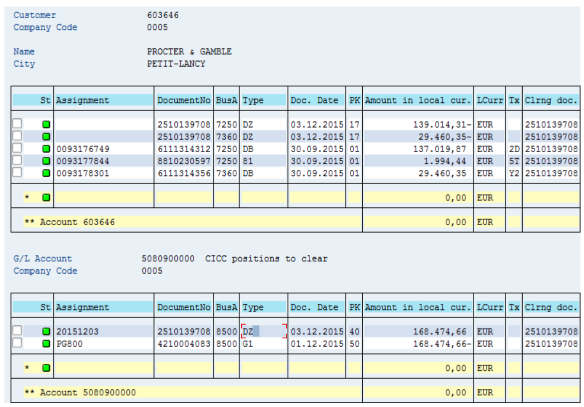
The payment is now available again on FEBA transaction to be posted.

4.1.1 Local Payment reversal

There might be the need to reverse payments which were received in local bank accounts. In this case, there are three situations of local cash application which can trigger a reversal:

- Finance team download the bank statements and leave the payment open on customer account or clear it with the invoice
- AR team does a manual posting in customer account following information in Bank site
- Finance team inform us that a payment was received and we clear the bank account with customer account (ex. Procter and Gamble)

In all of these cases, we have to analyze which document needs to be reversed and check if doing the reversal the payment will re-open in customer account (in case it was posted without clearing before) or if it will be cancelled and we have to do the manual posting again (in case we have posted a manual DZ between bank account and customer account). Below there is an example of a payment which was left by Finance team in a G/L account and AR team has cleared it with customer invoices (Procter and Gamble):



Customer 603646
Company Code 0005

Name PROCTER & GAMBLE
City PETIT-LANCY

St	Assignment	DocumentNo	BusA	Type	Doc. Date	PK	Amount in local cur.	LCurr	Tx	Clrng doc.
		2510139708	7250	DZ	03.12.2015	17	139.014,31-	EUR		2510139708
		2510139708	7360	DZ	03.12.2015	17	29.460,35-	EUR		2510139708
	0093176749	6111314312	7250	DB	30.09.2015	01	137.019,87	EUR	2D	2510139708
	0093177844	8810230597	7250	81	30.09.2015	01	1.994,44	EUR	5T	2510139708
	0093178301	6111314356	7360	DB	30.09.2015	01	29.460,35	EUR	Y2	2510139708
*							0,00	EUR		
** Account 603646							0,00	EUR		

G/L Account 5080900000 CICC positions to clear
Company Code 0005

St	Assignment	DocumentNo	BusA	Type	Doc. Date	PK	Amount in local cur.	LCurr	Tx	Clrng doc.
	20151203	2510139708	8500	DZ	03.12.2015	40	168.474,66	EUR		2510139708
	PG800	4210004083	8500	G1	01.12.2015	50	168.474,66-	EUR		2510139708
*							0,00	EUR		
** Account 5080900000							0,00	EUR		

In the case above, the payment was allocated by Finance team in G/L account 5080900000 and we have cleared the G1 (payment) with the invoices in customer account.

In case we need to reverse, we should reverse document 2510139708 in **FB08** transaction which will re-open the invoices and the DZ and then it is possible again to clear other invoices.

If the wrong clearing is due to a clearing in a wrong customer, then we should use **FBRA** transaction in order to cancel the DZ. In this case, the payment should be allocated again in the correct customer account using **FB05** transaction.

4.2 Reconciliation invoice/credit note reversal

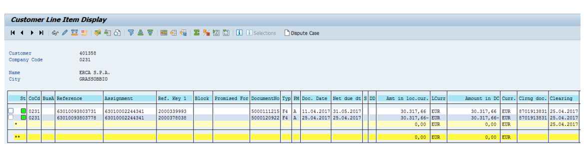
There is an automatic job which runs in all customer accounts to clear invoices vs credit notes which have the same assignment. The principle is that all these clearings are correct as based on the assignment number which corresponds to the order number.

Therefore these reversals should be limited to the cases in which the customer pays an invoice which was already cleared by a credit note or if there are more than one invoice or credit note with the same assignment which might have been assigned after and that the system cleared the wrong documents.

In case customer pays an invoice already cleared by a credit note and in order to have the same open accounting items as the customer for audit purposes, we should reverse this clearing and leave the credit note open to be deducted by the customer in other payment.

This section explains the steps that should be followed to reverse the reconciliation.

Use transaction **FBL5N** to display the customer's account's items, with variable "**All items**" so that we can identify the clearing document of the posting.



Customer Line Item Display

Selections Dispute Case

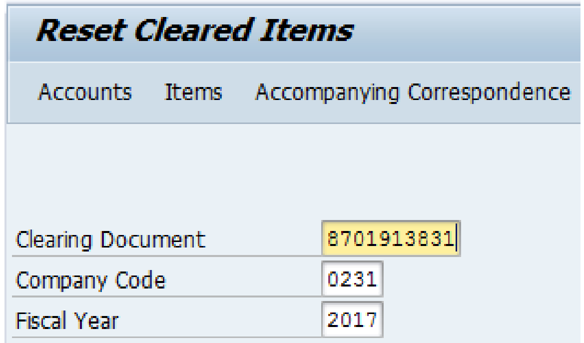
Customer 401358
Company Code 0231

Name ERCA S.P.A.
City GRASSOBBIO

St	CoCd	BusA	Reference	Assignment	Ref. Key 1	Block	Promised For	DocumentNo	Typ	PM	Doc. Date	Net due dt	S	DD	Amt in loc.cur.	LCurr	Amount in DC	Curr.	Clrng doc.	Clearing
	0231		63010093803731	63010002244341	2000339993			5000111215	F4	A	11.04.2017	31.05.2017			30.317,66	EUR	30.317,66	EUR	8701913831	25.04.2017
	0231		63010093803778	63010002244341	2000378038			5000120922	F4	A	25.04.2017	25.04.2017			30.317,66-	EUR	30.317,66-	EUR	8701913831	25.04.2017
*															0,00	EUR	0,00	EUR		25.04.2017
**															0,00	EUR	0,00	EUR		

Example:

In order to reverse this type of reconciliation, clearing document (in this case 8701913831) should be reversed. To do this, we should use always **FBRA transaction** as below:



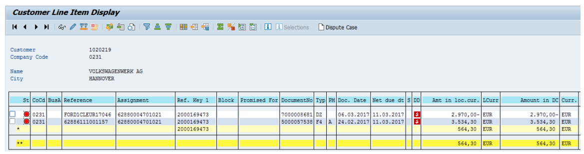
Follow the steps below:

- Insert the document number
- Press Save
- Confirm if the items to be reversed are correct
- Click on 

The reconciliation has been cancelled

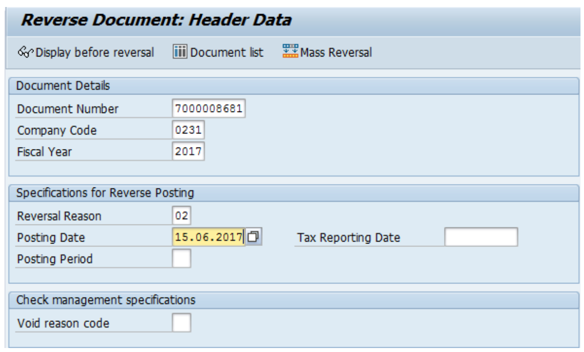
4.3 Partial payment reversal

The partial payment should only be done in case we are sure that customer paid a specific invoice partially. However there might be the need to reverse a partial payment due to a human error or according Credit Manager request. In this case, we should identify the DZ document and use **FB08** transaction. Example:



Insert DZ document 7000008681 in **FB08** transaction and

Save 



4.4 Cheque reversal

The cases for reversing a clearing with a cheque should be rare as normally we receive the information regarding the invoices in advance. However, in case of insufficient funds on customer bank account, we should proceed the same way as for bank transfer reversal explained in the chapter related (the only difference is the document type of the cheque is DK).

> **Warning**
>
> After the reversal, **FF68** or **FB05** transactions should be executed again in order to create a new DK document in customer account

4.5 Misdirected payment reversal

A misdirected payment is a payment received in local bank accounts for a customer assigned to SOLVAY SA (CC 0231) or Solvay Finance America (Cc 4044).

In case of a wrong clearing, we might need to reverse the document. The reversal that needs to be done depends on the necessary correction:

1. The customer's account is correct, just the wrong invoice was cleared, we should make a reset only using **FBRA** transaction and then clear the **DT** document that became open on the customer's account with the correct invoice using transaction **F-32**.

2. The clearing was done on the wrong customer's account, the reversal to be done is different (the example below):

Customer 420345
Company Code 0231

Name NORTH PLASTIK S.R.L.
City ANGIARI

St	CoCd	BusA	Reference	Assignment	Ref. Key 1	Block	Promised For	DocumentNo	Typ	PM	Doc. Date	Net due dt	S	DD	Amt in loc.cur.	LCurr	Amount in DC	Curr.	Clrng doc.	Clearing
	0231		42740114339058	42740002220065	2000195533			5000069749	F4	A	01.03.2017	20.05.2017			22.330,00	EUR	22.330,00	EUR	7000029073	24.05.2017
	0231							7000029073	DT		24.05.2017	24.05.2017			22.330,00-	EUR	22.330,00-	EUR	7000029073	24.05.2017
*															0,00	EUR	0,00	EUR		24.05.2017

First of all using transaction **FBRA** we should reset the 7000029074 document that is clearing these items:

Doc.Type : DT (Misdirect) Normal document
Doc. Number 7000029074 Company Code 0231 Fiscal Year 2017
Doc. Date 24.05.2017 Posting Date 24.05.2017 Period 05
Calculate Tax
Doc. Currency EUR

Itm	PK	Account	Account short text	Tx	Amount	Crcy	Amount in LC	LCurr	Text
1	40	591EUR4274	CCp RHODIA OPER-EUR		22.106,70	EUR	22.106,70	EUR	ZFR3/2400025410/2017/002
2	50	5080930000	WARP MISDIRECT PAYME		22.106,70-	EUR	22.106,70-	EUR	

The document that needs to be reset can be found as follows:

Double click on the **DT** document, press button and double click on the first line:

Itm	PK	Account	Account short text	Tx	Amount	Crcy	Amount in LC	LCurr	Text
1	40	5080930000	WARP MISDIRECT PAYME		22.106,70	EUR	22.106,70	EUR	ZFR3/2400025410/2017/002
2	40	6531000000	Custom disc (fin)		223,30	EUR	223,30	EUR	
3	17	420345	NORTH PLASTIK S.R.L.		22.330,00-	EUR	22.330,00-	EUR	

In this window you can see the document that needs to be reset:

Display Document: Line Item 001

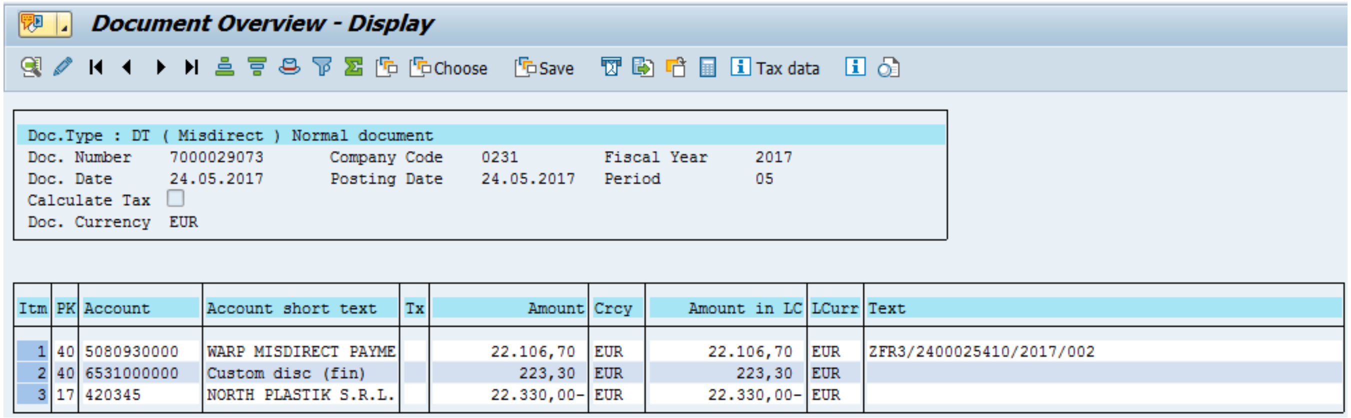
Additional Data

G/L Account 5080930000 ARP MISDIRECT PAYMENT
Company Code 0231 SOLVAY SA - TREASURY DPT
Doc. no. 7000029073

Line Item 1 / Debit entry / 40
Amount 22.106,70 EUR

Additional Account Assignments
Business Area Trdg Part.BA
More
Clearing date 24.05.2017 7000029074
Assignment 20170524
Text ZFR3/2400025410/2017/002 Long text

After the document is reset, the next step is to fully reverse the clearing on customer's account. It can be done using transaction **FB08**. The document to be reversed is 7000029073:



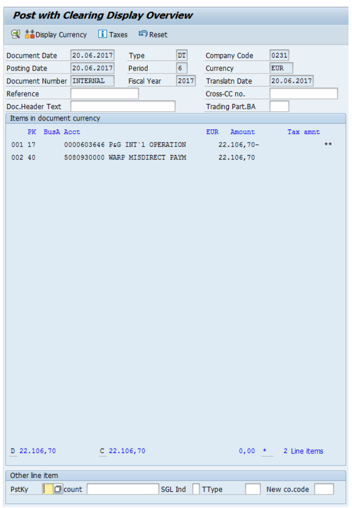
Document Overview - Display

Choose Save Tax data

Doc.Type : DT (Misdirect) Normal document
Doc. Number 7000029073 Company Code 0231 Fiscal Year 2017
Doc. Date 24.05.2017 Posting Date 24.05.2017 Period 05
Calculate Tax
Doc. Currency EUR

Itm	PK	Account	Account short text	Tx	Amount	Crcy	Amount in LC	LCurr	Text
1	40	5080930000	WARP MISDIRECT PAYME		22.106,70	EUR	22.106,70	EUR	ZFR3/2400025410/2017/002
2	40	6531000000	Custom disc (fin)		223,30	EUR	223,30	EUR	
3	17	420345	NORTH PLASTIK S.R.L.		22.330,00-	EUR	22.330,00-	EUR	

The next step is to go to transaction **FB05** and make the posting between the correct customer's account and G/L account of misdirect payments:



Once this is done, we should clear the item that was reset in the first place with the new item generated on the G/L account 5080930000.

4.6 Direct debit reversal

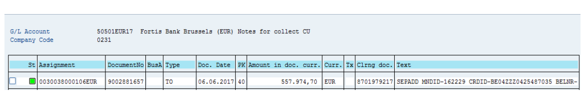
For direct debits there is an automatic job through F110 transaction which clears the invoices which are due and create a file which is then handled by IHB team (bo.ihb@solvay.com). In case of unpaid, we would need to make the necessary corrections in customer account.

An unpaid in direct debit can be detected through three ways:

- Negative amount in Feba transaction
- Credit Manager/ Business or Cash Collections team request
- During sub-accounts reconciliation detecting a debit movement

> **Warning**
>
> Even if we are informed by someone that customer will refuse a direct debit, we should always check if we have received the debit in our bank account (TO)

Example of an unpaid:

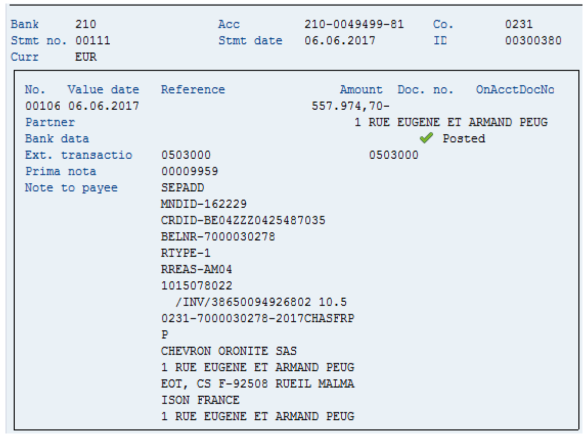


G/L Account 50501EUR17 Fortis Bank Brussels (EUR) Notes for collect CU
Company Code 0231

St	Assignment	DocumentNo	BusA	Type	Doc. Date	PK	Amount in doc. curr.	Curr.	Tx	Clrng doc.	Text
	0030038000106EUR	9002881657		TO	06.06.2017	40	557.974,70	EUR		8701979217	SEPADD MNDID-162229 CRDID-BE04ZZZ0425487035 BELNR-

Checking the flag we can see the invoice details:

In order to reverse the clearing, go to customer account in **FBL5N transaction** and identify the document that needs to be reversed.

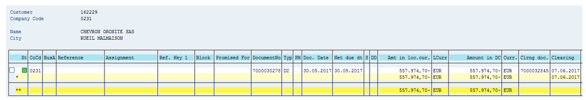


Bank 210 Acc 210-0049499-81 Co. 0231
Stmt no. 00111 Stmt date 06.06.2017 ID 00300380
Curr EUR

No. Value date Reference Amount Doc. no. OnAcctDocNo
00106 06.06.2017 557.974,70-
Partner 1 RUE EUGENE ET ARMAND PEUG
Bank data Posted
Ext. transactio 0503000 0503000
Prima nota 00009959
Note to payee SEPADD
MNDID-162229
CRDID-BE04ZZZ0425487035
BELNR-7000030278
RTYPE-1
RREAS-AM04
1015078022
/INV/38650094926802 10.5
0231-7000030278-2017CHASFRP
P
CHEVRON ORONITE SAS
1 RUE EUGENE ET ARMAND PEUG
EOT, CS F-92508 RUEIL MALMA
ISON FRANCE
1 RUE EUGENE ET ARMAND PEUG

In this case we need only to reset the original DZ document using **FBRA transaction**:

After that payment method of invoice should be changed to "**A**".



Customer 162229
Company Code 0231

Name CHEVRON ORONITE SAS
City RUEIL MALMAISON

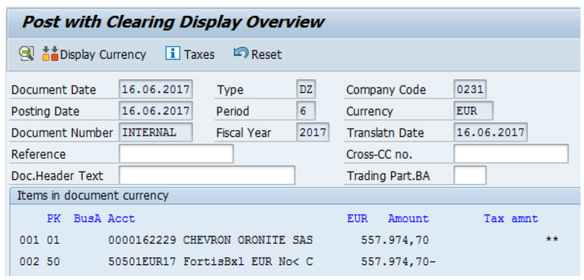
St	CoCd	BusA	Reference	Assignment	Ref. Key 1	Block	Promised For	DocumentNo	Typ	PM	Doc. Date	Net due dt	S	DD	Amt in loc.cur.	LCurr	Amount in DC	Curr.	Clrng doc.	Clearing
	0231							7000030278	DZ		30.05.2017	30.05.2017			557.974,70-	EUR	557.974,70-	EUR	7000032845	07.06.2017
*															557.974,70-	EUR	557.974,70-	EUR		07.06.2017
**															557.974,70-	EUR	557.974,70-	EUR		

With transaction **FB05**, we should make the following posting:

Document type: DZ

01 - Customer's account - Amount of unpaid

50 - Subaccount - Amount of unpaid



Post with Clearing Display Overview

Display Currency Taxes Reset

Document Date 16.06.2017 Type DZ Company Code 0231
Posting Date 16.06.2017 Period 6 Currency EUR
Document Number INTERNAL Fiscal Year 2017 Translatn Date 16.06.2017
Reference Cross-CC no.
Doc.Header Text Trading Part.BA
Items in document currency

	PK	BusA	Acct	EUR Amount	Tax amnt
001	01		0000162229 CHEVRON ORONITE SAS	557.974,70	**
002	50		50501EUR17 FortisBxl EUR No< C	557.974,70-	

Clear **DZ** (original) with **DZ** (created) using **F-32** transaction.

Then go to **F-03** to clear the G/L account: **TO** with **DZ**.

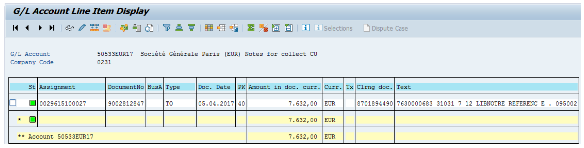
Warning

- After the clearings are done, a dispute to Cash Collections with reason "Unpaid" and status "Call by collector" should be created in order to ask customer the reason of the unpaid and to agree about the new payment
- The changes in mandate and consequently in the direct debit will be made automatically by the system.

4.7 Draft reversal

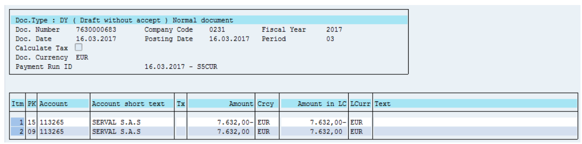
We have manual and automatic drafts for France (Traites) and Spain (Pagarés and Recibos). For this payment method, we might receive an unpaid from a customer due to several reasons: customer didn't agree with the debit for some reason; a credit note was created after the amount was sent to the Bank; liquidity issues, etc.

In case we receive an unpaid, we should detect it through a debit in our sub-account (TO). In this case, we should check the flag related with the TO. See below an example:

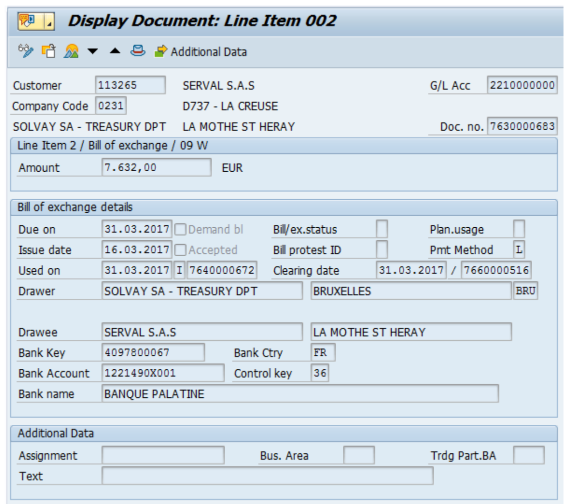


Checking the flag, we can see all the details:

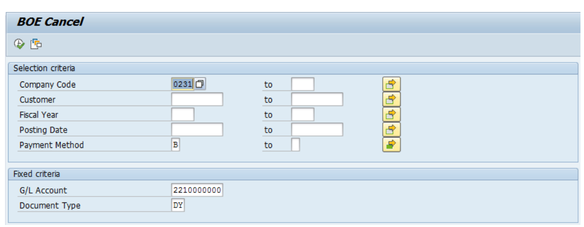
It is possible to retrieve in the bank statement the original document (in this case 7630000683) for which we should check in **FB03** transaction:

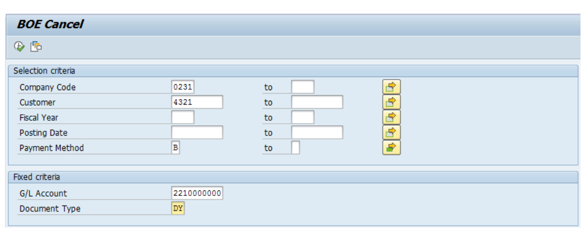


Click on the second line to retrieve all the details:



Following the confirmation that the amount of the TO is the same of the draft amount, we can proceed with the reversal. For drafts (**except Pagarés**) we should use transaction **Z3F_FA_RFBITB01_BOE** in order to re-open the invoice:





When the window opens, please insert the **Customer number** and the **Document Type**:

and press .

Select the line related to unpaid and press .

BOE Cancel

Program Name	CoCode	DocumentNo	Fiscal Yr	Doc.ID	Customer	Amount	Currency	Value Date	DocumentNo	Reference	Amount	Currency
Z3F_FA_RFBITB01_BOE	0231	7630001519	2017	1	4321	72,13	EUR	28.06.2017	5000156436	02451000021717	72,13	EUR
Z3F_FA_RFBITB01_BOE	0231	7630000366	2017	1	4321	71,00	EUR	20.02.2017	5000002259	02451000020696	71,00	EUR
Z3F_FA_RFBITB01_BOE	0231	7630000374	2017	1	4321	72,13	EUR	02.03.2017	5000031782	02451000021347	72,13	EUR
Z3F_FA_RFBITB01_BOE	0231	7630000687	2017	1	4321	72,13	EUR	30.03.2017	5000060285	02451000021419	72,13	EUR
Z3F_FA_RFBITB01_BOE	0231	7630000995	2017	1	4321	72,13	EUR	29.04.2017	5000092368	02451000021522	72,13	EUR
Z3F_FA_RFBITB01_BOE	0231	7630001265	2017	1	4321	72,13	EUR	27.05.2017	5000123997	02451000021624	72,13	EUR

- After the transaction runs, there is an automatic SAP job which will "read" this file and the documents unpaid and will do the resetting of the document in customer account and re-open the invoice and the original DY. Then, it will clear automatically the original DY with another DY which will also credit the sub-account to be cleared with the unpaid (TO).
- The payment method of the invoice will be automatically changed from to "A" (Bank transfer) and a dispute will be created to Cash Collections team informing about the unpaid. Cash Collections team will then contact the customer to understand the reason of the unpaid and agree in a new payment.
- The changes in mandate and consequently in the direct debit will be made automatically by the system
- Every time draft gets unpaid an email is sent automatically to AR mailbox. In it we should check if all the items have , meaning that all steps went correctly
- If all the documents have it means that the reversal was done successfully and nothing needs to be done further by AR team.

4.8 Pagarés reversal

The reversal related to unpaid of pagarés depends on the fact if we receive a TO on G/L account or not:

- If we receive a TO document, we should only reset the DE document using **FBRA** transaction.
- If we do not receive a TO or TI document, we should reverse all generated documents 76600..., 76400... and 76100... using **FBRA** and **FB08** transactions.

4.9 RIBA reversal

RIBA is a payment method used only for Italian customer for which there is an automatic job running through F110 transaction which will clear in customers' accounts all the invoices due within 1 month. The invoices will be cleared with a DY and a positive DY will stay open until due date of the invoice is reached.

For this payment method, we might receive an unpaid from a customer due to several reasons: customer didn't agree with the debit for some reason; a credit note was created after the amount being sent to the Bank; liquidity issues, etc.

The process of the unpaid in RIBA is fully automatic. There is one file received in SAP with the information of the RIBAs unpaid.

```
World.Accounts Receiv&Pay                 Reprise des supports de données                Heur 05:58:36     Date   02.12.20
BRUXELLES                                      Effets non acceptés                        RFFBWG10/BECICC   Page

N°enreg.: >positions 1-120 des enreg. du

000001: IB0100570801011215  43002442                                  70801     0035  01600                     E

000002: 1400000010312150112153011154201000000006180000-0306931081     01005016000000000060007080140000408990         E

000003: 200000001SOLVAY SA - ITALIA     VIALE LOMBARDIA, 20     20021 BOLLATE          IT00089900492

000004: 300000001TRI.O.M. SPA                  .                       02068490016

000005: 400000001VIA DEI PRATI 20             10020CAMBIANO           -TO INTESA SANPAOLO SPA

000006: 500000001RE.INVOICE      58356666005035          .

000007: 5100000017630013736SOLVAY S.A.                                               00500011215001000546280021215
```

Afterwards, there is an automatic SAP job which will "read" this file and the documents unpaid and will do the resetting of RIBA document in customer account and re-open the invoice and the original DY. Then, it will clear automatically the original DY with another DY which will also credit the sub-account (50513EUR17) to be cleared with the unpaid (TO). The payment method of the invoice is also automatically changed from "B" (RIBA) to "A" (Bank transfer) and a dispute is created to Cash Collections team informing about the unpaid. Cash Collections team will then contact the customer to understand the reason of the unpaid and agree in a new payment.

Finally, there is an email, which is sent automatically to AR mailbox, every time there are RIBA unpaids for which we should check if all the items have , meaning that all steps went correctly.

See example below Freshdesk ticket number 698973:

RIBA/BOE UNPAID

Job Name: S3ZF_020_E_PEL/BC_ARIBA

Job ID: 05574300

System: PI1-020

Start date: 16.05.2017 06:02:49

Company Code	Doc Number	Fiscal Year	Doc type	Doc Number PI	Reference Doc	Reset	P.Method	Dispute	Cancel	Messages
0231	7630000974	2017	1	5000081329	58356111002663	✓	✓	✓	✓	

PLEASE DO NOT REPLY to this email. This email message was sent from a notification-only email address that cannot accept incoming email.

If all the documents have it means that the reversal was done successfully and nothing needs to be done further by AR team.