

Oracle Fusion Cloud SCM

Using Fiscal Document Capture

26D



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26D

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1 Capturing Fiscal Documents: Introduction

Overview of Fiscal Document Capture

The Brazil business sector is regulated by a tax regime that requires issuance of fiscal documents (Nota Fiscal in Portuguese) when goods and services are sold and when goods are shipped from one physical address to another.

The Nota Fiscal is generally a supplier generated trade document that accompanies the goods to its destination within the Brazilian borders.

A fiscal document is required to document trade between suppliers and customers and it also serves as a bill of lading that details the quantity of items being transported from the supplier to its customers or from customers to suppliers. Also, the fiscal document serves as a proxy invoice from the supplier with information on the material costs, supplier charges, and taxes that are payable by the customer.

The Brazilian fiscal authorities mandate that domestic suppliers and customers retain the fiscal documents for government tax purposes. Also, there is a related requirement that companies retain the fiscal document to allow the fiscal authorities to review applied taxes on the sale and purchase of goods and services.

The following attributes are common across fiscal document formats.

- General attributes
- Fiscal attributes
- Source document information
- Charges
- Taxes
- Referenced fiscal documents
- Legal processes
- Holds and tolerances

General Attributes

The general attributes in fiscal documents aren't used for fiscal purposes. They provide information that provides context to other information in fiscal documents. The general attributes can include ship from address, ship-to address, item details, item UOMs, document creation date, and so on.

Fiscal Attributes

The fiscal attributes in a fiscal document are used to determine the types of taxes that apply on purchase of goods or services from a supplier.

For a fiscal document type (CFOP code) business purpose, (CFOP is a code defined by the Brazilian authorities to describe business types), the following are used for determining taxes.

- Supplier city
- Buyer city
- Fiscal code of service line

Source Document Information

A source document can be a purchase order or a transfer order and information from these documents are required to identify the items provided by the supplier to the buying organization including the item numbers, quantity, unit price, and extended amounts for each item.

Note: For standard, import material, and internal material transfer flows, you can have lines in a fiscal document without referring to a source document.

Charges

The charges are expense amounts like insurance, freight, and discounts. Charges are part of the fiscal document and represent additional expenses that are billed to the customer. Charges are shown in the fiscal document and their values are part of the fiscal document's total amount.

Taxes

A fiscal document contains tax information relating to the sale and purchase of goods and services. During tax validation, applicable tax is calculated and assigned to items. The calculated total tax amount is compared with the tax amount listed in the fiscal document. If there are differences between the fiscal document and the calculated tax amounts, then the differences are resolved or documented before approving the fiscal document.

Some of the taxes that are included in a fiscal document are as listed in the following table:

Tax	Description
ISS	Municipal service tax
IRRF	Federal corporate income tax
INSS	Federal social security tax
PIS	Federal social contribution tax
COFINS	Federal social contribution tax
CSLL	Federal social contribution on net income
PIS/COFINS/CSLL	Combined federal social contribution tax
ICMS	State tax
IPI	Industrialized tax

Fiscal Flows

Fiscal flows are available for capturing fiscal documents that are electronically imported or manually entered for documents received as hard copies along with the delivered Item or service.

You can automatically import electronic fiscal documents, correct errors if any in the fiscal document, and reject unwanted or incorrect fiscal documents.

Based on the fiscal document that you are capturing, you can select the required fiscal flow:

Fiscal Flows

Standard Flows

Standard: Select this option for creating fiscal documents involving goods or services that may not match purchase orders and may contain transactions that may not involve payments.

Standard Complementary: Select this option for creating complementary fiscal documents for standard fiscal documents involving goods or services that may not match purchase orders and may contain transactions that may not involve payments.

Bookkeeping: Select this option for creating fiscal documents involving fiscal flows that do not match purchase orders or shipments and the fiscal documents are captured only for fiscal reporting purposes.

Drop Shipment Flows

Drop Shipment Remittance: Select this option for creating fiscal documents involving drop shipment remittances that match fiscal documents.

Drop Shipment Sales: Select this option for creating fiscal documents involving drop shipment sales, where the fiscal document includes goods or services that match purchase orders and contains transactions that may involve payments.

Drop Shipment Sales Complementary: Select this option for creating complementary fiscal documents for fiscal documents involving drop shipment sales, where the fiscal document includes goods or services that match purchase orders and contains transactions that may involve payments.

You can create a complementary fiscal document for recording additional changes to an existing fiscal document.

Freight Acquisition Flows

Freight Acquisition: Select this option for creating fiscal documents involving freight services that are issued by a service provider.

Freight Acquisition Complementary: Select this option for creating complementary fiscal documents for fiscal documents involving freight services.

You can create a complementary fiscal document for recording additional changes to an existing fiscal document.

Internal Transfer Flow

Internal Transfer: You can capture internal transfer information in fiscal documents.

Outsourced Manufacturing Flows: Select the Acquisition of Contract Services and Acquisition of OSP Services flows for contract and outside processing scenarios, respectively.

Seller Drop Shipment: You can capture drop ship sales information in fiscal documents.

Supplier Consigned Receipt : You can capture transactions for a buyer when supplier delivers goods as consigned in nature.

Prepayment : You can record, tax, and track supplier prepayments against purchase orders before goods are received in Brazil's standard procure-to-pay fiscal flows.

Trades with Natural Person Flows

Standard Issued by Buyer: Select this option to capture fiscal documents issued by the first party for trades with natural person.

Standard Complementary Issued by Buyer: Select this option to capture complementary fiscal documents issued by the first party for trades with natural person.

Bookkeeping Issued by Buyer: Select this option to capture fiscal documents issued by the first party for trades with natural person only for fiscal reporting purposes.

Bookkeeping Complementary Issued by Buyer: Select this option to capture complementary fiscal documents issued by the first party for trades with natural person only for fiscal reporting purposes.

Overview of Import Flow

There are three primary business flows for import fiscal documents.

These three flows are:

- Transfer of goods from outside Brazil, to the Brazil warehouse, within the enterprise - transfer order flow.
- Purchase of goods outside Brazil, from a foreign supplier and the goods are received by an Organization outside Brazil (ORGPACT) logically. From ORGPACT to Brazil legal entity, the goods are transferred against an internal transfer order.
- Purchase of goods outside Brazil, from a foreign supplier using a foreign purchase order.

SISCOMEX Charges

The Sistema Integrado de Comércio Exterior (SISCOMEX) is the Brazilian Integrated foreign trade system and is used to register foreign merchandise transactions involving imports and exports.

In the Fiscal Document Capture work area, the SISCOMEX charge is modeled as a miscellaneous charge. All other charges like freight, Insurance, and so on, if available in the fiscal document are only for information and they're already part of the item price on the fiscal document line.

FCI Code

AFicha de Conteúdo de Importação, (FCI) code is a required attribute to capture and report if the businesses have a certain amount of imported items in their cost for domestic sales, or as internal transfers operating in Brazil. An Item FCI Number will remain the same while the imported items percentage belongs to a same "item origin". When a new percentage of imported item is determined for an item and the item origin is different from the existing one, then a new FCI number will be requested and associated with the item. If an item has an FCI number, then all the fiscal documents issued against this item will have the FCI Number information and FCI item origin.

You can capture the FCI Number using the Brazil Fiscal Document Capture and along with ICMS origin also use it as a tax attribute to compute the correct tax amounts.

Note: Value in the nFCI tag of the XML document is captured as the FCI Number in the lines section of Fiscal Document which is of 32 characteristics and recorded as alphanumeric value of specific pattern 8(Alphanumeric)-4(numeric)-4(Alphanumeric)-4(Alphanumeric)-12(Alphanumeric), for example, E1802652-7410-4E12-A6C1-73FFFAED8652 Along with FCI Number, ICMS Origin tag from the XML is used to represent the import percentage of an item for tax computations, which is derived and recorded as a tax attribute under Tax classification in the fiscal document line. FCI number is applicable only for electronic nota fiscal documents - so Ct-e fiscal documents for freight will not have these details.

How Other Oracle Fusion Cloud Applications are Integrated

Fiscal documents are required when goods and services are sold and when goods are shipped from one physical address to another.

A fiscal document requires an approval by the Brazilian fiscal authorities before a supplier can ship the goods or services. The supplier can share this approved fiscal document with you prior to shipping the goods and you can capture and validate the fiscal document information before the goods are received.

Once the goods are received, the captured fiscal document information can include information on the delivered goods and validated taxes, and this information is interfaced with the receiving, payables, and receipt accounting applications.

Note: The fiscal documents created for book keeping are created for recording information and do not have any financial implication in any interfaced Oracle Fusion Cloud Applications.

The fiscal document capture application integrates with the following Oracle Fusion Cloud Applications:

Oracle Tax Application

You can compute and manage taxes in fiscal documents due to seamless integration with the tax application. This integration enables tax calculation on the transactions in the fiscal document. You can retain original tax information in the fiscal document, compare the calculated taxes and the original taxes for tolerance validations, and view the fiscal attribute information in fiscal documents.

In the fiscal document, you can view the tax amount from the supplier's fiscal document, and also the tax amount calculated by the tax application. The fiscal document validation process validates the tax difference between the two and places the fiscal document on hold if they are beyond the tolerance limits.

In the fiscal document, you can view the tax summary at the entire document level and you can also view the taxes at each line level.

Oracle Cost Management and Oracle Receipt Accounting Applications

The financial information in the fiscal document like item cost, charges, and taxes are processed in the cost management and receipt accounting applications. The validated fiscal document information is shared with the costing

application. The fiscal document capture application interfaces with the receipt accounting application to create receipts.

The charges and price information from the fiscal document contributes to the item unit cost. The item cost in inventory includes the material cost, charges, and taxes, and all of this information is gathered from the fiscal document. The price and charges from the complimentary fiscal documents are also transferred to the cost management application and this amount is part of the item unit cost. The freight amount from freight fiscal document and freight complementary fiscal document is processed and this value becomes part of the item cost.

Oracle Payables Application

A fiscal document is the source of truth for financial information, once a fiscal document is successfully validated; the validated information is automatically shared with the payables application to create a corresponding invoice.

In the payables application, the charges and taxes are identified separately in the invoice. The complimentary fiscal document information is also transferred to the payables application for invoice creation. The status of a fiscal document changes to captured after a successful transfer of information to the payables application.

These invoices are then validated, accounted, and paid in the payables application.

Capture Fiscal Documents using XML Import

As an SCM Operations user you can import fiscal documents using the XML import.

You can import one or more xml files at a time:

1. From Tools, click File Import and Export.
2. Click the Upload icon.
3. On the Upload File dialog, select the zip file with XML files.
4. From the Account drop-down, select scm/BrazilSEFAZSupplierMessages/Importupload.
5. Click Save and Close.
6. From Tools > Scheduled Processes, click Schedule New Process.
7. Run the Import Brazil Electronic Documents process. Once the process is successful, the status changes to Succeeded.
8. Login as an FDC user, and from Tools > Scheduled Processes, click Schedule New Process.
9. Run the Import Electronic Fiscal Documents process. The Process Details page opens.
10. If you do not enter any parameters on this page, all the FDs in the interface table are processed, validated, and listed on the Manage Fiscal Documents page.
11. If you want to process a particular FD, then enter parameters of that fiscal document on this page. Only the matching FD is processed and validated. Once the import is complete, the status changes to Succeeded.
- 12.

Manage Fiscal Document Tolerances

Fiscal Document Tolerances

To manage tolerances, you must have fiscal document specialist's roles and privileges.

You can define tolerance rules for differences between the following:

- Delivered item quantity and the quantity reported in a fiscal document
- Source quantity and the fiscal quantity reported in a fiscal document
- Purchase order unit price and the fiscal document unit price

You can update a tolerance rule according to changes in the legal requirement or internal policy. You can change the following attributes of a rule that is already defined and used in validation.

- Rule Name
- Party
- Inventory Organization
- Inventory Item
- Lower Tolerance Limit
- Lower Tolerance Action
- Upper Tolerance Limit
- Upper Tolerance Action

Note: When defining the tolerance rule for an item, ensure that you have assigned the item's security to the user and organization. For more information, see the Set Up Data Security for Item Classes topic in the Implementing Product Management guide.

Manage Tolerances

To work with tolerance rules, do the following:

1. In the **Fiscal Document Capture** work area, in the **Fiscal Document** tasks panel drawer, select **Manage Fiscal Document Tolerances**.

On the **Manage Fiscal Document Tolerances** page, you can create new tolerance ranges and tolerance limits.

2. On the **Manage Fiscal Document Tolerances** page, do any of the following:
 - Click the plus icon to create a new tolerance limit. You can create tolerances for fiscal receipt, source receipt, and price.
 - Select the **Allow Discrepancy** action to allow deviation for the selected item.

- Select the **Error** action to set percentage of allowable deviation.
 - o Click the duplicate icon to duplicate an existing tolerance setting and apply it to a new tolerance rule.
- 3. Click **Save and Close**.

2 Manage Inbound Fiscal Documents

Overview of Manage Inbound Fiscal Documents

A fiscal document is captured automatically using an XML import process or captured manually.

This process of capturing the fiscal document information is closely related to the business flow of the receiving, shipping (for in transit receipts), and inventory management applications.

Prerequisites Checklist

Consider the prerequisites for the Oracle Fusion Cloud Financials, Oracle Fusion Cloud Inventory Management, Oracle Fusion Cloud Procurement, and Oracle Receiving in the following table for working with the fiscal document capture application.

SL. No.	Oracle Fusion Application	Activity
1	Oracle Financials	General Ledger > Define Chart of Accounts Structure
2	Oracle Financials	Manage Chart of Accounts Structure > Manage Chart of Accounts Value Sets
3	Oracle Financials	Define Accounting Calendar
4	Oracle Financials	Manage Account Combinations
5	Oracle Financials	Define Primary Ledger > Specify Ledger Options
6	Oracle Financials	Define Primary Ledger > Assign Legal Entities
7	Oracle Financials	Legal Entity, LRU Setup > Legal Reporting Units
8	Oracle Financials	Business Setup
9	Oracle Financials	Tax Setup > Tax Jurisdiction
10	Oracle Financials	Tax Setup > Create Basic Tax Setup

SL. No.	Oracle Fusion Application	Activity
11	Oracle Financials	Tax Setup > Manage Tax Regimes
12	Oracle Financials	Tax Setup > Manage Taxes
13	Oracle Financials	Tax Setup > Controls and Defaults
14	Oracle Financials	Tax Setup > Tax Rule Defaults
15	Oracle Financials	Tax Setup > Tax Accounts
16	Oracle Financials	Tax Setup > Tax Jurisdictions
17	Oracle Financials	Tax Setup > Manage Tax Rates and Tax Recovery
18	Oracle Inventory Management	Inventory Location Setup > Create Location
19	Oracle Inventory Management	Inventory Organization Setup > Create Organization
20	Oracle Inventory Management	Subinventories Setup
21	Receiving	Receiving Parameters
22	Receiving	Localization System Options Setup
23	Oracle Procurement	Manage Mapping Sets > Expense Accrual Account - Business Unit
24	Oracle Procurement	Manage Mapping Sets > Purchasing Expense Account - Item
25	Oracle Procurement	Define Payment Methods

Automatically Derive the Inbound CFOP During XML Import

During XML import you can automatically derive the inbound CFOP based on the fiscal document's CFOP. This seamless capture is possible by configuring the predefined mapping set: Fiscal Document CFOP Mapping.

To automatically derive the inbound CFOP, do the following:

1. In the Setup and Maintenance Work Area, go to the Manufacturing and Supply Chain Materials Management Offering:
 - Offering: Manufacturing and Supply Chain Materials Management
 - Functional Area: Receipt Accounting
2. Click on the Manage Mapping Sets task.
3. Search and select the seeded mapping set: Fiscal Document CFOP Mapping.
4. Navigate to the Value Set region and add the seeded value set: ORA_CMF_INBOUND_CFOP and click Save.

Note: Add only one value set to the mapping set. If you add more than one value set, then during the XML import the fiscal documents will not be processed.

5. Click the Add icon to create mapping between the fiscal document CFOP which is also known as Transaction Business Category and the Inbound CFOP.
6. You can further refine this mapping by Intended Use and Fiscal Flow Name.

Note: Fiscal Document CFOP is mandatory for considering it as a valid mapping.

7. You can use the export and import option available on the tool bar to manage mass upload of the data.

Once these prerequisite steps are done, on XML import, on the Edit Fiscal Document page, under Lines, the Inbound CFOP is automatically derived based on the combination of Outbound CFOP, Fiscal Flow, and Intended Use defined in the mapping set. However, if there is no combination available in the mapping set, the Outbound CFOP remains blank, and the FD status remains New. You also get a validation error that you must specify the Inbound CFOP. To resolve this, you can either define mapping sets with relevant combination and re-run the validation OR manually select the Inbound CFOP from the drop-down, save, and re-run the validation.

Note: If you would like to avoid this validation error, disable the mapping set or remove the value set from value set region and process the fiscal document.

Manage Fiscal Documents

On receiving a fiscal document issued by a supplier, a user with Capture Fiscal Document (CMF_ENTER_FISCAL_DOCUMENT) privilege can manually capture the fiscal document details.

Prerequisites

Prerequisites for capturing information in a fiscal document are as follows:

- Fiscal flows are defined.
- Tolerances are defined.
- Tax setup for basic tax calculation is created (for example, ISS, IPI, and so on.)
- Tax setup for special inclusive tax calculation is created (for example, ICMS, PIS, COFINS, and so on.)
- Suppliers are created and purchase orders are entered against these suppliers.
- General and fiscal attributes seed data are set up.

To manually include fiscal document information:

1. In the **Fiscal Document Capture** work area, in the **Fiscal Document** tasks panel drawer, select **Manage Inbound Fiscal Documents**.
2. On the **Fiscal Document Capture** page, click the Add icon.

Provide information as applicable in each infotile.

3. In the **Header** infotile, provide the required information.

Based on the fiscal document information you are recording, select a fiscal flow.

Standard Flows:

- **Standard** - Select this option for creating fiscal documents involving goods or services that may not match purchase orders and may contain transactions that may not involve payments.
- **Standard Complementary** - Select this option for creating complementary fiscal documents for standard fiscal documents involving goods or services that may not match purchase orders and may contain transactions that may not involve payments.
- **Bookkeeping** - Select this option for creating fiscal documents involving fiscal flows that do not match purchase orders or shipments and the fiscal documents are captured only for fiscal reporting purposes.

Drop Shipment Flows:

- **Drop Shipment Remittance** - Select this option for creating fiscal documents involving drop shipment remittances that match fiscal documents.
- **Drop Shipment Sales** - Select this option for creating fiscal documents involving drop shipment sales, where the fiscal document includes goods or services that match purchase orders and contains transactions that may involve payments.
- **Drop Shipment Sales Complementary** - Select this option for creating complementary fiscal documents for fiscal documents involving drop shipment sales, where the fiscal document includes goods or services that match purchase orders and contains transactions that may involve payments.

You can create a complementary fiscal document for recording additional changes to an existing fiscal document.

Freight Acquisition Flows:

- **Freight Acquisition** - Select this option for creating fiscal documents involving freight services that are issued by a service provider.
- **Freight Acquisition Complementary** - Select this option for creating complementary fiscal documents for fiscal documents involving freight services.

You can create a complementary fiscal document for recording additional changes to an existing fiscal document.

Internal Transfer Flow:

- **Internal Transfer** - You can capture internal transfer information in fiscal documents.

Import Goods Flow:

- **Import Material by Internal Transfer** - You can import goods from the overseas branch organization to your organization within Brazil for self use or to be delivered to your customer organization.

Goods Return Flows - Return Material Authorization:

- **Material Returned by Seller** - Create fiscal documents involving return of goods from sellers.
- **Material Returned by Customer** - Create fiscal documents involving return of goods from customers.

4. Based on the requirement select an infotile and provide information, once the required information is recorded, click **Save and Close**.

Related Topics

- [How You Receive Item Deliveries](#)
- [Manage Tolerances](#)
- [Manage Line Items](#)
- [Manage Fiscal Document Charge Lines](#)
- [Manage Document Holds](#)

Manage Line Items

To provide information in the Lines infotile.

1. In the **Create Fiscal Document** page, in the **Lines** infotile, provide details of the line items regarding purchase, schedules, and taxes.

A single fiscal document can have multiple PO schedules from a supplier shipping to a same ship to location.

Charge Lines

Charge lines include supplier charges paid by the supplier and billed to the buying organization.

You can capture the total amount of supplier charges shown in the fiscal document and then proportionately allocate the charge amounts to the individual items in the fiscal document using item material amount as the allocation basis. The freight information includes carrier waybill number and carrier vehicle plate number and whether International Commercial Terms (INCOTERMS) are free on board (FOB) or Cost, Insurance, and Freight (CIF.)

Supplier charges are taxable and are added to the material cost of the item. The summed amount of material and supplier charges equals the tax basis of the item on which some taxes are calculated. Usually charges only include freight charges.

Manage Fiscal Document Charge Lines

To provide information on charges:

1. In the **Create Fiscal Document** page, in the **Charges** infotile, provide the required information.

Allocate charges manually or keep default value as calculated by the supplier and validate taxes.

Other Documents

Other documents include referenced fiscal documents and legal documents.

Referenced fiscal documents: When additional changes are required in a fiscal document, you can create a complementary fiscal document to record these additional changes. While creating this complementary fiscal document you can reference the earlier fiscal document and this reference is recorded as a referenced fiscal document.

Legal processes: All legal documents associated with the fiscal document are recorded and maintained in the legal processes.

Manage Other Documents

To provide information on other documents:

1. In the **Create Fiscal Document** page, in the **Other Documents** infotile, provide the required information.
Include all the legal transactions that are associated with this fiscal document in the legal processes. Include referenced fiscal document information here.

Manage Document Holds

To manage holds:

1. In the **Create Fiscal Document** page, in the **Holds and Validation Errors** infotile, provide the required information.
If you find quality problems on materials or there are missing discount amounts, then you can create a hold to manage these deviations.
Once the deviation is corrected, you release these holds and complete the receipt of goods or service.

Calculate Taxes

To calculate taxes:

1. In the fiscal document, click **Actions** and then click **Calculate Tax**.
2. In the confirmation message, click **OK**.

Validate Fiscal Documents

Several aspects of a fiscal document are validated.

The validation activity detects the process and type of fiscal document and based on the expected behavior captured from the process options entity, a series of validations are performed on the fiscal document. This activity includes validation for data integrity, price and quantity tolerances. Based on the validation, price and quantity holds on the fiscal document are generated. Information is gathered on tax calculation and returns that can generate tax holds on the documents. Validation also sets the fiscal document's status.

To validate a fiscal document:

1. Open the fiscal document that you want to validate and click **Actions** and then click **Validate Fiscal Document**.
2. In the Confirmation message, click **OK**.

View Validation Errors

To view validation errors in a fiscal document:

1. Open the fiscal document and click **Actions** and then click **View Validation Errors**.
2. To close the validation error messages, click **Done**.

3 Receive and Process Fiscal Documents

Process Fiscal Documents

Task Flow for Prepayments

Use the Prepayment fiscal flow to record, calculate tax, and track supplier prepayments against purchase orders before goods receipt, in compliance with Brazil's procure-to-pay fiscal requirements.

When you enable the Prepayment fiscal flow for the *Purchase Order* source document type, the application automatically applies prepayments to the final invoice. This process ensures accurate tax calculation, proper invoice matching, and fiscal compliance.

Supported CFOP Codes

Outbound:

- 5922 – Billing of Future Sales
- 6922 – Billing of Future Sales

Inbound:

- 1922
- 2922

Configuration Requirements

- Set the supported outbound CFOP codes as **Inactive** in other fiscal flows and **Active** only for the Prepayment fiscal flow.

Processing Notes

- Charges aren't supported for prepayment fiscal documents.
- The application doesn't create a receipt for purchase orders matched to prepayment fiscal documents.
- Prepayment fiscal documents can include:
 - Lines matched to a purchase order
 - Lines without a source document
- For lines without a source document, the resulting payables invoice line doesn't reference a purchase order. You must manually apply available supplier prepayment invoices to the standard invoice.
- Only standard prepayment fiscal documents are supported. Complementary fiscal documents aren't supported.
- The prepayment fiscal document accounts for withholding taxes. Standard tax accounting occurs when the final fiscal document for the purchase order is processed.

Task Flow for Purchase of Goods

This business process activity includes the following tasks:

- Create purchase order
- Supplier ships goods
- Capture fiscal Document information
- Prevalidate fiscal document attributes and amounts
- Receive against purchase order
- Calculate product cost
- Transfer item cost information to the costing application
- Transfer prior to invoicing information to the payables application

Create Purchase Orders

To purchase goods, buying organizations issue purchase orders (POs) to its suppliers.

Supplier Ships Goods

During preparation of a shipment, supplier generates a fiscal document with details on goods, charges, and taxes that are applicable to the sale of goods to the buying organization. The fiscal document is printed and this document accompanies the goods to the warehouse of the buying organization. An electronic fiscal document is transmitted to the buying organization to facilitate and expedite the validation of the information in the fiscal document.

Capture Fiscal Document Information

From the buying organization, a user with the Load Electronic Fiscal Document (CMF_LOAD_XML_FISCAL_DOCUMENT) privilege loads the electronic fiscal document using the Fiscal Document Capture work area to validate its information and the following information is loaded:

- General attributes: Supplier name and location, customer name and delivery location, and so on
- Item fiscal attributes: Intended use (from PO), fiscal code (from fiscal document), and so on
- Freight (as shown in fiscal document)
- Other charges (as shown in fiscal document)
- Exclusive taxes shown in fiscal document

When you select the PO for which the fiscal document information is being captured, the available PO information such as the PO line items, numbers, and descriptions, ordered quantity, received quantity, intended use, and so on are displayed. Also, the applicable taxes based on the purchase are displayed.

Note: You can also capture the fiscal document details using the XML import process. When you import a fiscal document, if the matching source documents, that's the purchase order and purchase order line number aren't provided in the XML during the import process, then they're derived and associated with the fiscal document line. If more than one match is found, the results are sorted by requested delivery date, promised delivery date, header level creation date, ordered by oldest line and schedule.

Capture Fiscal Document Information for Trade With a Natural Person

While trading with an individual who is also referred to as a natural person, the fiscal obligations and documentation requirements differ from those involved in the business-to-business (B2B) transactions. In most scenarios, a natural person is not legally obligated to issue a fiscal document for the trade. However, Brazilian tax authorities regulate the fiscal documents capture, and it is mandatory to issue a fiscal document for compliance with the tax laws.

For trades with natural persons, it is the responsibility of the first party business entity, that is, the organization or company involved in the transaction to issue and send the fiscal documents to the natural persons, and enable them to supply the goods or service.

You can now capture such fiscal documents issued by the first party for trades with natural person using the following new fiscal flows:

- Standard Issued by Buyer
- Standard Complementary Issued by Buyer
- Bookkeeping Issued by Buyer
- Bookkeeping Complementary Issued by Buyer

Here are some tips and considerations:

- For the fiscal document issued by Legal Entity, in XML, tpNF =1, the Issuer Tax Payer ID = Ship to Tax Payer ID, and Receiver Tax Payer ID = Ship From Tax Payer ID.
- Ensure that the CFOPs are unique across the fiscal flows to ensure clean import of fiscal documents received via XML.
- While capturing the fiscal documents for purchases using PO as the source document, ensure that you don't use the same PO as the source document in both the flows, that is, where the FD is issued by the first party, and the FD is not issued by the first party.
- You can only capture fiscal documents issued by the first person for business flow domestic purchases and bookkeeping.

Prevalidate Fiscal Document Attributes and Amounts

You can prevalidate the electronic fiscal document as soon as it's received before the physical receipt of the ordered goods from the supplier. This prevalidation checks all information on the fiscal document except item quantities.

Once goods are received, the received goods are counted and if the received quantities of the items don't differ from the fiscal document item quantities, no further validation is required. The fiscal document is approved and the goods are received and delivered to inventory. If there are discrepancies between the fiscal document and the received item quantities, then corrective actions are required.

Validations are performed to ensure that information in the fiscal document is accurate; the information in the loaded fiscal document is compared with the information stored in the Oracle Fusion Cloud Applications. This includes validation of the following:

- General attributes: Parties (supplier and customer) and their locations, PO number, and so on
- Fiscal attributes: Tax codes, country of origin, intended usage, and so on
- Purchase information: PO items and prices
- Exclusive taxes: Taxes that are listed in the fiscal document, but not included in price of items.

Validations are performed to ensure that goods are received and delivered to inventory at a value that's inclusive of all the direct costs and applicable taxes associated with the goods.

Once the validation of general attributes, fiscal attributes, and financial amounts is complete, taxes are validated. A fiscal document may contain one or more taxes that require notification and validation.

Taxes are generally calculated and applied at the item level but they may be reported at either the document level or the item level in the fiscal document.

If IPI tax is present, then IPI tax is calculated on a tax basis that includes the sum of material cost and freight. Freight is only reported as a single amount at the fiscal document level. In Brazil, a fiscal document's total freight cost is allocated to the fiscal document items as a proportion of the item material cost value to the total material cost value. To support other country requirements, alternative charge allocation bases such as item quantity, weight, and volume are available.

To validate tax reported in a fiscal document, the tax information is sourced to determine the types and amounts of taxes that are expected to be reported as payable in the supplier fiscal document. Calculations are compared against the captured fiscal document tax amounts and any errors or tax differences are displayed.

If validation is successful, you can conditionally approve the fiscal document, pending verification of the actual quantity of received goods until the supplier's shipment arrives.

For information on determination and calculation of taxes, see the Oracle Fusion Cloud Financials documentation.

Receive Against Purchase Order

When goods arrive at the buying organization, a user with the Confirm Item Deliveries (CMF_CONFIRM_ITEM_DELIVERIES) privilege can unload and inspect the goods; the included documentation usually contains a waybill and a fiscal document. The fiscal document contains the supplier's fiscal declaration of sale and taxes pertaining to the shipment.

You must determine that the received item quantities match the fiscal document item quantities. If prevalidation contains no discrepancies or errors, you can create a system receipt for the received items, cross-referencing the supplier's fiscal document number.

If the receipt outing options are set as direct on the PO schedule, the application automatically creates:

- Both receipt and delivery for expense destination items with single distribution line and
- Only receipt for the inventory destination items or expense destination items with multiple distributions and requires a manual put away for delivery.

Calculate Product Cost

A fiscal document includes the material cost of purchased items, freight, and other charges billed by the supplier along with applicable taxes. The sum of these amounts is in the fiscal document. However, all of these amounts aren't included in the receipt cost of the items. Accounting GAAP standards and fiscal regulations prohibit the inclusion of recoverable taxes in the inventory valuation, as a result, in the calculation of receipt cost or inventory cost of an item, the amount related to the recoverable tax isn't included in the calculation of item cost.

Based on the preceding fiscal document amounts, the unit costs of the fiscal document receipt items are as follows:

Transfer item cost information: The item cost information is transferred to the costing application.

Transfer prior to invoicing information: The captured fiscal information is shared with the payables application. In Brazil, you can consider an inbound fiscal document as a proxy for a supplier invoice as the fiscal document is a formal statement of an invoiced business transaction from the supplier to the customer as shared with the fiscal authorities.

If a receipt is validated against the PO, then you can consider the invoice as matched in the payables application.

Task Flow for Purchase of Services

Purchase Order Line types define the commodity types in the PO such as Goods and Services.

Ordering goods requires quantity and price on the PO, while services require only amount on the PO.

You can capture a fiscal document for purchase of services for the:

- goods provided by a supplier
- amount-based purchases

Task Flow for Purchase of Services for Goods Provided By A Supplier

The task flow for capturing a fiscal document relating to services provided by a supplier differs from the goods provided by a supplier as follows:

- In Brazil, the fiscal document formats for the sale or purchase of a service differ substantially from the format used for sale or purchase of goods and these formats are defined by each municipality; however, the fiscal information displayed in the fiscal document is generally the same.
- A fiscal document service line matches a PO service line and no receiving is expected from this line. This service line information is shared with the payables application.
- A service is intangible and does not involve physical movement of goods.

The task flow for services includes the following:

- Prevalidate fiscal document attributes and amounts
- Verify service completion
- Validate the fiscal document

Task Flow for Purchases with Matching Basis as Amount

Process the amount-based purchases that are accrued either on receipt or at the period end.

For general business services ordered for a fixed amount and fixed price:

- the Service line type is used.
- the Purchase Basis for this line type is Service and the Matching Basis is Amount.
- for fixed price services, the PO line must have the line type, category, item description, and total amount of the service. However, item is not required.
- these PO line types are usually received from procurement. However, for Brazil localization, receipts and invoices for the fixed price services POs matched to the fiscal document are created from Oracle Fiscal Document Capture.
- Procure and pay for amount-based purchases using fiscal document.

Prevalidate Fiscal Document Attributes and Amounts

Prior to the verification of a completed service for both quantity and amount-based purchases, you can prevalidate an electronic fiscal document as soon as it is received. This prevalidation checks all the information on the fiscal document except for the item quantities.

For purchase of service:

- if the buying organization has not verified the completion of a service, then the prevalidation cannot compare the fiscal document details against the service.
- Once the service verification is complete, and if the completed quantities/ amount of the service do not differ from the fiscal document item quantities/amount, then no further validation is required and the fiscal document is approved and the service is accepted as received. If there are discrepancies between the fiscal document and verified service quantities/amount then corrective actions are required.

A set of validations are done to ensure that the information shown in the fiscal document is accurate. The loaded fiscal document Information is compared against the stored information in the Oracle Cloud Fusion Applications. This validation includes the following:

- General attributes: Parties (supplier and customer) and their locations, PO number, and so on
- Fiscal attributes: Tax codes, country of origin, intended usage, and so on
- Purchase: PO total amounts and item or description details (including quantity, price, and amount)
- Exclusive taxes: Taxes that are listed in the fiscal document and not included in the price of the service items.

Validations are performed to ensure that services are received at a value that is inclusive of all the direct costs and applicable taxes associated with the service.

Once the validation of general attributes and fiscal attributes is complete, the taxes in the fiscal document are validated.

Taxes are generally calculated and applied at the line level but they may be reported at either the document level or the line level in the fiscal document.

To validate tax reported on the fiscal document, the tax application determines the types and amounts of taxes that are expected to be reported as payable in the supplier's fiscal document. The calculations against the captured fiscal document's tax amounts are compared and any errors or tax differences are displayed.

Once the prevalidation is complete, a conditional approval can be provided for the fiscal documents that include a service that is quantity based or fixed price based.

For information on determination and calculation of taxes, see the Oracle Fusion Cloud Financials documentation.

Task Flow for Description-Based Purchase Orders

Description-based POs are also called catalog-based punch out items. They are purchase orders with only description, and without an item reference. They are routed as expense destination.

These POs can additionally have supplier item reference on the PO line or can only have description or can also have an internal item.

The flow for these POs is very similar to the standard purchase order flows. You can create complementary fiscal documents and support freight fiscal documents for description-based purchase orders as well.

For description-based POs, while importing the fiscal document, here's how the processing logic works:

- The supplier item reference on the purchase order line is used for matching with the inbound fiscal document line.
- Fiscal document Item matches with the internal item.
- If the fiscal document item doesn't match with internal item, the application checks if it matches with the supplier item. If match is found, this reference is used to identify if the POs schedules are available to assign to the fiscal document line.
- If this match finds PO schedules both with and without an item, then first preference is given to associate the POs which matches the description on fiscal document line in XML. If the match fails, then the quantity and price filters are used to break the tie. If still there are multiple records, then preference is given to the PO Schedule without the item over the one with item.
- If the details given on the fiscal document in XML for item doesn't match with the internal item or supplier item on the PO, then application checks if the description has a match. If nothing matches, then the fiscal document will be listed in the Exceptions page for manual intervention.
- If the check with supplier item returns POs with item and without item, then first preference will be to associate the POs which has match with the description on fiscal document line in XML. If the match fails, then the description-based PO will be associated to the line.

Task flow for Expense Destination Purchases

Purchase order schedules for an expense destination may be accrued either at receipt or accrued at period end.

Expense destination purchases can be for an item or description based. You can create fiscal documents for expense destination purchase orders that accrue either at receipt or period end.

The task flow for purchase orders accrued at receipt is same that of the purchase of goods and services.

Description-based purchase orders are routed as expense destination purchases and could be accrued at period end. Receipts against such purchase orders are accrued as expenses in receipt accounting in an accounting period where the invoice is usually not yet received and accounted before the period end. Accounting and reporting of taxes from fiscal document for such purchases will be done on Invoice created in Payables, and receipt accounting only generates period end accrual for uninvoiced receipt value using the estimated price and taxes on the purchase order.

Task Flow for Intercompany Shipments

Record import fiscal documents for intercompany drop-shipment transactions that import goods.

The fiscal document is associated with the sales order, sales order line, and fulfillment line, and can be used to control the progression of financial orchestration events and support downstream accounting.

Before capturing fiscal documents for intercompany drop shipments, complete the following setup:

- Configure a valid Financial Orchestration flow between the participating business units.
- Enable shipment-flow hold controls.
- Create the required financial flow agreements for the intercompany drop-shipment process.
- Configure the Import Material by Drop Shipment fiscal flow.

- Complete the required fiscal setup for Brazil import transactions.

Capture an Import Fiscal Document

To capture an import import fiscal document:

1. Create the intercompany drop-shipment order.
2. Verify that the associated financial orchestration flow is created.
3. Open Fiscal Document Capture.
4. Create an import fiscal document using the Import Material by Drop Shipment fiscal flow.
5. Enter the sales order, sales order line, and fulfillment line information.
6. Enter the import tax information from the fiscal document.
7. Save and validate the fiscal document.

The fiscal document is associated with the intercompany drop-shipment transaction and is available for downstream processing.

Import Material by Drop Shipment Fiscal Flow

Use the Import Material by Drop Shipment fiscal flow when capturing fiscal documents for Brazil import drop-shipment transactions.

Fiscal Document for Import Drop Shipment

The fiscal document contains the sales-order and fulfillment-line references required to associate the import transaction with the corresponding financial orchestration flow.

Review Import Taxes

After the fiscal document is captured, review the import tax information.

The fiscal document can include:

- Recoverable import taxes
- Nonrecoverable import taxes
- Import-related charges

These values are used during downstream accounting and costing processes.

The accounting impact can include:

- Trade Receipt Accrual accounting
- Trade In Transit accounting
- Trade Sale Issue Cost accounting
- Cost of Goods Sold accounting

Subledger Accounting (SLA) sources are available to reference fiscal-document attributes and inbound CFOP information.

Manage Financial Orchestration Event Holds

Shipment-flow hold controls can prevent financial orchestration events from progressing until the required fiscal document is available.

When a hold rule is configured, the trade event remains on hold until the fiscal document reaches the required status.

Considerations

When processing import fiscal documents for intercompany drop shipments:

- Taxes are calculated using the assessable value recorded on the fiscal document.
- The transfer price can differ from the fiscal-document amount.
- Differences between the transfer price and the fiscal-document amount can result in processing holds that require user review.
- Configure tolerance rules to identify significant price differences and data-entry discrepancies.
- Nonrecoverable import taxes are included in cost calculations.
- Charges such as Siscomex fees can be accounted for through overhead absorption, depending on your configuration.
- Direct sales returns to the originating business unit aren't supported for this flow.

Buyer Drop Shipment Fiscal Documents

You can capture, process, and validate the following:

- Drop ship sales fiscal documents
- Drop ship remittance fiscal documents
- Complementary fiscal document for tax and price against a sales drop ship fiscal document

You can do the following:

- Automatic reference between drop ship remittance fiscal documents to sales fiscal documents
- Automatic receipt creation
- Automatic invoice creation
- Costing and accounting of receipts

The buyer drop ship workflow includes the following:

The process starts when a buyer raises a PO with a seller, who in turn asks the original supplier of the goods to directly send the items to the buyer. A fiscal document generally identifies the parties involved in a buy or sell activity. For the drop ship business process, multiple fiscal documents are involved in order to meet the fiscal compliance.

A buyer can check for fiscal compliance. The buyer originally raises a purchase order (for example, PO1) to the seller; accordingly, the seller creates a sales order (for example, SO1) and also generates an outbound drop ship sales fiscal document (for example, FD1) to send to the buyer. In parallel, the seller also orders the supplier to send the goods directly to the buyer by placing an order with the supplier (for example, PO2). The supplier, upon the shipment of goods, generates a drop ship remittance fiscal document (for example, FD2) referring the drop ship sales fiscal document FD1, and dispatches the goods to the buyer location.

The buyer receives two different types of fiscal documents namely drop ship sales fiscal document FD1 and drop ship remittance fiscal document FD2, which is captured and validated for the activity to be marked for fiscal compliance.

The drop ship sales fiscal document typically contains the material details and tax amounts involved in the trade transaction representing the sale value of the goods by seller to its customers. On receipt and capture of the fiscal document, a prior to delivery validation is done, comparing the items and prices of the items listed in the fiscal document against the items and prices specified in the PO. A prior to delivery validation of taxes is also performed against the PO item quantities and prices. Differences in the item prices and taxes are recorded and the fiscal document is placed on hold pending investigations and resolution of the item price or amount differences. The drop ship sales fiscal document is marked as validated only if all referencing drop ship remittance fiscal documents are captured and validated. Upon validation, this fiscal document is used to create receipt in the Receiving work area, to create a payables invoice in the Payables work area; report for applicable recoverable taxes in the Tax work area and costing of the receipt value of the goods in the cost management application.

The drop ship remittance fiscal document typically contains the shipment documentation of selling company's supplier that shipped the goods and this information is used as bill of lading in the trade. When the purchased materials are delivered to the buying organization's location, the delivered item quantities are counted and compared to the items quantities specified in the drop ship sales fiscal document. Differences in delivered quantities are recorded and the fiscal document is placed on hold pending investigations and resolution of the quantity differences. On successful validations, the item quantities are automatically updated in the drop ship sales fiscal document for completing automatic receipt creation in the Receiving work area.

You can create a complementary fiscal document for tax or price, and you can receive and validate this document for complementing price or tax of the sales drop shipment fiscal document.

Seller Drop Shipment Fiscal Documents

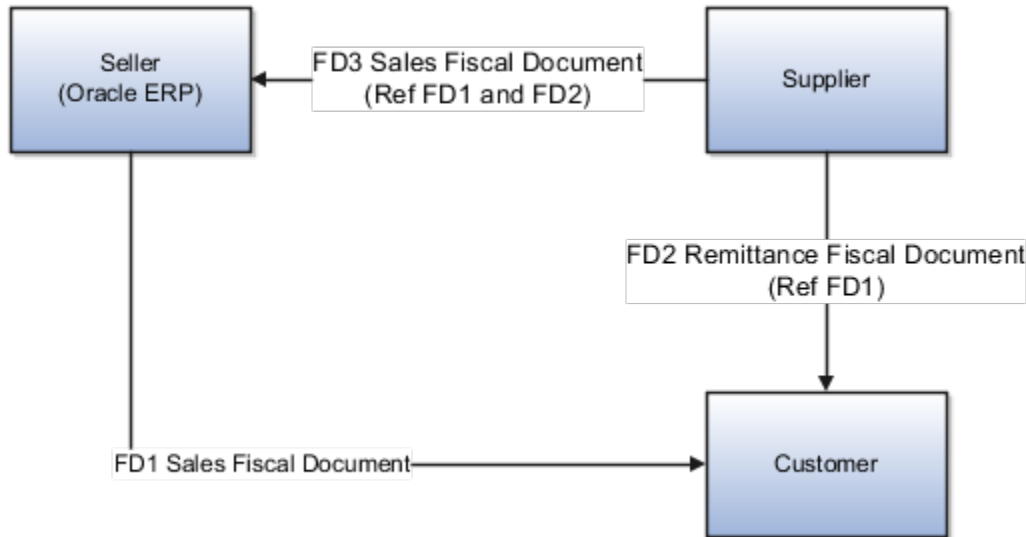
You can capture, process, and validate the following:

- Drop ship sales fiscal documents
- Complementary fiscal document for tax and price against a seller drop ship fiscal document

Note: This release only supports the simple drop shipment flow where there is only one business unit.

For this flow to work, you must have a drop ship agreement. When you create the agreement in Supply Chain Financial Orchestration, ensure that you use ASN as the ownership change event.

This figure shows the seller drop ship flow.



The process starts when a buyer raises a PO with a seller, who in turn asks the original supplier of the goods to send the goods directly to the buyer. The supplier informs the seller on their shipment readiness. The seller records an Advanced Shipment Notice (ASN) in the application to confirm the sale fulfillment and generates a Drop Ship Sales Fiscal Document (FD1) to buyer.

FD1 reference is shared with the supplier to ship the goods out of their warehouse. The supplier dispatches goods to the buyer location by generating a Drop Ship Remittance Fiscal Document (FD2) referring the Drop Ship Sales Fiscal Document (FD1). The supplier also generates a Drop Shipment Seller Fiscal Document (FD3) referring FD1 and FD2 for payment and sends to the seller.

The seller on receiving the Drop Ship Seller Fiscal Document (FD3) captures and validates it in the Oracle Fiscal Document Capture for fiscal compliance.

Drop Ship Seller Fiscal Document typically contains the material and tax amounts involved in the trade transaction, representing the sale value of the goods shipped by supplier against the drop ship purchase order. Upon validation, this fiscal document is used for the following:

- Update fiscal references on the drop ship receipt in Receiving
- Create a payables invoice in Payables
- Report for applicable recoverable taxes in Tax
- Cost the drop ship receipt value of the goods in Oracle Cost Management

You can create a complementary fiscal document for tax or price, and receive and validate this document for complementing price or tax of the seller drop shipment fiscal document.

Conditions for the Seller Drop Shipment Flow to Work

The following are the conditions for the seller drop shipment flow to work:

- The supplier must send an ASN to the seller or the seller themselves should manually record ASN in the Receiving application just before the supplier is ready with shipment to customer.
- When seller receives FD3 from supplier, as the XML document from supplier might not have ASN reference, the supplier will have to communicate ASN details separately to the Fiscal Document specialist. Fiscal document validation process uses the ASN information as one of key identifier to get the receipt quantities in Receiving.

If there is any mismatch, the only option is that the Fiscal Document specialist must cancel FD3 and request for the correct FD from supplier.

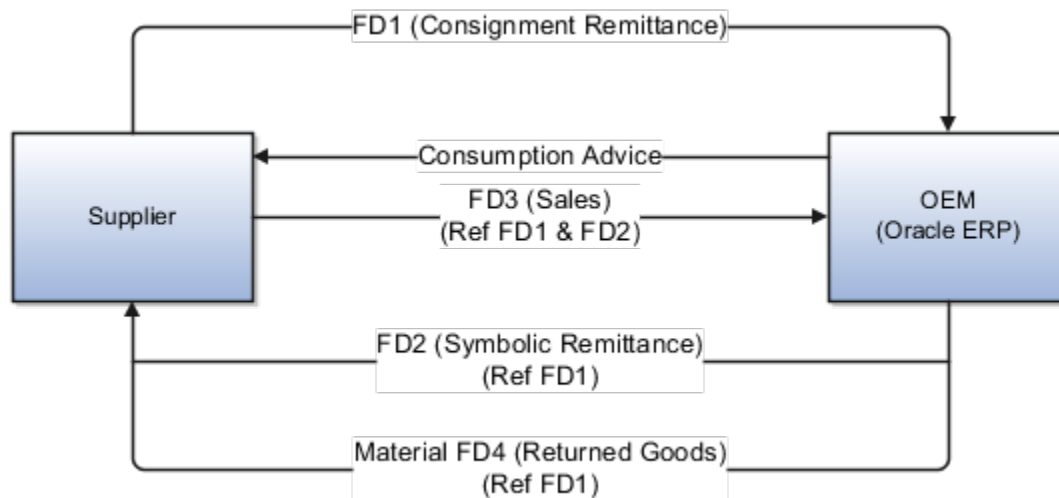
- For a drop ship flow, normally there will be no partial shipments against a PO schedule. However, if for any reason there are partial shipments against the PO schedule quantity, split the original PO schedule to match the shipment. This implies that ASN always matches the FD1, FD2, and FD3. For each shipment separate FD1, FD2, and FD3 are generated.
- Based on the trade terms, freight can be paid by either customer or seller. In instances where seller pays the freight for a drop shipment to customer, the freight fiscal document will reference FD2, not FD3. Such freight cost is considered as freight for sale shipment and it's not added to the cost of the drop shipped item.
- Return flow is similar to the regular standard fiscal document flow as there will be a physical return of goods from seller to supplier against the drop ship PO.

Supplier Consigned Receipt Flow

This flow involves the following steps:

1. Supplier issues a Consigned Remittance Fiscal Document (FD1) and delivers goods to the buyer as consigned in nature.
2. When buyer consumes the goods, they generate an outbound Symbolic Return Fiscal Document (FD2) indicating the ownership change, and sends to the supplier.
3. The supplier then generates Sales Fiscal Document (FD3) and sends to the buyer for payment.
4. Finally, buyer generates FD4 for any return of consigned goods to the supplier.

This figure shows the steps involved in a supplier consigned receipt flow.



Fiscal document capture handles transactions from the buyer's perspective. So the Fiscal Document Specialist captures FD1 and FD3 fiscal documents sent by the supplier to the buyer.

Consigned Remittance Fiscal Document (FD1)

FD1 contains information of the items and quantity sent on consigned and price-related information like Item price, Inclusive ICMS tax, Exclusive IPI tax, and charge lines like Freight, insurance, discount, and so on.

The ICMS and IPI taxes in FD1 are eligible for recovery. The Other Expenses charge in FD1 (Consignment Remittance fiscal document) will always be zero, because the Other Expenses in FD3 (Consignment Sales) will only accommodate the IPI tax amount.

Initially, only goods are sent without the ownership change. So, only a receipt is created, but not invoice.

FD1 can have charges that are allocated to the item lines, but as they're not accrued or paid to supplier, they aren't accounted as landed costs until the ownership change is recorded. However, they're accounted to Consigned Inventory Value to calculate the value of goods and for insurance purposes.

FD1 can only have quantity complementary fiscal documents.

Sales Fiscal Document (FD3)

As a buyer or manufacturer, when you consume goods, you generate an outbound Symbolic Return Fiscal Document (FD2) indicating the ownership change for the goods you have consumed, and send it to the supplier.

Supplier then creates corresponding sales fiscal document (FD3) based on FD1 and FD2, and sends it back to you. So there will always be a 1-1 match between FD2 and FD3.

Note: Every time goods are sent, an FD1 is created. You may consume goods listed in different FD1 documents. Therefore, FD2 can have references to multiple FD1 documents. However, one FD3 will have reference to only one FD2.

The PIS and COFINS taxes are inclusive in nature and are eligible for recovery. There will be no complementary fiscal documents for FD3.

In Inventory, the consumption advice documents contain details of the goods consumed by you. This consumption advice generation will be based on the Consigned PO Agreement and the specified frequency.

In Accounts Payables, during tax calculation, the tax lines in FD1 (ICMS and IPI) are taken as delivery based taxes, and the tax lines in FD3 (PIS and COFINS) as non-delivery based taxes.

Note: It is recommended that the taxes are calculated in the PO document and there is no difference between tax on PO and fiscal document. This is to ensure that Account Payables properly calculates the variances because of inclusive taxes. If there are any discrepancies, you must manually adjust the variances by passing journal entries in General Ledger.

On consigned receipt, there is only ICMS tax line which is inclusive in nature. Therefore, Accounts Payables reverses the item accrual line based on the receipt, and generates variance lines for invoice-based PIS and COFINS taxes. Accounts Payables calculates the difference between the item prices on invoice for the corresponding receipt.

Let's consider a scenario where the item price is 50.00 Brazil Real and ICMS inclusive tax (at the rate of 10 percent of ICMS) is 5.00 Brazil Real. The raw price will be 45 Brazil Real, (that's, the difference between the Item Price and ICMS inclusive tax). If exclusive tax accrual is 5 percent of the IPI tax and IPI exclusive tax is 2.50 Brazil Real, once the seller sends FD3, the values are adjusted in the fiscal document as follows.

The following table displays the adjusted values in the fiscal document on receipt of FD3 from the seller:

Particulars	On Receipt	On Invoice
Item price on fiscal document	50	50
Raw item Price	45	NA

Particulars	On Receipt	On Invoice
ICMS inclusive tax (at the rate of 10% ICMS inclusive)	5	5
PIS Inclusive (at the rate of 5% PIS Inclusive)	NA	2.5
COFINS Inclusive ((at the rate of 5% COFINS Inclusive)	NA	2.5
Revised raw item price	NA	40

The following table displays the Accounts Payables distributions on receipt of FD3 from the seller:

Particulars	On Invoice
Reverse item price accrual (that's, price used on receipt)	45
Favorable IPV line (that's, difference between the raw item price on receipt and invoice)	-5
TRV line for taxes on invoice	NA
PIS	2.5
COFINS	2.5

For more information, see the Manage Receipt Accounting chapter in the Using Supply Chain Cost Management user guide.

Freight Fiscal Documents for Inbound Flow

You can capture, process, and validate the following:

- Freight fiscal documents for inbound purchases
- Freight complementary fiscal documents for tax and price

You can do the following:

- Automatic reference of freight fiscal documents to standard fiscal documents and allocate charges to receipts.
- Automatic invoice creation.
- Calculate recoverable tax on the freight fiscal document in Accounts Payable.
- Costing and accounting of allocated freight charges adjusted to include recoverable tax for receipts.

You can work with the freight fiscal document and its compliance as follows:

The process starts when the freight company generates a freight fiscal document and sends this document to the buying organization, typically on a monthly basis referencing all the standard fiscal documents for which freight service was provided. This fiscal document is typically received from the service provider in a structured XML-formatted file which is loaded into and transformed by the Oracle Fusion Cloud Collaboration Messaging Framework service. In situations where the service provider only provides a printed copy of the fiscal document, you can enter and edit the fiscal document information directly in the Manage Fiscal Documents page. The Oracle Fusion Cloud Collaboration Messaging Framework service allows communication with SEFAZ, the Brazilian fiscal authority, to confirm the validity and status of the received fiscal document.

Upon validation, the charges in the fiscal document is allocated to the PO receipts recorded against the referenced standard fiscal documents to ensure that:

- receipt cost is adjusted for the specific freight charges
- an invoice for the freight service is created in the Payables work area
- any recoverable amount on the taxes levied on the freight document are calculated

Upon validation, charges from the fiscal document are directly allocated in the cost management application. Costing and accounting of the freight charges including the nonrecoverable taxes are done to create the receipts.

Note: You can capture these freight acquisition fiscal documents against a purchase order so you can automatically create a matched invoice in Payables. When matching the purchase orders to these freight acquisition fiscal documents, only the following types of POs are considered for matching with the freight acquisition fiscal document:

- Match Option: Yes
- Purchase basis: Fixed Price Services
- PO currency: Brazil Real
- Destination type on PO: Expense

When the freight line is matched to a purchase order:

- a receipt is generated in the Receiving module
- an expense accrual is booked in receipt accounting
- these freight costs are recorded as landed cost charges in the receipt accounting and cost accounting so that they can be absorbed as the acquisition item cost

Freight Fiscal Documents for Outbound Flow

This fiscal flow applies when a freight fiscal document is sent by the third party service provider for the freight incurred in transporting goods for outbound shipments, and requires payment to that service provider.

The Freight Outbound flow becomes applicable when you incur freight for the following business flow scenarios:

- When you're shipping goods to a customer
- When returns are made from the customer
- For movement of goods within the organization as part of internal transfer
- For customer drop shipments
- For customer drop shipment returns
- For consigned flow

Also, this fiscal flow supports price complementary fiscal documents.

As this flow is for outbound freights, the freight incurred on them aren't allocated to the item costs. Instead, you can create an invoice directly in Payables. You can now capture these freight fiscal documents sent by the third-party service provider against a purchase order so you can create a matched invoice instead of an unmatched invoice in Payables.

When matching the purchase orders to these freight fiscal documents, only the following types of POs are considered for matching with the freight fiscal document:

- Match option: Yes
- Purchase basis: Fixed Price Services
- PO currency: Brazil Real
- Destination type on PO: Expense

If there are no eligible purchase orders, then the freight fiscal document is processed as a no source fiscal document.

Note: To successfully match a freight fiscal document with a PO, here are few important points to consider:

- Define a custom PO line type for purchase basis with fixed price services as BR_Freight and create a PO with this new line type. This ensures a streamlined matching of a PO to a freight fiscal document, as the Freight fiscal documents do not have a description in the XML, unlike standard fiscal documents.
- Freight fiscal flow with bookkeeping continues to be a no-source and isn't considered for matching with PO.
- You can also match a freight fiscal document with a PO having multiple distributions. In such a scenario, the distribution charge account for payables will be derived from the matched PO distribution.
- You can also capture price and tax complementary fiscal documents.
- The Confirm Item Deliveries page will be read-only as these freight fiscal documents are matched to purchase lines with fixed price services.

During the freight fiscal document capture, if there are multiple sites with the same Ship To address, then:

- The application automatically picks the one that's set as the primary site with the required CNPJ.

- If no primary site is found, then the first customer site that searched for the CNPJ is automatically picked.

Freight Fiscal Documents for Other Services

You can capture, process, and validate the fiscal documents used for cargo transport and other freight services with Model 67.

The tax calculation and validation allow you to confirm the fiscal document information. You can also do fiscal reporting and compliance.

Here are the fiscal documents for electronic transport purpose only:

- Freight Other Services
- Freight Other Services Complementary
- Freight Other Services for Bookkeeping
- Freight Other Services for Bookkeeping Complementary

You can have either the regular freight other services fiscal flow or a bookkeeping version or both. There is no difference in the XML format of a regular freight other services fiscal document and the only bookkeeping fiscal document. If you want to use both options of the freight fiscal flow, then use the mapping set capability to specify the preference for flow identification.

Fiscal Documents for Bookkeeping Only

You can capture, process, and validate fiscal documents used for bookkeeping only. The tax calculation and validation is available to confirm the fiscal document information. You can also do fiscal reporting and compliance.

Here are the fiscal documents for bookkeeping purpose only:

- Standard Fiscal Documents for Bookkeeping only
- Freight Fiscal Documents for Bookkeeping only
- Freight Fiscal Documents for Other Services for Bookkeeping only

Standard Fiscal Documents for Bookkeeping only

Fiscal documents are exchanged between organizations when the fiscal documents are required in the fiscal reports. Some fiscal documents don't generate transactions inside subledgers like payables and cost management, but are validated and stored for fiscal reporting purposes. Using only bookkeeping you can enter fiscal documents to provide tax validation and fiscal compliance.

Also, this fiscal flow supports tax, price, and quantity complementary fiscal documents.

Freight Fiscal Documents for Bookkeeping only

For goods and services, you can create freight fiscal documents for bookkeeping purposes only.

Note: Services include freight for other services also, that is, Model 57 and Model 67 services.

When a freight service provider additionally sub-hires other freight service providers for transportation purposes, the fiscal documents will not have the taxpayer information like the 'Ship From' and 'Ship To' details. As these services are usually paid based on a standing contractual agreement, they don't require subledger entries, but need tax validation and fiscal compliance. Using only bookkeeping, you can enter freight fiscal documents to provide tax validation and fiscal compliance.

You can import, process, and capture freight fiscal documents for Bookkeeping purposes only using the Freight Bookkeeping fiscal flow process.

Note: Set the bookkeeping freight fiscal flow as active in the Manage Fiscal Flows page before importing any freight fiscal documents that are for fiscal reporting purposes only. You can have either the regular freight acquisition fiscal flow or a bookkeeping version or both. There is no difference in the XML format of a regular freight acquisition fiscal document and the only bookkeeping fiscal document. If you want to use both options of the freight fiscal flow, you must specify the preference for flow identification in setup and maintenance. See the *Specify Freight Fiscal Flow Preferences* topic in the Oracle Fusion Cloud SCM Implementing Manufacturing and Supply Chain Materials Management guide for more information.

Internal Transfer of Fiscal Documents

You can capture internal transfer information in fiscal documents. You can do the following for an internal transfer of goods:

- Capture processes and validate internal transfer fiscal documents.
- Get automatic transfer order receipts.
- Report tax exemption for interorganization in transit transfers.
- Calculate and report taxes on transfers within the profit center business units.
- Do costing and accounting of internal transfers.

The process starts in the source organization with creation of a transfer order in the Inventory work area, followed by a shipment in the Shipping work area. As part of the shipment confirmation, an outbound fiscal document gets generated in the XML file format and this file is typically shared with the partner organization for converting into a structured XML format file approved by the fiscal authority. The structured XML is sent to the destination organization, which is transformed by the Oracle Fusion Cloud Collaboration Messaging Framework service, and captured in the fiscal document capture application.

Alternatively, you can enter the fiscal document information directly in the Manage Fiscal Documents page.

For the inbound fiscal document, on successful validation of the business transaction, a receipt is automatically created in the Receiving work area and receipt value of the goods is used for costing and accounting in the cost management application.

The estimated cost at the time of shipment is used as the price on the outbound fiscal document for the shipping organization.

The tax details are included depending on the tax setup for internal transfers in the tax application.

If you incur taxes on an internal material transfer receipt, and they're nonrecoverable, exclude them from the item cost.

To exclude nonrecoverable taxes, do the following.

1. In the Setup and Maintenance work area, go to the following:
 - Offering: Manufacturing and Supply Chain Materials Management
 - Functional Area: Cost Accounting
 - Task: Manage Cost Component Mappings
2. On the Manage Cost Component Mappings page, for the Nonrecoverable Transfer Tax cost component, deselect the *Include in Inventory* option.

In cost accounting, taxes on shipment are shown as cost elements, auto generated at the granular level of Tax Code on the shipping transaction. Taxes are added to the intraorganization receivables amount in the shipping organization.

If there are returns, create a separate Internal Material Transfers shipment document. For example, if original shipment is from Organization A to Organization B, and if Organization B wants to return the goods, you must create a fresh internal material transfer from Organization B to Organization A, and use appropriate CFOP code for returns on the fiscal document.

Note:

- Do not create return transfer order for Internal Material Transfer returns.
- When you create a separate transfer order, you can use the original transfer fiscal document as a reference when processing fiscal documents for internal transfer returns.

Let's consider a scenario where the shipping cost is 1000 Brazil Real, and three taxes are incurred on the internal transfer:

- Recoverable Tax 1 (BR_IPI): 50.00
- Recoverable Tax 2 (BR_PIS): 75.00
- Nonrecoverable Tax 3 (BR_COFINS): 100.00

The following table lists events and the corresponding cost and receipt accounting entries:

Organization	Event	Cost Source	Amount	Accounting Line Type	Cost Elements	SLA	SLA Account
Shipping Organization	Transfer Order Shipment	Inventory Cost	1000	Trade In transit	Material	Cost Accounting	In Transit Contra account in SLA
Shipping Organization	Transfer Order Shipment	Inventory Cost	-1000	Inventory	Material	Cost Accounting	Inventory account in Costing SLA
Shipping Organization	Transfer Order Shipment	Shipment Taxes	50	Trade In transit	BR_IPI	Cost Accounting	In Transit Contra account in SLA
Shipping Organization	Transfer Order Shipment	Shipment Taxes	-50	Tax Liability	BR_IPI	Cost Accounting	Tax Account Combination
Shipping Organization	Transfer Order Shipment	Shipment Taxes	75	Trade In transit	BR_PIS	Cost Accounting	In Transit Contra account in SLA

Organization	Event	Cost Source	Amount	Accounting Line Type	Cost Elements	SLA	SLA Account
Shipping Organization	Transfer Order Shipment	Shipment Taxes	-75	Tax Liability	BR_PIS	Cost Accounting	Tax Account Combination
Shipping Organization	Transfer Order Shipment	Shipment Taxes	100	Trade In transit	BR_COFINS	Cost Accounting	In Transit Contra account in SLA
Shipping Organization	Transfer Order Shipment	Shipment Taxes	-100	Tax Liability	BR_COFINS	Cost Accounting	Tax Account Combination
Shipping Organization	Trade In Transit Issue	Cost from Transfer Order Shipment Transaction	1000	Interorganization Receivable	Material	Cost Accounting	Interorganization Receivable account
Shipping Organization	Trade In Transit Issue	Cost from Transfer Order Shipment Transaction	-1000	Trade In transit	Material	Cost Accounting	In Transit Contra account in SLA
Shipping Organization	Trade In Transit Issue	Cost from Transfer Order Shipment Transaction	50	Interorganization Receivable	BR_IPI	Cost Accounting	Interorganization Receivable account
Shipping Organization	Trade In Transit Issue	Cost from Transfer Order Shipment Transaction	-50	Trade In transit	BR_IPI	Cost Accounting	In Transit Contra account in SLA
Shipping Organization	Trade In Transit Issue	Cost from Transfer Order Shipment Transaction	75	Interorganization Receivable	BR_PIS	Cost Accounting	Interorganization Receivable account
Shipping Organization	Trade In Transit Issue	Cost from Transfer Order Shipment Transaction	-75	Trade In transit	BR_PIS	Cost Accounting	In Transit Contra account in SLA
Shipping Organization	Trade In Transit Issue	Cost from Transfer Order Shipment Transaction	100	Interorganization Receivable	BR_COFINS	Cost Accounting	Interorganization Receivable account
Shipping Organization	Trade In Transit Issue	Cost from Transfer Order Shipment Transaction	-100	Trade In transit	BR_COFINS	Cost Accounting	In Transit Contra account in SLA

Organization	Event	Cost Source	Amount	Accounting Line Type	Cost Elements	SLA	SLA Account
Receiving Organization	Trade Receipt Accrual	Material Cost from Trade in Transit	1000	Trade Clearing	BR_COFINS	Receipt Accounting	A clearing account used for balancing or a contra account
Receiving Organization	Trade Receipt Accrual	Material Cost from Trade in Transit	-1000	Interorganization Payable	BR_COFINS	Receipt Accounting	Interorganization Payable
Receiving Organization	Trade Receipt Accrual	Shipment Tax from Trade in Transit	50	Trade Clearing	BR_COFINS	Receipt Accounting	A clearing account used for balancing or a contra account
Receiving Organization	Trade Receipt Accrual	Shipment Tax from Trade in Transit	-50	Interorganization Payable	BR_COFINS	Receipt Accounting	Interorganization Payable
Receiving Organization	Trade Receipt Accrual	Shipment Tax from Trade in Transit	75	Trade Clearing	BR_COFINS	Receipt Accounting	A clearing account used for balancing or a contra account
Receiving Organization	Trade Receipt Accrual	Shipment Tax from Trade in Transit	-75	Interorganization Payable	BR_COFINS	Receipt Accounting	Interorganization Payable
Receiving Organization	Trade Receipt Accrual	Shipment Tax from Trade in Transit	100	Trade Clearing	BR_COFINS	Receipt Accounting	A clearing account used for balancing or a contra account
Receiving Organization	Trade Receipt Accrual	Shipment Tax from Trade in Transit	-100	Interorganization Payable	BR_COFINS	Receipt Accounting	Interorganization Payable
Receiving Organization	Transfer Order Receipt	Item Cost	1000	Receiving Inspection	BR_COFINS	Receipt Accounting	Receiving Inspection contra account defined in SLA, which is only a clearing account
Receiving Organization	Transfer Order Receipt	Item Cost	-1000	Trade In Transit	BR_COFINS	Receipt Accounting	In Transit Contra account in SLA
Receiving Organization	Transfer Order Receipt	Transaction Taxes: BR_IPI	50	Receiving Inspection	BR_COFINS	Receipt Accounting	Receiving Inspection contra account defined in SLA,

Organization	Event	Cost Source	Amount	Accounting Line Type	Cost Elements	SLA	SLA Account
							which is only a clearing account
Receiving Organization	Transfer Order Receipt	Transaction Taxes: BR_IPI	-50	Trade In Transit	BR_COFINS	Receipt Accounting	In Transit Contra account in SLA
Receiving Organization	Transfer Order Receipt	Transaction Taxes: BR_PIS	75	Tax Recoverable (100% R)	BR_COFINS	Receipt Accounting	Tax Account Combination
Receiving Organization	Transfer Order Receipt	Transaction Taxes: BR_PIS	-75	Trade In Transit	BR_COFINS	Receipt Accounting	In Transit Contra account in SLA
Receiving Organization	Transfer Order Receipt	Transaction Taxes: BR_COFINS	60	Receiving Inspection	BR_COFINS	Receipt Accounting	Receiving Inspection contra account defined in SLA, which is only a clearing account
Receiving Organization	Transfer Order Receipt	Transaction Taxes: BR_COFINS	-60	Trade In Transit	BR_COFINS	Receipt Accounting	In Transit Contra account in SLA
Receiving Organization	Transfer Order Receipt	Transaction Taxes: BR_COFINS	40	Tax Recoverable (40% R)	BR_COFINS	Receipt Accounting	Tax Account Combination
Receiving Organization	Transfer Order Receipt	Transaction Taxes: BR_COFINS	-40	Trade In Transit	BR_COFINS	Receipt Accounting	In Transit Contra account in SLA
Receiving Organization	Trade In Transit Receipt	Cost from Trade in Transit	1000	Trade In Transit	Material	Cost Accounting	In Transit Contra account in SLA
Receiving Organization	Trade In Transit Receipt	Cost from Trade in Transit	-1000	Trade Clearing	Material	Cost Accounting	Wash Account Contra
Receiving Organization	Trade In Transit Receipt	Shipment Tax from Trade in Transit	50	Trade In Transit	BR_IPI	Cost Accounting	In Transit Contra account in SLA
Receiving Organization	Trade In Transit Receipt	Shipment Tax from Trade in Transit	-50	Trade Clearing	BR_IPI	Cost Accounting	Wash Account Contra
Receiving Organization	Trade In Transit Receipt	Shipment Tax from Trade in Transit	75	Trade In Transit	BR_PIS	Cost Accounting	In Transit Contra account in SLA

Organization	Event	Cost Source	Amount	Accounting Line Type	Cost Elements	SLA	SLA Account
Receiving Organization	Trade In Transit Receipt	Shipment Tax from Trade in Transit	-75	Trade Clearing	BR_PIS	Cost Accounting	Wash Account Contra
Receiving Organization	Trade In Transit Receipt	Shipment Tax from Trade in Transit	100	Trade In Transit	BR_COFINS	Cost Accounting	In Transit Contra account in SLA
Receiving Organization	Trade In Transit Receipt	Shipment Tax from Trade in Transit	-100	Trade Clearing	BR_COFINS	Cost Accounting	Wash Account Contra
Receiving Organization	Transfer Order Receipt Delivery	Cost from Transfer Order Receipt	1000	Inventory	Material	Cost Accounting	Inventory account from SLA
Receiving Organization	Transfer Order Receipt Delivery	Cost from Transfer Order Receipt	-1000	Receiving Inspection	Material	Cost Accounting	Receiving Inspection contra account defined in SLA, which is only a clearing account
Receiving Organization	Transfer Order Receipt Delivery	Cost from Transfer Order Receipt	110	Expense	Nonrecoverable Transfer Tax	Cost Accounting	Expense account from SLA
Receiving Organization	Transfer Order Receipt Delivery	Cost from Transfer Order Receipt	-110	Receiving Inspection	Nonrecoverable Transfer Tax	Cost Accounting	Receiving Inspection contra account defined in SLA, which is only a clearing account
Receiving Organization	Transfer Order Delivery to Expense (If the internal transfer of items is for an expense destination)	Cost from Transfer Order Receipt	1000	Expense	Material	Receipt Accounting	Expense account from Transfer Order Distributor
Receiving Organization	Transfer Order Delivery to Expense (If the internal transfer of items is for an expense destination)	Cost from Transfer Order Receipt	-1000	Receiving Inspection	Material	Receipt Accounting	Receiving Inspection contra account defined in SLA, which is only a clearing account

Organization	Event	Cost Source	Amount	Accounting Line Type	Cost Elements	SLA	SLA Account
Receiving Organization	Transfer Order Delivery to Expense (If the internal transfer of items is for an expense destination)	Cost from Transfer Order Receipt	110	Expense	Nonrecoverable Transfer Tax	Receipt Accounting	Expense account from SLA
Receiving Organization	Transfer Order Delivery to Expense (If the internal transfer of items is for an expense destination)	Cost from Transfer Order Receipt	-110	Receiving Inspection	Nonrecoverable Transfer Tax	Receipt Accounting	Receiving Inspection contra account defined in SLA, which is only a clearing account

Note: You can also create return shipments for internal material transfers from non-quantity tracked subinventories or expense destination. You can record fiscal documents for these transfer flows and perform delivery confirmation to create receipt returns for internal material transfers that are also budgetary controlled or project-stripped, and put away into a subinventory that's not tracking the on-hand quantity.

Outsourced Manufacturing Flows

Depending on the nature of business, an enterprise may choose to outsource its manufacturing activities using either contract manufacturing or outside processing:

- **Contract Manufacturing:** When you completely outsource the manufacturing process. That is, you outsource the entire product manufacturing process to a supplier.
- **Outside Processing (OSP):** When you partially outsource the manufacturing process. That is, you outsource one or more product manufacturing operations to suppliers and process the rest in-house.

In Fiscal Document Capture, use the following two flows for contract and outside processing scenarios:

- **Acquisition of Contract Services:** Create fiscal documents for acquisition of contract services that may or may not match the purchase orders, and contain transactions that may or may not involve payments.
- **Acquisition of OSP Services:** Create fiscal documents for acquisition of outside processing services that may or may not match the purchase orders, and contain transactions that may or may not involve payments.

You can also create the following complimentary fiscal documents:

- Price and Tax complimentary fiscal documents for contract manufacturing using the Acquisition of Contract Services Complimentary flow.
- Price, Quantity, and Tax complimentary fiscal documents for outside processing using the Acquisition of OSP Services Complimentary flow.

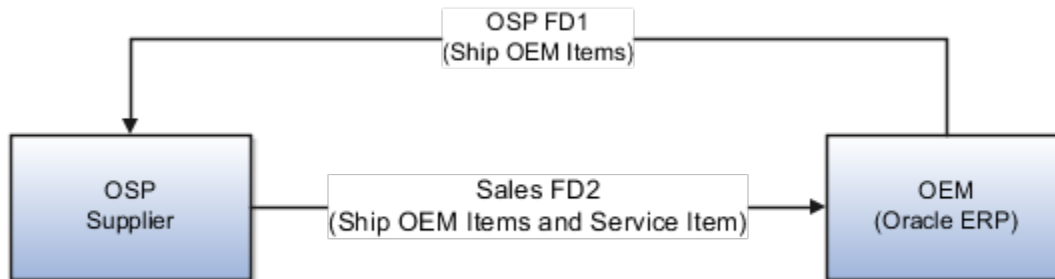
Note: Fiscal Document Capture currently doesn't support the consecutive outside processing operations flow.

Example of Outsourced Manufacturing Flows

For both contract manufacturing and outside processing, the flow is similar.

Scenario

For example, for an outside processing flow, there will be two fiscal documents FD1 and FD2.



First, the manufacturer (OEM) sends the partially finished assembly or goods to outside processing (OSP) supplier along with an outbound fiscal document (FD1) called the Outside Processing fiscal document. This document contains information about the goods sent to the OSP supplier.

Once the supplier finishes the work, they send back the goods to the manufacturer, along with a fiscal document (FD2). This FD2 document contains information of the OEM material originally sent and the service item for which the OSP supplier needs to be paid for.

The OEM materials on FD2 will be only for bookkeeping and no receipt or invoice is created for those lines in the manufacturer's accounts.

On receiving FD2, manufacturer does the following:

- Validates the fiscal document
- Updates the work order
- Calculates the taxes
- References FD2 with FD1 to claim tax exemptions
- Creates a receipt in Receipt Accounting for the Outside Processing flow
- Creates an invoice for the PO with destination type as Manufacturing with Work Order
- Matches the PO with the sales document (FD2) details to pay the OSP supplier

Note: For a Contract Manufacturing flow, the receipt is already created. So, manufacturer only updates the existing receipt with fiscal document details.

During outside processing, if there are any additional charges incurred on moving the items, they're included in the item cost.

Complementary Fiscal Documents

Use Additional CFOP Codes in Standard and Standard Complimentary Fiscal Document Captures.

You can issue complementary fiscal documents for existing standard, freight, and drop ship fiscal documents.

The three variations in the complementary fiscal documents are as follows:

- Price complementary for any corrections related to price on the original fiscal document.
- Quantity complementary for any quantity related corrections.
- Tax complementary for any difference in the tax amount.

Note: When there are tax configurations that include complimentary taxes with exclusive taxes for the standard fiscal flow, the value of these taxes is transferred as transaction taxes to the Payables invoice line, specifically under the "Miscellaneous Charge" type. This ensures that the total invoice value aligns with the tax amounts. If the **ORA_ERP_CONTROLLED_CONFIG** profile option is enabled, and the tax complementary is configured with **inclusive taxes**, the value of these inclusive taxes is transferred as transaction taxes to the Payables invoice line, again under the "Miscellaneous Charge" type. However, the tax amount is represented as a **negative equivalent amount**. These taxes are recorded as transaction tax lines, while the "Inclusive" option remains unchecked. As a result, the total invoice amount remains **unaffected** because the negative tax values balance out the overall invoice amount.

Use additional CFOP codes for capturing fiscal documents in case of merchandise return or goods received for repair. You can use the additional CFOP codes in both standard and standard complementary flows, in addition to the bookkeeping fiscal flow.

Note: For merchandise return or goods received for repair:

- If the payment flag for these CFOPs is set to No, then when they are used with the Standard Fiscal Flow. They get processed as No Source Fiscal Document Line, and there won't be any receipt or invoice for the same.
- When performing charge or freight allocation for standard fiscal documents, these lines will not be included as they are captured as No Source Document and not a sales transaction. Charge or freight won't be allocated to these lines.
- By default, they will be disabled under this new standard fiscal flow. You need to manually enable them to process the documents with standard fiscal flow instead of bookkeeping.

Use Additional CFOP Codes in Standard and Standard Complimentary Fiscal Document Captures

CFOP (Fiscal Code of Operations and Services)

CFOPs are available for different fiscal flows. The Manage Interface Fiscal Flows page lists all the CFOPs. On this page, you can select and view details of each CFOP.

CFOPs can be available for more than one fiscal flow. However, ensure that you set a CFOP to active only in the fiscal flow that your business wants to use.

If same CFOP is active in more than one fiscal flow, then the automatic derivation of the fiscal flow fails and an error is shown. To resolve the error, you must do an manual intervention from the Manage Interface Fiscal Documents page.

Confirm Item Deliveries

Receive Item Deliveries

When goods arrive at the buying organization, a user with the receiving specialist role and privilege can unload and inspect the goods; the included documentation usually contains a waybill and a fiscal document.

The fiscal document contains the supplier's fiscal declaration of sale and taxes pertaining to the shipment.

You must determine that the received item quantities match the fiscal document item quantities. If prevalidation contains no discrepancies or errors, you can create a system receipt for the received items, cross-referencing the supplier's fiscal document number.

If the item has the dual unit of measure enabled, you can confirm the item delivery in both FD unit of measure and secondary unit of measure.

Note: You can record the catch weight for all fiscal flows, except the consigned flow.

How You Receive Item Deliveries

To record item deliveries:

1. In the **Fiscal Document Capture** work area, in the **Fiscal Document** tasks panel drawer, select **Confirm Item Deliveries**.
2. On the **Fiscal Document Capture** page, select the fiscal document that you want to update.
3. For the selected fiscal document, do the following:
 - If you have received the goods or services per the requirements placed with the supplier, then click **Actions > Record Automatic Deliveries**, and in the confirmation message click **OK**.
This action will automatically record the delivered quantity. By default, the value of the requested quantity is set as delivered quantity.
In case of an item with dual UOM, the secondary quantity is populated using the default UOM conversion value. And, if there is any catch weight in the received goods, you can record that change by overriding the default secondary quantity.
 - If there are deviations in the received goods or service, then record the deviations.
 - If you want to validate deliveries, click **Actions > Validate deliveries**, and in the confirmation message click **OK**.
This action starts the fiscal document validation activity, which validates the delivered quantities entered against the tolerance rules defined and other validation parameters.
4. Click **Save and Close**.

Note: When you have a high volume of fiscal documents, you can use the REST API services to record automatic deliveries. For more information about using REST services, see the REST API for Oracle Fusion Cloud SCM guide.

Import Goods

Transfer Material to Customers from a Third Party Warehouse

You can import goods from the overseas branch organization to your organization within Brazil for self use or to be delivered to your customer organization.

The companies based out of Brazil, say Supplies OG Brazil, can have a requirement to import goods from United States of America (or any other foreign country). In this business process, there can exist multiple legal entities and business units across countries involved in the financial flow, even though the physical flow of goods is directly from source location to destination location, there are requirements to handle price based and cost based transfers along with intercompany invoice generation. Hence, it's mandatory to have supply chain financial orchestration (SFO) flow to implement an import flow in Brazil. The SFO flow (trade agreements) is created based on the business requirement involving countries, companies, or business units.

The financial orchestration flow (agreements) is price based (primary) or cost based. A transfer order gets an estimated price from the SFO. Once the transfer order shipment is complete, the SFO trade events are generated in the source, intermediate, and destination business units. The intercompany invoices are generated in the respective business units. The intercompany invoices are generated in the respective business units based on the trade events. For the functioning of this workflow, price currency has to be in BRL for transfer order and intercompany invoice.

The goods that arrive at the Brazil ports are cleared by customs. These goods are the property of Supplies OG. In Brazil, for the goods to move from customs to the destination location, fiscal documents are required.

An import fiscal document is prepared by a broker and this document is captured and processed by Supplies OG. Based on the commercial invoice (I/C AR Invoice) generated in the intermediate node (say ORGPACT), the broker creates an import fiscal document for the shipment. The commercial invoice is always in the Brazilian currency based on the financial orchestration flow (agreement) setup.

While processing the import fiscal document, there is a requirement to validate the price on the fiscal document to ensure that the price is as expected. As SFO is orchestrating transfer pricing and is the source of truth for transfer price, the fiscal document price is validated against the SFO transfer price at the destination organization.

During the price validation of the import fiscal document, for every schedule of fiscal document line, SFO provides the transfer price used in the destination node in Brazilian currency for the given shipment number. This information is stored as source document price in the Lines infotile > Schedules. Once the price is successfully validated, the fiscal document is further processed. A fiscal document is put on hold if the price is out of tolerance or if there is no price returned. After necessary corrections, from SFO, you can source the transfer price used in the destination node in the Brazilian currency for the same shipment number.

In the import goods work flow, the FOB shipment flow is recommended. However; if a FOB receipt flow is done, then SFO doesn't return any transfer price and the fiscal document is kept on price tolerance hold. You must manually release this hold and validate the fiscal document. On successful validation, a transfer order receipt is created.

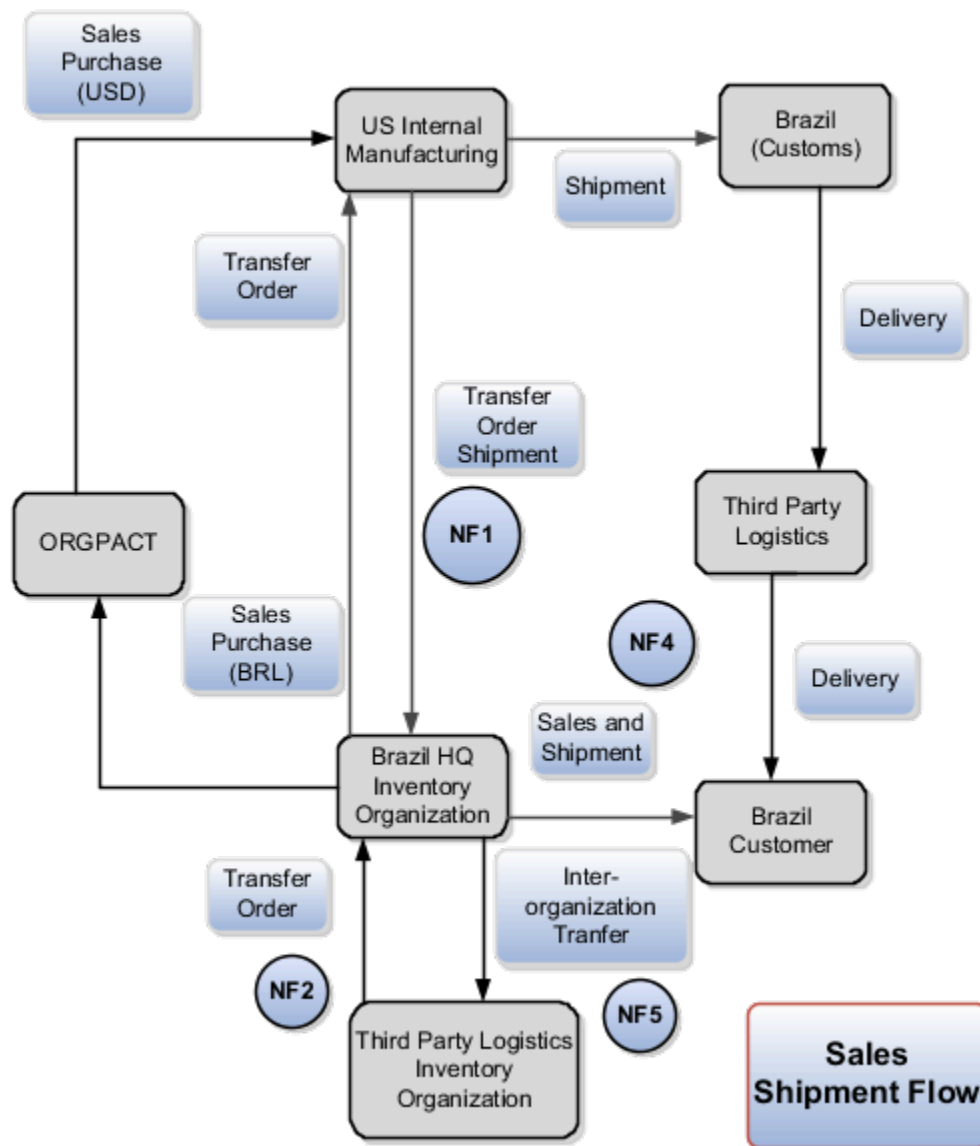
The transfer work flow without invoicing and without SFO agreement isn't supported for Import fiscal document. This also means that the transfer is processed at cost only in the shipping organization and receiving organization without any accounting in the intermediary nodes.

For shipments that don't have an SFO agreement, transfer price isn't available and the fiscal document is placed on a manual release price tolerance hold and the validation of the fiscal document is completed after creation of a transfer order receipt.

Worked Example of Import of Goods using Internal Material Transfer

This shipment occurs when sale to customer in Brazil is fulfilled through the ORGPACT purchase.

The following figure provides information on the import of goods workflow.



The import of goods includes the following tasks:

- Import Fiscal Document Task Flow (NF1)
- Warehouse Delivery Fiscal Document Task Flow (NF2)
- Sales Fiscal Document Task Flow (NF4)
- Warehouse Issue Fiscal Document Task Flow (NF5)

Import Fiscal Document Task Flow (NF1)

The Brazilian headquarters receives a sales order from the customer and the goods required by the customer is available in its overseas branch say in its US branch or the goods are sourced from an external manufacturer. A requisition is created in the Brazilian organization to get goods from overseas.

1. An Internal supplier generates a transfer order for shipment of items to the Brazilian organization. For an organization like Brazil Inv Org, the transfer order is created by the US organization for internal manufacturing and by ORGPACT for external manufacturing.
2. Based on this transfer order, the head office situated in US uses the supply chain management financial orchestration (SFO) application to generate a shipment with various trade events.

The trade events depend on the following:

- The transfer price is available in the source organization either in the price list or as item cost.
 - The transfer price at each of the SFO nodes include the necessary applicable taxes.
 - There's no specific requirement to build any tax calculation or tax uptake capability in the intermediate nodes.
 - The shipment is a FOB shipment. This implies that as soon as the shipment happens, the SFO trade events are generated and intercompany accounting is created at all intermediate nodes up to the destination organization.
3. The shipment is shipped from the overseas branch to Brazil.
 4. A broker at customs receives the shipment on behalf of the Brazilian organization and the broker creates an import fiscal document NF1, by taking the destination intercompany invoice transfer price as source for the fiscal document. Broker sends fiscal document to the fiscal document specialist.
 5. The fiscal document specialist captures fiscal document and validates its quantities, prices, and taxes against available system information.

The NF1 fiscal document flow or the import fiscal document flow is very similar to internal material transfer flow. The import fiscal document is based on the ORGPACT commercial invoice. The transfer price and amount matches the item price and amount on the NF1 fiscal document. The NF1 fiscal document can be imported through an XML import or by manually entering the information in the fiscal document capture application.

This import fiscal document can contain charges and taxes. Any charges, SISCOMEX, broker charges, and so on are modeled as overheads and if required these charges can be assigned as part of the inventory value. The charges that are incurred by broker are sent and are captured as an accounts payables Invoice. In the user interface, all charges other than the 'SISCOMEX' charges are marked as included in item price.

6. On successful completion of validation process, fiscal information is transferred to the receiving application, which creates a transfer order receipt.

The transfer order receipt is costed based on the prices and taxes contained in the import fiscal document.

7. Once the NF1 fiscal document is created, the NF1 fiscal document is sent to SEFAZ for approval and the tax aspect of the fiscal document is validated.

The structural validations and tolerance validations are applied for NF1 fiscal document as follows:

- Source document quantity tolerance is checked between shipment transaction and fiscal document.
 - Price tolerance is checked between the price or amount on SFO transfer price and fiscal document. This check is in the Brazilian currency; therefore, there is no requirement to do currency conversion.
8. Once the goods are moved, the NF1 fiscal document is approved, and the goods are fully received, then in the receiving application, a receipt is generated as a transfer order receipt against the transfer order number. If there are multiple shipments on a fiscal document, then there would be multiple transfer order receipts. For example, if there were two shipments on a fiscal document, then there would be two transfer order receipts.

The fiscal document information isn't transferred to Payables. Invoicing for the purchase is performed in SFO and this intercompany invoicing is used to settle the internal accounts payables liability.

The following fiscal documents are created to complete the import and delivery of goods to customer:

- NF2 - Warehouse Transfer, this fiscal document is generated in the fiscal document generation system based on import material transfer. This document reports custody transfer from Brazil Inv Org to TPL ORG.
- NF4 - Sales, this fiscal document is generated in the fiscal document generation system based on sales fulfillment. This document includes information on sales amount plus Brazil taxes and charges. This document is included with the physical shipment to customer.
- NF5 - Third Party Logistics Warehouse Issue, this fiscal document is an interorganization transfer to move items to the Brazilian headquarters. This document is generated by TPL ORG. This fiscal document reports custody transfer from TPL ORG to Brazil Inv Org. This document is captured in the Fiscal Document Capture work area and is used for the purpose of fiscal reporting.

Warehouse Issue Fiscal Document Task Flow (NF5)

This task flow includes the following activities:

1. When the items for a sales order are available for shipment to Brazil Inv Org's customer, TPL ORG advises Brazil Inv Org of the pending shipment.
2. Brazil Inv Org generates the sales fiscal document for the sales order. The sales fiscal document is transmitted to TPL ORG through email.
3. TPL ORG generates its warehouse issue fiscal document (NF5), referencing the sales fiscal document (NF4) number. This fiscal document lists the items that TPL ORG is transferring custody back to Brazil Inv Org through a shipment to Brazil Inv Org's customer.
4. TPL ORG ships the items to Brazil Inv Org's customer. The shipment documentation includes a copy of the sales fiscal document that Brazil Inv Org sent to TPL ORG.
5. TPL ORG sends a copy of its warehouse issue fiscal document to Brazil Inv Org. TPL ORG is required to send this fiscal document within ten days of the shipment.
6. The Fiscal Document Capture work area captures key details of the warehouse issue fiscal document so that the fiscal document can be associated to a specific internal receipt transaction and its related accounting in the system.

Related Topics

- [Manage Fiscal Documents](#)

Import of Goods using Foreign Purchase Order

In this flow, the customer places an order to a foreign supplier for importing materials into Brazil.

Based on the foreign currency purchase order, the supplier ships goods and sends commercial invoice in foreign currency to the Brazil broker. Once the shipment reaches Brazil Customs, the Brazil broker generates the importation fiscal document in Brazil currency and sends to the customer. The fiscal document specialist then receives, validates, and captures the fiscal document, and generates a receipt.

Customer creates an invoice directly in Accounts Payables by matching the PO. Broker handles the payment to Seller. The following are the conditions for this flow to work:

- Invoice is created in Accounts Payable using the user-defined currency rate, and the amount is paid to supplier directly, much before the fiscal document is validated.
- The PO match option for the Foreign PO is Order, unlike other POs that have the match option as Receipt.
- The currency conversion rate on the PO will be a user-defined rate, as the actual conversion rate isn't known until the fiscal document is created.
- The currency conversion rate used in invoice and fiscal document must be the same. If they're different for any reason, it might lead to variances in accruals. In such a scenario, you must manually adjust the values in records.
- No complementary fiscal documents are expected for this type of fiscal document.
- This flow isn't applicable for Brazil for Global procurement flow with Importation and Customer drop ship flow with importation scenarios.

Price tolerances become applicable when comparing the PO value that was converted into Brazil currency using the PO conversion rate with the value in fiscal document. If the difference is outside the tolerance, a hold is placed on the fiscal document for user action. The most common reason for this can be the difference in the conversion rate used on PO and that used in the fiscal document. To resolve, update the PO and rerun the fiscal document validations. This ensures that the calculated fiscal document amount is updated using the latest PO conversion rate.

Note: If you have a freight fiscal document for this flow, then it's processed normally as per the freight fiscal document flow. The freight cost will be added to the cost of the item imported.

Worked Example of Accounting Entries for Import using a Foreign Purchase Order

Let's consider the following scenario:

- The PO quantity is 10 units at \$8.00 and the user entered conversion rate ratio is 1:3
- On the fiscal document, the quantity is 10 units and the amount is BRL 24.00. The user entered conversion rate ratio is 1:3 and converted PO amount is \$8.00

The following table explains the distributions in Accounts Payables for an invoice quantity of 10 units:

Accounting Entry Type	Transaction Type	Entered Currency	Functional Currency
Debit	Supplier Accrual	\$80.00	BRL 240.00
Credit	Liability	\$80.00	BRL 240.00

The following table explains the distributions in receipt accounting for receipt quantity of 10 units:

Accounting Entry Type	Transaction Type	Entered Currency	Functional Currency
Debit	Receiving Inspection	\$80.00	BRL 240.00
Credit	Supplier Accrual	\$80.00	BRL 240.00
Debit	Receiving Inspection (Nonrecoverable Tax)**	\$6.00	BRL 18.00
Credit	Tax Liability	\$6.00	BRL 18.00
Debit	Tax Recoverable**	\$2.00	BRL 6.00
Credit	Tax Liability	\$200	BRL 6.00

The following table explains the distributions in cost accounting:

Accounting Entry Type	Transaction Type	Cost Element	Entered Currency	Functional Currency
Debit	Inventory (Material)	Material	BRL 240.00	BRL 240.00
Credit	Receiving Inspection	Material	BRL 240.00	BRL 240.00
Debit	Inventory (Nonrecoverable Tax)	Nonrecoverable Tax	BRL 18.00	BRL 18.00
Credit	Receiving Inspection	Nonrecoverable Tax	BRL 18.00	BRL 18.00

Goods Returns

Return Material Authorization

A return material authorization (RMA) is a return order that customers use to ship items back to your company for either repair or to receive credit for the returned items.

You can import fiscal documents for sales order returns with or without source document details. Source document can be an actual RMA order number or Original Sales Order number. Here's the logic how the sales order returns are processed, and the RMA is automatically derived:

- If the source document number matches an existing RMA order number, that RMA number is used for further processing.

- If no records are found matching the RMA order, then the information against the original sales order is checked.
- If a matching record is found, then the return orders open against the original sales order are accessed and that RMA order is assigned to the fiscal document.
- If there are multiple open RMA orders, the quantity value with an exact match is used.
- If the quantities don't match, the RMA order which has the same date as that of the fiscal document date is assigned.

As source document information isn't mandatory in the fiscal document, here's how the following tasks are automatically performed:

- RMA orders are filtered using the customer information on the fiscal document, which includes issuer, receiver, ship from and ship to taxpayer IDs.
- Once the orders are filtered as above, the RMA order line is assigned with an exact quantity match to the fiscal document quantity.
- If the quantities don't match, the RMA order which has same date as that of the fiscal document date is assigned.
- If there is no date match, the oldest open RMA order is assigned to the fiscal document.

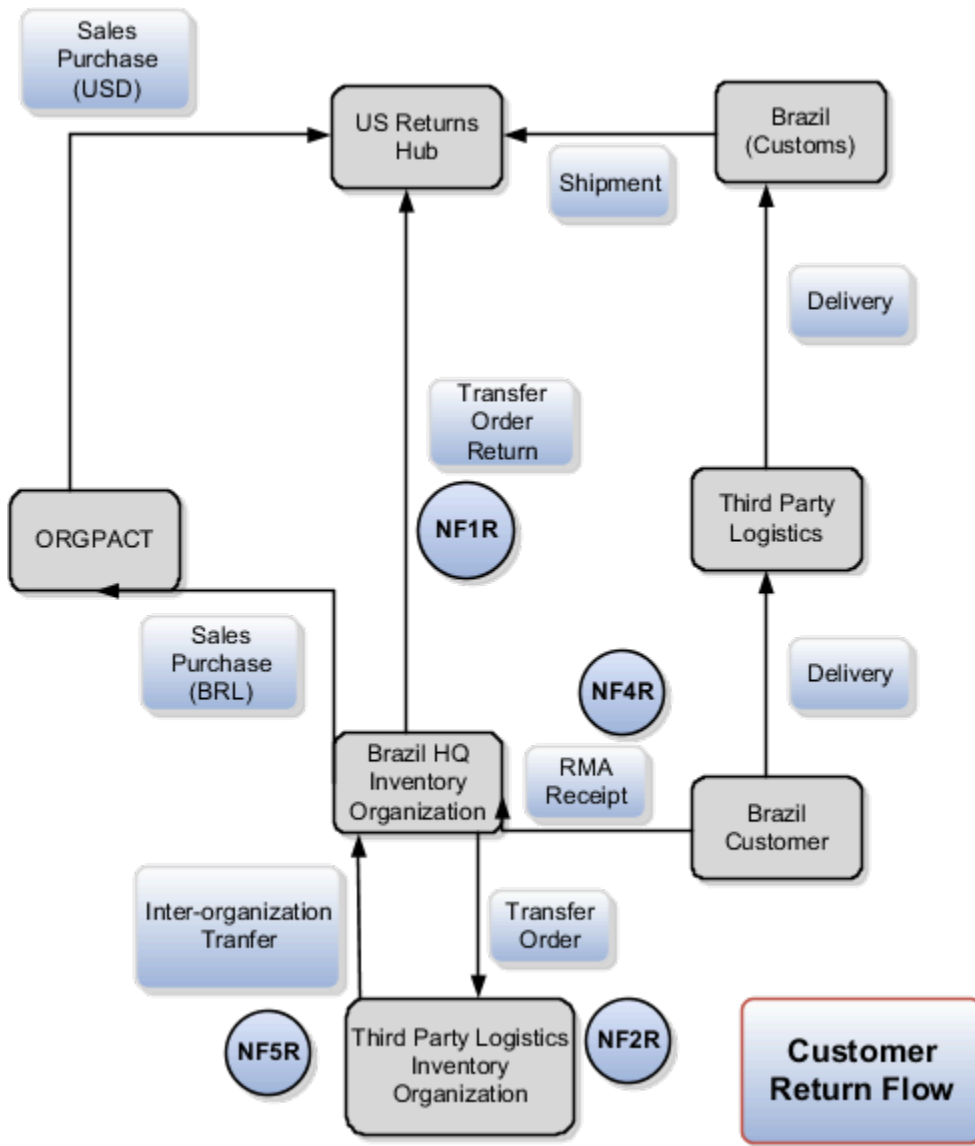
During the fiscal document capture, if more than one site is found then:

- The application automatically searches for an existing RMA considering the Bill to BU, CNPJ and first item from FD. If a single RMA is found, then the corresponding customer site details will be considered.
- If more than one RMA is found, then you must enter the corresponding "Bill to BU" to proceed further.
- If no RMA information exists, then only when an RMA is available to be associate with the fiscal document the FD is processed further.

Worked Example of Customer Goods Return

This task flow includes the following activities:

The following figure provides information on the goods return workflow.



Return of items by a customer is through the return material authorizations (RMA) receipt in the Brazilian organization and by a transfer order return to the US branch. The return of goods involves the following tasks:

- RMA Receipt Fiscal Document Task Flow (NF4R)
- Warehouse Delivery Fiscal Document Task Flow (NF2R)
- Warehouse Issue Fiscal Document Task Flow (NF5R)
- Export Fiscal Document Task Flow (NF1R)

The following fiscal documents are required to complete the return of items where the items were originally imported and delivered to customer:

- NF4R - Sale Credit, this fiscal document is created to facilitate the return of goods sold (against the NF4 fiscal document) from customer. There can be two types of NF4R documents, one created by customer when returning the goods and another created by seller on behalf of customer to facilitate fiscal compliance for accepting the goods returned. The accounts receivables application reverses the sales accounting or billing accounting. The sales credit fiscal document validation and RMA receipt is done in the Brazilian organization. The sales credit is valued at the original shipment cost per the original sales fiscal document.

- NF2R - TPL ORG Warehouse Delivery, this fiscal document is generated based on the IMT transfer. This document reports custody transfer from Brazil Inv Org to TPL ORG.
- NF1R Export, this fiscal document is generated in the accounts receivables application for export shipment to US, this document is based on the internal transfer order shipment to the US return hub.
- NF5R - TPL ORG Warehouse Issue, this fiscal document is created for the inter organization transfer to move items to the Brazil headquarters. This document is generated by TPL ORG. This document reports custody transfer from TPL ORG to Brazil Inv Org. This document is captured in the Fiscal Document Capture work area for the purpose of fiscal reporting.

Note: The fiscal documents NF5R and NF2R are used for fiscal reporting. Use the existing flow of book keeping to record the fiscal documents received in these flows.

RMA Receipt Fiscal Document Task Flow (NF4R)

This task flow includes the following activities:

1. When Brazil Inv Org accepts return of goods from customer, the order management specialist creates RMA that lists and prices items being returned to Brazil Inv Org .
2. Customer usually creates the return fiscal document; however, if the document is created by Brazil Inv Org, then the accounts receivables specialist manually creates an entry only invoice that specifies details on items being returned. This invoice is not accounted. It only serves to generate fiscal document that accompanies return goods shipment from customer to Brazil Inv Org.
3. The accounts receivables specialist requests generation of sales return fiscal document in the fiscal document generation system. The fiscal document is transmitted to customer who inserts the fiscal document in shipment documentation.
4. When the returned goods are delivered, a fiscal document specialist captures and validates key sales return fiscal document information in the Fiscal Document Capture work area (including taxes and RMA quantities). On completion of validation, the fiscal document capture application interfaces information into the receiving application that creates the RMA receipt. The fiscal document specialist manually informs the RMA specialist that items are received.
5. The RMA receipt is costed at unit cost of COGS of fulfillment associated with sales Fiscal Document.

Warehouse Issue Fiscal Document Task Flow (NF5R)

This task flow includes the following activities:

1. When the returned item is available for shipment to a customs warehouse, TPL ORG advises Brazil Inv Org of the pending shipment.
2. TPL ORG generates its warehouse issue fiscal document. This fiscal document lists the items that TPL ORG is transferring custody back to Brazil Inv Org through a shipment to customs and then to the US return depot.
3. TPL ORG ships the items to customs warehouse. The shipment documentation includes a copy of the sales return fiscal document that Brazil Inv Org previously sent to the TPL ORG.
4. TPL ORG sends a copy of its warehouse issue NF5R fiscal document to Brazil Inv Org. TPL ORG must send this fiscal document within 10 days of the shipment.
5. In the Fiscal Document Capture work area, the key details of the warehouse issue fiscal document are captured for the fiscal reporting purposes.

Related Topics

- [Manage Fiscal Documents](#)

Adjust Fiscal Document Price for Inclusive Taxes

Special Inclusive Tax

When you choose to include special inclusive tax, it becomes a part of the total price.

For example, if the special inclusive tax is 10 percent, and the total price is BRL 100, it implies that:

- BRL 10 is the tax, that's 10 percent of BRL 100
- BRL 90 is the price without the tax

The following table lists all the fiscal document business flows and indicates if they support special inclusive tax for service companies and resellers:

Business Flow	Service Companies	Reseller
Standard fiscal document flow for a purchase order	Yes	Yes
Price, Quantity, and Tax complementary fiscal document flows for standard fiscal documents	Yes	Yes
Bookkeeping fiscal document	Yes	Yes
Freight fiscal document flow for standard fiscal documents	Yes	No
Price and Tax complementary fiscal document flows for freight fiscal document flows	Yes	No
Drop Ship Sales fiscal document	Yes	Yes
Drop Ship Remittance fiscal document	Tax is exempted	Tax is exempted
Price, Quantity, and Tax complementary fiscal document flows for drop ship fiscal documents	Yes	Yes
Internal Transfer fiscal document	Not applicable	Not applicable
Import Material by Internal Transfer fiscal document	Not applicable	Not applicable
Seller Material Return fiscal document	Yes, in fiscal document capture. However, there is no impact of special inclusive tax in cost and receipt accounting.	Yes, in fiscal document capture. However, there is no impact of special inclusive tax in cost and receipt accounting.

Business Flow	Service Companies	Reseller
Customer Material Return fiscal document	Yes, in fiscal document capture. However, there is no impact of special inclusive tax in cost and receipt accounting.	Yes, in fiscal document capture. However, there is no impact of special inclusive tax in cost and receipt accounting.

Note: For more information about tax calculations, see the Oracle Fusion Cloud Financials Using Accounting Transactions, Tax Transactions, and Reporting guide.

Related Topics

- [Manage Fiscal Documents](#)

Example of Accounting Calculations with Special Inclusive Tax

These examples illustrate how accounting calculations happen for standard and complimentary fiscal documents.

Scenario

Standard Fiscal Document

For Standard Fiscal documents, on validation the inclusive tax value is automatically calculated. During receipt accounting, the tax recovery rate is determined based on the fiscal document tax determinants from fiscal document. For example, if BRL 100 is the fiscal document price, say Tax A is the special inclusive tax of 7 percent with tax recovery rate as zero (100 percent nonrecoverable tax) , and Tax B is the special inclusive tax of 3 percent with tax recovery rate as 100 percent (100 percent recoverable tax) then the special inclusive tax will be:

- Nonrecoverable tax (Tax A): BRL 7 (7 percent of BRL 100 fiscal document price)
- Recoverable tax (Tax B): BRL 3 (3 percent of BRL 100 fiscal document price)

The following table explains how the accounting calculations happen in this scenario:

Event	Accounting Line Type	Cost Reference	Debit or Credit	Amount	Subledger
Receipt	Receiving Inspection	Tax-exclusive fiscal document price	Debit	90	Receipt Accounting
Receipt	Supplier Accrual	Tax-exclusive fiscal document price	Credit	90	Receipt Accounting
Receipt	Receiving Inspection	Nonrecoverable tax (Tax A)	Debit	7	Receipt Accounting

Event	Accounting Line Type	Cost Reference	Debit or Credit	Amount	Subledger
Receipt	Supplier Accrual	Nonrecoverable tax (Tax A)	Credit	7	Receipt Accounting
Receipt	Tax Recoverable	Recoverable tax (Tax B)	Debit	3	Receipt Accounting
Receipt	Supplier Accrual	Recoverable tax (Tax B)	Credit	3	Receipt Accounting
Invoice	Supplier Accrual	Tax-exclusive fiscal document price	Debit	90	Payables
Invoice	Supplier Liability	Tax-exclusive fiscal document price	Credit	90	Payables
Invoice	Supplier Accrual	Nonrecoverable tax (Tax A)	Debit	7	Payables
Invoice	Supplier Liability	Nonrecoverable tax (Tax A)	Credit	7	Payables
Invoice	Supplier Accrual	Recoverable tax (Tax B)	Debit	3	Payables
Invoice	Supplier Liability	Recoverable tax (Tax B)	Credit	3	Payables
Receipt Delivery	Inventory	Tax-exclusive fiscal document price	Debit	90	Cost Accounting
Receipt Delivery	Receiving Inspection	Tax-exclusive fiscal document price	Credit	90	Cost Accounting
Receipt Delivery	Inventory	Nonrecoverable tax (Tax A)	Debit	7	Cost Accounting
Receipt Delivery	Receiving Inspection	Nonrecoverable tax (Tax A)	Credit	7	Cost Accounting

Note: As recoverable taxes aren't part of the item cost they're not accounted in cost accounting.

Price Complimentary Fiscal Document

Consider a scenario where the PO price is BRL 100 and fiscal document Price is BRL 70. Say, Tax A is the special inclusive tax of 7 percent with tax recovery rate as zero (100 percent nonrecoverable tax), and Tax B is the special inclusive tax of 3 percent with tax recovery rate as 100 percent (100 percent recoverable tax). Subsequently, if a complimentary fiscal

document comes in for BRL 30, which is the price difference between the PO price and Standard fiscal document price, it's considered as price correction.

The following table illustrates the accounting entries when a standard fiscal document comes in:

Event	Accounting Line Type	Cost Reference	Debit or Credit	Amount	Subledger
Receipt	Receiving Inspection	Tax-exclusive fiscal document price	Debit	63	Receipt Accounting
Receipt	Supplier Accrual	Tax-exclusive fiscal document price	Credit	63	Receipt Accounting
Receipt	Receiving Inspection	Nonrecoverable tax (Tax A)	Debit	4.9	Receipt Accounting
Receipt	Supplier Accrual	Nonrecoverable tax (Tax A)	Credit	4.9	Receipt Accounting
Receipt	Tax Recoverable	Recoverable tax (Tax B)	Debit	2.1	Receipt Accounting
Receipt	Supplier Accrual	Recoverable tax (Tax B)	Credit	2.1	Receipt Accounting
Invoice	Supplier Accrual	Tax-exclusive fiscal document price	Debit	63	Payables
Invoice	Supplier Liability	Tax-exclusive fiscal document price	Credit	63	Payables
Invoice	Supplier Accrual	Nonrecoverable tax (Tax A)	Debit	4.9	Payables
Invoice	Supplier Liability	Nonrecoverable tax (Tax A)	Credit	4.9	Payables
Invoice	Supplier Accrual	Recoverable tax (Tax B)	Debit	2.1	Payables
Invoice	Supplier Liability	Recoverable tax (Tax B)	Credit	2.1	Payables
Receipt Delivery	Inventory	Tax-exclusive fiscal document price	Debit	63	Cost Accounting
Receipt Delivery	Receiving Inspection	Tax-exclusive fiscal document price	Credit	63	Cost Accounting

Event	Accounting Line Type	Cost Reference	Debit or Credit	Amount	Subledger
Receipt Delivery	Inventory	Nonrecoverable tax (Tax A)	Debit	4.9	Cost Accounting
Receipt Delivery	Receiving Inspection	Nonrecoverable tax (Tax A)	Credit	4.9	Cost Accounting

The following table illustrates how the accounting entries look after the Price Complementary processing:

Event	Accounting Line Type	Cost Reference	Debit or Credit	Amount	Subledger
Invoice	Invoice Price Variance	Tax-exclusive complimentary fiscal document Price	Debit	27	Payables
Invoice	Supplier Liability	Tax-exclusive complimentary fiscal document Price	Credit	27	Payables
Invoice	Invoice Price Variance	Nonrecoverable tax (Tax A)	Debit	2.1	Payables
Invoice	Supplier Liability	Nonrecoverable tax (Tax A)	Credit	2.1	Payables
Invoice	Tax Recoverable	Recoverable tax (Tax B)	Debit	0.9	Payables
Invoice	Supplier Liability	Recoverable tax (Tax B)	Credit	0.9	Payables
Invoice Price Variance Adjustment	Receiving Inspection	Invoice Price Variance	Debit	27	Receipt Accounting
Invoice Price Variance Adjustment	Invoice Price Variance	Invoice Price Variance	Credit	27	Receipt Accounting
Invoice Price Variance Adjustment	Receiving Inspection	Nonrecoverable Tax Invoice Price Variance	Debit	2.1	Receipt Accounting
Invoice Price Variance Adjustment	Invoice Price Variance	Nonrecoverable Tax Invoice Price Variance Note: Only nonrecoverable portion of tax is accounted in Receipt Accounting. The recoverable portion of tax is ignored in	Credit	2.1	Receipt Accounting

Event	Accounting Line Type	Cost Reference	Debit or Credit	Amount	Subledger
		Receipt Accounting as no receipt is created against a price complementary fiscal document.			
Acquisition Cost Adjustment	Inventory	Invoice Price Variance	Debit	27	Cost Accounting
Acquisition Cost Adjustment	Receiving Inspection	Invoice Price Variance	Credit	27	Cost Accounting
Acquisition Cost Adjustment	Inventory	Nonrecoverable tax (Tax A)	Debit	2.1	Cost Accounting
Acquisition Cost Adjustment	Receiving Inspection	Nonrecoverable tax (Tax A)	Credit	2.1	Cost Accounting

Adjusting the Item Cost for a Tax Complimentary Fiscal Document

A tax complimentary fiscal document is considered only if there is an increase in the tax rate.

Tax complimentary fiscal document flow ends in Accounts Payable. For a tax complimentary fiscal document, no distributions are automatically created in either the receipt accounting or cost accounting. To adjust the item cost because of a tax complimentary fiscal document, you must manually create receipt and cost adjustments in receipt accounting and cost accounting.

Note: All taxes on tax complimentary fiscal document are treated as exclusive taxes. This implies that even when the inclusive check boxes are selected on the fiscal document, the accounts payable invoices are created considering all taxes as exclusive.

For example, if BRL 100 is the fiscal document price and the initial special inclusive tax was 10 percent with tax recovery rate as 100 percent, when a tax complimentary comes in with the tax (recoverable tax) rate as 15 percent:

- The original special inclusive tax will be BRL 10 the adjusted tax exclusive item price will be BRL 90, which will be the item cost in Costing.
- After tax complimentary:
 - The new special inclusive tax will be BRL 15 and the adjusted tax exclusive item price will be BRL 85.
 - In costing, you must manually adjust the item cost from BRL 90 to BRL 85, considering the excess recoverable tax of BRL 5.
 - In accounts payable, based on the rate difference, the tax complimentary fiscal document creates a Tax Only Invoice for 5 percent.

FAQs

What happens if both purchase order price and fiscal document price are available during the accounting values calculation?

When both purchase order and fiscal document prices are available, the cost accounting, receipt accounting, and payables use only the fiscal document price for accounting purposes.

For example, if the purchase order price is BRL 10 and fiscal document price is BRL 11, then the accrual as well as the invoice is created using the fiscal document price that is at BRL 11.

How can I filter the cost and receipt accounting records with fiscal document details?

In cost and receipt accounting, from the Advanced Search options, you can search and filter records using the following criteria:

- Fiscal Document Access Key Number
- Fiscal Document Line Number
- Fiscal Document Number

When do I update the price in a supplier return invoice?

If the return invoice is created automatically, it will by default use the price from Purchase Order (PO).

In cases where the fiscal document price is different from the PO price, you must ensure that the invoice is updated to the fiscal document price so that the accruals and supplier liability are properly reversed.

In a scenario where the debit memo was created and processed with a price different from the fiscal document price, you have to manually adjust the difference by running the Accrual Reconciliation job in receipt accounting, and performing the cost adjustment in cost accounting.

What Supplier Sites Can I Select While Processing Incoming Fiscal Documents?

You can view and select only the supplier sites that are specifically configured as Bill-to, Ship-to, Ordering, or Remit-to while capturing and processing incoming fiscal documents for the relevant fiscal flows.

This enables seamless integration with Payables, ensuring accurate and efficient supplier invoice generation based on the processed fiscal documents.

How is the Acknowledgement Date Derived?

Acknowledgement date is generally the issue date of the fiscal document.

However, as an Administrator/ Implementation Consultant, you can enable the `ORA_CMF_DEFAULT_ACKDATE_TO_RECEIPT_DATE` profile option to override the acknowledgement date for fiscal documents based on when the actual receipt record is processed.

See the Use Receipt Creation Date as Acknowledgement Date topic in the Implementation guide for more information.

Note: This logic applies only to fiscal documents that require receipt creation in Fusion Receiving. Once you enable the profile option, all uncaptured fiscal documents will be processed using the new acknowledgement date derivation logic.

4 Manage Fiscal Document Exceptions

Interface Exceptions

Exceptions can include deviations in quantity, price, taxes, general attributes, and other fiscal attributes.

The **Fiscal Document Capture** page with the **View** drop-down list set to **Interface Exceptions**, lists all the discrepancies available for review and reconciliation, errors found by preprocessing validation, and errors found in the fiscal document import process are listed here. You can resolve these exceptions automatically or through manual intervention.

View Interface Exceptions

To view interface exceptions, do the following:

1. In the **Fiscal Document Capture** work area, in the **Fiscal Document** tasks panel drawer, select **Manage Interface Exceptions**.

In the **Fiscal Document Capture** page, list of fiscal documents with exceptions are listed.

Note: You can either separately reject or do a mass reject of the fiscal documents that are stuck in the interface with exceptions.

