Oracle End-State (OES) Cash Management Classroom Training

Release 12.2.7

PROPRIETARY & CONFIDENTIAL 4-9-18

Agenda

- Training Objectives
- What's Changing
- Cash Management: Overview
- Lesson 1: Setup Bank Accounts
- Lesson 2: Bank Account Reconciliation

Objectives

After successful completion of this course, you will be able to:

- Setup bank accounts
- Reconcile bank accounts

Agenda

- Training Objectives
- What's Changing
- Cash Management: Overview
- Lesson 1: Setup Bank Accounts
- Lesson 2: Bank Account Reconciliation

What's changing – **Cash Management**?

	What is Changing	What it Means
LCHC	• Bank reconciliations will happen for both AP and AR, and also for journals • No historical conversion for cash management • Activation of treasury functionality • Automated bank statements from JPNC and HSBC banks	• Use new Oracle for all cash management and treasury activity • Better working capital management and cash position • Automated cash forecasting eliminates manual excel tracking
LMTS	• Bank interfaces are deferred to Phase 1b • Reconciliation of payments in Oracle of indirect invoices	• Business as usual in SAP for AR receipt reconciliation

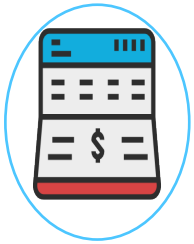
Agenda

- Training Objectives
- What's Changing
- Cash Management: Overview
- Lesson 1: Setup Bank Accounts
- Lesson 2: Bank Account Reconciliation
- Summary
- Course Assessment

Cash Management: Overview

An open integrated solution for managing an organization's cash cycle

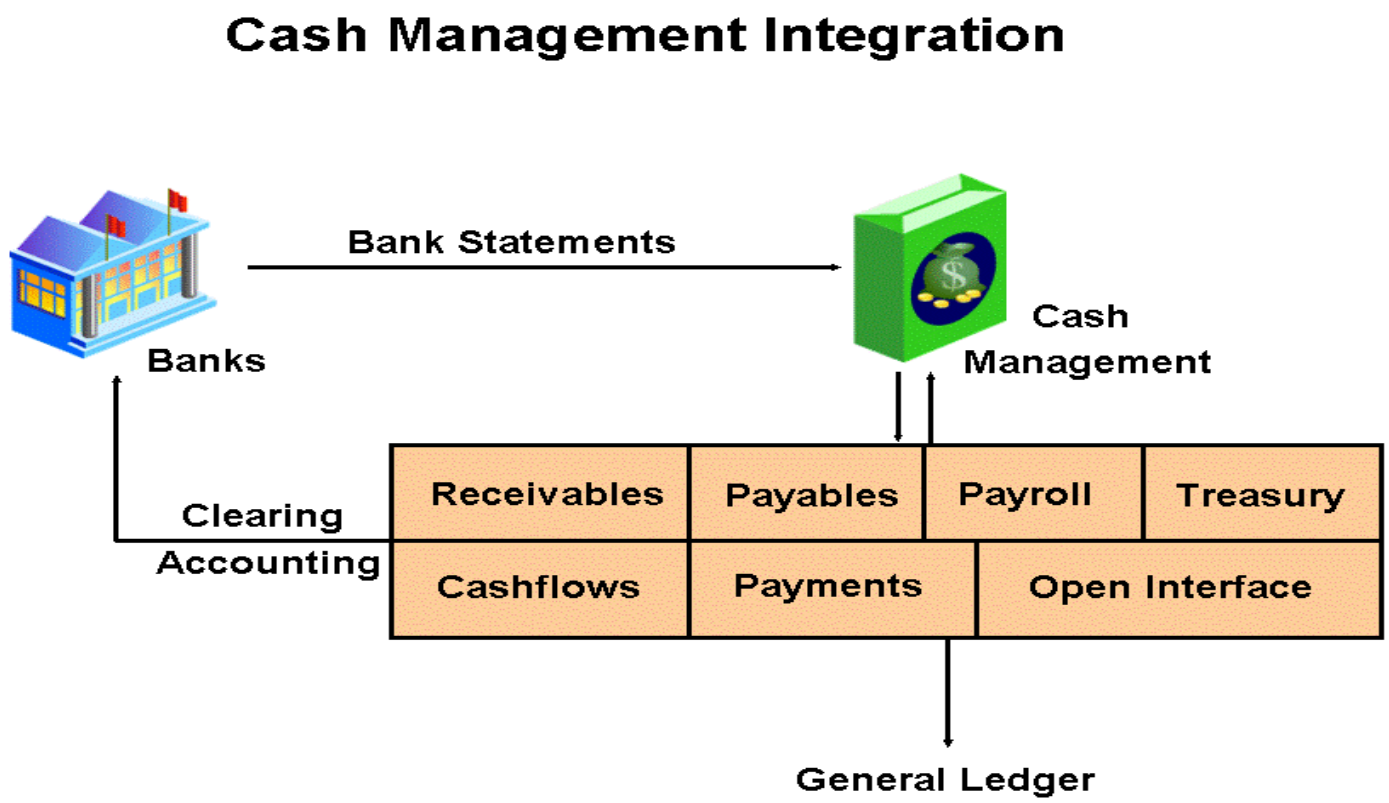
Oracle Cash Management's open interfaces allow company to easily integrate with external systems, giving timely access to global cash information



Automatically or manually records and reconciles bank statements, matching against system transactions using rules and tolerance levels

Automatically reconciles, correcting statement lines against error statement lines and provide an audit trail for verifying correction of bank errors

Cash Management Integration



Agenda

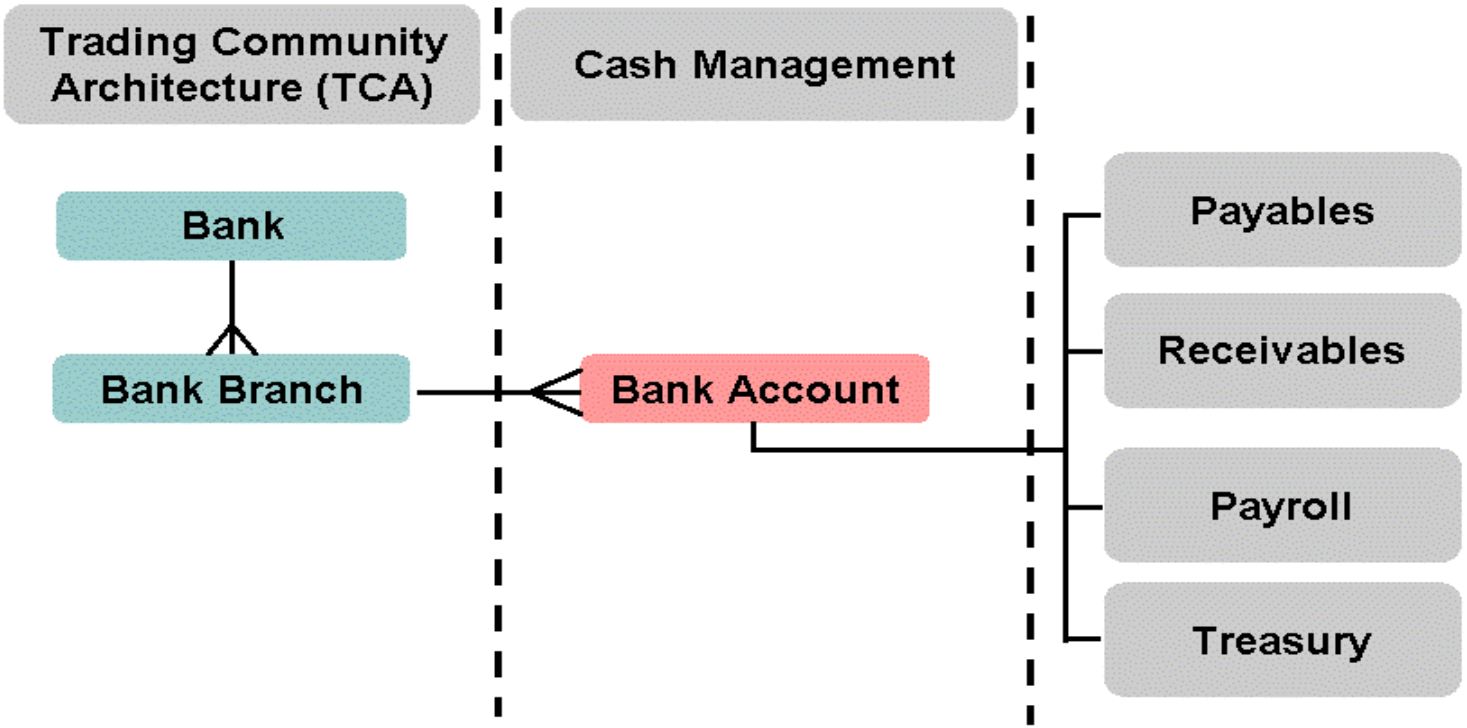
- Training Objectives
- What's Changing
- Cash Management: Overview
- Lesson 1: Setup Bank Accounts
- Lesson 2: Bank Account Reconciliation

Lesson 1

In Lesson 1, we learned how to:

- Define banks
- Define bank branches
- Create bank accounts
- Create descriptive flexfield
- Manage cash management security wizard
- Define bank transaction codes
- Define bank account signing authorities

Bank Account Model: Overview



Bank Account Model: Setup

To set up Bank Account model:

- Define banks in Oracle Cash Management
- Define bank branches in Oracle Cash Management
- If the bank account is used in Oracle Treasury as a company bank account, switch to that application, define bank counterparties and link them to bank branches that is created. If the bank account is not used in Oracle Treasury, skip this step and proceed straight to the bank account definition.
- Then, create the bank accounts in Oracle Cash Management
- If the bank account is not used in Payroll, then the setup process is complete. If the bank account is used in Payroll, switch to that application and add Payroll properties.

Key Things to Know for CHC Bank Account Setup

- Certain roles in Payables, Receivables, Cash Management and Treasury need to understand the data requirements for setting up accounts in Cash Management – in order to understand the downstream impact on the other Finance activities
- The Treasury team will be concerned with the actual balances in the bank accounts
- The team responsible for opening bank accounts in Oracle will be determined
- Once a bank account is set up in the system, it will NEVER be deleted, even if it's closed – the end date is what "closes" the account
- On Treasury side – all transactions will be available in the Oracle Treasure module

Defining banks

- The first step in the bank account creation is the bank definition
- The bank definition page allows to search for existing banks, view and update them or create new banks
- To define a bank, the following details must be provided:
  - Bank information
  - Bank addresses
  - Contact information

Agenda

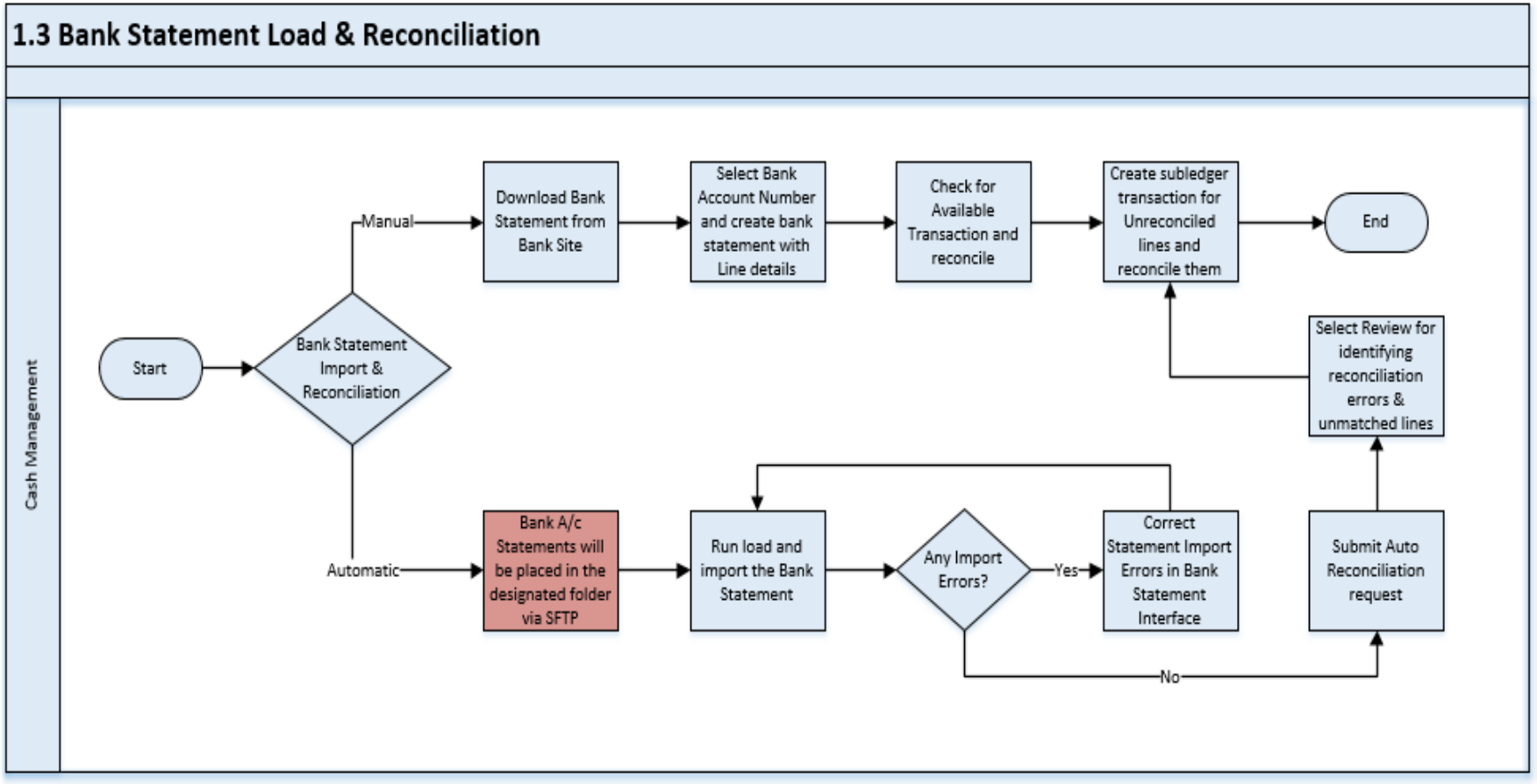
- Training Objectives
- What's Changing
- Cash Management: Overview
- Lesson 1: Setup Bank Accounts
- Lesson 2: Bank Account Reconciliation

Overview

What is bank account reconciliation?

- Bank account reconciliation is the process of matching the balances in the entity's accounting records for a cash account to the corresponding information on a bank statement
- A bank reconciliation should be completed at regular intervals for all bank accounts, to ensure that a company's cash records are correct
- Cash Management provides two methods of reconciliation:

Bank Account Reconciliation: Process Flow



Importing a Bank Statement File

- When the electronic bank statements are loaded into the Bank Statement Open Interface tables, the bank statement information must be imported into the Cash Management Bank Statement tables before the statement detail lines can be reconciled

- Oracle Cash Management's Bank Statement Import program validates the information in the Bank Statement Open Interface tables and imports the validated bank statement information
- Additionally, the Bank Statement Import program can launch the AutoReconciliation program to perform an automatic reconciliation after the import process completes

Automatically Reconcile to an Imported Bank Statement

The Bank Statement Import and AutoReconciliation program is used to import and reconcile a bank statement in the same run in Oracle Cash Management

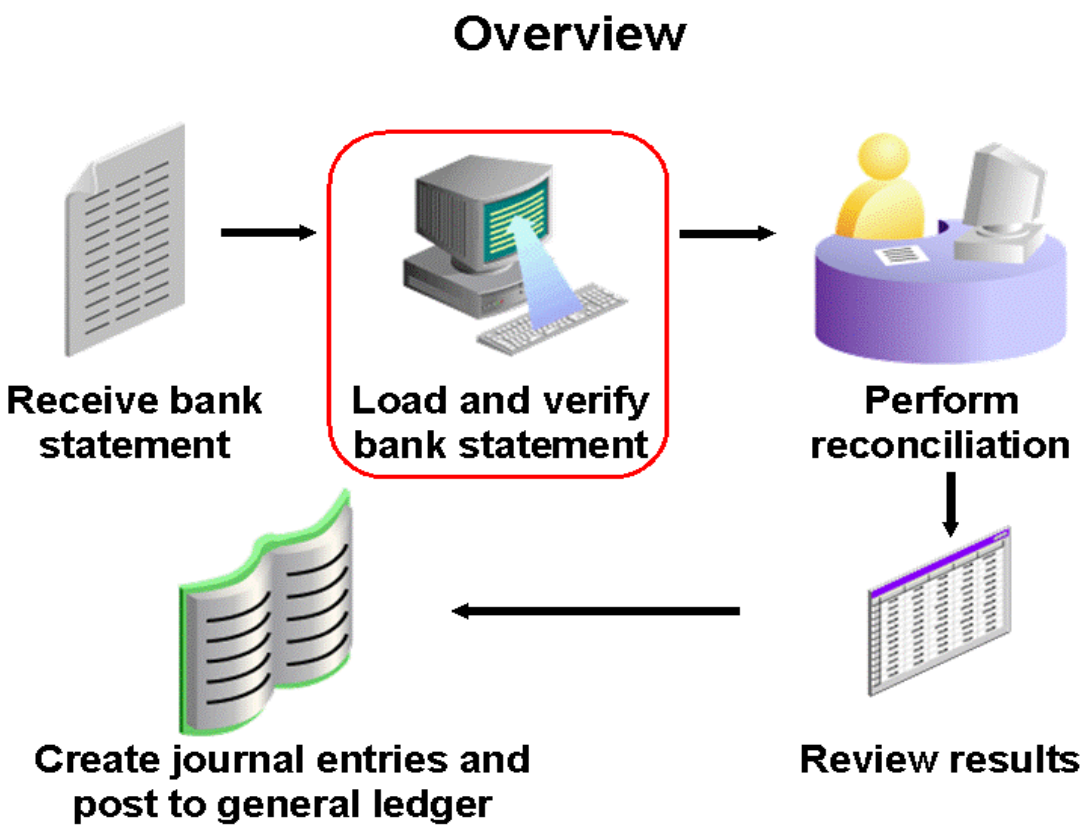
In this program, the imported bank statement details are automatically matched and reconciled with the system transactions

This method is ideally suited for bank accounts that have a high volume of transactions

Manual Reconciliation of Remaining Statement Lines

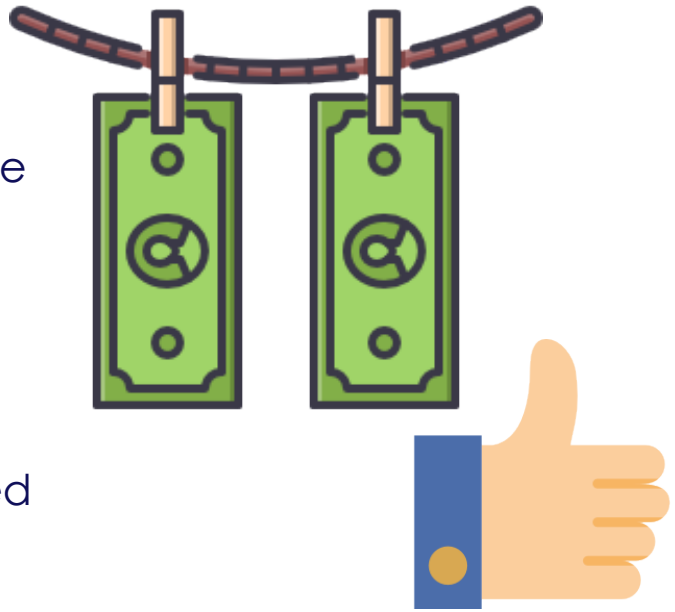
- Manual reconciliation method requires the user to manually match bank statement details, whether imported or entered manually, with system transactions
- The method is ideally suited to reconcile bank accounts that have a small volume of monthly transactions
- As a statement is manually reconciled, the user may need to create transactions to account for differences between the sum of the reconciled transaction and the line amount

Reconciling Journal Entries: Overview



Reconciling Payments

- With Oracle Cash Management, payments created can be reconciled in Payables to the bank statements
- When the payments are reconciled using Oracle Cash Management, Cash Management:
  - Updates the status of payments to Reconciled
  - Undoes the reconciled status of a reconciled payment
  - Undoes the cleared status of a cleared payment



Reconciling Receipts

- Oracle Cash Management enables to reconcile receipts entered with Receivables against the bank statements
- When receipts are reconciled with Cash Management, it automatically creates accounting entries to the Cash, Remittance, Short-term Debts, and Interest Earned accounts, as applicable to the reconciliation transaction
- Cash Management uses the accounts defined in the Banks window and the Receipt Classes window (Payment Methods region) in Receivables

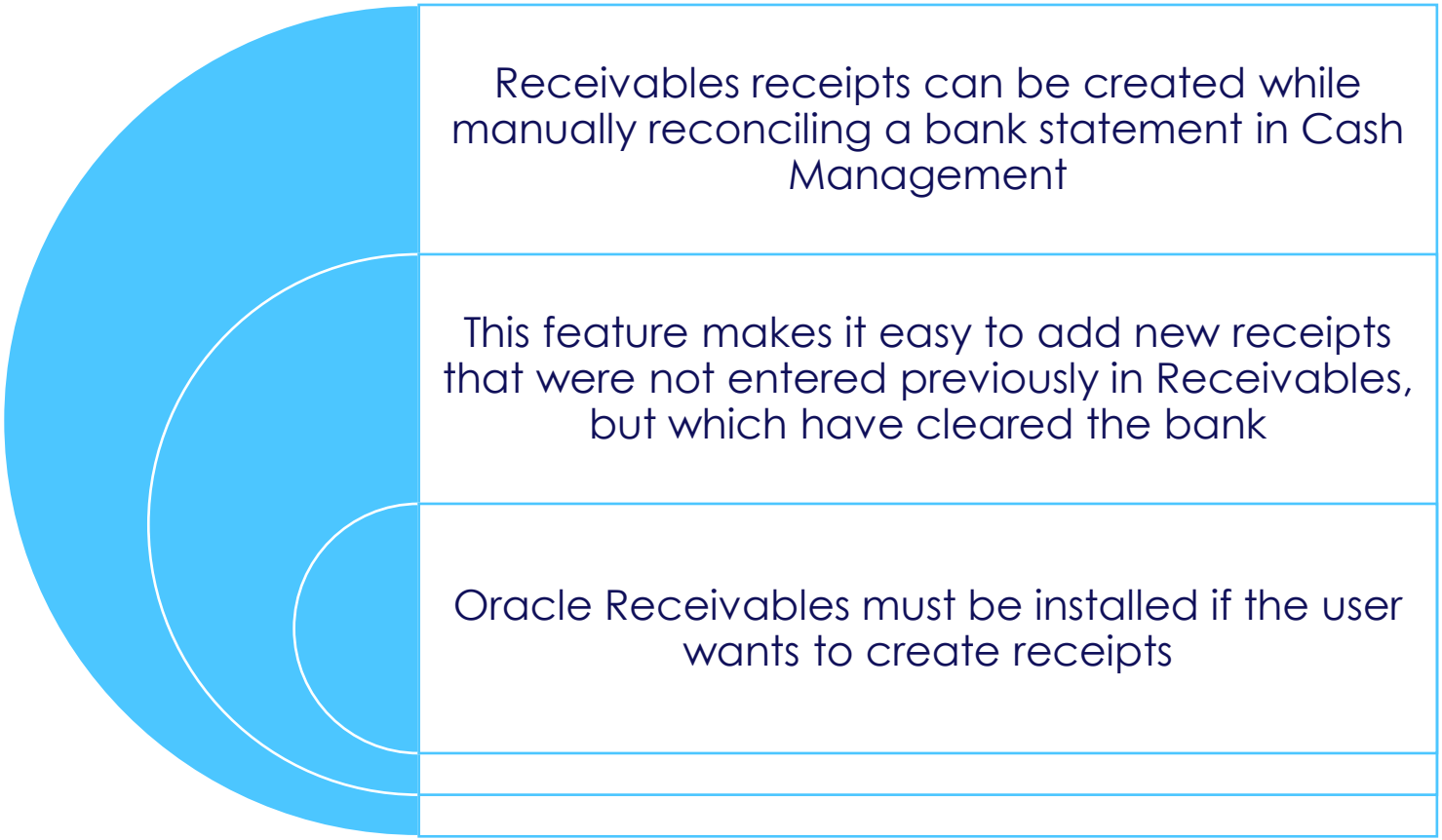
Reconciling Other Transactions

- In order to reconcile transactions a user must have the transaction's organization defined in MOAC, Payroll, Treasury or Bank Account Use security
- Before transactions can be reconciled against a bank statement, the bank statement information needs to be entered into Oracle Cash Management
- This task can be accomplished by doing one of the following:
  - Using the Bank Statement Loader program
  - Using a custom loader program
  - Manually entering the information

Creating Miscellaneous Transaction

- Miscellaneous transactions are created to reflect banking activity, such as bank charges
- Receivables activities and payment methods have to be defined for miscellaneous transactions

Creating Receipt



Creating Payment

Payables payments can be created while manually reconciling a bank statement in Cash Management

This feature makes it easy to add new payments that were not entered previously in Payables, but which have cleared the bank

Oracle Payables must be installed if the user wants to create payments

Posting To General Ledger

- The accounting transactions created during reconciliation for Payables and Receivables need to be transferred to the General Ledger interface tables
- Since the accounting transactions cannot be transferred directly from Cash Management, they have to be transferred from Payables and/or Receivables, depending on the transaction type

Summary

Summary

You have completed the course on Accounts Payable. In this course you have learned to:

- Setup bank accounts
- Reconcile bank accounts