

USER GUIDE

LOANS PAYABLE PROCESS

Direc Business Technologies Inc.

11/09/2021

Revision History

Version	Author(s)	Description of Version	Date Completed
1.0	Arianne Velasco	Initialization	11/09/2021

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1.1.1 Create

1.1.0 Loan Payable

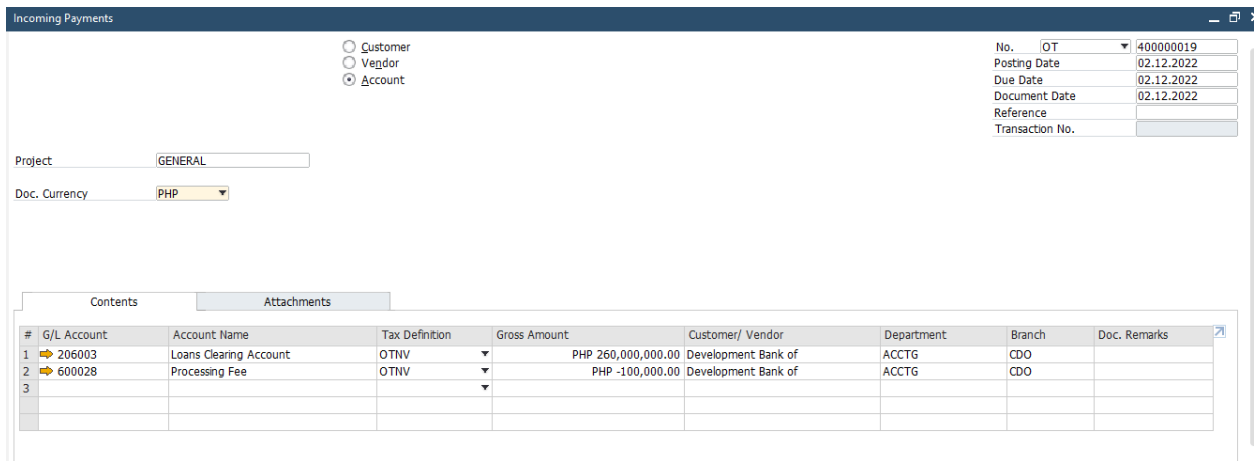
This process pertains to the process of loans from receiving of the loan proceeds to the payment thereof. This process also applies to recording of Notes Payable.

1.1.1 Create Incoming Payment to receive loan proceeds

PIC: Accounting

Software: SAP

Path: Banking > Incoming Payments > Incoming Payments

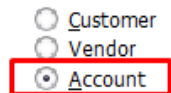


The screenshot shows the SAP 'Incoming Payments' window. At the top, there are radio buttons for 'Customer', 'Vendor', and 'Account', with 'Account' selected. To the right, there are fields for 'No.' (OT), 'Posting Date' (02.12.2022), 'Due Date' (02.12.2022), 'Document Date' (02.12.2022), 'Reference', and 'Transaction No.'. Below these, there is a 'Project' field set to 'GENERAL' and a 'Doc. Currency' dropdown set to 'PHP'. The main area contains a table with columns: #, G/L Account, Account Name, Tax Definition, Gross Amount, Customer/ Vendor, Department, Branch, and Doc. Remarks. The table has three rows of data.

#	G/L Account	Account Name	Tax Definition	Gross Amount	Customer/ Vendor	Department	Branch	Doc. Remarks
1	206003	Loans Clearing Account	OTNV	PHP 260,000,000.00	Development Bank of	ACCTG	CDO	
2	600028	Processing Fee	OTNV	PHP -100,000.00	Development Bank of	ACCTG	CDO	
3								

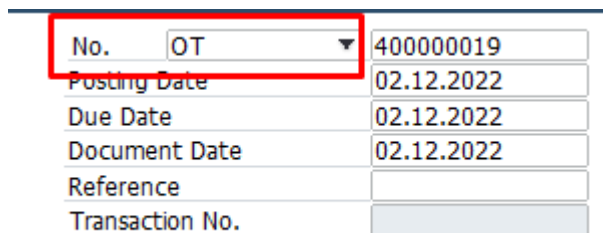
Create an incoming payment transaction to record received loan proceeds.

1. Tick 'Account'. This will change the interface similar to a Journal Entry module interface.



The screenshot shows three radio buttons: 'Customer', 'Vendor', and 'Account'. The 'Account' radio button is selected and highlighted with a red rectangle.

2. Select 'OT' on series. This will automate the document number.




The screenshot shows a form with a 'No.' dropdown menu set to 'OT' and a text field containing '400000019'. Below these are fields for 'Posting Date', 'Due Date', 'Document Date', 'Reference', and 'Transaction No.', all with default values or empty fields.

3. Posting Date, Due Date and Document Date – these are by default the system date (today date). The posting date will be the journal entry posting date.
4. Project – select 'GENERAL' unless this loan is for a specific project, if yes, then select project code.

Contents		Attachments						
#	G/L Account	Account Name	Tax Definition	Gross Amount	Customer/ Vendor	Department	Branch	Doc. Remarks
1	206003	Loans Clearing Account	OTNV	PHP 260,000,000.00	Development Bank of	ACCTG	CDO	
2	600028	Processing Fee	OTNV	PHP -100,000.00	Development Bank of	ACCTG	CDO	
3								

Under the 'Contents' tab,

- G/L Account and Account Name** – press tab or click the hamburger button to select G/L Account to record the loan proceeds. For this document, record Loans Clearing Account first as this will be reversed on the A/P Invoice document to record the Loans Payable. For the loan processing fees and other fees, add these on the next rows.
- Tax Definition** – enter output VAT code.
- Gross Amount** – enter gross amount of loan. For the loan processing fees and other fees, enter amount as a negative amount since these are deduction to the loan.
- Customer/Vendor** – press tab or click the magnifying glass icon to select the lender.
- Department and Branch** – press tab or click the hamburger button to select/
- Doc Remarks** – enter if there is any.

Net Total	PHP 259,900,000.00
Total Tax	
Total Amount Due	PHP 259,900,000.00 

In the footer part of the document, this will show the net amount of loan proceeds. To enter the manner of payment or receiving of the loans, click the **Payment Means** icon. This will open the Payment means window.

Payment Means

Currency

PHP

Check

Bank Transfer

Credit Card

Cash

G/L Account

100201

Checks on Hand

☐ Search by Bank Code

#	Due Date	Amount	Country	Bank Name	Check No.
1	02.12.2022	259,900,000.00	Philippines	Developer	9999
2	03.12.2022		Philippines	Developer	10000
		259,900,000.00			

Overall Amount

PHP 259,900,000.00

Balance Due

OK

Cancel

Paid

259,900,000.00

If loan payment is received thru Check, input check date, amount and select Country and Bank, then enter the Check number.

Once all checks are inputted, select 'OK.'

Review the Incoming Payment document then click 'Add'.

Journal Entry posted will be:

Contents

Attachments

Expand Editing Mode

#	G/L Acct/BP Code	G/L Acct/BP Name	Control Acct	Debit	Credit
1	➡ 100201	Checks on Hand	➡ 100201	PHP 259,900,000.00	
2	➡ 206003	Loans Clearing Account	➡ 206003		PHP 260,000,000.00
3	➡ 20340	Output tax- Others	➡ 20340		PHP 0.00
4	➡ 600028	Miscellaneous Expense	➡ 600028		PHP -100,000.00
5	➡ 20340	Output tax- Others	➡ 20340		PHP 0.00

1.1.2 Create A/P Invoice to record Loans Payable

PIC: Accounting

Software: SAP

Path: Purchasing A/P > A/ Invoice

A/P Invoice			
Vendor	➡ OT-00043	No.	PO 200000001
Name	Development Bank of the Philip	Status	Open
Contact Person	➡ -	Posting Date	02.12.2022
Vendor Ref. No.		Due Date	02.12.2028
BP Currency	PHP	Document Date	02.12.2022
Project	GENERAL	Payment Terms	➡ Check

Header

- Vendor** – press tab or click the hamburger button to enter the lending bank. This will automate the Name and Contact Person, if there is any.
- No.** – select 'PO'. This will automate the document number.
- Status** - Document status. The following are the usual document statuses:
 - Open – no or the items listed have been linked partially to a Purchase Order.
 - Closed – all items are linked to a Purchase Order.
 - Cancelled – PR is cancelled.
- Posting Date** - The date on which the journal entry will be posted to SAP.
- Due date** – enter the final due date of the loan.

6. Document Date - The same with posting date.

Under the 'Contents' tab, enter the following loan details:

Contents		Logistics	Accounting	Electronic Documents	Attachments
Item/Service Type	Service	Summary Type		No Summary	
# 01 Description	02a TransType	02b G/L Account	03 G/L Account Name	04 Tax Code	
1 Loan Payable PN#2021-214	Loans Payable	➔ 206003	Loans Clearing Account	ITNV	
2				IT1	

1. Description – enter description of the loan.
2. TransType – click the magnifying glass to select Expense Type, then select Loans Payable. This will automate the G/L Account to **Loans Clearing Account**. This is to reverse the Loans Clearing account recorded in the incoming payment.
3. Tax Code – select tax code.

Contents		Logistics	Accounting	Electronic Documents	Attachments
Item/Service Type	Service	Summary Type		No Summary	
06b Vat ex amount	06b Vat inc amount	07 Gross Total (LC)	08a Branch	08b Department	09 Project
PHP 260,000,000.00	PHP 260,000,000.0000	PHP 260,000,000.00	➔ CDO	➔ ACCTG	GENERAL

4. VAT-ex amount or VAT-inc amount – enter either VAT-exclusive or VAT-inclusive amount, it will automate the other.
5. Branch, Department and Project – press tab or click the hamburger button to select.

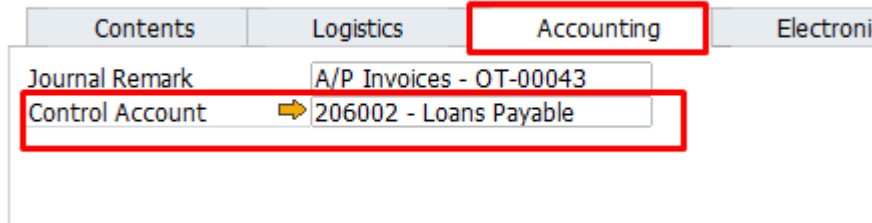
In the User-Defined Window (Ctrl + Shift + U), select the 'A/P' category and input the following details:

A/P	
Transaction Type	Loans
Prepared By	
Approved By	
Loan Type	Term Loan
PN No.	
Effective Interest Rate	0.0000
Nominal Interest Rate	0.0000

5. PN No. – enter promissory note number.
6. Effective and Interest Rate – enter interest rates.

1. Transaction Type – select 'Loans'.
2. Prepared By – enter name of preparer.
3. Approved By – enter name of approver.
4. Loan Type – select Loan type.

Under the Accounting tab, select **Loans Payable** as **Control Account**.



Review the document then click 'Add.'

Journal Entry posted will be:

Contents

Attachments

► Expand Editing Mode

#	G/L Acct/BP Code	G/L Acct/BP Name	Control Acct	Debit	Credit
1	➡ OT-00043	Development Bank of the Philippines	➡ 206002		PHP 260,000,000.00
2	➡ 107101	Input Tax	➡ 107101	PHP 0.00	
3	➡ 206003	Loans Clearing Account	➡ 206003	PHP 260,000,000.00	

1.1.3 Record Loan in the Loan Portfolio Monitoring

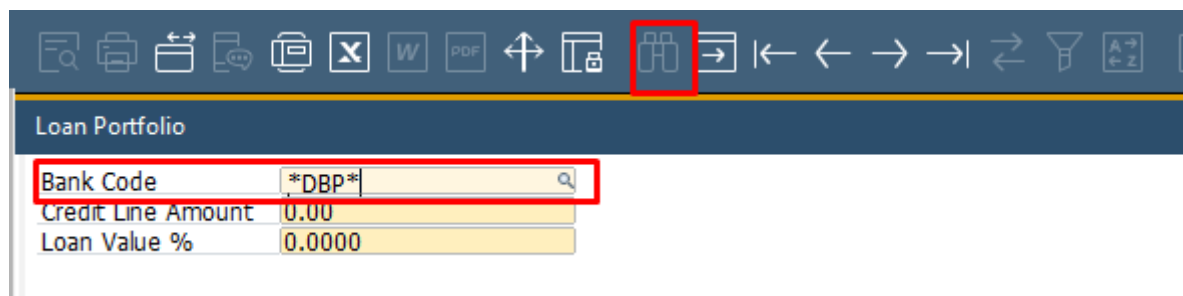
PIC: Accounting

Software: SAP

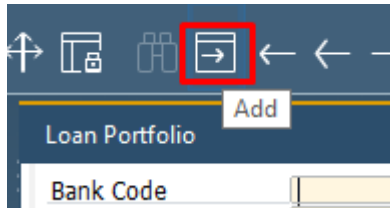
Path: Banking > Loan Portfolio

This module is for Loan monitoring purposes and the basis for Loan Portfolio report.

Once the Loan Portfolio module is opened, click the Find icon and search if a loan portfolio of a certain bank already exists.



If none, click the Add icon and enter the following details:



Header

Loan Portfolio	
Bank Code	DBP
Credit Line Amount	260,000,000.00
Loan Value %	30.0000
Bank Name	Development Bank of the
Credit Line Available	260,000,000.00

1. Bank Code – click the magnifying glass button and select Bank. This will automate the Bank Name field.
2. Credit Line Amount – enter total credit line amount.
3. Credit Line Available – this is calculated based on the Credit Line amount and the total Availment amount of the credit line listed in the rows.
4. Loan Value% - enter Loan Value %.

Rows

#	Credit Line	AP No.	PN #	Loan Type	Availment	Availment Date	Maturity Date	Terms (mont...
	DBP2	200000001	2021-214	Long Term Loan ▼	260,000,000.00	02.12.2022	02.12.2028	96

1. Credit Line – enter credit line name.
2. AP No. – enter the document number of the A/P invoice created in 1.1.2. This will serve as the connection of Loan Portfolio and Loan Amortization module.
3. PN# - enter promissory note number.
4. Loan Type – select Loan type.
5. Availment – enter total loan availment loan type.
6. Availment Date – enter loan availment date.
7. Maturity Date – enter maturity date.
8. Terms (months) – enter terms in months.

#	Effective Interes...	Nominal Interest ...	Interest Repricing	Next Repricing	Amortization Date	BalanceDue	With Collateral	Rem...
	6.0000	0.0000	floater		5	260,000,000.00	No	

9. Effective Interest Rate – enter effective interest rate.
10. Nominal Interest Rate – enter nominal interest rate.
11. Interest Repricing – enter interest repricing type.
12. Next Repricing – enter next repricing date.
13. Amortization Date – enter the day of the month where the monthly loan amortization will be due.
14. Balance Due – enter balance due.
15. With Collateral – select if Yes or No.
16. Remarks – enter remarks, if there are any.

Note that data here are to be inputted manually since this document also serves as a check and balance from the transactions made related to the A/P invoice created.

To add another line item, right click on the '#' column and click 'Add Row.'

#	Effective Interes...	Nominal Interest ...	Interest Repricing	Next Repricing	Amortization Date	BalanceDue	With Collateral	Rem...
	6.0000	0.0000	floater		5	260,000,000.00	No	

Review document and click 'Add' or 'Update.'

1.1.4 Set up amortization schedule in the Loan Amortization module.

PIC: Accounting

Software: SAP

Path: Banking > Loan Amortization

The Loan amortization module will be the basis of the Payment schedule report.

To set up loan amortization, enter first the AP No. of the loan. This will automate Bank code, Bank Name, Availment Date, Maturity Date Terms, and PN number from the Loan Portfolio.

LOANAMORT	
DocEntry	
Remark	
Bank Code	DBP
REF No.	
Maturity Date	02.12.2028
Current Interest Rate	0.0000
GRT %	0.0000
DocNum	200000001
Bank Name	Development Bank of the
Availment Date	02.12.2022
Term (Months)	96
CWT %	0.0000
PN Number	2021-214

Enter then other details such as Reference no., current interest rate, CWT% and GRT%.

#	Principal Balance	Date Due	Date of Last Pay...	Interest Rate	Interest Due	CWT	GRT	Principal Due	Total Due
	260,000,000.00	08.05.2022	05.05.2022	6.0000	3,986,666.67	79,733.33	39,866.67	0.00	3,946,800.01
	260,000,000.00	11.05.2022	08.05.2022	6.0000	3,986,666.67	79,733.33	39,866.67	0.00	3,946,800.01
	260,000,000.00	02.05.2023	11.05.2022	6.0000	3,986,666.67	79,733.33	39,866.67	0.00	3,946,800.01
	260,000,000.00	05.05.2023	02.05.2023	6.0000	3,856,666.67	77,133.33	38,566.67	0.00	3,818,100.01

In the rows, enter the monthly amortization details. Automations are available on the following fields:

1. Interest Due
2. CWT
3. GRT
4. Total Due

To add or remove rows, right click on the # column and click Add Line or Remove Line.

#	Principal Balance	Date of Last Payment	Date
	260,000,000.00	05.05.2022	08.0
	260,000,000.00	08.05.2022	11.0
		.2022	02.0
		.2023	05.0
		.2023	08.0
		.2023	11.0
		.2024	05.0

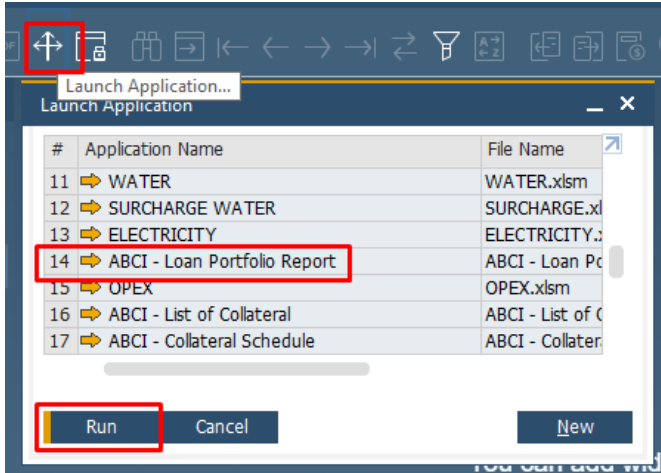
Once amortization schedule set up is complete, click 'Add.'

1.1.5 Generation of Loan Portfolio Report

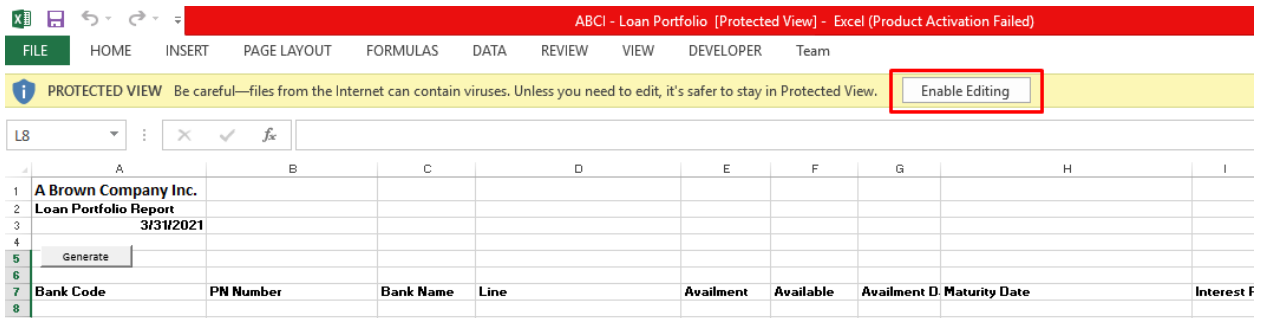
PIC: Accounting

Software: SAP

Path: Launch Application > ABCI – Loan Portfolio Report

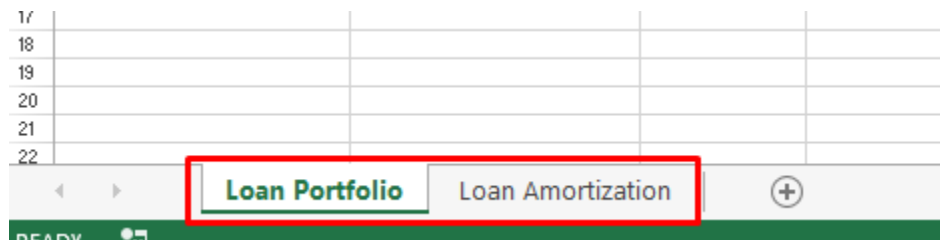


Upon opening the report, make sure to click the 'Enable Editing' and 'Enable Content' on the excel file.



There are two reports in this excel file separated in two sheets, which are:

1. Loan Portfolio report – which is a monitoring summary of the loans based on Loan portfolio module, and;
2. Loan Amortization – which is the monthly payment schedule report based on the Loan Amortization module.



Loan Portfolio Report

Click the 'Generate' button and enter the parameter date of the report and click 'OK.'

A Brown Company Inc.
Loan Portfolio Report
3/31/2021

Generate

Bank Code

Generate

As Of:
YYYY/MM/DD

OK Cancel

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Sample portfolio report:

Bank Code	PN Number	Bank Name	Line	Availment	Available	Availment D	Maturity Date	Interest Rate %	Current Interest	Payment for the month	Payment as of date	Outstanding Balance
DBP	2021-214	Development Bar	280,000,000.00	280,000,000.00	0.00	2/12/2022	2/12/2028	6	6			280,000,000.00

Loan Amortization Report

Click the 'Generate' button and select the parameter date of the report and click 'OK.'

Month: JUNE
Year: 2021

Generate

Bank Code
UBP

Generate

Month: FEBRUARY
Year: 2022

OK Cancel

Sample portfolio report:

1.1.6 Recording of Interest Payable and Interest Expense

PIC: Accounting

Software: SAP

Path: Financials > Recurring Postings

Set-up a recurring journal entry template to record the interest payable, expense and taxes.

Recurring Postings

Code	Instance	Description		
DBP2	0	DBP2 - Interest		
Ref. 1	Ref. 2	Ref. 3	Trans. Code	Remarks
			INT	Interest Expense
<input type="checkbox"/> Automatic Tax		<input type="checkbox"/> Manage Deferred Tax		

1. Code – enter the credit line name for reference.
2. Instance – upon creation of a recurring posting template, this will always be zero. When the template is due for posting and is executed, this will add up by 1.
3. Description – enter a short description of the journal entry.
4. Trans code – select 'INT.'
5. Remarks – this is automated based on transcode. You may revise, such as additional date info, if preferred.

G/L Acct/BP Code	G/L Account/BP Name	Control Account	Debit	Credit
601001	Interest Expense-Banks	601001	PHP 3,986,666.67	
OT-00043	Development Bank of the Philippines	200003		PHP 3,906,933.33
202016	EWT-(WC160 2%- Supplier Services-Corp)	202016		PHP 79,733.34
Total:			PHP 3,986,666.67	PHP 3,986,666.67
To Balance:				

Frequency	Quarterly	<input checked="" type="checkbox"/> Valid Until
Next Execution	02.12.2022	

Enter the G/L accounts of the Interest Expense and CWT and their corresponding debit/credit amount. To choose G/L accounts, press tab on the G/L Acct/BP code field or click on the hamburger button.

For the interest payable, press Ctrl + tab on the G/L Acct/BP code field so the list of business partners will be shown instead of list of G/L accounts. Select the bank and make sure to check on the Control Account field if it is the correct payable account.

Enter Frequency of the recurring posting template and enter the next execution date. You may also opt to add a validity date on this template.

Click Add when done.

Upon the execution date entered in the template, the recurring posting window will pop up.

Confirmation of Recurring Postings

The postings listed below should be executed today

Deselect rows you do not want to execute

The date of the recurring postings transaction will be:

☒ Current System Date
 ☐ Recurring Postings Date

#	Posting No.	Description	Date	Value	Instance
1	➡ DBP2	DBP2 - Interest	02.12.2022	PHP 3,986,666.67	1
2	➡ RPT2021	Amortization of RPT for th	02.12.2022	PHP 100,000.00	2
3	➡ CAT01	Backhoe Excavator	02.12.2022	PHP 170,666.66	1
4	➡ RPT2021	Amortization of RPT for th	02.12.2022	PHP 100,000.00	1
Total				PHP 3,986,666.67	

Number of Postings to be Executed

1

Execute

Cancel

Remove

You may edit the journal entry details by clicking the Yellow Arrow button besides the Posting No. column.

Once all is set, click **'Execute.'**

1.1.7 Payment of Principal and Interest Due

PIC: Accounting

Software: SAP

Path: Banking > Outgoing Payments > Outgoing Payments

For a comprehensive guide on how to create outgoing payments, go to *'ABCI – SAP User Manual – Outgoing Payments.'*