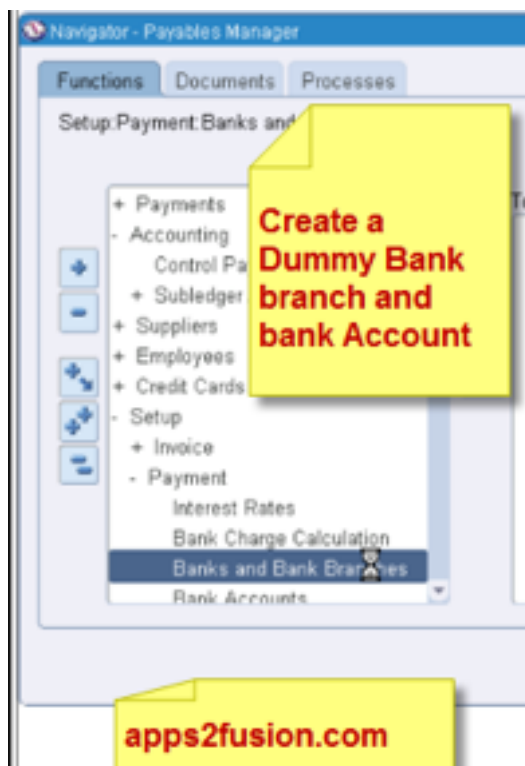


For this guided demonstration, the steps are

1. Create a Dummy Bank and its bank account for AP/AR Netting
2. Create a AP/AR Netting Receivable Class
3. In Receivable system options, check the payment to unrelated transaction
4. Create netting agreement
5. Create netting batch

Create a Dummy Bank branch and bank Account



TRAININGS FROM
APPS2FUSION

Now create a Bank

Account Information

Manage Bank Accounts: Account Owner and Use >
Create Bank Account: Account Information

Bank Name AP/AR NETTING Branch Name AP/AR NETTING FOCUS
Country United States

* Account Name FOCUS AP/AR NETTING
Alternate Account Name
Short Account Name

* Account Number AP/AR NETTING
Check Digit
* Currency USD
 Multiple Currencies Allowed
IBAN
Account Type
Account Suffix
EFT Number
Secondary Account Reference
Account Holder
Alternate Account Holder
Description
Start Date
End Date

Cancel Back Step 2 of 5 Save and Next

In real life you will most likely enter a numerical bank account number here

This is a dummy bank account. In later slides you will learn why dummy account is required

ORACLE Cash Management

Manage Bank Accounts

Account Owner and Use
Account Information
Account Controls
Account Access
Account Contact

Manage Bank Accounts: Account Information >
Create Bank Account: Account Controls

Cancel Back Step 3 of 5 Save and Next

Bank Name AP/AR NETTING Branch Name AP/AR NETTING FOCUS
Account Number AP/AR NETTING Country United States
Currency USD

* Indicates required field

General Controls

* Cash 50,000,000.00 20,000,000.00
Cash Clearing 50,000,000.00 20,000,000.00
Bank Charges
Bank Errors
Agency Location Code

Netting Account Yes

Use the Netting account
You must ensure that the Netting Account=Yes

Our netting control account

Account Controls

Minimum Target Balance
Maximum Target Balance
Minimum Payment Amount
Minimum Receipt Amount
Rounding Factor
Rounding Rule
Cash Flow Display Order

Multiple Currency Payments Allow Zero Payments

Manage Bank Accounts

Manage Bank Accounts: Account Controls >

Create Bank Account: Account Access

Cancel Back Step 4 of 5 Save and Next Finish

Bank Name AP/AR NETTING Branch Name AP/AR NETTING FOCUS
Account Number AP/AR NETTING Country United States

Click: Add Organization Access to grant access to an organization.

Organizations

Details	Organization	Payables	Payroll	Treasury	End Date	Access	Options
No results found.							

Click on add organization access

Cancel Back Step 4 of 5 Save and Next Finish

Manage Bank Accounts

Manage Bank Accounts: Account Access >

Create Bank Account: Organization Access

Bank Name AP/AR NETTING Branch Name AP/AR NETTING FOCUS
Account Number AP/AR NETTING Country United States

Grant Access to Organization

Enter the Account Access Options for this organization.
* Indicates required field

- * Account Use Payables Payroll Receivables Treasury
- * Organization FOCUS
- End Date

Cancel Continue

ORACLE Cash Management

Manage Bank Accounts

Manage Bank Accounts >

Create Bank Account: Account Access

Cancel Back Step 4 of 5 Save and Next Finish

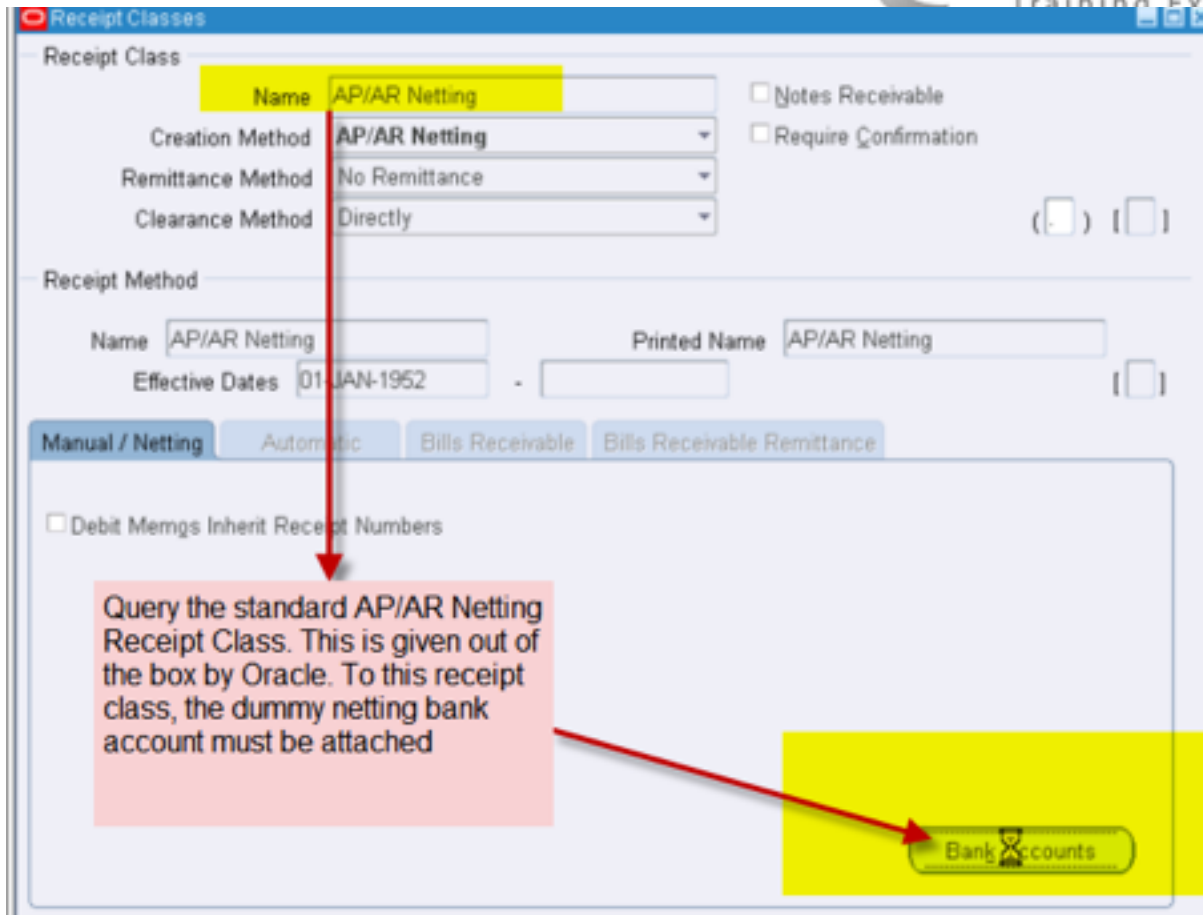
Bank Name AP/AR NETTING Branch Name AP/AR NETTING FOCUS
Account Number AP/AR NETTING Country United States

Click: Add Organization Access to grant access to an organization.

Organizations

Details	Organization	Payables	Payroll	Receivables	Treasury	End Date	Access	Options
6/2/06	FOCUS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

Cancel Back Step 4 of 5 Save and Next Finish



The screenshot shows the Oracle Receipt Classes configuration window. The 'Receipt Class' section has 'Name' set to 'AP/AR Netting'. The 'Receipt Method' section has 'Name' and 'Printed Name' both set to 'AP/AR Netting'. A red arrow points from the 'Name' field in the Receipt Class section to a text box. The text box contains the instruction: 'Query the standard AP/AR Netting Receipt Class. This is given out of the box by Oracle. To this receipt class, the dummy netting bank account must be attached'. Another red arrow points from this text box to the 'Bank Accounts' button in the 'Manual / Netting' tab, which is highlighted in yellow.

Receipt Classes

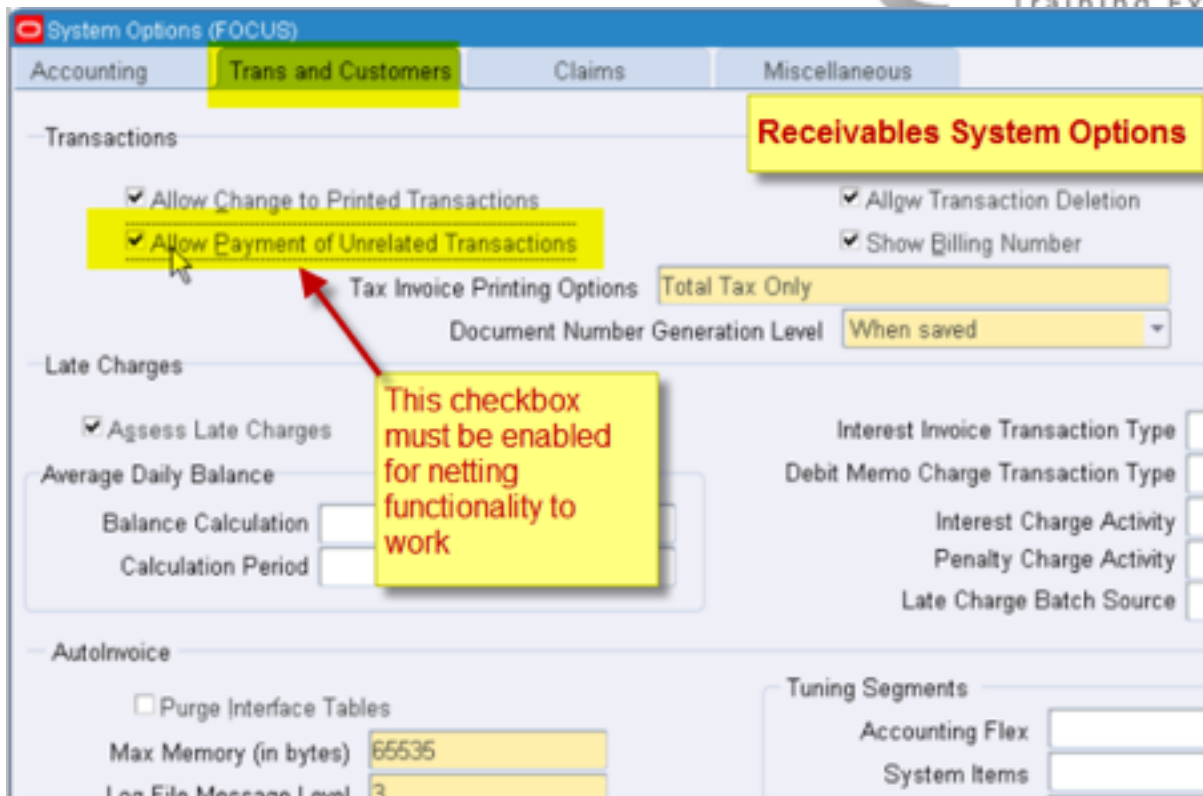
Remittance Banks (FOCUS1106(USD)) - AP/AR Netting, AP/AR Netting

Operating Unit	FOCUS	Branch Name	AP/AR NETTING FOCU
Bank Name	AP/AR NETTING	Currency	USD
Account Name	FOCUS AP/AR NETTING	Risk Elimination Days	
Minimum Receipt Amount		<input type="checkbox"/> Override Bank	
Clearing Days		<input type="checkbox"/> Primary	[]
Effective Dates	30-MAY-2010 -		

GL Accounts Bills Receivable Formatting Programs

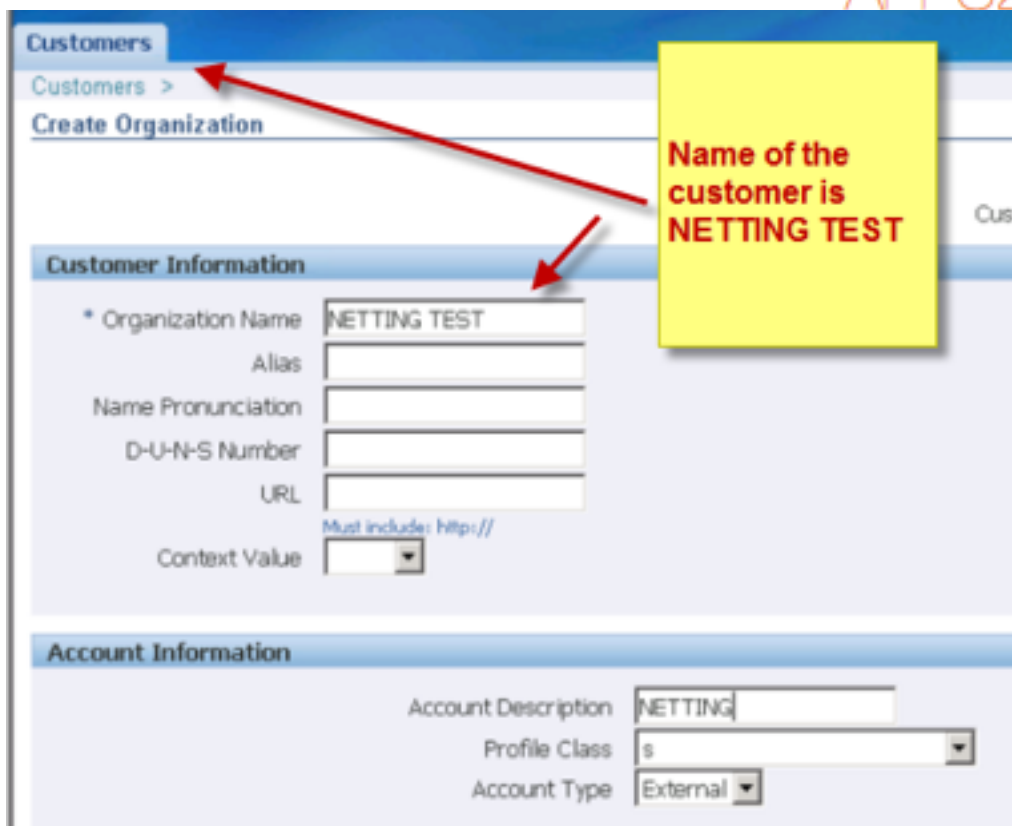
Cash	20.000.10004.20.200.000	Attach the netting bank account to the netting receipt class with the netting cash account that you created earlier during implementation
Receipt Confirmation		
Remittance		
Factoring		
Short Term Debt		
Bank Charges		
Unapplied Receipts	20.000.10004.20.200.000	In case of netting, these accounts have no significance
Unidentified Receipts	20.000.10004.20.200.000	
On Account Receipts	20.000.10004.20.200.000	
Unearned Discounts	Unearned Discount	
Earned Discounts	FOCUS3	

Description



TRAININGS FROM
APPS2FUSION

Now we need to create a customer



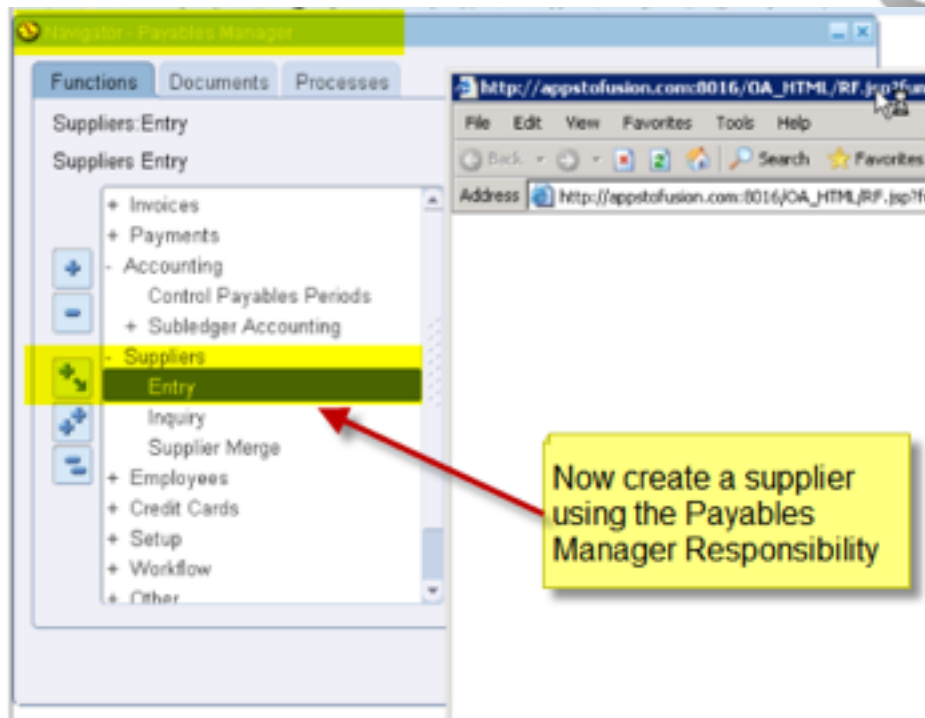
Create customer account site

The screenshot shows the 'Account Site Address' form. A yellow box highlights the 'Country' and 'Address Line1' fields with the text: 'Enter the address country and address lines Address Line1 is mandatory'. A blue cloud contains the text: 'Create customer account address'. A yellow box points to the 'Primary' checkbox in the 'Business Purposes' table with the text: 'Enable the primary bill to pupose flag'. A yellow box points to the 'Apply' button with the text: 'Click Apply'. The 'Business Purposes' table has columns: Purpose, Location, Bill To, Location, Primary, Remove. The 'Account Site Details' section includes: Operating Unit (FOCUS), Category, Territory, Translation, and EDI Location.

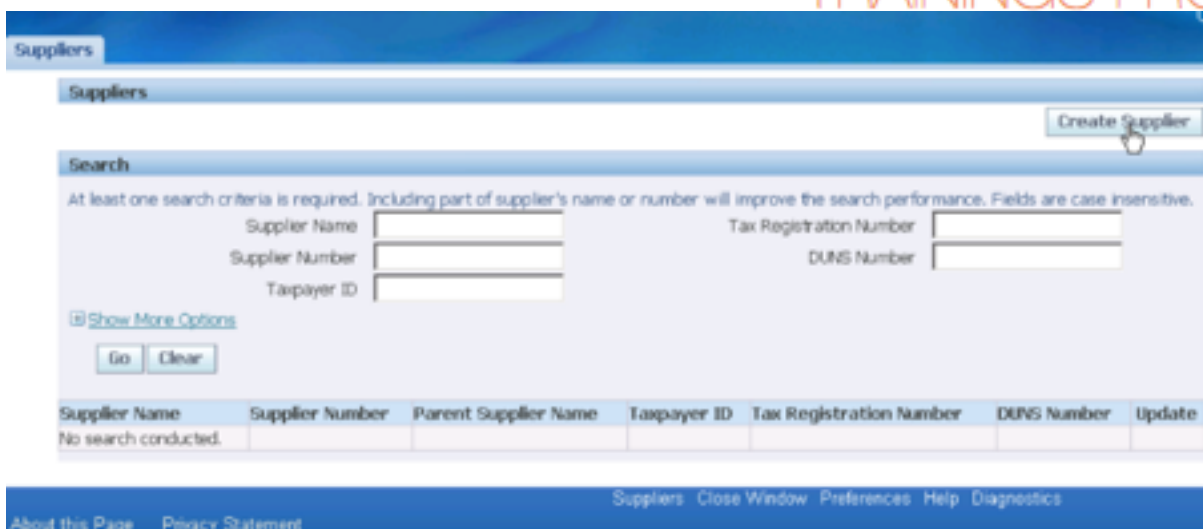
An account has been created as shown below

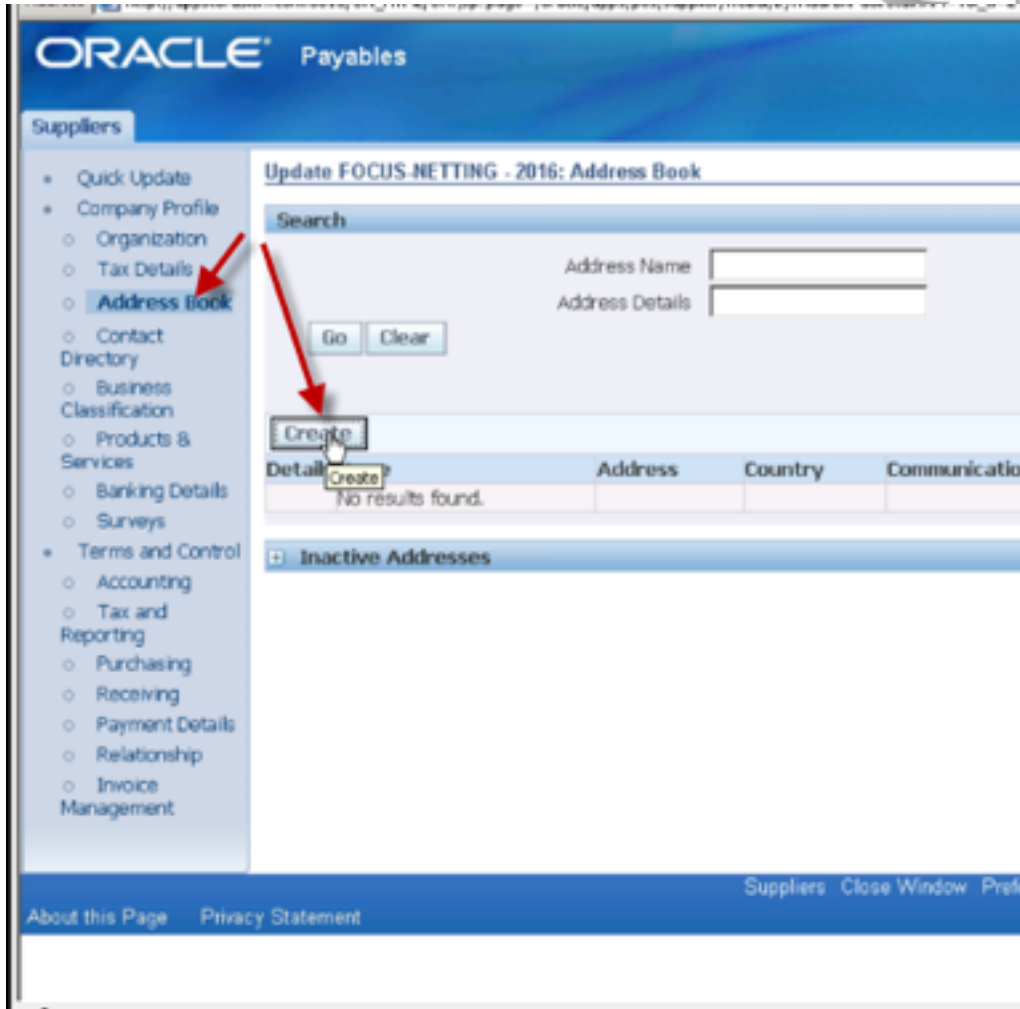
The screenshot shows the 'Customers' record for 'NETTING TEST'. The 'Customer Information' section includes: Organization Name (NETTING TEST), Alias, Registry ID (57661), and Name Pronunciation. The 'Accounts' section shows the account is 'Active' and 'Go' button. The 'Create Account' section shows a table with columns: Select, Account Number, Account Description, Profile Class, Primary Bill To, Address, Status, Details. A row is shown with Account Number 5000, Account Description NETTING, Profile Class NETTING, Primary Bill To INDIA, Status active. The 'Sites' section shows Status (Active), Purpose, Operating Unit, Address Line 1, City, Address Line 2, State, and Country. The 'Apply' button is highlighted with a red arrow.

After creating the customer, now let us create a supplier for this example

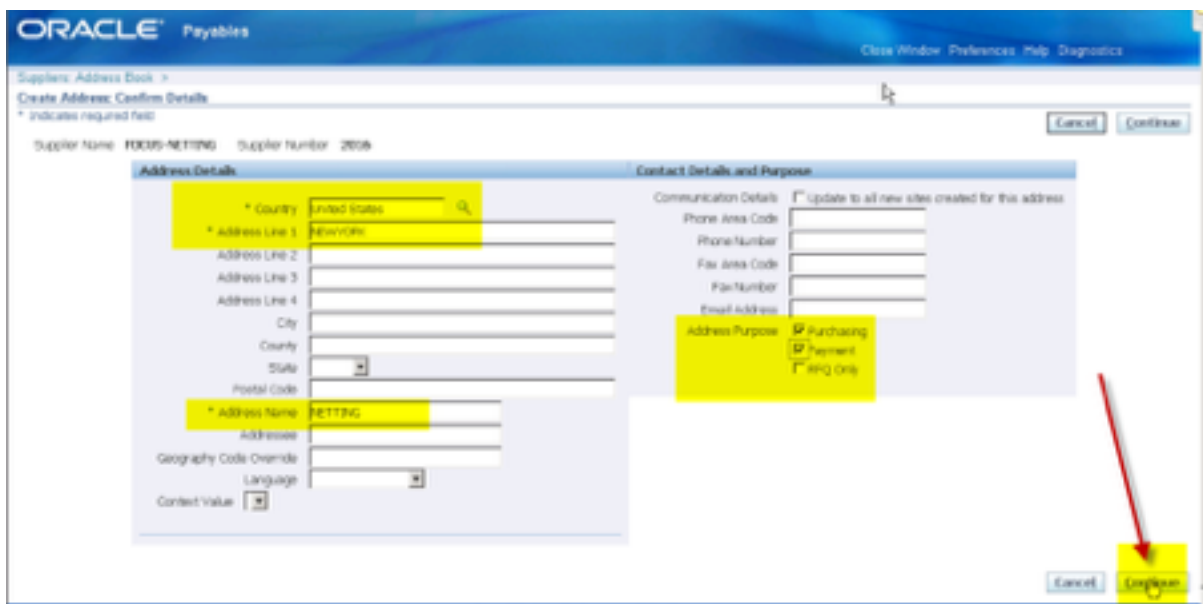


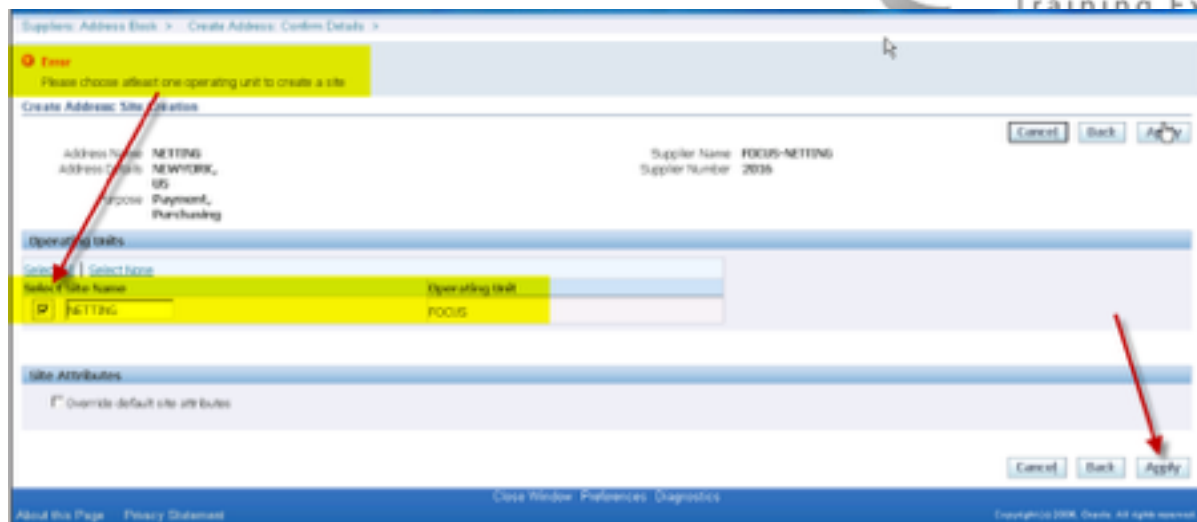
TRAININGS FROM





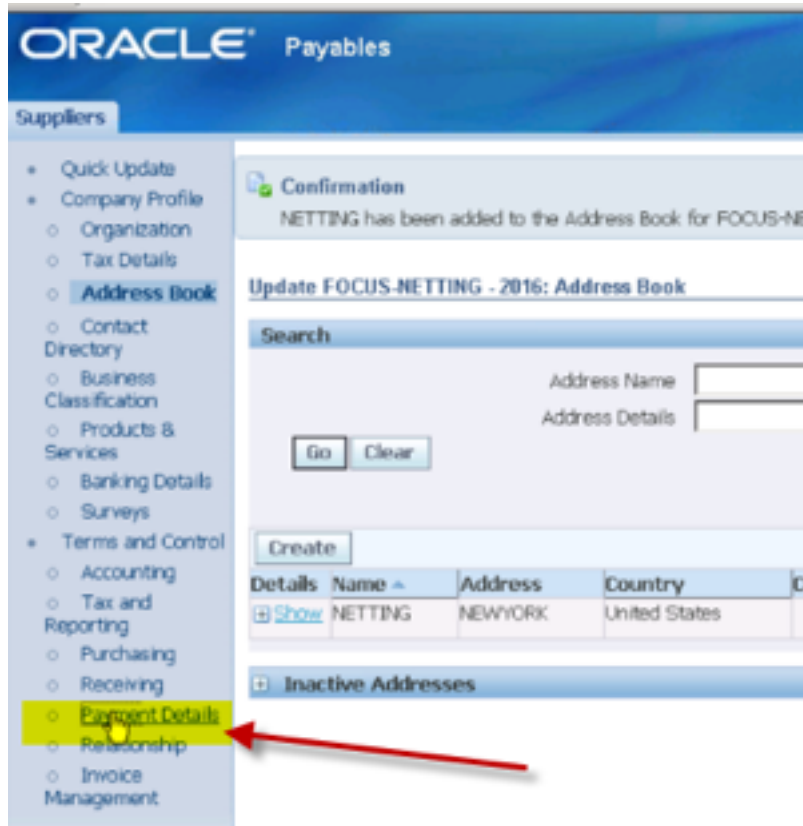
CS FROM
FUSION





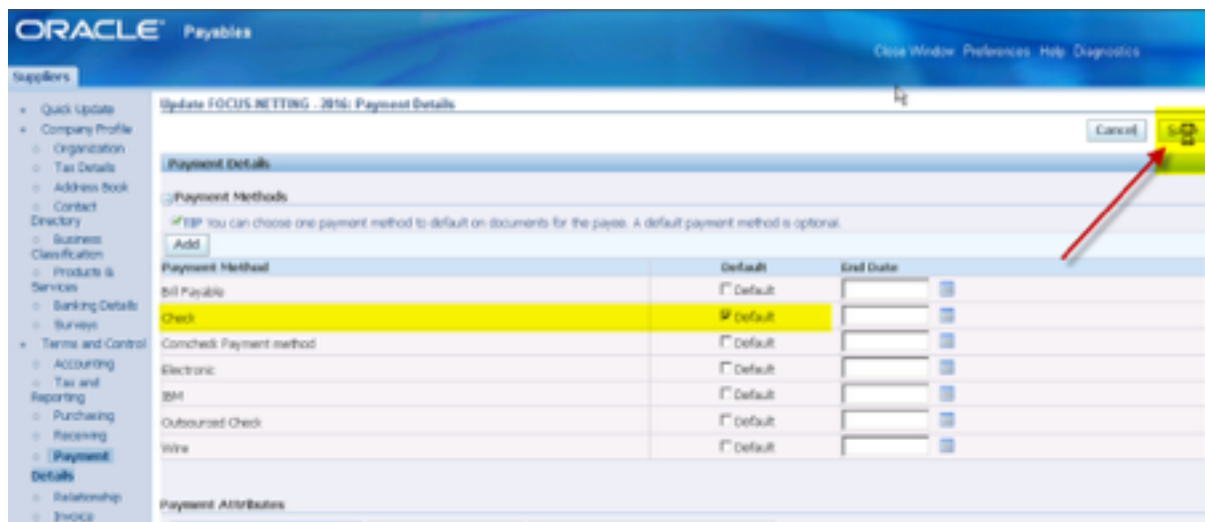
TRAININGS FROM
APPS2FUSION

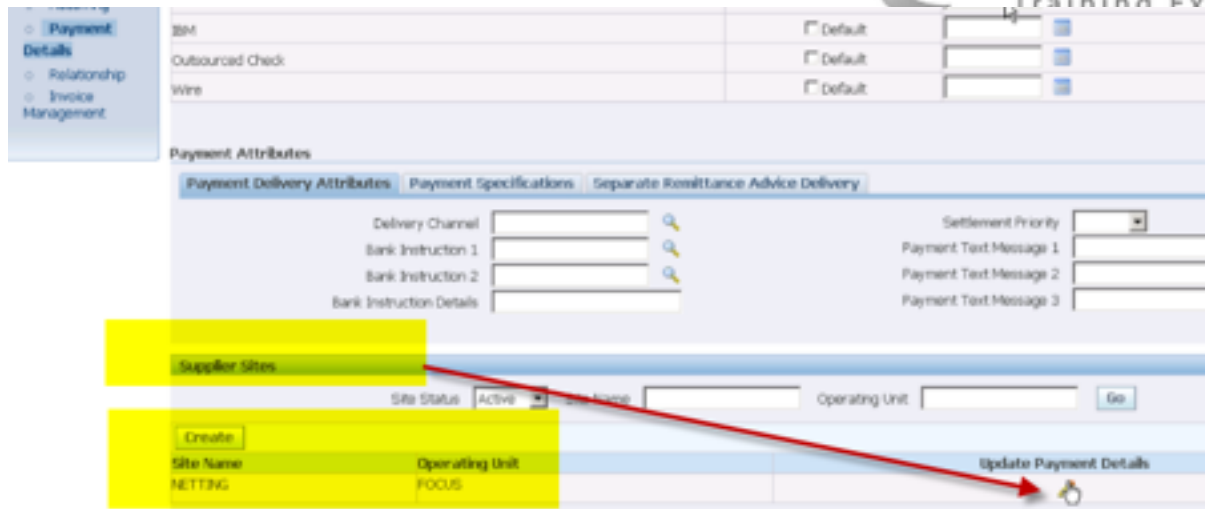
Now, need to ensure that the checks payment is enabled.



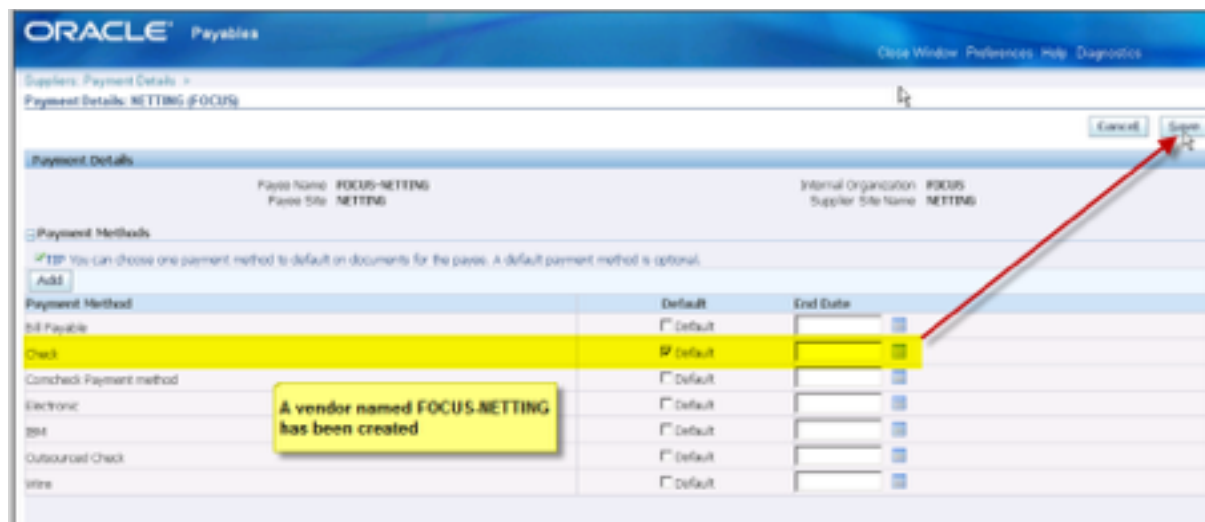
TRAININGS FROM APPS2FUSION

Payment method named check should be enabled.





Save the check payment



Next, we need to create a netting agreement between the supplier and the customer, so that netting can take place between any two given parties.

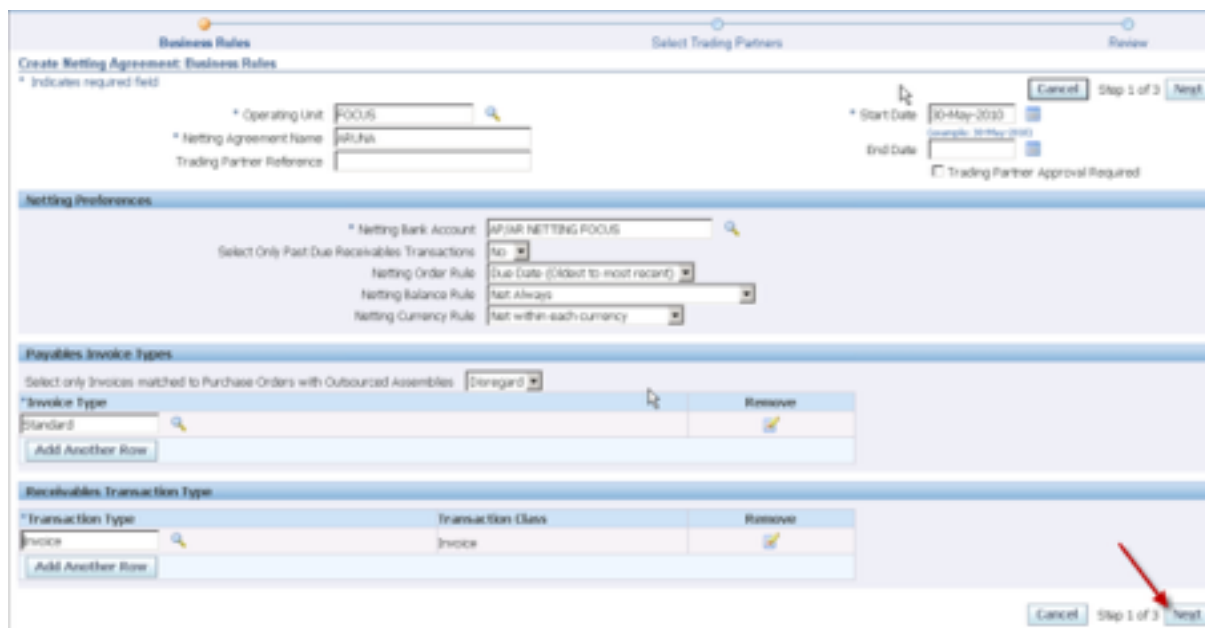
Use the menu option, as shown below.



When creating netting agreement, you can specify how many days worth of Past Due Items you would like to Net. Also you can specify netting ordering rule



Netting agreement window



Netting Batch | Netting Agreement

Business Rules | Select Trading Partners | Review

Create Netting Agreement: Select Trading Partners

* Indicates required field

Operating Unit: FOCUS
 Netting Agreement Name: ARINA
 Trading Partner Reference: []

Start Date: 30-May-2010
 End Date: []

Buttons: Cancel, Back, Step 2 of 3, Next

Select Supplier

Priority	Supplier	Supplier Number	Tax Registration Number	Site	Site Tax Registration Number	Remove
1	FOCUS-NETTING	2016		NETTING		[X]

Add Another Row

Select Customer

Priority	Customer	Customer Number	Tax Registration Number	Location	Location Tax Registration Number	Remove
1	NETTING TEST	5090		13945		[X]

Add Another Row

Buttons: Cancel, Back, Step 2 of 3, Next

Netting Batch | Netting Agreement

Business Rules | Select Trading Partners | Review

Create Netting Agreement: Review

Operating Unit: FOCUS
 Netting Agreement Name: ARINA
 Trading Partner Reference: []

Start Date: 30-May-2010
 End Date: []

Trading Partner Approval Required

Buttons: Cancel, Back, Step 3 of 3, Finish

Netting Preferences

Netting Bank Account: AP/AR-NETTING-FOCUS
 Select Only Past Due Receivables Transactions: No
 Netting Order Rule: Due Date (oldest to most recent)
 Netting Balance Rule: Net Always
 Netting Currency Rule: Net within each currency

Payables Invoice Types

Select only Invoices matched to Purchase Orders with Outsourced Assemblies: disregard

Invoice Type: Standard

Receivables Transaction Type

Transaction Type	Transaction Class
Invoice	Invoice

Trading Partners

Priority	Supplier	Supplier Number	Tax Registration Number	Site	Site Tax Registration Number
1	FOCUS-NETTING	2016		NETTING	

Priority	Customer	Customer Number	Tax Registration Number	Location	Location Tax Registration Number
1	NETTING TEST	5090		13945	

Now the netting agreement has been created. You can now query and update the netting agreement as required.

Netting Batch | Netting Agreement

Netting Agreement >

Confirmation
Netting agreement ARUNA has been updated.

Netting Agreements

Search

Please fill in search criteria values in at least one of the fields.

Netting Agreement Name
Trading Partner Reference

Netting Agreement Name	Operating Unit	Trading Partner Reference
ARUNA	FOCUS	

Now create a netting batch

ORACLE Netting

Netting Batch | Netting Agreement

Create Netting Batch

* Indicates required field

* Operating Unit
Netting Agreement
* Settlement Date
Response Date
Submit batch without Review

Put sysdate's and submit

* Batch Name
* Transaction Date
GL Date
* Exchange Rate Type

Netting Batch | Netting Agreement

Confirmation
Netting Batch ARUNA was created.

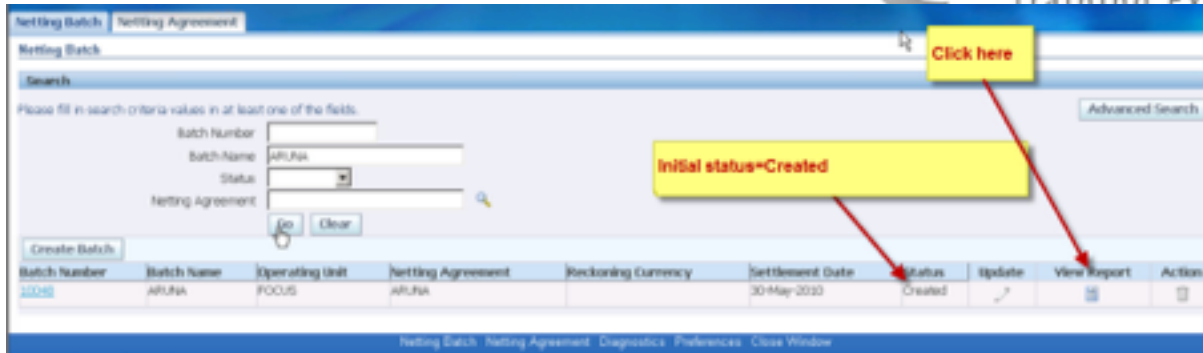
Netting Batch

Search

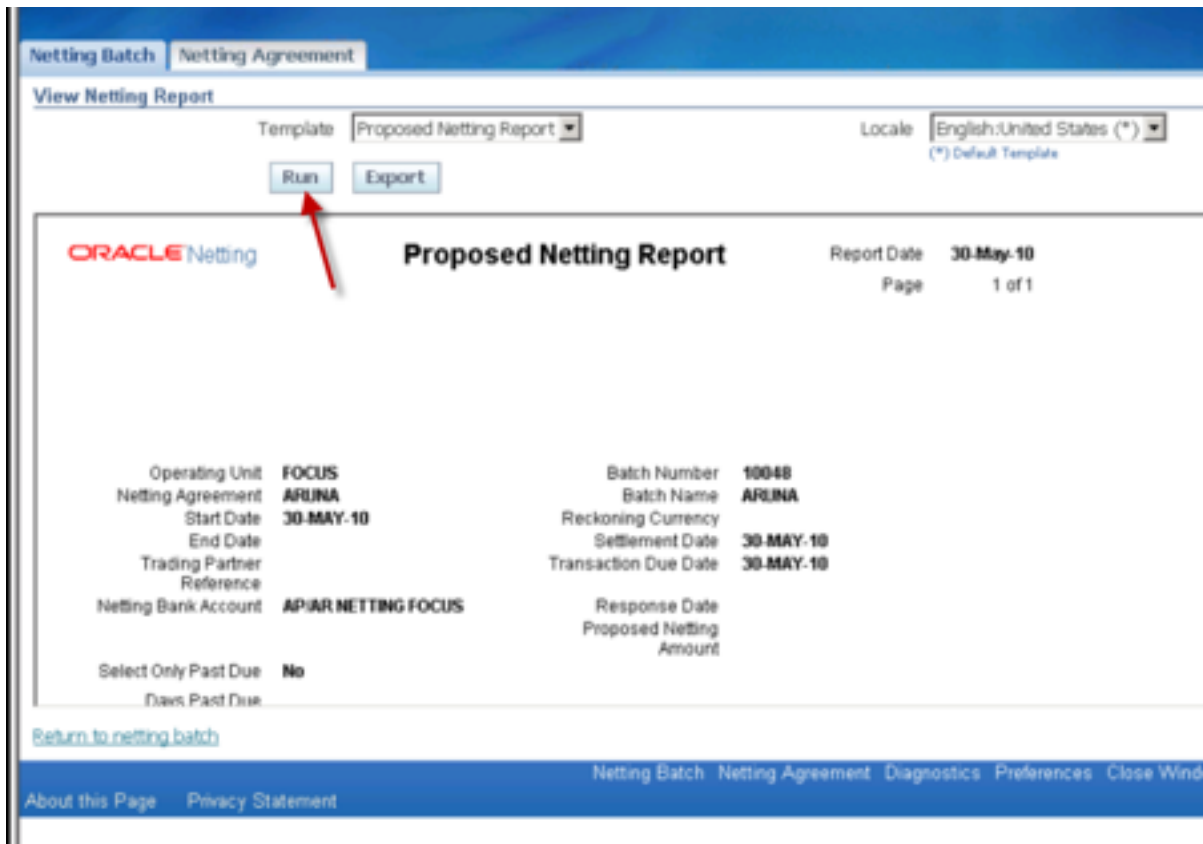
Please fill in search criteria values in at least one of the fields.

Batch Number
Batch Name
Status
Netting Agreement

Batch Number	Batch Name	Operating Unit	Netting Agreement
No search conducted.			



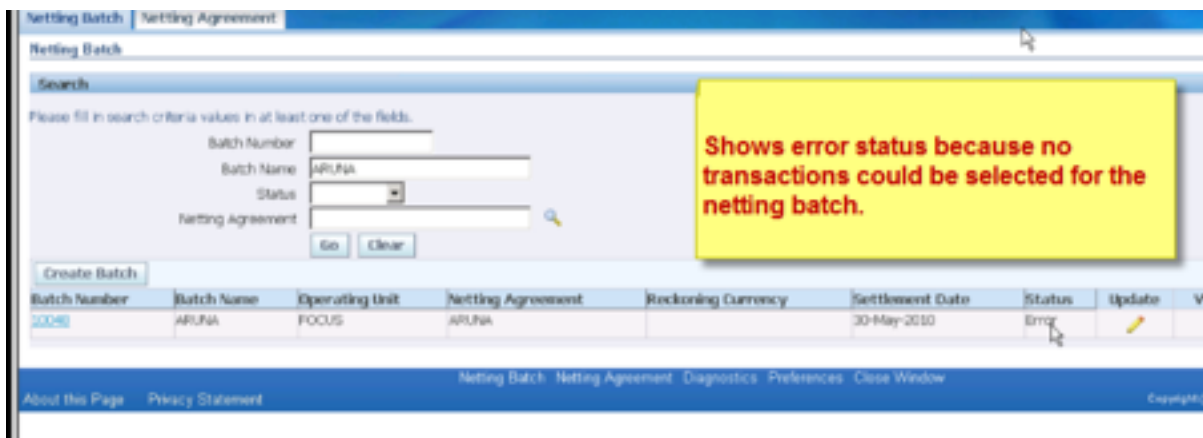
This batch will go into an error because there are no invoices in payables or receivables yet for this customer or vendor.



DM
↓

Operating Unit	FOCUS	Batch Number	10048
Netting Agreement	ARUNA	Batch Name	ARUNA
Start Date	30-MAY-10	Reckoning Currency	
End Date		Settlement Date	30-MAY-10
Trading Partner		Transaction Due Date	30-MAY-10
Reference		Response Date	
Netting Bank Account	APIAR NETTING FOCUS	Proposed Netting Amount	
Selected Only Past Due	No		
Days Past Due			
Netting Order Rule	Due Date (Oldest to most recent)		
Netting Balance Rule	Not Always		
Netting Currency Rule	Not within each currency		
Currency			
Exchange Rate Type	Conservative		

Not selected anything yet as there are no transactions yet



Shows error status because no transactions could be selected for the netting batch.

Batch Number	Batch Name	Operating Unit	Netting Agreement	Reckoning Currency	Settlement Date	Status	Update	View
10048	ARUNA	FOCUS	ARUNA		30-May-2010	Error		

Now create Receivables Invoice

Transactions (FOCUS - USD)

Transaction
 Source: MANUAL_OTHER Date: 30-MAY-2010
 Number: 10068 GL Date: 30-MAY-2010
 Class: Invoice Currency: USD
 Type: Invoice Document Num:
 Reference: Transaction: []
 Legal Entity: FOCUS Complete: []

Balance Due
 Line:
 Tax:
 Freight:
 Charges:
 Total:

Main More Notes Commitment Reference Information

Ship To
 Name:
 Number:
 Location:
 Address:
 Contact:

Bill To
 Name: NETTING TEST
 Number: 5890
 Location: 13945
 Address:
 India

Sold To
 Name: NETTING TEST
 Number: 5890

Paying Customer
 Name: NETTING TEST
 Number: 5890
 Location: 13945

Payment Details
 Receipt Method:
 Payment Method:
 Instrument Number:
 Select Instrument

Commitment: Payment Term: IMMEDIATE Invoicing Rule: Due Date: 30-MAY-2010

AR Invoice of 40,000

Like Items Tag Freight Distributions Sgls Credits **Complete**

Complete this invoice

Total 40,000.00

Main Sales Order Tax Exemption Rules More Ship To Information

Num	Item	Description	UOM	Quantity	Unit Price	Amount
1		NETTING TEST		100	400	40,000.00

DM
 ✓

Batch Control Total Batch Actual Total 50000

Operating Unit	Customer Taxpayer ID	Type	PO Number	Trading Pa	Supplier Num	Supplier Site	Invoice Date	Invoice Num	Invoice
FOCUS		Standard		FOCUS-NE	2016	NETTING	30-MAY-201	NETTING	USD

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Summary

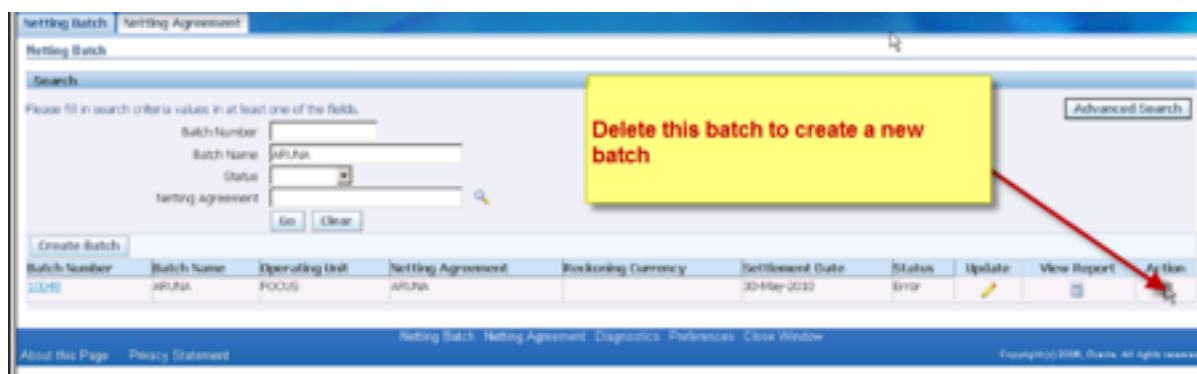
Items	50,000.00
Retainage	
Prepayments Applied	
Withholding	
Subtotal	50,000.00
Tax	
Freight	
Miscellaneous	
Total	50,000.00

Amount Paid
 USD 0.00
 USD 0.00

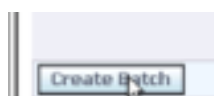
Status
 Status: Validated
 Accounted: No
 Approval: Not Required
 Holds: 0
 Scheduled Payment Holds: 0

Now create AP Invoice of 50,000 in Payables

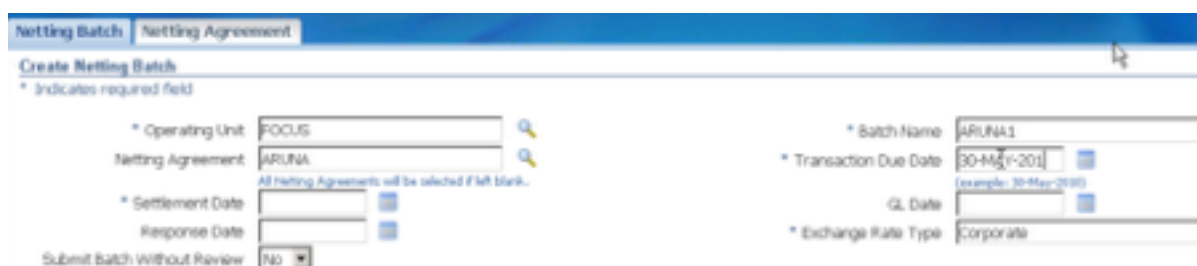
Actions... 1 Calculate Tax Tag Details Corrections Quick Match Match All Distributions



And now create a new batch



This time create a batch with name ARUNA1



Netting Batch | Netting Agreement

View Netting Report

Template: Proposed Netting Report | Locale: English:United States (*)

Run | Export

Operating Unit	FOCUS	Batch Number	10049
Netting Agreement	ARJNA	Batch Name	ARJNA1
Start Date	30-MAY-10	Reckoning Currency	USD
End Date		Settlement Date	30-MAY-10
Trading Partner Reference		Transaction Due Date	30-MAY-10
Netting Bank Account	APIAR NETTING FOCUS	Response Date	
		Proposed Netting Amount	40000
Select Only Past Due	No		
Days Past Due			
Netting Order Rule	Due Date (Oldest to most recent)		
Netting Balance Rule	Net Always		
Netting Currency Rule	Net within each currency		
Currency			
Exchange Rate Type	Corporate		
Exchange Rate			

apps2fusion.com

This time netting amount is 40,000

[Return to netting batch](#)

Netting Batch | Netting Agreement | Diagnostics | Preferences | Close Window

Netting Batch | Netting Agreement

View Netting Report

Template: Proposed Netting Report | Locale: English:United States (*)

Run | Export

NETTING	Standard	30-MAY-10	50,000.00	50,000.00	USD	50,000.00	USD
Totals			50,000.00	50,000.00	USD	50,000.00	USD

Customer	NETTING TEST	Customer Number	5090	Location	13945		
Customer Taxpayer ID		Customer Tax Reg No.					
Transaction Number	Transaction Type	Transaction Date	Transaction Amount	Open Amount	Transaction Currency	Open Amount	Reckoning Currency
10068	Invoice	30-MAY-10	40,000.00	40,000.00	USD	40,000.00	USD
Totals			40,000.00	40,000.00	USD	40,000.00	USD

End of Report

[Return to netting batch](#)

About this Page | Privacy Statement

Netting Batch | Netting Agreement | Diagnostics | Preferences | Close Window

Receipts (FOCUS - USD) Suresh Islam@pronet

Receipt

Receipt Method: AP/AR Netting(1)
Receipt Number: 10050
Receipt Amount: USD 40,000.00
Receipt Type: Standard
State: Cleared

Receipt Date: 30-MAY-2010
GL Date: 30-MAY-2010
Maturity Date: 30-MAY-2010
Functional Amount: 40,000.00

Balances

Unidentified	0.00
Applied	40,000.00
On Account	0.00
Unapplied	0.00
Cash Claims	0.00
Prepayments	0.00

Main More

Detail

Identify By
Trans Number

Customer

Name: NETTING TEST
Number: 5890
Location: 13945
Taxpayer ID

Customer Bank

Name
Account

Remittance Bank

Name: AMEX
Branch: AMEX
Account

Reference: 10050
Postmark Date

Comments

Confirm... 1 Reverse... 1 Receipt History Search and Apply Apply

You will notice that a receipt of 40,000 has been created in AR and applied.

TRAININGS FROM

Applications - 10050

Customer Name: NETTING TEST
Customer Number: 5890
Location: 13945
Receipt Amount: USD 40,000.00

Unapplied: 0.00
On Account: 0.00
Cash Claims: 0.00
Prepayments: 0.00
Exchange Gain/Loss: 0.00

Applications

Apply	Saved	Apply To	Billing Number	Installment	Apply Date	Amount Applied	Discount	Balance Due	Trans	Customer	GL I
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	10050		1	30-MAY-2010	40,000.00	0.00	0.00	USD	5890	30-N
<input type="checkbox"/>	<input type="checkbox"/>										
<input type="checkbox"/>	<input type="checkbox"/>										

You will notice that this auto created receipt was applied to our AR Invoice of 40,000/-

Invoice Workbench (Payables Manager)

Batch Control Total Batch Actual Total **apps2fusion.com**

Supplier Num	Supplier Site	Invoice Date	Invoice Num	Invoice	Invoice Amount	Tax Amount	Tax Control Amount	Withheld Amount	Prepaid Amount
1016	NETTING	30-MAY-201	NETTING	USD	50,000.00				

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

Summary

Items	50,000.00
Retainage	
Prepayments Applied	
Withholding	
Subtotal	50,000.00
Tax	
Freight	
Miscellaneous	
Total	50,000.00

Amount Paid

USD 40,000.00

Status

Status: Validated
 Accounted: No
 Approval: Not Required
 Holds: 0
 Scheduled Payment Holds: 0

Description:

Actions... 1 Calculate Tax Tag Details Corrections Quick Match Match All Distributions

You will also notice that in payables the amount of 40,000/- has already been paid to the dummy bank account

TRAININGS FROM

Invoice Workbench (Payables Manager)

Batch Control Total Batch Actual Total

Supplier Site	Invoice Date	Invoice Num	Invoice	Invoice Amount	Tax Amount	Tax Control Amount	Withheld Amount	Prepaid Amount
NETTING	30-MAY-201	NETTING	USD	50,000.00				

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

4 View Payments

Payment Method	Document Num	Payment Date	GL Date	Void	Payment Amount	Discount Taken
	10185	30-MAY-2010	30-MAY-2010	<input type="checkbox"/>	40,000.00	

Payment Overview

Run the payment batch now in Payables

Only 10,000/- payment will be processed

Payments (Payables Manager) - Pay in Full

Country	Payment Date	Payment Amount	Bank Account	Account Currency	Payment Currency	Payment Method
	30-MAY-2010	10,000.00	AMEX	USD	USD	Check

Number	Date	Amount	GL Date	Payment Amount

TRAININGS FROM
APPS2FUSION