OBP Online Bank Payments
User Guide

Outgoing Bank Payments Bundle provides functionality to administer the payment flow process for Vendor Bills, Vendor Credits, Employee Expense Reports and Customer Credit Memos. It also includes functionality to reconcile the payments and generate accounting journals.

Payment Files are created through a workflow driven process where a Preliminary Payment Register is first created, validated, and approved. Once the Payment Register is ready, a payment file in the chosen format is created for further transport to the bank/clearing house (e.g. Bankgiro).

When the payment instructions are sent to the bank, invoices and credit memos are locked for editing until the payments are either reconciled or voided.
The reconciliation is automatically performed via a payment specification report with information about the executed payments and applied credit memos that is loaded from the bank or clearing house.

It is important to note that **there will be no accounting impact** until payment reconciliation is executed, that is, the invoices remain unpaid and credit memos unapplied in Accounts Payables until reconciliation. Optionally, if no reconciliation files will be uploaded, invoices and credit memos may manually be reconciled using Netsuite's standard functionality.

Current functionality covers:

Payment Files
•	Bankgiro format, payments in SEK to Plusgiro, Bankgiro, Bank Account and Money Order.
•	International Payments: SISU via BGC
•	Autogiro for Customer Payments
•	ISO20022 pain.001 version 3: SEPA payments in EUR to European suppliers, foreign payments and domestic SEK for Bg/Pg/Acct transfers.

Reconciliation Files
•	Bankgiro format: Payments specification with payment types.
•	International Payments – BG Utland (SISU, SPISU and similars)
•	ISO20022 camt054 (Bank To Customer Debit Credit Notification) for reconciliation of ISO20022 pain.001 payments.

VENDOR SETUP

PREPARE VENDORS FOR PAYMENT
You must enter payment information like Payment Method, Transfer Method and Bankgiro Number for vendors whose transactions will be included in the OBP Payment Selection process.
Note that transactions (invoices, credit memos etc) created <u>before</u> you enter OBP information will not be included unless you manually update the OBP payment method **at invoice level**.

How:
1.	Edit the vendor.
2.	In the "OBP Details" tag, enter:

| Subsidiaries | Relationships | Communication | Address | Marketing | Financial | Preferences | System Information | Custom | Bank Payment Details | **OBP Details** | ☰ |

OBP PAYMENT METHOD
⌄

OBP TRANSFER METHOD
⌄

OBP GIRO NUMBER

OBP PAYEE BANK ACCOUNT

OBP PAYEE BIC

☐ OBP EXCLUDE CREDITS
☐ OBP HOLD INVOICES
OBP BGU AVGIFTSKOD
⌄

OBP Payee Information

[New OBP Payee Information]

SUBSIDIARY *	PAYMENT METHOD *	TRANSFER METHOD	GIRO NUMBER	BANK ACCOUNT	BIC
⌄					

- **Payment Method**: choose the payment method to be used for the Vendor from the list of values.

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Setup for Swedish Bankgiro:
o **Transfer Method:** select how the money will be transferred:

- *Giro Transfer* : Bankgiro payment
- *Money Order*: a money order (avi) will be sent to the Vendor's address.
- *Wire Transfer*: payment will be transferred to a Bank Account
- *Plus Giro*: Plus Giro payment.

o **Giro Number:** Enter Bankgiro (for *Giro Transfer*) or Plusgiro number (for *Plus Giro*).

o **Payee BIC:** Clearing number (for *Wire transfer*)

o **Bank Account:** Payee's Bank Account Number (for *Wire Transfer*)

- **Setup for Swedish Bankgiro Utland (Foreign payments):**
o **Payee BIC***:* Bank International Code (also called SWIFT)
o **Bank Account:** IBAN number

o **BGU Avgiftskod***:* choose how cost of transfer will be distributed between you and vendor (if selected, it will override the one selected at payment method level).

- **Setup for SEPA:**
Note: besides EUR payments, SEPA format may also be used for domestic Swedish payments.
o **Transfer Method**: select how the money will be transferred:

- *International*: EUR payments
- Giro Transfer : Bankgiro payment (SEK)
- *Wire Transfer*: payment to a Swedish Bank Account (SEK)
- *Plus Giro*: Plus Giro payment (SEK).

For International (EUR, GBP, NOK, etc) Payments enter:

- *Payee BIC:* Bank International Code (also called SWIFT)

- *Bank Account:* IBAN number

- *BGU Avgiftskod:* choose how cost of transfer will be distributed between you and vendor (if selected, it will override the one selected at payment method level).

For Domestic Swedish Payments enter:

- *Giro Number*: Bankgiro (for *Giro Transfer*) or Plusgiro number (for *Plus Giro*).

- *Payee BIC:* Clearing number (for *Wire transfer*)

- *Bank Account:* Payee's Bank Account Number (for *Wire Transfer*)

- *Hold Invoices:* Check if you want to temporarily hold payments for this vendor (note that it only applies to payments created after you update the flag).

- *Exclude Credits:* if checked, no credit memos for this vendor will be included in the payment files, meaning you will manually apply the credit memos to the invoices before payment.

Note that this flag can be used to handle the "factoring house case" where different vendors share the same Bankgiro number and the Bankgirot Clearing House cannot be used to monitor Credit Memos (it is not possible to know how to apply a credit memo when payment from different vendors share the same bankgiro number).

SETUP FOR VENDORS BEING SHARED BY MULTIPLE SUBSIDIARIES

If you are using Netsuite OneWorld you can have multiple subsidiaries sharing the same vendor.
The information given at vendor level (described above) applies to the primary subsidiary.
Use the OBP Payee Information to define OBP Payment Information for any other secondary subsidiary that you have assigned to the vendor record.

BILL SETUP

EXISTING BILLS

Invoices created **before** OBP Details are entered at vendor level will not reflect these changes and therefore never get selected for payments unless you manually enter the payment information.
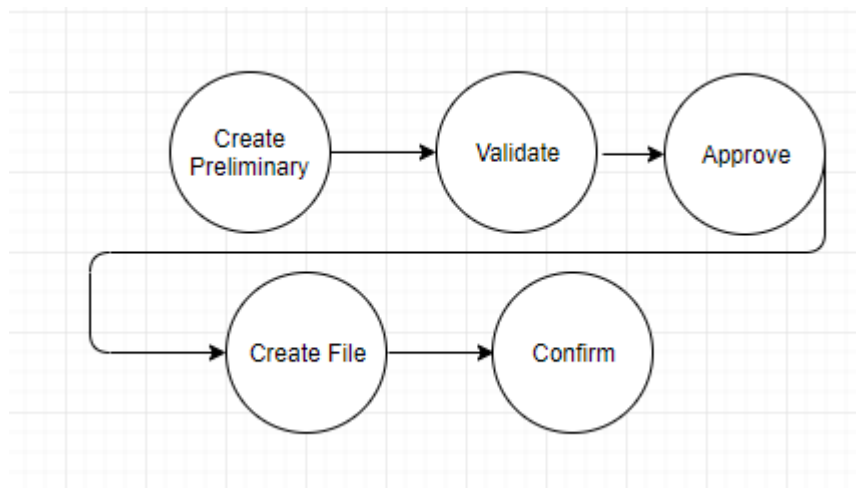In order to so do:
1.   Edit the Invoice to include in next payment process.
2.   In OBP Details-tab, enter the OBP Payment Method.

NEW INVOICES

Invoices created **after** OBP Details are entered at vendor level will inherit the Payment Method while the rest of the payment information will come from the vendor to the payment file.

PAYMENT PROCESS

CREATE THE PRELIMINARY PAYMENT FILE

The payment process begins with the creation of the Preliminary Payment File. This will be the selection process by means of which you will select and optionally change payment amounts and/or due dates for the payments to be included in the payment file or even exclude payments from the file.

How:
1.   Go to *OBP Payment Files in Process*
2.   Select Payment File to process (Payment method and subsidiary)
3.   Click **Edit**,
4.   Enter date for *Include Until Due Date* (One week from today will be considered if left blank.)
5.   Optionally, choose a Payee to limit the Preliminary File to only include transactions for a particular Payee.
6.   Click **Save**.
7.   Click on **Create Preliminary** to submit the selection process.

Note: only Invoices/Credit Memos with status *Open* will be selected.

Once the selection process is completed you will see a list of Invoices/Credit Memos under the *Payments* tab.

What to do now:
Review the payments included in the preliminary register.

a)   If you want to change a payment amount (for instance, to only pay a part of the total), choose a different due date or remove a payment from the register, click on "Edit"-button on the Payment File Header and use Netsuite standard functionality to do the changes.
Save the changes you may have done.
b)   You can recreate the Preliminary Payment Register (for instance, to include invoices that were created after the creation of the payment file). Do so by clicking on "Re-Create Preliminary"-button and start from point a).
Be aware that the Preliminary Payment File will be created from scratch again so you will lose any change you may have done.

VALIDATE THE PRELIMINARY PAYMENT REGISTER
Once you are satisfied with the payments included in the Payment File you must validate it.

How:
1.   Click on the **Validate Payments** button.

A Validation process will be started, and it will either update the Payment File status to "Validated" or "Error". If the status is "Error" you will see the reason of the problem besides the payment transactions causing the error.
If no errors are found the Preliminary Payment Register will have status "Validated".

What if validation ends in Error?
If one or more payments did not pass validation, the status of the Payment File will show "Error".

a)   Review the error messages beside the payment transactions in Error and proceed accordingly to fix them.
Errors may be of different sort, it may be a bankgiro number that is not valid, a missing address if it is a money order, etc. You may need to go to the Vendor record to change the values.
b)   You can exclude one or more payments. Click on "Edit" at header level, identify the payment transaction to delete, click on it and then click on the "Delete" button. Save the changes afterwards.
c)   Once the errors are fixed, click on "Re-Validate" button. Iterate if there are still errors.

Note that you can re-create the Preliminary Payment Register even if it has been validated. In this case, the process begins all over again (and any changes made to the payment register will be discarded).

APPROVE/REJECT THE PRELIMINARY PAYMENT FILE (ONLY APPROVERS)
Depending on setup, a Preliminary Payment File may need to be approved (only one approval is needed). The approvers (set up at payment method level) will get an email with a link to the validated Preliminary Payment File and a request for approval.

How (only Approvers):
1.   Open the email with title "Payment File for Approval" and click on the link "View Record" to open the Preliminary Payment Register (you may need to login).
2.   Review the payments and either approve it by clicking on "Approve" or reject it by clicking on "Reject".
3.   You may also edit the Preliminary Payment File and change/remove payment transactions before approval.

If the approver rejects the Preliminary Payment File, it will get status "Rejected" and it will be editable again.

If the Preliminary Payment Register is approved, it will get the status "Approved" and is considered the definite Payment Register.

CREATE THE PAYMENT FILE
Once the Payment Register is approved, the Payment File with the instructions required by the bank must be created.

The format of the file is defined by the File Type (e.g. Bankgiro).

How:
1.   Click on "Create File". A process is started to create the payment file and the status is set to "Processing".
2.   Refresh the page to update the status, when it is finished the status will be "Created".
3.   Go to the "Files" tag to see the payment file.
4.   Download the file to your PC.
5.   Transfer the file to the Bank/Clearing House and verify that payment file data is correct.

The bills which are to be payed are now locked from any kind of changes.

CONFIRM THE PAYMENT FILE
Be aware that incase the bank cannot accept the Payment File it may need to be recreated which is not possible if the Payment File is Confirmed. When you get confirmation from the Bank that the file has been received, the Payment File can and must be confirmed.

How:
1.   Click on "Confirm File": The status of the Payment Register will change to "Confirmed".
A new Payment File with status "Initiated" will be created. This will be your next Preliminary Payment File.

CANCEL THE PAYMENT FILE
If for some reason the payment file was not correctly received by the bank you may cancel the payment process.

How:
1.   Click on "Cancel File". The status of the Payment Register will change to "Cancelled".
2.   The payment transactions included in the Payment Register will be removed and the original invoices/credit memos will be eligible for payment again.
3.   A new Payment File with status "Initiated" will be created. This will be your next Preliminary Payment Register.

Note that you can cancel the Payment File in any other step through the Payment Process with the same result as described above.

RECONCILIATION PROCESS
Before you start the reconciliation process, you must save the file (that you should get from your bank/clearing house) on your PC.

UPLOAD THE RECONCILIATION FILE
This is the starting point of the reconciliation process.

How:
a)   Choose "Upload Reconciliation File" from OBP menu.
b)   Choose a Reconciliation File by clicking on "Choose File" and browse to the folder where you keep the reconciliation file.
c)   Click on "Upload File"
d)   You will get a message saying that the file has been loaded and will be extracted in a few moments.

The reconciliation file is loaded in the File Cabinet and the extraction process get started.

EXTRACT THE RECONCILIATION FILE
This process is automatically started by the "Upload" process once the file is loaded in the File Cabinet.
As a result, a new Reconciliation File is created for further processing.
This file will be either "Matched" or "Unmatched".

MATCH THE RECONCILIATION FILE
If the Reconciliation file has status "Unmatched", one or more reconciliation transactions have not been matched to the original payments.

Note that every row in the Reconciliation File must be matched to put the Reconciliation File on "Matched" status.

How:
a)   Choose "Reconciliation Files in Process" from the OBP menu.
b)   The file loaded in the previous step will be either "Matched" or "Unmatched".
c)   If the file is Unmatched, identify the rows without a corresponding linked Payment Transaction and provide either correct "Info to Sender" or the "Transaction in Payment File".
d)   If a reconciliation transaction cannot be matched you should remove it from the file and handle it manually.

Note that if you remove a reconciliation transaction, the total amount at header level will no longer be equal to the sum of all reconciliation transactions. This has no effect unless a journal is automatically created by the reconciliation process for the total amount (if a Clearing Account has been entered on the Payment Method).

e)   Click on "Match to Transactions" to run the match process again. Iterate until the Reconciliation File has status "Matched".

RUN RECONCILIATION
The Reconciliation Process can only be run once the Reconciliation File reaches the status "Matched", meaning that every reconciliation transaction in the file has a corresponding payment transaction.

How:
a)   Choose "Reconciliation Files in Process" from the OBP menu and choose the file to reconcile.
b)   Click on "Reconcile". The reconciliation process will be started, and the file gets status "Processing".
c)   Refresh the page to update the status until the process is done.

Outcomes:
When the Reconciliation process is done, the file will be in one of the following status:
Complete
a)   The file has successfully been reconciled. Invoices have been paid, accounting has been created for every payment and credit memos have been applied (if there were some).
b)   If a Clearing Account has been defined for the actual Payment Method, a Reconciliation Journal has been created. In this case the "Journal" field will show a link to the GL Journal created between the Cash Account and the Clearing Account. Click on the Journal field to review the journal.

Error
a)   One or more payments could not be reconciled.
b)   Review the error messages, correct the problems, and run the reconciliation again.