Transaction Application Program

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Abstract:- In receivables, creating a transaction for customer billing and which has the payment due date and accordingly customer makes the payment based on payment due date, after receiving the payment in bank statement, cash application team creates the receipt and applies on transaction, but still there is remaining amount exists since, TDS amount is deducted by the customer and makes the payment, Due to this, AR team knock off the remaining amount by creating credit memo and applies on transaction. Currently this activity performs manually, it can be handled when we have few credit memos. If volume is high, it will take time to complete the activity. We recommend here to develop a program where system applies the credit memos automatically as per date provided in flat file.

I. INTRODUCTION

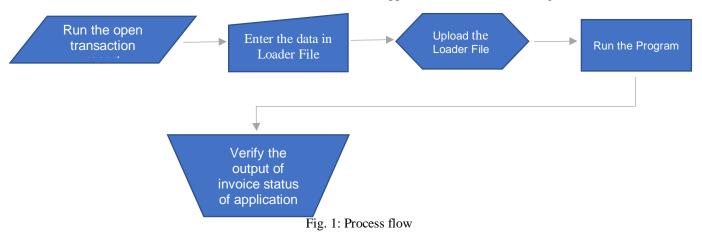
The program will be used in receivables module to perform the application automatically for transactions. Program can be used at global level.

II. PROBLEM STATEMENT

When there are few transactions exists then it can be handled manually, whereas there is a high volume of transaction, it will take very time to complete the activity. On average of 100 CM to apply on transactions it will take 3-4 hours, in a month there will be 500+ CM's being created and all these to be applied, it takes approx. 15-20 hours spending time by team to do it manually

III. DESIGN OVERVIEW

Here we recommend solution to develop a program where system applies the credit memos on transaction automatically as per custom logic. Upload program loads the data into staging table and application program performs the application for transactions (Fig:1)



- A. Data Requirement: Transactions Details:
- Transaction Number
- Customer Number
- Transaction Date
- GL Date
- Apply Date
- Amount
- B. Credit Memo Details:
- Credit Memo Number
- Transaction Date
- GL Date
- Amount

Development involves creating programs, directory to place the file and maintain staging table.

There are two programs to be developed as follows...

- AR CM Application Loader program
- AR CM Application Program

C. Directory:

Create a directory folder (FTP) to upload the flat file to import data into staging table to validate and process.

Staging Table:

Once we upload the file into FTP folder, program get's triggered and data will get inserted into staging table to process, we need to create a staging table needs for data insertion. Ensure that all the required columns to be created for validation so that data can be processed.

D. Create a Flat File:

Create a flat file, it can be in .csv format, 'comma' delimited and provide with all necessary columns such as transaction number, customer number, GL date, transaction,

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apply date and amount, like wise for credit memo also we need the details of credit memo number, transaction date, GL date, customer number and amount. It's important because all the columns should be sync with columns which are in staging table (Fig.2).

Trx_Num	Trx_date	Trx_GL_date	e Customer_num	Trx_amount	CM_number	CM_trx_date	CM_GL_date	CM_Cust_num	CM_amount	Apply_amount
					Fig 2. Τε	mnlate				

Fig. 2: Template



Run the open transaction report and load the data in loader file

Loader Program:

Develop a loader program to upload the file in FTP and validates the data as follows.

- **Customer number:** Validates whether provided customer is valid and available in the system, applicable for both transaction and CM.
- **Transaction Number:** Validates transaction number is valid and available in the respective OU, it's applicable for both transaction and CM.
- GL Date: Validates whether provided transaction is exists with valid GL date for both transaction and CM. Application date would be in current month open period.
- **Applied Amount:** Validates the applied amount that it should not exceeds the credit memo or transaction amount. If amount is zero, system should not consider for application.

These all are the required validation to process the data. Register the program in sysadmin responsibility. Add the program in request group to access for the users to load the file into FTP and validation in staging table

> Application Program:

Develop an application program to apply the credit memos against transactions. It can be applied in FIFO method or transaction and credit memo numbers can be provided in loader file itself.

It's a FIFO method, credit memo numbers are provided in loaded file. Program selects the credit memo and will search for oldest transaction which is having remaining balances and selects for application. Application will be done. Apply date would be current month and subsequently selects other transactions.

In another method, where user fill the data of transactions and credit memos to apply. So, while preparing the file itself, user will provide credit memo and respective transaction number, hence program considers the data source as per loader file to apply transactions. There are other validations are also in place to validate the data. As per business scenario's second method would be suitable. User can extract the report and prepare the data by updating transaction details, CM and other details etc. On average there are around 500+ credit memos being created in one month for India entity alone.

Once the application program is developed, register the same and add it in request group in respective responsibilities to access for the users (Fig.3).

(Attached sample window to refer column details...)

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		Customer Name	SOLIDUS HI	FECH PRODUCT I	PRI	Unapplied	1	99.99		
Customer Number		104257								
		Location	South Bangalo	ore						
		Amount	INR	(21,114.	35)					
			Exchange Gain/L				ss 0.00			
licatio	ns —									X
oly <mark>S</mark>	aved	Apply To	Installment	Apply Date	Amount Applied	Discount	Balance Due	Customer I	GL Date	Reversal
	×	61046075	1	26-NOV-2021	305.54		0.00	104257	26-NOV-2021	
	×	61046087	1	26-NOV-2021	285.82		0.00	104257	26-NOV-2021	
	×	61046101	1	26-NOV-2021	268.34		0.00	104257	26-NOV-2021	
	×	61046102	1	26-NOV-2021	547.01		0.00	104257	26-NOV-2021	
	×	61046114	1	26-NOV-2021	405.11		0.00	104257	26-NOV-2021	
	×	61046128	1	26-NOV-2021	256.40		0.00	104257	26-NOV-2021	
	×	61046144	1	26-NOV-2021	259.20		0.00	104257	26-NOV-2021	
		61046153	1	26-NOV-2021	416.42		0.00	104257	26-NOV-2021	
		61046154	1	26-NOV-2021	165.24		0.00	104257	26-NOV-2021	
		61046178	1	26-NOV-2021	413.95		0.00	104257	26-NOV-2021	
	×	61046183	1	26-NOV-2021	559.33		0.00	104257	26-NOV-2021	
		14976		03-NOV-2022	100.00		10,062.00		01-SEP-2022	1

Fig. 3: Application Window

IV. OUTCOME

After submitting the programs loader program and application program, system does the application automatically without having manual intervention (Fig.4)

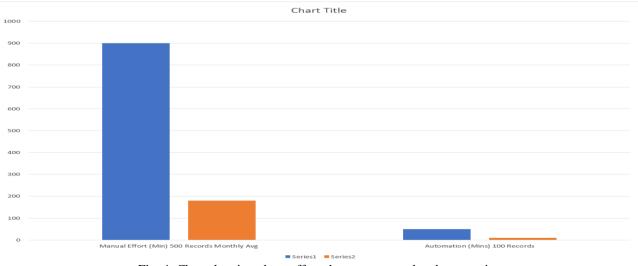


Fig. 4: Chart showing about efforts between manual and automation

V. CONCLUSION

- **Benefit:** As discussed with business, approx. 100 CMs to apply against transactions it will take around 3-4 hours. In a moth there will be 500+ CM's so overall time taken in a month to perform this activity manually around 15-20 hours If we use the program, system will take 10-15 mins approximately for 100 CM's, likewise the program can be used at global level i.e., all other entities also can use it and impact will be high. Especially during month end times helps a lot for effective closure.
- User Errors: We can reduce human error since program does the activity
- **Productivity:** User productivity will be increased, so that user can focus on other activities

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