



ACHIEVE AR FACTOR

USER MANUAL
VERSION 6.5

PRESENTED BY
ACHIEVE IT SOLUTIONS



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SAP Business One Integration

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Achieve AR Factor is part of the Achieve One Suite, which has been certified by SAP as conforming to SAP's standards for Business One add-on solutions.

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SAP Business One Integration

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ACHIEVE AR FACTOR USER MANUAL

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Introduction

More and more, businesses are utilizing AR factoring to help improve their cash flow and avoid overdue receivables. But they are often burdened with increased administrative tasks. Segregating factored invoices from non-factored invoices, sending invoice details to the factor service, applying and reconciling payments, and other necessary procedures make this a labor intensive process.

With **Achieve AR Factor**, these processes are fully automated, providing SAP Business One users a timesaving and effective means of managing customer credit and payments that are factored as well as non-factored.

Note: a contract with an AR Factor Service, such as CIT, is required in order to use this program.

Summary of features:

- *Credit Limit Update*
 - *Import list of customers and credit limits from the AR Factor Service*
 - *Update BP Master records with new credit limits*

- *Sales Order Approval*
 - *Sales orders for the AR Factor Service customers are not approved until verified by the AR Factor Service*
 - *AR Factor Service orders are automatically submitted to the AR Factor Service within 5 minutes of entry*
 - *Approval/Rejection is received from the AR Factor Service, usually within 15 minutes of submission*
 - *Approved orders are automatically marked for processing*
 - *Credit manager receives alerts for Rejections*

- *Invoice Submission*
 - *Invoices for the AR Factor Service customers are sent to the AR Factor Service daily in a batch file*

- *Incoming Payments Retrieval and Processing*
 - Payment information is received from the AR Factor Service daily in a batch file
 - Payments in full are automatically applied to invoice documents
 - Partial payments are applied on account
 - Payments that do not match existing open documents are applied on account

- *Other Features*
 - *AR Factor Service ID on Business Partner Master screen*
 - *Validation of Terms Codes and Payment Means for the AR Factor Service Customers*
 - *Conforms to Business One methodology for Payment Consolidation*

Setups

Before using **Achieve AR Factor**, it is necessary to make certain preparations.

First, you must establish communication between your computer system and the Factoring Service. You must also establish a network location for the files that will be transferred back and forth. Your IT support consultant can assist with this configuration.

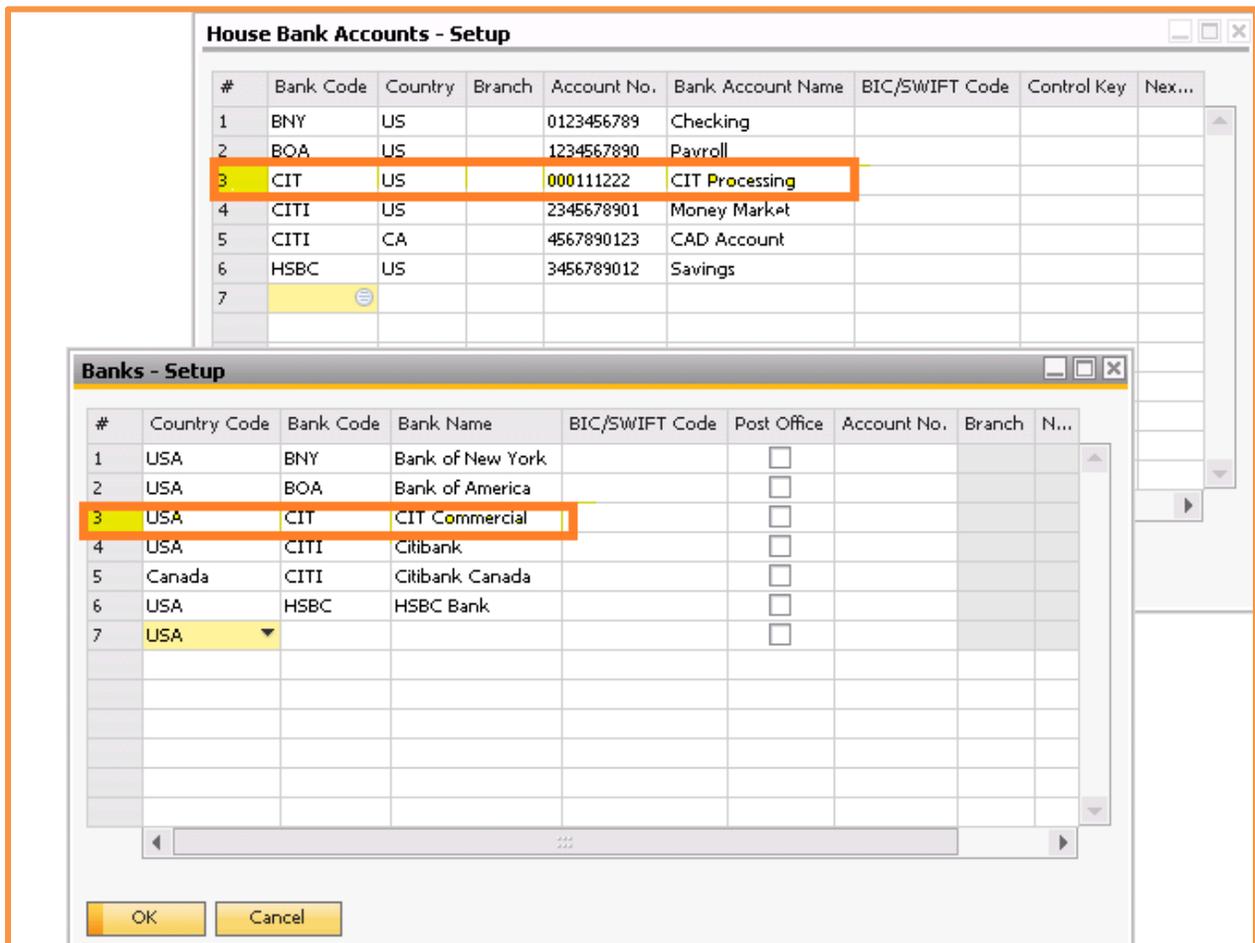
In addition, there are a number of setups within Business One and **Achieve AR Factor** that must be entered.

Bank Setup

Administration > Setup > Banking > Banks

Administration > Setup > Banking > House Bank Accounts

You must create a “bank” to represent the Factoring Service. This will be used for payments received from the service.



House Bank Accounts - Setup

#	Bank Code	Country	Branch	Account No.	Bank Account Name	BIC/SWIFT Code	Control Key	Nex...
1	BNY	US		0123456789	Checking			
2	BOA	US		1234567890	Payroll			
3	CIT	US		000111222	CIT Processing			
4	CITI	US		2345678901	Money Market			
5	CITI	CA		4567890123	CAD Account			
6	HSBC	US		3456789012	Savings			
7								

Banks - Setup

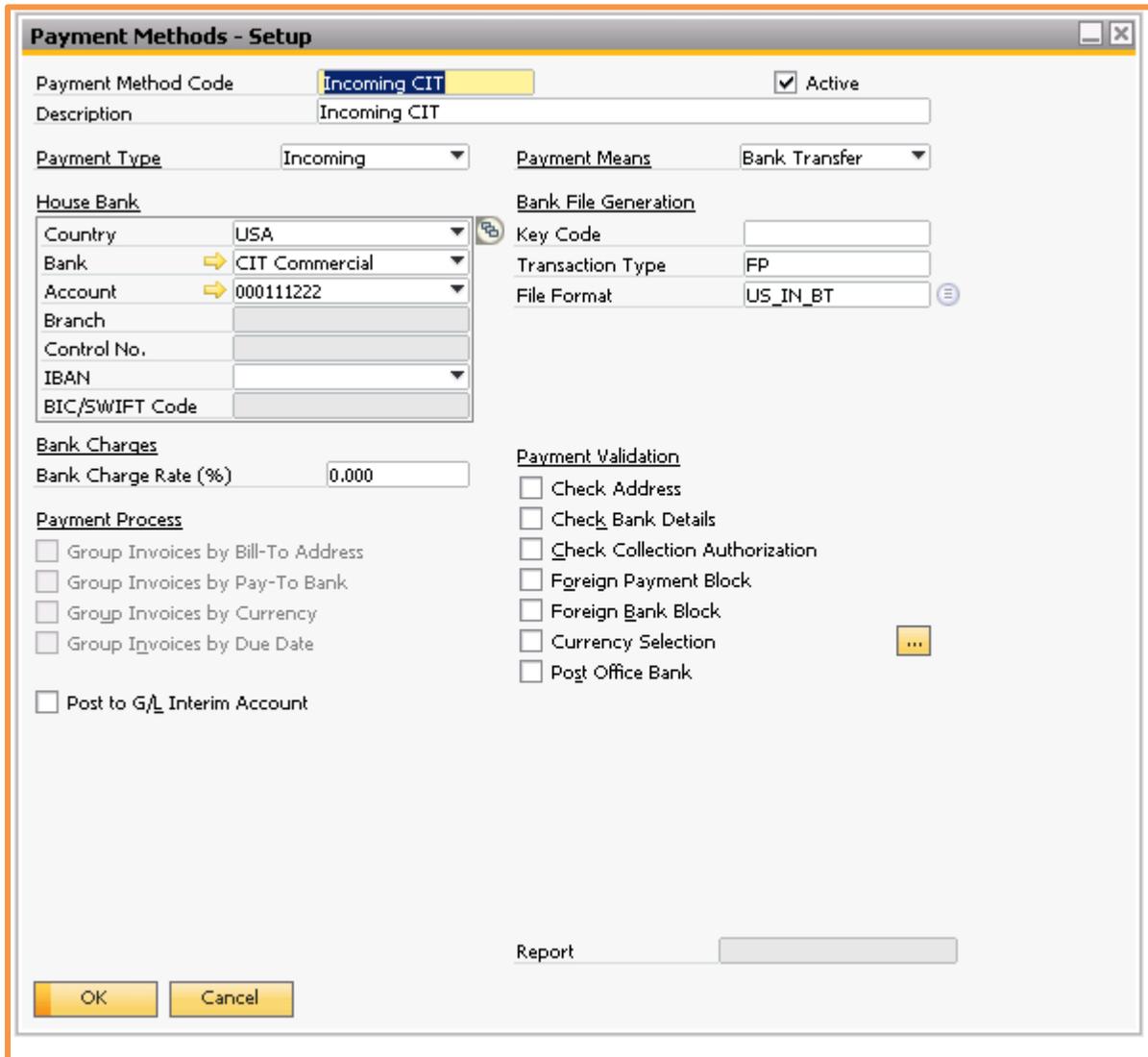
#	Country Code	Bank Code	Bank Name	BIC/SWIFT Code	Post Office	Account No.	Branch	N...
1	USA	BNY	Bank of New York		<input type="checkbox"/>			
2	USA	BOA	Bank of America		<input type="checkbox"/>			
3	USA	CIT	CIT Commercial		<input type="checkbox"/>			
4	USA	CITI	Citibank		<input type="checkbox"/>			
5	Canada	CITI	Citibank Canada		<input type="checkbox"/>			
6	USA	HSBC	HSBC Bank		<input type="checkbox"/>			
7	USA				<input type="checkbox"/>			

OK Cancel

Payment Method Setup

Administration > Setup > Banking > Payment Methods

Since payments will be received electronically, you must create a Payment Method for incoming transfers, identified with the Factoring Service bank.



Payment Methods - Setup

Payment Method Code: Incoming CIT Active

Description: Incoming CIT

Payment Type: Incoming Payment Means: Bank Transfer

House Bank

Country: USA Bank: CIT Commercial Account: 000111222

Bank File Generation

Transaction Type: FP File Format: US_IN_BT

Bank Charges

Bank Charge Rate (%): 0.000

Payment Process

Group Invoices by Bill-To Address
 Group Invoices by Pay-To Bank
 Group Invoices by Currency
 Group Invoices by Due Date
 Post to G/L Interim Account

Payment Validation

Check Address
 Check Bank Details
 Check Collection Authorization
 Foreign Payment Block
 Foreign Bank Block
 Currency Selection
 Post Office Bank

Report

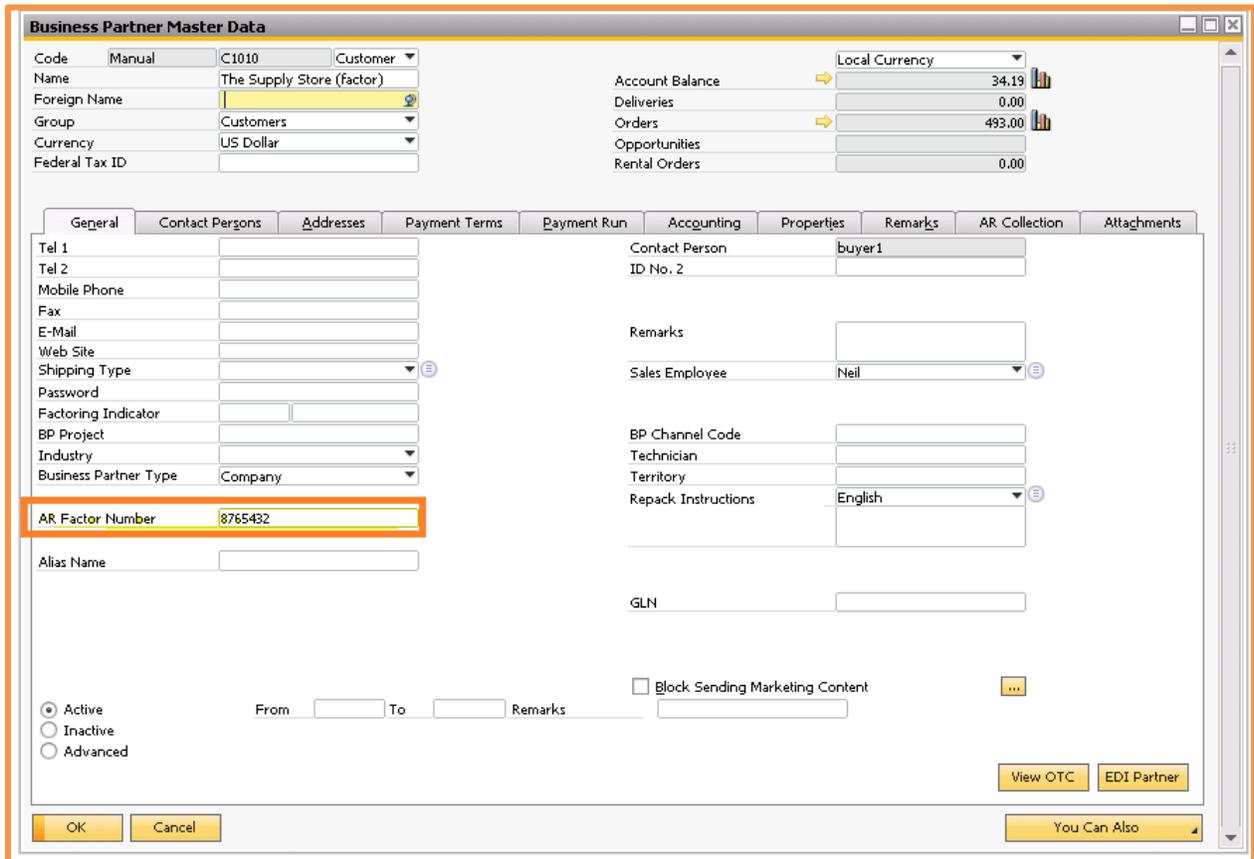
OK Cancel

Enter the information as shown above, using the bank that was created for the Factoring Service. Note that the payment method code must be “Incoming CIT”.

Customer Setup

Business Partners > Business Partner Master Data

It is necessary to define those customers whose accounts will be handled by the Factoring Service. The necessary entries are defined below.



Business Partner Master Data

Code: Manual C1010 Customer
 Name: The Supply Store (factor)
 Foreign Name: [Field]
 Group: Customers
 Currency: US Dollar
 Federal Tax ID: [Field]

Account Balance: Local Currency 34.19
 Deliveries: 0.00
 Orders: 493.00
 Opportunities: [Field]
 Rental Orders: 0.00

General | Contact Persons | Addresses | Payment Terms | Payment Run | Accounting | Properties | Remarks | AR Collection | Attachments

Tel 1: [Field] Contact Person: buyer1
 Tel 2: [Field] ID No. 2: [Field]
 Mobile Phone: [Field]
 Fax: [Field]
 E-Mail: [Field]
 Web Site: [Field]
 Shipping Type: [Field] Remarks: [Field]
 Password: [Field] Sales Employee: Neil
 Factoring Indicator: [Field]
 BP Project: [Field]
 Industry: [Field] BP Channel Code: [Field]
 Business Partner Type: Company Technician: [Field]
 Territory: [Field]
 Repack Instructions: English
 GLN: [Field]

AR Factor Number: 8765432

Alias Name: [Field]

Active From: [Field] To: [Field] Remarks: [Field] Block Sending Marketing Content
 Inactive
 Advanced

View OTC EDI Partner
 OK Cancel You Can Also

On the General tab, enter the customer’s code from the Factoring Service in the AR Factor Number field. Only documents for customers with a valid entry in this field will be sent for factoring.

If the customer is set up for billing consolidation, the AR Factor Number must be entered on the “Parent” business partner record.

Business Partner Master Data

Code	Manual	C1010	Customer
Name	The Supply Store (factor)		
Foreign Name			
Group	Customers		
Currency	US Dollar		
Federal Tax ID			

Account Balance	Local Currency	34.19
Deliveries		0.00
Orders		493.00
Opportunities		
Rental Orders		0.00

General Contact Persons Addresses **Payment Terms** Payment Run Accounting Properties Remarks AR Collection Attachments

Payment Terms → **CIT Incoming**

Interest on Arrears %	
Price List	Yearly
Total Discount %	
Credit Limit	0.00
Commitment Limit	0.00
Dunning Term	

Credit Card Master	...
ID Number	
Average Delay	
Priority	
Default IBAN	
Holidays	
Payment Dates	...
<input checked="" type="checkbox"/> Allow Partial Delivery of Sales Order	
<input checked="" type="checkbox"/> Allow Partial Delivery per Row	
<input type="checkbox"/> Do Not Apply Discount Groups	

Effective Discount: Highest Discount

Business Partner Bank

Bank Country	USA
Bank Name	
Bank Code	
Account	
BIC/SWIFT Code	
Bank Account Name	
Branch	
Ctrl Int. ID	
IBAN	
Mandate ID	
Date of Signature	

OK Cancel You Can Also

On the Payment Terms tab, enter a payment terms code that is for a single payment, with no discounts. This payment terms code may be used for non-factored customers as well, if desired.

Note: The credit limit may be periodically reset by the Factoring Service.

Business Partner Master Data

Code: Manual C1010 Customer
 Name: The Supply Store (factor)
 Foreign Name:
 Group: Customers
 Currency: US Dollar
 Federal Tax ID:
 Local Currency:
 Account Balance: 34.19
 Deliveries: 0.00
 Orders: 493.00
 Opportunities:
 Rental Orders: 0.00

General | Contact Persons | Addresses | Payment Terms | **Payment Run** | Accounting | Properties | Remarks | AR Collection | Attachments

House Bank

Country:
 Bank:
 Account:
 Branch:
 IBAN:
 BIC/SWIFT Code:
 Control No.:
 Payment Block
 Single Payment
 Collection Authorization
 Bank Charges Allocation Code:
 Auto. Cal. Bank Charge for Incoming Payment

Payment Methods

#	Code	Description	Include
1	Incoming BT	Incoming Bank Transfers to BNY	<input type="checkbox"/>
2	Incoming BT 02	Incoming Bank Transfer to BOA	<input type="checkbox"/>
3	Incoming BT 03	Incoming Bank Transfer to CITI USA	<input type="checkbox"/>
4	Incoming BT 04	Incoming Bank Transfer to HSBC	<input type="checkbox"/>
5	Incoming BT 05	Incoming Bank Transfer to Citibank Canada	<input type="checkbox"/>
6	Incoming CIT	Incoming CIT	<input checked="" type="checkbox"/>
7	Incoming CIT	Incoming CIT	<input type="checkbox"/>

Clear Default | Set as Default

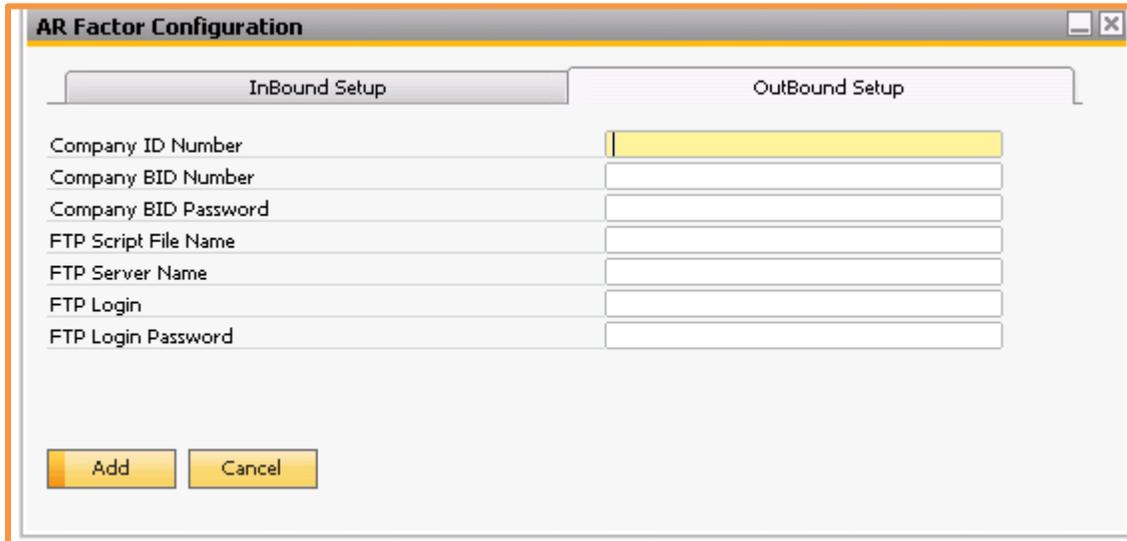
OK | Cancel | You Can Also

On the Payment System tab, you must set the factoring payment method as the default, and be sure that the “Include” checkbox is marked. You may mark other payment methods as included as well, if appropriate.

AR Factor Defaults Setup

Administration > Achieve One > Achieve AR Factor > AR Factor Defaults Entry

The information in this screen will be supplied by the Factoring Service Company. It is necessary to enter it accurately in order for data to be transmitted between your system and the factoring system.



The image shows a software dialog box titled "AR Factor Configuration". It has two tabs: "InBound Setup" and "OutBound Setup". The "OutBound Setup" tab is currently selected. Below the tabs, there are seven text input fields arranged in two columns. The first field, "Company ID Number", is highlighted in yellow. The other fields are "Company BID Number", "Company BID Password", "FTP Script File Name", "FTP Server Name", "FTP Login", and "FTP Login Password". At the bottom left of the dialog, there are two buttons: "Add" and "Cancel".

Field Name	Value
Company ID Number	
Company BID Number	
Company BID Password	
FTP Script File Name	
FTP Server Name	
FTP Login	
FTP Login Password	

Enter the information as specified by your factoring service, in cooperation with your IT consultant. Note that the FTP script file names must include the entire network path.

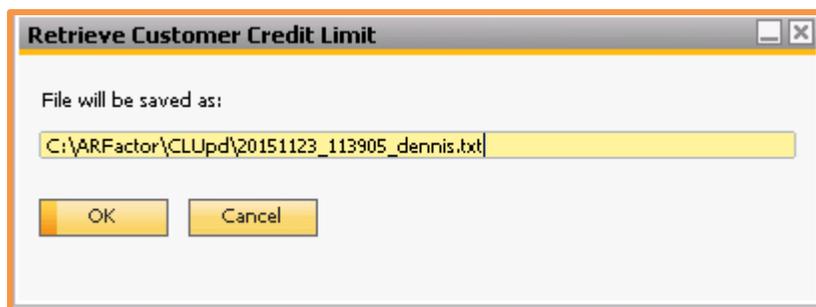
Procedures

Most of the procedures in **Achieve AR Factor** take the form of transmissions between your system and the factoring company system. Some of these transmissions occur automatically, while others must be initiated by an operator.

Credit Limit Update

Achieve One > Achieve AR Factor > Credit Line Update

The factoring company will set credit limits for each factored customer, and will change the credit limits as circumstances change. You may retrieve the credit limit information periodically so that the Business Partner Master records can be updated.



Enter a file name where the credit limit data will be saved on your network. The file name should include a .txt extension.

After entering the file name, click on “OK”.

The file will be transferred. When it has been fully loaded on your network, you will receive a prompt to update the customer records. Click on “Update” to complete the process. Factored customer records will be updated with the new credit limits.

Note: *It may be necessary to request this file from the Factoring Service before running the program, and running it may require a fairly long time. However, when a customer’s order is sent to the Factoring Service, if a change in credit limit is made to that customer, the Business Partner record will be updated automatically when the order approval is received.*

Sales Order Processing

Order Entry

Sales Orders are entered in the usual manner. The Terms Code and Payment Method are copied from the customer record.

When a Sales Order is entered, the system will check the customer record to see if there is a Factor ID number. If so, the system will also verify that the customer's Payment Method is the appropriate factoring method for incoming payments.

There are a number of User-Defined Fields relating to **Achieve AR Factor** that are found on the sales and A/R documents. These fields will be blank when the order is entered, but the data in them will be entered automatically as the sales order progresses through the system.

When the Sales Order is added, the “Approved” checkbox on the Logistics tab will be unchecked. The sales order is not approved until the factoring company sends an approval.

Order Approval

Using **Achieve AR Factor**, the factor approval process is automatic.

Every 5 minutes, the system will send a submission file to the Factoring Service. The file will contain information about all new sales orders for factored customers.

- *The AR Request Date and AR Request Time fields on the sales order will be updated to show the date and time it was submitted*

The Factoring Service will then determine whether to approve each order. This will take approximately 15 minutes for CIT. A new file will be created with the approval or rejection code for each order.

Every 5 minutes, the system will check for a new file from the Factoring Service. If the order is returned as approved, the “Approved” checkbox on the order will be checked.

- *The AR Confirm Date, AR Confirm Time, and AR Confirm Action Code fields on the sales order will be updated to show the date and time of the approval and the approval code.*

Once an order is approved, it may be picked and shipped, and the Delivery document and A/R Invoice will be created in the usual manner.

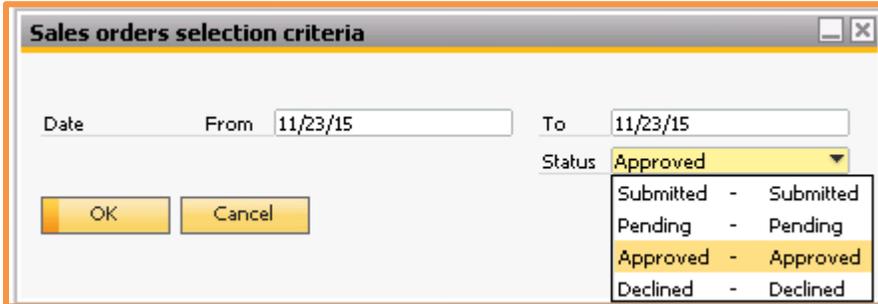
Orders that are rejected by the Factoring Service will not be marked Approved. The Confirm Action Code will indicate that they are rejected. The system will not process the order until it is approved in some manner (e.g., the customer pays an outstanding balance so the order may be re-submitted to factoring, or the terms code and payment method may be changed and the customer may pay by credit card, COD, or some other acceptable means).

Note: *If a customer who is normally factored will be paying for a particular order by some other means, it is necessary to change both the terms code and the payment method on the order. Once the order is invoiced, if the payment method is “Incoming CIT,” it will be sent to the factoring company for payment even if they have previously declined it.*

Credit Confirmation Status Report

Achieve One > Achieve AR Factor > Credit Confirmation Status

The Credit Confirmation Status report allows you to view a list of orders, by date, for which factoring approvals are pending, submitted, approved, or declined.



Sales orders selection criteria

Date From: 11/23/15 To: 11/23/15

Status: **Approved**

- Submitted - Submitted
- Pending - Pending
- Approved - Approved**
- Declined - Declined

OK Cancel

Select a date range and the status to view. Then click on “OK” to view the report. The screen displays a list of orders with the selected status. Fields shown are the order number, customer code and name, request date and time, confirmation date and time, posting date, order amount, approved amount, approval code, reason code, and credit limit.

Note: If you are also using **Achieve AR Collections Management**, factored orders that are pending or declined will appear on the **Orders on Hold Report**.

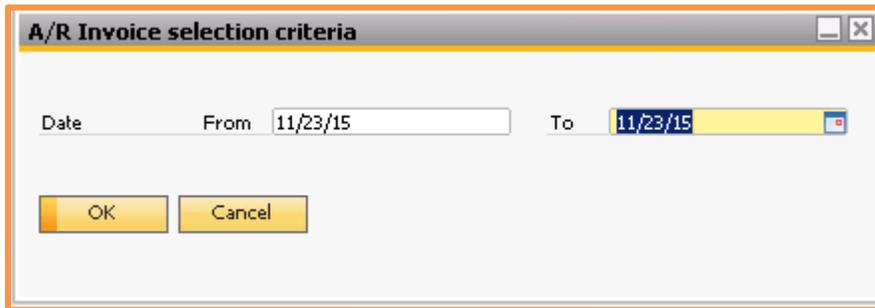
Invoice and Payment Processing

Invoice Assignment

Achieve One > Achieve AR Factor > Invoice Assignment

As stated above, once orders have been approved, they may be picked and shipped, and the Delivery and A/R Invoice documents are created in the usual manner. Factored A/R Invoices may also be printed and sent to customers like any other invoices. However, factored invoices must also be transmitted to the Factoring Service, which takes responsibility for collecting the amounts due. (Note that the print layout for factored invoices should include the appropriate “Remit To” name and address for the Factoring Service.)

Use the Invoice Assignment program to transmit open invoices to the Factoring Service. This program should be run daily for optimal cash flow.



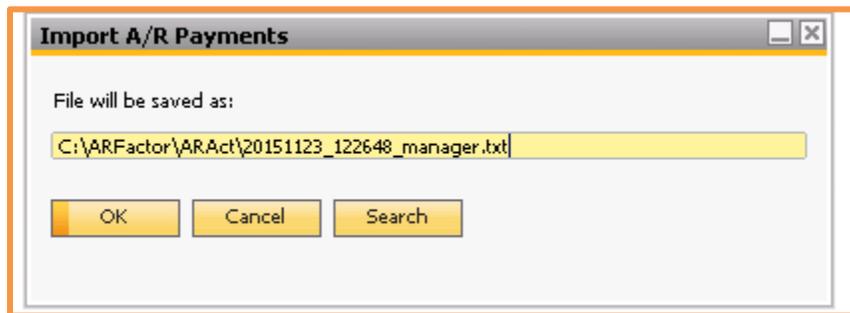
Enter the date range for the invoices that are to be transmitted. All open invoices that include the Payment Method of “Incoming CIT” and which have posting dates within the specified date range will be displayed.

Incoming Payments

Achieve One > Achieve AR Factor > Import A/R Payments

Factored invoices are paid directly to the Factoring Service, which will make an automatic deposit to your company's bank as specified in your contract with the service. In order to correctly update the customer accounts after payments are received, the Factoring Service will transmit a record of each payment, including the customer code and invoice numbers, as well as the check number and amount.

To retrieve the payment information, use the Import A/R Payments program.



Enter the path for the payment file. The previously-used path name will appear by default. Then click on "OK".

You will be prompted to enter a date range for the payment records to download. The system will then begin receiving information from the Factoring Service. The list of payments will appear on the screen as they are received. If the date range that was entered includes dates of previously downloaded payments, the older payments will be displayed as well. When the transmission is complete, a message will appear indicating that it is finished. The system will then use the information received to create Incoming Payment records in Business One. (Previously entered payments will not be duplicated.)

You may use the standard Incoming Payments and Check Register programs in the Banking module to view the payment entries. A separate Incoming Payment record is created for each payment received. Note that the payment means for all entries will be checks, with the customer's check number as reference.

The following rules are applied as Incoming Payments are entered:

- *When the application amount matches the total from an incoming payment, the incoming payment will be processed and applied to the invoice documents. The invoices that are paid will be closed by the system.*
- *The AR Payment Date and AR Payment Time fields on the invoice will be updated to show the date and time of the payment transmission.*

- *When the application amount does not match the total, the entire incoming payment amount will be recorded as “on account”.*
- *A user will need to manually apply the payment to the open invoices to keep accurate A/R information.*

- *If any document referenced by the incoming payment does not exist or is already closed, then the entire incoming payment will be applied “on account”.*
- *As above, a user will need to manually apply the payment to the open invoices or otherwise reconcile the customer account.*

Payment Consolidation

Throughout all of the procedures described above, ***Achieve AR Factor*** conforms to the standard Business One methodology regarding Payment Consolidation.

If a factored customer uses Payment Consolidation (i.e., invoices are to be charged to a “parent” customer, and payments are received from the “parent”), then the “parent” must also be a factored customer. The BP Master record for the “parent” must include the AR Factor number and Incoming CIT payment method. The “child” customer should have either its own or the “parent’s” address as the default Bill-To address, depending on where the invoices are to be sent.

As invoices are sent to the Factoring Service, they will appear on the “parent” customer’s account, and payments will be received from and credited to the “parent”.