

1. Definition of Conversion Rate Variance Gain or Loss:

This is the difference in tax amount between the purchase order and the invoice due to exchange rate changes. This amount is posted to the **exchange rate variance gain** or loss account. The account is the same as the one used for accounting for the variance with the item line.

2. Definition of Prepayment :

A prepayment is a type of invoice you enter to pay an advance payment for to a supplier or employee. For example, you may need to pay a deposit on a lease, or you may need to pay an employee an advance for travel expenses. You can later apply the prepayment to one or more invoices or expense reports you receive from the supplier or employee to offset the amount paid to them.

You can enter either a Temporary or a Permanent type prepayment. Temporary prepayments can be applied to invoices or expense reports you receive. For example, you use a Temporary prepayment to pay a hotel a catering deposit. When the hotel's invoice arrives, apply the prepayment to the invoice to reduce the amount you pay. Permanent prepayments cannot be applied to invoices. For example, you use a Permanent prepayment to pay a lease deposit for which you do not expect to be invoiced.

If you want to apply a prepayment to one or more invoices or expense reports, you must first approve and pay the prepayment. You control when a prepayment is available by the Settlement Date you enter and by optionally applying a hold to the prepayment.

3. Definition of Bill payables :

Bills payables are **physical records of an enterprise's financial obligations**. These business liability documents show the amount an organization owes for credit purchases of products and services. Bills payable books can also include service invoices, utility bills, and phone bills.

Since bill payables cover both long-term bank loans and short-term expenses, it's also known as notes payables and trade payables.

Examples of Bays Payable

- Utility bills
- Rent payments
- Business loans
- Raw material bills
- Contractor invoices
- Unpaid supplier invoices

4. Definition of Discount Taken:

Discount Taken. Amount of discount you have taken on an invoice.

Payables uses payment terms you assign to an invoice to pay invoices at a discounted rate. You define discount payment terms in the Payment Terms window. You can define discount payment terms that have Payables vary the discount amount depending on how old the invoice is. You also define the payment terms to pay the full invoice amount if you have missed the discount date. For example, you can define payment terms to take a 10 percent discount if the invoice is paid within 5 days of the Terms Date, or a 5 percent discount if the invoice is paid within 10 days. If the invoice is over 10 days old, Payables pays the full invoice amount on the due date you specify.

5. Definition of Freight and miscellaneous:

- With appropriate Landed Cost Management Setup, you can use allocations to associate a freight or miscellaneous charge on an invoice with the cost of the items on the invoice. When you allocate freight or miscellaneous charges, distributions can be created with the same distribution combinations as the item lines that you allocated them to.
- Allocation information is used to record the full cost of an item if you use periodic costing in Oracle Fusion Cost Management.
- You can allocate a freight or miscellaneous charge line to all item lines on an invoice or to specific item lines.

6. Definition of Payment Tax difference:

The **difference in the tax amount between the prepayment and the invoice is posted to the tax difference account.** Depending on the

amount change, positive or negative, the amount is either credited or debited to this account. If the tax is partially recoverable then only the nonrecoverable tax amount is posted to the tax difference account.

Accounting for Payables transactions is dependent on the category, such as for:

- Unmatched standard invoices
- Purchase order matched invoices
- Receipt matched invoices
- Prepayments

7. Definition of Retainage :

- Retainage in Oracle fusion is the process where a percentage of a committed amount that is held for payment until a specified date.
- For example, you can pay the retained amount after the completion of the contract, service, or receipt of all items on an order.

8. Definition of Unclaimed Fund:

Unclaimed Fund Account Escheatment Authority Liability Account When checks issued for payments to suppliers, or to employees for expense payments, haven't been presented for clearing during a specific time period, you should escheat them and transfer the amount to the appropriate local authority.

Distribution	Description
Liability	<p>The default liability distribution for new invoices, unless the Site Assignments tab on the Supplier page has a different distribution.</p> <p>Caution: You can only specify a distribution with an account type of Liability.</p>
Prepayment	The default distribution for prepaid expenses, unless the Site Assignments tab on the Supplier page has a different distribution.
Bill Payable	The default distribution for future-dated payments, unless the Site Assignments tab on the Supplier page has a different distribution.
Conversion Rate Variance Gain and Loss	Records conversion rate variance gains and losses for inventory items that are accrued on receipt. Variance is calculated between an invoice and purchase order or, an invoice and receipt, depending on how you matched the invoice.
Discount Taken	Records discounts taken if the Discount Allocation Method option on the Manage Invoices page is set to Single distribution .
Miscellaneous	Records charges for invoice lines with a type of Miscellaneous . If you don't enter a value, miscellaneous charges are prorated across invoice item lines.
Freight	Records charges for freight lines. If you don't enter a value, miscellaneous charges are prorated across invoice item lines.

Distribution	Description
Prepayment Tax Difference	<p>Records tax amount differences between a prepayment and the invoices that the prepayment is applied to. These differences are usually due to changes in tax rates between the times of creation of prepayment and the invoice.</p> <p>Caution: This distribution is used only if the Applied Amount Handling option in the tax record is set to Recalculate.</p>