

Blocking at assignment

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1. Objective and Scope

The purpose of this document is to explain how to manage the errors at the time of its assignment to Solvay S.A.. All the invoices assigned to Solvay S.A. that do not have all the information or are not correct can originate errors when they are assigned.

This operating procedure (OP) applies to all customer documents in local systems (PF1 and WP1) for all companies assigned to Solvay S.A.

2. Definitions

- SBS: In the current document, "Solvay Business Services" will be replaced by its abbreviation "SBS".
- CCCT AR: Customer Credit & Trade Accounts Receivable
- CCT CM: Customer Credit & Trade Credit Management
- OP: Operating procedure
- 0231: Company code in PI1 system for Solvay S.A.
- SSA: Solvay S.A.
- CSR: Customer Service Representative

3. List extraction

All the contracts to be assigned to Solvay S.A. are verified automatically by the system.

The contracts that fail the verification have to be manually checked by AR team. Therefore, on a daily basis, AR should run transaction **Z3F_FA_OI_M ONITOR** as follows:

The screen should be filled as follow:

- Select Agent/Vendors or
Customer: **Customers**

Execute 

Next screen will appear:

Scope



EMEA

ERP



PF1



WP1

References - SAP transactions

- **Z3F_FA_OI_MONITOR**
- **Z3F_FA_PARTN_CC_VIEW**

Attachments

Factoring Monitoring

Select Agent/Vendors or Customer

☐ Vendors
☒ Customers
☐ Agents (account group ZXAG)

Selections

Company Code		to		
Document Number		to		
Customer		to		
Country		to		
Payment Method		to		
Accts rble pled.ind.		to		
Document Type		to		
Special G/L ind.		to		
Group key		to		

Type of payment blocks

☒ Manage items blocked by extract monitoring (payment blocks Y and X)

Select priority

☒ High priority : due date until 21.10.2013
☒ Medium priority : due date between 22.10.2013 and 28.10.2013
☒ Low priority : due date after 29.10.2013

Select amount

☒ All amounts
☐ High amount only

Amount

Currency

At this stage it is important to distinguish the status of the errors. Therefore:

- Red status – the document has been blocked automatically through the automatic checking and the payment block is Y, meaning that it has not been handled yet.
- Yellow status – The error was already managed by someone from the team and therefore the payment block was changed to X.
- Green status - The error was successfully handled and it was assigned to the Factoring Company, therefore its status changes to Green with a payment block D (only shown after processing the error).

Factoring Monitoring

View log Release for factoring Insert text Request update by mail Change payment method

Status/Agent/Print Block	Test of the check	Check date	Check time	Comments	Follow-up act
000	X	MO: Partner doesn't exist in the factoring company (company code)	17.09.2013	03:31:58	Affiliate Extraction - Control Mail to AR Ge
000	X	MO: Partner is blocked for posting in the factoring company	17.09.2013	03:31:58	Affiliate Extraction - Control Mail to AR Ge
000	X	MO: Partner is flagged for deletion in the factoring company	17.09.2013	03:31:58	Affiliate Extraction - Control Mail to AR Ge
000	Y	MO: Partner doesn't exist in the factoring company (company code)	17.09.2013	03:33:03	Affiliate Extraction - Control Block confirm
000	Y	MO: Partner is blocked for posting in the factoring company	17.09.2013	03:33:03	Affiliate Extraction - Control Block confirm
000	Y	MO: Partner is flagged for deletion in the factoring company	17.09.2013	03:33:03	Affiliate Extraction - Control Block confirm
000	Y	MO: Partner doesn't exist in the factoring company (company code)	17.09.2013	03:33:26	Affiliate Extraction - Control Block confirm
000	Y	MO: Partner is blocked for posting in the factoring company	17.09.2013	03:33:26	Affiliate Extraction - Control Block confirm

All the errors with status red and with payment block Y have to be treated on a daily basis. Two possibilities can occur:

- AR solve the issue and release the contract to PI1
- AR will escalate the issue who will enable the correction of the error (different entities according to the error).

At the top of the screen we are able to see the different tabs:

View log Release for factoring Insert text Request update by mail Change payment method Change partner bank type

- **View log:** In this field we can see the different actions done and by whom
- **Release for factoring:** It should be pressed whenever the issue causing the initial blocking is solved and we want to assign the document to PI1. In this case we need to choose or to write a reason.
- **Insert text:** This option enables to insert a free text on the error

- **Request update by mail:** In case there is a need to contact someone to solve the error, this option should be chosen. There are 4 possibilities predefined:
 1. Data & Analysis: Data management team (datamanagement.3s-pt@solway.com)
 2. Customer Service Representative (the contact is chosen automatically by the system depending on the document information)
 3. Treasury (treasury.ihb@solway.com)
 4. Request affiliate

Warning

Whenever AR has to add manually the email address, the symbol ";" should be used to separate the emails. Otherwise the email will not be sent.

When we press one of the possible contacts, a new window shows up with the e-mail filled in, however we need to describe the situation and what actions are expected.

- **Change payment method:** This option enables us to change the payment method of the document in error. It is then mandatory that we inform the CSR to update the customer masterdata information.
- **Change partner bank type**

Warning

- Blocking at assignment task should be performed **once a day** (before lunch) **during the month**.
- During the closure period (**from D-1 to D+1**), this task needs to be performed **3 times per day** - in the morning, after lunch and at 16h Portuguese time, so that there's still time to release all blocked documents and question CRS in case of doubts.
- In cases of big amounts with **currency different than the main affiliate's currency** and in case of **lack of response on D-1 and D+1**, information with the amount of the blocked customer invoices should be sent to Corporate Treasury (treasury.ihb@solway.com), so that the risk can be managed at their side.

4. Management of the errors

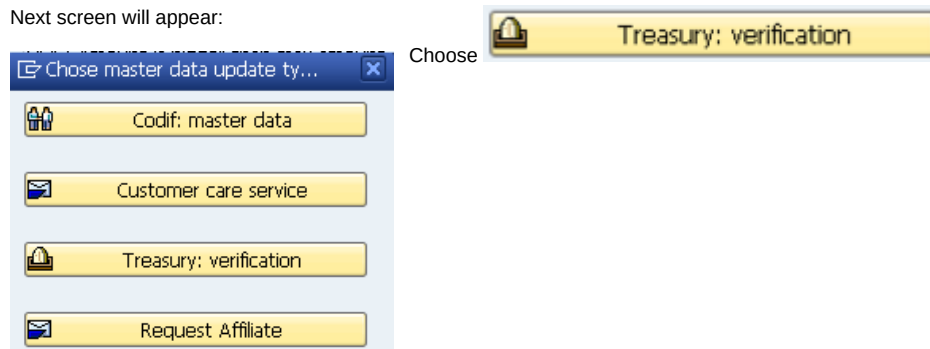
Here is the list of all errors that should be handled by AR team and the description of how to solve them:

4.1 DOC: Document currency not accepted

The system automatically blocks all the items with a currency that is not accepted. Therefore, an email should be sent to Treasury through the option "**Request update by mail**".

Select the error line on Z3F_FA_OI_MONITOR transaction and choose Request update by mail.

Next screen will appear:



and write the email as follows:

Factoring Monitoring

Information about the message

Title: Factoring monitoring – Treasury verification
 Sender: TIAGO.RODRIGUES@SOLVAY.COM
 Receiver: treso.cicc@solvay.com
 Cc:

Additional Note

Hello,

we have document 8810199028 cc 0005 pending to be assigned to 0231 because the currency ZWD is not accepted in 0231. Could you please create it and let us know when ready so we can accept the document?

Thank you.

Best regards,
 Tiago Rodrigues

* Li 10, Co 16 Ln 1 - Ln 10 of 10 lines

Send Back

4.2 DOC: Posting date is higher than the current date

The system automatically blocks all the entries with posting date higher than the current date. In this case:

- If the posting date is in the current month or only a few days apart, release immediately.

Select the error line and choose



Release for factoring

stating

the reason

- If the posting date is in a different month, we should send an email to the CSR to confirm the correct posting date:

Factoring Monitoring

Information about the message

Title: Factoring monitoring - Request to CCS
 Sender: TIAGO.RODRIGUES@SOLVAY.COM
 Receiver: martina.noerling@solvay.com
 Cc:

Additional Note

Hello,

doc 8810199028 cc 0005 was created with posting date in the future: 01.10.2033. Could you please confirm if the posting date is correct?

Thank you.

Best regards,
 Tiago Rodrigues

* Li 9, Co 16 Ln 1 - Ln 9 of 9 lines

Send Back

4.3 MD: Partner doesn't exist in factoring company (general or company code)



Documents with this error are managed by Data Management team.

The system automatically verifies if the customer account exists in PI1 system at General Level (PI1 system) and Company Code level (CC 0231).

In case it is at General Level we should send an email to CSR or affiliate (in case of Croco) asking confirmation regarding the account number.

Choose



Request update by mail

an

d select:

Create customer company code view

Select Options

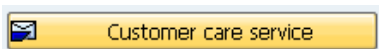
Create customer Comp.Code view

Company Code: 0231

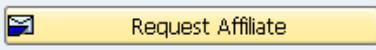
Customer: 603646 to

Processing mode: IF

1.



in case of a Goods invoice;

2. 

in case of a Croco invoice;

In case the account has to be created
send an email to Data Management
requesting the creation of the customer
account.

In case it is not created at company
code level (0231) create it using
transaction
Z3F_FA_PARTN_CC_VIEW:

Select the variant "CIE0231" using the

button .

Add the customer number and process



4.4 MD: Partner is blocked for posting/flagged for deletion in the factoring company



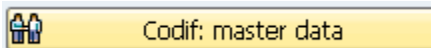
Documents with this error are managed by Data Management team.

The system automatically verifies if the customer account has a posting block or if it is flagged for deletion in PI1 system and blocks the entries if yes.

In any case, AR should investigate to understand if this is the correct customer (check if there is another customer with this name and if it has been used lately). In case of doubts we should send an email to CSR or affiliate (In case of Croco) confirming if this is the correct customer account.

Blocked for posting

The account is correct but blocked for posting in 0231, send an email to CODIF HQ to unblock it (using button

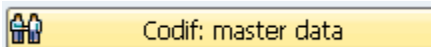


), when the account is unblocked for posting the document should be



Flagged for deletion:

The account is correct but flagged for deletion in 0231, send an email to CODIF HQ to un-flag it (using button



), and the document can be



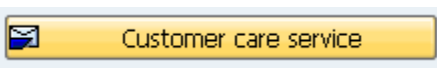
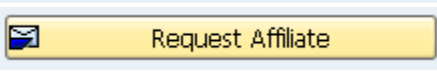
immediately.

4.5 DOC: Amount bigger than max amount (Outgoing cash)

The system automatically blocks documents if amount is bigger than 250.000,00€ in case of credit notes (Outgoing cash).

In case the Credit note is not linked to any invoice we should **always** confirm with CSR (with Credit Management mailbox in copy) if the amount is correct and that we may accept the document into the Factoring company. In case it is related to a Croco invoice we should send the email to the affiliate..

Choose  and select:

1.  in case of a Goods invoice;
2.  in case of a Croco invoice;

Upon receiving confirmation that the amount is correct we should .

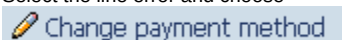
In case the amount is not correct, a debit note should be issued to annul the incorrect credit and a new one should be issued with the correct amount.

4.6 PAYM: Payment method of document is not accepted

The system automatically verifies if there is a valid payment method in customer document (otherwise in master data). If there is no mapping in the table, the document will be blocked.

In this case we should need to change the payment method proceed as follows:

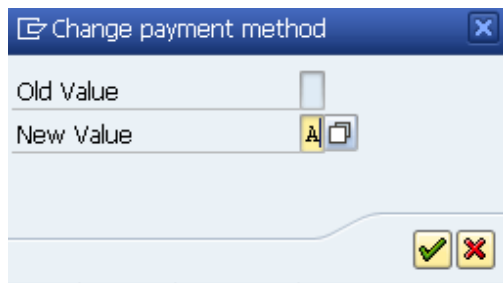
Select the line error and choose



Insert the correct payment method

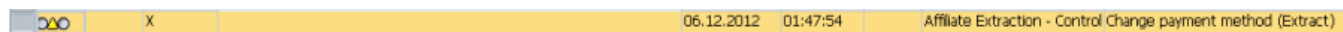
(select  for a drop-down list).

Click on .



A dialog box titled "Change payment method" with a close button (X) in the top right corner. It contains two input fields: "Old Value" and "New Value". The "New Value" field has a dropdown arrow icon and a document icon. At the bottom right, there are two buttons: a green checkmark and a red X.

The following message will appear:  Changes have been saved and the item will become yellow with payment block X as below:



A yellow status bar with a document icon and the letter 'X' on the left, and the date '06.12.2012' and time '01:47:54' in the center. On the right, it says 'Affiliate Extraction - Control Change payment method (Extract)'.

After the payment method is replaced we should  Release for factoring to assign the document to 0231.

4.7 DOC: Document assigned but master data in manual exception

The system automatically confirms if the AR Pledge indicator on the document is in conformity with the master data of the customer. If the master data is in Manual Exception the document will be blocked.

Send an email to CSR or Affiliate (in case of Croco invoices) asking if the document should be assigned to 0231 and if it applies to all future documents on the account.

Choose  Request update by mail and select:

1.  Customer care service in case of a Goods invoice;
2.  Request Affiliate in case of a Croco invoice;

In case of confirmation that the account maybe assigned, request CCT Team Leader or Specialists to remove the manual exception.

If only that document is accepted but not all future documents on the account, release it by doing  Release for factoring.

In case the document should not be assigned to Cc 0231, the pledging indicator on the invoice has to be changed to "NO".

4.8 DOC: Document to be assigned but not allowed in master data

The system automatically confirms if the AR Pledge indicator on the document is in conformity with the master data of the customer. If the customer account is not allowed to assign to 0231, the document will be blocked.

5. Manual Assignment of Receivables

This chapter explains how to manage a document and master data of a customer in order to facilitate the assignment of receivables to 0231.

There are four situations that may occur for a document to be blocked for assignment to 0231:

- The **document is pending in the Factoring Monitoring** due to an error
- The **AR Pledge indicator on the document is set to NO** (or missing), even if in Factoring master data the assignment is Allowed and without manual exception;
- The **Factoring Master data** of the customer is Allowed but set to **Manual Exception**;
- The **Assignment of Receivables is Not Allowed** in Factoring Master Data (no action is possible).

5.1 AR Pledging Indicator on the document is NO

In some documents might occur that **AR Pledg. Ind.** is set to "**NO**" (or missing). This information can be identified on the document (in local system) by pressing **Additional Data**.

Display Document: Line Item 001

Customer: 416483 ICOM SRL G/L Acc: 2200000000
 CoCode: 5835 LOCALITA' CERRATINA Branch: 416798
 SOLVAY SPOL IT LANCIANO Doc. No.: 1000001759

Additional Details for Line Item 001

House Bank: ☐ Part. Bank Type: ☐
 Payment Method: ☐ B/e print req.: ☐
 VAT Reg. No.: IT01503010694 Cred.Contr.Area: SOLV
 AR pledg.: NO Reporting cntry: IT Tri.deal: ☐
 Trading Partner: ☐ Billing Doc.: 9000418152
 Sped G/L assgt: 9000418152

Next step is to confirm the consistency with the **Factoring Master Data**. In the master data of the customer In local system press

Company Code Data followed

by **Factoring Master Data** to show the following screen:

Display Customer: Company Code Data (Enhanced)

General Data Company Code Data

Customer: 416483 ICOM SRL LANCIANO
 Company Code: 5835 SOLVAY SPOL IT

Factoring

Partner

Partner Type: C Customer

Factoring

Factoring Allowed: Y Yes
 Factoring Chained: N No

☐ Manual Exception

Execute Checks

If there is **no Manual Exception** and **the Factoring is allowed**, the **AR Pledg. Ind.** on the document **can be changed to "FA"** and the invoice assigned;

To Manually change the AR pledg. Ind.

Press  on the document (local system) and then

Additional Data:

Display Document: Line Item 001

Customer: 416483 ICOM SRL G/L Acc: 2200000000
 CoCode: 5835 LOCALITA' CERRATINA Branch: 416798
 SOLVAY SPOL IT LANCIANO Doc. No.: 1000001759

Additional Details for Line Item 001

House Bank: ☐ Part. Bank Type: ☐
 Payment Method: ☐ B/e print req.: ☐
 VAT Reg. No.: IT01503010694 Cred.Contr.Area: SOLV
 AR pledg.: NO Reporting cntry: IT Tri.deal: ☐
 Trading Partner: ☐ Billing Doc.: 9000418152
 Planning Date: ☐ Planning Level: ☐

Replace the AR pledg. with "FA" and Save.

In a few moments the Document should be available in PI1 (in case there is an error the document will be blocked in the Factoring Monitoring)

Display Document: Line Item 001

Customer: 416483 ICOM SRL G/L Acc: 2200000000
 CoCode: 5835 LOCALITA' CERRATINA Branch: 416798
 SOLVAY SPOL IT LANCIANO Doc. No.: 1000001759

Additional Details for Line Item 001

House Bank: ☐ Part. Bank Type: ☐
 Payment Method: ☐ B/e print req.: ☐
 VAT Reg. No.: IT01503010694 Cred.Contr.Area: SOLV
 AR pledg.: FA Reporting cntry: IT Tri.deal: ☐
 Trading Partner: ☐ Billing Doc.: 9000418152
 Planning Date: ☐ Planning Level: ☐

5.2 Factoring Master Data is allowed but with Manual Exception

If the **Manual Exception** has a tick, we need to confirm with the **Credit Manager** if we should assign only the document or all the account can be assigned (remove the Tick);

Display Customer: Company Code Data (Enhanced)

General Data Company Code Data

Customer: 416483 ICOM SRL LANCIANO

Company Code: 5835 SOLVAY SPOL IT

Factoring

Partner

Partner Type: C Customer

Factoring

Factoring Allowed: Y Yes

Factoring Chained: N No

☒ Manual Exception Reason: Data Takeover: Go live January 2013

Execute Checks

6. Invoices to be sent to affiliate

When the customer disputes an invoice and the provision is not linked to an insolvency risk, then the receivable needs to be sent back to the affiliate and the write down also booked in the affiliate.

To proceed with the transfer of the invoices to the affiliate a ticket should be created to IS contact gianni.lamia-ex@solvay.com requesting the cancellation of the assignment of the invoices.

Example: Freshdesk ticket 4971911

7. Appendix

All the contracts assigned to Solvay S.A. & Solvay Finance America are checked automatically by the system on 24 points. See below:

- 101 OPEN: Check downpayment not yet paid
- 102 MD: Check vendor master data payment block (Factoring)
- 103 DOC: Document currency not accepted
- 104 INTRA: Document belongs to a chained vendor
- 105 DOC: Posting date is higher then current date
- 106 PAYM: payment method of document is not accepted for this vendor
- 107 MD: Partner doesn't exist in the factoring company (general)
- 108 MD: Partner doesn't exist in the factoring company (company code)
- 109 MD: Partner is blocked for posting in the factoring company
- 110 MD: Partner is flagged for deletion in the factoring company
- 111 DOC: Document date is higher then current date
- 112 DOC: The amount is bigger than the reference amount
- 113 DDEBIT: Vendor with direct debit / Doc with other payment meth.
- 114 DDEBIT: Amount over the direct debit limit
- 115 DDEBIT: Payment method in doc.(5) different from the one in the vendor
- 116 MD: Bank country with embargo
- 117 DOC: Document type is not valid for agents
- 118 COMPANY: Item belong to invalid company code
- 119 PAYM: payment method of document is not accepted for this customer
- 120 DOC: Document with factoring but master data in manual exception
- 121 DOC: Document with factoring but no factoring in master data
- 122 MD: Check vendor master data payment block (Affiliate)
- 123 DOC: Amount is bigger than max amount (Incoming cash)
- 124 DOC: Amount is bigger than max amount (Outgoing cash)

If any of these points fail verification, the system will block the assignment and will show up for AR team to manually correct all the errors.