

# **Period Close for Inventory Organizations**

**Student Guide**

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## **Author**

Anisa King

## **Technical Contributors and Reviewers**

Tom Marik  
Pam Freeman  
Larry Phillips  
John Paramore

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# Preface

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## Profile

### Before You Begin This Course

Before you begin this course, you should have the following qualifications:

- Thorough knowledge of basic MRP II and accounting concepts.
- Working experience with cost accounting activities in various different manufacturing environments.

### Prerequisites

- Oracle Inventory Release 11
- Oracle Purchasing Release 11
- Oracle Bills of Material and Engineering Release 11 (if products are installed at your site)
- Oracle Work In Process Release 11 (if products are installed at your site)
- Oracle Planning Release 11
- Oracle General Ledger Release 11
- R11i Costing Setup and Implementation
- R11i Cost Information
- R11i Cost Rollup
- R11i Average Costing
- R11i Standard Costing
- R11i Analyzing Inventory and WIP Transactions

### How This Course Is Organized

*R11i Period Close for Inventory Organizations* is an instructor-led course featuring lecture and hands-on exercises. Online demonstrations and written practice sessions reinforce the concepts and skills introduced.

## Related Publications

### Oracle Publications

<b>Title</b>	<b>Part Number</b>
<i>Oracle Inventory User's Guide Release 11i</i>	<i>A58270-01</i>
<i>Oracle Purchasing User's Guide Release 11i</i>	<i>A82912-01</i>
<i>Oracle Bill of Materials User's Guide Release 11i</i>	<i>A75087-01</i>
<i>Oracle Engineering User's Guide Release 11i</i>	<i>A75090-01</i>
<i>Oracle Work In Process User's Guide Release 11i</i>	<i>A75101-01</i>
<i>Oracle Cost Management User's Guide Release 11i</i>	<i>A75088-01</i>
<i>Oracle General Ledger User's Guide Release 11i</i>	<i>A82850-01</i>

### Additional Publications

- System release bulletins
- Installation and user's guides
- *read.me* files
- *Oracle Magazine*

# Typographic Conventions

## Typographic Conventions in Text

Convention	Element	Example
Bold italic	Glossary term (if there is a glossary)	The <i>algorithm</i> inserts the new key.
Caps and lowercase	Buttons, check boxes, triggers, windows	Click the Executable button. Select the Can't Delete Card check box. Assign a When-Validate-Item trigger to the ORD block. Open the Master Schedule window.
Courier new, case sensitive (default is lowercase)	Code output, directory names, filenames, passwords, pathnames, URLs, user input, usernames	Code output: <code>debug.set ('I", 300);</code> Directory: <code>bin (DOS), \$FMHOME (UNIX)</code> Filename: Locate the <code>init.ora</code> file. Password: User <code>tiger</code> as your password. Pathname: Open <code>c:\my_docs\projects</code> URL: Go to <code>http://www.oracle.com</code> User input: Enter <code>300</code> Username: Log on as <code>scott</code>
Initial cap	Graphics labels (unless the term is a proper noun)	Customer address ( <i>but</i> Oracle Payables)
Italic	Emphasized words and phrases, titles of books and courses, variables	Do <i>not</i> save changes to the database. For further information, see <i>Oracle7 Server SQL Language Reference Manual</i> . Enter <code>user_id@us.oracle.com</code> , where <i>user id</i> is the name of the user.
Quotation marks	Interface elements with long names that have only initial caps; lesson and chapter titles in cross-references	Select "Include a reusable module component" and click Finish.  This subject is covered in Unit II, Lesson 3, "Working with Objects."
Uppercase	SQL column names, commands, functions, schemas, table names	Use the SELECT command to view information stored in the LAST_NAME column of the EMP table.

Convention	Element	Example
Arrow	Menu paths	Select File→ Save.

Brackets	Key names	Press [Enter].
Commas	Key sequences	Press and release keys one at a time: [Alternate], [F], [D]
Plus signs	Key combinations	Press and hold these keys simultaneously: [Ctrl]+[Alt]+[Del]

## Typographic Conventions in Code

Convention	Element	Example
Caps and lowercase	Oracle Forms triggers	When-Validate-Item
Lowercase	Column names, table names	SELECT last_name FROM s_emp;
	Passwords	DROP USER scott IDENTIFIED BY tiger;
	PL/SQL objects	OG_ACTIVATE_LAYER (OG_GET_LAYER (`prod_pie_layer`))
Lowercase italic	Syntax variables	CREATE ROLE <i>role</i>
Uppercase	SQL commands and functions	SELECT userid FROM emp;

## Typographic Conventions in Navigation Paths

This course uses simplified navigation paths, such as the following example, to direct you through Oracle Applications.

(N) Invoice > Entry > Invoice Batches Summary (M) Query > Find (B) Approve

This simplified path translates to the following:

1. (N) From the Navigator window, select Invoice > Entry > Invoice Batches Summary.
2. (M) From the menu, select Query > Find.
3. (B) Click the Approve button.

## Notations :

(N) = Navigator

(M) = Menu

(T) = Tab

(I) = Icon

(H) = Hyperlink

(B) = Button

## Typographical Conventions in Help System Paths

This course uses a “navigation path” convention to represent actions you perform to find pertinent information in the Oracle Applications Help System.

The following help navigation path, for example—

(Help) General Ledger > Journals > Enter Journals

—represents the following sequence of actions:

1. In the navigation frame of the help system window, expand the General Ledger entry.
2. Under the General Ledger entry, expand Journals.
3. Under Journals, select Enter Journals.
4. Review the Enter Journals topic that appears in the document frame of the help system window.

## Getting Help

Oracle Applications provides you with a complete online help facility.

Whenever you need assistance, simply choose an item from the Help menu to pinpoint the type of information you want.

### To display help for a current window:

1. Choose Window Help from the Help menu, click the Help button on the toolbar, or hold down the Control key and type 'h'.

A web browser window appears, containing search and navigation frames on the left, and a frame that displays help documents on the right.

The document frame provides information on the window containing the cursor. The navigation frame displays the top-level topics for your responsibility, arranged in a tree control.

2. If the document frame contains a list of topics associated with the window, click on a topic of interest to display more detailed information.
3. You can navigate to other topics of interest in the help system, or choose Close from your web browser's File menu to close help.

### Searching for Help

You can perform a search to find the Oracle Applications help information you want. Simply enter your query in the text field located in the top-left frame of the browser window when viewing help, then click the adjacent Find button.

A list of titles, ranked by relevance and linked to the documents in question, is returned from your search in the right-hand document frame. Click on whichever title seems to best answer your needs to display the complete document in this frame. If the document doesn't fully answer your questions, use your browser's Back button to return to the list of titles and try another.

# **Period Close for Inventory Organizations**

## **Chapter 1**

# Period Close for Inventory Organizations

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## Period Close for Inventory Organizations

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## Objectives

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### Objectives

After completing this lesson, you should be able to:

- Determine your transfer option
- Prepare to close a period
- Close a period
- Reconcile General Ledger to perpetual inventory
- Describe client extensions



Close a  
period



Reconcile GL to perpetual inventory

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# Agenda

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## Agenda

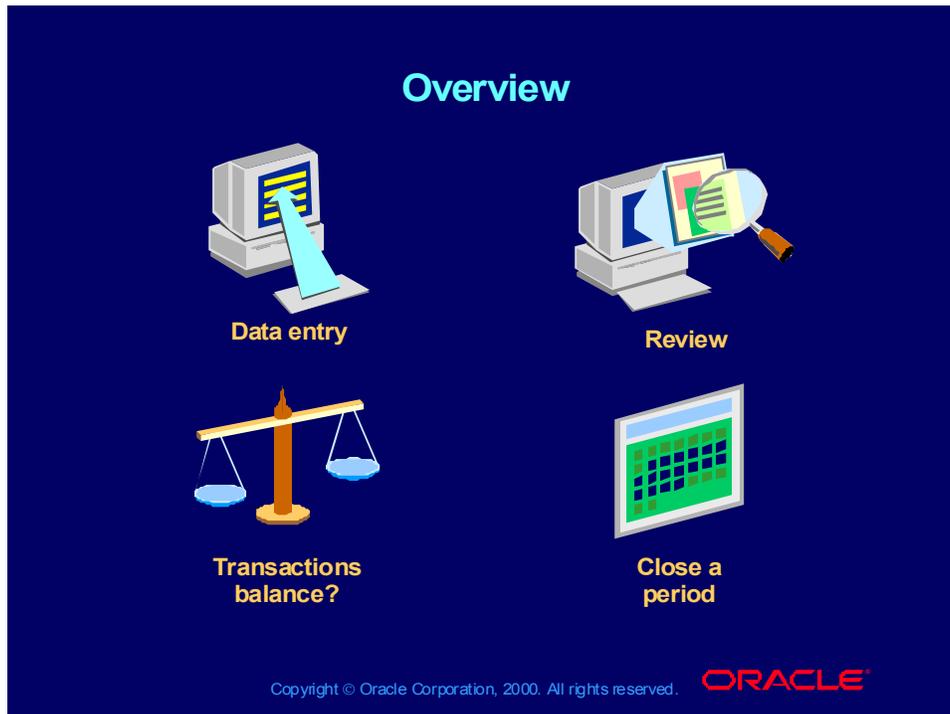
- **Cost Accounting at Period Close Overview**
- Pending Transactions
- Transfer Options
- Closing the Period in Inventory
- Posting to the General Ledger
- Reconciling Perpetual Inventory to GL
- Describing Client Extensions

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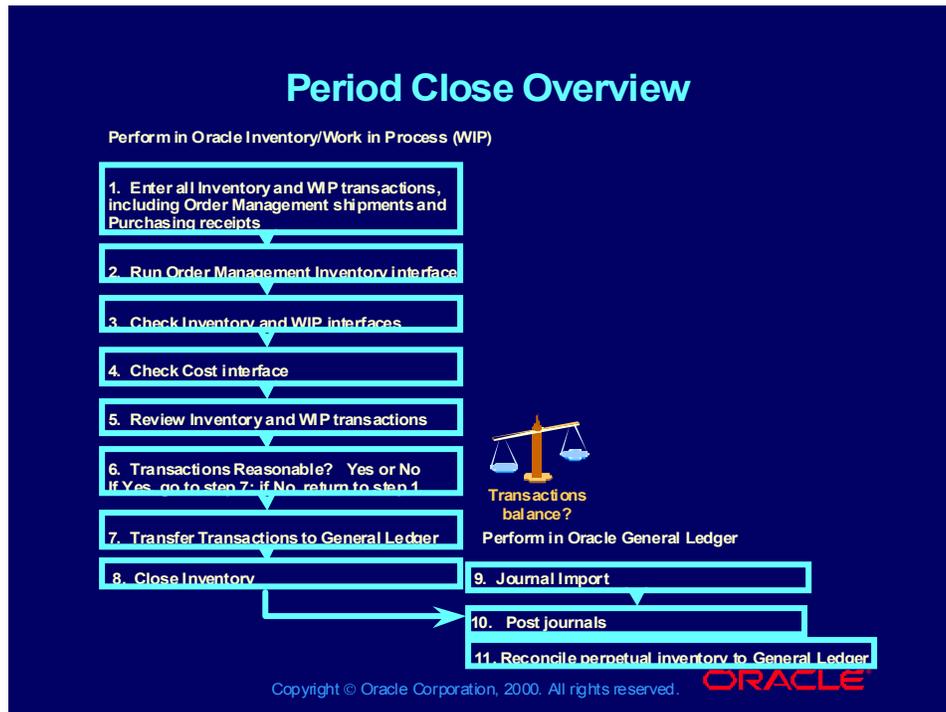
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# Overview

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# Period Close Overview



# Agenda

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## Agenda

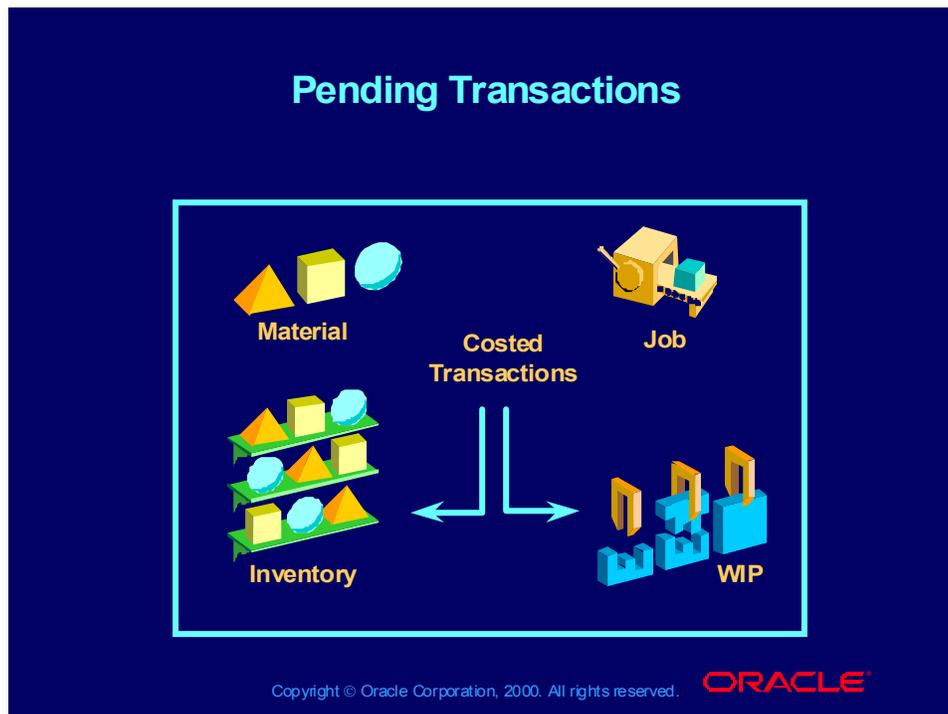
- Cost Accounting at Period Close Overview
- Pending Transactions
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- Describing Client Extensions

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# Pending Transactions

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### Viewing Pending Transactions

**Check pending inventory transactions.**

- **You can view, edit, and correct pending transactions in inventory before validation.**
- **Pending transactions include transactions:**
  - **Received through the transaction interface.**
  - **Processed with the background processing option.**
- **Using the folder or single row windows, you can choose how to view the information appropriate for a particular transaction.**
- **You can also resubmit transactions for processing.**

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**Help: Oracle Manufacturing Applications > Oracle Inventory > Transactions > Viewing Pending Transactions**

## Viewing Pending Transactions Folder

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### Viewing Pending Transactions Folder

- The Pending Transactions folder window allows you to view detailed information about pending transactions in inventory.
- Using folder options you can display certain fields for each tabbed region.

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**Help: Oracle Manufacturing Applications > Oracle Inventory > Transactions > Viewing Pending Transactions > Pending Transactions Folder**

## Viewing Pending Transactions Folder

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### Viewing Pending Transactions Folder

1. Use the Pending Transactions window to:
  - Check pending transactions in inventory  
(N) INV Transactions > Pending Transactions (B) Find  
(T) Error > Location > Source > Intransit > Others
2. Enter search criteria for the pending transactions you want to view. You can search for transactions based on processing information, transaction type, source type, or item details.
3. Choose Find to start the search. The results display in the Pending Transactions window.

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**Help: Oracle Manufacturing Applications > Oracle Inventory > Transactions > Viewing Pending Transactions > Pending Transactions Folder**

## Viewing Pending Transactions Folder

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### Viewing Pending Transactions Folder

4. Select a tabbed region to display a type of information:
  - **Error:** Pending transaction error information.
  - **Location:** Pending transaction location information.
  - **Source:** Pending source information
  - **Intransit:** Pending intransit shipping information.
  - **Others:** Miscellaneous header and costing information.

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**Help: Oracle Manufacturing Applications > Oracle Inventory > Transactions > Viewing Pending Transactions > Pending Transactions Folder**

## Viewing Pending Transactions in the Transaction Open Interface

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### Viewing Pending Transactions in the Transaction Open Interface

#### Transaction Interface

- Check the inventory transaction interface for pending WIP transactions

(N) INV Transactions > Transaction Open Interface (B) Find

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**Help: Oracle Manufacturing Applications > Oracle Inventory > Transaction Open Interface**

## Pending Move Transactions

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### Pending Move Transactions

**Check pending WIP transactions.**

- **Use the Pending Move Transactions window to check unprocessed shop floor move transactions**  
**(N) WIP Move Transactions > Pending Move Transactions (B) Find**
- **The Pending Move Transactions window automatically puts you in query mode. Before you close the period, you want to make sure that the query finds no records. If records exist, navigate to the Launch Manager window in Inventory and check that the interface managers are active for your Move and Resource cost transactions.**

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**Help: Oracle Manufacturing Applications > Oracle WIP > Pending Move Transactions**

#### **Note**

Use the Pending Move Transactions window to report any unprocessed shop floor move transactions.

Resources are charged to the job based on their Unit of Measure not quantity movement. Resources can be charged independently of any quantity movement. Quantity movement is based on the move window. Resources are charged and costing happens after the quantity movement unless the resource is charged independently of the move.

## Pending Resource Transactions

---

### Pending Resource Transactions

Check pending WIP transactions.

- Use the Pending Resource Transactions window to check unprocessed resource transactions

(N) WIP Move Transactions > Pending Resource Transactions

(B) Find

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**Help: Oracle Manufacturing Applications > Oracle WIP > Pending Resource Transactions**

## Checking Cost Interface

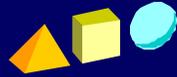
---

### Checking Cost Interface

- Use the Material Transactions window to check to ensure that all transactions are costed and do not have an error status.

(N) CST View Transactions > Material Transactions (B) Find  
(T) Reason/Reference

(N) INV Transactions > Material Transactions (B) Find  
(T) Reason/Reference



Material  
transactions



Inquiries and analysis



Valued

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# Agenda

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## Agenda

- Cost Accounting at Period Close Overview
- Pending Transactions
- **Transfer Options**
- Closing the Period in Inventory
- Posting to the General Ledger
- Reconciling Perpetual Inventory to GL
- Describing Client Extensions

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## Transfer Options

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<b>Transfer Options</b>	
<b>General Ledger Transfer</b>	
<b>Transferred Information</b>	<b>Displayed in General Ledger</b>
GL batch number	Journal entry batch name
Organization code	Journal entry batch name
Organization code	Journal entry batch description
GL batch date	Journal entry batch description
GL transfer description	Journal entry batch description
GL batch number	With the line item sort, this may be displayed in the General Ledger Report and is stored in GL_JE_LINES table, reference1 column
Organization ID	Not displayed, stored in GL_JE_LINES table, reference2 column
Transaction ID (for detail transfers only)	Not displayed, stored in GL_JE_LINES table, reference3 column

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### Note

For each inventory organization, Cost Management transfers transactions to the general ledger interface table, line for line.

If you transfer summary information, Cost Management groups transactions by GL batch, by journal category, by currency code, and by account.

Attention: Transfer in detail only if you have low transaction volumes.

Transferring large amounts of detail transactions can adversely affect General Ledger performance.

For both detail and summary transfers, Cost Management passes the organization code, GL batch number, batch description, and batch date. When you transfer in detail, you also pass the material or work in process transaction number. In General Ledger, you can see the transferred information, as shown in the table above.

## Transfer Accounting Transactions in Summary or in Detail

---

### Transfer Accounting Transactions in Summary or in Detail

For each inventory organization, you can transfer accounting transactions in summary or in detail.

#### Summary

- Groups transactions by GL batch, journal category, currency code, and account

#### Detail

- Transfers transactions to the General Ledger interface table line for line

You should transfer in detail only if you have low transaction volumes.

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## Transfer Accounting Transactions in Summary or in Detail

---

### Transfer Accounting Transactions in Summary or in Detail

You set up how you want to transfer accounting transactions. Use the Organization Parameters window to check or uncheck:

- Transfer detail to GL

(N) INV Setup > Organizations > Parameters  
(T) Costing Information

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**Help: Oracle Manufacturing Applications >  
Oracle Inventory > Setting Up > Inventory Structure >  
Defining Organization Parameters > Defining Costing Information**

### Interim Transfers

#### General Ledger Transfers

- Perform a General Ledger transfer at any time during an open period, not just at period close, except when you are closing discrete jobs.
  - The General Ledger Transfer and the Close Discrete Jobs processes are incompatible.

#### Interim Transfers

- You can perform a GL transfer at any time, providing that at least one period is open.
- A transfer performed at any other time except during the period end process is called an Interim Transfer.

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### Interim Transfers

#### Interim Transfers

- Use the **General Ledger Transfer** window throughout the month to transfer summarized inventory and work-in-process activity into the **General Ledger** interface. Once in the interface, the transactions can be imported and posted to the **General Ledger**.

(N) **CST Accounting Close Cycle > General Ledger Transfers**

(N) **INV Accounting Close Cycle > General Ledger Transfers**

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**Help: Oracle Financial Applications > Oracle General Ledger > General Ledger Transfers**

### Interim Transfers

#### Review Reports for Transaction Errors

- Running this process before period close allows you to review the summary transactions and make adjustments to the period using new inventory transactions as necessary.

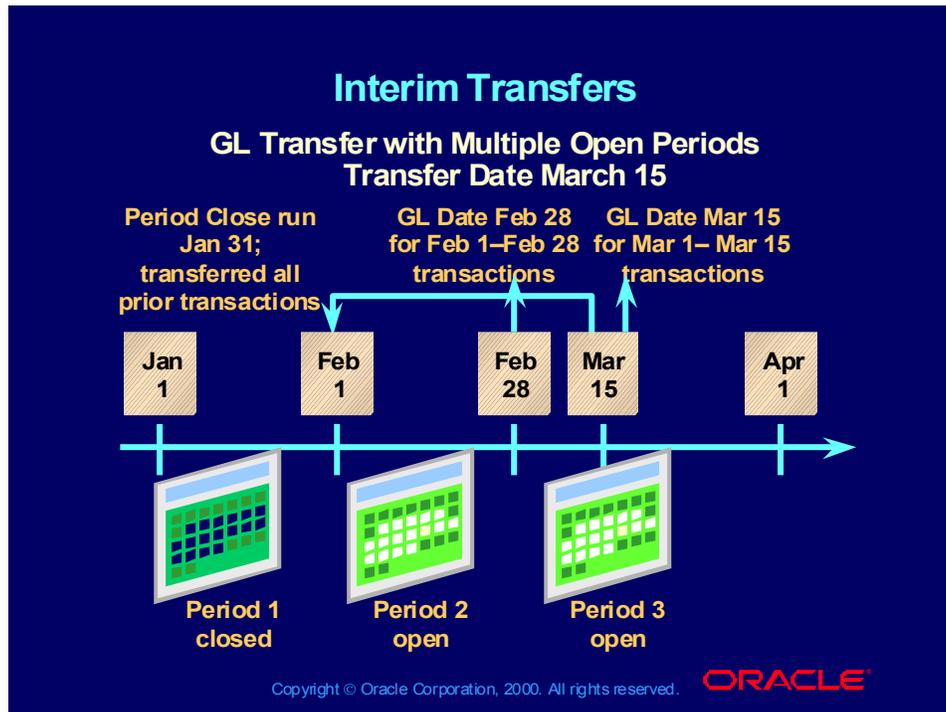


Reports

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# Interim Transfers



## Multiple Open Periods

If you run the GL transfer and the prior period has not been closed, any transactions in the prior open period that have not been posted are included in the GL batch. The GL date for the transactions is the last day of the period, so that they post to the correct period in GL.

The GL date for the transactions in the current period is the date on which you ran the GL transfer.

## Review Question

---

### Review Question

Use the General Ledger Transfer window throughout the month to transfer summarized inventory and work-in-process activity into the General Ledger interface. Once in the interface, the transactions can be imported and posted to the General Ledger.

1. True
2. False

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## Review Question

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### Review Question

Use the General Ledger Transfer window throughout the month to transfer summarized inventory and work-in-process activity into the General Ledger interface. Once in the interface, the transactions can be imported and posted to the General Ledger.

1. True
2. False

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# Agenda

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## Agenda

- Cost Accounting at Period Close Overview
- Pending Transactions
- Transfer Options
- **Closing the Period in Inventory**
- Posting to the General Ledger
- Reconciling Perpetual Inventory to GL
- Describing Client Extensions

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## Closing the Period in Inventory

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### Closing the Period in Inventory

#### Functions Performed by Close Process

- The close process performs a number of functions.
  - Closes an open period
  - Creates summary or detail transactions



Period 1  
closed



Period 2  
open



Period 3  
open

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### Closing the Period in Inventory

#### Closes Open Period

- The period close process permanently closes an open period. Once you close a period, you cannot reopen it.

#### Creates Summary or Detail Transactions

- Depending on your inventory parameters, the period close process creates summary or detail transactions by General Ledger account.

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## Closing the Period in Inventory

---

### Closing the Period in Inventory

The period close process transfers the following:

- Inventory and work-in-process transactions
- All job costs and variances
- Period costs for expense nonstandard jobs
- Remaining balances on repetitive schedules, based on your WIP s parameters

Calculates Ending Period Subinventory Values

- For each subinventory, the period close adds the net transaction value for the current period to the prior period's ending value.

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#### Note

The Period Close, Job Close, and Cost Update processes are incompatible because they use many of the same tables that have to be locked when they are being accessed.

## Closing the Period in Inventory, Warning Messages

---

### Closing the Period in Inventory, Warning Messages

If unprocessed transactions exist, the following warning messages are displayed:

- Pending receiving transactions for this period; indicating that you have unprocessed purchasing transactions in the RCV\_TRANSACTIONS\_INTERFACE table.
- Pending material transactions for this period; indicating that you have unprocessed material transactions in the MTL\_TRANSACTIONS\_INTERFACE table.
- Pending move transactions for this period; indicating that you have unprocessed shop floor move transactions in the WIP\_MOVE\_TXN\_INTERFACE table.

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### Closing the Period in Inventory, Error Messages

If unprocessed transactions exist, the following error messages are displayed:

- Unprocessed material transactions exist for this period; indicating that you have unprocessed material transactions in the MTL\_MATERIAL\_TRANSACTIONS\_TEMP table.
- Uncosted material transactions exist for this period; indicating that you have material transactions in the MTL\_MATERIAL\_TRANSACTIONS table with unprocessed accounting entries.
- Pending WIP costing transactions exist in this period; indicating that you have unprocessed resource and overhead accounting transactions in the WIP\_COST\_TXN\_INTERFACE table.

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## Closing the Period in Inventory, Most Common Reasons for Failure

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### Closing the Period in Inventory, Most Common Reasons for Failure

Common mistakes with new implementations are indicated in the examples below.

#### Example 1

- If you have a BOM that does not specify the component supply subinventory, the WIP transaction fails because it doesn't know from where to pull the inventory.

#### Example 2

- If you have a routing that does not specify the completion subinventory, the WIP transaction fails because it doesn't know where to put the completed transaction in inventory.

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## Implications for Closing the Period in Inventory with Pending Transactions

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### Implications for Closing the Period in Inventory with Pending Transactions

With any of the following warning messages, you will be able to close the accounting period. After you close the period, you cannot process these transactions because they have a transaction date for a closed period.

- Pending receiving transactions for this period
  - These transactions are not in your receiving value.
- Pending material transactions for this period
  - These transactions are not in your inventory value.
- Pending move transactions for this period
  - These transactions are not in your WIP value.

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## Implications for Closing the Period in Inventory with Pending Transactions

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### Implications for Closing the Period in Inventory with Pending Transactions

With any of the following error messages, you will not be able to close the accounting period. You cannot close the period because the resulting accounting entries would have a transaction date for a closed period, and would never be picked up by the period close or general ledger transfer process.

- **Unprocessed material transactions exist for this period**
  - Inventory considers entries in this table as part of the quantity movement.
- **Uncosted material transactions exist for this period**
  - These transactions are part of your inventory value.
- **Pending WIP costing transactions exist in this period**
  - These transactions are in your WIP value, and awaiting further processing.

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### Closing the Period in Inventory

Use the Inventory Accounting Periods window to:

- Close the oldest open period and transfer all transaction values for that period to the GL

(N) CST Accounting Close Cycle > Inventory Accounting Periods

(N) INV Accounting Close Cycle > Inventory Accounting Periods

#### Closing an Accounting Period

You can close the earliest accounting period with a status of Open or Error. An automatic GL transfer is processed when you close an accounting period.

1. Select a period with a status of Open or Error.
2. Select the Change Status button.
3. Change the status to Closed.

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**Help: Oracle Financial Applications > Oracle General Ledger > Setting Up General Ledger > Calendars > Opening and Closing Periods**

# Agenda

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## Agenda

- Cost Accounting at Period Close Overview
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- Transfer Options
- Closing the Period in Inventory
- **Posting to the General Ledger**
- Reconciling Perpetual Inventory to GL
- Describing Client Extensions

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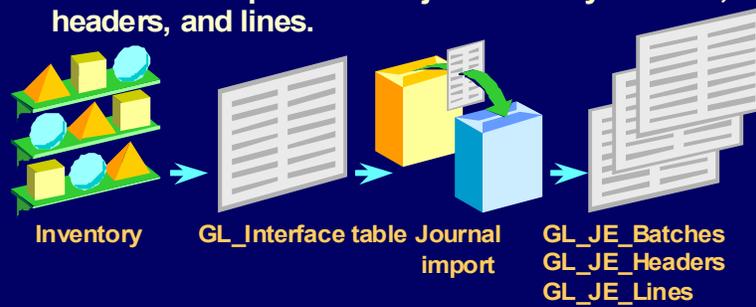
## Posting to the General Ledger

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### Posting to the General Ledger

#### Data

- Oracle Inventory loads data into the **GL\_INTERFACE** table: Period close or transfer transactions.
- GL Journal Import creates journal entry batches, headers, and lines.



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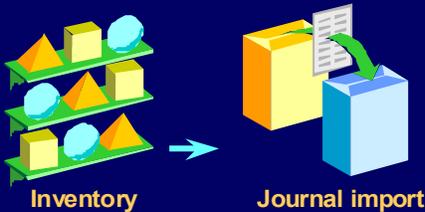
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## Posting to the General Ledger: Importing Journals

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### Posting to the General Ledger: Importing Journals

- Oracle Cost Management uses the journal source Inventory for both inventory and work in process transactions.
  - The journal categories Inventory and Work in Process distinguish between inventory and work in process transactions.



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**Help: Oracle Financial Applications > Oracle General Ledger > Import Journals**

## Posting to the General Ledger: Importing Journals

---

### Posting to the General Ledger: Importing Journals

Use the Import Journals window to:

- Create a postable batch for the General Ledger
- Import journals to the General Ledger

(N) GL Journals > Import > Run



Journal  
import



Posting



Account  
balances



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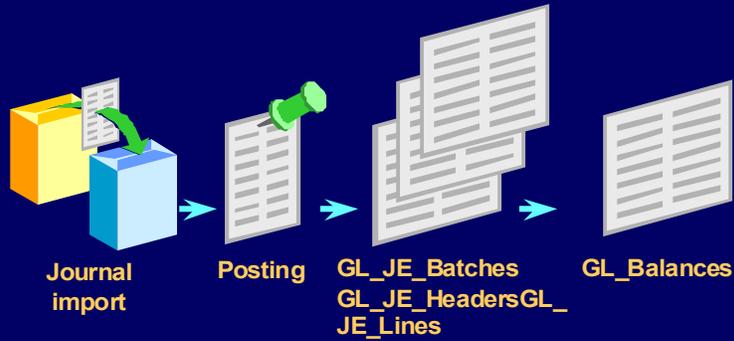
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**Help: Oracle Financial Applications > Oracle General Ledger > Import Journals**

## Posting to the General Ledger: Posting Journals

### Posting to the General Ledger: Posting Journals

- Oracle General Ledger automatically queries all unposted journal batches. Select which batches to post.



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## Posting to the General Ledger: Posting Journals

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### Posting to the General Ledger: Posting Journals

Use the Post Journals window to:

- Post journal batches to the General Ledger to update account balances

(N) GL Journals > Post

Select and Unselect Batches

- Select the check box to select journal batches for posting.
- Batches with an unchecked check box will not be posted.

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**Help: Oracle Financial Applications > Oracle General Ledger > Post Journals**

# Agenda

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## Agenda

- Cost Accounting at Period Close Overview
- Pending Transactions
- Transfer Options
- Closing the Period in Inventory
- Posting to the General Ledger
- **Reconciling Perpetual Inventory to GL**
- Describing Client Extensions

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## Reconciling Perpetual Inventory to GL

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### Reconciling Perpetual Inventory to GL

#### Beginning Inventory/Work in Process Value

- (Use the balances from the Inventory Value, WP Value, and Intransit Value Reports, or the General Ledger Account Inquiry) + Accounting Valuation Transactions
- (Use the Material Account Distribution Summary and the WIP Account Summary Reports) = Calculated Ending Balance

Compare the calculated ending balance to these:

1. Period End Inventory/Work in Process Reports
2. General Ledger Accounts after posting

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## Reconciling Perpetual Inventory to GL

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### Reconciling Perpetual Inventory to GL

#### Balances

- **Perpetual inventory balances must reconcile to the General Ledger inventory account balances.**
- **Verify that your perpetual inventory value matches the value that you report in the General Ledger. Perpetual inventory value normally balances automatically with the General Ledger.**

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### Reconciling Perpetual Inventory to GL

#### Reasons for Discrepancies

- **Journal entries from other modules that affect the inventory accounts**
- **Improper account coding on transactions**
  - **For example, you did a miscellaneous issue from a subinventory to an inventory account.**
  - **Use the Material Transaction Distributions window to identify these transactions. In the Find window, enter a date range. Navigate to the Accounting Type field and enter “Account.” Then navigate to the Account field and enter your inventory accounts.**

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### Reconciling Perpetual Inventory to GL

#### Reasons for Discrepancies

- Lack of period cutoff control between inventory reports and transactions
  - For example, month-end reports were run before transactions were completed.
  - Run the Historical Inventory Balance Report with the correct date.

#### WIP Reconciliation

- Review your WIP Value Report for variances. Run the report using the option to include closed jobs.

**Note: There are no historical Intransit Inventory or Receiving Inspection Inventory reports.**

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## Review Question

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### Review Question

**Perpetual inventory balances must reconcile to the General Ledger inventory account balances.**

1. True
2. False

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## Review Question

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### Review Question

**Perpetual inventory balances must reconcile to the General Ledger inventory account balances.**

1. True
2. False

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# Agenda

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## Agenda

- Cost Accounting at Period Close Overview
- Pending Transactions
- Transfer Options
- Closing the Period in Inventory
- Posting to the General Ledger
- Reconciling Perpetual Inventory to GL
- Describing Client Extensions

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### Client Extensions

**Oracle Cost Management provides PL/SQL extensible programs that let you create custom accounting entries instead of the standard entries normally created.**

#### **Account generator**

- **Creates a one-for-one substitution of accounts.**

#### **Account entry**

- **Changes the number of accounts and uses the new accounts rather than the single-system default account.**

#### **Transaction cost**

- **Allows the use of a cost other than the default system cost.**

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### Client Extensions

#### Workflow for the Account Generation

- **Supplies accounts other than the system-defined accounts.**
  - You can specify the account generation extension using a new seeded workflow with drag-and-drop desktop commands.

#### Cost Processor Cutoff Date Client Extension

- **Costs a period without costing later transactions with incomplete costing information.**
  - You can specify a cutoff date. The average cost processor processes all transactions with that date or earlier dates.

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### Workflow for Account Generation Client Extension

If you do not want to tailor the Oracle Workflow, you can use existing costing methods.

If you want to tailor Oracle Workflow, this extension calls the appropriate workflow based on the costing method. You do the following:

- Define business rules to generate account numbers
- Determine product line accounts for standard costing and average costing methods
- Use drag-and-drop features to include and exclude business functions in the workflow

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## Workflow for Account Generation Client Extension, Accounting Line Types

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Accounting Line Types	Meaning
1	Inventory valuation
2	Account
3	Overhead absorption
4	Resource absorption
5	Receiving inspection
6	Purchase price variance or rate
7	WP valuation
8	WP variance
9	Inter-org payables
10	Inter-org receivables
11	Inter-org transfer credit
12	Inter-org freight charge
13	Average cost variance
14	Intransit inventory
15	Encumbrance reversal
99	Unknown

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### Accounting Line Types

(N) Cost > Processes

Within each costing method workflow, you have different processes to determine the account numbers based on the accounting line type.

The example above lists some of the accounting line types that are in the cost accounting line type quick code.

The processes for all of the accounting line types return -1 to allow the distribution processor to use default accounts.

Reference

For more information, refer to the Oracle Cost Management User's Guide Release 11i.

### Cost Processor Cutoff Date Client Extension

- With this client extension, you can specify a date to cut off costing transactions.
- You can use the cost processing cutoff date extension in average costing organizations only to cost (process) transactions up through a user-specified date.
- Oracle Cost Management uses the cost processing cutoff date extension as each transaction is processed.
  - The system uses this extension when it sees a date of DD-MON-YYYY, so that costs are processed up through the specified date.
  - If the SYSDATE + 1 is returned, the system does not use the extension.

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#### Example

If the date that is returned is 01-DEC-1998, the system processes all costs up to 11:59:59 p.m. on 30-NOV-1998.

## Examples of Client Extensions

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### Examples of Client Extensions

Some examples of client extensions follow:

- **Elemental accounts for scrap and cost of goods sold**
- **Product line accounts for scrap and cost of goods sold**
- **Special accounts for unique accounting requirements of a governmental taxing body**

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## Review Question

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### Review Question

**You cannot use workflow for account generation to supply accounts other than system-defined accounts.**

- 1. True**
- 2. False**

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## Review Question

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### Review Question

**You cannot use workflow for account generation to supply accounts other than system-defined accounts.**

1. True
2. False

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# Summary

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## Summary

In this lesson, you should have learned how to:

- Determine your transfer option
- Prepare to close a period
- Close a period
- Reconcile General Ledger to perpetual inventory
- Describe client extensions



Close a period



Reconcile GL to perpetual inventory

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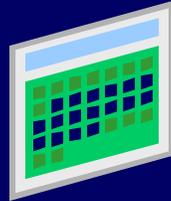
# Practice 1 Overview

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## Practice 1 Overview

This practice covers the following topics:

- Reviewing period close issues



Period  
close

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## Practice 1-1: Reviewing Period Close Issues

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### **Practice 1-1: Reviewing Period Close Issues**

In this practice, you review period close issues.

1. Why would you run the GL transfer prior to period close?
2. If you have a high volume of transactions, which GL Transfer option would you select and why?
3. List several reasons for discrepancies in your perpetual inventory to General Ledger reconciliation.
4. What functions does the period close process perform?

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## Practice 1-1 Solutions: Reviewing Period Close Issues

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### Practice 1-1 Solutions: Reviewing Period Close Issues

In this practice, you review period close issues.

1. Why would you run the GL transfer prior to period close?
  - Running the GL transfer prior to period close allows you to review the summary transactions and make adjustments to the period, correcting inventory transactions as necessary.
  - Sometimes corrections have to be made in other products such as AP, AR, or GL where the problems originate. The people responsible for those distributions will need to make corrections in those products.

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## Practice 1-1 Solutions: Reviewing Period Close Issues

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### Practice 1-1 Solutions: Reviewing Period Close Issues

In this practice, you review period close issues.

2. If you have a high volume of transactions, which GL Transfer option would you select and why?
  - If you have a high volume of transactions, you should select the summary option to reduce the number of accounting entries transferred to the General Ledger. The summary option summarizes accounting entries by accounting period, currency code, and account before transferring the information to the General Ledger. If you select the detail option, accounting entries for each transaction are transferred to the General Ledger.

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## Practice 1-1 Solutions: Reviewing Period Close Issues

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### Practice 1-1 Solutions: Reviewing Period Close Issues

In this practice, you review period close issues.

3. List several reasons for discrepancies in your perpetual inventory to General Ledger reconciliation.
  - Journal entries from other modules that affect inventory accounts
  - Improper account coding on transactions
  - Lack of period cutoff control between inventory reports and transactions

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## Practice 1-1 Solutions: Reviewing Period Close Issues

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### Practice 1-1 Solutions: Reviewing Period Close Issues

In this practice, you review period close issues.

4. What functions does the period close process perform?

- Closes the open period
- Creates summary or detail transactions
- Calculates ending period subinventory values
- Calculates full inventory value by Organization and WIP valuation

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