

# **11*i* Implement and Use General Ledger**

**Student Guide**

**Vol 2**

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# Table of Contents

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<b>R11i Overview of general financial accounting process .....</b>	<b>1-1</b>
R11i Overview of the general financial accounting process .....	1-2
Objectives .....	1-3
Agenda .....	1-4
Overview .....	1-5
Oracle General Ledger Process.....	1-6
Major Functions and Features.....	1-7
Using Oracle General Ledger: Overview.....	1-8
Integrating with Subledgers .....	1-9
Review Question.....	1-10
Integrating with Subledgers .....	1-12
Using Open Interfaces .....	1-13
Sharing Information with Subledgers .....	1-14
Review Question.....	1-15
Elements Required for a Set of Books .....	1-17
Demonstration.....	1-18
Review Question.....	1-19
Chart of Accounts Structure .....	1-21
Accounting Calendar .....	1-22
Unlimited Currencies.....	1-23
Demonstration.....	1-24
Sharing a Set of Books across Oracle Applications.....	1-25
Flexible Account Hierarchies .....	1-26
Chart of Accounts Structure .....	1-27
Balancing Accounts .....	1-28
Intercompany Balancing.....	1-29
Summary Accounts.....	1-31
Defining Summary Accounts.....	1-32
Defining Financial Controls.....	1-33
Defining Shorthand Aliases .....	1-34
Defining Journal Sources.....	1-35
Defining Journal Categories .....	1-36
Defining Units of Measure .....	1-37
Maximizing Performance .....	1-38
Review Question.....	1-39
Concepts You Should Know.....	1-41
Review Question.....	1-42
Foreign Currency Concepts .....	1-44
Conversion.....	1-45
Revaluation Process.....	1-46
Translation .....	1-47
Overview .....	1-48
The Global Accounting Engine Program: Overview .....	1-49
AX General Structure .....	1-50
AX Technical Overview .....	1-51
Why Is the Global Accounting Engine Needed? .....	1-52
Features of the Global Accounting Engine.....	1-53
Components for Net Class .....	1-55
Before We Begin .....	1-56
Technical Assistance .....	1-57
Questions and Comments in 5 Minutes .....	1-58
Questions and Comments Now.....	1-59

Replay of This Net Class .....	1-60
<b>Implementing General Ledger 1 .....</b>	<b>2-1</b>
Oracle General Ledger Implementation Process - I .....	2-2
Help .....	2-3
Using Help .....	2-4
Practice Note .....	2-5
Objectives .....	2-6
Agenda .....	2-7
Oracle General Ledger Process .....	2-8
Elements Required for a Set of Books .....	2-9
Chart of Accounts Structure .....	2-10
Accounting Calendar .....	2-11
Unlimited Currencies .....	2-12
Chart of Accounts Structure .....	2-13
Creating Accounting Flexfields .....	2-14
Defining Value Sets .....	2-15
How to Create Value Sets .....	2-16
Demonstration .....	2-17
Validation Types .....	2-18
Review Question .....	2-19
How to Define the Accounting Flexfield Structure .....	2-20
Demonstration .....	2-21
Defining Segment Values .....	2-22
Flexible Account Hierarchies .....	2-25
How to Define Segment Values .....	2-26
Demonstration .....	2-27
How to Populate Attributes of a Segment Value .....	2-28
Demonstration .....	2-29
How to Enable and Disable Account Combinations .....	2-30
Demonstration .....	2-31
Segment Value Inheritance .....	2-32
Review Question .....	2-34
Using Dynamic Insertion .....	2-35
Defining Flexfield Security Rules .....	2-36
How to Define and Assign Flexfield Security Rules .....	2-37
Demonstration .....	2-38
Defining Cross-Validation Rules .....	2-39
How to Define Cross-Validation Rules .....	2-40
Demonstration .....	2-41
Helpful Reports .....	2-42
Summary .....	2-43
Practice 1 Overview .....	2-44
Practice 1 - Solution .....	2-45
Practice 1 - Solution (continued) .....	2-46
Practice 2 Overview .....	2-47
Practice 2 Overview (continued) .....	2-48
Practice 2 - Solution .....	2-49
Practice 2 - Solution (continued) .....	2-50
Practice 3 Overview .....	2-51
Practice 3 Overview (continued) .....	2-52
Practice 3 - Solution .....	2-55
Practice 3 - Solution (continued) .....	2-56
Practice 4 Overview .....	2-59
Practice 4 Overview (continued) .....	2-60
Practice 4 - Solution .....	2-61
Practice 4 - Solution (continued) .....	2-62

Practice 5 Overview.....	2-63
Practice 5 Overview (continued) .....	2-64
Practice 5 - Solution.....	2-65
Defining the Accounting Calendar .....	2-66
How to Define Period Types .....	2-67
Demonstration.....	2-68
How to Define a New Calendar .....	2-69
Demonstration.....	2-70
Calendar Auditing.....	2-71
How to Define Currencies .....	2-73
Demonstration.....	2-74
Predefined Rate Types .....	2-75
How to Define Conversion Rate Types .....	2-76
Demonstration.....	2-77
How to Define Daily Rates.....	2-78
Demonstration.....	2-79
Set of Books - Overview.....	2-80
How to Define a Set of Books .....	2-81
Demonstration.....	2-82
Set of Books Options - Closing Accounts .....	2-83
Set of Books Options - Journalling.....	2-84
Set of Books Options - Average Balances .....	2-85
Set of Books Options - Average Balances (continued).....	2-86
Set of Books Options - Budgetary Control .....	2-87
Set of Books Options - Multiple Reporting Currencies .....	2-88
Linking a Set of Books to a Responsibility.....	2-89
How to Assign a Set of Books to a Responsibility .....	2-90
Demonstration.....	2-91
Summary.....	2-92
Practice 5 Overview.....	2-93
Practice 5 Overview (continued) .....	2-94
Practice 5 - Solution.....	2-96
Practice 5 - Solution (continued) .....	2-97
Creating a Set of Books Considerations .....	2-100
Sharing a Set of Books Across Oracle Applications.....	2-101
Defining Your First Accounting Period.....	2-102
Accounting Flexfield Considerations .....	2-103
Identifying Business Requirements .....	2-104
Analyzing Reporting Requirements.....	2-106
Creating a Worldwide Chart of Accounts.....	2-107
Creating Vertical Structures.....	2-108
Using Independent and Dependent Segments.....	2-109
Designing Size and Segment Numbering Schemes .....	2-110
Sequencing the Segments .....	2-111
Using Dynamic Insertion and Cross Validation Rules .....	2-112
Using Flexfield Security Rules .....	2-113
Components for Net Class .....	2-114
Before We Begin .....	2-115
Technical Assistance .....	2-116
Questions and Comments in 5 Minutes .....	2-117
Questions and Comments Now.....	2-118
Replay of This Net Class .....	2-119
<b>Implementing General Ledger II .....</b>	<b>3-1</b>
Setting Up Financial Controls.....	3-2
Agenda.....	3-3
Objectives .....	3-4

Agenda.....	3-6
Overview .....	3-7
Agenda.....	3-8
Defining Journal Sources.....	3-9
Additional uses for Journal Sources .....	3-10
Predefined Journal Sources.....	3-11
Define Your Own Journal Sources .....	3-12
Freezing Journal Sources.....	3-13
Additional Considerations When You Define Journal Sources.....	3-14
Demonstration.....	3-15
Review Question.....	3-16
Agenda.....	3-17
Defining Journal Categories .....	3-18
Additional Uses for Journal Categories .....	3-19
Demonstration.....	3-20
Review Question.....	3-21
Agenda.....	3-22
Defining Shorthand Aliases .....	3-23
Defining Aliases to Represent Accounts .....	3-24
To Use Aliases.....	3-25
Tips on Using Aliases.....	3-26
Demonstration.....	3-27
Agenda.....	3-28
Defining Units of Measure .....	3-29
To Use Statistical Units of Measure .....	3-30
Reports.....	3-31
Demonstration.....	3-32
Agenda.....	3-33
Defining Suspense Accounts .....	3-35
Suspense Accounts in General Ledger .....	3-36
Examples of Suspense Accounts .....	3-37
Demonstration.....	3-38
Agenda.....	3-39
Balance Intercompany Journals.....	3-40
To Activate Intercompany Balancing .....	3-41
Agenda.....	3-42
Track Rounding Differences.....	3-43
To Activate Track Rounding Differences.....	3-44
Agenda.....	3-45
Average Balancing.....	3-46
To Activate Average Balance Processing.....	3-47
Agenda.....	3-48
Journal Approval .....	3-49
To Activate Journal Approval.....	3-50
Agenda.....	3-51
Journal Entry Tax .....	3-52
To Activate Journal Entry Tax.....	3-53
Agenda.....	3-54
Journal Reversal Criteria .....	3-55
Using Automatic Journal Reversal .....	3-56
Assigning Journal Reversal Criteria .....	3-58
Demonstration.....	3-61
Review Question.....	3-62
Agenda.....	3-63
AutoPost .....	3-64
AutoPost Criteria .....	3-65
Demonstration.....	3-67

Agenda.....	3-68
System Controls and Resources.....	3-69
Agenda.....	3-70
General Ledger Optimizer Program.....	3-71
Demonstration.....	3-73
Agenda.....	3-74
Setting Concurrent Program Controls.....	3-75
Allocating Memory.....	3-77
Demonstration.....	3-78
Agenda.....	3-79
Interim Tables.....	3-80
Review Question.....	3-83
Summary.....	3-84
<b>Maintain the General Ledger Chart of Accounts .....</b>	<b>4-1</b>
Using the Account Hierarchy Editor to Maintain Your Chart of Accounts.....	4-2
Objectives.....	4-3
Agenda.....	4-4
Overview.....	4-6
Agenda.....	4-7
Account Hierarchy Editor Features.....	4-8
Features.....	4-9
Agenda.....	4-10
Integrating with General Ledger.....	4-11
Parent Levels in an Account Hierarchy.....	4-13
Demonstration.....	4-14
Agenda.....	4-15
To Use the Account Hierarchy Editor.....	4-16
Account Hierarchy Editor window.....	4-17
Demonstration.....	4-18
Account Hierarchy Editor Segment Symbols.....	4-19
Multiple Hierarchy Diagrams.....	4-20
Displaying Segment Value Details.....	4-21
Agenda.....	4-22
Creating New Child Values.....	4-23
Demonstration.....	4-24
Agenda.....	4-26
Demonstration.....	4-27
Agenda.....	4-28
Duplicating Parent Hierarchies.....	4-29
Demonstration.....	4-33
Notes on the Duplicating Hierarchies Window.....	4-34
Notes on Using Wildcards.....	4-36
Previewing Hierarchies.....	4-37
Agenda.....	4-38
Modifying Descriptions for Groups of Values.....	4-39
How to Modify Descriptions.....	4-40
Demonstration.....	4-42
Agenda.....	4-43
Saving and Refreshing Hierarchies.....	4-44
Agenda.....	4-45
Adding and Changing Rollup Groups.....	4-46
Demonstration.....	4-47
Summary.....	4-48
Practice Account Hierarchy Editor Overview.....	4-49
Practice.....	4-50
Summary Accounts.....	4-58

Objectives .....	4-59
Agenda .....	4-60
Overview .....	4-62
Detail vs Summary Accounts .....	4-63
Defining Summary Accounts.....	4-64
Summary Account Examples.....	4-65
Parent Values and Rollup Groups.....	4-66
Agenda.....	4-67
Rollup Groups.....	4-68
Demonstration.....	4-69
Agenda.....	4-71
Summary Templates .....	4-72
Summary Accounts.....	4-73
Agenda.....	4-74
Summary and Parent Accounts.....	4-75
Template Values .....	4-76
Defining Summary Accounts.....	4-77
Demonstration.....	4-78
Agenda.....	4-79
Maintaining Summary Templates.....	4-80
Incremental Add/Delete Summary Templates Program .....	4-82
Summary Accounts Practice.....	4-85
Practice Questions .....	4-87
Agenda.....	4-89
Summary.....	4-90
Transferring Balances Between Accounts .....	4-91
Objectives .....	4-92
Agenda.....	4-93
Overview .....	4-95
Move and Merge Account Balances .....	4-96
General Ledger Functionality.....	4-97
Mass Maintenance Processes.....	4-98
Process Status .....	4-100
What Move/Merge Does.....	4-101
Conflicts.....	4-102
Agenda.....	4-104
Move/Merge Account Balances from a Single Source .....	4-105
Agenda.....	4-106
Move/Merge Account Balances from Multiple Sources.....	4-107
Move/Merge Prerequisites.....	4-108
Agenda.....	4-109
Move/Merge Limitations.....	4-110
Other Limitations.....	4-111
Agenda.....	4-112
Demonstration.....	4-113
Agenda.....	4-115
Demonstration.....	4-116
Notes.....	4-117
Practice Questions .....	4-118
Agenda.....	4-120
Summary.....	4-121
<b>Processing the GL 1 .....</b>	<b>5-1</b>
Journal Processing in General Ledger .....	5-2
Objectives .....	5-3
Agenda.....	5-4
Overview .....	5-6

Journal Entry Types .....	5-7
Journal Creation Methods .....	5-9
Journal Components .....	5-11
Journal Batch Level Information .....	5-12
Journal Entry Level Information .....	5-13
Journal Entry-Line Level Information .....	5-14
Accounting Calendar .....	5-15
Maintaining Calendar Flow .....	5-18
Importing Journal Entries .....	5-20
Agenda .....	5-22
Objectives .....	5-23
Agenda .....	5-24
Grouping Journals into Batches .....	5-25
Manual Journals .....	5-26
Reversing Journal Entries .....	5-27
Manual Entries .....	5-28
Demonstration .....	5-32
Additional Journal Actions .....	5-36
Journal Entry Practice Overview .....	5-37
1. Organizing Transactions into Journal Components .....	5-38
1. Continued .....	5-39
2. Create a Journal Batch .....	5-40
2. Continued .....	5-41
3. Enter Headcount Information .....	5-43
3. Continued .....	5-44
Calculating Tax on Journal Entries .....	5-45
Calculating Tax on Journal Entries Set of Books Level .....	5-46
Calculating Tax on Journal Entries Account-Level Default .....	5-47
Calculating Tax on Journal Entries Journal Entry-Level .....	5-48
Calculating Tax on Journal Entries Journal Entry Line-Level .....	5-49
Demonstration .....	5-50
Posting Journals .....	5-51
Correcting Unpostable Batches .....	5-53
Demonstration .....	5-54
Posting to a Prior Period .....	5-55
Notes on Posting to a Prior Period .....	5-56
Creating Reversing Journals .....	5-57
Assigning a Reversal Period to a Journal Entry .....	5-58
Reversing Journals with Predefined Periods .....	5-59
Reversing Journals without Predefined Periods .....	5-60
Reversing Journals Practice Overview .....	5-61
Reversing Journals Practice .....	5-62
Reviewing and Correcting Balances .....	5-65
Variance Inquiries .....	5-67
Drilling Down to Journal Detail .....	5-68
Demonstration .....	5-69
T-Accounts .....	5-70
Demonstration .....	5-71
Summary .....	5-72
Agenda .....	5-73
Using Applications Desktop Integrator to Enter Journals .....	5-74
Objectives .....	5-75
Overview .....	5-76
ADI Journal Wizard Features .....	5-77
Integrating with Oracle General Ledger .....	5-78
Prerequisites .....	5-79
Using ADI Journal Wizard .....	5-80

Create Journal Worksheet.....	5-81
Number of Journals.....	5-82
Create Journal Worksheet.....	5-83
Building Journal Worksheets.....	5-84
To Customize Your Journal Worksheet.....	5-85
Results.....	5-86
Demonstration.....	5-87
Entering Flexfield Combinations.....	5-88
Cross Validation Rules.....	5-89
Uploading Journal Entries to Oracle General Ledger.....	5-90
Using Journal Upload Options.....	5-91
Using Journal Import Options.....	5-93
Troubleshooting the Import Process.....	5-94
Demonstration.....	5-96
ADI Journal Wizard Practice 1 Overview.....	5-97
ADI Journal Wizard Practice 1.....	5-98
Viewing Journals in General Ledger.....	5-101
About Foreign Currency Journals.....	5-102
ADI Journal Wizard Practice 2 Overview.....	5-103
ADI Journal Wizard Practice 2.....	5-104
Other Uses for ADI Journal Wizard.....	5-107
Setting Up ADI Journal Wizard.....	5-108
Profile Options.....	5-110
Summary.....	5-113
Agenda.....	5-114
Executing Journal Import.....	5-115
Objectives.....	5-116
About Journal Import.....	5-117
Importing Journal Entries: Overview.....	5-118
Feeder Systems.....	5-119
Importing Descriptive Flexfields.....	5-120
Importing Journals.....	5-122
Reviewing Journal Import Data.....	5-124
Correcting Journal Import Errors.....	5-126
Deleting Journal Import Data.....	5-127
Summary.....	5-128
<b>Process the GL 2.....</b>	<b>6-1</b>
Journal Entry Automation Oracle General Ledger, Release 11i.....	6-2
Agenda.....	6-3
Objectives.....	6-5
Overview.....	6-6
Defining AutoPost Criteria.....	6-7
AutoPost Criteria.....	6-8
Demonstration.....	6-9
Running AutoPost.....	6-10
Schedule AutoPost.....	6-11
Agenda.....	6-12
Automatic Journal Reversal Overview.....	6-13
Journal Reversal Prerequisites.....	6-16
Using Automatic Journal Reversal.....	6-17
Agenda.....	6-19
AutoScheduling Overview.....	6-20
Using AutoScheduling.....	6-22
Scheduling Journals.....	6-23
Demonstration.....	6-24
Defining Financial Schedules.....	6-25

To Define a Financial Schedule.....	6-26
Scheduling a Request Using a Financial Schedule.....	6-27
Implementation Considerations for Journal Entry Automations.....	6-28
Agenda.....	6-29
Objectives.....	6-30
Overview.....	6-31
Features.....	6-32
Journal Approval Process.....	6-33
Setting Up Journal Approval.....	6-34
Prerequisites.....	6-37
Approval Methods.....	6-39
Demonstration.....	6-40
Approval Process.....	6-41
Summary.....	6-45
Agenda.....	6-46
Objectives.....	6-47
Recurring Journals: Overview.....	6-48
Recurring Journals.....	6-49
Defining Recurring Journals.....	6-52
Demonstration.....	6-54
Defining Recurring Journals.....	6-56
Mathematical Operators.....	6-57
Demonstration.....	6-58
Demonstration contd.....	6-59
Automatic Offset Example.....	6-60
Demonstration.....	6-61
Recurring Journal Practice Overview.....	6-62
Recurring Journal Practice.....	6-63
MassAllocations: Overview.....	6-69
MassAllocation Examples.....	6-70
MassAllocations Vs Recurring Journals.....	6-71
Defining MassAllocation Journals.....	6-72
MassAllocation Journals Example.....	6-73
Defining MassAllocation Journals.....	6-75
Demonstration.....	6-76
Defining MassAllocation Formulas.....	6-77
Rent Expense Example.....	6-78
Demonstration.....	6-80
Demonstration contd.....	6-81
Demonstration.....	6-82
MassAllocation Practice Overview.....	6-85
MassAllocation Practice.....	6-86
Summary.....	6-93
Agenda.....	6-94
AutoAllocation Workbench.....	6-95
Step-Down AutoAllocations.....	6-97
Parallel AutoAllocations.....	6-98
Business Benefits of AutoAllocation Workbench.....	6-99
Application Objects Supporting AutoAllocation Workbench.....	6-100
Using the AutoAllocation Workbench.....	6-101
AutoAllocation Set Types.....	6-102
AutoAllocations and Oracle Projects.....	6-104
AutoAllocation Sets and Oracle Workflow.....	6-105
Demonstration.....	6-108
Implementation Considerations for AutoAllocation Workbench.....	6-109
<b>R11i Period and Year-End Closing Process in Oracle General Ledger.....</b>	<b>7-1</b>

Period and Year-End Closing Process in Oracle General Ledger.....	7-2
Objectives .....	7-3
Agenda.....	7-4
Overview of the Period Closing Process .....	7-6
Period Closing Process .....	7-7
Period Closing Process Steps.....	7-8
Opening and Closing Periods .....	7-13
Demonstration.....	7-14
Review Question.....	7-15
Answer to Review Question .....	7-16
Agenda.....	7-17
Reporting in Oracle General Ledger.....	7-18
Financial Statement Generator Reporting.....	7-19
Standard Reporting .....	7-20
Demonstration.....	7-21
Agenda.....	7-22
Year-End Closing Journals .....	7-23
Income Statement Closing Journals.....	7-24
Retained Earnings Account Template .....	7-26
Income Statement Closing Journal Batch with Retained Earnings Account Template .....	7-27
Income Statement Offset Account Template .....	7-28
Income Statement Closing Journal Batch with Both Templates.....	7-30
Review Question.....	7-31
Answer to Review Question .....	7-32
Income Statement Closing Journals Account Range .....	7-33
Income Statement Closing Journals Period .....	7-37
Income Statement Closing Journals Source and Category.....	7-38
Reversing Income Statement Closing Journals.....	7-39
Income Statement Closing Journals Reversal Method.....	7-40
Comparing Reversal Methods .....	7-41
Balance Sheet Closing Journals.....	7-42
Balance Sheet Closing Journal Batch .....	7-43
Balance Sheet Closing Journals Account Range .....	7-44
Balance Sheet Closing Journals Period.....	7-46
Balance Sheet Closing Journals Source and Category.....	7-47
Balance Sheet Closing Journals Reversal Method.....	7-48
Demonstration.....	7-49
Review Question.....	7-50
Answer to Review Question .....	7-51
Agenda.....	7-52
Year-End Close Checklist.....	7-53
Summary.....	7-54
<b>Accounting for Intercompany Transactions.....</b>	<b>8-1</b>
Intercompany Balancing.....	8-2
Objectives .....	8-3
Agenda.....	8-4
Overview .....	8-5
Examples .....	8-6
Prerequisites.....	8-8
Overview .....	8-9
Intercompany Balancing .....	8-11
Overview .....	8-12
Business Benefits of Intercompany Balancing .....	8-14
Agenda.....	8-15
Intercompany Balancing Within a Single Set of Books.....	8-16
Review Question.....	8-19

Agenda.....	8-20
Intercompany Balancing Options .....	8-21
Standard Intercompany Balancing Example.....	8-22
Standard Intercompany Balancing Example contd.....	8-23
Intercompany Balancing Options .....	8-24
Enhanced Intercompany Balancing Example.....	8-25
Enhanced Intercompany Balancing Example contd.....	8-26
Intercompany Balancing Options .....	8-27
Intercompany Segment Balancing Example.....	8-28
Intercompany Balancing Options .....	8-30
Clearing Company Example Enhanced Intercompany Balancing.....	8-31
Clearing Company Example Enhanced Intercompany Balancing contd.....	8-32
Clearing Company Example Using the Intercompany Segment.....	8-34
Clearing Company Example Using the Intercompany Segment contd.....	8-35
Agenda.....	8-38
Setting Up Standard Intercompany Balancing.....	8-39
Setting Up Enhanced Intercompany Balancing and Intercompany Segment Balancing.....	8-40
Agenda.....	8-41
Implementation Considerations for Intercompany Balancing .....	8-42
Agenda.....	8-43
Entering Intercompany Transactions .....	8-44
Agenda.....	8-45
Summary.....	8-46
Global Intercompany System.....	8-47
Objectives .....	8-48
Agenda.....	8-49
Overview .....	8-50
Global Intercompany System (GIS).....	8-51
GIS Business Benefits .....	8-52
Global Intercompany System (GIS).....	8-53
Review Question.....	8-54
GIS Implementation.....	8-55
Single Instance GIS Implementation .....	8-56
GIS Implementation.....	8-57
Multiple Instance GIS Implementation.....	8-58
GIS Implementation.....	8-60
Multiple Instance GIS Implementation.....	8-61
GIS Enhancements: AutoAccounting .....	8-63
Intercompany Balancing Options .....	8-64
GIS Transaction Interface and Transfer Programs.....	8-65
Agenda.....	8-66
Setting Up GIS.....	8-67
Setting Up Subsidiaries.....	8-68
To Define a Subsidiary .....	8-69
Privileges .....	8-70
Subsidiary Transfer Options .....	8-71
Define Intercompany Transaction Types.....	8-72
Define Intercompany Clearing Accounts.....	8-73
Agenda.....	8-74
Define AutoAccounting Rules.....	8-75
Demonstration.....	8-76
Agenda.....	8-84
Entering Intercompany Transactions .....	8-85
Manual Entry .....	8-86
Demonstration.....	8-87
Demonstration (contd).....	8-88
Demonstration.....	8-89

Demonstration (contd).....	8-90
Approving an Intercompany Transaction .....	8-91
Recurring Intercompany Transactions .....	8-92
Generating Recurring Intercompany Transactions .....	8-93
Demonstration.....	8-94
Reversing Intercompany Transactions.....	8-95
Agenda.....	8-96
Running the Intercompany Transfer Program .....	8-97
Agenda.....	8-98
Deleting Approved Intercompany Transactions .....	8-99
Agenda.....	8-100
GIS Reports .....	8-101
Agenda.....	8-103
Summary.....	8-104
<b>Manage Consolidations and Eliminations .....</b>	<b>9-1</b>
Manage Consolidations and Eliminations.....	9-2
Objectives .....	9-3
Agenda.....	9-4
Steps to Perform Consolidations.....	9-5
Overview of Consolidations .....	9-6
Consolidation Workbench .....	9-7
State Controller.....	9-8
State Controller Buttons.....	9-9
State Controller Button Colors .....	9-10
Agenda.....	9-11
Preparing Consolidation Data.....	9-12
Revaluation Process.....	9-13
Revaluation Example.....	9-14
Translation .....	9-15
Translation Example.....	9-16
Multiple Reporting Currencies and the Need for Translation.....	9-17
Running Trial Balance Reports.....	9-18
Review.....	9-19
Review Answers .....	9-20
Agenda.....	9-21
Overview of Transferring Consolidated Data .....	9-22
Transferring Subsidiary Data to the Parent.....	9-23
Transferred Balances Column.....	9-27
Reviewing and Posting Consolidation Journal Entries .....	9-28
Consolidation Audit and Exception Reports.....	9-29
Additional Consolidation Reports.....	9-30
Demonstration.....	9-31
Review.....	9-32
Review Answers .....	9-33
Agenda.....	9-34
Creating Eliminating Entries .....	9-35
Automatic Intercompany Eliminations Program .....	9-36
Steps to Generate Eliminating Entries .....	9-38
Demonstration.....	9-40
Formula-Based Eliminations .....	9-41
Demonstration.....	9-42
Review.....	9-43
Review Answers .....	9-44
Agenda.....	9-45
Performing Drilldowns .....	9-46
Drilling Down to Subsidiary Detail .....	9-47

Demonstration.....	9-48
Consolidation Reports .....	9-49
Practice 1 .....	9-50
Practice 1 Solution.....	9-52
Summary.....	9-54
<b>Consolidations Implementation.....</b>	<b>10-1</b>
Consolidations Implementation .....	10-2
Objectives .....	10-3
Agenda.....	10-4
Consolidation Implementation Considerations.....	10-5
Overview of Consolidations .....	10-7
Consolidation Tools.....	10-8
GCS Features and Benefits.....	10-9
Consolidating Multiple Companies with Single Set of Books.....	10-10
Creating Consolidated Reports Using the Financial Statement Generator (FSG) .....	10-11
Consolidating Multiple Companies with Multiple Sets of Books.....	10-12
Consolidating Data in Multiple Instances.....	10-14
Using Summary Accounts in Consolidations .....	10-15
Do You Need GCS?.....	10-16
Agenda.....	10-17
Steps to Setup GCS Consolidations.....	10-18
State Controller.....	10-19
State Controller Buttons.....	10-20
State Controller Button Colors .....	10-21
Defining a Consolidation Mapping.....	10-22
Steps to Define a Consolidation Mapping .....	10-24
Segment Rule Actions .....	10-27
Steps to Define a Consolidation Mapping .....	10-28
Mapping Rules.....	10-30
Segment Rollup Rules .....	10-32
Segment Rollup Rule Examples .....	10-33
Defining a Consolidation Mapping Set.....	10-34
Consolidation Hierarchy Viewer .....	10-35
Demonstration.....	10-36
Practice 1 .....	10-38
Practice 2 Solution.....	10-39
Agenda.....	10-40
Creating Eliminating Entries .....	10-41
Formula-Based Eliminations .....	10-42
Automatic Intercompany Eliminations Program .....	10-43
Defining an Elimination Set .....	10-45
Elimination Set Components .....	10-46
Source and Target Account Example .....	10-47
Source and Target Account Examples.....	10-48
Balancing Options for Eliminations.....	10-49
Allow Out of Balance Journal .....	10-50
Balance with Net Difference.....	10-51
Using Threshold Rules .....	10-52
Demonstration.....	10-53
Practice 2 .....	10-54
Practice 2 Solution.....	10-55
Summary.....	10-57
<b>Overview of the Budgeting Process.....</b>	<b>11-1</b>
Overview of the Budgeting Process.....	11-2
Objectives .....	11-3
Agenda.....	11-4

What is a Budget? .....	11-5
What is an Oracle Budget? .....	11-7
Anatomy of an Oracle Budget .....	11-9
Demonstration.....	11-10
The Budget Accounting Cycle.....	11-11
Review Question.....	11-12
Answer to Review Question .....	11-13
Agenda.....	11-14
Defining Budgets.....	11-15
Budget Methods.....	11-16
Budget Organizations .....	11-17
Anatomy of an Oracle Budget .....	11-19
Review Question.....	11-20
Agenda.....	11-22
Entering Budget Amounts .....	11-23
MassBudgeting .....	11-26
Demonstration.....	11-27
Agenda.....	11-28
Finalizing Budgets.....	11-29
Freezing a Budget.....	11-30
Budget Reports and Inquiries .....	11-31
Review Question.....	11-32
Answer to Review Question .....	11-33
Agenda.....	11-34
Additional Oracle Budgeting Tools .....	11-35
Demonstration.....	11-36
Summary.....	11-37
<b>R11i Creating and Maintaining Budget Balances Part I.....</b>	<b>12-1</b>
Creating and Maintaining Budget Balances I .....	12-2
Objectives .....	12-3
Agenda.....	12-4
Overview of Budget Entry Methods .....	12-6
Types of Budget Entry Methods .....	12-7
Agenda.....	12-8
Entering Budget Amounts .....	12-9
Using Budget Rules To Enter Budget Amounts .....	12-11
Budget Rule Types .....	12-12
Budget Rules and Your Calendar .....	12-13
Setting the Budget Rule Rounding Options.....	12-14
Practice 1 - Overview .....	12-15
Practice 1 Instructions.....	12-16
Practice 1 Instructions with Solution .....	12-17
Practice 2 .....	12-19
Practice 2 Solutions .....	12-20
Agenda.....	12-21
Budget Journals Process .....	12-22
Entering Budget Journals.....	12-23
Journal Entry Modes.....	12-24
Entering Budget Journals.....	12-25
Practice 3 - Overview .....	12-26
Practice 3 Instructions.....	12-27
Practice 3 Instructions with Solution .....	12-28
Agenda.....	12-29
About Budget Formulas.....	12-30
Defining Budget Formulas.....	12-31
Budget Formulas Process.....	12-32

Defining a Budget Formula Batch .....	12-33
Defining Budget Formulas.....	12-34
Mathematical Operators.....	12-35
Arguments .....	12-36
Calculating Budget Amounts.....	12-37
Using Budget Formulas .....	12-39
Practice 4 - Overview .....	12-40
Practice 4 Instructions.....	12-41
Practice 4 Instructions with Solution .....	12-42
Agenda.....	12-44
Transferring Budget Amounts .....	12-45
About Budget Amount Transfers.....	12-46
Transferring Budget Amounts .....	12-47
Practice 5 - Overview .....	12-48
Practice 5 Instructions.....	12-49
Practice 5 Instructions with Solution .....	12-50
Summary.....	12-52
<b>R11i Creating and Maintaining Budget Balances Part II .....</b>	<b>13-1</b>
Creating and Maintaining Budget Balances II.....	13-2
Objectives .....	13-3
Agenda.....	13-4
Overview of Budget Entry Methods.....	13-6
Types of Budget Entry Methods .....	13-7
Agenda.....	13-8
Overview of MassBudgeting .....	13-9
Defining MassBudgets.....	13-10
Defining MassBudget Journals.....	13-11
MassBudgeting or Formulas? .....	13-12
Defining a MassBudget Batch .....	13-13
Reviewing the MassBudget Status.....	13-14
Generating MassBudget Journals .....	13-15
Example - Demonstration .....	13-16
Agenda.....	13-17
Overview of the Applications Desktop Integrator .....	13-18
Audit Trail Implications.....	13-19
Overview of Budget Wizard .....	13-20
Budget Wizard Possibilities.....	13-21
Budget Wizard Key Benefits .....	13-22
Creating a Budget Worksheet.....	13-23
Changing How the Worksheet is Displayed .....	13-24
Changing the Display of Account Segments .....	13-25
Updating Balances Using ADI .....	13-26
Updating Balances Using Budget Rules .....	13-27
Creating Graphs .....	13-28
Uploading Budget Balances Using ADI .....	13-29
Verifying Budget Upload in ADI .....	13-31
Overview of Journal Wizard.....	13-32
Journal Wizard Possibilities.....	13-33
Creating a Journal Worksheet.....	13-34
Creating Journal Entries Using ADI.....	13-35
Uploading Journal Entries Using ADI.....	13-36
Example - Demonstration .....	13-38
Agenda.....	13-41
Overview of Budget Upload.....	13-42
Uploading Budgets from External Sources.....	13-43
Spreadsheet Design.....	13-44

Software Compatibility.....	13-46
Uploading Budgets .....	13-47
Reviewing Budget Upload Results .....	13-48
Correcting Budget Upload Errors .....	13-49
Agenda.....	13-50
Freezing Budgets .....	13-51
Example - Demonstration .....	13-53
Summary.....	13-54
<b>R11i Review Budgets .....</b>	<b>14-1</b>
Review Budgets.....	14-2
Objectives .....	14-3
Agenda.....	14-4
Overview .....	14-6
Agenda.....	14-7
Overview .....	14-8
Performing an Account Inquiry .....	14-9
Reviewing Variances Between Account Balance Types .....	14-10
Accessing Additional Information from the Account Inquiry Window.....	14-11
Performing a Budget Inquiry .....	14-12
Reviewing Budget Balances in a Master Budget Inquiry .....	14-13
Reviewing Budget Balances in a Detail Budget Inquiry .....	14-14
Accessing Additional Information from the Budget Inquiry Window.....	14-15
Example - Demonstration .....	14-16
Agenda.....	14-17
Overview .....	14-18
Other Standard Reports.....	14-19
Using the Financial Statement Generator .....	14-20
Example - Demonstration .....	14-21
Agenda.....	14-22
Updating Budgets .....	14-23
Budget Journal Entries?.....	14-24
No Budget Journal Entries? .....	14-25
Example - Demonstration .....	14-26
Agenda.....	14-27
Freezing Budgets .....	14-28
Agenda.....	14-29
Overview .....	14-30
Summary.....	14-31
<b>Implementing Budgets.....</b>	<b>15-1</b>
Implementing Budgets.....	15-2
Objectives .....	15-3
Agenda.....	15-4
Calculating and Translating Budget Amounts.....	15-5
Anatomy of an Oracle Budget .....	15-6
Steps to Implement Budgets .....	15-7
Budget Structures.....	15-8
Top-Down Budgeting .....	15-9
Bottom-up Budgeting .....	15-10
Middle-out Budgeting.....	15-11
Agenda.....	15-12
Using Summary Accounts in Master and Detail Budgets.....	15-13
Summary Accounts.....	15-14
Maintaining Master-Detail Budget Relationships with Summary Accounts .....	15-15
Maintaining Master/Detail Relationships with Reporting Hierarchies .....	15-16
Creating a Budget .....	15-17
Steps to Create a Budget.....	15-18

Multiple Versions of a Budget.....	15-19
Steps to Create Master/Detail Budgets .....	15-20
Defining a Master Budget.....	15-21
Defining Detail Budgets .....	15-22
Standard Reports for Master and Detail Budgets.....	15-23
Demonstration.....	15-24
Practice 1 .....	15-25
Practice 1 Solution.....	15-26
Agenda.....	15-27
Defining Budget Organizations .....	15-28
Budget Organizations .....	15-29
Advantages of Budget Organizations .....	15-30
Steps to Define a Budget Organization.....	15-31
Defining Budget Accounts.....	15-34
Steps to Assign Account Ranges to Budget Organizations .....	15-35
Changing Account Ranges for Budget Organizations .....	15-38
Removing Account Ranges from a Budget Organization .....	15-39
AutoCopying Budget Organizations.....	15-40
Steps to AutoCopy Budget Organizations .....	15-41
Demonstration.....	15-42
Practice 2 Overview.....	15-43
Practice 2 Solution.....	15-44
Agenda.....	15-46
Budgetary Control .....	15-47
Encumbrances.....	15-49
Funds Checking .....	15-50
Budgetary Control in Oracle Payables.....	15-51
Budgetary Control in Oracle Purchasing .....	15-52
Defining an Account for Budgetary Control.....	15-53
Budgetary Control Options.....	15-54
Budgetary Control Options.....	15-55
Budgetary Control Options for Accounts .....	15-56
Budgetary Control Options for Journal Sources and Categories .....	15-57
Detail Level Budgetary Control.....	15-58
Summary Level Budgetary Control.....	15-59
Multiple Currency Transactions .....	15-60
Steps to Enable Budgetary Control.....	15-61
Budgetary Control and Encumbrance Reports.....	15-62
Budgetary Control and Encumbrance Inquiries.....	15-63
Practice 3 Overview.....	15-64
Practice 3 Solution.....	15-65
Summary.....	15-66
<b>R11i Integrating Oracle General Ledger with Oracle Financial Analyzer .....</b>	<b>16-1</b>
R11i Integrating Oracle General Ledger with Oracle Financial Analyzer.....	16-2
Objectives .....	16-3
Overview .....	16-4
Integration with Oracle General Ledger .....	16-6
Functions Enabled by Integration .....	16-7
Integration Process Flow .....	16-8
Data Models: Relational and Multidimensional .....	16-9
Data Dimension Concepts .....	16-10
Using the Two Data Models .....	16-11
Data Mapping .....	16-12
Review Question.....	16-13
Answer to Review Question .....	16-14
Setting Up Your Metadata .....	16-15

Defining Filters .....	16-16
Defining Summary Account Templates.....	16-17
Defining Dimensions .....	16-18
Defining Hierarchies.....	16-20
Defining a Hierarchy .....	16-22
Review Question.....	16-23
Answer to Review Question .....	16-24
Detail and Summary Financial Data Items .....	16-25
Financial Data Item - Transfer Options .....	16-26
Defining Financial Data Items .....	16-27
Assigning Filters and Templates.....	16-31
Defining Financial Data Sets .....	16-32
Review Question.....	16-34
Answer to Review Question .....	16-35
Demonstration.....	16-36
Two Step Process.....	16-37
Running Extraction Programs.....	16-38
Reviewing Status of Extraction Program.....	16-39
Extraction Programs .....	16-40
Hierarchy and Segment Values Extraction Programs .....	16-42
Calendar Extraction Program.....	16-43
Balances Extraction Program.....	16-44
Extract Incremental Balances Program.....	16-45
Currency and Period Rates Extraction Programs.....	16-46
Load Extracts Program .....	16-47
Review Question.....	16-48
Answer to Review Question .....	16-49
Review Question.....	16-50
Answer to Review Question .....	16-51
Using OFA to Load GL Data.....	16-52
Loading GL Data Extracts into OFA .....	16-54
Using Write Budgets Back to GL Feature .....	16-55
Writing Budgets from OFA to GL.....	16-56
Drill to GL Data.....	16-57
Review Question.....	16-59
Answer to Review Question .....	16-60
Summary.....	16-61
<b>R11i Overview of the Financial Reporting Process .....</b>	<b>17-1</b>
R11i Overview of Financial Reporting Process.....	17-2
Course Objective .....	17-3
Financial Reporting Process .....	17-4
Reporting and Analysis Capabilities.....	17-5
Standard Reports and Listings.....	17-6
Standard Reports and Listings (continued).....	17-7
Demonstration.....	17-9
Grouping Requests Into a Set .....	17-10
Review Question.....	17-11
Answer to Review Question .....	17-12
Financial Statement Generator.....	17-13
Customized Financial Reports .....	17-14
Review Question.....	17-15
Answer to Review Question .....	17-16
Application Desktop Integrator .....	17-17
Define Report .....	17-18
Request Center.....	17-19
Review Question.....	17-20

Answer to Review Question .....	17-21
Analyze Report .....	17-22
Demonstration.....	17-23
<b>R11i Utilizing Standard Financial Reports .....</b>	<b>18-1</b>
R11i Utilizing Standard Financial Reports .....	18-2
Course Objectives.....	18-3
Agenda.....	18-4
Overview .....	18-5
About Standard Reports.....	18-6
Submit Request Flow.....	18-7
Request Element Considerations .....	18-8
Request Element Considerations (continued).....	18-9
Grouping Requests Into a Set .....	18-10
Review Question.....	18-11
Answer to Review Question .....	18-12
How to Run Standard Reports, Listings and Request Sets .....	18-13
Demonstration.....	18-14
Agenda.....	18-15
Monitoring Standard Report Requests.....	18-16
Monitoring Phases .....	18-17
Cancelling and Placing Requests on Hold .....	18-18
How to Find Requests to Monitor.....	18-19
Demonstration.....	18-20
Review Question.....	18-21
Answer to Review Question .....	18-22
Color of Status Field.....	18-23
Demonstration.....	18-24
Agenda.....	18-25
Major Account Balance Standard Report Categories .....	18-26
General Ledger Reports .....	18-27
Account Analysis Reports .....	18-28
Trial Balance Reports .....	18-29
How to Review Account Balances in Reports.....	18-30
Demonstration.....	18-31
Review Question.....	18-32
Answer to Review Question .....	18-33
Summary.....	18-34
Practice 1 Overview.....	18-35
Practice 1 Solution.....	18-37
<b>R11i Run Interim Financial Reports - FSG Required Elements .....</b>	<b>19-1</b>
R11i Run Interim Financial Reports - FSG Required Elements .....	19-2
Course Objectives.....	19-3
Agenda.....	19-4
Overview .....	19-5
Required Components .....	19-6
Customized Financial Reports.....	19-7
Preparing Your Financial Reports .....	19-8
Lesson 1: Defining Row Sets.....	19-9
Defining Row Sets.....	19-10
Using Row Sets.....	19-11
Using Row Sets (continued) .....	19-12
Review Question.....	19-13
Answer to Review Question .....	19-14
Defining Calculations in Row Sets.....	19-15
Terminology .....	19-16
Review Question.....	19-17

Answer to Review Question .....	19-18
How to Define Row Sets .....	19-19
Demonstration.....	19-20
Practice 1 Overview.....	19-21
Practice 1 Solution.....	19-23
Reviewing Your Row Set Definitions .....	19-25
Reviewing Your Row Sets.....	19-26
Lesson 2: Defining Column Sets .....	19-27
Defining Column Sets.....	19-28
Using Column Sets .....	19-29
More About Column Sets .....	19-30
Review Question.....	19-31
Answer to Review Question .....	19-32
Applying Column Set Relative Headings .....	19-33
Applying Relative Headings for &POI and &DOI.....	19-34
Applying &BUDGET Relative Headings.....	19-35
Applying &ENCUMBRANCE Relative Headings .....	19-36
Applying &CURRENCY Relative Headings .....	19-37
Review Question.....	19-38
Answer to Review Question .....	19-39
Determining Your Financial Reporting Needs .....	19-40
Row Set and Column Set Overrides .....	19-41
Row Set and Column Set Override Summary .....	19-42
Review Question.....	19-45
Answer for Review Question.....	19-46
How to Define Column Sets .....	19-47
Demonstration.....	19-48
Practice 2 Overview.....	19-49
Practice 2 Solution.....	19-51
Reviewing Your Column Set Definitions .....	19-53
Lesson 3: Defining and Requesting FSG Reports .....	19-54
Defining and Requesting Financial Reports .....	19-55
Combining a Row Set and a Column Set to Define a Financial Report .....	19-56
Generic Report Definitions.....	19-57
Generic Report Definitions (continued).....	19-58
FSG Performance Improvement .....	19-59
How to Define Financial Reports .....	19-60
Demonstration.....	19-61
How to Run Financial Reports.....	19-62
Demonstration.....	19-63
How to Define Ad Hoc Reports.....	19-64
Demonstration.....	19-65
Practice 3 Overview.....	19-66
Practice 3 Solution.....	19-67
Summary.....	19-68
<b>R11i Run Interim Financial Reports and Information - FSG Optional Elements.....</b>	<b>20-1</b>
R11i Run Interim Financial Reports and Information - FSG Optional Elements .....	20-2
Objectives .....	20-3
Overview .....	20-4
Defining Content Sets.....	20-5
About Content Sets .....	20-6
Selecting Display Options .....	20-7
Selecting Display Options (continued) .....	20-8
Review Question.....	20-10
Answer to Review Question .....	20-11
How to Define Content Sets .....	20-12

Demonstration.....	20-13
Practice 1 Overview.....	20-14
Review Your Content Set Definitions .....	20-18
Defining Row Orders.....	20-19
About Row Orders.....	20-20
Ranking Methods.....	20-21
Order by Ranking, Display Description.....	20-22
Order by Ranking, Display Both .....	20-23
Order by Description, Display Description.....	20-24
Order by Description, Display Value.....	20-25
Order by Value, Display Description.....	20-26
Order by Value, Display Value.....	20-27
How to Define Row Orders .....	20-28
Review Question.....	20-29
Answer to Review Question .....	20-30
Demonstration.....	20-31
Practice 2 Overview.....	20-32
Practice 2 Solution.....	20-33
Reviewing Your Row Order Definitions .....	20-35
Defining Display Sets.....	20-36
Review Question.....	20-38
Answer to Review Question .....	20-39
How to Define Display Groups.....	20-40
Demonstration.....	20-41
How to Define Display Sets.....	20-42
Demonstration.....	20-43
Practice 3 Overview.....	20-44
Practice 3 Solution.....	20-45
Copy Report Objects.....	20-47
Copy Report Objects (continued) .....	20-48
How to Use AutoCopy.....	20-49
Demonstration.....	20-50
Handling Rounding Problems.....	20-51
Specifying Control Values.....	20-52
Review Question.....	20-53
Answer Review Question .....	20-54
Using Control Values .....	20-55
Demonstration.....	20-56
FSG Tips and Techniques.....	20-57
FSG Tips and Techniques (continued) .....	20-58
Defining a Logical Chart of Accounts .....	20-59
Defining Generic Row Sets .....	20-60
Using Existing Column Sets .....	20-61
Using the Expand and Both Options.....	20-62
Using Display Sets.....	20-63
Summary.....	20-64
<b>R11i Run Financial Reports with Oracle Applications Desktop Integrator.....</b>	<b>21-1</b>
R11i Run Financial Reports with ADI.....	21-2
Online Help.....	21-3
Using Online Help .....	21-4
Objectives .....	21-5
Agenda.....	21-6
Signing On to ADI.....	21-7
ADI Toolbar Icons.....	21-8
The Ledger Poplist.....	21-10
The Application Poplist .....	21-13

The ADI Options Poplist .....	21-14
ADI Key Equivalents.....	21-16
Customizing Your Toolbar .....	21-17
Moving Icons .....	21-18
Practice 1 Overview.....	21-19
Practice 1 Solution.....	21-21
Overview .....	21-24
Define Report Features.....	21-26
Integrating with Oracle GL.....	21-28
Creating Reports .....	21-29
Define Report Toolbar Icons .....	21-30
Report Indicator.....	21-32
Creating a Report Using Existing Report Objects .....	21-33
Using Existing Report Objects to Create a Report .....	21-34
Open an Existing Report.....	21-35
Practice 2 Overview.....	21-36
Practice 2 Solution.....	21-38
Updating Report Objects .....	21-40
Using Microsoft Excel Menu Options .....	21-41
How to Use Row and Column Properties .....	21-43
Using the Report Objects Window .....	21-44
How to Use the Report Navigator.....	21-46
Practice 3 Overview.....	21-47
Practice 3 Solution.....	21-50
Creating a New Report .....	21-52
How to Create a New Report.....	21-53
Practice 4 Overview.....	21-55
Practice 4 Solution.....	21-56
Practice 4 Solution (Overview).....	21-57
Saving and Submitting Reports .....	21-58
How to Submit Reports .....	21-59
Practice 5 Overview.....	21-60
Practice 5 Solution.....	21-66
Using Content Set Generator .....	21-77
How to Create a Content Set.....	21-78
Content Set Secondary Options .....	21-81
Practice 6 Overview.....	21-82
Practice 6 Solution.....	21-86
Setting Up Define Report .....	21-89
Using Profile Options .....	21-90
Summary.....	21-91
<b>R11i Submitting, Analyzing, and Publishing Reports.....</b>	<b>22-1</b>
R11i Submitting, Analyzing, and Publishing Reports .....	22-2
Objectives .....	22-3
Agenda.....	22-4
Overview .....	22-5
Agenda.....	22-6
Toolbar Icons.....	22-7
Toolbar Icons (continued).....	22-8
Request Center Tabs.....	22-12
Request Center Tabs (continued).....	22-13
Selecting a Report Type.....	22-14
Selecting a Report Type (continued) .....	22-15
Selecting Publishing Options.....	22-16
Selecting Options.....	22-17
How to Submit a Financial Report .....	22-18

Publishing a to a Spreadsheet .....	22-20
Publishing a Financial Report.....	22-21
Viewing a Financial Report Published to a Spreadsheet .....	22-22
Demonstration.....	22-23
Practice 1 Overview.....	22-24
Practice 1 Instructions with Solutions.....	22-25
Overview of Web Publishing.....	22-27
Publishing a Report to the Web .....	22-28
Publishing a Report to the Web (continued).....	22-29
Demonstration.....	22-30
Practice 2 Overview.....	22-31
Practice 2 Instructions with Solution .....	22-32
Publishing a Report to Text .....	22-34
Demonstration.....	22-35
Practice 3 Overview.....	22-36
Practice 3 Instructions with Solution .....	22-37
How to Submit a Standard Report .....	22-39
Demonstration.....	22-40
Practice 4 Overview.....	22-41
Practice 4 Instructions with Solution .....	22-42
Using Themes .....	22-44
Applying a Report Theme.....	22-45
How to Create a Theme .....	22-46
How to Customize a Theme.....	22-47
Demonstration.....	22-48
Practice 5 Overview.....	22-49
Practice 5 Instructions with Solution .....	22-50
Using Cell Level Formatting .....	22-53
Using Cell Level Formatting (continued).....	22-54
How to Use Cell Level Formatting.....	22-57
How to Use Cell Level Formatting (continued).....	22-58
Republish Report Output Manually .....	22-59
How to Republish Report Output Manually .....	22-60
Demonstration.....	22-61
Practice 6 Overview.....	22-62
Practice 6 Instructions with Solution .....	22-63
How to View Other Output Reports or Log Files .....	22-69
How to Monitor a Request.....	22-70
Demonstration.....	22-71
Practice 7 Overview.....	22-72
Practice 7 Instructions with Solution .....	22-73
Setting Request Center Options .....	22-75
Setting Request Center Options (continued).....	22-76
Specifying a Sound File for Request Completion.....	22-77
How to Specify a Sound File for Request Completion.....	22-78
Agenda.....	22-79
Analyze Report Features.....	22-80
Analyze Report Features (continued) .....	22-81
How to Start Analyze Report.....	22-82
How to Start Analyze Report (continued) .....	22-83
Using the Context Window.....	22-84
Using the Context Window (continued) .....	22-85
About the Analyze Report Toolbar.....	22-86
How to use the Analyze Report Toolbar.....	22-87
How to use the Analyze Report Toolbar (continued) .....	22-88
Possible Drilldown Flows.....	22-89
Demonstration.....	22-90

Practice 8 Overview.....	22-91
Practice 8 Instructions with Solution.....	22-92
Using Dimensions and Display Options.....	22-94
How to Change Your View.....	22-95
Demonstration.....	22-96
Practice 9 Overview.....	22-97
Practice 9 Instructions with Solution.....	22-98
How to Export to Microsoft Excel.....	22-100
Viewing Your Exported Data.....	22-101
Practice 10 Overview.....	22-102
Practice 10 Instructions with Solution.....	22-103
Setting Analyze Report Options.....	22-104
Setting Analyze Report Options (continued).....	22-105
Setting Profile Options.....	22-108
Summary.....	22-109
<b>R11i Implementing ADI.....</b>	<b>23-1</b>
R11i Implementing Applications Desktop Integrator (ADI).....	23-2
Objectives.....	23-3
Agenda.....	23-4
ADI Family.....	23-6
Oracle Applications and ADI.....	23-7
Supported Microsoft Excel Versions.....	23-8
ADI History.....	23-9
Review Question.....	23-11
Answer to Review Question.....	23-12
Agenda.....	23-13
General Ledger Functionality.....	23-14
Assets Functionality.....	23-15
Agenda.....	23-16
How to Sign On to ADI.....	23-17
ADI Toolbar Icon Descriptions.....	23-18
Ledger Options.....	23-20
Asset Options.....	23-23
Applications Options.....	23-25
Review Question.....	23-26
Answer to Review Question.....	23-27
Using the ADI Options Poplist.....	23-28
ADI Key Equivalents.....	23-29
Customizing Your Toolbar.....	23-31
Demonstration.....	23-32
Agenda.....	23-33
Using Diagnostic Wizard.....	23-34
Running a System Check.....	23-35
Setting up a Database in ADI.....	23-37
Demonstration.....	23-39
Setting ADI Options.....	23-40
Setting General Options: The Worksheet Colors Tab.....	23-41
Setting General Options: The Theme Defaults Tab.....	23-42
Review Question.....	23-45
Answer to Review Question.....	23-46
Setting General Options: The Settings Tab.....	23-47
Setting General Options: The Installation Tab.....	23-50
Setting Ledger Options: The Budget Tab.....	23-51
Setting Ledger Options: The Journal Tab.....	23-53
Setting Ledger Options: The Report Definition Tab.....	23-54
Setting Ledger Options: The Report Analysis Tab.....	23-56

Setting Request Center Options .....	23-59
Setting ADI Language Options.....	23-61
Viewing ADI Information .....	23-62
Demonstration.....	23-63
Using Security .....	23-64
Enabling Security Within ADI .....	23-65
Review Question.....	23-67
Answer to Review Question .....	23-68
Specifying a Security Model.....	23-69
Defining Function Security.....	23-71
Enabling ADI Security Profile Options .....	23-72
General Ledger Profile Options .....	23-73
Review Question.....	23-83
Answer to Review Question .....	23-84
Assets Profile Options .....	23-85
Security by Book .....	23-87
Application Validation Within ADI.....	23-88
Practice 1 Overview.....	23-89
Practice 1 Instructions with Solution .....	23-90
Practice 2 Overview.....	23-91
Practice 2 Instructions with Solution .....	23-92
Summary.....	23-95
<b>Accounting for Foreign and Multiple Currencies.....</b>	<b>24-1</b>
Accounting for Foreign and Multiple Currencies .....	24-2
Objectives .....	24-3
Agenda.....	24-4
Concepts You Should Know.....	24-5
Working with Multiple Currencies .....	24-6
Foreign Currency Concepts .....	24-7
Conversion.....	24-8
Example .....	24-9
Revaluation Process .....	24-10
Revaluation Example.....	24-11
Translation .....	24-13
Translation Example.....	24-14
Integrating with Subledgers .....	24-15
Agenda .....	24-16
Objectives .....	24-17
Prerequisites for Entering Foreign Currency Transactions .....	24-18
Defining and Enabling Currencies.....	24-19
Steps to Define Non-ISO Currencies .....	24-20
The Euro in Year 2000 .....	24-22
European Economic and Monetary Union.....	24-23
Steps to Define a New EMU Currency.....	24-24
Steps to Create an EMU Relationship for an Existing Currency .....	24-25
Steps to Enable Currencies .....	24-26
Defining a Set of Books.....	24-27
Predefined Daily Conversion Rate Types.....	24-28
Steps to Define a New Conversion Rate Type.....	24-29
Entering Daily Rates.....	24-30
Loading Daily Rates Automatically.....	24-31
Entering Daily Rates and MRC .....	24-32
Steps to Enter Daily Rates .....	24-33
Daily Rates Profile Options .....	24-34
Entering Period Rates .....	24-35
Steps to Enter Period Rates.....	24-36

Using Period Rates with EMU Currencies .....	24-37
Period Average Rates for EMU Currencies.....	24-38
Period-End Rates for EMU Currencies.....	24-39
Currency Derivations.....	24-40
Entering EMU Currency Period Rates.....	24-41
Running the Maintain Euro Period Rates Program.....	24-42
Summary.....	24-44
Practice 1 Overview.....	24-45
Practice 1 Solution.....	24-47
Agenda.....	24-49
Objectives.....	24-50
Entering Foreign Currency Journals.....	24-51
Methods for Entering Foreign Currency Journals.....	24-52
Entering Journals Using MRC.....	24-53
Steps to Create a New Batch with Multiple Journal Entries.....	24-54
Steps to Enter a Foreign Currency Journal.....	24-55
Steps to Change the Currency of Unposted Journal Entry.....	24-56
Posting Foreign Currency Journals.....	24-57
Steps to Post a Journal Entry Batch.....	24-58
Steps to Review Balance Information.....	24-59
Rounding Differences.....	24-60
Reporting on Foreign Currencies.....	24-61
Summary.....	24-62
Practice 2 Overview.....	24-63
Practice 2 Solution.....	24-65
Agenda.....	24-67
Objectives.....	24-68
Overview of Revaluing Balances.....	24-69
Revaluing Balances.....	24-70
Running Revaluation.....	24-71
Revaluation Prerequisites.....	24-72
Revaluation Options.....	24-73
Steps to Revalue Account Balances.....	24-74
Revaluation Currency Options.....	24-77
Currency Derivations and Revaluation.....	24-78
Currency Derivation of Functional Currency.....	24-79
Continuing the Revaluation Cycle.....	24-81
Generated Revaluation Journal Entries.....	24-82
Posting Unrealized Gains and Losses.....	24-83
Reversing Revaluation Journals.....	24-84
Posting Realized Gains and Losses.....	24-85
Summary.....	24-86
Practice 3 Overview.....	24-87
Practice 3 Solution.....	24-89
Agenda.....	24-91
Objectives.....	24-92
Overview of Translating Foreign Currency Balances.....	24-93
Translating Balances.....	24-94
Choosing Standard Translation or Multiple Reporting Currencies.....	24-95
Cumulative Translation Adjustment Account.....	24-96
Terms You Should Know.....	24-97
Defining Historical Rates.....	24-98
Historical and Nonhistorical Accounts.....	24-99
Translation Rules.....	24-100
Translating Balances.....	24-101
How to Choose the Translation Rule for Owners' Equity Accounts.....	24-102
Translating Historical Amounts.....	24-103

Steps to Enter Historical Rates .....	24-104
Steps to Translate Account Balances to a Foreign Currency .....	24-106
Reviewing Translated Balances .....	24-108
Summary .....	24-109
Practice 4 Overview .....	24-110
Practice 4 Solution .....	24-111
Working with Multiple Currencies Review .....	24-113
Summary .....	24-114
<b>R11i Using Multiple Reporting Currencies (MRC).....</b>	<b>25-1</b>
R11i Using Multiple Reporting Currencies (MRC).....	25-2
Module Objectives.....	25-3
Agenda.....	25-4
Overview .....	25-6
What is MRC? .....	25-8
Business Solutions.....	25-9
Overview .....	25-10
Reporting Balances and Transactions in Multiple Functional Currencies .....	25-11
Overview .....	25-12
Products Supporting MRC.....	25-13
Overview .....	25-14
When Do You Use MRC? .....	25-15
Agenda.....	25-16
Multiple Sets of Books Primary and Reporting.....	25-17
Example.....	25-18
Multiple Sets of Books .....	25-19
Agenda.....	25-20
Converting at a Transaction Level.....	25-21
Agenda.....	25-22
Inquiring and Reporting Transactions and Balances .....	25-23
Agenda.....	25-26
Working with the Euro .....	25-27
Working with the Euro: Considerations .....	25-28
Agenda.....	25-29
Determining Your Installation Type.....	25-30
Agenda.....	25-31
Planning Your MRC Implementation.....	25-32
Agenda.....	25-33
Determining MRC Starting Dates.....	25-34
First MRC Date / First MRC Period .....	25-35
First MRC Date/Period Guidelines.....	25-36
From Date .....	25-37
Agenda.....	25-38
Completing GL Setup Steps .....	25-39
Agenda.....	25-41
Performing Standard GL Activities .....	25-42
Summary.....	25-44



# Preface

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## **Profile**

### **Prerequisites**

- R11i Navigating Oracle Applications

### **How This Course Is Organized**

This course 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**

#### 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.

# Process the GL 2

## Chapter 6

**Journal Entry Automation  
Oracle General Ledger, Release 11i**

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# Agenda

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## Agenda

- **AutoPost**
- **AutoReversal and AutoScheduling**
- **Journal Approval**
- **Recurring Journals and Mass Allocations**
- **AutoAllocations**

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# Agenda

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## Agenda

- **AutoPost**
- **AutoReversal and AutoScheduling**
- **Journal Approval**
- **Recurring Journals and Mass Allocations**
- **AutoAllocations**

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### Objectives

After completing this lesson, you should be able to do the following:

- Describe how AutoPost works
- Perform the setup steps needed to implement AutoPost
- Run AutoPost

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### Overview

You can automatically post journal batches that meet specific criteria you have defined in an AutoPost criteria set.

- Define multiple criteria sets that include a range of journal effective dates and multiple AutoPost priorities
- AutoPost priorities include combinations of journal source, category, balance type, and period.
- Run or schedule AutoPost to select and post any journal batches that meet the criteria in a criteria set.

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**(Help) Oracle Financial Applications > General Ledger > Journal Entry > Posting Journals > Posting Journals Automatically**

## Defining AutoPost Criteria

---

### Defining AutoPost Criteria

**(N) Setup > Journal > AutoPost Criteria**

**In the Criteria Set window:**

- **Check the Enabled check box to use your criteria set**
- **Set Posting Submission Options**
  - **Submit All Priorities in Order:** to submit the batches for all your AutoPost priorities in the same AutoPost run.
  - **Submit Only Priorities with Batches in Order:** to submit batches only from the specified Number of Priorities

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**(Help) Oracle Financial Applications > General Ledger > Journal Entry > Posting Journals > Posting Journals Automatically**

### AutoPost Criteria

- **Set Journal Effective Dates:** AutoPost will select journals whose effective date is within the range you specify.
  - From: starting effective date of the range
  - To: ending effective date of the range
- **Set AutoPost Priorities:** Create priorities based on combinations of journal source, category, balance type and period. Batches with higher priorities are processed first.

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### Demonstration

In Oracle General Ledger we will demonstrate how to:

- Define AutoPost Criteria Sets  
(N) Setup > Journal > AutoPost Criteria

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### Running AutoPost

To run AutoPost:

- **Navigate to the AutoPost Criteria Set window**  
(N) Setup > Journal > AutoPost Criteria
- **Query the AutoPost criteria set for which you want to run the AutoPost program**
- **Choose the Submit AutoPost button**
- **Review the AutoPost Execution Report after the program completes successfully. Use this report to review the journal batches selected for posting.**

**You can also run AutoPost from the Submit Request window. Enter the AutoPost criteria set name in the Parameters window.**

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### Schedule AutoPost

**To schedule AutoPost:**

- **Query the AutoPost criteria set for which you want to run the AutoPost program in the AutoPost Criteria Set window.**
- **Choose the Schedule AutoPost button.**
- **Set the scheduling options in the Submit Request window.**
- **Save your work.**

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# Agenda

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## Agenda

- AutoPost
- AutoReversal and AutoScheduling
- Journal Approval
- Recurring Journals and Mass Allocations
- AutoAllocations

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## Automatic Journal Reversal Overview

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### **Automatic Journal Reversal Overview**

**Use Automatic Journal Reversal if you routinely generate and post large numbers of journal entries, such as for month end closing and opening procedures.**

**Automatic Journal Reversal saves time by automatically generate and post reversal journals.**

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**(Help) Oracle Financial Applications > General Ledger > Journal Entry > Automatic Journal Reversal**

**(Help) Oracle Financial Applications > General Ledger > Journal Entry > Automatic Journal Reversal > Assigning Journal Reversal Criteria**

### Automatic Journal Reversal Overview

You can automatically reverse journals by journal category. For each journal category, you can:

- Choose the reversal method (switch cr/dr or change sign)
- Select the rules that General Ledger uses to determine the effective date or period of the reversal

General Ledger can:

- Automatically generate reversals when a new period is opened
- Automatically post and reverse journals, including journals that were manually generated

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## Automatic Journal Reversal Overview

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### Automatic Journal Reversal Overview

**You can manually launch a separate reversal program to find and generate all journals marked for reversal for a specific period, including any journals that were manually selected for reversal.**

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## Journal Reversal Prerequisites

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### Journal Reversal Prerequisites

- **Journal balance type is actual**
- **Journal Category is enabled to be Autoreversed**
- **Journal is posted by not yet reversed**
- **Journal reversal period is open or future enterable**

**General Ledger will automatically post generated reversal journals if AutoPost is enabled for the journal category.**

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### Using Automatic Journal Reversal

To reverse journals automatically:

(N) Reports > Request > Standard

- Define autoreverse criteria by journal category
- Enter Actual journals with journal categories that have autoreverse criteria defined

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### Using Automatic Journal Reversal

Choose one of the following methods to reverse your journals:

- Navigate to the **Submit Request** window and submit the **Automatic Reversal** program
- Set the profile option **GL: Launch AutoReverse After Open Period**, to **Yes** and open the next period
- Navigate to the **Reverse Journals** window to launch the **Automatic Reversal** program

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# Agenda

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## Agenda

- **AutoPost**
- **AutoReversal and AutoScheduling**
- **Journal Approval**
- **Recurring Journals and Mass Allocations**
- **AutoAllocations**

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### AutoScheduling Overview

AutoScheduling lets you schedule any concurrent program that can be submitted from the Submit Request window, including Recurring Journals, AutoAllocation sets, MassAllocations, MassBudgets, and Budget Formulas.

Choose from the following schedules:

- Define your own schedule in General Ledger, based on your General Ledger calendar
- Choose any defined schedule in the Application Object Library (AOL), based on a standard monthly calendar
- Define your own AOL schedule or use an AOL schedule you previously defined and saved

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**(Help) Oracle Financial Applications > General Ledger > Journal Entry > Automatic Journal Scheduling**

### AutoScheduling Overview

For periodic submissions, General Ledger increments the period and date parameters based on user-defined resubmission intervals. Resubmission intervals can be based on the standard calendar or the fiscal calendar for your set of books.

Prerequisites for incremental submissions:

- Your set of books calendar must include all the schedule start dates for the schedule you are using
- Your set of books calendar must match the GL schedule calendar
- You must enter a non-adjusting period when you first submit your scheduled request

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### Using AutoScheduling

#### Prerequisites to run Automatic Journal Scheduling:

- **define Recurring Journals**
- **define MassAllocations**
- **define Budget formulas**
- **define MassBudgets**
- **define AutoAllocation set**
- **define General Ledger schedule**
- **define AOL Schedule**

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### Scheduling Journals

You can schedule journals in the Submit Request window or by navigating to the following:

(N) Journals > Schedule > Recurring

(N) Journals > Schedule > Allocation

Recurring Journals window

MassAllocations window

MassBudgets window

AutoAllocation Workbench window

- Complete the information in the window
- Choose the schedule button to open the Submit Request window
- Submit your schedule

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### Demonstration

In Oracle General Ledger we will demonstrate how to:

- Use the Automatic Journal Scheduling Program

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### Defining Financial Schedules

You can create **General Ledger Financial** schedules based on different calendars and period types. You can schedule **Recurring Journals, MassAllocations, Budget Formulas, MassBudgets, and AutoAllocation** sets using the schedules you have defined.

- All schedules are shared across sets of books
- You can define multiple schedules for each calendar and period type in General Ledger
- You can schedule any concurrent program

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**(Help) Oracle Financial Applications > General Ledger > Setting Up General Ledger > Defining Financial Schedules**

## To Define a Financial Schedule

---

### To Define a Financial Schedule

Open the Concurrent Request Schedules window

(N) Setup > Other > Schedule

- Enter a schedule name in the Schedule field
- Select a General Ledger defined calendar in the Calendar field from the list of values
- Choose a period type in the Period Type field
- In the Run Day field, enter a number from 1 to 366 or enter last day to choose the last day of each period
- In the Run Time field, enter the time of day (24-hour format) you want to run your program
- Select the enable checkbox and save your work

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## Scheduling a Request Using a Financial Schedule

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### **Scheduling a Request Using a Financial Schedule**

**Open the Concurrent Request Schedules window**

**(N) Reports > Request > Standard**

- **Navigate to the Submit Requests window**
- **In the Name field, select the request that you want to submit**
- **Complete the fields in the parameters window**
- **Choose the Schedule button to open the Schedule window**
- **Choose the apply a saved schedule button to open General Ledger defined schedules**
- **Choose the schedule you want and submit your request**

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## Implementation Considerations for Journal Entry Automations

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### Implementation Considerations for Journal Entry Automations

- How can you utilize the Journal entry Automations feature in your organization?
- What kind of GL schedules should be set up?
- What type of journals should be scheduled versus being submitted as needed?

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# Agenda

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## Agenda

- AutoPost
- AutoReversal and AutoScheduling
- **Journal Approval**
- Recurring Journals and Mass Allocations
- AutoAllocations

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### Objectives

**After completing this lesson, you should be able to do the following:**

- **Describe how Journal Approval works**
- **Perform the setup steps needed to implement journal approval**
- **Describe how the Journal Approval process obtains the necessary management approvals for manual journal batches**

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### Overview

**Journal Approval allows companies to require an additional level of control before journals can be posted. It ensures that certain types of journals are approved by persons with sufficient authority before balances are affected**

- **Approvals can be solicited by electronic mail or by inbox notification via WEB or Smart-Client interface.**

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**(Help) Oracle Financial Applications > General Ledger > Journal Entry > Journal Approval**

### Features

#### Approving Journals

- Require that journal entries be approved before posting
- Create an approval hierarchy and define authorization limits for each user

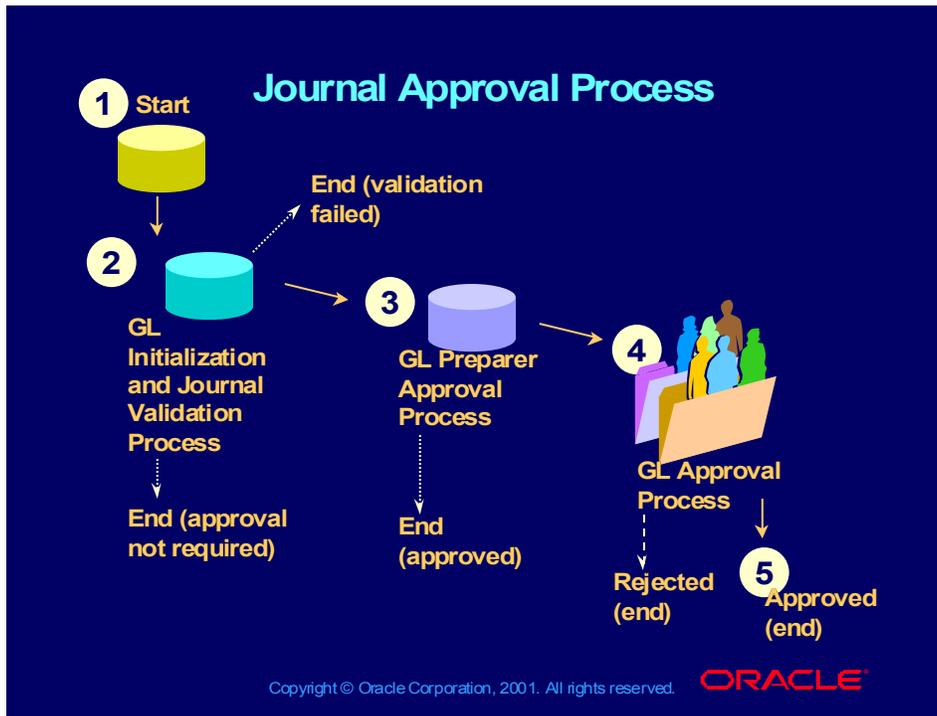
#### Workflow Engine

- Approval process is based on Oracle Applications Workflow engine.
- General Ledger provides a default approval workflow template. You can customize some template components to meet your organization's needs.

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# Journal Approval Process



## Setting Up Journal Approval

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### Setting Up Journal Approval

**Step 1: Enable Journal Approval for your set of books.**

**Journal Approval is enabled in the set of books window.**

**When you enable journal approval for a set of books, you will be asked if you want to automatically enable journal approval for manual journal entries.**

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**(Help) Oracle Financial Applications > General Ledger > Setting Up General Ledger > Setting Up Journal Approval**

### Setting Up Journal Approval

**Step 2: Specify journal sources that require Journal Approval.**

**You can enable journal approval for specific journal sources in the Journal Sources window.**

**For example, you might require journal approval for manual journal entries and a user might require any MassAllocation journal batch to be approved before it is posted.**

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### Setting Up Journal Approval

**Step 3: Create an approval hierarchy for employees and supervisors and define authorization limits.**

- **Enter employees in Oracle Human Resources (if installed) or Oracle General Ledger.**
- **Define authorization limits for employees in the Journal Authorization Limits window.**

**Oracle Workflow automatically routes journals to the appropriate user based on the approval hierarchy you define.**

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### Prerequisites

**Before setting up Journal Approval, your system administrator must:**

- **Set up Oracle Workflow**
- **Set General Ledger Profile Options**  
**Journals: Allow Preparer Approval**  
**Journals: Find Approver Method**
- **Configure GL Journal Approval Process in Oracle Workflow Builder**
- **General Ledger provides a default approval workflow template. You can customize some template components to meet your organization's needs.**

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### Prerequisites

You can also set three WorkFlow activity settings:

- Request Approval From Approver Timeout
- Reached Manager Notification Resend Limit
- Default Error Notification

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### Approval Methods

You can choose among three approval methods:

- **Go Up Management Chain** - requires approval of everyone within the management chain, up to and including the person with appropriate authorization limit.
- **Go Direct to Person with Sufficient Authorization Limit** - requires only the approval of the person with sufficient authorization limit. Bypasses any manager who does not have sufficient authorization to approve the journal.
- **One Stop Go Direct** - requires approval of preparer's direct manager, or the next person with sufficient approval authority.

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### Demonstration

This demonstration shows you how to:

- Enter a Journal Using Journal Approval
- (N) Journals > Enter > (B) New

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### Approval Process

Following is an outline of the approval process:

(N) Other > Notifications (M) Query > Find All

- Approver receives notification - the approver has three choices when notified of a journal batch for approval:
  - Reassign - reassign notification to another person for approval
  - Respond - approve or reject journal batch
  - Open - opens the Notifications window where you can monitor the WorkFlow process or view the original journal entry

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### Approval Process

After examining the journal batch, the approver can take additional action.

(N) Other > Notifications (M) Query > Find All (B) Respond (B) Enter Journals

(B) More Actions

- From the Batch form, the approver can select More Actions to perform the following:
  - Reverse the Batch entry
  - Post the entry
  - Unapprove a preapproved batch

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### Approval Process

**Preparer receives notification.**

**(N) Other > Notifications**

**When the preparer of a journal batch receives notification regarding the approval or rejection of the batch, he can select one of the following three buttons:**

**Reassign to reassign the batch**

- **OK to confirm receipt of notification**
- **Open to open the Notifications window to view the full message, WorkFlow process, or the original journal entry**

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### Approval Process

Preparer receives notification and opens the Notifications window to view the full message, WorkFlow process, or the original journal entry.

- you can drill down to the Enter Journals window to either directly post the batch or make corrections if the batch is rejected or invalid
- if the batch was rejected or invalid and you make the appropriate corrections, you can use Journal Approval to resubmit your batch for approval

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### Summary

**This lesson covered the following topics:**

- **Enabling Journal Approval in your set of books**
- **Defining the journal sources you want to have approved**
- **Creating an approval hierarchy and defining authorization limits**
- **Entering a manual journal entry**
- **Sending a journal batch for approval**
- **Responding to Journal Notifications**

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# Agenda

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## Agenda

- AutoPost
- AutoReversal and AutoScheduling
- Journal Approval
- **Recurring Journals and Mass Allocations**
- AutoAllocations

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## Objectives

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### Objectives

After completing this lesson, you should be able to do the following:

- Define recurring journal formulas
- Generate recurring journals
- Define and validate MassAllocation journal formulas
- Generate MassAllocation journals

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**(Help) Oracle Financial Applications > General Ledger > Journal Entry > Recurring Journals**

### Recurring Journals: Overview

There are three major types of recurring journals.

- **Skeleton**

Dr.	Temporary Labor.....<No Amount>
Cr.	Salaries Payable.....<No Amount>

- **Standard**

Dr.	Auto Lease Expense.....<Constant Amount>
Cr.	Accounts Payable.....<Constant Amount>

- **Formula**

Dr.	Rent Expense.....<Variable Amount>
Cr.	Rent Payable.....<Variable Amount>

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### Recurring Journals

#### Skeleton Journals

- A skeleton journal is a recurring journal entry, the amounts of which change with each accounting period.
- You define a recurring journal entry without amounts, then enter the appropriate amounts each accounting period
- There are no formulas to enter, only account combinations
- For example, record depreciation in the same account combinations every month, but with different amounts due to additions and retirements

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### Recurring Journals

#### Standard Journals

- **Standard journals use fixed account combinations and amounts each accounting period.**
- **You enter a formula using constants. For example, record monthly auto lease expenses with constant amounts charged to the same account.**

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### Recurring Journals

#### Formula Journals

- A formula entry is a recurring entry that uses formulas instead of amounts to calculate amounts.
- For example, calculate rent expense based on end-of-month headcount.

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### Defining Recurring Journals

Follow a four-step process to create recurring journal entries.

1

Create recurring journal definition.

Define reusable skeleton templates, standard templates, and formulas.

2

Generate recurring journals.

Use skeleton templates, standard templates, and formulas to create unposted journal entries

Reuse the templates to generate journal entries in multiple accounting periods

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## Defining Recurring Journals

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### Defining Recurring Journals

3

Review entries.

Review the journal for accuracy

4

Post entries.

Post the journal entry

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### Demonstration

This demonstration shows you how to:

- Define Recurring Journal Formula
- (N) Journals > Define > Recurring

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### Demonstration

This demonstration shows you how to:

- Enter a Recurring Journal Line
- (N) Journals > Define > Recurring (B) Lines

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### Defining Recurring Journals

Create the formulas that Oracle General Ledger uses to calculate the journal amount for each line.

- Each formula can contain an unlimited number of steps.
- For each step in the formula, enter an operator and an argument:
  - An operator specifies the type of calculation you want to perform.
  - An argument can be either an amount or an account combination.

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### Mathematical Operators

Associate an operator with each step of the formula.

- Use **Enter** to store the associated number
- Use **+** to add the associated number to the most recently stored number
- Use **-** to subtract the associated number from the most recently stored number
- Use **\*** to multiply the associated number by the most recently stored number
- Use **/** to divide the associated number into the most recently stored number

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### Demonstration

This demonstration shows you how to:

- Enter Formula
- (N) Journals > Define > Recurring (B) Lines

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## Demonstration contd.

This demonstration shows you how to:

- Enter Formula
- (N) Journals > Define > Recurring (B) Lines

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## Automatic Offset Example

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### Automatic Offset Example

<u>Line</u>	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
10	Accounts Receivable - Consulting	1,000	
20	Accounts Receivable - Training	4,000	
30	Sales Revenue		2,000
9999	Offset Account		3,000

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### Demonstration

This demonstration shows you how to:

- **Generate Recurring Journals**
- **(N) Journals > Generate > Recurring**

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### Recurring Journal Practice Overview

In this practice, you will define a recurring formula to calculate Reserve for Bad Debt each month. Based on historical data, each month the balance for Reserve for Bad Debt should be five percent of the Accounts Receivable balance.

Practice contents:

- Defining a recurring journal batch
- Entering three types of recurring journals:
  - Skeleton
  - Standard
  - Formula
- Generating your recurring journal batch

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# Recurring Journal Practice

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## Recurring Journal Practice

### 1. Create a Recurring Journal Batch

- Create a recurring journal batch called <Unique Identifier> Standing Journals. Enter the following three types of journals for this batch.
- 2. Enter A Skeleton Journal
- Name your first skeleton journal entry Salary Expense. The Category is Payroll and the Currency is USD. Enter the following journal lines:

<u>Line</u>	<u>Account</u>	<u>Description</u>
10	01-120-5800-0000-000	Salaries Expense
20	01-130-5800-0000-000	Salaries Expense
30	01-140-5800-0000-000	Salaries Expense
40	01-000-2410-0000-000	Accrued Payroll

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## Practice Solution

### 1. Create a Recurring Journal Batch

1. Open the Define Recurring Journal Formula window.  
(N) Journals > Define > Recurring
2. In the Recurring Batch Region, enter <Unique Identifier> Standing Journals, in the Batch field.

### 2. Enter a Skeleton Journal

1. In the Journal Entry region, enter Salary Expense in the Journal field.
2. Select Payroll in the Category field and USD in the Currency field.
3. Select Lines to open the Journal Entry Line window.
4. Enter lines 10 through 40 as shown:

Line	Account	Description
10	01-120-5800-0000-000	Salaries Expense
20	01-130-5800-0000-000	Salaries Expense
30	01-140-5800-0000-000	Salaries Expense
40	01-000-2410-0000-000	Accrued Payroll

5. Save your work and close the Journal Entry Line window.
6. Place your cursor in the Journal Entry region, Journal field, and press the down arrow to add the next Journal in Step 3.

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# Recurring Journal Practice

## Recurring Journal Practice

### 3. Enter a Standard Journal

- Name your second journal **Depreciation Adjustments**. The category is **Depreciation Adjustment** and the Currency is **USD**. Enter the following journal lines:

<u>Line</u>	<u>Account</u>	<u>Description</u>	<u>Step</u>	<u>Formula Operator</u>	<u>Amount</u>
10	01-120-7320-5000-000	Building	1	Enter	2000
20	01-120-7330-5000-000	Tenant Improve	1	Enter	3000
30	01-120-7340-5000-000	Office Equipment	1	Enter	4000
40	01-120-7410-5000-000	Machines	1	Enter	5000
50	01-000-1580-5000-000	Reserve Adjustment	1	Enter	-14000

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### Practice Solutions contd.

#### 3. Enter a Standard Journal

- In the Journal field, enter **Depreciation Adjustments**. Choose the category, **Depreciation**.
- Select Lines and enter the following journal lines:

<u>Line</u>	<u>Depreciation Account</u>	<u>Description</u>	<u>Step</u>	<u>Operator</u>	<u>Amount</u>
10	01-120-7320-5000-000	Building	1	Enter	2000
20	01-120-7330-5000-000	Machinery & Equipment	1	Enter	3000
30	01-120-7340-5000-000	Furniture	1	Enter	4000
40	01-120-7350-5000-000	Vehicles	1	Enter	5000
50	01-000-1690-5000-000	Reserve Adjustment	1	Enter	-14000

- Save your work and close the Journal Entry Line window and go back to the Define Recurring Journal Formula window.

#### 4. Enter a Formula Journal

- Name your last journal entry **Bad Debt Expense**. Select the Adjustment category and **USD** as the currency.
- Select Lines and enter 10 in the line field and 01-000-1260-5000-000 in the Account field.

## Recurring Journal Practice

---

### Recurring Journal Practice

#### 4. Enter a Formula Journal

- Name your last journal entry **Bad Debt Expense**. Select the adjustment category and USD as the currency.
- The Allowance for Bad Debt account (01-000-1260-5000-000) will be calculated based on 5% of the balance in the Accounts Receivable account (01-000-1210-5000-000).

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#### Practice Solution contd.

3. In the formula region, enter 1 in the Step field, select Enter in the Operator field, and enter 01-000-1210-50xx-000 in the Amount field.
4. For the next formula step, enter 2 in the Step field, select times in the Operator field and enter -.05 in the Amount field.
5. Place your cursor in the Line field, and use the down arrow key. Enter 9999 in the Line field, and 01-000-1260-0000-000 in the Account field.
6. Save your work.

#### 5. Generate

1. Open the Generate Recurring Journals window.  
(N) Journals > Generate > Recurring
2. Select your batch and enter the latest open period in the Period field.
3. Select Generate and note your concurrent request ID. Wait for your request to finish.

## Recurring Journal Practice

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### Recurring Journal Practice

#### 4. Enter a Formula Journal

- Use the AutoOffset feature to post the difference to the Bad Debt Expense account (01-120-7730-50xx-000).

<u>Line</u>	<u>Account</u>	<u>Step</u>	<u>Operator</u>	<u>Amt</u>	<u>Account</u>
10	01-000-1260- 5000-000	1	Enter		01-000-1210- 5000-000
		2	X	-.05	
9999	01-120-7730- 5000-000				

#### 5. Generate

- Generate the recurring journal batch for the latest open period.

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## Recurring Journal Practice

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### Recurring Journal Practice

#### 6. Adjust Journals

- Open the Enter Journal window and adjust the first journal as follows:

<u>Journal 1:</u>	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
Salary Expense (120)	01-120-5800-5000-000	230,456.45	
Salary Expense (130)	01-130-5800-5000-000	155,237.00	
Salary Expense (140)	01-140-5800-5000-000	47,452.75	
Accrued Payroll	01-000-2410-5000-000		433,146.20

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#### Practice Solution

##### 6. Adjust Journals

1. Open the Find Journals window.  
(N) Journals > Enter
2. Query on your journal batch, and select Find.
3. Select the Salary Expense Journal and select Review Journal.
4. Enter the amounts for salary expense as shown:

<b>Line</b>	<b>Account</b>	<b>Debit</b>	<b>Credit</b>
10	01-120-5800-0000-000	230,456.45	
20	01-130-5800-0000-000	155,237.00	
30	01-140-5800-0000-000	47,452.75	
40	01-000-2410-0000-000		433,146.20

5. Save your work and close the Journals window to go back to the Enter Journals window.

### Recurring Journal Practice

#### 7. Post and Inquire on your Journal Batch

- Query the journal batch and review it online. General Ledger names the create batch <Recurring Batch Name>:<Date><Time> . Post your journal batch.

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### Practice Solution

#### 7. Post and Inquire on Your Journal Batch

1. Open the Post Journals window.  
(N) Journals > Post
2. When the Find Journal Batches window opens, query your batch.
3. Select your batch and select Post.
4. When your process completes successfully, open the Journal Entry Inquiry window.  
(N) Inquiry > Journals
5. Use the Find Journals window to find the above batch.
6. Select Review Batch to review the details of your batch, including the journal entry lines created. Note that AutoOffset generated a balancing entry to the account you specified.

## MassAllocations: Overview

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**MassAllocations: Overview**

**MassAllocations: A single journal entry formula that allocates revenues and expenses across a group of cost centers, departments, divisions, and so on.**

The diagram shows a stack of papers at the top labeled "Total rent". Three arrows point downwards from this stack to three separate papers, each labeled "1/3". Below these three papers are the labels "Chicago rent", "Paris rent", and "Tokyo rent" respectively, indicating the allocation of the total rent to these three locations.

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(Help) Oracle Financial Applications > General Ledger > Journal Entry > MassAllocations

### MassAllocation Examples

#### Formula Journals

- Allocate total rent based on square footage for each building or square footage occupied by department or cost center.
- Allocate employee benefits based on departmental headcount.

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## MassAllocations Vs Recurring Journals

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### MassAllocations Vs Recurring Journals

<u>Type of Entry</u>	<u>MassAllocations</u>	<u>Recurring Journals</u>
Formula Entries	Yes	Yes
Standard Entries	Yes	Yes
Skeleton Entries	Yes	Yes
Currency	Functional, Foreign, or STAT	Functional or STAT
Formulas per Journal Line	One formula for many lines	One formula per line
Formula	A*B/C	Any formula

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## Defining MassAllocation Journals

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**Defining MassAllocation Journals**

Define a single formula to allocate amounts across a group of balancing segment values, departments, and so on.

```
graph TD; A[Allocate total rent expense.] --> B((Dept A)); A --> C((Dept B)); A --> D((Dept C));
```

You can create a new MassAllocation batch or copy an existing batch.

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**(Help) Oracle Financial Applications > General Ledger > Journal Entry > MassAllocations**

## MassAllocation Journals Example

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### MassAllocation Journals Example

You want to redistribute the monthly rent expense to each department based on the amount of space each department occupies.

$$\text{Rent Expense for Each Department} = \frac{\text{Total Rent Expense} \times \text{Area Used by Department}}{\text{Total Area}}$$

In November 1998, the organization spends 10,000 dollars for rent.

Dr. Total rent expense 10,000 functional dollars	
Cr. Rents payable	10,000 functional dollars

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## MassAllocation Journals Example

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### MassAllocation Journals Example

You want to allocate rent to three departments:

Human Resources	45% of total floor space
Research	30% of total floor space
Finance	25% of total floor space

The rent expense is redistributed using the following journal entry:

Dr. Human Resources	4,500 functional dollars
Dr. Research rent	3,000 functional dollars
Dr. Finance rent expense	2,500 functional dollars
Cr. Total Rent Expense	10,000 functional dollars

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### Defining MassAllocation Journals

The same four steps used to create Recurring journals also apply to MassAllocation journals

- 1 Create recurring journal definition.
- 2 Generate recurring journals.
- 3 Review entries.
- 4 Post entries.

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### Demonstration

This demonstration shows you how to:

- Define MassAllocation Batches
- (N) Journals > Define > Allocation

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## Defining MassAllocation Formulas

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### Defining MassAllocation Formulas

Create MassAllocation formulas.

- All MassAllocation formulas use the following equation to determine allocation amounts:

$$\text{Cost Pool} * (\text{Usage Factor} / \text{Total Usage})$$

- Oracle General Ledger uses the following format to represent the equation. Each factor in this equation relates to a separate formula line:

$$A * B / C$$

- You can enter any combination of fixed amounts and account combinations in formula lines A, B, or C.

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(Help) Oracle Financial Applications > General Ledger > Journal Entry > MassAllocations

## Rent Expense Example

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### Rent Expense Example

<u>Segment Value</u>	<u>Description</u>
Department 000	None
Department 101, 102, & 103	Human resources, Research, and Finance
Department 999	Parent of 101, 102, and 103
Natural Account 5740 & SQFT	Total Rent Expense and Department Square Footage

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## Rent Expense Example

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### Rent Expense Example

<u>Row</u>	<u>Company</u>	<u>Dept</u>	<u>Natural Account</u>	<u>Description</u>
A	01	000	5740	Allocate cost pool to all departments
	C	C	C	
B	01	999	SQFT	Loop through square footage of each department
	C	L	C	
C	01	999	5740	Total the square footage
	C	S	C	
T	01	000	5740	Assign each department the result of A*B/C
	C	S	C	
O	01	000	5740	Use cost pool as offset account
	C	C	C	Note: O must be different from A to add incremental allocations.

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### Demonstration

This demonstration shows you how to:

- Create MassAllocation Formulas
- (N) Journals > Define > Allocation (B) Formulas

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### Demonstration contd.

This demonstration shows you how to:

- Create MassAllocation Formulas
- (N) Journals > Define > Allocation (B) Formulas

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### Demonstration

This demonstration shows you how to:

- Create MassAllocation Formulas
- (N) Journals > Define > Allocation (B) Formulas

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### Demonstration

This demonstration shows you how to:

- Copy MassAllocations
- (N) Journals > Define > Allocation

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### Demonstration

This demonstration shows you how to:

- **Generate MassAllocation Journals**
- **(N) Generate > Allocation**

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## MassAllocation Practice Overview

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### MassAllocation Practice Overview

**Use MassAllocations to allocate health and welfare benefits based on the headcount for departments 402, 404, and 410 for the latest open period.**

**Practice contents:**

- **Defining MassAllocations**
- **Generating MassAllocation journals**

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**Note:** You will use MassAllocations to allocate health and welfare benefits for departments 402, 404, and 410 for the latest open period. Enter a cost pool and then allocate the balance of the benefits account, 01-6140-50xx-000, to the three departments based on their head count. The values for xx will be assigned to you by your instructor. Department 400 is the parent of the three departments.

### MassAllocation Practice

#### 1. Entering a New Journal to Record the Cost Pool.

- Enter a new journal batch called <Unique Identifier> Benefits Cost Pool for the latest open period to record cost pool.
- Name the journal entry <Unique Identifier> Benefits.
- Debit the Health and Welfare account 01-6140-50xx-000 for \$250,000 and credit the Payroll account 01-000-2410-50xx-000 \$250,000.
- Select Allocation as the Category and accept USD as the default currency.
- Post this journal batch and wait for the posting process to complete.

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### Practice Solution

#### 1. Entering a New Journal Entry to Record the Cost Pool

1. Open the Enter Journals window.  
(N) Journals > Enter
2. Select New Batch and enter <Unique Identifier> Benefits Cost Pool in the Batch field. Accept the default latest open period in the Period field.
3. Select Journals and enter <Unique Identifier> Benefits in the the Journal field.
4. Enter Allocation in the Category field. Skip the Description field and accept the default USD in the Currency field.
5. Enter 10 in the Line field and debit account 01-404-6140-50xx-000 250,000, credit 01-000-2410-50xx-000 250,000 (xx are values assigned to you by your instructor).
6. Select More Actions > Post to post your journal batch.

#### 2. Create a Statistical Batch for Headcount

1. Open the Enter Journals window.  
(N) Journals > Enter
2. Name your batch <Unique Identifier> Headcount
3. Choose Headcount as the Category, and STAT as the currency.

### MassAllocation Practice

#### 2. Defining a MassAllocation Batch:

- Define a MassAllocation batch called <Unique Identifier> Insurance Benefits using the Actual Balance type.
- Enter a journal called <Unique Identifier> Insurance Formula and choose Allocation for the category and Allocate Balances from Full Balance.
- In Row A, enter the Health and Welfare account, 01-404-6140-50xx-000. Enter Constant for the segment type for all segments. Select USD for the currency, PTD for the amount type, and Current Period for the relative period.

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#### 4. Enter the following journal entries:

account	debit
01-402-9110-50xx-000	10
01-404-9110-50xx-000	10
01-410-9110-50xx-000	10

5. Save and post the batch. Ignore the messages that follow (debits do not equal credits).

### 3. Defining a MassAllocation Batch

1. Open the Define MassAllocations window.  
(N) Journals > Define > Allocation
2. Enter <Unique Identifier> Insurance Benefits in the Name field. Select Actual in the Balance Type field, then skip the remainder of the fields in this window.
3. Select Formulas to open the Formula window.

# MassAllocation Practice

---

## MassAllocation Practice

- For Row B, use your headcount statistics as the allocation base. Specify account 01-400-9110-50xx-000. For the department segment only, specify Looping. Keep all other segments Constant. Select STAT currency, YTD amount type, and the Current Period.
- For Row C, used the same headcount statistics account, 01-400-9110-50xx-000 and specify Summing to sum the individual Department segments from Row B. Keep all other segments Constant. Choose the Current period, STAT currency, and YTD amount type.

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### Practice Overview

4. Enter <Unique Identifier> Insurance Formula in the Name field. Select Allocation in the Category field and Full Balance in the Allocate Balances From region.

Your formula rows should look like the following:

Amount	Account	Currency	Amount Type
	Relative Period		
A	01-404-6140-50xx-000	USD	PTD
	Current Period		
*	C-C-C-C-C		
B	01-400-9110-50xx-000	STAT	YTD
	Current Period		
/	C-L-C-C-C		
C	01-400-9110-50xx-000	STAT	YTD
	Current Period		
	C-S-C-C-C		
T	01-400-6140-50xx-000	USD	PTD
	Current Period		
	C-L-C-C-C		
O	01-404-6140-50xx-000	USD	PTD
	Current Period		
	C-C-C-C-C		

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5. Save your changes and close the window to return to the Define MassAllocation window.

### MassAllocation Practice

- For Row T, specify 01-400-6140-50xx-000. Enter Looping for the Department segment and Constant for the other segments. Choose USD currency and the PTD amount type.
  - Specify the Health and Welfare account from row A as the Offset. Enter Constant for all segments. Choose USD currency.
  - Save your changes.
- 3. Validating Your MassAllocation Batch**
- Validate the MassAllocation definition. When your validation request is finished, requery your MassAllocation to see if the status is Validated..

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### Practice Solution

#### 4. Validating Your MassAllocation Batch

1. Select Validate All from the Define MassAllocation window to launch a concurrent process.
2. Monitor your concurrent request in the Request window using View Requests in the Help menu.
3. When your request completes, requery your MassAllocation. Check to make sure the status is Validated.

### MassAllocation Practice

#### 4. Generating Your MassAllocation Batch

- Generate your allocation formula for the latest open period. Review and post the resulting allocation journal batch, named MA: <Request ID> <Batch Name> <Period>.
- 4. Reviewing and Posting Your MassAllocation Batch
- Review your allocation journal batch in the Enter Journals window and post the resulting allocation journal batch, name MA: <Request ID> <Batch Name> <Period>.
- Review your balances after posting.

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### Practice Solution

#### 5. Generating Your MassAllocation Formula

1. Open the Generate MassAllocation Journals window.  
(N) Journals > Generate > Allocation
2. Locate your batch using the list of values.
3. Select your batch and enter the latest open period in the Period field.
4. Choose Generate and note your concurrent request ID.
5. Monitor your concurrent request in the Request window using View Request in the Help menu.

#### 6. Reviewing and Posting Your MassAllocation Batch

1. When your process completes successfully, open the Enter Journals window.  
(N) Journals > Enter
2. Use the Find Journals window to find your batch.
3. Select Review Batch to review the details of your batch, including the journal entry lines created. Note that AutoOffset generated an entry to the account you specified.
4. Open the Post Journals window.  
(N) Journals > Post

5. Select your batch and choose Post. Note your concurrent request ID number.

### Summary

**This lesson covered the following topics:**

- **Defining recurring journals**
- **Generating recurring journals**
- **Defining and validating MassAllocation journal formulas**
- **Generating MassAllocation journals**

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# Agenda

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## Agenda

- **AutoPost**
- **AutoReversal and AutoScheduling**
- **Journal Approval**
- **Recurring Journals and Mass Allocations**
- **AutoAllocations**

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## AutoAllocation Workbench

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### AutoAllocation Workbench

With AutoAllocation Workbench, you can:

- Allocate any financial data throughout the organization
- Create allocation sets
- Use step-down and parallel allocation sets
- Use any combination of MassAllocations, MassBudgets, Recurring Journals, MassEncumbrances, and Oracle Projects allocation rules

Oracle Workflow controls the approval and rollback processes

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**(Help) Oracle Financial Applications > General Ledger > Journal Entry > AutoAllocations**

**(Help) Oracle Financial Applications > General Ledger > Setting Up General Ledger > Setting Up Step-Down AutoAllocations**

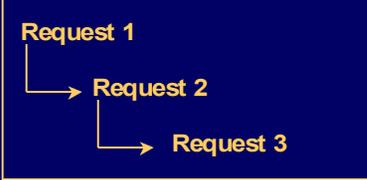
# AutoAllocation Workbench

---

**AutoAllocation Workbench**

**Supports Step-down and Parallel allocation sets**

**Step-down:** Each allocation journal depends on the results of the previous allocation journals



```
graph TD; R1[Request 1] --> R2[Request 2]; R2 --> R3[Request 3];
```

**Parallel:** Each allocation journal is independent of the other allocation journals

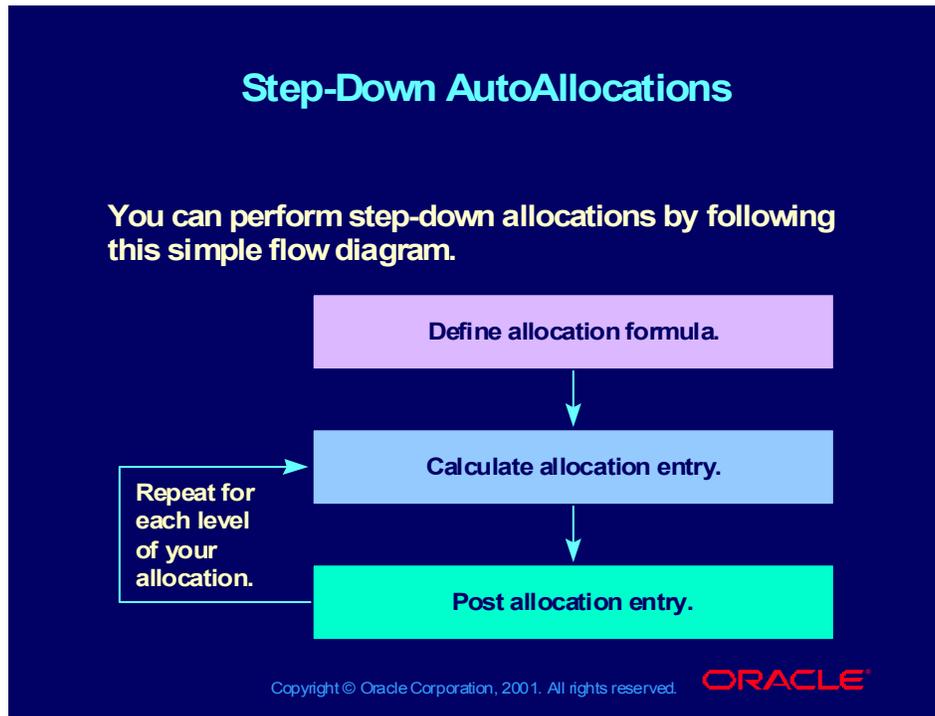


```
graph LR; R1[Request 1] --> R1R[ ]; R2[Request 2] --> R2R[ ]; R3[Request 3] --> R3R[ ];
```

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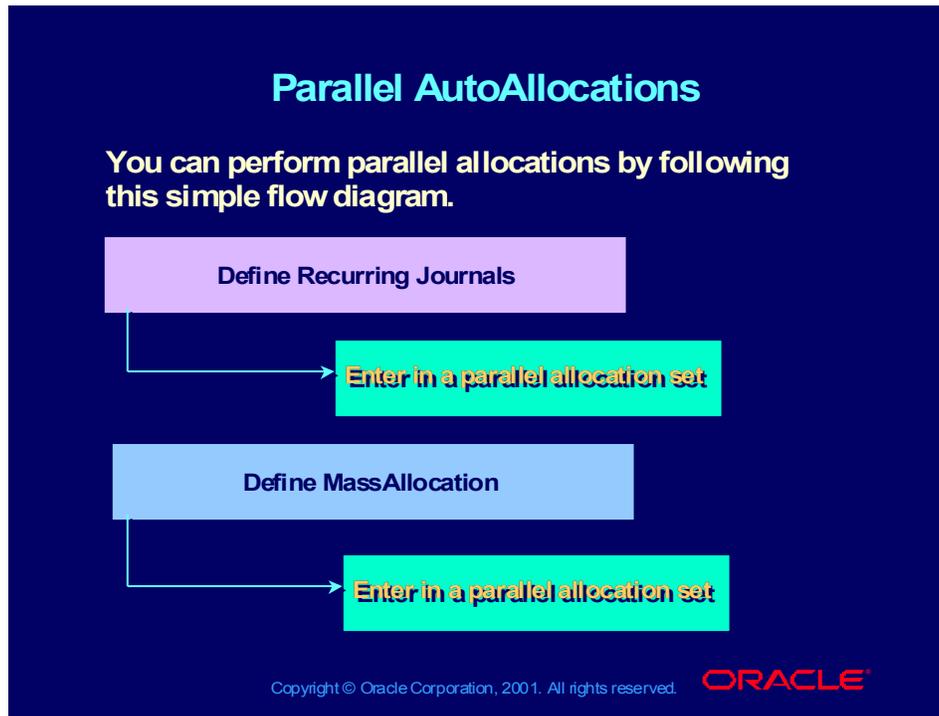
## Step-Down AutoAllocations

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# Parallel AutoAllocations

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### **Business Benefits of AutoAllocation Workbench**

- Automates step-down and parallel allocations
- Monitors allocation processes online
- Optional automated rollback eases error recovery and control
- Oracle Workflow notifies users of step-down allocation process results
- You can use Oracle Workflow to incorporate approvals into the step-down process

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## Application Objects Supporting AutoAllocation Workbench

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### Application Objects Supporting AutoAllocation Workbench

- **AutoAllocation Workbench**
  - **View AutoAllocation Statuses Form**
  - **Allocation Parameters form**
- **Define Recurring Journals form**
- **Define MassAllocation form**
- **Concurrent Request Schedule form**
- **AutoAllocation Workflow**
- **GL: AutoAllocation Rollback Allowed profile option**
- **GL: Journal Review Required profile Option**

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### Using the AutoAllocation Workbench

#### Extended functionality in the AutoAllocation Workbench window:

- query defined allocation or recurring journal batches to use in Parallel or Step-down AutoAllocation sets
- drill down to use any batch definition form and create new journal batches to use in a AutoAllocation set
- submit or schedule an AutoAllocation set and view the status of your set

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### AutoAllocation Set Types

#### Parallel

- **Validates and generates all the journal batches in your AutoAllocation set simultaneously. You can then post the generated journals to update your balances.**

#### Step-down

- **You create journal batches in a specific sequence. Order your journal batches so that the process results of one step are used in the next step of your AutoAllocation sets.**
- **Step-down AutoAllocation sets automatically validate, generate, and post all journals created by the process.**

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### AutoAllocation Set Types

#### Oracle Workflow

- Incorporate Oracle Workflow to notify an individual or responsibility of AutoAllocation process results.
- If you set up Journal Approval, you can also use Workflow to require approval from a specific individual or responsibility before the process posts generated journal batches.
- You can specify the individual or responsibility for each step of the AutoAllocation set.

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### AutoAllocations and Oracle Projects

- **Only an Oracle Projects responsibility can create AutoAllocation sets containing Projects and General Ledger steps**
- **An Oracle General Ledger responsibility can view only General Ledger AutoAllocation steps.**
- **Any Step-down AutoAllocation set that includes a Projects allocation rule does not have the rollback option.**

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### **AutoAllocation Sets and Oracle Workflow**

The Step-down AutoAllocation process invokes subprocesses to generate and validate AutoAllocation set batches incorporating approvals and notifications at various points in the process.

- If the generation batch requires approvals, Workflow launches the batch approval process.
- If the Step-down AutoAllocation process fails, Workflow gives the contact individual or responsibility to option to rollback the process. Rollback cancels any generated journal batches and reverses any posted journal batches.
- To use the rollback option, you must set the GL: AutoAllocation Rollback Allowed profile option.

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### **AutoAllocation Sets and Oracle Workflow**

#### **Workflow Processes**

- **Step-down AutoAllocation process**
- **Journal Approval process**

#### **Workflow Activity Settings**

- **Request Approval for Approver Time-out**
- **Reached Manager Notification Resend Limit**
- **Default Error Notification: Performer**

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### AutoAllocation Sets and Oracle Workflow

#### Customizable Processes

- **Generated Journal Batch Validation**
- **Generated Recurring Journal Batch**
- **MassAllocation Validation process**
- **Select and Validate Journal Batch process**

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### Demonstration

This demonstration shows you how to:

- Use the AutoAllocation Workbench
- (N) Journals > AutoAllocation > Workbench

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## Implementation Considerations for AutoAllocation Workbench

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### Implementation Considerations for AutoAllocation Workbench

- Do you need to allocate any financial amount throughout your organization?
- Can you use the AutoAllocation Workbench to automate your allocations?
- Do you need to combine allocations in Oracle Projects with Oracle General Ledger?
- Should Journal Approval be part of the process?
- Should AutoAllocation Rollback be an option of the AutoAllocation process fails?

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# **R11i Period and Year-End Closing Process in Oracle General Ledger**

## **Chapter 7**

# Period and Year-End Closing Process in Oracle General Ledger

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## Objectives

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### Objectives

**After completing this course, you should be able to do the following:**

- **Describe the period end closing steps**
- **Explain the period end reporting process**
- **Explain how to process year-end closing journals**
- **Describe the year-end close checklist**

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## Agenda

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### Agenda

- Executing the period end closing steps
- Completing the period end reporting process
- Processing year-end closing journals
- Executing the year-end closing checklist

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# Agenda

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## Agenda

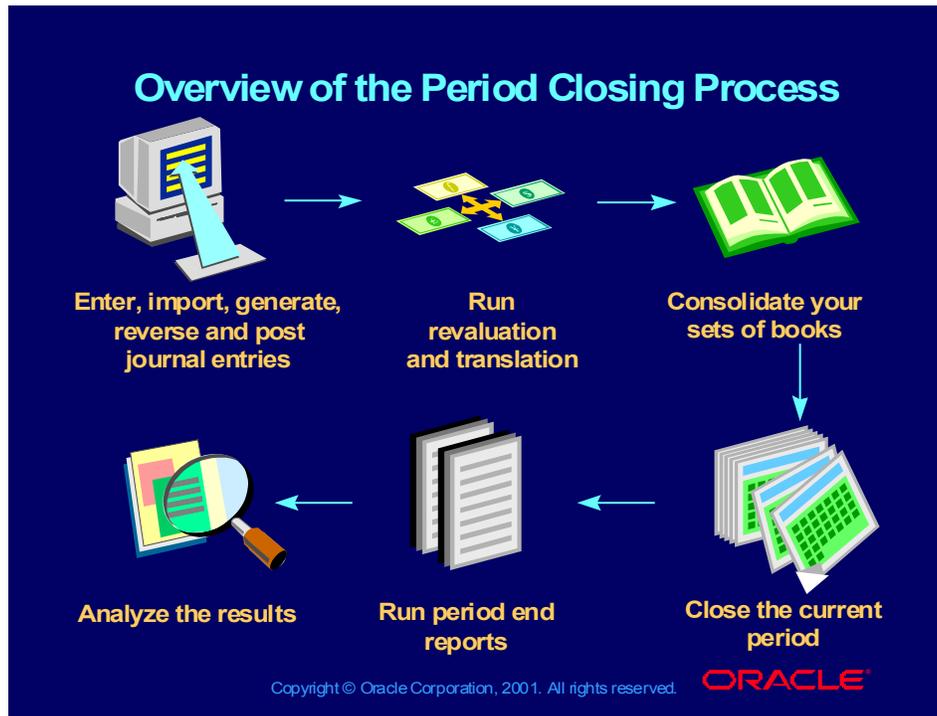
- **Executing the period end closing steps**
- Completing the period end reporting process
- Processing year-end closing journals
- Executing the year-end closing checklist

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# Overview of the Period Closing Process

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### Period Closing Process

- **At the end of each accounting period, companies must complete the closing process in Oracle General Ledger.**
- **Companies can then generate reports that give them different views of their financial activity for the period.**
- **The following steps outline the events that need to be completed for the period closing process.**

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## Period Closing Process Steps

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### Period Closing Process Steps

1. Enter manual journal entries including standard journal entries, foreign and dual currency journal entries, statistical journal entries, and intercompany journal entries.
2. Import journals from subledgers. Review the Journal Import Execution Report to check the status of all imported journal entries.
3. Once the subledger journals have been successfully imported, make sure that the period for each subledger has been closed. This prevents future subledger transactions from being posted to the General Ledger in the same period.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Entering Journals**

**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Integrating General Ledger Using Journal Import**

## Period Closing Process Steps

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### Period Closing Process Steps

4. **Generate recurring journal and MassAllocation journal batches based on formulas you defined.**
5. **Review the details of your unposted journal batches.**
6. **Edit unposted journals to change information about an unposted batch or its journal detail.**
7. **Post your journal batches manually or automatically by using the autopost program.**

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**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Recurring Journals > Generating Recurring Journal Batches**

**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > MassAllocations > Generating MassAllocation Journals**

**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Changing a Batch Period**

**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Changing the Journal Entry Currency**

**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Posting Journals > Posting Journal Batches**

## Period Closing Process Steps

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### Period Closing Process Steps

8. **Check for posting errors.** General Ledger automatically produces a Posting Execution Report so you can check the results of your posting. This report notifies you of any errors.
9. **Reverse journals.** You can reverse a posted or unposted journal entry. Once you assign a reversing period to the journal, generate and post the reversing batch. You can use the autoreverse program to automatically reverse the journals.
10. **Revalue your foreign-denominated assets, liabilities, and income statement items to reflect exchange rate fluctuations at the end of each accounting period.**

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**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Posting Journals > Reviewing the Batch Posting Status**

**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Reversing Journals > Generating Reversing Journal Batches**

**(Help) Oracle Financial Applications > Oracle General Ledger > Multi-Currency > Revaluing Balances**

## Period Closing Process Steps

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### Period Closing Process Steps

11. Translate your actual account balances to any foreign currency for reporting purposes.
12. Consolidate sets of books by defining and running a consolidation. You can also eliminate intercompany activities by using elimination sets, recurring journals or manual elimination journals.
13. Produce financial reports and perform online inquiries to review current account balances.
14. Enter journals to clear suspense account balances.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Multi-Currency > Translating Balances**

**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > The Consolidation Process**

### Period Closing Process Steps

15. Close the current accounting period.
16. Open the next accounting period.
17. Analyze the period closing results using a package such as Oracle Financial Analyzer.

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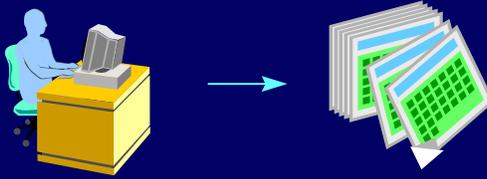
## Opening and Closing Periods

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**Opening and Closing Periods**

Open and close accounting periods to:

- Control journal entry and journal posting
- Compute period– and year– end actual account balances for reporting



The diagram illustrates the process of opening and closing accounting periods. On the left, a person is shown sitting at a desk with a computer, representing 'Period activity'. An arrow points from this activity to a stack of documents, representing 'Accounting periods'.

**Period activity**                      **Accounting periods**

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

## Demonstration

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### Demonstration

This demonstration covers how to open and close an accounting period.

**(N) Setup > Open/Close**

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## Review Question

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### Review Question

**Which of the following reports can be used to check for posting errors?**

- 1. Posting Execution Report**
- 2. AutoPost Execution Report**
- 3. Journal Import Execution Report**

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## Answer to Review Question

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### Answer to Review Question

**Which of the following reports can be used to check for posting errors?**

- 1. Posting Execution Report**
2. AutoPost Execution Report
3. Journal Import Execution Report

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## Agenda

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### Agenda

- Executing the period end closing steps
- **Completing the period end reporting process**
- Processing year-end closing journals
- Executing the year-end closing checklist

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### Reporting in Oracle General Ledger

Oracle General Ledger provides you with a variety of period end reporting capabilities, including the Financial Statement Generator, and standard reports and listings.



Period activity



FSG and standard reports

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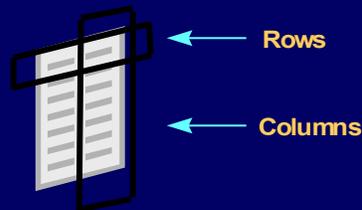
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## Financial Statement Generator Reporting

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### Financial Statement Generator Reporting

- The Financial Statement Generator enables you to build your own custom period end reports without programming.
- You can define reports with complete control over the rows, columns, and calculations, as well as the actual content.



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**(Help) Oracle Financial Applications > Oracle General Ledger > Standard Reports and Listings > FSG Reports and Listings**

## Standard Reporting

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### Standard Reporting

Oracle General Ledger's standard accounting reports and listings include:

- Trial balance reports
- Journal reports
- General ledger reports
- Account analysis reports
- Chart of account listings

These reports can be used to report on period activity.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Standard Reports and Listings > Account Analysis Reports**

**(Help) Oracle Financial Applications > Oracle General Ledger > Standard Reports and Listings > Chart of Accounts Reports and Listings**

**(Help) Oracle Financial Applications > Oracle General Ledger > Standard Reports and Listings > General Ledger Reports**

**(Help) Oracle Financial Applications > Oracle General Ledger > Standard Reports and Listings > Journals Reports**

**(Help) Oracle Financial Applications > Oracle General Ledger > Standard Reports and Listings > Trial Balance Reports**

## Demonstration

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### Demonstration

This demonstration covers running and viewing a standard trial balance report.

(N) Reports > Request > Standard

(N) Other > Requests

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## Agenda

---

### Agenda

- Executing the period end closing steps
- Completing the period end reporting process
- **Processing year-end closing journals**
- Executing the year-end closing checklist

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## Year-End Closing Journals

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### Year-End Closing Journals

General Ledger provides year-end closing journals so you can pre-determine the effect of the close (a "soft close") and perform pro-forma reporting.

During the soft close process, General Ledger can create two types of closing journals.

- The first journal closes all of the income statement accounts.
- General Ledger can also generate a balance sheet closing journal (for globalization requirements), which posts all asset and liability balances to a closing account you specify.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Year-End Closing Journals**

## Income Statement Closing Journals

---

### Income Statement Closing Journals

- The Income Statement Closing Journals program generates journals to close out the year-to-date (YTD) balances of a range of revenue and expense accounts.
- This program can be submitted for any open period.



Income Statement Closing  
Journals program



Revenue and  
expense accounts

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**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Year-End Closing Journals > Income Statement Closing Journals**

### Income Statement Closing Journals

The Income Statement Closing Journals process can accept two account templates as parameters for the closing journal. These are:

- The Retained Earnings account template
- The Income Statement Offset account template

**Note:** The Retained Earnings account template is a required parameter. The Income Statement Offset account template is an optional parameter.

## Retained Earnings Account Template

---

### Retained Earnings Account Template

When the Income Statement Closing Journals program is submitted with the Retained Earnings account template parameter only, the following closing journal will be generated.

- The entry is the reciprocal of the account's year-to-date balance and zeroes out each revenue and expense account in the specified account range.
- The amount posted to the retained earnings account is effectively the net sum of the revenue and expense accounts' year-to-date balances.

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## Income Statement Closing Journal Batch with Retained Earnings Account Template

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### Income Statement Closing Journal Batch with Retained Earnings Account Template

Account	Entered Dr	Entered Cr
Revenue	6,000	
COGS		2,000
Retained Earnings		4,000

The income statement closing journal posts an entry against each revenue and expense account in the account range processed.

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### Income Statement Offset Account Template

When the Income Statement Closing Journals program is submitted with both the Retained Earnings and Income Statement Offset account templates, the journal generated will be similar to that of the Retained Earnings account template, except:

- The revenue and expense accounts included in the specified account range will not be zeroed out.
- Instead, the program will take the net sum of the revenue and expense accounts year-to-date balances.
- This sum includes the year-to-date balance in the income statement offset account.

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## Income Statement Offset Account Template

---

### Income Statement Offset Account Template

- The program will then post the reciprocal of the net sum to the income offset account, in the appropriate debit (Dr) or credit (Cr) column.
- The amount posted to the retained earnings account will be the reciprocal of the amount posted to the income offset account.
- This retained earnings amount will then also be equal to the net sum of the revenue and expense accounts processed.

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## Income Statement Closing Journal Batch with Both Templates

---

### Income Statement Closing Journal Batch with Both Templates

Account	Entered Dr	Entered Cr
Income Offset	4,000	
Retained Earnings		4,000

The income statement closing journal posts an entry against the income offset account when the program is submitted with both Retained Earnings and Income Statement Offset account templates.

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## Review Question

---

### Review Question

**The closing journal that is created from the Retained Earnings account template only, is posted to an Income Offset account.**

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

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## Answer to Review Question

---

### Answer to Review Question

**The closing journal that is created from the Retained Earnings account template only, is posted to an Income Offset account.**

1. True
- 2. False**

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## Income Statement Closing Journals Account Range

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### Income Statement Closing Journals Account Range

**When submitting the Income Statement Closing Journals program, you supply the account range for the revenue and expense accounts that will be closed out.**

- **For each income statement closing journal process, only a single contiguous account range can be specified for processing.**
- **All accounts in this range are processed against the same Income Statement Offset and Retained Earnings account templates.**

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## Income Statement Closing Journals Account Range

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### Income Statement Closing Journals Account Range

- You can supply a unique retained earnings account for each account range you process.
- For example, you can use a a unique retained earnings account for a specific cost center or range of cost centers.

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## Income Statement Closing Journals Account Range

---

### Income Statement Closing Journals Account Range

- If the account range includes multiple balancing segment values, the appropriate balancing segment is substituted in the template for each balancing segment processed.
- Only the balancing segment value is dynamically substituted.
- All other segment values specified in the account template will remain the same in the accounts generated.

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## Income Statement Closing Journals Account Range

---

### Income Statement Closing Journals Account Range

If distinct retained earnings account combinations are required for different balancing segment values:

- The Income Statement Closing Journals program can be submitted multiple times.
- For each submission, a unique Retained Earnings account is used that is appropriate for the balancing segment value.
- The account range for each submission should also limit the accounts to the corresponding balancing segment value.

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## Income Statement Closing Journals Period

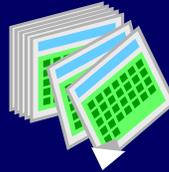
---

### Income Statement Closing Journals Period

- The Income Statement Closing Journals program is processed against the year-to-date balances of the accounting period the user specifies.
- The user must choose an open period for the set of books. The default period selected is the latest open period for the set of books. You can override this.



Income Statement Closing Journals program



Period status = Open

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## Income Statement Closing Journals Source and Category

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### Income Statement Closing Journals Source and Category

- All journals produced by the Closing Journals process use the source Closing Journal.
- For income statement closing journals where only the retained earnings account template is specified, the default category is Income Statement Close.
- For income statement closing journals where both the retained earnings and income statement offset account templates are specified, the default category is Income Offset.

**Note:** You can override the default category when you submit the program.

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## Reversing Income Statement Closing Journals

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### Reversing Income Statement Closing Journals

- It is necessary to reverse the income statement closing journals when only the retained earnings account template specified.
- The reversal is necessary due to the actual revenue and expense accounts being zeroed out, so you have to reinstate the account balances.
- It may not be necessary to reverse income offset closing journals (both account templates specified).
- This is because the revenue and expense accounts are not zeroed out. Instead, the reciprocal of their net amount is posted to the income offset account.

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## Income Statement Closing Journals Reversal Method

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### Income Statement Closing Journals Reversal Method

- The income statement closing journals you generate are marked for reversal in the same period they are generated.
- The reversal method defaults to Change Sign.

**Note:** With the income offset option of income statement closing journals, a reversal is generally not necessary.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Year-End Closing Journals > Income Statement Closing Journals**

## Comparing Reversal Methods

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### Comparing Reversal Methods

- The reversal method **Change Sign** reverses a debit entry by changing the sign to a negative debit entry.
  - This method is used to keep track of total debits and total credits charged to an account.
- The reversal method **Switch Dr/Cr** debits an original credit entry and credits a debit entry.

A/P	
Dr	Cr
100,000	
-100,000	

**Change Sign**

A/P	
Dr	Cr
100,000	
	100,000

**Switch Dr/Cr**

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## Balance Sheet Closing Journals

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### Balance Sheet Closing Journals

**When you run Create Balance Sheet Closing Journals:**

- **Journal entries are created to zero out the ending year-to-date actual balances for balance sheet accounts in the account range specified for the period you want to close.**
- **The balance, which is the net of the reversed asset and liability accounts, is transferred to the closing account you specify.**

**Note: The account type for the closing account needs to be a balance sheet account to produce a balanced balance sheet.**

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**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Year-End Closing Journals > Balance Sheet Closing Journals**

## Balance Sheet Closing Journal Batch

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### Balance Sheet Closing Journal Batch

Account	Entered Dr	Entered Cr
Asset		15,000
Liability	10,000	
Closing Account	5,000	

The balance sheet journal entries are created to zero out the ending year-to-date balances for balance sheet accounts, with the offset posted to the closing account you specify.

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## Balance Sheet Closing Journals Account Range

---

### Balance Sheet Closing Journals Account Range

- When submitting the Create Balance Sheet Closing Journals program, you supply the account range for the asset and liability accounts that will be closed out.
- For each balance sheet closing journal process, only a single contiguous account range can be specified for processing.

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## Balance Sheet Closing Journals Account Range

---

### Balance Sheet Closing Journals Account Range

- If the account range includes multiple balancing segment values, the appropriate balancing segment is substituted in the template for each balancing segment processed.
- Only the balancing segment value is dynamically substituted.
- All other segment values specified in the account template will remain the same in the accounts generated.

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## Balance Sheet Closing Journals Period

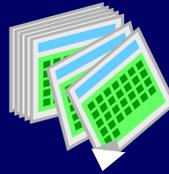
---

### Balance Sheet Closing Journals Period

- The **Create Balance Sheet** program is processed against the year-to-date balances of the accounting period the user specifies.
- The user must choose an open period for the set of books. The default period selected is the latest open period for the set of books. You can override this.



**Create Balance Sheet  
Closing Journals program**



**Period status = Open**

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## Balance Sheet Closing Journals Source and Category

### Balance Sheet Closing Journals Source and Category

- All journals produced by the Closing Journals process use the source Closing Journal.
- For balance sheet closing journals, the default category is Balance Sheet.

**Note:** You can override the default category when you submit the program.



→ Source = Closing Journal

→ Category = Balance Sheet

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## Balance Sheet Closing Journals Reversal Method

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### Balance Sheet Closing Journals Reversal Method

- The balance sheet closing journals you generate are marked for reversal in the period following the period they were generated.
- The reversal method defaults to Change Sign.
- The reversal method Change Sign reverses a debit entry by changing the sign to a negative debit entry.

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### Demonstration

**This demonstration covers:**

- **Submitting the Create Balance Sheet Closing Journals program**
- **Viewing the resulting journal that is created**

**(N) Reports > Request > Standard**

**(N) Inquiry > Journal**

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## Review Question

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### Review Question

**Which one of the following template choices creates an entry that zeroes out each revenue and expense account for the Income Statement closing journal?**

- 1. Retained Earnings template only**
- 2. Create Balance Sheet Closing Journals template**
- 3. Both Retained Earnings and Income Statement Offset templates**

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## Answer to Review Question

---

### Answer to Review Question

**Which one of the following template choices creates an entry that zeroes out each revenue and expense account for the Income Statement closing journal?**

- 1. Retained Earnings template only**
2. Create Balance Sheet Closing Journals template
3. Both Retained Earnings and Income Statement Offset templates

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# Agenda

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## Agenda

- Executing the period end closing steps
- Completing the period end reporting process
- Processing year-end closing journals
- **Executing the year-end closing checklist**

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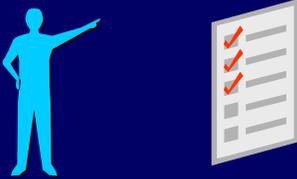
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## Year-End Close Checklist

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**Year-End Close Checklist**

Use the year-end close checklist as a guideline to perform year-end processing in Oracle General Ledger.



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**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Year-End Closing Journals > Year End Close Checklist**

### Summary

In this lesson, you should have learned how to:

- Describe the period end closing steps
- Explain the period end reporting process
- Explain the year-end closing journals
- Describe the year-end closing checklist

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# **Accounting for Intercompany Transactions**

## **Chapter 8**

## Intercompany Balancing

Oracle General Ledger, Release 11*i*

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### Objectives

- Review Intercompany Balancing within a single set of books
- Intercompany Balancing Options
- Setting Up Intercompany Balancing Options
- Implementation Considerations
- Enter Intercompany Transactions

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# Agenda

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## Agenda

- **Overview**
- Intercompany Balancing within a Single Set of Books
- Intercompany Balancing Options and examples
- Setting Up Intercompany Balancing Options
- Implementation Considerations
- Entering Intercompany Transactions
- Summary

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## Overview

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**Overview**

If your organization has multiple companies within a single set of books, you can use intercompany accounting to track transactions between companies.

Set up your parent balancing segment value to include subsidiary and eliminating balancing segments.

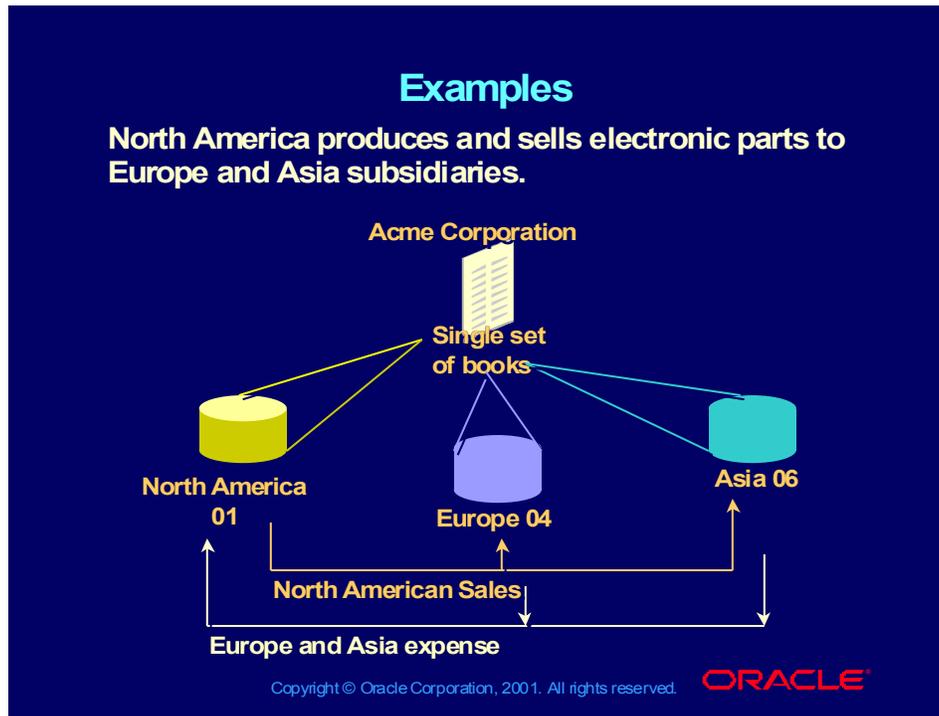
The diagram illustrates the structure of Acme Corporation's accounting. At the top center is a document icon labeled 'Acme Corporation' with the number '99'. Below it is a central document icon labeled 'Single set of books'. Four lines radiate from the 'Single set of books' icon to four database cylinder icons: 'North America 01' (yellow), 'Europe 04' (purple), 'Asia 06' (teal), and 'Eliminating Company 08' (yellow). The 'Eliminating Company 08' icon is positioned to the right of the 'Single set of books' icon, while the others are to the left and bottom.

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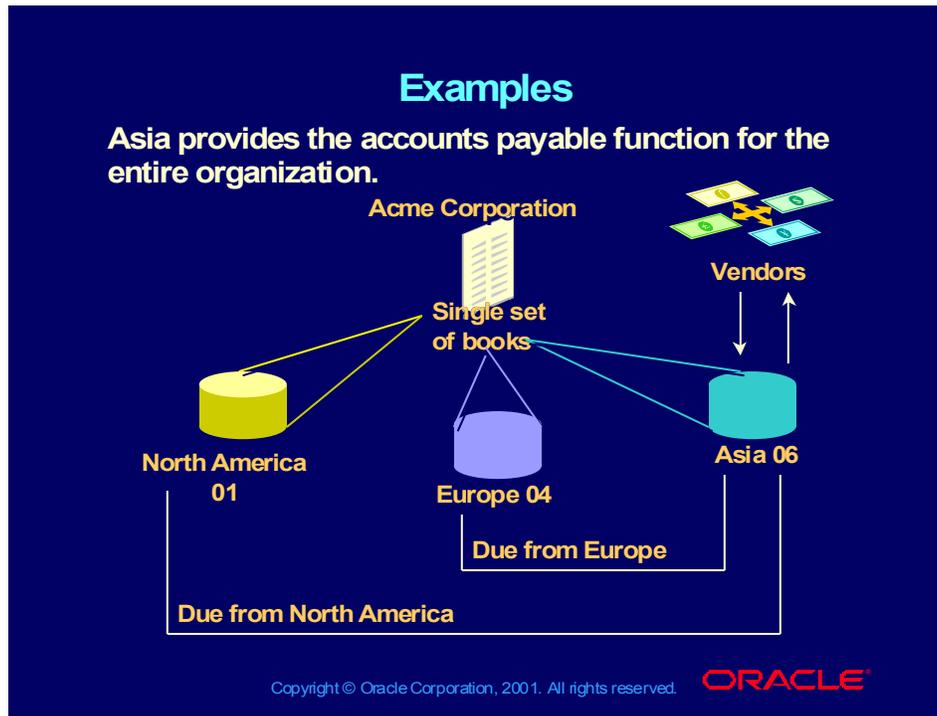
**(Help) Oracle Financial Applications > Oracle General Ledger > Multi-Company -Single Set of Books > Overview**

# Examples

---



# Examples



### Prerequisites

You can maintain one set of books for multiple companies as long as the companies share:

- chart of accounts
- accounting calendar
- functional currency

When setting up an account structure, use the segment representing all your companies as the balancing segment.

Optionally, you can define an intercompany segment in your chart of accounts. Use this segment to track intercompany transactions by company or trading partner.

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### Overview

- You can balance intercompany journals based on multiple parameters including Journal source, Journal category, and Balancing segment value.
- You can specify unique due-to and due-from intercompany accounts or templates for Oracle General Ledger to use to balance intercompany journal entries automatically.
- Based on the rules that you define, Oracle General Ledger inserts additional journal lines to offset journal lines that cross balancing segments.

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### Overview

In Release 11i, there are four types of segment qualifiers:

- **Balancing**
- **Natural Account**
- **Cost Center**
- **Intercompany**

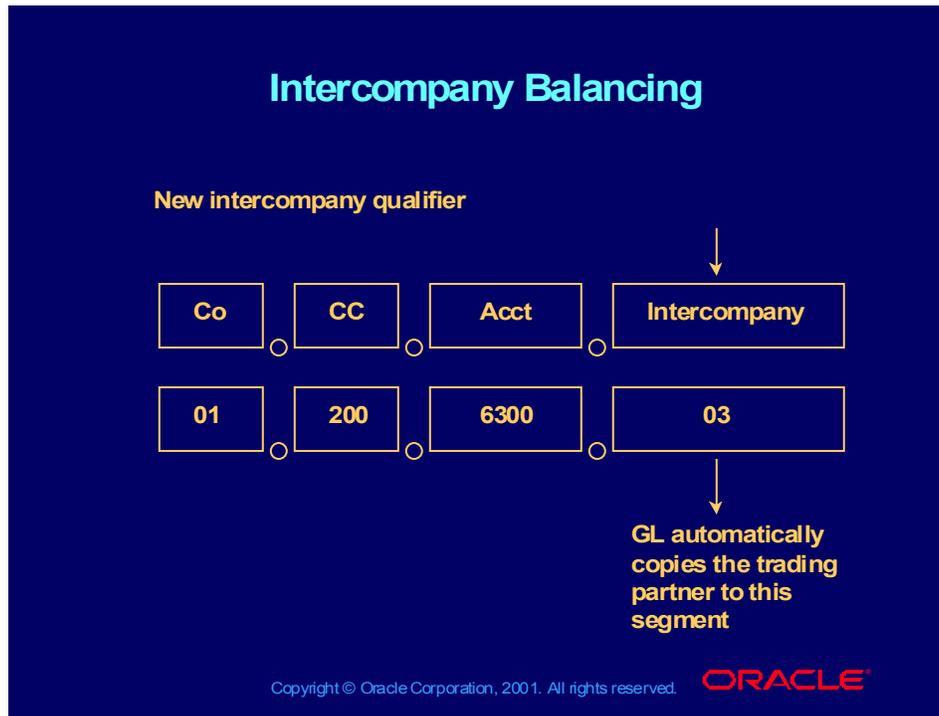
The intercompany segment shares the same value set as the balancing segment and is used in account combinations that General Ledger creates to balance intercompany journals.

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# Intercompany Balancing

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### Overview

**Use the intercompany segment in your accounting flexfield to track companies involved in intercompany trading:**

- **When the intercompany transaction is generated, the intercompany segment is automatically populated with the balancing segment of the trading partner.**
- **When you post intercompany journal entries, General Ledger creates balancing journal lines that use the appropriate intercompany accounts for the source, category, balancing segment, and type (summary or detail) with consideration for the intercompany segment and clearing company.**

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### Overview

- You can track and reconcile intercompany transactions more effectively and create more detailed reports
- Unique due to and due from intercompany accounts can be created with minimal definition since General Ledger automatically creates these for you.

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## Business Benefits of Intercompany Balancing

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### **Business Benefits of Intercompany Balancing**

- **General Ledger enhances the intercompany balancing functionality for entities that share the same set of books to allow more precise due-to and due-from intercompany account tracking.**
- **Specific intercompany accounts mean quicker reconciliations.**
- **Maintain granularity for due-to and due-from companies tracking, even for multi company transactions**
- **Unique due to and due from intercompany accounts can be created with the minimal definition since General Ledger automatically creates these for you.**

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# Agenda

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## Agenda

- **Overview**
- Intercompany Balancing within a Single Set of Books
- Intercompany Balancing Options and examples
- Setting Up Intercompany Balancing Options
- Implementation Considerations
- Entering Intercompany Transactions
- Summary

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## Intercompany Balancing Within a Single Set of Books

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### Intercompany Balancing Within a Single Set of Books

You can balance intercompany journals based on multiple parameters, including:

- Journal Source
- Journal Category
- Balancing segment value

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**(Help) Oracle Financial Applications > Oracle General Ledger > Multi-Company -Single Set of Books > Overview**

## Intercompany Balancing Within a Single Set of Books

---

### Intercompany Balancing Within a Single Set of Books

For each combination of the three parameters, you can:

- specify a unique intercompany account or template for General Ledger to use to balance intercompany journals automatically.
- Based on rules you define, General Ledger inserts additional journal lines to offset journal lines that cross balancing segments
- your rules may also include different accounts based on whether the balancing amount should be posted to a credit account (due to) or a debit account (due from)

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## Intercompany Balancing Within a Single Set of Books

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### Intercompany Balancing Within a Single Set of Books

- At the journal source and category level, you can choose a default clearing company against which all trading partners balance.
- You can also specify whether intercompany journal balancing is performed at a summarized level for each trading partner or at a journal line level

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## Review Question

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### Review Question

What are the parameters you can use to balance intercompany transactions?

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### Answer

Journal Source

Journal Category

Balancing Segment Value

# Agenda

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## Agenda

- **Overview**
- Intercompany Balancing within a Single Set of Books
- Intercompany Balancing Options and examples
- Setting Up Intercompany Balancing Options
- Implementation Considerations
- Entering Intercompany Transactions
- Summary

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### Intercompany Balancing Options

General Ledger offers the following solutions to account for intercompany transactions:

- Standard intercompany balancing - create generic balancing lines against the intercompany accounts that you have defined for specific sources and categories. This method does not track payable and receivable balances by trading subsidiaries.
- This method is similar to intercompany balancing functionality in General Ledger, Release 11.0.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Multi-Company -Single Set of Books > Intercompany Accounting**

## Standard Intercompany Balancing Example

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### Standard Intercompany Balancing Example

You define the following intercompany accounts for a specific source and category:

xx.000.1600.000 intercompany receivables  
xx.000.2600.000 intercompany payables

You post the following transaction using the same source and category to transfer an asset from company 01 to companies 02 and 03:

	debit	credit
02.000.1725.000	300	
03.000.1725.000	400	
01.000.1725.000		700

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## Standard Intercompany Balancing Example contd.

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### Standard Intercompany Balancing Example contd.

General Ledger creates the following journal lines to record intercompany receivable for company 01 and payables for companies 02 and 03.

	debit	credit
01.000.1600.000	700	
02.000.2600.000		300
03.000.2600.000		400

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### Intercompany Balancing Options

- **Enhanced Intercompany Balancing - define separate intercompany accounts to record more detail for your intercompany journals and track intercompany balances**

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## Enhanced Intercompany Balancing Example

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### Enhanced Intercompany Balancing Example

You define the following accounts:

<b>Receivables</b>	<b>xx.000.1601.000</b>	<b>due from comp 01</b>
	<b>xx.000.1602.000</b>	<b>due from comp 02</b>
	<b>xx.000.1603.000</b>	<b>due from comp 03</b>
	<b>xx.000.1600.000</b>	<b>due from Other</b>
<b>Payables</b>	<b>xx.000.2601.000</b>	<b>due to comp 01</b>
	<b>xx.000.2602.000</b>	<b>due to comp 02</b>
	<b>xx.000.2603.000</b>	<b>due to comp 03</b>
	<b>xx.000.2600.000</b>	<b>due to Other</b>

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## Enhanced Intercompany Balancing Example contd.

---

### Enhanced Intercompany Balancing Example contd.

You post the following transaction:

	debit	credit
02.000.1725.000	300	
03.000.1725.000	400	
01.00.1725.000		700

General Ledger creates the following journal lines:

	debit	credit
01.000.1602.000	300	
01.000.1603.000	400	
02.000.2601.000		300
03.000.2601.000		400

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### Intercompany Balancing Options

- **Intercompany Segment Balancing - use the intercompany segment in your chart of accounts to record the same detail as enhanced intercompany accounting**

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## Intercompany Segment Balancing Example

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### Intercompany Segment Balancing Example

Assume your chart of accounts has the following structure:

CO-CC-ACCT-IC where:

CO is the balancing segment

CC is the cost center segment

ACCT is the natural account segment

IC is the intercompany segment

You define the following accounts:

xx.000.1600.00 intercompany receivables

xx.000.2600.00 intercompany payables

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## Intercompany Segment Balancing Example

---

### Intercompany Segment Balancing Example

You post the following transactions:

	debit	credit
02.000.1725.00	300	
03.000.1725.00	400	
01.000.1725.00		700

General Ledger creates the following journal lines:

	debit	credit
01.000.1600.02	300	
01.000.1600.03	400	
02.000.2600.01		300
03.000.2600.01		400

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### Intercompany Balancing Options

- **Clearing companies - designate one company to act as the trading partner for all subsidiary companies in the organization for certain types of intercompany transactions**
- **You can set up clearing companies using enhanced intercompany accounting or using the Intercompany Segment.**

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# Clearing Company Example Enhanced Intercompany Balancing

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## Clearing Company Example Enhanced Intercompany Balancing

You define the following accounts:

<b>Receivables</b>	<b>xx.000.1601.000</b>	<b>due from comp 01</b>
	<b>xx.000.1602.000</b>	<b>due from comp 02</b>
	<b>xx.000.1603.000</b>	<b>due from comp 03</b>
	<b>xx.000.1604.000</b>	<b>due from comp 04</b>
	<b>xx.000.1600.000</b>	<b>due from All Other</b>
<b>Payables</b>	<b>xx.000.2601.000</b>	<b>due to comp 01</b>
	<b>xx.000.2602.000</b>	<b>due to comp 02</b>
	<b>xx.000.2603.000</b>	<b>due to comp 03</b>
	<b>xx.000.2604.000</b>	<b>due to comp 04</b>
	<b>xx.000.2600.000</b>	<b>due to All Other</b>

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## Clearing Company Example Enhanced Intercompany Balancing contd.

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### Clearing Company Example Enhanced Intercompany Balancing contd.

Complete the following in the Intercompany Accounts window:

**Source:**        **Accounts Payable**

**Category:**    **Your choice**

**Clearing Company Usage tab: Always Use Clearing Company**

**Default Options tab: Use Default Clearing Company  
Enter 04 as the default clearing company.**

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## Clearing Company Example Enhanced Intercompany Balancing contd.

---

### Clearing Company Example Enhanced Intercompany Balancing contd.

You post the following transaction:

	debit	credit
02.000.1725.000	300	
03.000.1725.000	400	
		700
01.000.1725.000		700

General Ledger creates the following journal lines:

	debit	credit
04.000.1602.000	300	
04.000.1603.000	400	
01.000.1604.000	700	
		300
02.000.2604.000		300
		400
03.000.2604.400		400
		700
04.000.2601.000		700

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## Clearing Company Example Using the Intercompany Segment

---

### Clearing Company Example Using the Intercompany Segment

The intercompany balancing segment is enabled in your chart of accounts.

Complete the following in the Intercompany Accounts window:

Source: **Accounts Payable**

Category: **Your choice**

Balance by Detail: **Balance by journal line**

Clearing Company Usage tab: **Many to Many**

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## Clearing Company Example Using the Intercompany Segment contd.

---

### Clearing Company Example Using the Intercompany Segment contd.

**Default Options tab: Use Default Clearing Company  
Specify Default Clearing Company as Company 06.**

**Balancing Segment Column: Press the tab key. All  
Other is displayed. All Other includes all balancing  
segments not defined in this column.**

**Due To and Due From columns:**

**Due From: 01.000.1600.00 to specify a debit entry**

**Due To: 01.000.2600.00 to specify a credit entry**

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## Clearing Company Example Using the Intercompany Segment contd.

---

### Clearing Company Example Using the Intercompany Segment contd.

You create and post the following entries

:

	debit	credit
02.000.5300.00	500	
03.000.2400.00	100	
04.000.3500.00	300	
		700
01.000.1000.00		700
02.000.1000.00		200

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## Clearing Company Example Using the Intercompany Segment contd.

---

### Clearing Company Example Using the Intercompany Segment contd.

General Ledger automatically creates these additional balancing entries with the following account code combinations:

	debit	credit
06.000.1600.02	500	
06.000.1600.03	100	
06.000.1600.04	300	
01.000.1600.06	700	
05.000.1600.06	200	
02.000.2600.06		500
03.000.2600.06		100
04.000.2600.06		300
06.000.2600.01		700
06.000.2600.05		200

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# Agenda

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## Agenda

- **Overview**
- Intercompany Balancing within a Single Set of Books
- Intercompany Balancing Options and examples
- **Setting Up Intercompany Balancing Options**
- Implementation Considerations
- Entering Intercompany Transactions
- Summary

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## Setting Up Standard Intercompany Balancing

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### Setting Up Standard Intercompany Balancing

Navigate to the Intercompany Accounts window  
(N) Setup > Accounts > Intercompany

- Specify the source and category for the intercompany account you are defining
- Choose Summary or Detail Balancing
- In the Clearing Company Usage tab, select Many to Many Intercompany Transactions Only
- In the Default Options tab, check use Default Balancing Account
- In the Due From field, enter the debit account you want to use
- In the Due To field, enter the credit account you want to use.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Setting Up General Ledger > Intercompany Accounts**

## Setting Up Enhanced Intercompany Balancing and Intercompany Segment Balancing

---

### Setting Up Enhanced Intercompany Balancing and Intercompany Segment Balancing

The Intercompany Segment is enabled in your chart of accounts.

Navigate to the Intercompany Accounts window  
(N) Setup > Accounts > Intercompany

- Specify the source and category for the intercompany account you are defining
- Choose Summary or Detail Balancing
- Specify a combination

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# Agenda

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## Agenda

- **Overview**
- Intercompany Balancing within a Single Set of Books
- Intercompany Balancing Options and examples
- Setting Up Intercompany Balancing Options
- **Implementation Considerations**
- Entering Intercompany Transactions
- Summary

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## Implementation Considerations for Intercompany Balancing

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### Implementation Considerations for Intercompany Balancing

- Can you take advantage of using an intercompany segment in your chart of accounts and maximize the benefit of using enhanced intercompany balancing?
- Which one of the intercompany balancing options would work in your organization?
- Can you use a clearing company to clear intercompany transactions?

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# Agenda

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## Agenda

- **Overview**
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- Summary

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## Entering Intercompany Transactions

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### Entering Intercompany Transactions

To enter intercompany transactions among subsidiaries within a single set of books.

Navigate to the Enter Journals window  
(N) Journals > Enter

- Enter your intercompany transaction
- Ensure Automatic Intercompany Balancing is enabled in the Set of Books window
- General Ledger offsets your intercompany journal entries automatically and records balancing entries to the appropriate intercompany accounts for each subsidiary

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**(Help) Oracle Financial Applications > Oracle General Ledger > Multi-Company -Single Set of Books > Intercompany Transactions**

# Agenda

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## Agenda

- **Overview**
- Intercompany Balancing within a Single Set of Books
- Intercompany Balancing Options and examples
- Setting Up Intercompany Balancing Options
- Implementation Considerations
- Entering Intercompany Transactions
- **Summary**

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## Summary

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### Summary

In this lesson, we covered the following topics:

- Review Intercompany Balancing within a single set of books
- Intercompany Balancing Options
- Setting Up Intercompany Balancing Options
- Implementation Considerations
- Enter Intercompany Transactions

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## Global Intercompany System

Oracle General Ledger, Release 11i

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## Objectives

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### Objectives

After completing this lesson, you should be able to do the following:

- Define GIS subsidiaries and assign parent privileges to parent companies
- Set up transaction types and intercompany accounts to organize your intercompany transactions
- Define AutoAccounting Rules for intercompany transactions
- Enter manual journal entries and submit them for approval
- Create and generate recurring entries
- Run the Intercompany Transfer program

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Intercompany System > Overview**

# Agenda

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## Agenda

- **Overview**
- Setting Up GIS
- AutoAccounting Rules
- Entering Intercompany Transactions
- Running the Intercompany Transfer Program
- Deleting Intercompany Transactions
- GIS Reports
- Summary

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### Overview

**With GIS, you can monitor manual and automated Intercompany transactions centrally.**

- **Ensure that both parties to an intercompany transaction review the transaction details.**
- **Ensure that intercompany journal entries are made in both subsidiary's sets of books, to the correct intercompany accounts.**
- **Simplify the intercompany reconciliation process by ensuring that transaction amounts made to reciprocal intercompany accounts are the same.**

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## Global Intercompany System (GIS)

---

### Global Intercompany System (GIS)

**GIS provides a controlled, central location for subsidiaries to conduct intercompany transactions throughout a global organization.**

- **Transactions between subsidiary companies are entered, exchanged, and resolved (if disagreements occur) within GIS.**
- **Oracle Workflow operates in conjunction with GIS to notify parties of entered transactions, rejections, approvals, and transaction results.**
- **Once all parties are satisfied with GIS transactions, the transactions are transferred to each subsidiary company's set of books and posted.**

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### **GIS Business Benefits**

**Ensures the proper checks and balances for creating synchronized manual intercompany adjustments for all subsidiaries.**

- **Facilitates communication between trading partners.**
- **Facilitates processing of high volumes of intercompany transactions.**
- **Reduces intercompany transaction cycle time by eliminating repetitive and error-prone manual data entry.**
- **Helps you to enforce company policies regarding intercompany transactions.**
- **Ensures that similar transactions are recorded consistently.**

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## Global Intercompany System (GIS)

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### Global Intercompany System (GIS)

**GIS streamlines the intercompany transaction and reconciliation process:**

- **prevents out of balance intercompany transactions from occurring**
- **requires sender and receiver subsidiaries to approve amount, transaction date, and currency**
- **subsidiaries with different charts of accounts, calendars, currencies, and applications instances can exchange transactions with one another through GIS**

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## Review Question

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### Review Question

What are some of the business benefits of GIS?

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### Possible Answers

- Facilitates communication between trading partners.
- Helps enforce company policies regarding intercompany transactions.
- Ensures similar transactions are recorded consistently.
- Prevents out of balance intercompany transactions from occurring.
- Requires sender and receiver subsidiaries to approve amount, transaction date, and currency.
- Subsidiaries with different charts of accounts, calendars, currencies, and applications instances can exchange transactions with one another through GIS.

### GIS Implementation

Consider the following for your implementation:

- Single Instance Implementation, across multiple sets of books.
- these sets of books do not have to share the same chart of accounts, calendar, and currency.

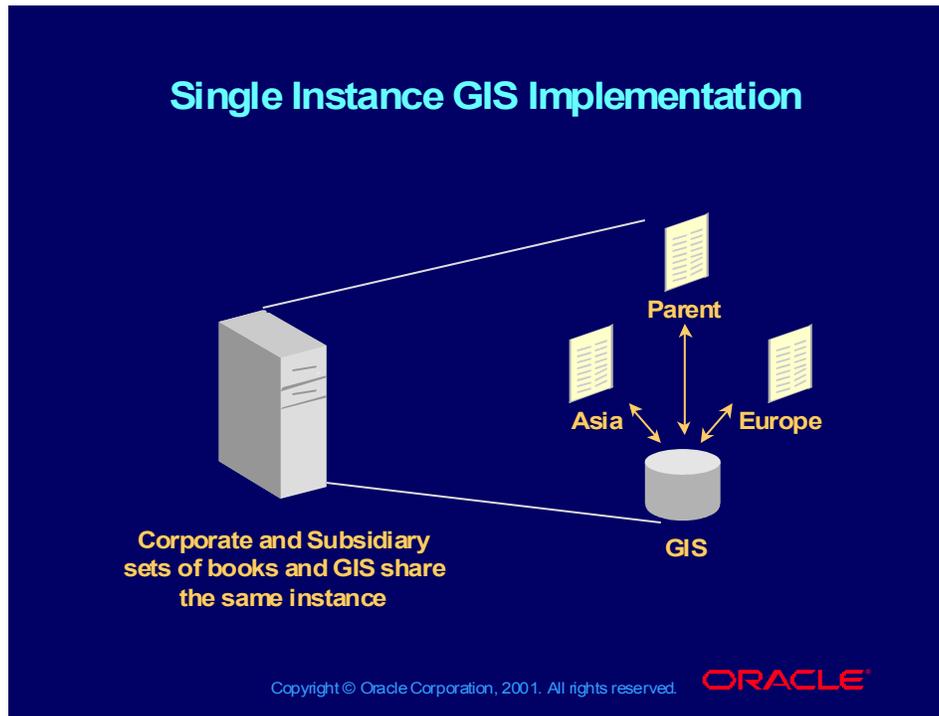
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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Intercompany System > GIS Implementation Scenarios**

# Single Instance GIS Implementation

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### GIS Implementation

Consider the following for your implementation:

- **Remote Instances using a Corporate Standard Chart of Accounts**

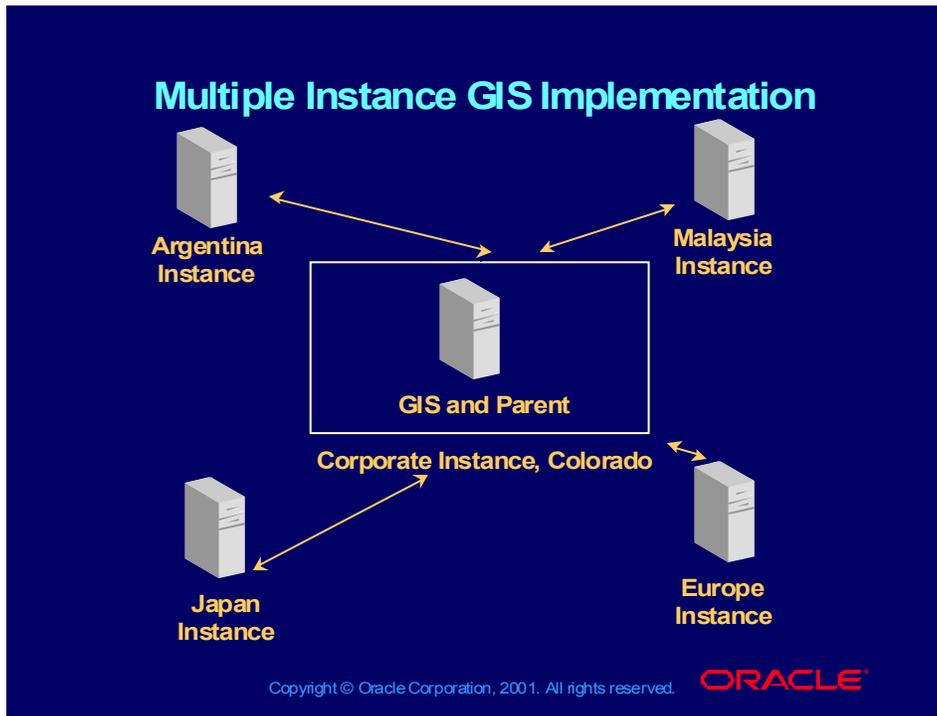
**if your subsidiaries use a uniform chart of accounts for reporting and consolidating financial data, apply the same chart of accounts to GIS. Subsidiaries, the parent and GIS can operate from a variety of remote instance configurations.**

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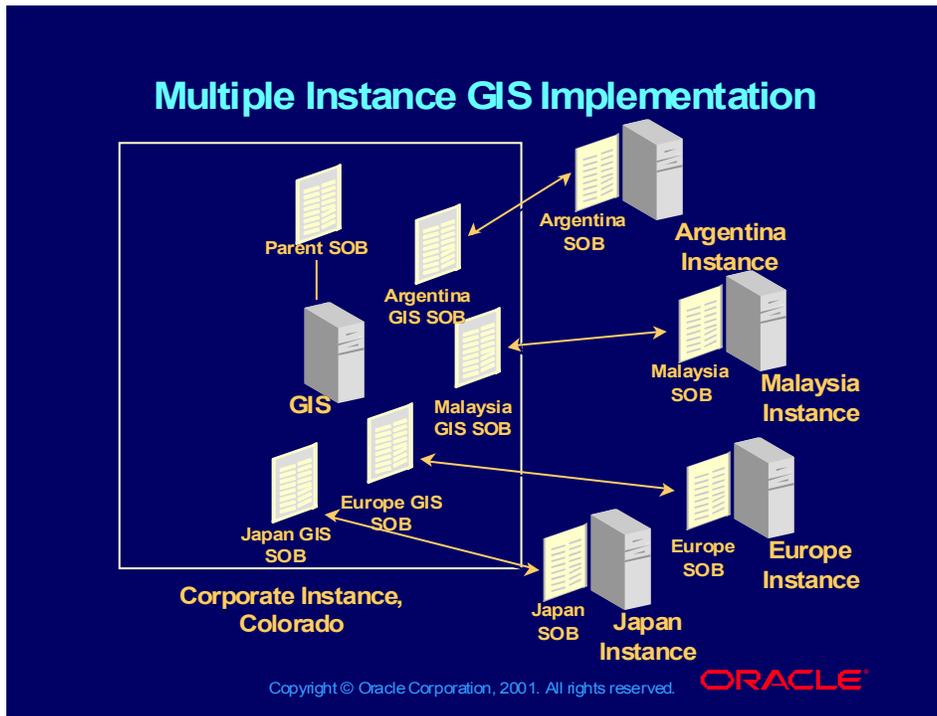
**ORACLE**

# Multiple Instance GIS Implementation

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# Multiple Instance GIS Implementation



### GIS Implementation

Consider the following for your implementation:

- **Remote Instances using Non-Standard Chart of Accounts**

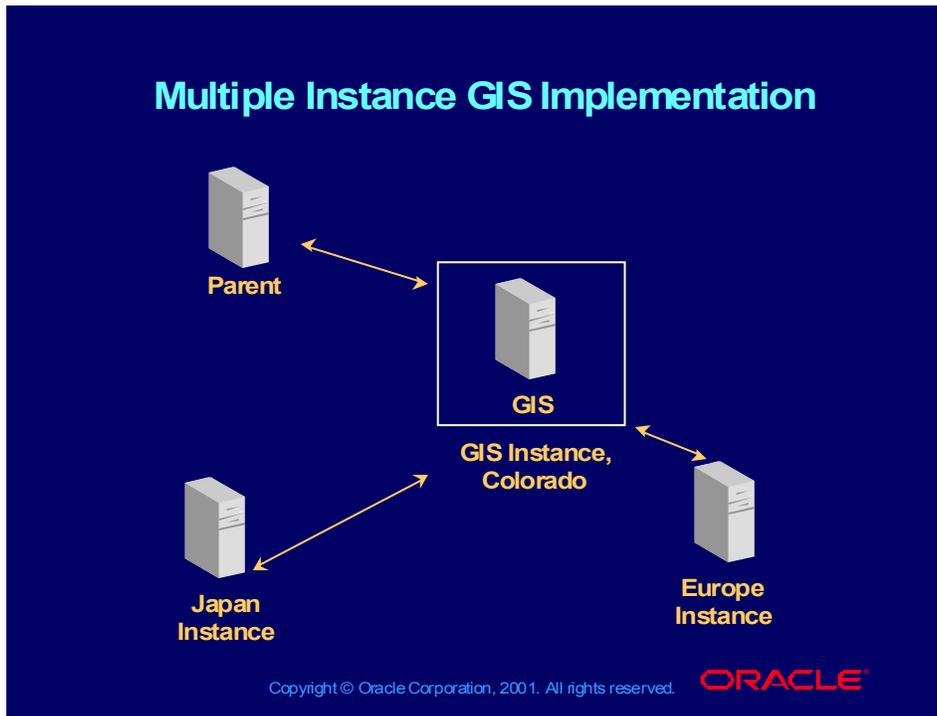
**if your subsidiaries use a non-standard chart of accounts for reporting and consolidating financial data, apply the same chart of accounts to GIS. Subsidiaries, the parent and GIS can operate from a variety of remote instance configurations.**

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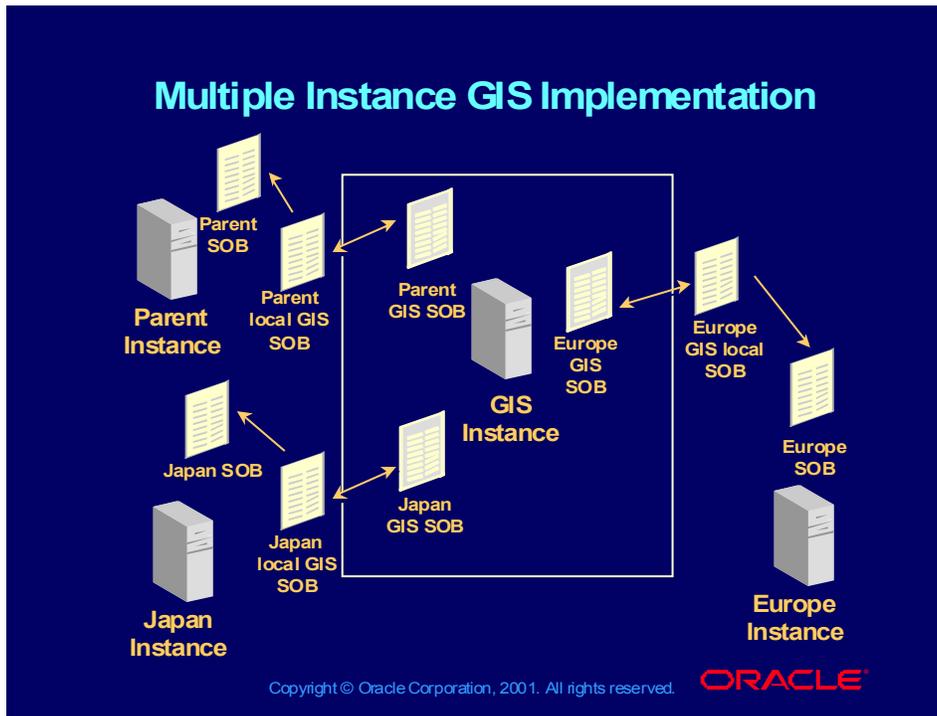
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# Multiple Instance GIS Implementation

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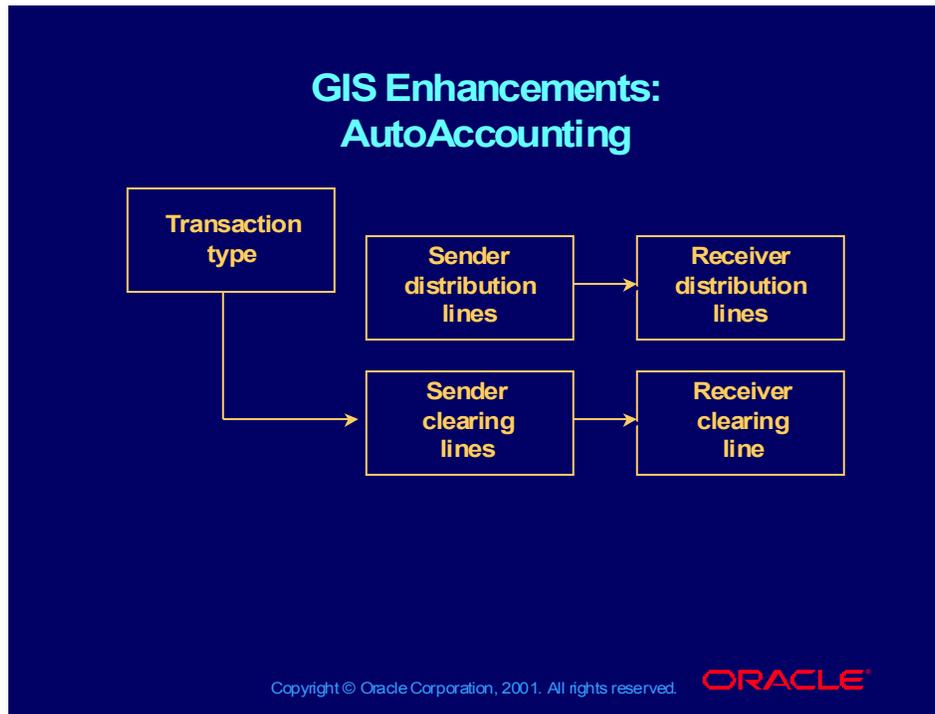


# Multiple Instance GIS Implementation



## GIS Enhancements: AutoAccounting

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### Intercompany Balancing Options

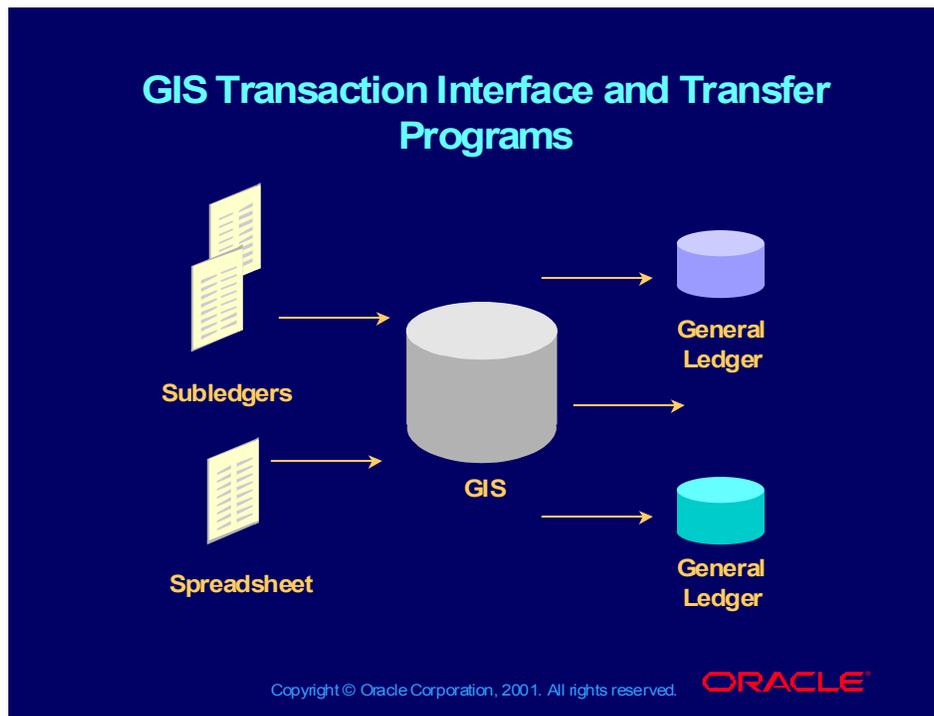
Once you enter an intercompany transaction, GIS can generate the clearing line and the receiver's side of the transaction.

- GIS uses account generation rules defined by your company to determine which receiver accounts to use for the transaction.
- After account generation, GIS sends the transaction to the receiver for review and approval.

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## GIS Transaction Interface and Transfer Programs



### GIS Open Interface

This interface facilitates processing high volumes of intercompany transactions. You can simultaneously upload multiple intercompany transactions from external systems into GIS. Transactions that enter GIS through this interface can also leverage the automatic transaction generation feature. The combination of these functions optimizes the intercompany automation benefits provided by GIS.

### Transaction Transfer

You can transfer the approved intercompany transactions in GIS to:

- Oracle General Ledger on the same instance as GIS
- Oracle General Ledger on a different instance as GIS
- Systems other than Oracle General Ledger

Emphasize there is no direct subledger integration with GIS. You can integrate subledgers through the GIS Open Interface table.

If the intercompany transaction is in a currency different from the functional currency of your General Ledger set of books, the transfer program automatically converts the transaction amount to the functional currency. This is similar to a foreign currency journal entry. The intercompany transaction is denominated in the originating foreign currency but GIS creates the converted equivalent to the functional currency of that subsidiary.

# Agenda

---

## Agenda

- Overview
- Setting Up GIS
- AutoAccounting Rules
- Entering Intercompany Transactions
- Running the Intercompany Transfer Program
- Deleting Intercompany Transactions
- GIS Reports
- Summary

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### Setting Up GIS

To use GIS, you must:

- Define GIS subsidiaries
- Define intercompany transaction types
- Define intercompany clearing accounts
- (optional) Define AutoAccounting rules

Prerequisites:

- Define the necessary sets of books for GIS intercompany transactions
- Install Oracle Workflow

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**(Help) Oracle Financial Applications > Oracle General Ledger > Setup  
> Setting Up Global Intercompany System**

### Setting Up Subsidiaries

You can define any group that uses a balancing segment in your company as a subsidiary; for example, a regional or country subsidiary.

#### Define GIS subsidiaries

- If you want the parent company to exchange intercompany transactions, set up the parent as a subsidiary with parent privileges.
- Define a responsibility for each of your GIS subsidiaries.
- Set each responsibility's transaction security by entering the GIS subsidiary name in the Intercompany: Subsidiary system profile option.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Setting Up General Ledger > Subsidiary Privileges**

## To Define a Subsidiary

---

### To Define a Subsidiary

We will demonstrate how to define a GIS subsidiary.

Login to GIS

Navigate to the Subsidiaries window

(N) Setup > Intercompany > Subsidiaries

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### Privileges

Define privileges for each subsidiary you create:

- **Parent Privileges:** can automatically approve an intercompany transaction. Can review all GIS transactions.
- **Allow Auto-Approval:** can automatically approve intercompany transactions if the transaction type allows autoapproval.
- **Access Partner Lines:** if enabled, a GIS subsidiary can view sender and receiver transaction lines; if disabled, a GIS subsidiary can only view its own transaction lines.

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## Subsidiary Transfer Options

---

### Subsidiary Transfer Options

When you define a GIS subsidiary, you must decide whether the set of books GIS transactions are transferred to is local or remote to the GIS installation.

Also specify your local set of books name or remote set of books ID, the currency, and the conversion rate type.

- **Local Instance** - select if your subsidiary is transferring transactions to a set of books on the same server as your GIS application.
- **Remote Instance** - select if your GIS subsidiary is transferring transactions to a set of books on a different server from the GIS application.

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## Define Intercompany Transaction Types

---

### Define Intercompany Transaction Types

Use transaction types for queries and to group similar intercompany transactions for review and reporting. Use transaction types to control which types of transactions are autoapproved.

Navigate to the Intercompany Transaction Types window and complete the fields.

Login to GIS

(N) Setup > Intercompany > Transaction Types

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**(Help) Oracle Financial Applications > Oracle General Ledger > Setting Up General Ledger > Defining Intercompany Transaction Types**

## Define Intercompany Clearing Accounts

---

### Define Intercompany Clearing Accounts

Define multiple clearing accounts for each of your GIS subsidiaries to balance your GIS transactions.

The clearing line in a GIS transaction for a subsidiary must contain one of the accounts defined in this window for that subsidiary.

Login to GIS

(N)Setup > Intercompany > Clearing Accounts

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**(Help) Oracle Financial Applications > Oracle General Ledger > Setting Up General Ledger > Specifying Intercompany Clearing Accounts**

# Agenda

---

## Agenda

- Overview
- Setting Up GIS
- AutoAccounting Rules
- Entering Intercompany Transactions
- Running the Intercompany Transfer Program
- Deleting Intercompany Transactions
- GIS Reports
- Summary

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## Define AutoAccounting Rules

---

### Define AutoAccounting Rules

Each set of AutoAccounting rules you create is defined for a specific sender's and receiver's chart of accounts.

In each set of AutoAccounting Rules, you can define rules to automatically generate any or all of the following:

- Sender clearing transaction line
- Receiver distribution transaction lines
- Receiver clearing transaction line

You can use only one set of AutoAccounting rules per pair of sender/receiver chart of accounts.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Setting Up General Ledger > AutoAccounting Rules**

### Demonstration

This demonstration shows you how to:

- Enter Sender Clearing Rules

Login to GIS

(N) Setup > Intercompany > AutoAccounting Rules

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### Demonstration

**This demonstration shows you how to:**

- **Enter Sender Clearing Rules**

**Login to GIS**

**(N) Setup > Intercompany > AutoAccounting Rules**

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## Demonstration

---

### Demonstration

This demonstration shows you how to:

- Enter Receiver Distribution Rules  
Login to GIS  
(N) Setup > Intercompany > AutoAccounting Rules

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Define mapping rules to automatically generate the receiver distribution transaction line(s) for an intercompany transaction.

Navigate to the Receiver Distribution Rules window.

Select a receiver segment in the Receiver Chart of Accounts column.

Choose one of the following from the Action poplist:

Not Assigned: requires the user to manually enter a segment value when the transaction line is generated.

Inherit From Receiver Company: balancing segment is assigned the Inherit From Receiver Company action and cannot be changed. No other segment can use this action.

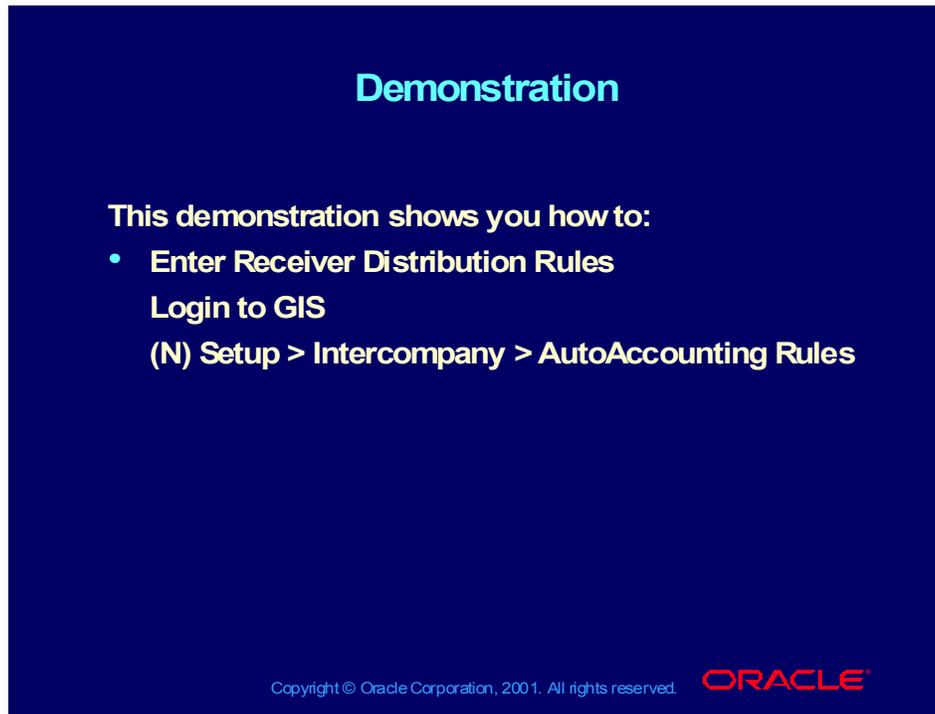
Inherit from Sender Company: the intercompany segment, if any, is assigned the Inherit From Sender Company action, but can be changed. No other segment can use this action. Enter the sender's intercompany segment in the Sender column or choose from the list of values.

**Note: this action should only be defined for an intercompany segment when either of the following is true:**

**The sender and receiver share the same chart of accounts OR  
The sender's balancing segment values are identical to the  
receiver's intercompany segment values.**

## Demonstration

---



**Demonstration**

**This demonstration shows you how to:**

- **Enter Receiver Distribution Rules**  
**Login to GIS**  
**(N) Setup > Intercompany > AutoAccounting Rules**

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### **Copy Value**

Use this action if the receiver's segment values are identical to the sender's for a given segment. This action copies the sender's segment value to the receiver's account code combination for that segment.

Enter the sender's corresponding segment in the Sender column or choose from the list of values.

### **Assign Single Value**

Use this action to assign a specific segment value to the receiver's account code combination for that segment. Enter the segment value in the Sender column.

### **Use Rules**

Define specific rules for a receiver segment value based on transaction type, sender, receiver, and sender segment value in the Rules region below.

## Demonstration

---

### Demonstration

**This demonstration shows you how to:**

- **Enter Detailed Receiver Distribution Rules**  
**Login to GIS**  
**(N) Setup > Intercompany > AutoAccounting Rules**

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### Demonstration

This demonstration shows you how to:

- Enter Receiver Clearing Rules

Login to GIS

(N) Setup > Intercompany > AutoAccounting Rules

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Define mapping rules to automatically generate the receiver clearing transaction line for an intercompany transaction.

1. Navigate to the Receiver Clearing Rules window.
2. Select a receiver segment in the Receiver Chart of Accounts column.
3. Choose one of the following from the Action poplist:

Not Assigned: requires the user to manually enter a segment value when the transaction line is generated.

Inherit From Receiver Company: balancing segment is assigned the Inherit From Receiver Company action and cannot be changed. No other segment can use this action.

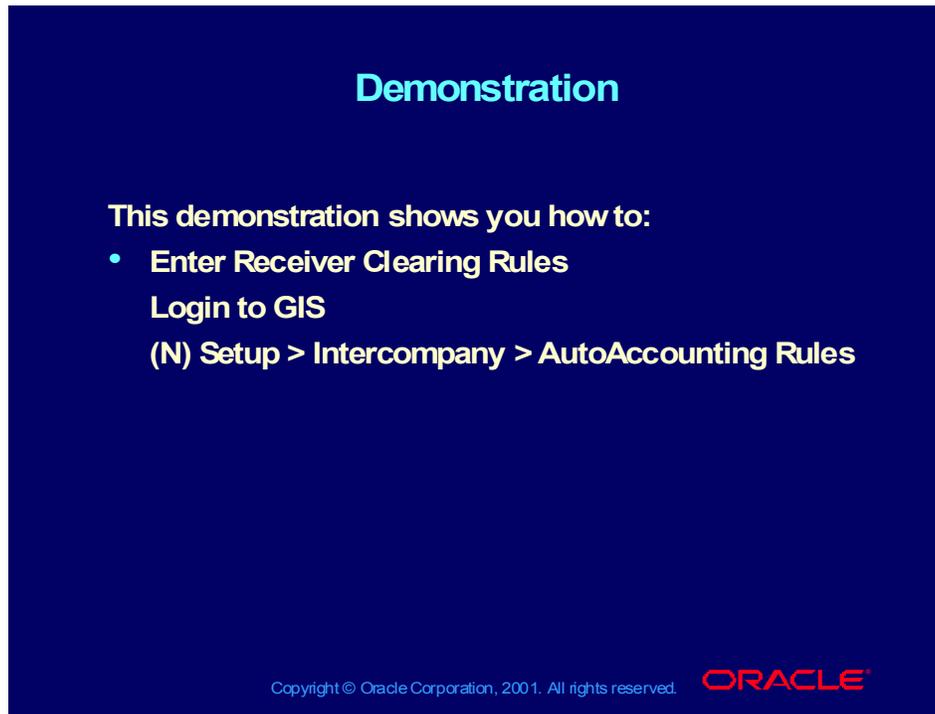
Inherit from Sender Company: the intercompany segment, if any, is assigned the Inherit From Sender Company action, but can be changed. No other segment can use this action. Enter the sender's intercompany segment in the Sender column or choose from the list of values.

Note: this action should only be defined for an intercompany segment when either of the following is true:

**The sender and receiver share the same chart of accounts OR  
The sender's balancing segment values are identical to the  
receiver's intercompany segment values.**

## Demonstration

---



**Demonstration**

**This demonstration shows you how to:**

- **Enter Receiver Clearing Rules**

**Login to GIS**

**(N) Setup > Intercompany > AutoAccounting Rules**

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### **Copy Value**

Use this action if the receiver's segment values are identical to the sender's for a given segment. This action copies the sender's segment value to the receiver's account code combination for that segment.

Enter the sender's corresponding segment in the Sender column or choose from the list of values.

### **Assign Single Value**

Use this action to assign a specific segment value to the receiver's account code combination for that segment. You cannot select this action for the natural account segment. Enter the segment value in the Sender column.

### **Use Rules**

Define specific rules in the Rules region. You can associate a receiver segment with transaction type, a sender and a sender segment value.

### Demonstration

This demonstration shows you how to:

- Enter Detailed Receiver Clearing Rules

Login to GIS

(N) Setup > Intercompany > AutoAccounting Rules

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# Agenda

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## Agenda

- **Overview**
- Setting Up GIS
- AutoAccounting Rules
- Entering Intercompany Transactions
- Running the Intercompany Transfer Program
- Deleting Intercompany Transactions
- GIS Reports
- Summary

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## Entering Intercompany Transactions

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### Entering Intercompany Transactions

You can enter intercompany transactions in the following ways:

- Manual entry in the Enter Intercompany Transactions window
- Automatic transaction line generation
- Import transactions through the GIS open interface table

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Intercompany System > Intercompany Transactions > Entering Intercompany Transactions**

### Manual Entry

Use the Enter Intercompany Transactions window to enter, update, approve, or reject intercompany transactions. You can also mark transactions to be deleted.

- **Prerequisites:**
- **Define GIS subsidiaries**
- **Define a responsibility for each of your GIS subsidiaries and set transaction security for each**
- **Define transaction types**
- **Define your subsidiaries' intercompany clearing accounts**

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### Demonstration

**This demonstration shows you how to:**

- **Enter Manual Intercompany transactions**
- **(N) Transactions > Enter**

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## Demonstration (contd)

---

### Demonstration (contd)

**This demonstration shows you how to:**

- **Enter Manual Intercompany transactions**
- **(N) Transactions > Enter**

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### Demonstration

**This demonstration shows you how to:**

- **Enter and Automatically Generate Intercompany transactions**
- **(N) Transactions > Enter**

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### Demonstration (contd)

**This demonstration shows you how to:**

- **Enter and Automatically Generate Intercompany transactions**
- **(N) Transactions > Enter**

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## Approving an Intercompany Transaction

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### Approving an Intercompany Transaction

Follow the steps below to approve an intercompany transaction.

- Open the Find Transactions window and query your transactions
- Choose Find to search for matching transactions. The Enter Intercompany Transaction window appears, displaying the first match.
- Review the transaction information that was sent by the Sender subsidiary.
- Select Receiver, then enter your subsidiary's intercompany transaction journal lines (if necessary).
- Select Approve or Reject to approve or reject the intercompany transaction.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Intercompany System > Intercompany Transactions > Manual Entry**

## Recurring Intercompany Transactions

---

### Recurring Intercompany Transactions

If you regularly execute the same intercompany transactions between subsidiaries, define recurring intercompany transactions.

For example, if one of your subsidiaries rents office space from the parent, you can set up a recurring intercompany transaction to record the reciprocal intercompany receivable and payable.

You can choose to automatically generate recurring intercompany transactions in subsequent periods.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Intercompany System > Intercompany Transactions > Defining Recurring Intercompany Transactions**

## Generating Recurring Intercompany Transactions

---

### Generating Recurring Intercompany Transactions

You must generate your recurring intercompany transactions before submitting or approving them. View your generated transactions in the Enter Intercompany Transactions window.

- Transactions with a status of new are subject to AutoAccounting rules that are defined and enabled.
- Transactions with a status of Review can be approved or rejected by the receiving subsidiary.
- Transactions with a status of Approved are automatically approved.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Intercompany System > Intercompany Transactions > Generating Recurring Intercompany Transactions**

### Demonstration

This demonstration shows you how to:

- Enter a Recurring Intercompany transaction  
Login to GIS  
(N) Setup > Intercompany > Define Recurring  
Intercompany Transaction

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## Reversing Intercompany Transactions

---

### Reversing Intercompany Transactions

The sender can reverse approved intercompany transactions.

- Query the transaction you want to reverse in the Find Transactions window.
- Choose Reverse to create a new intercompany transaction.
  - Choose Yes to approve the transaction if the subsidiary has AutoApprove privileges, No to change the transaction status to new.
- Query the new transaction. Choose Submit to send the transaction for approval. Choose Approve if this is an automatically approved transaction.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Intercompany System > Intercompany Transactions > Reversing Approved Intercompany Transactions**

# Agenda

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## Agenda

- Overview
- Setting Up GIS
- AutoAccounting Rules
- Entering Intercompany Transactions
- Running the Intercompany Transfer Program
- Deleting Intercompany Transactions
- GIS Reports
- Summary

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## Running the Intercompany Transfer Program

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### Running the Intercompany Transfer Program

Run the Intercompany Transfer program to:

- Transfer approved intercompany transactions for your subsidiary from GIS to the GL\_INTERFACE table.
- Remove all transactions with the status of Delete from the central GIS system
- Automatically run Journal Import after transferring intercompany transactions to the GL\_INTERFACE table if the GIS system is on the same instance as your Oracle General Ledger.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Intercompany System > Intercompany Transactions > Running the Intercompany Transfer Program**

# Agenda

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## Agenda

- **Overview**
- Setting Up GIS
- AutoAccounting Rules
- Entering Intercompany Transactions
- Running the Intercompany Transfer Program
- **Deleting Intercompany Transactions**
- GIS Reports
- Summary

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## Deleting Approved Intercompany Transactions

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### Deleting Approved Intercompany Transactions

Periodically, run the Delete Intercompany Transactions program. This program removes:

- any old approved and transferred intercompany transactions that have already been transferred to your parent or subsidiary sets of books
- any transactions that are marked for deletion

Only a GIS subsidiary with parent privileges can run the Delete Intercompany Transactions program.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Intercompany System > Deleting Approved Intercompany Transactions**

# Agenda

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## Agenda

- Overview
- Setting Up GIS
- AutoAccounting Rules
- Entering Intercompany Transactions
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- Deleting Intercompany Transactions
- GIS Reports
- Summary

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### GIS Reports

The following reports can help you monitor GIS activity:

- **Intercompany Transactions Detail Report**  
review intercompany transactions sent and received by a GIS subsidiary. If you have parent privileges, you can review transactions for all GIS subsidiaries.
- **Intercompany Transactions Activity Summary**  
review beginning and ending account balances, along with transaction data for all approved intercompany transactions. Use this report to reconcile your beginning balances plus GIS activity to your ending balances.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Standard Reports and Listings > Multi-Company Acct and Consolidation > Intercompany Transactions Detail Report**

**(Help) Oracle Financial Applications > Oracle General Ledger > Standard Reports and Listings > Multi-Company Acct and Consolidation > Intercompany Transactions Trial Balance**

### GIS Reports

The following reports can help you monitor GIS activity:

- **Unapproved Intercompany Transactions Listing**  
Review an aging of intercompany transactions that have been rejected or not yet reviewed. Transactions are sorted by GL Date and include those that the subsidiary has sent or received. If you have parent privileges, you can review unapproved transactions for all GIS subsidiaries.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Standard Reports and Listings > Multi-Company Acct and Consolidation > Unapproved Intercompany Transactions Listing**

# Agenda

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## Agenda

- **Overview**
- Setting Up GIS
- AutoAccounting Rules
- Entering Intercompany Transactions
- Running the Intercompany Transfer Program
- Deleting Intercompany Transactions
- GIS Reports
- **Summary**

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### Summary

This lesson covered the following topics:

- **Setting up subsidiaries, transaction types, intercompany clearing accounts, and AutoAccounting rules.**
- **Entering, updating, and reviewing manual journal entries between the sender and receiver.**
- **Creating and generating recurring entries.**
- **Running the Intercompany Transfer program.**

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# **Manage Consolidations and Eliminations**

## **Chapter 9**

## Manage Consolidations and Eliminations

Oracle General Ledger Release 11*i*

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### Objectives

**After completing this module, you will be able to run a consolidation by:**

- **Preparing subsidiary data**
- **Transferring balances and transactions from your subsidiary set of books to your parent set of books**
- **Updating balances by posting amounts**
- **Creating elimination entries**
- **Reporting, inquiring, and analyzing consolidation balances**

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# Agenda

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## Agenda

- **Overview of the consolidation process**
- Preparing consolidation data
- Transferring and posting consolidation data
- Creating eliminating entries
- Reporting on consolidated balances

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## Steps to Perform Consolidations

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### Steps to Perform Consolidations

- Step 1: Map consolidation data.
- Step 2: Prepare consolidation data.**
- Step 3: Transfer consolidation data.**
- Step 4: Review and post consolidation journal entries.**
- Step 5: Generate and review eliminating entries.**
- Step 6: Report on consolidated balances.**
- Step 7: Analyze consolidated results.**

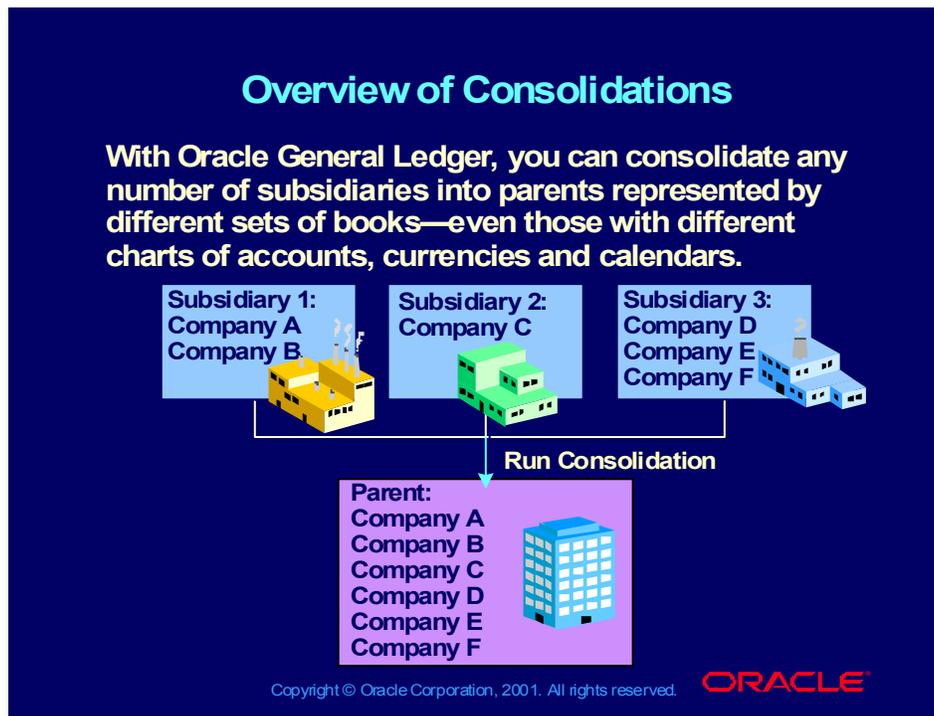
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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Consolidation Process Steps**

## Overview of Consolidations

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### **(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > What You Can Consolidate**

With Oracle General Ledger, you can:

- Consolidate the results of multiple organizations, with different sets of books, currencies, calendars, and charts of accounts
- Initiate consolidations from your parent or subsidiary General Ledgers.
- Consolidate actual amounts as well as budget amounts.
- Consolidate account balances or transactions.

### Consolidation Workbench

**The Consolidation Workbench and State Controller provide a central point of control for consolidating an unlimited number of subsidiaries to your parent.**

**Use the State Controller to:**

- **Access parent and subsidiary consolidation steps from one window**
- **Monitor the state of the consolidation process**
- **View consolidation mappings and hierarchies**

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### State Controller

Use the State Controller to navigate to consolidation windows.

- From the State Controller, you can select the consolidation step you want to perform and open the related General Ledger window.
- When you select a subsidiary from the Consolidation Workbench, the State Controller buttons change color based on which steps you have performed or need to perform for the subsidiary.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Consolidation Workbench > Using the State Controller**

## State Controller Buttons

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### State Controller Buttons

Use State Controller buttons to access and monitor each step in the consolidation process.

Button Name	Consolidation Step
Mapping Mapping Set	Map consolidation data
Translation Status	Prepare consolidated data
Transfer Transfer Set	Transfer consolidation data
Review Journal Post	Review and post consolidated data
Eliminate Elimination Set	Create eliminating entries
Report	Report on consolidated balances

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# State Controller Button Colors

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**State Controller Button Colors**

Mapping	Blue	Recommended
Mapping Set		
<b>Translation Status</b>		
Transfer	Gray	To be completed
Transfer Set		
Review Journal	Red	Warning
Post		
Eliminate		
Elimination Set		
Report		

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## Agenda

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### Agenda

- Overview of the consolidation process
- **Preparing consolidation data**
- Transferring consolidation data
- Posting parent and subsidiary amounts
- Creating eliminating entries
- Inquiring and reporting on consolidated balances

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Preparing Subsidiary Data**

### Preparing Consolidation Data

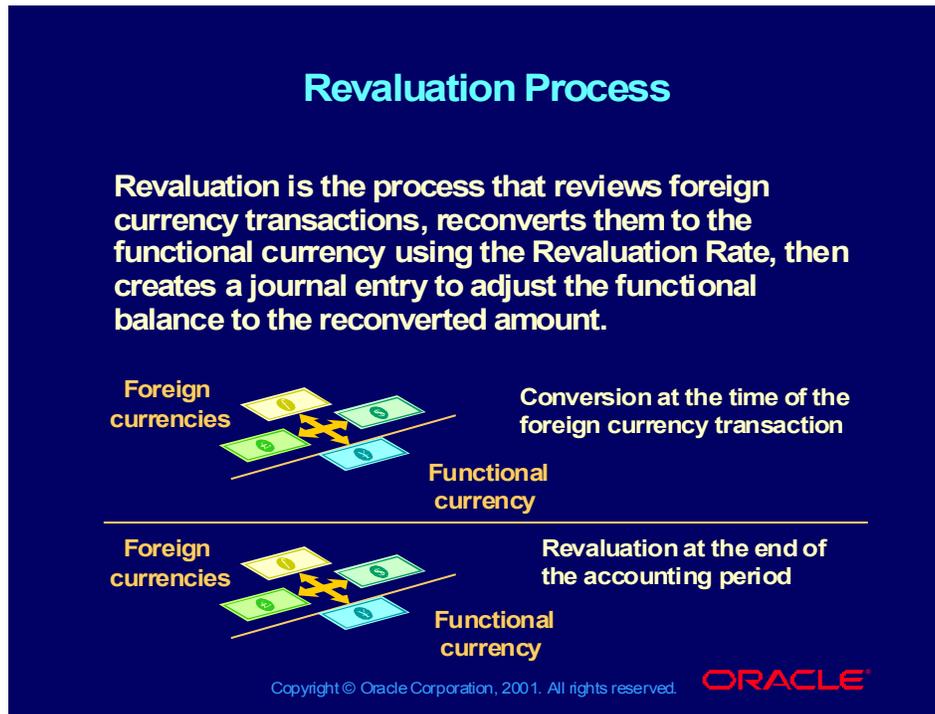
- 1 **Revalue balances** if any sets of books have balance sheet or income statement accounts denominated in a foreign currency.
- 2 **Translate balances** for any subsidiary books that use a functional currency that differs from the parent.
- 3 **Run a trial balance** for each subsidiary set of books using the parent set of books' functional currency.
- 4 **Review subsidiary balances** before transferring them to the parent.

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## Revaluation Process

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**(Help) Oracle Financial Applications > Oracle General Ledger > Multiple Currency Accounting > Revaluing Balances**

# Revaluation Example

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<b>Revaluation Example</b>	
<i>Before Revaluation</i>	
<b>AUD Receivable</b>	<b>USD Receivable</b>
<hr/>	<hr/>
10,000	8,000
<hr/>	<hr/>
<i>After Revaluation</i>	
<b>AUD Receivable</b>	<b>USD Receivable</b>
<hr/>	<hr/>
10,000	8,100
<hr/>	<hr/>
	<b>USD Unrealized Gain</b>
	<hr/>
	100
	<hr/>
<b>AUD = Foreign Currency</b>	
<b>USD = Functional Currency</b>	

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# Translation

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**Translation**

The diagram illustrates the translation process. It features a yellow banknote labeled 'Subsidiary functional currency' on the left and a blue banknote labeled 'Parent functional currency' on the right. A blue arrow labeled 'Translation' points from the yellow banknote to the blue banknote, indicating the conversion of the subsidiary's currency into the parent's currency.

- Foreign currency translation is the process that restates functional currency account balances in another currency.
- If any subsidiary's set of books uses a functional currency different from the parent, translate the account balances to the parent's functional currency before transferring subsidiary data to the parent set of books.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Multiple Currency Accounting > Translating Balances**

# Translation Example

**Translation Example**

Subsidiary Currency Income Statement	Subsidiary Currency Balance Sheet														
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Revenue</td> <td style="text-align: right;">7,000</td> </tr> <tr> <td>Expense</td> <td style="text-align: right;">(4,000)</td> </tr> <tr> <td><b>Net Income</b></td> <td style="text-align: right;"><b>3,000</b></td> </tr> </table>	Revenue	7,000	Expense	(4,000)	<b>Net Income</b>	<b>3,000</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Assets</td> <td style="width: 50%;">Liabilities</td> </tr> <tr> <td>100,000</td> <td>60,000</td> </tr> <tr> <td></td> <td>Owner's Equity</td> </tr> <tr> <td></td> <td>40,000</td> </tr> </table>	Assets	Liabilities	100,000	60,000		Owner's Equity		40,000
Revenue	7,000														
Expense	(4,000)														
<b>Net Income</b>	<b>3,000</b>														
Assets	Liabilities														
100,000	60,000														
	Owner's Equity														
	40,000														
Period Average Rate = 0.72	Period End Rate = 0.75      Historical Rate = 0.70														
Parent Currency Income Statement	Parent Currency Balance Sheet														
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Revenue</td> <td style="text-align: right;">5,040</td> </tr> <tr> <td>Expense</td> <td style="text-align: right;">(2,880)</td> </tr> <tr> <td><b>Net Income</b></td> <td style="text-align: right;"><b>2,160</b></td> </tr> </table>	Revenue	5,040	Expense	(2,880)	<b>Net Income</b>	<b>2,160</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Assets</td> <td style="width: 50%;">Liabilities</td> </tr> <tr> <td>75,000</td> <td>45,000</td> </tr> <tr> <td></td> <td>Owner's Equity</td> </tr> <tr> <td></td> <td>28,000</td> </tr> </table>	Assets	Liabilities	75,000	45,000		Owner's Equity		28,000
Revenue	5,040														
Expense	(2,880)														
<b>Net Income</b>	<b>2,160</b>														
Assets	Liabilities														
75,000	45,000														
	Owner's Equity														
	28,000														

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## Multiple Reporting Currencies and the Need for Translation

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### Multiple Reporting Currencies and the Need for Translation

- If you use Multiple Reporting Currencies, you may be able to bypass the translation step by consolidating directly from a foreign currency subsidiary's reporting set of books in the parent's functional currency.
- You will still need to make sure the reporting set of books is properly revalued.
- Issues:
  - MRC is modeled after SFAS #52 (US)
  - Decide what accounting rules govern the parent and subsidiary

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### Running Trial Balance Reports

- Run a trial balance report for each subsidiary after revaluation and translation.
- Use these reports to reconcile subsidiaries to the parent.
- If subsidiary data has been translated, review the trial balance to ensure the data is accurate.

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### Review

#### True or False?

1. Foreign currency balances should be revalued before they are translated.
2. The first time a translation is run for a subsidiary, it has to be initiated by the subsidiary.

### Review Answers

#### True or False?

1. Foreign currency balances should be revalued before they are translated. True.
2. The first time a translation is run for a subsidiary, it has to be initiated by the subsidiary. True.

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# Agenda

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## Agenda

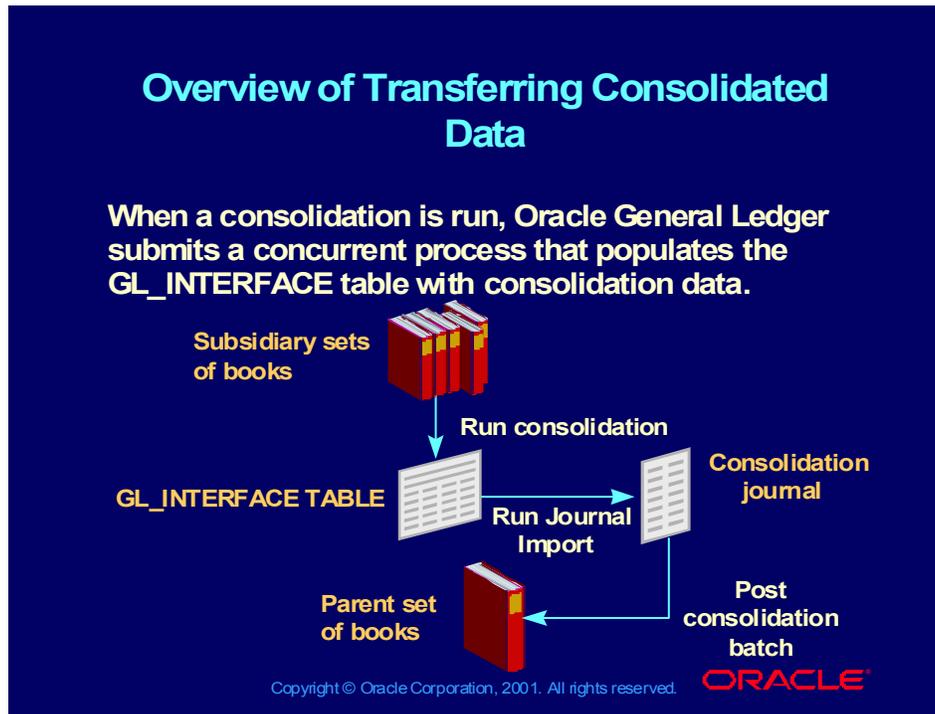
- Overview of the consolidation process
- Preparing consolidation data
- **Transferring and posting consolidation data**
- Creating eliminating entries
- Inquiring and reporting on consolidated balances

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## Overview of Transferring Consolidated Data

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Transferring Subsidiary Data**

## Transferring Subsidiary Data to the Parent

---

### Transferring Subsidiary Data to the Parent

1. **Navigate to the Consolidation Workbench.**
2. **Select the consolidation mapping or mapping set you want to transfer.**
3. **Choose the State Controller button to transfer the data.**
  - **If you use mapping sets, select the State Controller's **Transfer Set** button to transfer consolidation data from multiple subsidiaries at the same time.**
  - **If you use individual mappings, select the State Controller's **Transfer** button.**

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## Transferring Subsidiary Data to the Parent

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### Transferring Subsidiary Data to the Parent

4. **Select the Balance Type (Actual or Budget)**
5. **Select the Amount Type (PTD, YTD)**
6. **Enter the subsidiary's accounting period you want to consolidate.**
7. **Enter the Standard Period to which you want to consolidate in the Parent set of books.**
8. **(Optional) change the consolidation Run Options:**
  - **Run Journal Import**
  - **Create Summary Journals**
  - **Audit Mode**

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### Transferring Subsidiary Data to the Parent

**9. Select the data to consolidate:**

- **If you are consolidating Balances:**
  - **Choose Select Accounts**
  - **Specify the Account Low and High for each range you want to consolidate.**
- **If you are consolidating transactions**
  - **Choose Select Batches**
  - **Choose a Batch Query Option to query data from subsidiary set of books (Unconsolidated, Consolidated, or All)**

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### Transferring Subsidiary Data to the Parent

#### 10. Choose Transfer or Transfer Set

- A concurrent request is launched to transfer subsidiary data to parent.
- If you selected the Run Journal Import option, another concurrent request is launched after the transfer is complete to import the journals.
- If you did not select Run Journal Import, you will need to use the Import Journals window to create the consolidation journal batch in the parent set of books.

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### Transferred Balances Column

In the Consolidation Workbench, the Transferred Balances column lists the following statuses for each consolidation process you submit:

- **Current:** The status is always current before a consolidation is transferred.
- **Obsolete:** Any account balance for your subsidiary has changed after a transfer of subsidiary data to the parent.
  - If the status is obsolete, you should reverse or delete the consolidation journal batch.

## Reviewing and Posting Consolidation Journal Entries

---

### Reviewing and Posting Consolidation Journal Entries

After you have transferred subsidiary data to the parent set of books:

1. Run Journal Import (if not chosen as a consolidation run option).
2. Review the unposted consolidation.
3. Post the consolidation journal in the parent set of books. This launches a concurrent request.
4. Request standard listings and accounting reports or run FSG reports to review the consolidated results.

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## Consolidation Audit and Exception Reports

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### Consolidation Audit and Exception Reports

Report	Description
<b>Consolidation Audit Report</b>	Prints the total of all subsidiary account balances that were consolidated into each account in your parent set of books. (Available only if you use audit mode run option when transferring your subsidiary data.)
<b>Unmapped Subsidiary Report</b>	Run to review any subsidiary accounts (included in the account range you specified for your consolidation transfer) with non-zero balances that were not consolidated into your parent set of books because the accounts were not mapped. Use this report to determine if your consolidation is complete prior to posting. (Available only if you use audit mode run option when transferring your subsidiary data.)
<b>Disabled Parent Accounts Report</b>	Run to review all disabled accounts in your parent set of books for which you tried to consolidate balances or transactions. (Available only if you use audit mode run option when transferring your subsidiary data.)

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### For further information, see **Multi-Company Accounting and Consolidation Reports in Oracle General Ledger User's Guide**

After you run these reports, you should purge supporting source data from the `GL_CONSOLIDATION_AUDIT` table so that there is no confusion about which is the most current consolidated data.

## Additional Consolidation Reports

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### Additional Consolidation Reports

Report	Description
<b>Consolidation Rules Report</b>	Run to review both the segment and account rules you defined for a specific consolidation mapping.
<b>Consolidation Journals Report</b>	Run to review journal batches consolidated across multiple sets of books. The report lists subsidiary journal lines and the parent accounts used for your consolidation.

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**For further information, see Multi-Company Accounting and Consolidation Reports in *Oracle General Ledger User's Guide***

### Demonstration

**This demonstration covers how to use the State Controller to transfer, review, purge, and post data.**

**(N) Consolidation > Workbench > State Controller**

**(B) Transfer**

**(B) Select Batches OR**

**(B) Select Accounts**

**(B) Transfer Set**

**(B) Review Journal**

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### Review

#### True or False?

1. You can only access consolidation windows through the Consolidation Workbench or State Controller.
2. Some reports, such as the Unmapped Subsidiary report, are only available if you run the consolidation in audit mode.
3. After consolidation data is transferred from a subsidiary, you still need to review and post it.
4. If the status in the Transferred Balances column is Obsolete, that indicates that subsidiary data has changed after it has been transferred.

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### Review Answers

#### True or False?

1. You can only access consolidation windows through the Consolidation Workbench or State Controller. **FALSE** *You can access consolidation windows through the General Ledger menu as well.*
2. Some reports, such as the Unmapped Subsidiary report, are only available if you run the consolidation in audit mode. **True.**
3. After consolidation data is transferred from a subsidiary, you still need to review and post it. **True.**
4. If the status in the Transferred Balances column is Obsolete, that indicates that subsidiary data has changed after it has been transferred. **True.**

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## Agenda

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### Agenda

- Overview of the consolidation process
- Preparing consolidation data
- Transferring and posting consolidation data
- **Creating eliminating entries**
- Inquiring and reporting on consolidated balances

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Eliminating Entries**

### Creating Eliminating Entries

There are several methods you can use to create eliminating journal entries in the consolidated parent or elimination set of books:

- Create automatic Intercompany Eliminations, using elimination sets (for full eliminations, for example Intercompany Receivables/Payables)
- Create recurring journal entries with formulas (for partial eliminations)
- Create eliminating entries in ADI's spreadsheet environment
- Create standard journal entries to eliminate intercompany balances

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## Automatic Intercompany Eliminations Program

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### Automatic Intercompany Eliminations Program

Use the Oracle General Ledger Automatic Intercompany Eliminations program to fully eliminate intercompany balances.

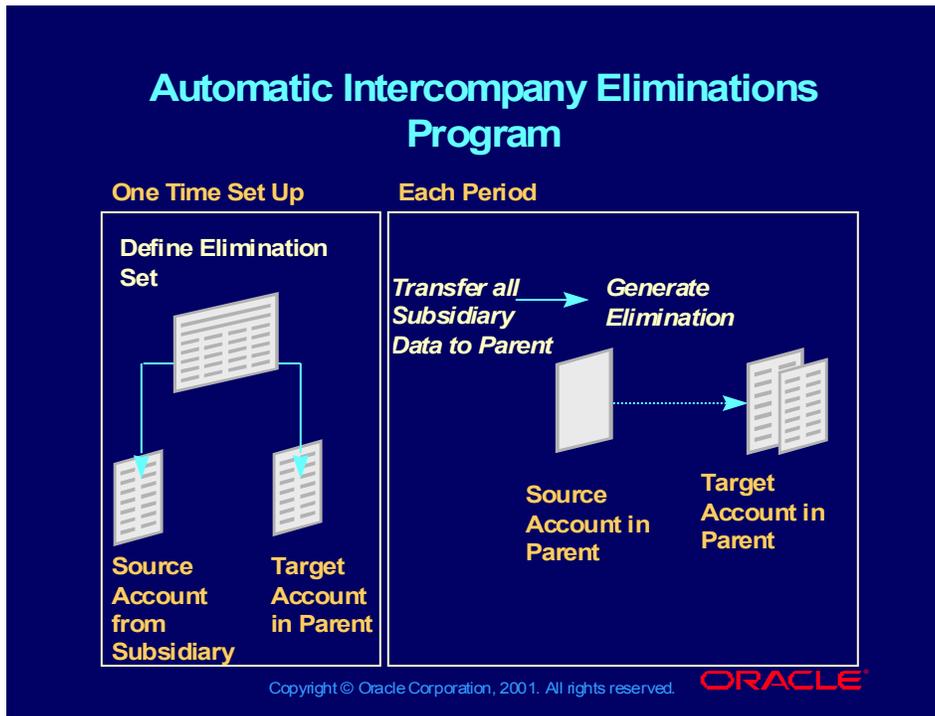
- Define an eliminating entry by first creating an elimination set, which is a batch of one or more elimination journal entries, including balancing options and threshold rules.
- Generate the elimination set every period to create unposted journal batches from the elimination formulas you defined.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Eliminating Entries**

# Automatic Intercompany Eliminations Program



## Steps to Generate Eliminating Entries

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### Steps to Generate Eliminating Entries

1. From the Consolidation Workbench, choose the Elimination Tab to open the Elimination Workbench.
2. In the State Controller, choose the Elimination Set button.
3. Select the Elimination Set.
4. In the State Controller, choose the Eliminate button.
5. Select the elimination period.
6. choose Generate to launch the concurrent process.

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## Steps to Generate Eliminating Entries

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### Steps to Generate Eliminating Entries

7. After the Elimination journal has been created, choose Review in the State Controller to examine it.
8. Post the elimination journal.
9. Confirm the elimination and consolidation after all posting is complete.

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### Demonstration

This demonstration covers how to generate an elimination set.

**(N) Consolidation > Workbench**

**(B) Eliminate**

**(B) Generate**

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### Formula-Based Eliminations

- Use recurring journal entries set up with specific formulas or partial eliminating entries, such as those for:
  - intercompany profit eliminations
  - minority interest eliminations
  - cross-ownerships
  - intercompany transactions with partially owned subsidiaries
- You cannot use the Automatic Intercompany Eliminations program to eliminate formula-based eliminations or average balances.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Recurring Journals**

### Demonstration

This demonstration covers how to generate a formula-based elimination.

**(N) Journals > Define > Recurring**

**(B) Lines**

**(B) Generate**

**(B) Submit**

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### Review

#### True or False?

1. All eliminations should be created using Elimination Sets or Recurring Journal Entries.
2. If subsidiary data has changed after it has been transferred and eliminated, you may need to re-generate the elimination set.

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### Review Answers

#### True or False?

1. All eliminations should be created using Elimination Sets or Recurring Journal Entries. **False. You can also create eliminations using ADI, and standard journal entries.**
2. If subsidiary data has changed after it has been transferred and eliminated, you may need to re-generate the elimination set. **True.**

## Agenda

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### Agenda

- Overview of the consolidation process
- Preparing consolidation data
- Transferring and posting consolidation data
- Creating eliminating entries
- **Inquiring and reporting on consolidated balances**

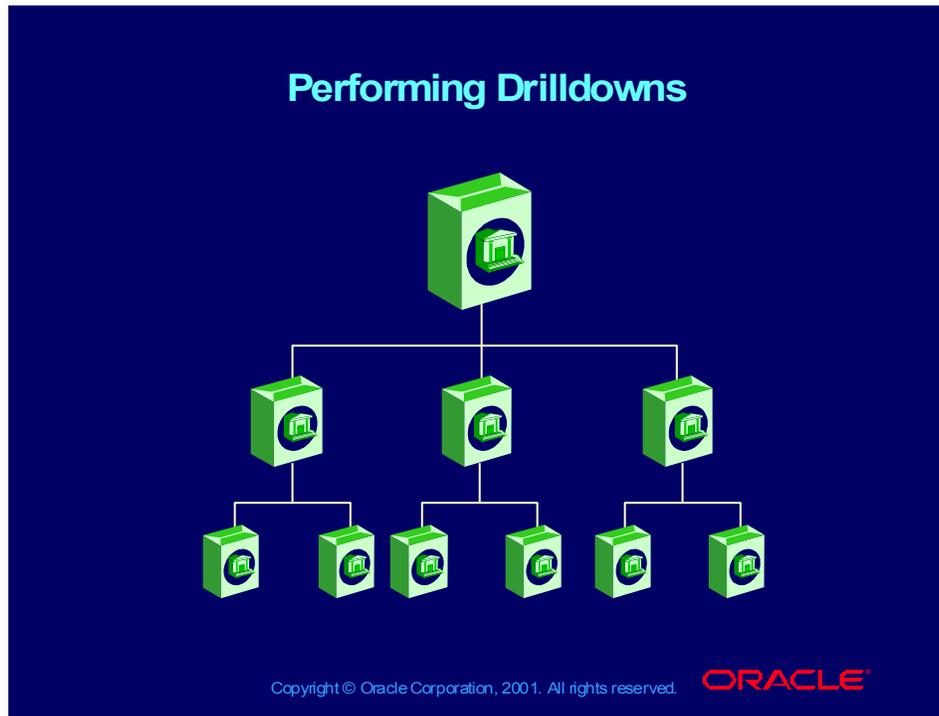
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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Inquiry**

# Performing Drilldowns

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## Drilling Down to Subsidiary Detail

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### Drilling Down to Subsidiary Detail

- From your consolidated parent set of books, you can drill between:
  - Consolidated and subsidiary entities
  - Detail accounts and journal entries
  - Summary and detail account balances
  - Journals and subledger transactions
- If a subsidiary's account balance has changed after the original consolidation, the number will appear in red in the parent set of books

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### (Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Inquiry >

Performing a Consolidated Balance Inquiry

Drilling Down to Journal Detail

Drilling Down to Oracle Subledger Detail

Drilling Down from a Summary Account

- General Ledger's "drill anywhere" functionality immediately provides you with a clear perspective of any subsidiary, any account, any journal, or any subledger transaction.

### Demonstration

This demonstration covers how to perform a consolidated balance inquiry.

**(N) Inquiry > Account >**

**(B) Show Journal Details**

**(B) Drilldown to ...**

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## Consolidation Reports

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### Consolidation Reports

- You can run the following consolidation reports:
  - Standard reports
  - Financial Statement Generator reports
  - GL Desktop Integrator Report Wizard to access FSG reports
- You can report on multiple sets of books in the same report as long as each set of books shares the same account structure, calendar, and currency or translated currency.
- You can also use Oracle Financial Analyzer (OFA) for further analysis.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Inquiry > Using FSG and ADI**

## Practice 1

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### Practice 1

**Performing a consolidated balance inquiry.**

**Scenario:**

**You have completed the consolidation and eliminations for Vision Corporation (UK). You now want to review the consolidated cash account balance to be sure it is correct.**

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Inquiry > Account Inquiry**

**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Inquiry > Consolidated Balance Inquiry**

## Practice 1

---

### Practice 1

**Step 1: Select the parent company responsibility, Vision Corporation (UK).**

**Step 2: Perform an Account Inquiry for:**

- **Parent: Vision Corporation (UK)**
- **Period: Mar-99**
- **Currency: GBP**
- **Account: 01-000-1110-00**

**Step 3: Perform a Consolidated Balance Inquiry and drilldown to subsidiary Vision Operations.**

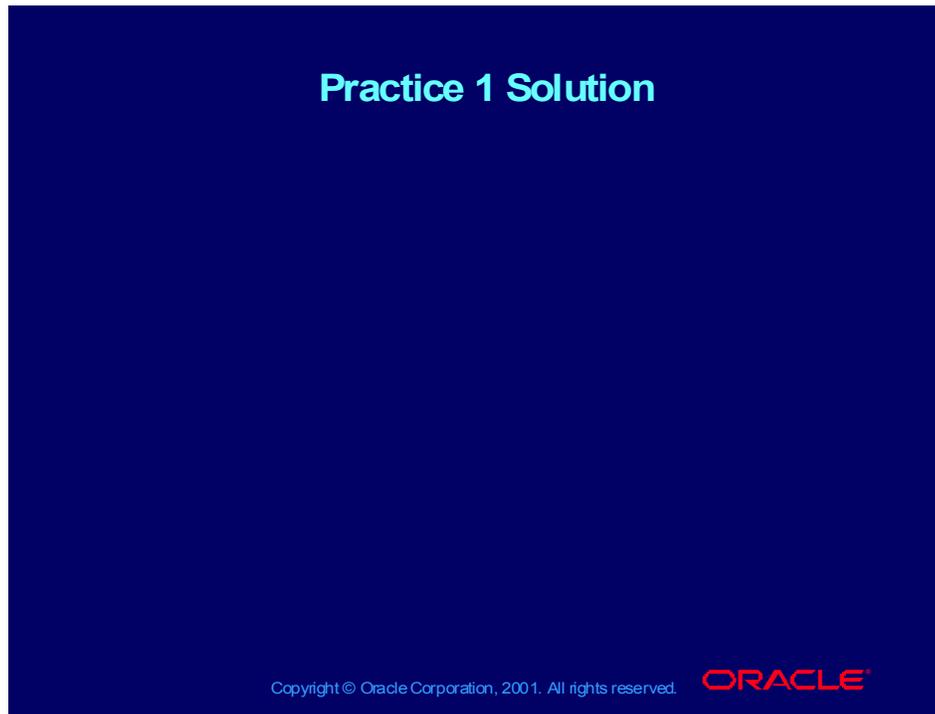
**Step 4: Review Subsidiary Detail journal information and drill down to a transaction.**

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## Practice 1 Solution

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### **Step 1: Select the parent company responsibility, Vision Corporation (UK).**

**Note:** If your instructor has used a different company during the demonstration, ask your instructor which parent to select.

Log on: LEDGER/WELCOME

Select: General Ledger, Vision Corporation (UK)

### **Step 2: Perform an Account Inquiry for the cash account.**

**Note:** If your instructor has used a different company during the demonstration, ask your instructor which account to select.

1. Navigate to the Account Inquiry window.
  - Inquiry > Account
2. Enter March-99 in the From and To Accounting Periods fields.
3. Select Single Currency, then enter GBP in the Currency field.
4. For the Currency type, select Entered.
5. Choose the Primary Balance Type tabbed region.
6. Select Actual.
7. (Optional) Choose a display and precision Factor:
8. In the Accounts area, enter the account 01-000-1110-00.

### **Step 3: Perform a Consolidated Balance Inquiry and drilldown to subsidiary Vision Operations.**

Note: If your instructor has used a different company during the demonstration, ask your instructor which subsidiary to select.

1. From the Account Inquiry window, select the Show Journal Details button.
  - The Journals Window is displayed.
2. Select the consolidation journal batch that was produced during the demonstration.
  - Hint: Consolidation journal batches have Consolidation as the journal source and it should have today's date.
3. Choose the Drilldown button to view the Consolidation Drilldown window.
  - The Consolidation Drilldown window for Vision Operations is displayed.

**Step 4: Review Subsidiary Detail journal information and drilldown to a transaction.**

1. Review the consolidation journal from Vision Operations. From the Consolidation Drilldown window, select the account, 03-000-1110-00000-000, then select the Entered Balances button.
  - The Consolidation Drilldown window for Entered Balances (Vision Corporation) > Vision Operations is displayed. Note that the currency is now USD.
2. Select the entry for Mar-99, then click the Journal Details button.
  - The Consolidation Drilldown window for Journals (Vision Corporation > Vision Operations) is displayed.
3. Select the Consolidation journal, then click Drilldown.
  - The Consolidation Drilldown for (Vision Operations) for account 03-000-1110-00000-000, Mar 99 is displayed.
4. Now go one step further, and drilldown to Vision Operations subsidiary. Select account 101.0000.000.111000.0000.000 (for Vision Project Manufacturing), then click Entered Balances.
  - Note that you are now looking at the consolidation Vision Operations > Project Mfg.
5. Select the entry for account 101.0000.000.111000.0000.000, then click Journal Details.
  - The Consolidation Drilldown window for Journals (Vision Operations > Project Mfg) is displayed.
6. Now drilldown to an actual transaction. Select the Batch AR 3128 Receivables, then click Drilldown.
  - The Receivables Receipt Accounting window for Project Mfg is displayed.
7. Select the entry for Receipt Num 9753693 dated 05-MAR-1999 and click Show Transaction.
  - The Receipts window is displayed with transaction information.

### Summary

You have learned how to run a consolidation by:

- **Preparing subsidiary data**
- **Transferring balances and transactions from your subsidiary set of books to your parent set of books**
- **Updating balances by posting consolidation journals**
- **Creating elimination entries**
- **Reporting, analyzing, and inquiring on consolidation balances**

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# **Consolidations Implementation**

## **Chapter 10**

## Consolidations Implementation

Oracle General Ledger Release 11*i*

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### Objectives

After completing this module, you will be able to:

- Define a consolidation using the **Define Consolidation** window
- Define segment mapping rules using the **Segment Rules** window
- Define account mapping rules using the **Account Rules** window
- Define elimination sets using the **Elimination Sets** window

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# Agenda

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## Agenda

- **Setup considerations**
- Defining consolidation mappings
- Defining elimination sets

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## Consolidation Implementation Considerations

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### Consolidation Implementation Considerations

- Do you need multiple sets of books?
- If you have multiple sets of books, can your consolidation needs be met by using FSG reports or will you need to use the Global Consolidation System (GCS)?
- Do all businesses use Oracle General Ledger?  
Do all businesses reside in the same instance?  
Will you need a separate set of books for consolidation, or can you consolidate in the parent?

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > What You Can Consolidate**

## Consolidation Implementation Considerations

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### Consolidation Implementation Considerations

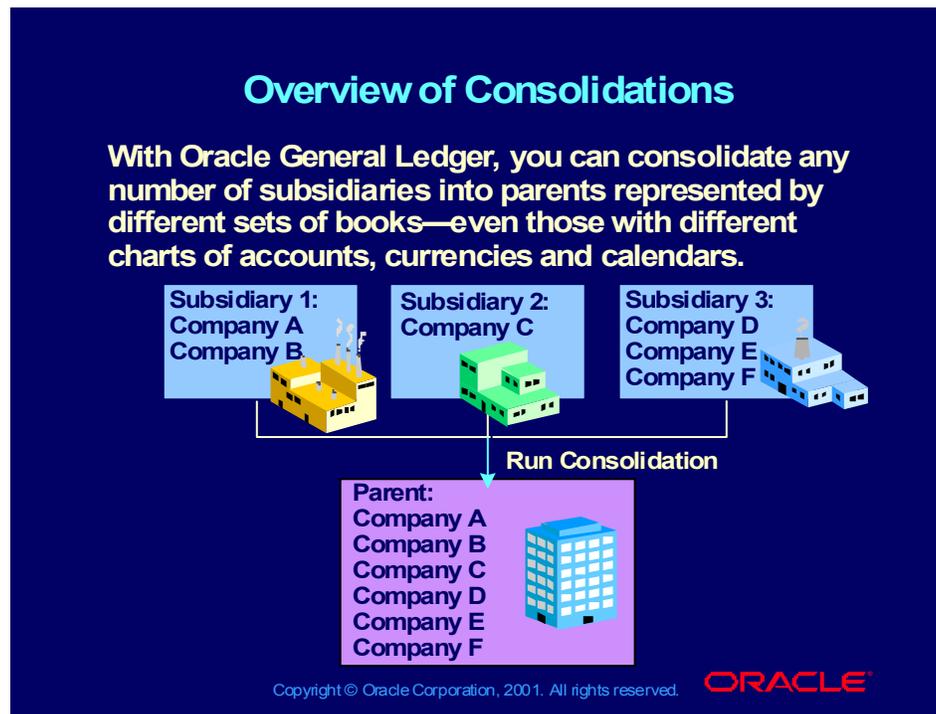
- Will you need an elimination company to segregate eliminations, or eliminate in the parent?
- Do you need to consolidate in summary or detail?
- How will you use summary accounts to facilitate consolidation?

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## Overview of Consolidations

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### **(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > What You Can Consolidate**

With Oracle General Ledger, you can:

- Consolidate the results of multiple organizations, with different sets of books, currencies, calendars, and charts of accounts
- Initiate consolidations from your parent or subsidiary General Ledgers.
- Consolidate actual amounts as well as budget amounts.
- Consolidate account balances or transactions.

### Consolidation Tools

<p><b>Global Consolidation System (GCS)</b> </p> <ul style="list-style-type: none"><li>• Use the Consolidation Workbench to consolidate data from:<ul style="list-style-type: none"><li>– Multiple sets of books</li><li>– Multiple instances</li><li>– Non-Oracle applications</li></ul></li><li>• Use the State Controller to:<ul style="list-style-type: none"><li>– Access windows used to perform each consolidation activity</li><li>– Monitor the status of consolidation</li></ul></li></ul>	<p><b>Financial Statement Generator (FSG)</b> </p> <ul style="list-style-type: none"><li>• Create reports to consolidate:<ul style="list-style-type: none"><li>– Businesses within single set of books</li><li>– Businesses in different sets of books with same calendar, chart of accounts, and currency</li></ul></li><li>• Produce additional consolidation reports</li></ul>
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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System**

### **Global Consolidation System**

Use GCS to consolidate the data from multiple organizations, even if they are in different sets of books with different currencies, calendars, and account classification code structures.

### GCS Features and Benefits

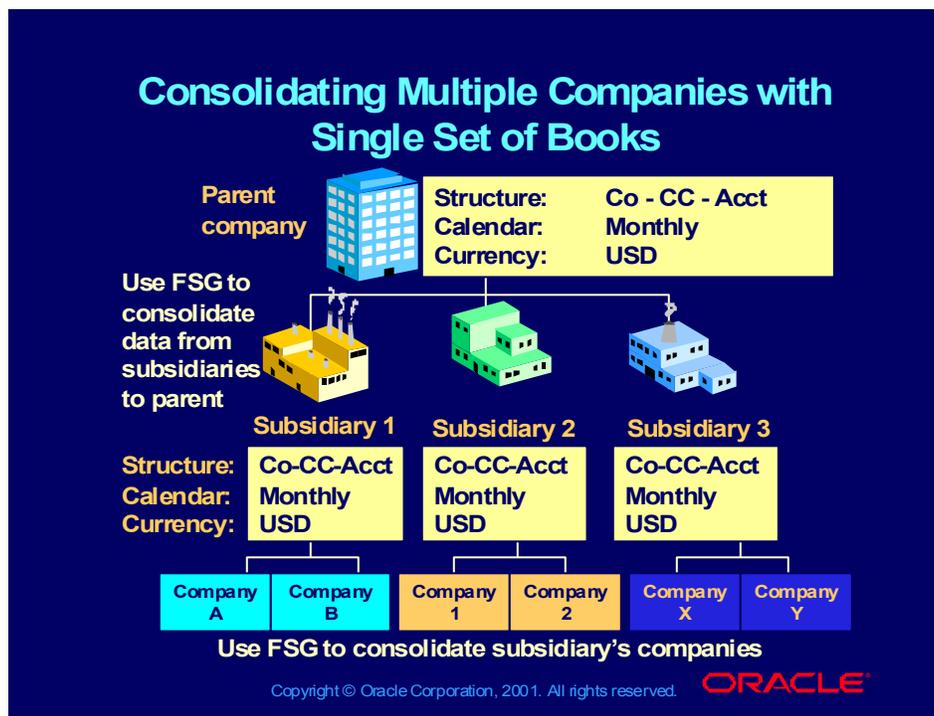
- The Global Consolidation System (GCS) is a complete solution for the multi-step consolidation process.
- GCS provides:
  - Sophisticated consolidation mapping rules
  - Multilevel drilldown capabilities to subsidiary balances
  - Powerful report publishing capabilities
  - Integrated multidimensional analysis
  - Support for subsidiaries using Oracle General Ledger and non-Oracle general ledger systems.



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# Consolidating Multiple Companies with Single Set of Books



## (Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Implementation Options

### Multiple Companies in Single Set of Books

If your companies have the same account structures, calendars, and functional currencies, they reside in the same set of books, and you do not use average balances, you can:

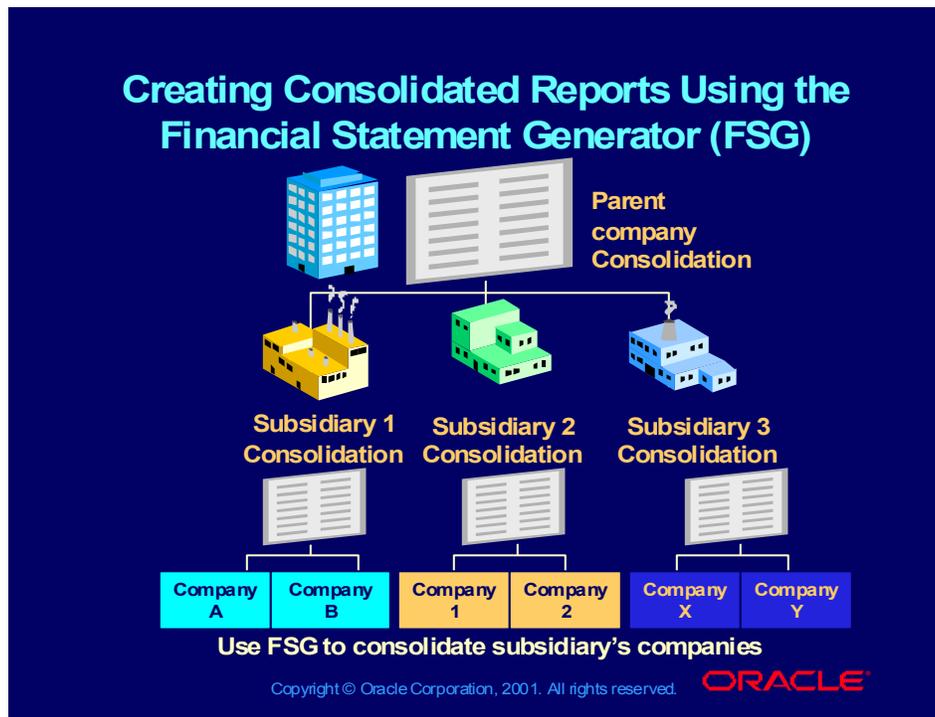
- Use the Financial Statement Generator to create consolidated financial statements at the company level within subsidiaries and at the parent level when consolidating subsidiaries to parent.
- You can also use the FSG to create consolidated reports for companies that share the same chart of accounts and calendar, but do not share the same currency if you translate the balances before running the consolidation.

You can segregate eliminating entries by creating an elimination company

Note: If you want to consolidate budgets, your parent and subsidiary sets of books must share the same calendar.

# Creating Consolidated Reports Using the Financial Statement Generator (FSG)

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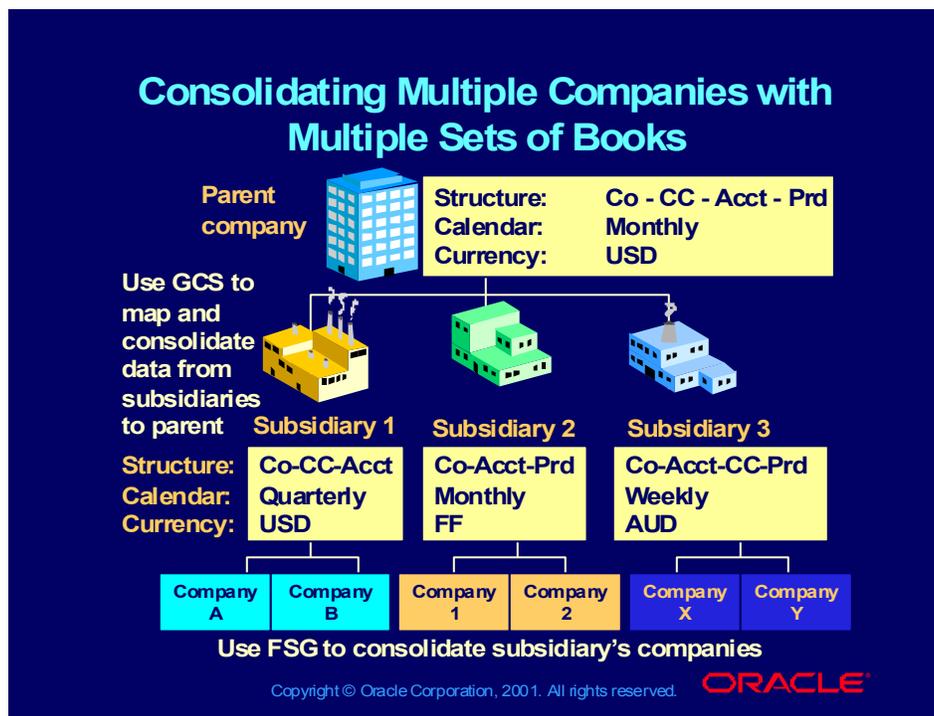
## (Help) Oracle Financial Applications > Oracle General Ledger > Financial Statement Generator

### Using the Financial Statement Generator to Produce Consolidated Financial Statements and Reports

You can produce consolidated financial statements for each level of the consolidation. They can be used to:

- Consolidate subsidiary's companies or divisions
- Produce regional consolidations
- Consolidate subsidiaries with the parent

# Consolidating Multiple Companies with Multiple Sets of Books



## (Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Implementation Options

### Multiple Companies in Multiple Sets of Books

If you have companies that do not share the same currency, calendar, or chart of accounts, they will reside in separate sets of books, and, possibly, separate instances, or non-Oracle applications.

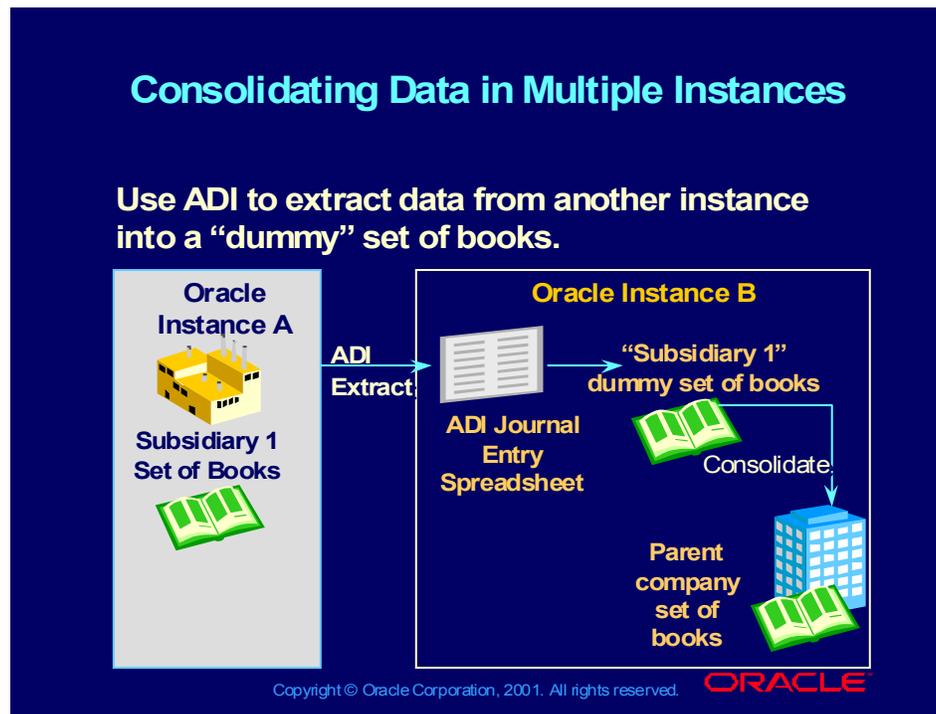
To produce consolidations:

- Use the global consolidation system (GCS) to consolidate data for companies with different sets of books
- Use the financial statement generator (FSG) to produce consolidated reports for companies sharing the same set of books and to produce reports from data that was consolidated using GCS.
- If any of your subsidiaries are on a separate instance, or non-Oracle applications, use GCS to consolidate data. You can also use ADI to convert data from a non-Oracle application.
- Use the Global Intercompany System (GIS) to handle intercompany transactions.
- Use GCS to generate automatic intercompany eliminations

Suggestion: For foreign currency subsidiaries, consider using General Ledger's Multiple Reporting Currencies (MRC) feature to define both a primary and reporting set of books for the subsidiary. Use your parent company's functional

currency as the reporting currency for the reporting set of books. This provides readily translated data for the subsidiary to consolidate to the parent.

## Consolidating Data in Multiple Instances



### (Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Implementation Options

#### Multiple Companies in Multiple Instances

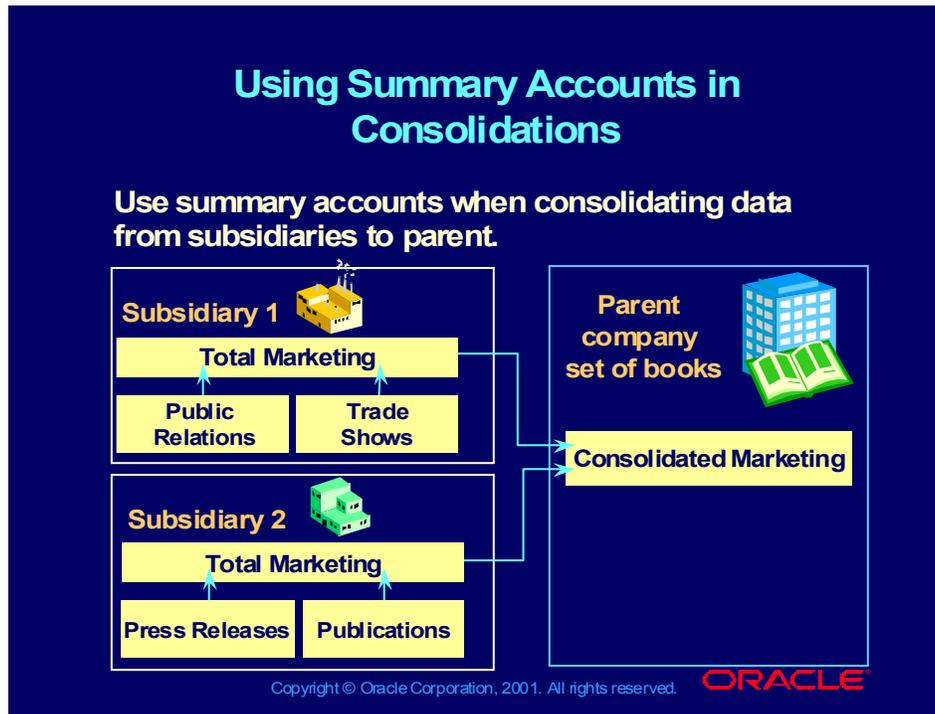
If you have companies that do not share the same instance, you can do the following:

- Revalue and translate subsidiary amounts if necessary.
- Run a trial balance in the subsidiary and use the balances to populate an ADI journal wizard.
- Use the journal wizard to extract data to the parent company instance into a journal template window,
- Use the Applications Desktop Integrator (ADI) to import that data to a dummy set of books.
- You can then use GCS to consolidate the data.

The dummy set of books is defined like any other set of books. The structure should match that of the original set of books in the other instance.

As an alternative to the ADI extract, you can also use SQL\*Plus and load the contents of the flat file into the GL\_INTERFACE table. You can then upload the data into the GCS instance using journal import. This method requires support from your MIS department.

## Using Summary Accounts in Consolidations



(Help) Oracle Financial Applications > Oracle General Ledger > Setting Up General Ledger > Summary Accounts

## Do You Need GCS?

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### Do You Need GCS?



<p><b>You need GCS if you:</b></p> <ul style="list-style-type: none"><li>• <b>Maintain your parent and all of its subsidiaries in separate sets of books</b></li><li>• <b>Maintain your parent and any of your subsidiaries in separate Applications instances.</b></li><li>• <b>Maintain subsidiaries in non-Oracle applications</b></li></ul>	<p><b>You do not need GCS if you:</b></p> <ul style="list-style-type: none"><li>• <b>Maintain your parent and all of its subsidiaries:</b><ul style="list-style-type: none"><li>– <b>within one set of books and you do not have average balance processing enabled</b></li><li>– <b>within multiple sets of books that share the same currency, calendar and chart of accounts</b></li></ul></li><li>• <b>Instead, you can create FSG consolidated reports.</b></li></ul>
---	--

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# Agenda

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## Agenda

- Setup considerations
- **Defining consolidation mappings using GCS**
- Defining elimination sets

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## Steps to Setup GCS Consolidations

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### Steps to Setup GCS Consolidations

- Step 1: Map consolidation data.**
- Step 2: Create elimination sets.**
- Step 3: Analyze the consolidation mapping.**

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Consolidation Process Steps**

### State Controller

Use the State Controller to navigate to consolidation mapping and elimination definition forms.

- From the State Controller, you can select the consolidation step you want to perform and open the related General Ledger window.
- When you select a subsidiary from the Consolidation Workbench, the State Controller buttons change color based on which steps you have performed or need to perform for the subsidiary.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Consolidation Workbench**

## State Controller Buttons

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**State Controller Buttons**

**Use State Controller buttons to access and monitor each step in the consolidation process.**

Button Name	Consolidation Step
Mapping Mapping Set	Map consolidation data
Translation Status	Prepare consolidated data
Transfer Transfer Set	Transfer consolidation data
Review Journal Post	Review and post consolidated data
Eliminate Elimination Set	Create eliminating entries
Report	Report on consolidated balances

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Consolidation Workbench > Using the State Controller**

## State Controller Button Colors

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**State Controller Button Colors**

Mapping	Blue	Recommended
Mapping Set		
<b>Translation Status</b>		
Transfer	Gray	To be completed
Transfer Set		
Review Journal	Red	Warning
Post		
Eliminate		
Elimination Set		
Report		

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Consolidation Workbench > Using the State Controller**

## Defining a Consolidation Mapping

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### Defining a Consolidation Mapping

- A consolidation mapping is a set of instructions for mapping accounts or entire account segments from a subsidiary set of books to the parent set of books.
- Define a consolidation mapping for each subsidiary you want to consolidate.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Mapping Subsidiaries to Your Parent**

## Defining a Consolidation Mapping

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### Defining a Consolidation Mapping

Consolidation mappings include:

- The parent and subsidiary
- Method (consolidate balances or transactions)
- Currency
- Effective dates
- Consolidation run options
- Segment mapping rules
- Account mapping rules
- Usage (Standard, Average, or Standard & Average)

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**(Help) Oracle Financial Applications > Oracle General Ledger >  
Global Consolidation System > Mapping Subsidiaries to Your Parent**

## Steps to Define a Consolidation Mapping

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### Steps to Define a Consolidation Mapping

1. **Navigate to the Consolidation Mappings window.**
2. **Enter a Mapping name.**
3. **Choose a consolidation Method.**
  - **Balances: Consolidate actual, average, translated, budget, or statistical balances. This method does not include journal entry detail.**
  - **Transactions: Consolidate actual journal entry detail from a subsidiary set of books. You can use this method only if both sets of books have the same functional currency. You cannot use this method for budgets.**

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### **(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Mapping Subsidiaries to Your Parent Consolidation Methods**

When the consolidation is run, consolidation journal entries are created in the parent set of books for all the subsidiaries selected.

- If you choose the Balances method, the resulting consolidation journal will include the account balances for all the subsidiaries that were run. For example, if a subsidiary had five transactions that made up the balance of the sales account, the consolidation journal entry will include the balance of the sales account, and not the individual transactions (based on the mapping rules).
- If choose the Transactions method, the resulting consolidation journal will include the transactions for all the subsidiaries that were run. For example, if a subsidiary had 5 transactions for the sales account, the consolidation journal entry will include each transaction.

## Steps to Define a Consolidation Mapping

---

### Steps to Define a Consolidation Mapping

4. (Optional) Enter a Description for the mapping.
5. Enter the name of the Subsidiary set of books you will be consolidating.
6. Enter the Parent set of books name.
7. Enter the Currency to use for the consolidation:
  - Enter the parent set of book's functional currency.
  - Optionally, enter STAT to consolidate statistical balances.

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## Steps to Define a Consolidation Mapping

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### Steps to Define a Consolidation Mapping

8. Enter a range of Effective Dates for which the consolidation mapping can be used.
9. Choose the Segment Rules button.
  - For each subsidiary segment being mapped, enter the Parent segment name to which it will map, an Action, and the Subsidiary segment name.
  - You can use only one action for each parent segment.

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## Segment Rule Actions

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**Segment Rule Actions**

**Select one of the following actions for each segment rule:**

Rule	Description
Copy Value From	Copies all values in subsidiary segment to the same values in parent segment. Segments do not have to use the same value set, but must use same segment values.
Assign Single Value	Assigns one specific value that will be used for the parent segment. You must enter the value that the parent chart of accounts will use.  Use this rule when the parent account has more segments than the subsidiary account.
Use Rollup Rules From	Maps values from subsidiary segments to parent segment using the rule specified in the Rollup Rules region.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Mapping Subsidiaries to Your Parent > Entering Mapping Rules**

### Steps to Define a Consolidation Mapping

**10. If you chose the Use Rollup Rules From action in the previous step, enter the mapping rules in the Rollup Rules region.**

**11. Save your work.**

- **After you save your work, you cannot modify your rollup rules, except to change the parent and subsidiary segment detail values.**
- **To change a rollup rule, delete it then create a new one.**

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## Steps to Define a Consolidation Mapping

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### Steps to Define a Consolidation Mapping

**12. Choose the Account Rules button.**

- Enter the **Subsidiary Accounts** that you want to consolidate. If you enter multiple ranges, they must not overlap.
- Enter the **Parent Account** to which you want to map each subsidiary account range.

**13. Save your work.**

**Hint: Run the Consolidation Rules report to review the account and segment mappings you have created for a Consolidation Mapping.**

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### Mapping Rules

- **Segment rules** map subsidiary account segments to parent account segments.
  - Example: map subsidiary's department segment to parent's cost center segment.
- **Account rules** map a specific subsidiary account or range of accounts to a specific account in the parent set of books.
  - Example: map subsidiary's account 02.300.5400.100 to parent's account 01.5000.100.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Mapping Subsidiaries to Your Parent > Entering Mapping Rules**

### Mapping Rules

- You can define segment rules, account rules, or a combination of both.
  - If you use segment rules, you must define a segment rule action for each segment in the parent's chart of accounts, but you cannot define more than one action per segment.
  - Account rules override segment rules, if there is a conflict.
- Suggestion:
  - Use segment rules to define the default mapping.
  - Use account rules to define exceptions.

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## Segment Rollup Rules

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### Segment Rollup Rules

A rollup rule consists of the following:

Rule	Description
Parent Segment Detail Value	Subsidiary values rollup into the specified parent detail segment value.
Transfer Level	Specifies whether to rollup detail or summary data
Using	Specifies whether Parent, Detail Ranges, or Parent Ranges from subsidiary is mapped. Dependent on Transfer level selected.
Subsidiary Segment Parent Value	<ul style="list-style-type: none"><li>▪ If you specified Parent in the Using field, enter the parent account value for the subsidiary.</li><li>▪ If you specified Detail Ranges or Parent Ranges, enter the account ranges.</li></ul>

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(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Mapping Subsidiaries to Your Parent > Rollup Rules

## Segment Rollup Rule Examples

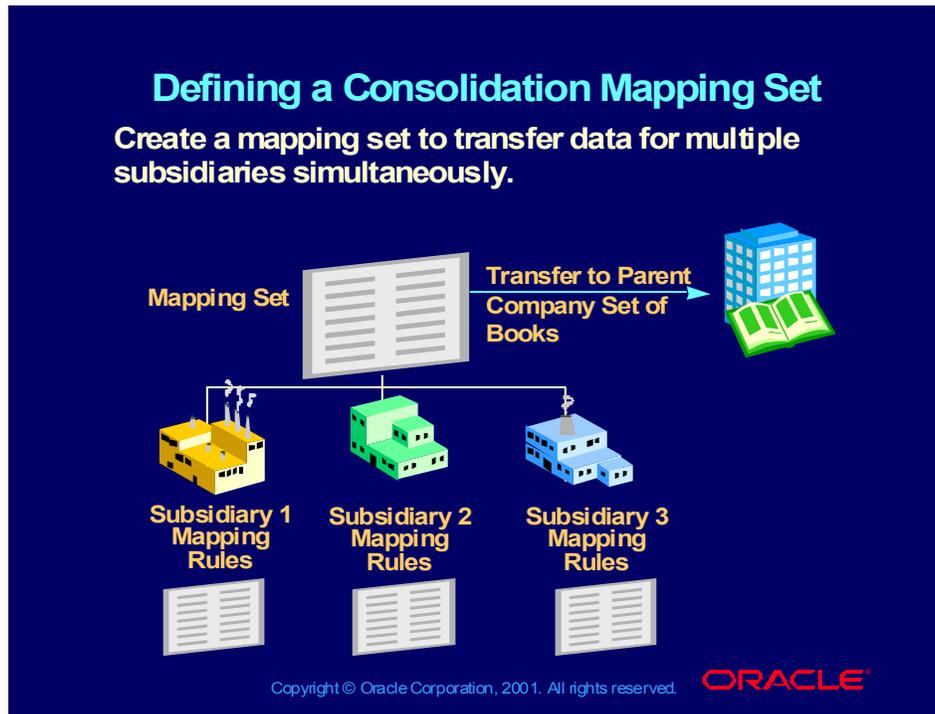
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<b>Segment Rollup Rule Examples</b>		
<b>Transfer Level</b>	<b>Using</b>	<b>Resulting Effect</b>
Detail	Detail Ranges	Maps a range of detail values from subsidiary set of books into one detail value in parent set of books.
Detail	Parent	Maps all subsidiary segment detail account values under the specified subsidiary parent account values to a detail account value in the parent set of books.
Summary	Parent	Maps a subsidiary parent value into a detailed account value in parent set of books. Consolidates balances from summary accounts in the subsidiary set of books.
Summary	Parent Ranges	Maps one or more ranges of subsidiary segment parent values into a segment value in parent set of books. Consolidates balances from summary accounts in the subsidiary set of books.

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## Defining a Consolidation Mapping Set

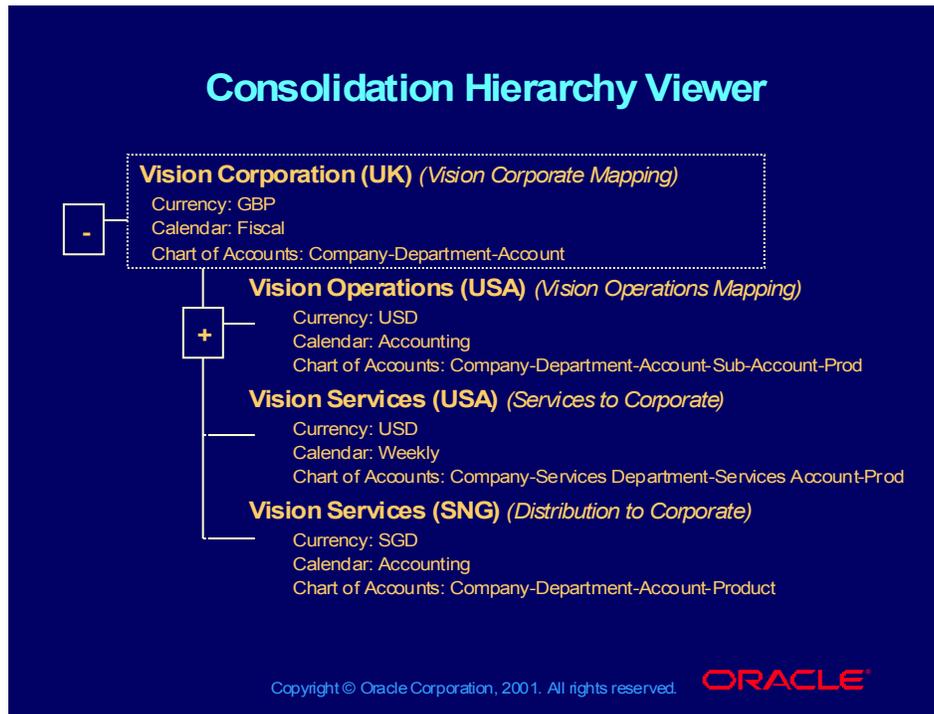
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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Mapping Subsidiaries to Your Parent > Creating Mapping Sets**

## Consolidation Hierarchy Viewer

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### (Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Mapping Subsidiaries to Your Parent > Consolidation Hierarchy Viewer

#### There are three ways you can review consolidation hierarchies:

- Set of Books Only: Displays your hierarchy using only the company's set of books name plus the three components that make up that set of books: the currency, calendar, and chart of accounts structure.
- Sets and Mappings: Only Displays your hierarchy using only the consolidation mapping rules name that comprise the mapping set.
- Both: Displays your hierarchy using both the company's set of books name and components and the mapping rules name.

### Demonstration

In Oracle General Ledger we will demonstrate how to:

- Define a consolidation mapping
- Define a consolidation mapping set
- View a consolidation hierarchy

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### Demonstration

This demonstration covers how to define a consolidation mapping, how to define a consolidation mapping set, and how to view a consolidation hierarchy.

- (N) Consolidation > Define > Mapping**
- (N) Consolidation > Define > Mapping Set**
- (N) Consolidation > Workbench >**
  - (B) State Controller**
  - (B) Mapping Set**
  - (B) View Consolidation Hierarchy**

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## Practice 1

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### Practice 1

Using the Consolidation Workbench, select the mapping Project Mfg to Operations (USD).

1. Who is the parent?
2. Who is the subsidiary?
3. What is the currency?
4. What method is used?
5. What Parent segments does the subsidiary segment Location transfer to?
6. Look at the segment rules for Parent Segment Account 3310. What is the Transfer Level?
7. Look at the account rules. What parent account does account 101.1030.040.111000.000.00 map to?

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## Practice 2 Solution

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### Practice 2 Solution

1. Who is the parent? *Vision Operations USA*
2. Who is the subsidiary? *Vision Project Manufacturing (MRC)*
3. What is the currency? USD
4. What method is used? Balances
5. What Parent segments does the subsidiary segment Location transfer to? Product
6. Look at the segment rules for Parent Segment Account 3310. What is the Transfer Level? Detail Using Detail Ranges.
7. Look at the account rules. What parent account does account 101.1030.040.111000.000.00 map to? 03.000.1110.0000.000

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#### To display a consolidation mapping :

1. Navigate to the Find Consolidation Processes window.
  - Consolidation > Define > Mapping
1. From the Consolidation Workbench Preparation/Transfer window, highlight the first subsidiary, Vision Project Mfg (MRC).
2. Click Mapping.

Answers to questions 3, 4, and 5:

- 3. What is the currency? USD
  - 4. What method is used? Balances
  - 5. What Parent segments does the subsidiary segment Location transfer to? Product
3. Click Segment Rules.

Answer to question 6:

- 6. Look at the segment rules for Parent Segment Account 3310. What is the Transfer Level? Detail Using Detail Ranges.
4. Close the Segment Rules window, then click Account Rules.

Answer to question 7:

- 7. Look at the account rules. What parent account does account 101.1030.040.111000.000.00 map to? 03.000.1110.0000.000

# Agenda

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## Agenda

- Setup considerations
- Defining consolidation mappings using GCS
- **Defining elimination sets**

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## Creating Eliminating Entries

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### Creating Eliminating Entries

- There are several methods you can use to create eliminating entries in the consolidated parent or elimination set of books:
  - Create automatic Intercompany Eliminations, using elimination sets
  - Create recurring journal entries
  - Create eliminations using ADI spreadsheets
  - Create standard journal entries to eliminate intercompany balances
- (Optional) Use an elimination company to segregate elimination entries so you can report consolidation results before or after eliminations.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Eliminating Entries**

### Formula-Based Eliminations

- Use recurring journal entries set up with specific formulas or partial eliminating entries, such as those for:
  - intercompany profit eliminations
  - minority interest eliminations
  - cross-ownerships
  - intercompany transactions with partially owned subsidiaries
- You cannot use the Automatic Intercompany Eliminations program to eliminate formula-based eliminations or average balances.

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**(Help) Oracle Financial Applications > Oracle General Ledger > Journal Entry > Recurring Journals**

## Automatic Intercompany Eliminations Program

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### Automatic Intercompany Eliminations Program

The Oracle General Ledger Automatic Intercompany Eliminations program eliminates intercompany balances. It is used only for fully reciprocating eliminations. To use it:

1. Define an eliminating entry by first creating an elimination set, which is a batch of one or more elimination journal entries, including balancing options.
2. Generate the elimination set every period to automatically create the elimination journal entries.

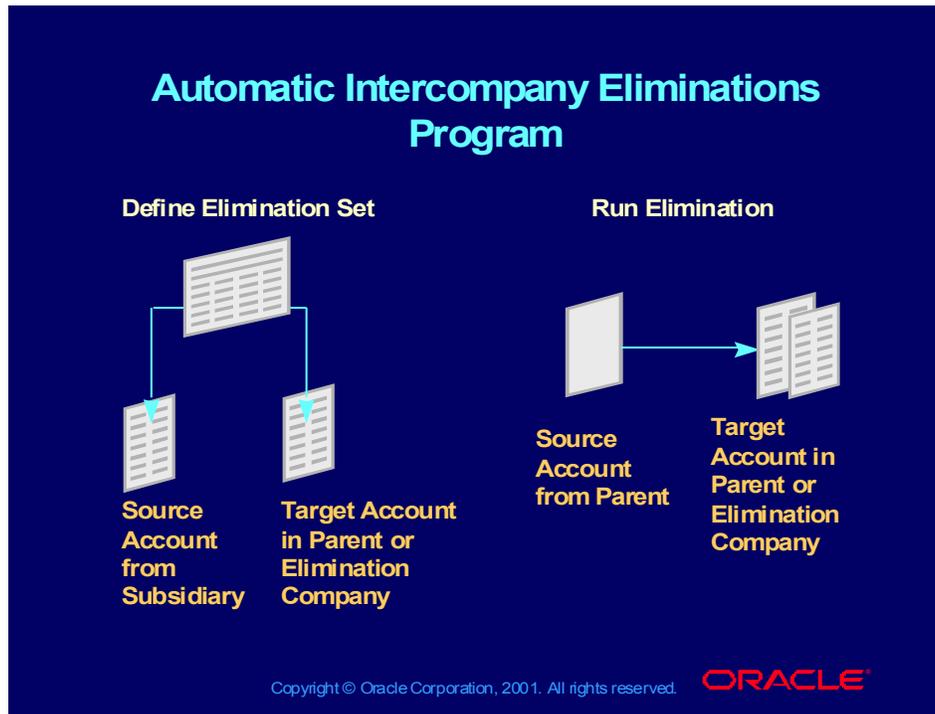
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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Eliminating Entries > Creating Eliminating Entries**

## Automatic Intercompany Eliminations Program

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### **(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Eliminating Entries**

The Automatic Intercompany Eliminations program automatically generates eliminating entries per the rules specified in the Define Elimination Accounts window.

You can use the Consolidation Workbench State Controller to track the elimination status of elimination sets and post any generated elimination sets.

### Defining an Elimination Set

- **Elimination sets can contain a single eliminating entry, or a group of related elimination entries.**
- **In the Eliminations Account window you can define an unlimited number of elimination journals (mappings) for each elimination set.**
- **Elimination entries are comprised of individual lines that fully eliminate balances from source accounts to target accounts.**

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## Elimination Set Components

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### Elimination Set Components

#### Required:

- Batch Name
- Description
- Period Last Run
- Elimination journals
  - Currency (parent functional currency or STAT)
  - Amount Type (PTD, QTD, YTD, PJTD)
  - Source Account
  - Target Account

#### Options:

- Balancing segment value (elimination company)
- Track Elimination Status
- Effective From and To dates
- Elimination Journals
  - Balancing options

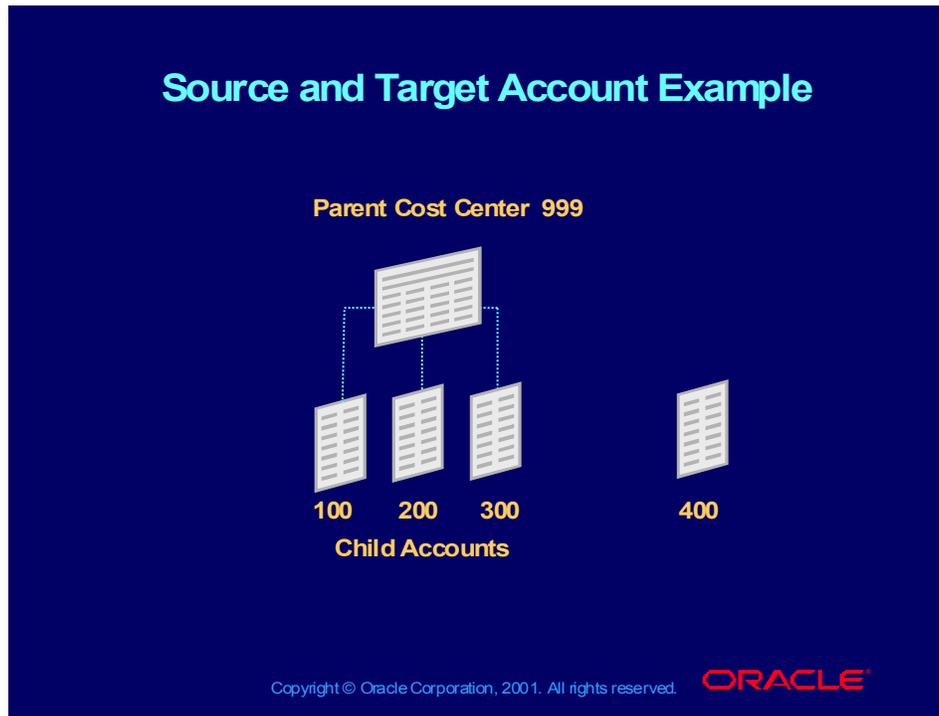
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**(Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Eliminating Entries > Creating Eliminating Entries**

## Source and Target Account Example

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## Source and Target Account Examples

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### Source and Target Account Examples

Source Account	Target Account	Outcome
Null	Null	Source accounts 100, 200, 300, and 400 eliminate into individual target accounts 100, 200, 300, and 400.
Null	100	Source accounts 100, 200, 300, and 400 eliminate into target account 100.
200	Null	Source account 200 eliminates into target account 200
999	Null	Source accounts 100, 200, 300 (children of 999) eliminate into individual target accounts of 100, 200, and 300.
200	100	Source account 200 eliminates into target account 100.
999	100	Source accounts 100, 200, 300 (children of 999) eliminate into target account 100.

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## Balancing Options for Eliminations

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Balancing Option	Outcome
Allow Out of Balance Journal	You can review the out of balance journal entry.
Balance with Net Differences Account	Difference in out of balance journal will be posted to net differences accounts you specify for debits and credits. Can also use threshold rules.
Balance with Net Differences Account with Threshold Rules	If difference does not exceed threshold a balanced journal entry is created with difference in net differences account. If difference exceeds threshold, an out of balance journal entry is produced which you can review.

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### (Help) Oracle Financial Applications > Oracle General Ledger > Global Consolidation System > Eliminating Entries > Creating Eliminating Entries

If elimination journals are out of balance, you can specify balancing options to either allow out of balance journals to be created or to post the net difference to an alternative account.

Balancing options apply to all journals created for the elimination set.

- Allow Out of Balance Journal: Creates an unbalanced journal entry to be reviewed. You should then review the journal entry.
- Balance with Net Difference Account: Specifies an account template to use if the difference is a net debit or credit. Select debit and credit accounts.
- In addition, threshold rules can be applied to prevent the automatic balancing of elimination journals if the net difference exceeds a specific amount, a percentage of a particular account, or a percentage of the total journal.
- If multiple balancing segments are involved, General Ledger creates specific balancing accounts by balancing segment value.

## Allow Out of Balance Journal

---

### Allow Out of Balance Journal



Elimination Journal Entry	
DR	CR
I/C AR 1115	
I/C Sales	1110
Out of Balance	5

*Review and  
analyze  
difference*



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## Balance with Net Difference

**Balance with Net Difference**



Elimination Journal Entry Balance with Net Difference Account Threshold = 5		
	DR	CR
I/C AR	1115	
I/C Sales		1100
Out of Balance		10

*Review and analyze difference*



Elimination Journal Entry Balance with Net Difference Account Threshold = 15		
	DR	CR
I/C AR	1115	
I/C Sales		1100
Net Difference Account		10

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If you use the Balance with Net Difference option, you can select net difference accounts for debits and credits.

You can also enter threshold rules with the Balance with Net Difference option:

- If the difference is under the amount specified in the threshold rule, the elimination journal is automatically balanced.
- If the difference exceeds the amount specified in the threshold rule, you can examine the difference in the out of balance journal entry and decide what needs to be done.

### Using Threshold Rules

- **Only available if you select Balance with Net Difference Accounts.**
- **Creates a balanced journal entry if the net debit and credit amount of the elimination journal does not exceed a threshold amount.**
- **Picks the lesser of the total debit or total credit to figure out the threshold amount using the following options:**
  - **Constant amount: fixed amount**
  - **Percentage of account: % of PTD balance of selected account.**
  - **Percentage of journal: % of debit or credit of journal**

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### Demonstration

This demonstration covers how to define and generate an elimination set.

**(N) Consolidation > Elimination > Define**

**(B) Accounts**

**(B) Balancing Options**

**(N) Consolidation > Workbench**

**(B) Eliminate**

**(B) Generate**

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### Practice 2

**Review the ICE Subsidiaries in Operations elimination set, then answer the following questions.**

- 1. Is there an elimination company? If so what company?**
- 2. Review the Accounts. What does the target account 95---- mean?**
- 3. Review the Balancing Options. What option is selected? What account would be used if an elimination JE is out of balance by a CR amount?**
- 4. Are any Threshold Rules specified? If so, what are they?**

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## Practice 2 Solution

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### Practice 2 Solution

1. Is there an elimination company? Yes. If so what company? 95 (Operations)
2. Review the Accounts. What does the target account 95---- mean? Source accounts will be eliminated into duplicate accounts in the eliminating company.
3. Review the Balancing Options. What option is selected? Balance with Net Difference Accounts. What account would be used if an elimination JE is out of balance by a CR amount? 95-000-2980-0000-000.
4. Are any Threshold Rules specified? No.

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#### To display an elimination set:

Navigate to the Elimination Sets window.

If you already have Vision Operations (USA) displayed, from the State Controller click Elimination Set

OR

If you do not have Vision Operations (USA) displayed, follow this navigation path:

- Consolidation > Define > Elimination Set.
- Select the parent Vision Operations (USA).
- Click Find.

Answer to question 1:

1. Is there an elimination company? Yes. If so what company? 95 (Operations)

#### To display the Accounts:

From the Elimination Sets window, click Accounts.

Answer to question 2:

2. Review the accounts. What does the target account 95---- mean? Source accounts will be eliminated into duplicate accounts in the eliminating company.

#### To display Balancing Options:

Close the Accounts window, then click Balancing Options.

Answer to questions 3 and 4:

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3. Review the balancing options. What option is selected? Balance with Net Difference Accounts. What account would be used if an elimination JE is out of balance by a CR amount? 95-000-2980-0000-000.
4. Are any threshold rules specified? No.

### Summary

You have learned how to manage your multiple company consolidations by:

- Defining a consolidation using the Define Consolidation window
- Defining segment mapping rules using the Segment Rules window
- Defining account mapping rules using the Account Rules window
- Defining elimination sets using the Elimination Sets window

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# Overview of the Budgeting Process

## Chapter 11

# Overview of the Budgeting Process

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## Overview of the Budgeting Process

Oracle General Ledger Release 11*i*

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### Objectives

**After completing this module, you will be able to:**

- **Describe an Oracle budget**
- **Explain the budgeting accounting cycle**
- **Recognize approaches for setting up a budget**
- **Explain budget organizations and hierarchies**
- **Identify methods for entering budget amounts**
- **Describe the process for reviewing and finalizing budgets**
- **Identify additional Oracle tools used to analyze and maintain budgets**

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# Agenda

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## Agenda

- • **What is a budget?**
- **Setting up a budget**
- **Entering budget amounts**
- **Reviewing and finalizing a budget**
- **Additional Oracle budgeting tools**

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## What is a Budget?

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### What is a Budget?

December 2001 Cost Center 100			
	Actuals	Budget	Variance
Salaries	14,000	15,000	1,000
Supplies	4,000	3,500	(500)
Travel	<u>1,500</u>	<u>1,700</u>	<u>200</u>
TOTAL	19,500	20,200	700

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## What is a Budget?

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### What is a Budget?

**Budgets help you manage your business by projecting revenues and expenses:**

- Estimate account balances for a specified range of periods
- Compare estimated amounts with actual balances and determine variances

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## What is an Oracle Budget?

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### What is an Oracle Budget?

Oracle budgets can be set up to calculate the same way actuals are calculated.

- For example, if you allocate total benefit costs to cost centers based on headcount, you can budget headcount and total benefit costs, and let Oracle General Ledger create detailed cost center budgets for you.
- Oracle budget balances can be translated to create budget versus actual reports in reporting currencies.

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## What is an Oracle Budget?

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### What is an Oracle Budget?

**Oracle General Ledger provides a variety of tools to create, maintain, and track your budgets:**

- Upload budget amounts from an Excel spreadsheet.
- Create an unlimited number of budgets or forecasts.
- Control user access to budgets.
- Create budget organizations to mirror the levels of your company's organization and to control user access to budget information.
- Structure your budget into an unlimited number of levels.
- Create master-detail budgets.

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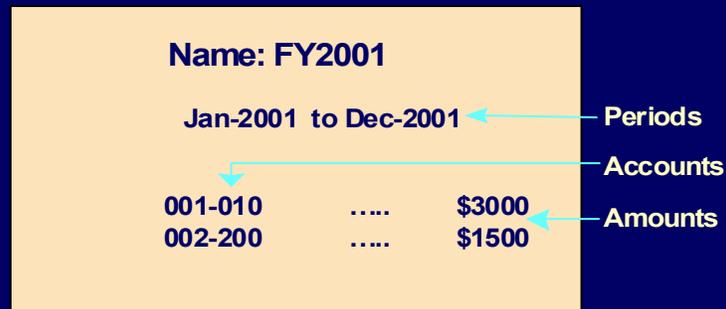
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# Anatomy of an Oracle Budget

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## Anatomy of an Oracle Budget

A budget consists of periods, accounts, and amounts.



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## Demonstration

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### Demonstration

This demonstration shows how budget actuals, amounts, and variances look in an account inquiry.

**(N) Inquiry > Account**

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**For more information see:**

**(Help) Oracle Financial Applications > Oracle General Ledger > Online Inquiries > Performing an Account Inquiry > Reviewing Variances Between Account Balance Types**

# The Budget Accounting Cycle

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## The Budget Accounting Cycle

Step 1: Define budgets and budget organizations.

Step 2: Enter budget amounts.

Step 3: Review and finalize budgets.

Step 4: Report on budgets.

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## Review Question

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### Review Question

**What are the components of a budget?**

- 1. Accounts**
- 2. Amounts**
- 3. Periods**
- 4. 1 and 2 above**
- 5. All of the above**

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### Answer to Review Question

**What are the components of a budget?**

- 1. Accounts**
- 2. Amounts**
- 3. Periods**
- 4. 1 and 2 above**
- 5. *All of the above***

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# Agenda

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## Agenda

- What is a budget?
- • **Setting up a budget**
- Entering budget amounts
- Reviewing and finalizing a budget
- Additional Oracle budgeting tools

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## Defining Budgets

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**Defining Budgets**

Step 1: Determine budget structure.

Step 2: Create budgets and hierarchies.

Step 3: Set up budget organizations.

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**For more information, see:**

**(Help) Oracle Financial Applications > Oracle General Ledger > Budgeting > Budgeting Methods > Using Top Down**

### Budget Methods

You can use the following methods to structure budgets:

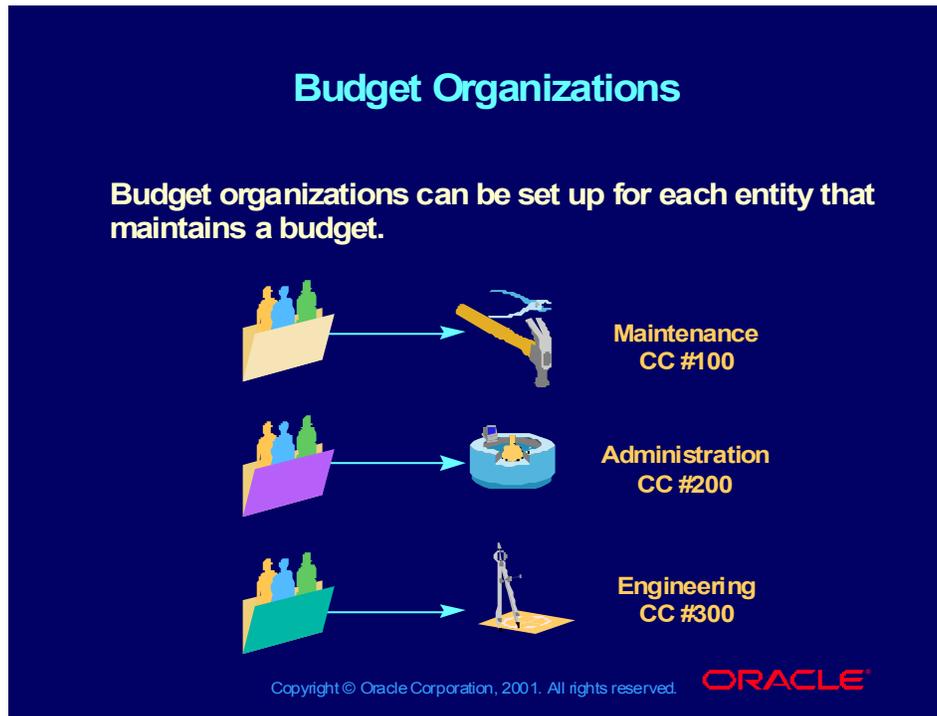
- **Top-down budgeting:** enter budget amounts at the top level, then distribute to lower levels.
- **Bottom-up budgeting:** Enter budget amounts at lowest level, then inquire and report on upper levels.
- **Middle-out budgeting:** Enter budget amounts at lowest level, then inquire and report on upper levels.

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## Budget Organizations

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**For more information see:**

**(Help) Oracle Financial Applications > Oracle General Ledger > Budgeting > Defining Budget Organizations**

### Budget Organizations

**Budget organizations:**

- **Contain ranges of accounts that make up the budget.**
- **Represent departments, cost centers, divisions, or other groups for which you enter and maintain budget data.**
- **Options:**
  - **ALL budget organization**
  - **Password to restrict access**

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# Anatomy of an Oracle Budget

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## Anatomy of an Oracle Budget

A budget consists of periods, accounts, and amounts.

<b>Name: FY2001</b>		
Jan-2001 to Dec-2001		
001-010	.....	\$3000
002-200	.....	\$1500

Periods  
(Budget  
Definition)

Accounts  
(Budget  
Organization,  
Reports)

Amounts

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## Review Question

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### Review Question

**A budget organization is set up to:**

- 1. Control access to budget information**
- 2. Indicate ranges of accounts to be included in a particular entity's budget**
- 3. Represent departments, cost centers, divisions, or other groups for which you enter and maintain budget data**
- 4. None of the above**
- 5. All of the above**

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## Review Question

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### Review Question

A budget organization is set up to:

1. Control access to budget information
2. Indicate ranges of accounts to be included in a particular entity's budget
3. Represent departments, cost centers, divisions, or other groups for which you enter and maintain budget data
4. None of the above
5. *All of the above*

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## Agenda

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### Agenda

- What is a budget?
- Setting up a budget
- • **Entering budget amounts**
- Reviewing and finalizing a budget
- Additional Oracle budgeting tools

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## Entering Budget Amounts

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### Entering Budget Amounts

Budget amounts can be entered in many ways:

- Journal mode
- Worksheet mode
- Individual account mode

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**For more information see:**

**(Help) Oracle Financial Applications > Oracle General Ledger > Budgeting > Entering Budget Amounts**

### Entering Budget Amounts

- **Methods that do not create budget journals:**
  - Entering budget amounts
  - Using budget rules to copy budget amounts
  - Creating budget formulas
  - Using the budget wizard
  - Using Oracle Financial Analyzer (OFA)

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### Entering Budget Amounts

- **Methods that create journal entries for audit purposes:**
  - **Entering budget journals**
  - **Transferring budget amounts**
  - **Creating MassBudget journals**
  - **Using the Journal wizard**

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### MassBudgeting

- Uses formulas to allocate budget amounts to ranges of accounts
- Provides the ability to use previous year actuals or budgets in formulas
- Generates journal entries
- Example:
  - 2001 Department budget = Total 2001 Budget \*  
(DEPT REVENUE/TOTAL 2000 Revenue)

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### Demonstration

This demonstration shows how to enter budget amounts and how to use budget rules.

**(N) Budgets > Enter > Amounts**

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# Agenda

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## Agenda

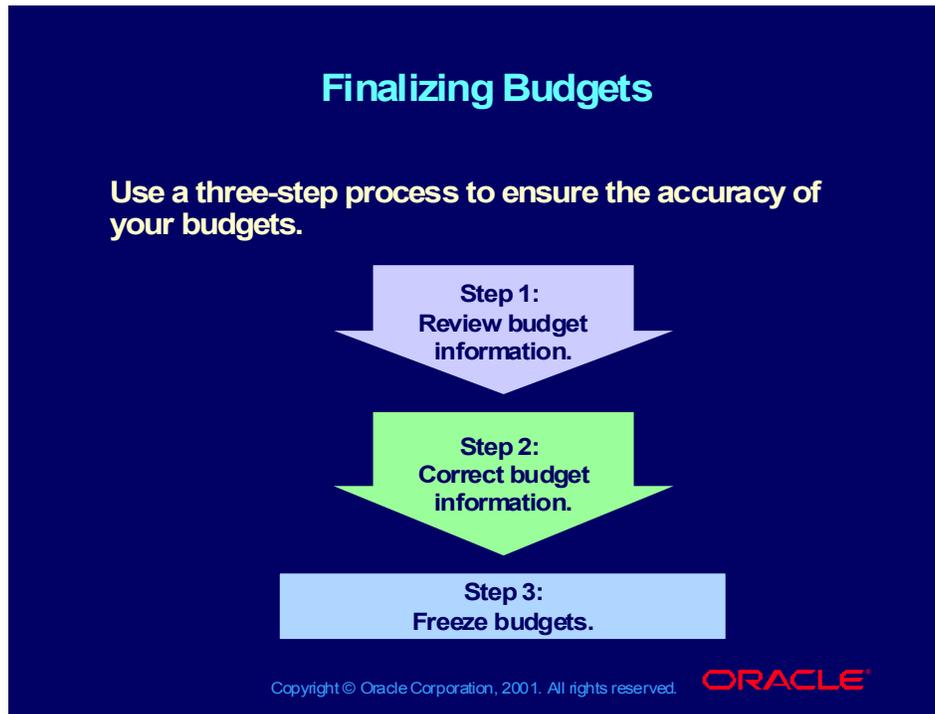
- What is a budget?
- Setting up a budget
- Entering budget amounts
- • **Reviewing and finalizing a budget**
- Additional Oracle budgeting tools

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## Finalizing Budgets

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**For more information see:**

**(Help) Oracle Financial Applications > Oracle General Ledger > Budgeting > Performing a Budget Inquiry**

**(Help) Oracle Financial Applications > Oracle General Ledger > Budgeting > Freezing Budgets**

### Freezing a Budget

Freezing prevents unauthorized or accidental updates of budget amounts

- You can freeze a budget, budget organization, budget formula batch, or range of budget account combinations
- You can unfreeze any budget element that is frozen, if needed

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### Budget Reports and Inquiries

- Review and update budgeted amounts with budget and account inquiries
- Run standard or custom budget reports to:
  - Compare actuals to budget
  - Compare master/detail budget amounts
  - Review hierarchy relationships
  - List budget organization details

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## Review Question

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### Review Question

To ensure the accuracy of a budget, you should:

1. Review the budget hierarchy
2. Review and update budget amounts
3. Check for budget variances
4. 1 and 2 above
5. All of the above

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## Answer to Review Question

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### Answer to Review Question

To ensure the accuracy of a budget, you should:

1. Review the budget hierarchy
2. Review and update budget amounts
3. Check for budget variances
4. 1 and 2 above
5. *All of the above*

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# Agenda

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## Agenda

- What is a budget?
- Setting up a budget
- Entering budget amounts
- Reviewing and finalizing a budget
- • **Additional Oracle budgeting tools**

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### Additional Oracle Budgeting Tools

- SEM
- GLDI (Journal wizard, Budget wizard)
- OFA
  - Multi-dimensional analysis
  - Forecasts
  - What-If analysis
  - Upload to GL
- AutoAllocation Workbench

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## Demonstration

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### Demonstration

This demonstration shows how to enter budget amounts using the Budget Wizard

**(N) Applications Desktop Integrator >Budget Wizard**

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### Summary

In this module, you learned how to:

- Describe an Oracle budget
- Explain the budgeting accounting cycle
- Recognize approaches for setting up a budget
- Explain budget organizations and hierarchies
- Identify methods for entering budget amounts
- Describe the process for reviewing and finalizing budgets
- Identify additional Oracle tools used to analyze and maintain budgets

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