Oracle Applications

Release12.1.1

Cash Management Fundamentals

White Paper

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Contents

1. Overview

It provides comprehensive bank reconciliation and flexible cash forecasting. There are two major process steps you need to follow when reconciling bank statements:

1. **Load Bank Statements:** You need to enter the detailed information from each bank statement, including bank account information, deposits received by the bank, and payments cleared. You can enter bank statements manually or load electronic statements that you receive directly from your bank.

2. **Reconcile Bank Statements:** Once you have entered detailed bank statement information into Cash Management, you must reconcile that information with your system transactions. Cash Management provides two methods of reconciliation:

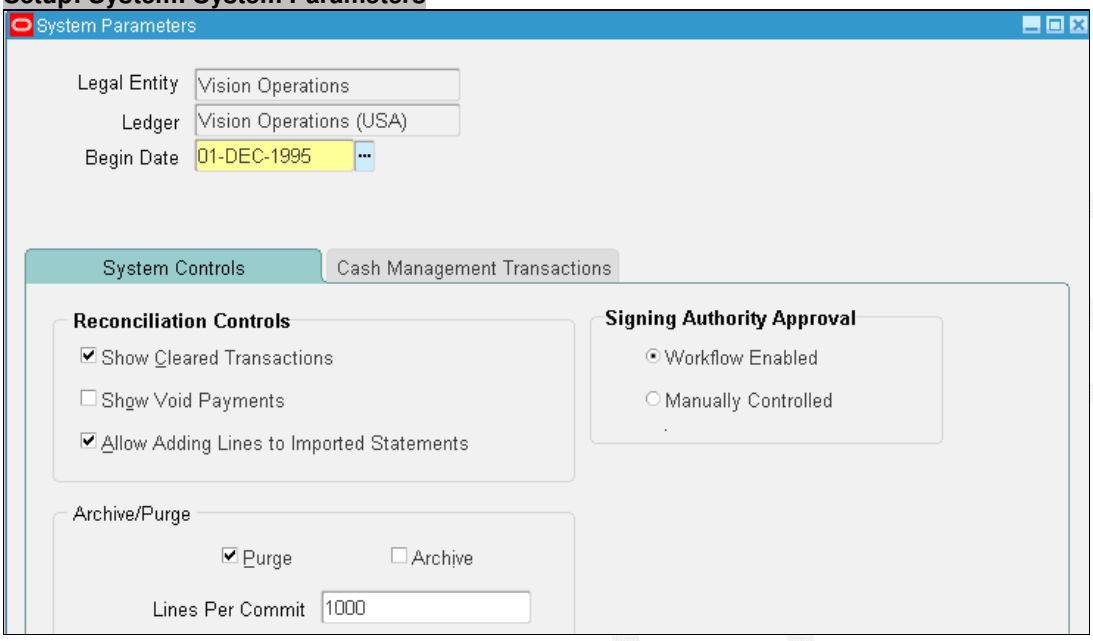
- **Automatic:** Bank statement details are automatically matched and reconciled with system transactions. This method is ideally suited for bank accounts that have a high volume of transactions.

- **Manual:** This method requires you to manually match bank statement details with system transactions. The method is ideally suited to reconciling bank accounts that have a small volume of monthly transactions. You can also use the manual reconciliation method to reconcile any bank statement details that could not be reconciled automatically.

2. System Parameters

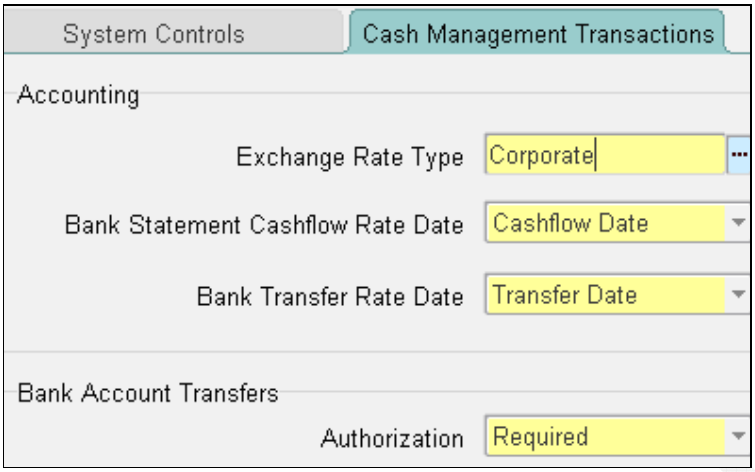
Use the System Parameters window to configure your Cash Management system to meet your business needs.

Setup: System: System Parameters



Legal Entity	The name of legal entity that system parameters are applied to
Ledger	The name of the Ledger for Cash Management accounting transactions. This value defaults from the GL Data Access Sets profile option. Cash Management supports multiple ledgers. Each legal entity is tied to a ledger. If you deal with multiple legal entities, you set up System Parameters for each legal entity
Begin Date	Cash Management will not display transactions dated earlier than this date
Reconciliation Controls	
Show Cleared Transactions	If you select this check box, cleared transactions remain available for reconciliation. Otherwise, only uncleared transactions will appear for reconciliation.
Show Void Payments	You must select this check box if you want voided payments available for reconciliation
Allow Adding Lines to Imported Statements	If you do not select this check box, you cannot add lines to automatically loaded bank statements
Archive/Purge	You can set the following options to automatically archive or purge imported bank statement information
Purge	If you select this check box, the Bank Statement Import program automatically purges all information from the Bank Statement Open Interface tables, once the information has been successfully transferred to the Bank Statement tables. If you import intra-day bank statements, the Intra-Day Bank Statement Import program automatically purges imported bank statement information from the Bank Statement Open Interface tables. You can purge bank statements without first archiving them
Archive	If you select this check box, the Bank Statement Import program automatically archives all information from the Bank Statement Interface tables, once the information has been successfully transferred to the Bank Statement tables. If you import intra-day bank statements, the Intra-Day Bank Statement Import program automatically archives imported bank statement information from the Bank Statement Open Interface tables. You cannot archive bank statements without also purging them Note: You cannot use these two options to automatically archive or purge information from the Bank Statement tables or the Intra-Day Bank Statement tables. You must run the Archive/Purge Bank Statements program.
Lines Per Commit	This is the number of lines that AutoReconciliation will save at a time. It controls the number of transaction rows that AutoReconciliation locks at any given time. The greater the number of lines, the faster AutoReconciliation processes. However, the number of lines you can

	specify is limited by the amount of memory available in your system.
Signing Authority Approval	Through the Signing Authority Approval system parameter, you can decide if you want to manually approve signing authority or use a workflow process. The following options are: Workflow Enabled. This option enables the seeded business event to change the status on the Bank Account Signing Authority window from Pending to Approved, when a record is entered and saved. Manually Controlled. This option allows the user to configure the workflow approval process.

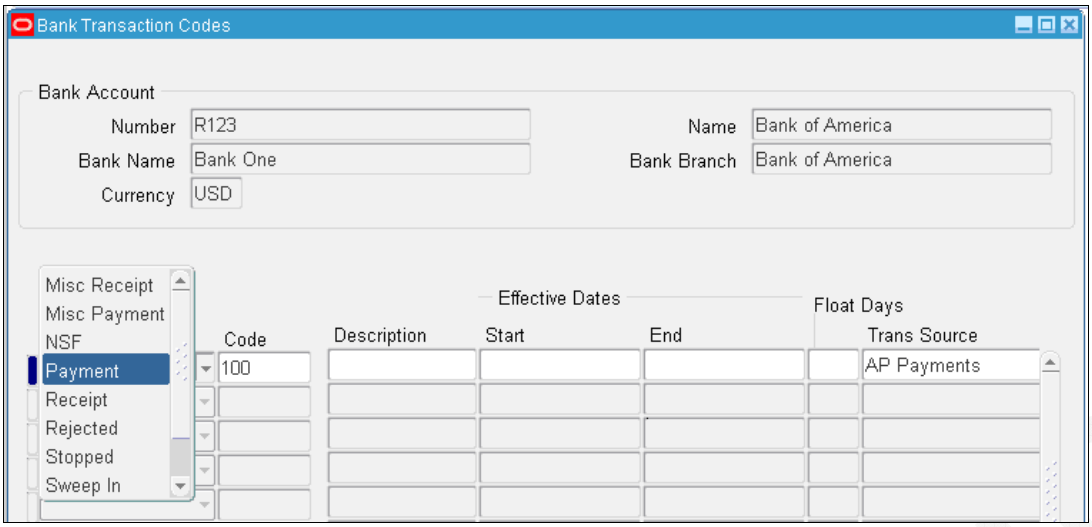


Accounting Exchange Rate Type	Bank Statement Cashflows and Bank Account Transfers programs select the exchange rates for the transaction currency using the exchange rate type you specify. You can choose any exchange rate type defined in Oracle General Ledger
Bank Statement Cashflow Date	Bank Statement Cashflows program selects the exchange rates for the transaction currency using the date source you specify. You can choose any of the following exchange rate dates: • Cashflow Date. The date the Cashflow is created by the Bank Statement Cashflows program. • Bank Statement Date. The closing date of the statement. • GL Date. The accounting date used to clear the statement. • Cleared Date. The date the transaction cleared the bank.
Bank Transfer Rate Date	Bank Account Transfers program selects the exchange rates for the transaction currency using the date source you specify. You can choose any of the following exchange rate dates: • Transfer Date. The date the bank account transfer occurred. • Statement Line Date. The bank statement line date. • Bank Statement Date. The closing date of the statement. • GL Date. The accounting date used to clear the statement. • Cleared Date. The date the transaction cleared the bank. • Actual Value Date. The statement line value date. • Cashflow Date. The date the cashflow is created from the bank account transfer.
Bank Account Transfers Authorization	Not Required. Authorization is not required for bank account transfer to be settled. Bank Account transfer is changed to settled status right after the creation. • Required. Authorization is required for bank account transfers to be settled.

3. Bank Transaction Codes

If you want to load electronic bank statements or use Cash Management's Auto Reconciliation feature, you must define, for each bank account, the transaction codes that your bank uses to identify different types of transactions on its statements. You should define a bank transaction code for each code that you expect to receive from your bank. You can enter effective date range fields, Start Date and End Date, so that you can make a bank transaction code inactive. You can also delete codes that have not been used, in case you make a mistake in creating one.

Setup: Bank: Bank Transaction Codes



1. Select the bank, whose codes you are defining, from the Find Bank window. Alternatively, you can query the bank Account Number. The system displays the Bank Transaction Codes window, which includes Bank Account and Bank information, as well as a region for entering transaction codes.

2. For each transaction code you are defining, select a transaction Type from the poplist. The transaction type determines how Cash Management will match and account for transactions with that code. Bank statement lines are coded to identify the type of transaction the line represents. Since each bank might use a different set of transaction codes, you need to map each code a particular bank uses to one of the following Cash Management transaction types.

You can select from the following list of values:

Payment	Payments such as generated or recorded checks, payment batches, wire transfers, electronic funds transfers, or payroll checks
Receipt	Receipts such as received checks, remittance batches, direct debits, and bills of exchange
Miscellaneous payment	Payments not associated with supplier invoices, such as petty cash transactions directly posted to cost accounts, or bank charges
Miscellaneous receipt	Receipts not associated with customer invoices, such as petty cash transactions directly posted to revenue accounts, such as interest received
Stopped	Stopped payments previously entered, generated, or cleared, such as callback of check. A stopped transaction type matches only to Voided or Stopped payments in Payables or Oracle Payroll
Rejected	Receipts rejected for reasons other than non-sufficient funds, such as an invalid bank account. A rejected transaction type matches only to reversed receipts in Receivables
NSF (Non-Sufficient Funds)	Receipts rejected by the bank because the accounts on which they were drawn had non-sufficient funds. You can reverse these receipts by creating a standard reversal. Cash Management reopens the invoices you closed with the original receipt. When you match bank statement lines with transactions, an NSF transaction type only matches to reversed receipts in Receivables
Sweep In	Incoming funds transfer from an internal bank account. This bank transaction type identifies the originating bank account
Sweep Out	Outgoing funds transfer from an internal bank account. This bank transaction type identifies the receiving bank account

3. Enter the Code used by your bank.
4. Enter the number of Float Days that you want Cash Management to add to or subtract from the statement date to create an anticipated value date for automatic lockbox receipts.
7. Enter a Transaction Source for payment and receipt transactions. Choose Journal from the list of values to reconcile statement lines with the assigned transaction code to General Ledger journals. Choose Open Interface to reconcile statement lines to settlements in Oracle Treasury or external transactions in the Reconciliation Open Interface. Choose Payables Payments or Receivables Receipts to reconcile statement lines to transactions in Oracle Payables or Oracle Receivables. Choose Payroll Payments to reconcile statement lines to transactions in Oracle Payroll.
8. Optionally select a value for the Payroll Payment Format field to reconcile statement lines with the assigned transaction code to Payroll EFT payments. The Payroll Matching Order field is automatically populated based on the value selected in the Payroll Payment Format field.. It is populated after a Payroll Payment Format has been

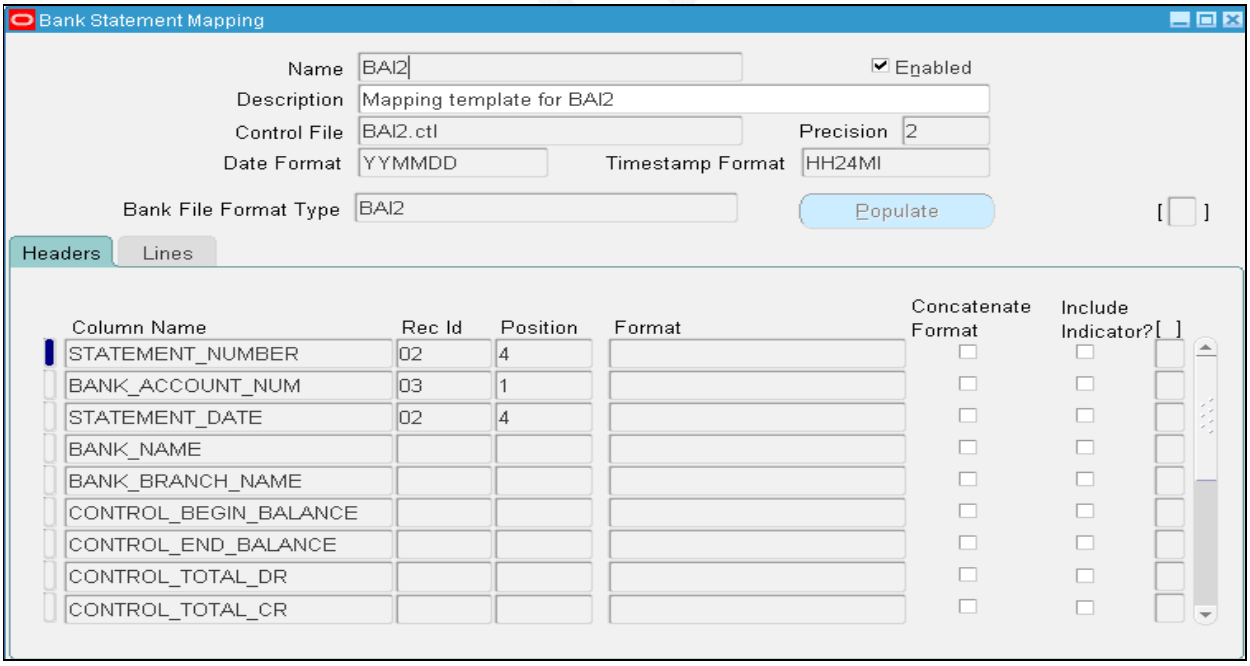
selected. This field indicates the order in which you need to set up the format for the BANK_TRX_NUMBER in the bank statement mapping template.
9. If the transaction Type is Miscellaneous Receipt or Miscellaneous Payment, enter the Matching Against field to determine the order of matching and the type of transactions to match.
Since the same transaction code may be used for matching against both miscellaneous transactions and/or correcting statement errors, you need to indicate, for miscellaneous payments and miscellaneous receipts, the type of transactions to match. If you use a transaction code for both miscellaneous transactions and correcting statement errors, you can also specify the sequence of matching. You can choose from the following values to indicate how to use this
bank transaction code:

- **Misc:** Only match against miscellaneous transactions.
- **Stmt:** Identify the statement line as a correcting entry. The statement line will match against existing statement lines. The netted amount of these lines is used to match to sub ledger transactions.
- **Misc, Stmt:** First try to match against miscellaneous transactions, if there is no match, then try to match against statement lines (corrections).
- **Stmt, Misc:** First try to match against statement lines (corrections), if there is no match, then try to match against miscellaneous transactions.

10. Choose the Correction Method your bank uses when correcting bank errors: Reversal, Adjustment, or Both. This field is only applicable for those Miscellaneous Receipt or Miscellaneous Payment transaction codes that may be used to match to correction statement lines.
11. Choose whether to Create transactions for any Miscellaneous Payments and Miscellaneous Receipts reported on the bank statement when no transaction number is provided.
12. If you chose the Create option in the previous field, specify the Receivables Activity type and Payment Method for any miscellaneous transactions (receipts or payments) you create from within Cash Management.

7. Bank Statement Mapping

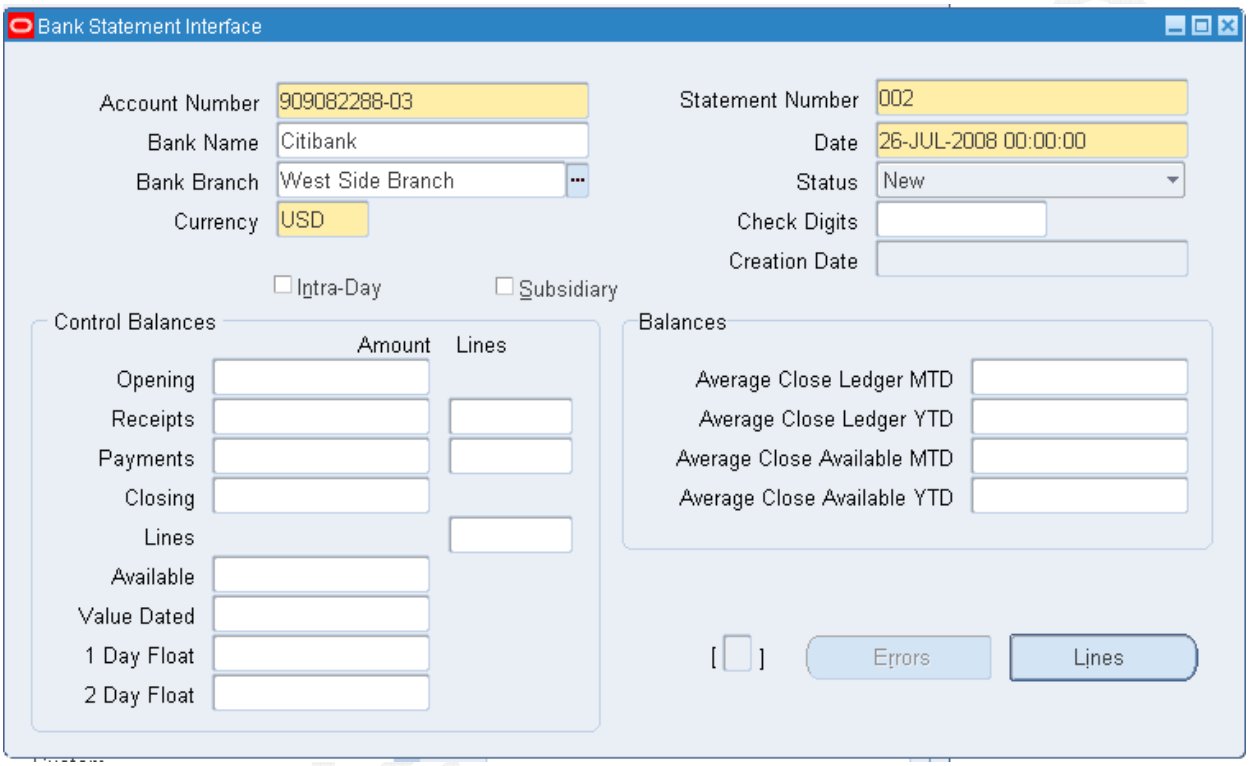
Use the Bank Statement Mappings window to map the structure of your bank statement file to the Bank Statement Open Interface tables. You need to define the mapping for each unique file structure. The default mapping templates for BAI2, SWIFT940, and French EDIFACT are provided by Cash Management and cannot be changed. You can create new mapping templates by copying the existing templates.

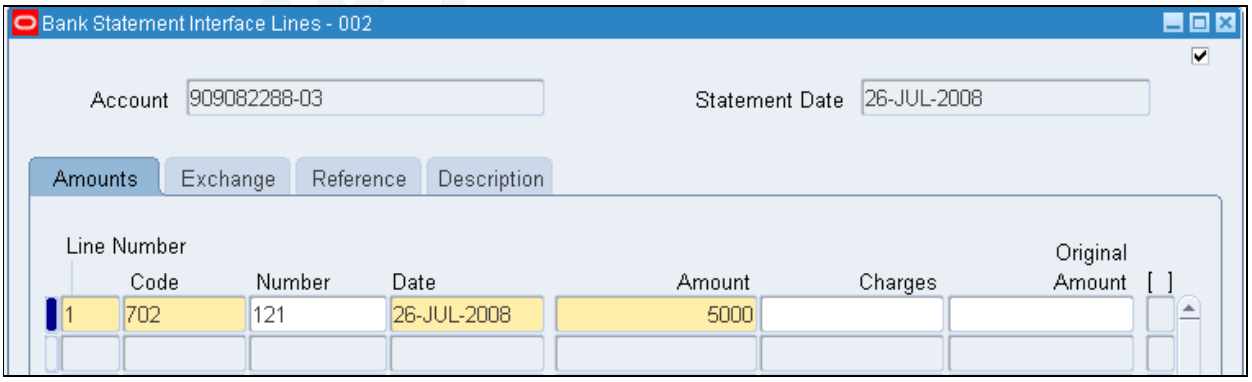


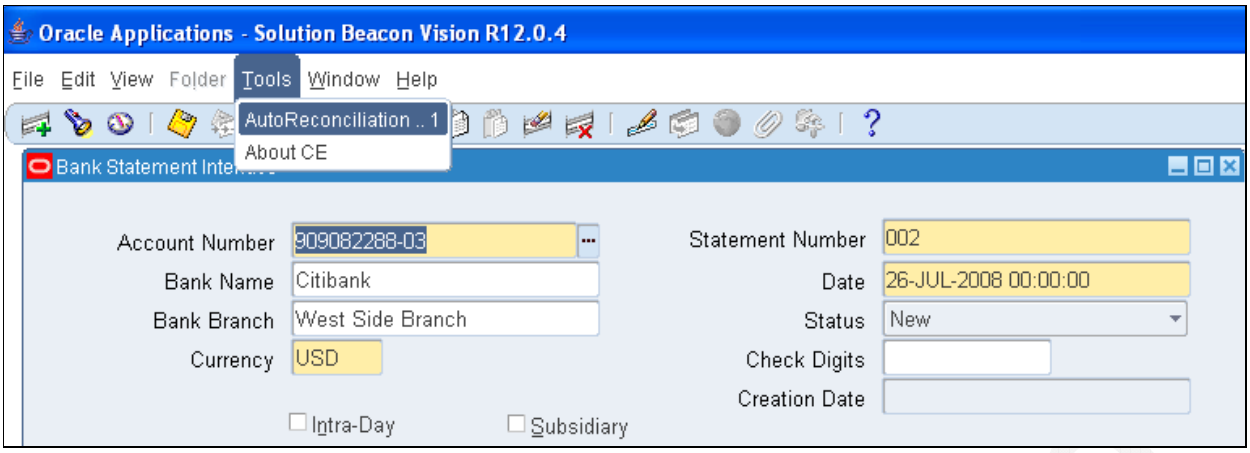
8. Bank Statement Interface

If your bank provides account statements in a flat file, you can use the Bank Statement Open Interface to load this information into Oracle Cash Management. You can load previous-day bank statements to reconcile against system transactions.

You can load bank statement information into the Bank Statement Open Interface tables using the Bank Statement Loader program or by using a custom loader program. Once you populate the open interface tables, you can run the Bank Statement Import program to validate and transfer the bank statement information into the Cash Management Bank Statement tables. After the bank statement information has been successfully transferred, you can purge the open interface tables.



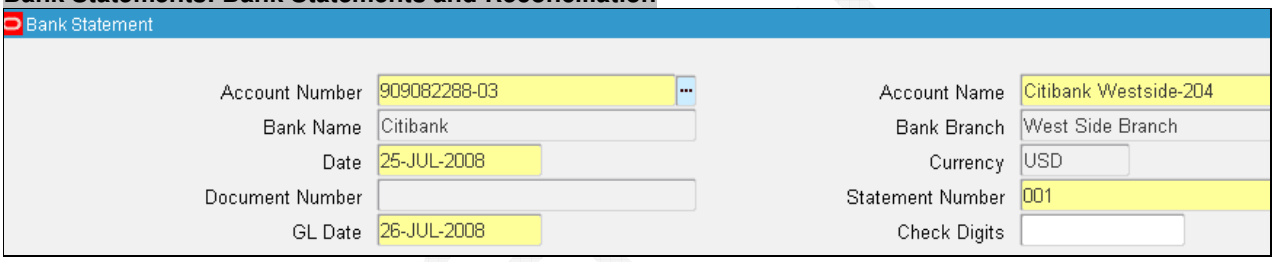




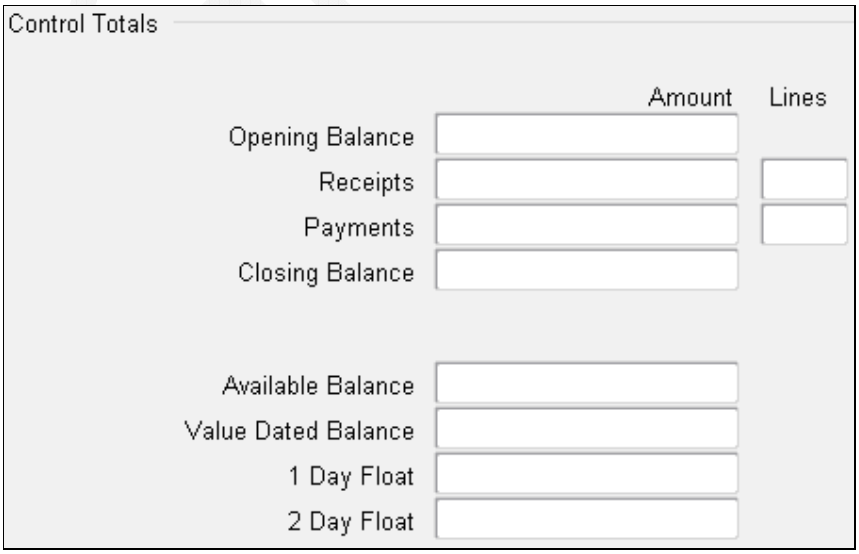
9. Entering Bank Statement Manually

In addition to loading bank statement information automatically with the Bank Statement Open Interface, you can enter bank statement information manually. When you enter a bank statement manually, you enter the bank statement header and the transaction lines. You can reconcile transaction lines as you enter them, or you can reconcile the bank statement (manually or automatically) after you enter all the transaction lines and save your work.

Bank Statements: Bank Statements and Reconciliation

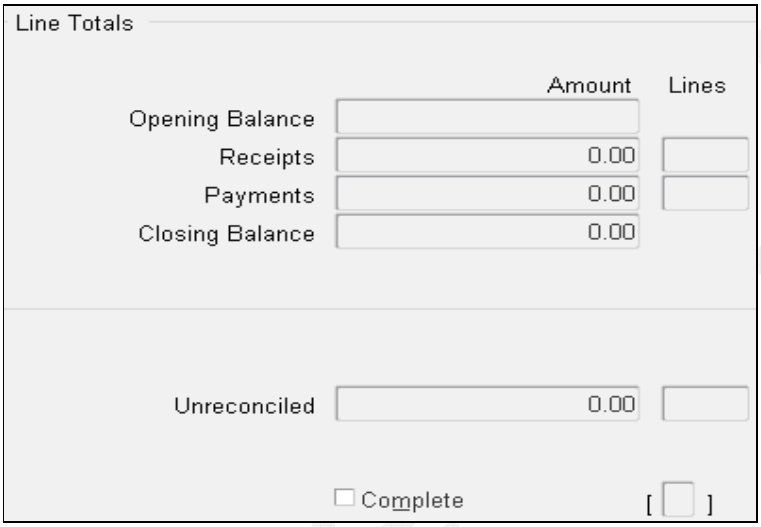


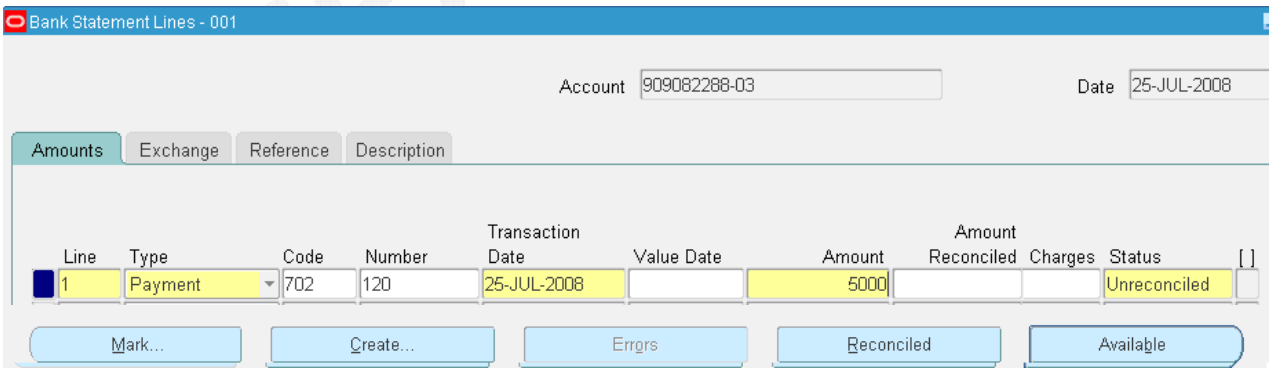
Select **Account Number** from list. Oracle populates A/c Name, Bank Name, Bank Branch and Currency.
Document Number: The document number that appears on the bank statement. If you use automatic document sequence numbers, Cash Management creates the document number for the statement automatically. You cannot edit a document number that is assigned automatically.
Statement Number: The statement number. The default statement number is the statement date.
GL Date: The date that the transaction posts to the General Ledger. The default is the statement date. The GL Date must be in an open or future-enterable period in Oracle Receivables or Oracle Payables.
Check Digits: Enter Check Digits for bank account validation.



Control Totals and Line Totals: The Control Totals and Line Totals tabbed regions of the window contain the same fields. You can compare these fields to ensure that the bank statement that you entered is complete and correct.

Opening Balance	The beginning balance for the statement, as provided by the bank. The default is the closing balance of the previous statement
Receipts Amount	The total amount of receipts on the statement
Receipts Lines	The total number of receipt lines on the statement
Payments Amount	The total amount of payments on the statement
Payments Lines	The total number of payment lines on the statement
Closing Balance	The closing balance on the statement. In Oracle Treasury, you can use this balance to record the daily closing balance
One Day Float	The one day float balance on the statement
Two Day Float	The two day float balance on the statement
Complete	Check this field to indicate that the bank statement is complete and to prevent any changes to it. You may want to freeze a bank statement after completing the reconciliation process. However, you can mark or unmark the statement as complete at any time
Unreconciled Amount	The total amount on the statement that is unreconciled. This amount is the net of unreconciled receipts and unreconciled payments
Unreconciled Lines	The number of unreconciled lines on the statement





Line	The line number provided by the bank. If the bank does not provide line numbers, you can enter line numbers in a sequence
Type	Select Payment, Receipt, Misc. Payment, Misc. Receipt etc from list
Code	The code that the bank uses to identify a transaction
Number	Enter instrument number like Payment Check No or Receipt Check No.
Transaction Date	The date the transaction cleared the bank. The default is the statement date
Value Date	The date when cash activity (payments or receipts) is recognized in a bank account. This date is important for interest calculations on a bank account. The statement line Value Date can be

	provided by the bank or entered manually. It is used to populate the Actual Value Date in Oracle Payables and Oracle Receivables
Amount	The amount of the transaction, in the bank account currency. This amount must be within tolerance for auto reconciliation to occur (even if the netted value of the Amount and Charges column equals the sub ledger transaction amount)
Amount Reconciled	The amount of the transaction that was reconciled
Charges	The amount of any bank charges associated with the transaction. This field is not required. Cash Management derives the amount reconciled by adding the Charges and Amount columns
Original Amount	The statement line amount, in its original currency. This amount is used in foreign exchange transactions when the currency of the transaction is different from the currency of the bank account

Exchange Tabbed Region

Currency	The currency of the transaction
Date	The date associated with the exchange rate that was used
Type	The exchange rate type (as defined in Oracle General Ledger) used for this transaction
Rate	The exchange rate specified by the bank for this transaction
Original Amount	The statement line amount, in its original currency. This amount is used in foreign exchange transactions when the currency of the transaction is different from the currency of the bank account

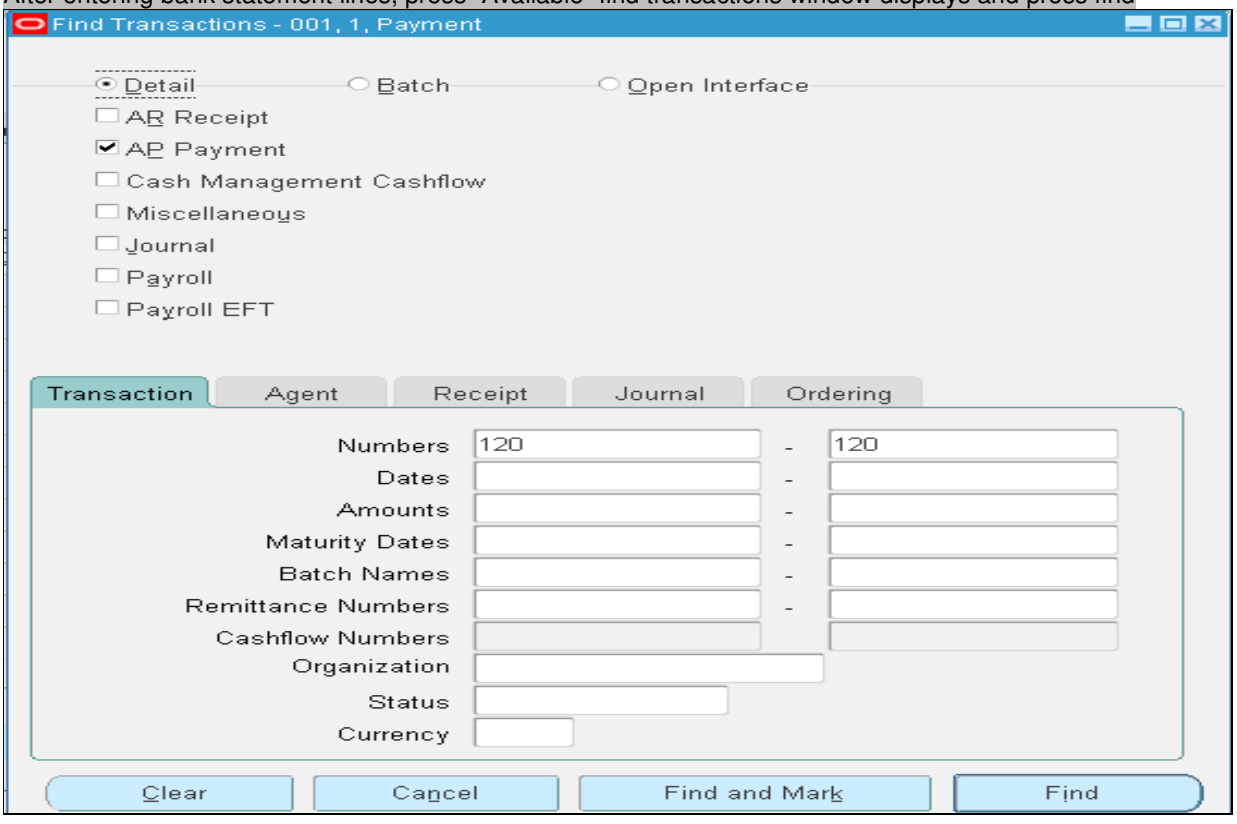
Reference Region

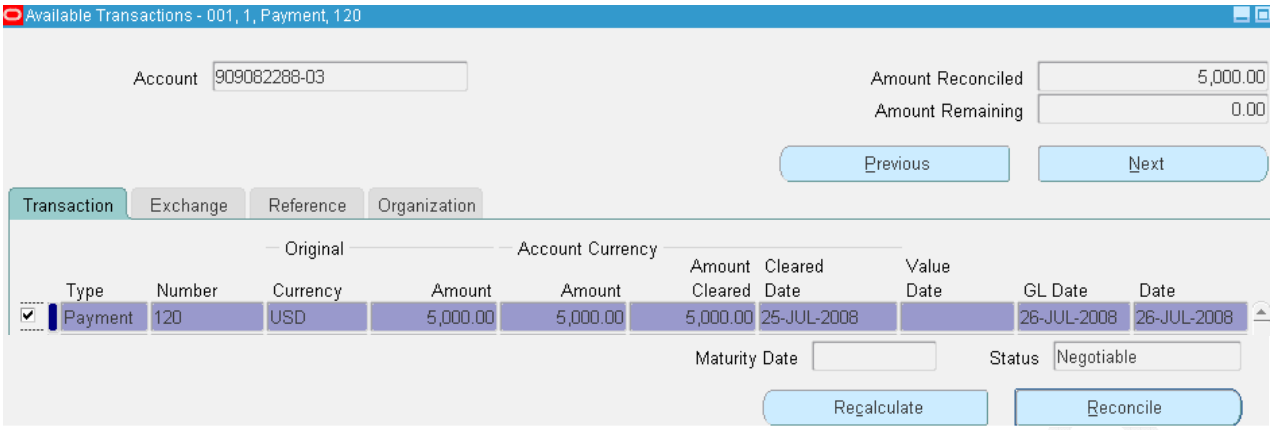
Agent	The name of the customer or supplier associated with the transaction
Agent Bank Account	The bank account of the customer or supplier associated with this transaction
Invoice	The invoice number associated with the transaction

Description Tabbed Region

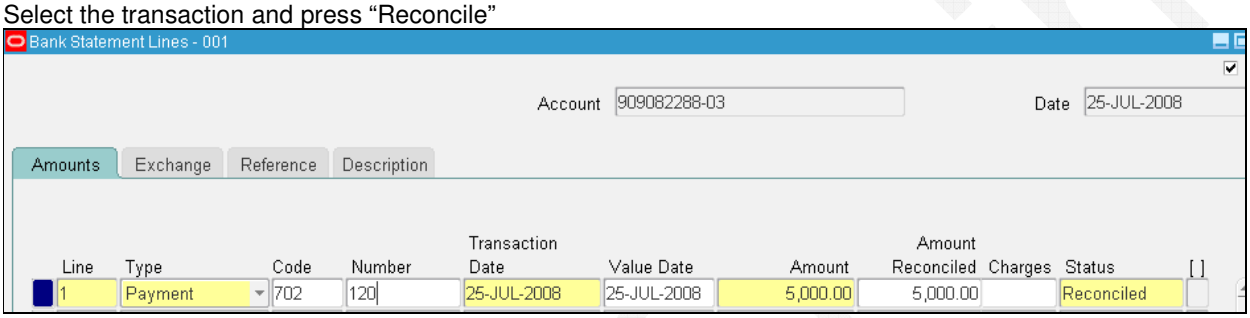
Status: The status of the transaction, reconciled or un reconciled.
Description: The customer-related text provided by the bank.

After entering bank statement lines, press “Available” find transactions window displays and press find

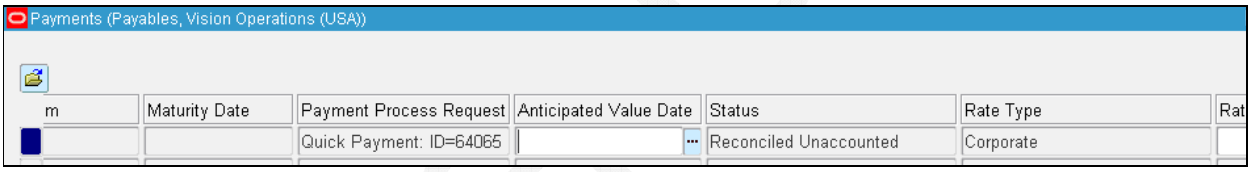




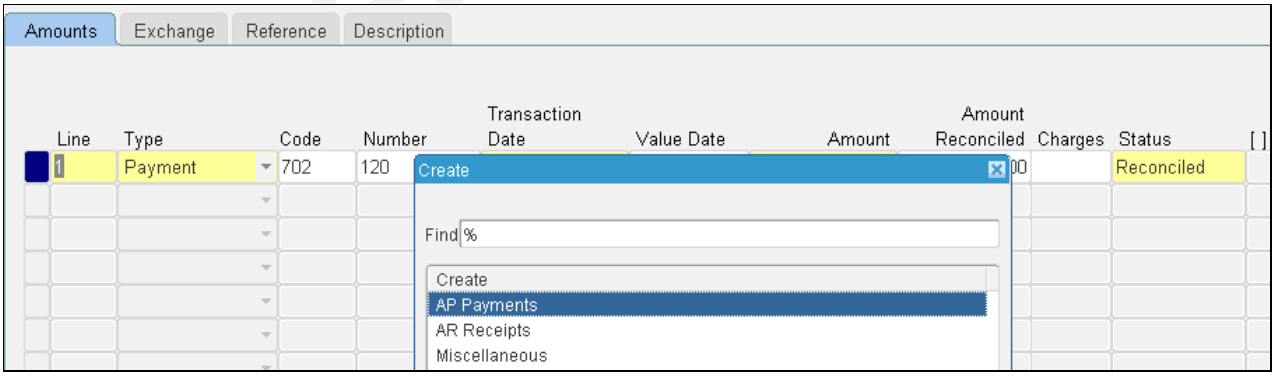
Select the transaction and press “Reconcile”



In Bank Statement Line Status changed form Unreconciled to Reconciled. Go to Payables and find the payment and observe the status as “Reconciled Unaccounted”



Optionally from Bank Statement Lines window you can create transactions (press Create). System opens respective window i.e., AP Payment – Payment window from Payables, AR Receipt and Miscellaneous – Receivables Receipt Window



4. Integration with Payables

Cash Management integrates with Payables. If you are using Payables, you must use Cash Management to reconcile your payment transactions. With Cash Management you can:

- Clear and reconcile payments.
- Undo the reconciled status of a reconciled payment.
- Undo the cleared status of a cleared payment.

- Record miscellaneous transactions that are on your bank statements such as bank charges, or bank errors.
- Open the Payments window to enter Payables payments.

5. Integration with Receivables

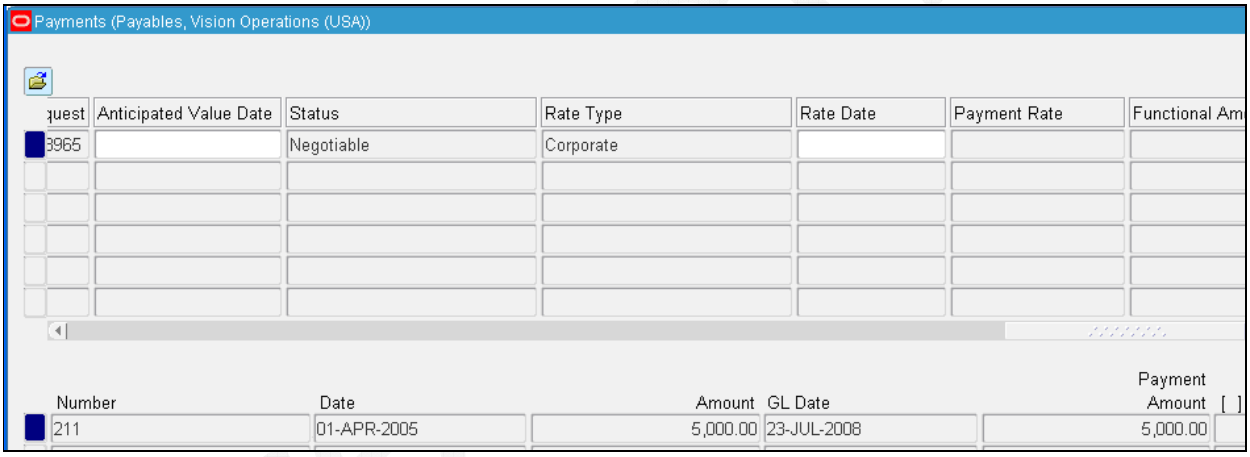
Using Cash Management, you can:

- Clear and reconcile receipts.
- Undo the reconciled status of a reconciled receipt.
- Undo the cleared status of a cleared receipt.
- Navigate to Receivables where you can create or reverse receipts.
- Create miscellaneous (non-invoiced) transactions, such as interest, debits, or credits.

Notes:
• If you use Automatic Clearing for receipts in Receivables, keep in mind that receipts are only cleared, not reconciled against a bank statement.
• If you are using Receivables, you must use Cash Management to reconcile your receipts.

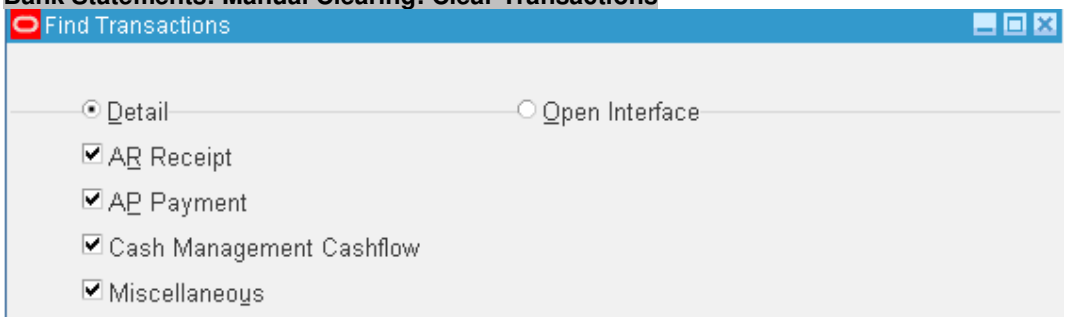
6. Manual Clearing

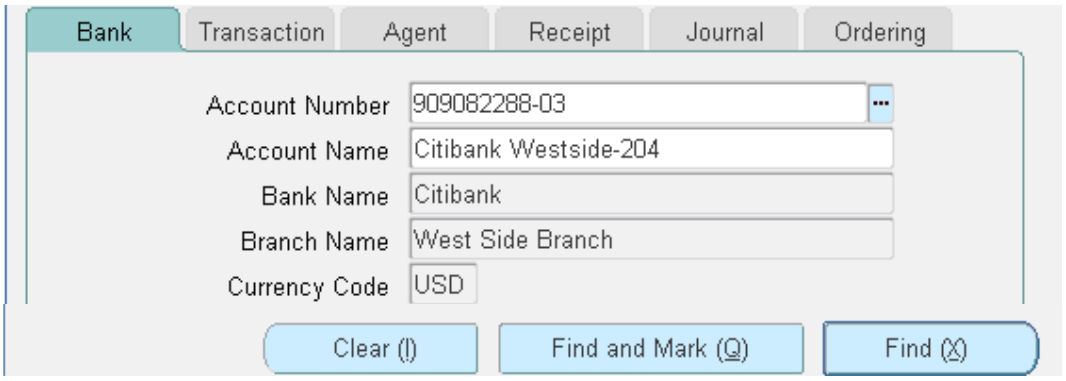
1. Enter payment in Payables (Status is Negotiable)
2. Go to Cash Management and manually clear
3. Go to Payable query the payment and create accounting



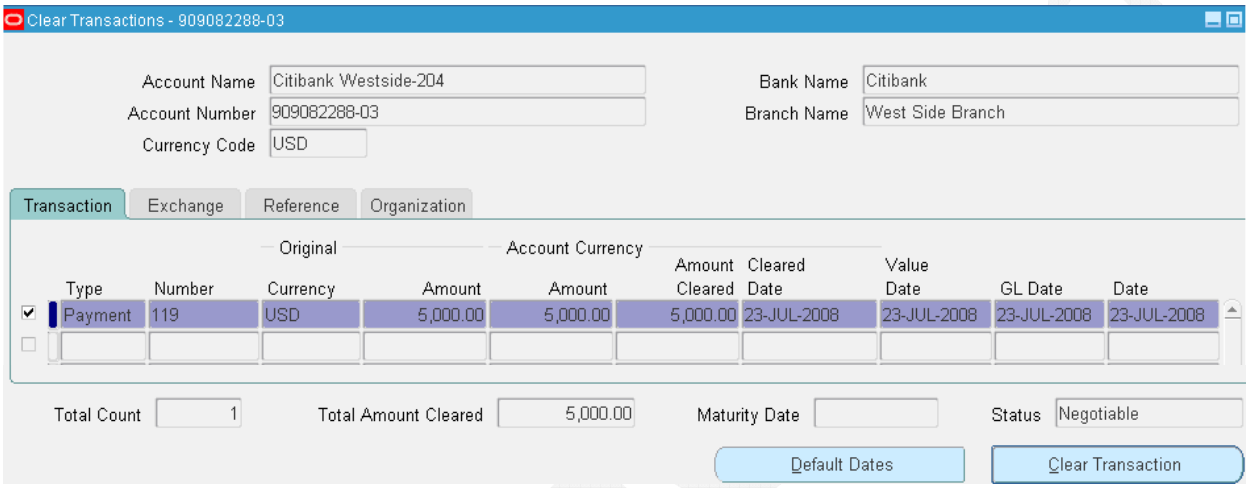
Go to cash management and find the payment transaction from particular Bank & Bank Account

Bank Statements: Manual Clearing: Clear Transactions

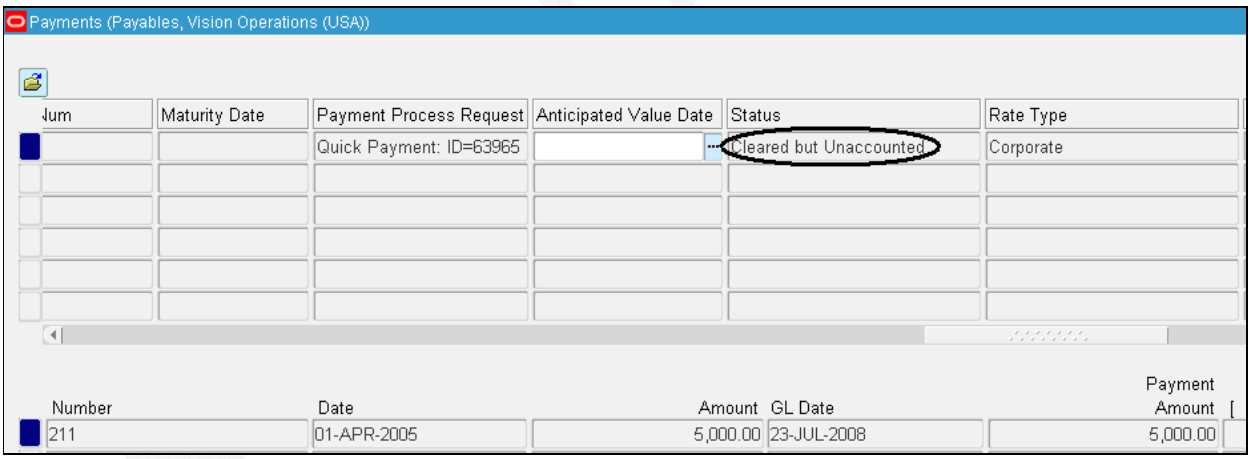




System displays all uncleared transactions select the transaction press “Clear Transaction”



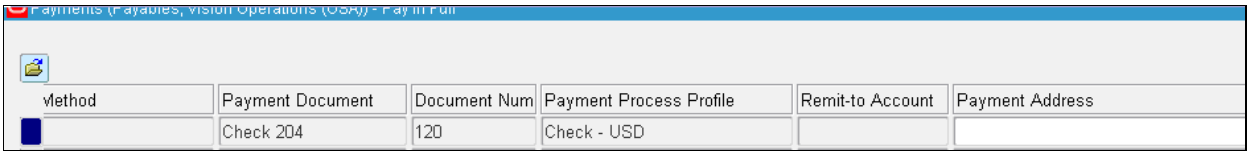
Go to payables query the payment and observe the status as “Cleared but Unaccounted”

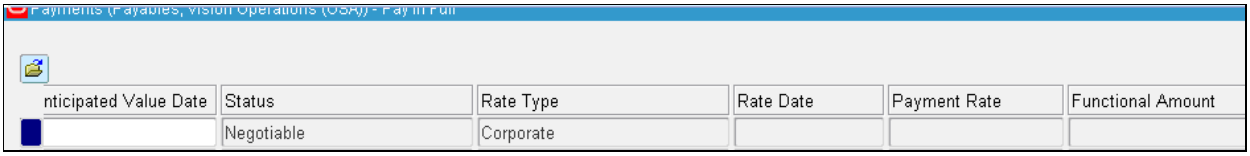


Optionally you can unclear the transaction. Go to cash management and find the transaction from unclear window and select and press unclear (status of payment “unclear but unaccounted”) and perform create accounting in AP (status “negotiable”).

10. Reconciliation

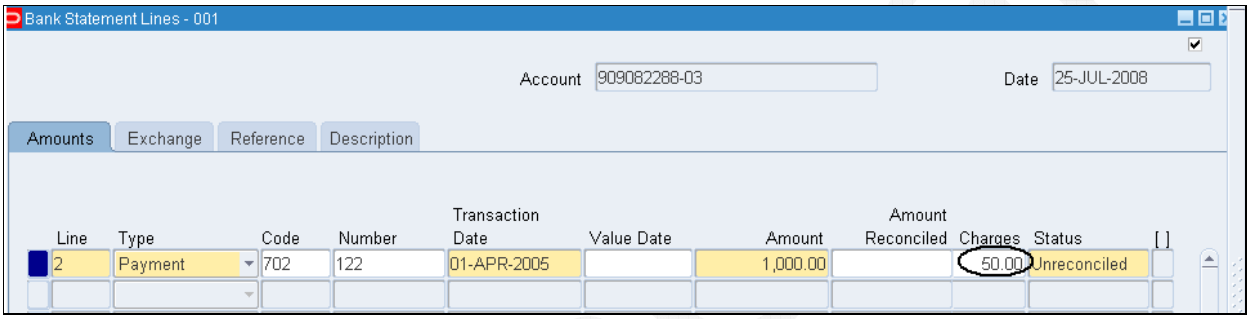
- Enter Payment in Payables
- Enter Bank Statement & Lines
- Reconcile
- Go to AP and create accounting



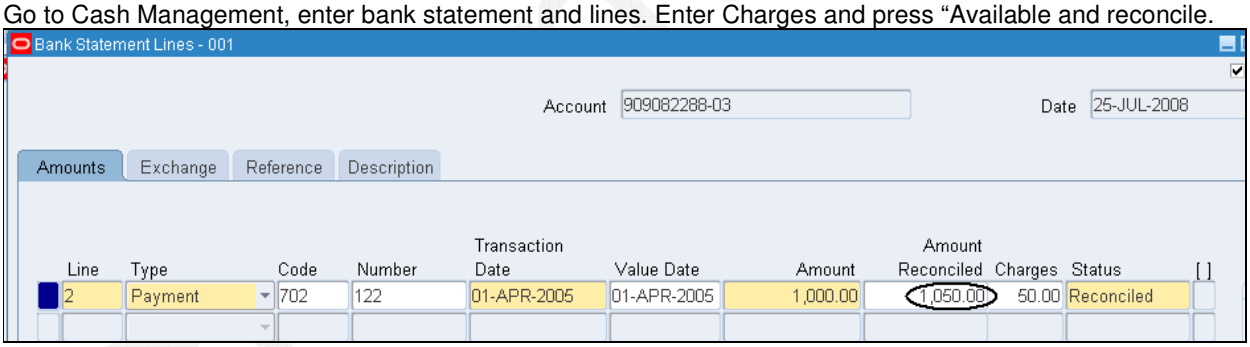


11. Enter Bank Charges

1. Enter Payment and view accounting(Payables)
2. Enter Bank Statement & Line
3. Enter Bank Charges & Reconcile
4. Create Accounting for Payment and View Accounting(Payables)



Go to Cash Management, enter bank statement and lines. Enter Charges and press “Available and reconcile.



Reconciled Bank Statement Lines

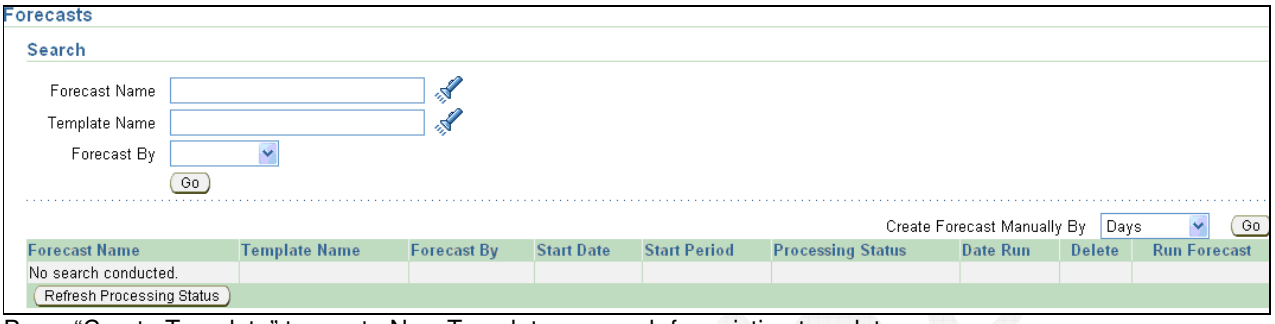
Go to Payables and create accounting. View accounting system created Bank charges line.

12. Cash Forecasting

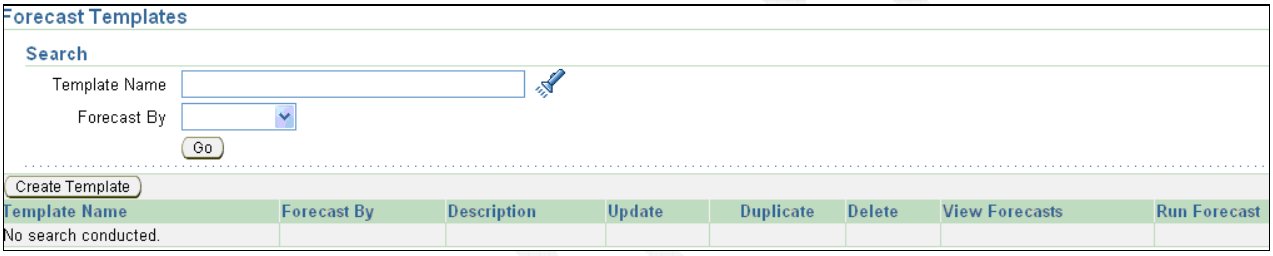
Cash forecasting is a planning tool that helps you anticipate the flow of cash in and out of your business, allowing you to project your cash needs and evaluate your company's liquidity position.

A template contains cash forecast specifications. You can specify the number and type of rows and columns to create custom forecast templates. Templates determine the presentation of sources (rows) and forecast periods (columns) for your cash forecasts. Templates also include the following types of general information:

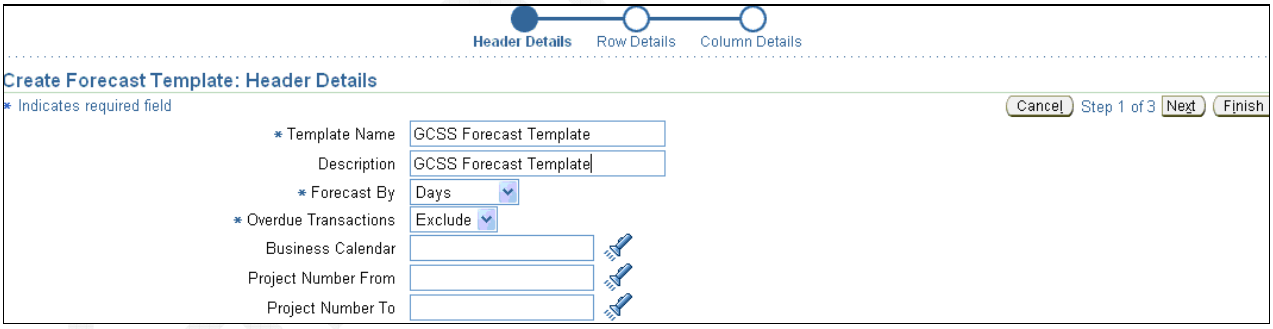
From Cash Management select Cash Forecasting following window appears select Forecast Templates



Press "Create Template" to create New Template or search for existing template



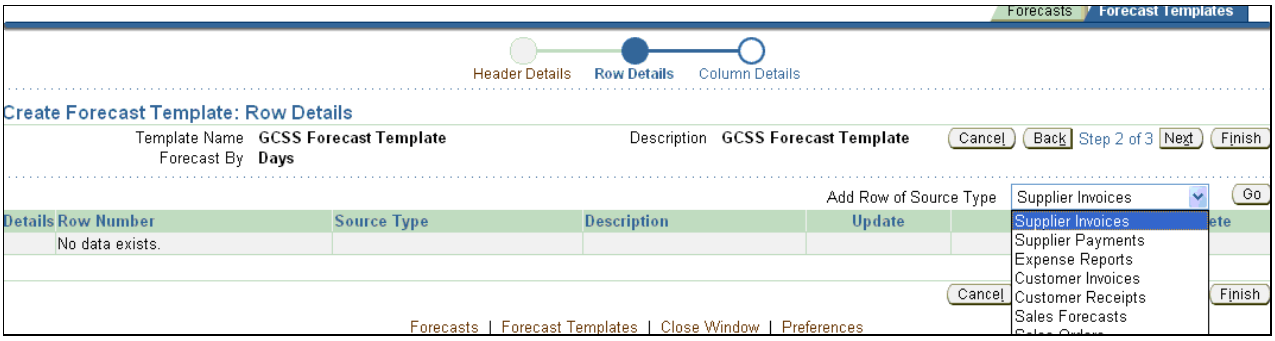
Header Details



Enter unique name, description and Select forecast period type of Days or GL Periods in Forecast By field. Choose Include or Exclude in Overdue Transactions field to determine whether to include or exclude open transactions that have a cash activity date before the forecast start date.

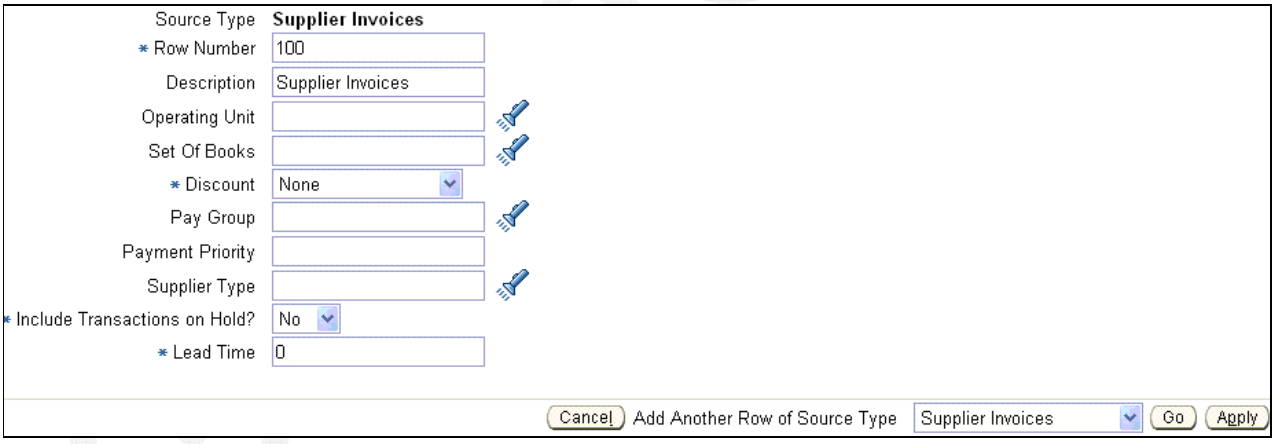
Overdue transactions are collected into one forecast period, displayed as Overdue column in Cash Forecast Results page and the Cash Forecast Report.

Choose a transaction calendar in the Business Calendar field. If you do not choose a calendar in this field, then cash activity dates used in forecasting can be non-business days. To generate a forecast for a project, enter a starting and ending project number. Cash Management generates a forecast for each project in the range. Press **"Next"** to enter Row Details



Use this section along with the Inflow Source Type and Outflow Source Type tables on the previous pages as references when you create forecast templates. You can create multiple forecast templates with a wide variety and combination of source types. The fields described below allow you to control the search for data by entering source type information, or by leaving a field blank.

- Open Interface Inflow
- Open Interface Outflow
- Project Billing Events
- Project Inflow Budgets
- Project Outflow Budgets
- Project Transactions
- Payroll Expenses
- Purchase Orders
- Purchase Requisitions
- User-defined Inflow
- User-defined Outflow
- Treasury Inflow
- Treasury Outflow



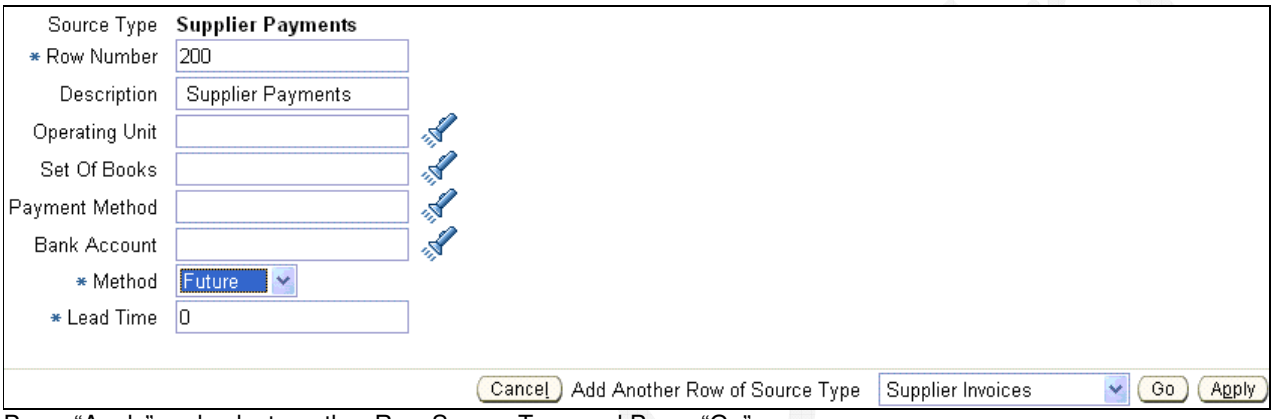
When the source type is Payroll Expenses, the field is actually the Business Group, and the list of values displays appropriate Business Groups for Oracle Payroll. When the source type is Treasury Inflow or Treasury Outflow, the field is Company. For all other source types, this field is the Operating Unit.

Note: If you are creating a forecast by GL periods across multiple organizations or sets of books, all organizations' sets of books must use the same accounting calendar. You select the accounting calendar when you submit a forecast by GL Period.

Discount	Indicates whether to include discounts, and how to calculate the expected cash activity date for Supplier Invoices. Choose from the following: **Maximum.** Always take the maximum discount available, subtract the discount from the gross invoice amount, and use the discount deadline as the expected cash activity date. **Minimum.** Always take the minimum discount available, subtract the discount from the gross invoice amount, and use the discount deadline as the expected cash activity date. **None.** Pay the entire invoice amount by the due date, and use the due date as the expected cash activity date

Pay Group	A user-defined Payables lookup that allows grouping of suppliers for payment. You can limit Supplier Invoices and Purchase Orders to those belonging to a certain pay group
Payment Priority	A number, between 1 (high) and 99 (low). Only supplier invoices or purchase orders with a payment priority the same as or smaller than the number you enter in this field are included in the cash forecast. For example, if you enter 15, Cash Management includes all invoices or purchase orders with a payment priority between 1 and 15
Supplier Type	A user-defined Payables lookup that allows supplier classification for Supplier Invoices and Purchase Orders.
Include Transactions On Hold?	Indicates if you want to include transactions (invoices, expense reports, etc.) that are on hold
Lead Time	The number of days that need to be added to the transaction date to calculate the projected cash activity date. The value must be a positive whole number, or zero.

Customer Invoices, this parameter is optional if you choose the Use Average Payment Days option.

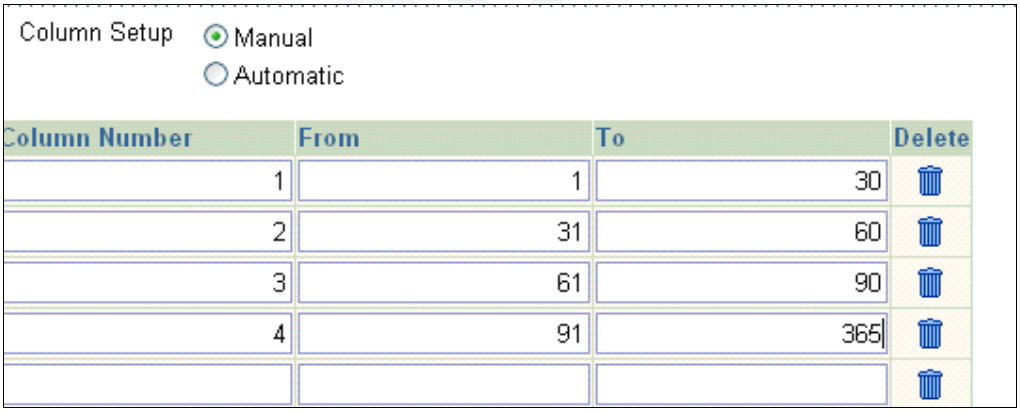


Press “Apply” and select another Row Source Type and Press “Go” .

Details	Row Number	Source Type	Description
Show	100	Supplier Invoices	Supplier Invoice
Show	200	Supplier Payments	Supplier Payme

After adding all the required Rows press “Next”

If you are setting up forecast columns by days, you can choose to set up the forecast columns manually or automatically.

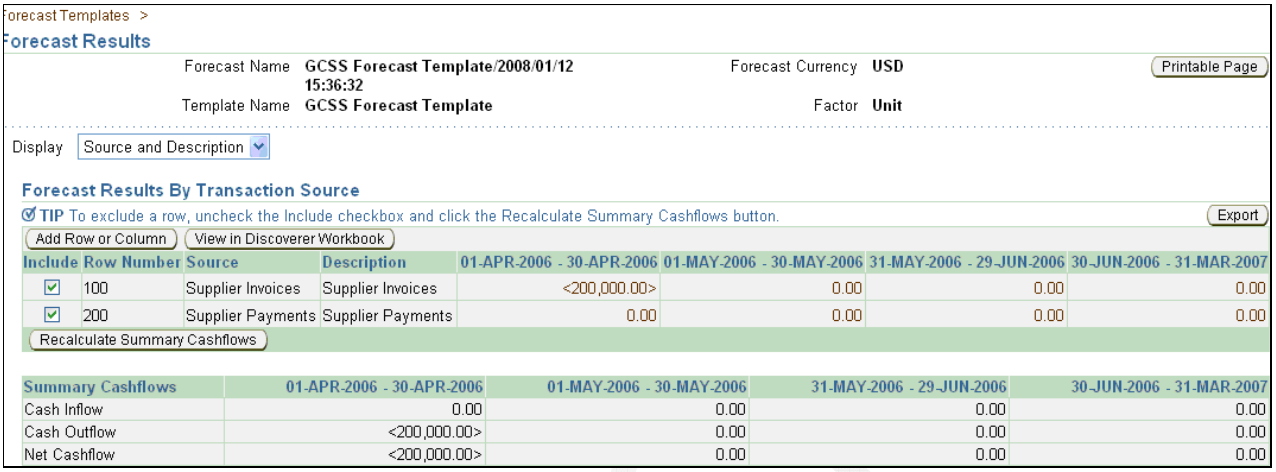


- If you choose to set up your columns manually, enter a Column Number to specify the sequence of the columns (forecast periods). Values must be integers between 1 and 999. The Column Number indicates the sequence of the columns in the forecast. You can define up to 80 columns in a forecast template.
- Enter the From and To specifications as periods or days, depending on what you entered in the Forecast by Field in the Headers Details page. The values must be integers between 1 and 999. The From value must be less than or equal to the To value.

Note: These numbers define the forecast periods by indicating the specific date or period ranges for each column. If a template is defined by GL periods, each column represents one or more GL periods. When submitting a forecast, you specify a start period for a template defined by GL periods, and you specify a start date for templates defined by Days.

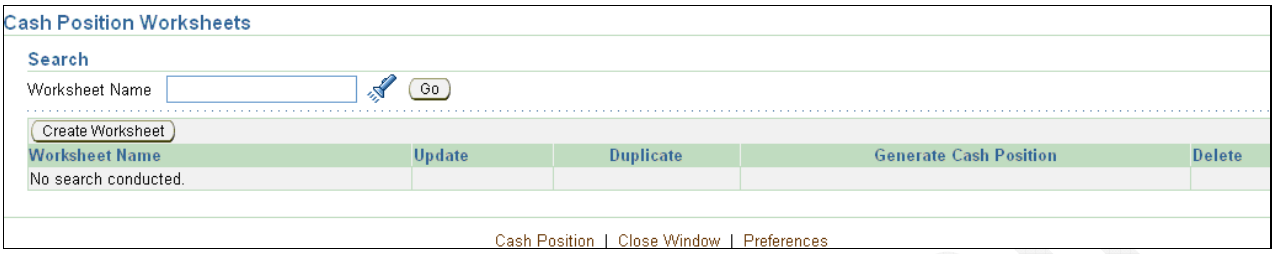
- To create forecast columns automatically, select the Automatic option and click Go. This option is not available for Forecast by GL Periods.
- Enter a value in the Column Sequence field to indicate the order in which this column should be displayed in the cash forecast. Select a value in the Summary Level field from the options of Daily or Weekly to indicate the length of each forecast period. Enter a value in the Duration field. This value must be a positive integer. Select a value in the Duration Type field from the options of Days and Weeks. The combination of the values entered in the Duration field, along with the option selected in the Duration Type field, determines the length of your forecast horizon. For example, a column sequence of 10, summary level of Daily, Duration of 5, and Duration Type of Days will create 5 daily buckets in your forecast.

Forecast Result Window



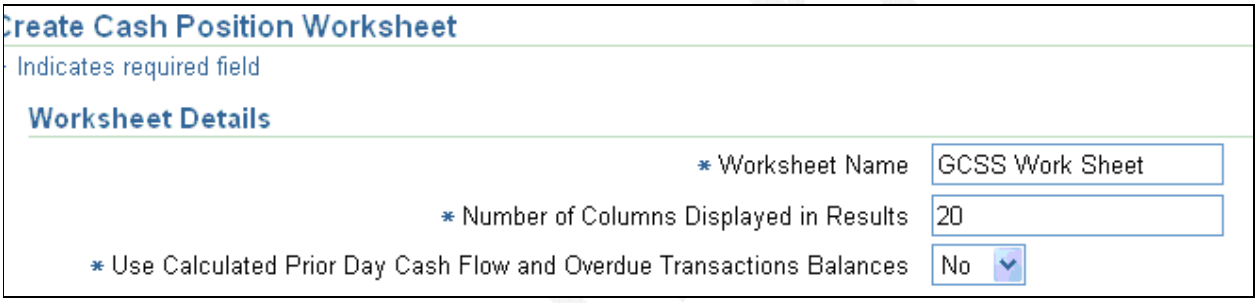
13. Cash Positioning

Cash positioning is a planning tool that helps you view your daily cash position by currency or bank account. Cash positioning allows you to project your cash needs, and evaluate your company's liquidity position. The daily cash positions are based on actual cash flows from various Oracle Applications. You can generate a daily cash position for a single currency, multiple currencies, a single bank account, multiple bank accounts, a single Legal Entity, or multiple Legal Entities.



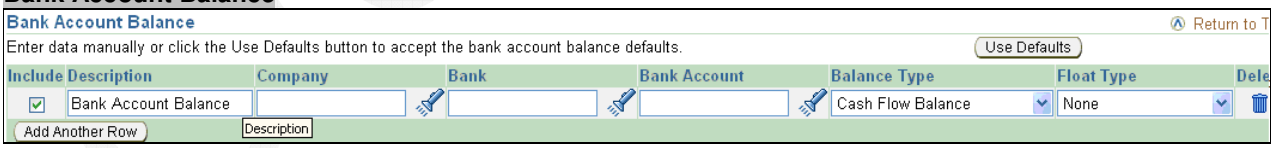
To create new Worksheet Press "Create Worksheet"

A worksheet contains cash position specifications. Worksheets determine the presentation of sources (rows) and bank accounts (columns) for your cash position. Worksheets also include the following types of general information:



Worksheet Name	A unique name for your cash position worksheet
Number of Columns Displayed in Results	The number of columns that should be displayed in each page of your cash position results. The default is 20
Use Calculated Prior Day Cash Flow and Overdue Transactions Balances	Indicates if you want to use calculated or real-time prior day cash flow and and overdue transactions balances. The default is No

Bank Account Balance

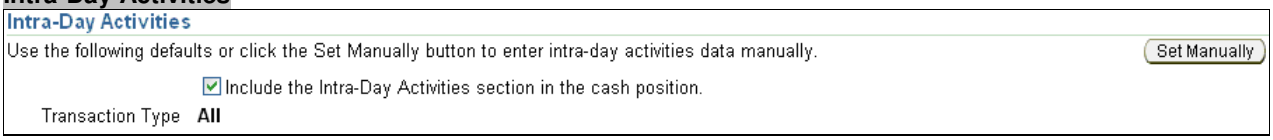


Company	A company or legal entity that you want to generate the cash position for. You can select a legal entity or leave this field blank to collect source data for all legal entities. For non-Treasury users, the list of values displays legal entities defined in HR organizations. You can have multiple rows of a bank account balance in your worksheet. Each row can be for a different legal entity, or you can have one row represent all legal entities
Bank	The bank whose transactions you want to include in the cash position . You can select a bank name or leave this field blank to include all banks. For non-Treasury users, the list of values displays all banks that are Oracle Payroll banks, Oracle Payables banks, or banks shared between Oracle Payables and Oracle Treasury
Bank Account	The bank account whose transactions you want to include in the cash position. You can select a bank account or leave the Bank Account field blank to include all bank accounts. For non-Treasury users, the list of values displays all bank accounts that are Oracle Payroll bank accounts, Oracle Payables bank accounts, or are bank accounts shared between Oracle Payables and Oracle Treasury
Balance	Select a value in this field to indicate the type of balance to be used for the opening balance of

Type	the bank accounts included in the cash pool. Options include: Cash Flow Balance, Interest Calculated Balance, and Ledger Balance
Float Type	Select a value in this field to adjust your opening bank account balance. Options include: Add One Day Float, Add Two Day Float, None, Subtract One Day Float, and Subtract Two Day Float

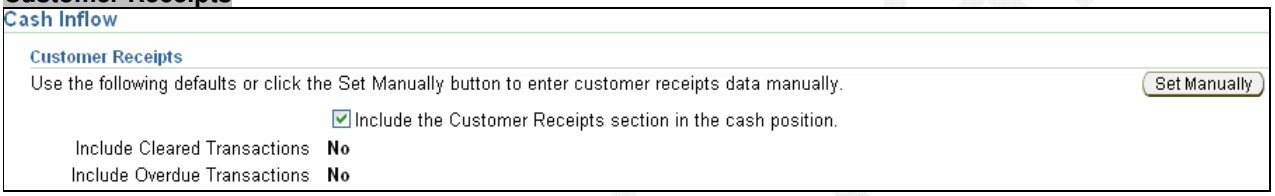
Important: If you selected a bank name in the Bank field and/or a legal entity, you should include bank accounts that belong to the selected bank and legal entity.

Intra-Day Activities



Transaction Type	The type of transactions that you want to include in your cash position for the intra-day activities source. Choices include: All, Misc. Payment, Misc. Receipt, Not Sufficient Funds, Payment, Receipt, Rejected, Statement, Stopped, Sweep In, and Sweep Out
Sweep In	A bank transaction type identifying the originating fund transfer account
Sweep Out	A bank transaction type identifying the payment

Customer Receipts



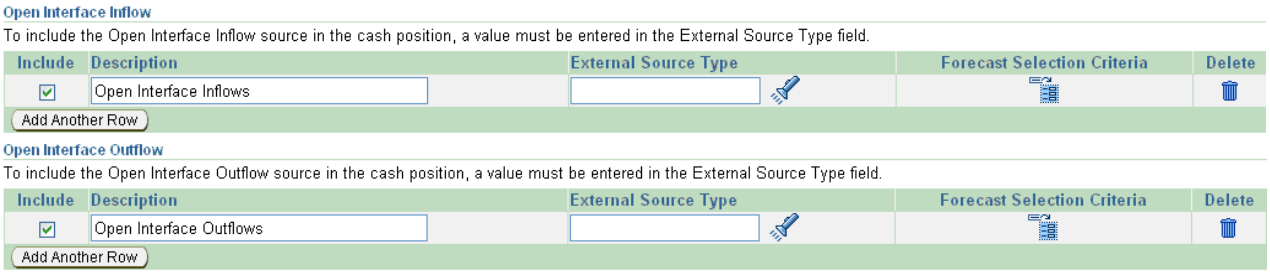
Payment Method	The user-defined Receivables choice to account for receipt entries and applications
Include Cleared Transactions?	Indicates if you want to include transactions that have been cleared on the As of Date
Include Overdue Transactions?	Indicates if you want to include or exclude open transactions that have a cash activity date before the cash position As of Date
Cut Off Days	If you choose to include overdue transactions, you must enter a value in the Cut Off Days field. The cut off days determines how far back to include overdue transactions

Important: Transaction volume increases with an increase in the cutoff period. If you choose a cutoff period that is very long, and you are including many historical transactions, then the position may take longer to generate.

Cash Pools

Cash Pool Name	The name of the cash pool
Balance Type	The type of balance to be used for the opening balance for the bank accounts included in the cash pool. Options include: Cash Pool Balance, Interest Calculated Balance, and Ledger Balance
Float Type	Select a value in this field to adjust the opening balance of the bank accounts included in the cash pool. Options include: Add One Day Float, Add Two Day Float, None, and Subtract Two Day Float.

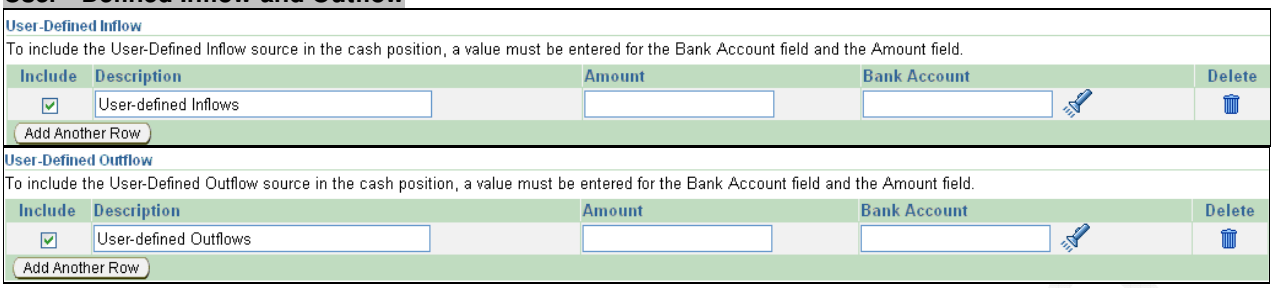
Open Interface Inflow and Outflow



External Source Type. (Required) Indicates the user-defined external source type for Open Interface Inflow or Open Interface Outflow. The list of values is from the Context field of the Forecast Selection Criteria Descriptive flexfield you created during setup of the External Cashflow Open Interface.

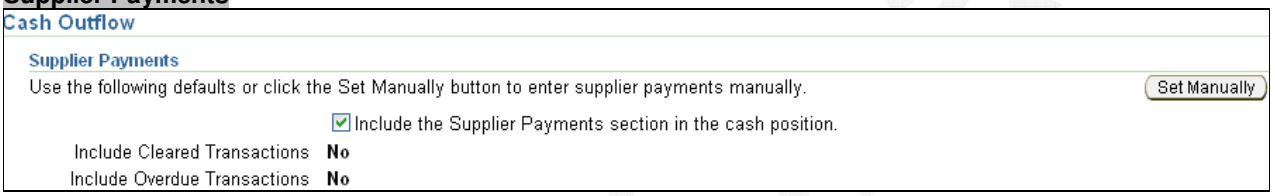
Forecast Selection Criteria. (Required) The descriptive flexfield that indicates the external forecast selection criteria based on the external source type you entered in the previous field for Open Interface Inflow or Open Interface Outflow sources. The list of values is from the segments you defined for the Forecast Selection Criteria Descriptive flexfield.

User - Defined Inflow and Outflow



Amount	The amount of the user-defined inflow and outflow
Bank Account	The bank account to which the user-defined inflow and outflow amounts belong. This should be a bank account that you have previously selected for inclusion in your cash position in the Bank Account Balance section.

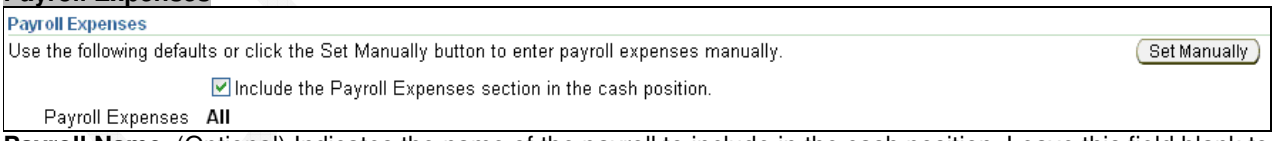
Supplier Payments



Payment Method	Payment methods predefined in Oracle Payables for how suppliers' invoices can be paid. Choices include: Check, Electronic, Wire, Future Dated, Manual Future Dated, and Clearing
Include Cleared Transactions?	Indicates if you want to include transactions that have been cleared on the As of Date
Include Overdue Transactions?	Indicates if you want to include or exclude open transactions that have a cash activity date before the cash position As of Date
Cut Off Days	If you chose to include overdue transactions, you must enter a value in the Cut Off Days field. The value you enter in the Cut Off Days field determines how far back to include overdue transactions

Important: Transaction volume increases with an increase in the cutoff period. If you choose a cutoff period that is very long and you are including many historical transactions, then the position may take longer to generate.

Payroll Expenses



Payroll Name. (Optional) Indicates the name of the payroll to include in the cash position. Leave this field blank to include cash flows from all payrolls.

Payment Method. (Optional) Predefined and user-defined payment methods in Oracle Payroll for how employees' payroll can be paid. Predefined choices include: Cash, Check, And NACHA (National Automated Clearing House Association).

After completing all the required information press "Apply" and system will give a confirmation note and from there you can Generate Cash Position.

Cash Position Results

Cash Position Results: Currency View

Return to Top

To view detailed transactions for each transaction source, click on the amount in the corresponding column. View Balance Gapping

Export

Source Description	USD
Opening Balance	34,278,081.45
Prior-Day Cash Flows	<1,212,861,859.99>
Customer Receipts	0.00
Treasury Inflows	0.00
Supplier Payments	0.00
Treasury Outflows	0.00
Payroll Expenses	0.00
Net Cash Flows	0.00
Intra-Day Activities	0.00
Closing Balance	<1,178,583,778.54>
Target Balance	0.00
Surplus/(Deficit)	<1,178,583,778.54>

Export

Available Liquidity

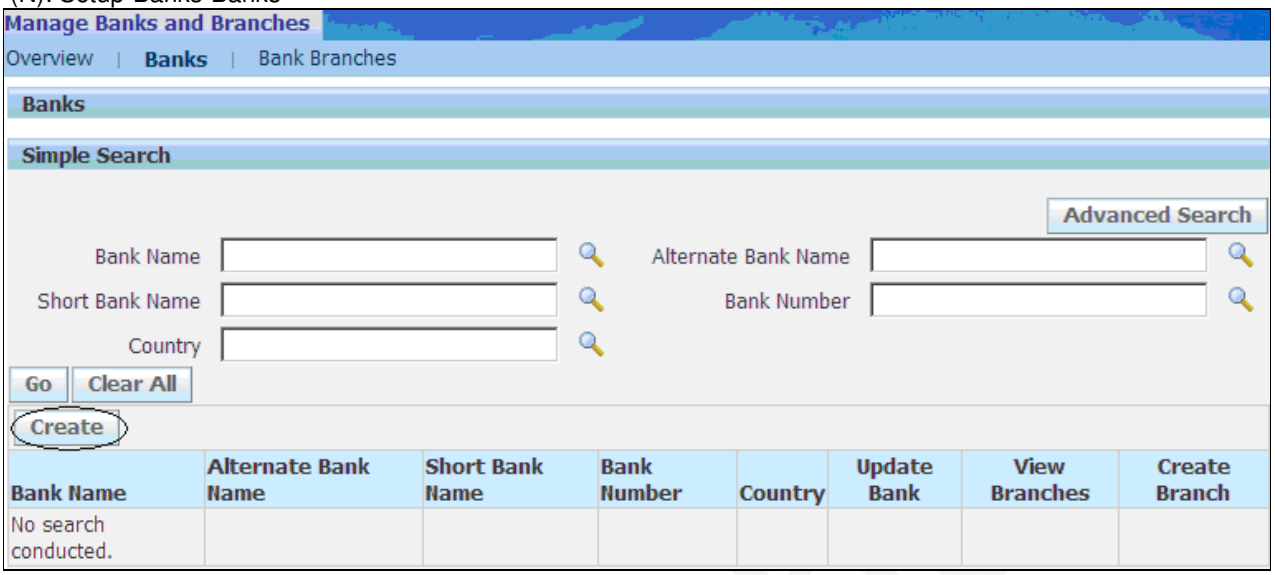
Return to Top

To view the details for each deal type, click on the amount in the Amount column of the corresponding row.

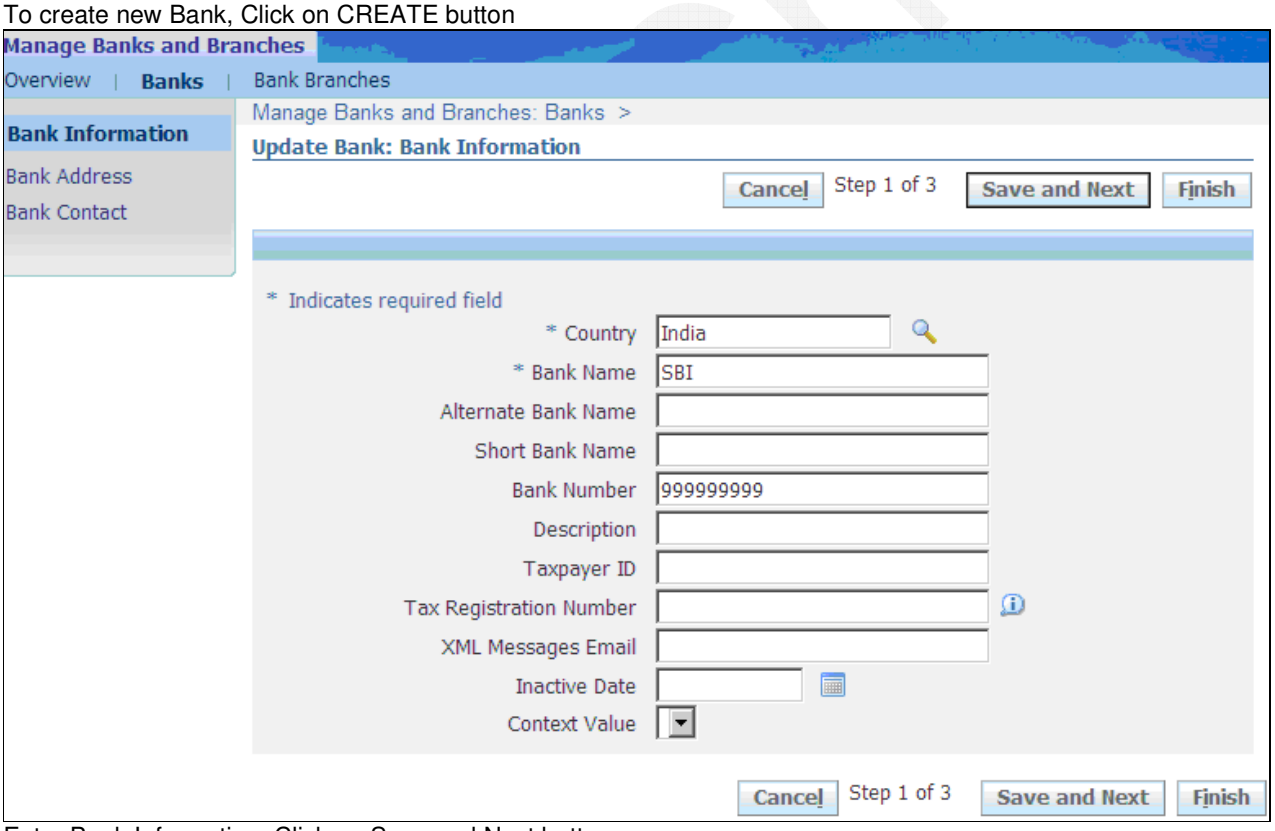
Deal Type	Currency	Amount
Short Term Money	AUD	<3,000,000.00>
Short Term Money	EUR	2,375,915.96
Short Term Money	USD	<2,260,041.67>
Fixed Income Securities	EUR	5,050,000.00
Fixed Income Securities	USD	491,000,000.00

14. Banks

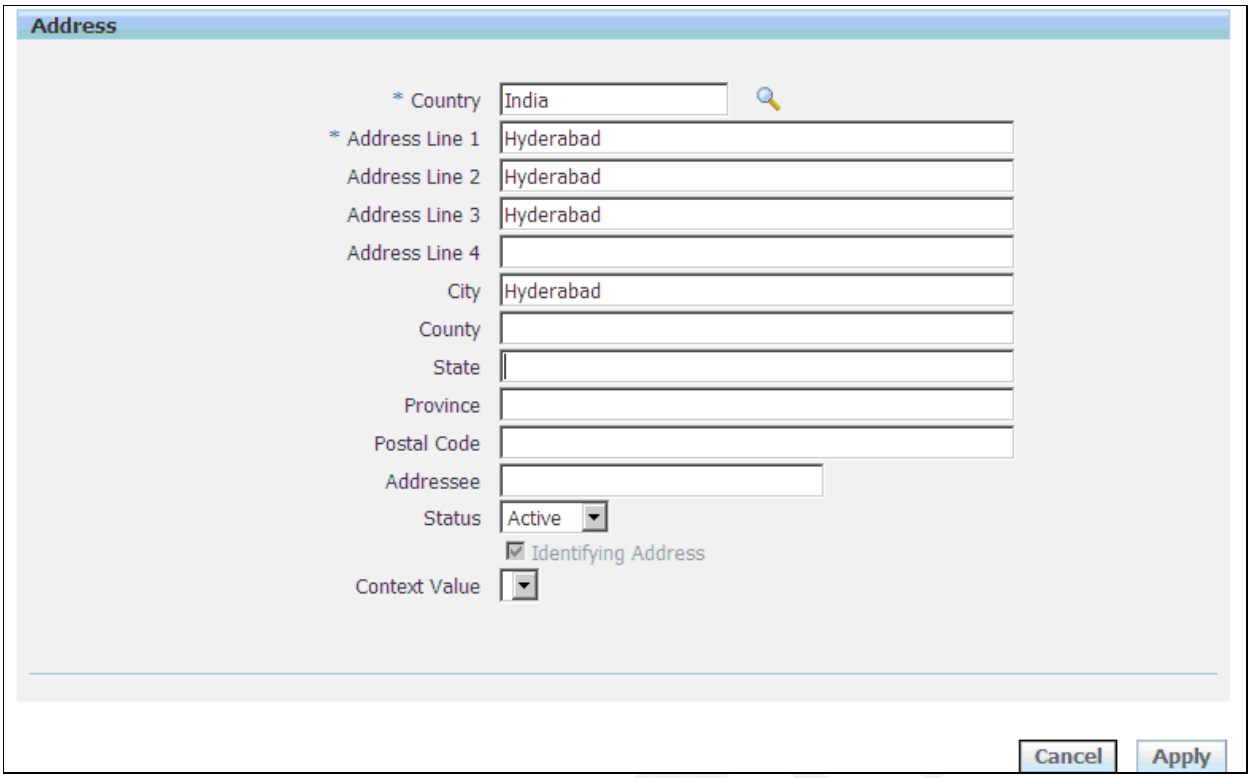
(N): Setup-Banks-Banks



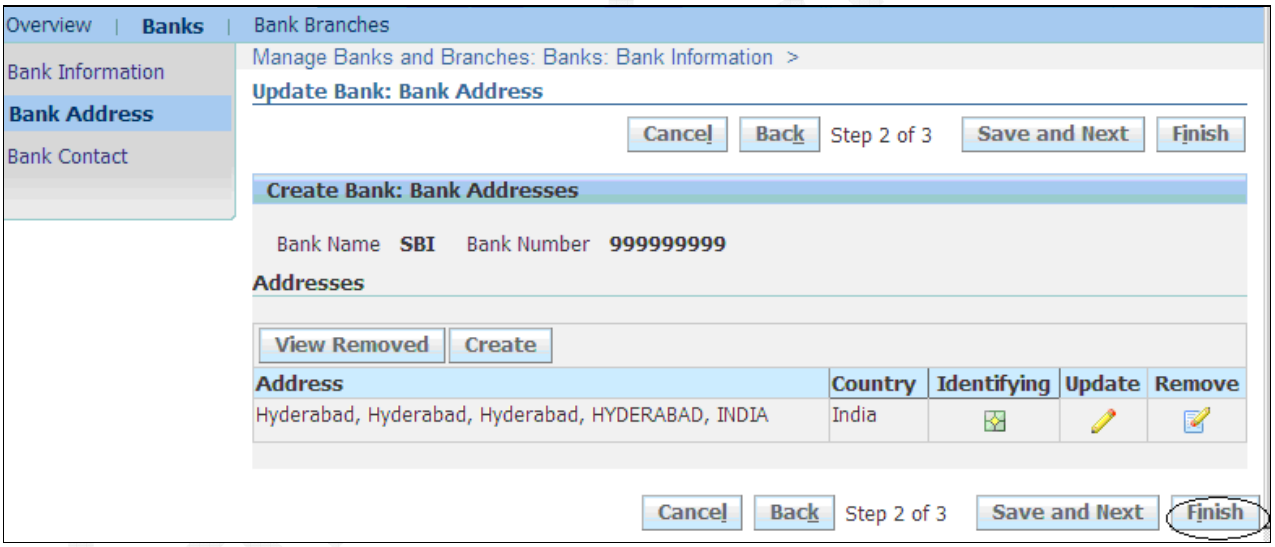
To create new Bank, Click on CREATE button



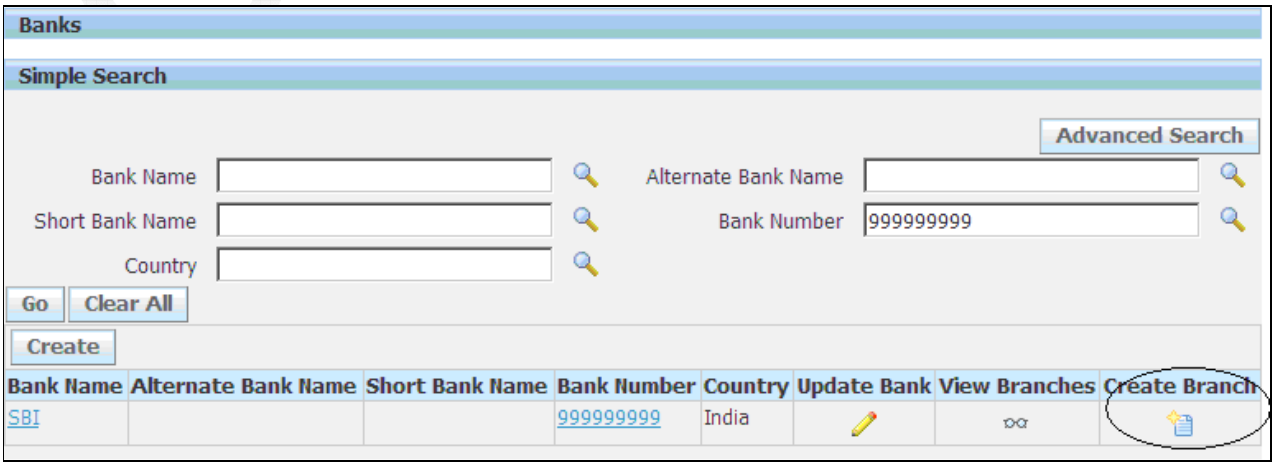
Enter Bank Information, Click on Save and Next button



Enter Bank Address, Click on Apply button Next Finish button



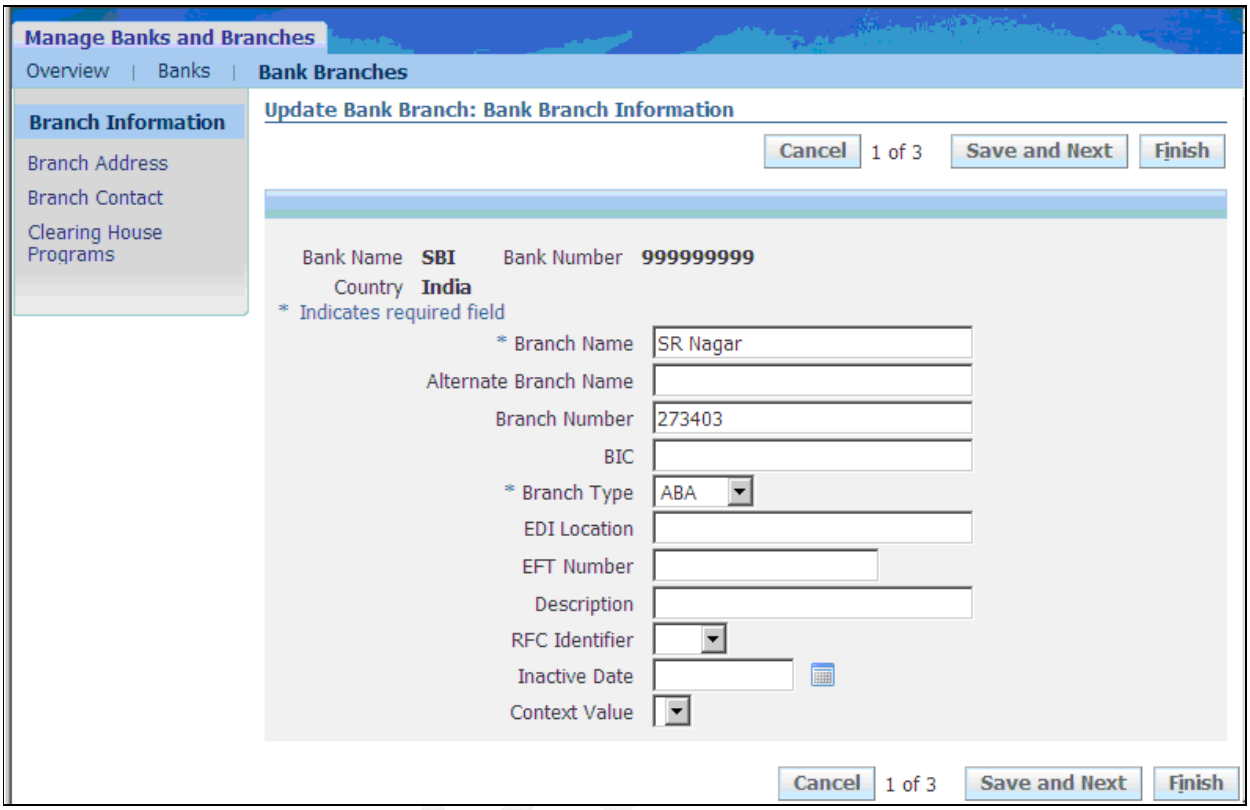
New Bank Created



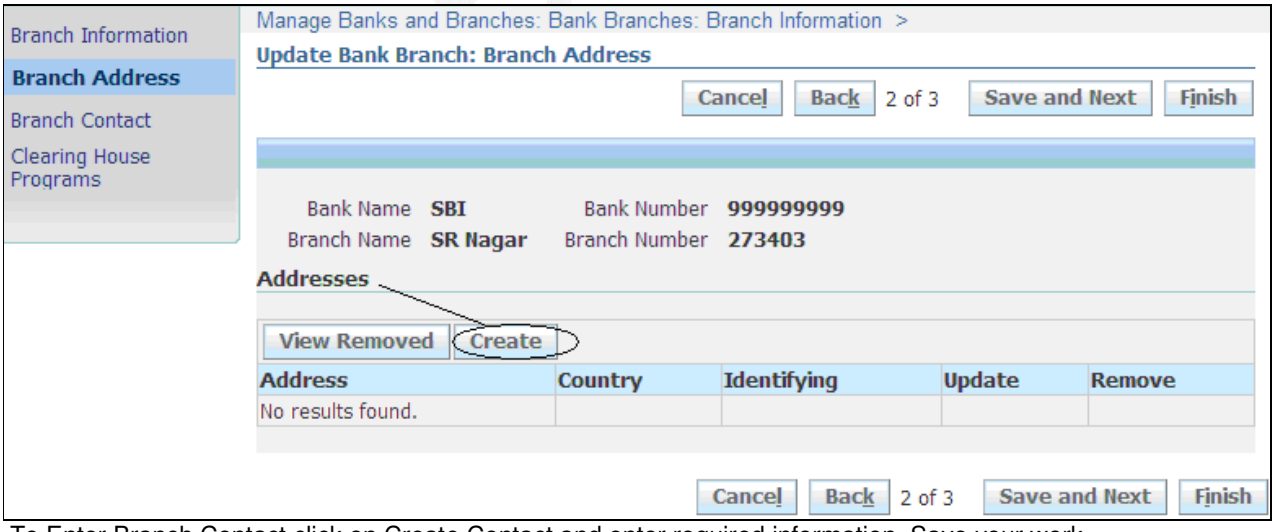
15. Bank Branch

To create Bank Branch

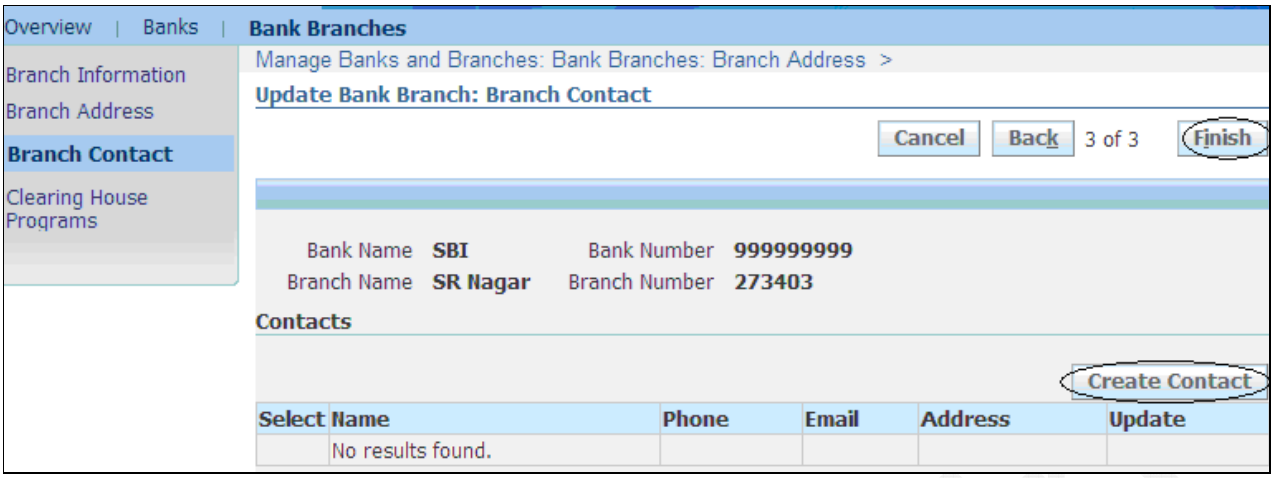
- Go to Bank Branches Tab, Enter Branch Information
- Click on Save and Next button



To create Branch Address click on Create Tab



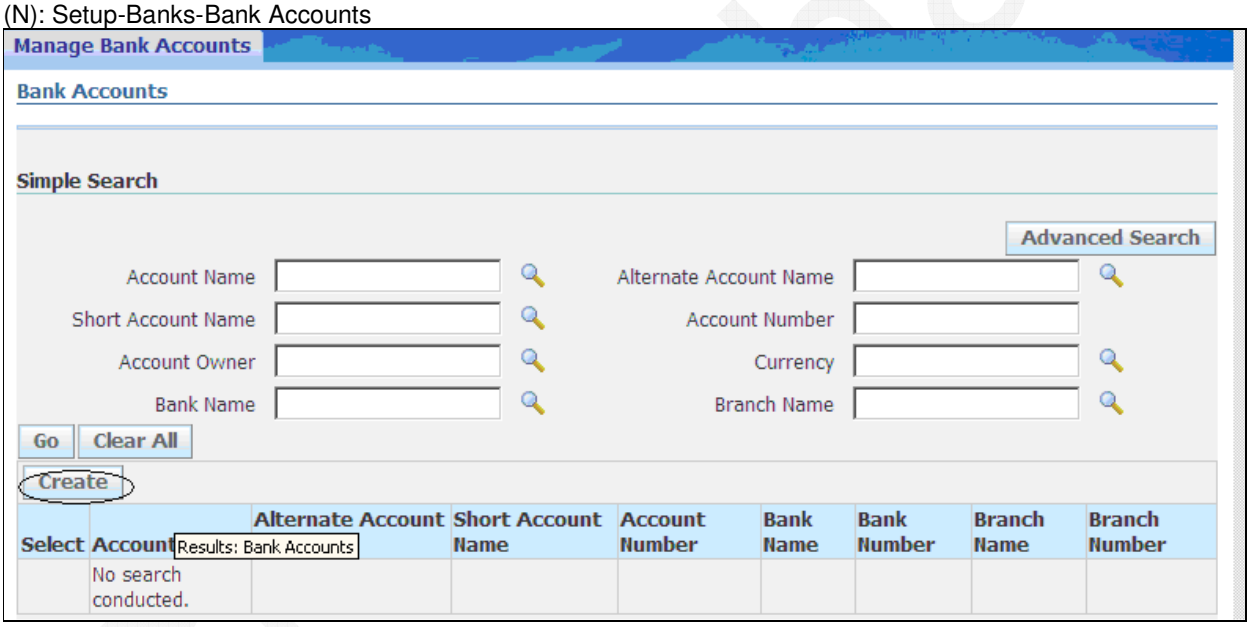
To Enter Branch Contact click on Create Contact and enter required information. Save your work



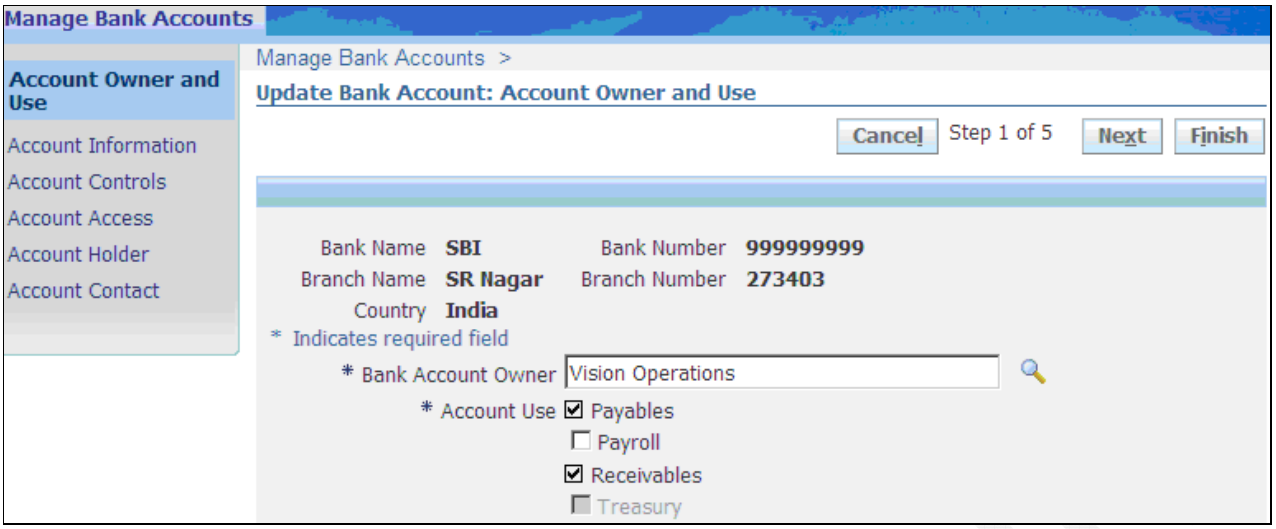
16. Bank Accounts

To create Bank Accounts, Click on Create button

(N): Setup-Banks-Bank Accounts



Enter Account Owner and Use



To Assign Bank Account Owner follow below mentioned steps

Cash Management Security Wizard

Using the Cash Management Security wizard, an administrator can assign multiple legal entities to a role or roles to set up the following three securities:

• Bank Account Maintenance security – control bank account creation and updates
• Bank Account Use security – control bank account access
• Bank Account Fund Transfers security – control bank account transfers

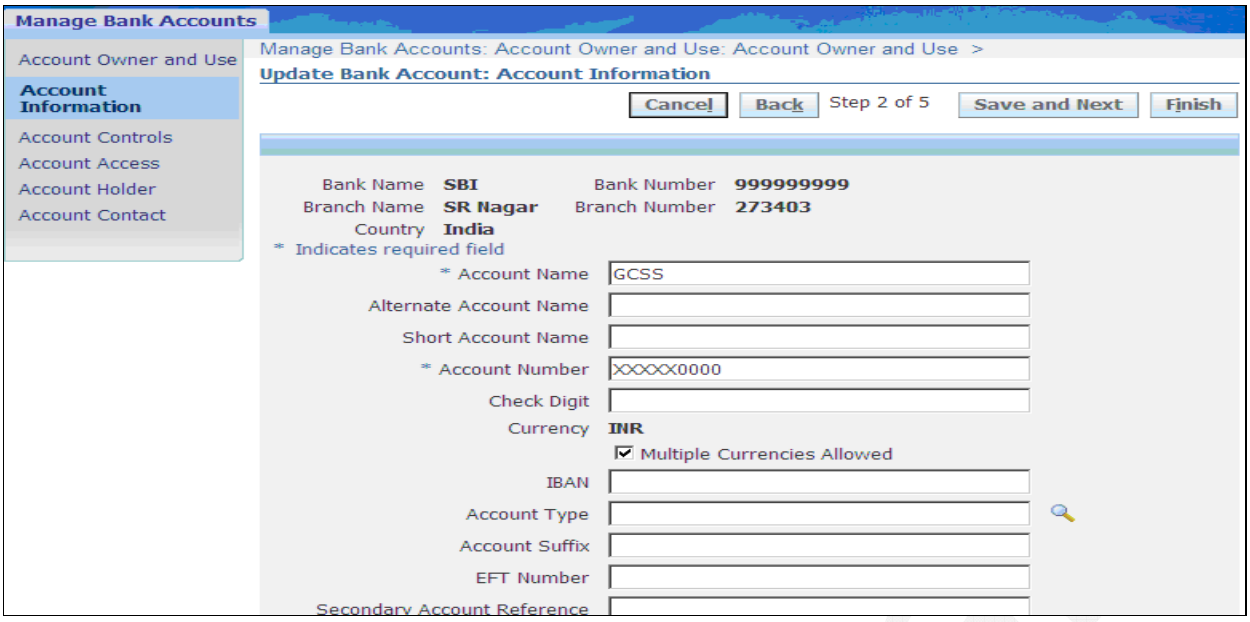
To launch the Cash Management Security Wizard

1. Go to "User Management" responsibility
2. Open up "Roles & Role Inheritance" page
3. Enter your role/responsibility name in the name field
4. Click "Go' button
5. After the query, click "Update" icon
6. In Update Role page, click "Security Wizard" button
7. Run "Cash Management Security wizard"

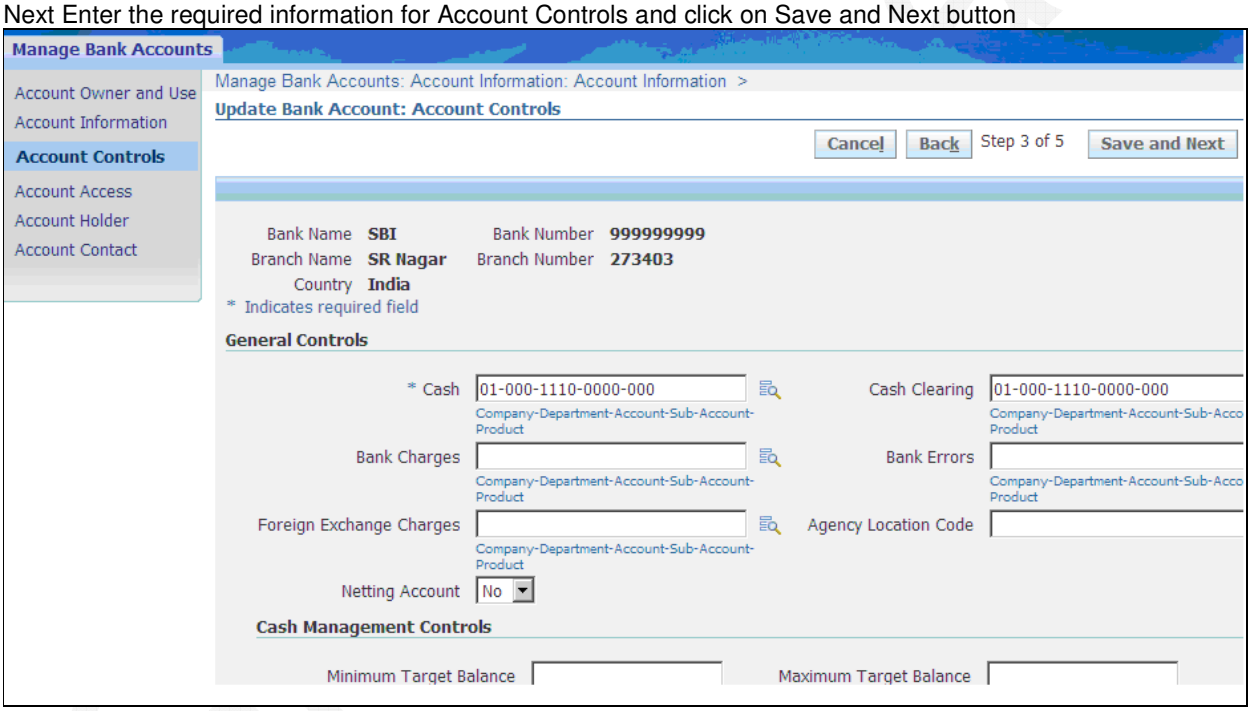
To Setup Security

1. "Add Legal Entity" button to add additional legal entities you like to assign to role.
2. Check "Use" checkbox to assign the legal entity to Bank Account Use security.
3. Check "Maintenance" checkbox to assign the legal entity to Bank Account Maintenance security.
4. Check "Bank Account Transfers" checkbox to assign the legal entity to Bank Account Transfers security
5. Click "Apply" button to save the change or "Cancel" button to cancel the change.

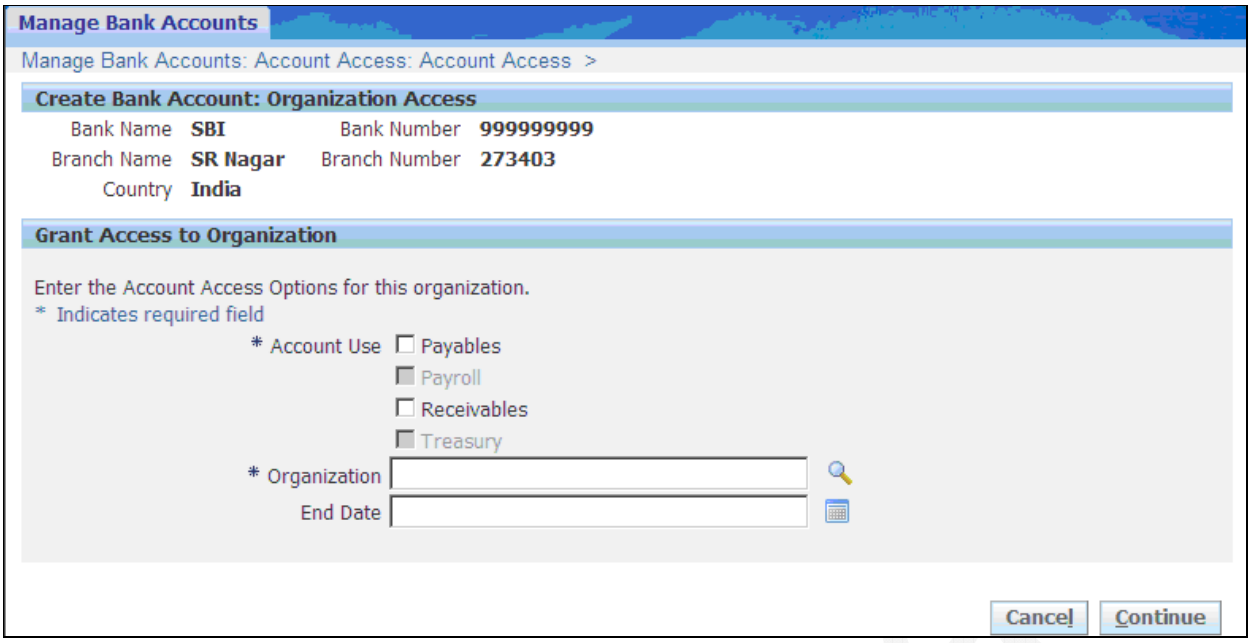
Next Enter Account Information and Click Save and Next button



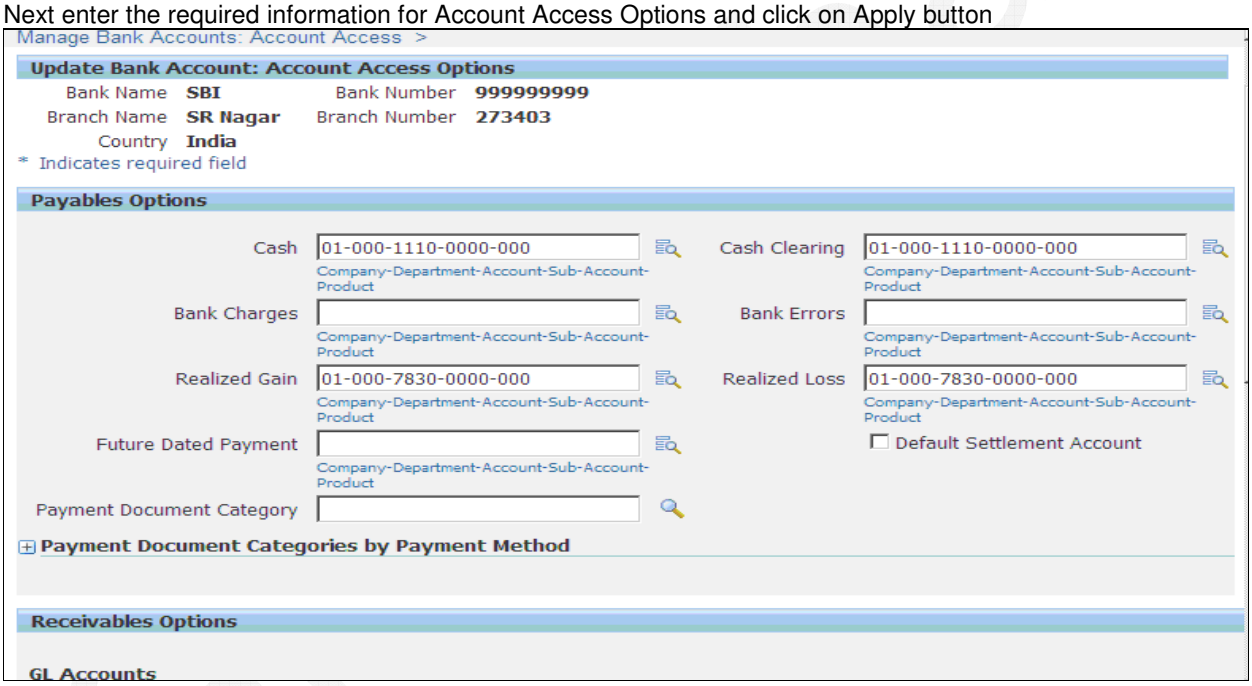
Next Enter the required information for Account Controls and click on Save and Next button



Next enter the Account Access Options for Organization and Click on Continue button



Next enter the required information for Account Access Options and click on Apply button

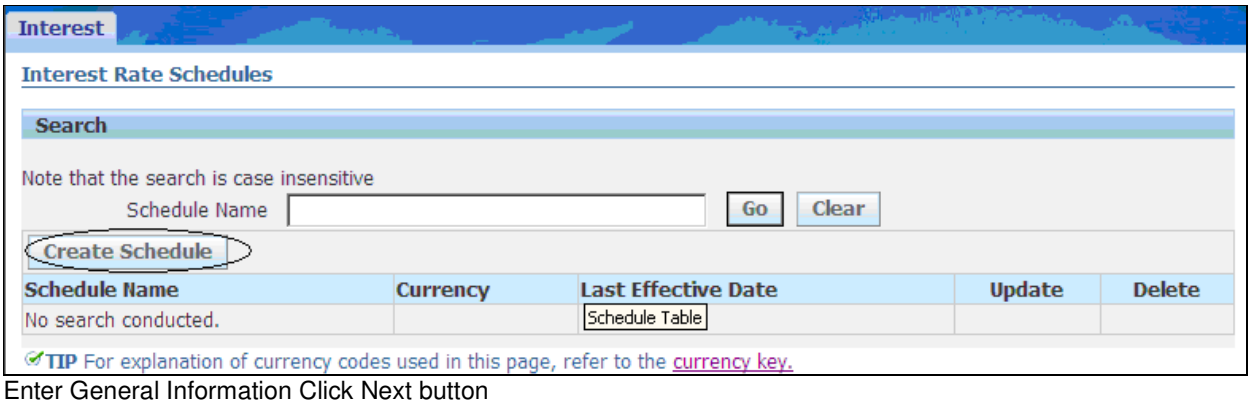


17. Interest Rate Schedules

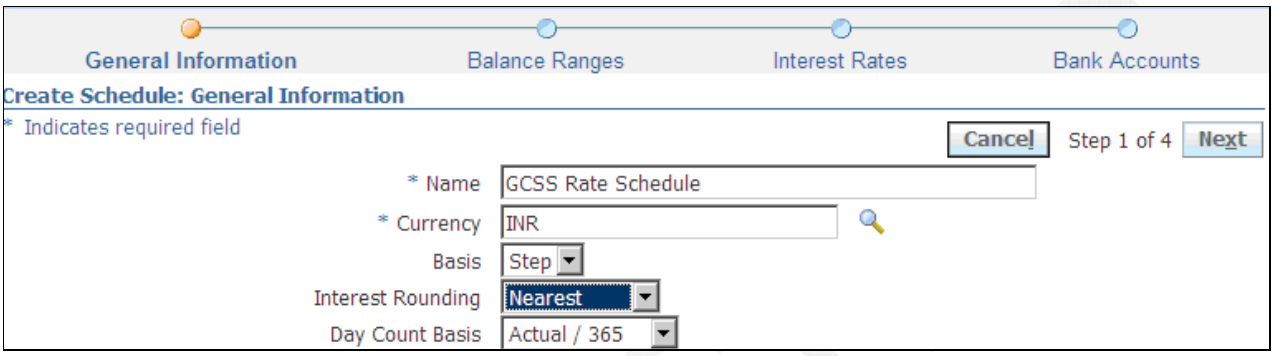
You can maintain interest rate schedules in Oracle Cash Management, if you have bank account balances that can earn interest rate or where the interest rate can be charged. Please note that, if you have bank accounts authorized for use in Oracle Treasury, you have to assign an interest rate schedule to such accounts before you can maintain their bank account balances.
Please also note that a separate function is available to allow the user to update only one attribute of the Interest Rate Schedule – the interest rates.

- To create Interest Rate Schedule Click on Create Schedule button

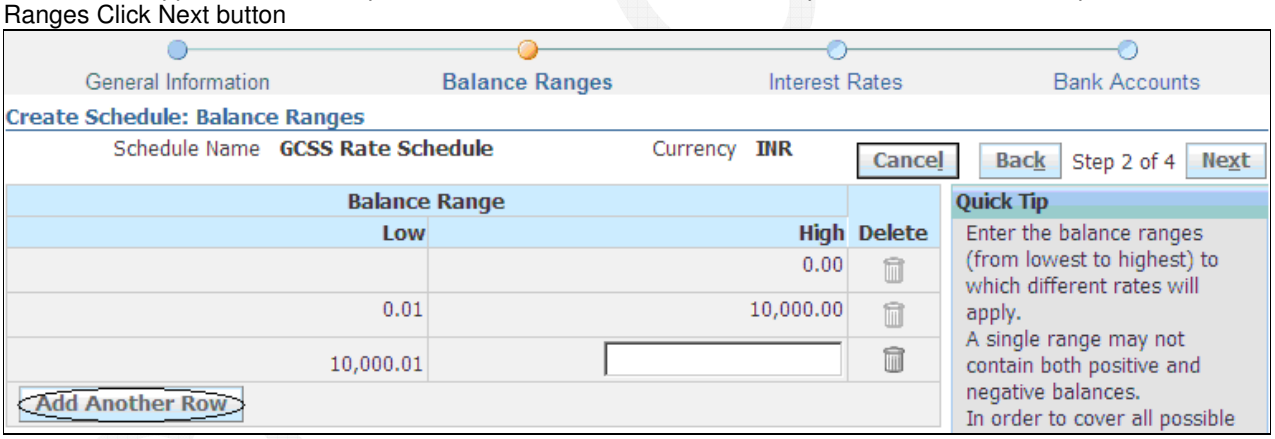
(N): Interest Rate Schedules



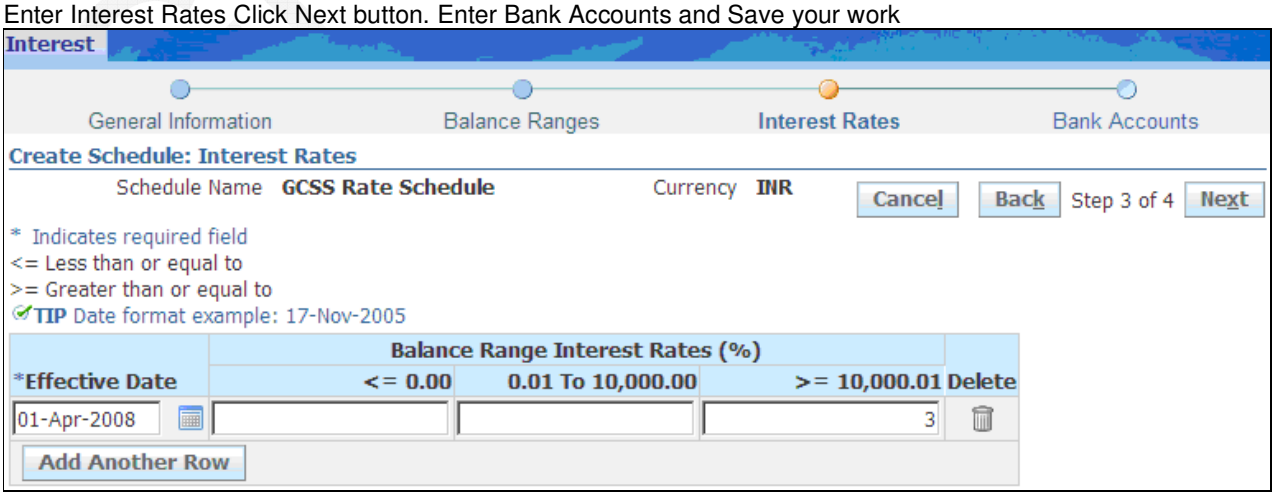
Enter General Information Click Next button



Basis: This parameter defined if the same interest rate applies to the entire balance amount or of a different interest rate applies to different portions of the balance amount. The options are: Flat and Step. Enter Balance Ranges Click Next button



Enter Interest Rates Click Next button. Enter Bank Accounts and Save your work

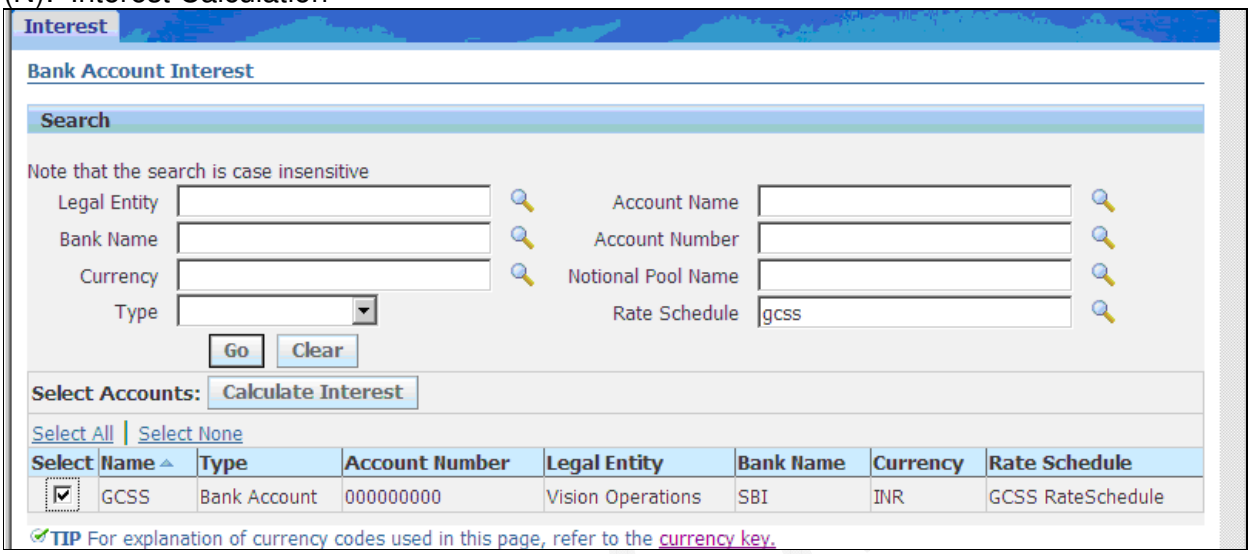


18. Interest Calculation

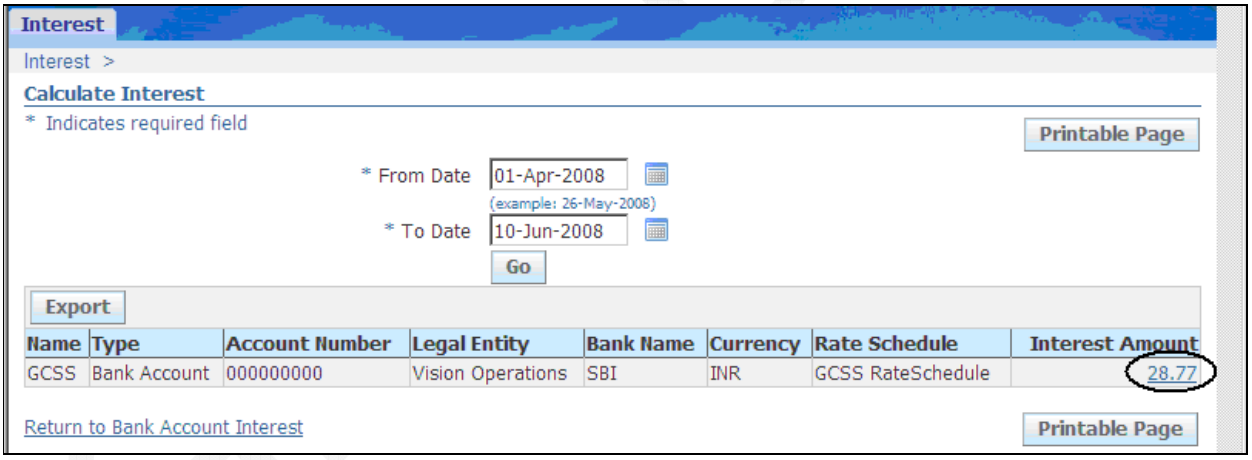
If you have interest rate schedules assigned to your bank accounts, you can use the online calculator to verify the interest amount the bank is charging you or paying to you. We can also calculate interest for Notional Cash Pools as well as stand-alone bank accounts.

- To Calculate Interest
- Choose your Bank Account Click Calculate Interest button

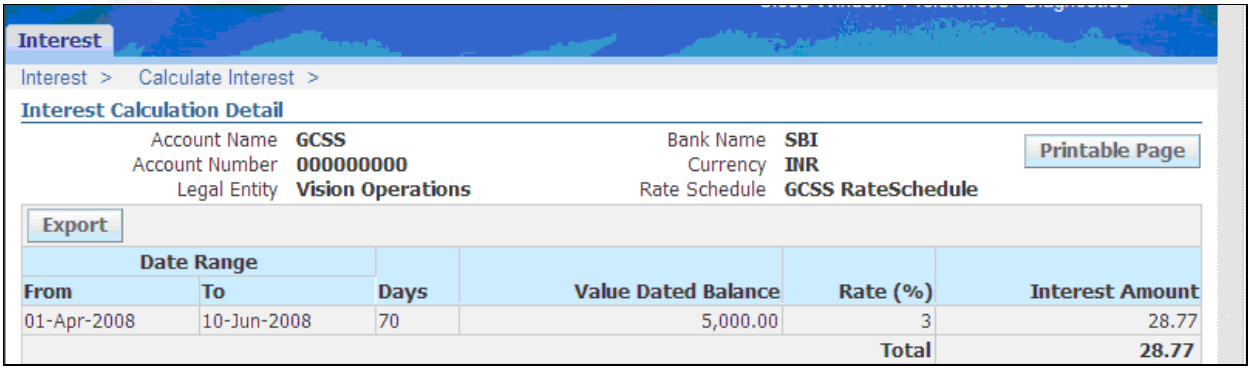
(N): Interest Calculation



Interest Amount



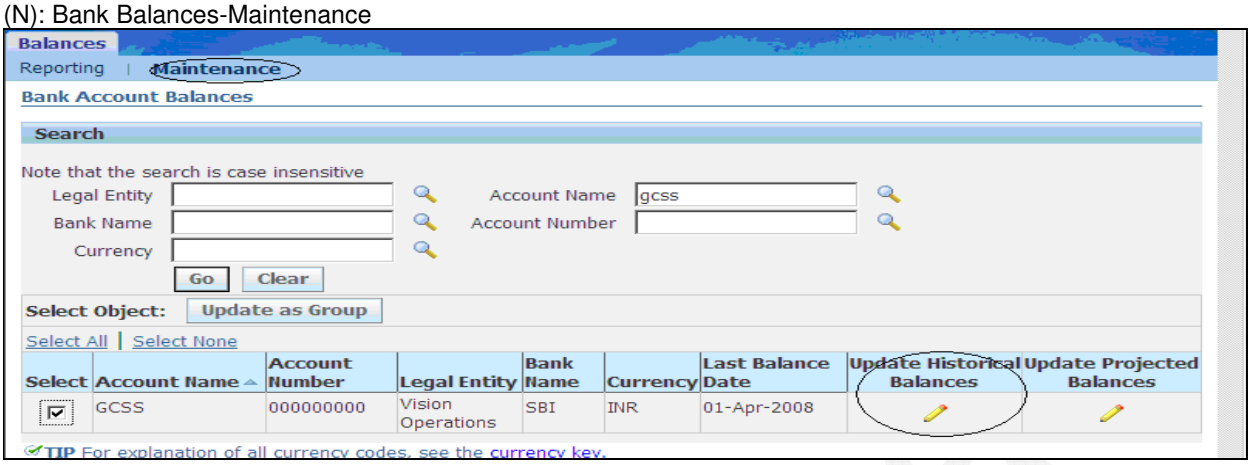
Details of Interest Amount



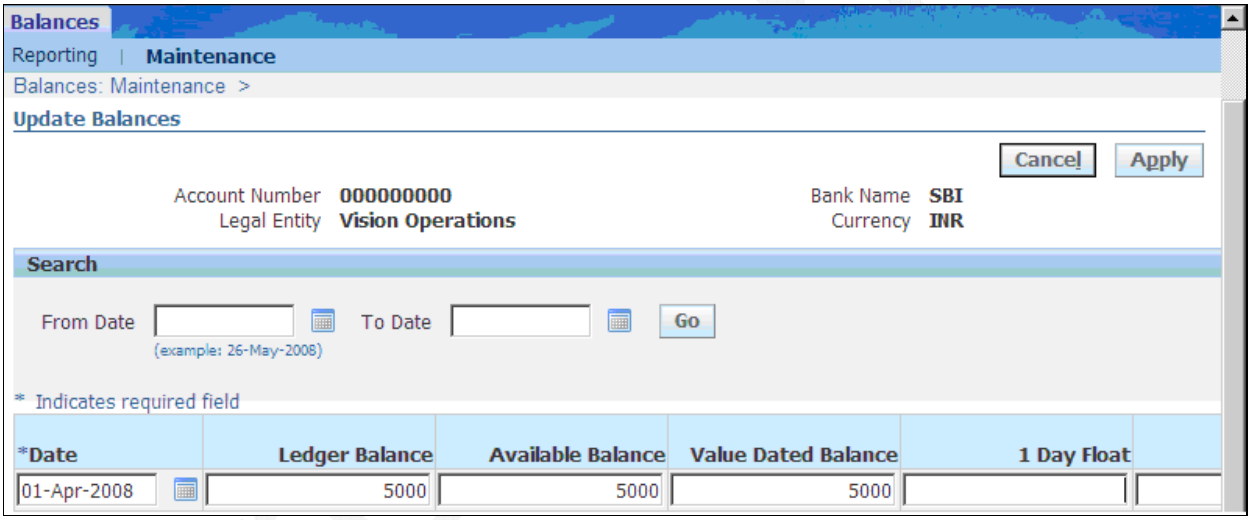
19. Bank Balances

- To Enter Bank Account Balances
- Select your Bank Go to Update Historical Balances

(N): Bank Balances-Maintenance



Enter Amount and Save your work



20. Bank Account Transfers

Bank account transfers represent fund transfers between internal bank accounts. You can create bank account transfers manually or automatically via Cash Leveling process (see Cash Positioning for more details) and/or Sweep Transactions Generation concurrent program. The access to bank account transfer creation for a particular legal entity is subject to bank account use security. The bank account transfers are reflected in Cash Position automatically. Payment processing for bank account transfers is managed using Oracle Payments. Journal entries are created via a centralized subledger accounting engine.

The following bank account transfers are supported from the point of view of bank account ownership:

Intra-Company	Intra-company transfers represent cash transfers between two internal bank accounts that belong to the same legal entity
Inter-Company	Inter-company transfers represent cash transfers between two internal bank accounts that belong to two different legal entities. In case of such transfers, the system can produce balanced journal entries for both legal entities

The following bank account transfers are supported from the point of view of transfer currency:
1. Domestic
The currency of both bank accounts and the transfer amount is the same. For example, you are transferring USD between two bank accounts that are denominated in USD.
2. International
The currency of one bank account is the same as the currency of the transfer amount but the currency of the other bank account is different. For example, you are transferring USD from a bank account denominated in USD to the bank account denominated in EUR.

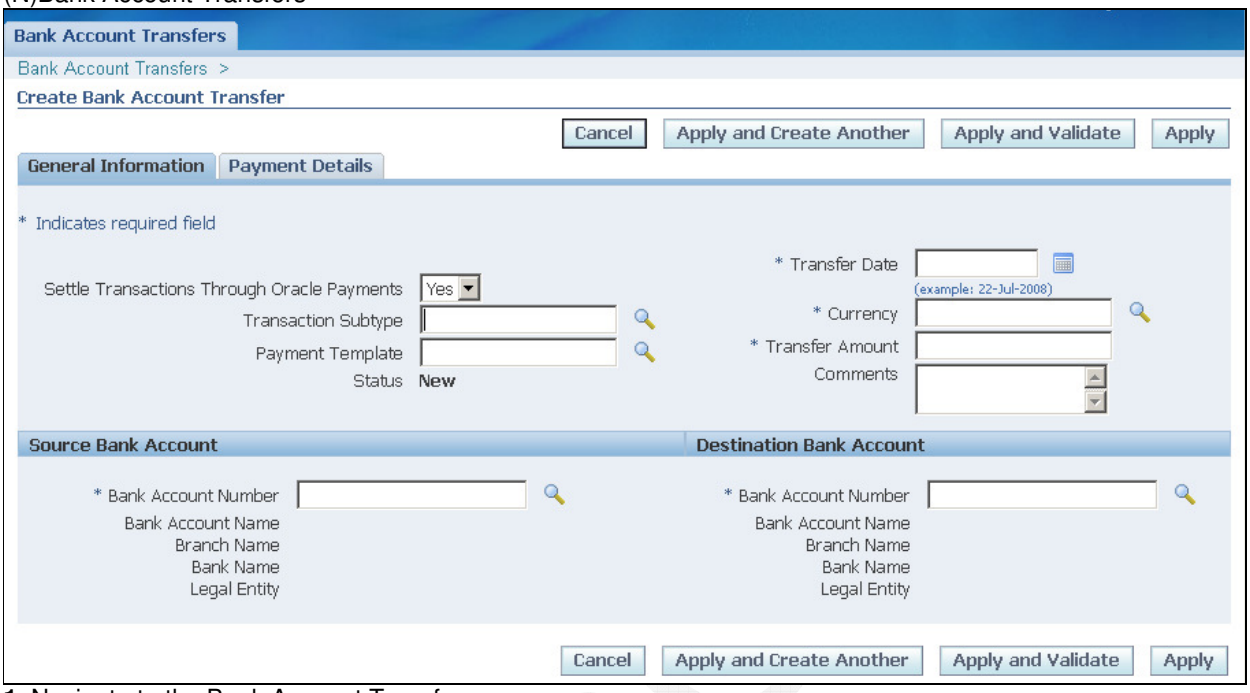
Payment Templates: Payment templates allow defining reusable sets of bank account transfer attributes and payment processing options. During bank account transfer creation you have an option to select a payment template. If you do so, all the attributes of the payment template will default into the bank account transfer. If you are using repetitive payment codes or repetitive wire codes, you can define those as payment templates.

To Create a Payment Template:
1. Navigate to the Payment Templates page.
2. Click Create.
3. Enter payment template attributes on General Details and Payment Details tabs.
Select attributes are explained below.

Repetitive Code	This parameter defines whether this is repetitive payment template or not. The options are: Yes and No. If the parameter is set to Yes, then the source and destination bank accounts will be required for the template creation. Furthermore, when you are creating a bank account transfer with this template, the source and destination bank accounts will default in and will not be updateable. If the parameter is set to No, then all the template attributes will be updateable after they default in during bank account transfer creation.
Authorize Transfer	This parameter defines whether the bank account transfer created using this template requires authorization before it can be processed for payment in Oracle Payments or not. The options are: Yes and No. If you select Yes, somebody will have to manually authorize the bank account transfer before it can be paid. If you select No, the bank account transfer will be automatically authorized for payment as soon as it is created and validated.
Settle Transaction	This parameter defines whether the bank account transfer created using this template requires payment processing in Oracle Payments or not. The options are: Yes and No. If you select Yes, the bank account transfer will be routed for payment processing in Oracle Payments as soon as it is manually or automatically authorized. If you select No, the bank account transfer will not be routed for payment processing in Oracle Payments. Excluding bank account transfer from the payment processing may be useful when the payment instructions have been communicated to the bank outside of the system or if you are not using Oracle Payments but still want to account for such a transaction.
Source Bank Account	The bank account from which the transfer will be made
Destination Bank Account	The bank account that will receive the transfer
Payment	For more information on this attribute, please refer to the Oracle Payments user guide.

Method	
Payment Reason	For more information on this attribute, please refer to the Oracle Payments user guide.
Anticipated Value Date	This field indicates the number of clearing days between the transaction date and settlement date. If a value for anticipated value days exist in the payment method, this value will automatically default here. However, the default can be overwritten by the user.

(N)Bank Account Transfers



1. Navigate to the Bank Account Transfers page.
2. Click Create.
3. Enter bank account transfer properties. Please note that if you select a payment template, the bank account transfer attributes defined at the template level will default in automatically. Select attributes are explained below.
• **Settlement Transactions through Oracle Payments:** This parameter defines whether the bank account transfer requires payment processing in Oracle Payments or not. The options are: Yes and No. If you select Yes, the bank account transfer will be routed for payment processing in Oracle Payments as soon as it is manually or automatically authorized. If you select No, the bank account transfer will not be routed for payment processing in Oracle Payments. Excluding bank account transfer from the payment processing may be useful when the payment instructions have been communicated to the bank outside of the system or if you are not using Oracle Payments but still want to account for such a transaction.

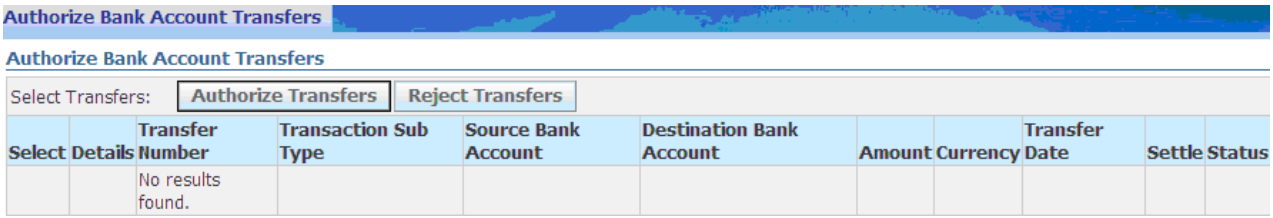
The bank account transfer is saved with status New. If you would like to validate the bank account transfer at the same time as saving it, click Apply and Validate instead of Apply. Please note that the bank account transfer will be available for further processing (manual authorization, payment and journal creation) only after it has been validated.

To Validate a Bank Account Transfer
1. Navigate to the Bank Account Transfers page.
2. Enter search criteria and click Go.
3. Select a bank account transfer and click Validate. Please note that the Validate icon is enabled only for bank account transfers in status New or Invalid.

21. Authorizing Bank Account Transfers

If you would like another user to approve the bank account transfer before it is processed for payment and/or journalized, you can set up the system parameter to required manual bank account transfer authorization. Bank account transfer authorization is a completely separate function from bank account transfer update.

(N)Authorizing Bank Account Transfers



1. Navigate to the Bank Account Transfer Authorization page.
2. The list of bank account transfers awaiting your authorization is displayed. This list is subject to bank account use security.
3. Select transfers and click Authorize Transfers. If it requires payment processing, it will now be automatically sent to Oracle Payments. If it does not require payment processing, it will now be available for journal creation.
4. If you would like to reject the transfer, click on Reject Transfers instead.

Processing Payments: Bank Account Transfer Payments

Bank account transfer payment instructions can be communicated to the bank electronically via Oracle Payments. When a bank account transfer that requires settlement is authorized in Oracle Cash Management, a payment process request is automatically created in Oracle Payments.

If the payment is successfully processed in Oracle Payments, the status of the bank account transfer will be automatically set to Settled. If the payment is not successfully processed, the status of the bank account transfer will be automatically set to Failed and may require the user's intervention to recreate the transfer.

22. Multiple Choices

1. Which of the following banking activities will not cause you to reverse transactions?
   a) NSFs Rejected receipts
   b) Stopped payments
   c) Bank charges
   d) NSF and Rejected Receipts

2. What is the correct order of month-end closing in Oracle Cash Management?
   a) GL Reconciliation report
   b) Post transactions from Oracle Payables and Oracle Receivables
   c) Reconcile bank statements
   d) Journal Import

a) C B D A b) C D B A c) C A D B d) D A B C e) A B C D

3. What do you need to do with bank statement lines that are marked as External?
   a) Reverse receipts
   b) Need not do anything Stop payments
   c) Create miscellaneous transactions
   d) Mark them as Internal afterwards

4. What do you need to do with bank statement lines that are marked as Error?
   a) Reverse receipts
   b) Stop payments
   c) Create miscellaneous transactions
   d) Nothing
   e) Mark them as Internal afterwards

5. Which of the following statements is true?
   a) You cannot purge without archiving
   b) You can archive without purging
   c) Oracle Cash Management purges Forecasting the open interface automatically
   d) Oracle Cash Management purges Bank Statements in the open interface automatically
   e) Bank statements from production tables can be deleted

6. What is the begin date used for in the system parameters in Oracle Cash Management?
   a) Identify the start date of an open period
   b) Identify the oldest date possible on your bank statement
   c) Identify the oldest date of your transactions
   d) Identify the first time you generate a cash forecast
   e) Identify oldest date for bank account
7. What must be entered if the transaction type is Miscellaneous Receipt or Miscellaneous Payment?
   a) Correction method
   b) Description
   c) Effective date
   d) Float days
   e) None of the above

8. Which Oracle Applications module is considered to be part of cash outflow?
   a) Payroll
   b) Order Entry
   c) General Ledger
   d) Receivables
   e) Assets
9. Which is NOT part of a forecast template?
   a) Rows
   b) Columns
   c) Amounts
   d) All of the above
   e) None of the above
10. How can your forecast template include a forecast from the Forecasting open interface?
   a) Have a row with a source type of AP Payments
   b) Have a row with a source type of Open Interface Inflow
   c) Have a row with a source type of Sales Orders
   d) Check Use Open Interface in the system parameters
   e) None of the above
11. How Oracle Cash Management is linked to third-party systems transactions?
   a) Using a view
   b) Using an open interface table cannot be done
   c) None of the above
   d) None of the above
12. Which accounts are not used in Oracle Cash Management?
   a) Bank charges account
   b) Bank error account
   c) Gains/losses
   d) Suspense account
   e) None of the above
13. What is the sequence of forms from finding a bank statement to reconciling manually?
   a) Find bank statement ® bank statement ® reconcile bank statements ® bank statement lines ® find transactions ® available transactions
   b) Find bank statement ® reconcile bank statements ®bank statement ® bank statement lines ® find transactions ® available transactions
   c) Find bank statement ® bank statement ® bank statement lines ® reconcile bank statements ® find transactions ® available transactions
   d) Find bank statement ® find transactions ® available transactions ® reconcile bank statements ®bank statement ® bank statement lines None of the above
14. User-Defined Inflow and User-Defined Outflow source types are used for what purpose?
   a) To include open interface forecasts
   b) To allow users to add rows
   c) To allow users to add columns
   d) To link with third-party system transactions
   e) B and C

15. Subsequent to importing a bank statement into Oracle Cash Management, which concurrent program do you need to run?
   a) Auto Reconciliation
   b) Bank Import program
   c) Bank Import program and Auto Reconciliation
   d) Copy transactions from Oracle sub ledgers such as Oracle Receivables and Oracle Payables

   e) Payables Transfer To General Ledger

16. Which system parameter does not apply to the open interface?
   a) Purge
   b) Use Open Interface
   c) Receivables Activity
   d) Lines per Commit
   e) None of the above

17. Which one is an international scenario in Oracle Cash Management?
   a) Transaction using functional currency, bank account using functional currency
   b) Transaction using foreign currency, bank account using functional currency
   c) Transaction using foreign currency, bank account using same foreign currency

d) Transaction using foreign currency, bank account using different foreign currency
e) None of the above

18. In forecast generation, what is the purpose of the amount threshold?
    a) To set the maximum value to be included in the forecast
    b) To set the minimum value to be included in the forecast
    c) To add to the amounts in the forecast
    d) To subtract from the amounts in the forecast
    e) To set the AVERAGE value to be included in the forecast

19. What is a tolerance limit?
    a) The tolerance amount
    b) The tolerance percent amount
    c) The smaller of the tolerance amount and tolerance percent amount
    d) The greater of the tolerance amount and tolerance percent amount
    e) The average of the tolerance limit and percent

20. What is the first step in Auto reconciliation?
    a) Mark transactions as clear
    b) Matching
    c) Generate accounting entries
    d) Select transactions
    e) Create payments
21. What is correct order of month-end closing in Cash Mgt?
    A) GL reconciliation report
    B) Post transactions for payables and receivables
    C) Reconcile bank statements
    D) Journal import
    a) cbda b) cbad c) abcd d) dabc e) Not applicable

22. During Bank Reconciliation, you noticed one check, which was Void Payment in Payables. Which Transaction Type best fits this case?
    a) Rejected
    b) Stopped
    c) NSF
    d) Miscellaneous Payment
    e) Payment
23. Cash Management supports Document Sequence Feature. Identify from the following where we can use Sequential Document Numbers?
    a) Bank Accounts
    b) Bank Statements
    c) Cash Forecasts
    d) Cash Positioning
    e) Bank Interface Lines
24. What is the purpose of Forecasting Open Interface?
    a) To collect General Ledger Journal Entries and include them in Cash Forecast
    b) To collect Cash Receipts generated in Receivables and include them in Cash Forecast
    c) To collect Cash Outflow generated from Disbursements in Payables and include them in Cash Forecast
    d) To collect externally generated cash flow amounts and include them in cash forecast
    e) None of the above
25. How can we reconcile receipts and payments that originate from applications other than Receivables, payables and GL?
    a) Using Bank Statement Open Interface
    b) Using GL_INTERFACE
    c) Using Forecasting Open Interface
    d) Using Reconciliation Open Interface
    e) None of the above
26. Configuring bank transaction codes will help identify different bank transaction types in each bank statement. At what level do we need to configure transaction codes?
    a) For each bank
    b) For each bank branch
    c) For each bank account
    d) For each bank statement
    e) For each accounting period in GL

23. FAQ'S

1. What is the difference between Cash Forecasting & Cash Positioning?
2. What is manual clearing?
3. What is automatic clearing?
4. What is the difference between Bank Errors & Bank Charges?
5. Explain important setup steps in CM?
6. What is tolerance?
7. List out at least two important table names in CM?
8. Is there any relation between CM with Multiorg?
9. Can I unclear a cleared transaction?
10. How many key flexfields are there in CM?
11. What is the integration between CM & AP?
12. What is the integration between CM & AR?
13. Do we need to open accounting period in CM?
14. How does Oracle calculate interest on bank balances? Explain the process?
15. What is Bank transfer? How does this functionality work in Oracle?