

Finance Charges

Updated 06/29/2012

Introduction

This Quick Reference Guide (QRG) discusses the process to accrue finance charges on receivables. Debit Memos are created for interest, administrative fees, and penalties for past due receivable invoices. Finance charges will accrue based on the Customer Classification defined on the customer record (defined in the QRG – Maintaining Customers). The steps to accrue finance charges on receivables are the following:

- 1) [Assign Finance Charges](#)
- 2) [Waive Finance Charges \(optional\)](#)
- 3) [Resume the Accrual of Finance Charges \(optional\)](#)
- 4) [Accrue Finance Charges](#)

The two steps include (1) the Assign Finance Charges process and (2) the Accrue Finance Charges process. It is also important to note that these two steps must be performed for each operating unit that has implemented the Finance Charges feature.

Step 1 - Assign Finance Charges Process

The Assign Finance Charges concurrent request runs on the last day of the month and generates the Assign Finance Charges report. This process assigns finance charges to all applicable customers and invoices not previously assigned finance charges. If needed, the steps to run the process manually are noted below.

The Assign Finance Charge process is run in the Federal Administrator module of Oracle. Perform the following actions to run this process:

Step	Field Name	Action
1		Navigate to the Submit Request Window in the Federal Administrator (Other > Request > Run).
2	Single Request radio button	Select the Single Request radio button and click the OK button to display the Submit Request window.
3	Name	Enter Assign Finance Charges or select from the list of values (LOV).
4	Operating Unit	Select the Operating Unit from the LOV and click the OK button to return to the Submit Request window.
5		Click the Submit button to send the request to the concurrent manager.

Submit Request Window

The screenshot shows the 'Submit Request' window with the following configuration:

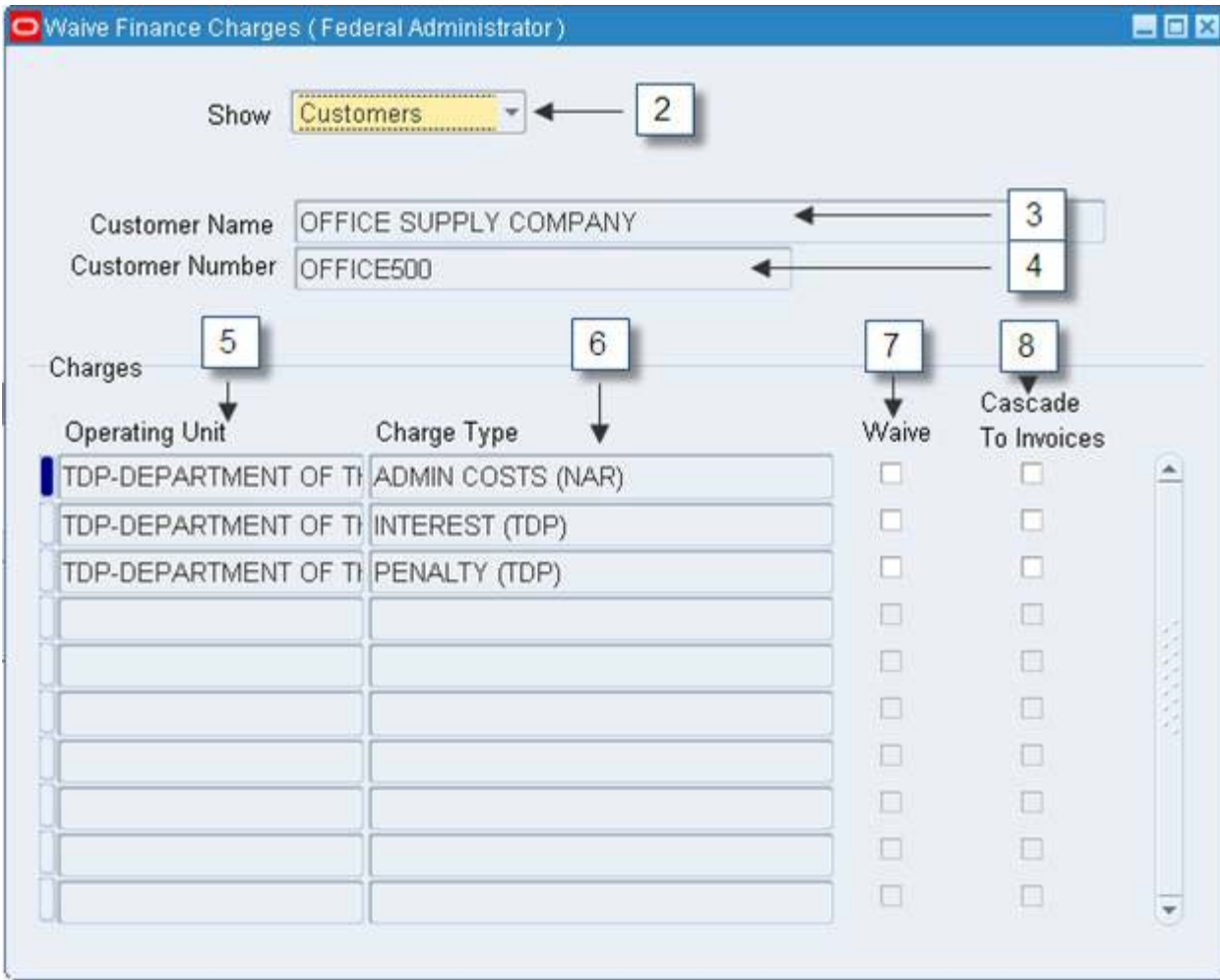
- Run this Request...:**
 - Name: Assign Finance Charges (highlighted with box 3)
 - Operating Unit: TDP-DEPARTMENT OF THE TREASURY (highlighted with box 4)
 - Parameters: (empty)
 - Language: American English
 - Buttons: Copy..., Language Settings..., Debug Options
- At these Times...:**
 - Run the Job: As Soon as Possible
 - Button: Schedule...
- Upon Completion...:**
 - Save all Output Files
 - Layout: (empty)
 - Notify: (empty)
 - Print to: noprint
 - Buttons: Options..., Delivery Opts
- Bottom Buttons:** Help (C), Submit (with box 5), Cancel

Step 2 – Waive Finance Charges Process

To prevent finance charges from being assigned or accrued on certain customers perform the following:

Step	Field Name	Action
1		Navigate to the Waive Finance Charges window in the Federal Administrator module (Receivables Management > Waive Finance Charges).
2	Show	Select Customers from the LOV.
3	Customer Name	Query only field. Query by Customer Name.
4	Customer Number	Query only field. Query by Customer Number.
5	Operating Unit	Display only field.
6	Charge Type	Display only field. Identifies the charge type to be waived.
7	Waive Checkbox	Indicates the charge is waived on all future invoices.
8	Cascade to Invoices Checkbox	Indicates charges on all existing invoices for customer are waived.
9		Save your work by clicking the Save icon on the toolbar.

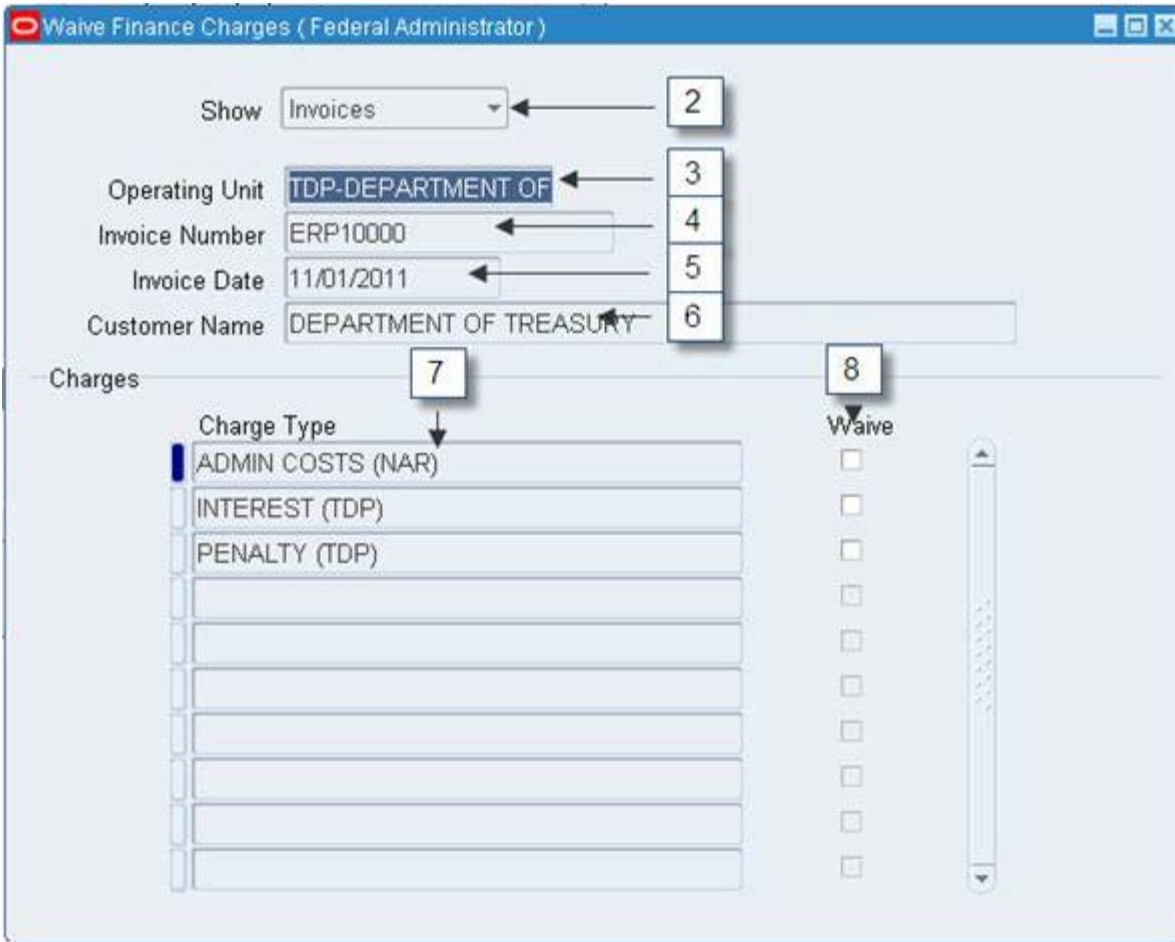
Waive Finance Charges Window - Customers



Optionally, you can waive finance charges for a specific invoice for a customer by performing the following:

Step	Field Name	Action
1		Navigate to the Waive Finance Charges window in the Federal Administrator module (Receivables Management > Waive Finance Charges).
2	Show	Select Invoices from the LOV.
3	Operating Unit	Query only field. Query by Operating Unit.
4	Invoice Number	Query only field. Query by Invoice Number.
5	Invoice Date	Query only field. Query by Invoice Date.
6	Customer Number	Query only field. Query by Customer Number.
7	Charge Type	Display only field. Identifies the charge type to be waived.
8	Waive Checkbox	Indicates the charge is waived on the selected invoice.
9		Save your work by clicking the Save icon on the toolbar.

Waive Finance Charges Window - Invoices



Step 3 – Resume the Accrual of Finance Charges Process

To resume the accrual of previously waived finance charges perform the following steps:

Step	Field Name	Action
1		Navigate to the Waive Finance Charges window in the Federal Administrator module (Receivables Management > Waive Finance Charges).
2		Query the Customer or Invoice that will resume accruing finance charges.
3	Waive Checkbox	If you want to begin accruing interest on an invoice where the Waive checkbox is checked, you must uncheck the Waive checkbox on that specific invoice. Deselecting the Waive checkbox at the Customer level has no impact on the Waive checkbox being checked at the Invoice level.
4		Save your work by clicking the Save icon on the toolbar.

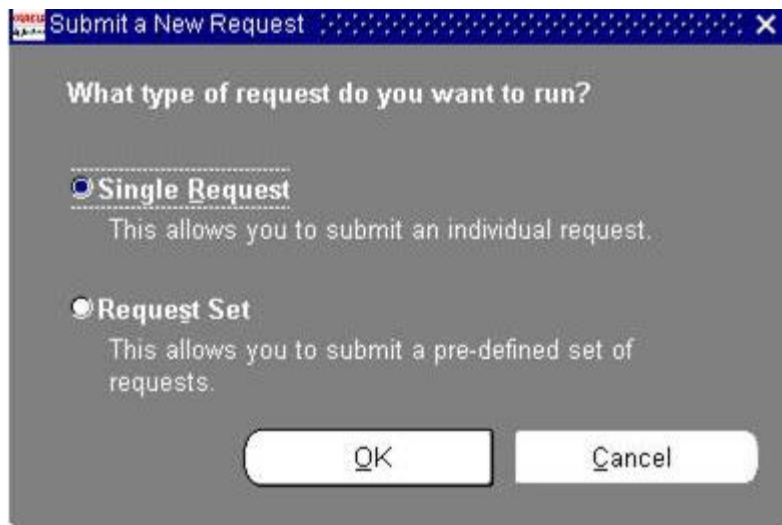
Step 4 - Accrue Finance Charges Process

The Accrue Finance Charges process runs on the last day of the month. This process selects each overdue invoice and calculates the applicable finance charges by creating a debit memo or adjusting an existing debit memo for each finance charge type. This process must be run for each operating unit.

The Accrue Finance Charge process is run in the Federal Administrator module of Oracle. Perform the following actions to run this process:

Step	Field Name	Action
1		Navigate to the Submit Request Window in the Federal Administrator module (Other > Request > Run).
2	Single Request radio button	Select the Single Request radio button and click the OK button to display the Submit Request window.
3	Name	Enter Accrue Finance Charges or select from the list of values (LOV).
4	Operating Unit	Select the Operating Unit from the LOV and click the OK button to return to the Submit Request window.
5		Click the Submit button to send the request to the concurrent manager.
6		Run the AutoInvoice concurrent process to create new debit memos.

To run the AutoInvoice process in Receivables, navigate to Accounts Receivable/Interfaces: AutoInvoice...



Click OK.

Select the **AutoInvoice Master Program** from the list of values.

For the parameters, select the following item...

Step Number	Field Name	Description	Step
1	Number of Instances	Number of Instances	Enter '1'.
2	Organization	Organization	Select appropriate Organization or All, if applicable
3	Invoice Source	Invoice Source	Enter 'FED FINANCE CHARGE'.
4	Default Date	Default Date	Enter today's date.

Parameters Form

Parameters

Number of Instances	1	
Organization	All	
Invoice Source	ACCRUE FINANCE CHARGES PROCESS	ACCRUE FINANCE
Default Date	06/01/2012	
Transaction Type		
(Low) Bill To Customer Number		
(High) Bill To Customer Number		
(Low) Bill To Customer Name		
(High) Bill To Customer Name		
(Low) GL Date		
(High) GL Date		
(Low) Ship Date		
(High) Ship Date		
(Low) Transaction Number		
(High) Transaction Number		
(Low) Sales Order Number		

OK Cancel Clear Help

Click OK, submit the job, and click the 'No' button to the question 'Submit another request?'