

Oracle[®] Financials for Brazil Implementation Manual

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Oracle® Financials for Brazil Implementation Manual, Release 11

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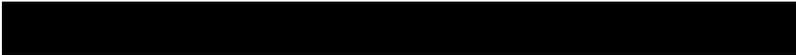
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Preface

Welcome to Release 11 of the *Oracle® Financials for Brazil Implementation Manual*.

This implementation manual includes information to help you set up and effectively work with Oracle Financials for Brazil. The manual contains overview and reference information for using Oracle Financials for Brazil.

This preface explains how this manual is organized and introduces other sources of information that can help you use Oracle Financials for Brazil.

About this Implementation Manual

This implementation manual documents country-specific functionality developed for use within your country and supplements our core Financials user's guides. This implementation manual also includes tips about using core functionality to meet your country's legal and business requirements, as well as task and reference information. The following chapters are included:

- Chapter 1 explains the Brazilian Tax feature and describes the procedures for implementing this feature for Oracle Purchasing. The tasks for using Oracle Purchasing with the Brazilian Tax feature are explained.
- Chapter 2 explains the Brazilian Consolidated Billing, Bank Transfer, Interest, and Tax features and describes the procedures for implementing these features for Oracle Payables. The tasks for using the Brazilian features are explained. Examples show how interest and tax are calculated and accounted. This chapter also describes the subledger tables that you enter information into before you run the Supplier Auxiliary Daily report and the Supplier Auxiliary Ledger report.
- Chapter 3 explains the Brazilian Billing, Bank Transfer, Interest, and Tax features and describes the procedures for implementing these features for Oracle Receivables. The tasks for using the Brazilian features are explained. Examples show how interest and tax are calculated and accounted. This chapter also describes the subledger tables that you enter information into before you run the Customer Auxiliary Daily report and the Customer Auxiliary Ledger report.
- Finally, the appendix details the subledger tables that you enter information into before you run the Auxiliary Daily and Auxiliary Ledger reports for Oracle Payables and Oracle Receivables.

Assumptions

This manual assumes you have a working knowledge of the principles and customary practices of your business area. It also assumes you are familiar with Oracle Financials for Brazil. If you have never used Oracle Financials for Brazil, we suggest you attend training classes available through Oracle Education. See *Other Information Sources* for more information about Oracle Financials and Oracle training.

This manual also assumes that you are familiar with the Oracle Applications graphical user interface. To learn more about the Oracle Applications graphical user interface, read the *Oracle Applications User's Guide*.

Do Not Use Database Tools to Modify Oracle Applications Data

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. If you use Oracle tools like SQL*Plus to modify Oracle Applications data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle Applications tables are interrelated, any change you make using an Oracle Applications form can update many tables at once. But when you modify Oracle Applications data using anything other than Oracle Applications forms, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle Applications.

When you use Oracle Applications forms to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also keeps track of who changes information. But, if you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

*Consequently, we STRONGLY RECOMMEND that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle Applications tables, unless we tell you to do so in our manuals.*

Other Information Sources

You can choose from other sources of information, including documentation, training, and support services, to increase your knowledge and understanding of Oracle Financials for Brazil.

Most Oracle Applications documentation is available in Adobe Acrobat format on the *Oracle Applications Documentation Library* CD. We supply this CD with every software shipment.

If this implementation manual refers you to other Oracle Applications documentation, use only the Release 11 versions of those manuals unless we specify otherwise.

Oracle Applications User's Guide

This guide explains how to navigate, enter data, query, run reports, and introduces other basic features of the graphical user interface (GUI) available with this release of Oracle Financials for Brazil and any other Oracle Applications product. This guide also includes information on setting user profiles, as well as running and reviewing reports and concurrent requests.

You can also access this user's guide online by choosing *Getting Started with Oracle Applications* from any Oracle Applications help file.

Related User's Guides

This implementation manual documents country-specific functionality developed in addition to our Oracle Financials core products. Because our country-specific functionality is used in association with our core Financials products and shares functional and setup information with other Oracle Applications, you should consult other related user's guides when you set up and use Oracle Financials for Brazil.

If you do not have the hardcopy version of these manuals, you can read them by choosing Library from the Help menu, or by reading from the Oracle Applications Documentation Library CD, or by using a Web browser with a URL that your system administrator provides.

Oracle Financials for Brazil User's Guide

This user's guide includes information to help you effectively work with Oracle Financials for Brazil. The manual contains specific tasks that you can accomplish with Oracle Financials for Brazil and describes the functions, features, programs, windows, and reports.

Oracle General Ledger User's Guide

Use this manual when you plan and define your chart of accounts, accounting period types and accounting calendar, functional currency, and set of books. It also describes how to define journal entry sources and categories so that you can create journal entries for your general ledger. If you use multiple currencies, use this manual when you define additional rate types and enter daily rates. This manual also includes complete information on implementing budgetary control.

Oracle Cash Management User's Guide

This manual explains how you can reconcile your payments with your bank statements.

Oracle Purchasing User's Guide

Use this manual to read about entering and managing the purchase orders that you match to invoices.

Oracle HRMS User's Guide

This manual explains how to enter your employees, so you can enter expense reports for them. It also explains how to set up organizations and site locations.

Oracle Payables User's Guide

This manual describes how accounts payable transactions are created and entered into Oracle Payables. This manual also contains detailed setup information for Oracle Payables.

Oracle Receivables User's Guide

Use this manual to learn how to implement flexible address formats for different countries. You can use flexible address formats in the suppliers, banks, invoices, and payments windows.

Oracle Projects User's Guide

Use this manual to learn how to enter expense reports in Projects that you import into Payables to create invoices. You can also use this manual to see how to create Project information in Projects which you can then record for an invoice or invoice distribution.

Oracle Assets User's Guide

Use this manual to add assets and cost adjustments directly into Oracle Assets from invoice information.

Oracle Applications Flexfields Guide

This manual provides flexfields planning, setup, and reference information for your implementation team, as well as for users responsible for the ongoing maintenance of Oracle Applications product data. This manual also provides information on creating custom reports on flexfields data.

Oracle Workflow Guide

This manual explains how to define new workflow business processes as well as customize existing Oracle Applications-embedded workflow processes. You also use this guide to complete the setup steps necessary for any Oracle Applications product that includes workflow-enabled processes.

Oracle Alert User's Guide

This manual explains how to define periodic and event alerts to monitor the status of your Oracle Applications data.

Country-Specific User's Guides

These manuals document functionality developed to meet legal and business requirements in countries that you do business in. Look for a User's Guide appropriate to your country; for example, see the *Oracle Financials for the Czech Republic User's Guide* for more information about using this software in the Czech Republic.

Oracle Applications Character Mode to GUI Menu Path Changes

This is a quick reference guide for experienced Oracle Applications end users migrating from character mode to a graphical user interface (GUI). This guide lists each character mode form and describes which GUI windows or functions replace it.

Oracle Financials Open Interfaces Guide

This guide contains a brief summary of each Oracle Financial Applications open interface.

Multiple Reporting Currencies in Oracle Applications

If you use Multiple Reporting Currencies feature to report and maintain accounting records in more than one currency, use this manual before implementing Oracle Financials for Brazil. The manual details additional steps and setup considerations for implementing Oracle Financials for Brazil with this feature.

Multiple Organizations in Oracle Applications

If you use the Oracle Applications Multiple Organization Support feature to use multiple sets of books for one Oracle Financials installation, use this guide to learn about setting up and using Oracle Financials with this feature.

Report eXchange User's Guide

Read this guide to learn more about Report eXchange, which lets you customize the output of certain reports and download them to a spreadsheet program.

Oracle Applications Implementation Wizard User's Guide

If you are implementing more than one Oracle product, you can use the Oracle Applications Implementation Wizard to coordinate your setup activities. This guide describes how to use the wizard.

Oracle Applications Developer's Guide

This guide contains the coding standards followed by the Oracle Applications development staff. It describes the Oracle Application Object Library components needed to implement the Oracle Applications user interface described in the *Oracle Applications User Interface Standards*. It also provides information to help you build your custom Developer/2000 forms so that they integrate with Oracle Applications.

Oracle Applications User Interface Standards

This manual contains the user interface (UI) standards followed by the Oracle Applications development staff. It describes the UI for the Oracle Applications products and how to apply this UI to the design of an application built by using Oracle Forms 4.5.

Installation and System Administration

Oracle Applications Installation Manual

This manual and the accompanying release notes provide information you need to successfully install Oracle Financials, Oracle Public Sector Financials, Oracle Manufacturing, or Oracle Human Resources in your specific hardware and operating system software environment.

Oracle Financials Country-Specific Installation Supplement

Use this manual to learn about general country information, such as responsibilities and report security groups, as well as any post-install steps required by some countries or the Global Accounting Engine.

Oracle Applications Upgrade Manual

This manual explains how to prepare your Oracle Applications products for an upgrade. It also contains information on finishing the upgrade procedure for each product. Refer to this manual and the *Oracle Applications Installation Manual* when you plan to upgrade your products.

Oracle Applications System Administrator's Guide

This manual provides planning and reference information for the Oracle Applications System Administrator. It contains information on how to define security, customize menus and online help, and manage processing.

Oracle Financials Regional Technical Reference Manual

The *Oracle Financials Regional Technical Reference Manual* contains database diagrams and a detailed description of regional and related applications database tables, forms, reports, and programs. This information helps you convert data from your existing applications, integrate Oracle Financials with non-Oracle applications, and write custom reports for Oracle Financials.

You can order a technical reference manual for any product you have licensed. Technical reference manuals are available in paper format only.

Oracle Applications Product Update Notes

This manual contains a summary of each new feature we added since Release 10.7, as well as information about database changes and seed data changes that may affect your operations or any custom reports you have written. If you are upgrading from Release 10.6 or earlier, you also need to read Oracle Applications Product Update Notes Release 10.7.

Training and Support

Training

Oracle Education offers a complete set of training courses to help you and your staff master Oracle Applications. We can help you develop a training plan that provides thorough training for both your project team and your end users. We will work with you to organize courses appropriate to your job or area of responsibility.

Training professionals can show you how to plan your training throughout the implementation process so that the right amount of information is delivered to key people when they need it the most. You can attend courses at any one of our many Educational Centers, or you can arrange for our trainers to teach at your facility. In addition, we can tailor standard courses or develop custom courses to meet your needs.

Support

From on-site support to central support, our team of experienced professionals provides the help and information you need to keep Oracle Financials for Brazil working for you. This team includes your technical representative, account manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle server, and your hardware and software environment.

About Oracle

Oracle Corporation develops and markets an integrated line of software products for database management, applications development, decision support, and office automation, as well as Oracle Applications, an integrated suite of more than 45 software modules for financial management, supply chain management, manufacturing, project systems, human resources, and sales and service management.

Oracle products are available for mainframes, minicomputers, personal computers, network computers, and personal digital assistants, allowing organizations to integrate different computers, different operating systems, different networks, and even different database management systems, into a single, unified computing and information resource.

Oracle is the world's leading supplier of software for information management, and the world's second largest software company. Oracle offers its database, tools, and applications products, along with related consulting, education, and support services, in over 140 countries around the world.

Thank You

Thank you for using Oracle Financials for Brazil and this Implementation Manual.

We value your comments and feedback. At the end of this manual is a Reader's Comment Form you can use to explain what you like or dislike about Oracle Financials or this implementation manual. Mail your comments to the following address or call us directly at (650) 506-7000.

Oracle Applications Documentation Manager
Oracle Corporation
500 Oracle Parkway
Redwood Shores, CA 94065
U.S.A.

Or, send electronic mail to globedoc@us.oracle.com.

Oracle 1 Purchasing

This chapter explains the Brazilian Tax feature and describes the procedures for implementing this feature for Oracle Purchasing. The tasks for using Oracle Purchasing with the Brazilian Tax feature are explained.

Tax Overview

Oracle Purchasing uses the Brazilian Tax feature to generate purchase orders and releases with Brazilian VAT taxes. The Tax feature is available for both manual and automatic creation processes and lets you register fiscal information and set up taxes with flexibility.

The Brazilian Tax feature lets you satisfy your tax requirements. You can do the following:

- Enter multiple taxes, including VAT, for a purchase order.
- Handle tax reductions and exemptions in the calculation base and rate.
- Enter fiscal attributes for items and suppliers.
- Define additional tax types for items and suppliers.
- Automatically calculate the tax amount for a purchase order or release that you autcreate.

Tax Calculations

Oracle Purchasing automatically calculates IPI and ICMS taxes depending on the tax setup. Both IPI and ICMS taxes are stored at line level during purchase order entry, and the total IPI tax is stored at purchase order level.

Oracle Payables calculates IPI tax and creates IPI tax distribution lines at the invoice header when the invoice is matched to a purchase order. Oracle Payables calculates the tax value based on your tax location when the Ship-from parameter is defined in the Supplier Site window, and the Ship-to parameter is defined in the Payables Options window.

The Automatic Tax Calculation on Matching Against PO feature verifies that the tax name in an invoice distribution line matches the tax name on the corresponding purchase order distribution line. If the tax names are not the same, AutoApproval automatically places a Tax PO/Invoice Difference hold on the invoice.

The calculation base, tax rate, and tax amount of the purchase order are automatically considered base values when the purchase order is matched to the invoice.

If the quantity or unit price on the invoice is different than the quantity or unit price on the purchase order, the base and the value of the taxes are recalculated. Oracle Payables leaves the invoice on hold when the calculation base values, rates, and values are different from those on the purchase order.

Oracle Payables uses the calculation base, rate, and accounting information from the setup as default values to calculate the tax value.

Implementing Tax

This section explains how to implement Brazilian Tax for Oracle Purchasing. Use the checklist to help you complete the appropriate steps in the correct order for your implementation. The steps are described in more detail in this section.

Implementation Checklist

- 1 Set up Oracle Purchasing
- 2 Complete the General Setup
- 3 Define Purchasing Options
- 4 Define Tax Names
- 5 Define Transaction Nature Lookup Codes
- 6 Define Fiscal Classification Codes
- 7 Define Inventory (Master) Items
- 8 Define Locations
- 9 Define Tax for Locations
- 10 Define a Tax Functional Matrix
- 11 Define Tax Exceptions by Fiscal Classification
- 12 Define Tax Exceptions by Item
- 13 Define Suppliers

1. Set up Oracle Purchasing

Set up Oracle Purchasing using the standard Oracle Purchasing setup procedure.



See also

Setting Up, *Oracle Purchasing User's Guide*

2. Complete the General Setup

Complete the general setup for Oracle Financials for Brazil.



See also

General Setup, *Oracle Financials for Brazil User's Guide*

3. Define Purchasing Options

Use the globalization flexfield in the Purchasing Options window to define a default transaction nature for one-time items. When you create a purchase order or a requisition with a one-time item, this transaction nature is defaulted. The Taxable option in the Purchasing Options window is unchecked and cannot be updated. You can override the taxable status for each item or purchase order shipment if the tax to be applied is different than the default transaction nature. Change the transaction nature at line level to override the taxable status.



See also

Defining Purchasing Options, *Oracle Purchasing User's Guide*



See also

Defining Transaction Natures for One-Time Items, *Oracle Financials for Brazil User's Guide*

4. Define Tax Names

Use the Tax Names window to define tax names and types for Brazilian taxes, such as ICMS and IPI.



See also

Tax Names, *Oracle Payables User's Guide*



See also

Defining Tax Names, *Oracle Purchasing chapter, Oracle Financials for Brazil User's Guide*

5. Define Transaction Nature Lookup Codes

Use the Oracle Purchasing Lookup Codes window to define transaction natures. The transaction nature determines the tax type that is applied to the base amount. You use the PO/Requisition Reason lookup type, which is predefined.



See also

Defining Transaction Nature Lookup Codes, *Oracle Financials for Brazil User's Guide*

6. Define Fiscal Classification Codes

Use the Fiscal Classification window to define an IPI tax name or an IPI tax exemption. You can also enter an IPI rate-reduced base. If there is federal exception for items that are associated with a fiscal classification code, enter an ICMS tax name exception.

The fiscal classification code is one of the most important information for calculating tax. The fiscal classification code determines federal taxes, such as IPI and ICMS federal exception. The IPI tax rate and some ICMS tax exceptions are based on the fiscal classification code.



See also

Defining Fiscal Classifications, *Oracle Purchasing chapter, Oracle Financials for Brazil User's Guide*

7. Define Inventory (Master) Items

Use the Master Items window to define inventory items. Use the globalization flexfield in the Master Items window to define fiscal information, such as the fiscal classification code, transaction nature, and other tributary information for the inventory items.

You must choose the application that you want to associate most often with the item. See the following table to choose a value for the inventory application and to choose the value set for the default fiscal classification code and transaction nature. In the table below, Oracle Receivables includes Oracle Order Entry.

If an Item is Used in	Receivables only	Purchasing only	Receivables and Purchasing	
			Receivables	Purchasing
Primary Use	-	-	Receivables	Purchasing
Inventory Application	AR	PO	INV	INV
Fiscal Classification	AR	PO	AR	PO
Transaction Nature	AR	PO	AR	PO

If you want to see the item in your purchase order line, you must check the *Purchase* check box.

The values that you specify for the fiscal classification and transaction natures are defaulted in the purchase order line. You can, however, modify the defaults at the line level.



See also

Defining Master Items,
Defining Fiscal Information for Inventory Items,
Oracle Financials for Brazil User's Guide

8. Define Locations

Use the Location window to define ship-from and ship-to locations. Use the globalization flexfield in the Location window to specify the establishment type for your ship-to location.



See also

Defining Fiscal Information for Locations, *Oracle Purchasing chapter, Oracle Financials for Brazil User's Guide*

9. Define Tax for Locations

Use the Tax Locations window to assign an ICMS tax rate that is associated to the ship-from and ship-to locations. You define an ICMS tax name for each interstate and intrastate combination.



See also

Defining Tax for Locations, *Oracle Financials for Brazil User's Guide*

10. Define a Tax Functional Matrix

Use the Tax Functional Matrix window to define Tax Recoverable ICMS, Tax Recoverable IPI, and the ICMS Compound Base for different combinations of the establishment type, contributor type, and transaction nature code. Check the *IPI Tax Apply* check box to apply the IPI tax. Oracle Payables and Oracle Purchasing use the Tax Functional Matrix setup to calculate IPI tax and ICMS compounded base during tax calculation. Oracle Payables uses the tax recoverable information to generate invoice distribution.

Depending on the contributor type, establishment type, and transaction nature, specify if the IPI and the ICMS are recoverable and the percentage of the tax that can be recovered. Check the *Compounded Base* check box to specify if the ICMS tax has its base amount compounded with the IPI tax amount.



See also

Defining the Tax Functional Matrix, *Oracle Financials for Brazil User's Guide*

11. Define Tax Exceptions by Fiscal Classification

Use the Tax Exceptions by Fiscal Classifications window to define the ICMS tax exceptions for any existing combination of ship-from and ship-to states per fiscal classification code.

You can enter ICMS exempt, ICMS non-incidence, or an ICMS tax name. You can also enter an ICMS rate-reduced base.



See also

Defining Tax Exceptions by Fiscal Classifications, *Oracle Financials for Brazil User's Guide*

12. Define Tax Exceptions by Item

Use the Tax Exceptions by Items window to define the ICMS tax exceptions for any existing combination of ship-from and ship-to states per inventory item.

You can enter ICMS exempt, ICMS non-incidence, or enter an ICMS tax name. You can also enter an ICMS rate reduced base.



See also

Defining Tax Exceptions by Items, *Oracle Financials for Brazil User's Guide*

13. Define Suppliers

Use the Supplier Sites window to define suppliers. Use the globalization flexfield in the Supplier Sites window to define fiscal parameters at supplier site level.

For example, all transactions for a supplier site use the ICMS tax exception for the supplier that is defined at the supplier level.



See also

Defining Supplier Site Information, *Oracle Purchasing chapter, Oracle Financials for Brazil User's Guide*

Viewing Tax for Purchase Orders and Releases

This section describes how you can view taxes that are calculated for purchase orders and releases. Taxes are automatically generated when purchase orders and releases are autocreated. Examples show how tax is calculated after tax names, suppliers, fiscal classifications codes, and tax rules are defined.

Viewing Purchase Order Taxes

Use the globalization flexfield in the Purchase Orders window at line level to define fiscal classification codes. If you enter an inventory item that is associated with fiscal information, the transaction nature and fiscal classification code are defaulted. The fiscal classification code determines the taxes and tax exceptions at federal level, such as IPI tax, IPI exemption, IPI reduced base, and ICMS superfluous.

When you enter a purchase order with the supplier, item, and ship-to location associated with the fiscal information, you can see the following tax information in the globalization flexfields:

- The total IPI tax at the header level.
- The transaction nature and fiscal classification code at the line level. The transaction nature is required.
- IPI and ICMS tax that is automatically calculated for the shipments at the shipment level.



See also

Entering Fiscal Information for Items,
Viewing Purchase Order Tax,
Viewing Purchase Order Shipment Tax,
Oracle Financials for Brazil User's Guide

Viewing Release Taxes

Use the globalization flexfields in the Releases window to view tax calculations. You can see the following information:

- The total IPI tax at the header level.
- IPI and ICMS taxes for shipments in the Shipments region.



See also

Viewing Release Shipment Tax,
Viewing Release Tax,
Oracle Financials for Brazil User's Guide

Autocreating Documents

Fiscal information and Brazilian taxes for purchase orders and releases are automatically generated during the autcreate process.

Fiscal information, such as transaction natures and fiscal classification codes, is automatically defaulted with the fiscal information that is defined at inventory items level or purchase option level during the autcreate process for purchase orders lines.

For both purchase orders and releases, tax information is automatically calculated during the autcreate process.



See also

AutoCreate, *Oracle Purchasing User's Guide*



See also

Autocreating Documents, *Oracle Financials for Brazil User's Guide*

Setting up Information for Tax Calculations

The following examples show how taxes are calculated for purchase orders according to how you define tax names, suppliers, fiscal classifications codes, and tax rules. A case with ICMS, IPI, and no exceptions, as well as a case with no IPI and ICMS with reduced base are shown.

Tax Name	Tax Type	Rate	Remarks
IPI35	IPI	35%	Cosmetics
IPI30	IPI	30%	Pharmaceuticals
IPI45	IPI	45%	Cars, Cigarettes
ICMS18	ICMS	18%	Intrastate
ICMS12	ICMS	12%	Interstate

Supplier	Site
General Motors (GM)	Sao Paulo (SP)
Rio Motors	Rio de Janeiro (RJ)
Souza Cruz	Rio de Janeiro (RJ)
Sao Paulo Tobacco Company	Sao Paulo (SP)

Fiscal Classification Code

Fiscal Classification Code	Description	IPI Tax Name	IPI Tax Rate	IPI Exempt	IPI Rate Reduced Base	ICMS Tax Name Exception	ICMS Tax Rate
FCC1	Pharmaceuticals	IPI30	30%	N			
FCC2	Cosmetics	IPI35	35%	N		ICMS12	12%
FCC3	Cars	IPI45	45%	N	10%	ICMS18	18%

Functional Matrix (Tax Rules)

Establishment (Location)	Contributor (Supplier)	Transaction Nature	IPI Recoverable	ICMS Recoverable	Compounded ICMS
Industrial	Industrial	Industrial	100%	Y	N
Commercial	Industrial	Industrial	50%	Y	N
Any	Any	Consumption	N	N	Yes, if supplier is Industrial
Any	Any	FA	N	N	N
Industrial	Any	Consumption	N	N	Y

Case 1: ICMS, IPI, and No Exceptions

Rio Motors, a car dealer in Rio de Janeiro, purchases cars from General Motors, which is located in Sao Paulo. In this case, the operation is taxed by the IPI and ICMS. The ICMS rate is the interstate rate.

General Motors ships two sports cars for 10,000.00. The IPI tax name is defined at item level in the Master Items window. The ICMS tax name is defined at the supplier site level.

You enter these values for a purchase order:

Header:

Type: *Standard Purchase Order*

Supplier: *General Motors*

Site: *Sao Paulo*

Ship to: *Rio de Janeiro*

Line Items:

Item: *Car*

Quantity: *2*

Price: *10,000.00*

Transaction Nature: *Industrial*

Fiscal Classification Code: *FCC1*

The tax results for this case are:

	IPI Base Amount	IPI Tax Rate	IPI Tax Amount	ICMS Base Amount	ICMS Tax Rate	ICMS Tax Amount
Shipment Line 1	20,000.00	45%	9,000.00	20,000.00	12%	2,400.00

The total IPI tax is 9,000.00.

Case 2: No IPI, and ICMS with Reduced Base

Company A supplies pharmaceuticals to Company B in Sao Paulo with a reduced base of 50%. ICMS is calculated in this case on a reduced base amount. Company B receives 50 cartons of pharmaceuticals for 1000.00.

The *IPI Tax Apply* check box is unchecked while the tax functional matrix and the ICMS tax name are defined at the fiscal classification level.

You enter these values for a purchase order:

Header:

Type: *Standard Purchase Order*

Supplier: *Company A*

Site: *Sao Paulo*

Ship to: *Sao Paulo*

Line Items:

Item: *Pharmaceuticals*

Quantity: *5*

Price: *1000.00*

Transaction Nature: *Commercial*

Fiscal Classification Code: *FCC3*

The tax results for this case are:

	IPI Base Amount	IPI Tax Rate	IPI Tax Amount	ICMS Base Amount	ICMS Tax Rate	ICMS Tax Amount
Shipment Line 1	Null	Null	Null	2500.00	12%	300.00

The total IPI tax is zero.

Oracle 2

Payables

This chapter explains the Brazilian Consolidated Billing, Bank Transfer, Interest, and Tax features and describes the procedures for implementing these features for Oracle Payables. The tasks for using the Brazilian features are explained. Examples show how interest and tax are calculated and accounted. This chapter also describes the subledger tables that you enter information into before you run the Supplier Auxiliary Daily report and the Supplier Auxiliary Ledger report.

Consolidated Billing Overview

In Brazil, you can enter fiscal and financial documents in either a standard invoice or in shipping invoices that are matched with a consolidated invoice. You can enter both fiscal and financial information in a standard invoice as a unique document. You can enter financial information in a consolidated invoice and fiscal information in the associated shipping invoices.

The Brazilian Consolidated Billing feature lets you manage shipping invoices and consolidated invoices. You can pay consolidated invoices with the payment schedules that are created for shipping invoices.

Shipping Invoices

The Brazilian Consolidated Billing feature lets you do the following with shipping invoices:

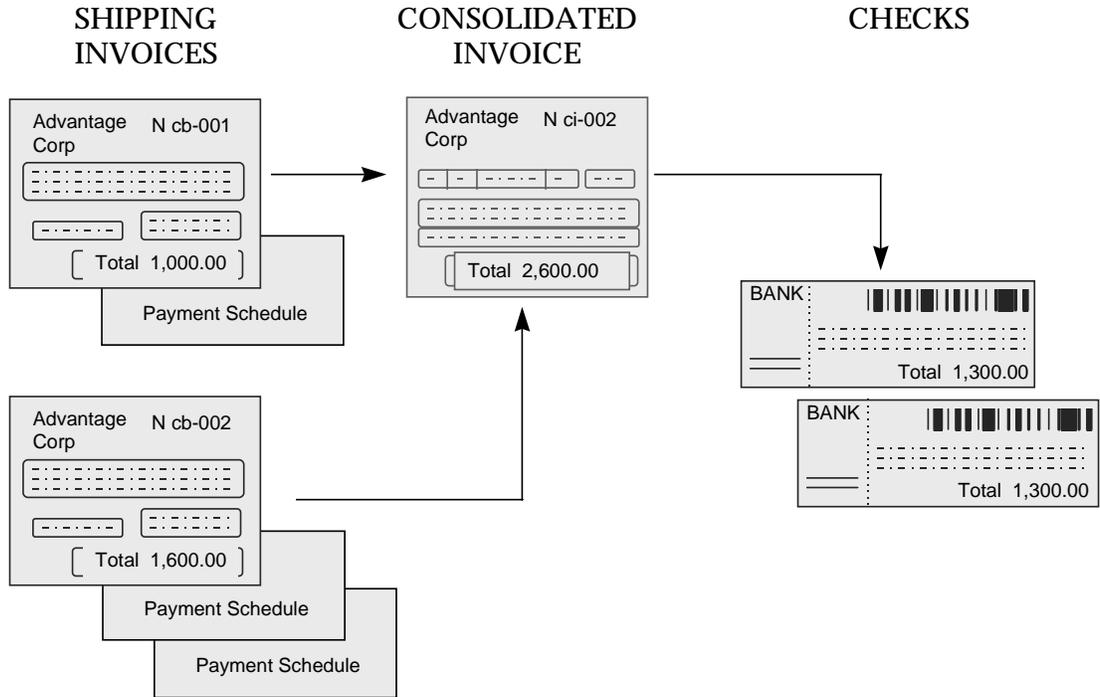
- Use the Invoices window to choose a *Standard* invoice type to enter shipping invoice information.
- Pay the shipping invoice as a legal payment document.
- See the number of consolidated invoices that are associated to the shipping invoice.
- See interest information for a shipping invoice as part of the financial information.
- See tax treatment for the shipping invoice as well as the standard invoice.

Consolidated Invoices

The Brazilian Consolidated Billing feature lets you do the following with consolidated invoices:

- Enter a consolidated invoice to associate with shipping invoices.
- Match any type of invoice that is used as a shipping invoice.
- See shipping invoices that are associated with a consolidated invoice.
- Define a Pay Group as the default for the associated shipping invoices.

Consolidated Billing Process



The Brazilian Consolidated Billing feature lets you manage shipping invoices and consolidated invoices for payment. This is a summary of the consolidated billing process:

1. The customer creates shipping invoices as standard invoices. Oracle Payables automatically creates the payment schedules, or trade notes, for payment.
2. The customer associates shipping invoices in a consolidated invoice. The consolidated invoice helps the customer manage invoices that were paid.
3. The customer pays the supplier using a payment format, such as a check or a Bordero.

Implementing Consolidated Billing

This section explains how to implement Brazilian Consolidated Billing for Oracle Payables. Use the checklist to help you complete the appropriate steps in the correct order for your implementation. The steps are described in more detail in this section.

Implementation Checklist

- 1 Set up Oracle Payables
- 2 Complete the General Setup
- 3 Define Pay Groups

1. Set up Oracle Payables

Set up Oracle Payables using the standard Oracle Payables setup procedure.



See also
Payables Setup,
Suppliers,
Oracle Payables User's Guide

2. Complete the General Setup

Complete the general setup for Oracle Financials for Brazil.



See also
General Setup, *Oracle Financials for Brazil User's Guide*

3. Define Pay Groups

Define Pay Groups, such as *Fatura*, *Fatura-Supplier X*, *Supplier X*, or *Fatura Num*, for suppliers and supplier sites in the QuickCodes window. When you create a payment batch, you can choose a Pay Group to pay a category of suppliers or invoices at the same time.



See also
QuickCodes, *Oracle Payables User's Guide*

Managing Shipping Invoices and Consolidated Invoices

This section describes the tasks that you complete to use the Consolidated Billing feature, including entering shipping invoices, importing shipping invoices from other systems, modifying payment schedules for shipping invoices, as well as matching shipping invoices to consolidated invoices.

Entering Shipping Invoices

In Release 11, you can manually enter shipping invoices as standard invoices in the Invoice Workbench. You can use the Oracle Payables Invoice Import open interface to create invoices for expense reports or to import invoices from other systems.

You can match shipping invoices to a consolidated invoice. The consolidated invoice number appears in each shipping invoice.

Set these attributes to use shipping invoices as standard invoices and to make group payments from consolidated invoices:

- **Pay Alone** - You can pay the shipping invoices alone as single documents without including any other invoices for the supplier site on the same payment document. If you do not want to pay the shipping invoices as single documents, set the Pay Alone attribute to *No*.
- **Pay Group** - You can use Pay Groups to group invoices into categories for payment batches. You can define your own Pay Group and use it in shipping invoices.
- **Payment Priority** - You can select groups of invoices for a payment batch based on a range of payment priorities. You can assign a number from 1 to 99.

You can cancel shipping invoices in the Invoice Workbench as a standard invoice procedure.



See also

Entering Invoices,
Payables Invoice Import Program,
Oracle Payables User's Guide

Modifying Payment Schedules

You can use the Payment Priority attribute in the Invoice Workbench to adjust the payment schedules for shipping invoices and group invoices in a payment batch. The payment priority is a number that represents the priority of the payment.



See also

Scheduled Payments Window Reference, *Oracle Payables User's Guide*

Importing Shipping Invoices

Use the Oracle Payables Invoice Import open interface to import standard invoices and shipping invoices. The standard invoice and the shipping invoice import processes are the same.

After you submit the Invoice Import program from the Submit Requests window, Oracle Payables creates invoices with the type *Standard*. The payment schedules are also created based on specific payment terms.

When the program is completed, you can query new invoices in the Invoice Workbench. The invoices are ready for approval.



See also

Payables Invoice Import Program, *Oracle Payables User's Guide*

Matching Shipping Invoices to Consolidated Invoices

You can enter consolidated invoices and match or unmatch shipping invoices to consolidated invoices in the same transaction.

You can define a range of shipping invoices to match in the Find Invoices to Match window. You can define shipping invoice numbers, shipping invoice amounts, and shipping invoice date ranges.

You can check the *Selected* check box in the Shipping Invoices window to associate shipping invoices to a consolidated invoice. You can see all shipping invoices that are matched with the selection criteria and all of the shipping invoices that were previously matched to the consolidated invoice.

The total amount from the matched shipping invoices must be the same as the consolidated invoice total amount. The matching is not complete if these amounts do not match.

In the Shipping Invoices window, you can disassociate shipping invoices from the consolidated invoice, and associate a shipping invoice to the consolidated invoice. The total amounts of all associated shipping invoices, however, must be the same as the consolidated invoice amount. If the total amounts are not equal, the disassociation is not complete.

Canceling Consolidated Invoices

You can cancel only unpaid consolidated invoices. When Oracle Payables cancels a consolidated invoice, the amount of the consolidated invoice is set to zero, and all associations with the shipping invoices are reversed. The shipping invoice payment schedules are set on hold again. Oracle Payables changes the status of the consolidated invoice to *Canceled*.

Frequently Asked Questions

Q: Can I pay a consolidated invoice?

A: Yes. You can pay a consolidated invoice with the payment schedules for the shipping invoice.

Q: Can I cancel a consolidated invoice after a payment was made?

A: No. You cannot cancel a consolidated invoice after you make a payment.

Q: Can I update a consolidated invoice?

A: You can update a consolidated invoice that is not canceled or that does not have any shipping invoices matched to it, if the consolidated invoice is not paid.

Bank Transfer Overview

Payments are usually transferred from your bank account to the supplier's bank account as a bank collection or as a credit to account. With the Bank Transfer feature, an invoice is released for payment only after the supplier's bank sends a collection document for the related invoice to you. You can either pay on the individual collection document or pay on several collection documents listed in a report called a Bordero. You send the Bordero to the bank to transfer payment to the supplier's bank account.

The Brazilian Bank Transfer feature lets you manage payments to suppliers. You can do the following:

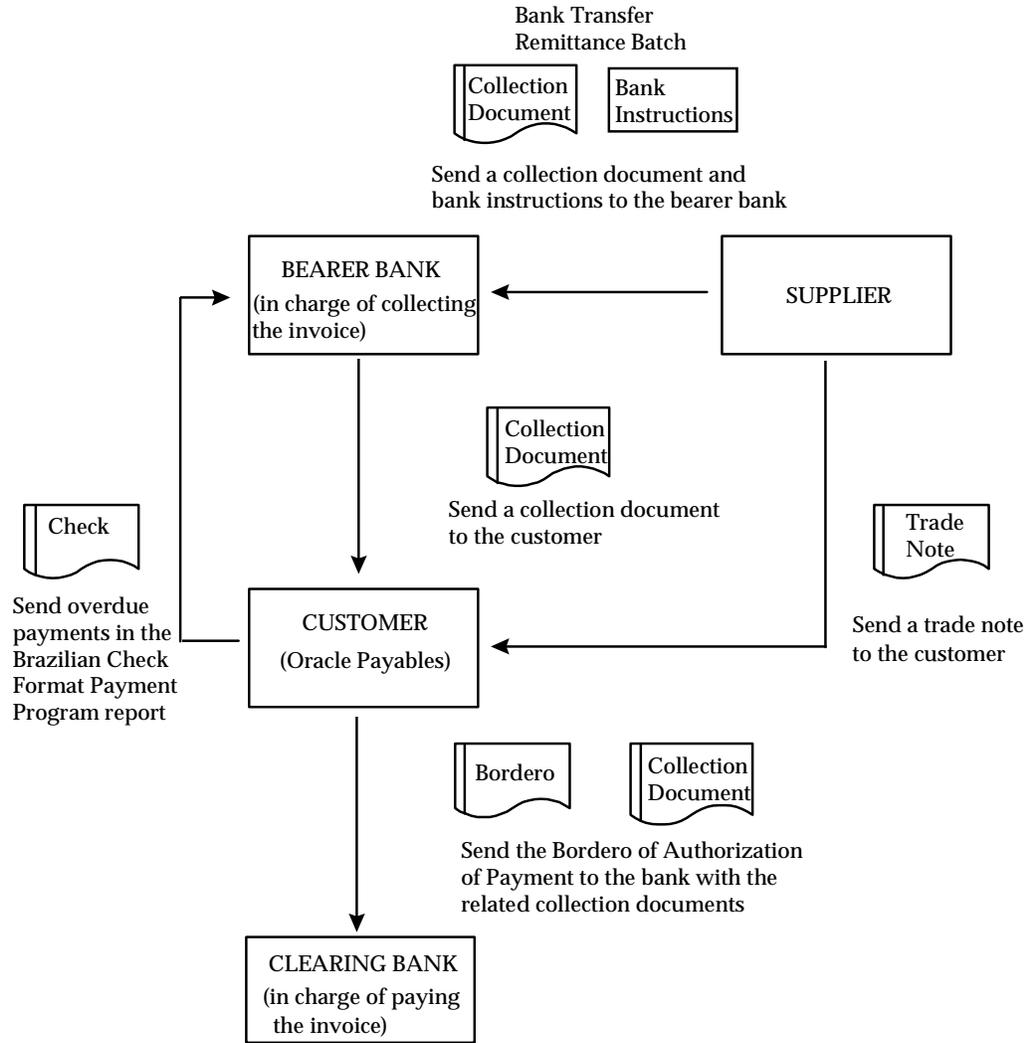
- Use the most common methods of payments: Bank Collection and Credit to Account.
- Control the bank collection documents sent by the collecting bank. You can either manually enter bank collection documents or enter bank collection documents with a bank file.
- Manually or automatically associate the bank collection document with a corresponding trade note.
- Disassociate bank collection documents from trade notes.
- Control collection documents and trade notes that are not associated in the system.
- Choose the automatic association method between bank collection documents and trade notes.
- Print the payment batch information in the Bordero format with abatement, discount, and interest amounts.
- Use the Brazilian style for checks in Portuguese.

Payment Methods

Oracle Payables provides two different methods to pay your suppliers: Bank Collection and Credit to Account. The Bank Collection payment method lets you send a payment batch using the Bordero of Authorization of Payment with collection documents to the clearing bank. You send overdue payments directly to the bearer bank.

The Credit to Account payment method lets you send a payment batch using the Bordero of Credit to Account to your bank. You specify the bank accounts in this Bordero that you want your payments deposited in. You can include overdue payments in this Bordero.

Bank Collection Method



The Bank Collection method involves a bearer bank and a clearing bank. The customer sends payment information to the clearing bank. This is a summary of the Bank Collection process:

- The customer receives a trade note from the supplier. The customer can enter the trade note information in the payment schedule for the related invoice in Oracle Payables.
- The supplier sends a bank transfer remittance batch with collection documents and bank instructions to the bearer bank. The remittance batch is either in a report or in an electronic file. See *Bank Transfer Overview* on page 132 for more information.
- The customer receives the collection document from the bearer bank in either a report or in an electronic file.
- The customer creates a payment batch with trade notes that are associated with the collection document. The payment batch can include standard payments, payments with discounts, and credit/debit memo payments.

The customer formats this payment batch in the Brazilian Bordero Format Payment Program report (Bordero of Authorization of Payment) and sends the report to the clearing bank with the associated collection documents. The clearing bank pays the invoice. Only payments that are not overdue are printed in the Brazilian Bordero Format Payment Program report.

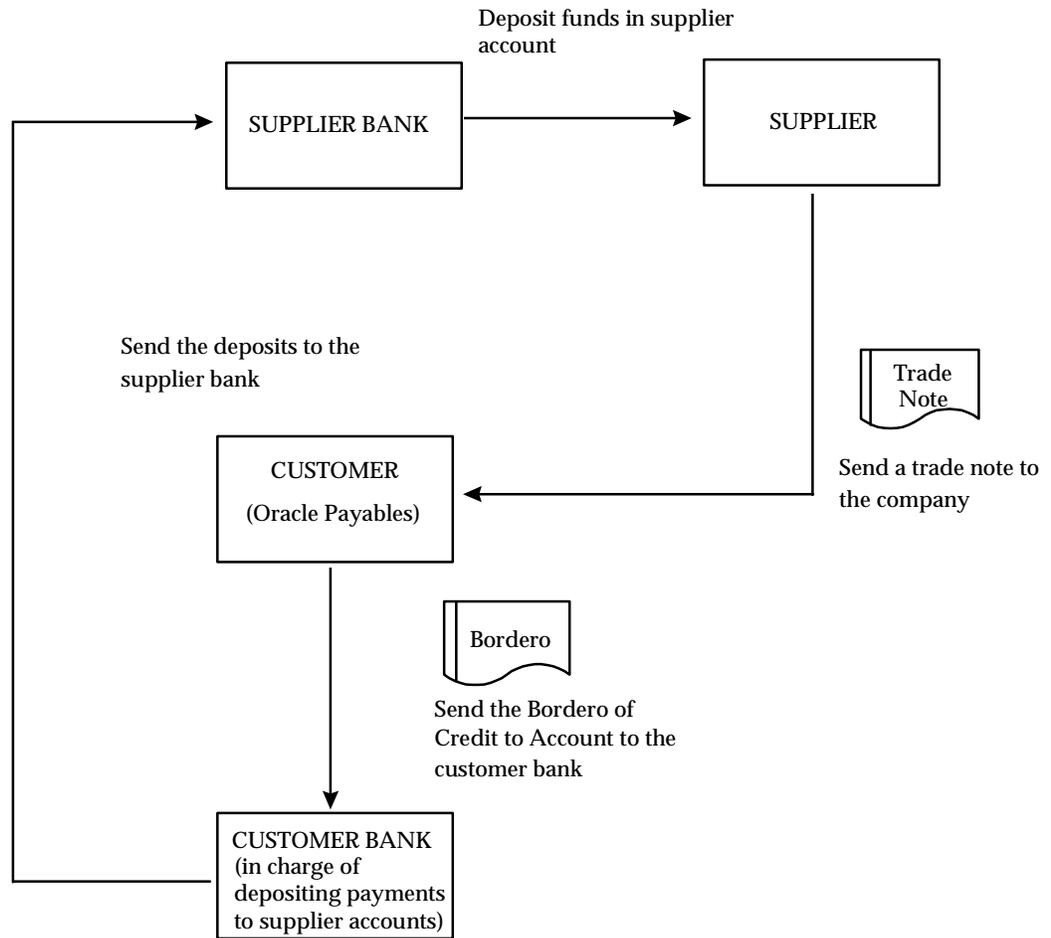
- The customer prints overdue payments in the Brazilian Check Format Payment Program report. The customer sends overdue payments in report format directly to the bearer bank using the Future Dated payment method. A future dated payment instructs the customer's bank to disburse funds to the supplier's bank on a specific date.



See also

Future Dated Payment Method, *Oracle Payables User's Guide*

Credit to Account Method



The Credit to Account method lets the customer send an authorization to the supplier's bank to credit payments to specified accounts. The customer's bank sends the funds to the supplier's bank. This is a summary of the Credit to Account process:

- The customer receives a trade note from a supplier. The customer can enter the trade note information in the payment schedule for the related invoice in Oracle Payables.
- The customer creates a payment batch with trade notes and formats the payment batch in the Brazilian Bordero Format Payment Program report (Bordero of Credit to Account). The Bordero of Credit to Account shows the supplier's bank account information for each payment so that the customer's bank can deposit the payments in the correct accounts. The customer's bank can deposit payments for trade notes for the same invoice in different supplier bank accounts.

The Bordero of Credit to Account can include standard payments, payments with discounts, credit/debit memo payments, as well as overdue payments. Overdue payments are paid using the Future Dated payment method. A future dated payment instructs the customer's bank to disburse funds to the supplier's bank on a specific date.



See also

Future Dated Payment Method, *Oracle Payables User's Guide*

- The customer's bank sends the funds to the supplier's bank, which deposits the funds in the supplier's accounts.

Implementing Bank Transfer

This section explains how to implement Brazilian Bank Transfer for Oracle Payables. Use the checklist to help you complete the appropriate steps in the correct order for your implementation. The steps are described in more detail in this section.

Implementation Checklist

- 1 Set up Oracle Payables
- 2 Complete the General Setup
- 3 Define Company Information
- 4 Define Payables Options
- 5 Enter Suppliers
- 6 Enter Currencies
- 7 Define Automatic Payment Programs
- 8 Define Payment Formats
- 9 Define Banks

1. Set up Oracle Payables

Set up Oracle Payables using the standard Oracle Payables setup procedure.



See also

Payables Setup, *Oracle Payables User's Guide*

2. Complete the General Setup

Complete the general setup for Oracle Financials for Brazil.



See also

General Setup, *Oracle Financials for Brazil User's Guide*

3. Define Company Information

You must enter information for your company, such as CGC or CPF, company name, and address in the Companies window. Oracle Payables validates this information during automatic collection document entry.



See also

Defining Company Information, *Oracle Financials for Brazil User's Guide*

4. Define Payables Options

Choose the Bank Transfer Information alternative region in the Payables Options window to enter information into these fields in the globalization flexfield:

- **Enable Bank Collection**

Enter *Yes* to enable the bank collection feature. Oracle Payables controls registered trade notes and collection documents. Trade notes that were not previously associated or released cannot be paid.

- **Collection Document Association**

You must enter *Yes* in this field if you usually use bank collection documents for payment collection. Oracle Payables automatically associates all of your bank collection documents and trade notes to release them for payment. You define the automatic association method in Oracle Payables. You must enable the bank collection feature to enable automatic association.

- **Association Method**

You can choose an automatic association method to match trade notes and collection documents that you manually entered or imported to Oracle Payables. Trade notes and collection documents are matched based on the criteria in the association method. Each method consists of a set of related bank collection document and trade note fields.

A list of the association methods is in the *Oracle Financials for Brazil User's Guide*.



See also

Defining Bank Transfer Information, *Oracle Financials for Brazil User's Guide*

5. Enter Suppliers

Use the Suppliers window to record information about individuals or companies that sell you goods and services. These new attributes are in the globalization flexfield for the Bank Transfer requirements:

- Collection Document Association (at supplier level)
- Collection Document Association (at supplier site level)

You can enable the automatic association for a specific supplier and supplier site. The value defined at system level defaults to new suppliers that you enter. When you enable the automatic association for a supplier site, new bank collection documents and new payment schedules for this specific supplier site are automatically associated. The supplier value defaults to new supplier sites that you enter. The supplier site value defaults to invoices and bank collection documents. You can override the default value at any level.

6. Enter Currencies

Use the Currencies window to enable and define currencies for Oracle Payables. The CNAB standard code in the globalization flexfield is a new attribute for the Bank Transfer requirements.

If the currency is used in the Import of Collection Documents business rule, the corresponding CNAB standard code must be defined for this currency. Oracle Payables validates the CNAB standard code for each collection document against the CNAB standard code that you define in the Currencies window when the bank sends you a file of collection documents.



See also

Defining Currency Information, *Oracle Financials for Brazil User's Guide*

7. Define Automatic Payment Programs

Use the Automatic Payment Programs window to define payment programs that you use to format payment documents.

You can use the Bordero Format Payment program to format payments before you send the payments to the bank. The output file from the Bordero Format Payment program has the information that you need to ask your bank to make a credit to account payment or to authorize payment for invoices that were previously collected in bank collection documents.

Use the Bordero Format Payment program to create a payment program that generates the Bordero - Bank Transfer Request report. Use the Check Format program to define a payment program that generates checks in Portuguese in the Brazilian check format.



See also

Automatic Payment Programs, *Oracle Payables User's Guide*



See also

Bordero - Bank Transfer Request Report,
Check Format Program Report,
Oracle Financials for Brazil User's Guide

8. Define Payment Formats

Use the Payment Formats window to define payment formats that you use to define payment documents in the Banks window.

You must define a payment format for the Bordero and a different payment format for Brazilian checks. In the *Format Payments* field, enter either the Bordero Format program or the Check Format program that you defined in the Automatic Payment Programs window.



See also

Payment Formats, *Oracle Payables User's Guide*

9. Define Banks

Oracle Payables provides country-specific validation of your bank branch information for bank branches in your home country and also displays a warning if you enter invalid bank information. You define your home country in the *Member State* field in the Financials Options window. If you enter a different country in the Banks window, Oracle Payables performs the default, minimum validation. The default validation checks the data type and maximum length of the bank name, branch name, and institution type. All banks within Oracle Payables must have the institution type of *Bank*.

If you enter a country other than *Brazil* in the Banks window, Oracle Payables validates that the required fields have the following attributes:

Required Fields	Accepted Data Type	Maximum Length	Padded with Leading Zeros?
Bank Name	Alphanumeric	30	No
Branch Name	Alphanumeric	30	No
Bank Number	Numeric	3	Yes
Branch Number	Numeric	5	Yes

Note: When you define payment documents for internal bank accounts in the Payment Documents window, choose the payment format that you created in the Payment Formats window.



See also

Defining Bank Information, *Oracle Financials for Brazil User's Guide*



See also

Banks, *Oracle Payables User's Guide*

Entering Documents

This section includes information for entering invoices, trade notes, and bank collection documents.

Entering Invoices

After you enter invoice information, Oracle Payables automatically creates the payment schedule based on payment terms that you specified. Oracle Payables automatically checks for any bank collection documents that are not associated and associates these documents with the trade note. The association method that you defined is used to associate bank collection documents with trade notes. If collection documents cannot be associated to the trade note, the trade note remains on hold, and payment is blocked.



See also

Entering Invoices, *Oracle Payables User's Guide*

Entering Trade Notes

When you receive a trade note from a supplier, you can update the payment schedule information that you previously created. You can also update supplier bank information for each payment schedule. The supplier bank information defaults from the primary bank account that is defined for the supplier site and is used to create payments. If the trade note is not associated to a collection document, Oracle Payables automatically checks for a collection document that is not associated to associate with the trade note.

If there is more than one bank collection document to associate with a trade note, you must manually associate these documents.



See also

Adjusting Scheduled Payments, *Oracle Payables User's Guide*

Entering Bank Collection Documents

You can manually enter bank collection document information in Oracle Payables, or you can import a file that is sent by the supplier's bank.

When you enter a collection document, Oracle Payables automatically associates the collection document with the corresponding trade note before these documents are released for payment to the bank. The association method that you defined is used to associate bank collection documents with trade notes. If a collection document cannot be associated to a trade note, the collection document remains unassociated.

If there is more than one trade note to associate with a bank collection document, you must manually associate these documents.



See also

Entering and Associating Collection Documents, *Oracle Financials for Brazil User's Guide*

Managing Bank Collection Documents and Trade Notes

This section describes how you manage bank collection documents and trade notes, including associating and dissociating bank collection documents and trade notes, maintaining bank collection documents, releasing trade notes for payment, and paying invoices in payment batches.

Associating and Dissociating Bank Collection Documents and Trade Notes

You can disassociate a trade note from a collection document that was not selected for payment. You can manually or automatically associate the trade note to a different collection document.

If the collection document and trade note have not been associated, you can manually associate these documents.

The trade note and the collection document that are disassociated remain on hold and are blocked for payment to the bank.



See also

Manually Associating Collection Documents, *Oracle Financials for Brazil User's Guide*

Maintaining Bank Collection Documents

You can only change a collection document that does not have a payment schedule associated to it.

Collection document maintenance does not generate any information for the banks. You must manage all changes.



See also

Correcting Collection Documents, *Oracle Financials for Brazil User's Guide*

Releasing Trade Notes

You can manually release a trade note that is not associated and is on hold for payment. The process for manually releasing a trade note that is not associated is similar to adjusting invoice payment schedules.



See also

Adjusting Scheduled Payments, *Oracle Payables User's Guide*

Using Collection Document and Trade Note Reports

Collection document and trade note reports help you to manage collection documents and trade notes. These reports show information that you need to ask a supplier to send a trade note that is related to a collection document that was already received.



See also

Associated Trade Notes and Bank Collection Documents Report,
Not Associated Trade Notes and Bank Collection Documents Report,
Oracle Financials for Brazil User's Guide

Importing Bank Collection Documents

You can automatically enter collection documents in Oracle Payables. You load the bank collection document file from the supplier's bank in the Oracle Payables collection document interface. Oracle Payables validates each interface entry. Validated collection documents are automatically associated with trade notes that are not associated using the association method that you defined.



See also

Import Bank Collection Documents Report, *Oracle Financials for Brazil User's Guide*



See also

Collection Document Import Open Interface, *Oracle Financials for Brazil User's Guide (Online Help)*

Correcting Imported Bank Collection Documents

If a few entries are not validated when collection documents are imported into Oracle Payables, you can either reload the collection document file into the interface, or you can correct the invalid information in the collection document interface. If you correct the information in the interface, Oracle Payables automatically transfers the corrected entries from the interface to Oracle Payables.



See also

Correcting Collection Documents, *Oracle Financials for Brazil User's Guide*

Importing Invoices

Each trade note, or payment schedule, is automatically associated with a collection document that is not associated during the invoice import process. The association method that you defined is used to associate bank collection documents with trade notes.



See also

Invoice Import Open Interface, *Oracle Financials for Brazil User's Guide (Online Help)*

Using Payment Batches

If you pay your invoices with payment batches, you can review the bank account information for each payment with the Preliminary Payment Register report.

Oracle Payables creates the payment documents by grouping the invoices, or payment schedules, with the same remit-to account information. You can pay each payment schedule for the same invoice with different bank accounts. After you select the invoices and build the payments, you can update the remit-to account at the check level in the Modify Payment Batch process.

You can choose if you want to include only invoices that were previously collected by collection documents in your payment batch. Invoices that are associated to collection documents are printed in the Brazilian Bordero Format Payment Program report.



See also

Preliminary Payment Register, *Oracle Payables User's Guide*

Frequently Asked Questions

Q: I do not want to associate each payment schedule with a collection document during the Bank Collection process. What should I do?

A: Set the Automatic Collection Document Association to *No* at the payables options level, supplier level, supplier site level, and at the invoice level.

Q: How does the Credit to Account process use the supplier account?

A: The supplier account, or remit-to account, on the payment schedule is from the primary site. You can write another account, such as an overwrite, to override this account.

During the payment selection, different remit-to accounts are grouped into different payments.

Q: Do I need to disable the Bank Collection process before I enable the Credit to Account process?

A: No. Collection documents are not associated, in case the supplier has an account.

Q: What should I do if more than one document is associated during the collection document association process?

A: You must manually associate payment schedules with the collection document because the association is not complete.

Q: Can I update associated collection documents?

A: You must disassociate collection documents before you can update them.

Q: How is bank information validated?

A: The bank number must have three digits. A control digit is added to the branch number.

Q: How can I verify what was paid?

A: The bank can send you a summary of transactions in a report or in an electronic file. You can use the Confirm process to close your invoices according to the bank summary.

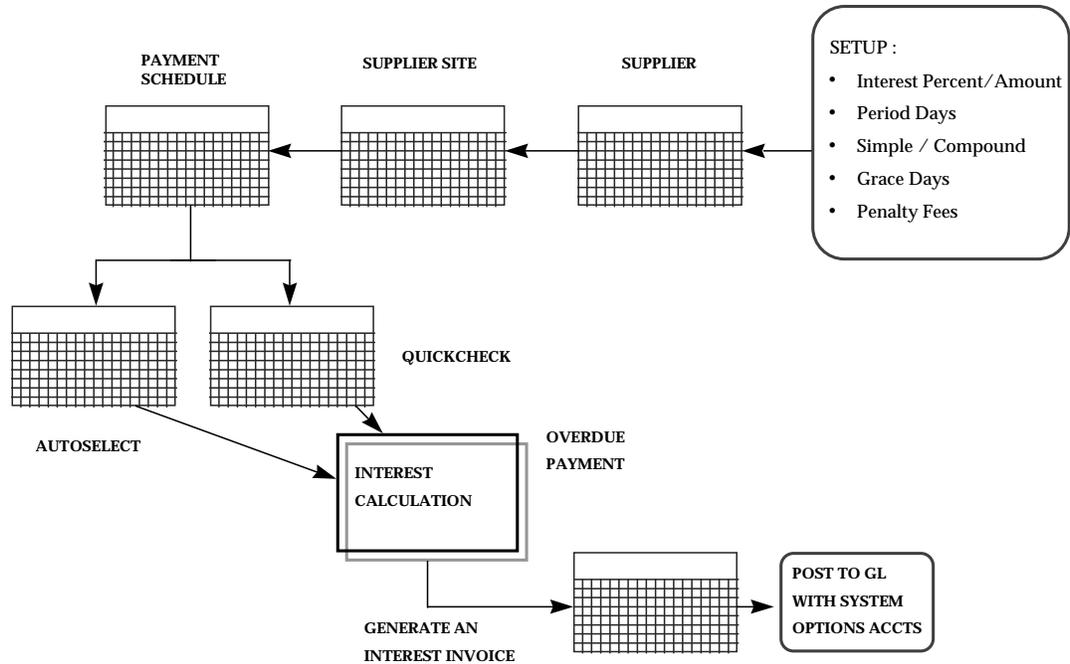
Interest Overview

The Brazilian Interest feature lets you define interest parameters at supplier level, supplier site level, or trade note level. When you pay an overdue invoice, Oracle Payables creates an interest invoice for the overdue invoice and creates a corresponding payment.

The Brazilian Interest feature lets you satisfy your interest requirements. You can do the following:

- Define interest parameters at supplier level, supplier site level, or payment schedule level.
- Automatically calculate interest.
- Calculate interest based on the business day calendar and see the interest amount and number of days that a payment is late. If the payment due date is on a weekend or holiday, you can keep, change, or delete the due date that is used for the interest calculation.
- Define the period for which interest must be calculated.
- Define a penalty fee for an overdue invoice.
- Allow for grace days in the event of a late payment.
- Allow for simple or compounded interest calculations.
- Allow for interest billing in percent or value.
- Allow for interest invoice generation and accounting.
- Allow payment of the interest invoice or cancel the interest invoice when you pay the base invoice.

Oracle Payables Interest



This diagram shows how Oracle Payables calculates interest for an overdue invoice when you define the interest parameters and make the payments. This is a summary of the process:

- You define interest parameters, such as interest amount, period days, and penalty fees, at supplier level, supplier site level, or payment schedule level. After you define interest parameters at the first level (supplier level), interest parameters are defaulted to the next level, such as the supplier site level. You can change the interest parameters at any level.
- You pay an overdue invoice using AutoSelect or QuickCheck.
- Oracle Payables automatically calculates the interest due and creates an interest invoice for an overdue invoice.
- Accounting entries for the accounts that you enter in the System Options window are transferred to Oracle General Ledger.

Implementing Interest

This section explains how to implement Brazilian Interest for Oracle Payables. Use the checklist to help you complete the appropriate steps in the correct order for your implementation. The steps are described in more detail in this section.

Implementation Checklist

- 1 Set up Oracle Payables
- 2 Complete the General Setup
- 3 Define Profile Options
- 4 Enter Interest Payables Options
- 5 Define Interest Parameters for Suppliers

1. Set up Oracle Payables

Set up Oracle Payables using the standard Oracle Payables setup procedure.



See also
Payables Setup, *Oracle Payables User's Guide*

2. Complete the General Setup

Complete the general setup for Oracle Financials for Brazil.



See also
General Setup, *Oracle Financials for Brazil User's Guide*

3. Define Profile Options

Use the System Profile Values window to assign values to profile options that are used in Oracle Financials for Brazil. The profile options determine business and non-business days for the interest for invoices and control the due dates.

Enter these values for the profile options in the *Responsibility* field:

- **JLBR Calendar Name** - The name of the business day calendar.
- **JLBR Payment Location** - The location where the Local Holidays window validates local holidays. Enter *Company*, *Supplier*, or *Customer*.
- **JLBR Payment Action** - *Anticipate*, *Postpone*, or *Keep* to manage transaction dates that fall on a weekend or holiday.
 - **Anticipate** - Changes the transaction date to the first previous business day.
 - **Postpone** - Changes the transaction date to the next available business day.
 - **Keep** - Prevents the date from being changed. You must enter a new date.
- **JLBR Automatically Change Date** - *Yes* or *No*.
 - **Yes** - Automatically changes a transaction date that falls on a weekend or holiday to a business date.
 - **No** - Displays an advisory message and prompts you to keep or change the date. If you decide to change the date, the date is changed according to the *Payment Action* profile option.

Oracle Payables validates the due date when you enter an invoice or when Payables calculates the interest amount due according to the profile options.

Example (Profile Options)

This example shows how Oracle Payables determines the due date for an invoice according to the profile options that you define in the System Profile Values window. Saturday and Sunday are defined as non-business days in the business day calendar.

You define profile options with these values:

For this profile option...	Enter this value...
JLBR Calendar Name	<i>Cal-1998</i>
JLBR Payment Location	<i>Company</i>
JLBR Payment Action	<i>Postpone</i>
JLBR Automatically Change Date	<i>Yes</i>

You create an invoice with 14-FEB-1998 as the due date. Oracle Payables checks this date and finds that it is on Saturday. The due date is automatically changed to 16-FEB-1998, which is the following Monday. Interest is not charged for the invoice over the weekend.

Oracle Payables checks the due date against the *Calendar Name* profile option (*Cal-1998*) and finds that it is on Saturday.

Oracle Payables checks the *Payment Location* profile option (*Company*) to see if a local holiday is defined for the company. In this case, a local holiday is not defined for the company.

Oracle Payables calculates the new due date. Because the date is Saturday, the Payment Action is *Postpone*, and the Automatically Change Date is *Yes*. The new due date is 16-FEB-1998, which is the following Monday.

If you set the *JLBR Payment Action* profile option to *Anticipate*, the new due date is 13-FEB-1998, which is Friday.

If you set the *JLBR Automatically Change Date* profile option to *No*, a message informs you that the date is a non-business day. You can change the due date to the new date or keep the same day. You decide what you want to do with the due date.



See also

Defining Profile Options,
Defining a Business Day Calendar,
Oracle Financials for Brazil User's Guide

4. Enter Interest Payables Options

Use the Interest region in the Payables Options window to enable automatic interest calculation. You enter the following defaults for interest invoices that Oracle Payables automatically creates when you pay an overdue invoice.

Allow Interest Invoices - Enable this option if you want Oracle Payables to calculate interest for overdue invoices and create interest invoices for selected supplier sites.

Minimum Interest Amount - You must enter a value in this field that represents the minimum interest amount that you pay if you enable the *Allow Interest Invoices* option. If the calculated interest amount is less than this amount, Oracle Payables does not create an interest invoice.

Expense Interest Invoice Account - You must enter an interest expense account if you enable the *Allow Interest Invoices* option. Oracle Payables posts interest invoice distributions to this account when you post to Oracle General Ledger.

Liability Interest Invoice Account - You must enter an interest expense account if you enable the Allow Interest Invoices option. Oracle Payables posts interest liability distributions to this account when you submit the Payables Transfer to General Ledger program. This interest liability account is always used when interest invoices are automatically created during the payment process. Oracle Payables does not overwrite the interest liability account with your FlexBuild Method system options.



See also

Interest Payables Options, *Oracle Payables User's Guide*

5. Define Interest Parameters for Suppliers

Use the globalization flexfield in the Supplier window to define interest parameters for calculating interest. Enter information in these fields:

- **Interest Type** - Enter *Rate* or *Amount* in the *Interest Type* field.
- **Interest Rate/Amount** - If you chose *Rate*, enter the interest rate that is used to calculate interest. If you chose *Amount*, enter the interest amount that is used to calculate interest.
- **Interest Period** - Enter the number of days that the interest rate is effective.
- **Interest Formula** - Enter *Simple* or *Compounded* for the interest formula.
- **Interest Grace Days** - Enter the number of days that an invoice can be overdue in the payment period before you take an action.
- **Penalty Type** - Enter *Rate* or *Amount* in the *Penalty Type* field.
- **Penalty Rate/Amount** - If you chose *Rate*, enter the penalty rate that is used to calculate interest. If you chose *Amount*, enter the penalty amount that is used to calculate interest.

You can also use the globalization flexfield in the Supplier Site window to define the same interest parameters for calculating interest. If you do not enter parameters at the supplier site level, the values from the supplier are used for each site. You can override these values at any time.



See also

Suppliers, *Oracle Payables User's Guide*



See also

Defining Supplier Information,
Defining Supplier Site Information,
Oracle Financials for Brazil User's Guide

Paying Interest for Invoices

This section describes how you pay interest for overdue invoices. You define the parameters for calculating interest for invoices at supplier level, supplier site level, or payment schedule level.

Defining Interest Parameters for Invoices

Use the globalization flexfield in the Scheduled Payments window to define interest parameters for calculating interest at supplier level, supplier site level, or payment schedule level. After the first level is defined, the interest parameters default to the next level. You can change the values at each level.

If you have checked the *Allow Interest Invoices* check box for your supplier, enter interest parameters for your payment schedules. If you do not enter interest parameters, Oracle Payables cannot charge interest for overdue payments on your invoice.

Enter information in these fields:

- **Interest Type** - Enter *Rate* or *Amount* in the *Interest Type* field.
- **Interest Rate/Amount** - If you chose *Rate*, enter the interest rate that is used to calculate interest. If you chose *Amount*, enter the interest amount that is used to calculate interest.
- **Interest Period** - Enter the number of days that the interest rate is effective.
- **Interest Formula** - Enter *Simple* or *Compounded* for the interest formula.
- **Interest Grace Days** - Enter the number of days that an invoice can be overdue in the payment period before you take an action.
- **Penalty Type** - Enter *Rate* or *Amount* in the *Penalty Type* field.
- **Penalty Rate/Amount** - If you chose *Rate*, enter the penalty rate that is used to calculate interest. If you chose *Amount*, enter the penalty amount that is used to calculate interest.

Note: The due date in the Scheduled Payments window is validated against the date that is defined in the business day calendar.

Calculating Interest

Follow the steps that are outlined in the Oracle Payables User's Guide to pay an overdue invoice with interest. Interest is calculated differently for Oracle Financials for Brazil, however. The interest formulas for Brazil use the interest parameters and the business day calendar that you define.

Oracle Payables calculates the simple interest amount due when creating the payment for an invoice using this basic formula:

$$\text{Interest Amount Due} = (\text{Interest Rate}/\text{Interest Period})/100 * \text{Invoice Amount} * \text{Days Late} + \text{Penalty Amount}$$
$$\text{Days Late} = \text{Payment Date} - \text{Due Date}$$

Oracle Payables uses the following formulas to calculate the interest amount and penalty amount for specific parameters.

Interest Formulas

For these interest parameters...	This is the formula...
Interest Type is <i>Rate</i> and Interest Formula is <i>Simple</i>	Interest Amount Calculated = (Interest Rate/Interest Period)/100 * Invoice Amount * days late
Interest Type is <i>Rate</i> and Interest Formula is <i>Compounded</i>	Interest Amount Calculated = Invoice Amount * ((1+Interest Rate/100) * (days late/Interest Period) - 1)
Interest Type is <i>Amount</i>	Interest Amount Calculated = (days late/Interest Period) * Interest Amount

Penalty Formulas

For these penalty parameters...	This is the formula...
Penalty Type is <i>Rate</i>	Penalty Amount Calculated = (Penalty Rate/100) * Invoice Amount
Penalty Type is <i>Amount</i>	Penalty Amount Calculated = Penalty Amount



See also

Scheduling Invoice Payments, *Oracle Payables User's Guide*



See also

Defining Invoice Interest and Penalty Fees, *Oracle Financials for Brazil User's Guide*

Using Automatic Interest

Oracle Payables automatically creates invoices to pay interest for overdue invoices if you enable the *Allow Interest Invoices* option for a supplier, and you pay an overdue invoice in a payment batch or with a Quick payment. You enable the *Allow Interest Invoices* option in the Payables Options window. The new interest invoices are ready for approval and payment. Oracle Payables does not create interest invoices if you manually pay overdue invoices.



See also

Automatic Interest,
Payment Batches and Quick Payments,
Payables Options,
Oracle Payables User's Guide

Frequently Asked Questions

Q: Oracle Payables does not calculate interest. What should I check?

A: Check the following:

1. The *Allow Interest Invoices* check box is checked for the supplier site that you use when you enter invoices.
2. The globalization flexfields that you use to define the interest parameters at payment schedule level are defined. See *Defining Interest Parameters for Invoices* on page 77.

Q: Interest payments are not accounted. What should I check?

A: Check the following:

1. You have entered an Expense Interest Invoice account in the Payables Options window. Oracle Payables uses this account to post interest invoices to Oracle General Ledger.
2. You have entered a Liability Interest Invoice account in the Payables Options window. Oracle Payables posts interest liability distributions to this account.



See also

Interest Payables Options, *Oracle Payables User's Guide*

Q: Can I modify an interest amount that Oracle Payables calculated?

A: Yes. You can enter an adjustment, modify the invoice amount, or delete an interest invoice from a selection during the payment process in the Modify Payment Batch window. You cannot modify an interest amount for an invoice that is paid.



See also

Modifying Payment Batches, *Oracle Payables User's Guide*

Q: How can I see interest invoices?

A: You can see interest invoices in the Invoice Workbench, Preliminary Payment Register report, and the Modify Payment Batch window.



See also

Invoices,
Modifying Payment Batches,
Printing a Preliminary Payment Register,
Oracle Payables User's Guide

Q: When I create an invoice, the due date does not change for a weekend. What should I check?

A: Check the following setup:

1. Your business day calendar is created.



See also

Defining a Business Day Calendar, *Oracle Financials for Brazil User's Guide*

2. The *JLBR Calendar Name* profile option is defined with a valid calendar.
3. The *JLBR Payment Location* profile option is defined.
4. The *JLBR Payment Action* profile option is defined.
5. The *JLBR Automatically Change Date* profile option is defined.

Q: Oracle Payables does not consider the local holidays when I create an invoice. What should I check?

A: Check the following setup:

1. The *JLBR Payment Location* profile option is defined as *Company* or *Supplier*.
2. You have entered the local holiday for the correct location.

Q: The business day calendar does not consider weekends as nonworking days. When I open the Workday Calendar window and press the Dates button, Saturday and Sunday are shown as working days. What should I check?

A: In the Workday Calendar window, check that you have entered a date that is on a Monday in the *From* field for the calendar date range.

Q: Oracle Payables does not consider the weekends and holidays that show in the Workday Calendar window. Is there something missing from the business day calendar?

A: You must build your calendar after you create it. You probably have entered and saved the parameters in the Workday Calendar window, but you did not build your calendar.

Open the Special menu from the Workday Calendar window and choose the *Build* option to build your calendar.



See also

Defining a Business Day Calendar, *Oracle Financials for Brazil User's Guide*

Tax Overview

Businesses in Brazil must collect and remit VAT, sales taxes, and withholding taxes to federal, state, and city governments on most of the goods and services that they buy. The Brazilian Tax feature helps you to manage tax payments for invoices.

The Brazilian Tax feature lets you satisfy your tax requirements. You can do the following:

- Calculate taxes as you enter purchase orders, releases, and invoices.
- See the total amount before taxes and the total tax amount.
- Pass the tax that is calculated in the purchase order shipment lines to the invoice distributions.
- Calculate tax as you enter the invoice header.
- Apply multiple taxes to a single line.
- Handle price-inclusive taxes (item price includes the tax component) and price-exclusive taxes (item price does not include the tax component).
- Handle regular, compounded, and reduced tax base calculation.
- Handle tax rate differential.
- Handle recoverable and non-recoverable taxes.
- Assign tax names at the state ship-from/state ship-to, supplier, item, and fiscal classification levels. Also, assign tax names for exceptions at item and fiscal classification levels.
- Automatically account taxes.
- Enter fiscal attributes for invoices, items, and suppliers.

Tax Definition Summary

This table summarizes the scope, levying authority, and calculation method for each tax category.

	IPI	ICMS	IRRF
Authority Level	Federal	State	Federal
Applied to	Industrialized products	Goods and services	Services
Associated with	Item fiscal classification	Ship To and Ship From states	Service
To be Added to Base Amount ?	Yes	No	No

Example (Tax Category Calculation)

The following example shows how the different tax categories are calculated and accounted for this invoice:

This field...	Has this value...
Item	Item XYZ
Quantity	1
Price	1000.00
Line Amount	1000.00

Assume that only one tax is applicable. In addition, assume that there is no base rate modification. The table below shows the tax amount and the invoice amount for each tax category. ICMS is not compounded with IPI.

	IPI	ICMS	IRRF
Invoice Amount Before Taxes	1000.00	1000.00	1000.00
Tax Rate (%)	10	10	10
Base Amount	1000.00	1000.00	1000.00
Tax Amount	100.00	100.00	100.00
Invoice Amount	1100.00	1000.00	1000.00
Payment Amount (Invoice after Taxes)	1100.00	1000.00	900.00

This table shows how the payments and taxes in the example are accounted.

	IPI		ICMS		IRRF	
Tax Amount	100.00		100.00		100.00	
Invoice Amount	1100.00		1000.00		1000.00	
Payment Amount	1100.00		1000.00		900.00	
Accounting	Dr	Cr	Dr	Cr	Dr	Cr
Expense	1000.00		900.00		1000.00	
IPI	100.00					
ICMS			100.00			
IRRF (Tax Authority)						100.00
Liability		1100.00		1000.00		900.00

This table shows where Oracle Payables takes the accounts from in an invoice for a tax category.

	IPI Non Recoverable	IPI Recoverable	ICMS Non Recoverable	ICMS Recoverable
Invoice Header Level	N/A	N/A	Tax Name Global Flexfield Account	Item Account
Invoice Line Level	Tax Name General Ledger Account	Item Account	Tax Name General Ledger Account	Item Account

Implementing Tax

This section explains how to implement Brazilian Tax for Oracle Payables. Use the checklist to help you complete the appropriate steps in the correct order for your implementation. The steps are described in more detail in this section.

Implementation Checklist

- 1 Set up Oracle Payables
- 2 Complete the General Setup
- 3 Define Profile Options
- 4 Define Payables Options
- 5 Define Supplier Sites
- 6 Define Tax Names
- 7 Enter Operation Fiscal Codes
- 8 Define Locations
- 9 Define the Withholding Tax Calendar

1. Set up Oracle Payables

Set up Oracle Payables using the standard Oracle Payables setup procedure.



See also
Payables Setup,
Oracle Payables User's Guide

2. Complete the General Setup

Complete the general setup for Oracle Financials for Brazil.



See also
General Setup, *Oracle Financials for Brazil User's Guide*

3. Define Profile Options

Use the System Profile Values window to assign values to profile options that are used in Oracle Financials for Brazil.

These profile options determine business and non-business days to control the due dates:

- **JLBR Calendar Name** - The name of the business day calendar.
- **JLBR Payment Location** - The location where the Local Holidays window validates local holidays. Enter *Company*, *Supplier*, or *Customer*.
- **JLBR Payment Action** - *Anticipate*, *Postpone*, or *Keep* to manage transaction dates that fall on a weekend or holiday.
 - **Anticipate** - Changes the transaction date to the first previous business day.
 - **Postpone** - Changes the transaction date to the next available business day.
 - **Keep** - Prevents the date from being changed. You must enter a new date.
- **JLBR Automatically Change Date** - *Yes* or *No*.
 - **Yes** - Automatically changes a transaction date that falls on a weekend or holiday to a business date.
 - **No** - Displays an advisory message and prompts you to keep or change the date. If you decide to change the date, the date changes according to the *Payment Action* profile option.



See also

Defining a Business Day Calendar, *Oracle Financials for Brazil User's Guide*

4. Define Payables Options

Choose the Bank Transfer Information alternative region in the Payables Options window to enter information in the *City* field in the globalization flexfield.

If you choose *Company*, *Supplier*, or *Customer* as the *JLBR Payment Location* profile option, the Local Holidays window validates local holidays using the company's city.



See also

Payables Options,
Customizing Automatic Withholding Tax,
Automatic Tax Calculation Overview,
Oracle Payables User's Guide

5. Define Supplier Sites

Use the globalization flexfield in the Supplier Sites window to enter fiscal and tax information for each supplier site. Enter information in these fields:

- **Inscription Type** - Tax identifier for this supplier site. *CGC*, *CPF*, and *Others* are the valid options. These options define the format of the inscription number.
- **Inscription Number** - *CGC* and *CPF* inscription types are validated. *Others* is not validated.
- **State Inscription** - Tax identifier within the state.
- **City Inscription** - Tax identifier within the city.
- **Contributor Type** - Tax contributor type.
- **Tax Calendar** - Tax calendar name for the supplier sites. The tax calendar is used to define the due date for a withholding invoice.



See also

Defining Supplier Site Information, *Oracle Financials for Brazil User's Guide*

6. Define Tax Names

Enter ICMS, IPI, or withholding tax as the tax type in the Tax Names window. You can also enter a description for the tax name. Enter a rate and the account to charge this tax. You enter an inactive date to inactivate this tax on a certain date.

You can enter the following information in the globalization flexfield:

- **Tax Non Recoverable Account** - ICMS non recoverable account
- **Withholding Tax Type** - INSS, ISS, IRRF, and ICMS-ST (ICMS Tributary Substitution) are the valid types



See also

Defining Tax Names, *Oracle Financials for Brazil User's Guide*

7. Enter Operation Fiscal Codes

Enter the operation fiscal code (CFO), description, and additional description in the Operation Fiscal Codes window. This information is mandatory in Brazil to enter an invoice.

The CFO identifies the nature of the operation that the output originates from and indicates if there is a differential rate. Oracle Payables automatically generates a distribution when an invoice is matched to a purchase order.

If an invoice is not matched to a purchase order, the CFO indicates if the ICMS is recoverable.

These are examples of CFO's:

This CFO...	Has this Meaning...
111	Purchase of goods, imported or produced locally
112	Purchase of goods, purchased from third parties for resale
121	Transfer of goods, imported or produced locally



See also

Defining Operation Fiscal Codes, *Oracle Financials for Brazil User's Guide*

8. Define Locations

You must enter the establishment type, state, and Rate Differential Accounting for your organization's location in the globalization flexfield in the Location window. Oracle Payables uses the establishment type for the location to determine the ICMS calculation base to match invoices. The state determines the correct rate for the ICMS calculation. The Rate Differential Accounting keeps the tax amount related to the tax rate differential amount.



See also

Defining Fiscal Information for Locations, *Oracle Financials for Brazil User's Guide*

9. Define the Withholding Tax Calendar

You define a withholding tax calendar by tax type and associate the invoice's date interval with the tax payment dates in the Tax Calendar window. You define the payment time chart for each of the taxes without defining payment algorithms.

This implementation lets you define payment dates by tax type with flexibility. The dates that you enter in this table are validated against the date calendar in Oracle Payables using the criteria for payment date anticipation and postponement. If there are equal rates for different fiscal authorities, you must define more than one type of tax.

This table shows the payment time chart that you create for IRRF, ICMS-ST, and ISS taxes.

Tax Type	Base Date	Invoice Date Interval		Payment Date
		From	To	
IRRF	GL-date	07/03/98	07/07/98	07/12/98
IRRF	GL-date	07/10/98	07/14/98	07/19/98
ICMS - ST	Invoice-date	07/01/98	07/31/98	08/07/98
ICMS - ST	Invoice-date	08/01/98	08/31/98	09/07/98
ISS	GL-date	07/01/98	07/31/98	08/10/98
ISS	GL-date	08/01/98	08/31/98	09/10/98



See also

Defining a Withholding Tax Calendar, *Oracle Financials for Brazil User's Guide*

Managing Tax for Invoices

This section describes how IPI, ICMS, and withholding tax are handled for invoices that you create or import. The procedures for matching invoices to specific purchase order distributions and for matching invoices to all purchase orders are included. An example shows how tax is calculated for a purchase order.

How Tax is Calculated

Price-exclusive and price-inclusive taxes, compounded taxes, and taxes on a modified base have taxation requirements. The withholding tax setup, calculation, and accounting are the same as standard Oracle Payables. The withholding tax calendar that handles the specific dates when this category tax is due is unique.



See also

Automatic Withholding Tax Overview, *Oracle Payables User's Guide*

Tax Type = IPI

IPI tax is calculated and accounted when the invoice is matched to a purchase order. This is the process:

1. Oracle Payables checks if the tax calculation base is reduced to select the base in the Fiscal Classification window.
2. Oracle Payables searches for tax names at the inventory item level and at the fiscal classification level until a tax name is found to select the tax rate.
3. Oracle Payables applies the tax name in the tax calculation base to calculate tax.
4. Oracle Payables does the following to account for taxes at the invoice line level:
 - Checks if there is tax partial recovery and if the tax is recoverable in the Functional Matrix window.
 - Finds the tax to recover in the Tax Names window and finds the tax that is not recoverable in the Item window.

Tax Type = ICMS

ICMS tax is calculated and accounted when the invoice is matched to a purchase order (line level) or when the invoice is not matched to a purchase order (header level). This is the process:

1. The base is selected only when the invoice is matched to a purchase order. If the invoice is not matched to a purchase order, the base is equal to the invoice amount. Oracle Payables does the following to select the base:
 - Checks if the tax calculation base is compounded in the Functional Matrix window.
 - Checks if the tax calculation base is reduced in the Tax Exceptions by Fiscal Classifications window.
 - Checks if the tax calculation base is reduced in the Fiscal Classification window.
2. Oracle Payables does the following to select the tax rate:
 - Selects the rate from the company location if the invoice is not matched to a purchase order.
 - Searches for the supplier site, the fiscal classification, an exception by state and item, the state and fiscal classification, and the ship-from/ship-to location if the invoices are matched to a purchase order. Oracle Payables stops when one of these attributes is found.
3. Oracle Payables applies the tax name in the tax calculation base.
4. Oracle Payables does the following to account for taxes at the invoice header level:
 - Checks the CFO if the tax is recoverable and if there is a differential rate.
 - Finds the tax to recover or the tax that is not recoverable in the Tax Names window.

5. Tax is accounted at invoice line level when the invoice is matched to a purchase order. Oracle Payables does the following to account for taxes at the invoice line level:

- Checks if there is partial tax recovery and if the tax is recoverable in the Tax Functional Matrix window.
- Checks the CFO if there is a differential rate.
- Finds the tax to be recovered in the Tax Names window and finds the tax that is not recoverable in the Item window.

Tax Type = Withholding Tax

This example shows how withholding tax is accounted.

Withholding tax is calculated for this invoice:

This field...	Has this value...
Invoice Amount	1000
IRRF Amount (1.5 %)	15
Payment Schedule Amount	985

The invoice amount and withholding tax are accounted:

Invoice Entry	Debit	Credit
Expense	1000	
Supplier	15	
Supplier		1000
Tax Authority		15

Matching an Invoice to a Purchase Order

You must have a purchase order for the same supplier, supplier site, and currency as the invoice that you enter. The purchase order must be approved.

When you enter an invoice and match it to a purchase order, Oracle Payables automatically creates distributions and checks that your match is within the tolerance that you define in the Invoice Tolerances window.

After you save the match, Oracle Payables updates the quantity that is billed for each matched shipment and the corresponding distribution. The quantity is updated by the amount that you enter in the *Quantity Invoiced* field. Oracle Payables updates the amount that is billed for the purchase order distribution.



See also

Invoice Tolerances, *Oracle Payables User's Guide*

Complete the following steps to match an invoice to a specific purchase order shipment or to all purchase order shipments using QuickMatch.

To match to a specific purchase order shipment or distribution:

1. Enter *Standard*, *PO Default*, or *Mixed* invoice type in the Invoices Summary window. If you enter *PO Default*, Oracle Payables prompts you to enter the purchase order number. Oracle Payables automatically defaults the supplier, supplier number, site, and currency.

Enter all basic invoice information, but do not manually enter the distributions.

2. Press the Match button. In the Find Purchase Orders to Match window, enter search criteria for the purchase order that you want to match to the invoice. Press the Find button to navigate to the Match to PO window.
3. Create invoice distributions. For each shipment that you want to match, select the shipment and enter two of the following:
 - Quantity Invoiced
 - Unit Price
 - Match Amount

When you enter one field, Oracle Payables automatically calculates the remaining fields using this formula:

$$\text{Quantity Invoiced} \times \text{Unit Price} = \text{Match Amount}$$

You can optionally change the unit price. The unit price defaults from the purchase order shipment unit price.

(continued)

4. Press the Distribute button to match your invoice to purchase order distributions.
5. For each purchase order distribution that you want to match, select the purchase order distributions, and enter either the quantity invoiced or match amount. Oracle Payables automatically calculates and enters the remaining fields based on the unit price using this formula:

$$\text{Quantity Invoiced} \times \text{Unit Price} = \text{Match Amount}$$

The unit price defaults from the match that you made in the Match to PO window.

6. Press the Match button to save your match.
7. Press the Distributions button in the Invoices Summary window to review the new invoice distributions.

To match to any purchase order shipments (QuickMatch):

1. Enter the QuickMatch invoice type in the Invoices Summary window. Enter all basic invoice information, but do not manually enter the distributions.
2. Press the Match button. Oracle Payables matches the invoice to the distributions for the matched shipments and automatically creates invoice distributions. You can override the defaults to adjust any matches.
3. Press the Match button in the Match to PO window to save your match.
4. Press the Distributions button in the Invoices Summary window to review the invoice distributions that Oracle Payables created.

Matching Tax Exceptions

Tax exceptions that were not specified in the purchase order may occur. You can enter tax information in the globalization flexfield in the Match to PO window.

Complete these steps to match your invoice to purchase order shipments:

1. Complete the procedures for matching to a specific purchase order shipment or distribution, or for matching all purchase order shipments using QuickMatch.
2. In the Match to PO window, enter this tax information in the globalization flexfields:
 - ICMS base amount
 - ICMS name
 - ICMS amount
 - IPI base amount
 - IPI name
 - IPI amount
3. Press the Match button in the Match to PO window to save your match.
4. Press the Distributions button in the Invoices Summary window to review the invoice distributions that Oracle Payables created.

Example (Rio Motors)

Consider the case with Rio Motors, a car dealer in Rio de Janeiro that purchases cars from Paulista Motors, which is located in Sao Paulo.

When you create a purchase order, Oracle Purchasing performs a series of validations to find the taxes to apply, the tax calculation formulas, and the tax rates to use for the calculations.

According to the location type for your warehouse, your supplier site, tax contributor type, and the item transaction nature, Oracle Payables determines if IPI and ICMS should be applied and if the tax base amount is compounded using a Tax Functional Matrix.

Tax Functional Matrix

This field...	Has this value...
Location	Commercial
Supplier Site	Commercial
Transaction Nature	Consumption
Apply IPI	Y
Apply ICMS	Y
ICMS Compound with IPI	Y

Search Path for Tax Code

The following table shows how Oracle Payables finds the parameters to calculate IPI and ICMS tax codes and base rates.

The IPI tax rate comes from the item. The fiscal classification code does not have any rate to modify the tax base amount.

The ICMS rate is the interstate rate and also does not have any rate to modify the tax base amount.

For this tax category...	Oracle Payables looks for...
IPI - Tax code	The tax code stored with the item.
IPI - Base rate	The base rate modifier from the fiscal classification code for the transaction not found.
ICMS - Tax code	The tax code stored for interstate and intrastate transactions.
ICMS - Base rate	The base rate modifier from the exception by fiscal classification on the transaction line not found.

Tax Name

This table shows the rates that are associated with a tax name.

Parameter	Value	Rate
IPI45	45%	Rate for car
ICMS12 (SP-RJ)	12%	Interstate rate

The information in this example is summarized in the following tables:

Purchase Order Information

Supplier: *Paulista Motors*

Site: *Sao Paulo*

Ship to warehouse: *Rio de Janeiro*

Purchase Order Line Level Information

This field...	Has this value...
Description	Car
Quantity	2
Price	10,000.00
Transaction Nature	Consumption
Fiscal Classification Code	FCC1

Shipment Line Tax Information

This field...	Has this value...
IPI Base Amount	20,000.00
IPI Tax Name	45%
IPI Tax Amount	9,000.00
ICMS Base Amount	20,000.00
ICMS Tax Name	12%
ICMS Tax Amount	2,400.00

Invoice Level InformationBuyer: *Rio Motors* Site: *Rio de Janeiro*Supplier: *Paulista Motors* Site: *Sao Paulo*Operation Fiscal Code (CFO): *1.11*Invoice total: *10,000.00***Tax Functional Matrix**

This field...	Has this value...
Location	Commercial
Supplier Site	Commercial
Transaction Nature	Consumption
ICMS Recoverable	N
IPI Recoverable	N
ICMS Compounded with IPI	Y

Invoice Distribution Lines

	Debit	Credit	Account
Item	8,600.00		Expense
IPI Tax	9,000.00		Tax Name General Ledger Account
ICMS Tax	2,400.00		Tax Name General Ledger Account
Supplier		20,000.00	Liability

Importing Invoices

The Import Invoice open interface automatically loads the tax information. Complete the following steps to submit the Import Invoice program.

To submit the Import Invoice program:

1. Create or modify the invoice flat file that contains the information that you want to import.
2. Run SQL*Loader. Indicate your control file as the SQL*Loader control file, your invoice flat file as the SQL*Loader input file, and your Oracle Payables SQL*Plus username and password for the database sign on.
3. Define an Oracle Payables QuickCode to identify the source for the invoices.
4. Enter suppliers and supplier sites in the Suppliers window.
5. Enter code combinations for expense and liability accounts in the Accounting Flexfield Combination window.
6. If you want to purge your interim records from the Invoice Import Interface tables, set the purgeable flag in AP_EXPENSE_REPORT_HEADERS to *Yes*.

To submit the Invoice Import program for invoices that are entered in external accounting systems:

1. In the Submit Requests window, enter the request type. Enter *Payables Invoice Import* for the name.
2. If you use batch control, enter a batch name.
3. In the *Source* field, select the source name that you defined in the QuickCodes window. Do not enter a value in the *GL Date* field.
4. If you want to purge all records from the Invoice Import Interface tables, and you have set the purgeable flags in the tables to *Yes*, enter the purge date that you want Oracle Payables to use. Payables deletes all records for imported invoices that were entered before this date.

5. Press the OK button to submit the Invoice Import program for all invoices in Oracle Payables that have not been imported. Oracle Payables creates invoices with the following attributes:
 - Standard type
 - The invoice number that you specified in the flat file
 - Scheduled payments based on payment terms that are defined in the Payables Options window
 - The payment method from the Financials Options window
6. When the program is complete, you can query the new invoices in the Invoice Workbench. The new invoices are ready for approval and payment.
7. Oracle Payables automatically produces the following reports so you can review the invoices that Invoice Import successfully created, as well as the invoices that Invoice Import was unable to import:
 - Invoice Import Report
 - Invoice Import Exceptions Report
8. Use SQL*Plus to correct any exceptions before you resubmit the Invoice Import program.



See also

Invoice Import Open Interface, *Oracle Financials for Brazil User's Guide (Online Help)*



See also

Payables Invoice Import Program, *Oracle Payables User's Guide*

Frequently Asked Questions

Q: I approved a standard invoice with withholding tax information, but the withholding tax invoice was not generated. What should I check?

A: Complete these steps:

1. Review the withholding tax setup.



See also

Setting up Withholding Tax, *Oracle Payables User's Guide*

2. Review the business day calendar setup.



See also

Defining a Business Day Calendar, *Oracle Financials for Brazil User's Guide*

3. Review the withholding tax calendar setup.



See also

Defining a Withholding Tax Calendar, *Oracle Financials for Brazil User's Guide*

Q: How can I set up a withholding tax calendar to apply to an invoice?

A: Assign the tax calendar to a tax authority. The tax authority is associated to a withholding tax group. The supplier defines a withholding tax group.



See also

Defining a Withholding Tax Calendar, *Oracle Financials for Brazil User's Guide*

Q: If I match an invoice to a purchase order, why do I need to enter the ICMS and IPI amount at invoice header level?

A: You enter this amount at header level only for security. Oracle Payables checks if the total amount entered is equal to the total amount calculated at invoice lines distribution. If these amounts are different, Oracle Payables leaves the invoice on hold.

Q: Why wasn't the tax rate calculated if I entered a standard invoice with the ICMS tax rate differential?

A: The ICMS tax rate differential is calculated only if you match an invoice to a purchase order. If you matched an invoice to a purchase order, check that the operation fiscal code (CFO) is assigned to calculate the tax rate differential.

Q: Can I match more than one invoice with a purchase order?

A: Yes. You can match an invoice as many times as you want. Invoices are put on hold if a purchase order is overbilled.

Q: Are VAT taxes recalculated in Oracle Payables?

A: At the invoice line level, taxes are recalculated when you change the amount, quantity, or unit price during a match with a purchase order.

At the invoice header level, ICMS is recalculated when you change the ICMS base amount or the ICMS tax rate.

Q: What happens if there is a difference in amounts that is caused by rounding procedures during the prorating process?

A: The difference, in cents, is added to the first invoice distribution line.

Q: What is the description for the ICMS tax rate differential?

A: The description is *ICMS-differential-**<item>***.

Q: Which account is used for the ICMS tax rate differential?

A: The account is from the ship-to location for a debit memo. The account is from the item for a credit memo.

Q: How can I define partial tax recovery?

A: You can enter the percentage of tax recovery in the Tax Functional Matrix window.



See also

Defining the Tax Functional Matrix, *Oracle Financials for Brazil User's Guide*

Q: How is partial tax recovery accounted?

A: The recoverable amount is added to the recoverable account, which is the General Ledger account from the tax name, and the remaining amount is added to the item account.

Loading the Subledger Tables

If you are upgrading to Release 11, or if you are installing Oracle Payables for the first time, you must enter the previous period balances into the subledger tables before you run the Supplier Auxiliary Ledger report or the Supplier Auxiliary Daily report. The subledger balances reconcile with the Oracle General Ledger balances for the previous period transactions.

After you enter the previous-period balances into the tables, Oracle Payables continues to automatically update the information into the tables when you post journal entries in Oracle Payables. If there is an error in the posting routine, the Period Balance Calculation single request procedure for Oracle Payables recalculates balances and recreates journals.

The JL_BR_BALANCES_ALL table contains supplier balances for a code combination within a specific period in a set of books. The table is required for the previous period balances to appear as the current period starting balances in the Supplier Auxiliary Ledger report.

The JL_BR_JOURNALS_ALL table contains detailed debits and credits. This table is required for debit and credit transactions within a specified period in both the Supplier Auxiliary Ledger report and the Supplier Auxiliary Daily report.

Warning: Do not run the purge routine in Oracle Payables before you load the tables. Balances will not load into the tables.

For detailed descriptions of both of these tables, see *Subledger Tables* on page 276.



See also

Supplier Auxiliary Daily report,
Supplier Auxiliary Ledger report,
Oracle Financials for Brazil User's Guide

Oracle 3

Receivables

This chapter explains the Brazilian Billing, Bank Transfer, Interest, and Tax features and describes the procedures for implementing these features for Oracle Receivables. The tasks for using the Brazilian features are explained. Examples show how interest and tax are calculated and accounted. This chapter also describes the subledger tables that you enter information into before you run the Customer Auxiliary Daily report and the Customer Auxiliary Ledger report.

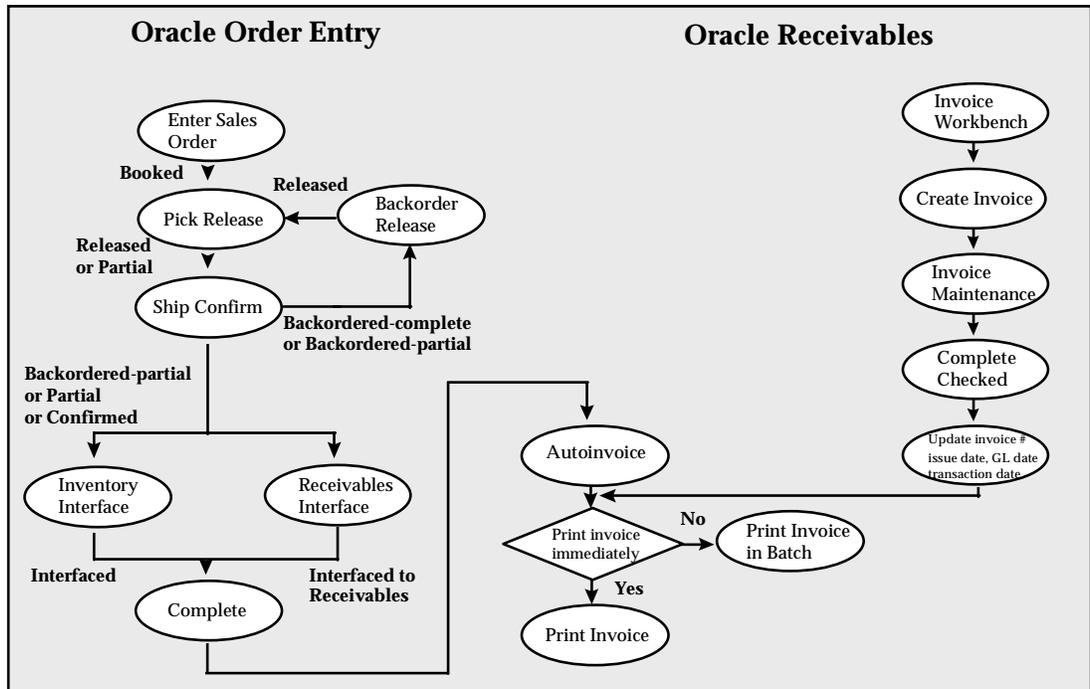
Billing Overview

In Brazil, companies send shipping invoices as customer bills. Shipping invoices have information such as packaging attributes, freight carrier information, customer inscription numbers, operation fiscal codes, additional item information, and legal justification messages.

The Brazilian Billing feature lets you do the following with invoices:

- Create shipping invoices with taxes, customer inscription numbers, operation types, brands, legal justification messages, item attributes, freight carrier addresses, inscription numbers, license plate numbers, packaging attributes, accessory expenses, and operation fiscal codes.
- Define a sub-series that assigns transaction numbers to both imported and manually entered transactions.
- Control the document sequence number and issue date for shipping invoices.
- Cancel shipping invoices.
- Create complementary invoices.

Billing Process



This diagram shows how Oracle Order Entry and Oracle Receivables process shipping invoices. You create sales orders in Oracle Order Entry and manually enter shipping invoices in Oracle Receivables. Oracle Receivables creates shipping invoices from sales orders.

Oracle Order Entry

This is a typical process after you define an Order Entry cycle.

1. You create a sales order, associate the order type, and book the order.
2. After the sales order is booked, Pick Release adds the release orders to a picking batch.
3. Ship Confirm confirms pick slips for a specific picking batch in the Confirm Shipments window.
4. Pick Release automatically backorders items or models that are not in stock. You can manually backorder items in the Confirm Shipments window.

(continued)

5. You run the Inventory Interface program to keep inventory balances up-to-date as you ship orders.
6. You run the Oracle Receivables Interface program after Ship Confirm completes so that an invoice represents the quantity that is shipped.
7. You run the Autoinvoice open interface in Oracle Receivables to import the sales order and create an invoice.
8. The invoice prints after the invoice completes if the print option is set to *Yes* in the System Option window. If the print option is set to *No*, the invoice only prints in batch using a concurrent process.



See also

Pick Release Orders,
Confirm Shipments,
Oracle Order Entry User's Guide

Oracle Receivables

1. You manually create an invoice in the Invoice Workbench.
2. You modify any invoice information, such as adding new items or changing values.
3. You press the Complete button to complete the invoice.
4. As soon as the invoice is completed, Oracle Receivables updates the invoice number using an imported batch source that is referred in the manual batch source that you entered in your invoice. The issue date, General Ledger date, and transaction date are updated with the current date.
5. The invoice prints after the invoice completes if the print option is set to *Yes* in the System Option window. If the print option is set to *No*, the invoice only prints in batch using a concurrent process.

Implementing Billing

This section explains how to implement Brazilian Billing for Oracle Receivables. Use the checklist to help you complete the appropriate steps in the correct order for your implementation. The steps are described in more detail in this section.

Implementation Checklist

- 1 Set up Oracle Receivables
- 2 Complete the General Setup
- 3 Define Lookup Codes
- 4 Enter Inscription Numbers
- 5 Enter Operation Types
- 6 Define a Sub-Series for Manual and Imported Transactions
- 7 Define Legal Justification Messages
- 8 Define Item Origins, Fiscal Types, and Tributary Situations
- 9 Define Other Setup Information

1. Set up Oracle Receivables

Set up Oracle Receivables using the standard Oracle Receivables setup procedure.



See also
Setting Up, *Oracle Receivables User's Guide*

2. Complete the General Setup

Complete the general setup for Oracle Financials for Brazil.



See also

General Setup, *Oracle Financials for Brazil User's Guide*

3. Define Lookup Codes

Create lookup codes and associate them with predefined lookup types. You must define lookup codes for the following predefined lookup types:

- Item Fiscal Type
- Item Origin
- Item Transaction Nature
- Tributary Federal Situation
- Tributary State Situation



See also

Defining Lookup Codes, *Oracle Financials for Brazil User's Guide*

4. Enter Inscription Numbers

Enter customer inscription numbers when you enter customers in Oracle Receivables.

Companies in Brazil are assigned an inscription number, which is a registration number. The inscription number can be *CGC*, *CPF*, or *Others*. Each company also has an inscription number for the state and city. These inscription numbers are printed in shipping invoices.



See also

Entering Customers, *Oracle Financials for Brazil User's Guide*

Enter state Tributary Substitution inscription numbers when you define Latin tax locations in Oracle Receivables.

Companies in Brazil are required to have a state Tributary Substitution inscription number. For more information about entering Tributary Substitution inscription numbers, see *Associate Categories and Locations* on page 226.



See also

Defining Latin Tax Locations, *Oracle Financials for Brazil User's Guide*

5. Enter Operation Types

Enter an operation type as a transaction type in Oracle Receivables. The operation type identifies the purpose for a shipping invoice, such as recording sales, returning items, or importing items. Shipping invoices are used for sending and receiving purposes.



See also

Defining Transaction Types, *Oracle Financials for Brazil User's Guide*

6. Define a Sub-Series for Manual and Imported Transactions

Define manual and imported batch sources in Oracle Receivables. Batch sources control whether Oracle Receivables automatically numbers your transactions and transaction batches.

Use manual batch sources for manually entered transactions. Use imported batch sources for transactions that are imported into Oracle Receivables using the AutoInvoice open interface.

A sub-series is a sequence name that controls the sequence of shipping invoice numbers. Shipping invoices are automatically numbered by the sub-series that you define for each invoice batch source.

If you want to use the sub-series for the imported batch source to assign transaction numbers to manually entered invoices, use a manual batch source that refers to an imported batch source when you enter the invoice.

The shipping invoice number and issue date are always printed in ascending order in the invoice. The invoice number is shown as a document number in a sequence. The document sequence is defined with six digits from 000001 to 999999 and is consistent with the issue date.

These are examples of invoices with correct and incorrect invoice numbers and issue dates. Report programs insert a decimal point in each invoice number.

Correct Invoice	
Invoice Number	Issue Date
100.001	19-Mar-97
100.002	19-Mar-97
100.003	19-Mar-97
100.004	20-Mar-97
100.005	20-Mar-97
100.006	21-Mar-97
100.007	24-Mar-97
100.008	24-Mar-97
100.009	24-Mar-97
100.010	24-Mar-97

Incorrect Invoice	
Invoice Number	Issue Date
100.011	20-Mar-97
100.012	19-Mar-97
100.013	24-Mar-97
100.014	20-Mar-97
100.015	24-Mar-97
100.016	19-Mar-97
100.017	24-Mar-97
100.018	24-Mar-97
100.019	20-Mar-97
100.020	21-Mar-97



See also

Defining Invoice Sub-Series, *Oracle Financials for Brazil User's Guide*

7. Define Legal Justification Messages

You can manually enter and print a legal justification message in an invoice for a tax base reduction, tax exemption, exportation, or tax immunity.

You can associate legal messages with tax rules so that a tax exception defaults in an invoice.



See also

Defining Latin Legal Messages, *Oracle Financials for Brazil User's Guide*

8. Define Item Origins, Fiscal Types, and Tributary Situations

Define item origins, fiscal types, and tributary situations when you define items and memo lines. Shipping invoices include the origin of an item, such as imported or national. Shipping invoices include the fiscal type, which is a classification of items. The fiscal type maintains interfaces with third party applications such as Fiscal Books. Shipping invoices also include federal and state tributary situations for tax exemptions.



See also

Defining Master Items,
Defining Memo Lines,
Oracle Financials for Brazil User's Guide

9. Define Other Setup Information

You also define freight carrier information, operation fiscal codes, fiscal classifications, brand names, and system options.



See also

Defining Freight Carriers,
Defining Operation Fiscal Codes,
Defining Latin Fiscal Classifications,
Entering Information for Locations,
Defining System Options,
Oracle Financials for Brazil User's Guide

Managing Invoices

This section describes how to manage invoices for the Brazilian Billing feature, including entering shipping invoices, creating shipping invoices from sales orders, printing shipping invoices, canceling shipping invoices, and entering complementary invoices. Invoices other than shipping invoices and complementary invoices are also described.

Entering Shipping Invoices

You can either manually enter invoices in the Invoice Workbench, or import invoices from Oracle Order Entry using the AutoInvoice open interface.

This is the Billing information that you enter at invoice header and line level:

- Freight Accessory Expenses
- Insurance Accessory Expenses
- Other Accessory Expenses
- License Plate
- Volume Number
- Volume Type
- Volume Quantity
- Total Gross Weight
- Total Net Weight
- Operation Fiscal Code
- Fiscal Classification Code
- Transaction Nature (required information)
- Item Origin

- Item Fiscal Type
- Federal Tributary Situation
- State Tributary Situation
- Legal Justification Message1-Message3

Item attributes such as Federal Tributary Situation, State Tributary Situation, Item Origin, and Item Fiscal Type are defaulted from the item attributes or memo lines.

The accessory expenses are not accounted and do not change the invoice total amount.

Oracle Receivables automatically calculates the taxes for each invoice line using predefined rates and rules.



See also

Managing Invoices,
Defining Tax Codes and Rates,
*Oracle Receivables chapter, Oracle Financials for Brazil
User's Guide*

Creating Shipping Invoices from Sales Orders

You can create shipping invoices from sales orders that you enter in Oracle Order Entry. Before you create the shipping invoices, check the following:

- The tax setup is correctly defined. The tax setup is for Oracle Order Entry or Oracle Receivables.
- A transaction type is correctly defined and associated with a tax group and fiscal operation, such as 1.11, 1.12, or 5.99. Examples of transaction types are *industrialized products for sale* and *industrialized products for industrialization or commercialization*. The transaction type is the fiscal operation for revenue purposes.
- Items are defined with a Fiscal Classification, Transaction Nature, Item Origin, Item Fiscal Type, Federal Tributary Situation, and State Tributary Situation.

To create a shipping invoice from a sales order:

1. Create an order type in Oracle Order Entry. Associate the transaction type to the order type.
2. Create a sales order with the order type.
3. Run the Receivables Interface program.
4. Run the AutoInvoice open interface from Oracle Receivables to import sales orders from Oracle Order Entry. Enter the current date in the Requests window to update the Oracle General Ledger date and invoice date.

An invoice is created in Oracle Receivables when AutoInvoice is completed. The following Brazilian Billing information in the invoice is defaulted from Oracle Order Entry:

- Freight carrier and license plate from the Ship Confirm Departure window.
- Packaging attributes, such as volume type, volume quantity, volume number, total net weight, and total gross weight, from the Ship Confirm Delivery and Delivery windows.
- Accessory expenses, such as freight expense, insurance expense, and other expenses from the sales order line.

Item attributes, such as Federal Tributary Situation, State Tributary Situation, Item Origin, and Item Fiscal Type are defaulted from Oracle Inventory.

Printing Shipping Invoices

After you enter or import a shipping invoice, the shipping invoice automatically prints if you enter *Yes* in the *Print Invoice Immediately* field in the System Option window. If you enter *No*, you need to run a concurrent process to print completed invoices in a batch.

The shipping invoice shows the following information:

- Brazilian tax calculation
- Customer attributes such as a CGC or CPF inscription number, state inscription number, and municipal inscription number
- Additional organization attributes
- Shipping date
- Operation type
- Legal justification messages
- Item attributes, such as federal tributary situation, state tributary situation, and item fiscal type
- Freight carrier attributes and corresponding license plate numbers
- Freight responsibility, such as CIF or FOB
- Packaging attributes, such as volume type, volume quantity, volume number, total net weight, and total gross weight
- Accessory expenses, such as freight expense and insurance expense
- Operation fiscal code (CFOP)
- Brand



See also

Shipping Invoice Report, *Oracle Financials for Brazil User's Guide*

Canceling Shipping Invoices

You can only cancel a shipping invoice after it prints. You cannot delete a completed invoice since it has an issue date and a document sequence number.

Create a credit memo against the invoice to delete the invoice. You create a credit memo with a *Void* transaction type. The Transactions Workbench updates the status of the credited transaction to *Void*.

Oracle Receivables completes the related accounting entries when you set the *AR: Use invoice accounting for credit memos* profile option to *Yes*.

Entering Complementary Invoices

You can create a complementary invoice to correct information such as taxes, expense amounts, unit amounts, quantities, and total invoice amounts in a shipping invoice.

The transaction number and issue date are assigned when the complementary invoice is printed. You must manually correct accounting entries in Oracle General Ledger.

After you enter or import a complementary invoice, the complementary invoice automatically prints if you enter *Yes* in the *Print Invoice Immediately* field in the System Option window. If you enter *No*, you need to run a concurrent process to print complementary invoices in a batch.

Entering Other Invoices

You can enter invoices other than shipping invoices or complementary invoices. These are examples of other invoice types:

Invoices for Returned Items

Enter returned items in Oracle Order Entry. The Return Material Authorization (RMA) process automatically creates credit memos in Oracle Receivables.

After a credit memo is created, create an invoice in Oracle Receivables. Enter *No* for the *Post to GL* option, and enter *No* for the *Open Receivables* option in the Transaction Types window. You do not need to link the credit memo with the invoice.



See also

Enter Return Material Authorizations, *Oracle Order Entry User's Guide*



See also

Defining Transaction Types, *Oracle Financials for Brazil User's Guide*

Invoices for Exported Items

Invoices for exported items should print without tax lines. You can indicate whether a tax category with tax lines prints in the invoice in the Latin Tax Categories window. You can indicate whether a specific tax code prints in the invoice in the Tax Codes and Rates window.



See also

Defining Latin Tax Categories,
Defining Tax Codes and Rates,
Oracle Financials for Brazil User's Guide

Invoices for Imported Items

You can print an invoice for imported items using the Brazilian import/export system, but you must define the supplier as a customer if you want to print the invoice in Oracle Receivables.

Enter *No* for the *Post to GL* option, and enter *No* for the *Open Receivables* option in the Transaction Types window.



See also

Defining Transaction Types, *Oracle Financials for Brazil User's Guide*

Invoices for Several Purposes

You can send machines for repair or send merchandising for demonstration in an invoice. You enter the invoice information in Oracle Receivables with no accounting or customer balance updates, but you may need to manually adjust Oracle General Ledger.

Invoices with Discounts

You can indicate the discount in a sales order. Create an invoice with a discount on only the invoice total. The taxes due are not changed, as in this example of an invoice with a discount:

For this invoice field...	Enter this amount with no discount...	Enter this amount with discount...
Item	100.00	100.00
IPI tax	10.00	10.00
ICMS tax	18.00	18.00
Discount rate		5%
Discount		5.50
Total	110.00	104.50

Frequently Asked Questions

Q: I created a credit memo to cancel an invoice and used a transaction type with *Void* status. Oracle Receivables did not reverse the accounting entries for my credited transactions in the credit memo. What should I check?

A: Check that the *AR: Use Invoice Accounting for Credit Memos* profile option is set to *Yes*.

Q: Why can't I change the *Print Invoice Immediately* field value to *Yes* in the System Options window?

A: You must print all of your unprinted completed invoices before you can change the value to *Yes*.

Q: Can I see accounting entries for a complementary invoice?

A: No. Oracle Receivables does not create accounting entries for complementary invoices. You must manually adjust accounting entries in Oracle General Ledger.

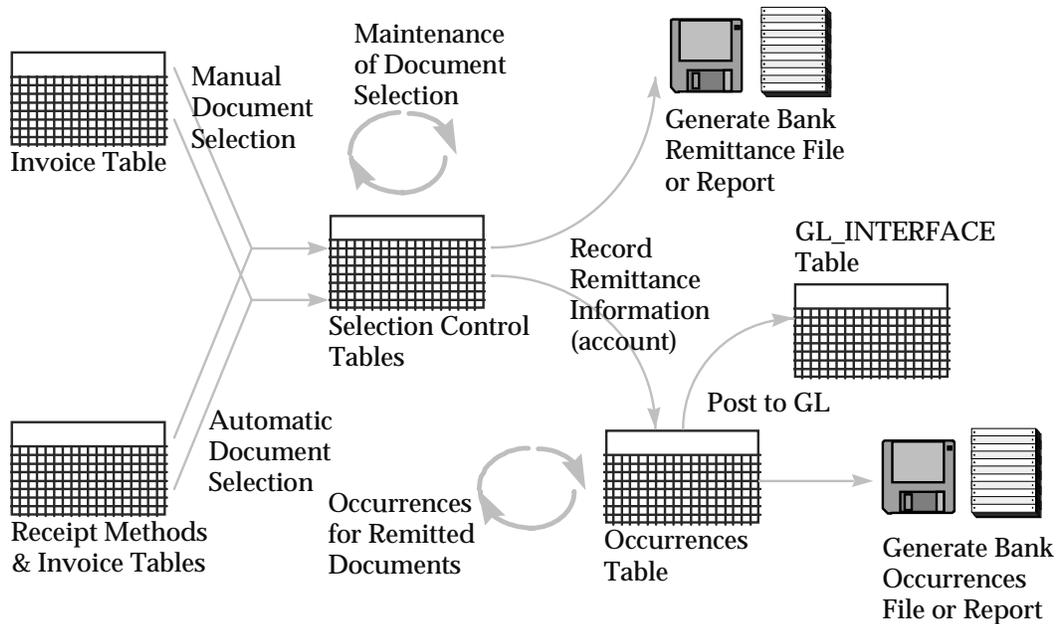
Bank Transfer Overview

The Bank Transfer feature meets the Brazilian requirements for collections from banks. The current LockBox feature in Oracle Receivables does not meet the Brazilian Bank Transfer requirements.

You can do the following with the Brazilian Bank Transfer feature:

- Create bank transfer remittance batches either by manually including payment schedules for your collection bank accounts or by specifying the criteria for automatically creating bank transfer remittance batches for one or more collection bank accounts.
- Send bank transfer remittance batches in an electronic file or in printed reports to collection banks. Payment schedules in a remittance batch are called collection documents when the remittance batch is sent to a collection bank.
- Manually enter Call Off Protest, Not Protest, Protest and Write Off Requisition occurrences for a collection document. Oracle Receivables automatically creates occurrences, such as Abatement Concession, Discharge Interest Charge Collection, Due Date Changing, Write Off Requisition and Other Data Changing, when you change the due date or create adjustments for a collection document, apply credit to an invoice, or change the interest calculation parameters.
- Create and send occurrences that are associated with collection documents in occurrence remittance batches to collection banks.
- Automatically load or manually enter bank return documents with return occurrences from collection banks into Oracle Receivables.
- Generate receipts for return occurrences and apply the receipts to invoices. Oracle Receivables checks abatements, calculates discounts, interest, and penalty fees, and generates adjustments as well as debit memos.
- Post accounting entries to Oracle General Ledger.

Bank Remittance Process



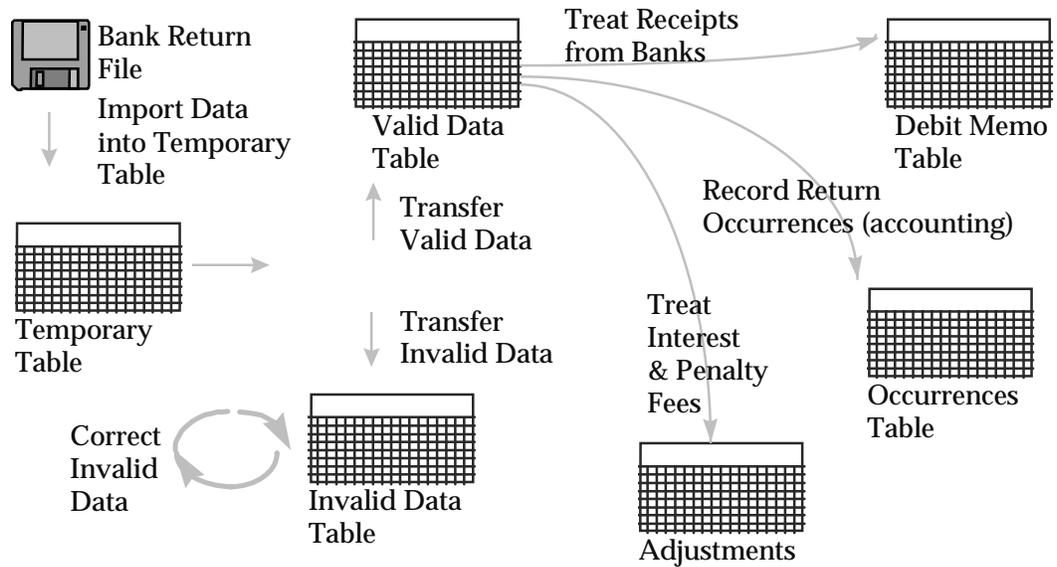
This diagram shows the process for creating bank transfer remittance batches and sending them to the bank for collecting payments.

1. You either automatically or manually select documents to create bank transfer remittance batches. If you manually create remittance batches, you manually select payment schedules. If you automatically create remittance batches, Oracle Receivables selects payment schedules based on specified selection criteria and business rules.
2. You can maintain bank transfer remittance batches that are not formatted to send to a bank. You can change items such as the General Ledger date or bank charges. You can also remove or include more payment schedules in a batch.
3. Oracle Receivables formats bank transfer remittance batches to generate a Bank Remittance file or a Bank Remittance report. After a batch is formatted, you cannot make changes to the batch.
4. Oracle Receivables creates accounting entries, which are explained in *Creating Bank Transfer Accounting Entries* on page 151. These accounting entries are stored in the occurrences table.

(continued)

5. Oracle Receivables either enters or creates occurrences for the remitted documents. These occurrences are also stored in the occurrences table.
6. You create and format occurrence batches to generate a Bank Occurrences file or report for your collection bank.
7. You transfer accounting information to the GL_INTERFACE table so that accounts are updated in Oracle General Ledger.

Bank Return Process



This diagram shows the process for entering bank return occurrences in Oracle Receivables.

1. You usually receive bank return occurrences in an electronic file. You can receive bank return occurrences in a report. Electronic files are loaded in a temporary table with SQL*Loader scripts.
2. A validation process transfers all successfully validated records to a valid data table and all rejected records to an invalid data table.
3. Corrected invalid records also move to valid data tables. You can manually enter only valid records in Oracle Receivables and store them in valid data tables.
4. Oracle Receivables records bank return occurrences in the occurrences table. The occurrences table also stores additional accounting entries that you transfer to Oracle General Ledger.

(continued)

5. Oracle Receivables creates a debit memo when the following occur:
 - The received interest amount is less than the calculated interest amount.
 - The difference between the calculated amount and the received interest amount is more than the write-off tolerance amount or percentage.
6. Oracle Receivables creates an adjustment when the difference between the calculated amount and the received interest amount is less than the write-off tolerance amount or percentage.

Implementing Bank Transfer

This section explains how to implement Brazilian Bank Transfer for Oracle Receivables. Use the checklist to help you complete the appropriate steps in the correct order for your implementation. The steps are described in more detail in this section.

Implementation Checklist

- 1 Set up Oracle Receivables
- 2 Complete the General Setup
- 3 Enter Company Names
- 4 Enter Company Codes
- 5 Define Company Inscription Numbers
- 6 Enter Document Types
- 7 Enter Remittance Batch Formatting Programs
- 8 Define the Maximum Number of Collection Documents in Remittance Batches
- 9 Define Interest and Protest Instructions
- 10 Define Collection Methods
- 11 Define Bank Instruction Codes
- 12 Define Bank Occurrence Codes
- 13 Define Bank Transfer Accounts

1. Set up Oracle Receivables

Set up Oracle Receivables using the standard Oracle Receivables setup procedure.



See also

Setting Up, *Oracle Receivables User's Guide*

2. Complete the General Setup

Complete the general setup for Oracle Financials for Brazil.



See also

General Setup, *Oracle Financials for Brazil User's Guide*

3. Enter Company Names

Enter your company's name in the globalization flexfield in the System Options window. You must have the parent company name in the header record in remittance batch files and reports. Oracle Receivables uses this company name to validate the header record in the bank return file.



See also

Defining System Options, *Oracle Financials for Brazil User's Guide*

4. Enter Company Codes

Enter your company code in the globalization flexfield in the Bank Accounts window. Each record in remittance and return batch files has a company code that your bank assigns to identify your company. Oracle Receivables sends the company code in remittance files and reports to your bank and uses this company code to validate header and transaction records in the bank return file.



See also

Defining Remittance Banks, *Oracle Financials for Brazil User's Guide*

5. Define Company Inscription Numbers

Define your company name for each remit-to address in the globalization flexfield in the Remit-To Addresses window. Oracle Receivables determines the inscription number for your company depending on the remit-to address that you enter in your transaction. You must have your company's inscription number in transaction records in remittance batch files and reports. You can have transactions for different remit-to addresses in a remittance batch file or report. The company inscription number is also used to validate the transaction records in bank return files.



See also

Defining Remit-To Addresses, *Oracle Financials for Brazil User's Guide*

6. Enter Document Types

Enter a document type in the globalization flexfield in the Transaction Types window. Each collection document that is sent to the bank requires a document type. In Oracle Receivables, a document type is associated with a transaction type. When you create a transaction, you enter a transaction type for the transaction. These are the predefined document types:

- Co-Insurance
- Contract
- Debit Note
- Insurance Note
- Market Trade Note
- Promissory Note
- Receipt
- Scholar Monthly Payment
- Service Trade Note
- Other



See also

Defining Transaction Types, *Oracle Financials for Brazil User's Guide*

7. Enter Remittance Batch Formatting Programs

To generate collection, factoring, and occurrence remittance batch reports and files, register the following programs as receipt programs in the Automatic Receipt Programs window:

Program	Type	Description
JLBRRRBO	Bordero Report	Collection Remittance Batch Report
JLBRRRBD	Bordero Report	Factoring Remittance Batch Report
JLBRRROB	Bordero Report	Occurrences Remittance Batch Report
JLBRRAIT	Bordero File	Collection/Factoring Remittance Batch File
JLBRRROIT	Bordero File	Occurrences Remittance Batch File

For bank transfer remittance batches, you can define the remittance media, such as an electronic file or report, for each of your company's accounts in the Bank Account Distributions window. For occurrence remittance batches, Oracle Receivables determines the remittance media.



See also

Automatic Receipts, *Oracle Receivables User's Guide*



See also

Defining Remittance Banks,
Creating Bank Transfer Remittance Batches,
Creating Occurrence Remittance Batches,
Oracle Financials for Brazil User's Guide

8. Define the Maximum Number of Collection Documents

Define the maximum number of collection documents that you can send in a bank transfer remittance batch in the globalization flexfield in the Banks window. The number that you define for a collection bank is for all of your accounts in any branch of the collection bank.



See also

Defining Remittance Banks, *Oracle Financials for Brazil User's Guide*

9. Define Interest and Protest Instructions

For each of your customers, you must choose to remit interest instructions, protest instructions, or both in the globalization flexfield in the Customers window.

You can set up these options for Customer Profile Classes that you create in the Customer Profile Classes window. Oracle Receivables assigns default values for these instructions to a customer when you assign a Customer Profile Class to your customer. You can change these default values for a customer.



See also

Defining Customer Profile Classes,
Entering Customers,
Oracle Financials for Brazil User's Guide

10. Define Collection Methods

Define the collection method for each receipt class that you define in the Receipt Classes window. The collection methods that you use to collect payments are:

- Collection Remittance Batch
- Factoring Remittance Batch
- Manual Receipt



See also

Receipt Classes, *Oracle Receivables User's Guide*



See also

Defining Receipt Classes, *Oracle Financials for Brazil User's Guide*

11. Define Bank Instruction Codes

You can define instruction codes and associate them with predefined instruction codes for each of your collection banks in the Bank Instruction Codes window. Your bank transfer batches and bank return files and reports use the instruction codes for your bank.

The predefined bank instruction codes are:

- Collect Interest Charge
- Discharge Interest Charge Collection
- Protest after Due Date
- Write Off after Due Date
- Other Instruction



See also

Defining Bank Instructions, *Oracle Financials for Brazil User's Guide*

12. Define Bank Occurrence Codes

Define remittance and return occurrence codes and associate them with predefined occurrence codes for each of your collection banks in the Bank Occurrence Codes window. Your bank transfer batches and bank return files and reports use the occurrence codes for your bank.

The predefined remittance occurrence codes are:

- Abatement Concession
- Call Off Protest
- Discharge Interest Charge Collection
- Due Date Changing
- Not Protest
- Protest
- Remittance
- Write Off Requisition
- Other Occurrences
- Other Data Changing

The predefined return occurrence codes are:

- Automatic Write Off
- Bank Charges
- Confirmed Entry
- Full Settlement
- Partial Settlement
- Payment after Write Off
- Rejected Entry
- Other Occurrences



See also

Defining Bank Occurrences, *Oracle Financials for Brazil User's Guide*

13. Define Bank Transfer Accounts

Define additional accounts, such as accounts for bank charges, endorsements, factoring, and abatements for Bank Transfer. You define these accounts for each payment method and remittance bank account in the Global Receipt Method Accounts window.

You can also define business rules and default parameters for creating bank transfer remittance batches. You can define tolerance limits for interest and abatement write-offs, default bank instructions, minimum and maximum amounts for each collection document in a remittance batch, minimum and maximum total amounts for a remittance batch, and default bank charges for a payment method and remittance bank account.



See also

Defining Global Receipt Method Accounts, *Oracle Financials for Brazil User's Guide*

Managing Bank Transfer

The following sections include information to help you collect payments using the Bank Transfer feature, including importing and validating bank return occurrences, calculating discounts for invoices, and checking for abatement write-offs.

Collecting Payment Using Bank Transfer

These are the steps to collect payments using Bank Transfer:

1. Enter invoices.
2. Manually or automatically create bank transfer collection remittance batches. You can only manually create factoring remittance batches. You can create one or more batches for the same company account or for different company accounts in the same or different banks.
3. Format bank transfer remittance batches before you send your collection documents to the bank. Depending upon the setup for your company's account, batches are either in report format or in electronic file format. A remittance occurrence is created for each collection document when you format.
4. Manually enter occurrences such as a protest, not protest, or a write-off requisition. Oracle Receivables automatically generates occurrences whenever you change the due date, apply credit to a collection document, create adjustments to an invoice, or change interest calculation parameters. You cannot enter or create occurrences for the documents that you send for factoring.
5. Create occurrence remittance batches for the occurrences that you created in Step 4.
6. Format the occurrence remittance batches to remit occurrences to the collection banks. Based on your setup, the occurrence batches are either in a report or in an electronic file.

(continued)

7. Import the bank return file or manually enter bank returns in Oracle Receivables. During the import process, Oracle Receivables checks header and transaction records and generates a report with all of the rejected records. All return occurrences that are in a file or report sent from the bank are assigned a batch number for file control.
8. Correct bank return occurrences that the import process rejected.
9. Run the Post Bank Return program for a bank return batch for file control. Post Bank Return generates receipts, applies receipts to invoices, calculates interest, and generates adjustments as well as debit memos. Post Bank Return generates a report with the number of return occurrences and totals of receipts, interest, abatements, and discounts.
10. Run the General Ledger Interface program to post bank transfer journal entries to Oracle General Ledger. You run the program from the Run General Ledger window.

Importing Bank Returns

Use the Import Bank Return request set to import and validate bank return occurrences. Before you submit the Import Bank Return request set, load your bank return file in the JL_BR_AR_RET_INTERFACE_ALL table. For information about loading bank return files and columns in this table, see *Open Interfaces* in the HTML version of the *Oracle Financials for Brazil User's Guide*.

The rejected bank return occurrences are printed in the Bank Return Import report. You can correct the rejected bank return occurrences in the Correct Bank Returns window.



See also

Importing Bank Return Occurrences,
Correcting Bank Return Occurrences,
Bank Return Import Report,
Oracle Financials for Brazil User's Guide

Calculating Discounts

Oracle Receivables calculates discounts before the Post QuickCash program applies receipts to invoices for each bank return in a batch. Oracle Receivables calculates discounts according to your payment terms that you set in the Payment Terms window .

Partial Payment Discounts not Allowed

If the *Allow Discount on Partial Payments* field for your payment terms is set to *No*, Oracle Receivables does not calculate discounts on partial payments.

Discounts with Partial Payment Discounts Allowed

If the *Allow Discount on Partial Payments* field for your payment terms is set to *Yes* and the receipt amount is the same or less than the amount due remaining minus the discount, Oracle Receivables uses the following formula to calculate the discount:

$$\text{Discount} = \text{Receipt Amount} * \text{Discount Percent} / (1 - \text{Discount Percent})$$

Discounts when Receipt Amount is More than Expected

If the *Allow Discount on Partial Payments* field for your payment terms is set to *Yes* and the receipt amount is more than the amount due remaining minus the discount, Oracle Receivables treats the calculated discount as a discount that is received.

Creating Abatement Write-Offs

Abatement concession occurrences are generated if you create adjustments to a collection document or apply credit to an invoice.

Oracle Receivables checks for abatement write-offs before applying receipts to invoices using the Post QuickCash program.

Oracle Receivables creates a positive or negative adjustment when the difference between the expected abatement deduction and the actual abatement deduction is within the write-off percentage or amount. Expected abatement deduction is the total of all the abatement concession occurrences for a collection document. Actual abatement deduction is the abatement amount that your customer deducts.

Creating Bank Transfer Accounting Entries

Oracle Receivables creates the following additional accounting entries for Bank Transfer.

Remit Collection Remittance Batch

Oracle Receivables creates the following accounting entries for each collection document when you remit a collection remittance batch:

DR Bills Under Collection
CR Collection Endorsement

DR Bank Charges, if you specified bank charges
CR Cash (Bank), if you specified bank charges

Example (Collection Remittance Batch)

Collection Document Amount = 1000.00

Specified Bank Charges = 15.00

Accounts	Debit	Credit
Bills Under Collection	1000.00	
Collection Endorsement		1000.00
Bank Charges	15.00	
Cash (Bank)		15.00

Remit Factoring Remittance Batch

Oracle Receivables creates the following accounting entries for each collection document when you remit a factoring remittance batch:

DR Bills Under Discount
CR Discount Endorsement

DR Bank Charges, if you specified bank charges
DR Cash (Bank)
DR Factoring Charges
CR Discounted Bills

Example (Factoring Remittance Batch)

Factoring Document Amount = 1000.00

Specified Bank Charges = 15.00

Factoring Charges (5%) = 50.00

Accounts	Debit	Credit
Bills Under Discount	1000.00	
Discount Endorsement		1000.00
Bank Charges	15.00	
Cash (Bank)	935.00	
Factoring Charges	50.00	
Discounted Bills		1000.00

Write-Off Collection Document

Oracle Receivables creates the following accounting entries when a company writes-off a collection document:

DR Collection Endorsement
CR Bills Under Collection

DR Bank Charges, if you specified bank charges
CR Cash (Bank), if you specified bank charges

Example (Write-Off Collection Document)

Collection Document Amount = 1000.00

Specified Bank Charges = 0.00

Accounts	Debit	Credit
Bills Under Collection	1000.00	
Collection Endorsement		1000.00

Bank Confirmation for a Collection or Factoring Document

Oracle Receivables creates the following accounting entries for a collection document that is confirmed by a bank:

DR Bank Charges, if the bank specified charges

CR Cash (Bank), if the bank specified charges

Example (Bank Confirmation)

Collection Document Amount = 1000.00

Bank Specified Charges = 10.00

Accounts	Debit	Credit
Bank Charges	10.00	
Cash (Bank)		10.00

Bank Rejection for a Collection Document

Oracle Receivables creates the following accounting entries for a collection document that is rejected by a bank:

DR Collection Endorsement
CR Bills Under Collection

DR Cash (Bank), if you specified bank charges while remitting
CR Bank Charges, if you specified bank charges while remitting

DR Bank Charges, if the bank specified charges
CR Cash (Bank), if the bank specified charges

Example (Bank Rejection for a Collection Document)

Collection Document Amount = 1000.00

Bank Charges when you sent batch = 15.00

Bank Specified Charges = 10.00

Accounts	Debit	Credit
Collection Endorsement	1000.00	
Bills Under Collection		1000.00
Cash (Bank)	15.00	
Bank Charges		15.00
Bank Charges	10.00	
Cash (Bank)		10.00

Bank Rejection for a Factoring Document

Oracle Receivables creates the following accounting entries for a factoring document that is rejected by a bank:

DR Discount Endorsement
CR Bills Under Discount

DR Discounted Bills
CR Bank Charges, if you specified bank charges
CR Cash (Bank)
CR Factoring Charges

DR Bank Charges, if the bank specified charges
CR Cash (Bank), if the bank specified charges

Example (Bank Rejection for a Factoring Document)

Factoring Document Amount = 1000.00

Bank Charges when you sent batch = 15.00

Factoring Charges (5%) when you sent batch = 50.00

Bank Specified Charges = 10.00

Accounts	Debit	Credit
Discount Endorsement	1000.00	
Bills Under Discount		1000.00
Discounted Bills	1000.00	
Bank Charges		15.00
Cash (Bank)		935.00
Factoring Charges		50.00
Bank Charges	10.00	
Cash (Bank)		10.00

Full Settlement of a Collection Document

Oracle Receivables creates the following accounting entries for a collection document that is fully settled by a bank:

DR Collection Endorsement
CR Bills Under Collection

DR Bank Charges, if the bank specified charges
CR Cash (Bank), if the bank specified charges

Example (Full Settlement of a Collection Document)

Collection Document Amount = 1000.00

Specified Bank Charges = 15.00

Accounts	Debit	Credit
Collection Endorsement	1000.00	
Bills Under Collection		1000.00
Bank Charges	15.00	
Cash (Bank)		15.00

Full Settlement of a Factoring Document

Oracle Receivables creates the following accounting entries for a factoring document that is fully settled by a bank:

DR Discount Endorsement
CR Bills Under Discount

DR Bank Charges, if the bank specified charges
CR Cash (Bank), if the bank specified charges

Example (Full Settlement of a Factoring Document)

Collection Document Amount = 1000.00

Specified Bank Charges = 15.00

Accounts	Debit	Credit
Discount Endorsement	1000.00	
Bills Under Discount		1000.00
Bank Charges	15.00	
Cash (Bank)		15.00

Partial Settlement of a Collection Document

Oracle Receivables creates the following accounting entries for a collection document that is partially settled by a bank:

DR Collection Endorsement
CR Bills Under Collection

DR Bank Charges, if the bank specified charges
CR Cash (Bank), if the bank specified charges

Example (Partial Settlement of a Collection Document)

Collection Document Amount = 1000.00

Partially Paid Amount = 800.00

Specified Bank Charges = 15.00

Accounts	Debit	Credit
Collection Endorsement	800.00	
Bills Under Collection		800.00
Bank Charges	15.00	
Cash (Bank)		15.00

Partial Settlement of a Factoring Document

Oracle Receivables creates the following accounting entries for a factoring document that is partially settled by a bank:

DR Discount Endorsement
CR Bills Under Discount

DR Bank Charges, if the bank specified charges
CR Cash (Bank), if the bank specified charges

Example (Partial Settlement of a Factoring Document)

Collection Document Amount = 1000.00

Partially Paid Amount = 800.00

(do not deduct discounts, or abatements and do not add interest)

Specified Bank Charges = 15.00

Accounts	Debit	Credit
Discount Endorsement	800.00	
Bills Under Discount		800.00
Bank Charges	15.00	
Cash (Bank)		15.00

Bank Writes-Off a Collection Document

Oracle Receivables creates the following accounting entries for a collection document that is written-off by a bank:

DR Collection Endorsement
CR Bills Under Collection

DR Bank Charges, if the bank specified charges
CR Cash (Bank), if the bank specified charges

Example (Bank Writes-Off a Collection Document)

Collection Document Amount = 1000.00

Bank Specified Charges = 10.00

Accounts	Debit	Credit
Collection Endorsement	1000.00	
Bills Under Collection		1000.00
Bank Charges	10.00	
Cash (Bank)		10.00

Bank Writes-Off a Factoring Document

Oracle Receivables creates the following accounting entries for a factoring document that is written-off by the bank:

DR Discount Endorsement
CR Bills Under Discount

DR Discounted Bills
CR Bank Charges, if you specified bank charges
CR Cash (Bank)
CR Factoring Charges

DR Bank Charges, if the bank specified charges
CR Cash (Bank), if the bank specified charges

Example (Bank Writes-Off a Factoring Document)

Factoring Document Amount = 1000.00

Bank Charges when you sent batch = 15.00

Factoring Charges (5%) when you sent batch = 50.00

Bank Specified Charges = 10.00

Accounts	Debit	Credit
Discount Endorsement	1000.00	
Bills Under Discount		1000.00
Discounted Bills	1000.00	
Bank Charges		15.00
Cash (Bank)		935.00
Factoring Charges		50.00
Bank Charges	10.00	
Cash (Bank)		10.00

Accounting for all Other Bank Return Occurrences

Oracle Receivables creates the following accounting entries for all other return occurrences for both collection and factoring documents:

DR Bank Charges, if the bank specified charges

CR Cash (Bank), if the bank specified charges

Example (Other Bank Return Occurrences)

Collection Document Amount = 1000.00

Specified Bank Charges = 15.00

Accounts	Debit	Credit
Bank Charges	15.00	
Cash (Bank)		15.00

Frequently Asked Questions

Q: Documents were not created after I ran the Import Bank Return program with return occurrences from the collection bank. What should I check?

A: Check the following:

1. Check that you have loaded your bank return file.
2. Check that header and trailer records are in the bank return file. The header record number should be the first record number in the file, and the trailer record number should be the last record number in the file. The total number of records in the file must match the record number for the trailer record.
3. Check that all of the records in the bank return file have the *Company Use* column filled.

Q: I ran the Import Bank Return program with return occurrences from the collection bank and some documents were created with non-workdays for the deposit date. What should I check?

A: Check the following:

1. Check that you have set up your business day calendar.
2. Check that the business day calendar is active for your responsibility.
3. Check that the *JLBR Payment Action* profile option is set to the next or previous working day.

Q: Some documents that I generated from the Import Bank Return program with return occurrences from the collection bank have *Waiting Approval* status. What should I check?

A: Check that the receipt amount is outside the approval limits for the user who entered the receipt.

Q: I defined all possible occurrences for my collection bank, but not all of them appear in a LOV when I enter a bank occurrence. What should I check?

A: Check that you have defined all the remittance and return occurrence codes for the collection bank that you are using. Oracle Receivables automatically creates occurrences for Abatement Concession, Discharge Interest Charge Collection, Due Date Changing, Write Off Requisition, and Other Data Changing when you change the due date or create an adjustment for a collection document, apply credit to an invoice, or change interest calculation parameters. You cannot manually enter these occurrences.

Q: I received a report error when I formatted a collection remittance batch on file. What should I check?

A: Check the following:

1. Check that there is a printer driver and a printer assigned to the collection remittance batch file.
2. Check that an output file, *O<request_id>.out* , is created.

Q: Oracle Receivables generates the Collection/Factoring/Occurrences Remittance Batch file in ITAU Bank format. Each bank has minor differences in the file format. How do I use another bank in this process?

A: Follow these steps:

1. Create a new report or modify the existing report program for the specific format for your bank.
2. Register your program as a concurrent program from the System Administrator responsibility.
3. Register your program in the Automatic Receipt Programs window.
4. Enter this program in the Bank Accounts window for the collection bank account to which you want to send a file in a different format.

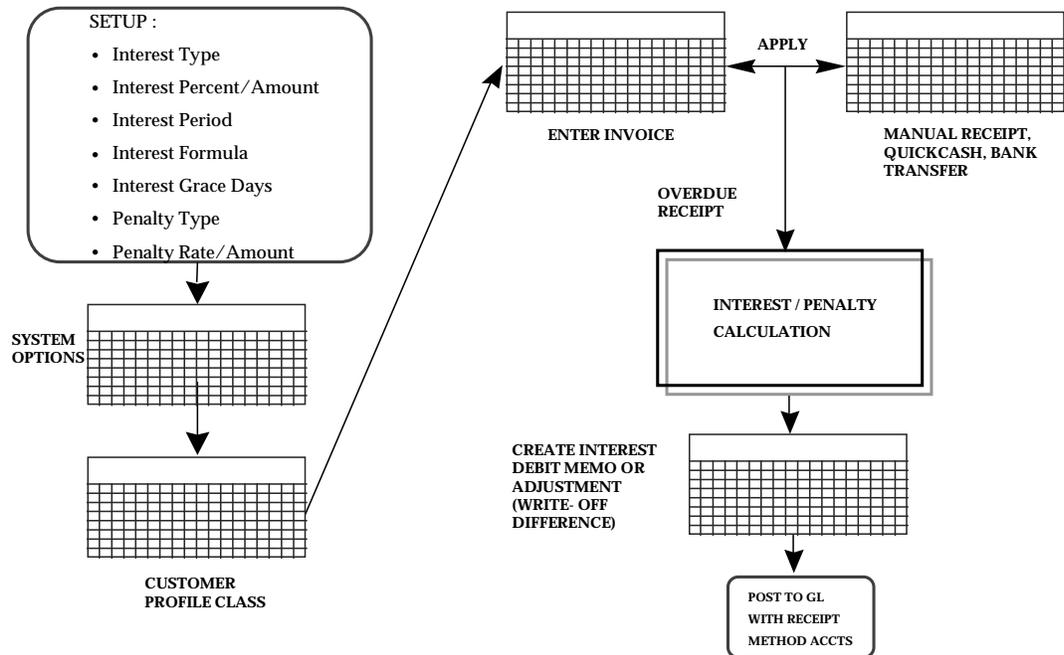
Interest Overview

The Brazilian Interest feature lets you define interest parameters at system option level, customer profile class level, or invoice level to calculate interest for received invoices.

The Brazilian Interest feature lets you satisfy the interest requirements. You can do the following:

- Define interest parameters at different levels: system option level, customer profile class level, or invoice level.
- Automatically calculate interest when an invoice is received.
- Calculate interest based on the business day calendar, and see the interest amount and number of days that the receipt is late.
- Calculate interest based on the total amount of the invoice or based on the receipt amount, such as a partial receipt.
- Define the period that interest must be calculated for.
- Define a penalty fee for an overdue invoice.
- Allow for grace days for a late receipt.
- Allow for simple or compound interest calculations.
- Allow for interest calculations in percent or value.
- Choose the disposition of the interest amount due and apply, cancel, or create an interest debit memo with the interest amount to pay the debit memo later.

Oracle Receivables Interest



This diagram shows how Oracle Receivables calculates interest due for an overdue invoice when you define the interest parameters and receive the invoice. This is a summary of the process:

- You define interest parameters, such as interest type, interest amount, and penalty type, at system option level, customer profile class level, or invoice level. After you define interest parameters at the first level (system option level), interest parameters are defaulted to the next level, such as the customer profile class level. You can change the interest parameters at any level.
- You enter invoice information with interest parameters in Oracle Receivables.
- You receive an invoice using QuickCash, Manual Receipt, or Bank Transfer.
- Oracle Receivables automatically calculates the interest due. Oracle Receivables creates interest debit memos or adjustments according to the difference in the received and calculated interest.
- Accounting entries for the accounts that you enter in the Global Receipt Method Accounts window are transferred to Oracle General Ledger.

Implementing Interest

This section explains how to implement Brazilian Bank Transfer for Oracle Receivables. Use the checklist to help you complete the appropriate steps in the correct order for your implementation. The steps are described in more detail in this section.

Implementation Checklist

- 1 Set up Oracle Receivables
- 2 Complete the General Setup
- 3 Define Profile Options
- 4 Define Interest Accounts
- 5 Define Maximum Amounts to Automatically Write-off Interest
- 6 Define Interest Debit Memo Parameters
- 7 Define Interest Parameters

1. Set up Oracle Receivables

Set up Oracle Receivables using the standard Oracle Receivables setup procedure.



See also
Setting Up, *Oracle Receivables User's Guide*

2. Complete the General Setup

Complete the general setup for Oracle Financials for Brazil.



See also
General Setup, *Oracle Financials for Brazil User's Guide*

3. Define Profile Options

Use the System Profile Values window to assign values to profile options that are used in Oracle Financials for Brazil. These profile options determine business and non-business days for the interest for invoices and control the due dates.

Enter these values for the profile options in the *Responsibility* field:

- **JLBR Calendar Name** - The name of the business day calendar.
- **JLBR Payment Location** - The location where the Local Holidays window validates local holidays. Enter *Company*, *Supplier*, or *Customer*.
- **JLBR Payment Action** - *Anticipate*, *Postpone*, or *Keep* to manage transaction dates that fall on a weekend or holiday.
 - **Anticipate** - Changes the transaction date to the first previous business day.
 - **Postpone** - Changes the transaction date to the next available business day.
 - **Keep** - Prevents the date from being changed. You must enter a new date.

Example (Profile Options)

This example shows how Oracle Receivables determines the due date for an invoice according to the profile options that you define in the System Profile Values window. Saturday and Sunday are defined as non-business days in the business day calendar.

You define profile options with these values:

For this profile option...	Enter this value...
JLBR Calendar Name	<i>Cal-1998</i>
JLBR Payment Location	<i>Customer</i>
JLBR Payment Action	<i>Postpone</i>

You receive an invoice on 16-FEB-1998, which is Monday. The invoice has 14-FEB-1998 as the due date, which is on Saturday. The due date is automatically changed to 16-FEB-1998. Interest is not charged for the invoice over the weekend.

Oracle Receivables checks the due date against the *Calendar Name* profile option (*Cal-1998*) and finds that it is on Saturday.

Oracle Receivables checks the *Payment Location* profile option (*Customer*) to see if there is a local holiday that is defined for the customer. In this case, there is no local holiday defined for the customer.

Oracle Receivables calculates the new due date, considering that this date is a Saturday, the Payment Action is *Postpone*, and the Automatically Change Date is *Yes*. The new due date is 16-FEB-1998, which is Monday.

If you set the JLBR Payment Action to *Anticipate*, the new due date is 13-FEB-1998, which is on Friday. If you receive this invoice on 16-FEB-1998, interest is charged for three days.



See also

Defining Profile Options,
Defining a Business Day Calendar,
Oracle Financials for Brazil User's Guide

4. Define Interest Accounts

Use the Global Receipt Method Accounts window to enter the Calculated Interest account, Write-Off for Interest account, and Revenue for Interest account. Choose the Additional Accounts alternative region in this window to enter these attributes. If interest is charged on an invoice, Oracle Receivables uses these accounts.



See also

Defining Global Receipt Method Accounts, *Oracle Financials for Brazil User's Guide*

5. Define Maximum Amounts to Automatically Write-off Interest

Use the Global Receipt Method Accounts window to enter the maximum amount (Write-off Tolerance % or Write-off Tolerance Amount) that is used to automatically write-off interest when you receive an invoice using Bank Transfer or QuickCash. Choose the Business Rules alternative region to enter these attributes. When you enter receipts in the Receipts window, the maximum amount is used to create adjustments that are approved or pending for approval, if the adjustment that you create is greater than the write-off tolerance.



See also

Defining Global Receipt Method Accounts, *Oracle Financials for Brazil User's Guide*

6. Define Interest Debit Memo Parameters

Use the globalization flexfield in the System Option window to define the Interest Batch Source, Interest Transaction Type, and Interest Receipt Method parameters. Oracle Receivables uses these parameters to create the interest debit memo if the calculated interest is greater than the received interest for an invoice, and you choose to generate a debit memo for this difference amount.



See also

Defining System Options, *Oracle Financials for Brazil User's Guide*

7. Define Interest Parameters

Use the globalization flexfield at system option level, customer profile class level, or invoice level to define interest parameters to calculate interest. After you define interest parameters at the first level, the interest parameters default to the next level. You can change the interest parameters. You must enter the interest parameters, such as Interest Type, Interest Rate/Amount, Interest Period, Interest Formula, Interest Grace Days, Penalty Type, and Penalty Rate/Amount for Oracle Receivables to calculate the interest amount due for an invoice. If you do not define the interest parameters, Oracle Receivables cannot calculate interest.



See also

Defining System Options,
Defining Customer Profile Classes,
Managing Invoices,
Oracle Financials for Brazil User's Guide

Managing Interest for Invoices

The following sections describe how to manage interest for invoices, including calculating interest for late invoices and using Manual Receipt, QuickCash, and Bank Transfer to receive an invoice with interest. Examples show how Oracle Receivables calculates interest for different types of invoices.

Entering Invoice Information

Enter *If Appropriate* or *Yes* in the *Finance Charges* field in the Transactions window if you want to charge interest on an invoice. If you enter these values in the *Finance Charges* field, you must define both interest parameters and penalty fees for the invoice. Oracle Receivables calculates the interest when you receive an overdue invoice according to the parameters, such as Interest Type, Interest Rate/Amount, Interest Period, Interest Formula, Interest Grace Days, Penalty Type, and Penalty Rate/Amount that you define at invoice level.



See also

Managing Invoices, *Oracle Financials for Brazil User's Guide*

Calculating Interest

Oracle Receivables automatically calculates interest on an invoice that is received after its due date. Oracle Receivables uses interest parameters that you define to automatically calculate interest for the invoice. Oracle Receivables considers the business day calendar according to the profile options that you entered to calculate interest.

Oracle Receivables calculates the simple interest amount due for an invoice using this basic formula:

*Interest Amount Due = (Interest Rate/Interest Period)/100 * Invoice Amount * Days Late + Penalty Amount*

Days Late = Payment Date - Due Date

Oracle Receivables uses the following formulas to calculate the interest amount and penalty amount for specific parameters.

Interest Formulas

For these interest parameters...	This is the formula...
Interest Type is <i>Rate</i> and Interest Formula is <i>Simple</i>	Interest Amount Calculated = (Interest Rate/Interest Period)/100 * Invoice Amount * days late
Interest Type is <i>Rate</i> and Interest Formula is <i>Compounded</i>	Interest Amount Calculated = Invoice Amount * ((1+Interest Rate/100) * (days late/Interest Period) - 1)
Interest Type is <i>Amount</i>	Interest Amount Calculated = (days late/Interest Period) * Interest Amount

Penalty Formulas

For these penalty parameters...	This is the formula...
Penalty Type is <i>Rate</i>	Penalty Amount Calculated = (Penalty Rate/100) * Invoice Amount
Penalty Type is <i>Amount</i>	Penalty Amount Calculated = Penalty Amount

Using Manual Receipt

To receive an invoice with interest using Manual Receipt, you must enter the receipt in the Receipts window, and apply this receipt to one or several invoices. If you want to apply the receipt to only one invoice, you must press the Applications button and enter the invoice that you want to apply the receipt to. If you want to apply the receipt to several invoices, you must press the Mass Apply button and enter the invoices that you want to apply the receipt to.

You must enter information in the globalization flexfield in the Receipts window to charge interest for an invoice that you receive later than the due date. You enter information in the *Main Amount Received*, *Base Interest Calculation*, *Calculated Interest*, *Received Interest*, *Interest Difference Action*, and *Write-Off Reason* fields.

You enter the invoice amount that you want to receive in the *Main Amount Received* field. You do not enter the interest amount in this field.

Your interest is calculated based on the total invoice amount due if the *Base Interest Calculation* field is defaulted as *Total*. If you change this value to *Partial*, your interest is calculated based on the *Main Amount Received* that you have entered.

The *Calculated Interest* field shows the interest that you receive. You cannot change this field.

The *Received Interest* field shows the interest amount that you receive, which you can change. You can receive more interest than the calculated amount, the same amount calculated, or less interest than the calculated amount.

You must enter a value in the *Interest Difference Action* field when you receive less interest than the calculated interest. You decide if you want to write-off the difference or generate a debit memo to charge the interest later.

You must enter a value in the *Write-Off Reason* field when you receive less interest than the calculated interest, and you want to write-off the difference amount.



See also

Entering Receipts, *Oracle Receivables User's Guide*



See also

Managing Receipts, *Oracle Financials for Brazil User's Guide*

Example (Manual Receipt)

This example shows how Oracle Receivables calculates interest on an invoice using Manual Receipt. You create an invoice with these attributes:

This attribute...	Has this value...
Invoice Number	<i>Inv-01</i>
Invoice Date	<i>20-JAN-1998</i>
Due Date	<i>20-JAN-1998</i>
Invoice Amount	<i>1,000.00</i>
Finance Charges	<i>Yes</i>
Interest Type	<i>Rate</i>
Interest Rate	<i>10</i>
Interest Period	<i>30</i>
Interest Formula	<i>Simple</i>
Interest Grace Days	<i>0</i>
Penalty Type	<i>Amount</i>
Penalty Amount	<i>10.00</i>
Maximum Interest Amount Tolerance	<i>50.00</i>

Receipt 1: Manual Receipt with the total amount and total interest amount applied.

*Interest Calculation: ((interest rate/interest period)/ 100) * invoice amount * days late + penalty amount*

$$((10/30)/100) * 1000.00 * 31 + 10.00 = 113.33$$

These are the values in the Receipts window:

Receipt Date	Receipt Amount
20-FEB-1998	1113.33

These are the values in the Applications window:

Amount Applied	Main Amount Received	Base Interest Calculation	Calculated Interest	Received Interest	Difference Action	Balance Due
1113.33	1000.00	Total	113.33	113.33	-	0.00

When you save your receipt, you will see the adjustments created in the Adjustments window:

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	113.33	Calculated Interest Account	Approved

Receipt 2: Manual Receipt with the total invoice amount and received interest amount less than the calculated interest amount. The difference is less than the maximum interest amount tolerance.

These are the values in the Receipts window:

Receipt Date	Receipt Amount
20-FEB-1998	1100.00

These are the values in the Applications window:

Amount Applied	Main Amount Received	Base Interest Calculation	Calculated Interest	Received Interest	Difference Action	Balance Due
1100.00	1000.00	Total	113.33	100.00	Write-off	0.00

When you save your receipt, you see the adjustments created in the Adjustments window:

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	113.33	Calculated Interest Account	Approved
Interest	(13.33)	Write-off for Interest Account	Approved

Receipt 3: Manual Receipt with the total invoice amount and received interest amount less than the calculated interest amount. The difference is greater than the maximum interest amount tolerance.

These are the values in the Receipts window:

Receipt Date	Receipt Amount
20-FEB-1998	1050.00

These are the values in the Applications window:

Amount Applied	Main Amount Received	Base Interest Calculation	Calculated Interest	Received Interest	Difference Action	Balance Due
1050.00	1000.00	Total	113.33	50.00	Write-off	0.00

When you save your receipt, you see the adjustments created in the Adjustments window:

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	50.00	Calculated Interest Account	Approved
Interest	(63.33)	Write-off for Interest Account	Pending of Approval
Interest	63.33	Calculated Interest Account	Pending of Approval

Receipt 4: Manual Receipt with the total invoice amount and the received interest amount greater than the calculated interest amount. The difference is less than the maximum interest amount tolerance.

These are the values in the Receipts window:

Receipt Date	Receipt Amount
20-FEB-1998	1120.00

These are the values in the Applications window:

Amount Applied	Main Amount Received	Base Interest Calculation	Calculated Interest	Received Interest	Difference Action	Balance Due
1120.00	1000.00	Total	113.33	120.00	-	0.00

When you save your receipt, you see the adjustments created in the Adjustments window:

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	113.33	Calculated Interest Account	Approved
Interest	6.67	Revenue for Interest Account	Approved

Receipt 5: Manual Receipt with the total invoice amount and the received interest amount greater than the calculated interest amount. The difference is greater than the maximum interest amount tolerance.

These are the values in the Receipts window:

Receipt Date	Receipt Amount
20-FEB-1998	1200.00

These are the values in the Applications window:

Amount Applied	Main Amount Received	Base Interest Calculation	Calculated Interest	Received Interest	Difference Action	Balance Due
1200.00	1000.00	Total	113.33	200.00	-	0.00

When you save your receipt, you see the adjustments created in the Adjustments window:

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	113.33	Calculated Interest Account	Approved
Interest	86.67	Revenue for Interest Account	Approved

Receipt 6: Manual Receipt with the total invoice amount and the received interest amount less than the calculated interest amount. The difference is not less than the maximum interest amount tolerance.

These are the values in the Receipts window:

Receipt Date	Receipt Amount
20-FEB-1998	1063.33

These are the values in the Applications window:

Amount Applied	Main Amount Received	Base Interest Calculation	Calculated Interest	Received Interest	Difference Action	Balance Due
1063.33	1000.00	Total	113.33	63.33	Generate Interest Debit Memo	0.00

When you save your receipt, you see the adjustments created in the Adjustments window:

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	63.33	Calculated Interest Account	Approved

In this case, Oracle Receivables automatically creates an interest debit memo with the difference amount. The due date is the same as the receipt date.

Interest Debit Memo	Amount	Due Date
Inv-01-IDM1	50.00	20-FEB-98

Receipt 7: Manual Receipt with the partial amount and total interest amount for partial payment applied.

*Interest Calculation: ((interest rate/interest period)/ 100) * invoice amount * days late + penalty*

$$((10/30)/100) * 500.00 * 31 + 10.00 = 61.67$$

These are the values in the Receipts window:

Receipt Date	Receipt Amount
20-FEB-1998	561.67

These are the values in the Applications window:

Amount Applied	Main Amount Received	Base Interest Calculation	Calculated Interest	Received Interest	Difference Action	Balance Due
561.67	500.00	Partial	61.67	61.67	-	500.00

When you save your receipt, you see the adjustments created in the Adjustments window:

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	61.67	Calculated Interest Account	Approved

Receipt 8: Manual Receipt with the partial invoice amount and received interest amount less than the calculated interest amount for partial payment. The difference is less than the maximum interest amount tolerance.

These are the values in the Receipts window:

Receipt Date	Receipt Amount
20-FEB-1998	550.00

These are the values in the Applications window:

Amount Applied	Main Amount Received	Base Interest Calculation	Calculated Interest	Received Interest	Difference Action	Balance Due
550.00	500.00	Partial	61.67	50.00	Write-off	500.00

When you save your receipt, you see the adjustments created in the Adjustments window:

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	61.67	Calculated Interest Account	Approved
Interest	(11.67)	Write-off for Interest Account	Approved

Using QuickCash

If you want to receive an invoice with interest using QuickCash, you must enter *Manual - Quick* in the *Batch Type* field in the Receipt Batches window. You can charge interest only if you enter *Multiple* in the *Application Type* field when you receive an overdue invoice. Enter information in these fields in the globalization flexfield: *Main Amount Received*, *Base Interest Calculation*, *Calculated Interest*, and *Received Interest*.

The difference between the Manual Receipt and QuickCash for interest is that when you use QuickCash, you do not need to enter values in the *Interest Difference Action* and *Write-Off Reason* fields. According to the Maximum Write-off Tolerance, Oracle Receivables uses the values that you enter to automatically write off or not write off the difference between the calculated and received interest when you run Post QuickCash. Oracle Receivables executes a concurrent process that calculates the interest and the difference amounts between the calculated and received interest.



See also
QuickCash,
Entering Receipts,
Oracle Receivables User's Guide



See also
Managing Receipts, *Oracle Financials for Brazil User's Guide*

Example (QuickCash)

The following example shows how Oracle Receivables charges interest using QuickCash. You create an invoice with these attributes:

This attribute...	Has this value...
Invoice Number	<i>Inv-02</i>
Invoice Date	<i>20-JAN-1998</i>
Due Date	<i>20-JAN-1998</i>
Invoice Amount	<i>1,000.00</i>
Finance Charges	<i>Yes</i>
Interest Type	<i>Rate</i>
Interest Rate	<i>10</i>
Interest Period	<i>30</i>
Interest Formula	<i>Simple</i>
Interest Grace Days	<i>0</i>
Penalty Type	<i>Amount</i>
Penalty Amount	<i>10.00</i>
Maximum Interest Amount Tolerance	<i>50.00</i>

Receipt 1: QuickCash with the total amount and the total interest amount applied.

*Interest Calculation: ((interest rate/interest period)/ 100) * invoice amount * days late + penalty*

$$((10/30)/100) * 1000.00 * 31 + 10.00 = 113.33$$

These are the values in the Receipt Batches window:

Receipt Date	Receipt Amount
20-FEB-1998	1113.33

These are the values in the Applications window:

Amount Applied	Main Amount Received	Base Interest Calculation	Calculated Interest	Received Interest	Balance Due
1113.33	1000.00	Total	113.33	113.33	0.00

When you run Post QuickCash, Oracle Receivables executes a concurrent program to calculate interest.

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	113.33	Calculated Interest Account	Approved

Receipt 2: QuickCash with the total invoice amount and the received interest amount less than the calculated interest amount. The difference is less than the maximum interest amount tolerance.

These are the values in the Receipt Batches window:

Receipt Date	Receipt Amount
20-FEB-1998	1100.00

These are the values in the Applications window:

Amount Applied	Main Amount Received	Base Interest Calculation	Calculated Interest	Received Interest	Balance Due
1100.00	1000.00	Total	113.33	100.00	0.00

When you run Post QuickCash, Oracle Receivables executes a concurrent program to calculate interest. This program automatically creates the adjustments.

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	113.33	Calculated Interest Account	Approved
Interest	(13.33)	Write-off for Interest Account	Approved

Receipt 3: QuickCash receipt with the total invoice amount and the received interest amount less than the calculated interest amount. The difference is greater than the maximum interest amount tolerance.

These are the values in the Receipt Batches window:

Receipt Date	Receipt Amount
20-FEB-1998	1050.00

These are the values in the Applications window:

Amount Applied	Main Amount Received	Base Interest Calculation	Calculated Interest	Received Interest	Balance Due
1050.00	1000.00	Total	113.33	50.00	0.00

When you run Post QuickCash, Oracle Receivables executes a concurrent program to calculate interest and create adjustments.

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	50.00	Calculated Interest Account	Approved

The difference between the calculated interest amount and the received interest amount is greater than the maximum interest amount tolerance. The concurrent program automatically creates an interest debit memo with the difference amount. The due date is the same as the receipt date.

Interest Debit Memo	Amount	Due Date
Inv-02-IDM1	63.33	20-FEB-98

Using Bank Transfer

If you receive an invoice with interest using Bank Transfer, a concurrent program creates all the adjustments for the invoice with interest. Adjustments for the difference between the calculated and the received interest are handled the same as with QuickCash.



See also

QuickCash, *Oracle Receivables User's Guide*

The following example shows how Oracle Receivables charges interest using Bank Transfer. You create an invoice with these attributes:

This attribute...	Has this value...
Invoice Number	<i>Inv-03</i>
Invoice Date	<i>20-JAN-1998</i>
Due Date	<i>20-JAN-1998</i>
Invoice Amount	<i>1,000.00</i>
Finance Charges	<i>Yes</i>
Interest Type	<i>Rate</i>
Interest Rate	<i>10</i>
Interest Period	<i>30</i>
Interest Formula	<i>Simple</i>
Interest Grace Days	<i>0</i>
Penalty Type	<i>Amount</i>
Penalty Amount	<i>10.00</i>
Maximum Interest Amount Tolerance	<i>50.00</i>

Receipt 1: Bank Transfer receipt with the total amount and total interest amount applied.

*Interest Calculation: ((interest rate/interest period)/ 100) * invoice amount * days late + penalty*

$$((10/30)/100) * 1000.00 * 31 + 10.00 = 113.33$$

These are the values in the Receipt Batches window:

Receipt Date	Receipt Amount
20-FEB-1998	1113.33

When you receive this receipt from your collection bank, you can either import the receipt using the Bank Return Import program, or you can manually enter the receipt in the Bank Returns window. Run the Post Bank Return process from the Post Bank Returns window to apply all bank return receipts to corresponding invoices.

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	113.33	Calculated Interest Account	Approved

Receipt 2: Bank Transfer with the total invoice amount and the received interest amount less than the calculated interest amount. The difference is less than the maximum interest amount tolerance.

These are the values in the Receipt Batches window:

<u>Receipt Date</u>	<u>Receipt Amount</u>
20-FEB-1998	1100.00

When you receive this receipt from your collection bank, you can either import the receipt using the Bank Return Import program, or you can manually enter the receipt in the Bank Returns window. Run the Post Bank Return process from the Post Bank Returns window to apply all bank return receipts to corresponding invoices. Oracle Receivables creates an adjustment in this case.

<u>Adjustment Type</u>	<u>Amount</u>	<u>Accounting Flexfield</u>	<u>Status</u>
Interest	113.33	Calculated Interest Account	Approved
Interest	(13.33)	Write-off for Interest Account	Approved

Receipt 3: Bank Transfer with the total invoice amount and the received interest amount less than the calculated interest amount. The difference is greater than the maximum interest amount tolerance.

These are the values in the Receipt Batches window:

Receipt Date	Receipt Amount
20-FEB-1998	1050.00

When you receive this receipt from your collection bank, you can either import the receipt using the Bank Return Import program, or you can manually enter the receipt in the Bank Returns window. Run the Post Bank Return process from the Post Bank Returns window to apply all bank return receipts to corresponding invoices.

Adjustment Type	Amount	Accounting Flexfield	Status
Interest	50.00	Calculated Interest Account	Approved

The difference between the calculated interest amount and the received interest amount is greater than the maximum interest amount tolerance. The concurrent program automatically creates an interest debit memo with the difference amount. The due date is the same as the receipt date.

Interest Debit Memo	Amount	Due Date
Inv-03-IDM1	63.33	20-FEB-98

Frequently Asked Questions

Q: Oracle Receivables does not calculate interest. What should I check?

A: Check that the globalization flexfields at invoice level are defined with interest parameters.

Q: Oracle Receivables does not create interest debit memos. What should I check?

A: Check that you have entered the write-off tolerance amount in the *Write-off Tolerance Amount* field in the Global Receipt Method Accounts window. The write-off tolerance amount is used when you receive payment with interest using QuickCash or Bank Transfer.

Q: Oracle Receivables does not calculate interest considering the business calendar. What should I check?

A: Check the following setup:

1. Your business day calendar is created.



See also

Defining a Business Day Calendar, *Oracle Financials for Brazil User's Guide*

2. The *JLBR Calendar Name* profile option is defined with a valid calendar.
3. The *JLBR Payment Location* profile option is defined.
4. The *JLBR Payment Action* profile option is defined.

Q: The business day calendar does not consider the weekends as nonworking days. When I open the Workday Calendar window and press the Dates button, Saturday and Sunday are shown as working days. What should I check?

A: In the Workday Calendar window, check that you have entered a date that is on a Monday in the *From* field for the calendar date range.

Q: Why doesn't Oracle Receivables consider the weekends and holidays that show in the Workday Calendar window?

A: You must build your calendar after you create it. You probably have entered and saved the parameters in the Workday Calendar window without building your calendar.

Open the Special menu and choose the *Build* option to build your calendar.

Tax Overview

Businesses in Brazil must collect and remit taxes to federal, state, and city governments on most of the goods and services that they sell. The Brazilian Tax feature for Oracle Receivables and Oracle Order Entry helps you to calculate tax for invoices and sales orders.

The Brazilian Tax feature lets you satisfy your tax requirements. You can do the following:

- Calculate taxes that are not included in the price as you enter sales orders.
- See the total net amount of the sales order, the total tax amount of the sales order, and the gross amount of the sales order (net amount plus tax amount).
- Check the customer credit against the gross amount of a sales order.
- Transfer the tax code from the sales order line to the Oracle Receivables Interface table.
- Calculate tax as you enter an invoice.
- Apply multiple taxes to a single invoice or sales order line.
- Calculate inclusive tax (item price includes the tax) and exclusive tax (item price does not include the tax) for item amounts.
- Calculate taxes with regular, compounded, reduced, and increased tax bases.
- Assign tax codes at state ship-from/state ship-to, customer, item, and fiscal classification levels.
- Automatically create tax accounting.
- Enter fiscal attributes for invoices, items, and customers.
- Define additional tax categories.

(continued)

- Automatically add legal messages at the invoice line level for the following Tributary Exceptions:
 - Base Amount Reduction
 - Non Incidence
 - Exports
 - Immunity
 - Exemption
- Record as many legal messages that the company requires.
- Associate legal messages with tax rules and Tributary Exceptions.

Calculating Brazilian Taxes

Taxes that are levied in Brazil have different scopes, levying authorities, and calculation methods. These are the tax types:

- IPI
- ICMS
- ICMS-ST
- ISS
- IRRF

Descriptions of these taxes are in the glossary on page 287.

This table summarizes the scope, levying authority, and calculation method for these tax types, or tax categories.

	IPI	ICMS	ICMS-ST	ISS	IRRF
Authority Level	Federal	State	State	City	Federal
Applied to	Industrialized products	Goods and services	Goods and services - exceptions	Services	Services
Associated with	Item fiscal classification	Ship-To and Ship-From states	Ship-To and Ship-From states	Ship-From city	Service
To be added to base amount ?	Yes	No	Yes	No	No

Tax Computation Examples

The following examples show how the tax amounts for the different tax categories are calculated for this invoice:

This field...	Has this value...
Item	Item XYZ
Quantity	1
Price	1000.00
Line Amount	1000.00

Assume that only one tax is applicable and that there is no base rate modification. The table below shows the tax amount and the invoice amount for each tax category. For the ICMS-ST case, Tributary Substitution is assumed with a planned margin of 50%.

	IPI	ICMS	ICMS-ST	ISS	IRRF
Base Amount	1000.00	1000.00	1000.00	1000.00	1000.00
Planned Margin (%)	N/A	N/A	50	N/A	N/A
Base amount compounded	1000.00	1000.00	1500.00	1000.00	1000.00
Tax Rate (%)	10	10	25	10	10
Preliminary Tax Amount	100.00	100.00	375.00	100.00	100.00
ICMS Rate (%)	N/A	N/A	10	N/A	N/A
Included ICMS	N/A	N/A	100	N/A	N/A
Tax Amount	100.00	100.00	275.00	100.00	100.00
Invoice Amount	1100.00	1000.00	1275.00	1100.00	1000.00
Payment Amount	1100.00	1000.00	1275.00	1100.00	900.00

Tax Accounting Example

The accounting treatment for the tax computation examples is summarized in this table.

Tax Category	IPI		ICMS		ICMS-ST		ISS		IRRF	
Included ICMS	N/A		N/A		100.00		N/A		N/A	
Tax Amount	100.00		100.00		275.00		100.00		100.00	
Invoice Amount	1100.00		1000.00		1275.00		1000.00		1000.00	
Payment Amount	1100.00		1000.00		1275.00		1000.00		900.00	
Account	Dr	Cr								
Receivables	1100.00		1000.00		1275.00		1000.00		900.00	
Revenue		1100.00		1000.00		1275.00		1000.00		1000.00
IPI on sales	100.00									
IPI to collect		100.00								
ICMS on sales			100.00		100.00					
ICMS to collect				100.00		100.00				
ICMS-ST on sales					275.00					
ICMS-ST to collect						275.00				
ISS on services							100.00			
ISS to collect								100.00		
IRRF to compensate									100.00	

Brazilian Tax Handling

To meet Brazilian tax requirements, you do the following:

- Identify the taxes that are applicable
- Determine the base amount that a tax rate is applied on
- Determine the tax rates
- Calculate the tax amounts

Identifying Tax

The establishment type, contributor type, and transaction nature determine the taxes that are applied to a transaction. You enter values for these parameters in the Latin Tax Groups window as a setup procedure for Brazilian tax. See *Define Tax Groups* on page 217 for more information. For information about how Oracle Receivables uses these parameters to determine the tax categories, see *Determining the Tax Categories* on page 205.

Determining the Tax Base

In certain cases, the base that a tax is calculated on is different from the line amount. The base can be:

- Reduced by a factor
- Increased by a factor
- Compounded by another tax

You can store the factor of reduction or increase in the setup windows, such as the Latin Fiscal Classifications, Latin Tax Exceptions, and Latin Tax Exceptions by Items windows. You can specify the compounding tax in the Latin Tax Groups window.

Determining the Tax Rates

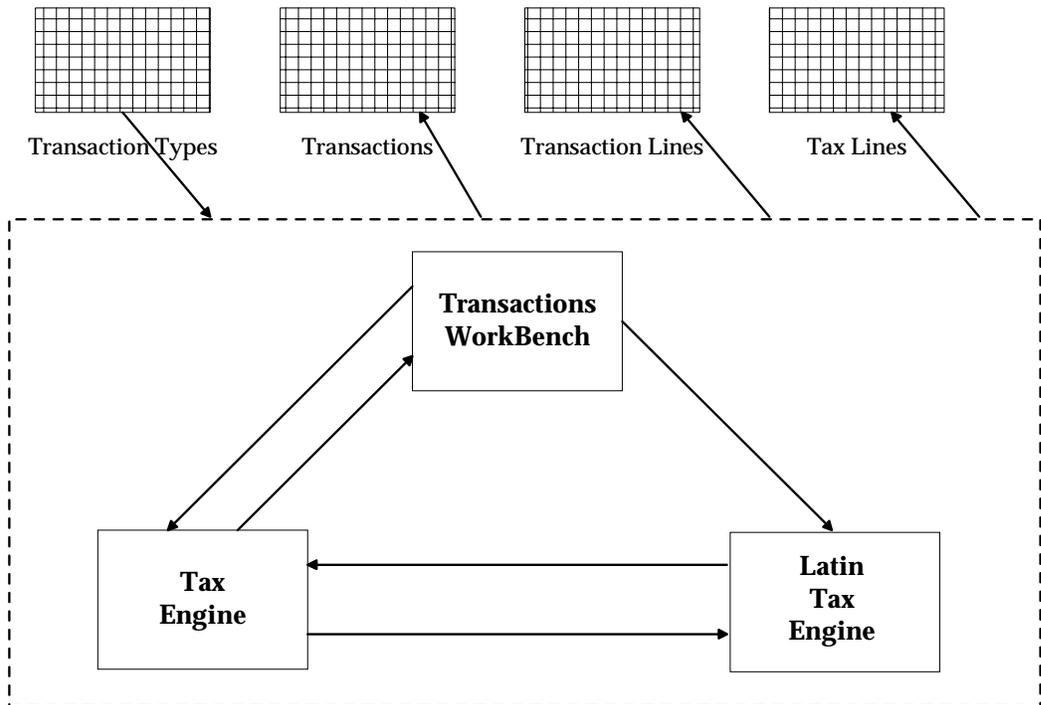
After you identify the applicable taxes, you determine the rates for each tax. The rate may depend on one or more of the following for a tax category:

- Fiscal classification code that an item is classified under
- Ship-from/Ship-to locations
- Item
- Type of customer
- Type of establishment that ships a product

An exception for the ship-from/ship-to location combination can affect the tax rate. An exception can be for an item or for an item's fiscal classification code.

Calculating the Tax Amount

After you determine the tax rate and the base amount, you must apply the tax rate to the base amount to calculate the tax amount. The included tax must be deducted from the calculated tax if Tributary Substitution applies.



This diagram shows a simplified view of how Oracle Receivables calculates taxes.

- The Transactions WorkBench accesses information from the Transaction Types table and passes this information as well as other line information to the tax engine.
- The tax engine processes the information and passes the information to the Latin tax engine (LTE).
- The Latin tax engine processes this information and gives the necessary information to the tax engine to complete the tax calculation. The tax engine calculates the taxes and passes the tax information to the Transactions WorkBench.
- The Transactions WorkBench displays the calculated taxes.



See also

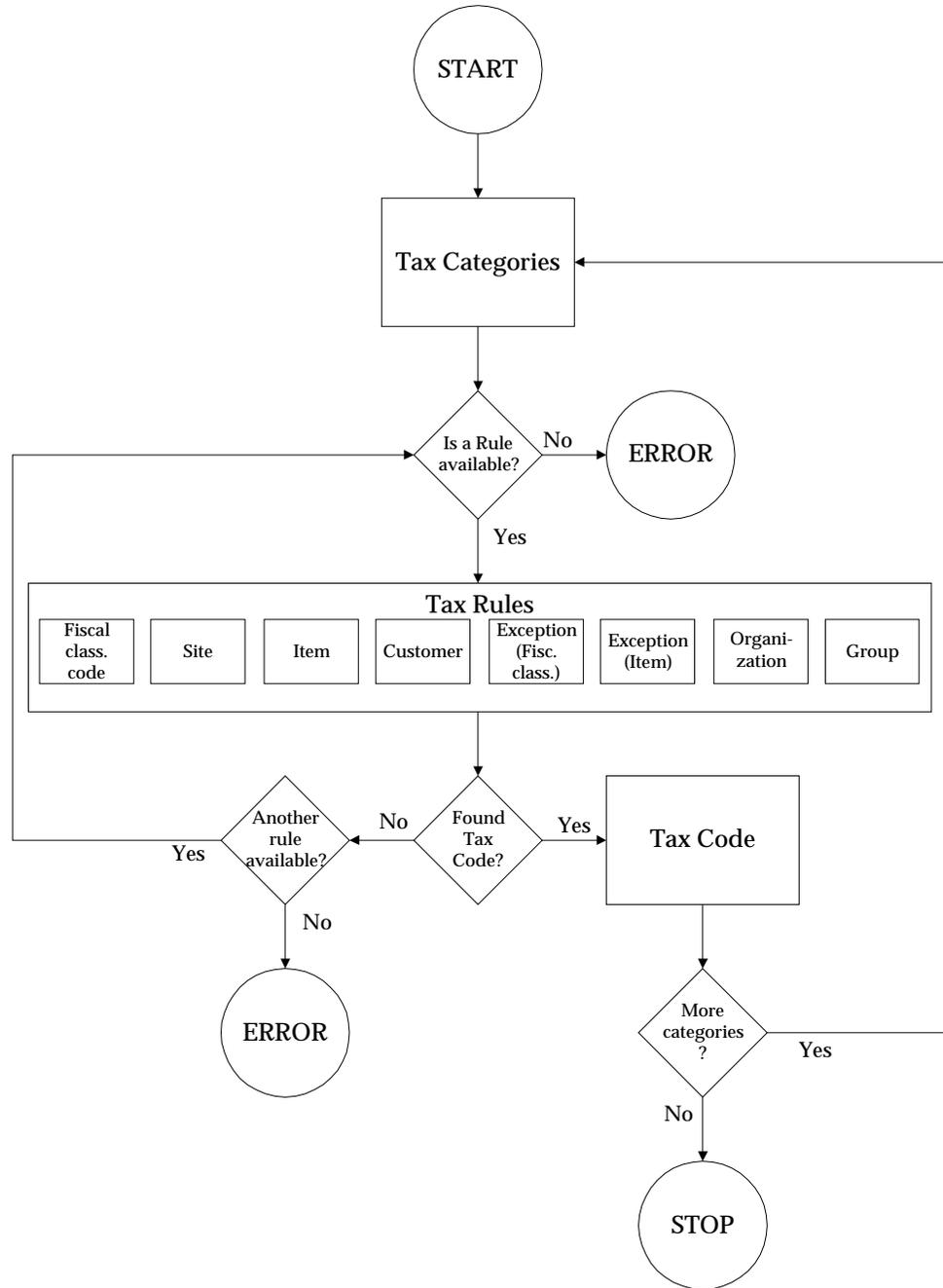
Entering Transactions,
Calculating Tax,
Oracle Receivables User's Guide

Determining the Tax Categories

Oracle Receivables determines all the tax categories that are included in the group with the following:

- The establishment type for the current location for the current organization
- The contributor type for the current customer
- The transaction nature entered for the invoice line

Determining the Tax Codes



This diagram shows how the Latin tax engine determines the tax after you enter a tax group at the invoice line level.

1. The Latin tax engine sets the current tax category for which the tax code has to be determined.
2. The Latin tax engine looks for a rule with the next priority number that has the contributor type for the current customer, the transaction type for the current transaction, and the current tax category.

If the Latin tax engine does not find any more rules with matching parameters, the Latin tax engine searches for a rule with default parameters. For the default case, the Latin tax engine looks for a rule with the following for the current tax category:

- The contributor type as *Default*
 - The transaction type that was entered in the System Options window
3. If the Latin tax engine does not find a rule with matching parameters or a default rule, processing stops with an error.
 4. If the Latin tax engine finds a rule, the Latin tax engine attempts to retrieve the tax code by accessing the rule data with the relevant parameters. For example, if the rule retrieved is Ship-from/Ship-to Site, the Latin tax engine attempts to retrieve the tax code by accessing a record that you entered in the Latin Locations window with the following parameters:
 - Tax Category
 - Ship-from State for the organization's current location
 - Ship-to State (the ship-to or bill-to state for the customer)
 5. If the Latin tax engine finds a tax code for the current tax category, the Latin tax engine stores the information for calculating the tax amount.
 6. If there are more tax categories to process, processing repeats by setting the next tax category as the current tax category as described in Step 1.
 7. If there are no more tax categories to process, tax code processing is complete.

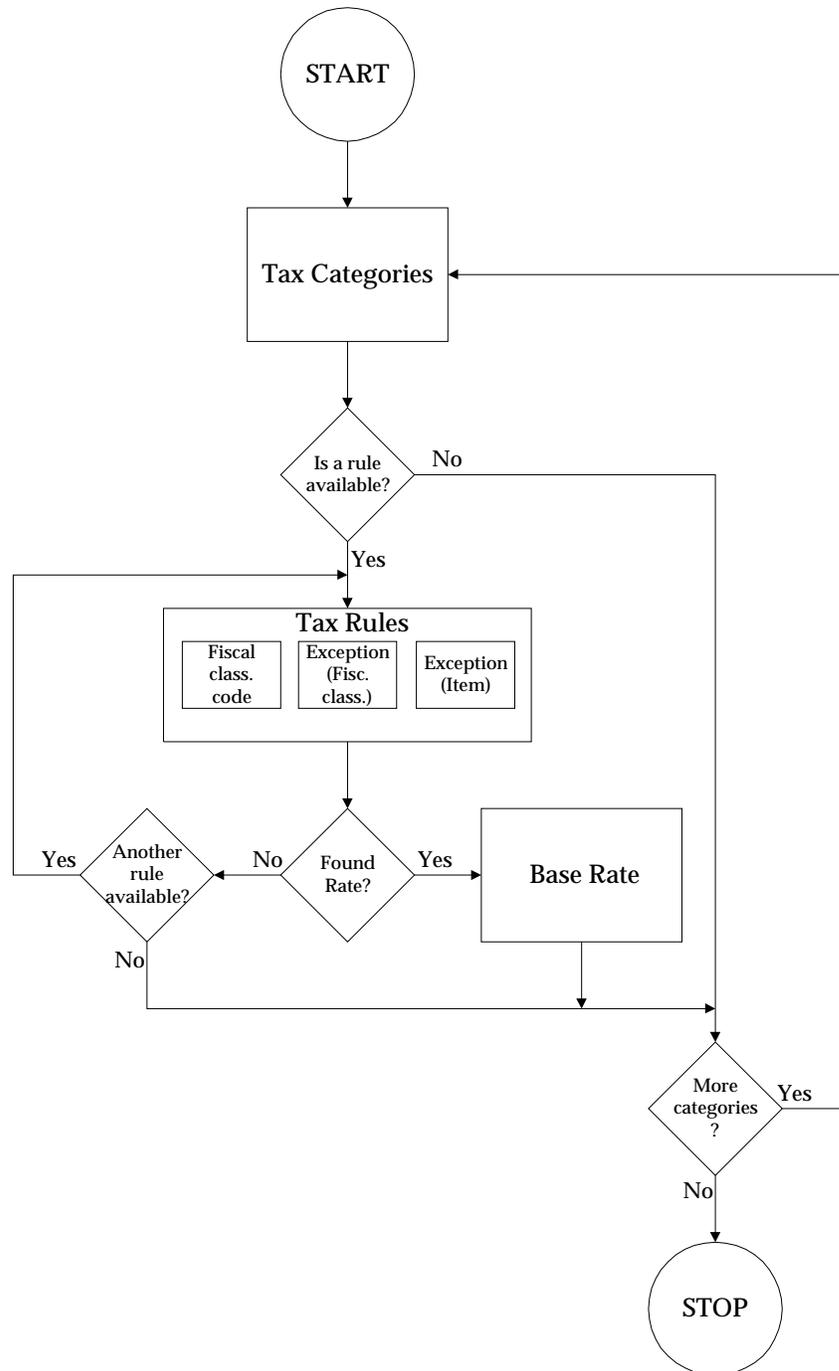
(continued)

8. If the Latin tax engine does not find a tax code for the current tax category, the Latin tax engine looks for a rule with the next priority number that has the contributor type for the current customer, the transaction type for the current transaction, and the current tax category.

If the Latin tax engine does not find any more rules with matching parameters, the Latin tax engine searches for a rule with default parameters. For the default case, the Latin tax engine looks for a rule with the following for the current tax category:

- The contributor type as *Default*
 - The transaction type that was entered in the System Options window
9. If the Latin tax engine does not find a rule with matching parameters or a default rule, processing stops with an error.
 10. If the Latin tax engine finds a rule, the Latin tax engine attempts to retrieve the tax code as described in Step 4.

Determining the Base Rates



This diagram shows how the Latin tax engine determines the base rate modifier after you enter a tax group at the invoice line level.

1. The Latin tax engine sets the current tax category for which the base rate has to be determined.
2. The Latin tax engine looks for a rule with the next priority number that has the contributor type for the current customer, the transaction type for the current transaction, and the current tax category.

If the Latin tax engine does not find any more rules with matching parameters, the Latin tax engine searches for a rule with default parameters. For the default case, the Latin tax engine looks for a rule with the following for the current tax category:

- A Contributor type as *Default*
 - A transaction type that was entered in the System Options window.
3. If the Latin tax engine does not find a rule with matching parameters or a default rule, the Latin tax engine checks if there are any more categories to process as described in Step 6.
 4. If the Latin tax engine finds a rule, the Latin tax engine attempts to retrieve the base rate by accessing the rule data with the relevant parameters. For example, if the rule retrieved is Fiscal Classification Code, the Latin tax engine attempts to retrieve the base rate by accessing a record that you entered in the Latin Fiscal Classification window with the following parameters:
 - Tax Category
 - Fiscal Classification code you entered on the invoice line
 5. If the Latin tax engine finds a base rate for the current tax category, the Latin tax engine stores the information for calculating the tax amount.
 6. If there are more tax categories to process, processing repeats by setting the next tax category as the current tax category as described in Step 1.
 7. If there are no more tax categories to process, base rate processing is complete.

8. If the Latin tax engine does not find a base rate for the current tax category, the Latin tax engine looks for a rule with the next priority number that has the contributor type for the current customer, the transaction type for the current transaction, and the current tax category.

If the Latin tax engine does not find any more rules with matching parameters, the Latin tax engine searches for a rule with default parameters. For the default case, the Latin tax engine looks for a rule with the following for the current tax category:

- The contributor type as *Default*
 - The transaction type that was entered in the System Options window
9. If the Latin tax engine does not find a rule with matching parameters or a default rule, the Latin tax engine checks if there are other tax categories to process as described in Step 6.
 10. If the Latin tax engine finds a rule, the Latin tax engine attempts to retrieve the base rate as described in Step 4.

Calculating the Tax

For each tax category, Oracle Receivables applies the tax rate on the line amount to calculate the tax amount after:

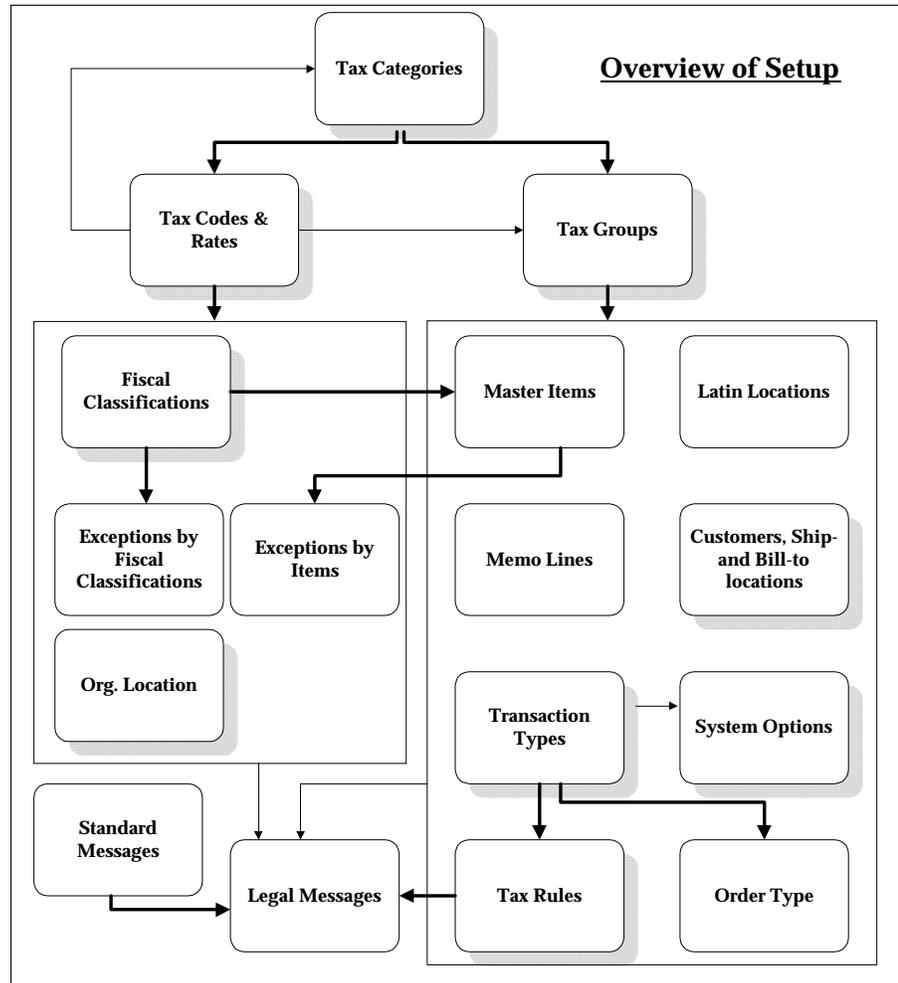
- Modifying the line amount by the base rate, if necessary
- Compounding the line amount with another tax, if necessary

After calculating the tax amount, Oracle Receivables reduces the tax amount by the included tax if Tributary Substitution is specified for the tax category. For example, for the ICMS-ST tax, the included ICMS tax must be subtracted from the gross amount.

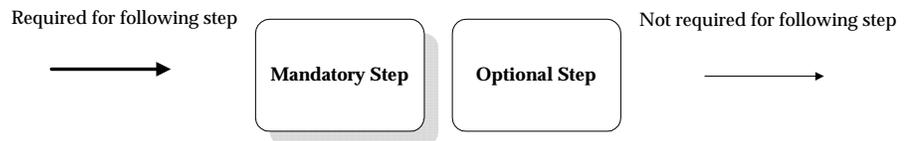
If the option for legal messages is set in the System Options window and there is a Tributary Exception, the Latin tax engine retrieves legal messages to the invoice line. See *17. Associate Legal Messages and Tax Rules* on page 227 for more information.

Implementing Tax

This section explains how to implement Brazilian Tax for Oracle Receivables. This diagram shows the mandatory steps and the optional steps for implementing tax.



Legend



Implementation Checklist

Use this checklist to help you complete the appropriate steps in the correct order for your implementation. The steps are described in more detail in this section.

- 1 Set up Oracle Receivables
- 2 Complete the General Setup
- 3 Define Tax Categories
- 4 Define Tax Codes and Rates
- 5 Define Tax Groups
- 6 Define Transaction Types
- 7 Define System Options
- 8 Define Locations
- 9 Define Fiscal Classifications
- 10 Define Master Items
- 11 Define Customers
- 12 Define Tax Rules
- 13 Define Tax Exceptions by Fiscal Classification
- 14 Define Tax Exceptions by Item
- 15 Associate Categories and Locations
- 16 Define Legal Messages
- 17 Associate Legal Messages and Tax Rules

1. Set up Oracle Receivables

Set up Oracle Receivables using the standard Oracle Receivables setup procedure.



See also

Setting Up, *Oracle Receivables User's Guide*

2. Complete the General Setup

Complete the general setup for Oracle Financials for Brazil.



See also

General Setup, *Oracle Financials for Brazil User's Guide*

3. Define Tax Categories

Use the Latin Tax Categories window to create and maintain tax categories. Your Oracle Receivables installation already has these tax categories:

- IPI
- ICMS
- ICMS-ST
- ISS
- IRRF

You can add additional tax categories as necessary. See *Setting up Tax Categories* on page 230 for information about adding tax categories for accounting purposes. You cannot delete a tax category that was entered and committed. You can set the effective dates to make a tax category inactive, however.

You choose a value for the *Tax Inclusive* field depending on the accounting treatment that you want for the tax. The value that you choose for the *Tax Inclusive* field for a given tax category is defaulted to all tax codes and tax groups that use this category. After a tax category is associated with a Latin tax group or is assigned to a tax code, you cannot modify the tax-inclusive property.

You can enter a default tax code for a tax category. Before you enter the tax code, you must create a tax code for the tax category in the Tax Codes and Rates window.

See *Setting up Tax Accounting* on page 234 for an example of how you set up tax categories for your accounting requirements.



See also

Defining Latin Tax Categories, *Oracle Financials for Brazil User's Guide*

4. Define Tax Codes and Rates

Define tax codes and rates in the Tax Codes and Rates window after you define tax categories. You must assign a tax category to each tax code that you define. When you assign a tax category, the *Tax Inclusive* and the *Print in Invoice* fields default from the tax category. You can change the value in the *Print in Invoice* field, but you cannot change the value in the *Tax Inclusive* field. Optionally, you can enter the legal message exception event to associate with the tax code.

See *Setting up Tax Accounting* on page 234 for an example of how you set up tax codes for your accounting requirements.



See also

Tax Codes and Rates, *Oracle Receivables User's Guide*



See also

Defining Tax Codes and Rates, *Oracle Financials for Brazil User's Guide*

5. Define Tax Groups

Define tax groups to group-related tax categories for your tax accounting in the Latin Groups window. You create a tax group to associate related tax categories with combinations of contributor type, establishment type, and transaction natures that appear in invoices.

You can override fields that are defaulted from the tax category. You cannot, however, override the tax-inclusive property. If you check the *Tributary Substitution* check box for Latin tax categories, you must enter a tax category to compound the base. Check the *Calculate in OE* check box only for those categories that change the sales order value.



See also

Defining Latin Tax Groups, *Oracle Financials for Brazil User's Guide*

6. Define Transaction Types

Define different transaction types in the Transaction Types window. You must check the *Tax Calculation* check box and the *Allow Overapplication* check box for the Latin tax engine to correctly calculate and account taxes. You can enter a tax group or a tax code that you want to default at the invoice line or sales order line whenever this transaction type is chosen.



See also

Transaction Types, *Oracle Receivables User's Guide*



See also

Defining Transaction Types, *Oracle Financials for Brazil User's Guide*

7. Define System Options

Define parameters for Oracle Receivables in the System Options window. You must choose *Latin Tax Handling* in the *Tax Method* field. Oracle Receivables defaults the *Tax Supplier Views* field as *Brazil*. You must check the *Inclusive Tax Used* check box. You can enter a transaction type that you want to use as a default when tax is calculated.

If you want legal messages to print in your invoices for Tributary Exceptions, you must enter *Yes* in the *Use Legal Messages* field in the globalization flexfield. You also must enter *State* in the *Tax Location Flexfield Classification* field in the globalization flexfield.



See also

Defining Receivables System Options, *Oracle Receivables User's Guide*



See also

Defining System Options, *Oracle Financials for Brazil User's Guide*

8. Define Locations

You must enter the establishment type for your organization's location in the globalization flexfield in the Location window. The Latin tax engine uses the establishment type of the location to determine the tax categories. You can optionally associate a tax code or a tax group with this location. The tax code or tax group is used if the Latin tax engine reaches a rule that directs the Latin tax engine to retrieve the tax code or group using the Organization Tax Code rule.



See also

Defining Information for Locations, *Oracle Financials for Brazil User's Guide*

9. Define Fiscal Classifications

Define fiscal classifications and associate them with tax categories in the Latin Fiscal Classifications window. You must assign a tax code for each category that you associate with a fiscal classification code. The Latin tax engine uses this tax code if the Latin tax engine reaches a rule that directs the Latin tax engine to retrieve the tax code using the Fiscal Classification Code rule. You can optionally enter a value for the base rate modifier.



See also

Defining Latin Fiscal Classifications, *Oracle Financials for Brazil User's Guide*

10. Define Master Items

Enter tax and billing information in the globalization flexfield in the Master Item window. You enter the inventory application that you want to associate an item most often with in the *Inventory Item Application* field. See the following table to choose a value for the inventory application and a value set for the default fiscal classification code and transaction nature. Oracle Receivables also includes Oracle Order Entry.

If Item is Used in	Receivables only	Purchasing only	Both	
			Receivables	Purchasing
Primary Use	-	-	INV	INV
Inventory Application	AR	PO	AR	PO
Fiscal Classification	AR	PO	AR	PO
Transaction Nature	AR	PO	AR	PO

If you want to see an item in your invoice line, you must check the *Invoiceable* check box in the Invoicing alternative region. If you want to see an item in an order line, you must check the *Customer Orderable* check box for the item in the Order Entry alternative region.

The values that you specify for the fiscal classification and transaction nature are defaulted in the invoice/order line. You can, however, modify the defaults at the line level. You can optionally enter the tax code or tax group for the item. The Latin tax engine retrieves the tax code or group when the Latin tax engine reaches a rule that directs the Latin tax engine to retrieve the tax code using the Item Tax Code rule.



See also

Defining Master Items, *Oracle Financials for Brazil User's Guide*

11. Define Customers

Define a customer and enter additional information for tax, billing, and bank transfers in the Customers window.

You associate a contributor type for each ship-to or bill-to location for your customer in the globalization flexfield. Oracle Receivables uses the contributor type when determining the taxes that apply. See *Determining the Tax Categories* on page 205 for more information. The Latin tax engine also uses the contributor type when the Latin tax engine looks for rules to determine the tax code or base rate for a tax category. See *Determining the Tax Codes* on page 206 and *Determining the Base Rates* on page 209 for more information.



See also

Entering Customers, *Oracle Receivables User's Guide*



See also

Entering Customers, *Oracle Financials for Brazil User's Guide*

12. Define Tax Rules

Use the Tax Rules window to define a search path for the Latin tax engine to find tax codes for the tax group that you specify on a transaction line.

The Latin tax engine searches all rules that have the matching combination of tax category, contributor type, and transaction type until the Latin tax engine finds a tax code. The Latin tax engine searches through the rules in the order of increasing priority numbers. The Latin tax engine returns an error if it cannot find a rule, or at least a default rule, that yields a tax code for any of the tax categories. See *Brazilian Tax Handling* on page 202 and *Setting Up Tax Categories* on page 230 for more information.

This table shows the tax rules, the short names for rules that are in this manual, and the windows in which you enter data for the rules.

For this rule...	This is the short name...	Enter the rule data in this window...
Bill-to Site Tax Code		Customers
Customer Tax Code		Customers
Fiscal Classification Code		Latin Fiscal Classifications
Item Tax Code	Item	Master Items
Latin Tax Group Tax Code		Latin Tax Groups
Memo Line Tax Code		Standard Memo Lines
Organization Tax Code		Organization
Ship-from/Ship-to Site Exception by Item Tax Code	Exception by Item	Latin Exceptions by Item
Ship-from/Ship-to Site Tax Code	Ship-from/Ship- to Site	Latin Locations
Ship-from/Ship-to Site Exception by Fiscal Classification Tax Code	Exception by Fiscal Classification	Latin Exceptions
Ship-to Site Tax Code		Customers
System Options Tax Code		System Options
Tax Category Tax Code		Latin Tax Categories



See also

Defining Latin Tax Rules, *Oracle Financials for Brazil User's Guide*

13. Define Tax Exceptions by Fiscal Classification

Define tax exceptions by fiscal classification code for combinations of shipment locations and tax categories in the Latin Tax Exceptions window. You must enter a value for the base rate modifier, tax code, or both. The tax code that you enter is used when the Latin tax engine reaches a rate-level rule that directs the Latin tax engine to retrieve the tax code using the Ship-From/Ship-To Site Exception by Fiscal Classification Tax Code rule. The Latin tax engine uses the base rate to modify the line amount if a base-level rule directs the Latin tax engine to look for the base rate using the Ship-From/Ship-To Site Exception by Fiscal Classification Tax Code rule.



See also

Defining Latin Tax Exceptions by Fiscal Classification,
Oracle Financials for Brazil User's Guide

14. Define Tax Exceptions by Item

Define exceptions by item for combinations of shipment locations and tax categories in the Latin Tax Exceptions by Items window. You must enter a value for the base rate modifier, tax code, or both. The tax code that you enter is used when the Latin tax engine reaches a rate-level rule that directs the Latin tax engine to retrieve the tax code using the Ship-From/Ship-To Site Exception By Item Tax Code rule. The Latin tax engine uses the base rate to modify the line amount if a base-level rule directs the Latin tax engine to look for the base rate using the Ship-From/Ship-To Site Exception By Item Tax Code rule.



See also

Defining Latin Tax Exceptions by Item, *Oracle Financials for Brazil User's Guide*

15. Associate Categories and Locations

Use the Latin Locations window to associate tax categories with specific shipment locations and assign tax codes to a combination. The tax code that you enter is used when the Latin tax engine reaches a rate-level rule that directs the Latin tax engine to retrieve the tax code using the Ship-From/Ship-To Site Tax Code rule.

You can enter the Tributary Substitution inscription number in the *Tributary Substitution Inscription Number* field for a ship-from state and ship-to state combination. You must enter *Tributary Substitution Inscription* in the *Tax Category* field to enter the Tributary Substitution Inscription number. This tax category is available when you install Oracle Receivables. You must create a tax code in the Tax Codes and Rates window and assign the Tributary Substitution Inscription tax category to the tax code.



See also

Defining Latin Tax Locations, *Oracle Financials for Brazil User's Guide*

16. Define Legal Messages

Use the Standard Messages window to define your legal messages. You must enter *Legal Messages* in the *Type* field.



See also

Standard Messages, *Oracle Receivables User's Guide*

17. Associate Legal Messages and Tax Rules

Use the Legal Messages window to associate a legal message, which you created in the Standard Messages window, with a combination of tax rule, tax exception, and rule data.

This table shows the rules and the rule data that you can choose.

For this rule...	Choose this rule data...
Fiscal Classification Code	Fiscal classification codes that are defined in the Latin Fiscal Classifications window with the tax category matching the rule
Customer Tax Code	Any customer
Memo Line Tax Code	Any memo line
Ship-From/Ship-To Site Exception by Item Tax Code	Exceptions by item that are defined in the Latin Tax Exceptions by Items window with the tax category matching the rule
Ship-From/Ship-To Site Exception by Fiscal Classification Tax Code	Exceptions by fiscal classification that are defined in the Latin Tax Exceptions by Fiscal Classification window with the tax category matching the rule
Organization Tax Code	Any organization location
Item Tax Code	Any inventory item for the current inventory organization
Ship-From/Ship-To Site Tax Code	Locations that are defined in the Latin Tax Locations window with the tax category matching the rule

This table shows all the Tributary Exceptions that you can associate with rule data.

Enter this Exception...	In this window...
Reduced Tax Base	No window
Non Incidence	Tax Codes and Rates window
Exports	Tax Codes and Rates window
Tax Immunity	Tax Codes and Rates window
Tax Exemption	Tax Codes and Rates window

Example (Associating Legal Messages)

This example shows the defaulting of legal messages for this business situation:

This parameter...	Has this value...
Tax Category	IPI
Exception	Reduced Tax Base
Transaction Type	Invoice-Type-01
Contributor Type	Industrial
Fiscal Classification Code	FC-01

Assume that for Fiscal Classification Code FC-01, the base rate modifier is -0.25. You associate a legal message that is defined in the Standard Messages window as:

FC-01-LM-BA - Tax category with base reduction

To associate this legal message so that it appears on the invoice in the business situation, follow these steps:

1. In the Tax Rules window, create a rule at the base level with the following parameters:
 - **Tax Category** - *IPI*
 - **Rule Level** - *Base*
 - **Transaction Type** - *Invoice-Type-01*
 - **Contributor Type** - *Industrial*
 - **Rule** - *Fiscal Classification Code*
 - **Priority** - *1*
2. Create the FC-01 fiscal classification code with -0.25 as the base rate modifier and other necessary information in the Latin Fiscal Classifications window.
3. In the Legal Messages window, query the rule that you created in the Tax Rules window.
4. Enter *Reduced Tax Base* in the *Exception Name* field.
5. Enter *FC-01* in the *Fiscal Classification Code* field. The FC-01 value is considered rule data.
6. Enter *FC-01-LM-BA* in the *Message Name* field. The *Tax Category with Base Reduction* message appears in the *Message Text* field.
7. Save your work.

Setting up Tax Categories

Depending on your accounting requirements, you may need to create additional tax categories and tax codes. An example shows IPI tax and the accounting requirement.

Example (Tax Categories and Codes)

The invoice consists of one item with a line amount of 1000.00.

Line Amount	IPI Tax Amount
1000.00	100.00

The tax that is generated is:

Tax Code	Tax Amount
IPI to collect	100.00

Oracle Receivables uses the following formula to generate the accounting entries:

Revenue = Line Amount - Sum of all included taxes for the line

Tax = Tax calculated (for each tax line)

Receivables = Revenue + Sum of all Taxes

The values in this example are applied to the formula:

Revenue = Line Amount - Included Tax = 1000.00 - 0 = 1000.00

Tax (IPI to collect) = Tax Calculated = 100.00

Receivables = Revenue + Sum of Taxes = 1000.00 + 100.00 = 1100.00

These are the accounting entries that Oracle Receivables creates since Oracle Receivables generates only one tax accounting entry for each tax line:

Account	Dr	Cr
Receivables	1100.00	
Revenue		1000.00
IPI to collect		100.00

Your requirements may not be satisfied if you need the accounting entries to be:

Account	Dr	Cr
Receivables	1100.00	
Revenue		1100.00
IPI on sales	100.00	
IPI to collect		100.00

You must create the following for Oracle Receivables to generate the accounting entry for the IPI on sales account:

- An accounting-only tax category
- An accounting-only tax code. The tax code must have the values that are in this table:

	IPI Tax code	IPI Accounting Only Tax Code
Name	IPI to collect	IPI on sales
Amount Includes Tax?	No	Yes
Debit/Credit	Credit	Debit
Rate	10%	10%

If Oracle Receivables generates a tax line with each of these tax codes, the tax lines are:

Tax Code	Tax Amount
IPI to collect	100.00
IPI on sales	-100.00

The accounting entries are:

Account	Dr	Cr
Receivables	1100.00	
Revenue		1100.00
IPI on sales	100.00	
IPI to collect		100.00

The values are applied to the formula:

$$\text{Revenue} = \text{Line Amount} - \text{Included Tax} = 1000.00 - (-100.00) = 1100.00$$

$$\text{Tax (IPI to collect)} = \text{Tax calculated} = 100.00$$

$$\text{Tax (IPI on sales)} = \text{Tax calculated} = -100.00$$

$$\text{Receivables} = \text{Revenue} + \text{Sum of Taxes} = 1100.00 + 100.00 + (-100.00) = 1100.00$$

Oracle Receivables can generate two tax lines only if there are two different tax categories in the same group with matching parameters. One of the categories should be an Accounting Only category that points the Latin tax engine to the Accounting Only tax code. See *Brazilian Tax Handling* on page 202.

For the example described in this section, you must enter information in these windows:

Latin Tax Categories Window

Tax Category	Description	Print Flag	Tax Inclusive	Tributary Substitution	Remarks
IPI	IPI to collect	Y	N	N	
XIPI	IPI on sales	N	Y	N	Needed for accounting

Latin Tax Groups Window

Tax Group Code	Tax Category	Remarks
IPI-Group	IPI	
IPI-Group	XIPI	Needed for accounting

Tax Codes and Rates Window

Tax Code	Tax Rate	CR/DR	Tax Category	Print Tax Line?	Amount Includes Tax?	Remarks
IPI_10	10	CR	IPI	Y	N	
XIPI_10	10	DR	XIPI	N	Y	Needed for accounting

Setting up Tax Accounting

This section includes an example that shows how to set up Oracle Receivables for your accounting requirements. See *Setting up Tax Categories* on page 230 to understand why you need to perform specific steps for Oracle Receivables to generate tax accounting entries.

Example (Tax Accounting)

An invoice with a single line item has only one applicable tax. This tax is the tax that you are currently setting up. Assume that the taxes, such as ICMS and ICMS-ST, are not applied together and that no other taxes apply.

This attribute...	Has this Value...
Item Price	1,000.00
Item Quantity	1
Tax Rate	10%

This Accounting Setup Lookup table helps you to set up tax categories and tax codes to meet your accounting requirements.

No.	Tax 1 Inclusive/ Exclusive	Rate	Tax 2 Inclusive/ Exclusive	Rate	Inclusive Tax Amount (Tax 1)	Inclusive Tax Amount (Tax 2)	Exclusive Tax Amount (Tax 1)	Exclusive Tax Amount (Tax 2)	Revenue	Receivable
	A	B	C	D	E	F	G	H	I	J
1	Inclusive	10	Inclusive	10	100.00	100.00	0.00	0.00	800.00	1000.00
2	Inclusive	10	Exclusive	10	100.00	0.00	0.00	100.00	900.00	1100.00
3	Inclusive	-10	Inclusive	10	-100.00	100.00	0.00	0.00	1000.00	1000.00
4	Inclusive	-10	Inclusive	-10	-100.00	-100.00	0.00	0.00	1200.00	1000.00
5	Inclusive	-10	Exclusive	-10	-100.00	0.00	0.00	-100.00	1100.00	900.00
6	Exclusive	10	Inclusive	-10	0.00	-100.00	100.00	0.00	1100.00	1100.00
7	Exclusive	10	Exclusive	10	0.00	0.00	100.00	100.00	1000.00	1200.00
8	Exclusive	-10	Inclusive	10	0.00	100.00	-100.00	0.00	900.00	900.00
9	Exclusive	-10	Exclusive	10	0.00	0.00	-100.00	100.00	1000.00	1000.00
10	Exclusive	-10	Exclusive	-10	0.00	0.00	-100.00	-100.00	1000.00	800.00
11	Inclusive	10	-	0	100.00	0.00	0.00	0.00	900.00	1000.00
12	Exclusive	10	-	0	0.00	0.00	100.00	0.00	1000.00	1100.00
13	Inclusive	-10	-	0	-100.00	0.00	0.00	0.00	1100.00	1000.00
14	Exclusive	-10	-	0	0.00	0.00	-100.00	0.00	1000.00	900.00

To set up tax categories and tax codes for this example:

1. Assume that the accounting entries that you need are:

DR Receivables 1100
 DR Tax Expense 100
 CR Revenue 1100
 CR Tax Payable 100

Write down the accounting that you need in the following format:

<u>Tax 1</u>	<u>Tax 2</u>	<u>Revenue</u>	<u>Receivable</u>
100.00	-100.00	1100.00	1100.00

(continued)

Tax 1 and Tax 2 refer to the tax payable and tax expense accounts, and a negative amount in the column indicates a debit. If you do not need the expense account or payable account, enter 0.

- Look for this combination of amounts in the Accounting Setup Lookup table. Look for a row in the table with revenue and receivable amounts that match the amounts in columns I and J respectively. For the Tax 1 amount, look in columns E or G. For the Tax 2 amount, look in columns F or H. You must consider the positive or negative sign while looking for tax amounts. For a row that has matching revenue and receivable amounts, these values:

E	F	G	H
100.00	-100	0.00	0.00

are equivalent to these values:

E	F	G	H
-100.00	0.00	0.00	100.00

Row 6 matches the receivable and revenue amounts as well as the Tax 1 and Tax 2 amounts.

- When you find a matching row, look at the values in columns A-D:

No.	Tax 1 Inclusive/ Exclusive	Rate	Tax 1 Inclusive/ Exclusive	Rate
	A	B	C	D
6	Exclusive	10	Inclusive	-10

4. Interpret the columns A-D for the matching row:

For Column A or C...	Set <i>Tax Inclusive</i> in the Latin Tax Categories window to...
Inclusive	<i>Yes</i>
Exclusive	<i>No</i>
For Column B or D...	Set <i>Sign</i> in the Tax Codes and Rates window to...
10	<i>Credit</i>
-10	<i>Debit</i>

Setting up Tax Rules

The Latin tax engine is flexible because you can do the following:

- Create rules to specify how to determine the tax code or base rate modifier. See *Define Tax Rules* on page 222 for a list of available rule types.
- Define the order that you want the Latin tax engine to search through the rules to determine the applicable tax code or base rate modifier for a transaction line.

To use the Latin tax engine's flexibility, you must do the following:

- Define rules to associate tax categories, contributor types, and transaction types with one or more predefined rule types.
- Assign priority numbers, if you have defined more than one rule for a combination, to specify the order that the Latin tax engine looks at the rules.
- Ensure that at least one of the rules that you specified results in a tax code that is retrieved.

Search Path for Tax Code Determination

To explain how rules are defined, assume that Specific Motors Inc. has defined the path for Oracle Receivables to arrive at a tax code as described in this table.

For this tax category...	Do these steps to determine the tax code ...
IPI	<ul style="list-style-type: none">• Look for the tax code for an exception by item for the item• If not successful, get the tax code for the item• If not successful, get the tax code for the fiscal classification code for the transaction line
ICMS	<ul style="list-style-type: none">• Look for the tax code for an exception by the transaction's fiscal classification code• If not successful, get the tax code for the fiscal classification code

Assume that Specific Motors Inc. defines the rules for a customer with a contributor type of *Commercialization* and a transaction type of *Invoice-6.11*. You need to define these tax rules in the Latin Tax Rules window:

Latin Tax Rules Window

Rule	Level	Tax Category	Contributor Type	Transaction Type	Priority
Exception by Item	Rate	IPI	Commercial	Invoice-6.11	1
Item	Rate	IPI	Commercial	Invoice-6.11	2
Fiscal Classification Code	Rate	IPI	Commercial	Invoice-6.11	3
Exception by Item	Rate	XIPI	Commercial	Invoice-6.11	1
Item	Rate	XIPI	Commercial	Invoice-6.11	2
Fiscal Classification Code	Rate	XIPI	Commercial	Invoice-6.11	3
Exception by Fisc. Class.	Rate	ICMS	Commercial	Invoice-6.11	1
Fiscal Classification Code	Rate	ICMS	Commercial	Invoice-6.11	2
Exception by Fisc. Class.	Rate	XICMS	Commercial	Invoice-6.11	1
Fiscal Classification Code	Rate	XICMS	Commercial	Invoice-6.11	2

Example 1: ICMS and IPI and No Exceptions

Consider the case of Specific Motors Inc., located in Sao Paulo, that sells cars to Rio Motors, a car dealer in Rio de Janeiro. The following fiscal rule applies to this case:

Sale of Goods, imported or produced locally, tax payer is located in another state, and the operation fiscal code is 6.11.

In this case, the operation is taxed by the IPI and ICMS. The ICMS rate is the interstate rate.

For example, assume that Specific Motors Inc. ships five sports cars at the price of 10,000.00 and five fuel efficient sedans at 13,000.00. Specific Motors Inc. defined the path to arrive at a tax code as described in *Setting Up Tax Categories* on page 230.

The necessary information is summarized in the following tables:

Invoice Level Information

Parameter	Value	Related to
Operation Fiscal Code	6.11	Not relevant for tax
Establishment Type	Industrialization	Seller
Contributor Type	Commercialization	Customer

Invoice Line Level Information

Description	Quantity	Price	Transaction Nature	Fiscal Classification Code
Sports car	5	10,000.00	Commercialization	23637697
Fuel efficient car	5	13,000.00	Commercialization	20605864

Tax Parameters

Parameter	Value	Remarks
IPI	10%	Rate for gasoline car
IPI	4%	Rate for fuel efficient car
ICMS (Sao Paulo-Rio)	12%	Interstate rate

Setup for Example 1

For the case of IPI and ICMS with no Tributary Exceptions, enter the following setup information in these windows:

Latin Tax Categories Window

Tax Category	Description	Tax Code	Print Flag	Tax Inclusive	Tributary Substitution	Remarks
IPI	IPI to Collect	Null	Y	N	N	Available
XIPI	IPI on Sales	Null	N	Y	N	New
ICMS	ICMS to Collect	Null	Y	N	N	Available
XICMS	ICMS on Sales	Null	N	N	N	New

Tax Codes and Rates Window

Tax Code	Tax Rate	Cr/Dr	Tax Category	Print Tax Line?	Tax Inclusive?
IPI -10	10	Cr	IPI	Y	N
XIPI-10	10	Dr	XIPI	N	Y
IPI -04	4	Cr	IPI	Y	N
XIPI-04	4	Dr	XIPI	N	Y
ICMS-12	12	Cr	ICMS	Y	N
XICMS-12	12	Dr	XICMS	N	N

Latin Groups Window**Tax Group:** TG-6.11**Description:** Tax Group for 6.11

Tax Category	Establishment Type	Transaction Nature	Contributor Type	Tributary Substitution	Category to Compound
IPI	Industrial	Commercial	Commercial	N	Null
XIPI	Industrial	Commercial	Commercial	N	Null
ICMS	Industrial	Commercial	Commercial	N	Null
XICMS	Industrial	Commercial	Commercial	N	Null

Transaction Types Window

Name	Tax Calculation	Natural Application Only?	Allow Over-Application	Creation Sign	Tax Group
Invoice-6.11	Checked	Unchecked	Checked	Any sign	TG-6.11

System Options Window

Tax Method	Inclusive Tax	Location Flexfield Structure	Transaction Type	Use Legal Messages
Latin Tax Handling	Checked	States	Invoice-6.11	No

Latin Tax Rules Window

Rule	Level	Tax Category	Contributor Type	Transaction Type	Priority
Exception by Item	Rate	IPI	Commercial	Invoice-6.11	1
Item	Rate	IPI	Commercial	Invoice-6.11	2
Fiscal Classification Code	Rate	IPI	Commercial	Invoice-6.11	3
Exception by Item	Rate	XIPI	Commercial	Invoice-6.11	1
Item	Rate	XIPI	Commercial	Invoice-6.11	2
Fiscal Classification Code	Rate	XIPI	Commercial	Invoice-6.11	3
Exception by Fisc. Class.	Rate	ICMS	Commercial	Invoice-6.11	1
Fiscal Classification Code	Rate	ICMS	Commercial	Invoice-6.11	2
Exception by Fisc. Class.	Rate	XICMS	Commercial	Invoice-6.11	1
Fiscal Classification Code	Rate	XICMS	Commercial	Invoice-6.11	2

Customers Window

Customer Name	State	Contributor Type	Site Use	Tax Code
Rio Motors	RJ	Commercialization	Bill To	Null
Rio Motors	RJ	Commercialization	Ship To	Null

Latin Fiscal Classifications Window

Fiscal Classification Code: 23637697

Tax Category	Tax Code	Base Rate
IPI	IPI-10	0
XIPI	XIPI-10	0

Fiscal Classification Code: 20605864

Tax Category	Tax Code	Base Rate
IPI	IPI-10	0
XIPI	XIPI-10	0

Latin Tax Exceptions Window

Ship-from State	Ship-to State	Fiscal Classification Code	Tax Category	Tax Code
SP	RJ	23637697	ICMS	ICMS-12
SP	RJ	20605864	ICMS	ICMS-12
SP	RJ	23637697	XICMS	XICMS-12
SP	RJ	20605864	XICMS	XICMS-12

Master Items Window

Description	Item Code	Fiscal Classification Code	Transaction Nature	Tax Code
Sports Car	SC-001	23637697	Commercial	IPI-10
FE Sedan	FES-001	20605864	Commercial	IPI-10

Organization Window

Location	Establishment Type	Tax Code
Sao Paulo location of Specific Motors Inc.	Industrial	Null

Latin Tax Exceptions by Items Window

Ship-from State	Ship-to State	Item Code	Tax Category	Tax Code
SP	RJ	SC-001	IPI	IPI-10
SP	RJ	FES-001	IPI	IPI-04
SP	RJ	SC-001	XIPI	XIPI-10
SP	RJ	FES-001	XIPI	XIPI-04

Note: Information is not defined for some of the Latin tax rules to show how the Latin tax engine skips rules until it can find a rule that yields a tax code.

Transaction for Example 1

For the example of a transaction with IPI and ICMS with no Tributary Exceptions, enter the following transaction information.

Invoice Level Information

Customer	Transaction Type	Ship-to Location	Bill-to Location
Rio Motors	Invoice-6.11	Address entered for Ship-to location for Rio motors where state is RJ	Address entered for Bill-to location for Rio motors where state is RJ

Invoice Line Level Information

Line No.	Description	Quantity	Price	Tax Code	Transaction Nature *	Fiscal Classification Code *
1	Sports car	5	10,000.00	TG-6.11	Commercial	23637697
2	Fuel efficient car	5	13,000.00	TG-6.11	Commercial	20605864

*Segments of the Globalization Flexfields

Tax Computation for Example 1

The taxes calculated for this example are shown in these tables.

Tax calculated for Invoice Line 1:

Trans. Line	Tax Line	Precedence	Tax Code	Incl. tax?	Rate	Amount
1	1		ICMS-12	N	12	6,000.00
1	2		IPI-10	N	10	5,000.00
1	3		XICMS-12	N	-12	(6,000.00)
1	4		XIPI-10	Y	-10	(5,000.00)
						Total 0.00

Tax calculated for Invoice Line 2:

Trans Line	Tax Line	Precedence	Tax Code	Incl. tax?	Rate	Amount
2	1		ICMS-12	N	12	7,800.00
2	2		IPI-04	N	10	2,600.00
2	3		XICMS-12	N	-12	(7,800.00)
2	4		XIPI-04	Y	-10	(2,600.00)
						Total 0.00

Tax Accounting for Example 1

This table shows the accounting that is generated.

Trans. Line	Detail Line No.	Class	General Ledger Account	%	Amount
		Receivable	...	100	122,600.00
1		Revenue	...	100	55,000.00
1	1	Tax	...	100	6,000.00
1	2	Tax	...	100	5,000.00
1	3	Tax	...	100	(6,000.00)
1	4	Tax	...	100	(5,000.00)
2		Revenue	...	100	67,600.00
2	1	Tax	...	100	7,800.00
2	2	Tax	...	100	2,600.00
2	3	Tax	...	100	(7,800.00)
2	4	Tax	...	100	(2,600.00)

Example 2: Case of IPI, ICMS (compounded with IPI) and ICMS-ST

Consider the case of a cigarette manufacturing company, Cool Cigars Inc., located in Rio de Janeiro, that sells cigarettes to Sao Paulo Tobacco company, a dealer in Sao Paulo. The following fiscal rule applies to this case:

Sale of Goods produced locally to a non-contributor and the operation fiscal code is 5.11.

In this case, the IPI incurred is included in the ICMS calculation base. The ICMS rate is the local rate.

For example, assume that Cool Cigars Inc. ships 50 cartons of cigarettes at the price of 1000.00. Cool Cigars Inc. defined the following search path to arrive at a tax code.

Search Path for Tax Code

For this tax category... Do these steps to determine the tax code or base rate...

IPI - Tax code	<ul style="list-style-type: none">• Get the tax code that is stored with the item.• If not successful, get the tax code that is stored with the fiscal classification code for the transaction.
IPI - Base rate	Get the base rate modifier from the fiscal classification code for the transaction.
ICMS - Tax code	<ul style="list-style-type: none">• Get the tax code that is stored with the exception by item for the item on the transaction line.• If not successful, get the tax code that is stored with the fiscal classification code for the transaction.
ICMS - Base rate	Get the base rate modifier that is stored with the exception by item for the item on the transaction line.
ICMS-ST - Tax code	Get the tax code that is stored with the exception by fiscal classification code for the fiscal classification code for the transaction.
ICMS-ST - Base rate	Get the base rate modifier that is stored with the exception by fiscal classification code for the fiscal classification code for the transaction.

The necessary information is summarized in the following tables:

Invoice Level Information

Parameter	Value	Related to
Operation Fiscal code	5.11	Not relevant for tax
Establishment Type	Industrialization	Seller
Contributor Type	Non-contributor	Customer

Invoice Line Level Information

Description	Quantity	Price	Transaction Nature	Fiscal Classification Code
555 Cigarettes	50	1000.00	Commercialization	13702140

Tax Parameters

Parameter	Value	Remarks
IPI	15%	Rate for cigarettes
ICMS (Rio-Rio)	18%	Local rate
ICMS-ST	30%	Planned Margin - 100%

Setup for Example 2

For the case of IPI and ICMS that is compounded with IPI and the applicable ICMS-ST, enter the following setup information in these windows:

Latin Tax Categories Window

Tax Category	Description	Print Flag	Tax Inclusive	Tributary Substitution	Category to compound	Remarks
IPI	IPI to collect	Y	N	N	Null	Available
XIPI	IPI on sales	N	Y	N	Null	New
ICMS	ICMS to collect	Y	N	N	IPI	Available
XICMS	ICMS on sales	N	N	N	IPI	New
ICMS-ST	ICMS-ST to collect	Y	N	Y	ICMS	Available
XICMS-ST	XICMS-ST to collect	N	Y	Y	XICMS	New

Tax Codes and Rates Window

Tax Code	Tax Rate	Cr/Dr	Tax Category	Print Tax Line?	Tax Inclusive?
IPI -15	15	Cr	IPI	Y	N
XIPI-15	15	Dr	XIPI	N	Y
ICMS-18	18	Cr	ICMS	Y	N
XICMS-18	18	Dr	XICMS	N	N
ICMS_ST-30	30	Cr	ICMS_ST	Y	N
XICMS_ST-30	30	Dr	XICMS_ST	N	Y

Latin Groups Window

Tax Group: TG-5.11

Description: Tax Group for 5.11

Tax Category	Establishment Type	Transaction Nature	Contributor Type	Tributary Substitution	Category to Compound
IPI	Industrial	Commercial	Non-Contrib.	N	Null
XIPI	Industrial	Commercial	Non-Contrib.	N	Null
ICMS	Industrial	Commercial	Non-Contrib.	N	IPI
XICMS	Industrial	Commercial	Non-Contrib.	N	IPI
ICMS_ST	Industrial	Commercial	Non-Contrib.	Y	ICMS
XICMS_ST	Industrial	Commercial	Non-Contrib.	Y	XICMS

Transaction Types Window

Name	Tax Calculation	Natural Application Only?	Allow Over-Application	Creation Sign	Tax Group
Invoice-5.11	Checked	Unchecked	Checked	Any sign	TG-5.11

System Options Window

Tax Method	Inclusive Tax	Location Flexfield Structure	Transaction Type	Use Legal Messages
Latin Tax Handling	Checked	States	Invoice-5.11	No

Latin Tax Rules Window

Rule	Level	Tax Category	Contributor Type	Transaction Type	Priority
Exception by Item	Rate	IPI	Non-Contrib.	Invoice-5.11	1
Fisc. Class. Code	Rate	IPI	Non-Contrib.	Invoice-5.11	2
Exception by Item	Rate	XIPI	Non-Contrib.	Invoice-5.11	1
Fisc. Class. Code	Rate	XIPI	Non-Contrib.	Invoice-5.11	2
Fisc. Class. Code	Base	IPI	Non-Contrib.	Invoice-5.11	1
Fisc. Class. Code	Base	XIPI	Non-Contrib.	Invoice-5.11	1
Exception by Item	Rate	ICMS	Non-Contrib.	Invoice-5.11	1
Fisc. Class. Code	Rate	ICMS	Non-Contrib.	Invoice-5.11	2
Exception by Item	Rate	XICMS	Non-Contrib.	Invoice-5.11	1
Fisc. Class. Code	Rate	XICMS	Non-Contrib.	Invoice-5.11	2
Exception by Item	Base	ICMS	Non-Contrib.	Invoice-5.11	1
Exception by Item	Base	XICMS	Non-Contrib.	Invoice-5.11	1
Exception by Fisc. Class.	Rate	ICMS_ST	Non-Contrib.	Invoice-5.11	1
Exception by Fisc. Class.	Rate	XICMS_ST	Non-Contrib.	Invoice-5.11	1
Exception by Fisc. Class.	Base	XICMS_ST	Non-Contrib.	Invoice-5.11	1
Exception by Fisc. Class.	Base	ICMS_ST	Non-Contrib.	Invoice-5.11	1

Customers Window

Customer Name	State	Contributor Type	Site Use	Tax Code
Sao Paulo Tobacco	SP	Non-Contributor	Bill-To	Null
Sao Paulo Tobacco	SP	Non-Contributor	Ship-To	Null

Latin Fiscal Classifications Window

Fiscal Classification Code: 13702140

Tax Category	Tax Code	Base Rate
IPI	IPI-15	0
XIPI	XIPI-15	0
ICMS	ICMS-12	0
XICMS	XICMS-12	0

Latin Tax Exceptions Window

Ship-From State	Ship-To State	Tax Category	Fiscal Classification Code	Tax Code	Base Rate
RJ	SP	ICMS_ST	13702140	ICMS_ST-30	100
RJ	SP	XICMS_ST	13702140	XICMS_ST-30	100

Master Items Window

Description	Item Code	Fiscal Classification Code	Transaction Nature	Tax Code
555 Cigarettes	555-CT	13702140	Commercial	IPI-15

Organization Window

Location	Establishment Type	Tax Code
Rio location of Cool Cigars Inc.	Industrial	Null

Latin Tax Exceptions by Items Window

Ship-from State	Ship-to State	Tax Category	Item Code	Tax Code	Base Rate
RJ	SP	IPI	555-CT	IPI-15	0
RJ	SP	XIPI	555-CT	XIPI-15	0
RJ	SP	ICMS	555-CT	ICMS -18	0
RJ	SP	XICMS	555-CT	XICMS -18	0

Transaction for Example 2

For this example, enter the following transaction information:

Invoice Level Information

Customer	Transaction Type	Ship-to Location	Bill-to Location
Sao Paulo Tobacco	Invoice-5.11	Address entered for ship-to location for Sao Paulo Tobacco where state is SP	Address entered for bill-to location for Sao Paulo Tobacco where state is SP

Invoice Line Level Information

Description	Quantity	Price	Tax Code	Transaction Nature *	Fiscal Classification Code *
555 Cigarettes	50	1000.00	TG-5.11	Commercial	13702140

*Segments of the Globalization Flexfields

Tax Computation for Example 2

The taxes that are calculated for this example are shown in the following table.

Tax Computed for Invoice Line 1:

Trans. Line	Tax Line	Precedence	Tax Code	Incl. Tax?	Rate	Amount
1	1	Null	IPI-15	N	15	7,500.00
1	2	Null	XIPI-15	Y	-15	(7,500.00)
1	3	Null	ICMS-18	N	18	10,350.00
1	4	Null	XICMS-18	N	-18	(10,350.00)
1	5	Null	ICMS_ST-30	N	30	24,150.00
1	6	Null	XICMS_ST-30	Y	-30	(24,150.00)
						Total 0.00

Tax Accounting for Example 2

This table shows the accounting that is generated.

Trans. Line	Detail Line No.	Class	General Ledger Account	%	Amount
		Receivable	...	100	81,650.00
1		Revenue	...	100	81,650.00
1	1	Tax	...	100	7,500.00
1	2	Tax	...	100	(7,500.00)
1	3	Tax	...	100	10350.00
1	4	Tax	...	100	(10350.00)
1	5	Tax	...	100	24,150.00
1	6	Tax	...	100	(24,150.00)

Example 3: ICMS has a reduced base, IPI is Exempt

This example illustrates a business situation with a transaction that is exempt of IPI, and ICMS is calculated on a reduced base. In this case, a legal message is defaulted to the tax line and needs to be printed in the invoice.

Consider the case of Crony Inc. in Parana state that sells a piece of industrial equipment to a consumer, Brahms Inc. that is located in Sao Paulo. The following fiscal rule applies to this case:

Sale of Goods is imported or produced locally. The tax payer is located in another state. The operation fiscal code is 6.11.

The ICMS rate to be applied to a product from Parana is 12%. Since industrial equipment is sold, the ICMS regulation has a base reduction of 8.33%. In this case, the following legal message must be defaulted to the tax line:

ICMS calculation basis reduction according to decree 9493/52, Clause 4, paragraph 2, and Attachment II of RICMS.

Invoice Level Information

Parameter	Value	Related to
Operation Fiscal code	6.11	Not relevant for tax
Establishment Type	Industrialization	Seller
Contributor Type	Commercialization	Customer

Invoice Line Level Information

Description	Quantity	Price	Transaction Nature	Fiscal Classification Code
Industrial Equipment	1	20,000.00	Commercialization	20605865

Tax Parameters

Parameter	Value	Remarks
IPI	0%	Exempt
ICMS (Parana-Sao Paulo)	12%	Base reduction of 8.33%

Setup for Example 3

For the case of ICMS that is computed on a reduced base, and IPI is exempt, enter the following setup information in these windows:

Latin Tax Categories Window

Tax Category	Description	Tax Code	Print Flag	Tax Inclusive	Tributary Substitution	Remarks
IPI	IPI to Collect	Null	Y	N	N	Available
XIPI	IPI on Sales	Null	N	Y	N	New
ICMS	ICMS to Collect	Null	Y	N	N	Available
XICMS	ICMS on Sales	Null	N	N	N	New

Tax Codes and Rates Window

Tax Code	Tax Rate	Cr/Dr	Tax Category	Print Tax Line?	Tax Inclusive?	Legal Message Exception Event
IPI -0	0	Cr	IPI	Y	N	Tax Exempt
XIPI-0	0	Dr	XIPI	N	Y	Tax Exempt
ICMS-12	12	Cr	ICMS	Y	N	Reduced Base Rate
XICMS-12	12	Dr	XICMS	N	N	Reduced Base Rate

Latin Groups Window

Tax Group: TG-6.11

Description: Tax Group for 6.11

Tax Category	Establishment Type	Transaction Nature	Contributor Type	Tributary Substitution	Category to Compound
IPI	Industrial	Commercial	Commercial	N	Null
XIPI	Industrial	Commercial	Commercial	N	Null
ICMS	Industrial	Commercial	Commercial	N	Null
XICMS	Industrial	Commercial	Commercial	N	Null

Transaction Types Window

Name	Tax Calculation	Natural Application Only?	Allow Over-Application	Creation Sign	Tax Group
Invoice-6.11	Checked	Unchecked	Checked	Any sign	TG-6.11

System Options Window

Tax Method	Inclusive Tax	Location Flexfield Structure	Transaction Type	Use Legal Messages
Latin Tax Handling	Checked	States	Invoice-6.11	Yes

Latin Tax Rules Window

Rule	Level	Tax Category	Contributor Type	Transaction Type	Priority
Exception by Item	Rate	IPI	Commercial	Invoice-6.11	1
Item	Rate	IPI	Commercial	Invoice-6.11	2
Exception by Item	Rate	XIPI	Commercial	Invoice-6.11	1
Item	Rate	XIPI	Commercial	Invoice-6.11	2
Exception by Fisc. Class.	Rate	ICMS	Commercial	Invoice-6.11	1
Fiscal Classification Code	Rate	ICMS	Commercial	Invoice-6.11	2
Exception by Fisc. Class.	Rate	XICMS	Commercial	Invoice-6.11	1
Fiscal Classification Code	Rate	XICMS	Commercial	Invoice-6.11	2
Exception by Fisc. Class.	Base	ICMS	Commercial	Invoice-6.11	1
Exception by Fisc. Class.	Base	XICMS	Commercial	Invoice-6.11	1

Customers Window

Customer Name	State	Contributor Type	Site Use	Tax Code
Brahms Inc.	SP	Commercialization	Bill-To	Null
Brahms Inc.	SP	Commercialization	Ship-To	Null

Latin Fiscal Classifications Window

Fiscal Classification Code: 20605864

Tax Category	Tax Code	Base Rate
IPI	IPI-0	0
XIPI	XIPI-0	0
ICMS	ICMS-12	0
XICMS	XICMS-12	0

Latin Tax Exceptions Window

Ship-From State	Ship-To State	Fiscal Classification Code	Tax Category	Tax Code	Base Rate
PR	SP	20605865	ICMS	ICMS-12	-8.33
PR	SP	20605865	XICMS	XICMS-12	-8.33

Master Items Window

Description	Item Code	Fiscal Classification Code	Transaction Nature	Tax Code
Industrial Equipment	IND-EQ01	20605865	Commercial	IPI-10

Organization Window

Location	Establishment Type	Tax Code
Parana location of Crony Inc.	Industrial	Null

Latin Tax Exceptions by Items Window

Ship-From State	Ship-To State	Item Code	Tax Category	Tax Code
PR	SP	IND-EQ01	IPI	IPI-0
PR	SP	IND-EQ01	XIPI	XIPI-0

Standard Messages Window

Name	Type	Message
IPI-9493-52	Legal Message	Exempt from IPI according to legal order 9493, agreement 52
ICMS-9493-52-04-02	Legal Message	ICMS calculation basis reduction according to decree 9493/52, Clause 4, paragraph 2, and Attachment II of RICMS

Enter all of the following sets of values in the Legal Messages window:

Legal Messages 1

Header Region

This field...	Has this value...
Level	Rate
Rule	Exception by Item
Transaction Type	Invoice-6.11
Tax Category	IPI
Contributor Type	Commercial
Priority	1

Legal Messages Region

This field...	Has this value...
Exception	Tax Exempt
Ship-From	PR
Ship-To	SP
Item Code	IND-EQ01
Message Name	IPI-9493-52

Legal Messages 2

Header Region

This field...	Has this value...
Level	Rate
Rule	Item
Transaction Type	Invoice-6.11
Tax Category	IPI
Contributor Type	Commercial
Priority	2

Legal Messages Region

This field...	Has this value...
Exception	Tax Exempt
Item Code	IND-EQ01
Message Name	IPI-9493-52

Legal Messages 3

Header Region

This field...	Has this value...
Level	Rate
Rule	Exception by Item
Transaction Type	Invoice-6.11
Tax Category	XIPI
Contributor Type	Commercial
Priority	1

Legal Messages Region

This field...	Has this value...
Exception	Tax Exempt
Ship-From	PR
Ship-To	SP
Item Code	IND-EQ01
Message Name	IPI-9493-52

Legal Messages 4

Header Region

This field...	Has this value...
Level	Rate
Rule	Item
Transaction Type	Invoice-6.11
Tax Category	XIPI
Contributor Type	Commercial
Priority	2

Legal Messages Region

This field...	Has this value...
Exception	Tax Exempt
Item Code	IND-EQ01
Message Name	IPI-9493-52

Legal Messages 5

Header Region

This field...	Has this value...
Level	Base
Rule	Exception by Fisc. Class.
Transaction Type	Invoice-6.11
Tax Category	ICMS
Contributor Type	Commercial
Priority	1

Legal Messages Region

This field...	Has this value...
Exception	Reduced Tax Base
Ship-From	PR
Ship-To	SP
Fiscal Classification Code	20605865
Message Name	ICMS-9493-52-04-02

Legal Messages 6

Header Region

This field...	Has this value...
Level	Base
Rule	Exception by Fisc. Class.
Transaction Type	Invoice-6.11
Tax Category	XICMS
Contributor Type	Commercial
Priority	1

Legal Messages Region

This field...	Has this value...
Exception	Reduced Tax Base
Ship-From	PR
Ship-To	SP
Fiscal Classification Code	20605865
Message Name	ICMS-9493-52-04-02

Transaction for Example 3

For the example of a transaction that IPI and ICMS are applicable with no Tributary Exceptions, this is the necessary information:

Invoice Level Information

Customer	Transaction Type	Ship-to Location	Bill-to Location
Brahms Inc.	Invoice-6.11	Address entered for Ship-to location for Brahms Inc. where state is SP	Address entered for Bill-to location for Brahms Inc. where state is SP

Invoice Line Level Information

Line No.	Description	Quantity	Price	Tax Code	Transaction Nature *	Fiscal Class. Code *
1	Industrial Equipment	1	20,000.00	TG-6.11	Commercial	20605865

*Segments of the Globalization Flexfields

Tax Calculation for Example 3

The taxes calculated for this example are shown below.

Tax Calculated for Invoice Line 1:

Trans. Line	Tax Line	Tax Code	Rate	Amount	Base Amount*	Legal Message 1*
1	1	ICMS-12	12	2,200.08	18,334.00	A**
1	2	IPI-0	0	0.00	20,000.00	B**
1	3	XICMS-12	-12	(2,200.08)	18,334.00	A**
1	4	XIPI-0	-0	(0.00)	20,000.00	B**
				Total 0.00		

*Segments of the Globalization Flexfields

**A or B is the key in the following table for the actual text displayed in the segment.

Key	Message
A	ICMS calculation basis reduction according to decree 9493/52, Clause 4, paragraph 2, and Attachment II of RICMS
B	Exempt from IPI according to legal order 9493, agreement 52

Tax Accounting for Example 3

This table shows the accounting that is generated.

Trans. Line	Detail Line No.	Class	General Ledger Account	%	Amount
		Receivable	...	100	20,000.00
1		Revenue	...	100	20,000.00
1	1	Tax	...	100	2,200.08
1	2	Tax	...	100	0.00
1	3	Tax	...	100	(2,200.08)
1	4	Tax	...	100	(0.00)

Frequently Asked Questions

Q: I entered a tax group on the invoice line and pressed the Tax button in the Lines window for the Transactions window. Why do I get the error message, APP-11352: Unable to find a tax code for the transaction?

A: Check that you have entered *Latin Tax Handling* for the Tax Method in the System Options window.

Q: I entered a tax code on the invoice line and pressed the Tax button in the Lines window for the Transactions window. Why isn't the tax calculated?

A: You must check the *Tax Calculation* check box for the transaction type that you chose for the invoice in the Transaction Types window.

Q: I entered a tax group on the invoice line, pressed the Tax button, and saved my work. Why aren't tax lines generated?

A: The establishment type for the location that you chose for your operating unit must be the same establishment type that you entered in the Latin Tax Groups window.

Q: I entered a tax group on the invoice line and pressed the Tax button in the Lines window. Why do I get the error message, APP-11343: The tax code (NO_VALID_TAX_CODE) is not defined?

A: Check your setup process and the following:

1. You have defined at least one rule for the rate for each matching tax category.
2. If you are using the following rules:
 - Ship-from/Ship-to Site Tax Code
 - Ship-from/Ship-to Exception by Fiscal Classification Tax Code
 - Ship-from/Ship-to Site Exception by Item Tax Codecheck that records in the Latin Locations window, Latin Exceptions window, or Latin Exceptions by Item window have the following:
 - A Ship-from state value that is identical to the value in the *State* field in the Location window.
 - A Ship-to state value that is identical to the value in the *State* field in the Addresses window for the Customers window. The value is for the customer for whom you are creating the invoice.
3. You included compounding tax in the group if you are using a compound tax. If IPI is compounded with ICMS, for example, you must include IPI as one of the tax categories in the group.

Q: I entered a tax group for the invoice line and pressed the Tax button in the Lines window. Why do I get the error message, APP-11343: Error in function: jl_zz_get_legal_message?

A: The tasks depend on if you need legal messages to default:

- If you need legal messages to default, do these steps:
 1. Create legal messages in the Legal Messages window.
 2. Associate legal messages with the rule record that has the tax code in the Legal Messages window.
 3. Associate a Legal Message Exception Event with the tax code in the Tax Codes and Rates window.
- If you do not need legal messages to default, enter *No* in the *Use Legal Messages* field in the System Options window.

Loading the Subledger Tables

If you are upgrading to Release 11, or if you are installing Oracle Receivables for the first time, you must enter the previous period balances into the subledger tables before you run the Customer Auxiliary Ledger report or the Customer Auxiliary Daily report. The subledger balances reconcile with the Oracle General Ledger balances for the previous period transactions.

After you enter the previous-period balances into the tables, Oracle Receivables continues to automatically update the information into the tables when you post journal entries in Oracle Receivables. If there is an error in the posting routine, the Period Balance Calculation single request procedure for Oracle Receivables recalculates balances and recreates journals.

The JL_BR_BALANCES_ALL table contains customer balances for a code combination within a specific period in a set of books. The table is required for the previous period balances to appear as the current period starting balances in the Customer Auxiliary Ledger report.

The JL_BR_JOURNALS_ALL table contains detailed debits and credits. This table is required for debit and credit transactions within a specified period in both the Customer Auxiliary Ledger report and the Customer Auxiliary Daily report.

Warning: Do not run the purge routine in Oracle Receivables before you load the tables. Balances will not load into the tables.

For detailed descriptions of both of these tables, see *Subledger Tables* on page 276.



See also

Customer Auxiliary Daily report,
Customer Auxiliary Ledger report,
Oracle Financials for Brazil User's Guide



Appendix

This appendix details the subledger tables that you enter information into before you run the Auxiliary Daily and Auxiliary Ledger reports for Oracle Payables and Oracle Receivables.

Subledger Tables

This section details the subledger tables that are described in *Loading the Subledger Tables* on page 111 in the Oracle Payables chapter and on page 274 in the Oracle Receivables chapter.

JL_BR_BALANCES_ALL Table

The application ID should be 200 for Oracle Payables balances and 222 for Oracle Receivables balances.

The ENDING_BALANCE_SIGN column should have *D* for debit or *C* for credit.

The BALANCE_ERROR_FLAG column is an internal flag that Oracle Payables or Oracle Receivables updates to indicate if there is an abnormal termination in the posting routine and the period is inconsistent. It should be blank in the initial loading.

Col. Seq.	Column	Null?	Type
2	APPLICATION_ID	No	Number(15)
4	SET_OF_BOOKS_ID	No	Number(15)
8	PERIOD_NAME	No	Varchar2(15)
10	CODE_COMBINATION_ID	No	Number(15)
12	PERSONNEL_ID	No	Number(15)
14	ENDING_BALANCE_SIGN	Yes	Varcahr2(1)
16	ENDING_BALANCE	Yes	Number()
18	BALANCE_ERROR_FLAG	Yes	Varchar2(1)
20	ORG_ID	Yes	Number(15)
22	LAST_UPDATE_DATE	No	Date
24	LAST_UPDATED_BY	No	Number(15)
26	CREATION_DATE	Yes	Date
28	CREATED_BY	Yes	Number(15)
30	LAST_UPDATE_LOGIN	Yes	Number(15)

Primary Key

Name	Column
JL_BR_BALANCES_ALL_PK	APPLICATION_ID
JL_BR_BALANCES_ALL_PK	SET_OF_BOOKS_ID
JL_BR_BALANCES_ALL_PK	PERIOD_NAME
JL_BR_BALANCES_ALL_PK	CODE_COMBINATION_ID
JL_BR_BALANCES_ALL_PK	PERSONNEL_ID

Index Summary

Name	Seq.	Column	Unique?
JL_BR_BALANCES_N1	2	APPLICATION_ID	No
JL_BR_BALANCES_N1	4	SET_OF_BOOKS_ID	No
JL_BR_BALANCES_N1	6	ORG_ID	No
JL_BR_BALANCES_N1	8	PERIOD_NAME	No
JL_BR_BALANCES_N1	10	CODE_COMBINATION_ID	No
JL_BR_BALANCES_N1	12	PERSONNEL_ID	No
JL_BR_BALANCES_U1	4	SET_OF_BOOKS_ID	Yes
JL_BR_BALANCES_U1	6	PERIOD_NAME	Yes
JL_BR_BALANCES_U1	8	CODE_COMBINATION_ID	Yes
JL_BR_BALANCES_U1	10	PERSONNEL_ID	Yes

Column Detail

Column	Detail
2	APPLICATION_ID Optional? :False ; Number (15) ;Domain :NUMBER15 ; Application Identifier
4	SET_OF_BOOKS_ID Optional? :False ; Number (15) ;Domain :NUMBER15 ; Accounting Books defining column.
8	PERIOD_NAME Optional? :False ; Varchar2 (15) ; System generated accounting period name
10	CODE_COMBINATION_ID Optional? :False ; Number (15) ;Domain :NUMBER15 ; AP/AR code combination
12	PERSONNEL_ID Optional? :False ; Number (15) ;Domain :NUMBER15 ; Supplier/Customer identifier
14	ENDING_BALANCE_SIGN Optional? :True ; Varchar2 (1) ; (D)Debit/(C) Credit
16	ENDING_BALANCE Optional? :True ; Number () ;Domain :NUMBER ; Period Ending Balance
18	BALANCE_ERROR_FLAG Optional? :True ; Varchar2 (1) ;

Column	Detail
20	ORG_ID Optional? :True ; Number (15) ;Domain :NUMBER15 ; Organization identifier
22	LAST_UPDATE_DATE Optional? :False ; Date ;Domain :DATE ; Standard Who column
24	LAST_UPDATED_BY Optional? :False ; Number (15) ;Domain :USER ; Standard Who column
26	CREATION_DATE Optional? :True ; Date ;Domain :DATE ;
28	CREATED_BY Optional? :True ; Number (15) ;Domain :USER ; Standard Who column
30	LAST_UPDATE_LOGIN Optional? :True ; Number (15) ;Domain :USER ; Standard Who column

JL_BR_JOURNALS_ALL Table

The application ID should be 200 for Oracle Payables balances and 222 for Oracle Receivables balances.

The TRANS_VALUE_SIGN column should have *D* for debit or *C* for credit. All debit and credit transactions should be loaded in this table.

The TRANS_DESCRIPTION column should have one of the following values:

Oracle Payables

- Entrada de Documento
- Pagamento de Documento

Oracle Receivables

- Nota de Credito
- Nota de Debito
- Entrada de Dcto
- Recebim de Dcto
- Ajuste
- Reversao de Recebim

Col. Seq.	Column	Null?	Type
2	TRANS_ID	No	Number (15)
4	BATCH_ID	No	Number (15)
6	INSTALLMENT	No	Number (15)
8	APPLICATION_ID	No	Number (15)
10	SET_OF_BOOKS_ID	No	Number (15)
12	ORG_ID	Yes	Number (15)
14	PERIOD_NAME	No	Varchar2 (15)
18	CODE_COMBINATION_ID	No	Number (15)
20	PERSONNEL_ID	No	Number (15)
22	TRANS_CURRENCY_CODE	No	Varchar2 (15)
24	BATCH_NAME	No	Varchar2 (20)
26	ACCOUNTING_DATE	No	Date
28	TRANS_NUM	No	Varchar2 (50)
30	TRANS_DATE	No	Date
32	TRANS_DESCRIPTION	Yes	Varchar2 (80)
34	TRANS_VALUE_SIGN	Yes	Varchar2 (1)
36	TRANS_VALUE	Yes	Number ()
38	LAST_UPDATE_DATE	No	Date
40	LAST_UPDATED_BY	No	Number (15)
42	CREATION_DATE	Yes	Date
44	CREATED_BY	Yes	Number (15)
46	LAST_UPDATE_LOGIN	Yes	Number (15)

Primary Key

Name	Column
JL_BR_JOURNALS_ALL_PK	TRANS_ID
JL_BR_JOURNALS_ALL_PK	BATCH_ID
JL_BR_JOURNALS_ALL_PK	INSTALLMENT
JL_BR_JOURNALS_ALL_PK	APPLICATION_ID
JL_BR_JOURNALS_ALL_PK	SET_OF_BOOKS_ID
JL_BR_JOURNALS_ALL_PK	CODE_COMBINATION_ID
JL_BR_JOURNALS_ALL_PK	PERSONNEL_ID
JL_BR_JOURNALS_ALL_PK	ACCOUNTING_DATE

Index Summary

Name	Seq.	Column	Unique?
JL_BR_JOURNALS_N1	2	TRANS_ID	No
JL_BR_JOURNALS_N1	4	BATCH_ID	No
JL_BR_JOURNALS_N1	6	INSTALLMENT	No
JL_BR_JOURNALS_N1	8	APPLICATION_ID	No
JL_BR_JOURNALS_N1	10	SET_OF_BOOKS_ID	No
JL_BR_JOURNALS_N1	12	ORG_ID	No
JL_BR_JOURNALS_N1	14	CODE_ COMBINATION_ID	No
JL_BR_JOURNALS_N1	16	PERSONNEL_ID	No
JL_BR_JOURNALS_N1	18	ACCOUNTING_DATE	No
JL_BR_JOURNALS_U1	2	TRANS_ID	Yes
JL_BR_JOURNALS_U1	4	BATCH_ID	Yes
JL_BR_JOURNALS_U1	6	INSTALLMENT	Yes
JL_BR_JOURNALS_U1	8	APPLICATION_ID	Yes
JL_BR_JOURNALS_U1	10	SET_OF_BOOKS_ID	Yes
JL_BR_JOURNALS_U1	12	CODE_ COMBINATION_ID	Yes
JL_BR_JOURNALS_U1	14	PERSONNEL_ID	Yes
JL_BR_JOURNALS_U1	18	ACCOUNTING_DATE	Yes

Column Detail

Column	Detail
2	TRANS_ID Optional? :False ; Number (15) ;Domain :NUMBER15 ;
4	BATCH_ID Optional? :False ; Number (15) ;Domain :NUMBER15 ;
6	INSTALLMENT Optional? :False ; Number (15) ;Domain :NUMBER15 ;
8	APPLICATION_ID Optional? :False ; Number (15) ;Domain :NUMBER15 ; Application Identifier
10	SET_OF_BOOKS_ID Optional? :False ; Number (15) ;Domain :NUMBER15 ; Accounting Books defining column
12	ORG_ID Optional? :True ; Number (15) ;Domain :NUMBER15 ; Organization Identifier
14	PERIOD_NAME Optional? :False ; Varchar2 (15) ; System generated accounting period name
18	CODE_COMBINATION_ID Optional? :False ; Number (15) ;Domain :NUMBER15 ; AP/AR code combination
20	PERSONNEL_ID Optional? :False ; Number (15) ;Domain :NUMBER15 ; Supplier/Customer identifier

Column	Detail
22	TRANS_CURRENCY_CODE Optional? :False ; Varchar2 (15) ; Invoice currency code
24	BATCH_NAME Optional? :False ; Varchar2 (20) ; Journal Entry Batch name
26	ACCOUNTING_DATE Optional? :False ; Date ;Domain :DATE ; Accounting date of Invoice
28	TRANS_NUM Optional? :False ; Varchar2 (50) ; Invoice Number
30	TRANS_DATE Optional? :False ; Date ;Domain :DATE ; Invoice Date
32	TRANS_DESCRIPTION Optional? :True ; Varchar2 (80) ; Transaction Description
34	TRANS_VALUE_SIGN Optional? :True ; Varchar2 (1) ; (D)Debit/(C)Credit
36	TRANS_VALUE Optional? :True ; Number () ;Domain :NUMBER ; Invoice Amount
38	LAST_UPDATE_DATE Optional? :False ; Date ;Domain :DATE ; Standard Who column

(continued)

Column	Detail
40	LAST_UPDATED_BY Optional? :False ; Number (15) ;Domain :USER ; Standard Who column
42	CREATION_DATE Optional? :True ; Date ;Domain :DATE ; Standard Who column
44	CREATED_BY Optional? :True ; Number (15) ;Domain :USER ; Standard Who column
46	LAST_UPDATE_LOGIN Optional? :True ; Number (15) ;Domain :USER ; Standard Who column



Glossary

This glossary defines terms specific to Oracle Financials for Brazil that are used throughout this manual.

Base Amount

The base amount is the amount that the tax rate is based on. The base amount is calculated with this equation:

$$\text{Base Amount} = \text{Line Amount} (1 + \text{Base Rate})$$

For example, consider a line amount of 1000. If the base rate modifier is 0.25, the tax is calculated on a base amount of 1250. If the base rate modifier is (-) 0.25, the tax is calculated on a base amount of 750.

Base Rate (Modifier)

The base rate is the rate that the line amount is increased or decreased. If the tax is calculated on a reduced base, enter a negative base rate.

Bearer Bank

The bearer bank is the supplier's bank where the customer deposits a trade note payment for a collection document.

Borderô

A Bordero is a form that contains the collection documents received by the customer's bank that makes the payments. The customer instructs its bank, with this form, to liquidate several of the supplier's trade notes.

Business Day Calendar

The business day calendar is a calendar that you define with business days, non-working days, and holidays. You can define specific holidays for cities.

Clearing Bank

The clearing bank is the customer's bank that sends the payments to the bearer bank.

CNAB

CNAB is a general standard that is used for bank exchange information in transferred files. Brazilian banks use this standard for general bank exchange information and customize it for layouts at information level.

Contributor

A contributor is a tax-paying entity. A company that is assessable for tax is a contributor. Contributors include the company, as well as its customers.

Contributor Type

A Contributor Type is the type of tax paying entity that a company is. This information is stored for the company's customers or suppliers.

ICMS (Tax on Circulation of Merchandise and Services)

ICMS is a state tax that is imposed on the circulation of goods and services. Each state treats these transactions differently. ICMS is a price-inclusive tax that does not need to be added to the line amount.

ICMS is applied to the invoice line amount. The tax, however, is already embedded in each product's price on the invoice line. To calculate the product prices without the ICMS value, you must subtract the ICMS tax from the product price. For example, if the price is 1000.00 and the ICMS is 15%, the price without the included ICMS is:

$$1000.00 - (1000.00 * 15/100) = 850.00$$

Two or more items on the same invoice may have different ICMS amounts if the items have reduced bases.

Each state defines its own ICMS rate for intrastate and interstate transactions. ICMS can be calculated on a reduced base that is based on item classifications and on the transaction.

ICMS-ST (Tributary Substitution)

If the tracking of sales for a product until it reaches the ultimate consumer is difficult, or for products with higher resale values, you must use the Tributary Substitution procedure for ICMS payment. This procedure reduces the number of collection points for ICMS tax. The tax payer who ships goods is responsible for collecting future taxes.

ICMS-ST is a price-exclusive tax that is added to the base amount. The ICMS tax, which is already included in the line amount, is deducted from the computed ICMS-ST.

The ICMS-ST tax is calculated on the selling price to the ultimate consumer. If this information is not available, the tax is calculated on an anticipated or planned margin over the current selling price.

Interest Debit Memo

An interest debit memo is an invoice that is used only to charge interest. An interest debit memo is a document that is created when there is a difference between the calculated and the received interest amount due. This invoice is used to charge the interest later.

Interest Grace Days

The interest grace days define the number of days that you let payments be overdue before interest is charged.

Interest Type

The interest type defines the interest calculation as a rate or amount. You enter values expressed in tax rates or amounts.

IPI (Tax on Industrialized Products)

IPI is a federal tax that is imposed on industrialized products. IPI is a tax that is associated with individual items based on a fiscal classification. IPI is a price-exclusive tax that is added to the line amount.

Industrialization is any operation that modifies the nature, the function, the finishing, the appearance, or the use of a product, or improves it for consumption.

IRRF (Withholding Tax)

The withholding tax payer is the owner of the economic or judicial availability of revenue or property. The tax payer is the person or entity that experiences a property increase and pays the corresponding tax.

The withholding tax is applied if the tax amount is greater than R\$ 10.80. The government can change this amount, however.

ISS (Tax on Services)

Service is a good that is not of a material or physical nature. The tax on services (ISS) is levied by municipal authorities. ISS is a price-inclusive tax that is not added to the base amount.

Legal Messages

Legal messages are fiscal messages in invoices that explain why a lower tax rate was applied to an invoice line because of a Tributary Exception.

Purchase Order

A purchase order is a request for delivery of goods or services for specific dates and locations. You can order multiple items for each planned or standard purchase order. Each purchase order line can have multiple shipments and you can distribute each shipment across multiple accounts.

Release

A release is an actual order of goods and services that you issue against a blanket purchase agreement. The blanket purchase agreement determines the characteristics and the prices of the items. The release specifies the actual quantities and dates ordered for the items. You identify a release by the combination of blanket purchase agreement number and release number.

Transaction Nature, Transaction Reason, or Item Objective

The transaction nature specifies the purpose of the sale for an item. The item has a primary transaction nature that is stored when the item is defined. The primary transaction nature defaults to the sales order or invoice line. The default value can be changed for a given transaction. For example, an item that is primarily sold for industrialization can also be sold for consumption. If the same item is sold for consumption, the IPI and ICMS taxes are calculated separately.

Tributary Exception

A Tributary Exception is an exception that is related to tax.

Withholding Tax Calendar

The withholding tax calendar is a calendar that you define with withholding tax types and the periods that withholding tax is due for payment.

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