Apply cash - Korea - WP1

1. Table of Content

2. Objective and Scope

This operational procedure (OP) demonstrates processes and procedures to execute Accounts Receivable activities for Korea legal entities. This OP provides instruction for users to perform recurring activities and reacting expected scenarios.

This operational procedure (OP) applies for Accounts Receivable activities of entities:
Solvay Chemicals Korea Co., Ltd (7525)
Solvay Silica Korea Co., Ltd (6746)

3. Definitions

- SBS: In the current document, "Solvay Business Services" will be replaced by its abbreviation "SBS".
- AR BO: Accounts Receivable Back Office
- OP: Operating procedure
- CSR: Customer Assistant Representative

4. Process Flows

4.1 AR Clearance – Incoming Payment (Domestic)

Scope

APAC

Korea

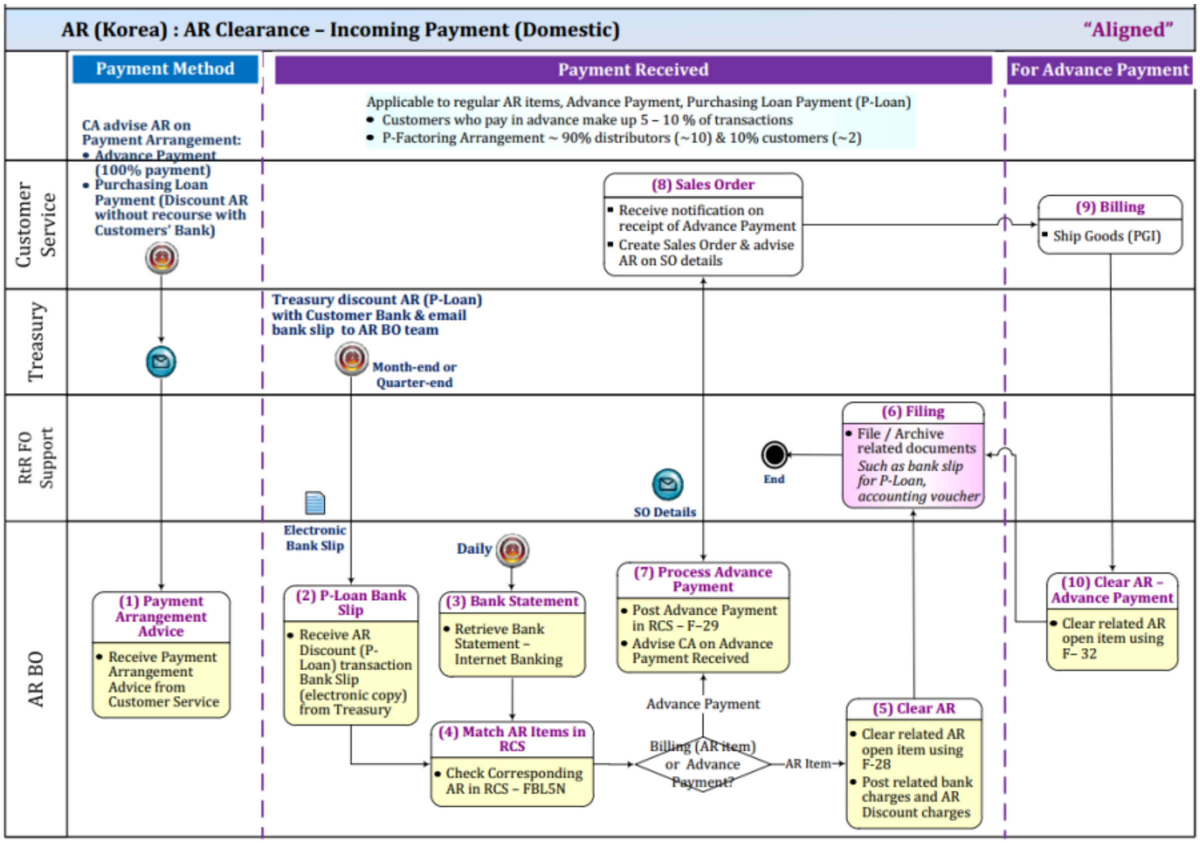
ERP

WP1

References

Attachments

Process Flow version1.50 (shown in the process)



4.1.1 Download Bank Statement – Refer to LOP SBS-P-XXXX-00X

Step: Retrieve Bank Statement by Internet banking.

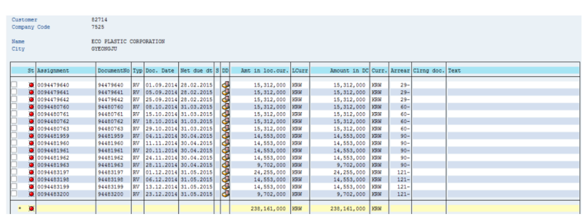
1. Go to website by each bank account

- SHINHAN BANK Website; http://www.shinhan.com/
- WOORI BANK Website; https://www.wooribank.com/
- HANA BANK Website; http://corp.hanabank.com/shttp/install/index.html?url=http%3A//corp.hanabank.com/common/login/index.do
- KEB BANK Website; http://online.keb.co.kr
- KIUP BANK Website; http://kiup.ibk.co.kr/
- KOOKMIN BANK Website; https://obiz.kbstar.com/quics?page=C015661#CP
- CITI BANK Website; http://koreacitidirect.citigroup.com/index.jsp

2. Retrieve bank statement on Daily Basis

- Monitoring incoming payment
- Check incoming against Electronic bank slip for P.Loan (If any)

4.1.2 AR Clearing


Customer 82714
Company Code 7525
Name ECO PLASTIC CORPORATION
City GYEONGJU

St	Assignment	DocumentNo	Typ	Doc. Date	Net due dt	S	DD	Amt in loc.cur.	LCurr	Amount in DC	Curr.	Arrear	Clrng doc.	Text
	0094479640	94479640	RV	01.09.2014	28.02.2015			15,312,000	KRW	15,312,000	KRW	29-		
	0094479641	94479641	RV	05.09.2014	28.02.2015			15,312,000	KRW	15,312,000	KRW	29-		
	0094479642	94479642	RV	25.09.2014	28.02.2015			15,312,000	KRW	15,312,000	KRW	29-		
	0094480760	94480760	RV	08.10.2014	31.03.2015			15,312,000	KRW	15,312,000	KRW	60-		
	0094480761	94480761	RV	15.10.2014	31.03.2015			15,312,000	KRW	15,312,000	KRW	60-		
	0094480762	94480762	RV	18.10.2014	31.03.2015			15,312,000	KRW	15,312,000	KRW	60-		
	0094480763	94480763	RV	29.10.2014	31.03.2015			15,312,000	KRW	15,312,000	KRW	60-		
	0094481959	94481959	RV	04.11.2014	30.04.2015			14,553,000	KRW	14,553,000	KRW	90-		
	0094481960	94481960	RV	11.11.2014	30.04.2015			14,553,000	KRW	14,553,000	KRW	90-		
	0094481961	94481961	RV	20.11.2014	30.04.2015			14,553,000	KRW	14,553,000	KRW	90-		
	0094481962	94481962	RV	24.11.2014	30.04.2015			14,553,000	KRW	14,553,000	KRW	90-		
	0094481963	94481963	RV	28.11.2014	30.04.2015			9,702,000	KRW	9,702,000	KRW	90-		
	0094483197	94483197	RV	01.12.2014	31.05.2015			24,255,000	KRW	24,255,000	KRW	121-		
	0094483198	94483198	RV	06.12.2014	31.05.2015			14,553,000	KRW	14,553,000	KRW	121-		
	0094483199	94483199	RV	13.12.2014	31.05.2015			14,553,000	KRW	14,553,000	KRW	121-		
	0094483200	94483200	RV	23.12.2014	31.05.2015			9,702,000	KRW	9,702,000	KRW	121-		
*								238,161,000	KRW	238,161,000	KRW			

Step: After retrieving Bank Statement on daily basis

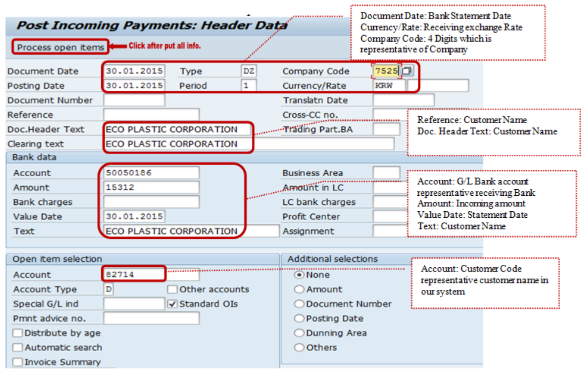
1. Check corresponding AR in RCS by entering transaction FBL5N to display customer open items

2. Use transaction F-28 to clear related open items

Fill in all the details requird

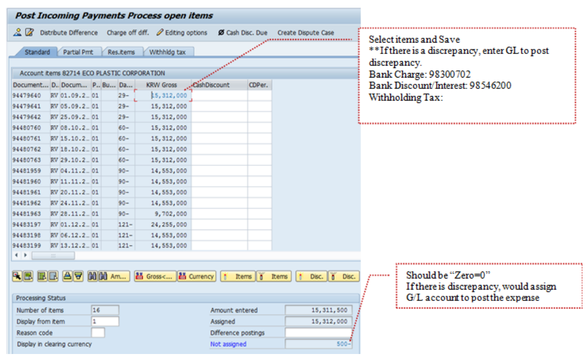
- Document date – Payment Receiving Date
- Type – DZ
- Fill in Company code, Period, Currency/Rate, Reference, Doc. Header text, Clearing text
- Bank Data

- Account -G/L account No. of incoming bank
  - Amount - payment amount in Local / foreign currency
  - Amount in L/C – payment amount in local currency (if any)
  - Bank Charge – amount charged (if any)
  - Value Date – similar as posting date and document date
  - Text- similar to clearing text
- Open Item selection
  - Account – customer code
  - Account Type – D (for customer incoming transaction)

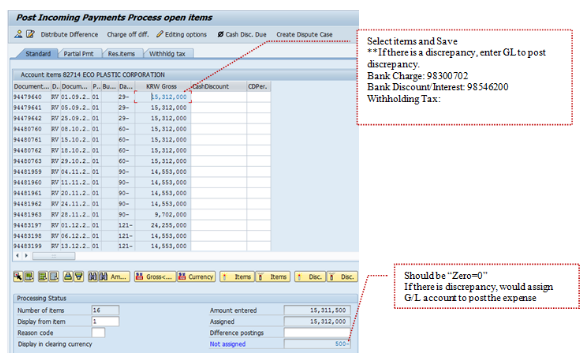


3. Click "Process Open items" after filling in all the details.

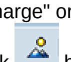
4. Select invoices that match with incoming payment by double clicking on the amount.



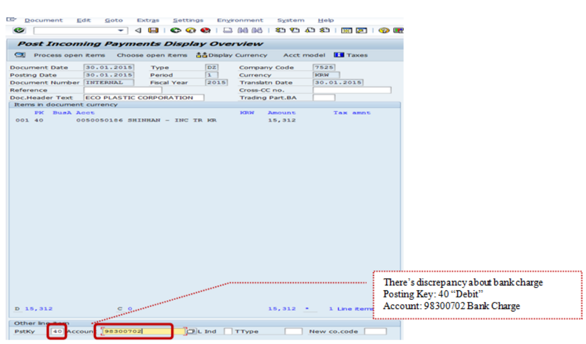
5. If transaction contains bank charge or withholding tax, "Not assigned" box will show remaining amount.



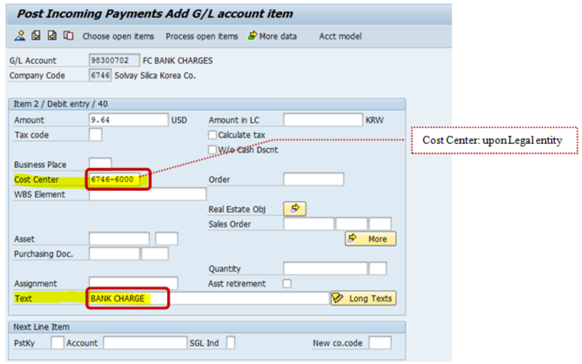
6. To process "Bank charge" or

"Withholding Tax", Click  button. Go to PstKY, then Enter G/L account.

** Bank Charge – GL 98300702



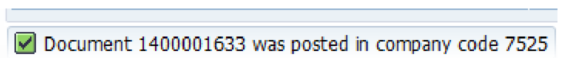
Please specify cost center to bank charge GL by cost center should belong to GBU's invoice.



Checking GBU's cost center , go to original document of invoice >look at Sales Organization and Division then check cost center against GBU as table below.
Appedix : File cost center Korea Bank Charge

GBU	COST CENTER
EP	7525-4301
AA	7525-4221
PO	7525-4351
OMC SALICYCLICS & FINE ORGANICS	7525-4331
OMC DIPHENOLS	7525-4332
OMC RES	7525-4335
OMC 3RD party JRS	7525-4336
OMC 3RD SPS	7525-4337
OMC RES AP	7525-4341
OMC AXENS - JAEEUN	7525-4342
NOVECARE BUSINESS	7525-4334
FAC COATIS	7525-4344
NOVECARE CS	7525-4345
SERVICE FEE (INTERCOM)	7525-5800
R&D (INTERCOM)	7525-6826
ROYALTY (INTERCOM)	7525-6834

7. Click "Save" for verifying and posting [Get the document number]



4.1.3 AR-Advance payment (Domestic and Overseas)

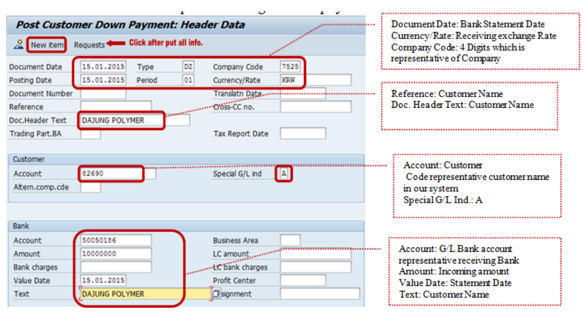
Step:

After receiving Advance payment amount notification from related person, or statement.

1. Enter transaction F-29 to post incoming advance payment

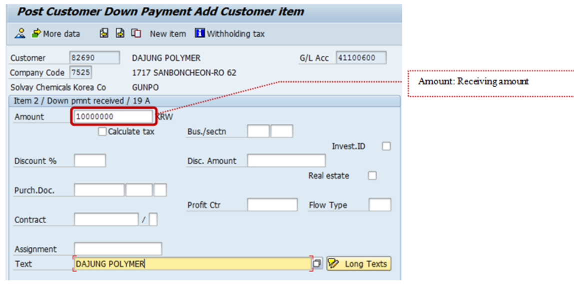
Fill in all the details requird

- Document date – Payment Receiving Date
- Type – DZ
- Fill in Company code, Period, Currency/Rate, Reference, Doc. Header text, Clearing text
- Customer
    - Account – customer code
    - Special G/L Ind – Put "A (Down payment)"
- Bank Data
    - Account -G/L account of incoming bank
    - Amount- payment amount in Local /foreign currency
    - Amount in L/C – payment amount in local currency (If any)
    - Bank Charge – amount charged (if any)



- Value Date – similar as posting date and document date
- Text- similar to clearing text

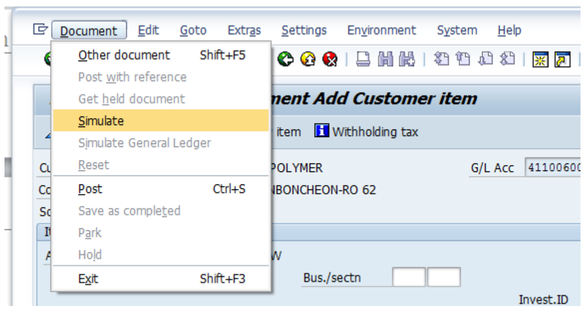
2. Click "New Item"

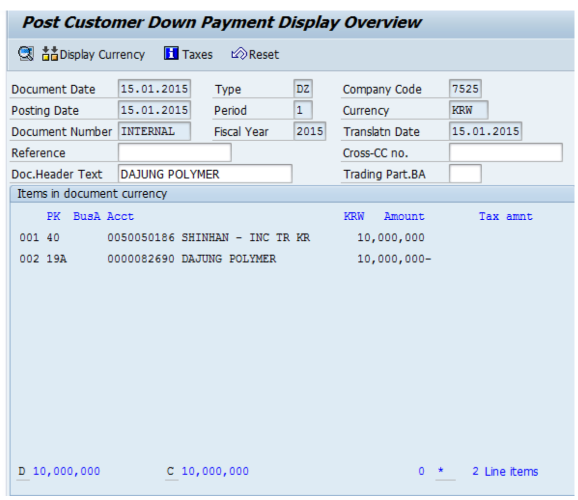


Fill in all the details requird

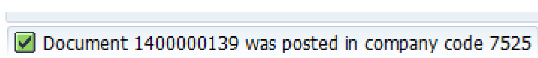
- Amount – Payment Receiving Amount
- Text - similar to clearing text

3. Click Document Simulate





4. Click  "Save" for post [Get the document number]



5. Advise CSR about advance payment received to create Sales Order and give feedback to AR on S/O details. (advise CSR depend on customer name)

e.g. JMD CHEMICALS (2023057) mail to ji-sun.kim@solvay.com
KIIC (2019591) mail to ji-eun.jung@solvay.com

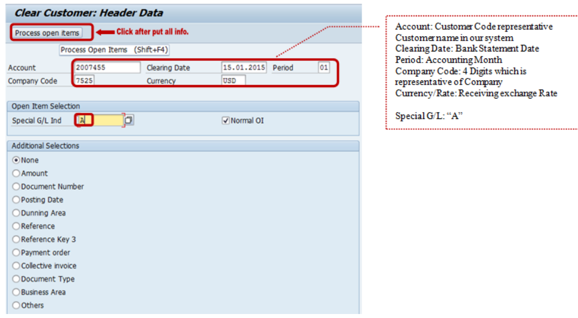
4.1.4 Clear AR Advance payment

Step: After Billing has been issued for advance incoming payment

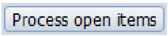
1. Use transaction F-32 to clear advance payment received posting with related AR open item.

Fill in all the details requird

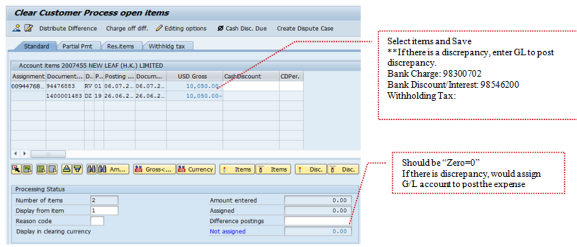
- Account – Customer code
- Clearing date – Payment Receiving Date
- Fill in Company code, Period, Currency/Rate,
- Open item Selection
    - Special G/L Ind – Put "A (Down payment)"



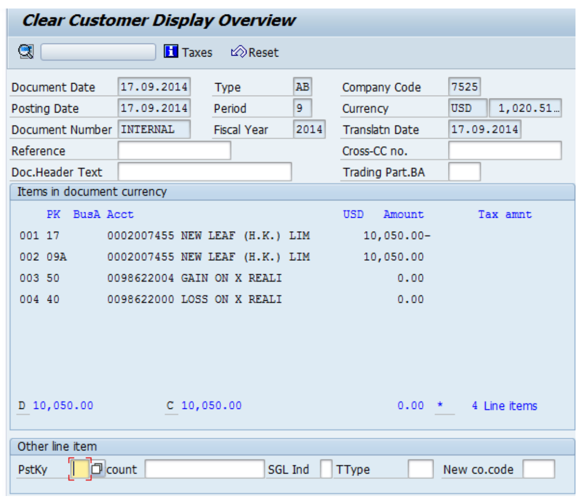
2. Click "Process open item"



3. Select invoices that match with advance incoming payment by double clicking on the amount.



4. Click Document Simulate



5. Click "Save" for post [Get the document number]

4.1.5 AR – Purchasing Loan Payment (P-Loan)

Step: After receiving P-Loan Bank Slip (Electronic copy) from Treasury

P-Loan details as Sample below.

Then we can match from reciving Bank and customer name who pay by P-Loan as Table below.

CUSTOMER CODE	CUSTOMER NAME	BANK	DATE
76163	KECC	CITI	20TH
82049	DAESUNG ELECTRONIC	HANA	15TH

82211	SHINKI CO., LTD.	HANA	LAST DAY
82666	OBANG CO., LTD.	HANA	LAST DAY
82004	KORYO TRADING	IBK	LAST DAY
82026	BUROK	IBK	LAST DAY
82689	CHUN-WOO CO., LTD.	IBK	LAST DAY
82690	DAJUNG POLYMER	IBK	DAY 1
82191	SAMJUNG POLYMER CO., LTD.	KOOKMIN	DAY 1
82156	OP POLYMER CO., LTD	SHINHAN	LAST DAY
2007008	SAMHAN POLYSIA	SHINHAN	10TH
2012726	DONG-A BESTECH CO., LTD.	SHINHAN	LAST DAY
2027345	DONGSUNG HIGHCHEM CO., LTD	SHINHAN	LAST DAY

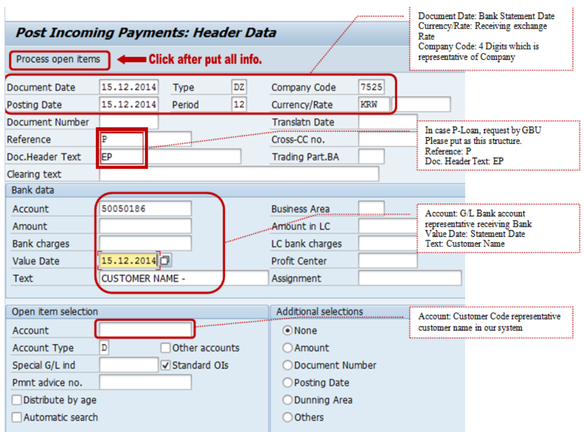
- After we checked the details from P-Loan , we will check the open items by FBL5N
- If there are open item to process clearing AR item by F-28

Check corresponding AR in RCS by entering transaction FBL5N (if No open item)

- If there are no open item process by post advance payment F-29 / F-21

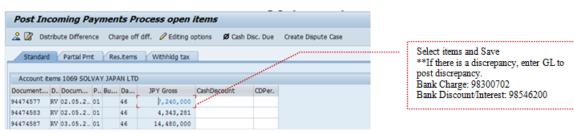
1. Use transaction F-28 to post P-Loan payment received with related AR open item

- Reference is P (P-Loan)

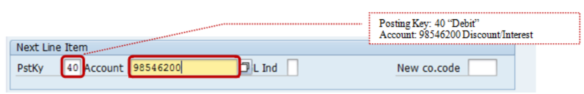


2. Click "Process Open items" after filling in all the details.

3. Select invoices that match with incoming payment by double clicking on the amount.

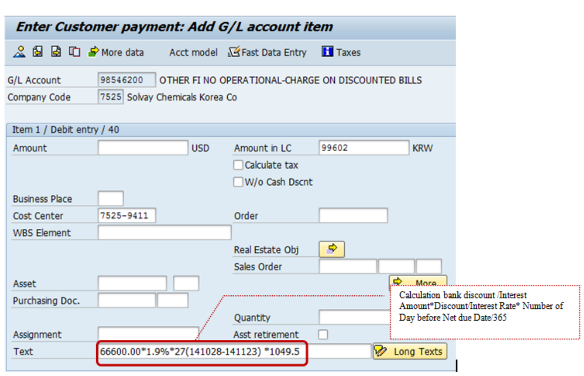


4. If they show remaining amount. (check with bank slip for other financial amount)

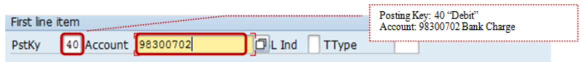


** GL Interest or Discount, To process with GL "OTH FI CHARGE" 98546200. Fill PstKY 40 Debit , then Enter G/L account 98546200.

Text: Put calculation method/ Customer Name / Bank Charges Amount (Original amount * interest rate * Number of Day Discount before net due Date/365)

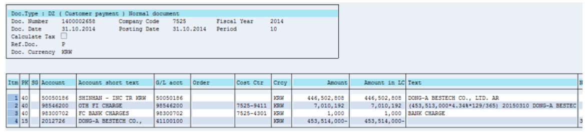


5. To process Bank Charge

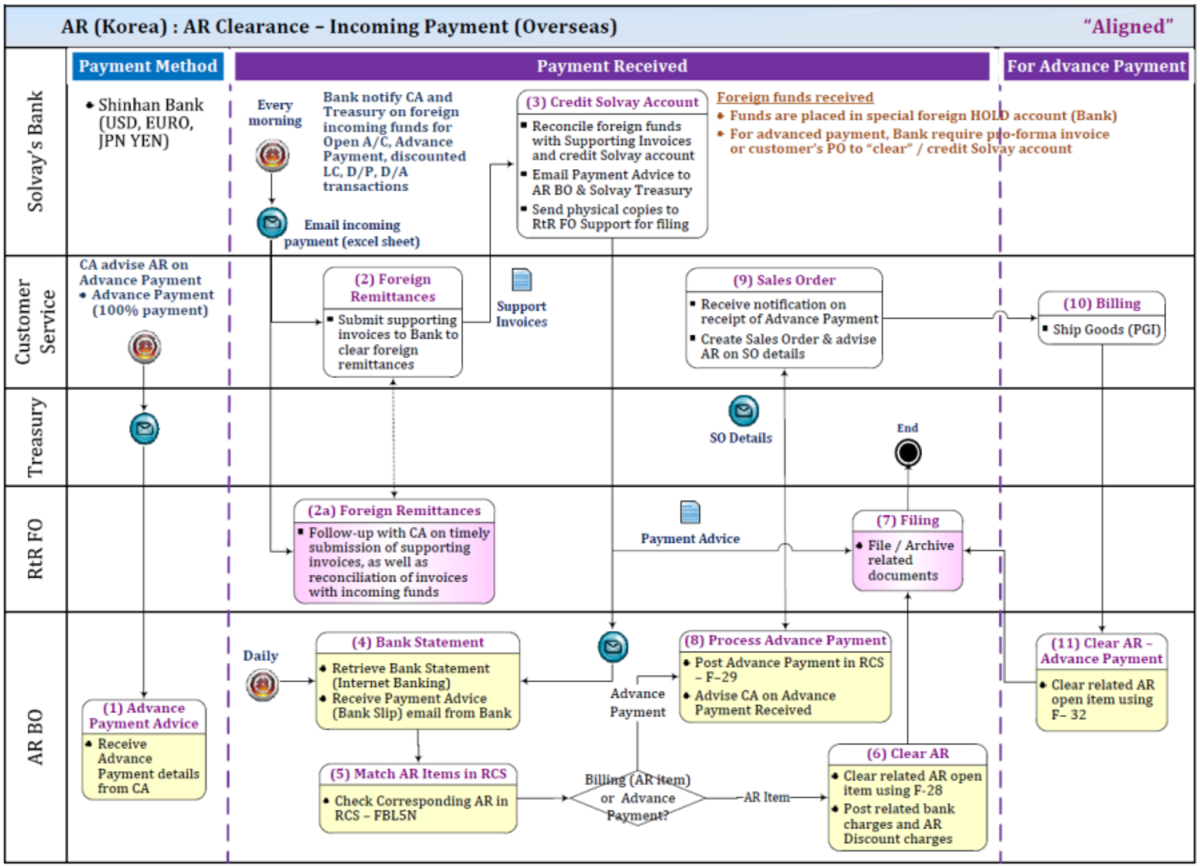


6. Click Simulate

7. Click "Save" will get document number.



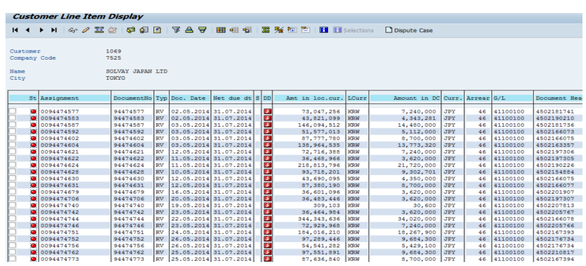
4.2 AR Clearance – Incoming Payment (Overseas)



4.2.1 AR - Clearing (Overseas)

Step:
After receiving Bank advice from Treasury and check against statement on daily basis

Check corresponding AR in RCS by entering transaction FBL5N

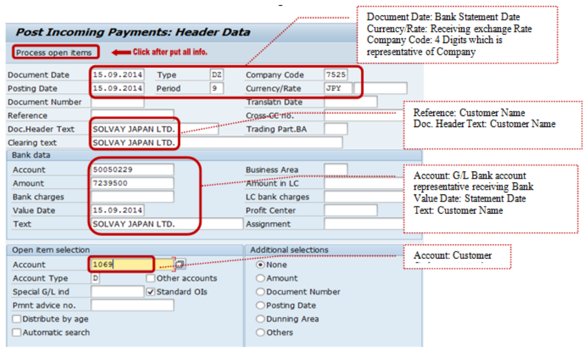


8. Use transaction F-28 to clear related AR open items.

Fill in all the details requird

- Document date – Payment Receiving Date
- Type – DZ
- Fill in Company code, Period, Currency/Rate, Reference, Doc. Header text, Clearing text
- Bank Data
  - Account -G/L account No. of incoming bank

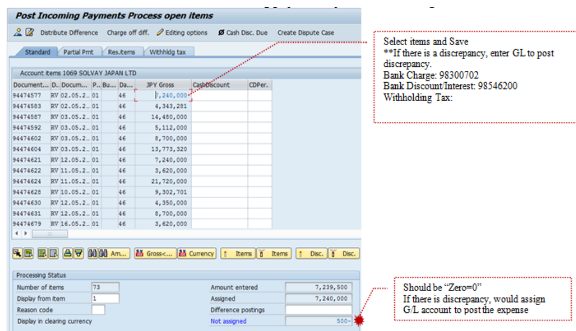
- Amount- payment amount in Local / foreign currency
- Amount in L/C – payment amount in local currency (if any)
- Bank Charge – amount charged (if any)
- Value Date – similar as posting date and document date
- Text- similar to clearing text



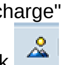
- Open Item selection
  - Account – customer code
  - Account Type – D (for incoming transaction)

9. Click "Process Open items" after filling in all the details.

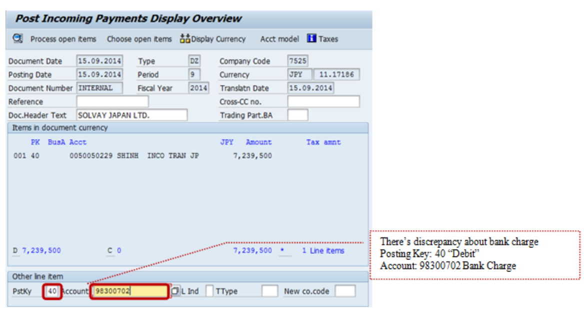
10. Select invoices that match with incoming payment by double clicking on the amount.



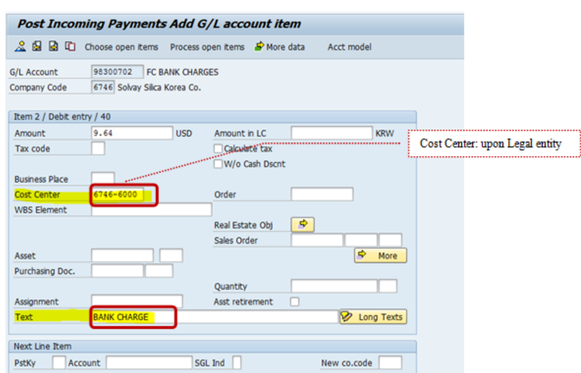
11. If transaction contains bank charge or withholding tax, "Not assigned" box will show remaining amount.

12. To process "Bank charge" or "Withholding Tax", Click  button. Go to PstKY, then Enter G/L account. Then, press "Enter"

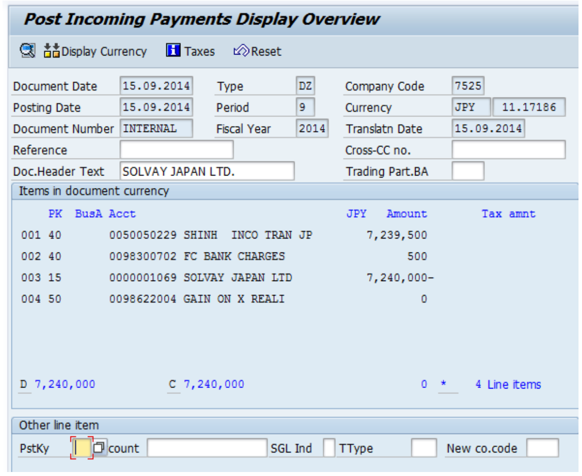
** Bank Charge – GL 98300702 ,Cost center need to check GBU of invoice



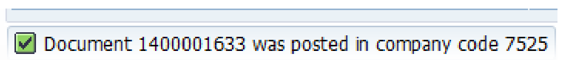
13. Fill in "cost center" number and "Text"



14. Click "Document Simulate".

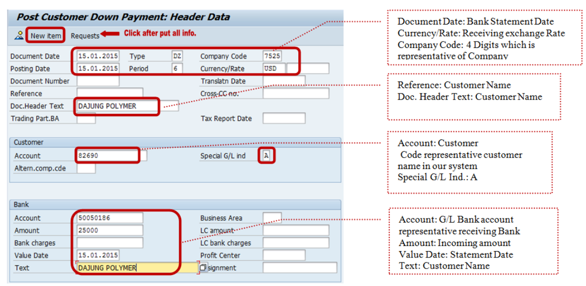


15. Click "Save" for post [Get the document number]



4.2.2 AR - Advance payment (Domestic and Overseas)

Step:
After receiving Bank advice from Treasury and check against statement on daily basis



1. Check corresponding AR in RCS by entering transaction FBL5N (No open item)

Advise CSR about advance payment received to create Sales Order and give feedback to AR on S/O details

2. Use transaction F-29 to post advance payment

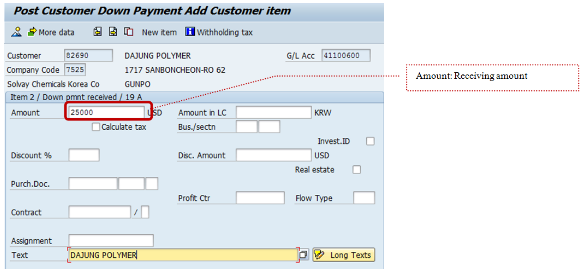
Fill in all the details requird

- Document date – Payment Receiving Date
- Type – DZ
- Fill in Company code, Period, Currency/Rate, Reference, Doc. Header text, Clearing text
- Customer
    - Account – customer code
    - Special G/L Indicator – Put "A (Down payment)"
- Bank Data
    - Account -G/L account of incoming bank
    - Amount- payment amount in Local /foreign currency
    - Amount in L/C – payment amount in local currency (If any)
    - Bank Charge – amount charged (if any)
    - Value Date – similar as posting date and document date
    - Text- similar to clearing text

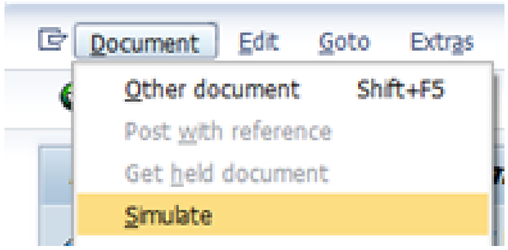
3. Click "New Item"

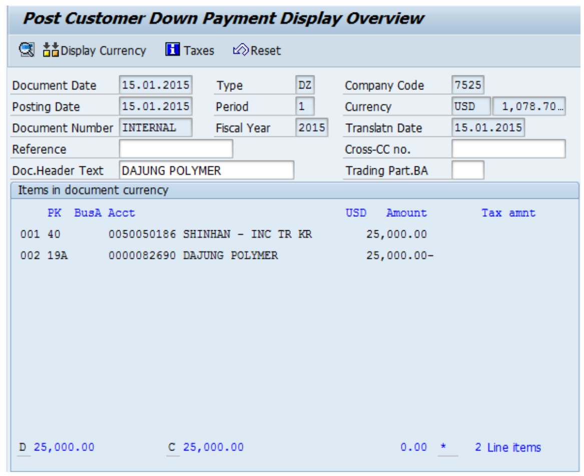
Fill in all the details requird

- Amount – Payment Receiving Amount
- Text - similar to clearing text

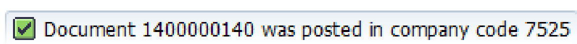


4. Click Document Simulate





5. Click "Save" for post [Get the document number]



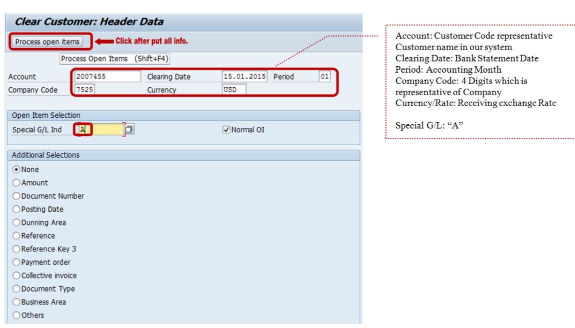
4.2.3 Clear AR Advance payment

Step:
After Billing has been issued for advance incoming payment

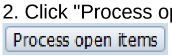
1. Use transaction F-32 to clear advance payment received posting with related AR open item.

Fill in all the details requird

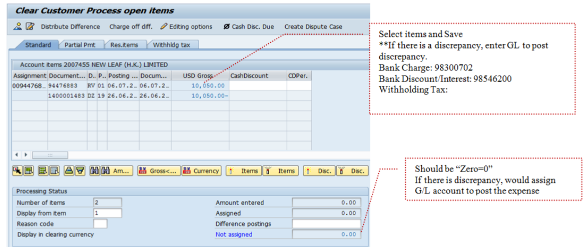
- Account – Customer code
- Clearing date – Payment Receiving Date
- Fill in Company code, Period, Currency/Rate,
- Open item Selection
  - Special G/L Ind – Put "A (Down payment)"



2. Click "Process open item"

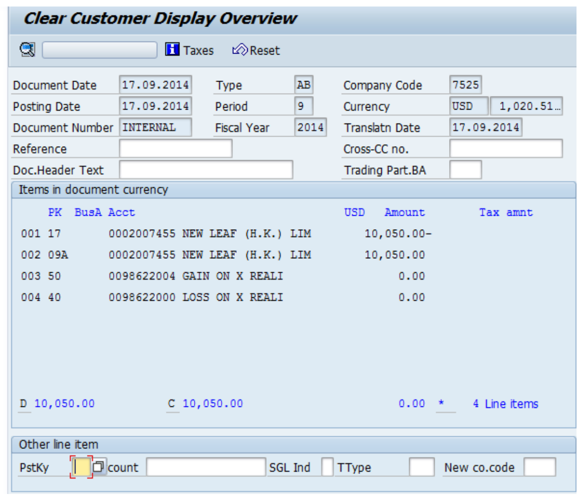


3. Select invoices that match with advance incoming payment by double clicking on the amount.



4. Click Document Simulate

5. Click "Save" for post [Get the document number



4.2.4 AR – L/C Negotiation

Step

After receiving information from Treasury

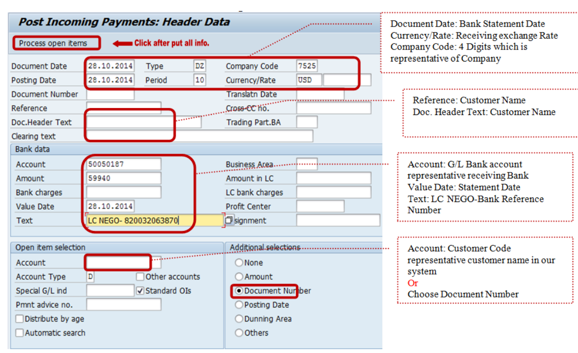
- Use transaction F-28 to clear open items

Fill in all the details requird

- Document date – Payment Receiving Date
- Type – DZ
- Doc. Header Type – Depend on GBU.
- Bank Data
    - Account -G/L account No. of incoming bank
    - Amount- payment amount in foreign currency
    - Amount in L/C – payment amount in foreign currency
    - Bank Charge – amount charged (if any)
    - Value Date – similar as posting date and document date
    - Text- LC NEGO – Ref No.

- Open Item selection
    - Account – customer code
    - Account Type – D (for incoming transaction)

- Click "Process Open items" after filling in all the details.

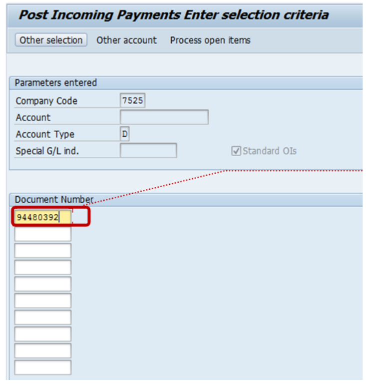


Select invoices that match with incoming payment by double clicking on the amount.

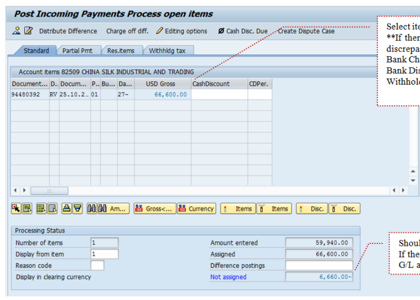
Fill in the details required

- Company Code
- Account Type
- Invoice number

Press "Enter"



Document Number: Put invoice number that needs to clear



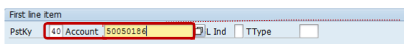
Select items and Save
**If there is a discrepancy, enter GL to post discrepancy.
Bank Charge: 98300702
Bank Discount/Interest: 98546200
Withholding Tax: Advise by CAM

Should be "Zero=0"
If there is discrepancy, would assign G/L account to post the expense

For "Not assigned" amount, process as following steps

Fill in below required boxes

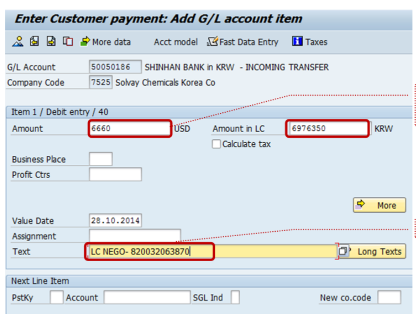
- Posting Key 40
- G/L Bank Account
- Press "Enter"



Posting Key: 40 = Debit
Account: G/L Bank account representative receiving Bank
** LC-Nego , Treasury Team due with Bank to separate amount of LC Like as discount LC

Fill in all the details requird

- Amount – Not assigned amount
- Amount in LC- amount to be provided on each receipt [in case Incoming foreign currency convert to KRW account]
- Text – LC NEGO – Ref No.
- Press "Enter"



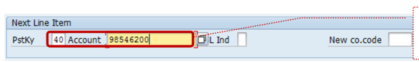
Amount: Receiving amount
Amount in LC: Amount in KRW
** Please refer Bank statement**

Text: "LC NEGO – Reference number

To process OTH FI CHARGE

Fill in all the details requird

- Posting Key- 40
- Account -98546200 (*use only this GL for LC' bank charge)
- Press "Enter"

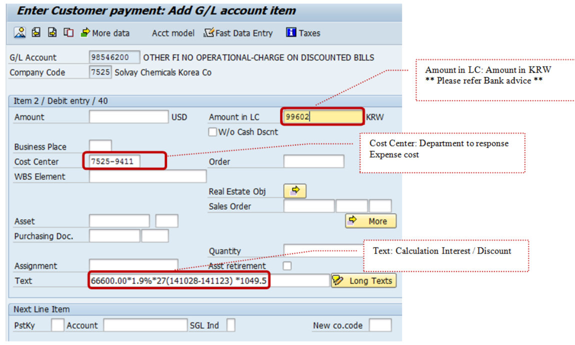


Posting Key: 40 = Debit
Account: G/L OTHER FINANCE representative Interest / Discount amount

Fill in all the details requird

- Amount in LC – provide in receipt
- Cost Center – 7525-9411
- Text : LC - Less Charge
- Press "Enter"

To Process Bank Charge

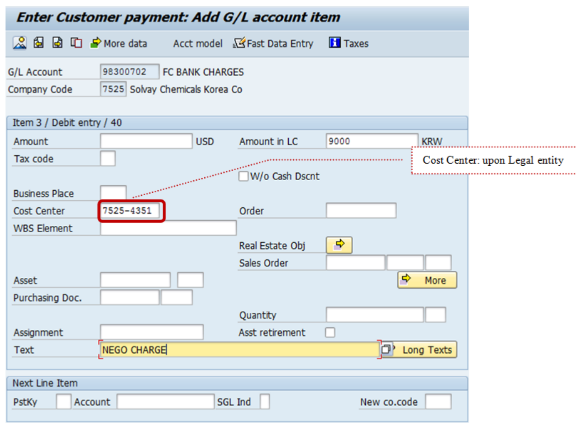


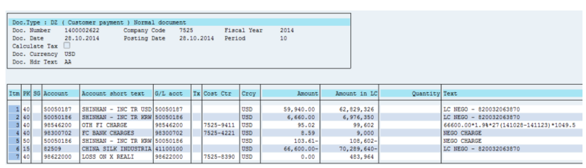
Fill in all the details requird

- Posting Key -40
- Bank Charge G/L Account – 98300702
- Press "Enter"

Fill in all the required details

- Amount : Bank Charge amount (KRW), to be provided in receipt
- Cost Center: Depends on GBU and Sales incharge to invoice.
- Text – LC Nego Charge
- Click "Document" " Simulate"





Doc.Type : DZ (Customer payment) Normal document
Doc. Number 1400002622 Company Code 7525 Fiscal Year 2014
Doc. Date 28.10.2014 Posting Date 28.10.2014 Period 10
Calculate Tax
Doc. Currency USD
Doc. Hdr Text AA

Itm	PK	SG	Account	Account short text	G/L acct	Tx	Cost Ctr	Crcy	Amount	Amount in LC	Quantity	Text
1	40		50050187	SHINHAN - INC TR USD	50050187			USD	59,940.00	62,829,326		LC NEGO - 820032063870
2	40		50050186	SHINHAN - INC TR KRW	50050186			USD	6,660.00	6,976,350		LC NEGO - 820032063870
3	40		98546200	OTH FI CHARGE	98546200		7525-9411	USD	95.02	99,602		66600.00*1.9%*27(141028-141123)*1049.5
4	40		98300702	FC BANK CHARGES	98300702		7525-4221	USD	8.59	9,000		NEGO CHARGE
5	50		50050186	SHINHAN - INC TR KRW	50050186			USD	103.61-	108,602-		NEGO CHARGE
6	15		82509	CHINA SILK INDUSTRIA	41100100			USD	66,600.00-	70,289,640-		LC NEGO - 820032063870
7	40		98622000	LOSS ON X REALI	98622000		7525-8390	USD	0.00	483,964		