Cash allocation - Cheques

1. Table of contents

2. Objective and Scope

The purpose of this document is to describe how CCT AR has to post cheques based on the cheques received by post in SBS address and the requests sent by Credit Managers to AR mailbox. It is also described the different steps to be followed while running FF68 and SM35 transactions.

This operating procedure (OP) applies to the accounts receivables assigned to Solvay SA.

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

Scope

EMEA

ERP

PI1

References

Content by label

There is no content with the specified labels

Attachments

4. Cheques

This OP describes how to post cheques using FF68 and SM35 transactions and which are the different steps to be followed in order to clear the invoices on customer accounts.

Cheques flow:

- Cheques can be received through two different ways:

1. Customers send them directly by post to SBS Carnaxide
2. Credit Managers send an email with a copy of the cheque and they are deposited directly in customer country bank account (it should very rare)

> **Warning**
>
> For cheques in other currency than EUR, the cheques should be sent to:
>
> Solvay CICC S.A.
> Attn : Larissa Duval (Building U)
> 310 Rue de Ransbeek
> 1120 Bruxelles - Belgium
>
> The following information should be sent along with the cheque:
>
> - the bank account that must be credited (BE bank account)
> - the customer number
> - information that must be informed on the bank statement (payment invoice XXX or other..)

1. For the **Cheques received by post** , see below the procedure:

- AR on a daily basis pick in the 2nd floor all the correspondence received by post

- AR verifies the cheques received and write in the back of the cheques "Solvay SA"and signs the ones that don't mention "Não à ordem" (only Paula Rodrigues and Diogo Ferreira have authorization to sign cheques on befalf of Solvay SA).
- The cheque should be scanned (front and back) and a ticket created in Freshdesk with customer number and amount (to be then used to search the ticket afterwards).
- Fill the deposit slip with the cheques to deposit (for Portuguese customers use model ET0101; in case of foreign customers please use model ET0121). See below the instruction for each of the models and the difference between them:

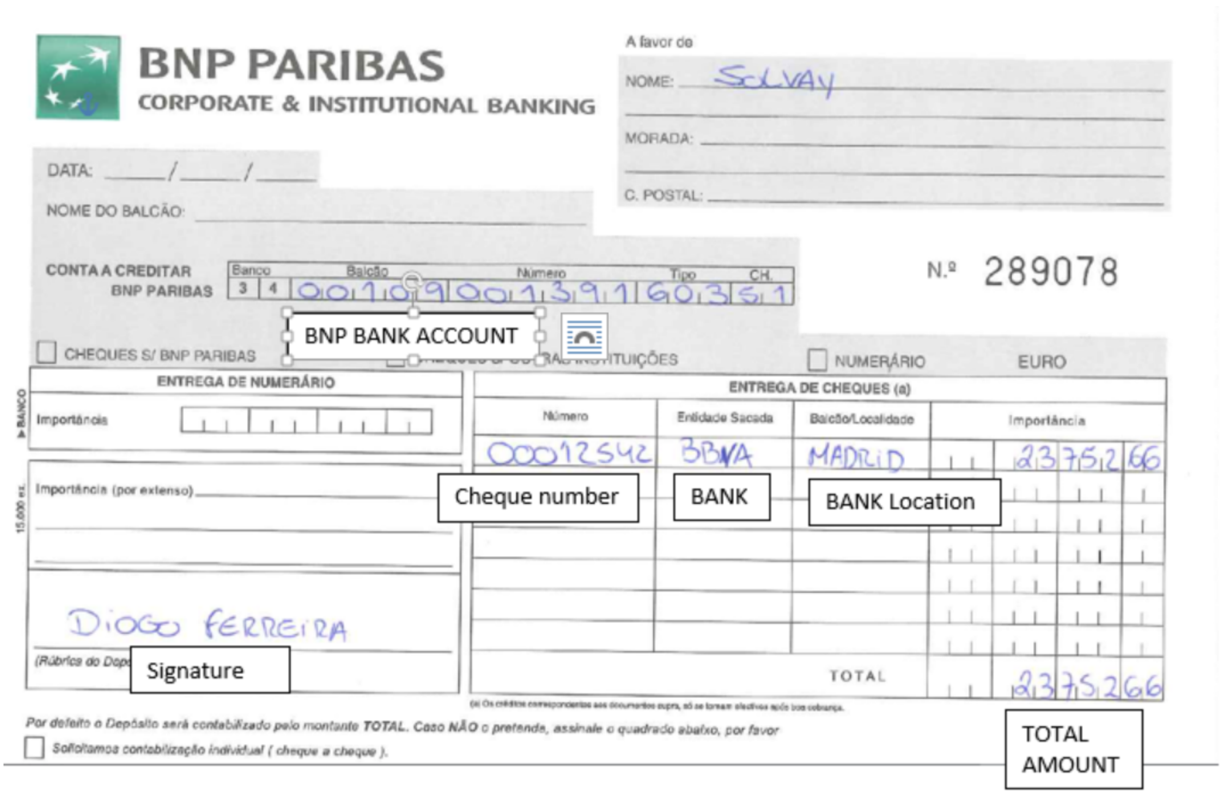
Remark: there are these two models available in AR area ready to be used. We should create a form per country

BNP bank account information:

PT	EUR		PT50 0034 0109 0013 9160 3514 4	Solvay CICC	BNP Lisboa

Model ET0101 (Portuguese cheques):

Model ET0101.pdf


BNP PARIBAS
CORPORATE & INSTITUTIONAL BANKING

A favor de
NOME: SOLVAY
MORADA:
C. POSTAL:

DATA: ___/___/___
NOME DO BALCÃO:

CONTA A CREDITAR BNP PARIBAS — Banco 3 4 | Balcão 0010 | Número 9001391 | Tipo 60 | CH. 351

N.º 289078

CHEQUES S/ BNP PARIBAS
CHEQUES S/ OUTRAS INSTITUIÇÕES
NUMERÁRIO
EURO

ENTREGA DE NUMERÁRIO
Importância
Importância (por extenso)
DIOGO FERREIRA
(Rúbrica do Depositante)

ENTREGA DE CHEQUES (a)

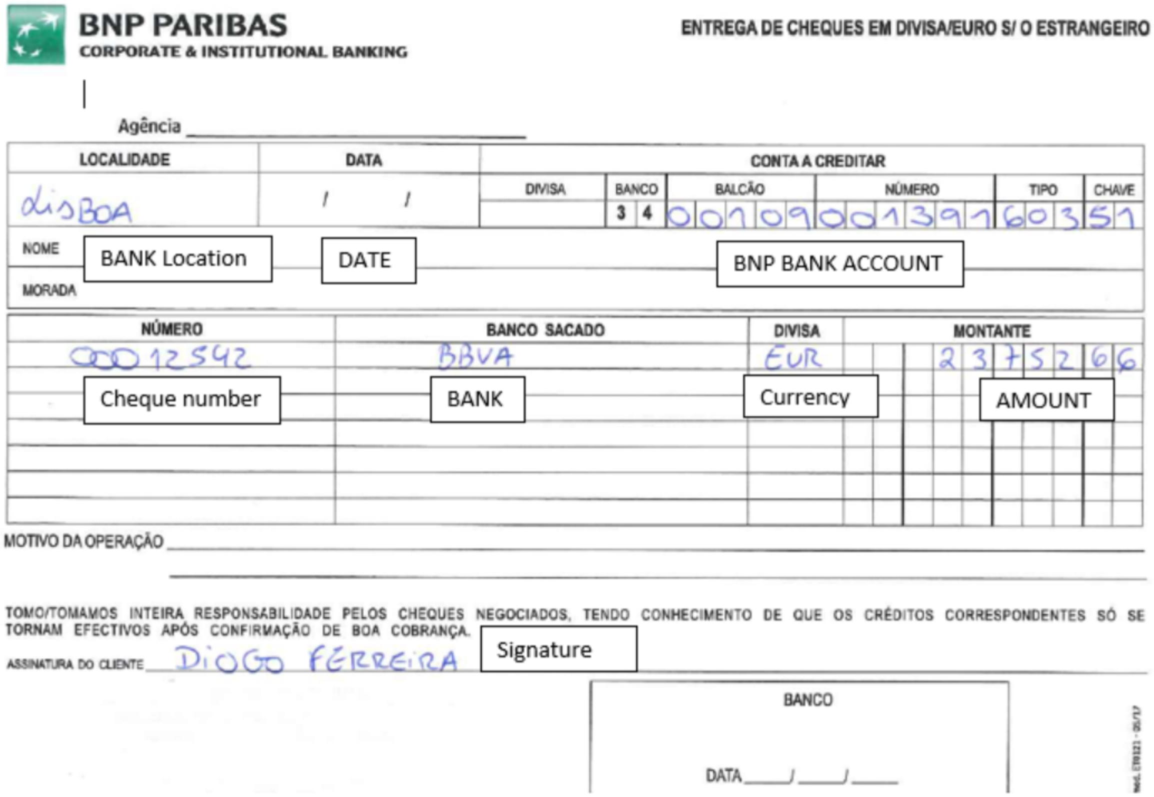
Número	Entidade Sacada	Balcão/Localidade	Importância
00012542	BBVA	MADRID	23752,66
TOTAL			23752,66

(a) Os créditos correspondentes aos documentos supra, só se tornam efectivos após boa cobrança.

Por defeito o Depósito será contabilizado pelo montante TOTAL. Caso NÃO o pretenda, assinale o quadrado abaixo, por favor

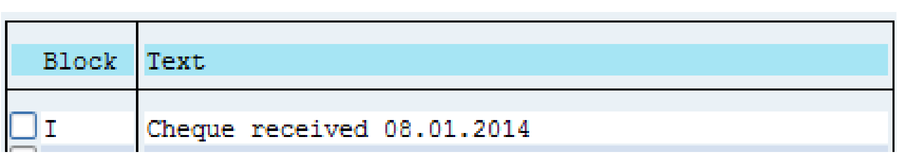
Solicitamos contabilização individual (cheque a cheque).

Model ET0121 (Foreign cheques):

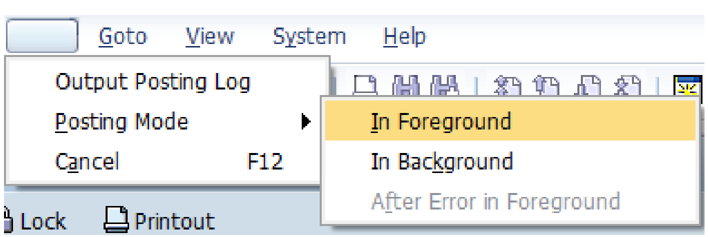


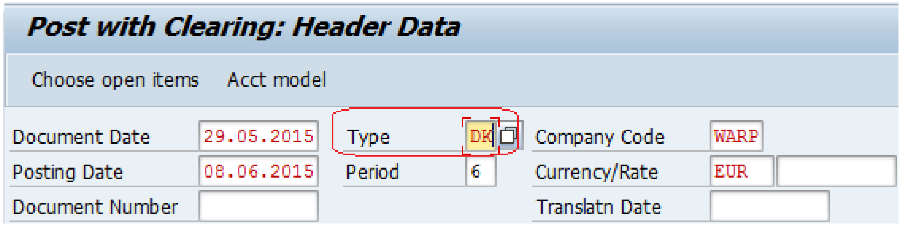
- Remove the duplicate page to keep for future reference (the one that mention "Cópia para o cliente") and scan it and attach to the ticket. This will be used for future reference whenever we need to check the date in which the Cheque was sent to the Bank
- Put the cheques inside the envelope and close it. If the model doesn't include an envelope, please add a Solvay envelope and staple it to the model form.
- Fill in the Google Form as a request to deliver the cheque to BNP (done every Thursday). If the cheque is received close to end of the month please insert urgent in the form information.
- AR should insert dunning block "I" and write "Cheque received and date of the cheque" on the invoices paid by the cheque (FBL5N transaction)

Example:



- If the TI movement enters in sub-account 50514EUR15, the person doing the sub-accounts reconciliation should process FF68 and SM35 transaction. If the TI enters in 50514EUR16 and appears in FEBA transaction, we should enter in the payment, change the "Posting mode" to "In Foreground", change "type" to "DK" and clear the invoice(s). See example below:



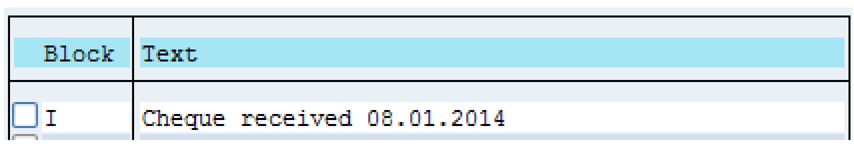


> **Warning**
>
> If a cheque is rejected, the original case should be found and the information regarding the rejection should be added to the ticket. The letter sent to the customer with the cheque returned should be scanned and added to the case as well all the information's we have regarding rejection reason. Additionally a dispute should be created in customer account to Collections team requesting a new payment to the customer

For the **Cheques** received by Credit Managers, see below the procedure:

- Credit Managers send by email to AR mailbox the copy of the cheques
- AR process FF68 transaction
- Send the pdf file to the requester.
- The case should be classified with the total amount of the cheques on the subject, the customer accounts numbers and the ticket should be closed.
- AR should insert dunning block "I" and write "Cheque received and date of the cheque" on the invoices paid by the cheque (FBL5N transaction)

Example:



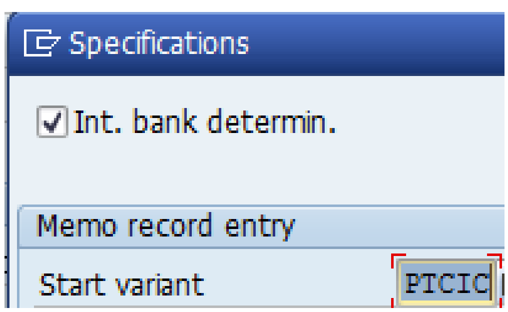
- Whenever receiving the Bank payment on the Cheques sub-accounts (a TI is received on 50*15 sub-accounts), AR team should process the SM35 transaction, which will match the invoices by posting a DK document on customer account

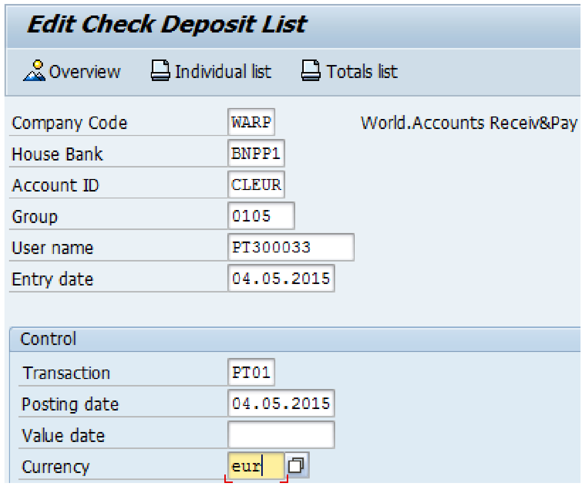
4.1 FF68 transaction

Follow the steps below:

> **Warning**
>
> When processing this transaction for the first time or to switch from Region, click on 'Settings' and then on 'Specifications'.

If the **cheque is received by post** (even if not from Portuguese customers), we should choose "PTCIC" in the Specifications and "BNPP1" and "PT01" in House Bank and transaction fields as in the print screens:

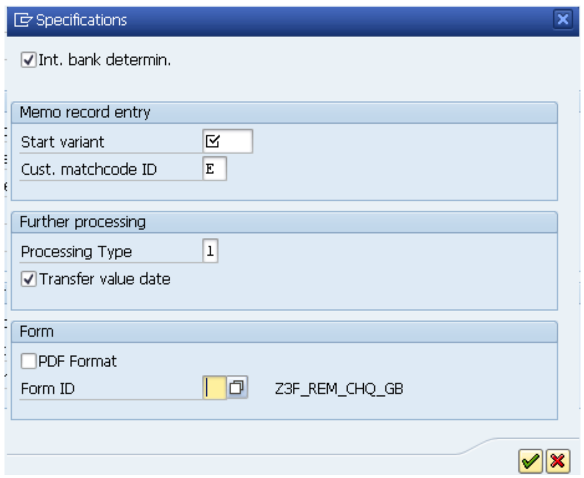




For the remaining fields, please check procedure described below.

For the **cheques sent by Credit Managers by email** (deposited in local bank), the following procedure should be followed:

This screen is to be filled in as follows:



- Select the **Int. bank determin**. Box.
- **Start Variant:** Choose variant related to the country of the cheque:
  1. ESCIC for Spain and Portugal
  2. GBCIC for UK
  3. DECIC for Germany
  4. FRCIC for France
- **Cust. Matchcode ID:** Choose "E - Customers by country /company code".
- **Processing type:** 1 – Further processing as batch input (generate online).
- **Form ID:** Choose the one related to the country of the cheque:
  1. ES for Spain and Portugal
  2. GB for UK
  3. DE for Germany
  4. FR for France

Click on the Execute button  .

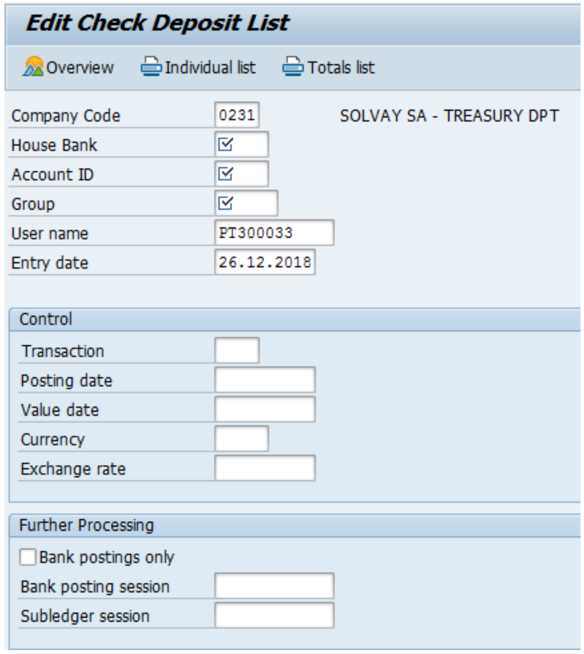
Then the following screen will appear:

Warning

- For Spain and Portugal, we should create one list for BBVA cheques and another for the cheques from the other Banks
- For UK, a different list should be created for each different cheque's currency

This screen is to be filled in as follows:

- **Company code:** WARP
- **House Bank:** Choose the House Bank related to the country of the cheque:
    a. BBVES for Spain and Portugal
    b. FORGB for UK
    c. FORDE for Germany
    d. SOGFR for France
- **Account ID:** CLEUR for cheques in EUR or CLGBP in case cheque is in GBP
- **Group:** Today's day/01, 02 etc



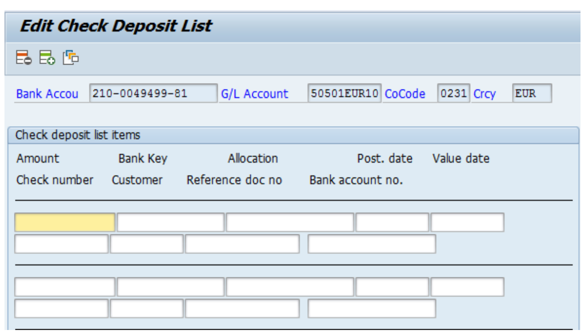
> **Important**
>
> Don't use the same Group twice a day; It is better to use a number after the day, which can be easily changed each time the transaction is used.

- **Entry Date:** Current day
- **Transaction:** Choose the option depending of the region as follow:
    1. ES00 for BBVA cheques in Spain
    2. ES02 for the cheques from other banks in Spain
    3. GB01 for UK
    4. DE01 for Germany
    5. FR01 for France
- **Posting date:** Current day
- **Currency:** Cheque's currency

Click on the Execute button .

The next screen appears:

This screen is to be filled in with the following information:



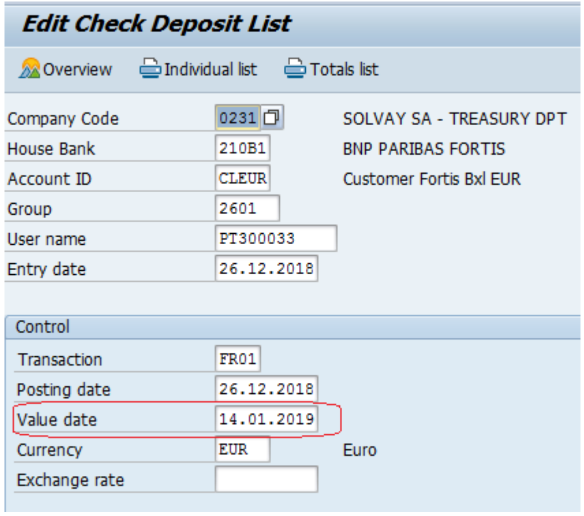
- **Amount:** Amount of the cheque
- **Check Number:** Check's number (normally the first sequence at the bottom of the cheque)
- **Customer:** Customer's account's number
- **Reference Doc. Number:** Invoice numbers (if customer is paying more than one invoice, double click on the empty field and insert all the references)

In case of more cheques, insert the data in the following lines.
Save by clicking on the floppy disk button .

The next screen comes out:

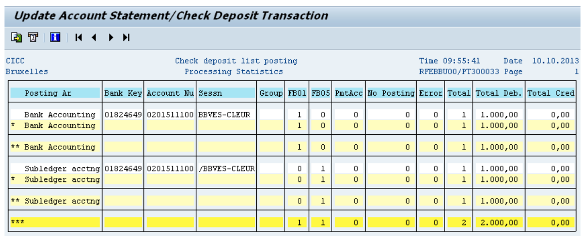
Remark: Value date will be automatically adapted (country has been taken into consideration in order to fix this value).

Save again by clicking on the floppy disk button  .

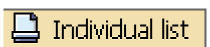


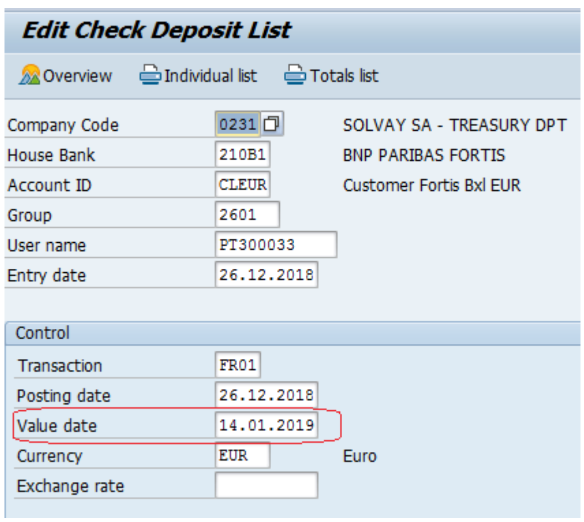
This screen appears:

For the cheques received by Credit Manager, a pfd file should be created and sent it to the requester. In order to obtain the form to be sent to the bank click on  button.

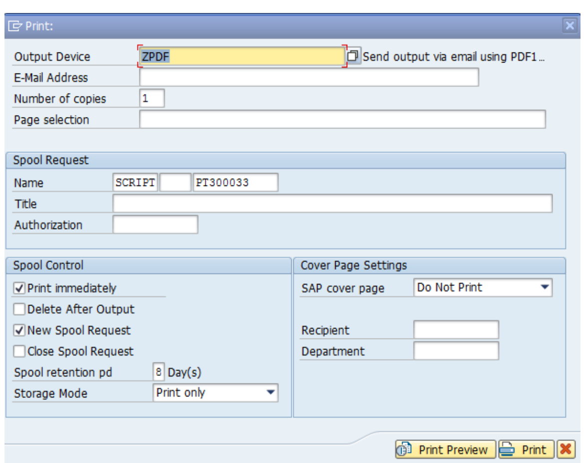


This screen appears:

Click on the  button.



The following screen appears:



Insert ZPDF in the "Output device" field and click on the 

button.

The following document will appear:

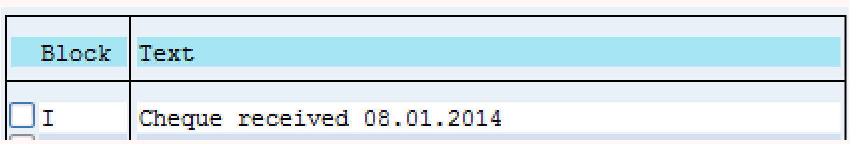
Solvay GmbH c/o Solvay CICC S.A.
Hans-Boeckler-Allee 20
D - 30173 Hannover

Konto-Nr : 0201511100

Scheckeinreichung zur Gutschrift	BANCO BBVA 08002 BARCELONA	10.10.2013

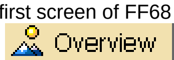
Scheck-Nr.	Zahlungspflichtiger Bankleitzahl der bezog. Bank/Zahlstelle	Waehrung	Betrag
123	ETS BEAUSEIGNEUR S.A.S.	EUR	1.000,00

Afterwards, we should save this document, attach it to the ticket received and send it to the requester.

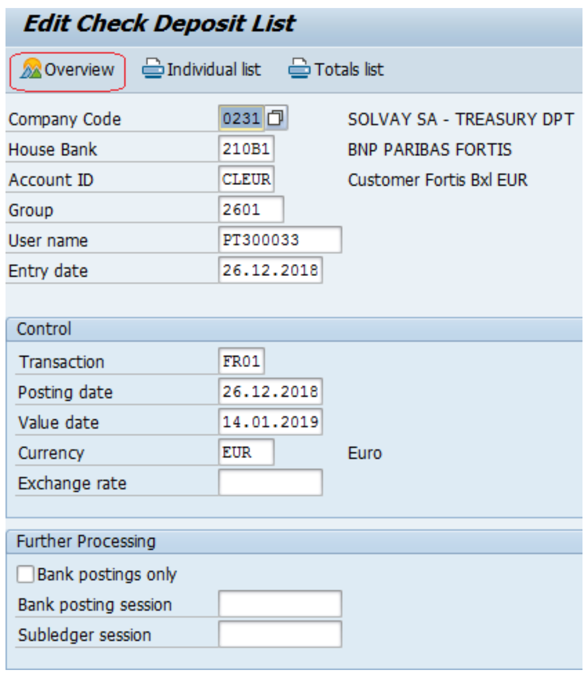
> **Warning**
>
> The invoices should be blocked with dunning block "I" and the text "Cheque received" should be added to the "Text" field as below:
>
> 
>

Download a Cheque List

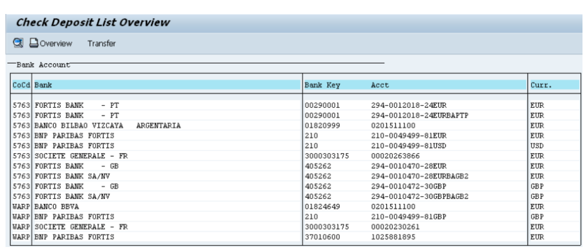
If necessary, we can download the pdf with posted Cheques from the system:

On the first screen of FF68 transaction click on 

button:

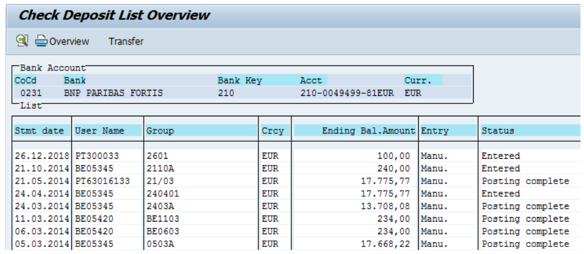


This screen appears:



CoCd	Bank	Bank Key	Acct	Curr.
5763	FORTIS BANK - PT	00290001	294-0012018-24EUR	EUR
5763	FORTIS BANK - PT	00290001	294-0012018-24EURBAPTP	EUR
5763	BANCO BILBAO VIZCAYA ARGENTARIA	01820999	0201511100	EUR
5763	BNP PARIBAS FORTIS	210	210-0049499-81EUR	EUR
5763	BNP PARIBAS FORTIS	210	210-0049499-81USD	USD
5763	SOCIETE GENERALE - FR	3000303175	00020263866	EUR
5763	FORTIS BANK - GB	405262	294-0010470-28EUR	EUR
5763	FORTIS BANK SA/NV	405262	294-0010470-28EURBAGB2	EUR
5763	FORTIS BANK - GB	405262	294-0010472-30GBP	GBP
5763	FORTIS BANK SA/NV	405262	294-0010472-30GBPBAGB2	GBP
WARP	BANCO BBVA	01824649	0201511100	EUR
WARP	BNP PARIBAS FORTIS	210	210-0049499-81GBP	GBP
WARP	SOCIETE GENERALE - FR	3000303175	00020230261	EUR
WARP	BNP PARIBAS FORTIS	37010600	1025881895	EUR

Just double click on the concerned bank in order to obtain all the related details (for example, BANCO BBVA). The next screen opens:



Check Deposit List Overview

Overview Transfer

Bank Account

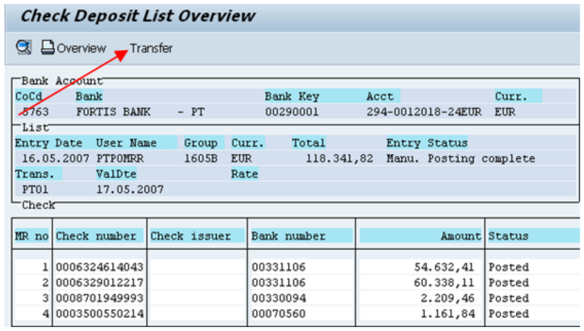
CoCd	Bank	Bank Key	Acct	Curr.
0231	BNP PARIBAS FORTIS	210	210-0049499-81EUR	EUR

List

Stmt date	User Name	Group	Crcy	Ending Bal.Amount	Entry	Status
26.12.2018	PT300033	2601	EUR	100,00	Manu.	Entered
21.10.2014	BE05345	2110A	EUR	240,00	Manu.	Entered
21.05.2014	PT63016133	21/03	EUR	17.775,77	Manu.	Posting complete
24.04.2014	BE05345	240401	EUR	17.775,77	Manu.	Entered
24.03.2014	BE05345	2403A	EUR	13.708,08	Manu.	Posting complete
11.03.2014	BE05420	BE1103	EUR	234,00	Manu.	Posting complete
06.03.2014	BE05420	BE0603	EUR	234,00	Manu.	Posting complete
05.03.2014	BE05345	0503A	EUR	17.668,22	Manu.	Posting complete

Then choose the date and the following screen appears:

Press on the "Transfer" button.



Check Deposit List Overview

Overview Transfer

Bank Account

CoCd	Bank	Bank Key	Acct	Curr.
5763	FORTIS BANK - PT	00290001	294-0012018-24EUR	EUR

List

Entry Date	User Name	Group	Curr.	Total	Entry Status
16.05.2007	PTPOMRR	1605B	EUR	118.341,82	Manu. Posting complete

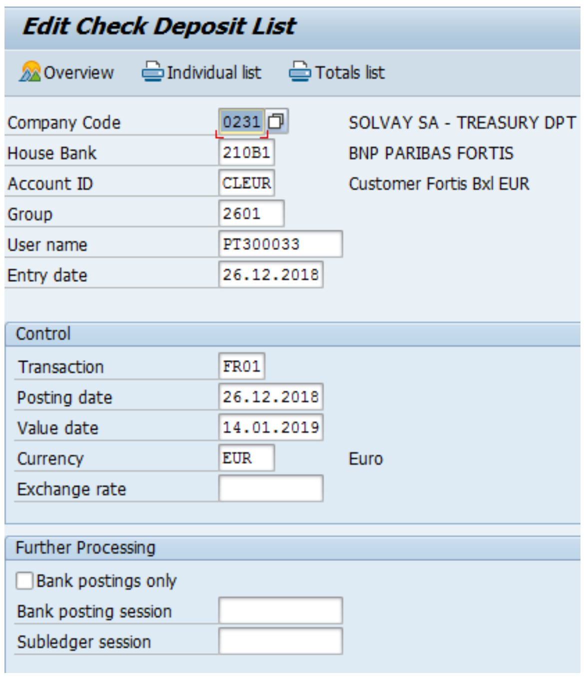
Trans.	ValDte	Rate
PT01	17.05.2007	

Check

MR no	Check number	Check issuer	Bank number	Amount	Status
1	0006324614043		00331106	54.632,41	Posted
2	0006329012217		00331106	60.338,11	Posted
3	0008701949993		00330094	2.209,46	Posted
4	0003500550214		00070560	1.161,84	Posted

This screen appears:

Press on the "Individual list" button and proceed as usual.



Edit Check Deposit List

Overview Individual list Totals list

Company Code	0231	SOLVAY SA - TREASURY DPT
House Bank	210B1	BNP PARIBAS FORTIS
Account ID	CLEUR	Customer Fortis Bxl EUR
Group	2601	
User name	PT300033	
Entry date	26.12.2018	

Control

Transaction	FR01	
Posting date	26.12.2018	
Value date	14.01.2019	
Currency	EUR	Euro
Exchange rate		

Further Processing

Bank postings only

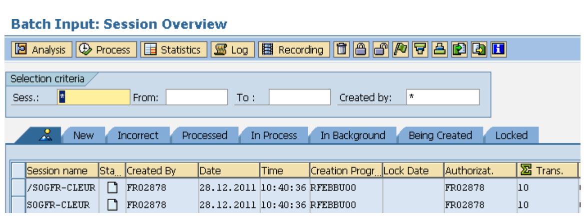
Bank posting session

Subledger session

4.2 SM35 transaction

The person responsible for clearing the sub-accounts should check if a TI has entered on 50*15 and process the batch on SM35 transaction so that the cheques are posted on customer accounts against the invoices. To find the ticket with the cheques images, search by amount on Freshdesk. Then find the correspondent batch-input and process it.

Example:



Batch Input: Session Overview

Analysis Process Statistics Log Recording

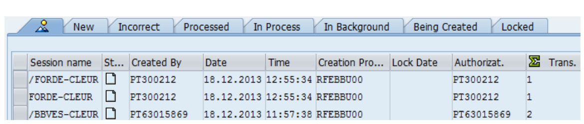
Selection criteria

Sess.: * From: To : Created by: *

New Incorrect Processed In Process In Background Being Created Locked

Session name	Sta...	Created By	Date	Time	Creation Progr...	Lock Date	Authorizat.	Trans.
/SOGFR-CLEUR		FR02878	28.12.2011	10:40:36	RFEBBU00		FR02878	10
SOGFR-CLEUR		FR02878	28.12.2011	10:40:36	RFEBBU00		FR02878	10

Follow the steps below:
Select the batch corresponding to the bank involved (for example: /SOGFR-CLEUR).



New Incorrect Processed In Process In Background Being Created Locked

Session name	St...	Created By	Date	Time	Creation Pro...	Lock Date	Authorizat.	Trans.
/FORDE-CLEUR		PT300212	18.12.2013	12:55:34	RFEBBU00		PT300212	1
FORDE-CLEUR		PT300212	18.12.2013	12:55:34	RFEBBU00		PT300212	1
/BBVES-CLEUR		PT63015869	18.12.2013	11:57:38	RFEBBU00		PT63015869	2

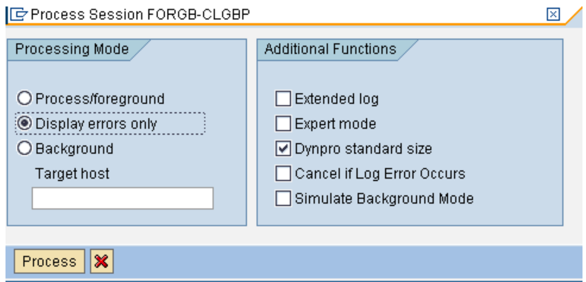
Warning

Two batch input files are created for each process run via FF68 transaction. However, only with the one with "/" symbol should be processed. This batch makes an accounting posting, debiting the bank's account and crediting the customer's account.

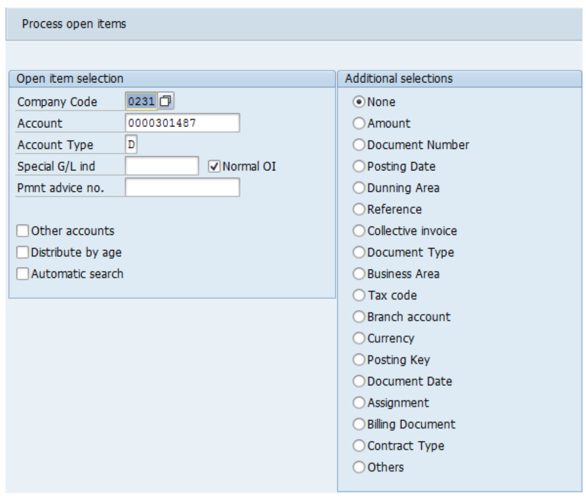
Select the file, click on "Process" button.

The next screen comes out:

Check the box "Display errors only" and then click on the "Process" button. By selecting this option, the system will only show postings with errors or postings which require a manual cash allocation intervention.

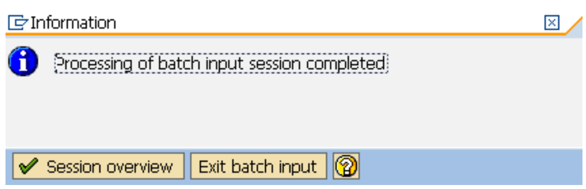


In case the SAP system cannot allocate the payment's amount to the invoices automatically, the standard cash allocation clearing screen is prompted



Then allocate the payment as usual.

Once the cash is allocated, the system moves to the next cheque. Once all the cheques inside the batch are processed, the following screen is shown:

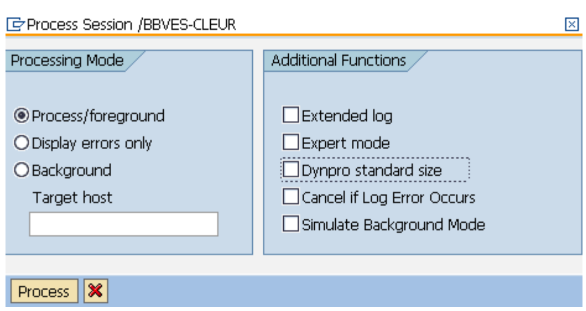


<u>Typical errors which may be displayed are:</u>

- **Amount:** It means that AR team has inserted an amount on FF68 that doesn't match with the amount on the cheque's image.
- **Conflicting currencies:** It means that In FF68, AR team has chosen a bank account currency that is not compatible with the currency of the cheques loaded.
- **Posting date:** It means that AR team has used a posting date from a period which is already closed.

To correct these errors, we should start the batch form the beginning. To get out from the batch or to start the batch again, we should click on System, Services, Batch Input and Next transaction. It should be repeated in case of several cheques. and choose the option "Process/foreground" instead.

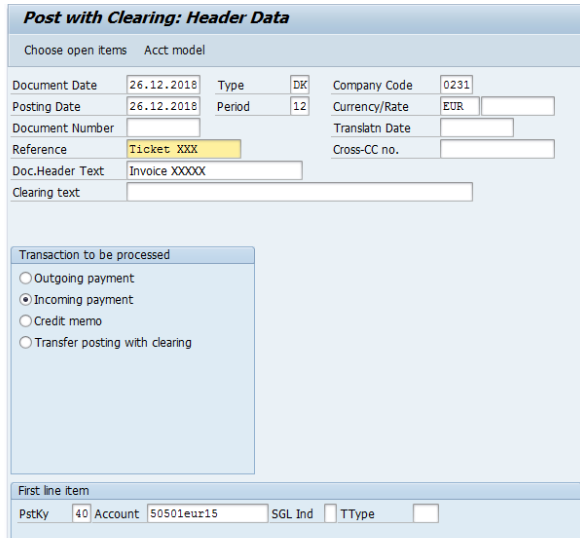
Then click on the "Process" button.



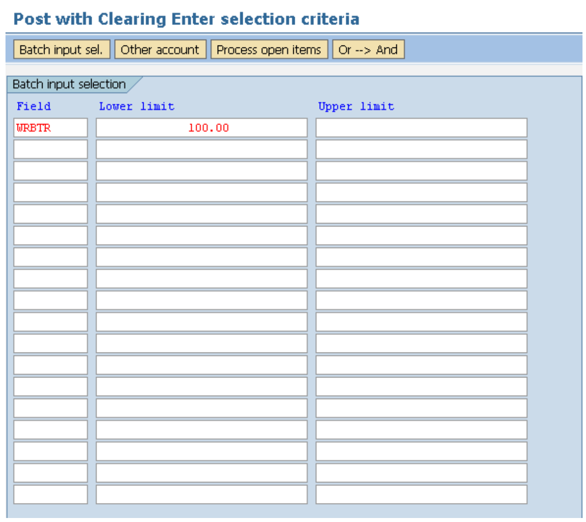
The following screen follows:

To correct the errors, change, in the relevant fields, the data which needs correction (circled with red in the example above):

- **Posting date:** Correct the posting date here
- **Currency/Rate:** Correct the currency for the payment here
- **Account:** Correct the bank sub-account



Continuously press the "Enter" button until the following screen appears. In case the error is in the amount of the payment, the value must be corrected in this screen:



Correct the amount of the payment. Press "Enter" button to enter on customer's account.

<u>Posting result on customer account:</u>