

Apply cash - Korea - WP1

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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)

- | AR (Korea) : AR Clearance – Incoming Payment (Domestic) | | “Aligned” | |
|---|---|---|---|
| | Payment Method | Payment Received | For Advance Payment |
| Customer Service | <p>CA advise AR on Payment Arrangement:</p> <ul style="list-style-type: none"> • Advance Payment (100% payment) • Purchasing Loan Payment (Discount AR without recourse with Customers' Bank) | <p>Applicable to regular AR items, Advance Payment, Purchasing Loan Payment (P-Loan)</p> <ul style="list-style-type: none"> • Customers who pay in advance make up 5 ~ 10 % of transactions • P-Factoring Arrangement ~ 90% distributors (~10) & 10% customers (~2) | |
| Treasury | | <p>(8) Sales Order</p> <ul style="list-style-type: none"> • Receive notification on receipt of Advance Payment • Create Sales Order & advise AR on SO details | <p>(9) Billing</p> <ul style="list-style-type: none"> • Ship Goods (PGI) |
| RtR FO Support | | <p>Treasury discount AR (P-Loan) with Customer Bank & email bank slip to AR BO team</p> <p>Month-end or Quarter-end</p> | |
| AR BO | <p>(1) Payment Arrangement Advice</p> <ul style="list-style-type: none"> • Receive Payment Arrangement Advice from Customer Service | <p>Electronic Bank Slip</p> <p>Daily</p> <p>(2) P-Loan Bank Slip</p> <ul style="list-style-type: none"> • Receive AR Discount (P-Loan) transaction Bank Slip (electronic copy) from Treasury <p>(3) Bank Statement</p> <ul style="list-style-type: none"> • Retrieve Bank Statement – Internet Banking <p>(4) Match AR Items in RCS</p> <ul style="list-style-type: none"> • Check Corresponding AR in RCS – FBL5N <p>(7) Process Advance Payment</p> <ul style="list-style-type: none"> • Post Advance Payment in RCS – F-29 • Advise CA on Advance Payment Received <p>Advance Payment</p> <p>Billing (AR item) or Advance Payment?</p> <p>AR Item</p> <p>(5) Clear AR</p> <ul style="list-style-type: none"> • Clear related AR open item using F-28 • Post related bank charges and AR Discount charges <p>(6) Filing</p> <ul style="list-style-type: none"> • File / Archive related documents Such as bank slip for P-Loan, accounting voucher <p>End</p> <p>SO Details</p> <p>(10) Clear AR – Advance Payment</p> <ul style="list-style-type: none"> • Clear related AR open item using F- 32 | |

- Post Incoming Payments: Header Data**

Process open Items Click after put all info.

Document Date: 30.01.2015 Type: D2 Company Code: 7525
Posting Date: 30.01.2015 Period: 1 Currency/Rate: XSW
Document Number: Transaction Date:
Reference: Cross-Cr.no.: Reference Customer Name
Doc. Header Text: ECO PLASTIC CORPORATION Trading Part.BA Doc. Header Text: Customer Name
Clearing text: ECO PLASTIC CORPORATION
Bank data:
Account: 9000186 Business Area:
Amount: 15312 Amount in LC:
Bank charges LC Bank charges Account: G/L Bank account representative receiving Bank
Value Date: 30.01.2015 Profit Center: Account: Incurring amount
Text: ECO PLASTIC CORPORATION Assignment Value Date: Statement Date Text: Customer Name

Open Item selection Additional selections
Account: 82714
Account Type: D Other accounts
Special G/L ind. Standard Ols
Print advice no.
Distribute by age
Automatic search
Invoice Summary

None
Amount
Decimals Number
Posting Date
Dunning Area
Others

Account: Customer Code representative's customer name in our system

[illegible]

Post Incoming Payments Process open Items

☐ Distribute Effects
 ☐ Charge off only
 ☐ Editing options
 ☐ Cash Doc. Due
 ☐ Create Deposit Case

Account Items 82314 EO PLASTIC CORPORATION

Document...	D. Docum...	P. Ref. Doc...	MTPL Gross	Doc. Document	Coltr.
94471460	95.10.09.2	01	29	13,311,202	
94471465	95.10.09.2	01	29	13,311,202	
94471462	95.20.09.2	01	29	13,311,202	
94481760	95.10.10.2	01	60	13,311,202	
94481765	95.10.10.2	01	60	13,311,202	
94481762	95.10.10.2	01	60	13,311,202	
94481763	95.20.10.2	01	60	13,311,202	
94481959	95.04.11.12	01	90	14,953,000	
94481960	95.11.11.12	01	90	14,953,000	
94481961	95.20.11.12	01	90	14,953,000	
94481962	95.24.11.12	01	90	14,953,000	
94481963	95.01.11.12	01	90	6,702,000	
94481997	95.01.11.12	01	1201	26,208,000	
94483198	96.04.12.12	01	1201	14,953,000	
94483199	95.11.12.12	01	1201	14,953,000	

Processing Status

Number of Items	14	Amount entered	13,311,202
Display from Item	1	Assigned	13,311,202
Reason code		Difference postings	
Display in clearing currency		Not assigned	000

Select items and Save
 **If there is a discrepancy, enter GLT to post debit
 Bank Charge = 98300702
 Bank Document Interest = 98456200
 Withholding Tax:

Should be "Zero-0"
 If there is discrepancy, would assign GLT account to post the expense

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

[illegible]

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

Post Incoming Payments Add G/L account item

Choose open items Process open items More data Acct model

G/L Account: 98300702 FC BANK CHARGES
Company Code: 6746 Solway Silca Korea Co.

Item 2 / Debit entry / 40

Amount: 9.64 USD Amount in LC: KRW
Tax code: ☐ Calculate tax ☒ W/o cash Discnt

Business Place: Order:
Cost Center: **6746-8308** VBS Element:
Real Estate Obj: Sales Order: More

Asset: Quantity:
Purchasing Doc.: Asset retirement: ☐ Long Texts:

Assignment: Text: **BANK CHARGE**

Next Line Item: ☐ Account: SGL Ind: ☐ New co.code:

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.

Appendix : 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 - JAEUN	7525-4342
NOVECAR BUSINESS	7525-4334
FAC COATIS	7525-4344
NOVECAR 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]

 Document 1400001633 was posted in company code 7525

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 required

- 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)

Post Customer Down Payment: Header Data

New item Requests Click after put all info.

Document Date: 15.01.2015 Type: DZ Company Code: 7525
Posting Date: 15.01.2015 Period: 01 Currency/Rate: 999
Document Number: Transaction Date:
Reference: CHRG-CC no.:
Doc. Header Text: Tax Report Date:
Trading Part: BA

Customer: Special G/L Ind: ☒ A

Account: Special G/L Ind.: A

Bank: Business Area:
Account: 50050166 LC amount:
Amount: 10000000 LC Bank charges:
Bank charges: Profit Center:
Value Date: 15.01.2015 ☐ Assignment:
Text: **DAJUNG POLYMER**

Document Date: Bank Statement Date
Currency/Rate: Receiving exchange Rate
Company Code: 4 Digits which is representative of Company

Reference: Customer Name
Doc. Header Text: Customer Name

Account: Customer Code representative customer name in our system
Special G/L Ind.: A

Account: G/L Bank account representative receiving Bank
Amount: Incoming amount
Value Date: Statement Date
Text: Customer Name

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

2. Click "New Item" **New item**

Fill in all the details requird

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

3. Click Document Simulate

PK	BusA	Acct	KRW	Amount	Tax amnt
001 40	0050050186	SHINHAN - INC TR KR		10,000,000	
002 19A	0000082690	DAJUNG POLYMER		10,000,000-	

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@solway.com
 KIIC (2019591) mail to ji-eun.jung@solway.com

Document 140000139 was posted in company code 7525

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 required

- 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"

Process open items

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.

[주식입금(할인)신청] 처리결과			
판매기업약정번호		제휴코드	
승인일자		승인번호	20150615200004
최소결제일			
기본수수료(할인)	1,508,186 원	입금회차	1 회
수수료방식	대출이자방식		
지급보증수수료	0 원	지급보증기간	0 일
수수료합계	1,508,186 원	할인일수	60 일
입금신청금액	200,000,000 원	입금신청일	2015-06-15
차입입금(실입금액)	198,491,814 원	등록후 미입금액	0 원
거래상태	정상		

Then we can match from receiving 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

First line item

PstKey 40 Account 98300702 L Ind T Type

Posting Key: 40 "Debit"
Account: 98300702 Bank Charge

DocType: SE (Customer payment) | Internal document
Doc. Number: 1410151218 | Company Code: T229
Doc. Date: 31.10.2014 | Posting Date: 31.10.2014 | Fiscal Year: 2014
Original Date: | Period: 10
Ref. Doc.: |
Doc. Currency: USD

Doc No	Account	Account short text	S/C	Order	Plant Ctr	Qty	Amount	Amount in SE	Text
401	98300702	DEBIT - DRG TO SWB	00000000				444,510.00	444,510.00	
401	98300702	DRG TO SWB	00000000		7829-9411		1,010.00	1,010.00	
401	98300702	PC BANK CHARGE	00000002		7829-9411		1,010.00	1,010.00	
401	98300702	PC BANK CHARGE	00000002				451.14	451.14	

SWB - BIESECKER CO., LTD. A
1410151218/PCBANKCHARGE/1410151218/PCBANKCHARGE

- 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".

Post Incoming Payments Display Overview

Display Currency Taxes Reset

Document Date 15.09.2014 Type DZ Company Code 7525
Posting Date 15.09.2014 Period 9 Currency JPY 11.17186
Document Number INTERNAL Fiscal Year 2014 Translatn Date 15.09.2014
Reference Cross-CC no.
Doc.Header Text SOLVAY JAPAN LTD. Trading Part.BA

Items in document currency

PK	BusA	Acct	SHINH	INCO	TRAN	JP	JPY	Amount	Tax amnt
001	40	0050050229	SHINH	INCO	TRAN	JP		7,239,500	
002	40	0098300702	FC	BANK	CHARGES			500	
003	15	0000001069	SOLVAY	JAPAN	LTD			7,240,000-	
004	50	0098622004	GAIN	ON	X	REALI		0	

D 7,240,000 C 7,240,000 0 * 4 Line items

Other line item
PstKy count SGL Ind TType New co.code

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

 Document 1400001633 was posted in company code 7525

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

Post Customer Down Payment: Header Data

New Item Requests Click after put all info.

Document Date 15.01.2015 Type DZ Company Code 7525
Posting Date 15.01.2015 Period 4 Currency/Rate 1050
Document Number Reference Translatn Date
Doc.Header Text DAJUNG POLYMER Cross-CC no.
Trading Part.BA Tax Report Date

Customer
Account 22492 Special G/L Ind A
Altern.comp.cde

Bank
Account 10095184 Business Area
Amount 23000 LC amount
Bank charges LC bank charges
Value Date 15.01.2015 Profit Center
Text DAJUNG POLYMER Payment

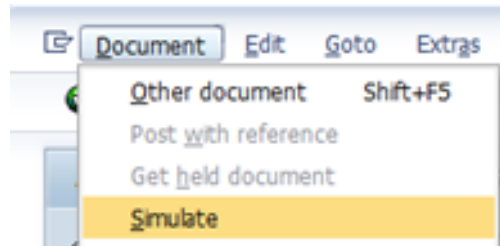
Document Date: Bank Statement Date
Currency Rate: Receiving exchange Rate
Company Code: 4 Digits which is representative of Company
Reference: Customer Name
Doc. Header Text: Customer Name
Account: Customer Code representative customer name in our system
Special G/L Ind.: A
Account: G/L Bank account representative receiving Bank
Amount: Incoming amount
Value Date: Statement Date
Text: Customer Name

3. Click "New Item" 

Fill in all the details required

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

4. Click Document Simulate



PK	BusA	Acct	USD	Amount	Tax amnt
001	40	0050050186 SHINHAN - INC TR KR		25,000.00	
002	19A	0000082690 DAJUNG POLYMER		25,000.00-	

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

Document 1400000140 was posted in company code 7525

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 required

- 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)"

Account: Customer Code representative
Customer name in our system
Clearing Date: Bank Statement Date
Period: Accounting Month
Company Code: 4 Digits which is representative of Company
Currency Rate: Receiving exchange Rate
Special G/L: "A"

2. Click "Process open item"

Process open items

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

Clear Customer Process open items

Distribute Difference Charge off diff. Editing options Cash Disc. Due Create Dispute Case

Standard Partial Print Fail Items Withholding tax

Account Name 2007455 NEW LEAF (H.K.) LIMITED

Assignment Document: D.P.-Posting ... Docum... USD Gross Cash/Discount CDP#

0094788	3441683	87 01 04 07 2 04 07 2	10,050.00	
345003183	25 10 04 06 2 25 06 2		10,050.00	

Processing Status

Number of items 2 Amount entered 0.00

Display from item 1 Assigned 0.00

Reason code Difference postings 0.00

Display in clearing currency Not assigned 0.00

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

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

4. Click Document Simulate

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

Clear Customer Display Overview

Taxes Reset

Document Date 17.09.2014 Type AB Company Code 7525

Posting Date 17.09.2014 Period 9 Currency USD 1,020.51

Document Number INTERNAL Fiscal Year 2014 Translatn Date 17.09.2014

Reference Cross-CC no.

Doc.Header Text Trading Part.BA

Items in document currency

PK	BusA	Acct		USD	Amount	Tax amnt
001	17	0002007455	NEW LEAF (H.K.) LIM		10,050.00-	
002	09A	0002007455	NEW LEAF (H.K.) LIM		10,050.00	
003	50	0098622004	GAIN ON X REALI		0.00	
004	40	0098622000	LOSS ON X REALI		0.00	

D 10,050.00 C 10,050.00 0.00 * 4 Line Items

Other line item

PstKy count SGL Ind TType New co.code

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 required

- 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 NEGOT – Ref No.
- Open Item selection
 - Account – customer code
 - Account Type – D (for incoming transaction)
- Click "Process Open items" after filling in all the details.

Post Incoming Payments: Header Data

Process open items Click after put all info.

Document Date 28.10.2014 Type 02 Company Code 7525

Posting Date 28.10.2014 Period 10 Currency/Rate USD

Document Number Translatn Date

Reference Cross-CC no.

Doc.Header Text Trading Part.BA

Clearing text

Bank data

Account 50940 Business Area

Amount 59940 Amount in LC

Bank charges LC bank charges

Value Date 28.10.2014 Profit Center

Text LC NEGOT-820032063870 Assignment

Open item selection

Account Other accounts

Account Type D

Special G/L ind

Print advice no.

Distribute by age

Automatic search

Additional selections

None Amount

Document Number

Posting Date

Dunning Area

Others

Document Date: Bank Statement Date
Currency Rate: Receiving exchange Rate
Company Code: 4 Digits which is representative of Company

Reference: Customer Name
Doc. Header Text: Customer Name

Account: G/L Bank account representative receiving Bank
Value Date: Statement Date
Text LC NEGOT-Bank Reference Number

Account: Customer Code representative customer name in our system
Or Choose Document Number

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"

For "Not assigned" amount, process as following steps

Fill in below required boxes

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

Fill in all the details required

- 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"

To process OTH FI CHARGE

Fill in all the details required

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

Fill in all the details required

- 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

- Fill in all the required details

- ### Enter Customer Payment: Add G/L account *Item*



























































