

## **Finance Data Migration Strategies**

This document describes the strategy to be adopted during the conversion of data from Legacy to Fusion systems

The components that need to be migrated from the legacy system involve both master data and transactional data. Each transactional data component involves accounting, and the accounting aspects have been discussed in detail in the coming sections.

### **General Ledger**

- Trial Balance as on cut-off date

### **Payables**

Master Data

- *Suppliers Internal Banks*

### **Transactional Data (Open)**

- Standard Invoices
- Debit/Credit Memo
- Prepayments
- Opening Trial Balance

### **Receivables**

Master Data

- Customer Master with Sites
- Customer Bank Accounts

Transactional Data (Open)

- Standard Invoices
- Debit/Credit Memo
- Unapplied Receipts

- Opening Trial Balance

## **Fixed Assets**

### *Master Data*

- Asset Categories

### *Transactional Data*

- Open Balances of Assets for each Asset Category
- Break up of Asset Cost with Accumulated Depreciation until cut-off date

## **Objectives**

- Sub ledger data components reconcile with the business data.
- Sub ledger balances reconcile with the general ledger balances.
- General Ledger Trial Balance in sync with the business trial balance

## **Approach**

- Key inputs to the entire data Transformation include:
- Trial Balance as of the date to be fixed for each company Data pertaining to each sub-ledger component.

## **2. Conversion Strategy**

Following is a broad overview of the Transformation strategy to be adopted for conversion of opening balances and migration of transaction data from Legacy systems to Fusion Application.

This Conversion Strategy aims at presenting the Process and methodology to be adopted while performing the conversion of balances and open transaction to Oracle Fusion Financial General Ledger/Payable/Receivables/Fixed Assets.

**Below points to be considered during the transformation of the Data to Cloud:**

- ◆ Cut Off Date
- ◆ Detailed Data Transformation
- ◆ Pre-requisites for the Conversion Process

**Cut Off Date**

- The Business Cut-off date will be decided separately.
- All transactions after the cut of date would be recorded in the Oracle Cloud system by the users.

**Detailed Data Transformation**

- Closing YTD Trial balance will be loaded using ADFDI.
- Supplier and Supplier Sites will be uploaded using FBDI Internal Banks will be created manual
- General Ledger Budget Data will be entered using ADFDI.
- Accounts Payable Open Invoices will be entered using excel upload (ADFDI/FBDI).
- Fixed Assets will be entered using excel upload
- Receivables open Transactions will be migrated using excel upload. Receivables Receipts will be migrated using ADFDI.

**Prerequisite for the Conversion process**

- The client IT team needs to ensure that the transaction data to be converted into the Oracle feeder/sub-ledger modules are reconciled with the certified Trial balance to be entered in Oracle General Ledger.
- Synchronization of Balances - It is of extreme importance that all balances as shown by the Certified Trial Balance will have to be reconciled with the feeder/sub-ledger module balances to ensure a smooth conversion process.
- Supplier Invoices – Supplier wise
- Supplier Advances - Supplier wise
- Customer Invoices and receipts
- Asset cost - Category wise

***Other Reconciliations***

In order to ensure that the conversion exercise is complete and accurate, the following reconciliations/activities are suggested to be completed before the beginning of the conversion exercise.

- Confirmation of Supplier Advances/Deposits with the concerned suppliers.
- Confirmation of Customer balances with the customers concerned.

### *Period Control*

All the periods in which transactions will not be entered can be set as closed Status

### *Other Considerations*

- Use a common Dummy Migration Expense and Liability account to migrate AP open invoices so that it can be reversed easily in GL.
- Use a common Dummy Revenue and Receivables account to migrate AR open transactions so that it can be reversed easily in GL.

## **3. General Ledger Conversion Process**

The Trial Balance as on cut-off date should be uploaded into Fusion GL as part of data migration using FBDI/ADFDI template.

## **4. Accounts Payable Conversion Process**

Open transactions as of the cutoff date will be uploaded in Payables.

### **Static Data**

- All the active Vendors would be defined in Oracle Payables along with the relevant information, prior to the entry of transaction-related data for the respective Business unit.
- Excel upload (FBDI) will be used to upload the supplier master. Supplier names will be entered as per user requirement.

- The supplier's numbers would be taken as the same number from the legacy system/ or defined based on the requirement.
- All the internal and supplier Bank accounts would be defined in Oracle Cash Management. Defining bank accounts will be a manual process. Internal Bank would be defined in Cash Management. While Supplier Banks will be defined in Accounts Payable.
- At the time of migration, Closed Prepayment invoices will also be manually entered, and payment will be made via Dummy bank account
- Other static data such as Payment Terms, Pay Groups, etc. would be defined manually as required.

### Open Transaction Data

All outstanding open transactions i.e. Invoices, Credit Memo, and Debit Memo will be uploaded using the Standard Interface through FBDI/ADFDI.

### Open Invoices

#### Standard Invoices

	Debit	Credit
Expense Account	XXX	
AP Data Migration account		XXXX

#### Debit Memos/Credit Memos

	Debit	Credit
AP Data Migration account	XXX	
Expense Account		XXXX

All **Unapplied advances/Prepayments** to suppliers must be manually entered Oracle Payables to the extent of amount remaining available for application. The accounting entry would be

	Debit	Credit
Advance to supplier's A/c	XXX	

Supplier Liability A/c		XXXX
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Subsequently the advances are paid through a Dummy bank created for the purpose of the conversion process. The accounting entry for the same would be:

	Debit	Credit
Supplier Liability A/c	XXX	
Data Migration Bank A/c		XXXX

### Conversion Activities

The sequence of steps in which all the data conversion process would be follow below order

**Step 1:** Upload the Supplier Master information.

**Step 2:** Enter the Bank Master information in Cash management including the definition of conversion banks.

**Step 3:** Upload/enter open transactions as on I.e. Invoices, Credit notes, Debit notes and Prepayments.

**Step 4:** Run a dummy payment batch to pay the Prepayment invoices which would make them available for application against future liabilities.

**Step 5:** Transfer to GL. The Payables Journal entries will be reversed in the GL as the GL Trial Balance already consists of respective Payable Accounts balances as part of GL Trial Balance uploaded earlier after reconciling with Payables Accounts balances.

## 5. Accounts Receivable Conversion Process

Open transactions as of the cutoff date will be uploaded in Receivables.

### Static Data

- All the active Customers with Customer Sites would be defined in Oracle Receivable along with the relevant information, prior to the entry of transaction-related data for the respective Business unit.

- Excel upload (FBDI) will be used to upload the Customer master. Customer names will be entered in English as per user requirement.
- The Customers' numbers would be taken as the same number from the legacy system.
- All the Customer Bank accounts would be defined in Oracle Cash Management for Direct Debit receipts. Defining bank accounts will be a manual process.
- Other static data such as Receipt Payment Terms, Receipt Methods etc. would be defined manually as required.

## Open Transaction Data

All outstanding open transactions i.e. Invoices, Credit Memo, Debit Memo and Unapplied Receipts will be uploaded using the Standard Interface through FBDI/ADFDI.

## Open Invoices

### Standard Invoices/Debit Memos

	Debit	Credit
Data Migration Receivable A/c	XXX	
Revenue A/c		XXXX

### Credit Memos

	Debit	Credit
Revenue A/c	XXX	
Data Migration Receivable A/c		XXXX

All **Unapplied Receipts** from Customers must be manually entered Oracle Receivables to the extent of amount remaining available for application. The accounting entry would be

	Debit	Credit
Dummy Migration Bank A/c	XXX	
Unapplied Receipts A/c		XXXX

## Conversion Activities

The sequence of steps in which all the data conversion process would be carried out are detailed below

**Step 1:** Upload the Customer Master information.

**Step 2:** Enter the Bank Master information in Cash management including the definition of conversion banks.

**Step 3:** Upload/enter open transactions as on I.e. Invoices, Credit notes, Debit notes and Unapplied Receipts. (Standard and Miscellaneous)

**Step 4:** Run a dummy Receipt batch to book the Unapplied Receipts which would make them available for application against future transactions.

**Step 5:** Transfer to GL. The Receivables Journal entries will be reversed in the GL as the GL Trial Balance already consists of respective Receivable Accounts balances as part of GL Trial Balance uploaded earlier after reconciling with Receivables Accounts balances.

## 6. Fixed Assets Conversion Process

Open transactions as of the cutoff date will be uploaded in Assets. All the Asset Balances are migrated to Fusion Assets after running depreciation in the GL of legacy system.

### Static Data

- All the active Asset Categories would be defined in Oracle Fusion Assets along with the relevant information, prior to the entry of transaction-related data for the respective Asset Book.
- Excel upload (FBDI) will be used to upload the Asset Categories. Asset names will be entered in English as per user requirement.
- The Asset numbers would be taken as the same number from the legacy system.



- Depreciation Methods, pro-rate Convention (*which is a pre-requisite for the system to compute Depreciation for the period under consideration*), Asset Calendar, Asset Books and other static data would be defined manually as required.

### Open Transaction Data

All outstanding open transactions i.e. Asset open balances as on cut-off date (Asset Original Cost with Accumulated Depreciation/Reserve) will be uploaded using the Standard Interface through FBDI/ADFDI.

### Open Assets

	Debit	Credit
Asset A/c	XXX	
Asset Clearing A/c		XXXX
Accumulated Depreciation A/c		XXXX

### Conversion Activities

The sequence of steps in which all the data conversion process would be carried out are detailed below

**Step 1:** Upload the Open Assets with Accumulated Depreciation after running the Depreciation for the last period in the legacy system.

**Step 2:** Transfer to GL. The Asset Addition Journal entries will be reversed in the GL as the GL Trial Balance already consists of respective Assets Accounts balances as part of GL Trial Balance uploaded earlier after reconciling with Assets Accounts balances.