Remittance advises

Scope

APAC EMEA LAM NAM

ERP

PF1 WP1

References

Attachments

Table of contents

- Table of contents
- Objective and Scope
- Definitions
- Remittance Advice

Objective and Scope

This OP explains how AR team should handle the Remittance Advices received from Third party customers so that they can be used for increase of automatic payment allocation as well as for the manual payment allocation when the information stated on the bank statement is not sufficient.

This operating procedure (OP) applies to the receivables of third-party customers.

Definitions

A **Remittance Advice** is a letter sent by third party customers stating which invoices are being paid. It usually brings the information on the customer number or name, invoices/credit notes references in our system, the discounts assigned to each invoice (if customer has discount) as well as the total amount of the payment and payment value date.

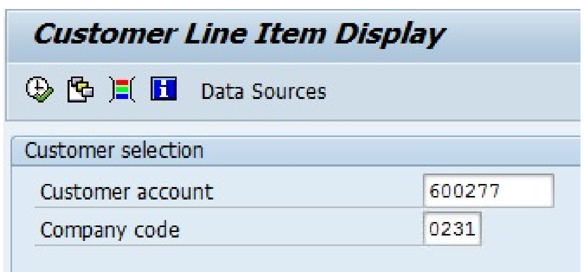
Remittance Advice

Having received the email with the remittance advice in AR Remittance advice mailbox, if the payment is above 100.000,00 EUR and/or have five or more invoices and/or have discount or any type of difference, the information regarding the payment should be inserted in SAP customer's account so that the payment can be automatically matched by SAP program. If not, due to missing information on customer bank statement, this information will help on manual allocation.

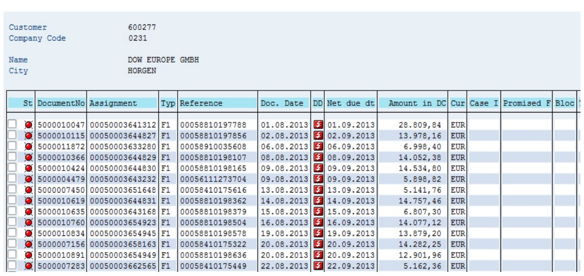
Enter in **FBL5N** transaction and insert the customer account number.

See example

Then press button.



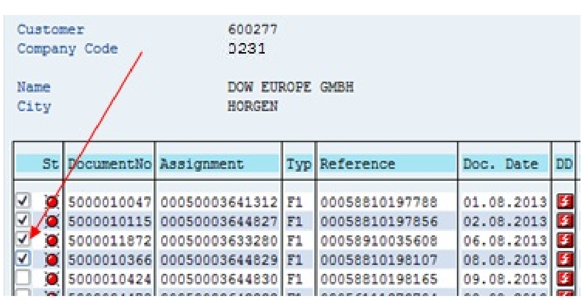
Once the customer account is open, select all the invoices mentioned in the Remittance Advice using column "Cleared/Open items symbol", click on "Mass change" button and fill in the information



Customer 600277
Company Code 0231

Name DOW EUROPE GMBH
City HORGEN

St	DocumentNo	Assignment	Typ	Reference	Doc. Date	DD	Net due dt	Amount in DC	Cur	Case I	Promised F	Bloc
	5000010047	00050003641312	F1	00058810197788	01.08.2013		01.09.2013	28.809,84	EUR			
	5000010115	00050003644827	F1	00058810197856	02.08.2013		02.09.2013	13.978,16	EUR			
	5000011872	00050003633280	F1	00058910035608	06.08.2013		06.09.2013	6.998,40	EUR			
	5000010366	00050003644829	F1	00058810198107	08.08.2013		08.09.2013	14.052,38	EUR			
	5000010424	00050003644830	F1	00058810198165	09.08.2013		09.09.2013	14.534,80	EUR			
	5000004479	00050003643232	F1	00056111273704	09.08.2013		09.09.2013	5.898,82	EUR			
	5000007450	00050003651648	F1	00058410175616	13.08.2013		13.09.2013	5.141,76	EUR			
	5000010619	00050003644831	F1	00058810198362	14.08.2013		14.09.2013	14.757,46	EUR			
	5000010635	00050003643168	F1	00058810198379	15.08.2013		15.09.2013	6.807,30	EUR			
	5000010760	00050003654923	F1	00058810198504	16.08.2013		16.09.2013	14.077,12	EUR			
	5000010834	00050003654945	F1	00058810198578	19.08.2013		19.09.2013	13.879,20	EUR			
	5000007156	00050003658163	F1	00058410175322	20.08.2013		20.09.2013	14.282,25	EUR			
	5000010891	00050003654949	F1	00058810198636	20.08.2013		20.09.2013	12.901,96	EUR			
	5000007283	00050003662565	F1	00058410175449	22.08.2013		22.09.2013	5.162,36	EUR			



Customer 600277
Company Code 0231

Name DOW EUROPE GMBH
City HORGEN

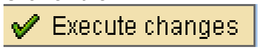
St	DocumentNo	Assignment	Typ	Reference	Doc. Date	DD
	5000010047	00050003641312	F1	00058810197788	01.08.2013	
	5000010115	00050003644827	F1	00058810197856	02.08.2013	
	5000011872	00050003633280	F1	00058910035608	06.08.2013	
	5000010366	00050003644829	F1	00058810198107	08.08.2013	
	5000010424	00050003644830	F1	00058810198165	09.08.2013	

The fields should be filled in as follows:

Dunning block: F

Text: PAY.ADVICE/TOTAL AMOUNT OF THE PAYMENT,/CURRENCY /PAYMENT DATE

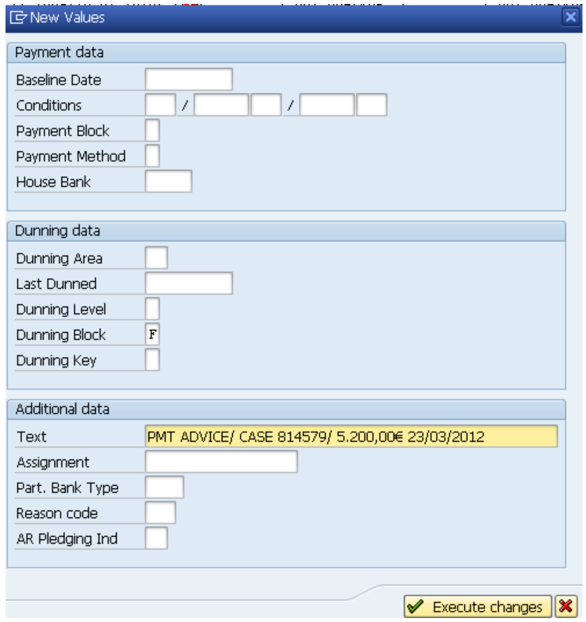
Example: PMT ADVICE/ 5.200,00€ DD /MM/AA

Click on the 

button

If we have more then one remittance for the same customer, use **dunning block B** for the other remittance advice.

This way, the system will be able to identify which invoices are related with each dunning block.



Warning

AR team should check three different factors in the customer Remittance advises:

- If the difference between the issued (date when the remittance was sent to us) and value dates (payment's date) of the Remittance exceed 5 days, we should check the due date of the invoices related on customer account. Then, if we check that there is a discrepancy of more than 5 working days (delay) between the invoice(s) due date and the value date of the Remittance, the case should be transferred back to Collections explaining the situation so that they contact the customer and ask the reason of the delay (no dunning block or text should be inserted).
- In case the difference is less than 5 days but higher than 50.000 EUR and will mean that we will receive the payment on next month period, a dispute to Collections with status "Call by collector" should be created in order to contact the customer and try to get the payment on the correct due date
- AR team should handle this task as soon as possible blocking the invoices with code F, the text with total amount (even if it is only one invoice) and case number in order to avoid reminders sent to customer.