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How to use Pooled Account in Oracle Payables

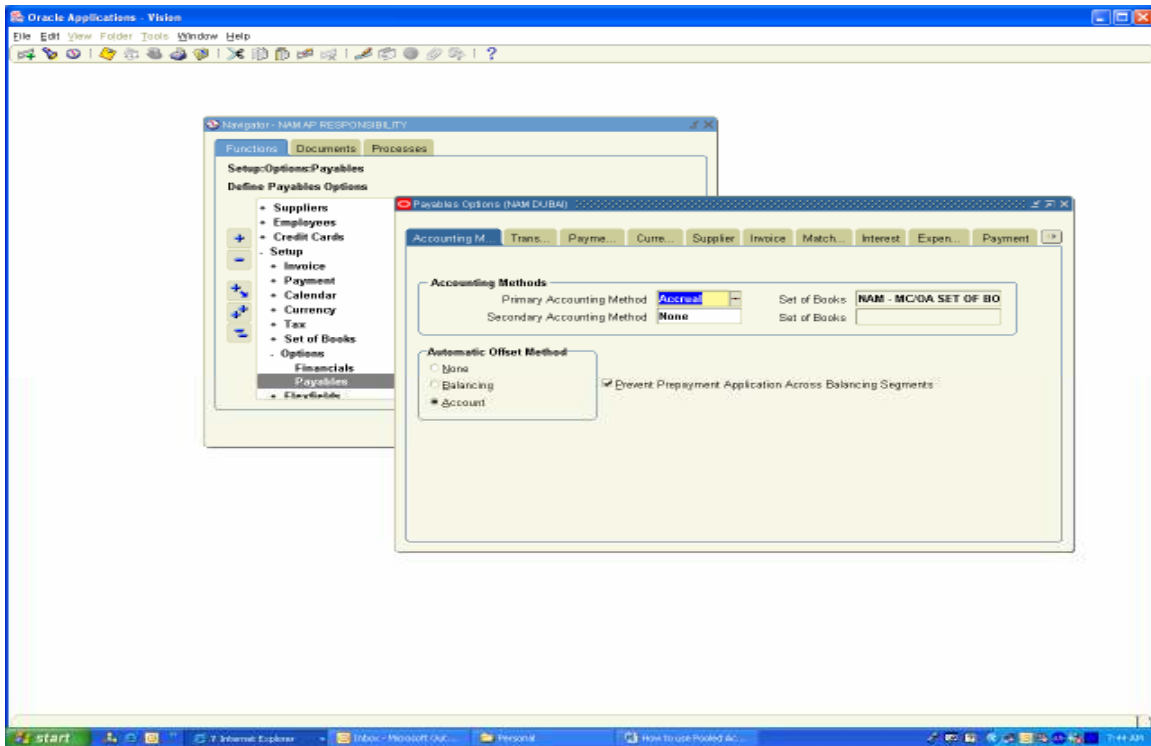
Business Requirement: In most of the Government Organizations as well as few other companies might have a requirement they want to manage multiple Funds with Single Bank account. In that case you cannot create two bank accounts in Oracle Applications, but you need to ensure the Expense and Accounting distribution lines are created with Multiple Lines for each Expense as well as Liability Accounts and Bank Account.

Example: You have a Fund Account which needs to be managed for Operational Expenses separately and Capital Expenditure related separately with a single Bank Account. I have defined my Key Flexfield Segment as follows

- Segment1: Entity (Balancing Segment)
- Segment2: Fund (01- Opex Fund and 02-Capex Fund)
- Segment3: Cost center
- Segment4: Account (Natural Account)
- Segment5: Future

The Set up required for achieving this are as follows

- Step:1** Navigation Path
Accounts Payable Responsibility
Setup → Options → Payables



In the automatic Offset Method, Enable the Account Radio button. The Functionality of Automatic Offset is as follows

- If you enable Account and when you create Invoice with Multiple Distribution Lines, the system will keep the Liability Account picked up from Supplier site Constant and replace all other segment values with Expense Distribution Lines in the Liability account.
- If you Enable the Balancing Segment Radio button, then the system will keep the Balancing segment value from Expense Distribution and the Account segment value of the Liability Account picked up from Supplier site as Constant and replace all other segment with Expense Distribution Lines.

Note: The Accounting Entries will be generated only on approval of Invoice if you enabled AME approval workflow.

Refer Metalink Note: **139571.1** for a detailed explanation

Step2:

Navigation Path: Accounts Payable Responsibility

Set up → Payments → Banks

The screenshot shows the Oracle Applications - Vision interface for setting up Bank Accounts. The main window is titled "Bank Accounts (NAM DUBAI)". It contains several tabs: "GL Accounts", "Account Contact", "Account Holder", "Receivables O...", "More Receivabl...", "Payables Optio...", and "Supplier Assign...". The "GL Accounts" tab is active, displaying a table with the following data:

GL Account	Description
Cash 001.01.000.1001.000	The Palm, Jumeirah,Administratio
Cash Clearing	
Bank Charges	
Bank Errors	
Confirmed Receipts	
Future Dated Payment	

Other visible fields include: Bank Name (ABN AMRO BANK), Branch Name (Deira), Operating Unit (NAM DUBAI), Name (Current Account), Account Use (Internal), Number (100 5255601 001), Currency (AED), and Agency Location Code. There are also buttons for "Payables Documents" and "Bank Codes" at the bottom.

In Payables Option Tab Enable the Pooled Account Check Box

The screenshot displays the Oracle Applications Vision interface for configuring a bank account. The 'Payables Option' tab is active, showing various settings for the bank account. The 'Pooled Account' checkbox is checked, indicating that the system will segregate and distribute payment entries from one bank account to multiple bank accounts based on liability entries.

Bank: Name: ABN AMRO BANK, Alternate Name: , Number: , RFC Identifier: , Institution: Bank, Description: , EDI ID Number: , EDI Location: .

Bank Branch: Name: Deira, Alternate Name: , Number: , Type: .

Bank Accounts (NAM DUBAI): Bank Name: ABN AMRO BANK, Branch Name: Deira, Operating Unit: NAM DUBAI, Name: Current Account, Agency Location Code: , Alternate Name: , Account Use: Internal, Account Type: , Number: 900 5259601 001, IBAN: , Currency: AED, Inactive On: , Description: , Check Digits: .

Allow Assignment to Multiple Suppliers

Payables Option: Multiple Currency Payments, Allow Zero Payments, Pooled Account

Maximum Outlay: , Minimum Payment: , Minimum Payment: , EFT Number: , GL Account: , Description: , Realized Gain: , Realized Loss: .

Buttons: Payables Documents, Bank Codes

The Pooled Account will segregate and distribute the Payment Entries from One Bank Account Distribution Entries to Multiple Bank Account Distribution Entries according to the Liability Entries

Step3:

Navigation Path: Accounts Payables Responsibility
Invoices → Entry → Invoices

You create an Invoice and Enter the Distribution Lines as follows
Charge Account

First Line 0001.01.000.5001.000 - Amount 1000

Second Line 0001.02.000.5001.000 – Amount - 500

save the record and validate the transaction and approve the transaction. In Normal circumstance where the automatic Offset is not enabled in Payable Option you will find only One Liability Entry picked up from Supplier site. Since we enabled automatic Offset set to Account it has created two Liability Distribution Lines as shown in the screen shot keeping the Natural Account code picked up from Supplier site constant and replaced all other segments from Expense Distribution Lines

The screenshot displays the Oracle Applications interface. The main window is titled "Invoices (JAN DUBAI)" and shows a table of invoice entries. The table has columns for Type, Supplier, Supplier Num, Site, Invoice Date, Invoice Num, Invoice Curr, Invoice Amount, Withheld Amount, and Prepaid Amount. The data rows are:

Type	Supplier	Supplier Num	Site	Invoice Date	Invoice Num	Invoice Curr	Invoice Amount	Withheld Amount	Prepaid Amount
Standard	Byrne Coest	20025	DUBAI	05-JAN-2006	1526	AED	800.00		
Standard	Byrne Coest	20025	DUBAI	07-JAN-2006	1516	AED	3,500.00		
Standard	Byrne Coest	20025	DUBAI	05-JAN-2006	1512	AED	1,500.00		

Below the invoice table, there is a window titled "View Invoice Accounting (JAN08/AED) - 1512". This window shows a table of distribution lines with columns for Event Num, Line Num, Line Type, Account, Debit (AED), Credit (AED), and Invoice Di. The data rows are:

Event Num	Line Num	Line Type	Account	Debit (AED)	Credit (AED)	Invoice Di
1	1	Charge	0001.01.000.5001.000	1,000.00		1
1	2	Liability	0001.01.000.2501.000		1,000.00	
1	3	Charge	0001.02.000.5001.000	500.00		2
1	4	Liability	0001.02.000.2501.000		500.00	

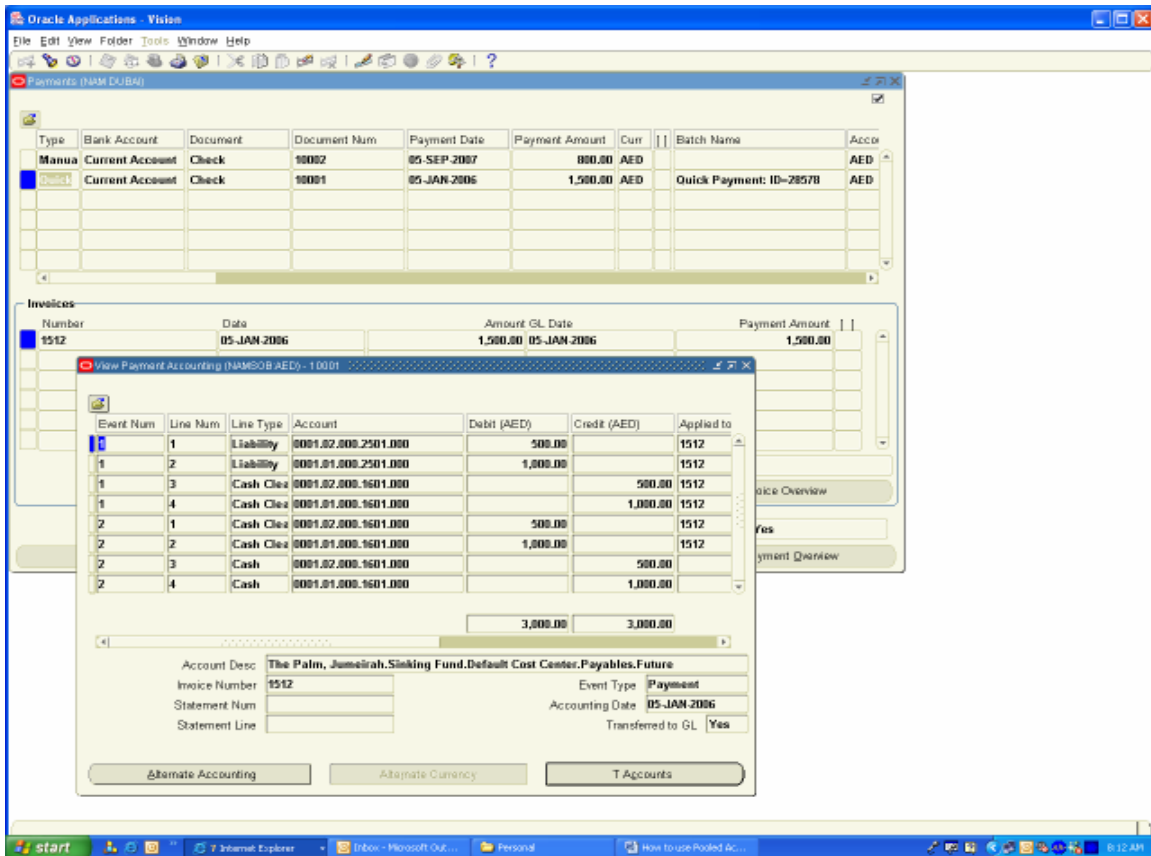
The total debit and credit amounts are shown as 1,500.00 and 1,500.00 respectively. A "Match" button is visible at the bottom right of the window.

Step 4:

Navigation Path: Accounts Payables Responsibility

Payments → Entry → Payments

Create a Payment for the above Invoice and you will find two Distribution Lines for Liability and Cash Account. This is from the Pooled account set up in Bank. If you do not enable the pooled account in Bank Payable Options Tab, You will find only one accounting distribution line picked up from the Bank defined for Cash Account segment values.



Conclusion: This will help you to monitor and control the Fund kept in Single Bank Account and manage for multiple Funds like opex (01 of Second segment in this case) and capex funds (02 of Second segment in this case).

Note: You may not be able to get Multiple Distribution Lines in the above manner in Receivables Module for Receivables Account and Bank Account till 11.5.10. In R12 using Subledger Accounting, Account derivation Rules, You should be able to achieve Multiple Distribution Lines for Receivables Account and Bank Account.

- THANK YOU AND HOPE THIS HELPS -