Oracle Accounts Receivable Deductions Settlement

Oracle Accounts Receivable Deductions Settlement is a solution that provides companies with the best-of-breed research, administration, analysis and settlement functionalities to not only resolve but also pre-empt deductions. A centralized repository that tracks claims for any reason, promotional or operational, thereby enabling all groups within the company to effectively communicate and collaborate with their customers. Taking control of your deductions will improve your customer relationships and yield significant financial reward.

**Key Business Benefits**

Oracle Accounts Receivables Deductions Settlement application enables you to:
- Shorten Claim Cycle
- Easily Identify Invalid Claims
- Reduce Cost to Clear Deductions and Claims
- Automate Deductions and Claims Settlement process

**Comprehensive Deduction Management**

Oracle Accounts Receivable Deductions Settlement reduces both the transaction costs of settling claims and the hidden costs associated with deductions. Without automation, resolving claims is a slow process. Oracle Accounts Receivables Deductions Settlement provides a central repository of all claims and deductions and gives easy access to the information needed to resolve claims quickly, while providing full visibility into outstanding claims and deductions. With claims organized by type and reasons, your organization can identify inefficient operational procedures and take corrective measures as well as identify invalid claims/deductions more easily and clear valid ones promptly. Complete customer information on available funds, related activities, and past transactions slashes resolution time for both claims and deductions.

Figure 1: Claim Process Flow
KEY FEATURES

- Singular source for all customer disputes, claims and deductions
- Effective management of Accounts Receivable Balances and Disputes
- Customer Disputes Claim reason code mapping
- Auto Lockbox Integration generates deductions automatically based on customer payment discrepancies
- Handling subsequent receipts by Invoices
- Customer Balance Summary and 360 View
- Workflow based task management
- Netting open customer transactions via Mass Settlement
- Automatic Threshold based Write Offs
- Promotional accrual payments by check/wire/EFT or credit
- Deduction resolution by RMA, credit, write-off, chargeback
- Automatic netting of deductions with open credits or unpaid accruals via Rule Based Settlement

Researching claims is crucial to identify invalid claims, thus avoiding over-aggressive customer deductions, but rigorous validation can be so time-consuming that not every claim receives the scrutiny it deserves. With Oracle Accounts Receivable Deductions Settlement you can deploy industry best practices to enable quick administration and resolution of deductions to improve collections and reduce days sales outstanding (DSO).

Owner Assignment

When the Oracle Accounts Receivable application records a deduction through its cash application process, an assignment procedure is invoked to assign the right owner to the deduction. This is an important first step that puts the right set of people on the job of resolving the deduction. Assigning an “owner” to a deduction is an important step in an efficient deduction management process assuring the correct person has been assigned to research and settle the deduction. Oracle Accounts Receivable Deductions Settlement supports various attributes including deduction type, reason, customer, customer location, deduction/claim amount to drive the assignment of the deduction. With flexible assignment rules companies can appoint the right people to manage various deduction scenarios.

Research and Administration Tools

Proper research drives the ultimate resolution on claims and deductions. An effective research and administration process can enable organizations to easily identify valid deductions, speeding the recovery of these funds and resolving disputes with its customers. Customer 360-degree view provides for complete customer information including contact information, class of trade, channel, category, orders and returns, invoices, payments, service, all transactions and past activities. Such data are indispensable to research. Integration with Oracle Channel Rebates and Point of Sales management allows for tying of accruals to claims and deductions as well as enables performance verification before a promotional deduction or claims can be settled. A comprehensive project-management tool, incorporating workflow management, coordinates the tasks for each party involved in the research process.

Leveraging Oracle’s Trading Community Architecture, Oracle Accounts Receivable
Deductions Settlement can easily identify all related customer accounts (e.g., for bill to, ship to, even buying groups) to the one on the deduction, and search for and settle all related accruals and transactions.

Aging and task management track and escalate claims before they become customer satisfaction problems.

Figure 3: Customer checkbook tracks liabilities and open claims from customers

Auto Resolution

Oracle Accounts Receivable Deductions Settlement provides a powerful tool to conduct transactional processing activities in an automated fashion, saving invaluable time and effort. At the initiation of the settlement process, Oracle Accounts Receivable Deductions Settlement routes deductions for approvals via workflow leveraging robust configurable approval rules.

Tight integration with back-end financial systems reduces settlement costs and cycle time. Oracle Accounts Receivables Deductions Settlement integrates resolution of deductions and claims with Accounts-Payable and Receivable systems and validates that the correct General Ledger accounts are assigned. Properly approved claims automatically create payments and credits in Oracle Payables and Receivables.

Figure 4: Claims Mass Update enables edits to multiple claims through a single screen
Rule Based Settlement

Customers often provide a reference number that can be used to indicate the reason for deduction. Rule Based Settlement capabilities in Accounts Receivable Deductions Settlement provides for complete automation in resolving these deductions by matching to an internal credit or any available accruals systematically. An optional threshold setup and a mass approval process further provides for greater visibility and control over the resolution process.

Oracle E-Business Suite -- The Complete Solution

Oracle E-Business Suite enables companies to efficiently manage customer processes, manufacture products, ship orders, collect payments, and more—all from applications that are built on unified information architecture. This information architecture provides a single definition of your customers, suppliers, employees, products—all aspects of your business. Whether you implement one module or the entire Suite, Oracle E-Business Suite enables you to share unified information across the enterprise so you can make smarter decisions with better information.