

# ERP Cloud Financials Fusion Cash Management R13 Auto Reconciliation



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# Topics

- 1 Introduction
- 2 Automatic Reconciliation Setup
- 3 Automatic Reconciliation Process
- 4 Best Practices

# Introduction

- **Bank Statement Reconciliation**
  - Match Statement Lines and Transactions
  - Automatic and Manual Reconciliation
  - 1 to 1, 1 to Many, Many to 1 and Many to Many reconciliation
  - Automatic Reconciliation Exceptions
- **Benefits**
  - Automatically upload and reconcile statements
  - Ability to generate external transactions for bank fees and other costs

# Automatic Reconciliation

## Benefits

- Use autoreconciliation when processing a large volume of bank statements or wanting to automate the reconciliation process.
- The Automatic Reconciliation program uses the reconciliation rule set assigned to the bank account to reconcile bank statement lines and system transactions.
- Cash Management provides the ability to automatically upload and reconcile statements, minimizing the need for manual intervention.
- Automatic Reconciliation or Autoreconciliation, is the most common process used for reconciling system transactions with bank statement lines.

# Key Features to Highlight

## ✓ Automatic Reconciliation setup

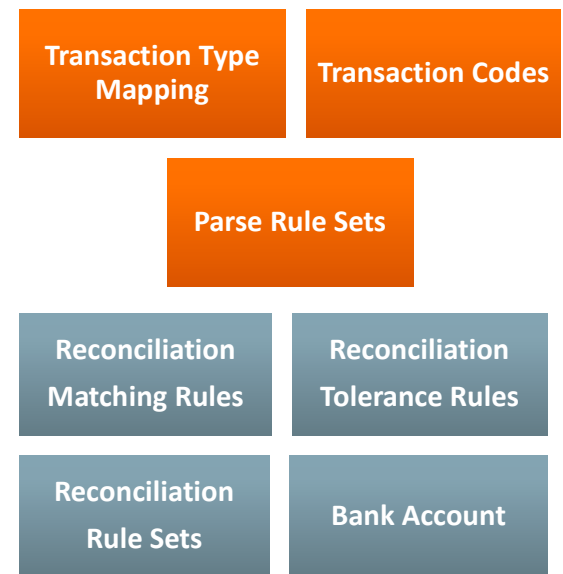
- Bank Statement Reconciliation Matching Rules
- Bank Statement Reconciliation Tolerance Rules
- Bank Statement Reconciliation Rule Sets

## ✓ Matching Type

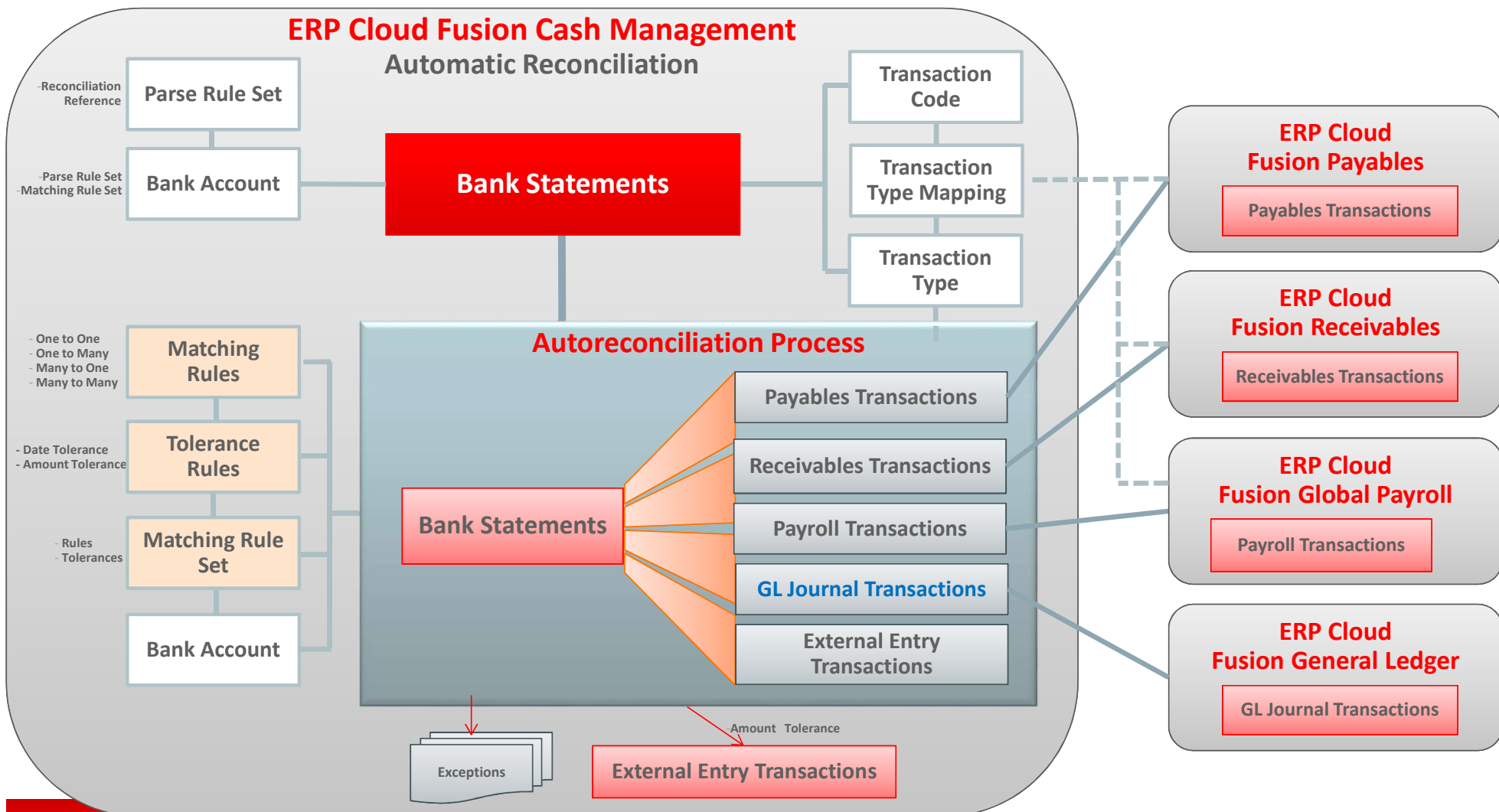
## ✓ Automatic Reconciliation process

# Setup Data Required

- ✓ Bank Account
- ✓ Bank Statement with lines that correspond to system transactions
- ✓ **Bank Statement Processing setup** *(Please, refer to the (2) [Bank Statement Processing Training](#) for additional information)*
  - Bank Statement Transaction Codes
  - Bank Statement Transaction Type Mapping
  - Bank Statement Parse Rule Sets
- ✓ **Auto-reconciliation setup**
  - Reconciliation Matching Rules
  - Reconciliation Tolerance Rules
  - Reconciliation Rule Sets



# ERP Cloud Fusion Cash Management Automatic Reconciliation








# Bank Statement Transaction Type Mapping

## Task: Manage Cash Transaction Type Mapping




**Manage Cash Transaction Type Mapping**

**Payables and Receivables Payment Method Mapping**

View ▾ Format ▾ + ✎ ✕   Freeze  Wrap

Type	Transaction Type	Method
Disbursement	Automated clearing house	ACH (e-Commerce Gateway)
Receipt	Automated clearing house	CE_Mapping_ACH
Receipt	Check	CE_Map_Check
Disbursement	Check	Foreign Check Sent to Payee
Disbursement	Check	Domestic Check

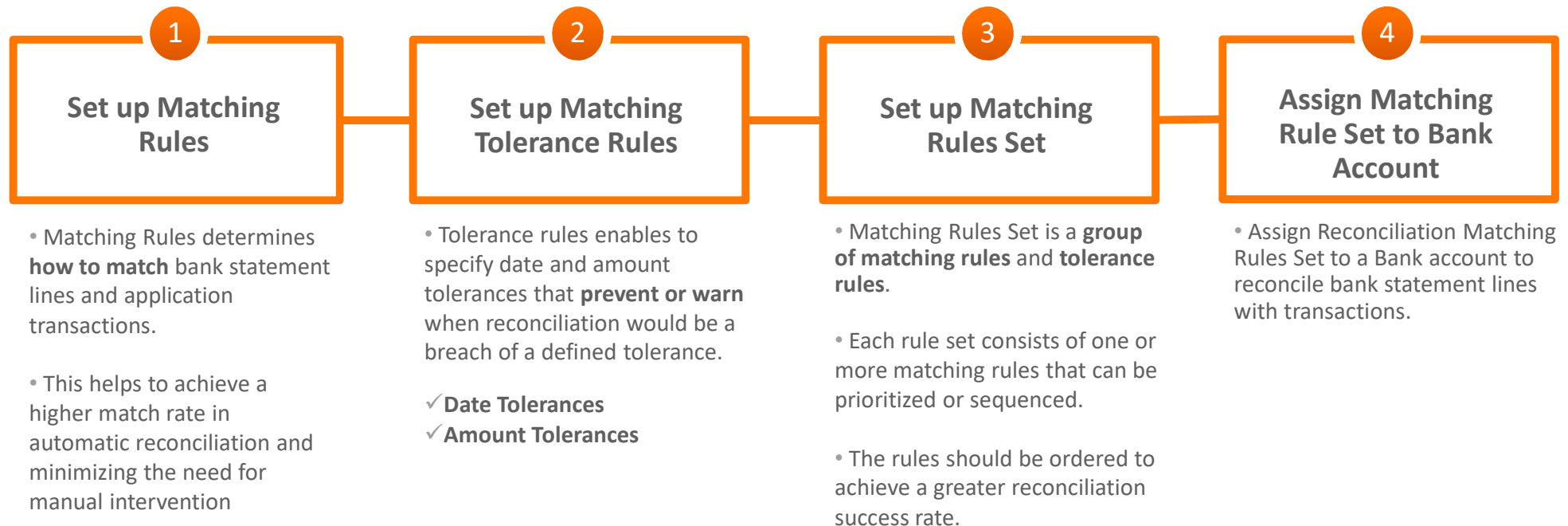
**Payroll Payment Type Mapping**

View ▾ Format ▾ + ✎ ✕   Freeze  Wrap

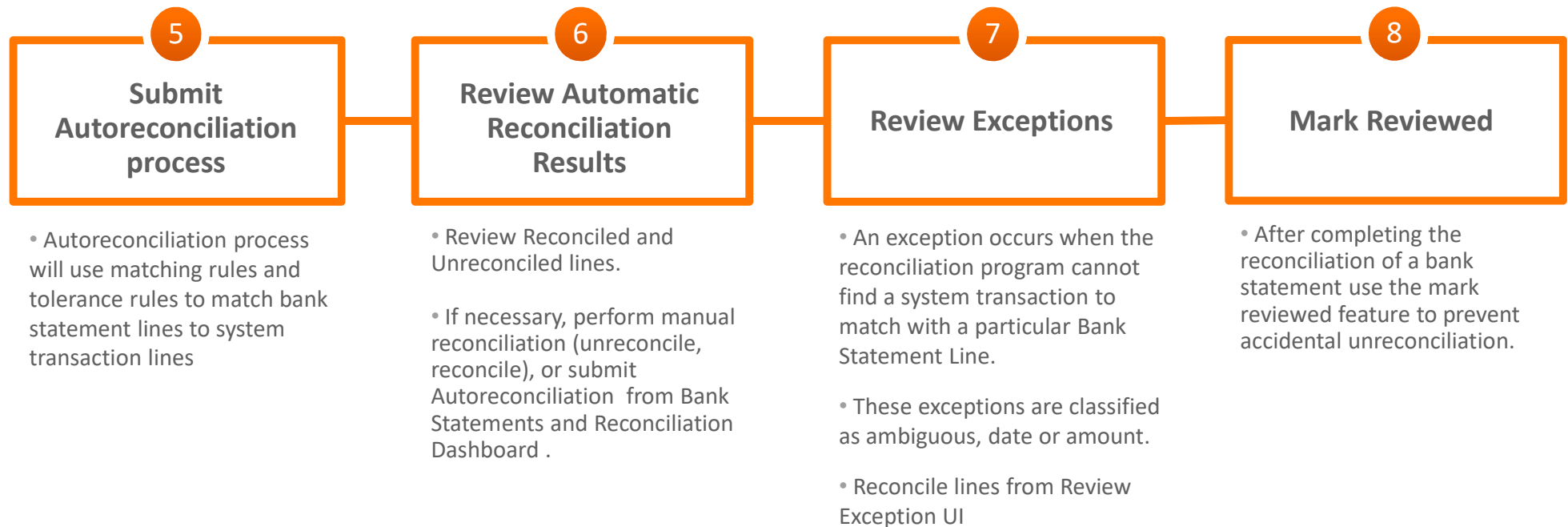
Transaction Type	Payment Type
No data to display.	

- The Transaction Type Mapping enables you to associate a Cash Transaction Type to an Application Transaction.
- The following must be created to associate and mapped to Cash Transaction Types:
  - Oracle Fusion Account Payables Payment Methods
  - Oracle Fusion Account Receivables Payment Methods
  - Oracle Fusion Payroll Payment Types
- Assigning Cash Transaction Types to application transactions result in a more efficient bank statement **reconciliation process**.
- Bank statement lines are also associated with Cash Transaction Types and Matching Rules can be created using this common attribute.

# Automatic Reconciliation Setup



# Automatic Reconciliation Processing



# Automatic Reconciliation Setup

## Reconciliation Matching Rules, Reconciliation Tolerance Rules and Reconciliation Matching Rule Sets

# Implementation Project

## Task List: Define Bank Statement Processing and Reconciliation

Implementation Project: CE Implementation Project

Basic Information

Name: CE Implementation Project Status: ■ Start Date: 1/14/16

Code: CE\_IMPLEMENTATION\_PROJECT Assigned To: APPLICATION\_IMPLEMENTATION\_CONSULTANT Finish Date:

Task Lists and Tasks

Actions View Format Freeze Detach Assign Tasks Edit Status Show Business Objects

Task

Task	Help	Go to Task	Selected Scope	Status	Predecessor Tasks	Assignee To	Due Date	Assignment Permission	Authorized Roles	Notes	View Reports
Define Cash Management and Banking Configuration				<span style="color: blue;">■</span>	0					0	
Define Common Cash and Treasury Management Configuration				<span style="color: blue;">■</span>	0					0	
Define Bank Statement Processing and Reconciliation				<span style="color: blue;">■</span>	0					0	
Manage Bank Statement Transaction Codes				<span style="color: blue;">■</span>	0					0	
Manage Parse Rule Sets				<span style="color: blue;">■</span>	0					0	
Manage Bank Statement Transaction Creation Rules				<span style="color: blue;">■</span>	0					0	
Manage Cash Transaction Type Mapping				<span style="color: blue;">■</span>	0					0	
Manage Bank Statement Reconciliation Tolerance Rules				<span style="color: blue;">■</span>	0					0	
Manage Bank Statement Reconciliation Matching Rules				<span style="color: blue;">■</span>	0					0	
Manage Bank Statement Reconciliation Rule Sets				<span style="color: blue;">■</span>	0					0	

# Step 1 – Set up Reconciliation Matching Rules

## Task: Manage Bank Statement Reconciliation Matching Rules



Edit Reconciliation Matching Rule: BofA-EF-AutoRecon-1-1

\* Name: BofA-EF-AutoRecon-1-1  
Description:   
☒ Active

\* Transaction Sources  
☒ Payables  
☐ Receivables  
☐ Payroll  
☒ External  
☐ Journal

Matching Type  
\* Matching Type: One to One

Matching Criteria  
☒ Amount  
☒ Date  
☐ Use Advanced Criteria  
☒ Reconciliation Reference  
☐ Transaction Type

Group by Attributes

- **Transaction Sources:** Payables, Receivables, Payroll, External, Journal.
  - If multiple sources are selected in a **one to many** or **many to many** matching rule, then the program first finds all available transactions across the selected sources and then applies grouping rule to the whole data pool.
  - *This means that statement lines can be **reconciled to a group** that includes transactions **across the different sources***
- **Matching Type:** Group by attributes for bank statement lines or system transactions, depending upon match type
  - One to One
  - One to Many
  - Many to One
  - Many to Many
- **Matching Criteria:** List of matching attributes:
  - Amount (always checked)
  - Date
  - Reconciliation Reference
  - Transaction Type
  - Use Advanced Criteria

# Step 1 – Set up Reconciliation Matching Rules

## Advanced Matching Criteria



- Additional matching logic or filtering conditions that must be true for the bank statement line or lines and transaction or transactions to be matched successfully.

**Advanced Matching Criteria** Done

Matching Rule Name: BofA-EF-AutoRecon-1-1

**Conditions** Add Condition Add Group Edit Delete

( Statement.Booking date = Transaction.Transaction date )

▶ AND ( Statement.Transaction type = ACH )

**Create Condition**

Conjunction Operator: And

**Left-Hand Side Expression**

\* Expression Type: Attribute

\* Operand Name: Statement.Booking date

\* Operator: Equals

**Right-Hand Side Expression**

\* Expression Type: Attribute

\* Operand Name: Transaction.Transaction date

OK Cancel

**Create Condition**

\* Conjunction Operator: And

Case Sensitive Comparison: ☒

**Left-Hand Side Expression**

\* Expression Type: Attribute

\* Operand Name: Statement.Transaction type

\* Operator: Equals

**Right-Hand Side Expression**

\* Expression Type: Literal

\* Operand Value: ACH

OK Cancel

• **Expression Type:** It can be an Attribute, a Literal or an Operation.

- The following Attributes can be selected on Advanced Criteria:

Statement.Account servicer reference	Statement.Instruction ID	Transaction Bank deposit number	Transaction Receipt batch number
Statement.Additional entry information	Statement.Reconciliation match amount	Transaction Counterparty name	Transaction Reconciliation match amount
Statement.Booking date	Statement.Reconciliation reference	Transaction Counterparty site	Transaction Reconciliation match date
Statement.Check number	Statement.Structured Payment Reference	Transaction Journal Batch Name	Transaction Remittance batch number
Statement.Clearing system reference	Statement.Transaction ID	Transaction Journal Line Number	Transaction Status
Statement.Contract ID	Statement.Transaction currency	Transaction Journal Name	Transaction Structured Payment Reference
Statement.Counterparty bank account	Statement.Transaction type	Transaction Payment Process Request Name	Transaction Transaction currency
Statement.Customer reference	Statement.Value date	Transaction.Payment file identifier	Transaction Transaction date
Statement.End to end ID		Transaction.Payment instruction identifier	Transaction Transaction number
		Transaction.Payment reference	Transaction Transaction source
			Transaction Transaction type

- For Literal Expression Type, the Operand value needs to match with database value. (i.e Statement.Transaction Type = ACH)
- The Left-Hand Side Expression needs to have the same data type as Right-hand Side Expression.
- You can add a group condition or an Operation (sum of/multiply) into your criteria

# Step 1 – Set up Reconciliation Matching Rules

## Advanced Matching Criteria – Attribute Mapping



Transaction Attribute	Payables Attribute	Receivables Attribute	Payroll Attribute	External Transactions Attribute	Journal Attribute
Transaction.Transaction source	AP	AR	PR	XT	ORA_GL
Transaction.Reconciliation reference	Check Number	Receipt Number	Payroll Check Number	Transaction Reference	Journal Line Reconciliation Reference
Transaction.Transaction number	Check Number	Receipt Number	Payroll Check Number	Transaction Number	Journal Line Description
Transaction.Transaction Date	Payment Date	Receipt Date	Payment Date	Transaction Date	Journal Accounting Date
Transaction.Transaction Currency	Payment currency	Receipt currency	Payment Currency	Transaction Currency	Journal Header Currency
Transaction.Reconciliation match date	Payment Date	Deposit Date (if it's not Null) or Receipt Date	Payment Date	Transaction Date	Journal Accounting Date
Transaction.Status	Payment Status ('NEGOTIABLE', 'CLEARED')	Receipt Status ('REMITTED', 'CLEARED', 'RISK_ELIMINATED')	Payment Status ('PAID')	Transaction Status ('UNR')	Journal Line Status ('P')
Transaction.Transaction Type	Transaction type mapped to the payment method	Transaction type mapped to the receivables payment method	Transaction type mapped to the payroll payment type	Transaction Type	N/A



# Step 1 – Set up Reconciliation Matching Rules

## Advanced Matching Criteria – Attribute Mapping



Transaction Attribute	Payables Attribute	Receivables Attribute	Payroll Attribute	External Transactions Attribute	Journal Attribute
Transaction.Bank deposit number	N/A	Bank Deposit Number	N/A	N/A	N/A
Transaction.Counterparty name	Vendor Name	Customer Party Name	N/A	N/A	N/A
Transaction.Counterparty site	Vendor Site Code	N/A	N/A	N/A	N/A
Transaction.Payment instruction identifier (number data type)	Payment ID	N/	N/A	N/A	N/A
Transaction.Payment file identifier (varchar data type)	Payment ID	N/A	N/A	N/A	N/A
Transaction.Payment process request name	Payment Process Request Name	N/A	N/A	N/A	N/A
Transaction.Structured payment reference	Structured Payment Reference				
Transaction.Journal Batch Name	N/A	N/A	N/A	N/A	Journal Batch Name
Transaction.Journal Line Number	N/A	N/A	N/A	N/A	Journal Line Number
Transaction.Journal Name	N/A	N/A	N/A	N/A	Journal Name
Transaction.Remittance batch number	N/A	Remittance Batch Number	N/A	N/A	N/A

# Step 1 – Set up Reconciliation Matching Rules

## Matching Type



### One to One

One Bank Statement Line Matches to One System Transaction

\* Matching Type One to One ▼

- Bank Statement Line and System Transaction needs to have the same amount
- User can define other attributes as matching criteria as: Date, Reconciliation Reference, Transaction Type, or they can enter advanced criteria manually

### One to Many

One Bank Statement Line Matches to Many System Transactions

\* Matching Type One to Many ▼

\* System Transaction Grouping Attributes

- ☐ Bank deposit number
- ☐ Transaction date
- ☐ Business unit
- ☐ Customer bank account

- Define Attributes to Group System Transactions and match them with One Bank Statement Line

### Many to One

Many Bank Statement Lines Match to One System Transaction

\* Matching Type Many to One ▼

\* Statement Line Grouping Attributes

- ☐ Transaction date
- ☐ Transaction currency
- ☐ Transaction type
- ☐ Reconciliation reference

- Define Attributes to Group Statement Lines and match them with One System Transaction

### Many to Many

Many Bank Statement Lines Match to Many System Transactions

\* Matching Type Many to Many ▼

\* Statement Line Grouping Attributes

- ☐ Transaction date
- ☐ Transaction currency
- ☐ Transaction type
- ☐ Reconciliation reference

\* System Transaction Grouping Attributes

- ☐ Payment file reference
- ☐ Payment method
- ☐ Receipt batch number
- ☐ Receipt class

- Define Attributes to Group Bank Statement Lines and System Transactions, resulting in a unique matching results

# Step 1 – Set up Reconciliation Matching Rules

## Grouping Attributes



### Statement Line Grouping Attributes

- Transaction Date
- Transaction Currency
- Transaction Type
- Reconciliation Reference
- Transaction Code
- Counterparty Bank account

Cash Management

### System Transaction Grouping Attributes

- Transaction Date
- Business Unit
- Counterparty Bank account
- Counterparty name
- Payment File Identifier
- Payment File Reference
- Payment Instruction Identifier
- Payment Process Request Name
- Structured Payment Reference
- Payment Method
- Bank Deposit Number
- Receipt Batch Number
- Receipt Class
- Remittance Batch number
- Reconciliation Match Date
- Reconciliation Reference
- Transaction Type
- Transaction Source
- Transaction Currency
- Journal Batch Name
- Journal Name

Transaction Sources



# 1-1 Reconciliation Matching Rule

## One Bank Statement Line Matches to One System Transaction

Edit Reconciliation Matching Rule: BofA-EF-AutoRecon-1-1

\* Name: BofA-EF-AutoRecon-1-1

Description:

☒ Active

\* Transaction Sources

- ☒ Payables
- ☐ Receivables
- ☐ Payroll
- ☐ External
- ☐ Journal

Matching Type

\* Matching Type: One to One

Matching Criteria

- ☒ Amount
- ☒ Reconciliation Reference
- ☒ Date
- ☐ Transaction Type
- ☐ Use Advanced Criteria
- 

✓ Matching Criteria: Amount, Date, Reconciliation Reference

Bank Statement Lines				System Transactions - Payments				AutoRec
Reference	Date	Amount	Transaction Type	Reference	Date	Amount	Transaction Type	
130	1/25/16	100.00	Check	130	1/25/16	100.00	Check	Yes
131	1/25/16	110.00	Check	131	1/25/16	110.00	Check	Yes
134	1/25/16	140.00	Check	134	1/25/16	140.00	Cash	Yes
135	1/25/16	150.00	Check	135	1/27/16	150.00	Check	No
136	1/25/16	160.00	Check	136	1/28/16	160.00	Check	No

Dates are not matching

- One Bank Statement Line needs to match with one system transaction.
- In this case, Amount , Date and Reconciliation Reference require an **exact match**



# 1-M Reconciliation Matching Rule

## One Statement Line Matches to Many System Transactions

**Edit Reconciliation Matching Rule: BofA-EF-AutoRecon-1-M**

\* Name: BofA-EF-AutoRecon-1-M  
 Description:   
☒ Active

\* Transaction Sources: ☒ Payables  
☐ Receivables  
☐ Payroll  
☐ External  
☐ Journal

**Matching Type**  
 \* Matching Type: One to Many

\* System Transaction Grouping Attributes:  
☐ Reconciliation reference  
☒ Transaction type  
☐ Transaction source

**Matching Criteria**  
☒ Amount  
☐ Reconciliation Reference  
☒ Date  
☐ Transaction Type  
☐ Use Advanced Criteria

- ✓ **Matching Criteria:** Amount, Date
- ✓ **System Transaction Grouping Attributes:** Transaction Type

Bank Statement Lines				System Transactions - Payments				AutoRec
Reference	Date	Amount	Transaction Type	Reference	Date	Amount	Transaction Type	
130	1/25/16	1000.00	Check	135	1/25/16	200.00	Check	Yes
131	1/26/16	1100.00	Electronic Funds Transfer	140	1/25/16	100.00	Check	Yes
132	1/27/16	1200.00	Check	143	1/25/16	150.00	Check	Yes
				150	1/25/16	550.00	Check	Yes
				151	1/26/16	900.00	Electronic Funds Transfer	Yes
				250	1/26/16	200.00	Electronic Funds Transfer	Yes
				251	1/26/16	160.00	Cash	No

- When users set up a 1-M reconciliation rule, conceptually, they would always try to group the transactions by some criteria and match the groups to statement lines as a 1-1 match.
- First Question: Which attributes should I **group** the **System Transactions**?



# M-1 Reconciliation Matching Rule

## Multiple Statement Lines Match to One System Transaction

- Similar to 1-M reconciliations, conceptually, when users want to find M-1 matches, they would try to **group the statement lines** using some criteria, and then match the grouped statement lines to single transactions.
- First Question: Which attributes should I **group** the **Statement Lines** ?

**Create Reconciliation Matching Rule**

\* Name: BofA-EF-AutoRecon-M-1  
Description:   
☒ Active

\* Transaction Sources: ☒ Payables  
☐ Receivables  
☐ Payroll  
☐ External  
☐ Journal

**Matching Type**  
\* Matching Type: Many to One  
\* Statement Line Grouping Attributes:  
☐ Transaction date  
☐ Transaction currency  
☒ Transaction type  
☐ Reconciliation reference

**Matching Criteria**  
☒ Amount  
☒ Date  
☐ Use Advanced Criteria  
☐ Reconciliation Reference  
☐ Transaction Type

- ✓ **Matching Criteria:** Amount, Date
- ✓ **Statement Lines Grouping Attributes:** Transaction Type

Bank Statement Lines				System Transactions - Payments				AutoRec
Reference	Date	Amount	Transaction Type	Reference	Date	Amount	Transaction Type	
	1/25/16	500.00	Check	500	1/25/16	1350.00	Check	Yes
	1/25/16	600.00	Check	501	1/25/16	1000.00	Cash	No
	1/25/16	100.00	Check	502	1/26/16	5500.00	Cash	No
	1/25/16	150.00	Check	503	1/27/16	3000.00	Automated Clearing House	No



# M-M Reconciliation Matching Rule

## Multiple Statement Lines Match to Multiple System Transactions

- The implementation of M-M reconciliation will require grouping on **both the statement lines and the system transactions**. Once the grouping is done, it really becomes 1-1 matching.

First Question: What will be the criteria to **group Statement Lines** as well as the criteria to **Group Transactions**?

**Create Reconciliation Matching Rule**

\* Name: BofA-EF-AutoRecon-M-M  
 Description:   
☒ Active

\* Transaction Sources: ☒ Payables  
☐ Receivables  
☐ Payroll  
☐ External  
☐ Journal

**Matching Type**  
 \* Matching Type: Many to Many

\* Statement Line Grouping Attributes:  
☐ Reconciliation reference  
☐ Transaction code  
☒ Counterparty bank account

\* System Transaction Grouping Attributes:  
☒ Reconciliation reference  
☒ Transaction type  
☐ Transaction source

**Matching Criteria**  
☒ Amount  
☐ Date  
☐ Use Advanced Criteria  
☐ Reconciliation Reference  
☐ Transaction Type

- ✓ **Matching Criteria:** Amount
- ✓ **Statement Lines Grouping Attributes:** Date, Counterparty Bank Account, Transaction Type
- ✓ **System Transactions Grouping Attributes:** Counterparty Name, Transaction Type

Bank Statement Lines						System Transactions - Payments					AutoRec
Reference	Date	Amount	Transaction Type	Counterparty Bank Account		Reference	Date	Amount	Transaction Type	Counterparty Name	
100	1/28/16	4000.00	Check	1027-555		130	1/25/16	2000.00	Check	Vision Office	Yes
101	1/28/16	5000.00	Check	1027-555		140	1/26/16	2000.00	Check	Vision Office	Yes
102	1/28/16	1000.00	Automated Clearing House	111111		143	1/27/16	3000.00	Check	Vision Office	Yes
103	1/28/16	120.00	Automated Clearing House	111111		150	1/25/16	2000.00	Check	Vision Office	Yes
104	1/28/16	110.00	Automated Clearing House	111111		151	1/24/16	1000.00	Automated Clearing House	Home Depot	Yes
105	1/28/16	500.00	Check	123123		250	1/27/16	230.00	Automated Clearing House	Home Depot	Yes
106	1/28/16	100.00	Check	123123		251	1/26/16	160.00	Cash	Advantage Corp	No

# Automatic Reconciliation Setup

## Step 2: Set Up Reconciliation Tolerance Rules

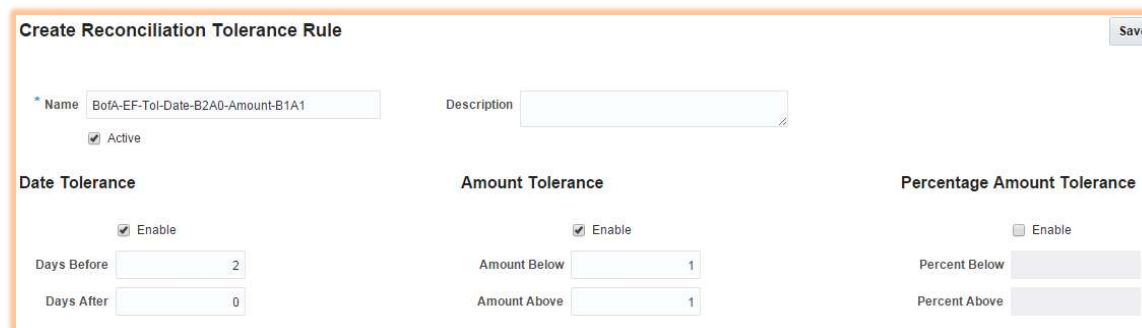
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## Step 2 – Set up Reconciliation Tolerance Rules

### Task: Manage Bank Statement Reconciliation Tolerance Rules



The screenshot shows the 'Create Reconciliation Tolerance Rule' form. It includes a 'Name' field with the value 'BofA-EF-Tol-Date-B2A0-Amount-B1A1', a 'Description' field, and an 'Active' checkbox which is checked. Below these are three sections: 'Date Tolerance', 'Amount Tolerance', and 'Percentage Amount Tolerance'. Each section has an 'Enable' checkbox. The 'Date Tolerance' section has 'Days Before' set to 2 and 'Days After' set to 0. The 'Amount Tolerance' section has 'Amount Below' and 'Amount Above' both set to 1. The 'Percentage Amount Tolerance' section has 'Percent Below' and 'Percent Above' fields that are currently empty. A 'Save' button is located in the top right corner.

- Tolerance Rules enables you to specify date and amount tolerances that prevent or warn when reconciliation would be a breach of a defined tolerance.
  - **Date tolerances** are to validate that the source transaction date or dates are within a certain number of days before and after the bank statement line date or dates.
  - **Amount tolerances** are most often - used when reconciling foreign currency transactions where there may be differences due to rounding or fluctuations in the conversion rate. They can also be used if a bank includes a processing fee in the bank statement line amount.

## Step 2 – Set up Reconciliation Tolerance Rules

### Date Tolerance

- If the matching rule matches on the date, then the date tolerance is applied.
- Date tolerance can be applied to any matching type rule (1-1, 1-M, M-1, M-M).

### Amount Tolerance

- Amount Tolerances can be applied to any matching type rule (1-1, 1-M, M-1, M-M).
- Reconciliation amount tolerances can be defined as percentage or amount ranges or both. If both percentages and amounts are applied, the application uses the most conservative tolerance depending upon the statement line amount.
  - **For example:** If the amount tolerance equals plus or minus \$5, the percentage tolerance equals plus or minus 1%, and the statement line amount is \$100, the application first calculates the percentage amount (1% of \$100 dollars = \$1). It then compares this to the \$5 amount and uses the **smaller** amount. In this case it is \$1 dollar, so to reconcile a transaction to this line it must be between \$99 and \$101.
- Any amount difference within amount tolerance is automatically created as an **external transaction**.

# Use Case – Tolerance Rules

1-1 Rule	Value
Transaction Sources	<input checked="" type="checkbox"/> Payables <input checked="" type="checkbox"/> External
Matching Type	One to One
Matching Criteria	<input checked="" type="checkbox"/> Amount <input checked="" type="checkbox"/> Date <input checked="" type="checkbox"/> Reconciliation Reference



**Reconciliation Tolerance Rule: BofA-EF-DateB3A0-AmtB2A2-PercAmt-1**

Name: BofA-EF-DateB3A0-AmtB2A2-PercAmt-1      Description: /

☒ Active



Date Tolerance	Amount Tolerance	Percentage Amount Tolerance
<input checked="" type="checkbox"/> Enable	<input checked="" type="checkbox"/> Enable	<input checked="" type="checkbox"/> Enable
Days Before: 3	Amount Below: 2	Percent Below: 1
Days After: 0	Amount Above: 2	Percent Above: 1

**Bank Statement Lines**

View  

Reference	Date	Amount (USD)	Transaction Type	Statement
203	1/28/16	-151.58	Check	Line 1, BofA-EF-28-JAN-2016
204	1/28/16	-209.10	Check	Line 2, BofA-EF-28-JAN-2016

**System Transactions**

View  

Reference	Date	Amount (USD)	Transaction Type	Counterparty
203	1/25/16	-153.58	Check	Office Depot, Inc.
204	1/28/16	-211.10	Check	Office Depot, Inc.

**Date Tolerance**

Line	Bank Statement	System Transaction	Diff
Line 1	01/28/16	01/25/16	3 Before
Line 2	01/28/16	01/28/16	0

**Amount Tolerance x Percentage Amount Tolerance**

Line	Bank Statement	System Transaction	Amount	% Amount
Line 1	-151.58	-153.58	2.00	1.51
Line 2	-209.10	-211.10	2.00	2.09

System Transaction amount for Line 1 should be between (-153.09 and -150.07)

# Use Case – Autoreconciliation Results

**Bank Statement Reconciliation**

Incomplete Complete

Search Saved Search All Bank Accounts ▼

View ▼ Autoreconcile Refresh Statement End Date Range ▼

Bank Account and Statement ID	Statement End Date	Statement Lines			Automatic Reconciliation		
		Unreconciled	Reconciled	Total	Exceptions	Processing Status	Process Request ID
▲ BofA-EF-USD		1	1	2			
☰ BofA-EF-28-JAN-2016	1/28/16	1	1	2	➕	✓	194030

Actions ▼ View ▼ Unreconcile

Transaction Source	Reference	Date	Amount (USD)	Transaction Type
▲ Group 5				
Statement	204	1/28/16	-209.10	Check
Payables	204	1/28/16	-211.10	
External		1/28/16	2.00	

# Use Case – Results

- Line 1 was set as Exception, since it meets all of the matching criteria except that the **amount is outside the tolerance**:

## Exceptions: BofA-EF-USD 2016-01-28

View Format Reconcile Wrap

Bank Statement Line and System Transaction Source	Reference	Exceptions	Amount(USD)	Date	Transaction Type
1	203		-151.58	1/28/16	Check
<input checked="" type="checkbox"/> Payables	203	Amount	-153.58	1/25/16	Check

- Line 2 was successfully reconciled.
- Note: Amount difference (\$2.00) within amount tolerance was automatically created as an **external transaction**:

Actions View Unreconcile

Transaction Source	Reference	Date	Amount (USD)	Transaction Type
Group 5				
Statement	204	1/28/16	-209.10	Check
Payables	204	1/28/16	-211.10	
External		1/28/16	2.00	

**External Transaction: 2155**

Transaction Number

2155

Bank Account

BofA-EF-USD

Business Unit

Vision Operations

Amount

2.00 USD

Date

1/28/16

Reference

Transaction Type

Description

Status Reconciled

Clearing Date

1/28/16

Value Date

Origin

Reconciliation Difference

Attachments

None

Accounting

☒ Account for transaction

Cash Account

01-000-1110-0000-000

Offset Account

Default Cash and Offset Accounts from Bank Account Setup

Done

## Step 2 – Set up Reconciliation Tolerance Rules

### Considerations

When defining your Reconciliation Tolerance Rules, consider the following:

- Applying tolerances you can automate the reconciliation and accounting for these types of transactions.
- If **no date or amount tolerance is defined** within a rule, it requires an **exact match**.
- For automatic reconciliation, a Tolerance Rule can be associated with a Matching Rule in the Rule Set setup and can be applied if the matching rule matches on date and amount or both.

Date Tolerance		Amount Tolerance		Percentage Amount Tolerance
✓ Enable		✓ Enable		— Enable
Days Before	3	Amount Below	20	Percent Below
Days After	3	Amount Above	20	Percent Above

# Automatic Reconciliation Setup

## Step 3: Set Up Reconciliation Rule Set

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# Step 3 – Set up Reconciliation Rule Set

## Task: Manage Bank Statement Reconciliation Rule Sets

### Edit Reconciliation Rule Set

\* Name

BofA-EF-AutoRecon-RuleSet

Description

### Reconciliation Rules

Actions ▾ View ▾ Format ▾ + ✎ ✕ Freeze Wrap

Sequence	Matching Rule	Matching Type	Tolerance Rule
1	BofA-EF-AutoRecon-1-1	One to One	BofA-EF-Tol-Date-B2A0-Amount-B1A1
2	BofA-EF-AutoRecon-1-M	One to Many	BofA-EF-Tol-Date-B2A0-Amount-B1A1

- Bank Statement Reconciliation Rule Set is a group of Matching Rules and Tolerance Rules.
- Each Rule Set consists of one or more Matching Rules that can be **prioritized or sequenced**.
- The Rules should be ordered to achieve a greater reconciliation success rate.



## Step 3 – Set up Reconciliation Rules Set

### Recommendations

- It is strongly **recommended** that one to one rules be sequenced above rules of other types.
- To provide an optimum reconciliation rate, you should change the sequence number depending on how accurately the given rule is likely to reconcile against the correct bank transactions.

For example:

- Transactions from sources for which the bank provides you a reference ID are likely to have a higher reconciliation rate.
- These rules should be placed at the top with a lower sequence number.
- Conversely, transactions with no reference ID are likely to have duplicates or lower reconciliation rates, and you should place them at the bottom with a higher sequence number.

# Automatic Reconciliation Setup

## Step 4: Assign Reconciliation Rules Set to Bank Account

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# Step 4 – Assign Reconciliation Rules Set to Bank Account

## Task: Manage Bank Account

**Edit Bank Account BofA-EF-USD** Save Save and Close Cancel

Bank: Bank of America

Account Name: BofA-EF-USD

Account Number: 10271-15432-001

Currency: USD - US Dollar

Legal Entity Name: Vision Operations

Account Type: Checking

Description: BofA-EF-USD

IBAN:

Bank Branch: New York

Check Digit:

Secondary Account Reference:

Account Suffix:

Account Use: ☒ Payables ☐ Payroll ☒ Receivables

General Controls Security Business Unit Access

**Cash Management Controls**

**Reconciliation**

Manual Reconciliation Tolerance Rule:

Bank Exchange Rate Type:

**Bank Statement Processing**

Parsing Rule Set: BofA-EF-ParseRule

Bank Statement Transaction Creation Rules

Actions: View Format Freeze Wrap

**Automatic Reconciliation Rule Set** **BofA-EF-AutoRecon-RuleSet**

Reconciliation Start Date:

* Sequence	* Rule	Description
No data to display.		

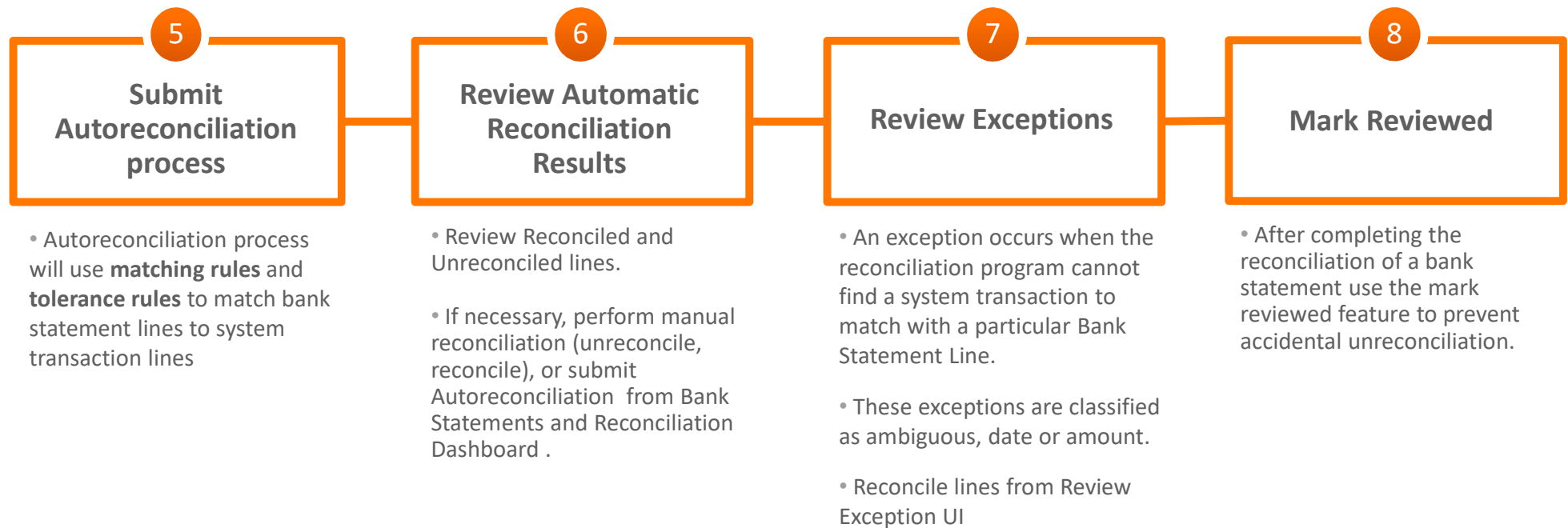
# Automatic Reconciliation Processing

## Submit AutoReconciliation process and Review the Results

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# Automatic Reconciliation Processing



# Setup, Bank Statement & Transaction Data

**Edit Reconciliation Rule Set**

Name: BofA-EF-AutoRecon-RuleSet Description:

**Reconciliation Rules**

Actions View Format + - Freeze Wrap

Sequence	Matching Rule	Matching Type	Tolerance Rule
1	BofA-EF-AutoRecon-1-1	One to One	BofA-EF-Tol-Date-B2A0-Amount-B1A1
2	BofA-EF-AutoRecon-1-M	One to Many	BofA-EF-Tol-Date-B2A0-Amount-B1A1

1-1 Rule	Value
Transaction Sources	✓ Payables ✓ External
Matching Type	One to One
Matching Criteria	✓ Amount ✓ Date ✓ Reconciliation Reference
Group BY	
Date Tolerance	Days Before:2 Days After: 0
Amount Tolerance	Below: \$1 Above: \$1
Percentage Amt Tolerance	Before: 0% After: %

1-M Rule	Value
Transaction Sources	✓ Payables
Matching Type	One to Many
Matching Criteria	✓ Amount ✓ Date
Group BY	✓ Counterparty name
Date Tolerance	Days Before:2 Days After: 0
Amount Tolerance	Below: \$1 Above: \$1
Percentage Amt Tolerance	Before: 0% After: 0%

**Bank Statement Lines**

View

Reference	Date	Amount (USD)	Transaction Type	Statement
200	1/25/16	-100.00	Check	Line 1, BofA-EF-25-JAN-16
201	1/25/16	-200.00	Check	Line 2, BofA-EF-25-JAN-16
202	1/25/16	-150.00	Check	Line 3, BofA-EF-25-JAN-16
130,131,132	1/25/16	-5,000.00	Check	Line 4, BofA-EF-25-JAN-16

**System Transactions**

View

Reference	Date	Amount (USD)	Transaction Type	Counterparty	Source
132	1/25/16	-2,000.00	Check	Dell Computers	Payables
130	1/24/16	-1,500.00	Check	Dell Computers	Payables
131	1/24/16	-1,500.00	Check	Dell Computers	Payables
200	1/24/16	-100.00	Check	Office Depot, Inc	Payables
201	1/25/16	-200.00	Check	Office Depot, Inc	Payables
202	1/26/16	-150.00	Check	Office Depot, Inc	Payables

1-1

1-M

Within tolerance

Out of Tolerance

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Bank Statements	
•	Create Bank Statement
•	Manage Bank Statements
•	Generate Cash Transactions
Reconciliation	
•	Submit Autoreconciliation
•	Manual Reconciliation

# Step 5 – Submit Autoreconciliation process

Cash Management -> Bank Statements and Reconciliation  
> Submit Autoreconciliation

Process Options

Advanced

Submit

Cancel

Name

Autoreconcile Bank Statements

Description

Reconciles bank statement lines to system trans...

Schedule

As soon as possible

Submission Notes

☐ Notify me when this process ends

Parameters

\* Bank Account

BofA-EF-USD

Statement ID

BofA-EF-25-JAN-16

From Statement End Date

1/25/16

To Statement End Date

1/25/16

- Select Bank Account, Statement ID and From/To Statement End Date to be processed.
- If Statement ID is not entered, the process will consider multiple bank statements during automatic reconciliation. (Implemented ER: [26286880](#))

# Submit Autoreconciliation process (2)

## Process Scheduled: Load and Import Bank Statement

- You can also submit **Auto Reconciliation process** at the time you are loading your Bank Statements

**Process Details**

Process Options Advanced **Submit** Cancel

Name Process Electronic Bank Statements

Description Transmits, loads, and imports bank statements. ☐ Notify me when this process ends

Schedule As soon as possible Submission Notes

Parameters

\* Payment System ISO20022 Payment System

\* Transmission Configuration CE-ISO-Bank Statement Processing

\* Format ISO20022 MX CAMT053.001.02 Format

File Path

File Name

**Submit Autoreconciliation** ☒

Intraday ☐

Intraday Statement Type

**Process Details**

Process Options Advanced **Submit** Cancel

Name Load and Import Bank Statement

Description Transmits, loads, and imports bank statements f... ☐ Notify me when this process ends

Schedule As soon as possible Submission Notes

Parameters

\* Format ISO20022 MX CAMT053.001.02 Format

\* Data File ISO\_053\_001\_02-BofA-EF-PriorDayF

Intraday ☐

**Submit Autoreconciliation** ☒



# Step 6 – Review Automatic Reconciliation Results

## Cash Management -> Bank Statements and Reconciliation

**Overview**

► Processing Warnings and Errors

▲ Bank Statement Reconciliation

Incomplete Complete

► Search Saved Search All Bank Accounts ▼

View ▼ Autoreconcile Refresh Statement End Date Range ▼

Bank Account and Statement ID	Statement End Date	Statement Lines		Total	Exceptions	Automatic Reconciliation	
		Unreconciled	Reconciled			Processing Status	Process Request ID
▲ BofA-EF-USD		1	3	4			
☰ BofA-EF-25-JAN-16	1/25/16	1	3	4	➡	✓	189070

3 Reconciled lines

# Step 6 – Review Automatic Reconciliation Results

## Reconciled Statement Lines

Search Results				
Actions ▾	View ▾	Unreconcile		
Transaction Source	Reference	Date	Amount (USD)	Transaction Type
▴ <input checked="" type="checkbox"/> Group 1				
Statement	200	1/25/16	-100.00	Check
Payables	200	1/24/16	-100.00	
▴ <input type="checkbox"/> Group 2				
Statement	201	1/25/16	-200.00	Check
Payables	201	1/25/16	-200.00	
▴ <input type="checkbox"/> Group 3				
Statement	130,131,132	1/25/16	-5,000.00	Check
Payables	130	1/24/16	-1,500.00	
Payables	131	1/24/16	-1,500.00	
Payables	132	1/25/16	-2,000.00	

# Step 6 – Review Automatic Reconciliation Results

## Unreconciled Statement Lines

Bank Statement Lines					System Transactions				
Reference	Date	Amount (USD)	Transaction Type	Statement	Reference	Date	Amount (USD)	Transaction Type	Counterparty
202	1/25/16	-150.00	Check	Line 3, BofA-EF-25-JAN-16	202	1/26/16	-150.00	Check	Office Depot, Inc
Amount 0.00					Amount Difference 0.00				

- Statement Line (Reference 202) was not reconciled by Autoreconciliation process, as expected.
- System transaction date is out of the range of dates defined in the Tolerance Rule.
- User can manually reconcile this line or review Tolerance and Rules.

# Step 6 – Review Automatic Reconciliation Results

## Exceptions

- An exception occurs when the reconciliation program cannot find a system transaction to match with a particular Bank Statement Line.
- These exceptions are classified as ambiguous, date or amount.
- They are looked for in the same order.

Exceptions: BofA-EF-USD 2016-01-25

View ▼ Format ▼ **Reconcile** Wrap

Bank Statement Line and System Transaction Source	Reference	Exceptions	Amount(USD)	Date	Transaction Type
3	202		-150.00	1/25/16	Check
<input checked="" type="checkbox"/> Payables	202	Date	-150.00	1/26/16	Check

### Ambiguous Exception

- Occurs when either there are **more than one system transactions** that could match to the line or the transaction could match to more than one statement line.

### Date Exception

- Occurs when a system transaction meets all the matching criteria except that the **date of the transaction is out of the tolerance range**.

### Amount Exception

- Occurs when a system transaction meets all of the matching criteria except that the **amount of the transaction is outside the tolerance range (1:1 matching type)**.

# Step 6 – Review Automatic Reconciliation Results

## Mark Reviewed

- After completing the reconciliation of a bank statement use the Mark Reviewed feature to prevent accidental unreconciliation.

**Overview**

► Processing Warnings and Errors

▲ Bank Statement Reconciliation

Incomplete Complete

▲ Search Saved Search All Bank Accounts ▼

Match ☒ All ☐ Any

Bank Equals

Bank Branch Equals

Bank Account Equals  BofA-EF-USD

Actions ▼ View ▼ Review Status Not reviewed ▼ Statement End Date Range Month to date ▼

Mark Reviewed

Unmark

Statement ID	Statement End Date	Total Reconciled Lines	Reviewed
▲ BofA-EF-USD			
BoFA-EF-25-JAN-16	1/25/16	4	

# Appendix

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# Eligibility Criteria

Transaction Source	Criteria
Payables	<ul style="list-style-type: none"><li>• Payment has not been reconciled.</li><li>• Payment status is 'Negotiable' or 'Cleared' (AP_CHECKS_ALL)</li><li>• You can also refer to the <a href="#">CE AP AVAILABLE TRX V</a> to get the journal entries available for reconciliation.</li></ul>
Receivables	<ul style="list-style-type: none"><li>• Receipt has not been reconciled.</li><li>• Receipt status is 'Remitted', 'Cleared', 'Risk Eliminated' (AR_CASH_RECEIPT_HISTORY_ALL)</li><li>• You can also refer to the <a href="#">CE AR AVAILABLE TRX V</a> to get the journal entries available for reconciliation.</li></ul>
Payroll	<ul style="list-style-type: none"><li>• Transaction needs to be in PAY_CE_TRANSACTIONS table, populated as a result of running the payment processes to keep track of how employees were paid</li><li>• Payroll transaction has not been reconciled.</li><li>• Payroll transaction is paid.</li><li>• You can also refer to the <a href="#">CE PR AVAILABLE TRX V</a> to get the payroll transactions available for reconciliation.</li></ul>
External	<ul style="list-style-type: none"><li>• External Transaction has not been reconciled.</li><li>• You can also refer to the <a href="#">CE XT AVAILABLE TRX V</a> to get the Cash Management External Transactions available for reconciliation.</li></ul>
Journal	<ul style="list-style-type: none"><li>• Journal has not been reconciled.</li><li>• Journal is posted.</li><li>• Journal line that belongs to a primary ledger, regardless of period status.</li><li>• Journal's entered currency or ledger currency is the same as the bank account currency.</li><li>• Journal sources are not (Cash Management, Receivables, Payables, Revaluation, and 'Payroll')</li><li>• Journal line's Account matches the bank account's Cash GL Account, or the Cash GL Accounts of the business unit(s) that are granted access to the bank account.</li></ul> <p>You can also refer to the <a href="#">CE GL AVAILABLE TRX V</a> to get the journal entries available for reconciliation.</p>

# Best Practices

## — Bank Account Setup

- Assign a unique GL cash account to each bank account and use it to record all cash transactions for the bank account. This will facilitate book to bank reconciliation.

## — Mark Reviewed

- After completing the reconciliation of a bank statement use the mark reviewed feature to prevent accidental unreconciliation.

## — Book to Bank Reconciliation

- After completing bank statement reconciliation and accounting all transactions for the period run the Cash to General Ledger Reconciliation report to investigate differences between your ledger's cash account balance and the bank account balance.

## — Automatic Reconciliation Rule Set Structure

- Rule sequencing is used to determine the order of execution
- Optimize the reconciliation rate using sequencing



# Best Practices

## — Oracle Fusion Payables

- Clear and reconcile payments with bank statements

## — Oracle Fusion Receivables

- Clear and reconcile receipts with bank statements (Note: if you use automatic clearing for receipts keep in mind the receipts are only cleared and not reconciled against a bank statement)

## — Oracle Fusion Payroll

- Clear and reconcile payroll payments with bank statements

## — Oracle Fusion Subledger Accounting

- Record accounting for external transactions