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1 Vendor payments in installments

You want to make vendor payments in installments. How do you handle this in SAP R/3?

You have two alternatives:

1. Use installment payment terms
2. Activate document split

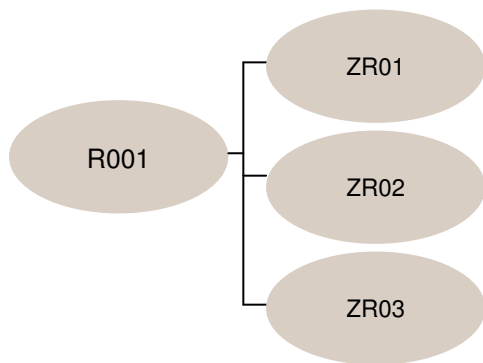
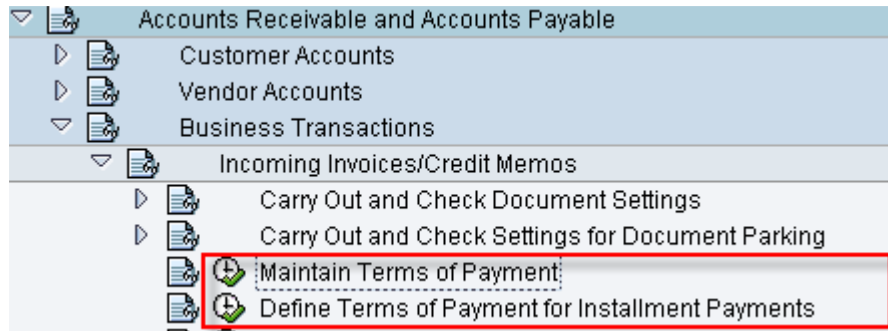
Of course you can also use partial payments or residual items, but these have nothing to do with payment terms.

2 Installment payments

Instead of entering several line items, you only enter the data for one item. The breakdown is carried out by the system automatically by means of the payment terms.

Configuration

IMG Menu	<i>Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Incoming invoices/Credit Memos → Maintain Terms of Payment</i>
Transaction Code	OBB8 or SM30 (Customizing Object V_T052)



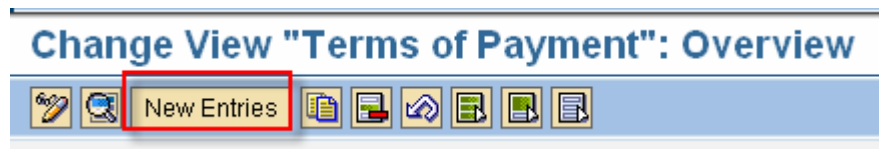
You need to create four payment terms. First you create the 'main term' for the Installment. Here R001. This payment term is set to vendor master.

The Installments need also payments terms. Here you set the day limits for payments.

In IMG activity Define Terms of Payment for Installment payments you define the percentages and assign the Installment payment to the 'main term'.

2.1 Create 'main term'

Press New entries



Field name	Description
Payment terms	R001
Sales Text	Inst. pymnt terms 3 part. amnt
Account type: Customer	Selected
Account type: Vendor	Selected
Default for baseline date:	Document Date
Payment terms: Installment payment	Selected

Choose Save.

Choose Back.

Change View "Terms of Payment": Details

New Entries

Payment terms: R001 Sales text: ret. pymnt terms 3 part. amnt

Day limit: 0 Own explanation: Retainage paymt terms, 3 instlmts (ZR01,ZR02,Z...

Account type

Customer
 Vendor

Baseline date calculation

Fixed day:
Additional months:

Pmnt block/pmnt method default

Block key:
Payment method:

Default for baseline date

No default Posting date
 Document date Entry date

Payment terms

Installment payment Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	<input type="text"/> %	<input type="text"/>		<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="text"/> %	<input type="text"/>		<input type="checkbox"/>	<input type="checkbox"/>
3.		<input type="text"/>		<input type="checkbox"/>	<input type="checkbox"/>

Explanations

Retainage paymt terms, 3 instlmts (ZR01,ZR02,Z...

2.2 Create 'Installment terms'

Press 'New entries'

Field name	Description	Description	Description
Payment terms	ZR01	ZR02	ZR03
Sales Text	1st installment R001 (15 days)	2nd installment R001 (30 days)	3rd installment R001 (45 days)
Account type: Customer	Selected	Selected	Selected
Account type: Vendor	Selected	Selected	Selected
Default for baseline date	Document Date	Document Date	Document Date
Payment terms: Installment payment	Not selected	Not selected	Not selected
Payment terms: No. of days	15	30	45

Choose Save.

Choose Back

Change View "Terms of Payment": Details

New Entries

Payment terms Sales text
 Day limit Own explanation

Account type
 Customer
 Vendor

Baseline date calculation
 Fixed day
 Additional months

Pmnt block/pmnt method default
 Block key
 Payment method

Default for baseline date
 No default Posting date
 Document date Entry date

Payment terms
 Installment payment Rec. Entries: Supplement fm Master

Term	Percentage	No. of days	/	Fixed date	Additional months
1.	<input type="text"/> %	<input type="text" value="15"/>		<input type="checkbox"/>	<input type="checkbox"/>
2.	<input type="text"/> %	<input type="text"/>		<input type="checkbox"/>	<input type="checkbox"/>
3.	<input type="text"/>	<input type="text"/>		<input type="checkbox"/>	<input type="checkbox"/>

Explanations

Within 15 days Due net	

Change View "Terms of Payment": Overview

New Entries

PayT	Sales text
<input type="checkbox"/> ZR01	1st installment R001 (15 days)
<input type="text" value="0"/>	Within 15 days Due net
<input type="checkbox"/> ZR02	2nd installment R001 (30 days)
<input type="text" value="0"/>	Within 30 days Due net
<input type="checkbox"/> ZR03	3rd installment R001 (45 days)
<input type="text" value="0"/>	Within 45 days Due net

2.3 Define Installments

IMG Menu	<i>Financial Accounting → Accounts Receivable and Accounts Payable → Business Transactions → Incoming invoices/Credit Memos → Define Terms of Payment for Installment payments</i>
Transaction Code	OBB9 or SM30 (Customizing Object V_T052)

Payment terms	Inst	Percent	Pmnt term
0017	1	30,000	0001
0017	2	40,000	0001
0017	3	30,000	0001
JP03	1	50,000	JP01
JP03	2	50,000	JP02
MF01	1	50,000	0002
MF01	2	30,000	0004
MF01	3	20,000	0005
R001	1	40,000	ZR01
R001	2	30,000	ZR02
R001	3	30,000	ZR03

Select New entries and enter definitions for payment term R001. Enter the percentages and payment terms for the Installments (ZR01-ZR03).

Define your partial amounts in percent for each terms of payment key affected. Make sure that you number the individual partial amounts consecutively.

2.4 Enter the new payment term in the vendor master.

Vendor: 200 SMP
Company Code: 1000 Eltel Networks

Payment data
Payment terms: R001
Cr memo terms:
Chk cashng time:

Ensure that the key is entered in the vendor master record which represents the specified terms of payment.

2.5 Test how the payment term works

Create vendor invoice with transaction FB60. For offsetting posting use account 476000 Office supplies and cost center 1000. Use tax code V0.

Enter Vendor Invoice: Company Code 1000

Tree on Company Code Hold **Simulate** Park Editing options

Transactn R Invoice Bal. 0,00

Basic data Payment Details Tax Notes

Vendor 200 SGL Ind Invoice date 18.02.2008 Reference Posting Date 18.02.2008 Cross-CC no. Amount 10.000,00 EUR Calculate tax VN VN (16% domestic in.. Text Paymt terms Installment payment Baseline date 18.02.2008 Company Code 1000 Eltel Networks Frankfurt

Vendor Address SMP Fluid Power Division ATLANTA GA 40849 USA Acct w/ vndr 50016 Bank account 98765896 Bank Number 23022200 Volksbank Marschfelden Ols

1 Items (No entry variant selected)

St...	G/L acct	Short Text	D/C	Amount in doc.curr.	Loc.curr.amount	T..	Cost center	TW...	Assignment no.
✓	476000	Office suppl...	S De...	10.000,00	10.000,00	V0	1000		

Simulate the posting.


Doc.type : KR (Vendor invoice) Normal document

Doc. Number Company code 1000 Fiscal year 2008

Doc. date 18.02.2008 Posting date 18.02.2008 Period 02

Doc.currency EUR

Itm	PK	CoCd	Account	Account short text	Amount in LC	LCurr	Amount	Crcy	Net due dt	Cost Ctr
1	31	1000	200	SMP	0,00	EUR	0,00	EUR	18.02.2008	
2	40	1000	476000	Office supplies	10.000,00	EUR	10.000,00	EUR	18.02.2008	1000
3	31	1000	200	SMP	4.000,00-	EUR	4.000,00-	EUR	04.03.2008	
4	31	1000	200	SMP	3.000,00-	EUR	3.000,00-	EUR	19.03.2008	
5	31	1000	200	SMP	3.000,00-	EUR	3.000,00-	EUR	03.04.2008	
*		1000					0,00	EUR		
**							0,00	EUR		

Add the net due date to the layout () or from menu Settings / Layout / Current. You can see that the invoice is divided in three Installments with their own due dates. Save the document.

3 Amount split

If you have fixed Installments, you can use the Installment payment terms. However, if you need to change the amounts, this is not a good solution. Any change in Installment payment terms or invoice plans requires additional customizing. There is a way to use flexible amounts in the Installments. **Enable Amount Split in the company code customizing.**

Change View "Company Code Global Data": Details

Additional details			
Company Code	1000	Eitel Networks	Frankfurt
Country key	DE	Currency	EUR
		Language Key	EN
Accounting organization			
Chart of Accts	INT	Country chart/accts	GKR
Company	1000	FM Area	1000
Credit control area	1000	Fiscal Year Variant	K4
Ext. co. code	<input type="checkbox"/>	Global CoCde	GL1000
Company code is productive	<input type="checkbox"/>	VAT registration no.	DE123456789
Processing parameters			
Document entry screen variant	<input type="checkbox"/>	<input type="checkbox"/> Business area fin. statements	
Field status variant	1000	<input checked="" type="checkbox"/> Propose fiscal year	
Pstng period variant	1000	<input checked="" type="checkbox"/> Define default value date	
Max. exchange rate deviation	10 %	<input type="checkbox"/> No forex rate diff. when clearing in LC	
Sample acct rules var.		<input type="checkbox"/> Tax base is net value	
Workflow variant	1000	<input type="checkbox"/> Discount base is net value	
Inflation method		<input type="checkbox"/> Financial Assets Mgmt active	
Crcy transl. for tax	<input type="checkbox"/>	<input type="checkbox"/> Purchase account processing	
CoCd->CO Area	2		
Cost of sales accounting actv.	2		
<input checked="" type="checkbox"/> Negative postings allowed		<input checked="" type="checkbox"/> Enable amount split	
<input checked="" type="checkbox"/> Cash Management activated			

Amount split enables the split of an invoice or credit memo final amount. A new tab Amount split will appear on the screens of the Enjoy transactions (**FB60, MIRO**). This method does not work for the old style transactions such as FB01.)

3.1 Test the amount split

Create a new invoice for vendor 200 (payment terms R001 in vendor master).
Open tab Amount split.

Enter Vendor Invoice: Company Code 1000

Transactn: R Invoice

Basic data | Payment | Details | Tax | **Amount split** | Notes

Vendor: 200 SGL Ind:

Invoice date: 18.02.2008 Reference:

Posting Date: 18.02.2008

Cross-CC no.:

Amount: 20.000,00 EUR Calculate tax

VN VN (16% domestic in..)

Transactn: R Invoice

Basic data | Payment | Details | Tax | **Amount split** | Notes

Splitting of final amount

Amount	Pmnt Method	Pmnt terms
20.000,00		R001

You can split the amount according to payment method or terms of payment. If you have entered a payment method, this entry has priority over the payment method in the terms of payment.

If no split is made – Installments according to payment term.

Itm	PK	CoCd	Account	Account short text	Amount in LC	LCurr	Amount	Crcy
1	31	1000	200	SMP	0,00	EUR	0,00	EUR
2	40	1000	476000	Office supplies	20.000,00	EUR	20.000,00	EUR
3	31	1000	200	SMP	8.000,00-	EUR	8.000,00-	EUR
4	31	1000	200	SMP	6.000,00-	EUR	6.000,00-	EUR
5	31	1000	200	SMP	6.000,00-	EUR	6.000,00-	EUR
*		1000					0,00	EUR

Make following split: 15000 is paid immediately (payment term 0001) and the rest with payment term ZR02.

Transactn		R Invoice	
Basic data	Payment	Details	Tax
Amount split			
Splitting of final amount			
Amount	Pmnt Method	Pmnt terms	
15.000,00		0001	
5.000,00		ZR02	

Simulate the document.

Itm	PK	CoCd	Account	Account short text	Amount in LC	LCurr	Amount	Crcy
1	31	1000	200	SMP	0,00	EUR	0,00	EUR
2	40	1000	476000	Office supplies	20.000,00	EUR	20.000,00	EUR
3	31	1000	200	SMP	15.000,00-	EUR	15.000,00-	EUR
4	31	1000	200	SMP	5.000,00-	EUR	5.000,00-	EUR
*		1000					0,00	EUR
**							0,00	EUR

Post the document