

Bank sub-accounts reconciliation and justification

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2. Objective and Scope

The purpose of this document is to describe how to reconcile and justify the Bank sub-accounts and states the importance to have it regularly reconciled (on a daily basis) in order to assure a better and accurate visibility at every moment.

This operating procedure (OP) applies to the receivables g/l accounts assigned to Solvay S.A.

3. Definitions

- SBS: In the current document, "Solvay Business Services" will be replaced by its abbreviation "SBS".
- CCT AR: Customer Credit & Trade Accounts Receivables team
- OP: Operating procedure
- 0231: Company code in PI1 system for Solvay S.A.
- IBA: Internal Bank account
- BoE: Bill of exchange

4. Solvay S.A. Sub-accounts Reconciliation



CCT AR team is responsible to reconcile and do the follow-up (send reminders) regarding the open items in the bank sub-accounts in order to ensure an accurate balance view of the g/l accounts. Reminders should be sent on a regular and closer way to assure we are doing an effective follow-up.

4.1 Definitions and Reconciliation rules

Below it is described the document types in 0231 sub-accounts and the clearing rules to match the different sub-accounts.

Sub-accounts

- 505xxx12 – Miscellaneous
- 505xxx15 – Cheques bank account
- 505xxx16 – Bank transfers bank account
- 505xxx17 – Manual drafts and Direct Debits bank account

G/L Document types description:

TI	<u>Transfer IN</u>
TO	<u>Transfer OUT</u>
SA	<u>Banking fees & IBA movements</u>
DY	<u>Unpaid</u>

Reconciliation rules:

- Sub-Account 505**12: TO's should be reconciled with KZ items. Exception: in case of rejected payments the TO's on 12 will have to be cleared with TI's on 16
- Sub-Account 505**15: DK's items should be reconciled with TI items

Scope



EMEA

ERP



PI1



PF1



WP1

References - SAP transactions

- **FBL3N**
- **F-03**

Attachments

[Solvay S.A. bank sub-accounts.doc](#)

[50513EUR17 - Tip for EOM clearing.pdf](#)

- Sub-Account 505**16: DZ's items should be reconciled with TI items. Exceptions:
 - a. Payments that are for a customer/affiliate not migrated to Solvay SA or a payment to be paid through vendor account - In this case the TI will match with a KF
 - b. Payments for items not assigned to Solvay SA are transferred through the IBA's - In this case the TI will match with a SA
- Sub-Account 505**17: G1 items should be reconciled with TI items except for SEPA Direct Debit. In that case, DZ items should be reconciled with TI items.
- DY items should be reconciled with TO items except for UK and Germany.
- All the items (G1 or DK) with the same posting date should be selected and matched against the TI's (several TI's can be received with the same date, but the clearings need to be split by TI).
- Two different bank sub-accounts might need to be reconciled together in order to match the items. (Ex.: A TO enter on G/L 505xxx12 related to a TI on G/L 505xxx16).
- In Spain, Pagares enter on G/L 50554EUR15 together with cheques. Recibos enter on G/L 50554EUR17.
- BoE: All BoE already sent to the Bank through FBWE transaction are displayed (764.. doc. Number) in the sub-accounts.
- Reversals: When reversing a document, the original DZ is reversed and TI will then reconcile with the new DZ (if a new payment is posted)



Warnings

- For the TO's for which we are missing information, an email should be sent to the Bank directly asking more details regarding the movement (please refer bank account and send bank statement). Below Bank contacts:
 - BBVA: globalesbarna@bbva.com
 - BNP: ccs@bnpparibas.com
 - SOCIETE GENERALE: marie-pascale.a.beaupere@socgen.com and mathieu.martinez@socgen.com
- For all debits and credits which are received in Solvay SA bank sub-accounts 12, 15, 16 and 17 for which it is not possible to clear it in customer account (ex. banking fees related to returned/rejected cheques; situations in which customer makes a type of correction and the contract related is already cleared and there is no more business), we should debit/credit the affiliate through IBA. Afterwards, we should post the entry in affiliate in the correct g/l account (banking fees/discount).

4.2 Display of sub-accounts

To check the open and cleared items on Bank sub-accounts, we should use transaction **FBL3N**. Using this transaction we can check the items not yet reconciled and also the ones already cleared, if there is any need to consult an old clearing.

Open **FBL3N** transaction and choose "Open items"

Sub-account 505*16

The following screen appears:

G/L Account		50501EUR16 Fortis Bank Brussels (EUR) Credit trfs received CU								
Company Code		0231								
St	Assignment	DocumentNo	BusA	Type	Doc. Date	PK	Amount in doc. curr.	Curr.	Tx	Text
☐	☒ 0027318800028EUR	9002309778		TI	19.05.2016	50	18.489,00-	EUR		Ticket #13508 was created
	* 0027318800028EUR						18.489,00-	EUR		
☐	☒ 0027602400071EUR	9002374257		TI	28.06.2016	50	12.200,81-	EUR		Unmatched; 7000314876
	* 0027602400071EUR						12.200,81-	EUR		
☐	☒ 0028874400063EUR	9002673898		TI	22.12.2016	50	11.704,00-	EUR		related with Vendor 30231070
	* 0028874400063EUR						11.704,00-	EUR		
☐	☒ 0029125200056EUR	9002732012		TI	27.01.2017	50	10.029,00-	EUR		Ticket #364334
	* 0029125200056EUR						10.029,00-	EUR		
☐	☒ 0029176400001EUR	7000001089		DZ	03.02.2017	40	900.000,00	EUR		/INV/ 98014825 TFM116794870
☐	☒ 0029176400001EUR	9002743489		TI	03.02.2017	50	900.000,00-	EUR		/INV/ 98014825 TFM116794870
	* 0029176400001EUR						0,00	EUR		
☐	☒ 0029176400002EUR	7000000891		DZ	03.02.2017	40	722.400,00	EUR		SASOL PET197004034 GB0000007
☐	☒ 0029176400002EUR	9002743490		TI	03.02.2017	50	722.400,00-	EUR		SASOL PET197004034 GB0000007
	* 0029176400002EUR						0,00	EUR		
☐	☒ 0029176400003EUR	7000001090		DZ	03.02.2017	40	560.069,76	EUR		INVOICE NO. 98014825/1 DATE 1
☐	☒ 0029176400003EUR	9002743491		TI	03.02.2017	50	560.069,76-	EUR		INVOICE NO. 98014825/1 DATE 1
	* 0029176400003EUR						0,00	EUR		
☐	☒ 0029176400004EUR	7000001091		DZ	03.02.2017	40	138.855,00	EUR		/RFB/99551172 RHODIA SPECIA
☐	☒ 0029176400004EUR	9002743492		TI	03.02.2017	50	138.855,00-	EUR		/RFB/99551172 RHODIA SPECIA
	* 0029176400004EUR						0,00	EUR		

Checking this sub-account, we are able to see that for some TI's the DZ's match perfectly and that they have the same Assignment. For the TI's without a matching DZ, it means it is Unallocated or there is a technical issue.

To check items already cleared, a tick should be inserted in "Cleared items" and a date should be inserted.

☒ Cleared items
 Clearing date to 
 Open at key date

G/L Account 50501EUR16 Fortis Bank Brussels (EUR) Credit trfs received CU
 Company Code 0231

St	Assignment	DocumentNo	BusA	Type	Doc. Date	PK	Amount in doc. curr.	Curr.	Tx	Clrng doc.	Text
☐	☒ 0029470000001EUR	7000011345		DZ	16.03.2017	40	1.886.909,64	EUR		8701861048	KRW 2,300,5
☐	☒ 0029470000001EUR	9002788949		TI	16.03.2017	50	1.886.909,64-	EUR		8701861048	KRW 2,300,5
	* 0029470000001EUR						0,00	EUR			
☐	☒ 0029470000002EUR	7000011346		DZ	16.03.2017	40	1.509.063,25	EUR		8701861043	114336303,1
☐	☒ 0029470000002EUR	9002788950		TI	16.03.2017	50	1.509.063,25-	EUR		8701861043	114336303,1
	* 0029470000002EUR						0,00	EUR			
☐	☒ 0029470000003EUR	7000011347		DZ	16.03.2017	40	418.390,00	EUR		8701861090	4655150MANU
☐	☒ 0029470000003EUR	9002788951		TI	16.03.2017	50	418.390,00-	EUR		8701861090	4655150MANU
	* 0029470000003EUR						0,00	EUR			
☐	☒ 0029470000004EUR	7000011055		DZ	16.03.2017	40	346.674,74	EUR		8701861080	6111341206/
☐	☒ 0029470000004EUR	9002788952		TI	16.03.2017	50	346.674,74-	EUR		8701861080	6111341206/
	* 0029470000004EUR						0,00	EUR			
☐	☒ 0029470000005EUR	7000011056		DZ	16.03.2017	40	272.574,47	EUR		8701861070	INV.NO 9801
☐	☒ 0029470000005EUR	9002788953		TI	16.03.2017	50	272.574,47-	EUR		8701861070	INV.NO 9801
	* 0029470000005EUR						0,00	EUR			
☐	☒ 0029470000006EUR	7000011348		DZ	16.03.2017	40	194.686,80	EUR		8701861051	8810250432/
☐	☒ 0029470000006EUR	9002788954		TI	16.03.2017	50	194.686,80-	EUR		8701861051	8810250432/
	* 0029470000006EUR						0,00	EUR			

In these items, the clearing document is displayed.

4.2.1 Manual reconciliation



Warnings

On a daily basis, an automatic program runs to reconcile the DZ's with the respective payments (TI's). The job reconciles the documents according the "Assignment" and "Amount" fields. This job is parameterized only for Bank sub-accounts 505*16. However, these sub-accounts should be anyway daily consulted by AR team in order to check the unallocated amounts and possible issues.

For the remaining sub-accounts (505*12/15/17) an analysis and manual clearing(s) is required from AR team on a daily basis. In this Operating procedure, it will be explained what are the steps that should be taken to reconcile these sub-accounts.

Find below an example for each type of sub-account:

Sub-account 505*12

In this sub-account we can find the refund movements of credit notes and payments which were allocated on customer account and for which Collections team has created a refund request.



"Frais Mensuel"

Each month we receive in 50501EUR12 a TO related to monthly banking fees. The clearing of this item should be performed by the ihb.accounting@support.solvay.com.

We should make a request for the clearing of the item.

Example below is a refund of two credit notes from customer 319523 (credit notes are matched against a KZ):

Customer 319523
 Company Code 0231
 Name SKI YEDEK PARCA VE MAKINA
 City BURSA

St	CoCd	Reference	Block	DocumentNo	Typ	PM	Doc. Date	Net due dt	Amount in DC	Curr.	Clrng doc.	Clearing
☐	☒	0231	58356111000893	J	5000012222	F4	27.01.2017	28.01.2017	4.773,76-	EUR	6000182692	15.05.2017
☐	☒	0231	58356111000894	J	5000012223	F4	27.01.2017	28.01.2017	9.121,72-	EUR	6000182692	15.05.2017
☐	☒	0231			6000182692	KZ	15.05.2017	15.05.2017	13.895,48	EUR	6000182692	15.05.2017
*									0,00	EUR		15.05.2017
**									0,00	EUR		

To reconcile the sub-account proceed as follows:

Open F-03 as below:

The fields should be filled in as below:

- **Account:** Sub-account to be reconciled.
- **Clearing date:** Previous working day.
- **Company code**
- **Currency**

Clear G/L Account: Header Data

Process open items

Account 50501EUR12 Clearing Date 26.05.2017 Period 5
 Company Code 0231 Currency EUR

Open Item Selection ☒ Normal OI

Additional Selections

Click on **Process open items**

Select both items (KZ and TO) and press .

Clear G/L Account Process open items

Standard Partial Pmt Res.Items WH Tax

Account items 50501EUR12 Fortis Bank Brussels (EUR) Credit trfs issued CU

Assignment	D/Reference	Document	D./P.	Posting	Docume	EUR Gross
00298824..	210B1CLEUR17096	9002855953	TO	40 15.05.2..	15.05.2..	13.895,48
20170512..		6000182692	KZ	50 15.05.2..	15.05.2..	13.895,48-

Processing Status

Number of items 2 / 3 Amount entered 0,00
 Display from item 1 Assigned 0,00
 Display in clearing currency Not assigned 0,00

Sub-account 505*15

One example with cheques.

Open F-03 as below:

The fields should be filled in as below:

- **Account:** Sub-account to be reconciled.
- **Clearing date:** Previous working day.
- **Company code**
- **Currency**

Clear G/L Account: Header Data

Process open items

Account 50533eur15 Clearing Date 23.05.2017 Period 5
 Company Code 0231 Currency EUR

Open Item Selection ☒ Normal OI

Click on **Process open items**

Select both items (DK and TI) and press .

Clear G/L Account Process open items

Distribute Difference | Charge off diff. | Editing Options

Standard | Partial Pmt | Res.Items | WH Tax

Account items 50533EUR15 Société Gén Paris (EUR) Bank checks received CU

Assignment	D	Reference	Document	D	P	Posting	Docume	EUR Gross
			7650000022	DK	40	23.05.2..	23.05.2..	27.005,00
00299426..		7330302	9002865006	TI	50	23.05.2..	23.05.2..	87.000,00

Processing Status

Number of items: 2 | Amount entered: 0,00

Display from item: 1 | Assigned: 0,00

Display in clearing currency: Not assigned | 0,00

Sub-account 505*17

Note: due to the complexity and volume of the operations it would be helpful to open the accounts 505*17 in **FBL3N** with Layout "/CPT 58/TCS". Then select Doc. Date and Value Date and press subtotals.

This will group the G1s by the date they were sent to the bank and Value date, which usually correspond to a TI or group of TI's with the same value date.

G/L Account: 50513EUR17 BNP Italie (EUR) Credit trfs received CU
Company Code: 0231

St	Assignment	DocumentNo	Type	Doc. Date	Value Date	PK	Amount in doc. curr.	Curr.
	BNP11-0302170001	7640000053	G1	03.02.2017	03.02.2017	40	10.474,92	EUR
*				03.02.2017	03.02.2017		10.474,92	EUR
	BNP11-0302170001	7640000054	G1	03.02.2017	04.02.2017	40	24.902,34	EUR
*				03.02.2017	04.02.2017		55.856,96	EUR
	BNP11-0302170001	7640000056	G1	03.02.2017	04.02.2017	40	259,00	EUR
*				03.02.2017	04.02.2017		80.998,30	EUR
	BNP11-0302170001	7640000057	G1	03.02.2017	05.02.2017	40	84.865,95	EUR
*				03.02.2017	05.02.2017		24.397,07	EUR
	BNP11-0302170001	7640000060	G1	03.02.2017	05.02.2017	40	23.000,00	EUR
*				03.02.2017	05.02.2017		5.023,86	EUR
	BNP11-0302170001	7640000059	G1	03.02.2017	05.02.2017	40	116.198,80	EUR
*				03.02.2017	05.02.2017		7.270,56	EUR
	BNP11-0302170001	7640000062	G1	03.02.2017	05.02.2017	40	260.756,24	EUR

One example regarding BoE and Direct Debits.

Open F-03 as below:

The fields should be filled in as below:

- **Account:** Sub-account to be reconciled.
- **Clearing date:** Previous working day.
- **Company code**
- **Currency**

Clear G/L Account: Header Data

Process open items

Account: 50513EUR17 | Clearing Date: 26.05.2017 | Period: 5

Company Code: 0231 | Currency: EUR

Open Item Selection

☒ Normal OI

Click on **Process open items**.

In 505*17 sub-accounts we should clear the TI's with the BoE/DD. As sometimes there is a huge amount of G1's, we should order the items by posting date.

Then press .

Clear G/L Account Process open items

Distribute Difference | Charge off diff. | Editing Options

Standard | Partial Pmt | Res.Items | WH Tax

Account items 50513EUR17 BNP Italie (EUR) Credit trfs received CU

Assignment	D	Reference	Document	D	P	Posting	Docume	EUR Gross
BNP11-180..		BNP11-1804170001	7640000968	G1	40	18.04.2..	18.04.2..	11.283,48
BNP11-180..		BNP11-1804170001	7640000969	G1	40	18.04.2..	18.04.2..	58.267,20
00299592..		BNP11CLEUR17099	9002866895	TI	50	24.05.2..	24.05.2..	69.550,68

Processing Status

Number of items: 3 | Amount entered: 0,00

Display from item: 1 | Assigned: 0,00

Display in clearing currency: Not assigned | 0,00

4.2.2 Reconciling two different bank sub-accounts

There might be the need to open two different sub-accounts to perform one operation.

Open F-03 as below:

This screen must be filled in as follows:

- **Account:** First sub-account involved.
- **Clearing Date:** Previous working day.
- **Company code**

- Currency

Click on **Process open items**.

The system displays all open items in this sub-account. Go back to indicate the second sub-account involved:

Click on the  button.

Clear G/L Account: Header Data

Process open items

Account: 50533EUR12 Clearing Date: 26.05.2017 Period: 5
Company Code: 0231 Currency: EUR

Open Item Selection
☒ Normal OI

Clear G/L Account Process open items

Standard Partial Pmt Res.Items WH Tax

Account: Items 50533EUR12 Société Générale Paris (EUR) Credit trfs issued CU

Assignment	D	Reference	Document	D	P	Posting	Docume	EUR Gross
		2058341	9002092465	TO	40	21.01.2..	21.01.2..	1.126,79
00238859..		3799349	9001371592	TO	40	19.01.2..	19.01.2..	2.467,54
00251913..		0756346	9001752336	TO	40	22.07.2..	22.07.2..	1.472,69
00285088..		0269718	9002588063	TO	40	02.11.2..	02.11.2..	23.309,28
00291867..		5286160	9002744505	TO	40	06.02.2..	06.02.2..	1.060,43
00298726..		8341860	9002854747	TO	40	12.05.2..	12.05.2..	441,57
00298726..		8341888	9002854748	TO	40	12.05.2..	12.05.2..	1.346,59
00298726..		8341842	9002854749	TO	40	12.05.2..	12.05.2..	1.515,39

Processing Status
Number of items: 8 Amount entered: 0,00
Display from item: 1 Assigned: 0,00
Display in clearing currency: Not assigned 0,00

The following screen appears:

Clear G/L Account Display Overview

Process open items **Choose open items** **Display Currency** Acct model Taxes

Document Date: 26.05.2017 Type: AB Company Code: 0231
Posting Date: 26.05.2017 Period: 5 Currency: EUR
Document Number: INTERNAL Fiscal Year: 2017 Translatn Date: 26.05.2017
Reference: Cross-CC no.:
Doc.Header Text: Trading Part.BA:

Items in document currency

PK	BusA	Acct	EUR	Amount	Tax amnt
D	0,00	C	0,00	0,00	* 0 Line items

Other line item
Pstky: Count: SGL Ind: TType: New co.code:

Click on the **Choose open items** button.

Insert the second sub-account involved on the "Account" field.

Then, click on **Process open items**.

Clear G/L Account Select open items

Process open items

Open item selection
Company Code: 0231
Account: 50533EUR16
Account Type: S
Special G/L ind: ☐ Normal OI ☒
Pmnt advice no.:
☐ Other accounts
☐ Distribute by age
☐ Automatic search

Additional selections
☒ None
☐ Amount
☐ Document Number
☐ Posting Date
☐ Dunning Area
☐ Reference
☐ Collective invoice
☐ Document Type
☐ Business Area
☐ Tax code

This screen appears showing the non-cleared items for the both sub-accounts. Therefore, we can proceed with the reconciliation according to the posting date;



Clear G/L Account Process open items

Distribute Difference Charge off diff. Editing Options

Standard Partial Print Res.Items WH Tax

Account Items 50533EUR12 Société Générale Paris (EUR) Credit trfs issued CU (More)

Assignment	Reference	Document	D	P	Posting	Docume	CUR	Gross
00285098..	026971H	9002580603	TO	AO	02.11.2.	02.11.2.		23,309,28
002791867...	5286160	9002744505	TO	AO	06.02.2.	06.02.2.		1,060,43
00298726...	8341860	9002854747	TO	AO	12.05.2.	12.05.2.		441,57
00298726...	8341888	9002854748	TO	AO	12.05.2.	12.05.2.		1,346,59
00298726...	8341842	9002854749	TO	AO	12.05.2.	12.05.2.		1,515,39
00240328..	SOGFICLLEUR15209	9000141587	TI	SO	09.02.2.	09.02.2.		288,74
00265043..	SOGFICLLEUR16126	9002099961	TI	SO	26.01.2.	26.01.2.		42,88
00294204..	SOGFICLLEUR17309	9002781071	TI	SO	09.03.2.	09.03.2.		95,85
00297264..	SOGFICLLEUR17421	9002830121	TI	SO	21.04.2.	21.04.2.		1,292,68
00298018..	SOGFICLLEUR17503	9002844461	TI	SO	03.05.2.	03.05.2.		329,63

Processing Status

Number of items	14	Amount entered	0,00
Display from item		Assigned	0,00
Display in clearing currency	☒	Not assigned	0,00