ORACLE
Customer Success
Services

Create Receivables Transaction Approval cycle

Oracle Fusion

ABSTRACT

This document outlines the setup of a Receivables Transaction Approval Cycle in Oracle Fusion, a new feature that enhances financial control. It covers configuring Transaction Sources, Transaction Types, and Approval Rules, enabling structured approvals for receivables transactions. This process improves compliance, auditing, and role segregation**,** ensuring greater accuracy and control in financial operations

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Step 1: Setup and Maintenance > Customer billing: Manage Transaction Sources

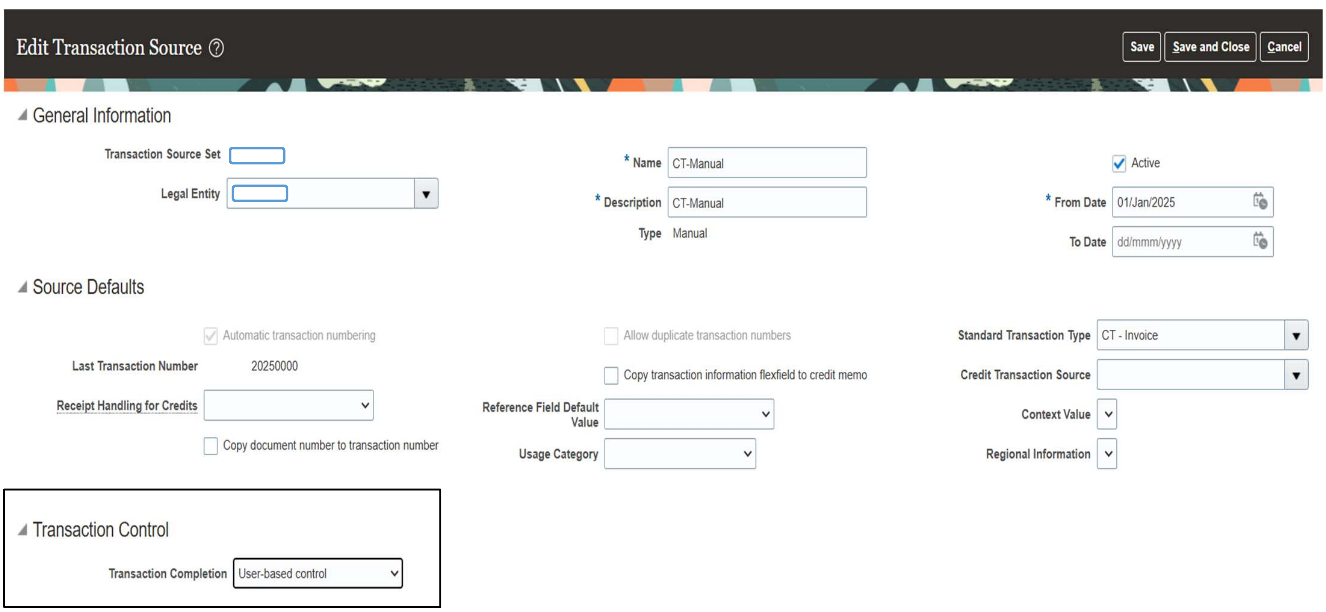
Choose your Sources Name:

Transaction Source setup page

Select the type of control you want for transactions assigned to this transaction source:

- No control - Users create and complete transactions without review and approval. This is the default behavior.
- Role-Based control - Transactions are reviewed and approved by users with security role-based access.
- User-Based control- Transactions are reviewed and approved by users defined by the SRC spreadsheet template.
- External control - Transactions are reviewed and approved outside of Fusion applications.

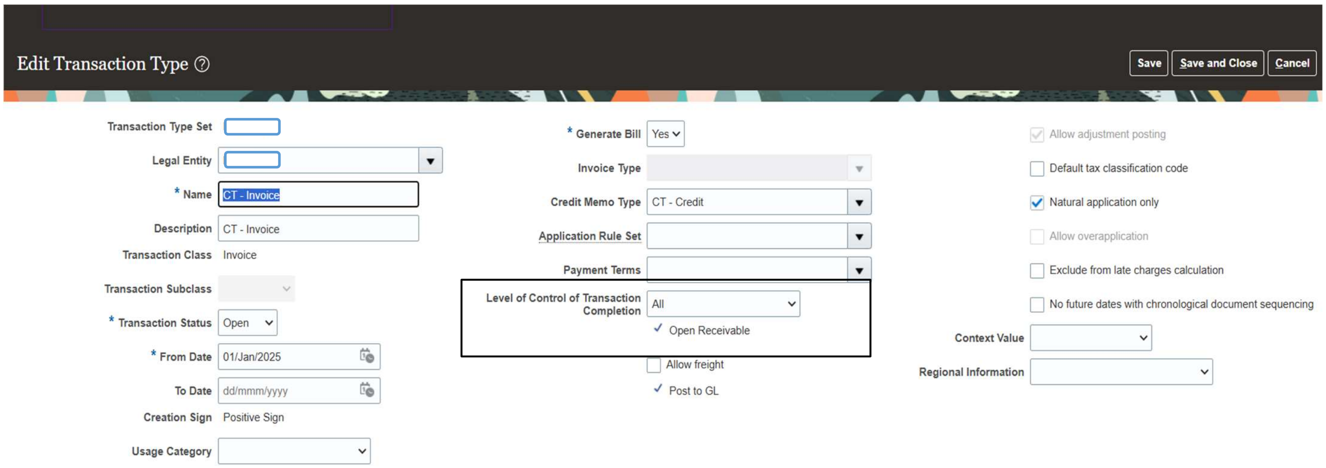
Transaction Control > Transaction Completion: select User Based control



Step 2: Setup and Maintenance > Customer billing: Manage Transaction Types

Choose your Type Name :

Level of Control of Transaction Completion: select All



Transaction Type setup

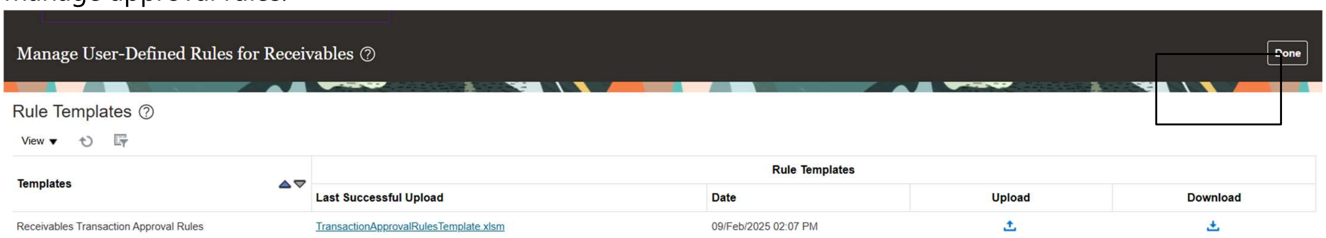
The combination of transaction source and transaction type settings determine the type of review and control required before transaction completion.

Transaction Source and Transaction Type setup combinations

Transaction Source	Transaction Type	Completion Control
No control required	Any value	No control of transaction completion.
Role-based or User-based	All	All manually created transactions are subject to control of transaction completion.
Role-based or User-based	Lines with Negative Amount	All manually created transactions with negative line amounts are subject to control of transaction completion.
Any value	None or null	No control of transaction completion.

Step 3. Step 1: Setup and Maintenance > Customer billing: Manage User-Defined Rules for Receivables

Use the Receivables Transaction Approval Rules template to create approval rules using a spreadsheet. Download the template from the Manage User-Defined Rules for Receivables setup task to create and manage approval rules.



Manage User-Defined Rules for Receivables setup page

The template has separate sheets for User-Based control and for Role-Based control.

Sheets in Receivables Transaction Approval Rules Excel template

User-Based Control sheet	Role-Based Control sheet
You can create rules and specify the users who can review and approve transactions that match the rules. You can also create auto approval rules	You can only create auto approval rules.
- If a matching auto approval rule is found, the transaction is moved to Complete status. - If a matching user assignment rule is found, the transaction is set to Pending Approval status. - If a matching rule is not found, the transaction will error out and will remain in Incomplete status.	- If a matching auto approval rule is found, the transaction is moved to Complete status - Transactions that are not auto approved will be set to Pending Approval status. - Users with 'Approve Receivables Transaction' privilege can review and approve the transactions.

NOTE: Users with 'Force Approve Receivables Transaction' privilege can force approve any Pending Approval transaction.

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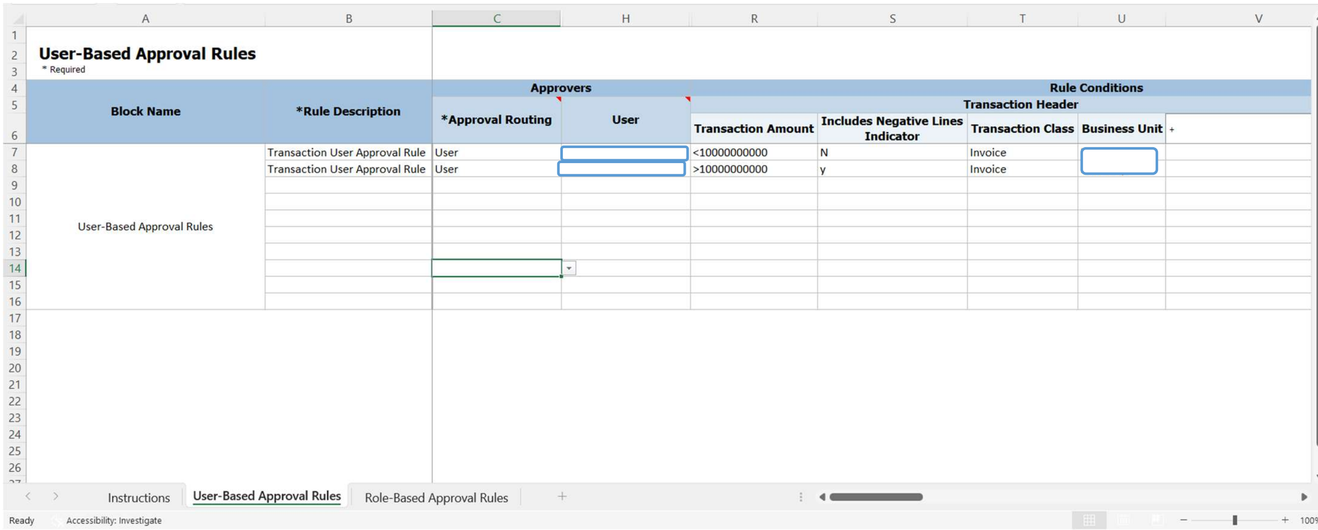
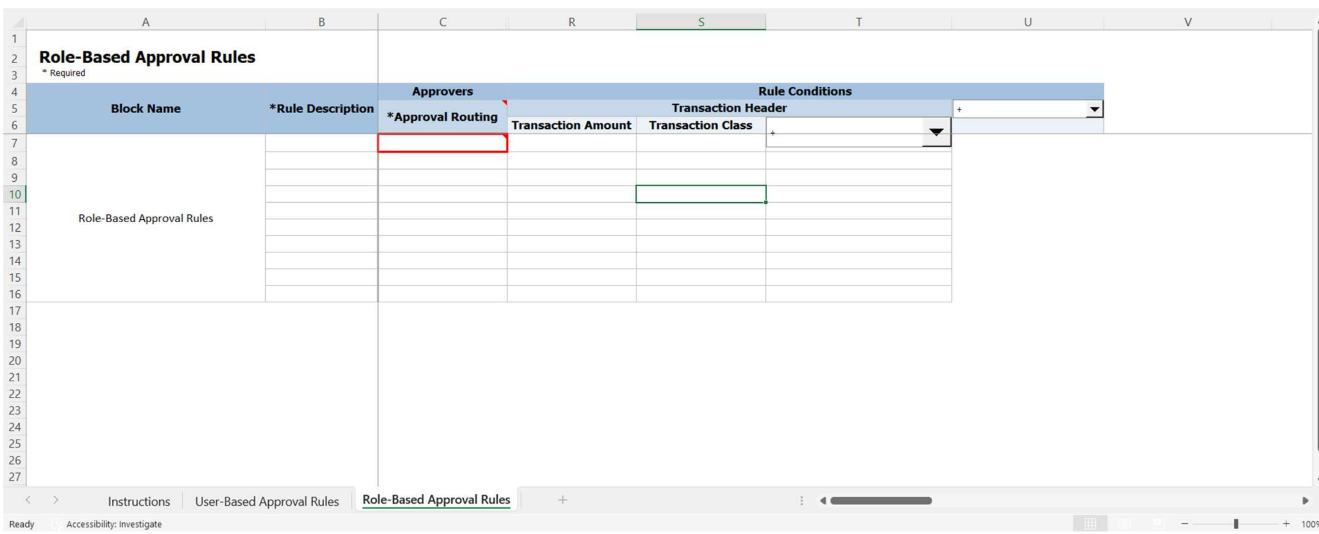
Step 4: open spreadsheet and follow the screenshot:



User-Based Approval Rules

* Required

Block Name	*Rule Description	*Approval Routing	User	Transaction Amount	Includes Negative Lines Indicator	Transaction Class	Business Unit
		Approvers		Rule Conditions – Transaction Header			
User-Based Approval Rules	Transaction User Approval Rule	User		<10000000000	N	Invoice	
	Transaction User Approval Rule	User		>10000000000	y	Invoice	



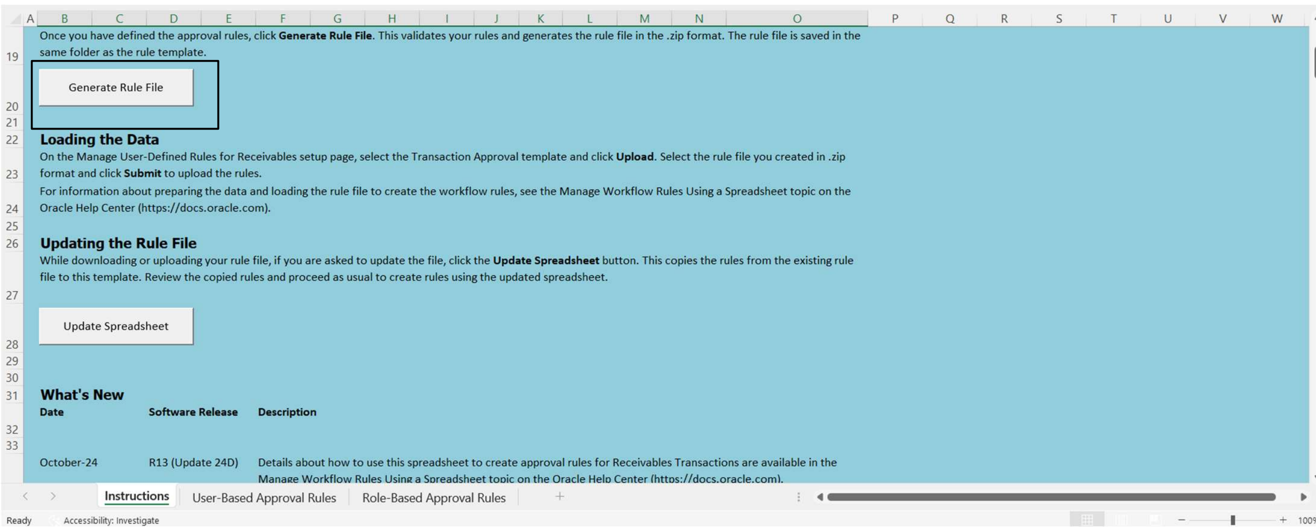
Role-Based Approval Rules

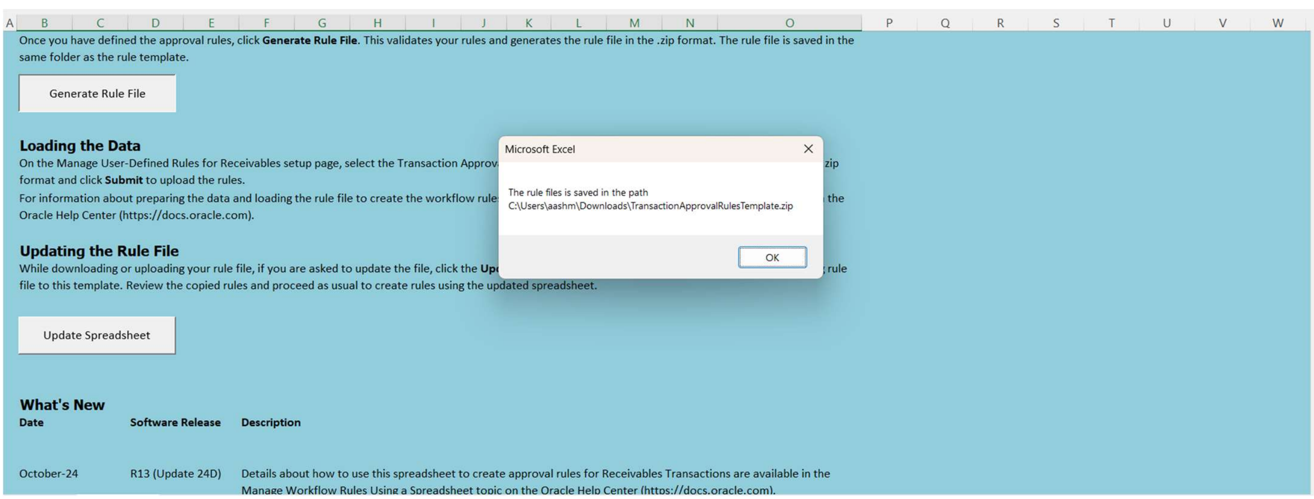
* Required

Block Name	*Rule Description	*Approval Routing	Transaction Amount	Transaction Class
		Approvers	Rule Conditions – Transaction Header	
Role-Based Approval Rules				

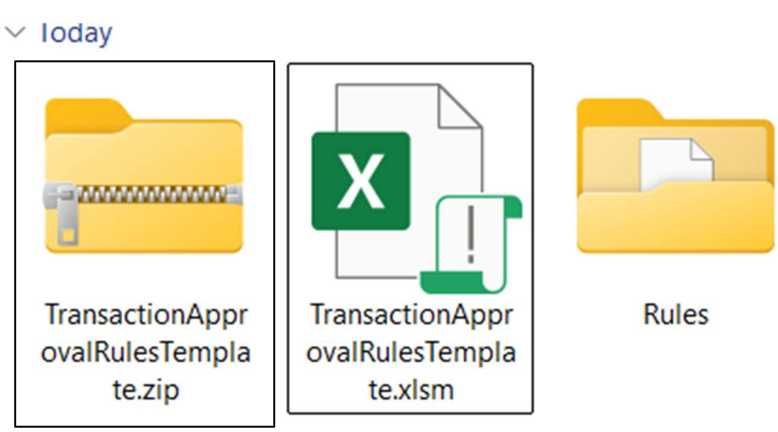
Step 5: open Instructions in spreadsheet:

Select Generate Rule File

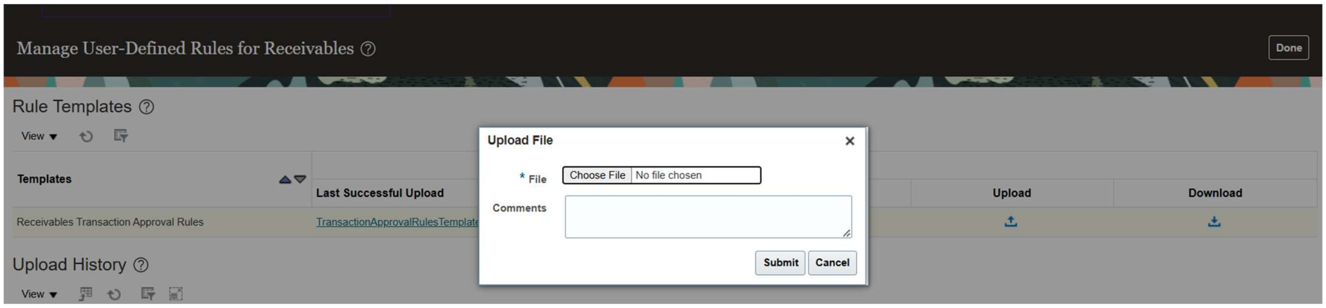




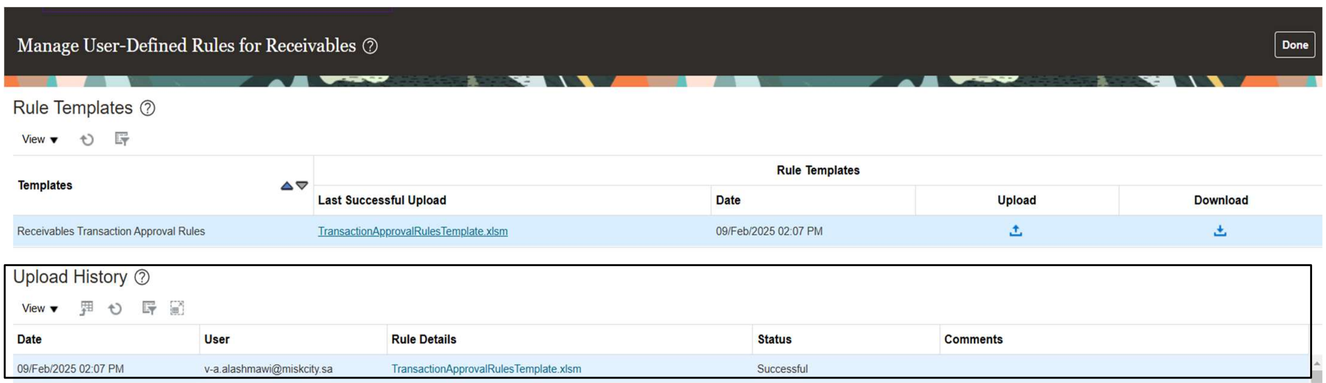
Go to the pass



Step 6: Upload Zip file from Manage User-Defined Rules for Receivables screen



When you upload it will be here.



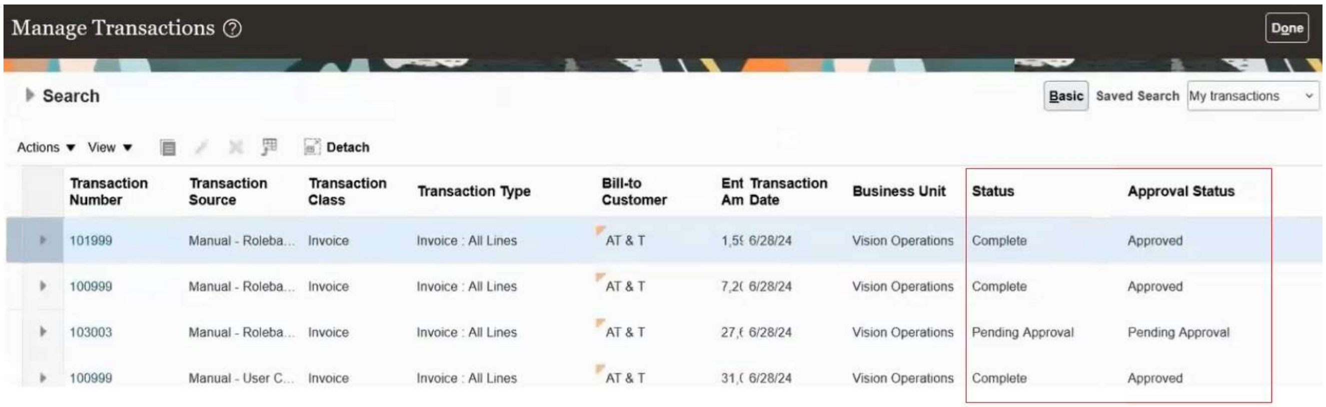
Step 7. Billing Work area -> Create Transaction page

You can create an invoice or a credit memo from the existing Create Transaction page or through REST APIs. Enter all your required and optional information and complete the transaction. If the setup of the transaction source, transaction type, and SRC rules require review and approval of the transaction, the transaction is set to the status Pending Approval.

You cannot update transactions in Pending Approval status. The transaction awaits review by an authorized approver

Step 8. Billing Work area -> Manage Transaction page

In the Manage Transactions page, authorized approvers can view list of transactions, including their Completion status and Approval status.



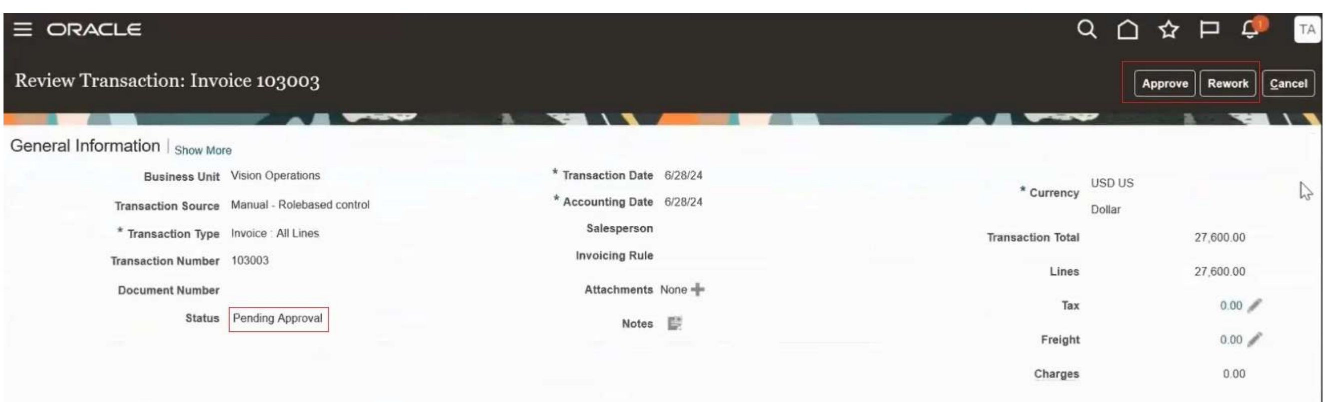
Manage Transaction page

Transaction Completion status for transactions that go through review and approval are: Incomplete, Pending Approval and Complete.

Approval Status for transactions that go through review and approval are: Pending Approval, Approved, Auto Approved and Requires Rework.

Step 9. Billing Work Area -> Manage Transaction UI -> Review Transaction page

An approver can select and open a transaction in the Review Transaction page to review the transaction details. After review, the approver can approve the transaction or request rework of the transaction.



Review Transaction page

- Clicking the Approve button completes the transaction and sets the status to Complete.

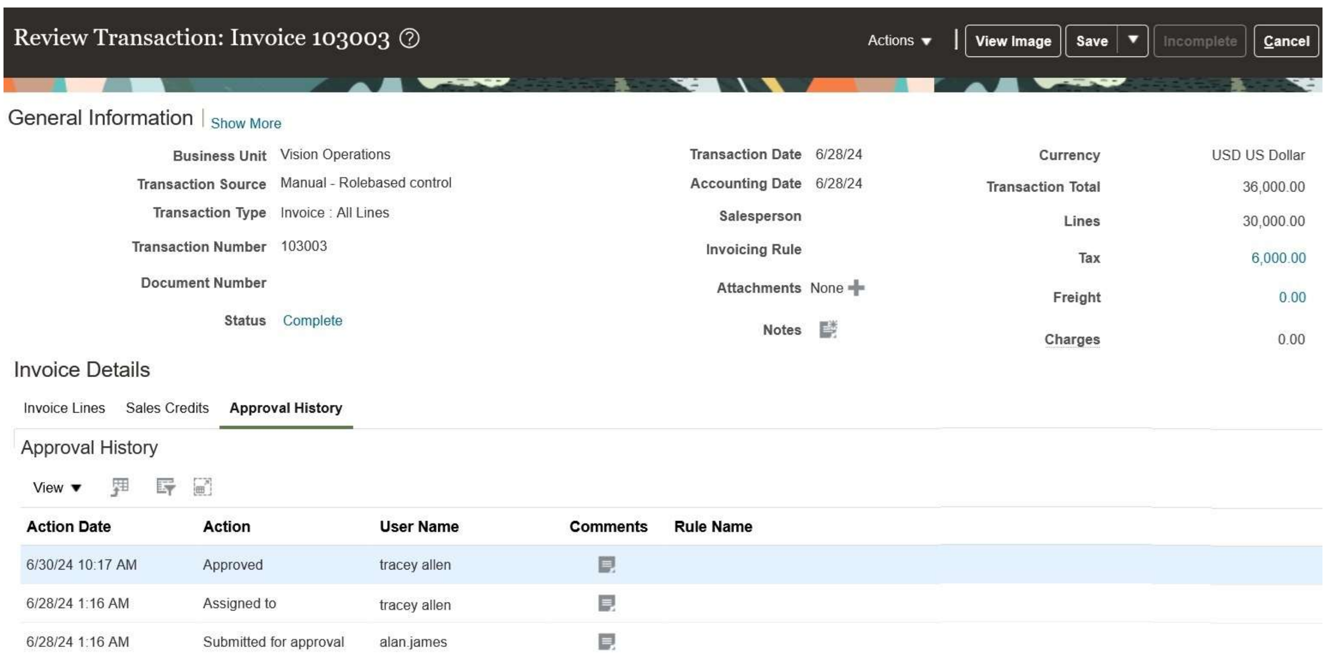
- Clicking the Rework button sets the transaction to Incomplete and returns the transaction to the user.

Both actions will prompt the approver for comments which can be viewed in the Approval History section of the transaction.

Note: Users with 'Approve Receivables Transaction' privilege will be able to approve the pending approval transactions.

Step 10. Review Transaction page - Invoice Details section - Approval History tab

You can view the transaction approval history with comments captured from the approvers in the Approval History tab of the Review Transaction page.



Approval History tab

Business benefits include:

- Receivable's managers and financial controllers can oversee the entry and accuracy of all manually entered transactions before completion and delivery to the customer.
- Auditors can verify the transaction and validate the accounting generated through Auto Accounting.
- Organizations can segregate manual transaction entry from transaction completion with separate user roles.
- Enhanced auditing capabilities will reduce the rework time through approval/rejection comments.
- The approval rules spreadsheet (Simplified Rules Configuration spreadsheet):

- Provides simple setup and management of approval rules.
- Saves time and effort when managing a large number of approval rules.

Access Requirements

1. To approve Receivable's transactions, you need the following privilege:
    - Approve Receivables Transaction (AR_APPROVE_RECEIVABLES_TRANSACTION_PRIV).
2. To force approve Receivable's transaction, you need the following privilege:
    - Force Approve Receivables Transaction (AR_FORCE_APPROVE_RECEIVABLES_TRANSACTION_PRIV)

You must create custom roles with the above privileges to approve or force approve Receivable transactions.

3. To setup transaction sources, transaction types and simplified approval rules you need following privilege:
    - Set Up Receivables Batch Source (AR_SET_UP_RECEIVABLES_BATCH_SOURCE_PRIV)

    This privilege is also assigned to seeded Financial Application Administrator (ORA_FINANCIAL_APPLICATION_ADMINISTRATOR_JOB) job role.

4. To create Receivable's transactions, which is an existing functionality, you can continue with your custom roles or the predefined Receivables Manager job role (ORA_AR_ACCOUNTS_RECEIVABLE_MANAGER_JOB)

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