Oracle

SCM Cloud
Using Fiscal Document Capture

Release 13 (update 18B)
# Contents

## Preface

### 1 Capturing Fiscal Documents: Introduction

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capturing Fiscal Documents: Overview</td>
<td>1</td>
</tr>
<tr>
<td>Fiscal Document Lifecycle: Explained</td>
<td>2</td>
</tr>
<tr>
<td>Purchase Order Includes Goods: Explained</td>
<td>3</td>
</tr>
<tr>
<td>Purchase Order Includes Services: Explained</td>
<td>5</td>
</tr>
<tr>
<td>Import Goods: Explained</td>
<td>6</td>
</tr>
<tr>
<td>Integration with Other Oracle Fusion Applications: Explained</td>
<td>7</td>
</tr>
</tbody>
</table>

### 2 Manage Inbound Fiscal Documents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage Inbound Fiscal Documents: Overview</td>
<td>9</td>
</tr>
<tr>
<td>Prerequisites Checklist: Explained</td>
<td>9</td>
</tr>
<tr>
<td>Managing Fiscal Documents: Procedure</td>
<td>10</td>
</tr>
<tr>
<td>Managing Line Items: Procedure</td>
<td>12</td>
</tr>
<tr>
<td>Charge Lines: Explained</td>
<td>12</td>
</tr>
<tr>
<td>Managing Fiscal Document Charge Lines: Procedure</td>
<td>12</td>
</tr>
<tr>
<td>Other Documents: Explained</td>
<td>12</td>
</tr>
<tr>
<td>Managing Other Documents: Procedure</td>
<td>13</td>
</tr>
<tr>
<td>Managing Document Holds: Procedure</td>
<td>13</td>
</tr>
<tr>
<td>Calculating Taxes: Procedure</td>
<td>13</td>
</tr>
<tr>
<td>Validate Fiscal Documents: Explained</td>
<td>13</td>
</tr>
<tr>
<td>Validating Fiscal Documents: Procedure</td>
<td>14</td>
</tr>
<tr>
<td>Viewing Validation Errors: Procedure</td>
<td>14</td>
</tr>
</tbody>
</table>
## 3 Receive and Process Fiscal Documents

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirm Item Deliveries</td>
<td>15</td>
</tr>
<tr>
<td>Manage Fiscal Document Tolerances</td>
<td>15</td>
</tr>
<tr>
<td>Manage Fiscal Flows</td>
<td>16</td>
</tr>
<tr>
<td>Import Goods</td>
<td>20</td>
</tr>
<tr>
<td>Goods Returns</td>
<td>23</td>
</tr>
<tr>
<td>Adjust Fiscal Document Price for Inclusive Taxes</td>
<td>25</td>
</tr>
<tr>
<td>FAQs</td>
<td>31</td>
</tr>
</tbody>
</table>

## 4 Manage Fiscal Document Exceptions

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interface Exceptions: Explained</td>
<td>33</td>
</tr>
<tr>
<td>Viewing Interface Exceptions: Procedure</td>
<td>33</td>
</tr>
</tbody>
</table>
Preface

This preface introduces information sources that can help you use the application.

Using Oracle Applications

Using Applications Help

Use help icons 🔄 to access help in the application. If you don’t see any help icons on your page, click your user image or name in the global header and select Show Help Icons. Not all pages have help icons. You can also access Oracle Applications Help.

Watch: This video tutorial shows you how to find help and use help features.

You can also read Using Applications Help.

Additional Resources

- **Community:** Use Oracle Cloud Customer Connect to get information from experts at Oracle, the partner community, and other users.

- **Guides and Videos:** Go to the Oracle Help Center to find guides and videos.

- **Training:** Take courses on Oracle Cloud from Oracle University.

Conventions

The following table explains the text conventions used in this guide.

<table>
<thead>
<tr>
<th>Convention</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>boldface</strong></td>
<td>Boldface type indicates user interface elements, navigation paths, or values you enter or select.</td>
</tr>
<tr>
<td><strong>monospace</strong></td>
<td>Monospace type indicates file, folder, and directory names, code examples, commands, and URLs.</td>
</tr>
<tr>
<td>&gt;</td>
<td>Greater than symbol separates elements in a navigation path.</td>
</tr>
</tbody>
</table>

Documentation Accessibility

For information about Oracle’s commitment to accessibility, visit the Oracle Accessibility Program website.

Videos included in this guide are provided as a media alternative for text-based help topics also available in this guide.
Contacting Oracle

Access to Oracle Support

Oracle customers that have purchased support have access to electronic support through My Oracle Support. For information, visit My Oracle Support or visit Accessible Oracle Support if you are hearing impaired.

Comments and Suggestions

Please give us feedback about Oracle Applications Help and guides! You can send an e-mail to: oracle_fusion_applications_help_ww_grp@oracle.com.
Capturing Fiscal Documents: Overview

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 are not 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.

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:

<table>
<thead>
<tr>
<th>Tax</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISS</td>
<td>Municipal service tax</td>
</tr>
<tr>
<td>IRRF</td>
<td>Federal corporate income tax</td>
</tr>
<tr>
<td>INSS</td>
<td>Federal social security tax</td>
</tr>
<tr>
<td>PIS</td>
<td>Federal social contribution tax</td>
</tr>
<tr>
<td>COFINS</td>
<td>Federal social contribution tax</td>
</tr>
<tr>
<td>CSLL</td>
<td>Federal social contribution on net income</td>
</tr>
<tr>
<td>PIS/COFINS/CSLL</td>
<td>Combined federal social contribution tax</td>
</tr>
<tr>
<td>ICMS</td>
<td>State tax</td>
</tr>
<tr>
<td>IPI</td>
<td>Industrialized tax</td>
</tr>
</tbody>
</table>

Fiscal Document Lifecycle: Explained

A fiscal document can include these fiscal flows:

- Standard Documents - Purchase orders for goods
- Standard Documents - Purchase orders for services
- Complementary standard documents
- Drop shipment remittances
• Drop shipment sales
• Complementary drop shipment sales
• Freight acquisition
• Complementary freight acquisition
• Internal transfer
• Import goods
• Goods Return

Purchase Order Includes Goods: Explained

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 fiscal document specialist roles and privileges 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.

Prevalidate Fiscal Document Attributes and Amounts
You can prevalidate the electronic fiscal document as soon as it is 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 do not 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 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 is 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 Financials documentation.

Receive Against Purchase Order
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.
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 are not 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 is not 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.

Purchase Order Includes Services: Explained
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
- Transfer prior to invoicing information to payables

Prevalidate Fiscal Document Attributes and Amounts
Prior to the verification of a completed service, 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. If the buying organization has not verified the completion of a service, then the prevalidation cannot compare the fiscal document’s service quantities against the verified quantities.

Once the service quantity verification is complete, and if the completed quantities of the service do not differ from the fiscal document item quantities, 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 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 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 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 Financials documentation.

Import Goods: Explained

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 is 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 does not 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 is not 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 do not have an SFO agreement, transfer price is not 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.

About 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 are already part of the item price on the fiscal document line.

Integration with Other Oracle Fusion Applications: Explained

Fiscal documents are required when goods and services are sold and when goods are shipped form 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.

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

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

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.

Cost Management and 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.

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.
2 Manage Inbound Fiscal Documents

Manage Inbound Fiscal Documents: Overview

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: Explained

Consider the prerequisites in the following table for working with the fiscal document capture application.

<table>
<thead>
<tr>
<th>SL. No.</th>
<th>Oracle Fusion Application</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Oracle Fusion Financials</td>
<td>General Ledger &gt; Define Chart of Accounts Structure</td>
</tr>
<tr>
<td>2</td>
<td>Oracle Fusion Financials</td>
<td>Manage Chart of Accounts Structure &gt; Manage Chart of Accounts Value Sets</td>
</tr>
<tr>
<td>3</td>
<td>Oracle Fusion Financials</td>
<td>Define Accounting Calendar</td>
</tr>
<tr>
<td>4</td>
<td>Oracle Fusion Financials</td>
<td>Manage Account Combinations</td>
</tr>
<tr>
<td>5</td>
<td>Oracle Fusion Financials</td>
<td>Define Primary Ledger &gt; Specify Ledger Options</td>
</tr>
<tr>
<td>6</td>
<td>Oracle Fusion Financials</td>
<td>Define Primary Ledger &gt; Assign Legal Entities</td>
</tr>
<tr>
<td>7</td>
<td>Oracle Fusion Financials</td>
<td>Legal Entity, LRU Setup &gt; Legal Reporting Units</td>
</tr>
<tr>
<td>8</td>
<td>Oracle Fusion Financials</td>
<td>Business Setup</td>
</tr>
<tr>
<td>9</td>
<td>Oracle Fusion Financials</td>
<td>Tax Setup &gt; Tax Jurisdiction</td>
</tr>
<tr>
<td>10</td>
<td>Oracle Fusion Financials</td>
<td>Tax Setup &gt; Create Basic Tax Setup</td>
</tr>
<tr>
<td>11</td>
<td>Oracle Fusion Financials</td>
<td>Tax Setup &gt; Manage Tax Regimes</td>
</tr>
<tr>
<td>12</td>
<td>Oracle Fusion Financials</td>
<td>Tax Setup &gt; Manage Taxes</td>
</tr>
</tbody>
</table>
### Managing Fiscal Documents: Procedure

On receiving a fiscal document issued by a supplier, a user with fiscal document specialist role and privileges 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. In 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**

- Receiving Item Deliveries: Procedure
- Managing Tolerances: Procedure

**Managing Line Items: Procedure**

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: Explained**

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.

**Managing Fiscal Document Charge Lines: Procedure**

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: Explained

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.

Managing Other Documents: Procedure

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.

Managing Document Holds: Procedure

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.

Calculating Taxes: Procedure

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: Explained

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.

Validating Fiscal Documents: Procedure

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.

Viewing Validation Errors: Procedure

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

Confirm Item Deliveries

Receiving Item Deliveries: Explained

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.

Receiving Item Deliveries: Procedure

To record item deliveries:

1. In the Fiscal Document Capture work area, in the Fiscal Document tasks panel drawer, select Confirm Item Deliveries.
2. In 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.
   - 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.

Manage Fiscal Document Tolerances
Fiscal Document Tolerances: Explained

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

Managing Tolerances: Procedure

To work with tolerance rules, do the following:


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

2. In the Manage Fiscal Document Tolerances page, do any of the following:

   o 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.

Manage Fiscal Flows
Fiscal Flow: Explained

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.

Process Complementary Fiscal Documents

You can create a correction document, known as a complementary fiscal document, for an existing fiscal document. 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.

Internal Transfer of Fiscal Documents
You can capture internal transfer information in fiscal documents. You can do the following regarding 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.
• Do costing and accounting of internal transfers.

The internal transfer process includes the following:

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-formatted file approved by the fiscal authority. The structured XML is sent to the destination organization, which is transformed by the Oracle Fusion 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 tax details are included depending on the tax setup for internal transfers in the tax application.

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.

**Freight Fiscal Documents**

You can capture, process, and validate the following:

- Freight fiscal documents
- 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.
- Costing and accounting of allocated freight charges to 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 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 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 receipt cost is adjusted for the specific freight charges and an invoice for the freight service is created directly in the Payables work area.
Upon validation, charges from the fiscal document are directly allocated in the cost management application, and costing and accounting of the freight charges are done to create receipts.

**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.

You can use a fiscal document for only bookkeeping and compliance as follows:

Fiscal documents are exchanged between organizations when the fiscal documents are required in the fiscal reports. Some fiscal documents do not 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.

**Import Goods**

**Transfer Material to Customers from a Third Party Warehouse: Explained**

There are two primary business flows for import fiscal documents.

- 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 ORGPACT logically. From ORGPACT to Brazil legal entity, the goods are transferred against an internal transfer order.

In the preceding business cases, the scope of the import fiscal document is only transfer order flow. The procurement flow between ORGPACT and external foreign supplier is considered as standard procurement flow.

**Import of Goods: Worked Example**

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.
This 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 Supplies OG, 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 is 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 is not 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 Supplies OG 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 Supplies OG. 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 Supplies OG's customer, TPL ORG advises Supplies OG of the pending shipment.
2. Supplies OG 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 Supplies OG through a shipment to Supplies OG’s customer.
4. TPL ORG ships the items to Supplies OG’s customer. The shipment documentation includes a copy of the sales fiscal document that Supplies OG sent to TPL ORG.
5. TPL ORG sends a copy of its warehouse issue fiscal document to Supplies OG. 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

- Managing Fiscal Documents: Procedure

### Goods Returns

### Customer Goods Return: Worked Example

This task flow includes the following activities:

The following figure provides information on the goods return workflow.
The 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 Supplies OG 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 Supplies OG. This document is captured in the Fiscal Document Capture work area for the purpose of fiscal reporting.

\[\textbf{Note}: \text{The fiscal documents NF5R and NF2R are used for fiscal reporting. Use the existing flow of book keeping to record the fiscal documents received in these flows.}\]

**RMA Receipt Fiscal Document Task Flow (NF4R)**

This task flow includes the following activities:

1. When Supplies OG accepts return of goods from customer, the order management specialist creates RMA that lists and prices items being returned to Supplies OG.
2. Customer usually creates the return fiscal document; however, if the document is created by Supplies OG, 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 Supplies OG.
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 Supplies OG 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 Supplies OG through a shipment to customs and onwards 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 Supplies OG previously sent to the TPL ORG.
4. TPL ORG sends a copy of its warehouse issue NF5R fiscal document to Supplies OG. 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**

- Managing Fiscal Documents: Procedure
Adjust Fiscal Document Price for Inclusive Taxes

Special Inclusive Tax: Explained

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 is 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:

<table>
<thead>
<tr>
<th>Business Flow</th>
<th>Service Companies</th>
<th>Reseller</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard fiscal document flow for a purchase order</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Price, Quantity, and Tax complementary fiscal</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>document flows for standard fiscal documents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bookkeeping fiscal document</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Freight fiscal document flow for standard fiscal</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>documents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price and Tax complementary fiscal document flows for</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>freight fiscal document flows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drop Ship Sales fiscal document</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Drop Ship Remittance fiscal document</td>
<td>Tax is exempted</td>
<td>Tax is</td>
</tr>
<tr>
<td></td>
<td></td>
<td>exempted</td>
</tr>
<tr>
<td>Price, Quantity, and Tax complementary fiscal</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>document flows for drop ship fiscal documents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Transfer fiscal document</td>
<td>Not applicable</td>
<td>Not</td>
</tr>
<tr>
<td></td>
<td></td>
<td>applicable</td>
</tr>
<tr>
<td>Import Material by Internal Transfer fiscal</td>
<td>Not applicable</td>
<td>Not</td>
</tr>
<tr>
<td>document</td>
<td></td>
<td>applicable</td>
</tr>
<tr>
<td>Seller Material Return fiscal document</td>
<td>Yes, in fiscal</td>
<td>Yes, in</td>
</tr>
<tr>
<td></td>
<td>document capture.</td>
<td>fiscal</td>
</tr>
<tr>
<td></td>
<td>However, there</td>
<td>document</td>
</tr>
<tr>
<td></td>
<td>is no impact of</td>
<td>capture.</td>
</tr>
<tr>
<td></td>
<td>special inclusive</td>
<td>However,</td>
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<td></td>
<td>tax in cost and</td>
<td>there is</td>
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<td></td>
<td>receipt accounting.</td>
<td>no impact</td>
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<td>of special</td>
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<td>inclusive tax</td>
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<td>in cost and</td>
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<td></td>
<td></td>
<td>receipt</td>
</tr>
<tr>
<td></td>
<td></td>
<td>accounting.</td>
</tr>
</tbody>
</table>
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 Financials Cloud Using Accounting Transactions, Tax Transactions, and Reporting guide.

Related Topics
- Managing Fiscal Documents: Procedure

Accounting Calculations with Special Inclusive Tax: Example

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

Scenario

Standard Fiscal Document

Analysis

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:

<table>
<thead>
<tr>
<th>Event</th>
<th>Accounting Line Type</th>
<th>Cost Reference</th>
<th>Debit or Credit</th>
<th>Amount</th>
<th>Subledger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receipt</td>
<td>Receiving Inspection</td>
<td>Tax-exclusive fiscal document price</td>
<td>Debit</td>
<td>90</td>
<td>Receipt Accounting</td>
</tr>
<tr>
<td>Receipt</td>
<td>Supplier Accrual</td>
<td>Tax-exclusive fiscal document price</td>
<td>Credit</td>
<td>90</td>
<td>Receipt Accounting</td>
</tr>
<tr>
<td>Receipt</td>
<td>Receiving Inspection</td>
<td>Nonrecoverable tax (Tax A)</td>
<td>Debit</td>
<td>7</td>
<td>Receipt Accounting</td>
</tr>
<tr>
<td>Receipt</td>
<td>Supplier Accrual</td>
<td>Nonrecoverable tax (Tax A)</td>
<td>Credit</td>
<td>7</td>
<td>Receipt Accounting</td>
</tr>
</tbody>
</table>
### Oracle SCM Cloud
Using Fiscal Document Capture

#### Chapter 3

**Receive and Process Fiscal Documents**

<table>
<thead>
<tr>
<th>Event</th>
<th>Accounting Line Type</th>
<th>Cost Reference</th>
<th>Debit or Credit</th>
<th>Amount</th>
<th>Subledger</th>
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<tbody>
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<tr>
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<td>7</td>
<td>Cost Accounting</td>
</tr>
</tbody>
</table>

**Note:** As recoverable taxes are not part of the item cost they are 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 is considered as price correction.
The following table illustrates the accounting entries when a standard fiscal document comes in:

<table>
<thead>
<tr>
<th>Event</th>
<th>Accounting Line Type</th>
<th>Cost Reference</th>
<th>Debit or Credit</th>
<th>Amount</th>
<th>Subledger</th>
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<tbody>
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<td>Nonrecoverable tax</td>
<td>Credit</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>(Tax A)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Receipt</td>
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<td>Recoverable tax</td>
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</tr>
<tr>
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<td>(Tax B)</td>
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</tr>
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</tr>
<tr>
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<td>document price</td>
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<tr>
<td></td>
<td></td>
<td>(Tax A)</td>
<td></td>
<td></td>
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</tbody>
</table>
The following table illustrates how the accounting entries look after the Price Complementary processing:

<table>
<thead>
<tr>
<th>Event</th>
<th>Accounting Line Type</th>
<th>Cost Reference</th>
<th>Debit or Credit</th>
<th>Amount</th>
<th>Subledger</th>
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</thead>
<tbody>
<tr>
<td>Invoice</td>
<td>Invoice Price Variance</td>
<td>Tax-exclusive complimentary fiscal document Price</td>
<td>Debit</td>
<td>27</td>
<td>Payables</td>
</tr>
<tr>
<td>Invoice</td>
<td>Supplier Liability</td>
<td>Tax-exclusive complimentary fiscal document Price</td>
<td>Credit</td>
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<tr>
<td>Invoice</td>
<td>Invoice Price Variance</td>
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<td>Nonrecoverable tax (Tax A)</td>
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<tr>
<td>Invoice</td>
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<td>Payables</td>
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<tr>
<td>Invoice</td>
<td>Supplier Liability</td>
<td>Recoverable tax (Tax B)</td>
<td>Credit</td>
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<td>2.1</td>
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</tr>
</tbody>
</table>

Note: Only nonrecoverable portion of tax is accounted in Receipt Accounting. The recoverable portion of tax is ignored in Receipt Accounting as no...
### Adjusting the Item Cost for a Tax Complimentary Fiscal Document: Explained

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 complementary 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 complementary:
  - 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 complementary fiscal document creates a Tax Only Invoice for 5 percent.

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<tr>
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<td>Adjustments</td>
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<td></td>
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</tbody>
</table>
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.
4 **Manage Fiscal Document Exceptions**

**Interface Exceptions: Explained**

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.

**Viewing Interface Exceptions: Procedure**

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.