Prepayment Receipt Creation

Setup and process steps

The required setups to be able to create a prepayment receipt for customer from order management.

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Pre-Payment Receipt Creation Setups and Process Steps

Setup Overview

The following setups are required for the purpose of being able to create a prepayment receipt for a customer from order management.

1- Update OM system parameters.
2- Define Customer bank account.
3- Define new payment method (optional).
4- Define Receivables activity
5- Define payment terms.
6- Assign bank account to customer site.
7- Define/assign document sequences.

Process steps overview

Please follow the following steps to:-

- Create a prepayment automatic receipt from order management.
    o Enter and book order
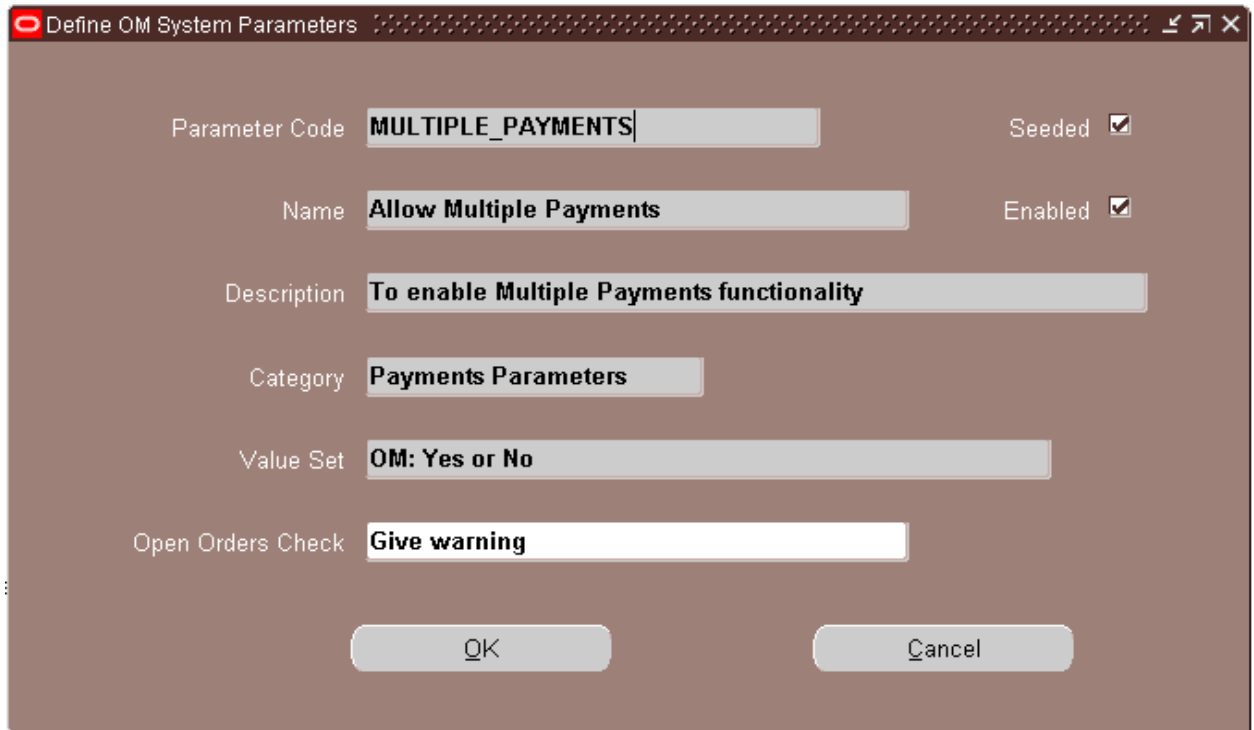   o Create & view prepayment receipt
    o Ship order

- Apply the receipt to an invoice created from the order
    o Run Autoinvoice Program.
    o Review the receipt and accounting entries.

Setup Steps

1- Update OM System Parameters:
Navigation > Order Management Super User > Setup > system > Parameters > Define.
Define the system parameter if it is not defined. Query it, enable 'Allow Multiple Payments' and click on ok.
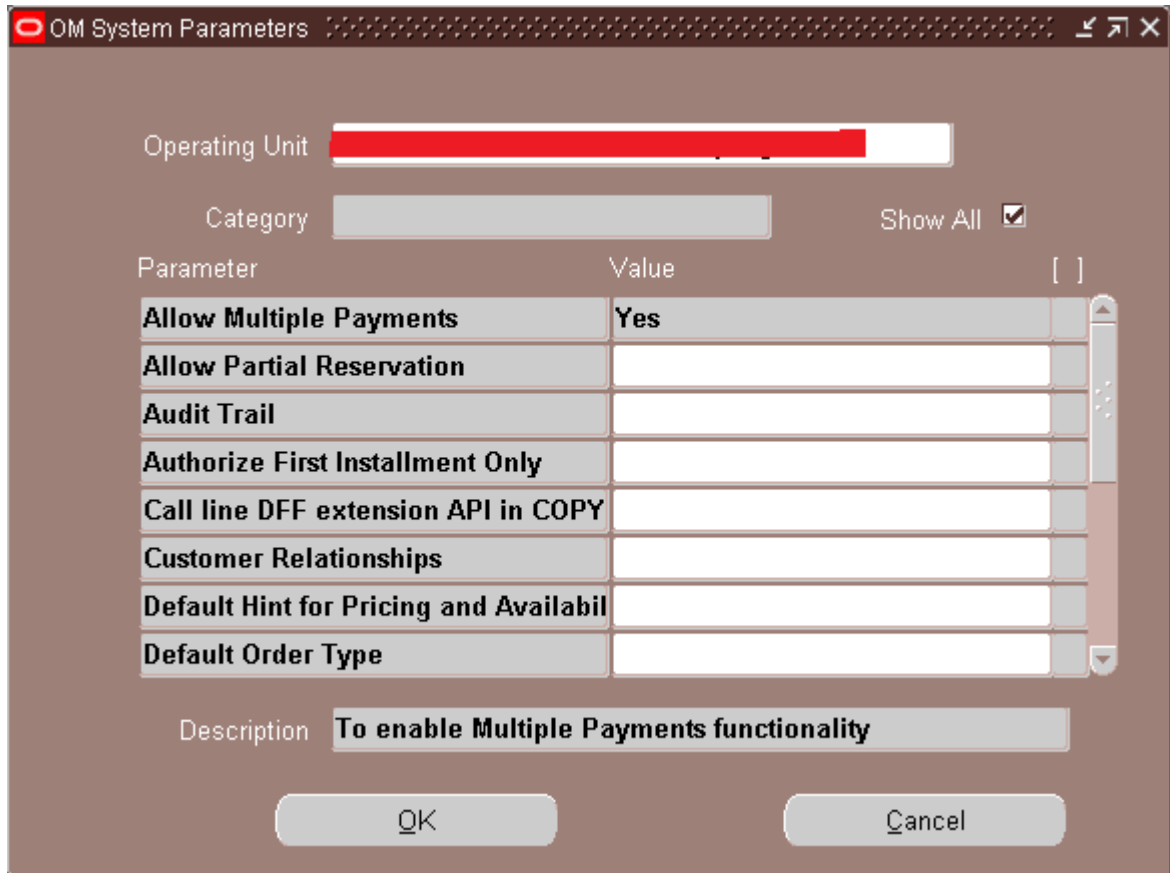
2- Navigation > Order Management Super User > Setup > system > Parameters > values
Enter the name of the operating unit name and enable the 'Show All' check box. Place your
cursor in the field 'Parameter' and query for 'Allow Multiple Payments'. If the value for this
parameter is not set to 'Yes' update the value to 'Yes'. The setup change once made cannot be
updated later. Please refer the below screen shot.

3- Define Customer Bank Account

Navigation > Payables Super User > Setup > Payment > Banks

If the bank is already created, query for the bank and click on the bank account button. Click on the new button from the menu options and enter the following fields.

- o Bank Account Name
- o Account Use – Should be 'Customer'.
- o Bank Account Number.
- o Currency – The default currency will be currency of the set of books assigned to the operating unit from which you are trying to create the bank account.
- o Save the record after entering the above information. Please refer the below screen shot.

4- Define a new payment method

A new payment method is required if you wish to use the credit card payment type when creating the prepayment receipt from order management. If any other payment type is to be used from order management for creation for prepayment receipt a new payment Method is not required to be created. However if you wish to create a new payment method for any other reason please follow the steps mentioned below.

Navigation > receivables Super User > Setup > receipts > receipts classes

I have used an existing receipt class and only created a new payment method. Query for the payment method 'XX Manual Receipts' and place your cursor in the 'Payment Method Name' field and click on new button from the menu options. To create a new payment methods enter the following details:-

- o Payment Method Name
- o If you want a different name to be printed then enter a different name in the 'Printed Name' field. Please refer the below screen shot.

- o Click on Bank Accounts and assign an internal bank account. The effective dates in the bank account default to the current system date. If you are entering bak dated

transactions when testing please ensure that this date is changed accordingly. Enter all the required information if it does not default from bank account setup. Please refer the below screen shot.

o   Save the record, the new payment method is created.

5- Define Receivable Activity

For creating automatic receipt from Order Management a new Receivable Activity of type prepayment has to be created. Accounting entries will also be generated using the account assigned t this Receivable Activity. You can define as many prepayment receivable activities as you want. Only one prepayment receivable activity can be active at any point in time. The accounting entries that get generated in the process are also provided elsewhere in this document.

Navigation > Receivables Super User > Setup > Receipts > Receivable Activity

6- Define Payment Terms

There should be at least one payment term which has the 'Prepayment' check enabled. If a payment term is already available then skip this step else create a new payment term or update an existing payment term. When testing we may have to manually enter the payment term in order Header. However when we move the solution to production we can agree on a process of defaulting the Prepaid Payment term on Order Header

Navigation > Receivables Super user > Setup > Transactions > Payment Terms

Please refer the screen shot below.

7- Assign Bank Account to Customer Site
Navigation > Receivables Super User > Customers > Standard

Assign the bank account created in #2 above to the customer site. Enable the primary check box in the bank accounts window and ensure that the effective date is earlier than the date when you want to process transactions. Please refer to the screen shot below.
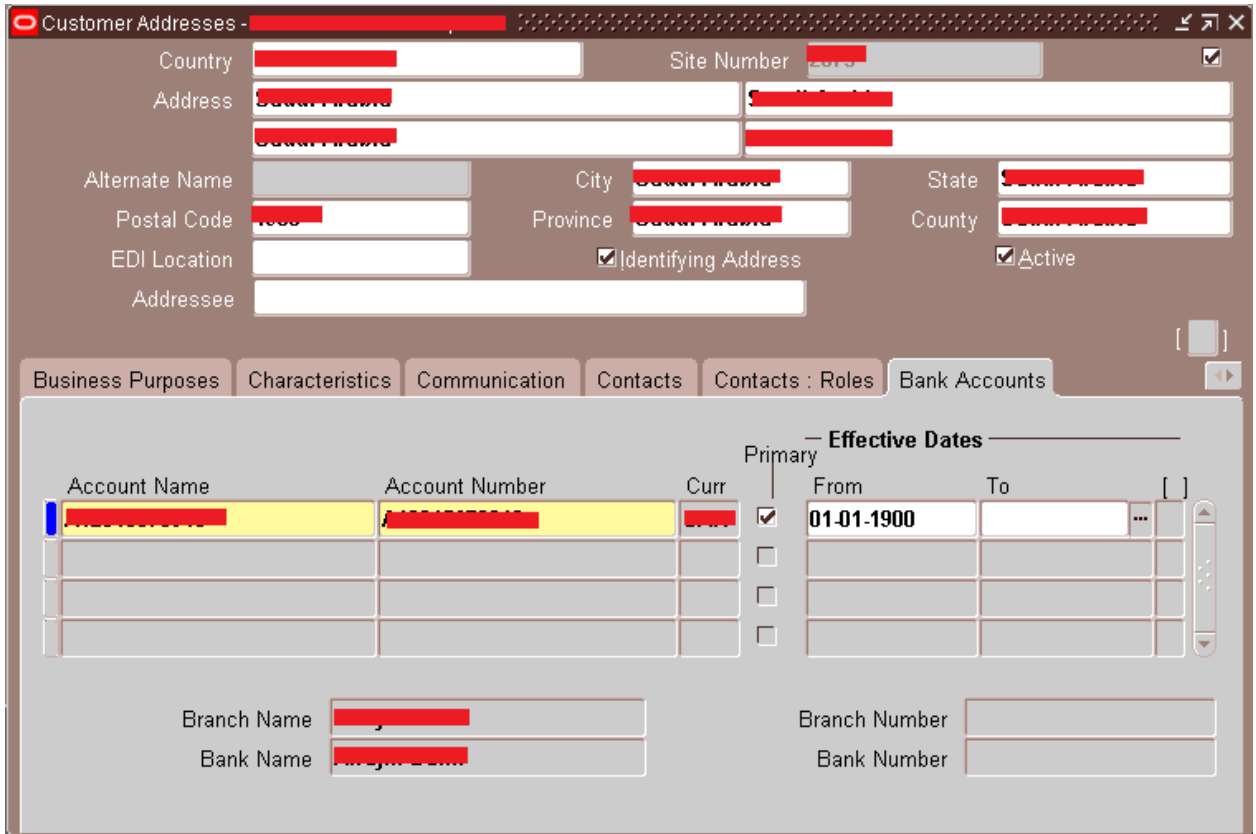
8- Define / Assign Document Sequences
If a new payment method is created then document sequences have to be defined and assigned for the new payment method. In my process steps I have not defined new sequences. Document sequence is an important step since the receipt number will be same as the document sequence number assigned to prepayment Receipt.

Navigation > System Administrator > Application > Document > Assign

Enter the following information to complete the assignment of document sequences to the payment method:-

- Application – Enter Receivables
- Category – Enter the name of the new payment method created.

If a new payment method is not created then ensure that the payment method that you are using has a document sequence assigned to it.

- Set of Books – Enter the name of the new set of books associated with the operating unit where you would be entering transactions.
- Method – Assign the document sequence to both manual and automatic methods.
- Start Date – The start date entered here should be earlier than the date on which you wish to perform transactions.
- Sequence – Enter the name of the sequence that would be generating numbers for your payment method. Please refer to the below screen shots.
- Document Sequence Assignment – Document Tab.

Process Steps:

1- Enter and Book Order

   Navigation > Order Management Super User > Orders, Returns > Sales Order
   Enter the following information to create and book the order:-

   o Customer Name – Enter the name of the customer for whom the bank account was
     assigned in the setups.
   o Navigate to other tab on Order Header and change the payment term to the new
     payment defined in #5 above.
   o Enter the order lines and book the order.

2- Create & View Prepayment Receipt
   After the order is booked click on Actions button on Order Header. From the list of values
   choose payment. The payment window will open. Follow the below steps to create a
   prepayment receipt.
   o Enter the payment type as Cash.
   o Enable the Prepay Check box.
   o Enter the percent as 100 to create a receipt equal to the order Header Amount.
   o Scroll towards the right side using the scroll bar and choose the receipt method.
   o Click on process payments. This will call Prepayment Receipt Creation API to create the
     receipt.

o   Click on view receipt to view the prepayment Receipt.

Receipts Summary

State	Receipt Number	Type	Receipt Date	Currer	Receipt Amount	Unapplied Amount	Unidentified Amount	Custom
Applied	1	Standard	14-11-2012	SAR	8300.00	0.00	0.00	

Confirm... 1   Reverse... 1   Search and Apply   Apply   New   Open

Receipts

Receipt

Payment Method	OM Auto Receipts
Receipt Number	1
Receipt Amount	SAR 8300.00
Receipt Type	Standard
Status	Cleared

Receipt Date	14-11-2012
GL Date	14-11-2012
Maturity Date	14-11-2012
Functional Amount	8300.00

Balances

Unidentified	0.00
Applied	0.00
On Account	0.00
Unapplied	0.00
Cash Claims	0.00
Prepayments	8300.00

Main

View Receipt Accounting

Line Type	Account	Debit (SAR)	Credit (SAR)	Trans Num	Entered
Cash	01.0000.00.110205001.0000.000	8300.00			SAR
Other Receipt A	01.0000.00.212208003.0000.000		8300.00		SAR
Unapplied	01.0000.00.212208002.0000.000		8300.00		SAR
Unapplied	01.0000.00.212208002.0000.000	8300.00			SAR
		16600.00	16600.00		

Account Desc			
Trans Number		Accounting Date	14-11-2012
Comments		Transferred to GL	No

Alternate Currency   T Accounts

Apply

3- Ship Order
   Navigation > order Management Super User > Release Sales Order > Release Sales Order.
   Enter the sales order number which has to be released.
   After releasing the sales order ship confirm and submit the workflow background process to interface order to receivables.

4- From Receivables responsibility submit the autoinvoice program for the order. The "Prepayment Matching Program (Prepayment Matching Program)" will automatically get fired. This program applies the prepayment receipt to the invoice that gets created by Autoinvoice program.

Receipt Accounting Entries when the Receipt is created.

Dr Cash

      Cr Unapplied Receipts

Dr Unapplied Receipts

      Cr Prepayment

Accounting Entries when the receipt is applied to an invoice by the prepayment Matching Program.

Dr Prepayment

      Cr Unapplied Receipts

Dr Unapplied Receipts

      Cr Receivables