



Intercompany Integration Solution for SAP Business One

Centralized Payment



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OVERVIEW

The Intercompany integration solution for SAP Business One automatically creates a reciprocal intercompany transaction in the SAP Business One instance of another business unit. The application does so in a standardized and transparent manner.

The ability to automatically create a reciprocal transaction in the other application eliminates manual data entry, improves employee productivity, and reduces the potential for errors from re-entering data. The centralized payment feature of intercompany solution allows delegation of vendor invoices for payment by another branch company. This means that payments to vendors can be executed centrally. The solution automatically creates appropriate postings to the intercompany accounts as defined in the branch account setup.

The Head office can process invoices from multiple subsidiaries and generates a consolidated payment to a given vendor. Since the payment processing is centralized, a better control can be exercised for payments thereby increasing cash-flow management. The head office can also delegate the vendor invoices to subsidiary to make payment on their behalf. Example: A subsidiary company (ACME-TX) delegates a vendor invoice to the head office company (ACME-NY) for payment to a vendor.

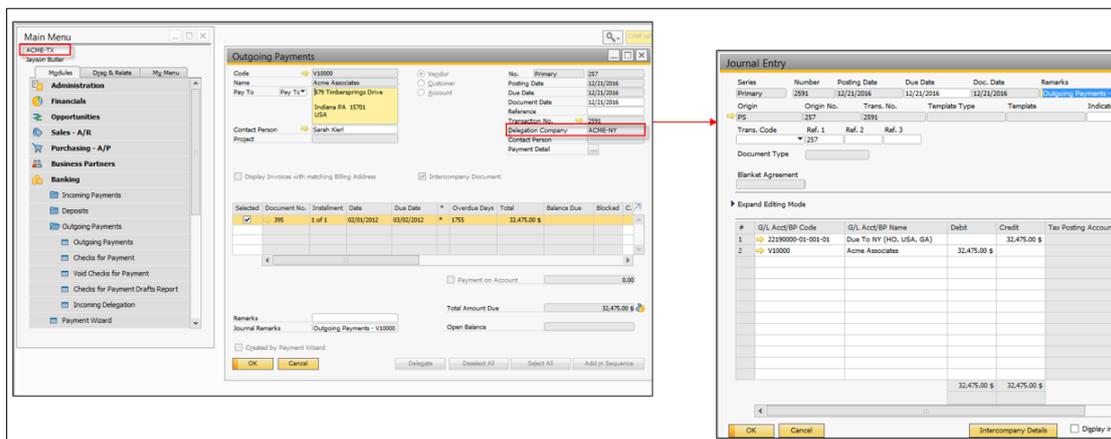
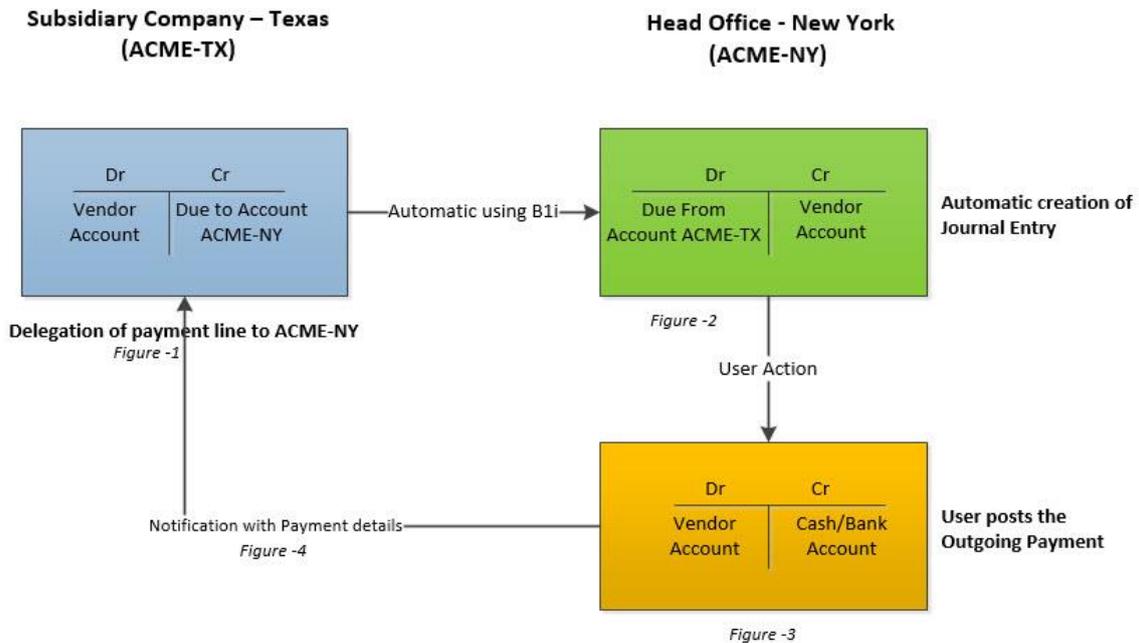


Figure 1 Delegation of payment line to Head Office ACME-NY from subsidiary ACME-TX

FACT SHEET – CENTRALIZED PAYMENT

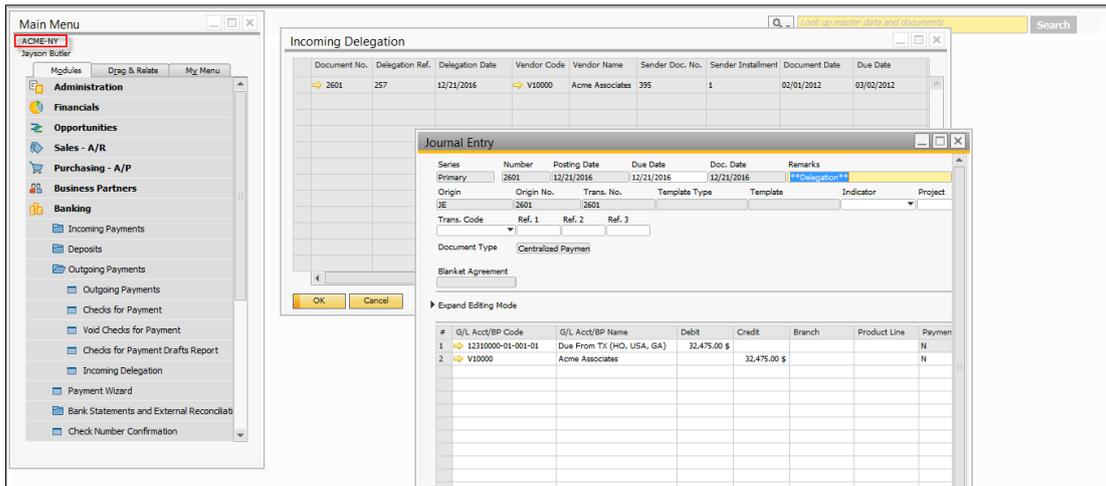


Figure 2 Incoming delegation journal entry created in Head Office ACME-NY

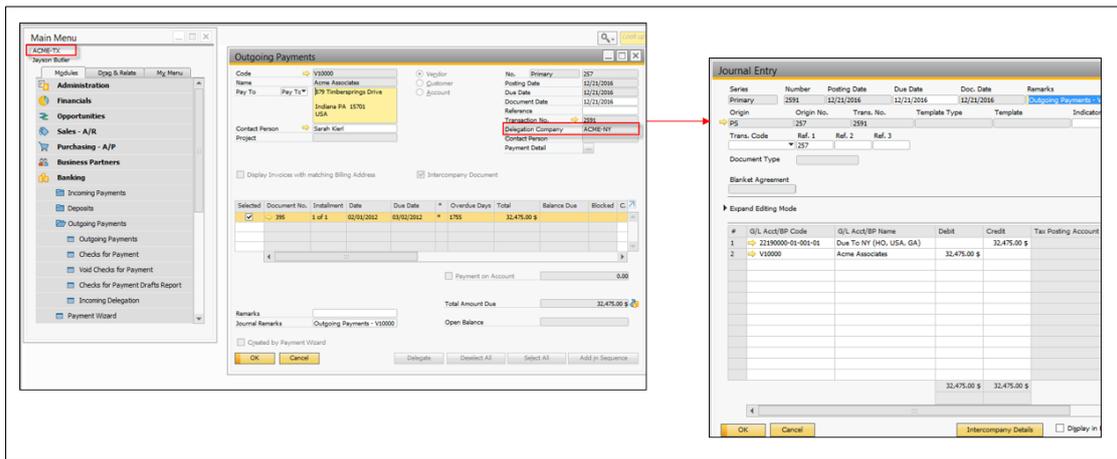


Figure 3 User post the outgoing payment against the delegation line in Head Office ACME-NY

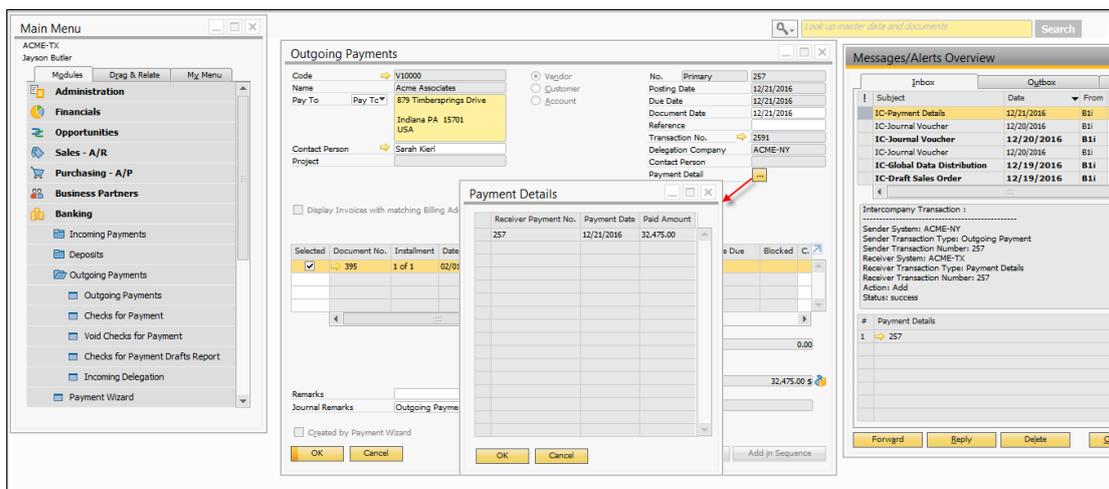


Figure 4 Subsidiary ACME-TX notified with payment details

BUSINESS BENEFITS

When you centralize payments you:

- Better control on vendor payments and effective reconciliation
- Minimize errors in transaction entry across the organization
- Easy and intuitive management of cross subsidiary financial information
- Reduction in processing costs, such as administration and transaction costs by generating consolidated payments for invoices across multiple subsidiaries

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