

Welcome to the Cash Application Course



- Instructor
- Instructor

- Welcome and Introductions
- Logistics
- Ground Rules
- Course Objectives
- Course Content



Course Agenda

| | Chapter Description | Time |
|---|---|-------------|
| 1 | Definitions and Process Overview | 45 minutes |
| 2 | RDSO and Manual Check Processing | 60 minutes |
| 3 | Bank of America Lockbox | 90 minutes |
| 4 | Cash and Clearing Account Management | 90 minutes |
| 5 | Cash Reporting | 60 minutes |
| 6 | Summary | 15 minutes |

Course Objectives

By the end of this class, you will be able to:

- Execute the remote deposit service online (RDSO) process for miscellaneous receipts
- Perform manual check entries
- Process Bank of America lockbox functionality for cash receipts
- Manage open items
- Run cash reports



Course Chapters

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By the end of this chapter you will be able to:

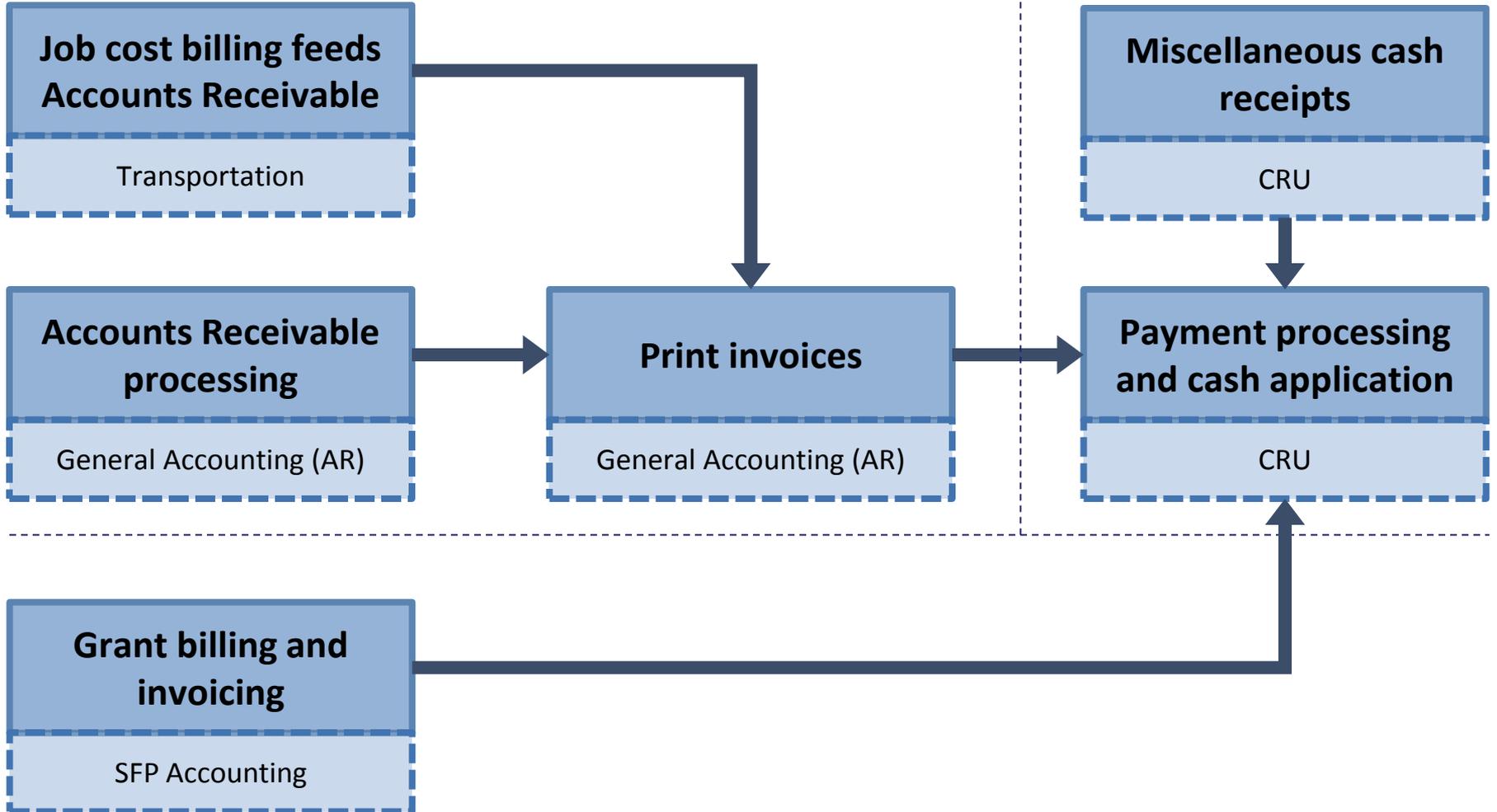
- Explain the relationship between organizations impacted by cash and banking transactions
- Identify the key changes and benefits that will occur with the implementation of LRP



Relationships Between Organizations Involved with Cash Accounting

Billing and Invoicing

Cash Receipts Unit



Relationships Between Organizations Involved with Cash Accounting

| Department | Activities |
|-------------------------|--|
| General Accounting - AR | <ul style="list-style-type: none"> • Process invoices and credit memos • Print invoices • Print and issue dunning letters • Customer account maintenance • Reporting |
| Transportation | <ul style="list-style-type: none"> • Generates billing and invoices for job cost billing • All job cost external billing processing feeds AR |
| SFP Accounting | <ul style="list-style-type: none"> • Processes grant billing • Generates and prints grant invoices • BP maintenance |
| CRU | <ul style="list-style-type: none"> • Processes incoming payments both manually and through automated bank uploads (lockbox) • Process miscellaneous receipts • Cash and clearing account management • Cash reporting |

New Processes and Benefits

- A Bank of America Lockbox platform will be used to process the AR-related cash receipt transactions in SAP
- Customers will be instructed to send payments to Bank of America instead of different departments at LAUSD
- A remote check scanning and deposit platform will be implemented to enable processing of physical checks submitted to the Cash Receipts Unit (CRU)
- The current manual check process will be available as a backup to the lockbox process
- SAP and BW will be used for cash reporting



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Chapter Objectives

By the end of this chapter you will be able to:

- Describe the current process for cash receipts and pain points
- Explain the remote deposit services online (RDSO) process for miscellaneous receipts
- Process RDSO transactions
- Explain the accounting transactions generated by the RDSO process
- Perform manual check entries



Current Cash Receipts Processes

A number of LAUSD organizations receive checks and forward them to the CRU for processing

- CRU manually records the checks in SAP using transaction FF68 and then deposits them at Bank of America
- Subsequently the deposits are also recorded in a LAUSD-specific table in SAP using transaction ZFI00001
- This process results in checks posting to a cash clearing account

Current pain points in the existing process include

- There is a substantial volume of work performed by the CRU with a limited staff including the responsibility to record and clear deposits in SAP
- At times the CRU must process hundreds of deposits for student records
- District currently does not use banking services
- Physical checks submitted to the CRU come with application instructions which makes it difficult to enforce cash coding and accounting rules



New Cash Receipts Process

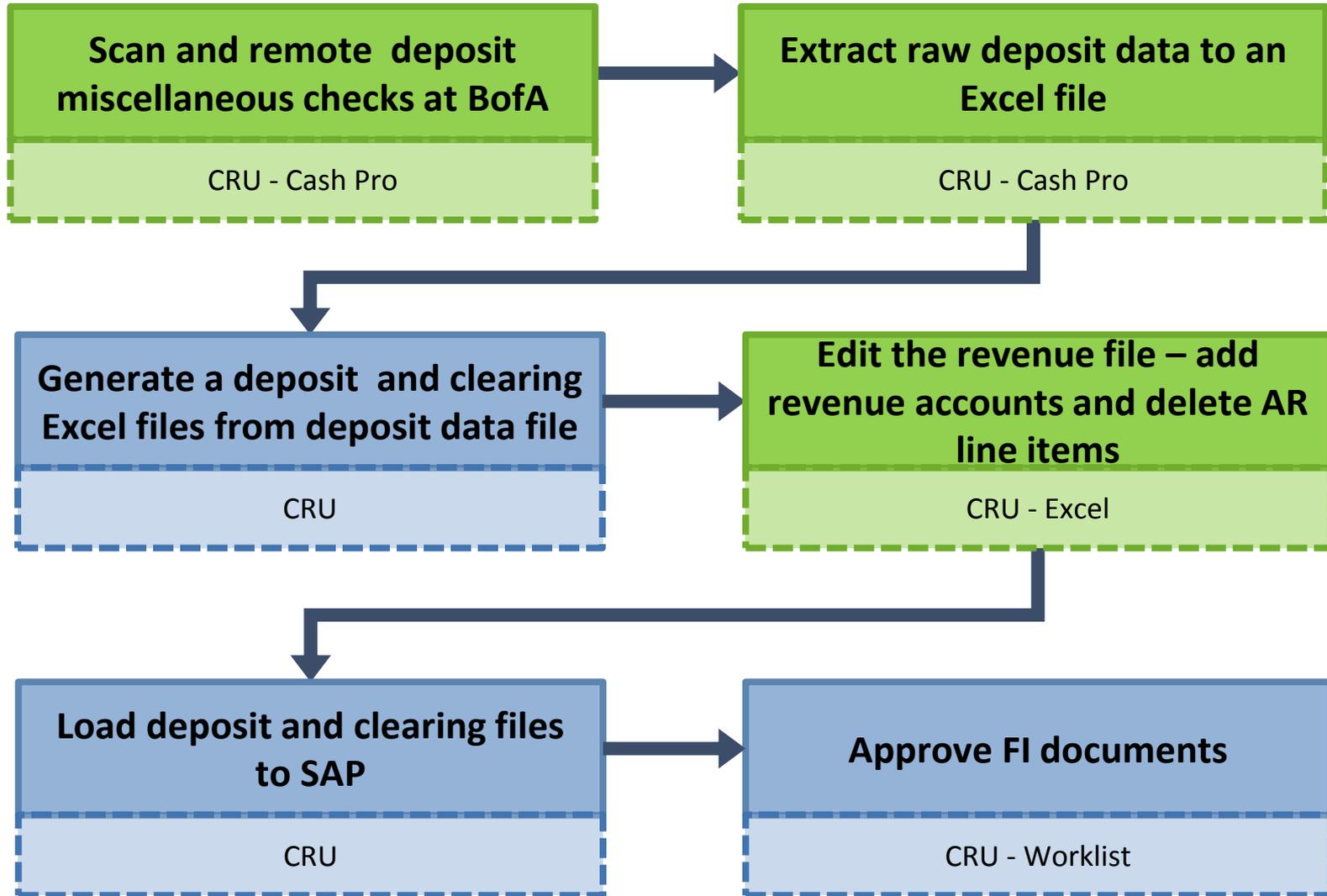
Cash receipts will be processed through the new Bank of America Lockbox platform

- The lockbox processes and transactions will be reviewed in the next module
- The remote deposit services online (RDSO) process using check scanners will be used to process physical checks submitted to the CRU
- The number of physical checks should decline as customers begin to use the lockbox
- A manual check entry process using FF68 will still be in place but should only be used as a backup if the RDSO scanners are not working or for physical cash receipts

Miscellaneous checks will be deposited with Bank of America using the RDSO platform called Cash Pro

1. CRU will use a Cash Pro check scanner to scan and remotely deposit checks with Bank of America
2. After depositing the checks you will execute a series of processes in Cash Pro and SAP to produce two Excel files: A cash deposit file and a revenue file
3. The cash deposit file can be loaded immediately to SAP
4. Edit the revenue file to include offsetting revenue accounts for miscellaneous items and delete customer line items (AR items must be processed manually – covered later in this chapter as part of manual checks)
5. Load the revenue file to SAP
6. *Note: For in the short-term after go-live the deposit file will need to be edited as well before loading*

Process flow – RDSO Process



Accounting Entries

The cash deposit file generates the following entry

| Cash | | Cash Clearing | |
|------|-----|---------------|---|
| 1 | 100 | 100 | 1 |

The cleaning/revenue file generates the following entry

| Cash | | Cash Clearing | | Revenue | |
|------|-----|----------------|----------------|---------|---|
| 1 | 100 | 100 | 100 | 100 | 2 |

Walkthrough: RDSO Process

- Extract raw deposit data file
- Generate deposit and clearing Excel files
- Edit revenue file
- Load files to SAP
- Worklist



This is a demonstration only. Watch as the instructor shows you how to complete the task in SAP.

Exercise: Execute the RDSO process

ADD links to Globally Published simulations in Uperform



To complete this exercise follow the instructions listed here.

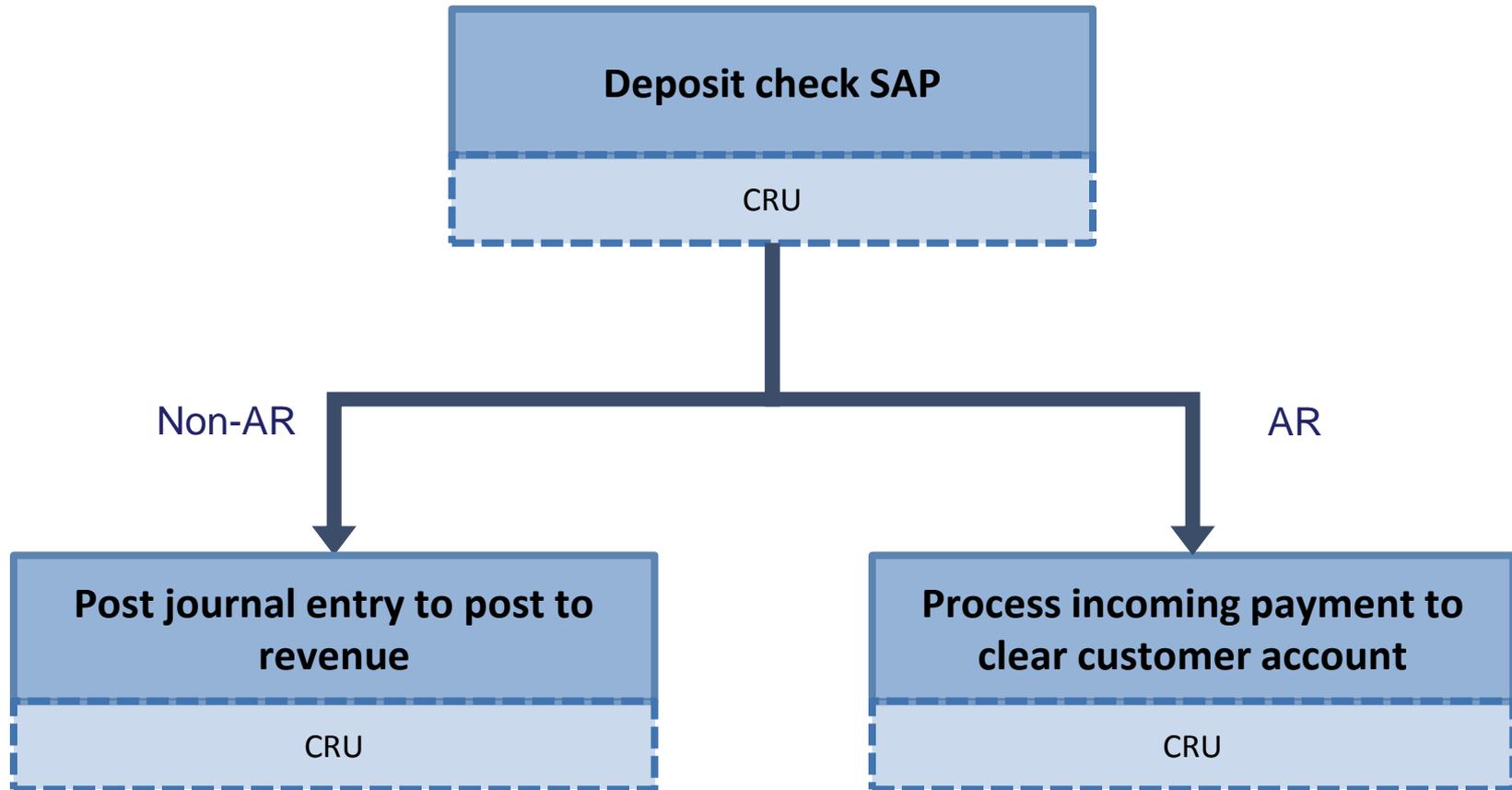
The manual check process should only be used if the scanner is not working or for physical cash receipts

- Register the check deposit in SAP to generate the following transaction

| Cash | Cash Clearing |
|---|---|
| <div style="display: flex; justify-content: space-between;"> 1 100 </div> | <div style="display: flex; justify-content: space-between;"> 100 1 </div> |

- The perform one of the following two transactions
 - If there is a customer invoice run the customer payment transaction to register the payment and clear both the customer and clearing accounts
 - If there is no customer invoice run the park journal entry transaction to post to revenue and the clearing account

Process flow – Manual Checks



Walkthrough: Manual Checks

Manual check deposit

Customer Line Item Display

Post incoming payment

Park journal entry



*This is a demonstration only.
Watch as the instructor shows you how to complete the task in SAP.*

Exercise: Execute the manual check process

ADD links to Globally Published simulations in Uperform



To complete this exercise follow the instructions listed here.

Chapter Objectives Review

You should now be able to:

- Describe the current process for cash receipts and pain points
- Explain the remote deposit services online (RDSO) process for miscellaneous receipts
- Process RDSO transactions
- Explain the accounting transactions generated by the RDSO process
- Perform manual check entries



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Chapter Objectives

By the end of this chapter you will be able to:

- Describe the new Bank of America lockbox process and benefits
- Process lockbox transactions
- Describe the accounting postings generated by the lockbox process



New Bank of America Lockbox Process

The Bank of America Lockbox process will replace manual check processing for customer payments

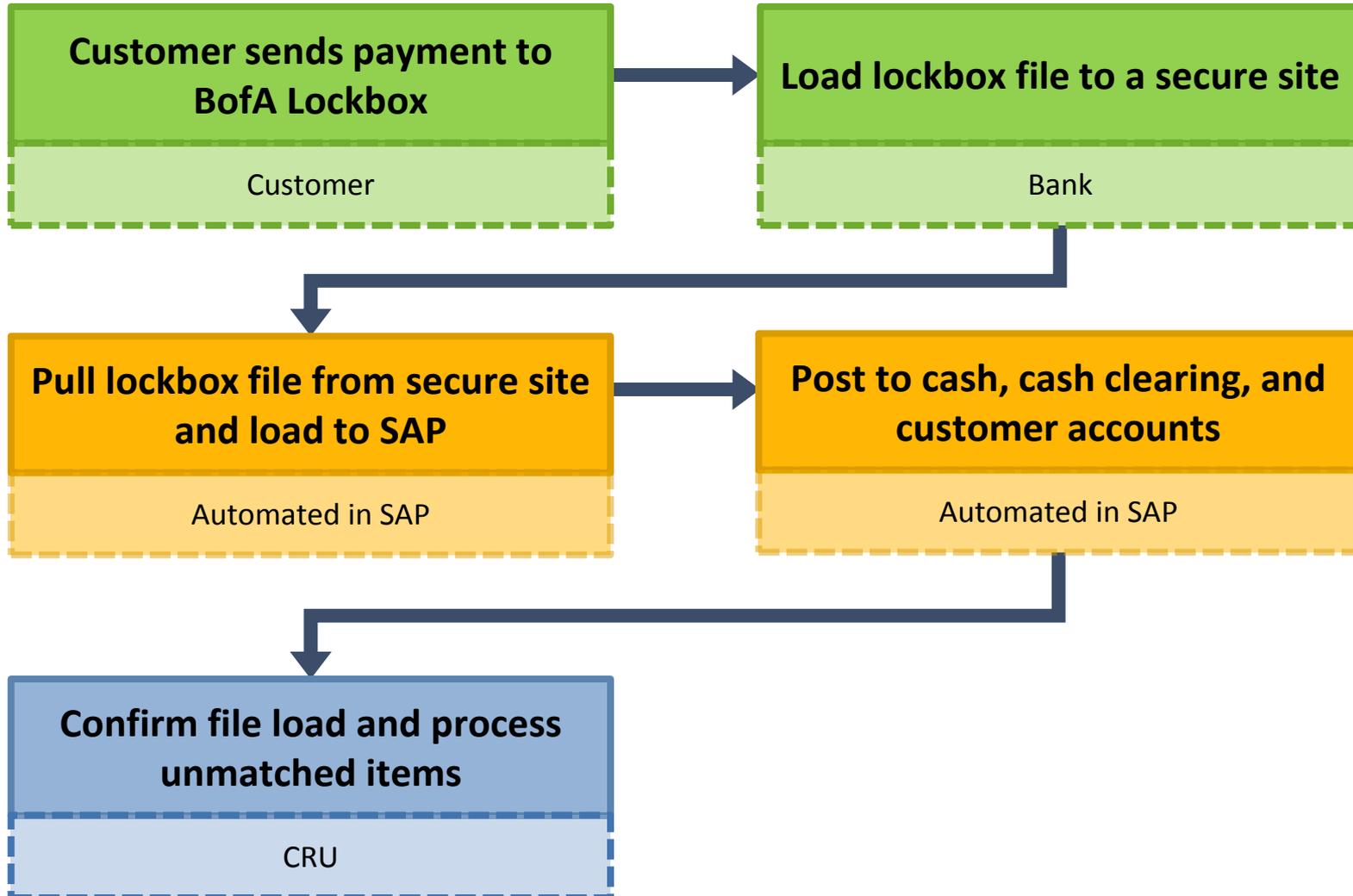
- Customers will be instructed to send their payments to an address at Bank of America
- Bank of America will deposit the checks into an LAUSD account and then load a file containing transaction data to a secure server each business day
- LAUSD will retrieve the file and load it to SAP each night
- The SAP load will result in the following for each bank file transaction
 - Debit to the cash account
 - Credit to customer and clear customer open item(s)
- Each day CRU will confirm that
 - The file loaded successfully
 - All incoming payments have been applied

New Bank of America Lockbox Process (cont.)

CRU may need to perform one or both of the following actions as part of the lockbox process

- If the file did not load successfully CRU will inform IT
- If all of the bank file line items were not automatically cleared CRU will use the Post Process Lockbox transaction to manually apply these items

Process flow – Lockbox



Benefits of the Lockbox Process

Benefits of the new lockbox process include

- Should result in less manual work for the CRU
- Control over incoming cash will improve and application of cash to AR will occur more quickly
- Automated payment matching to receivables from lockbox data will improve accuracy of payment application
- The number of checks received directly by LAUSD as well as the transfer of checks between people/departments will be minimized

The file provided by Bank of America will be in a format called BAI2

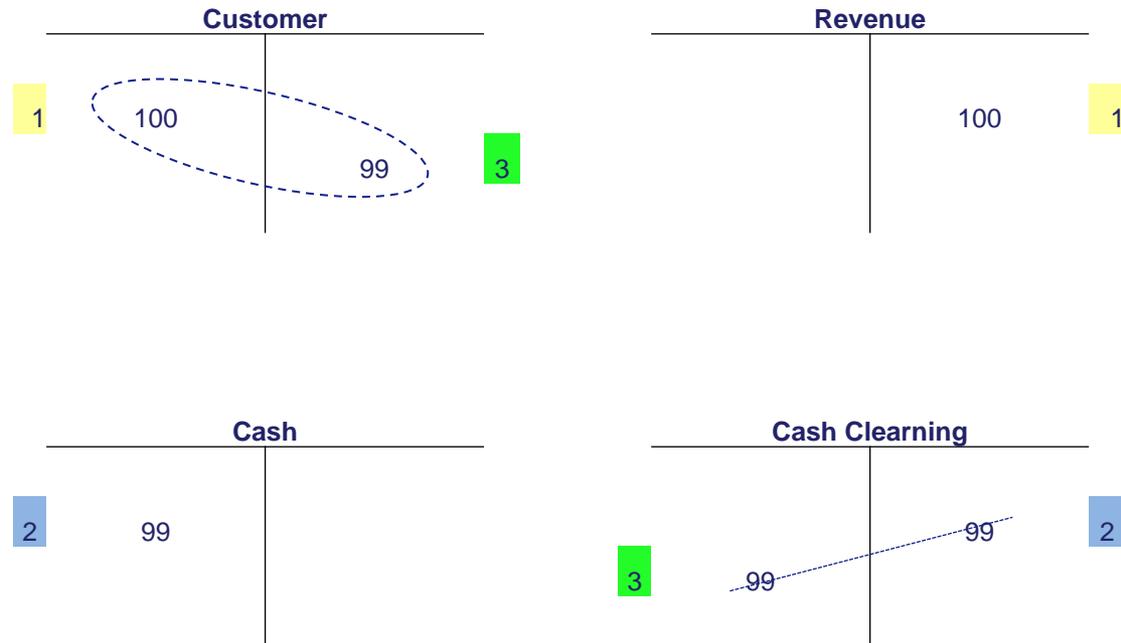
- BAI2 is a standard format used by most banks to transmit data to customers
- The BAI2 file provided by Bank of America to LAUSD will contain
 - Transaction item amounts
 - Customer invoice number
 - Customer check number
- When the file is loaded to SAP the system performs a match between the deposit amounts and the customer open items
- Any unmatched customer items must be manually cleared

Accounting Transactions

The accounts below demonstrate the postings that are generated when the BAI2 file is loaded to SAP

- In this scenario the customer was invoiced for \$100 and paid \$99
- SAP matches the \$99 payment with the \$100 customer open item using the SAP invoice number that was included in the BAI2 file

- 1 - Customer invoice
- 2 - File load - cash deposit
- 3 - Match and customer clearing



Walkthrough: Lockbox Process

Load BAI2 lockbox file

Post-processing lockbox data

Payment Advice Overview



This is a demonstration only. Watch as the instructor shows you how to complete the task in SAP.

Exercise: Post-process lockbox

ADD links to Globally Published simulations in Uperform



To complete this exercise follow the instructions listed here.

Chapter Objectives Review

You should now be able to:

- Describe the new Bank of America lockbox process and benefits
- Process lockbox transactions
- Describe the accounting postings generated by the lockbox process



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By the end of this chapter you will be able to:

- Display customer account line items
- Display GL account balances
- Display GL account line items
- Use dynamic selection for report parameters
- Create report variants
- Export reports to Excel
- Reverse clearing documents



Reports Used for Account Management

The following reports and list displays will be useful as you research unmatched items as part of the lockbox process and perform cash, clearing, and customer account maintenance

- FBL5N – Customer line item display is used to show open and cleared line item transactions in individual customer accounts
- FS10N – GL account balance summary display of debit and credit postings by period that allows you to drilldown to the line items level
- FBL3N – GL line item display is used to show open and cleared line item transactions in individual GL accounts
- FAGLB03 – A second transaction code used to view line item displays
 - FAGLB03 shows document splitting
 - FBL3N does not show document splitting

Customer Line Items

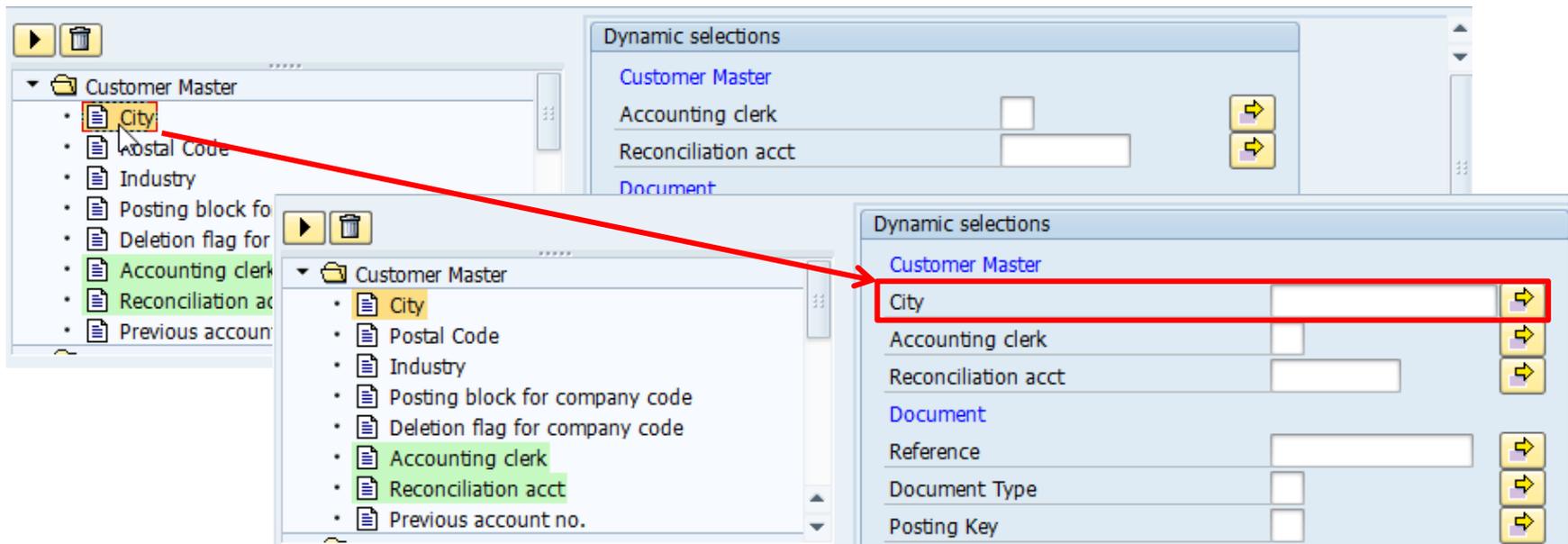
The customer line item display displays open and cleared items

- This report can be useful if when you manually reconcile unmatched items from the bank file or if you need to unclear and reverse payments
- Red items are open (not cleared)
- Green items are cleared
- Yellow items are parked
- The document number column contains the invoice/credit memo and payment document number

| St | Assignment | DocumentNo | Typ | Doc. Date | S | DD | Amt in loc.cur. | LCurr | Clrng doc. |
|--------------------------|------------|------------|-----|------------|---|----|-----------------|-------|------------|
| <input type="checkbox"/> | | 2600001761 | DG | 04/25/2013 | | | 24.00- | USD | |
| <input type="checkbox"/> | | 2700025206 | DR | 04/24/2013 | | | 900.00 | USD | |
| <input type="checkbox"/> | | 2700025207 | DR | 04/24/2013 | | | 500.00 | USD | |
| <input type="checkbox"/> | | 2700025209 | DR | 04/25/2013 | | | 250.00 | USD | |
| <input type="checkbox"/> | | 2700025210 | DR | 04/25/2013 | | | 500.00 | USD | |
| * | | | | | | | 2,126.00 | USD | |
| <input type="checkbox"/> | | 2600001759 | DG | 04/24/2013 | | | 15.00- | USD | 2800022991 |
| <input type="checkbox"/> | | 2700025204 | DR | 04/24/2013 | | | 350.00 | USD | 2800022991 |
| <input type="checkbox"/> | | AL PMT | DZ | 04/30/2013 | | | 335.00- | USD | 2800022991 |

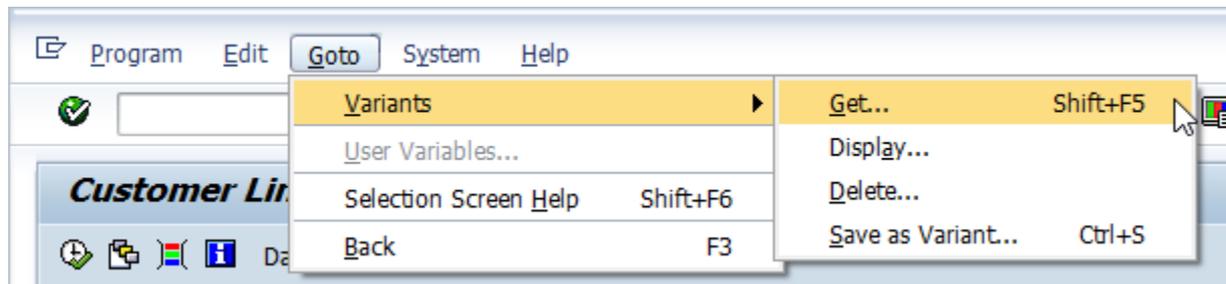
Dynamic selection is a feature of some SAP reports that allows you add fields to the parameter selection screen

- Click on the report selection screen to display the additional available fields
- Double-click on field on the left to add it to the list of dynamic selections on the right



A report variant is a set of parameters and/or layouts that you can save and call up to use when running specific reports

- If the default layout of an SAP report doesn't display the information in a way that is useful to you it can be changed and saved
- Likewise you may be able to save values in the parameter selection screen including values in a dynamic selection field
- When you save a variant you must give it a name and description
- The next time you run the report you can call up the variant instead for reentering the values and resetting the report display



Line Item and Account Balance Report Demonstration

Walkthrough: Run account balance and line item reports

- FBL5N – Customer account line item report
- FS10N – GL account balance
- FBL3N – GL line item display
- FAGLB03 – GL line item display



This is a demonstration only. Watch as the instructor shows you how to complete the task in SAP.

Line Item and Account Balance Reports - Exercise

Exercise: Run GL account balance and line item reports

ADD links to Globally Published simulations in Uperform



Exercise

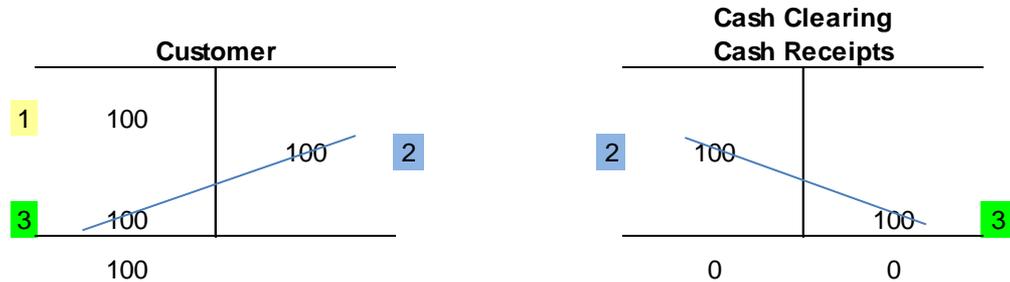
To complete this exercise follow the instructions listed here.

Reset and Reverse a Customer Payment

If a customer payment has been posted incorrectly there are two options to correct the error

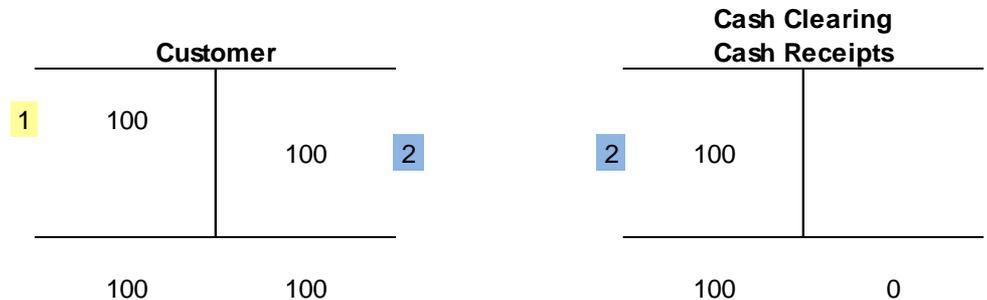
Reset and Reverse

- Resets the invoice to open
- Reverses the payment



Reset

- Resets the invoice to open
- Leaves the payment posting in place



Walkthrough: Reverse a payment and reset cleared items

Reset cleared items



This is a demonstration only. Watch as the instructor shows you how to complete the task in SAP.

Exercise: Reset cleared items

ADD links to Globally Published simulations in Uperform



To complete this exercise follow the instructions listed here.

Chapter Objectives Review

You should now be able to:

- Display customer account line items
- Display GL account balances
- Display GL account line items
- Reverse clearing documents
- Manually clear open items



Course Chapters

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Chapter Objectives

By the end of this chapter you will be able to:

- Run cash reports



The two reports you will use for cash management are

- CA006 - Daily Cash Receipt Report by Fund and Account
- CA002 - Revenue and Cash Receipts Report
- Cash Deposit Report

Walkthrough: Cash reports and variants

- CA006 - Daily Cash Receipt Report by Fund and Account
- CA002 - Revenue and Cash Receipts Report
- Cash Deposit Report



This is a demonstration only. Watch as the instructor shows you how to complete the task in SAP.

Exercise: Run Cash Reports

ADD links to Globally Published simulations in Uperform



To complete this exercise follow the instructions listed here.

Chapter Objectives

You should now be able to:

- Run cash reports



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Chapter Summary

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- Execute the remote deposit service online (RDSO) process for miscellaneous receipts
- Perform manual check entries
- Process Bank of America lockbox functionality for cash receipts
- Manage open items
- Run cash reports

What have you learned so far?

Do you have any questions?



LRP goes live...

July 1, 2013



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Los Angeles Unified School District

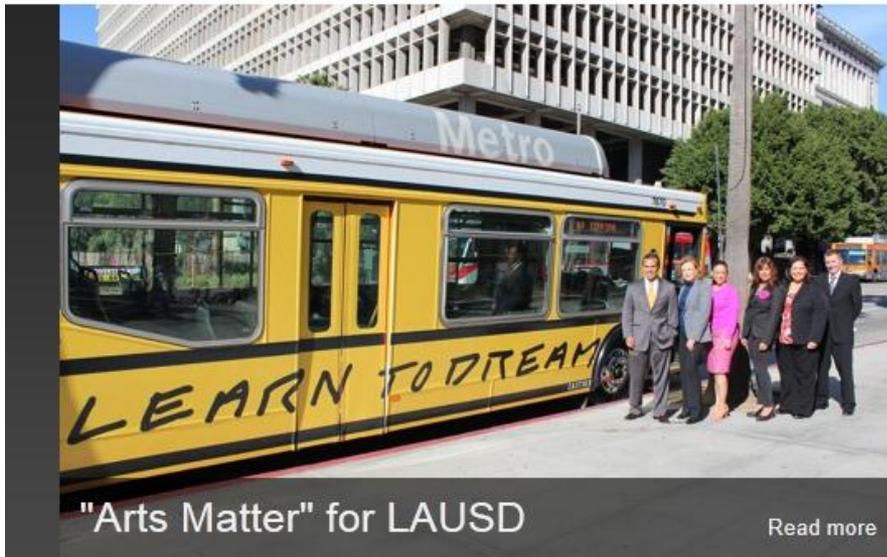
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"Arts Matter" for LAUSD

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National School Counseling Week

This week we celebrate school counselors as invaluable partners in the success of our students. Click "Read More" for more information.

"Arts Matter" for LAUSD

LAUSD is proud to partner with the LA Fund for Education's second installment of the "Arts Matter" campaign. Click "Read More" to learn about our new featured artist.

It's Flu Season: Be Prepared

The District is working to ensure the health and safety of students, staff and the general community. Click "Read More" for additional information.

Arts Education on KLCS

Tune in to Families Matter on KLCS this Tuesday at 6:30 a.m. & 6:30 p.m. to hear how Arts Education is making a difference in the lives of LAUSD students.

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LAUSD Vision

Every LAUSD student will receive an education in a safe, caring environment, and every student will be college-prepared and career-ready.



A

- [A-G Graduation Requirements \(213 241-6895\)](#)
- [Academic English Mastery Program \(213 241-3340\)](#)
- [Accounting Controls \(213 241-7889\)](#)
- [Accounting & Disbursements Division \(213 241-7889\)](#)
- [Accounts Payable \(213 241-4800\)](#)
- [Adult and Career Education Division \(213 241-3150\)](#)
- [Adult Student Information System \(213 241-5228\)](#)
- [APOLO/Dual Language \(213 241-2650\)](#)
- [Art & Artifact Collection \(Archives\) \(213\) 742-8351](#)
- [Arts Education Branch \(213 241-8222\)](#)

B

- [Benefits Administration \(213 241-4262\)](#)
- [Beyond the Bell Branch \(213 241-7900\)](#)
- [Blackboard Connect \(213 241-1085\)](#)
- [Board of Education \(213 241-6389\)](#)
- [Board Secretariat \(213 241-7002\)](#)
- [Bond Holders \(213 241-2736\)](#)
- [Beginning Teachers Support and Assessment \(BTSA\) Induction Programs \(213 241-5495\)](#)
- [Budget Services & Financial Planning \(213 241-2100\)](#)
- [Budgeting for Student Achievement](#)
- [Business Accounting \(213 241-2736\)](#)
- [Business Tools for Schools \(213 241-1558\)](#)

J-K

- [Junior Reserve Officers' Training Corps \(213 745-1900\)](#)
- [KLCS Television \(Channel 58\) \(213 241-4000\)](#)

L

- [Language Acquisition Branch \(213 241-5582\)](#)
- [LA's Best After-School Programs \(213 745-1900\)](#)
- [LAUSD Police \(Headquarters: 213 826-8631\)](#)
- [Leadership Academy \(213 241-8608\)](#)
- [Leadership Pipeline Development and Support Learning Zone_The \(213 241-5200\)](#)
- [Legacy Replacement Program \(213 241-2632\)](#)
- [Legislative and Government Affairs \(Government 8181\)](#)
- [Library - ILTSS \(213 241-2733\)](#)
- [Literacy/Language Arts PreK-12 \(213 241-6444\)](#)
- [Local Initiative Schools \(213 241-5104\)](#)
- [Local Options Oversight Committee \(213 241-5104\)](#)
- [Los Angeles Virtual Academy \(LAVA\) \(213 241-5104\)](#)

M

- [Magnet Program \(877 462-4769\)](#)
- [Mail Unit \(562 241-2100\)](#)
- [Maintenance and Operations \(213 745-1800\)](#)
- [Master Planning and Demographics \(213 241-8044\)](#)
- [Material Management Branch \(562 654-9007\)](#)

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Business Tools for Schools



BTS Help for
*Time Keepers and Time
Announcers*

BTS Announcements

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BTS System and Reports Status

-  **Management Reports:** Data for all BTS Management Reports was successfully updated.
-  **BTS System is operational.** The system is available for all users.



Business Tools for Schools

User ID *

Password *

* Enter your Single Sign-On (email) username and password to Log In.
e.g. (msmith@lausd.k12.ca.us, mary.smith@lausd.net)
Do not add domain name (@lausd.k12.ca.us @lausd.net)

Logon Problems? [Get Support](#)

Microsoft Internet Explorer 9 Users: [Please read this](#)

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After training support will include:

- The BASE Training Center will be the single point of access for SAP end-user documentation/materials.
 - This website will make it easier for end users to access related business process materials.
 - The materials will include the following:
 - ✓ Course Presentations
 - ✓ Simulations
 - ✓ Quick Reference Guides
 - ✓ Job Aids
- Context Sensitive Help within SAP
- Refresher (Open House) sessions

BASE Training Center Website [http://basetraining.lausd.net]



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Welcome to the BASE Training Center

...your one-stop shop for BASE training support

Given the level of responsibility that you have for your office, it is vital that you are provided with appropriate training and support to carry out your role. To maximize the benefits of the training that you attended, the BASE Training Center was developed to provide support and access to resources and information long after the training session has ended.



Schools



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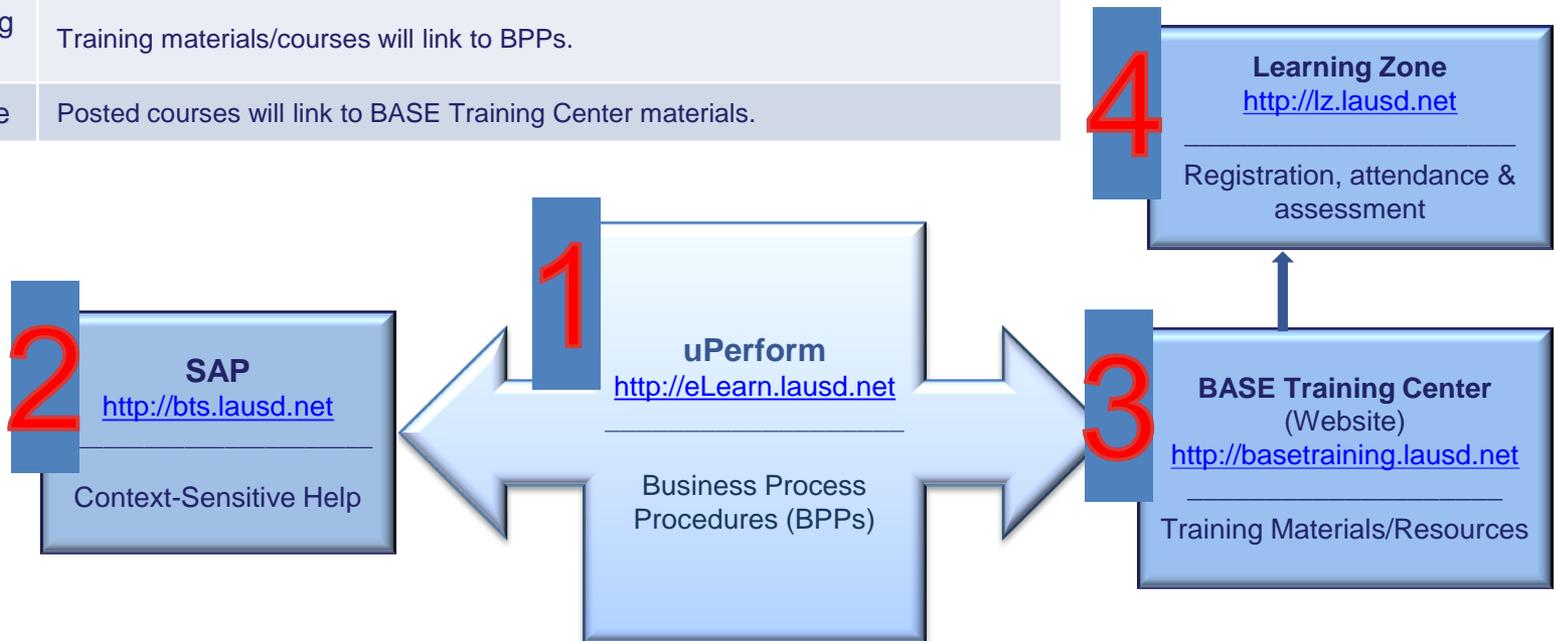
ANNOUNCEMENTS

VIRTUAL LEARNING

Training Systems Integration

Training will rely on four (4) linked systems to deliver instruction.

| System | Description |
|-------------------------|--|
| 1. uPerform | Stores BPPs that will be used for SAP Context-Sensitive Help and BASE Training Center materials. |
| 2. SAP | Context-sensitive help feature will link transactions to BPPs. |
| 3. BASE Training Center | Training materials/courses will link to BPPs. |
| 4. Learning Zone | Posted courses will link to BASE Training Center materials. |





Learn more at <http://lrpweb.lausd.net>

Contact Us: lrp@lausd.net



You have completed the CTI0100 – Cash Application Course

Thank you for your time and attention!

Course Assessment & Evaluation



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Welcome LAURIE YEN!
(You are in **Program Manager Role**)

- Currently enrolled/waitlisted in **11** classes.

[Recommended System Requirements](#)

Today's Announcements:

- **Quick link for classes currently available:** (posted on 01/01/2013)
[Class Offerings](#)

