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1 Introduction to Automatic Payment Program

Automatic Payment Program serves the purpose of posting accounts payable (say, payment to a vendor) based on vendor invoices automatically, shortly termed as APP.

In this process, you will complete a payment transaction automatically.

You should first enter some vendor invoices so that there are enough due payables available in the system. Secondly, you will create a payment program and enter the parameters necessary for selecting the items to be paid.

Next, you will execute a payment proposal list and check its log. You will find that some items are blocked for payment. You will need to update the list in order to remove the block.

Later, you will start an actual run. Then you will set the print program so that the payment forms and accompanying payment advice notes and payment summaries are correctly assigned to the payment run. Finally, you will print the payment forms.

2 Important definitions

Paying Company code:

The company code that makes payment

Sending Company code:

The company code for which payment is to be made

House Bank:

The bank with which we operate an account for making payments.

3 APP Configuration

Via Menus	Financial Accounting (New) → Accounts Receivable and Accounts Payable → Business transactions → Outgoing payments → Automatic outgoing payments → Payment method/bank selection for payment program → Set up all company codes for payment transactions
Via Transaction Code	FBZP

Customizing: Maintain Payment Program

All company codes

Paying company codes

Pmnt methods in country

Pmnt methods in company code

Bank determination

House banks

3.1 All Company codes

Click on New Entries and provide below details:

New Entries: Details of Added Entries

Company Code

Paying company code

Control data

Sending company code	<input type="text"/>	
Paying company code	<input type="text" value="1009"/>	
<input type="checkbox"/> Separate payment per business area		
<input type="checkbox"/> Pyt meth suppl.		

Cash discount and tolerances

Tolerance days for payable	<input type="text" value="2"/>	
Outgoing pmnt with cash disc.from	<input type="text"/>	%
<input checked="" type="checkbox"/> Max.cash discount		

Vendors

Sp. G/L transactions to be paid	<input type="text" value="AF"/>	
Sp. G/L trans. for exception list	<input type="text"/>	

Customers

Sp. G/L transactions to be paid	<input type="text"/>	
Sp. G/L trans. for exception list	<input type="text"/>	

Click on

Sending company code

The sending company code is the company code that is known to the business partner.

When making cross-company code payments, you can specify the sending company code as well as the paying company code for each company code. If the sending company code is different from the paying company code, the system notes the sending company code in the payment transfer medium or payment advice. This note is information for the business partner.

Furthermore, the sending company code affects how the system groups items from different company codes into one payment. Items are only grouped into one payment for company codes with the same paying company code and the same sending company code.

If the sending company code is not specified, the system automatically regards the paying company code as the sending company code.

Procedure

Specify the sending company code if you want to pay using a cross-company code transaction but do not want to pay the items of all participating company codes together.

Examples

Example 1:

Company code 0001 pays its own items and the items of company codes 0002 and 0003. All items are grouped into one payment.

Company code	Paying company code	Sending company code
0001	0001	0001
0002	0001	0001
0003	0001	0001

Example 2:

Company code 0001 pays its own items and the items of company codes 0002 and 0003. However, a separate payment is created for each company code.

Company code	Paying company code	Sending company code
0001	0001	0001
0002	0001	0002
0003	0001	0003

Paying company code

In this field you find the company code which processes the payment transactions (possibly for other company codes too). Postings to the bank accounts or the bank sub-accounts are made in the company code specified here during automatic payment transactions.

Separate Payments for each Business Area?

If this indicator is set, line items from different **business areas** are paid separately

Usage of Payment Method Supplements

Means that payments are to be separated in the document according to a preset characteristic.

If you select this option, a payment method supplement can be predefined in the customers and vendors of the company code. This supplement is used to group payments. Payments are separated according to payment method supplements and can be printed separately by these supplements or sorted by them for printing. The payment method supplement is defaulted during document entry and can be overwritten there.

Procedure

Select this option if you want to use payment method supplements.

Examples

Checks to be sent to trading partners are not sent by mail but by means of internal mail and from there are sent via different channels depending on the payee. This procedure can be supported by payment method supplements. That is, a payment method supplement represents an internal mail channel. In the U.S.A. and Canada, such supplements are referred to as "mail stop codes".

Tolerance Days for Payables

Specifies the number of days by which the cash discount periods and period for the **due date for net payment** may be exceeded.

When determining the due date, the system adds the number of days specified here to the dates. Payment is then sometimes made after the exact date in the terms of payment.

Minimum Percentage Rate for Payments with Cash Discount

Specifies the lower limit for payments with cash discount deduction.

Only items that have a cash discount percentage rate greater than or equal to the one specified here are paid with the **cash discount** deducted. If the percentage rate is less than the one specified here, payment is made at the **due date for net payment**.

Vendor Payments Always with Maximum Cash Discount

Means that the maximum cash discount is always to be deducted when automatically paying vendor invoices.

Cash discount is also deducted if the payment is made after the predefined period.

3.2 Paying company codes

Click on **New Entries** and provide below details:

Fill up minimum amount for incoming/outgoing payments. Ignore Bill of exchange data.

New Entries: Details of Added Entries

Paying co. code

1009

ABC Electronics Inc

Company Codes

Control Data

Minimum amount for incoming payment

USD

Minimum amount for outgoing payment

500.00

USD

☐ No exchange rate differences

☐ No Exch.Rate Diffs. (Part Payments)

☐ Separate payment for each ref.

☐ Bill/exch pymt

Expand forms and sender Details

Forms

Forms

Form for the Payment Advice

SAPscript

F110_D_AVIS

EDI accompanying sheet form

SAPscript

F110_EDI_01

Form

Sender Details

Sender Details for SAPscript Forms

Text ID

ADRS

Letter header

ADRS_HEADER

Footer

ADRS_FOOTER

Signature text

ADRS_SIGNATURE

Sender

ADRS_SENDER

Click on

3.3 Payment methods in Country

Click on **New Entries** and provide below details:

Country	US	United States	Use in company codes
Pymt Method	M		
Description	Manual Checks		

Payment method for	
<input checked="" type="radio"/> Outgoing payments	
<input type="radio"/> Incoming payments	

Payment method classification	
<input type="radio"/> Bank transf	
<input checked="" type="radio"/> Check	
<input type="radio"/> Bill/ex	
<input type="radio"/> Check/bill/ex.	
<input type="checkbox"/> Post office curr.acct method?	<input type="checkbox"/> Bill of exch. accepted
<input checked="" type="checkbox"/> Allowed for personnel payments	<input type="checkbox"/> ISR Payment Procedure
<input type="checkbox"/> Create bill/exch.before due date	<input type="checkbox"/> EU Internal Transfer

Required master record specifications	Posting details
<input checked="" type="checkbox"/> Street,P.O.box or P.O.box pst code	Document type for payment ZP
<input type="checkbox"/> Bank details	Clearing document type ZV
<input type="checkbox"/> SWIFT Code and IBAN	Sp.G/L ind.b/ex. / b/ex.pmnt req. <input type="checkbox"/>
<input type="checkbox"/> Collection authorization	<input type="checkbox"/> Payment order only

Payment medium	
<input type="radio"/> Use payment medium workbench	Information for PMW
Format <input type="text"/>	
Format supplement <input type="text"/>	
<input checked="" type="radio"/> Use classic payment medium programs (RFFO*)	
Payment medium program RFFOUS_C	Key in code line <input type="text"/>
Name of print dataset LIST1S	Print dataset for b/exch. <input type="text"/>

Click on “**currencies Allowed**”- If it is blank, it allows all currencies.

Click on

3.4 Payment methods in Company code

We have created company code in country US. All payments methods created in US can be used by co code 1009.

Input the minimum amount and maximum amount and save.

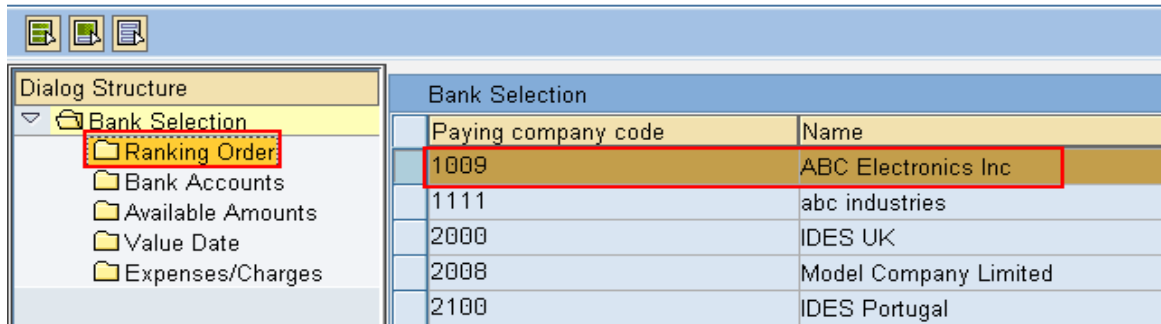
New Entries: Details of Added Entries			
<div> </div>			
Paying co. code <input type="text" value="1009"/>		ABC Electronics Inc	
Pymt Method <input type="text" value="M"/>		Manual Check	
<div> Amount limits </div> <div> Minimum amount <input type="text" value="500.00"/> USD Maximum amount <input type="text" value="1,000,000.00"/> USD Distribution amnt <input type="text"/> USD </div>		<div> Grouping of items </div> <div> <input type="checkbox"/> Single payment for marked item <input type="checkbox"/> Payment per due day </div>	
<div> Foreign payments/foreign currency payments </div> <div> <input checked="" type="checkbox"/> Foreign business partner allowed <input checked="" type="checkbox"/> Foreign currency allowed <input checked="" type="checkbox"/> Cust/vendor bank abroad allowed? </div>		<div> Bank selection control </div> <div> <input checked="" type="radio"/> No optimization <input type="radio"/> Optimize by bank group <input type="radio"/> Optimize by postal code </div>	
<div> Form Data </div>			
<div> Forms </div> <div> Form for the Payment Medium <input type="text" value="SAPscript"/> <input type="text" value="F110_PRENUM_CHCK"/> Next form <input type="text" value="SAPscript"/> <input type="text"/> <div> Form </div> </div>			
<div> Drawer on the form </div> <div> <input type="text" value="ABC Electronics Inc"/> <input type="text"/> <input type="text"/> <input type="text"/> </div>		<div> Sorting of the </div> <div> Correspondence <input type="text"/> Line items <input type="text"/> </div>	

Click on

3.5 Bank Determination


Select Your 'Company code' and click on 'Ranking Order'

Display View "Bank Selection": Overview

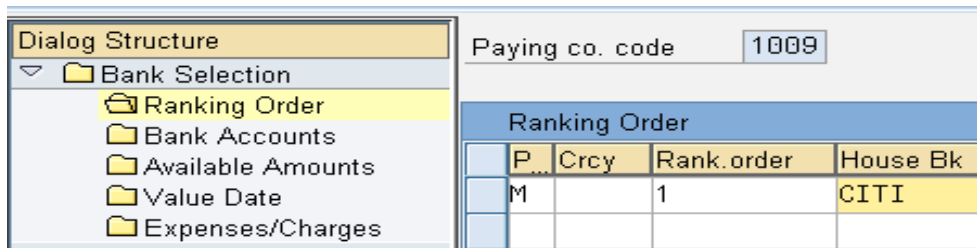


The screenshot shows the 'Bank Selection' dialog structure on the left and a table of bank selection data on the right. The 'Ranking Order' folder is highlighted in the dialog structure. The table lists paying company codes and their corresponding names.

Paying company code	Name
1009	ABC Electronics Inc
1111	abc industries
2000	IDES UK
2008	Model Company Limited
2100	IDES Portugal

Click on 


Select paying co code and click on ranking order. Click on New entries



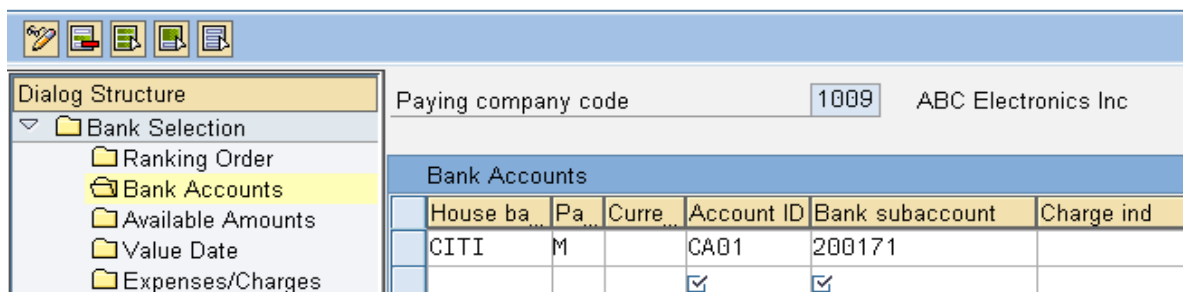
The screenshot shows the 'Ranking Order' dialog structure on the left and a table of ranking order data on the right. The 'Ranking Order' folder is highlighted in the dialog structure. The table lists paying company codes, currencies, rank orders, and house bank names.

P...	Crcy	Rank.order	House Bk
M		1	CITI

Click on 

Click on  . Delete existing data if any available. Click on New entries


New Entries: Overview of Added Entries








The screenshot shows the 'Bank Accounts' dialog structure on the left and a table of bank account data on the right. The 'Bank Accounts' folder is highlighted in the dialog structure. The table lists house bank names, currencies, account IDs, bank subaccounts, and charge indicators.

House ba	Pa	Curre	Account ID	Bank subaccount	Charge ind
CITI	M		CA01	200171	

Click on 

Click on  Available Amounts

New Entries: Overview of Added Entries

Dialog Structure

Bank Selection

Ranking Order

Bank Accounts


Available Amounts

Value Date

Expenses/Charges






Paying company code ABC Electronics Inc

Available Amounts					
House bank	Account ID	Days	Currency	Available for outgoing pay...	
CITI	CA01	999	USD	1,000,000.00	

Click on 

Click on  Value Date

New Entries: Overview of Added Entries

Dialog Structure

Bank Selection

Ranking Order

Bank Accounts


Available Amounts

Value Date

Expenses/Charges

Paying company code ABC Electronics Inc






Value Date						
Pmt meth	House ba	Acco	Amount Limit	Curre	Days	
M	CITI	CA01	1,000,000.00	USD	2	

Click on 

3.6 House Bank

House Bank is created in Chapter 6 - Bank Accounting, click on House bank and see details:

Change View "House Banks": Details








Dialog Structure

House Banks

Bank Accounts

Company Code ABC Electronics Inc
House Bank Citibank

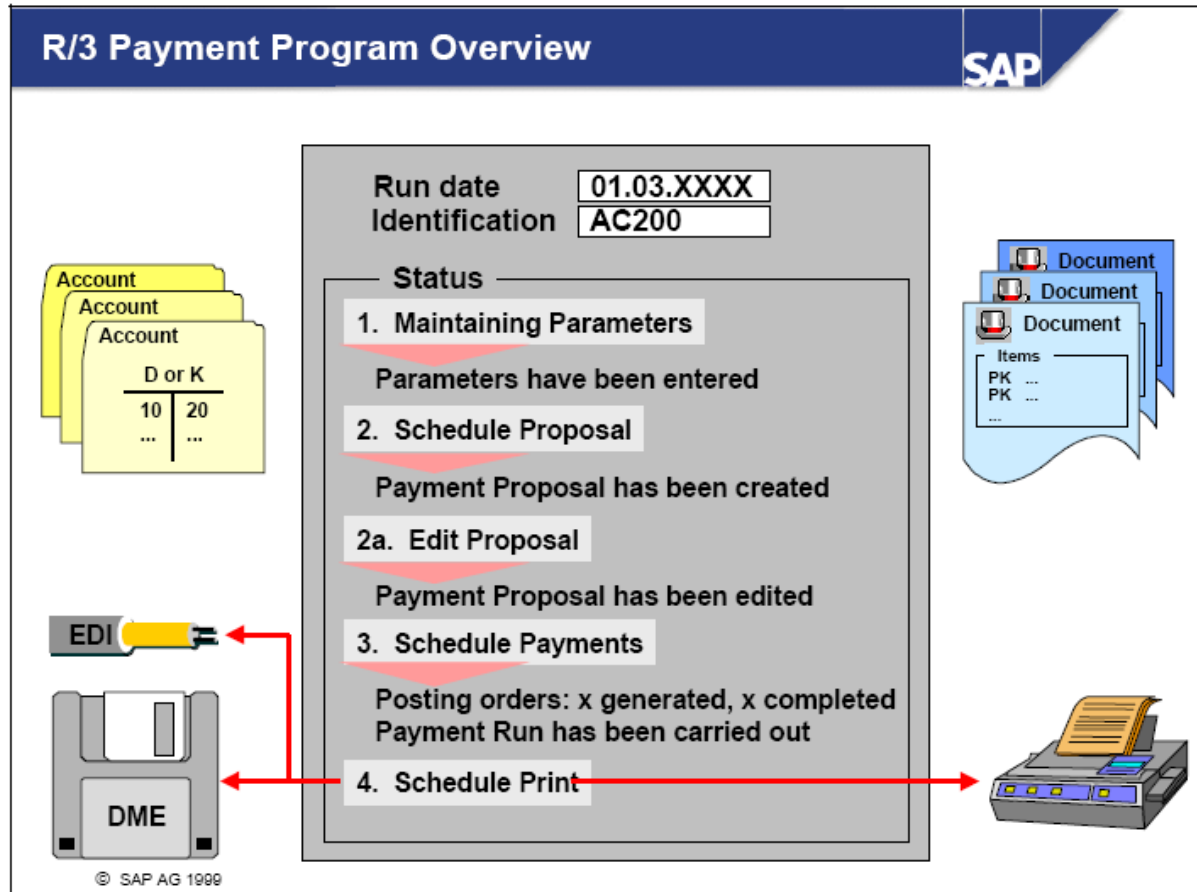
House Bank Data	
Bank Country	<input type="text" value="US"/> United States
Bank Key	<input type="text" value="100346999"/> 

Communications data	
Telephone 1	<input type="text" value="617-789-1234"/> Tax Number 1
Contact Person	<input type="text" value="Robert"/>

4 APP Execution – F110

Via Menus	Accounting → Financial Accounting → Accounts Payable → Periodic Processing → Payments
Via Transaction Code	F110

This describes the process by which vendor payment runs are made, via transaction F110. This transaction also enables the user to submit the details of the vendor payment file to the bank.



Check the vendor balances before executing Automatic Payment Program

Vendor Line Item Display

Vendor: 900000
Company Code: 1009
Name: Fujitsu Electronics America Inc
City: Sunnyvale

St	Assignment	DocumentNo	Type	Doc. Date	S	DD	Amount in doc. curr.	Curr.
<input type="checkbox"/>		1900000001	KR	30.09.2011			10,000.00-	USD
<input type="checkbox"/>		1900000002	KR	30.09.2011			15,000.00-	USD
<input type="checkbox"/>		1900000003	KR	30.09.2011			100,000.00-	USD
*							125,000.00-	USD
** Account 900000							125,000.00-	USD
***							125,000.00-	USD

Tips and Tricks

- For today's date, use the keystrokes **F4** followed by **F2** instead of using the drop-down calendar feature.
- The system, by default, shows the last successful payment run that was executed. Enter the information for a new payment in run including a future date and a unique identifier to override this default and create a new run to execute.

On screen, "Automatic Payment Transactions: Status", enter the information as specified in the fields in the table below:

Automatic Payment Transactions: Status

Status

Run Date: 06.10.2011

Identification: 1009M

Status
No parameters entered as yet

4.1 Enter Parameters

Click on “**Parameter**” tab.

Automatic Payment Transactions: Parameters

Run Date: 06.10.2011
Identification: 1009M

Status | **Parameter** | Free selection | Additional Log | Printout/data medium

Posting Date: 06.10.2011 | Docs entered up to: 06.10.2011
Customer items due by:

Payments control		
Company codes	Pmt meths	Next p/date
1009	M	15.10.2011

Accounts
Vendor: 9000000 to
Customer: to

On screen “Automatic Payment Transactions: Parameters screen”, enter the information as specified.

Date Limit for the Open Items

This specifies the date up to which open items are taken into account during processing.

The entry date is taken as a basis, not the posting date.

Posting Date of the next Payment Run

This date is needed in order to check the **due date** of payables. If an item is already overdue on the date of the next payment run, or would lose **cash discount**, the system pays the item in this payment run.

On screen “**Free selection**”, enter additional parameters as needed.

Items selected for payment must meet all of the criteria entered. You may select fields from the vendor master record or document. You may also include or exclude values.

Automatic Payment Transactions: Free Selection

Run Date: 06.10.2011
Identification: 1009M

Status | Parameter | **Free selection** | Additional Log | Printout/data medium

Selection criteria	
Field Name	Values

☐ Exclude values

On screen “ **Additional Log** ”, this log will detail why the invoice is not eligible for payment. Enter the information as specified in the fields in the table below:

Automatic Payment Transactions: Additional Log



Run Date: 06.10.2011
Identification: 1009M



Status | Parameter | Free selection | **Additional Log** | Printout/data medium

Required logging type
☒ Due date check
☒ Payment method selection in all cases
☐ Pmnt method selection if not successful
☒ Line items of the payment documents

Accounts required
Vendors (from/to): 9000000 9000000
Customers (from/to):

Select the Tab “ **Printout/data medium** ” and select the variant F110C against the program RFFOUS_C.

Automatic Payment Transactions: Printout and DME


 Maintain Variants

Run Date: 06.10.2011
Identification: 1009M

Status | Parameter | Free selection | Additional Log | **Printout/data medium**

Form printing/data medium exchange

Program	Variant	Variant	Variant	Variant		
RFFOAVIS						
RFFOEDI1						
RFFOUS_C	1009_CHECK					

Click on  **Maintain Variants** . Select ☒ For All Selection Screens .

Maintain Variant: Report RFFOUS_C, Variant 1009_CHECK			
<div> Attributes </div>			
Program run date	<input type="text"/>		
Identification feature	<input type="text"/>		
<input type="checkbox"/> Proposal run only			
Company code selection			
Paying company code	<input type="text" value="1009"/>		
Sending company code	<input type="text"/>	to <input type="text"/>	
Further selections			
Payment method	<input type="text" value="M"/>	to <input type="text"/>	
Pmt meth. supplement	<input type="text"/>	to <input type="text"/>	
Business Area	<input type="text"/>	to <input type="text"/>	
House Bank	<input type="text" value="CITI"/>		
Account ID	<input type="text" value="CA01"/>		
Check lot number	<input type="text" value="01"/>	Check lot	
Restart from Check Number	<input type="text"/>		
Currency	<input type="text"/>	to <input type="text"/>	
Payment document no.	<input type="text" value="1"/>	to <input type="text"/>	
Print control			
<input checked="" type="checkbox"/> Print checks	Printer <input type="text" value="LP01"/>	<input checked="" type="checkbox"/> Print Immediately	
<input checked="" type="checkbox"/> Print payment advice notes	Printer <input type="text" value="LP01"/>	<input checked="" type="checkbox"/> Print Immediately	
<input checked="" type="checkbox"/> Print Payment Summary	Printer <input type="text" value="LP01"/>	<input checked="" type="checkbox"/> Print Immediately	
Output control			
Alternative check form	<input type="text"/>		
Filler for digits in words	<input type="text"/>		
Number of sample printouts	<input type="text" value="2"/>		
No. of items in payment summary	<input type="text" value="999"/>		
<input type="checkbox"/> Payment Document Validation			
<input type="checkbox"/> Texts in recipient's lang.			
<input type="checkbox"/> Currency in ISO code			
<input type="checkbox"/> No Form Summary Section			
<input checked="" type="checkbox"/> Do not Void any Checks			

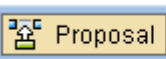
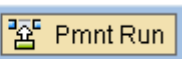
Make sure to check print checks and input Printer name

Click on , you will see the following screen

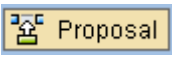
Click on and come to the main screen. Give name of the variant and click on


You will get the message: Details have been saved for the run on 06.10.11 1009M

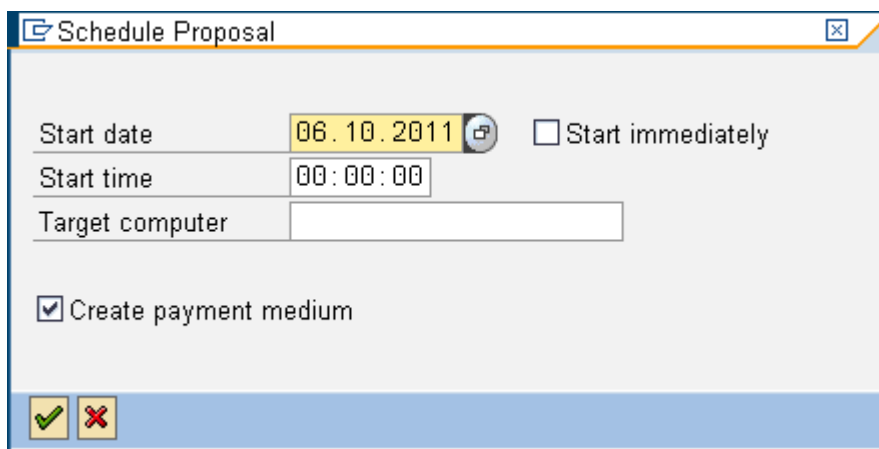
Click on  and see the status as

At this point new icons   appear.

4.2 Payment Proposal


Click on the proposal icon 

Check the “Start Immediately” box, click the check box 

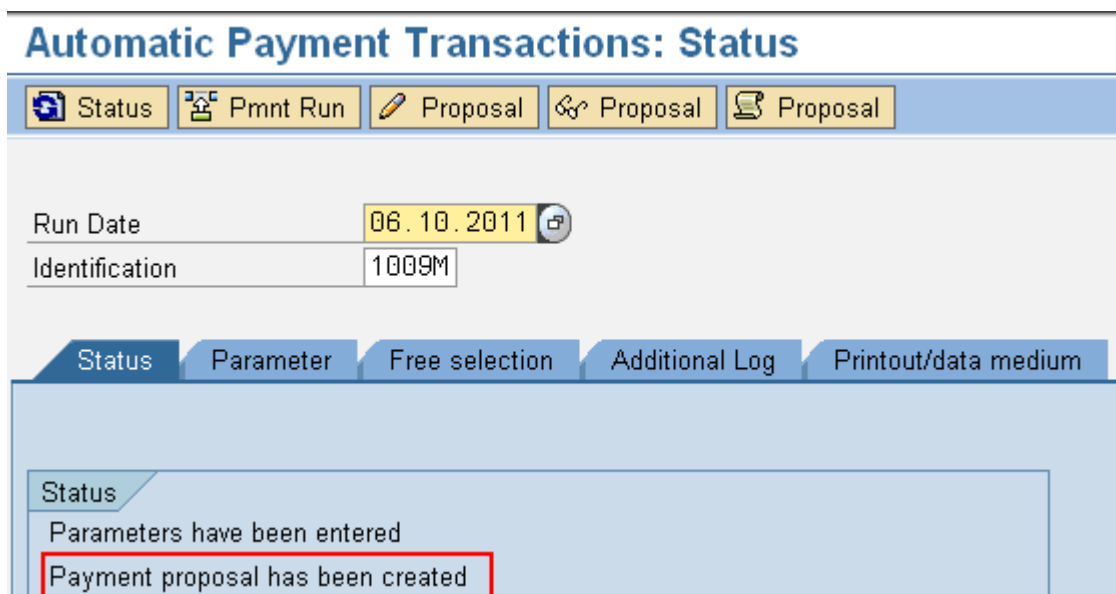


The 'Schedule Proposal' dialog box contains the following fields and controls:

- Start date:** 06.10.2011 (with a calendar icon)
- Start time:** 00:00:00
- Target computer:** (empty text field)
- Start immediately:** ☐
- Create payment medium:** ☒
- Buttons:** A green checkmark icon and a red 'X' icon at the bottom left.

Message :  Proposal run has been scheduled

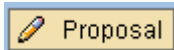
Keep clicking on  until the message appears as “proposal has been created”



The 'Automatic Payment Transactions: Status' window displays the following information:

- Buttons:** Status, Pmnt Run, Proposal, Proposal, Proposal.
- Run Date:** 06.10.2011 (with a calendar icon)
- Identification:** 1009M
- Tabs:** Status, Parameter, Free selection, Additional Log, Printout/data medium.
- Status Tab Content:**
 - Parameters have been entered
 - Payment proposal has been created (highlighted with a red box)

Click on the display / change



Accounting clerk

☒ All accounting clerks
☐ Selected accounting clerk

☒ ☐

Edit Payment Proposal: Payments

Choose Change Back from find

Run On 06.10.2011 1009M Snd. CC 1009

Payments/exceptions

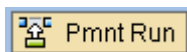
Type	Value Date	Local curr. pmnt amnt	Crcy	Vendor	Name 1
<input checked="" type="checkbox"/>	08.10.2011	125,000.00-	USD	900000	Fujitsu Electronics America Inc
		125,000.00-			

You can now see the payment proposal list like the example above. Temporary, payment document numbers on the proposal list subtotal the paid items.

Select the green arrow icon  to return to the status screen.

4.4 Payment Run

Click on the icon



Schedule Payment

Start date 06.10.2011 ☒ Start immediately

Start time 00:00:00

Target computer

☒ Create payment medium

☒ ☐

Press Enter

Status Parameter Free selection Additional Log Printout/data medium






Status

Parameters have been entered
Payment proposal has been created
Payment run is running

✓ Payment run has been scheduled

Click on  **Status** till posting orders message comes up

Automatic Payment Transactions: Status

 **Status**  Payments  Proposal  Proposal  Printout

Run Date: 06.10.2011
Identification: 1009M

Status Parameter Free selection Additional Log Printout/data medium

Status

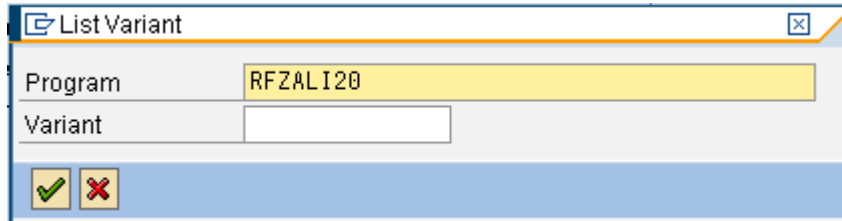
Parameters have been entered
Payment proposal has been created
Payment run has been carried out
Posting orders: 1 generated, 1 completed

At this point in the payment process, the system has created and posted a payment document (general ledger entry) for each of the payments in the run.

4.5 Payment Run

The output Details of the payment run may be reviewed by choosing:

EDIT → PAYMENT → PAYMENT LIST from the main status screen.



A dialog box titled 'List Variant' with a close button (X) in the top right corner. It contains two input fields: 'Program' with the value 'RFZALI20' and 'Variant' which is empty. At the bottom, there are two buttons: a green checkmark and a red X.

Press Enter

Payment list

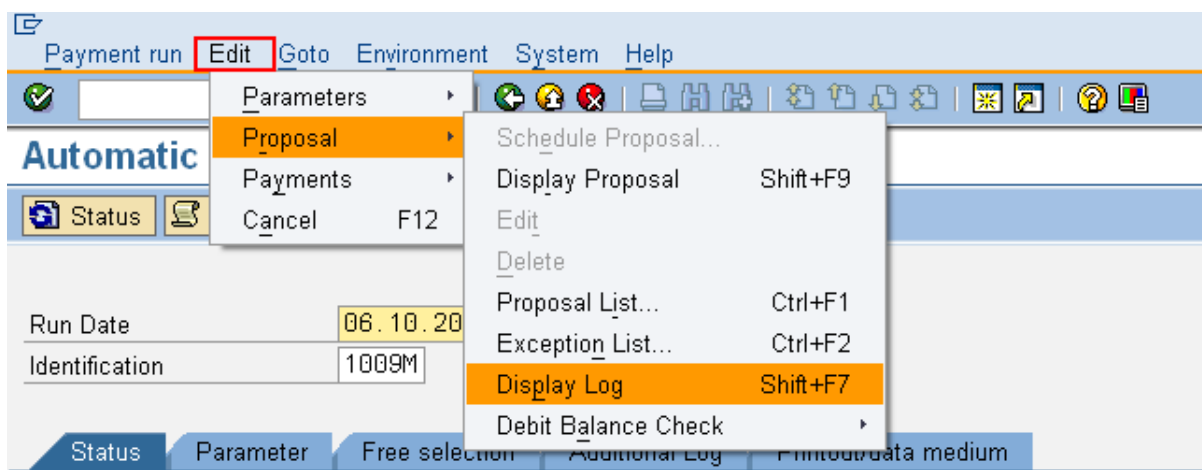
ABC Electronics Inc
CHICAGO
Company Code: 1009

Payment settlement list for payment run 06.10.2011/1009M
06.10.2011 / 10:09:40
Users: FIUSER04
Page: 1

Payment	House Bk	Acct ID	P Name (in language of country)	Account holder	Amount paid (FC)	Crcy					
BusA	CoCd	DocumentNo	Type	Document Date	Bline Date	PayT PK	FC gross amount	Tot.ded.in FC	Net amount in FC	Crcy	Err
Vendor: 0000900000											
Company Fujitsu Electronics America Inc 1250 East Arques Avenue SUNNYVALE CA 94089 USA											
2000000000	CITI	CA01	M Manual Check					125,000.00-	USD		
1009	1900000001	KR	30.09.2011	30.09.2011	0001	31	10,000.00-	0.00	10,000.00-	USD	
1009	1900000002	KR	30.09.2011	30.09.2011	0001	31	15,000.00-	0.00	15,000.00-	USD	
1009	1900000003	KR	30.09.2011	30.09.2011	0001	31	100,000.00-	0.00	100,000.00-	USD	
* 20000000							125,000.00-	0.00	125,000.00-	USD	

The report layout can be modified by clicking on  icon.

To see the Proposal log, click on  Proposal



The screenshot shows the 'Payment run' menu with 'Edit' highlighted. The 'Edit' submenu is open, showing options: 'Parameters', 'Proposal', 'Payments', and 'Cancel'. The 'Proposal' option is further expanded, showing a list of actions: 'Schedule Proposal...', 'Display Proposal' (Shift+F9), 'Edit', 'Delete', 'Proposal List...' (Ctrl+F1), 'Exception List...' (Ctrl+F2), 'Display Log' (Shift+F7), and 'Debit Balance Check'.

Job Log Entries for F110-20111006-1009M -X / 10044001

Job log overview for job: F110-20111006-1009M -X / 10044001		
Date	Time	Message text
06.10.2011	10:04:49	Job started
06.10.2011	10:04:49	Step 001 started (program SAPF110S, variant &0000000001612, user ID FIUSER04)
06.10.2011	10:04:49	Log for proposal run for payment on 06.10.2011, identification 1009M
06.10.2011	10:04:49	>
06.10.2011	10:04:49	> Additional log for vendor 900000 company code 1009
06.10.2011	10:04:49	>
06.10.2011	10:04:49	> ----- Due date determination additional log
06.10.2011	10:04:49	> Document 1900000001 line item 001 via USD 10,000.00-
06.10.2011	10:04:49	> Terms of payment: 30.09.2011 0 0.000 % 0 0.000 % 0
06.10.2011	10:04:49	> 02 days grace period is being considered
06.10.2011	10:04:49	> Maximum cash discount should always be taken
06.10.2011	10:04:49	> Payment must take place before 02.10.2011; next payment on 15.10.2011
06.10.2011	10:04:49	> Item is due with 0.000 % cash discount
06.10.2011	10:04:49	>
06.10.2011	10:04:49	> ----- Due date determination additional log
06.10.2011	10:04:49	> Document 1900000002 line item 001 via USD 15,000.00-
06.10.2011	10:04:49	> Terms of payment: 30.09.2011 0 0.000 % 0 0.000 % 0
06.10.2011	10:04:49	> 02 days grace period is being considered
06.10.2011	10:04:49	> Maximum cash discount should always be taken
06.10.2011	10:04:49	> Payment must take place before 02.10.2011; next payment on 15.10.2011
06.10.2011	10:04:49	> Item is due with 0.000 % cash discount
06.10.2011	10:04:49	>

The message class and Message No is important for trouble shooting.

Printing of Payments

Click on Printout

Schedule Print

Scheduling

Start date 06.10.2011 ☒ Start immediately

Start time 00:00:00

Target computer

Print job

Job name F110-20111006-1009M-Print1

☒ ☐

Check start immediately and enter job name. Click on

Message: Print job F110-20111006-1009M-PRINT1 has been scheduled

Go and see the vendor balance in FBL1N

Vendor Line Item Display									
Vendor		900000							
Company Code		1009							
Name		Fujitsu Electronics America Inc							
City		Sunnyvale							
St	Assignment	DocumentNo	Type	Doc. Date	S	DD	Amount in doc. curr.	Curr.	Clrng doc.
<input type="checkbox"/>	<input type="checkbox"/>	1900000001	KR	30.09.2011			10,000.00-	USD	2000000000
<input type="checkbox"/>	<input type="checkbox"/>	1900000002	KR	30.09.2011			15,000.00-	USD	2000000000
<input type="checkbox"/>	<input type="checkbox"/>	1900000003	KR	30.09.2011			100,000.00-	USD	2000000000
<input type="checkbox"/>	<input type="checkbox"/>	2000000000	ZP	06.10.2011			125,000.00	USD	2000000000
							0.00	USD	

4.6 Payments Spool

Display Payments in a spool request (SP01)

Alternatively Select Systems from the menu and select Own Spools

Output controller: Spool request selection screen														
Spool requests					Output requests									
Spool Request Number														
Created By				FIUSER04										
Date created				06.10.2011		to		06.10.2011						
Client				800										
Authorization														

The output looks as below. There is payment summary and checks printed information

Click on to see the checks printed information and payment advices.

4.6 View Check Register

Via Menus	Accounting → Financial Accounting → Accounts Payable → Environment → Check information → Display → Check Register
Via Transaction Code	FCHN

Check Register

Paying Company Code: 1009 to:
 House Bank: CITI to:
 Account ID: CA01 to:
☐ Payroll checks

Execute

Check Register

3) **Payment in Currency XXX, payment method X: No valid payment procedure**

The payment program could not find a combination of payment method and house bank account with which the payment can be carried out.

You might have restricted the payments for a particular currency/ currencies; you may have to change currencies restrictions if required.

4) **Account XXXXXX XXXX (Vendor Account number and Company code) blocked by Payment proposal XX.XX.2011 XXXX (Run Date & Id)**

Once you make a proposal for a vendor, you cannot create another proposal for the same vendor unless and until first one is completed i.e. payment run is over. Unless payment run is over, vendor is locked for another proposal

Option1: complete the earlier proposal and continue the current proposal

Option2: Delete the earlier proposal and continue the current proposal

5) **Minimum amount has not been reached**

If your vendor due amount is less than threshold minimum amount, then your invoice will go into exception list in F110. That means that the amount less than the minimum amount specified in the configuration will not be paid.

Exception is that if the payment method is maintained in the invoice, system will not consider the minimum amounts. That means you can pay the amounts less the minimum amount by giving the payment method at invoice level.

6) **Account or Invoice is blocked for payment**

Item is blocked for payment means that the Invoice is blocked for payment. You need to manually unblock the invoice or wait for it to get unblocked.

Account is blocked for deletion means that the vendor is blocked for payment remove the block in XK02 transaction or see it is flagged for deletion in XK05

7) **Required details are no maintained in Vendor Master**

If you select the Street/PO Box Postal Code, Bank Account number as mandatory in the FBZP Configuration and those details are not maintained in the vendor master system throws an error.

6 Frequently Asked Questions on APP

Q1: What is the process of payments using the APP?

A: The process in general is as follows.

You launch transaction F110 and specify parameters for the selection of items to be paid. Then you run Proposal Run which creates Payments Proposal. This proposal is analysed by Treasury / Accountants / somebody else and then it is approved immediately or with some corrections. After that you run Productive Run. At this moment postings are done (or not done – see separately). When Productive Run is finished, you can create payment file or paper payment documents for the bank and/or payment recipients.

Q2: What should I start an APP configuration from?

A: The process begins with understanding of payment types in use. Have a look at the bank statement, talk to the people responsible for payments and statements. You will create special payment method for each of the payment types.

Basic configuration of APP is carried out in transaction FBZP. Go through all the sections in it and understand what you will configure and what you will copy from existing examples (maybe just use existing examples without copying).

Q3: We have a special payment type when paper fax is sent to the “bank”. This fax contains all the parameters for the payment processing. The “bank” is not a real bank but company within our holding. It gives us periodic statements like paper bank statements. Payments of this type are absolutely manual. Do I need to set up special payment method for this?

A: 1) If the payment is done for the preliminary known open items, you can simply use “Manual payments” transaction F-53 without APP. No payment method is required in this case. Payment document can be printed out in external system (Word/Excel) or via Correspondence functionality.

2) If you want APP to choose the documents to be paid via “fax”, then you have to use it. Special payment method is required. Of course, you can set up your own printing program for this payment method, as for usual payment method.

Q4: We periodically pay to the government authorities. For example, taxes. How should we process these payments?

A: I saw 3 scenarios:

1) Russian. You create special vendor with reconciliation account in area of “tax” GL accounts. You post “invoice” from this vendor, even though there is no actual invoice. Amount is taken from the tax return. Then you pay the amount to vendor as usual.

2) Western with direct debit. Very simple. Tax authorities take money from the bank account by themselves.

3) Western with invoice. It is like scenario 1, but actual invoice exists.

Q5: Bill of exchange. What is this? IMG has lots of settings about it, but I do not Understand if I need them.

A: It is payment with notes (bill of exchange, bill). I have never seen it in use. Simply forget about it.

Q6: Are there any recommendations as to best usage of Identification field in transaction F110? The one below the date, on the first screen. Should we put clerk's initials in there, country code, company code?

A: The approach depends on number of people processing the payments, if they have on-line connection to each other etc. If people are located in several geographical locations, then it is logical to put code of the country or Company Code. If they sit next to each other, they can work out their own rules.

Q7: Why do I have Vendors and Customers on the selection screens of APP? What is relations between Customers and Payment program which is used for outgoing payments?

A: First of all, we can pay Customers too. For example, refunds or returns of down payments.

Second, APP can be also used for payments collection. For example, direct debits.

That's why customers are pretty much on their place in APP.

Q8: Are there any recommendations as to how to use "Next run date" field in APP? How often should the Payment Run be executed?

A: If you use early settlement discount functionality and automatic payment optimization, then the field "Next run date" should contain the date of next run. Frequency of them depends on company rules and varies from 1 day to 1 month. If you select open items manually using the external lists and factors, then 31.12.9999 will do.

Q9: What is the trigger for APP run? Vendor invoice? Purchase order?

A: APP processes posted invoices and down payment requests. Purchase orders have nothing to do with APP. Frankly speaking; Purchase Orders are not relevant to Finance whatsoever.

Q10: We can control outgoing payments: what and how to pay. There is different situation with incoming payments. How would we know that customer has paid us in order to process the incoming payment in APP? How shall we know which bank account it sent us the money to, if we have several bank accounts? It is also unclear how customer calculates early settlement discount.

A: APP is used for the outgoing payments initiated by our company. Incoming payments are only processed via APP if we initiate them (i.e. direct debit).

Q11: Can we specify payment method in open items? Is it done in invoice?

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A: Payment method is specified in several places in SAP system:

1) Vendor master record. You can specify several payment methods in there, and APP will automatically select the best one.

2) Directly in the invoice.

3) In the payment terms, and then this value will be inherited into the invoice.

Payment method in the invoice has a priority over the payment method in vendor master record.

Q12: I have specified payment method in the vendor master record. But it is not automatically copied into the posted invoice. Why? What should I do?

A: You can specify several payment methods in vendor master record. How should system decide which one you want to copy into the document, what do you think? That is why there is no such functionality in SAP.

As an alternative solution, you can specify payment method in the payment terms and then put payment terms into the vendor master record. Payment terms will be inherited into the document and will bring the payment method too.

Q13: Is it possible to change payment method in Payment proposal? Or we need to block the payment and change the payment method somewhere else?

A: When APP has analysed the open items and created a Payment Proposal, you can edit the Proposal: change payment methods, banks, regroup payments etc. There is a button for this on the Edit Proposal screen.

Q14: Do I need to make any developments for the APP?

A: You will need development only for the output forms, and only if:

1) extraordinary requirement from the bank in regards of output file. For example, development is required for the integration with Russian bank-client systems;

2) amend forms for cheques/ /Payment advice for the company/bank requirements (logo, fields location and other small details)

Q15: How will the bank know that it has to process the payment? What is the file format for the bank? Does APP process have a step for the output file generation?

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A: Formats for the bank – you should ask the bank yourself. SAP has lots of standard formats used worldwide and locally. You should only understand which ones to switch on.

Based on my own experience, international banks work well with formats SWIFT MT101 or MT103. They are in the standard delivery of PMW (Payment Medium Workbench).

Unfortunately, Russian banks are very self-conceited and only accept their own formats. One of the national standard (but not official) is format of “1C” system, but standard SAP does not support it. That is why file extract for the bank-client system is a development in this case.

Of course, file or printout for the bank is one of the results of APP work. You can generate them using the “Print” button on the instrument panel in APP.

Q16: Which format can we extract data from the system to send it to the bank?

A: It depends on the formats which bank accepts. SWIFT MT101 is very convenient and widespread. Some countries have their own requirements for the format. As a rule, they are already in SAP standard delivery.

If you are on the cross-road and do not know what to start with, try to give SWIFT MT101 file to the bank and look at their reaction. You can also ask Treasury which format they use at present.

Q17: What do I need to do in APP settings to enable generation of file with information about outgoing payments?

A: There are 6 buttons in transaction FBZP which you should start with. One of them (Payment method for the country) has a choice of “classical” payment program or Payment Medium Workbench.

Next we set up a variant for “classical” program or set up PMW (also known as DMEE).

You can find lots of customizing options for the extraction file in the IMG:

Financial Accounting → AP/AR → Business Transactions → Outgoing Payments → Automatic Outgoing Payments. Exact list of nodes you need to go into depends on format you have chosen.

IDOC is another option for the sending payments to the bank. Program RFFOEDI1 generates IDOCs and is always available in F110 on the “Print” tab.

Q18: I have decided to use SWIFT MT101 format. Which settings are required in the system in this case? Do I need to make settings for each individual bank?

A: Format MT101 is defined by SWIFT which is international organisation. It should not be changed. In the meantime, there are some parameters (fields) values in which can be changed because of requirements of client or bank.

Q19: Bank asks different structure of field 59 in format SWIFT MT101 for domestic and international payments. How should I set it up?

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A: Separate payment method is usually used for international payment. Different payment methods can have different variants in PMW.

Q20: How can I set up instruction key which defines who pays commission for the payment, payer or payee? This instruction key is used in field 71A of format SWIFT MT10. How can I assign the key to the bank or vendor?

A: IMG Node

Financial Accounting (New) > Accounts Receivable and Accounts Payable > Business Transactions > Outgoing Payments > Automatic Outgoing Payments > Payment Media > Data Medium Exchange > Define Instruction Keys.

You define instruction key for the payment method. Then, payment method is assigned to the vendor or invoice (see above).

By the way, my own experience shows that banks are usually ignore this instruction and always charge payer with the commission.

Q21: How can I activate functionality “State Central Bank indicator” (SCB indicator), which is used in the field 77B of format SWIFT MT101?

A: IMG Node:

Financial Accounting (New) > General Ledger Accounting (New) > Periodic Processing > Report > Foreign Trade Regulations > Enter Company Data for Foreign Trade Regulations

Here we put the Company Code, i.e. “activate” SCB for it.

Next IMG node allows us to create our own SCB indicators.

When “SCB indicator” functionality is activated for the Company Code, “Details” tab of Invoice entry transaction (FB60) will have relevant fields: SCB ind and Suppl.Cntry. The condition: vendor should belong to the country different from country of Company Code. Play with these fields and see which information is taken to the field 77B. The rest is just a technical question.

Q22: Where do I set up output forms?

A: Output forms are defined in the payment methods. You can assign program/form or Payment Medium Workbench (PMW) structure. There are tons of output forms ready to use. All the standard (including European) forms are supported. Print programs can be found using the RFFO* mask. List of PMW variants can be seen using the F4 key. You can create your own PMW forms in transaction DMEE. Please read PMW and DMEE documentation.

Other than payment order itself, company may require to produce Payment Advice which informs vendor about the payment details. You can configure the form for Payment Advice in the Paying Company Code section of transaction FBZP.

Q23: Do I need to configure anything for format SWIFT MT101 in transaction DMEE?

I do not see anything like this in PAYM tree. If I need to create my own format, which

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option to choose: flat file or XML message? How can I assign / activate my own new format?

A: Format SWIFT MT101 exists in standard PMW delivery. DMEE covers only few PMW formats. Fortunately, SWIFT MT101 requires only minimal configuration, and it is not done in DMEE. Have a look at:

Financial Accounting (New) > General Ledger Accounting (New) > Business Transactions > Outgoing Payments > Automatic Outgoing Payments> Payment Media > Make Settings for Payment Medium Formats from Payment Medium Workbench > (Adjust Payment Medium Format).

And also Create/Assign Selection Variants (OBPM4) in the same IMG node.

If you need to create something very new, you can use DMEE for configuration and then assign newly created format to payment method in the same IMG node which I already mentioned.

Type of the tree (xml / flat file) depends on the bank's preferences and requirement.

Q24: I have run the Payment Program, posted the documents and planned the print phase. Where should I see the file in the format SWIFT MT101?

A: F110 – Environment – Payment Media

Q25: I need to print a document for vendor which informs him about payment details. Where can I configure it?

A: You can do this in transaction FBZP, section "Paying Company Code". This is called "Payment Advice". It is usual form. SAP has delivered form for IDES which can be adjusted with a little ABAP.

Q26: Company uses bank chains. What is this? Does APP support them?

A: Bank chains are usually used in international payments, and very rare in domestic payments. Generally speaking, banks can usually determine how to transfer money from payer to payee themselves. But if company wants to help the bank and speed up the process, bank chains can help.

In short, here is the purpose of bank chains. If you want to transfer money from one bank to another, these banks should have accounts for each other (correspondence accounts). It means that banks put money into these accounts. When client of bank A pays client of bank B, then bank B increases the balance of the correspondence account and bank A reduces the balance. There is no physical money transfer unless the balances are negative. As soon as there are too many banks in the world, it is impossible to have correspondence accounts for each pair of the banks. There are some historical banks which carry out functions of intermediate banks. For example, Bank of New York (BONY). In this case banks A and B open correspondence accounts with BONY, but not with each other. When client of bank A transfers money to client of bank B, there are only movements on the correspondence accounts which link banks (A and BONY) and (BONY and B). Again, there is no physical money movement. BONY has no impact on its balance, but it gets commissions from the transaction. If payer wants to specify bank chain, it has to let its own bank know that BONY is an intermediate bank, and sometimes correspondence accounts of bank A in BONY.

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There can be 2 intermediate banks in the worst scenario.

SAP has very simple customising of bank chains.

IMG Node: Financial Accounting (New) → Bank Accounting → Bank Chains.

SAP Easy Access Node: Accounting → Financial Accounting → Banks → Master Data → Bank Chains.

If bank chains are active, system will automatically find the necessary chain and put it into internal table of APP. These data will get into payment order.

Q27: What are the possible options to display Payment Proposal and list of items in Proposal?

A: Payment Proposal and list of items in it can be viewed in 2 variants: classical and ALV-grid. You can customize classical display in IMG. If you want to switch display to ALV-grid, you have to put parameter in user master record (transaction SU3). Parameter code is F110OALV.

It may not work in new versions (6.0 and higher) where ALV-grid is set up as default.