

# Oracle E-Business Suite Release 12 Payments The Centralization of Payment Processing

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The new Oracle Payments system combines Funds Disbursement and Funds Capture into one centralized payment engine. Enterprises can generate payments across multiple organizations, currencies and regions, increasing straight through processing rates. Because processing centralization can provide real-time visibility to cash inflows and outflows, companies can achieve better capital management. From an auditability standpoint, improved control and a full audit trail are available to a single point of payment processing. Oracle Payments also manages the interfaces between E-Business Suite products and financial institutions such as banks and credit card processors. With several seeded transmission protocol/formats to choose from, implementation of an interface solution can be quicker and the total cost of ownership can be lowered.

## One Payment Processing Solution

By centralizing the payment processing into one payment engine, multiple applications can leverage the same functionality. Previously, in Release 11*i*, the same functionality would be an element of several different products. For example, Direct Debits functionality was contained in Receivables, *i*Payment, and Global Financials modules; and Check Printing functionality could be found in both the Payables and Global Financial modules. This created redundancy between the systems and was an ineffective use of resources. Now, with Release 12, products leverage a single payment processing solution (see Figure 1). Notice *i*Payment is no longer an application in Release 12. The functionality found in the *i*Payment module has been replaced by the new Oracle Payments application.

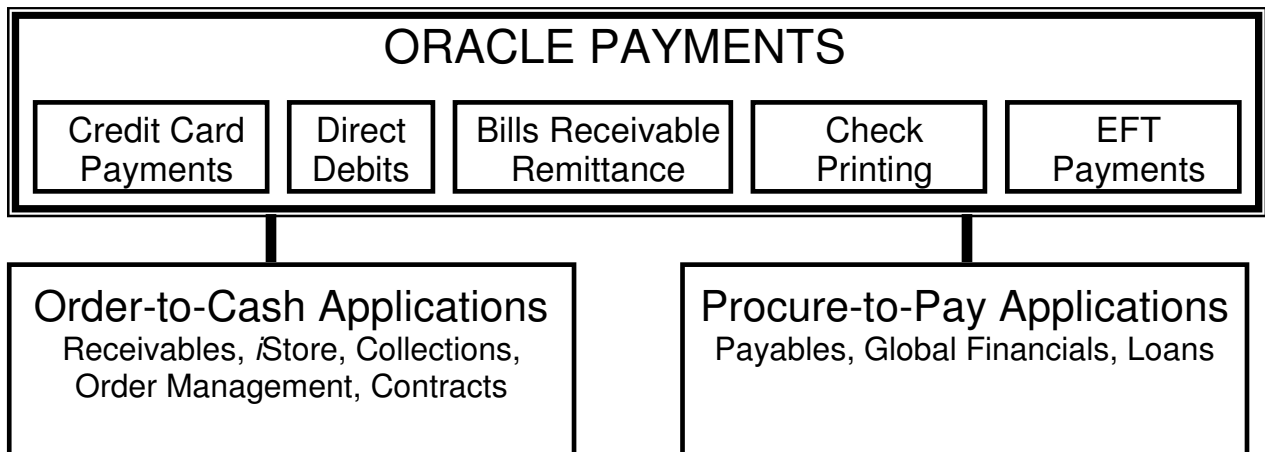


Figure 1 – With Release 12, products leverage a single payment processing solution

This centralization also extends to the creation and management of bank accounts. In Release 11*i*, bank account management is separated. Cash Management, Payables, and Receivables access the Payables bank accounts, Payroll accesses the Payroll bank accounts, and Treasury accesses the Treasury bank accounts. The management of these accounts is separate, so the data must be replicated even if the banking information among these three bank account systems is the same. Now, in Release 12, all of the bank accounts are associated with the Legal Entity and retained in the Trading Community Architecture (TCA). This change improves data control and saves time in setup and maintenance (see Figure 2).

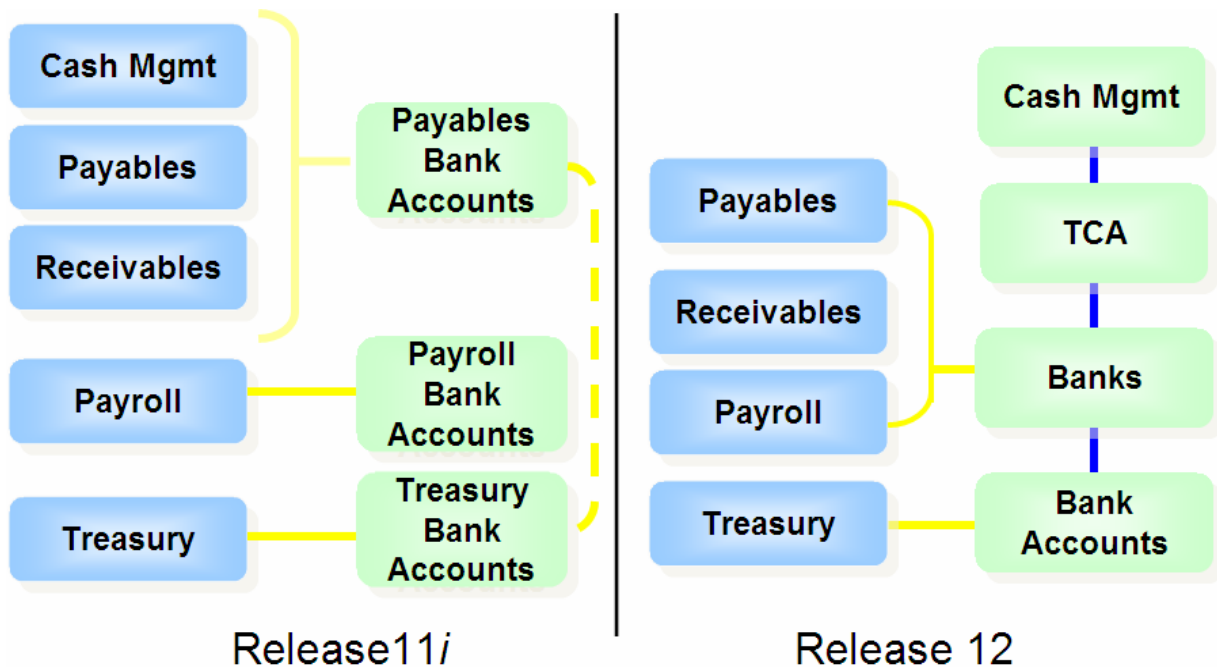


Figure 2 – Newly restructured bank account management

Bank information is now maintained through one OA Framework form. The bank, bank branch, and bank account information is accessed via links where it can be created and maintained more efficiently. Users can also manage the payment documents for specific accounts from the bank account form.

## Funds Disbursement

A business can choose to use funds disbursement in three different ways, depending on its business needs. This provides the user with the opportunity to leverage the most powerful payment solution while retaining the flexibility to select a solution that best fits the company's business processes. Following are the three payment processing solutions:

- **Decentralized Processing** – In this processing scenario, a user or team would perform all of the payment functions from selecting invoices to be paid, making payments, and resolving issues in the payment process. The new Payables Payments Dashboard in the Payables Application makes this a very efficient process for the user.
- **Centralized Processing** – In this processing scenario, one team owns the Payables functions such as invoice selection and payment process request submission and would use the Payables Payments Dashboard during processing. Another team would be dedicated to payment processing. These users would likely use the Funds Disbursement Process Dashboard because users cannot select invoices or submit payment process requests from this dashboard and this would ensure segregation of duties.
- **Payment Factory Processing** – This is the most powerful and efficient payment solution. Payments are combined by the system from multiple batches submitted by the Payables team to form the appropriate payments either by printing payment documents or generating electronic files. The Funds Disbursement Process Dashboard would need to be used for the processing option. Figure 3 shows the Payment Factory model.

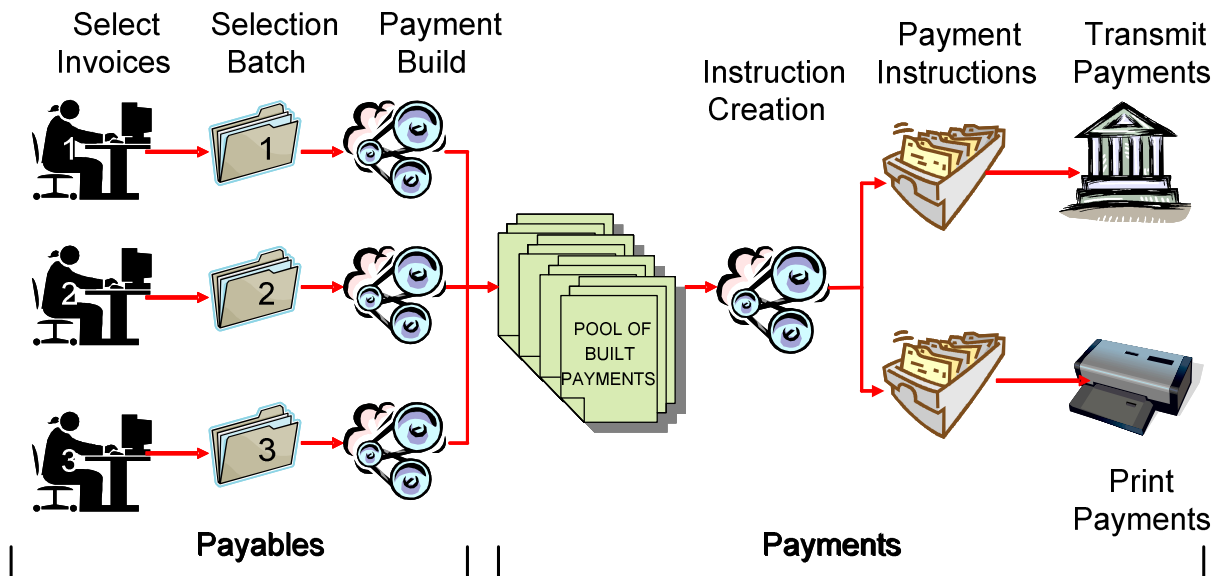


Figure 3 – The Payment Factory model generates payments from a pool of built payments for the most efficient payment processing.

### Payables Payments Dashboard

Use the Payables Payments Dashboard (see Figure 4) to begin the payment process. Users begin by submitting payment process requests (i.e., Build Payment Batch in Release 11). For regular payment process requests, users can save templates which default all of the criteria needed in order to build the payment. This expedites the payment creation process. The dashboard home page gives users information regarding the day's processing including links to all payment process requests, shortcuts to standard processing functions and a list of process requests needing action.

Need Action	Program Errors	Processing	User Terminated	Completed	Total
4	0	9	1	0	14

Details	Payment Process Request	Created Date	Payment Process Request Status	Start Action
<input type="checkbox"/> Hide	AJPPR1	03-Nov-2007	Formatting	

Reference	Reference Assigned by Administrator	Creation Date	Status	Take Action
<a href="#">39894</a>	AJPPR1	03-Nov-2007	Submitted for Printing	
<input type="checkbox"/> Show	AJPPR3	03-Nov-2007	Formatting	
<input type="checkbox"/> Show	Pymt Batch 261107-1	26-Nov-2007	Formatting	
<input type="checkbox"/> Show	TEST PR PROCESS REQUEST	17-Jan-2008	Formatting	

Status	Percentage
Completed	64.29%
Program Errors	28.57%
User Terminated	7.14%

Figure 4 – Payables Payments Dashboard

The first step in the payment process is to submit a Payment Process Request. This is new terminology in Release 12. It is equivalent to Selecting a Payment Batch in Release 11. Users can access the form to submit a Payment Process Request by clicking on the shortcut from the Payables Dashboard home page or by clicking

on the Payment Process Request tab. The Payments Process Request form (See Figure 5) enables users to set the selection criteria for the invoices to be paid for the check run.

Entering information in the various fields and tabs on this form will define the selection criteria. Remember, the fields marked with asterisks (\*) indicate required fields on OA Framework forms. The

Figure 5 – Submitting a Payment Process Request

required fields for selecting a payment batch are: Payment Process Request Name, Pay Through Date, Payment Date, and Payment Exchange Rate Type. Additional Fields, such as Bank Account, and Payment Process Profile could be required if the user chooses straight-through processing.

Notice the flexibility the new batch selection process gives the user. The Payment Method is not a required field, so a single check run can generate both paper documents and electronic files. For Pay Groups, Legal Entities, Payment Currencies, and Operating Units, users have the flexibility to select invoices from 1 to all of each entity in a single check run. For a large organization, the improved processing efficiency could be realized immediately. With the implementation of Multi-Org Access Control, corporations can now generate a single check to a payee across operating units.

The various tabs on the Payment Process Request form address different areas of the selection criteria and support straight-through processing. The first tab, Scheduled Payment Selection Criteria, defines the criteria for the invoices that will be selected. The next tab, Payment Attributes, allows the users to specify the payment instruction criteria, such as Disbursement Bank Account, Payment Document, and Payment Process Profile. These criteria must be specified if straight-through processing is desired. The next tab, User Rates, allows users to specify the user-defined exchange rates be utilized during the check run. The next tab, Processing, allows the user to specify the stop points for the check run. Users can choose to stop the process for review after the payment selection, to calculate payment withholding and interest during the payment selection, to stop the process for review after the creation of proposed payments, and to specify whether the payment instructions will be automatically initiate when the selection is complete or to wait for the standard request submission. If the payment instructions automatically initiate this is

enables straight-through processing. The next tab, Validation Failure Results, lets the user manage how errors during the check run will be handled. If an error with a document occurs, users have the option to reject only those documents with errors, to stop the process for review and manage the errors manually, to reject all the documents for the payee where the error occurred, or to reject all the documents in the request. The final tab, Additional Information, allows the user to utilize descriptive flexfields to define additional selection criteria.

After all of the selection criteria have been entered, the user clicks on the 'Submit' button to submit the payment process request. A confirmation then appears on the form, as well as a search screen so the user can immediately search on the Payment Process Request Name. This form has a 'Refresh Status' button, so users can monitor the status of the request as it moves from New through Formatted. Error statuses are displayed here as well. Users can drilldown on the Payment Process Request Name link to see detailed information about the request including description of errors. Requests can also be monitored by clicking on the 'Monitor Requests' shortcut on the Payables Dashboard.

Users can verify the payment instructions created by clicking on the 'Take Action' icon either in the Payment Process Request tab or from the home page under Pending Actions. This action takes the user to the Payment Instruction page (see Figure 6) where the payment instruction information is displayed. Notice that module name has changed from 'Payables' to 'Payments'. Once the user confirms the batch has been printed correctly, click on the 'Record Print Status' button to confirm the batch. The next forms allow users to verify the number of documents printed, to record spoiled documents, and to record skipped documents. Users can also submit the positive pay program immediately by checking the appropriate box. After one more validation message from the system, the user can confirm the payment.

**ORACLE Payments** Close Window Preferences

Home | Templates | Payment Process Requests | **Payment Instructions** | Payments

Home >

Payment Instruction: 39894

Reference: 39894  
 Reference Assigned by Administrator: AJPPR1  
 Creation Date: 03-Nov-2007

Processing Type: Printed  
 Status: Submitted for Printing  
 Comments:

**Payment Summary**

Currency Code	Currency Name	Payments	Total Amount
USD	US dollar	1	300.00
		<b>Total 1</b>	

**Process Information**

Process Type: Standard  
 Payments Complete: No

**Reporting**

Separate Remittance Advice Created: To be created  
 Regulatory Report Created: No  
 Positive Pay File Created: No

**Creation Details**

Payment Process Profile: Check - USD	Payment Currency: USD
Processing Type: Printed	Internal Bank Account: BofA-204
Payment Instruction Format: Laser Check Format	Payment Process Request
Payment System	Source Product
Transmission Protocol	Payment Function: Payables Disbursements
Legal Entity: Vision Operations	Payment Reason
Organization: Vision Operations	Maximum Payment Instruction Amount
Organization Type: Operating Unit	Maximum Number of Payments
Payment Date	

**Additional Information**

**Payments**

Name	Organization	Type	Payee	Payment Reference Number	Paper Document Number	Amount	Curr	Date
Vision Operations	Operating Unit		Staples	3	5261	300.00	USD	03-Nov-2007

**Validation Errors**

[Return to](#)

Home | Templates | Payment Process Requests | Payment Instructions | Payments | Close Window | Preferences

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Figure 6 – Payment Instruction Form



## Funds Disbursement Process (FDP) Dashboard

Users can also manage the creation of payment instructions and the generation of payments and reporting, such as the payment instruction register from the Funds Disbursement Process (FDP) Dashboard (see Figure 7). Users can monitor the payment instruction process and take action when required including the confirmation of the payment. The form includes quick searches, links to standard processing functions, a list of payment instruction pending actions, and a list of payment process requests that have been completed with Quick Links to submit payment instruction registers and separate remittance advice. Users are able to drill down to payment details from the home page. Finally, graphical metrics are also included on the dashboard detailing the straight through processing rate and error count for the previous year. Because this dashboard supports the separation of duties, users cannot submit Payment Process Requests. That action must be initiated from the Payables Payments Dashboard.

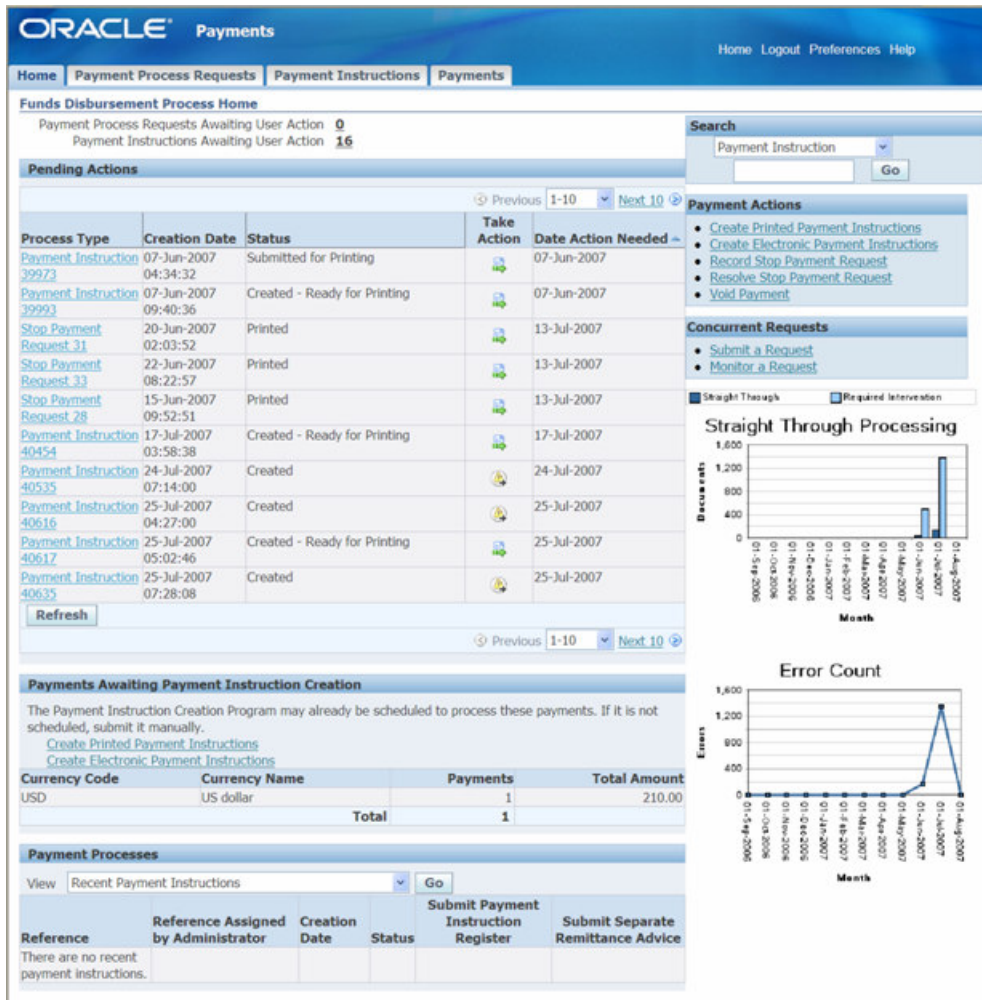


Figure 7 – Funds Disbursement Process Dashboard

## Funds Capture

While Funds Disbursement is the payment of monies from the organization, the Funds Capture process represents bringing monies into the company. The end-to-end processing of the funds capture begins when an Oracle source product creates a transaction (which captures necessary payment information) and requests authorization from Oracle Payments. The Payments engine then authorizes the transaction. Routing rules determine how the transaction will be processed and which third party payment system will be used. On the settlement side, Receivables sends a request for settlement and the payment engine

manages that request and sends it to the payment system. The Payments application also queries the payment system for an acknowledgement that the transaction was processed successfully. On a side note, the new Payment module replaces the functionality of *iPayment* in Release 11*i*, therefore making it obsolete in Release 12. Figure 8 illustrates the funds capture flow.

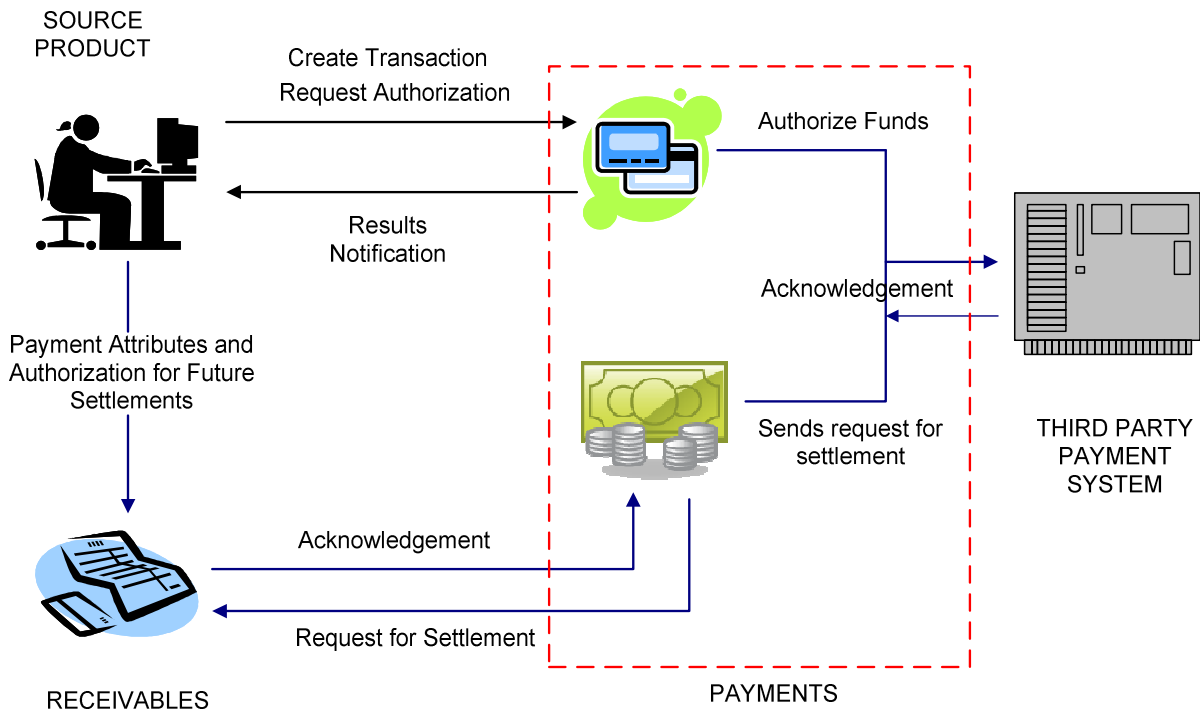


Figure 8 – Funds Capture Process Flow

Oracle Payments integrates with the following source products to facilitate funds capture:

Collections	Service
<i>i</i> Receivables	Service Contracts
<i>i</i> Store	Lease Management
Order Capture	Receivables
Order Management	Student System

Figure 9 identifies the third party payments systems that are supported out-of-the-box in Release 12, along with the payment instruments for each system. Note: Purchase Cards are also known as Procurement Cards. Several transmission protocols are also supported out-of-the-box to help to speed implementation, including FTP, Secure FTP, HTTP, HTTPS, and AS/2.

	Credit Card	Purchase Card Level 2	Purchase Card Level 3	PINless Debit Card	US ACH
Paymentech	●		●	●	●
Concord EFSnet	●		●	●	●
Wells Fargo	●	●			●
First Data (North Platform)	●	●			
CyberSource	●	●			
VeriSign	●	●			

Figure 9– Third Party Payment Systems and Payment Instruments supported out-of-the-box.

Purchase Card Level 2 transaction data consists of data such as tax amount and order number in addition to basic credit card data and Purchase Card Level 3 transaction data consists of specific purchase information such as item description, quantity, unit of measure and price, in addition to the information from Level 2. PINless Debit Cards facilitate electronic transfer of payment amounts from a customer's bank account to the payee's bank account.

### Funds Capture Process (FCP) Dashboard

The Funds Capture Process (FCP) Dashboard (see Figure 10) is the one location that processors can go to manage the funds capture process. Included on the home page is quick search functionality, links to standard processing functions, a list of recent successful settlement batches, as well as recent failed operations.

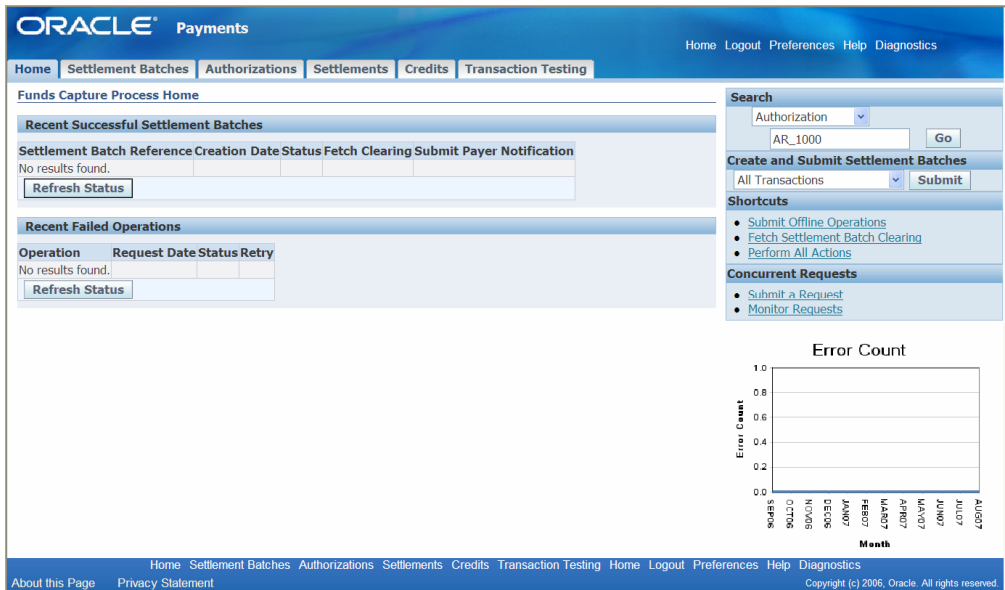
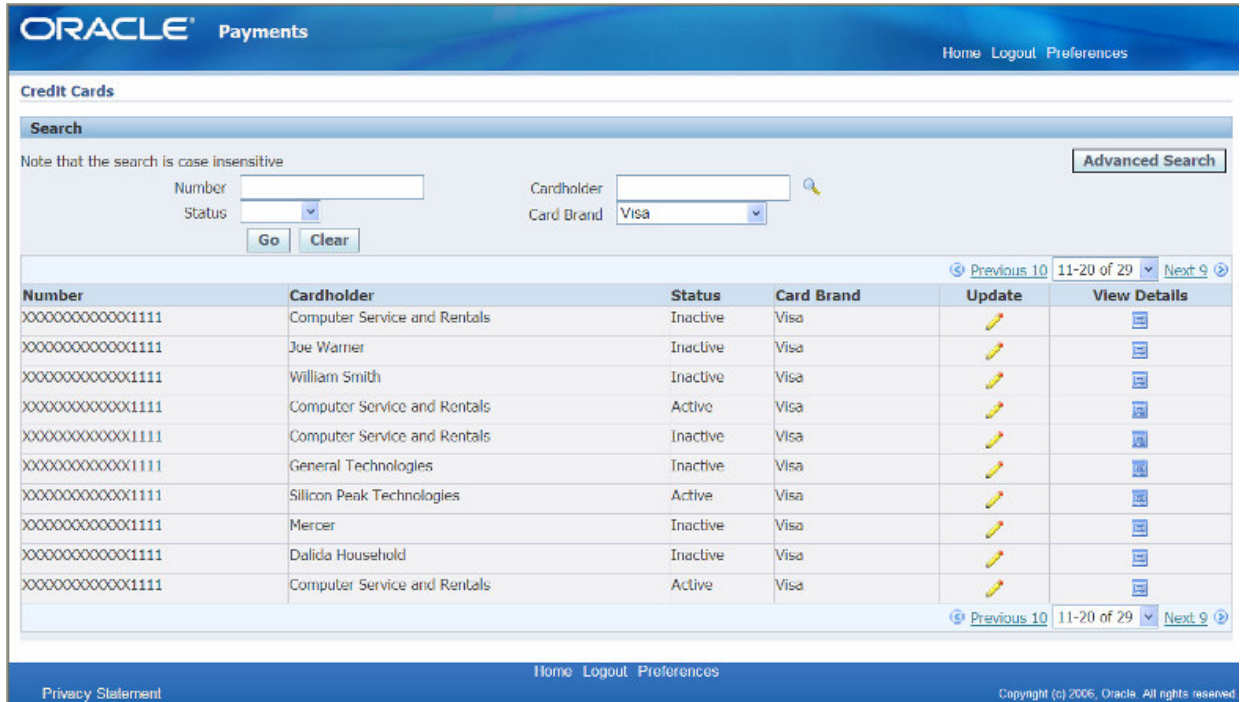


Figure 10 – Funds Capture Process Dashboard



The Authorizations tab details information about each settlement including the payee the amount the request date and the status. The Payment System Order Number is defined by the system with the first two characters identifying the source product. Clicking on the Payment System Order Number link navigates to the Settlements tab where the user can view information regarding the settlement, including the Settlement Response, the Submission Details, the Payment Instrument, and the Payee Information. The Credits tab gives similar information regarding credits issued. Finally, the Transaction Testing tab can be shown or hidden using menu functions. This tab enables users to perform transmission testing when a new protocol or third party system is coming on line. Having this function available through a front-end form makes testing quicker.

Another form available to the Funds Capture Manager is the Credit Card maintenance form (see Figure 11). With this form, users can view and maintain credit card information.



**ORACLE Payments** Home Logout Preferences

**Credit Cards**

**Search**

Note that the search is case insensitive **Advanced Search**

Number  Cardholder

Status  Card Brand

Number	Cardholder	Status	Card Brand	Update	View Details
XXXXXXXXXXXX1111	Computer Service and Rentals	Inactive	Visa		
XXXXXXXXXXXX1111	Joe Warner	Inactive	Visa		
XXXXXXXXXXXX1111	William Smith	Inactive	Visa		
XXXXXXXXXXXX1111	Computer Service and Rentals	Active	Visa		
XXXXXXXXXXXX1111	Computer Service and Rentals	Inactive	Visa		
XXXXXXXXXXXX1111	General Technologies	Inactive	Visa		
XXXXXXXXXXXX1111	Silicon Peak Technologies	Active	Visa		
XXXXXXXXXXXX1111	Mercer	Inactive	Visa		
XXXXXXXXXXXX1111	Dalida Household	Inactive	Visa		
XXXXXXXXXXXX1111	Computer Service and Rentals	Active	Visa		

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Figure 11 – Credit Card Maintenance form

## Bank Account Maintenance

Earlier in this article, the new bank account model was discussed. The improved efficiencies in Cash Management do not end there. The new bank account maintenance form (see Figure 12) is utilized by all systems to create and maintain bank accounts. Notice link are available to the bank name, the account, the number and the branch. All of which can be modified from this single form.

ORACLE Cash Management Home Logout Preferences

Manage Bank Accounts

**Bank Accounts**

---

**Simple Search** [Advanced Search](#)

Account Name <input type="text"/>	Alternate Account Name <input type="text"/>	
Short Account Name <input type="text"/>	Account Number <input type="text"/>	
Account Owner <input type="text"/>	Currency <input type="text"/>	
Bank Name <input type="text" value="bank of america"/>	Branch Name <input type="text"/>	

Select Account
Update Account
Manage Payment Documents
Create

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Select	Account Name	Alternate Account Name	Short Account Name	Account Number	Bank Name	Bank Number	Branch Name	Branch Number
<input type="radio"/>	<a href="#">ABC</a>			XXXXXXXX8999	<a href="#">Bank of America</a>	<a href="#">BOA</a>	<a href="#">Bank of America</a>	<a href="#">BOA</a>
<input type="radio"/>	<a href="#">BofA-EUR-204</a>			999-665-00	<a href="#">Bank of America</a>	<a href="#">163281189</a>	<a href="#">New York</a>	<a href="#">7361982736</a>
<input type="radio"/>	<a href="#">Disbursement-204</a>			Disbursement	<a href="#">Bank of America</a>	<a href="#">163281189</a>	<a href="#">New York</a>	<a href="#">7361982736</a>
<input type="radio"/>	<a href="#">US Main A/C-204</a>			10271-17621-789	<a href="#">Bank of America</a>	<a href="#">163281189</a>	<a href="#">New York</a>	<a href="#">7361982736</a>
<input type="radio"/>	<a href="#">Do Not Use-204</a>			924-112-00012	<a href="#">Bank of America</a>	<a href="#">163281189</a>	<a href="#">New York</a>	<a href="#">7361982736</a>
<input type="radio"/>	<a href="#">Do Not Use-204</a>			923-112-00012	<a href="#">Bank of America</a>	<a href="#">163281189</a>	<a href="#">New York</a>	<a href="#">7361982736</a>
<input type="radio"/>	<a href="#">Do Not Use-204</a>			922-112-00012	<a href="#">Bank of America</a>	<a href="#">163281189</a>	<a href="#">New York</a>	<a href="#">7361982736</a>
<input type="radio"/>	<a href="#">BofA-204</a>			10271-17621-619	<a href="#">Bank of America</a>	<a href="#">163281189</a>	<a href="#">New York</a>	<a href="#">7361982736</a>
<input type="radio"/>	<a href="#">BofA-458</a>			716247142-2647	<a href="#">Bank of America</a>	<a href="#">163281189</a>	<a href="#">New York</a>	<a href="#">7361982736</a>
<input type="radio"/>	<a href="#">BofA-5186</a>			10271-17621-619	<a href="#">Bank of America</a>	<a href="#">163281189</a>	<a href="#">New York</a>	<a href="#">7361982736</a>

Select Account
Update Account
Manage Payment Documents
Create

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Figure 12 – Bank Account Maintenance form

## Setup

Payment processing for both funds disbursement and funds capture can be set up through one form, the Payments Setup form. This setup form is shown in Figure 13.

Focus Task Name	Description	Status	Go To Task
Payments Setup			
Shared Setup			
System Security Options	Set security options for encryption, masking, and credit card control.	In Progress	Go To Task
Validations	View validations that can be assigned to formats or disbursement payment methods.	In Progress	Go To Task
Formats			
XML Publisher Format Templates	Create and register format templates needed for your payment processing.	In Progress	Go To Task
Formats	Define formats, link them to your XML Publisher Templates, and assign validations.	Completed	Go To Task
Payment Systems			
Transmission Configurations	Review transmission protocols and add parameter values to create configurations.	Not Started	Go To Task
Payment Systems	Define the external organizations that process your funds capture and disbursement transactions.	In Progress	Go To Task
Funds Disbursement Setup			
Funds Capture Setup			
Payment Methods	Review payment methods, and define any needed for bank account transfers.	Not Started	Go To Task
Funds Capture Process Profiles	Create profiles for funds capture processing. The profiles contain all the rules for authorization and settlement handling.	Not Started	Go To Task
Payees	Define rules for deriving the correct payment system account and funds capture process profile for a transaction.	Not Started	Go To Task
Credit Card Brands	Enable credit card brands that you accept.	Not Started	Go To Task

Figure 13 – Payments Setup Form

Shared Setup includes the ability to set up security options such as credit card control. Both pre-defined and user-defined validations can also be assigned in the shared setup. Since Payments relies heavily on XML Publisher, format templates can be created and maintained for payment processing. Transmission configurations and third party payment systems are also defined here.

Funds Disbursement Setup includes payment methods and codes. It can also create and maintain payment process profiles that contain the rules about how payments are created and disbursed. Finally, users can maintain disbursement system options include payment processing options such as how the system handles validation failures and payment overrides.

The Funds Capture Setup enables the user to create and maintain payment methods, create profiles for funds capture processing, define rules for deriving the correct payment system account and enable the accepted credit card brands.

## Conclusion

The new Payments system gives users the flexibility to generate payments in an efficient way conforming to a corporation's needs instead of the other way around. One system now manages both Funds Capture and Funds Disbursement eliminating redundancies. With over 120 XML templates from which to choose, companies can not create and maintain their payment documents more quickly and efficiently. The support of straight through processing can lower the total cost of ownership for corporations utilizing this approach. Cash management has been improved and finally enhanced user interfaces increase efficiency and lower the error rate.