

Management of Payment discrepancies

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2. Objective and Scope

This OP describes how to handle the cash allocation exceptions, meaning all payments discrepancies that occur when processing the allocation of third-party incoming payments. These differences can be caused by different reasons and the treatments of those issues are described in the following chapters.

This operating procedure (OP) applies to All EMEA companies and customer payments for invoices factored to Solvay SA

3. Definitions

- SBS: In the current document, "Solvay Business Services" will be replaced by its abbreviation "SBS".
- CCT AR: Customer Credit & Trade Accounts Receivable
- CCT CM: Customer Credit & Trade Credit Management
- OP: Operating procedure
- 0231: Company code for Solvay S.A. Treasury
- DZ: Customer payment
- AB: Customer clearing
- WHT: Withholding tax

4. Payment discrepancies

The objective of this procedure is to clarify the accounting treatment for each payment difference that results in residual postings on customer accounts.



Clearing rules

- For clearings on F-32 or FB05 transaction we should ALWAYS use payment date (see value date of DZ document) on the "Clearing date" field. In case the period is already closed, we should use first day of the current month.
- Based on a Remittance advise or bank statement, AR team is authorized to clear the invoices for which there is no doubt or discrepancy and leave a residual and afterwards create a dispute explaining the situation to Cash Collections team.
- Concerning the scenarios to handle each payment discrepancy please refer to the OP "OTC Disputes scenarios" in which is described how to proceed for each discrepancy

4.1 Partial payment

This chapter describes how to proceed when a customer does not pay the total amount of an invoice. The reason of a partial payment can be, a credit note expected, VAT that is missing, payment plan, a price dispute, a problem with the goods or non-commercial reasons.

Scope



EMEA

ERP



PI1



PF1



WP1

References

Attachments

http://en.wikipedia.org/wiki/Withholding_tax

Warning

If there is no doubt regarding the invoice number paid, we can post the partial payment and create a dispute "To be collected" for Collections if balance is below 50k. Whenever balance is above 50k status should be "call by collector". However, in case of doubts or when the partial payment is for several invoices and we don't know the amount for each invoice, we should request to customer further details.

Example: Payment of 1.993,34 EUR from a customer named "BUSCH IBERICA SA.", number 21405 for invoice 58356111007558.



Select the payment and click on

World Accounts Receivable		Time 09:44:43 Date 09.10.2013	
SOCIETE GENERALE - FR		KPBESA00/PT300033 Page 1	
Bank no.:	3000303175	Account number:	00020230261
Branch:	3000FR	Client ID:	CIETR
Statement number:	00909	ID:	00003262
Statement date:	09.09.2013	Currency:	EUR
Beginning balance	0,00		
Total debits	1.420.791,22		
Total credits	1.420.791,22		
Ending balance	0,00		

MR no	Value date	BPPostDate	Payment Notes	Posting text	Amount	ETC
29	09.09.2013	09.09.2013	BUSSEP 58356111007558 SAS MYP.BUSCH IBERICA S AS LCBONSEP	Beginning balance 71552R2255	0,00 1.993,34	
					1.993,34	

If not done automatically by the system, insert customer number or search by the name and select Enter

Post with Clearing Select open items

Process open items

Open item selection

Company Code: 0231

Account: 21405

Account Type: D

Special G/L ind: Normal OI

Prnt advice no.:

Other accounts
 Distribute by age
 Automatic search

Then select the correct invoice, select "Partial Pmt" tab and double-click on "Payment Amount" field so that the amount of the payment is taken as partial of the invoice. This amount is the one effectively paid by the customer. See below:

Post with Clearing Enter partial payments

Distribute Difference Charge off diff. Editing Options Create Dispute Case

Standard Partial Pmt Res. Items WH Tax

Assignment	Reference	Reference K...	D., Net due d...	Cur...	Disco...	D P Net Amount	Payment Amount
58350003632055	58356111007558	1000000216	F1 01.09.2013	EUR	0	2.800,00	1.993,34

Warning

The « double-click » operation used to modify an amount only works if the customer is paying a single invoice. If there are several invoices involved by partial payments, the amount actually paid by the customer must be indicated in the "payment amount" column for each of the documents (having first deleted the amount shown by the system).

Processing Status

Number of items	1	Amount entered	1.993,34
Display from item	1	Assigned	1.993,34
Reason code		Difference postings	
Currency	EUR	Not assigned	0,00
Display in clearing currency			

There is no longer any amount indicated in the "Not assigned" field. We should then validate the transaction by clicking on the floppy disk

Posting result on customer account in 0231:

There are two different types of banking fees:

- **FB – Banking fees below the tolerance**

In this case, the amounts are defined according customer masterdata. See below the possible amounts defined for banking fees in SAP:

Tol.gro...	Name of tolerance gr...
01EU	1 euro
08EU	8 euros
105E	105 euros
50EU	50 euros
75EU	75 euros
AUT	
EURO	

Remark

AUT corresponds to 50EUR and EURO to 10EUR. For other currencies, you would need to convert. For this, you can use the following link: http://pi1sapr3.ibm.be.solvay.com:8050/sap/bc/gui/sap/its/z3fi_curr?sap-client=020&sap-language=EN&-theme=50

- **FA – Banking fees above the tolerance**

In this case, the amounts are higher than the ones defined on masterdata. Thus, they should be previously justified by Letter of credit documents (if pmt method is J) or upon confirmation of Collections with the customer that customer paid the total amount of the invoice.

4.2.2 Banking fees below

On FEBA, FB05 or F-32 transaction (payment's currency should be inserted in the currency field), select the involved invoice and the payment and go to "Res. Items" tab, as follows:

After double clicking on the invoice, indicate in the "Residual items" column the amount of difference (in this case = 20). Afterwards, choose "FB" code in the "RCd" (the same code is used for the "positive" banking fees and for the banking fees with a "-" sign in front of the amount in case of overpayment). Validate the transaction by clicking on



the floppy disk (at the top of the screen).

RCd = Reason for difference column

Posting result on customer account in 0231:

Dr	Cr	Ref	Reference	Assignment	Ref. Key 1	Block	Forecasted Pct	Document	Doc. Date	Doc. Date 2	Doc. Date 3	Amount in Dr	Cost	Clearing doc.	Clearing
			00058410175962	00058410175962	100001147			1000000000	09.10.2013	09.10.2013	09.10.2013	2,950.94	EUR	7000000498	09.10.2013
												20.00	EUR		09.10.2013
												2,970.94	EUR		09.10.2013

4.2.3 Banking fees above

On FEBA, FB05 or F-32 transaction (payment's currency should be inserted in the currency field), select the involved invoice and the payment and go to "Res. Items" tab, as follows:

After double clicking on the invoice, indicate in the "Residual items" column the amount of difference (in this case = 500). Afterwards, choose "FA" code in the "RCd" RCd = Reason for difference column (the same code is used for the "positive" banking fees and for the banking fees with a "-" sign in front of the amount in case of overpayment).

Validate the transaction by clicking on



the floppy disk (at the top of the screen).

Posting result on customer account in 0231:

Item	Reference	Assignment	Ref. Key 1	Block	Forwarded Pst	Document	Doc Date	Doc Date	Ref. Date	Ref. Date	Amount	Unit	Posting Date	Posting Date
001	00054017925	000500049042	00001191			000007193	20.09.2013	13.09.2013			23.873,05	EUR	09.10.2013	09.10.2013
002						700000049	09.10.2013	09.10.2013			500,00	EUR	09.10.2013	09.10.2013
003											6,00	EUR		

4.3 Overpayment

This chapter describes how to proceed with an overpayment from the customer (amount of the payment higher than the amount of the invoice due to a payment mistake from the customer).

The SAP system will automatically consider and accept a positive discrepancy as banking fees until 10 Euros.

If the system cannot match the amounts due to a missing reference, AR is allowed to settle the invoice and post manually the overpayment as banking fee until the agreed value.

If the overpayment is above the agreed value, we should first request confirmation from Collections that it is really an overpayment. In this case, three possibilities can occur:

1. Use overpayment to compensate partially next invoice due
2. The remaining amount stays on customer account to be deducted on next payment
3. Customer requests a refund. In this case transfer the dispute to Collection with status "Call by collector"

On FEBA, FB05 or F-32 transaction (payment's currency should be inserted in the currency field), select the involved invoice and the payment and go to "Res. Items" tab, as follows:

As soon as you insert the amount on Residual Items the following message appears:

⚠ Check +/- sign of the difference (overpayment)

Click on Enter

After double clicking on the invoice which was overpaid, indicate in the "Residual items" column the amount of difference (in this case = 1.500,00). Afterwards, choose "OP" code in the "RCd" column.

Validate the transaction by clicking on



the floppy disk (at the top of the screen).

⚠ Partial payments/residual items are not possible for document \$1

Just click on Enter and the posting will be done.

RCd = Reason for difference

Posting result on customer account in 0231:

Items cleared in which the invoice was totally paid and cleared:

The amount of overpayment which is open on customer account:

If you access doc. 7000000500 and go to , you can see the posting as below:

Ita	Ref	Reference	Assignment	Ref. Key 1	Block	Finalized For	Document	Type	Doc. Date	Res. due dt	Net	Amount in Doc	Curr.	Clng. doc.	Clearing
1	000540107643	000000067937	100011809				7000000500	FI	09.10.2013	09.10.2013	1.500,75	EUR	7000000500	09.10.2013	
2							7000000500	DE	09.10.2013	09.10.2013	5.306,75	EUR	7000000500	09.10.2013	
3											6,806,75	EUR			

Ita	Ref	Reference	Assignment	Ref. Key 1	Block	Finalized For	Document	Type	Doc. Date	Res. due dt	Net	Amount in Doc	Curr.	Clng. doc.	Clearing
1			0005000567937	100011809			7000000500	DE	09.10.2013	09.10.2013	1.500,00	EUR			

Display Document: Overview

Document Number: 7000000500 Company Code: 0231 Fiscal Year: 2013
 Document Date: 09.10.2013 Posting Date: 09.10.2013 Period: 10
 Reference: Cross-CC no.: Currency: EUR Texts exist:

Ita	Acct no.	Description	Amount in EUR
001	50501EUR16	Fortis Bank Brussels (EUR) Credit trfs receive	6.806,75
002	116431	ETS BEAUSEIGNEUR S.A.S. / FROIDEFONTAINE	1.500,00-
003	116431	ETS BEAUSEIGNEUR S.A.S. / FROIDEFONTAINE	5.306,75-

4.4 Write off

This chapter describes the situation in which we receive instructions from Credit Managers/Business to post a difference as profit or loss (credit note or credit residual as profit or invoice or debit residual as loss)

Warning

- The threshold limit agreed in which AR can accept without further analysis as profit or loss is 500 EUR, as long as the document date is greater than 12 months
- Above 500 euros, the posting can only be executed under Credit Manager/Business instructions, and the case should be analysed according to the guidelines below, (except if there is an explicit approval from the business, in which case the threshold does not apply):
 - If it is an invoice, the CCS should be contacted to create a credit note
 - If it is a credit amount and the document date is lower than 5 years (except if there is an explicit approval from the business, in which case the time elapsed does not matter), Collections team should be contacted to create a refund request. If above, it can be posted as profit (10 years for Italian customers)
- For intercompany amounts that are above 500 Euros and have more than 365 days in order to proceed with their write-off (no need of provision), AR team has to request approval to edmund.fernandes@solvay.com and sara.ramos@solvay.com (in copy).

After selecting the invoice, double-click in the "Residual items" blank field so that the amount of difference is displayed. Afterwards, choose "WO" code in the "RCd" column (the same code is used for profit with a "-" sign in front of the amount).

Document 8700127849 was posted in company code WARP

RCd = Reason for difference

On customer account in 0231, invoice will be cleared against the payment and the difference will be posted on g/l account for profit or loss).

Clear Customer Create residual items

Standard Partial Print Res.Items WH Tax

Assignment	Reference	Reference K...	D...	Net due d...	Cur...	D...	Disc...	D/P	Net Amount	Residual items	RCd
42740001724966	42740114283724	1000302328	F1	14.05.2014	EUR	14	0,000	A	2,50	2,50	NO

Ita	Doc	Ref	Reference	Assignment	Ref. Key 1	Document	Type	Doc. Date	Res. due dt	Net	Amount in Doc	Curr.	Clng. doc.	Clearing
1	8881	42740114283724	42740001724966	1000302328	500009543	F1	A	10.04.2014	14.05.2014	2,50	EUR	8700127849	22.05.2014	
2	8881				8700127849	AR		22.05.2013	22.05.2014	2,50	EUR	8700127849	22.05.2014	
3										0,00	EUR		22.05.2014	

Document Number	8700127849	Company Code	0231	Fiscal Year	2015
Document Date	22.01.2015	Posting Date	22.01.2015	Period	1
Reference		Cross-CC no.			
Currency	EUR	Texts exist	<input type="checkbox"/>		

Item	Acct no.	Description	Amount in EUR
001	6420000000	Trade receivables-loss	2,50
002	162254	COQUILLAUD SARL / VILLEFAGNAN	2,50-

For customers not assigned to 0231, a cost center will be requested. See below:

For the cost center field for WP1, we can use the following file:

<https://docs.google.com/spreadsheets/d/1TD7tjzABrAuybKEwR4UVOWiA0fqZ1Xcu8xPwEdhwvA0/edit#gid=0>

In case of doubts or if you cannot find the cost center, please send an email to CAM according to the list below:

https://aodocs.altirao.com/documentViewer.html?locale=en_US&aodocs-domain=solvay.com#Menu_listDoc/LibraryId_Q5Hs3LE6NTqzIQCO6/ViewId_QcC3s0D6T8yCWGaOst/ClassId_/Filter_%257B%2522QAdbNe50000015doj8%2522:%2522QAdZkL0c9fjE60jSb%2522%257D

For the cost center in PF1, we should check transaction KS03 - Display cost center

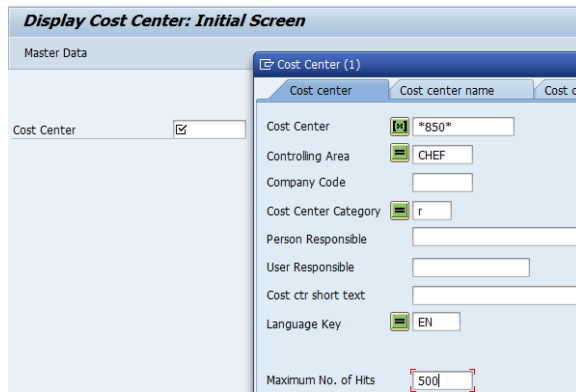


Choose "CHEF" and

Cost Center: *d*850 (3 first digits of the business area)

Cost Center category: r

Then choose the one for the company code you are posting and the one with fewer digits.



Example:

Cost Ctr	COAr	CoCd	CC	Person Responsible	User Resp.	Short text	Language	Valid From	to
SHD850	CHEF	0001	R	X		SCH - DIV 50	EN	01.01.2003	31.12.9999
XB0850	CHEF	0003	R	X		DIV 50	EN	01.01.2006	31.12.9999
BP0850	CHEF	0005	R	X		DIV 50	EN	01.04.2003	31.12.9999
XD0850	CHEF	0007	R	X		DIV 50 SU ADMIN.	EN	01.01.2012	31.12.9999
WB0850	CHEF	0012	R			reporting 850	EN	01.07.2005	31.12.9999
WD0850	CHEF	0014	R			reporting 850	EN	01.01.2010	31.12.2013
WJ0850	CHEF	0014	R			reporting ZZ 850	EN	01.01.2014	31.12.9999
FZ0850	CHEF	0020	R	x		DIV SU ADMIN.	EN	01.01.2003	31.12.9999
Z90850	CHEF	0062	R			Accounting DIVISION 50	EN	01.01.2011	31.12.9999
WZ0850	CHEF	0107	R			reporting 850	EN	01.01.2003	31.12.2007
WZ0850	CHEF	0107	R			reporting ZZ 850	EN	01.01.2008	31.12.9999
XP0850	CHEF	0128	R	X		DIV 50 SU ADMIN.	EN	01.01.2012	31.12.9999
VD0850	CHEF	0143	R	X		DIV 50 SU ADMIN.	EN	01.01.2012	31.12.9999
SFD850	CHEF	0165	R	X		50 SU ADMIN	EN	01.01.2003	31.12.2008
SFD850	CHEF	0165	R	X		50 SU ADMIN	EN	01.01.2009	31.12.2009
WH0850	CHEF	0170	R			reporting 850	EN	01.01.2003	31.12.2013

4.5 Discount

Some customer invoices have cash discount in their payment terms. This is defined on the invoice by a % of reduction on the amount to pay if the customer pays within a corresponding period of time (before due date) or according an agreement with the business. In case of such early payment the customer can deduct cash discount.

This section describes how to process it.

Possible Matching Scenarios:

- SAP will automatically match the invoice and the payment if the reference of the document could be identified on the bank statement and the discount conditions have been respected by the customer (percentage of deduction and discount taken before the due date A discrepancy of 4 days is accepted by the system.).
- In case the payment terms defined on the invoice are not respected or if the reference of the invoice is not found by the system, it will not be automatically posted.
- If the payment terms defined on the invoice are respected but the reference of the document cannot be found, AR is allowed to settle the invoice manually and accept the discount.

- If the percentage of deduction is respected but the discount is taken after the due date + agreed margin, post the discount with an "AR" code and create an undue discount for all items that had undue discount.
- If the amount received from the customer is different from the discount conditions defined, we should accept the amount of discount defined in the payment terms and create a residual and an undue dispute for the remaining amount of the payment asking Sales Manager the confirmation if we can accept it.

There are 2 different codes used to record a difference as a discount:

- **AD** - This reason code is used when discount is defined on customer payment terms or when we have instructions to accept a difference as discount
- **AR** - Discount deducted by the customer with a different amount than the one granted or discount taken after the due date. With this entry, the invoice is settled but a residual is created on the customer account for the unpaid amount (represented in the form of a positive DZ). Therefore, AR should create a dispute for undue discount which will send automatically an e-mail to Sales that have to decide whether discount can be accepted or not.

Warnings

- AR is authorized to accept until 10€ as discount for each item in DACH without confirmation.
- Concerning the discounts on the credit notes, AR is authorized to accept them without confirmation.
- If a discount is related to several invoices and we don't know the amount related to each invoice, its posting can be made on the invoice with the highest amount on the condition that all invoices involved were assigned by the same affiliate. If a discount relates to several invoices assigned by different affiliates, the amount of the discount to be posted is to be shared in proportion of the amount of the invoices assigned by each affiliate involved.
- In case we receive a payment from customer paying a discount already accepted, instead of reversing the re-invoiced discount, we can clear the DZ directly as accepted discount (negative).
- If the customer deducts a higher percentage of discount than the one that was agreed and if we are sure about the invoice(s), we should clear the invoice accepting the agreed percentage of the discount and proceed with the undue discount procedure for the remaining amount

4.5.1 Checking Discount payment terms

To check if discount payment terms were respected by the customer, double-click on each invoice and check "Days/Percent" field.

To confirm if a discount is accepted, sum the calendar days (mentioned on Days/Percent field) to the Baseline date plus the 4 days tolerance (in this case 02.10.2013+15+4 = 21.10.2013). Until this date the discount can be accepted with reason code AD. After this limit, an undue discount (AR Rcd.) entry should be executed.


4.5.2 Discount accepted

Normally, the system will match the invoice and the payment if the payment terms have been respected and if there are details on the bank statement regarding the invoice numbers. Nevertheless, it may happen that SAP cannot recognize the payment terms automatically, there are no invoice details that could enable an automatic matching or AR receives instructions to accept a difference as discount which was not defined on the payment terms.

Accept a discount defined on payment terms:

Open FEBA or F-32 transactions, as follows:

In this case, all the invoices selected have a discount of 2% on the payment terms. When selecting the invoices, the amounts of the discounts will become red automatically, meaning that they are under the payment terms.

Just click on the floppy disk  to validate.

In cases of accepted discounts, all documents are cleared on the customer account.

Posting result on customer account in 0231:

Document Number	7000000502	Company Code	0231	Fiscal Year	2013
Document Date	09.10.2013	Posting Date	09.10.2013	Period	10
Reference					
Cross-CC no.					
Currency EUR					
Texts exist					
Items in document currency					
Ita	Acct no.	Description	Amount in EUR		
001	50501EUR16	Fortis Bank Brussels (EUR) Credit trfs receive	15.923,22		
002	6531000000	Customer discounts (financial)	324,96		
003	116431	ETS BEAUSEIGNEUR S.A.S. / FROIDEFONTAINE	16.248,18		

Accept a discount not defined on payment terms:

There are cases for which the payment terms are not filled due to legal reasons but for which Solvay agree with the discount. Therefore, we should accept the difference also using reason code AD as below:


Open FEBA or F-32 transactions, as follows:

Post with Clearing Process open items										
Distribute Difference Charge off diff. Editing Options Cash Disc. Due Create Depute Case										
Standard Partial Pmt Res. Items WH Tax										
Account Items 116431 ETS BEAUSEIGNEUR S.A.S.										
Assignment	Reference	Reference K...	D. Net due d...	Cur...	D...	Disco...	D.P	EUR Gross	CashDiscount	CDPer
00050003648144	00058410175186	1000011352	F1 31.08.2013	EUR	15	0,000		8.022,17		
00050003659461	00058410175187	1000011353	F1 31.08.2013	EUR	15	0,000		3.003,51		
00050003654495	00058410175228	1000011394	F1 03.09.2013	EUR	15	0,000		5.426,88		
00050003660436	00058410175284	1000011450	F1 04.09.2013	EUR	15	0,000		7.763,98		
00050003661467	00058410175285	1000011451	F1 04.09.2013	EUR	15	0,000		1.672,90		
00050003663748	00058410175350	1000011516	F1 05.09.2013	EUR	15	0,000		1.942,38		
00050003658455	00058410175410	1000011576	F1 06.09.2013	EUR	15	0,000		4.473,51		
00050003661456	00058410175411	1000011577	F1 06.09.2013	EUR	15	0,000		5.341,64	106,83	2,000
00050003663211	00058410175474	1000011640	F1 07.09.2013	EUR	15	0,000		10.565,58	211,31	2,000

Post with Clearing Create residual items										
Distribute Difference Charge off diff. Editing Options Create Depute Case										
Standard Partial Pmt Res. Items WH Tax										
Account Items 116431 ETS BEAUSEIGNEUR S.A.S.										
Assignment	Reference	Reference K...	D. Net due d...	Cur...	D...	Disco...	D.P Net Amount	Residual Items	Rcd	
00050003648144	00058410175186	1000011352	F1 31.08.2013	EUR	15	0,000	8.022,17			
00050003659461	00058410175187	1000011353	F1 31.08.2013	EUR	15	0,000	3.003,51			
00050003654495	00058410175228	1000011394	F1 03.09.2013	EUR	15	0,000	5.426,88			
00050003660436	00058410175284	1000011450	F1 04.09.2013	EUR	15	0,000	7.763,98			
00050003661467	00058410175285	1000011451	F1 04.09.2013	EUR	15	0,000	1.672,90			
00050003663748	00058410175350	1000011516	F1 05.09.2013	EUR	15	0,000	1.942,38			
00050003658455	00058410175410	1000011576	F1 06.09.2013	EUR	15	0,000	4.473,51			
00050003661456	00058410175411	1000011577	F1 06.09.2013	EUR	15	0,000	5.341,64	106,83	AD	
00050003663211	00058410175474	1000011640	F1 07.09.2013	EUR	15	0,000	10.565,58	211,31	AD	

Select the invoices and insert the amount of the discount or the percentage on "CashDiscount" and "CDPer" respectively.

Afterwards, select and copy those amounts to "Residual Items" tab and insert reason code AD as below:

Click on 

Posting result on customer account in 0231:

SP	Bank	Reference	Assignment	Ref. Key 1	Block	Finalized Pct	Document No.	Doc. Date	Set. Date	DE	Acc In Loc. Cur.	CDPer
		00058410175411	0000003661456	1000011577			0000007240	22.08.2013	06.09.2013		5.341,64	EUR
		00058410175474	0000003663211	1000011640			0000007240	25.08.2013	07.09.2013		10.565,58	EUR
							7000000514	02.09.2013	02.09.2013		15.907,22	EUR
											0,00	EUR
											0,00	EUR

Document Number	7000000514	Company Code	0231	Fiscal Year	2013
Document Date	02.09.2013	Posting Date	02.09.2013	Period	9
Reference					
Cross-CC no.					
Currency EUR					
Texts exist					
Items in document currency					
Ita	Acct no.	Description	Amount in EUR		
001	50501EUR16	Fortis Bank Brussels (EUR) Credit trfs receive	15.589,08		
002	6531000000	Customer discounts (financial)	106,83		
003	6531000000	Customer discounts (financial)	211,31		
004	116431	ETS BEAUSEIGNEUR S.A.S. / FROIDEFONTAINE	15.907,22		

4.5.3 Discount not accepted

An **undue discount** should be created when customer is deducting a discount when the payment terms are not respected.

In the "CDPer." column, we can see the discount percentage that was granted to this customer for each document.

Check whether the invoice was paid on time or not (depending on the payment terms). The system does a check by itself and in this case, if the customer pays on time, the amount

Post with Clearing Process open items										
Distribute Difference Charge off diff. Editing Options Cash Disc. Due Create Depute Case										
Standard Partial Pmt Res. Items WH Tax										
Account Items 116431 ETS BEAUSEIGNEUR S.A.S.										
Assignment	Reference	Reference K...	D. Net due d...	Cur...	D...	Disco...	D.P	EUR Gross	CashDiscount	CDPer
00050003648144	00058410175186	1000011352	F1 31.08.2013	EUR	15	0,000		8.022,17		
00050003659461	00058410175187	1000011353	F1 31.08.2013	EUR	15	0,000		3.003,51		
00050003654495	00058410175228	1000011394	F1 03.09.2013	EUR	15	0,000		5.426,88		
00050003660436	00058410175284	1000011450	F1 04.09.2013	EUR	15	0,000		7.763,98		
00050003661467	00058410175285	1000011451	F1 04.09.2013	EUR	15	0,000		1.672,90		
00050003663748	00058410175350	1000011516	F1 05.09.2013	EUR	15	0,000		1.942,38		
00050003658455	00058410175410	1000011576	F1 06.09.2013	EUR	15	0,000		4.473,51		
00050003661456	00058410175411	1000011577	F1 06.09.2013	EUR	15	0,000		5.341,64	106,83	2,000
00050003663211	00058410175474	1000011640	F1 07.09.2013	EUR	15	0,000		10.565,58	211,31	2,000

corresponding to the discount will be displayed in the "Cash discount" column in red when the invoice will be selected. If the column is blank or if amount in "Cash discount" column doesn't become red after selecting invoice that means that the due date has passed and thus the customer can no longer deduct the discount.

Example of Undue discount:

When selecting the invoice(s) mentioned, the discount is not accepted automatically by the system ("Cash discnt" column is blank). Therefore, if we click twice on the invoice we can see that its Baseline date is 01.09.2013 with 15days as payment terms, as we can see in the invoice payment terms print screen:

Additional Data

Bus. Area: Trdg Part.BA:

Disc. base: 1.942,38 Disc. Amount: 0,00 EUR

Payt Terms: N030 Days/percent: 15 2,000 % 0 0,000 % 0

Blne Date: 01.09.2013 Invoice ref.: / / 0

Prmt Block:

Payment Ref.:

Durn. Block: Dunning Key:

Last Dunned: 0

Collect.inv.: 0

Assignment: 00050003663748

Text: Long text

That means that summing 4 days as tolerance, the latest date for the discount to be accepted was 20/09 /2013, what leads to an undue discount. Therefore, we should select the invoice and put the discount amount on the "CashDiscount" column to see if the percentage is correct (if there are several invoices, the amount should be divided for all the invoices).

Assignment	Reference	Reference K...	D.	Net due d...	Cur...	D...	Disco...	D/P	Net Amount	CashDiscount	RCd
00050003658461	00058410175187	1000011353	F1	31.08.2013	EUR	15	0,000		3.003,51		
00050003660436	00058410175284	1000011450	F1	04.09.2013	EUR	15	0,000		7.763,98		
00050003661467	00058410175285	1000011451	F1	04.09.2013	EUR	15	0,000		1.672,90		
00050003663748	00058410175350	1000011516	F1	16.09.2013	EUR	15	2,000		1.942,38	38,85	2,000
00050003667937		1000011809	D2	09.10.2013	EUR	0	0,000		1.500,00-		

Then we should copy the discount amount, go to the Residual items tab and put it in Res. Items column, as shown below:

Assignment	Reference	Reference K...	D.	Net due d...	Cur...	D...	Disco...	D/P	Net Amount	Residual Items	RCd
00050003658461	00058410175187	1000011353	F1	31.08.2013	EUR	15	0,000		3.003,51		
00050003660436	00058410175284	1000011450	F1	04.09.2013	EUR	15	0,000		7.763,98		
00050003661467	00058410175285	1000011451	F1	04.09.2013	EUR	15	0,000		1.672,90		
00050003663748	00058410175350	1000011516	F1	16.09.2013	EUR	15	2,000		1.942,38	38,85 AR	
00050003667937		1000011809	D2	09.10.2013	EUR	0	0,000		1.500,00-		

Afterwards, the code AR should be inserted in the "RCd" column.

The line "38, 85 EUR" corresponds to the discount shown with "AR" and is presented as a debit on the customer account. The contract involved by the discount is found in the "Ref. key 1" column.

Validate the transaction by clicking on the floppy disk (at the top of the screen).

Partial payments/residual items are not possible for document \$1

When the last message appears (warning), just do "Enter".

Posting result on customer account in 0231:

The line item 2 is related to the undue discount which will stay open on customer account waiting an answer from Sales.

Post with Clearing Display Overview

Display Currency Taxes Reset

Document Date: 09.10.2013 Type: DZ Company Code: 0231
Posting Date: 09.10.2013 Period: 10 Currency: EUR
Document Number: INTERNAL Fiscal Year: 2013 Translatn Date: 09.10.2013
Reference: Cross-CC no.:
Doc.Header Text: Trading Part.BA:

Items in document currency

FK	BusA	Acct	EUR	Amount	Tax aamt
001	40	50501EUR16 FortisBru EUR Ct< C		1.903,53	
002	06	0000116431 ETS BEAUSEIGNEUR S.		38,85	
003	15	0000116431 ETS BEAUSEIGNEUR S.		1.942,38-	

Distribute Difference Charge off diff. Editing Options Create Dispute Case

Standard Partial Pmt Res.Items WH Tax

Account Items: 116431 ETS BEAUSEIGNEUR S.A.S.

Assignment	Reference	Reference K...	D.,Net due d...	Cur...	D...	Disco...	D/P Net Amount	Residual Items	RCd
00050003660436	00059410175284	1000011450	F1 04.09.2013	EUR	15	0,000	7.763,98		
00050003661467	00059410175285	1000011451	F1 04.09.2013	EUR	15	0,000	1.672,90		
00050003663748	00059410175350	1000011516	F1 16.09.2013	EUR	15	2,000	1.942,38	38,85	AD

We should then create a dispute (Case Type "Z00C", Reason "C011") on the open DZ item that will send automatically to the Sales Manager an email who should confirm us if we should or not accept the discount. If yes, open **F-32** transaction, go to the **"Res. items"** tab, select the line with the discount. Put the same amount in the **"Residual items"** column (double click) and indicate the code **"AD"** as the reason.

If not, change the status of the dispute to "Call by collector" so that Collections team requests the payment to the customer.

4.6 Confirming differences

All differences related with anticipated Confirmings should be accepted as discount. Therefore we should use reason code **AD** in the residual items column in order to charge this difference to the affiliate.

4.7 Exchange

This section describes how to proceed when the difference between the amount of the invoice and the amount of the payment is generated by a foreign exchange difference because the customer paid in another currency different from the one mentioned on the invoice.

Warning

There are Non Deliverable currencies: we will never get the payment on the currency of the invoice. We will always get exchange differences.

If you are sure of the invoices that were paid by the customer, the payment must be converted to the invoice currency, then all should be cleared and the residual open on account for the moment

Here the list of non deliverable currencies:

CEEMEA	Latam	Asia
UAH	ARS	CNY but CNH deliverable
DZD (*)	BRL	INR (*)
EGP	CLP	IDR (*)
	PEN	PHP (*)
	COP	KRW
		MYR
		TWD
		VND

CNY is a non-deliverable currency, but CNH (which is the Honk Kong Traded Yuan is actually deliverable offshore). However, in SAP, and because of certain technical limitations, CNY is the only currency that we use, even if we do a deliverable spot contract in CNH with the bank, we record a CNY contract in SAP. This is important information since the only subaccounts that are used are those of CNY, which therefore can be considered as a deliverable currency.

★ Z3F_FA_D_PMT_DIF_CUR - Full factoring Pay. in another curr

Please use transaction to convert the payment into the invoice currency.

Complete the fields with the company code, document number and customer, very important that the clearing is done on the day we receive the payment (so that the exchange rate is close to the customer payment value date)

Full factoring Payment in another currency

Selection criteria

Company Code	0231	to		
Document Type	F*			
Document Number	7000071414	to		
Posting Date		to		
Customer	604466			

Processing Options

Test run

Batch input mode N



press on execute

DestCurr

Start Posting

Complete the field with the invoice currency, select the line and press to convert the payment into the invoice currency.

Afterwards, use F-32 with the date on which you performed the conversion and in the invoice currency to clear the customer account and leave the residual either as under or overpayment.

It is mandatory to create a dispute type C012 for follow-up on the resulting difference, except if following exceptions are met:

- Non Deliverable Currencies
 - Threshold of 2% (below this percentage we can accept using reason code EX)
 - If the clearing is not done in the day payments is received and the residual is > 2%, AR should check European Central Bank website http://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html and manually check which was the exchange rate of payment date and request the correct amount to the customer - **This has to be always checked with Team Leader and/or AR Specialists.** Then the difference between customer payment and SAP amount should be cleared in exchange g/l account
 - In **all cases** of exchange, AR should create a case/dispute asking Collection team to contact the customer and ask customer to assure that Solvay receives the payment in the correct currency for the next payments
 - For Interco customers, we can accept in all situations (under and over and above the threshold)
- If it is not included in the exceptions:
- If the clearing is done in the day payment is received and the residual is underpayment and > 2%, CCL should request payment to the customer using the amount in SAP
 - In **all cases** of exchange, AR should create a case/dispute asking Collection team to contact the customer and ask customer to assure that Solvay receives the payment in the correct currency for the next payments

Please note that whenever you accept a difference using EX it is mandatory to add the company code in assignment field

Warning

For those cases in which the customers pay in the correct currency but we are informed by the Bank that the payment was converted by customer intermediary bank and we will have an exchange difference, two options can occur:

- the customer didn't give the correct instruction to its bank, therefore the customer has to pay the difference or ask its bank to correct the payment
- the customer's bank didn't proceed the payment correctly; in this case, the customer has to contact its bank to correct the payment (our Bank should return the payment and the intermediary bank should proceed with a payment with the correct currency)

4.8 Withholding tax

This section describes how to proceed whenever the discrepancy between the payment and the invoice is related to withholding tax. A **withholding tax**, also called a **retention tax**, is a government requirement for the payer of an item of income to withhold or deduct tax from the payment, and pay that tax to the government.

This difference should be handled according to the following principles:

- AR to clear the invoices
- Create a residual with reason code **AR**
- AR to create a dispute "Tax issue" which is to be transferred to Collections to contact customer to request proof of payment of WHT tax to authority local service (Status: Call by collector). In case of interco, AR should send manually an email to local contact to request payment proof and change dispute status to "Parked".
- Having the payment proof received, the difference should be cleared using reason code **WT**
- Add payment proof of payment of WHT to local authorities to the posting in P11

Warning

When accepting WHT for several different contracts, proceed as below each amount per contract:

1000482371	DZ	30.07.2014	EUR	30	0,000		54,60	54,60	WT
1000477921	DZ	30.07.2014	EUR	30	0,000		47,86	47,86	WT
1000477922	DZ	30.07.2014	EUR	30	0,000		17,50	17,50	WT
1000477923	DZ	30.07.2014	EUR	30	0,000		25,00	25,00	WT

Example: g/l account for Withholding tax

St	Assignment	Document No	Bank	Type	Doc. Date	PK	Amount in local cur.	ICurr	Clring doc.	Text
☐	20141120	2400027391	DE	DE	20.11.2014	40	17.450,40	EUR		Withholding Tax

Open account in FBL3N

Double click on the item, select



and choose "Create" and "Create attachment" as below:

Display Document: Line Item 001

- Create... Data
- Attachment list - DEBIT - ACCRUED INCOME OVERSEAS
- Private note - DEBIT - ACCRUED INCOME OVERSEAS
- Send - DEBIT - ACCRUED INCOME OVERSEAS
- Relationships - DEBIT - ACCRUED INCOME OVERSEAS
- Workflow - DEBIT - ACCRUED INCOME OVERSEAS
- My Objects - DEBIT - ACCRUED INCOME OVERSEAS
- Help for object services

Then open the document and save it. This action should be done for all differences we have posted in 0231 as WT

In the file below, it is listed the customers with WHT and the contacts in case of intercompanies.

https://docs.google.com/spreadsheets/d/11wHWRRaz-jFyhaFokaHP0WGB5Y4tuC0fmzb3TEQ00f4/edit?usp=drive_link

4.10 Payment in advance discrepancies

As soon as the invoice is released and available on customer's account, we should clear it with the E5 document. This chapter explains how to perform this clearing. The discrepancy should be analysed and in case of doubt, contact the Credit Manager to ask details.

Remark: A daily job is automatically executed to clear the payments in advance with the correspondent invoices (s) when the balance is zero (through assignment field). When the balance is not zero, a manual clearing should be done by AR team.

The "F-32" transaction must be used:

This screen must be filled in as follows:

- **Account field:** customer number
- **Currency:** currency of advanced payment (Warning!: the default currency is EUR)
- **Special G/L ind:** A (E5's have special indicator A)

Click on "Process open items" and do the reconciliation by clicking on the advanced payment and on the corresponding invoice (they have the same assignment). If there is a difference between those two amounts check if it is due to banking fees or to discounts analyzing last customer clearings and customer behavior. If there are doubts regarding the difference allocation, a dispute should

Clear Customer: Header Data

Process open items

Account: 115465 Clearing Date: 19.12.2012 Period: 12

Company Code: 0231 Currency: EUR

Open Item Selection

Special G/L Ind: Normal OI

Additional Selections

- None
- Amount
- Document Number
- Posting Date
- Dunning Area
- Reference
- Payment order
- Collective invoice
- Document Type
- Business Area
- Tax Code
- Others

be created to the correspondent Credit Manager.

Warning

For under or overpayments regarding payments in advance, the invoice should always be cleared so that customer don't receive reminders. If partial, we should proceed with a partial payment. After, a dispute should be created to Credit Manager requesting details (if customer will pay/deduct the amount on the next order).

For follow-up on the residuals resulting from this clearing we have 2 distinct dispute reason codes:

C003 - in some specific documented cases (please see for reference "Customer & Region specificities")

C037 - which will automatically send an e-mail to the CSR with some information, but you should still provide some details on the dispute text.

4.11 Mixed discrepancies

This section explains what to do in cases where the difference includes more than one type of discrepancy. It can be for example a mix between banking fees and discount.

Warning

If under the tolerance master data/payment terms, AR is allowed to post the discrepancies without confirmation. Above those limits, more details needs to be requested to the customer.

Use transaction FEBA or F-32 (in case the payment is already allocated).

Select your payment and the invoice as below.

Assignment	Reference	Reference K...	D., Net due d...	Curr...	D...	Disco...	D P	EUR Gross
00050003602914	00058410174733	1000010901	F1 18.07.2013	EUR	0	0,000		441,89-
00050003642455	00058410174941	1000011109	F1 16.08.2013	EUR	15	0,000		4.506,03
00050003644198	00058410174943	1000011111	F1 22.08.2013	EUR	15	0,000		5.361,94
00050003648144	00058410175186	1000011352	F1 31.08.2013	EUR	15	0,000		8.022,17
00050003648153	00058410174839	1000011007	F1 21.08.2013	EUR	15	0,000		5.341,64
00050003648154	00058410174788	1000010956	F1 20.08.2013	EUR	15	0,000		5.382,23

Processing Status

Number of items	22	Amount entered	4.390,91
Display from item	1	Assigned	4.506,03
Reason code		Difference postings	
Display in clearing currency		Not assigned	115,12-

As we can see in the "Not assigned" field, there is a difference of 115,12 EUR that should be posted as 25 EUR as banking fees and 90,12 EUR as discount.

Double click on the Residual items column so that the amount is displayed:


Assignment	Reference	Reference K...	D., Net due d...	Curr...	D...	Disco...	D P	Net Amount	Residual Items	RCD
00050003602914	00058410174733	1000010901	F1 18.07.2013	EUR	0	0,000		441,89-		
00050003642455	00058410174941	1000011109	F1 16.08.2013	EUR	15	0,000		4.506,03	115,12-	
00050003644198	00058410174943	1000011111	F1 22.08.2013	EUR	15	0,000		5.361,94		
00050003648144	00058410175186	1000011352	F1 31.08.2013	EUR	15	0,000		8.022,17		
00050003648153	00058410174839	1000011007	F1 21.08.2013	EUR	15	0,000		5.341,64		
00050003648154	00058410174788	1000010956	F1 20.08.2013	EUR	15	0,000		5.382,23		
00050003648867	00058410174944	1000011112	F1 23.08.2013	EUR	15	0,000		4.516,87		

Processing Status

Number of items	22	Amount entered	4.390,91
Display from item	1	Assigned	4.390,91
Reason code		Difference postings	
Currency	EUR	Not assigned	0,00
Display in clearing currency			

Insert a * symbol in the "Rcd" column.


Then go to **Distribute Difference** and post 25 EUR as banking fees (FB) and 90,12 EUR as accepted discount (AD).

Save the posting by clicking on Save button  .

Posting result on customer account in 0231:

Allocation of remaining amount to document 5000006777, item 001 Currency EUR

Difference Amount		Enter	
Gross amount	115,12	<input type="radio"/> Gross amounts	
Net amount	115,12	<input checked="" type="radio"/> Net amounts	

Distribution			
Amount	RCd Short text	Ref. Key 1	Ref. Key 2
25,00	FB Banking fees below	1000011109	
90,12	AD 	1000011109	

Document Number	7000000529	Company Code	0231	Fiscal Year	2013
Document Date	10.10.2013	Posting Date	10.10.2013	Period	10
Reference		Cross-CC no.			
Currency	EUR	Texts exist	<input type="checkbox"/>		

Items in document currency			
Ita	Acct no.	Description	Amount in EUR
	001 50501EUR16	Fortis Bank Brussels (EUR) Credit trfs receive	4.390,91
	002 6531000000	Customer discounts (financial)	90,12
	003 6590900000	Miscellaneous bank charges	25,00
	004 116431	ETS BEAUSEIGNEUR S.A.S. / FROIDEFONTAINE	4.506,03-