Oracle® Financials for Mexico

User Guide

Release 11*i*

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Oracle Financials for Mexico User Guide, Release 11*i*

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Contributors: German Bertot, Craig Borchardt, Clara Jaeckel, Daniela Kantorova, Lee Konstantinou, Linda Kline, Essan Ni, Kristin Penaskovic, Hernan Tojo

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Preface

Welcome to Release 11*i* of the *Oracle® Financials for Mexico User Guide.*

This guide assumes you have a working knowledge of the following:

- The principles and customary practices of your business area.

- Oracle Financials for Mexico.

- The Oracle Applications graphical user interface.

  To learn more about the Oracle Applications graphical user interface, read the *Oracle Applications User's Guide.*

See Other Information Sources for more information about Oracle Applications product information.

How To Use This Guide

The *Oracle Financials for Mexico User Guide* contains the information you need to understand and use Oracle Financials for Mexico. This user guide documents country-specific functionality developed for use within your country and supplements our core Financials user guides. This user guide also includes tips about using core functionality for your country's business practices, as well as task and reference information. This user guide includes:

- Chapter 1 describes Oracle Assets for Mexico, including inflation adjustment and tax reporting.

- Appendix A describes how to use globalization flexfields.

- Appendix B describes the profile options that you must set for Oracle Financials for Mexico.

- A glossary provides definitions of terms specific to Oracle Financials for Mexico that are used in this guide.

Documentation Accessibility

Our goal is to make Oracle products, services, and supporting documentation accessible, with good usability, to the disabled community. To that end, our documentation includes features that make information available to users of assistive technology. This documentation is available in HTML format, and contains markup to facilitate access by the disabled community. Standards will continue to evolve over time, and Oracle Corporation is actively engaged with other market-leading technology vendors to address technical obstacles so that our documentation can be accessible to all of our customers. For additional information, visit the Oracle Accessibility Program Web site at http://www.oracle.com/accessibility/.

Accessibility of Code Examples in Documentation

JAWS, a Windows screen reader, may not always correctly read the code examples in this document. The conventions for writing code require that closing braces should appear on an otherwise empty line; however, JAWS may not always read a line of text that consists solely of a bracket or brace.

Accessibility of Links to External Web Sites in Documentation

This documentation may contain links to Web sites of other companies or organizations that Oracle Corporation does not own or control. Oracle Corporation neither evaluates nor makes any representations regarding the accessibility of these Web sites.

Other Information Sources

You can choose from other sources of information, including online documentation, training, and support services, to increase your knowledge and understanding of Oracle Financials for Mexico.

If this user guide refers you to other Oracle Applications documentation, use only the Release 11*i* versions of those guides unless we specify otherwise.

Online Documentation

All Oracle Applications documentation is available online (HTML or PDF).

- **Online Help** - The new features section in the HTML help describes new features in 11*i*. This information is updated for each new release of Oracle Financials for Mexico. The new features section also includes information about any features that were not yet available when this guide was printed. For example, if your administrator has installed software from a mini-packs an upgrade, this document describes the new features. Online help patches are available on MetaLink.

- **11*i* Features Matrix** - This document lists new features available by patch and identifies any associated new documentation. The new features matrix document is available on MetaLink.

- **Readme File** - Refer to the readme file for patches that you have installed to learn about new documentation or documentation patches that you can download.

Related Guides

Oracle Financials for Mexico shares business and setup information with other Oracle Applications products. Therefore, you may want to refer to other guides when you set up and use Oracle Financials for Mexico.

You can read the guides online by choosing Library from the expandable menu on your HTML help window, by reading from the Oracle Applications Document Library CD included in your media pack, or by using a Web browser with a URL that your system administrator provides.

If you require printed guides, you can purchase them from the Oracle Store at http://oraclestore.oracle.com.

Guides Related to All Products

Oracle Applications User's Guide

This guide explains how to enter data, query, run reports, and navigate using the graphical user interface (GUI) available with this release of Oracle Financials for Mexico (and any other Oracle Applications products). This guide also includes information on setting user profiles, as well as running and reviewing reports and concurrent processes.

Guides Related to This Product

Oracle Financials Common Country Features User Guide

This user guide describes functionality developed to meet specific business practices that are common to several countries in a given region. Consult this user guide along with your country-specific user guide and your financial product user guides to effectively use Oracle Financials in your country.

Oracle Financials Country-Specific User Guides

These user guides document functionality developed for business practices in specific countries. Look for a user guide that is appropriate to your country; for example, see the *Oracle Financials for the Czech Republic User Guide* for more information about using this software in the Czech Republic.

Oracle General Ledger User Guide

Use this user guide when you plan and define your chart of accounts, accounting period types and accounting calendar, functional currency, and set of books. The user guide also describes how to define journal entry sources and categories so that you can create journal entries for your general ledger. If you use multiple currencies, use this user guide when you define additional rate types and enter daily rates. This user guide also includes complete information on implementing budgetary control.

Oracle Purchasing User's Guide

This user guide describes how to create and approve purchasing documents, including requisitions, different types of purchase orders, quotations, RFQs, and receipts. This user guide also describes how to manage your supply base through agreements, sourcing rules and approved supplier lists.

Oracle Inventory User's Guide

This user guide explains how to define your items, units of measure classes, units of measure, and unit of measure conversions for use in measuring amounts for your units of production items, as well as other information about setting up and using Oracle Inventory.

Oracle Payables User Guide

This user guide describes how accounts payable transactions are created and entered into Oracle Payables. This user guide also contains detailed setup information for Oracle Payables. Use this user guide to learn how to implement flexible address formats for different countries. You can use flexible address formats in the suppliers, customers, banks, invoices, and payments windows in both Oracle Payables and Oracle Receivables.

Oracle Order Management User's Guide

This user guide describes how to enter sales orders and returns, copy existing sales orders, schedule orders, release orders, create price lists and discounts for orders, and create reports.

Oracle Receivables User Guide

Use this user guide to learn how to implement flexible address formats for different countries. You can use flexible address formats in the suppliers, customers, banks, invoices, and payments windows in both Oracle Payables and Oracle Receivables. This user guide also explains how to set up your system, create transactions, and run reports in Oracle Receivables.

Oracle Receivables Tax Manual

This manual provides information about calculating tax within Oracle Receivables, Oracle Order Management, Oracle Sales and Marketing, and Oracle Web Customers. It includes information about implementation procedures, setup forms and windows, the Oracle Receivables tax calculation process, tax reports and listings, and tax-specific open interfaces.

Oracle Assets User Guide

Use this user guide to for information about Oracle Assets, for example, how to add assets and cost adjustments directly into Oracle Assets from invoice information.

Oracle Projects User Guide

Use this user guide to learn how to enter expense reports in Projects that you import into Payables to create invoices. You can also use this user guide to see how to create Project information in Projects which you can then record for an invoice or invoice distribution.

Oracle Cash Management User Guide

This user guide provides information about using Oracle Cash Management to clear your receipts, as well as reconciling bank statements with your outstanding balances, transactions, and receipts.

Using Oracle HRMS - The Fundamentals

This guide explains how to setup and use enterprise modeling, organization management, and cost analysis. It also includes information about defining payrolls, entering employees and expense reports, and setting up site locations.

Oracle Financials RXi Reports Administration Tool User Guide

Use the RXi reports administration tool to design the content and layout of RXi reports. RXi reports let you order, edit, and present report information to better meet your company's reporting needs.

Oracle e-Commerce Gateway User's Guide

This guide describes how Oracle e-Commerce Gateway provides a means to conduct business with trading partners via Electronic Data Interchange (EDI). Data files are exchanged in a standard format to minimize manual effort, speed data processing and ensure accuracy.

Installation and System Administration

Oracle Applications Concepts

This guide provides an introduction to the concepts, features, technology stack, architecture, and terminology for Oracle Applications Release 11*i*. It provides a useful first book to read before an installation of Oracle Applications. This guide also introduces the concepts behind Applications-wide features such as Business Intelligence (BIS), languages and character sets, and Self-Service Web Applications.

Installing Oracle Applications

This guide provides instructions for managing the installation of Oracle Applications products. In Release 11*i*, much of the installation process is handled using Oracle Rapid Install, which minimizes the time to install Oracle Applications, the Oracle8 technology stack, and the Oracle8*i* Server technology stack by automating many of the required steps. This guide contains instructions for using Oracle Rapid Install and lists the tasks you need to perform to finish your installation. You should use this guide in conjunction with individual product user guides and implementation guides.

Oracle Applications Implementation Wizard User Guide

If you are implementing more than one Oracle product, you can use the Oracle Applications Implementation Wizard to coordinate your setup activities. This guide describes how to use the wizard.

Oracle Financials Country-Specific Installation Supplement

Use this manual to learn about general country information, such as responsibilities and report security groups, as well as any post-install steps required by some countries or the Global Accounting Engine.

Upgrading Oracle Applications

Refer to this guide if you are upgrading your Oracle Applications Release 10.7 or Release 11.0 products to Release 11*i*. This guide describes the upgrade process and lists database and product-specific upgrade tasks. You must be either at Release 10.7 (NCA, SmartClient, or character mode) or Release 11.0, to upgrade to Release 11*i*. You cannot upgrade to Release 11*i* directly from releases prior to 10.7.

Maintaining Oracle Applications

Use this guide to help you run the various AD utilities, such as AutoUpgrade, AutoPatch, AD Administration, AD Controller, AD Relink, License Manager, and others. It contains how-to steps, screenshots, and other information that you need to run the AD utilities. This guide also provides information on maintaining the Oracle applications file system and database.

Oracle Applications System Administrator's Guide

This guide provides planning and reference information for the Oracle Applications System Administrator. It contains information on how to define security, customize menus and online help, and manage concurrent processing.

Oracle Alert User's Guide

This guide explains how to define periodic and event alerts to monitor the status of your Oracle Applications data.

Oracle Applications Developer's Guide

This guide contains the coding standards followed by the Oracle Applications development staff. It describes the Oracle Application Object Library components needed to implement the Oracle Applications user interface described in the *Oracle Applications User Interface Standards for Forms-Based Products*. It also provides information to help you build your custom Oracle Forms Developer 6*i* forms so that they integrate with Oracle Applications.

Oracle Applications User Interface Standards for Forms-Based Products

This guide contains the user interface (UI) standards followed by the Oracle Applications development staff. It describes the UI for the Oracle Applications products and how to apply this UI to the design of an application built by using Oracle Forms.

Other Implementation Documentation

Oracle Applications Product Update Notes

Use this guide as a reference for upgrading an installation of Oracle Applications. It provides a history of the changes to individual Oracle Applications products between Release 11.0 and Release 11*i*. It includes new features, enhancements, and changes made to database objects, profile options, and seed data for this interval.

Multiple Reporting Currencies in Oracle Applications

If you use the Multiple Reporting Currencies feature to record transactions in more than one currency, use this manual before implementing Oracle Financials for Mexico. This manual details additional steps and setup considerations for implementing Oracle Financials for Mexico with this feature.

Multiple Organizations in Oracle Applications

This guide describes how to set up and use Oracle Financials for Mexico with Oracle Applications' Multiple Organization support feature, so you can define and support different organization structures when running a single installation of Oracle Financials for Mexico.

Oracle Workflow Guide

This guide explains how to define new workflow business processes as well as customize existing Oracle Applications-embedded workflow processes.You also use this guide to complete the setup steps necessary for any Oracle Applications product that includes workflow-enabled processes.

Oracle Applications Flexfields Guide

This guide provides flexfields planning, setup and reference information for the Oracle Financials for Mexico implementation team, as well as for users responsible for the ongoing maintenance of Oracle Applications product data. This guide also provides information on creating custom reports on flexfields data.

Oracle eTechnical Reference Manuals

Each eTechnical Reference Manual (eTRM) contains database diagrams and a detailed description of database tables, forms, reports, and programs for a specific Oracle Applications product. This information helps you convert data from your existing applications, integrate Oracle Applications data with non-Oracle applications, and write custom reports for Oracle Applications products. Oracle eTRM is available on Metalink

Oracle Applications Message Manual

This manual describes all Oracle Applications messages. This manual is available in HTML format on the documentation CD-ROM for Release 11*i*.

Training and Support

Training

Oracle offers a complete set of training courses to help you and your staff master Oracle Financials for Mexico and reach full productivity quickly. These courses are organized into functional learning paths, so you take only those courses appropriate to your job or area of responsibility.

You have a choice of educational environments. You can attend courses offered by Oracle University at any one of our many education centers, you can arrange for our trainers to teach at your facility, or you can use Oracle Learning Network (OLN), Oracle University's online education utility. In addition, Oracle training professionals can tailor standard courses or develop custom courses to meet your needs. For example, you may want to use your organization structure, terminology, and data as examples in a customized training session delivered at your own facility.

Support

From on-site support to central support, our team of experienced professionals provides the help and information you need to keep Oracle Financials for Mexico working for you. This team includes your technical representative, account manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle8*i* server, and your hardware and software environment.

Do Not Use Database Tools to Modify Oracle Applications Data

Oracle STRONGLY RECOMMENDS that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle Applications data unless otherwise instructed.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL*Plus to modify Oracle Applications data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle Applications tables are interrelated, any change you make using Oracle Applications can update many tables at once. But when you modify Oracle Applications data using anything other than Oracle Applications, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle Applications.

When you use Oracle Applications to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also keeps track of who changes information. If you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL*Plus and other database tools do not keep a record of changes.

About Oracle

Oracle Corporation develops and markets an integrated line of software products for database management, applications development, decision support, and office automation, as well as Oracle Applications, an integrated suite of more than 160 software modules for financial management, supply chain management, manufacturing, project systems, human resources and customer relationship management.

Oracle products are available for mainframes, minicomputers, personal computers, network computers and personal digital assistants, allowing organizations to integrate different computers, different operating systems, different networks, and even different database management systems, into a single, unified computing and information resource.

Oracle is the world's leading supplier of software for information management, and the world's second largest software company. Oracle offers its database, tools, and applications products, along with related consulting, education, and support services, in over 145 countries around the world.

Your Feedback

Thank you for using Oracle Financials for Mexico and this user guide.

Oracle values your comments and feedback. In this guide is a reader's comment form that you can use to explain what you like or dislike about Oracle Financials for Mexico or this user guide. Mail your comments to the following address or call us directly at (650) 506-7000.

Oracle Applications Global Financials Documentation
Oracle Corporation
500 Oracle Parkway
Redwood Shores, CA 94065
USA

Or send electronic mail to globedoc@us.oracle.com.

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Oracle Assets

This chapter describes Oracle Assets for Mexico, including:

- Inflation adjustment overview
- Tax reporting

Inflation Adjustment Overview

In Mexico, companies adjust the cost, accumulated depreciation, and year-to-date depreciation expense amounts of their assets for inflation. You can report historical amounts for your assets as well as inflation-adjusted amounts by choosing the historical/adjusted option in Oracle Assets. The historical/adjusted option lets you maintain and report both historical amounts and inflation-adjusted amounts by using two separate depreciation books. Keep the historical amounts in a corporate book and the inflation-adjusted amounts in a tax book.

> **Note:** You can implement the Multiple Reporting Currencies (MRC) feature while using the historical/adjusted option in Oracle Assets by using the historical book as your MRC primary book. You must not use the adjusted depreciation book as your MRC primary book because the inflation adjustment transactions must not be included when MRC converts your transactions to another currency. Using the historical book as your MRC primary book ensures that you maintain only the correct transactions in your MRC reporting book.

> **See also:** Maintaining Both Historical and Inflation-Adjusted Amounts, *Oracle Financials Common Country Features User Guide*

Inflation Adjustment Setup

This section describes how to set up Oracle Assets for Mexico for the inflation adjustment process. Use this setup list to help you complete the appropriate steps.

1. Enable automatic revaluation rate calculation.

    See also: Enable Automatic Revaluation Rate Calculation, *Oracle Financials Common Country Features User Guide*

2. Define inflation ratio orecision, on page 1-4.

3. Define price indexes.

    See also: Define Price Indexes, *Oracle Financials Common Country Features User Guide*

4. Set up depreciation books, on page 1-5.

5. Set up asset categories, on page 1-8.

6. Define inflation start dates.

    See also: Define Inflation Start Dates, *Oracle Financials Common Country Features User Guide*

7. Set up assets in a depreciation book, on page 1-10.

Define Inflation Ratio Precision

The JL: Inflation Ratio Precision profile option lets you enter the number of decimal positions that you want for the precision of the inflation rate calculation. Oracle Assets uses the JL: Inflation Ratio Precision profile option to determine the precision of the inflation rate calculation for both the inflation adjustments in your adjusted depreciation book and for the Mexican Fixed Assets ISR and IMPAC reports.

When you adjust your assets for inflation in your adjusted depreciation book, you can use inflation rates with any precision you choose. When you report inflation adjustments on the Mexican Fixed Assets ISR and IMPAC reports, calculate inflation rates with the precision that is currently required. Make sure that you accordingly set the JL: Inflation Ratio Precision profile option.

> **See also:** Define Inflation Ratio Precision, *Oracle Financials Common Country Features User Guide*

Set Up Depreciation Books

Use the Book Controls window and the globalization flexfield to set up your depreciation books for inflation adjustment. You can enable or disable inflation adjustment at depreciation book level. If you enable inflation adjustment for a depreciation book, you can choose to enable or disable inflation adjustment for individual asset categories and assets when you define them. If you disable inflation adjustment for a depreciation book, none of the assets in that book can be adjusted.

To set up depreciation books:

1. Navigate to the Book Controls window.

2. Enter a depreciation book.

3. Navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page A-2.

4. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for assets in this depreciation book. Enter *No* to disable inflation adjustment for all assets in this book.

5. Enter *No* in the Middle Month Function field for your historical and adjusted depreciation books. The middle month function only applies to a depreciation book used for tax reporting. For more information, see Enable Middle Month Function for a Depreciation Book on page 1-21.

(continued)

6. In the Journal Category for Depreciation Expense of Retired Assets field, enter the journal category that you want to use for the journal entries created by the Inflation Adjustment of Retired Assets process.

   After you perform inflation adjustment for this book, you can view information about the most recent inflation adjustment in the next two fields. Oracle Assets displays the period name for the most recent inflation adjustment in the Last Inflation Adjustment Period field, and the revaluation ID for the most recent inflation adjustment in the Last Inflation Adjustment field.

7. Press the OK button.

8. In the Book Controls window, navigate to the Calendar tabbed region.

9. In the GL Set of Books field, select the General Ledger set of books that you want to transfer this depreciation book's journal entries to. If you are using the historical/adjusted option in both General Ledger and Oracle Assets, select the historical set of books for your historical book and the adjusted set of books for your adjusted book.

10. Complete the Allow GL Posting check box according to your depreciation book's requirements. If you are using the historical/adjusted option in both General Ledger and Oracle Assets, check the Allow GL Posting check box for both your historical book and your adjusted book.

11. Navigate to the Accounting Rules tabbed region.

12. If you want to allow revaluation in this book, check the Allow Revaluation check box.

13. If you want to revalue accumulated depreciation, check the Revalue Accumulated Depreciation check box.

14. If you want to revalue year-to-date depreciation, check the Revalue YTD Depreciation check box.

15. If you want to retire revaluation reserve, check the Retire Revaluation Reserve check box. In Mexico, you usually do not retire revaluation reserve.

16. If you want to amortize revaluation reserve, check the Amortize Revaluation Reserve check box. In Mexico, you usually do not amortize revaluation reserve.

17. If you want to revalue fully reserved assets, check the Revalue Fully Reserved Assets check box.

    If you choose to revalue fully reserved assets, enter a life extension factor in the Life Extension Factor field. To maintain the current asset life without extending it, enter *1*. You can also enter the maximum number of times an asset can be revalued as fully reserved in the Maximum Revaluations field and enter a life extension ceiling in the Life Extension Ceiling field.

18. Navigate to the Tax Rules region.

19. If you are defining a tax book and you want to include CIP assets in the tax book, check the Allow CIP Assets check box. You must include CIP assets in your adjusted tax book, if you are using the historical/adjusted option, so that you can adjust the CIP assets for inflation in the adjusted tax book.

20. Save your work.

> **See also:** Defining Depreciation Books, *Oracle Assets User Guide*

> **See also:** Asset Management in a Highly Inflationary Economy (Revaluation), *Oracle Assets User Guide*

> **See also:** Construction-in-Process (CIP) Assets, *Oracle Assets User Guide*

Set Up Asset Categories

Use the Asset Categories window with the globalization flexfield and the Default Depreciation Rules window to set up your asset categories for inflation adjustment. In the Asset Categories window, you can specify the revaluation reserve account that you want to use to offset the inflation adjustments for assets in a category in a particular depreciation book.

In the globalization flexfield of the Asset Categories window, you can enable or disable inflation adjustment for the asset category in a particular depreciation book. If you enable inflation adjustment for an asset category in a book, you can choose to enable or disable inflation adjustment for individual assets when you define them. If you disable inflation adjustment for an asset category in a book, none of the assets in that category can be adjusted in that book.

In this way, you can choose to adjust an asset category in one depreciation book while preventing the same asset category from being adjusted in another book. You can also choose to adjust some asset categories in a depreciation book for inflation while preventing other categories in the same book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book, however, none of the asset categories in that book can be adjusted.

In the Default Depreciation Rules window, you can assign a price index to the asset category. The price index is used to calculate the inflation rate for all the assets in this asset category.
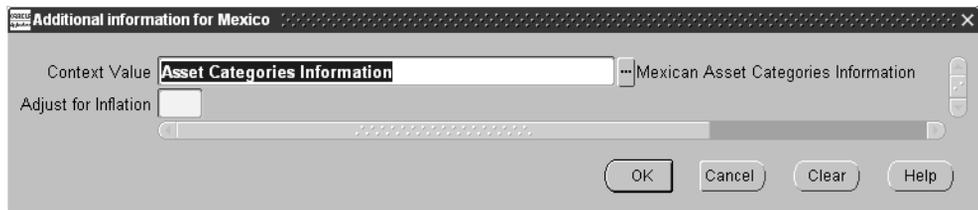
To set up asset categories:

1. Navigate to the Asset Categories window.

2. Enter an asset category.

3. Navigate to the General Ledger Accounts region.

4. Enter a depreciation book in the Book field.

5. In the Revaluation Reserve field, enter the revaluation reserve account used to offset inflation adjustments for assets in this category.

6. Navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page A-2.

7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for assets in this asset category. Enter *No* to disable inflation adjustment for all assets in this category.

    If inflation adjustment is enabled for this depreciation book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.

8. Press the OK button.

9. In the Asset Categories window, press the Default Rules button. The Default Depreciation Rules window appears.

10. In the Price Index field, enter the price index that you want to use to calculate the inflation rate for this asset category.

11. Enter appropriate information in the remaining fields.

12. Save your work.

> **See also:**   Setting Up Asset Categories, *Oracle Assets User Guide*

> **See also:**   Asset Management in a Highly Inflationary Economy (Revaluation), *Oracle Assets User Guide*

Set Up Assets in a Depreciation Book

Use the globalization flexfield in the Books window to enable or disable inflation adjustment for individual assets. You enable or disable inflation adjustment for an asset in a particular depreciation book.

In this way, you can choose to adjust an asset in one depreciation book while preventing the same asset from being adjusted in another book. You can also choose to adjust some assets in a certain category in a depreciation book for inflation while preventing other assets in the same category and book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book or an entire category in a book, however, none of the assets in that book or category can be adjusted.
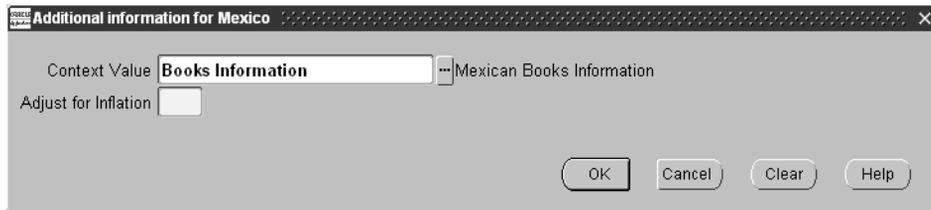
To set up assets in a depreciation book:

1. Navigate to the Asset Workbench.

2. Enter or query an asset.

3. Navigate to the Books window.

4. Enter a depreciation book in the Book field.

5. Navigate to the Depreciation region.

6. Navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page A-2.

7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for the asset. Enter *No* to disable inflation adjustment for the asset.

    If inflation adjustment is enabled for this depreciation book and for this category in this book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.

8. Press the OK button.

9. Save your work.

> **See also:**   Asset Setup Processes (Additions), *Oracle Assets User Guide*

> **See also:**   Set Up Assets in a Depreciation Book, *Oracle Financials Common Country Features User Guide*

Revaluing Assets

Example for adjusting an asset for inflation

This example shows how inflation rates and adjustment amounts are calculated to adjust a capitalized asset for inflation in Mexico. Assume that the price index values for the given periods are as shown in this table:

Period	Price Index Value
February	208.995
March	211.596

The inflation rate in this example is calculated with a precision of nine decimal positions. The inflation rate is based on this formula:

Inflation Rate	=	*(Index Value for Current Period / Index Value for Previous Period) - 1*
March Inflation Rate	=	(211.596 / 208.995) - 1
	=	0.012445273

Assume that a company has an asset with the values shown in this table at the beginning of March:

Cost	Accumulated Depreciation	Year-to-Date Depreciation Expense
311,749,901	201,338,477	4,329,860

Assume also that there are no cost adjustments other than the inflation adjustment in March.

The inflation adjustment amount for cost in the current period is calculated on the current cost of the asset, including any cost adjustments made in the period before inflation adjustment is performed.

> **Note:** If you want to adjust current period cost adjustment amounts for inflation, make the cost adjustments before you perform inflation adjustment for the current period. Otherwise, make the cost adjustments after you perform inflation adjustment for the current period.

The current cost for an asset is calculated as:

Current Cost	=	*Beginning Cost + Current Period Cost Adjustments*
March Current Cost	=	311,749,901 + 0
	=	311,749,901

The current period cost inflation adjustment is calculated as:

Cost Inflation Adjustment	=	*Current Cost * Inflation Rate*
March Inflation Adjustment	=	311,749,901 * 0.012445273
	=	3,879,813

The adjusted cost at the end of the period is calculated as:

Adjusted Cost	=	*Current Cost + Inflation Adjustment*
March Adjusted Cost	=	311,749,901 + 3,879,813
	=	315,629,714

The inflation adjustment amounts for accumulated depreciation and year-to-date depreciation expense in the current period are calculated on the current accumulated depreciation and current year-to-date depreciation expense of the asset, before the asset is depreciated for the period.

The current period accumulated depreciation inflation adjustment calculated as:

Inflation Adjustment	=	*Current Accumulated Depreciation * Inflation Rate*
March Inflation Adjustment	=	201,338,477 * 0.012445273
	=	2,505,712

The adjusted accumulated depreciation at the end of the period, but before depreciation is run for the period, is calculated as:

Adjusted Accumulated Depreciation	=	*Current Accumulated Depreciation + Inflation Adjustment*
March Adjusted Accum Depreciation	=	201,338,477 + 2,505,712
	=	203,844,189

The current period year-to-date depreciation expense inflation adjustment is calculated as:

Inflation Adjustment	=	*Current Depreciation Expense * Inflation Rate*
March Inflation Adjustment	=	4,329,860 * 0.012445273
	=	53,886

The adjusted year-to-date depreciation expense at the end of the period, but before depreciation is run for the period, is calculated as:

Adjusted Depreciation Expense	=	*Current Depreciation Expense + Inflation Adjustment*
March Adjusted Depreciation Expense	=	4,329,860 + 53,886
	=	4,383,746

This table shows the journal entry to record the inflation adjustments in March:

Accounts	Debit	Credit
Cost	3,879,813	
Depreciation Expense	53,886	
Accumulated Depreciation		2,505,712
Revaluation Reserve		1,427,987

Example for adjusting a CIP asset for inflation

This example shows how inflation rates and adjustment amounts are calculated to adjust a CIP asset for inflation in Mexico.

When you build a CIP asset, you add the cost amounts resulting from invoice lines. The invoice line amounts added in the current period are never adjusted for inflation in the current period. The adjustment amount for the current period is calculated only on the asset's adjusted cost as of the beginning of the period.

Assume that the price index values for the given periods are as shown in this table:

Period	Price Index Value
March	211.596
April	213.882
May	215.834

The inflation rates in this example are calculated with a precision of nine decimal positions. The inflation rates are based on this formula:

Inflation Rate	=	*(Index Value for Current Period / Index Value for Previous Period) - 1*
April Inflation Rate	=	(213.882 / 211.596) - 1
	=	0.010803606
May Inflation Rate	=	(215.834 / 213.882) - 1
	=	0.009126527

Assume that construction began on a CIP asset in March and that the invoice line amounts added each period are as shown in this table:

Period	Invoice Line Amount
March	1,093,827
April	347,219
May	2,460,024

The current period cost inflation adjustment is calculated as:

Inflation Adjustment = *Beginning Cost * Inflation Rate*

The adjusted cost at the end of the period is calculated as:

Adjusted Cost	=	*Beginning Cost + Inflation Adjustment + Invoice Line Amounts*
March Adjusted Cost	=	0 + 0 + 1,093,827
	=	1,093,827
April Inflation Adjustment	=	1,093,827 * 0.010803606
	=	11,817
April Adjusted Cost	=	1,093,827 + 11,817 + 347,219
	=	1,452,863

This table shows the journal entry to record the inflation adjustment in April:

Accounts	Debit	Credit
Cost	11,817	
Revaluation Reserve		11,817

May Inflation Adjustment	=	1,452,863 * 0.009126527
	=	13,260
May Adjusted Cost	=	1,452,863 + 13,260 + 2,460,024
	=	3,926,147

This table shows the journal entry to record the inflation adjustment in May:

Accounts	Debit	Credit
Cost	13,260	
Revaluation Reserve		13,260

Tax Reporting Overview

In Mexico, some taxes are calculated from inflation-adjusted amounts for asset cost, accumulated depreciation, and year-to-date depreciation. These taxes include the Tax on Income (Impuesto Sobre la Renta or ISR) and the Tax on Assets (Impuesto al Activo or IMPAC).

For inflation adjustments on the tax reports, calculate the inflation rates using index values. To calculate the inflation rate:

1   Define the period of use for the asset.

2.   Define the half of the period of use for the asset.

3.   Define the last month for the half of the period of use for the asset.

4.   Select the index value (CPI) for the month that you defined in Step 3.

5.   Calculate the correction factor. Divide the CPI for half the period that you obtained in Step 4 by the CPI for the date the asset was placed in service.

When you adjust an asset for inflation at the end of the fiscal year, do not calculate the adjustment up to the end of the fiscal year itself. Instead, calculate the adjustment from the acquisition date up to a date that you determine using the process that identifies the last month of half the period of use. For assets acquired in previous fiscal years, calculate the adjustment from the acquisition date up to the period of June in the current fiscal year. For an asset acquired during the current fiscal year, calculate the adjustment from the acquisition date up to the last month of half the period of use.

Similarly, if you retire an asset during the fiscal year, you do not calculate the adjustment from the acquisition date up to the retirement date itself. You only calculate the adjustment using half of the period of use.

When reporting inflation adjustments on the Mexican Fixed Assets ISR and IMPAC reports, calculate inflation rates with the precision that is currently required. Make sure that you accordingly set the JL: Inflation Ratio Precision profile option. For more information, see Define Inflation Ratio Precision on page 1-20.

The ISR and Gain and Loss reports adjust the assets amounts using the correction factor that was determined using the process that identifies the last month of half the period of use.

Because the tax reports require this process for calculating inflation adjustment, do not run these reports from the adjusted depreciation book where you maintain your ordinary inflation-adjusted asset information. Instead, you should define a separate tax depreciation book to use for Mexican tax reporting. For more information, see Enable Middle Month Function for a Depreciation Book on page 1-21.

Tax Reporting Setup

This section describes how to set up Oracle Assets for Mexico for tax reporting. Use this setup list to help you complete the appropriate steps.

1. Define inflation ratio precision, on page 1-20.

2. Define price indexes.

   > **See also:** Define Price Indexes, *Oracle Financials Common Country Features User Guide*

3. Enable middle month function for a depreciation book, on page 1-21.

4. Define the date placed in service for assets.

   > **See also:** Depreciation Rules (Books), *Oracle Assets User Guide*

Define Inflation Ratio Precision

The JL: Inflation Ratio Precision profile option lets you enter the number of decimal positions that you want for the precision of the inflation rate calculation. Oracle Assets uses the JL: Inflation Ratio Precision profile option to determine the precision of the inflation rate calculation for both the inflation adjustments in your adjusted depreciation book and for the Mexican Fixed Assets ISR and IMPAC reports.

When you report inflation adjustments on the Mexican Fixed Assets ISR and IMPAC reports, calculate inflation rates with the precision that is currently required. You must accordingly set the JL: Inflation Ratio Precision profile option in the System Profile Values window before you run these reports. Assign this profile option the value that is currently required.

> **See also:**   Define Inflation Ratio Precision, *Oracle Financials Common Country Features User Guide*

Enable Middle Month Function for a Depreciation Book

Use the globalization flexfield in the Book Controls window to enable the middle month function for the depreciation book that you want to use for tax reporting. If you enable the middle month function for a depreciation book, the Mexican Fixed Assets ISR and IMPAC reports calculate inflation rates for all the assets in that book using the process that determines the correction factor for assets. For more information, see Tax Reporting Overview on page 1-17.

To enable the middle month function for a depreciation book:

1. Navigate to the Book Controls window.

2. Enter a depreciation book.

3. Navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page A-2.

4. Enter *No* in the Adjust for Inflation field to disable the ordinary inflation adjustment process for assets in this book. Oracle Assets does not use this process for the Mexican Fixed Assets ISR and IMPAC reports.

5. Enter *Yes* in the Middle Month Function field to enable the middle month function for the tax reporting depreciation book.

6. Enter a journal category as a placeholder in the Journal Category for Depreciation Expense of Retired Assets field. Oracle Assets for Mexico does not use this field for tax reporting, but you must enter a value. You can select any valid journal category from the list of values.

(continued)

7. Leave the Last Inflation Adjustment Period field and the Last Inflation Adjustment field blank. These fields are only used for adjusted depreciation books with the ordinary inflation adjustment process. For more information, see Set Up Depreciation Books on page 1-5.

8. Press the OK button.

9. Save your work.

> **See also:**   Defining Depreciation Books, *Oracle Assets User Guide*

Mexican Fixed Assets ISR Report

```
NL_LOC_ORG                                              Mexican Fixed Assets ISR Report                           Report Date: 15-MAY-2002    12:05
                                                               Book: MEX FIS III                                  Page:        1 of    1
                                                             Fiscal Year: 2001
                        Include DPIS Month for Periods of Use Calculation: No
                   Include Retirement Month for Periods of Use Calculation: No
                                        Include zero NBV assets: Yes

                                                           |--------- Accumulated Depreciation ----------|
Asset                          Date        Date in         Original        Previous          Current         Life To CPI for Date      CPI for  Correction         Adjusted
Number      Description        Retired     Service             Cost    Fiscal Years      Fiscal Year            Date  in Service  Half Period      Factor     Depreciation
----------- ------------------ -------     --------     ------------    ------------     ------------     ----------- ------------  -----------  ----------    -------------

Asset Category: MX Furnitures and Fixture.MX Fur

MX004-III   FURNITURE AND FIXTUR             30-APR-00       136,956          22,826            2,282          25,108    127.6900     217.7490      1.7053            3,891
MX006-III   FURNITURE AND FIXTUR             31-JAN-01        91,304           8,370            1,522           9,892    162.5560     217.7490      1.3395            2,039
                                                         ------------    ------------     ------------     -----------                                         -------------
                                     Asset Category Total:    228,260          31,196            3,804          35,000                                                5,930
Asset Category: MX Standard Automobiles.MX Vehic

MX002-III   AUTOMOBILES                      31-JAN-00       265,210         193,382           11,050         204,432     97.2027     217.7490      2.2402           24,754
MX005-III   AUTOMOBILES                      31-MAY-00       154,000          60,958            6,416          67,374    133.0290     217.7490      1.6369           10,502
MX008-III   AUTOMOBILES                      30-SEP-01       169,565          10,598            7,066          17,664    188.9150     217.7490      1.1526            8,144
                                                         ------------    ------------     ------------     -----------                                         -------------
                                     Asset Category Total:    588,775         264,938           24,532         289,470                                               43,400
Asset Category: MX Machinery and Equipmen.MX Mac

MX001-III   MACHINERY AND EQUIPM             31-MAY-00    69,565,000      52,753,458        1,159,416      53,912,874     46.6359     217.7490      4.6691        5,413,462
MX003-III   MACHINERY AND EQUIPM             28-FEB-01     1,729,130         489,920           28,818         518,738     97.7028     217.7490      2.2287           64,226
MX007-III   MACHINERY AND EQUIPM             31-JUL-01     1,834,782          76,449           30,580         107,029    183.5030     217.7490      1.1866           36,287
MX009-III   FURNITURE AND FIXTUR             31-OCT-01       124,765           2,080            2,080           4,160    191.2730     217.7490      1.1384            2,368
MX010-III   MACHINERY AND EQUIPM             31-JAN-02    11,625,850               0           96,882          96,882    205.5410     217.7490      1.0594          102,636
MX011-III   MACHINERY AND EQUIPM             28-FEB-02    18,102,890               0                0               0    208.9950     219.6460      1.0510                0
                                                         ------------    ------------     ------------     -----------                                         -------------
                                     Asset Category Total: 102,982,417     53,321,907        1,317,776      54,639,683                                             5,618,979
                                           Report Total:  103,799,452      53,618,041        1,346,112      54,964,153                                             5,668,310
                                                         ============    ============     ============     ===========                                         =============



                                                               *** End of Report ***
```

In Mexico, the Tax on Income (Impuesto Sobre la Renta or ISR) is calculated on the inflation-adjusted value of a company's assets. Use the Mexican Fixed Assets ISR report to show the adjusted depreciation for assets that were adjusted for inflation using the middle month function. You can use this information to help you calculate your income tax.

The Mexican Fixed Assets ISR report shows every asset that had a depreciation charge during the current fiscal year, including retired assets. The report groups assets by asset category and shows the subtotal for each category.

The Mexican Fixed Assets ISR report complements the Mexican Fixed Assets IMPAC report. These two reports are submitted together in the Mexican ISR-IMPAC Reports request set.

Use the Standard Request Submission windows to submit the Mexican ISR-IMPAC Reports request set.

> **See also:**   Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Type Code
Enter the depreciation book that you want to report on. Choose a depreciation book with middle month function enabled for tax reporting.

Fiscal Year
Enter the fiscal year that you want to report on.

Include DPIS Month for Periods of Use Calculation
Enter *Yes* to include the month that the asset was placed in service for the periods of use calculation. Enter *No* to not include that month.

Include Retirement Month for Periods of Use Calculation
Enter *Yes* to include the month that the asset was retired for the periods of use calculation. Enter *No* to not inlcude that month.

Include zero NBV Assets
Enter *Yes* to show assets with a net book value of zero. Enter *No* to not show those assets.

Report Headings

This table shows the report headings.

In this heading…	Oracle Assets prints…
<Organization Name>	The name of your organization
Book	The name of the tax depreciation book
Fiscal Year	The fiscal year
Include DPIS Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was placed in service is included for the periods of use calculation
Include Retirement Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was retired is included for the periods of use calculation
Include zero NBV Assets	*Yes* or *No* indicates if assets with a net book value of zero are included
<Report Title>	*Mexican Fixed Assets ISR Report*
Report Date	The date and time that you ran the report
Page	The page number

Column Headings

This table shows the column headings.

In this column…	Oracle Assets prints…
Asset Number	The asset number.
Description	A description of the asset.
Date Retired	The date the asset was retired.
Date in Service	The date placed in service.
Original Cost	The original cost.
Accumulated Depreciation - Previous Fiscal Years	The historical amount of accumulated depreciation for previous fiscal years.
Accumulated Depreciation - Current Fiscal Year	The historical amount of accumulated depreciation for the current fiscal year.
Accumulated Depreciation - Life To Date	The historical amount of the accumulated depreciation for the asset's life to date, calculated by adding the accumulated depreciation for the previous fiscal years to the accumulated depreciation for the current fiscal year.
CPI for Date in Service	The index value (CPI) for the date placed in service.
CPI for Half Period	The index value (CPI) for the period halfway through the time of use.
	For assets that were in use throughout the entire fiscal year, the halfway period is June.
	For assets that were added or retired during the current fiscal year, the halfway period is determined by the process for determining the correction factor for assets on page 1-17.
Correction Factor	The correction factor, calculated by dividing the index value for the period halfway through the time of use by the index value for the date placed in service.
Adjusted Depreciation	The adjusted depreciation for the current fiscal year, calculated by multiplying the historical depreciation for the current fiscal year by the correction factor.

Row Headings

This table shows the row headings.

In this row…	Oracle Assets prints…
Asset Category	The asset category
Asset Category Total	The totals for the asset category
Report Total	The totals for all categories on the report

Mexican Fixed Assets IMPAC Report

```
NL_LOC_ORG                                      Mexican Fixed Assets IMPAC Report                       Report Date:   15-MAY-2002 12:05
                                                Book: MEX FIS III                                       Page:          1 of      1
                                              Fiscal Year: 2001
                   Include DPIS Month for Periods of Use Calculation: No
                   Include Retirement Month for Periods of Use Calculation: No
                                     Fully Depreciated Assets: In Use
                                     Include zero NBV Assets: Yes
                                                                                   NBV at End of
                                                                              |---- Previous Fiscal Year ----|
Asset                            Date        Date in     CPI for Date   CPI for    Correction                           50% Adjusted    Adjusted NBV
Number      Description          Retired     Service     in Service     June       Factor    Historical    Adjusted     Depreciation    Less 50%       IMPAC Value
----------- -------------------- ----------- ----------- ------------ ---------- ---------- ------------ ------------ --------------- --------------- ---------------

     Asset Category:   MX Furnitures and Fixture.MX Furnitures
MX004-III    FURNITURE AND FIXTU              30-APR-00   127.6900  217.7490    1.7053     114,130      194,625         1,946         192,679         192,679
MX006-III    FURNITURE AND FIXTU              31-JAN-01   162.5560  217.7490    1.3395      82,934      111,093         1,019         110,073         110,073
                                                                                       --------------- --------------- --------------- --------------- ---------------
                                                       Asset Category Total:           197,064      305,718         2,965         302,753         302,753

     Asset Category:   MX Machinery and Equipmen.MX Machinery
MX001-III    MACHINERY AND EQUIP             31-MAY-99    46.6359  217.7490    4.6691  16,811,542   78,495,246     2,706,731      75,788,515      75,788,515
MX003-III    MACHINERY AND EQUIP             28-FEB-00    97.7028  217.7490    2.2287   1,239,210    2,761,812        32,113       2,729,699       2,729,699
MX007-III    MACHINERY AND EQUIP             31-JUL-00   183.5030  217.7490    1.1866   1,758,333    2,086,480        18,143       2,068,336       2,068,336
MX009-III    FURNITURE AND FIXTU             31-OCT-00   191.2730  217.7490    1.1384     122,685      139,667         1,184         138,483         138,483
MX010-III    MACHINERY AND EQUIP             31-JAN-01   205.5410  217.7490    1.0594  11,625,850   12,316,361        51,318      12,265,043      11,242,956
MX011-III    MACHINERY AND EQUIP             28-FEB-01   208.9950  217.7490    1.0419  18,102,890   18,861,151             0      18,861,151      15,717,626
                                                                                       --------------- --------------- --------------- --------------- ---------------
                                                       Asset Category Total:        49,660,510  114,660,717     2,809,490     111,851,227     107,685,615

     Asset Category:   MX Standard Automobiles.MX Vehicles
MX002-III    AUTOMOBILES                     31-JAN-00    97.2027  217.7490    2.2402      71,828      160,906        12,377         148,529         148,529
MX005-III    AUTOMOBILES                     31-MAY-00   133.0290  217.7490    1.6369      93,042      152,296         5,251         147,045         147,045
MX008-III    AUTOMOBILES                     30-SEP-01   188.9150  217.7490    1.1526     158,967      183,230         4,072         179,158         179,158
                                                                                       --------------- --------------- --------------- --------------- ---------------
                                                       Asset Category Total:           323,837      496,432        21,700         474,732         474,732


                                                          Report Total:          50,181,411  115,462,867     2,834,155     112,628,712     108,463,100
                                                                                   =============== =============== =============== =============== ===============


                                                     *** End of Report ***
```

In Mexico, the Tax on Assets (Impuesto al Activo or IMPAC) is calculated on the inflation-adjusted value of a company's assets. Use the Mexican Fixed Assets IMPAC report to show the value of your assets, including the results of inflation adjustment. You can use this information to help you calculate your tax on assets.

The Mexican Fixed Assets IMPAC report complements the Mexican Fixed Assets ISR report. These two reports are submitted together in the Mexican ISR-IMPAC Reports request set.

Use the Standard Request Submission windows to submit the Mexican ISR-IMPAC Reports request set.

> **See also:**   Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Type Code
Enter the depreciation book that you want to report on. You should choose a depreciation book with the middle month function enabled for tax reporting.

Fiscal Year
Enter the fiscal year that you want to report on.

Include DPIS Month for Periods of Use Calculation
Enter *Yes* to include the month that the asset was placed in service for the periods of use calculation. Enter *No* to not include that month.

Include Retirement Month for Periods of Use Calculation
Enter *Yes* to include the month that the asset was retired for the periods of use calculation. Enter *No* to not inlcude that month.

Include zero NBV Assets
Enter *Yes* to show assets with a net book value of zero. Enter *No* to not show those assets

Fully Depreciated Assets
Enter *In Use* to calculate the period of use for fully depreciated assets until the end of the year. Enter *Retired* to calculate the period of use for fully depreciated assets until the date that they are fully depreciated.

Report Headings

This table shows the report headings.

In this heading…	Oracle Assets prints…
<Organization Name>	The name of your organization.
Book	The name of the tax depreciation book.
Fiscal Year	The fiscal year.
Include DPIS Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was placed in service is included for the periods of use calculation.
Include Retirement Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was retired is included for the periods of use calculation.
Include zero NBV Assets	*Yes* or *No* to indicate if assets with a net book value of zero are included.
Fully Depreciated Assets	*In Use* shows that assets are treated as if they are in use. *Retired* shows that the middle month function is applied to retired assets.
<Report Title>	*Mexican Fixed Assets IMPAC Report.*
Report Date	The date and time that you ran the report.
Page	The page number.

Column Headings

This table shows the column headings.

In this column…	Oracle Assets prints…
Asset Number	The asset number
Description	A description of the asset
Date Retired	The date the asset was retired
Date in Service	The date placed in service
CPI for Date in Service	The index value (CPI) for the date placed in service
CPI for June	The index value (CPI) for June
Correction Factor	The correction factor, calculated by dividing the index value for June by the index value for the date placed in service
NBV at End of Previous Fiscal Year - Historical	The historical net book value at the end of the previous fiscal year, calculated by subtracting the historical accumulated depreciation of previous fiscal years from the original cost
NBV at End of Previous Fiscal Year - Adjusted	The adjusted net book value at the end of the previous fiscal year, calculated by multiplying the historical net book value at the end of the previous fiscal year by the correction factor
50% Adjusted Depreciation	Half of the amount of the adjusted depreciation for the current fiscal year
Adjusted NBV Less 50%	An amount calculated by subtracting half of the adjusted depreciation for the current fiscal year from the adjusted net book value at the end of the previous fiscal year
IMPAC Value	The IMPAC base value, calculated by dividing the value for the Adjusted NBV Less 50% by 12 and multiplying the result by the number of months of use

Row Headings

This table shows the row headings.

In this row…	Oracle Assets prints…
Asset Category	The asset category
Asset Category Total	The totals for the asset category
Report Total	The totals for all categories on the report

Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirements Report

```
Mexico Operations                              Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirements Report              Report Date: 23-FEB-2001   18:02
                                                            Book: MEX FISC TESTI                                                   Page:        1 of      1
                                                            Fiscal Year: 2000
                          Include DPIS Month for Periods of Use Calculation: Yes
                    Include Retirement Month for Periods of Use Calculation: Yes
                                                |--------- Depreciation Reserve -------|     CPI for     CPI for
Asset                     Date in     Original      Previous       Current                   Date in      Half  Adjusting   Adjusted Date                Proceeds
Number - Description      Service         Cost  Fiscal Years   Fiscal Year       Total       Service    Period    Factor         NBV Retired              of Sale        Gain/Loss
--------------------- ------------ ------------ ------------- ------------- -------------  ----------- --------- --------- ----------- -------------  -------------- --------------
TEST01 - MX            31-JAN-00      100,000             0             0             0     272.4500  272.4500    1.0000     100,000 28-FEB-99                    0        100,000
AUTOMOBILE
TEST02 - MX            31-JAN-00      100,000             0             0             0     272.4500  272.4500    1.0000     100,000 28-FEB-99              150,000
(50,000)
AUTOMOBILE
TEST04 - MX            31-JAN-00      100,000             0         2,083         2,083     272.4500  272.4500    1.0000      97,917 31-MAR-99               50,000         47,917
AUTOMOBILE
TEST05 - MX            31-JAN-00       50,000             0         1,042         1,042     272.4500  272.4500    1.0000      48,958 31-MAR-99                    0         48,958
AUTOMOBILE
TEST06 - MX            31-JAN-00       50,000             0         2,083         2,083     272.4500  273.0000    1.0020      48,013 30-APR-99              150,000
(101,987)
AUTOMOBILE
TEST07 - MX            31-JAN-00       50,000             0         2,083         2,083     272.4500  273.0000    1.0020      48,013 30-APR-99               30,000         18,013
AUTOMOBILE
                                   ------------- ------------- ------------- -------------                                  -------------                 -------------- --------------
Report Total:                           450,000             0         7,291         7,291                                        442,901                       380,000         62,901
                                   ============= ============= ============= =============                                  =============                 ============== ==============

                                                                          *** End of Report ***
```

The Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirements report displays the gain or loss generated for an asset when it is no longer in use. You should run the Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirements report after you close a period by running depreciation.

Use the Standard Request Submission windows to submit Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirements report.

> **See also:** Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Type Code
Enter the depreciation book that you want to report on.

Fiscal Year
Enter the fiscal year that you want to report on.

Include DPIS Month for Periods of Use Calculation
Enter *Yes* to include the month that the asset was placed in service for the periods of use calculation. Enter *No* to not include that month.

Include Retirement Month for Periods of Use Calculation
Enter *Yes* to include the month that the asset was retired for the periods of use calculation. Enter *No* not to inlcude that month.

Report Headings

This table shows the report headings.

In this heading…	Oracle Assets prints…
<Organization Name>	The name of your organization
Book	The name of the tax depreciation book
Fiscal Year	The fiscal year
Include DPIS Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was placed in service is included for the periods of use calculation
Include Retirement Month for Periods of Use Calculation	*Yes* or *No* to indicate if the month that the asset was retired is included for the periods of use calculation
<Report Title>	*Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirements Report*
Report Date	The date and time that you ran the report
Page	The page number

Column Headings

This table shows the column headings.

In this column…	Oracle Assets prints…
Asset Number - Description	The asset number and description of the asset
Date in Service	The date placed in service
Original Cost	The original cost
Depreciation Reserve - Previous Fiscal Years	The historical amount of accumulated depreciation for previous fiscal years
Depreciation Reserve - Current Fiscal Years	The historical amount of accumulated depreciation for the current fiscal year
Depreciation Reserve - Total	The sum of the historical accumulated depreciation from the previous fiscal year and the historical accumulated depreciation from the current fiscal year
CPI for Date in Service	The index value (CPI) for the date placed in service
CPI for Half Period	The index value (CPI) for half of the period of use
Adjusting Factor	The correction factor, calculated by dividing the index value for half of the period of use by the index value for the date placed in service
Adjusted NBV	The adjusted NBV depreciation, calculated by multiplying the difference between the original cost and the total depreciation bythe adjusting factor.
Date Retired	The retirement date
Proceeds of Sale	The proceeds of the sale
Gain/Loss	The net gain or loss, calculated by subtracting the adjusted accumulated depreciation from the proceeds of sale and then adding the current cost

Row Headings

This table shows the row headings.

In this row...	Oracle Assets prints...
Report Total	The totals for the report

A

Using Globalization Flexfields

This appendix describes how to use globalization flexfields.

Using Globalization Flexfields

Oracle Financials for Mexico uses globalization flexfields that let you enter country-specific information in Oracle Assets. Your system administrator should complete setup steps to enable globalization flexfields for your country-specific responsibilities.

> **See also:**   Setting Up Globalization Flexfields, *Oracle Financials Country-Specific Installation Supplement*

There are globalization flexfields on these windows:

Oracle Assets

- Asset Categories
- Asset Details
- Book Controls
- Books
- Mass Additions
- QuickAdditions

The globalization flexfield appears in the window after you complete all setup steps to enable globalization flexfields. The globalization flexfield is enclosed in round brackets. Click in the globalization flexfield to display the flexfield window.

B

Profile Options

This appendix lists the profile options that affect the operation of Oracle Financials for Mexico. This appendix includes a brief description of each profile option that you or your system administrator can set at the site, application, responsibility, or user levels.

Profile Options

During implementation, your system administrator sets a value for each user profile option to specify how Oracle Financials for Mexico controls access to and processes data.

> **Note:** To enable globalization flexfields within Oracle Financials for Mexico, you must set the JG: Application, JG: Territory, and JG: Product profile options.

> **See also:** Setting Up Globalization Flexfields, *Oracle Financials Country-Specific Installation Supplement*

> **See also:** Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

Profile Options Summary

This table indicates whether you can view or update profile options and at which levels your system administrator can update these profile options: the user, responsibility, application, or site levels.

A *Required* profile option requires you to provide a value. An *Optional* profile option already provides a default value which you can change.

The key for this table is:

- **Update** - You can update the profile option
- **View Only** - You can view the profile option but cannot change it
- **No Access** - You cannot view or change the profile option value

Profile Options	Value	Default	User Access	System Administrator			
				User	Responsibility	Application	Site
JL: Inflation Ratio Precision	Required	No Default	View Only	No Access	Update	Update	Update

Profile Options in Oracle Financials for Mexico

This section lists the profile options in Oracle Financials for Mexico that are referenced in this user guide.

JL: Inflation Ratio Precision

Use the JL: Inflation Ratio Precision profile option to define the number of decimal positions for the precision of the inflation rate calculation. Oracle General Ledger and Oracle Assets round the rate to the number of decimal positions that you choose.

Profile Options

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Glossary

Constant Unit of Money

A constant unit of money represents the real value of money at the end of a period. Financial statements must be prepared using the constant unit of money.

CPI (Consumer Price Index)

See *Price Index*.

End of Period's Unit of Money

The end of period's unit of money is the value that represents money's acquiring power as of period end.

Estimated Index Value

When the index value for a period is not known an estimated index value must be used. The inflation adjustment process behaves the same way as when the exact index value is known. Journal entries are also generated.

IMPAC (Impuesto al Activo)

See *Tax on Assets*.

Index Values

An index value represents the price level for the period that the value applies to in relation to a fixed base level. Index values are used to calculate the correction factor that represents the inflation rate in the inflation adjustment process. In Mexico, the Bank of Mexico publishes index values monthly.

Inflation Start Date

The inflation start date for an asset specifies when inflation begins to impact an asset. The asset is adjusted for inflation from this date onward.

The inflation start date is generally the same date as the date placed in service. You can, however, define an inflation start date that is different than the date placed in service. For example, if you enter an asset that is already in service and that has already been adjusted for inflation, you can set the inflation start date to an appropriate date to begin calculating new inflation adjustments in Oracle Assets.

ISR (Impuesto Sobre la Renta)

See *Tax on Income.*

Price Index

A price index is a measure of the overall cost of goods and services bought by various entities. The base value of the index represents the cost level in a certain period. The index values for each other period represents the cost level for that period as a proportion of the base value. The difference between the index value for a certain period and the base value represents the inflation rate between that period and the base period.

The Consumer Price Index (CPI) measures the cost of goods and services bought by a typical consumer. The Producer Price Index (PPI) measures the cost of goods and services bought by companies.

Reexpression Coefficient

The reexpression coefficient (revaluation rate or correction factor) is the factor used to adjust cost, accumulated depreciation, and depreciation expense amounts for inflation. Historical amounts are multiplied by the reexpression coefficient to calculate the inflation-adjusted amounts.

Revaluation Reserve Account

The revaluation reserve account is the gain or loss account used to offset inflation adjustments for your assets. The balance of this account shows the net gain or loss from inflation adjustment journal entries. In some countries, such as Mexico, revaluation reserve accounts are also known as Result of Monetary Possession accounts.

Tax on Assets

The Tax on Assets (Impuesto al Activo or IMPAC) is a special tax that is paid in Mexico. The amount to be paid is calculated from inflation-adjusted amounts for

cost, accumulated depreciation, and depreciation expense, and from Tax on Income amounts.

Tax on Income

The Tax on Income (Impuesto Sobre la Renta or ISR) is a special tax that is paid in Mexico. The amount to be paid is calculated from the inflation-adjusted amounts for cost, accumulated depreciation, and depreciation expense.

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