



Oracle Financials Cloud: Budgetary Control and Encumbrance Accounting Overview

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Course Objectives



After completing this course, you should be able to:

- Identify the key concepts of Oracle Financials Budgetary Control and Encumbrance Accounting.
- Navigate the Cloud Applications and use Oracle Functional Setup Manager (FSM) to maintain Budgetary Control.
- Implementing options for budgetary control and encumbrance accounting.
- Submit various reports used for Budgetary Control and Encumbrance Accounting.



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Oracle Cloud Implementation Resources

Classroom and Other Resources:

- Oracle Financials Cloud: Budgetary Control and Encumbrance Accounting Student guide. (This guide).
- Oracle ERP Cloud Budgetary Control and Encumbrance Accounting Implementation Guide.
- Sample OTBI report: Purchase Order Balance by Control Budget (posted on Customer Connect).
- White paper on how to initialize balances if you are implementing budgetary control after Procurement go-live.
- [Oracle Fusion Technology Library on OTN](#)
- [My Oracle Support \(MOS\)](#)
- [Oracle Fusion Cloud Library](#)



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- Oracle ERP Cloud Budgetary Control and Encumbrance Accounting Implementation Guide (Document 2131138.1)
- Oracle Fusion Technology Library on OTN: (<http://www.oracle.com/technetwork/index.html>)
- My Oracle Support (MOS): (<https://support.oracle.com/>) including these documents:
 - Getting Started with Oracle Fusion Applications: Common Implementation, Article ID 1387777.1 on Oracle Support
 - Oracle Fusion Applications: Financials Reporting (Document 1458904.1)
- Oracle Help Center: (http://docs.oracle.com/cloud/latest/financialscs_gs/docs.html) including these Oracle Financials Cloud books:
 - Getting Started with Your Financials Cloud Implementation
 - Implementing Enterprise Structures and General Ledger
 - Security Reference for Oracle Financials Cloud
 - Creating Analytics and Reports
 - Using Analytics and Reports
- Additional references on Budgetary Control available at Oracle Support:
 - Quick Reference for Oracle Fusion Budgetary Control Documentation (Doc ID 2195106.1).
 - Implementing and Using Oracle Fusion Budgetary Control FAQs (Doc ID 2193107.1) .
 - GASB 34 Asset Accounting with Oracle Financials Cloud (Doc ID 2132255.1).
 - Using the Control Budget Filter to Determine the Control Budgets for Transactions (Doc ID 1995872.1).

Oracle Help Center: docs.oracle.com

The screenshot shows the Oracle Help Center homepage. At the top, there's a red header bar with the text "How can we help?". Below it, a message welcomes users to the Oracle Help Center, mentioning guides from getting started to advanced features. A "See what's new in the Oracle Help Center!" button with a play icon is present. On the right, there's a search bar with "Search" and "Find a product" buttons, and a dropdown menu set to "All Products". The main content area is a grid of eight colored circles, each representing a product category: Cloud (purple), Applications (blue), Middleware (red), Database (green), Big Data (pink), Enterprise Manager (yellow), Engineered Systems (teal), and Java (dark blue). Each circle contains an icon and a brief description. At the bottom left is the Oracle logo, and at the bottom right are copyright and page number information.

How can we help?

Welcome to the Oracle Help Center. Whether you are new to Oracle or an advanced user, you can find useful information about our products and services, ranging from getting started guides to advanced features.

See what's new in the Oracle Help Center!

Search Find a product

All Products Search products

 Cloud A broad selection of enterprise solutions for cloud computing	 Applications Choice & flexibility with a vast, secure portfolio of products	 Middleware Premier business innovation platform for enterprise & cloud	 Database Oracle databases lead the world delivering innovative solutions
 Big Data An integrated portfolio to organize & analyze diverse data sources	 Enterprise Manager Enterprise management for complex IT environments	 Engineered Systems Pre-integrated solutions to reduce IT cost & complexity	 Java The global standard for developing platform-independent apps

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Oracle Help Center is:

- Central hub for all documentation and tutorials.
- Organized by major product categories including Cloud, Applications, Middleware, and Database.

Reference Guides

- File Based Data Import includes links to:
 - Spreadsheets templates.
 - Load and import processes.
- Tables and Views includes:
 - Columns
 - Primary and Foreign Keys
 - Indexes
- SOAP (Simple Object Access Protocol)
Web Services

GL_ACCOUNT_GROUP_DEFAULT
GL_ACCOUNT_GROUP_DEFAULT contains the default account group for user and access Set identifier combination.

Details

- Schema: FUSION
- Object owner: GL
- Object type: TABLE
- Tablespace: FUSION_TS_TX_DATA

Primary Key

Name	Columns
GL_ACCOUNT_GROUP_DEFAULT_PK	USER_GUID,CHART_OF_ACCOUNTS_ID,CALENDAR_ID,INFOLET_TYPE_CODE

Columns

Name	Database	Length	Precision	Not Null	Comments	Flexfield Mapping
ACCOUNT_GROUP_ID	NUMBER	18	Yes	User account group identifier for the		



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Oracle Enterprise Repository has been decommissioned and the following link redirects you to the location of the new guides:

<http://www.oracle.com/webfolder/technetwork/docs/HTML/oer-redirect.html>.

Click on the Oracle Help Center Link > Cloud > Financials > Books > guides in the Development section.

- File Based Data Import (FBDI) is used to load data into Oracle Cloud Applications from external sources, such as legacy systems and third-party applications. The File Based Data Import for Oracle Financials Cloud Guide includes links to:
 - Spreadsheets used to load data into Oracle Cloud Applications from external sources, such as legacy systems and third-party applications. The spreadsheet templates help to structure, format, and generate the data file according to the requirements of the target application tables.
 - File-based load process to load the data files into the interface tables.
 - Application-specific data import processes to transfer data from interface tables to the application tables in your Oracle Cloud Applications.
- Tables and Views for Oracle Financials Cloud Guide includes:
 - The tables with the basic information about the table columns, primary and foreign keys, and indexes.
 - The views, columns, and query details that are associated with each view.

- SOAP (Simple Object Access Protocol) Web Services for Oracle Financials Cloud Guide include:
 - Business Object Services relationships, operations, and security.
 - Service Data Objects relationships and attributes.

Note: Use SOAP web services to integrate with or extend Oracle Applications Cloud. Through web services, you can integrate heterogeneous applications within the enterprise or expose business functions to Oracle Cloud partners and customers over the Internet.

Cloud Application Services Pages

The screenshot shows the Oracle Cloud Documentation page. On the left, there is a navigation sidebar with a search bar at the top. Below the search bar are links: 'Help Center Home' (with a blue arrow pointing to it), 'Get Started' (with a blue arrow pointing to it), 'Applications', 'Platform', 'Infrastructure', 'Marketplace', and 'Cloud Machine'. Under 'Cloud Machine', there are two more links: 'Cloud Videos' (with a blue arrow pointing to it) and 'Cloud Books' (with a blue arrow pointing to it). The main content area has a purple cloud icon in the top right. At the top, it says 'Home / Cloud' with a blue arrow pointing to the 'Cloud' part. Below that is the title 'Cloud Documentation' and a brief description: 'Looking for documentation, tutorials, or videos so that you could learn about Oracle Cloud Services? You can find all of these resources and more here in the Oracle Help Center.' In the center, there is a large red button with a white play icon and the text 'START HERE'. Below it is a 'Get Started' button. The bottom of the page contains a small amount of descriptive text about Oracle Cloud.



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Consistent organization, content, and link format for Cloud service pages.

- Get Started
- Videos
- Books

Friendly task panel to use to change focus from Cloud to:

- Applications
- Middleware
- Database
- Other Documentation

Video Subject Areas on the Oracle Help Center

[Link to the Video Area in Oracle Help Center](#)

- Get Started with Oracle Applications Cloud
- Set Up Oracle Applications Cloud
- Customize Oracle Applications Cloud
- Get Started with Oracle Financials Cloud
- Use Other Oracle Financials Cloud Products
- Use Oracle Social Network to Improve Collaboration
- Use Oracle Transactional Business Intelligence for Financials Cloud



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Link to the videos: http://docs.oracle.com/cloud/latest/financialscs_gs/financialscs_videos.htm

The Customize Oracle Applications Cloud includes the following videos related to Budgetary Control:

- Customize the Navigator and springboard.
- Customize Help.

The Get Started with Oracle Financials Cloud includes the following videos related to Budgetary Control:

- Use infolets to identify issues and prioritize tasks.
- Use work areas to streamline business processes.

Note: New videos are constantly being added to the video area in the Oracle Help Center.

Friendly Search

The screenshot shows the Oracle Help Center interface. At the top left is the 'ORACLE Help Center' logo. At the top right is a 'Welcome Kathryn' dropdown menu. A search bar at the top contains the text 'Journal approval rules'. Below the search bar is a 'Refine Search' panel on the left with a 'Categories' section. Under 'Categories', 'Cloud (41)' is checked, while other options like 'All Products', 'Applications', 'Middleware', etc., are unchecked. To the right of the search bar is a search results summary: 'Results for Journal approval rules', '1 to 20 of 844 results', 'Next >', and 'Results per page: 20 | 40 | 60'. Below this summary are two main search results. The first result is 'Implementing Financials, Release 8 Oracle Financials Cloud Implementing Financials'. It includes a brief description: 'Jump to > Manage Journal Approval Rules → Approving Journals: Points to Consider Journal approval in Oracle Fusion Applications u¹s Oracle'. The second result is 'Enterprise Resource Planning Cloud Getting Started with Oracle Financials Cloud'. It also includes a brief description: 'Jump to > Implementing General Ledger: Procedure → ledger features including: Ledger Sets Data Access Sets Intercompany Balancing Rules Journal Approval ... Rules Journal'.

- Simple search entry: Just type your topic in the field.
- Comprehensive view of search results: Results show the guide as well as the topic with direct links to the topic.
- Number of results and context displayed.
- Refine Search task panel enables you to reduce the number of results.
- Breadcrumbs appear at the top of topics you select to allow easy return to the list of results.

Course Schedule

Day One:

- Budgetary Control and Encumbrance Accounting Overview
- Navigation and Functional Setup Manager
- Implementation Options for Budgetary Control

Day Two:

- Using Budgetary Control Features
- Implementation Options for Encumbrance Accounting



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Course Schedule

Day Three:

- Reporting on Budgetary Control and Encumbrance Accounting
- Integration with Projects



Let's Begin!



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Lesson Objectives



After completing this lesson, you should be able to:

- Understand Overview of Budgetary Control and Encumbrance Accounting processes.
- Discuss Common Implementation decision points.
- Explain Implementation options of Budgetary Control or Encumbrance Accounting.
- Understand Budgetary Control and Encumbrance Accounting modules architecture.



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Product Overview

Budgetary Control and Encumbrance Accounting is a fully integrated product.

Financials



Procurement



PPM



EPM



SCM



- Budgetary Control
- Payables
- Subledger Accounting
- General Ledger

- Purchasing
- Self Service Procurement

- Project Costing
- Project Control
- Grants Management

- Planning & Budgeting

- Costing
- Receiving

- Oracle Financials and Procurement Cloud: Minimum subscription required for Budgetary Control and Encumbrance Accounting.
- Third party Financials, Procurement, PPM, and SCM not supported.

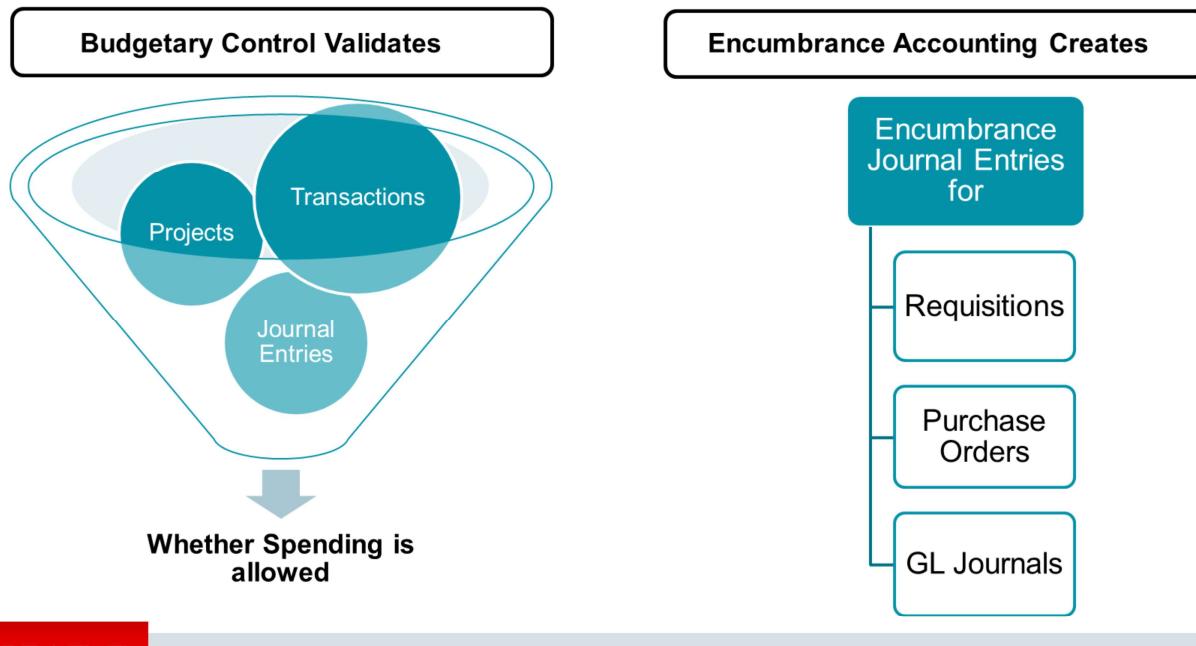


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- You must subscribe and implement Oracle Financials Cloud and Procurement Cloud at a minimum to get the Oracle Cloud Budgetary Control and Encumbrance Accounting functionality.
- You cannot use a third party procurement system with Financials Cloud, or vice versa.
- Depending on your business requirements, you can add on Project Portfolio Management Cloud, Grants Management and Planning and Budgeting Cloud Service.
- The Subledger Accounting and General Ledger modules create the accounting because they handle the accounting processes.
- Abbreviations:
 - PPM = Project Portfolio Management
 - EPM = Enterprise Performance Management
 - SCM = Supply Chain Management

Budgetary Control and Encumbrance Accounting Process



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The budgetary control process provides additional validation on transactions, projects, and journal entries to determine whether spending is allowed, while the encumbrance accounting process creates the encumbrance journal entries for requisitions and purchase orders.

Budgetary Control refers to the group of system options and the processes used to determine which transactions are subject to validation against budgets and budget consumption to prevent over spending.

Encumbrance Accounting:

- Encumbrance Accounting is an accounting practice that creates journal entries for requisitions and purchase orders that will become expenditures when goods and services are invoiced and entered.
- The recording of estimated costs before the actual expenditures allows managers to plan for the future impact of previous financial decisions.

Budgetary control and encumbrance accounting are independent processes that are managed by the following applications:

- Budgetary Control
- Subledger Accounting
- General Ledger

Note:

- Balances stored in Budgetary Control are separate from balances stored in General Ledger. Funds available balance is only maintained in Budgetary Control. Budget balances can be stored in General Ledger by loading the balances to GL.
- For Revenue Budgets, budget amounts have to be loaded to revenue accounts only in GL but not in Budgetary Control. Budgetary Control typically captures balances only for expense accounts. All account

types are not available in Budgetary Control for reporting.

Budgetary Control and Encumbrance Accounting Overview

Complete:

- Prevent overspending with real-time budgetary control.
- Ensure consistent and accurate encumbrance accounting.

Insightful:

- Proactively monitor budget consumption with robust reporting.
- Empower information workers with simplified user experience.

Flexible:

- Control spending at detail or summary account level.
- Simultaneously validate transactions against multiple sets of budgetary control policies.



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Why are Budgetary Control and Encumbrance Accounting Separated

Some organizations want to budget and control spending at a different level than general ledger accounting.

Oracle ERP Cloud supports this by allowing the budget calendar and account structure used in Budgetary Control to be different from the accounting calendar and chart of accounts used in General Ledger.



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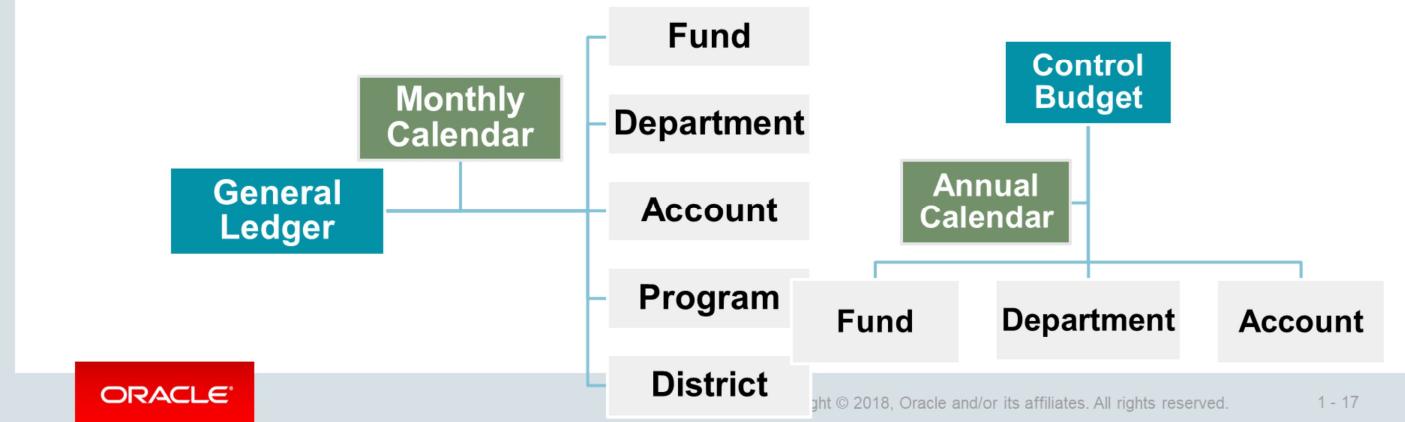
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Oracle Cloud Budgetary Control and Encumbrance Accounting enables public sector, higher education, and nonprofit organizations to define and manage budgets and spending with better visibility into, obligations, and expenditures and comply with legal reporting requirements.

Accounting Versus Budgetary Control Structure: Example

Level	General Ledger Accounting	Budget and Control Spending
Calendar	Accounting Calendar	Budget Calendar
Account Structure	Chart of Accounts	Account Structure in Budgetary Control



Budget and control at summary account levels and on a budget calendar in the Budgetary Control module that can be different from the General Ledger accounting calendar for example, budget versus GL reporting monthly.

For example, the ledger in your General Ledger may be based on a monthly calendar and chart of accounts with 5 segments: Fund, Department, Account, Program and District. But your control budget in Budgetary Control may be based on an annual calendar and account structure with only 3 segments: Fund, Department and Account. If your organization budgets annually and only controls spending by fund, department, and account. For those organizations that want to keep the budget calendar and account structure in Budgetary Control the same as the accounting calendar and chart of accounts in General Ledger, they can certainly do so.

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Common Implementation Decisions for Budgetary Control and Encumbrance Accounting

You can implement Budgetary Control and Encumbrance Accounting together or independently depending on your organization's business requirements.

The most common implementation decisions are:

- Use Budgetary Control for real-time spending controls.
- Use Encumbrance Accounting for GL journals for requisitions and purchase orders.
- Use both Budgetary Control and Encumbrance Accounting for real-time spending controls and GL journals for requisitions and purchase orders.
- Budget versus actual reporting using GL does not require Budgetary Control or Encumbrance Accounting.



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Implementation Options: Budgetary Control or Encumbrance Accounting

Decision Point	Budgetary Control Only	Encumbrance Accounting Only	Budgetary Control & Encumbrance Accounting	GL Budget vs. Actual Reporting (No Budgetary Control and Encumbrance Accounting)
Real-time validation of transaction amounts against budget	Yes	No	Yes	No
Funds available balance maintained	Yes	No (Available via report calculation)	Yes	No
Budget, commitment, obligation, expenditure balances available for reporting	Expense accounts only	Any account	Any account	Budget & actual only for any account
GL journals represent PO obligations or requisition commitments	No	Yes	Yes	No



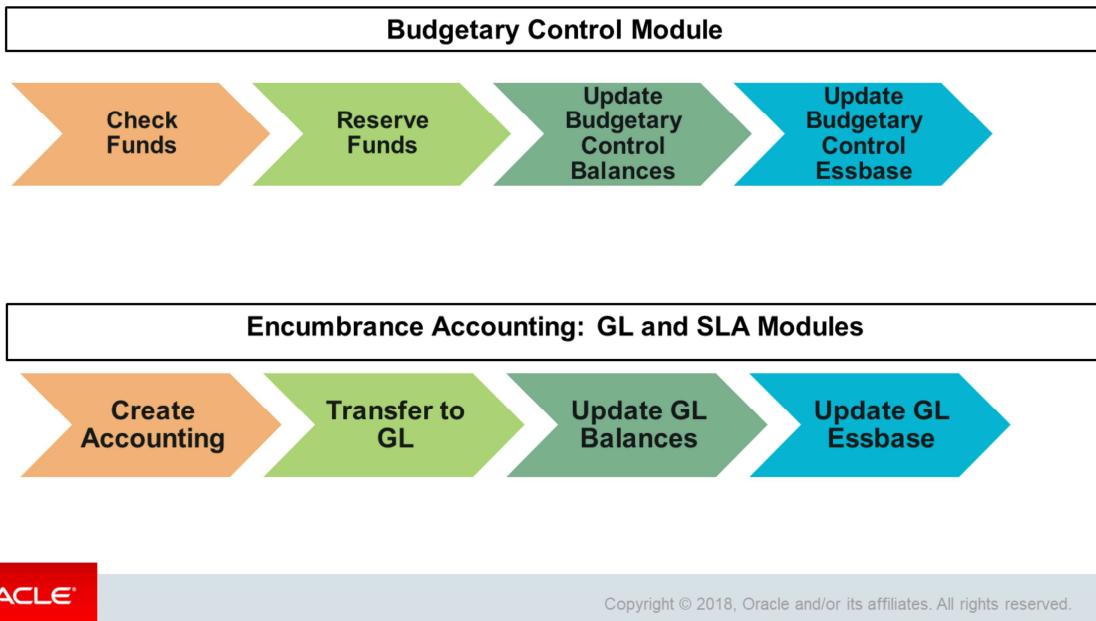
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Additional Decisions Points to determine Implementation options:

- Use only Budgetary Control if you do not need GL journals or balances for purchase orders and/or requisitions, and you need real-time spending controls on transactions.
- Use only Encumbrance Accounting if you do not need to validate transaction amounts against the budget during transaction processing and you need to report purchase orders and/or requirements.
- Use Budgetary Control and Encumbrance Accounting when you require real-time spending controls of transaction amounts, general ledger journals, or balances for purchase orders, and/or requisitions.
- Use GL when you only need to report the budget versus actual expenditures periodically. You don't need to implement the Budgetary Control and Encumbrance Accounting features.

Budgetary Control and Encumbrance Accounting Modules Architecture



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Budgetary Control: At summary or detail account level, any budget calendar.

Encumbrance Accounting: Account at detail account level, based on accounting calendar.

- Oracle Cloud's Budgetary Control and Encumbrance Accounting feature is based on an innovative architecture.
- The Budgetary Control module handles funds check, reservation, and maintains funds available balances.
- The Budgetary Control module is separate from the Subledger Accounting and General Ledger modules which handle encumbrance accounting. This separation enables you to:
- Implement budgetary control without encumbrance accounting, or vice versa.

After a transaction is submitted, the Budgetary Control module performs the funds reservation and calculates the funds available balance for a budget account. Those balances are available for multi-dimensional analysis and reporting in the Budgetary Control module.

If encumbrance accounting is implemented, when you run the Create Accounting program the Subledger Accounting module:

- Creates the encumbrance accounting entry.
- Transfers and posts the entry to the General Ledger module.
- The encumbrance journal entries and balances are then available in the General Ledger for reporting.

Note: Encumbrance accounting in General Ledger does not perform real-time spending control or maintain funds available balance automatically.

Control Levels

Control Level	Description
Absolute	<ul style="list-style-type: none"> Stops transaction processing Does not record transaction against the budget Prevents transaction from continuing until insufficient funds resolved
Advisory	<ul style="list-style-type: none"> Provides warning at transaction processing Allows transaction to continue Records transaction against the budget
Track	<ul style="list-style-type: none"> Allows transaction to continue Records transaction against the budget
None	<ul style="list-style-type: none"> Allows transaction to continue Does not record transaction against the budget Does not provide a message to the transaction user None is typically used in Supplemental Rule.

Currency	USD - US Dollar
Default Rate Type	Corporate
Control Level	Advisory
Tolerance Percentage	Absolute
Tolerance Track	None
Tolerance Amount	1%



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Other Considerations for Control Levels:

- Tolerance: The acceptable amount or percentage over the budget amount. A warning appears when the tolerance is exceeded.
- Override: An option to continue if budgetary control fails due to insufficient funds based on funds available by period and account, or because the budget period is closed.
- Supplemental rules: Exceptions to the control level and tolerance settings.

Scenario for using Control Level as None: If you do not want to control spending for the Total Cost of Goods Sold (1800) and Personnel (2000) expenses in the Annual Advisory Account Level 1 budget, a supplemental rule can be created with a control level of None so that these expenses (1800 and 2000) won't be consumed against the budget.

Considerations for Commercial Organizations

Following are few considerations for deciding the control level:

- Overhead Costs.
- Year end processing.



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Overhead Costs when Absolute Control Level is opted:

If you plan to use Absolute control level and stop transaction processing (requisitions, purchase orders, invoices) when no available budget for a given account exists, you must have employees in place to approve and process budget overrides, budget transfers, budget increases, or transaction adjustments.

Without these employees and processes in place, daily transaction processing may be halted, thereby negatively impacting daily business operations.

You must also consider year end processing, including:

- Whether to carry forward residual budget, commitment, or obligation balances to the new budget year.
- What should happen to open requisitions and purchase orders when their downstream transactions come in the new budget year.

If you only want to use Advisory or Track control level, that indicates that you do not have a real need for budgetary control or encumbrance accounting. You can achieve similar results with budget versus actual reporting, without having to implement and maintain budgetary control or encumbrance accounting.

Summary

In this lesson, you should have learned how to:

- Overview on Budgetary Control and Encumbrance Accounting processes.
- Discussing common implementation decision points.
- Exploring implementation options.
- Understanding Budgetary Control and Encumbrance Accounting modules architecture.



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Introducing Oracle Cloud Navigation and Using Setup Pages for Maintenance

Chapter 2

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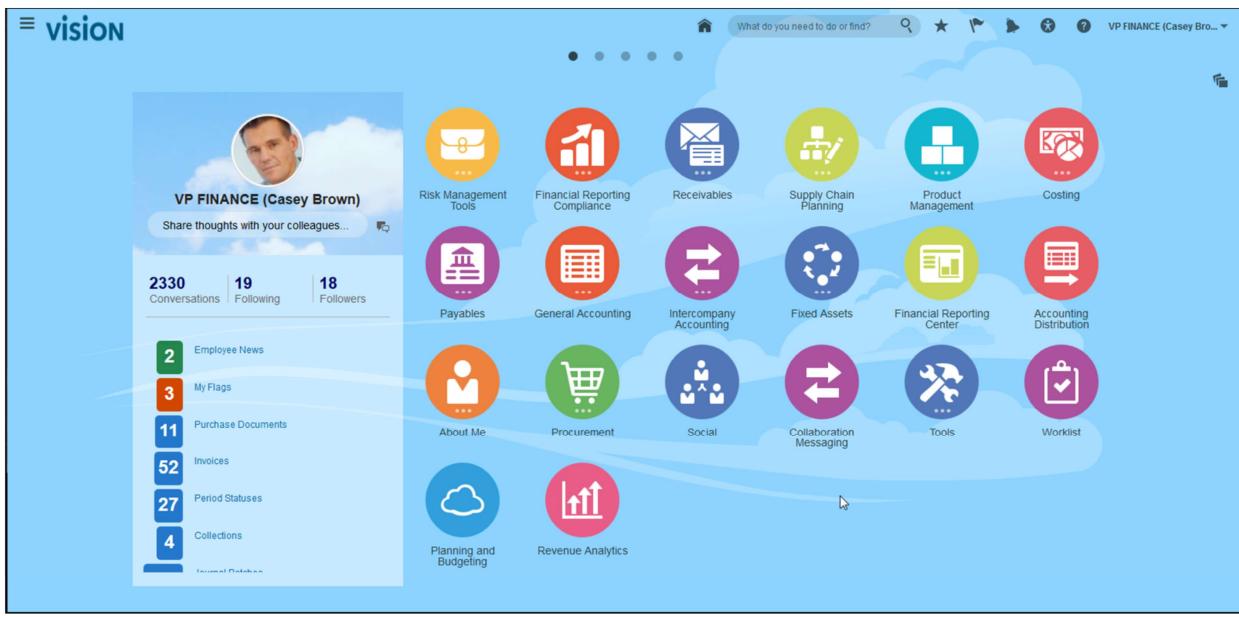
Lesson Objectives



After completing this lesson, you should be able to:

- Navigate Oracle Cloud Applications.
- Explore dashboards.
- Examine panels.
- Review infolets and infotiles.
- Understand personalizations.
- Explain the benefits and key concepts of Financials setup pages.
- Use the opt in feature to enable offerings, functional areas, and features after upgrades.
- Understand the Setup pages for ongoing maintenance.

Getting Started in Oracle Cloud Applications



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Oracle Cloud Applications are:

- Designed from the ground up, using the latest technology advances and incorporating best practices gathered from thousands of customers.
- Completely open, service-enabled enterprise applications.
- Designed with features for the best-in-class user-interface designs and workflows that optimize usability and deliver business value.

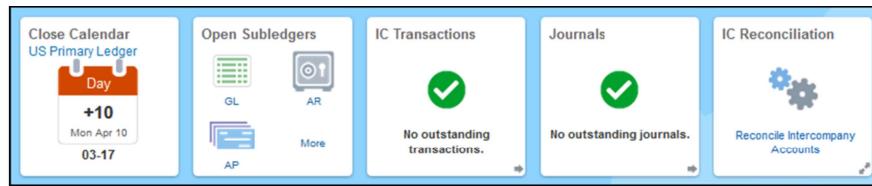
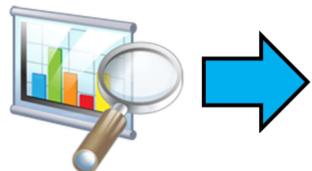
All functionality revolves around the Oracle Cloud Applications Welcome Springboard, which can be personalized.

Note: The Welcome Springboard view changes based on your roles and privileges.

Simplified Navigation

User interface features include:

- Welcome Springboard
- Infolets
- Infotiles*
- Panels



Example of Infolets

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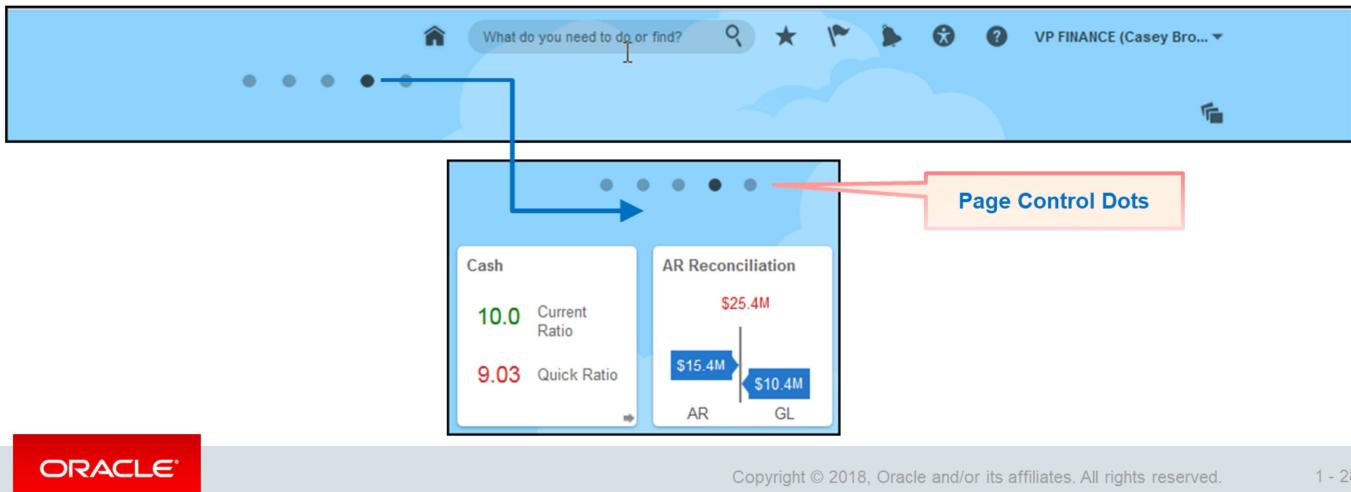
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Oracle's focus on providing an exceptional user experience pervades the Oracle Applications Cloud. Creating a compelling, pleasing user interface that provides only what you need, right when you need it, is of the highest priority. Advantages include:

- Detailed list of all the work areas that you can access using the improved navigator.
- Logical, related tasks organized into groups and displayed in a predetermined order set by the application.
- The ability to configure tasks to meet your business needs.
- Access to work areas and dashboards by clicking the icons on the Welcome Springboard or from the Navigator entries.
- Infotiles are used in the subledgers, not General Ledger.

Welcome Springboard

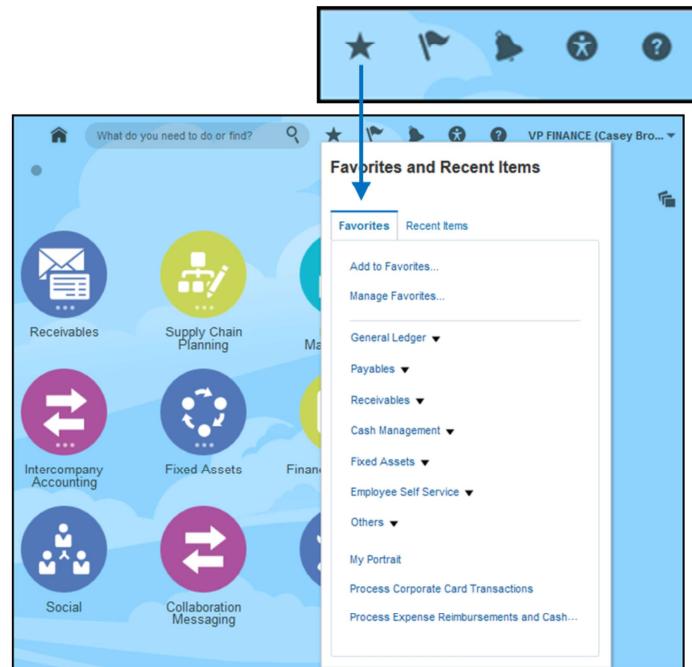
- Quick glance at your work-related conversations and announcements.
- Page control navigation located at the top of the pages to access the Welcome Springboard and the infolet pages.
- Navigator to access additional applications.



Navigate to: Welcome Springboard.

- Improve efficiency and productivity of your workforce with the Welcome Springboard that is optimized for tablets and mobile devices.
- Use the page control dots that appears at the top of the Welcome Springboard to switch between that page and infolet pages.
- Use the icons on the Welcome Springboard to easily access relevant work areas and dashboards. Alternatively, use the Navigator to access any additional applications.
- Take advantage of the fact that no additional steps are required to enable the Welcome Springboard.

Favorites and Recent Items



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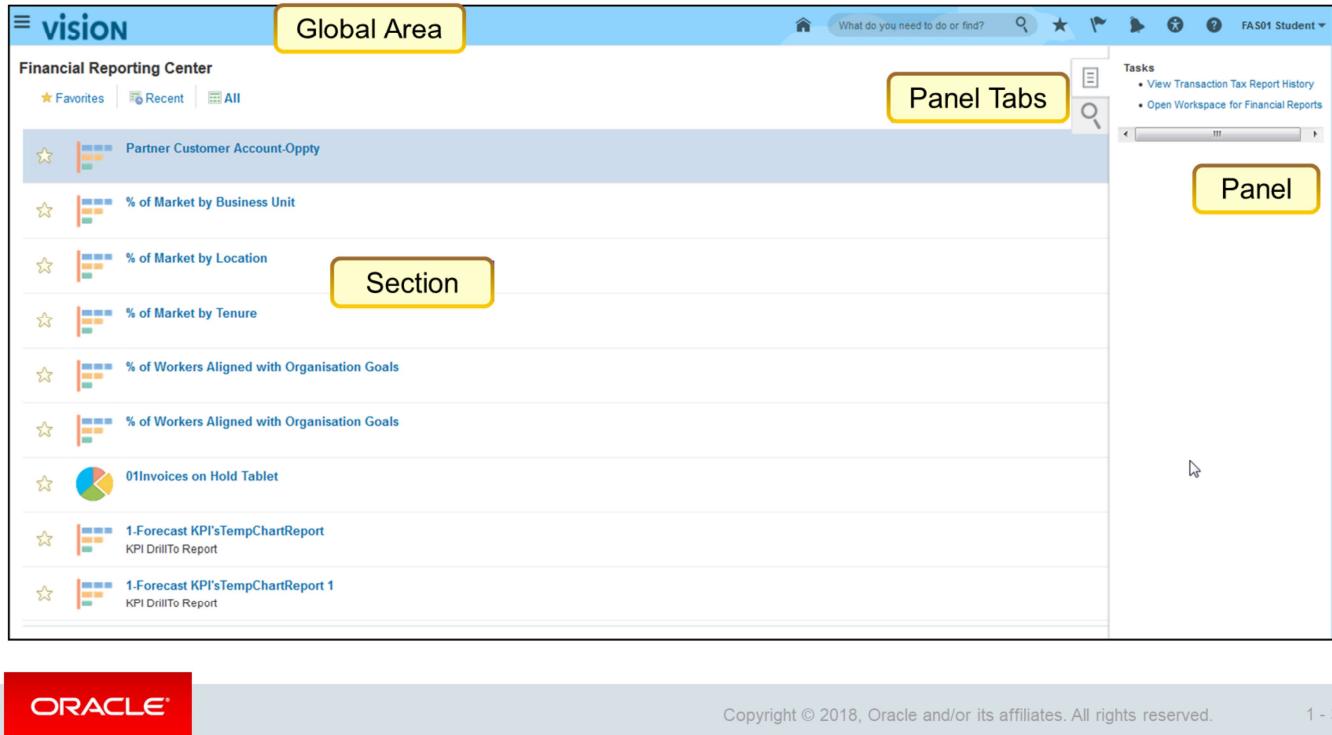
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Navigate to: Welcome Springboard > Select the Favorites and Recent Items icon.

The Favorites and Recent Items menu enables you to return to flows that have been recently accessed, usually within, but not limited to, a single session.

User Interface



Navigate to: Financial Reporting Center.

Each page can be divided into components. The slide shows an example of the main components in the Oracle Cloud User Interface.

- **Global Area:** Contains links to help you navigate user interfaces, personalized links and tools, and the name of the user who is signed in.
- **Section:** Contains the transaction or form that requires creation, editing, or review.
- **Panel:** Contains links to tasks, process, and reports and enables search on some panels.
- **Panel Tabs:** Opens several different panels including the Tasks, Search, and Report panels.

General Accounting Dashboard

The screenshot shows the Oracle General Ledger General Accounting Dashboard. At the top, there's a navigation bar with links for Account Monitor, Intercompany Transactions, and Journals. Below the navigation is a toolbar with buttons for View, Format, Detach, Wrap, Errors, and a search bar. The main area displays a table of errors found in Journals. The columns include Accounted, Debit, Credit, Source, Journal Batch, Accounting Period, Issue, Error Date, and Last Updated By. The table lists various errors such as 'Error - Unopened accounting period' and 'Error - Invalid or no journal lines', each associated with a specific date and user.

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Navigate to: General Accounting > General Accounting Dashboard.

The General Accounting Dashboard is the main dashboard for Oracle General Ledger functionality including Journals and Period Close.

The General Accounting Dashboard contains the following sections:

- Account Monitor
- Intercompany Transactions
- Journals
- Closing Status
- Process Monitor

The General Accounting Dashboard contains the following functionality with direct links:

- Journals
- Period Close
- Inquiry and Reporting
- Planning and Budgeting

Work Areas

The screenshot shows the Oracle ERP Cloud interface for the Period Close work area. At the top, there's a navigation bar with the 'vision' logo, a search bar, and a user dropdown. Below the navigation is a sidebar with links for Accounting Periods, Multicurrency, Balances Transfer, Year-End Processing, Balance Inquiry, and Financial Reports. The main content area has two tabs: 'Close Status' and 'Outstanding Subledger Transactions'. The 'Close Status' tab shows a summary for the General Ledger (Open) and other subledgers like Receivables, Costing, Projects, Payables, and Assets. The 'Outstanding Subledger Transactions' tab displays a grid of transaction details across various sources such as Assets, Cash Management, Cost Accounting, Expenses, External Billing System, and Insurance, categorized by Unaccounted and Accounted but Not Transferred counts.

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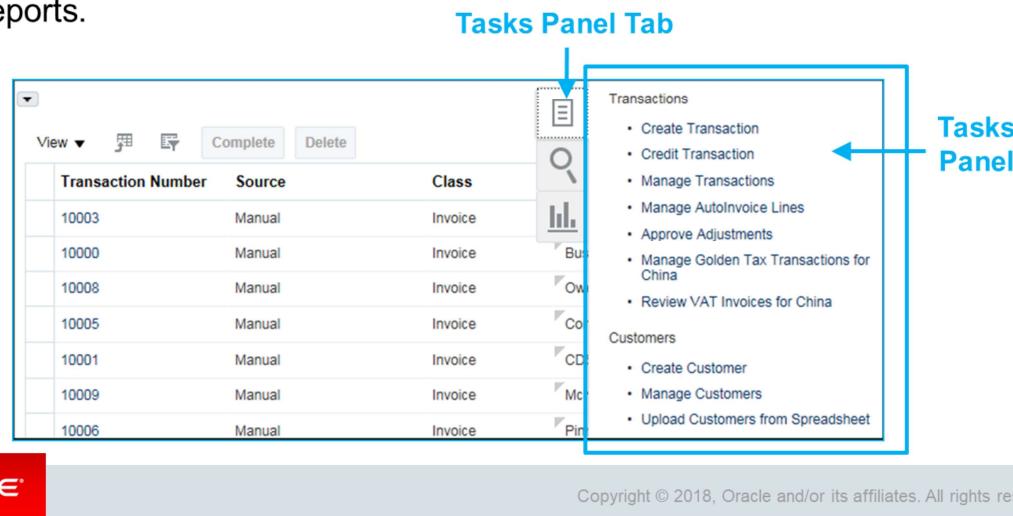
Navigate to: General Accounting > Period Close.

A work area is a grouping of similar tasks. The Period Close work area includes tasks for opening and closing accounting periods for Oracle General Ledger and subledgers.

Panel

Click on the Tasks icons to open the panel. Use the panel tabs to:

- Access features without leaving the current application.
- Perform searches.
- Run reports.



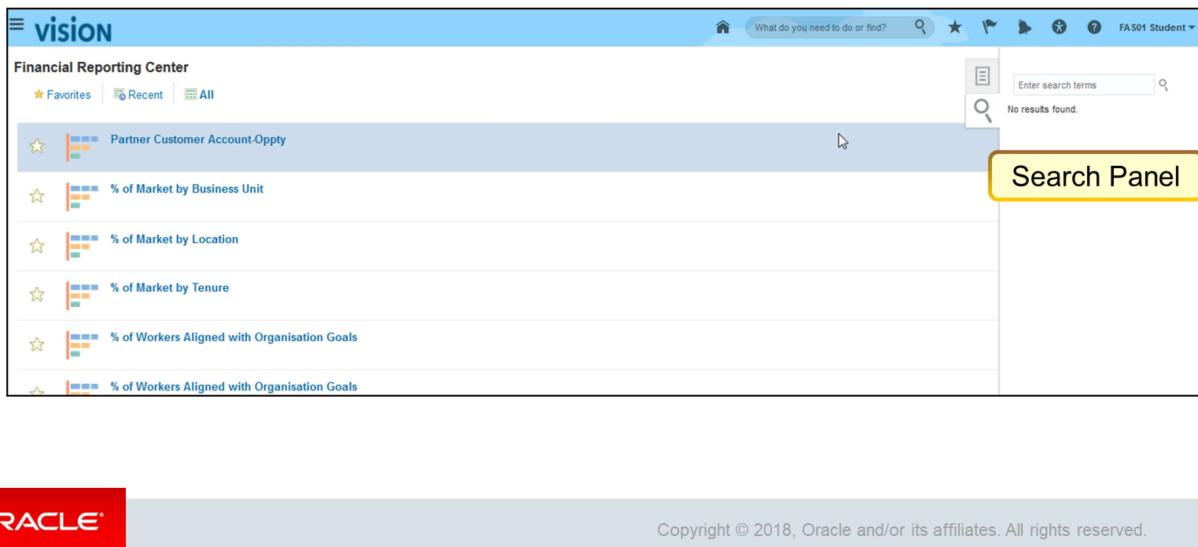
Navigate to: Receivables > Billing.

The panel, an anchored component on the right side of a page, contains one or more vertical tabs to perform actions to enable you to search, run reports, and view integrated conversations in the context of the current task.

- Open the panel by clicking one of the panel tabs. The panel is collapsed by default.
- Use the slide-out panel to access features directly from any screen without leaving the current application or navigating through different roles or hierarchies.
- View the tasks available for your user role.

Search Panel Overview

Use the Search panel to perform local searches on the work area you are currently using.



Navigate to: Financial Reporting Center.

Use the Search panel to perform a local search based on the work area you are currently using. Click on the Search panel tab to expand the Search panel and perform a search.

Practice 2-1: Running session warmer scripts

This practice covers Running session warmer scripts.



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Practice 2-2: Getting Started in Oracle Cloud Applications

This practice covers the following topics:

- Signing in to Oracle Cloud Applications.
- Exploring the following user interfaces:
 - Global Area including:
 - Accessibility
 - Help
 - Search
 - Personalize
 - Setting and Actions menu
 - Navigator and Welcome Springboard
 - Work Area and Panels
 - Search
- Signing out of Oracle Cloud Applications.



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Infolets versus Infotiles

Infolet

- An interactive container in a simplified user interface that provides key information and user actions including:
 - Refreshing and running processes to update the data.
 - Drilling into the details behind the data.
 - Changing the displayed views, names, and information.
- Infolets are combined on an Infolet Page that is accessed using a page control dot on the Welcome Springboard.

Infotile

- A tile component that displays key information about a topic or object as part of a scrolling strip of information tiles on a specific page.
- Each tile links to a table of detailed information.



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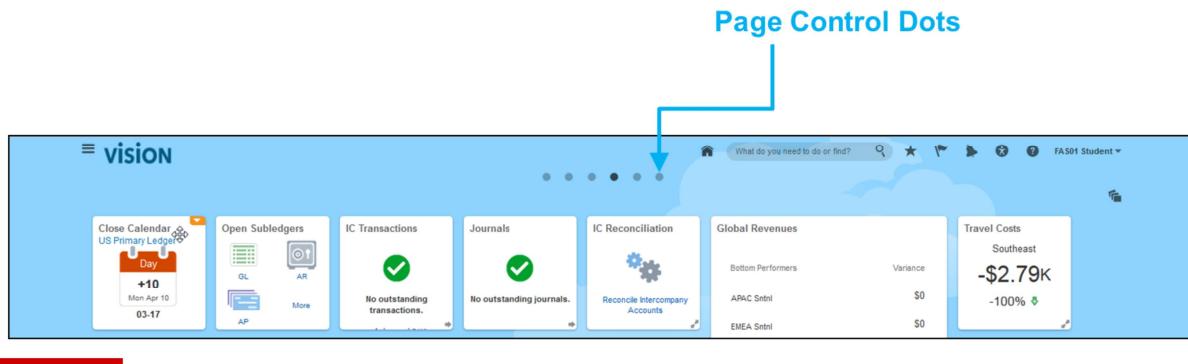
Infolets are available for General Ledger, Intercompany, Budgetary Control, and Cash Management.

Note: You can only view those infolets that you have permission to access.

Infotiles are used in the subledgers, not General Ledger.

Infolets Overview

- Select the page control dot at the top of the Welcome Springboard to view a specific infolet page.
- Use the dots to return to the Welcome Springboard.
- Use the arrow in the lower corner of the infolet to change views.
- Click on the Actions menu in the top right corner of the infolet.



Navigate to: Welcome Springboard.

Use infolets to view information from different sources at a glance in an efficient and timely way directly from the Welcome Springboard. You have the right information instead of just more data to sift through.

Mobile device support is available to take your work on the go, enabling you to close your books quickly. You can spot trends and exceptions to gain insights about your financial results in real-time.

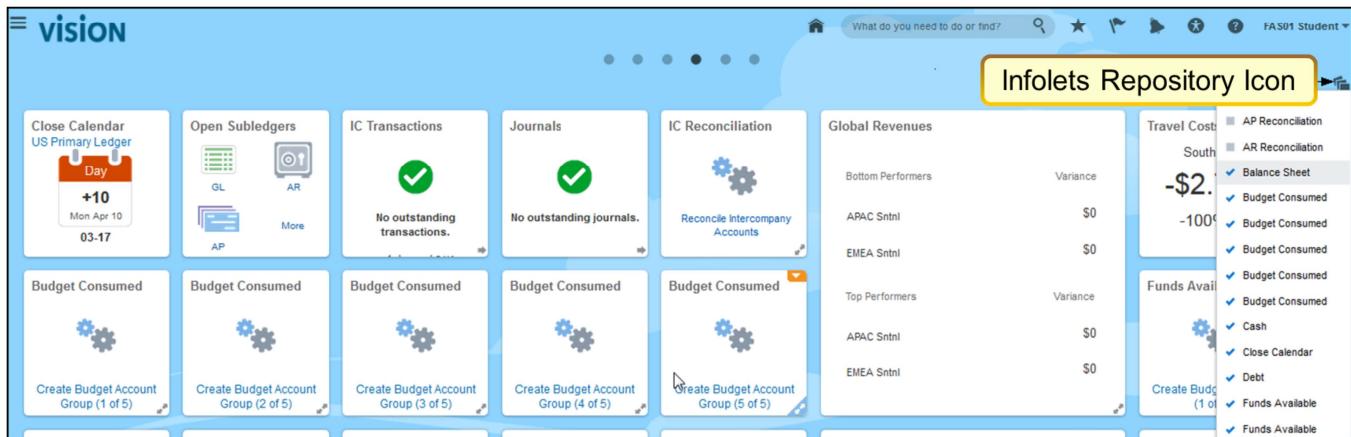
Infolets are available for General Ledger, Intercompany, Budgetary Control, Order to Cash and Cash Management.

Note:

- You can only view those infolets that you have permission to access.
- You can configure an infolet page as the default landing page for users.

Infolet Repository

The Infolet Repository displays the infolets available for each infolet dashboard.



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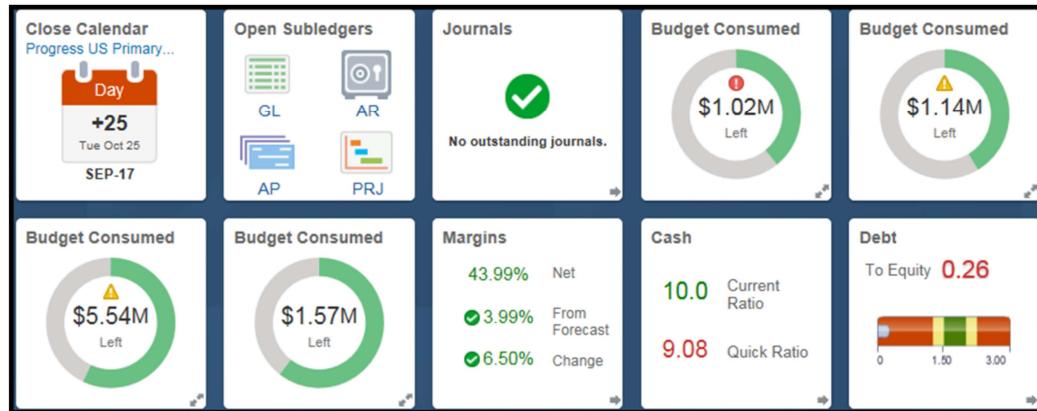
Navigate to: Welcome Springboard > General Accounting Infolets dot.

The infolet repository displays the available set of infolets based on your access privileges.

- Click the Infolet Repository icon in the upper right hand corner of the page, and then select or deselect the infolets you want to use and drag and drop infolets in the order that you want them displayed.
- Click the Actions menu in the upper right hand corner to view a list of actions that can be performed for that infolet. The list varies by infolet. For example, actions include:
 - View the last updated date on which the process ran.
 - Run extracts.
 - Refresh the view.
 - Edit title and enable views.
 - Hide the infolet.
- Use infolets to aggregate key information for a specific area, for example, your sales pipeline, employee turnover, or other business transactions.

Budgetary Control Infolets

Budgetary Control infolets enable you to track funds availability and funds consumption on your critical control budgets.



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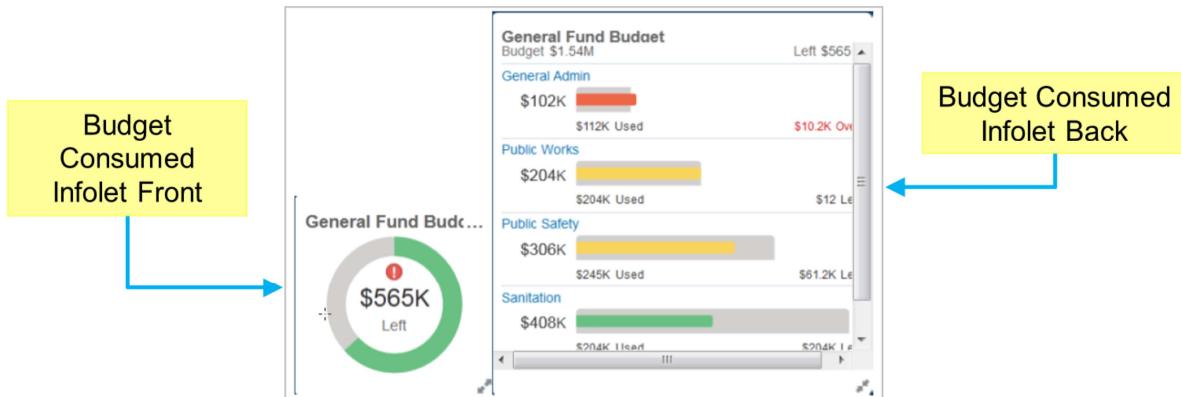
Navigate to: Welcome Springboard > General Accounting Infolets dot.

Find 5 user configured infolets for budget consumed and 5 for funds available.

To configure the budgetary control infolets you must setup budget account groups.

Budget Consumed Infolet

Displays the budget consumption for a specified group of budget accounts.



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Using the Budget Consumed infolet you can:

- Expand the infolet to see the budget accounts with the highest consumption percentages for the control budget.
- View the funds available details by clicking on the budget account link on the expanded view.

Funds Available Infolet

- Displays the funds available amount and percentage for a specified budget account.
- Click on the funds available amount link to view additional funds available details for the budget account.



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Practice 2-3: Exploring Infolets

This practice covers Exploring the General Ledger infolets.



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Personalizations Overview

With personalizations, you can:

- Set user preferences.
- Save searches.
- Configure table columns.

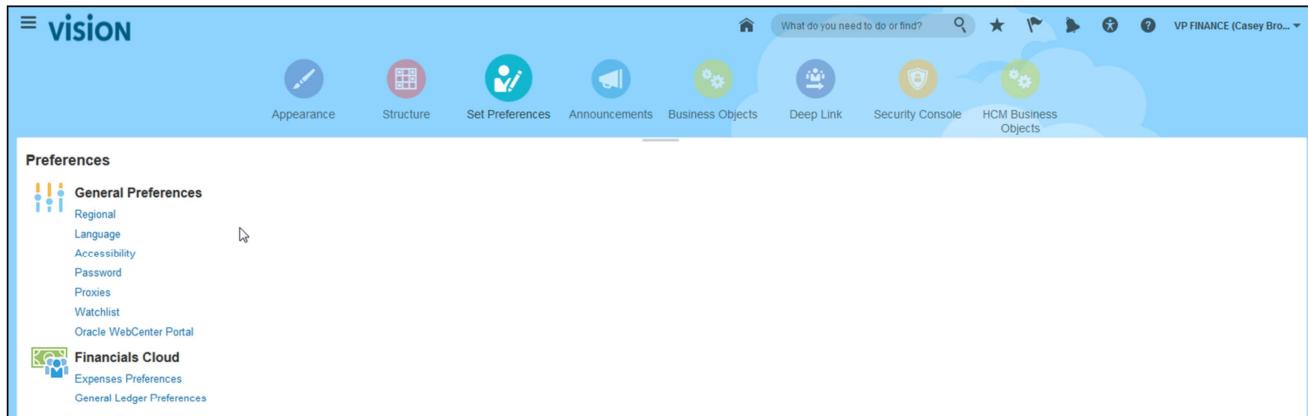


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Setting User Preferences



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Navigate to: Your username > Set Preferences.

User preferences enable you to set many defaults that affect your user experience. The preferences include the following tasks:

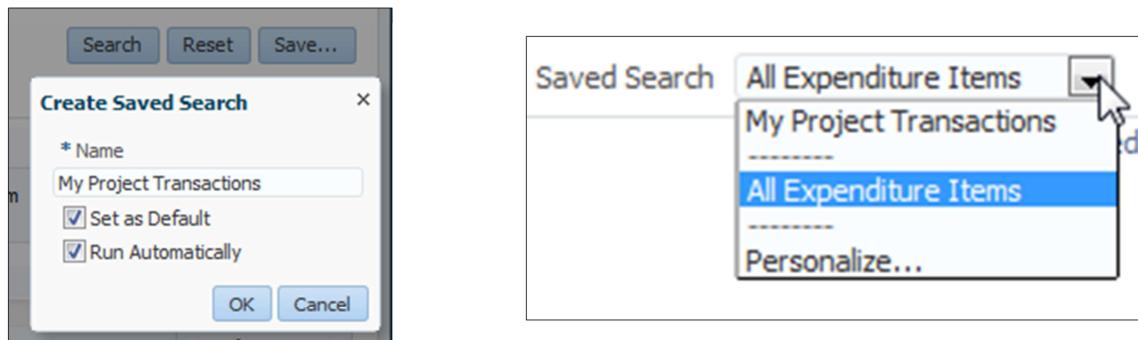
- **Regional:** You can set your territory, date format, time format, number format, currency, and time zone.
- **Language:** You can set which language you want for your:
 - **Default Language:** The setting that displays the language used at initial sign in.
 - **Current Session Language:** This setting overrides the default language for the current session only. For example, your default language is set to Spanish and you need to process several reports in English. Rather than having to set the report language process option for each report to English, you can set your current session language to English to have all of the reports' output be in English.
 - **Display Name Language:** The setting that displays all person names including your own name in the global area, in a specific language. For example, if your display name language is Spanish and your name is Alexander, then you see your name as Alejandro.
- **Accessibility:** You can set the accessibility as the default mode or you can choose to use a screen reader. You can also set the color contrast to standard or high and you can set the font size to large or medium.
- **Password:** You can change your password according to your company's policy.

- **Proxies:** You can designate another user as a proxy to sign in to the application and perform tasks on your behalf. Proxies are helpful when you can't perform the tasks in person during a specific period.
- **Watch list:** You can set which categories or items you want to include in your watch list. You can access your watch list from the Watch list icon on the home springboard. For example, you might want to track your expense reports.
- **Oracle WebCenter Portal:** You can set your general preferences, password, my accounts, messaging, APPLCORE_PORTRAIT, presence, subscriptions, search, and e-mail. The Oracle WebCenter Portal is a web platform that allows organizations to quickly and easily create intranets, extranets, composite applications, and self-service portals, providing users a more secure and efficient way of consuming information and interacting with applications, processes, and other users.

Saved Searches

Using saved searches, you can:

- Create any number of saved searches.
- Make a default search.
- Have it run automatically.



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A saved search captures search criteria and other settings so that you can easily run the same search again later. These saved searches in the local area aren't the same as those for the global search.

You can change the settings, rename, or delete any of your saved searches.

Some saved searches in the local area are available for you to use as Watchlist items.

Configuring Table Columns

You can perform the following actions on columns directly from the table:

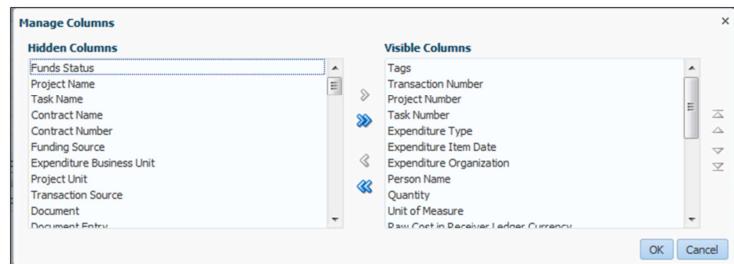
- Sort data
- Reorder
- Adjust the widths

You can perform the following actions on columns from the Manage Columns window:

- Hide or show
- Reorder

Changes to columns become a user personalization and will persist between sessions.

Penditure Type	Expenditure Item Date	Expenditure Organization	Person Name	Quantity	Unit of Measure
pplies	01/05/2015	Consulting US		1,000	
pplies	01/05/2015	Consulting US		0	
pplies	01/05/2015	Consulting US		65	
pplies	01/05/2015	Consulting US		30	
ofessional	01/05/2015	Consulting US	Brown, Dave	16 Hours	
ofessional	01/05/2015	Consulting South US	Brown, Dave	8 Hours	
als	01/15/2015	Consulting South US	Brown, Dave	214 Curre	



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From the tables, you can:

- Sort either ascending or descending on a specific column.
- Reorder the columns by dragging them to the desired location.
- Adjust the widths by dragging the side of the column.

From the Manage Columns window, you can

- Hide or show any of the available columns.
- Reorder any of the visible columns.

Practice 2-4: Using Personalizations

This practice covers the following topics:

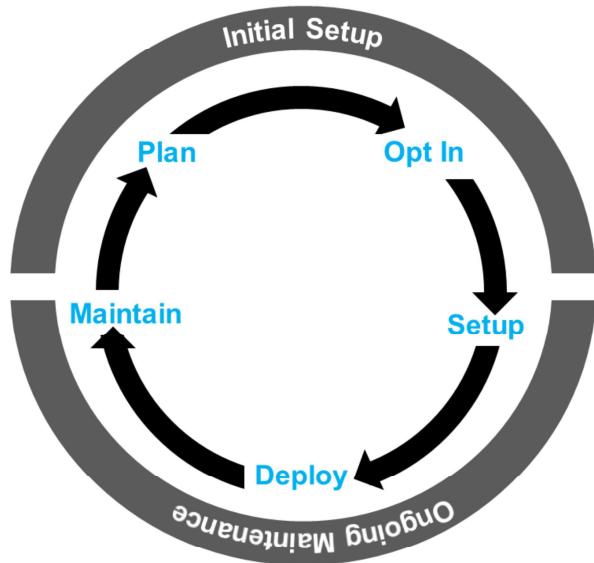
- Setting user preferences.
- Creating a saved search.
- Configuring columns.



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What is Functional Setup Manager?



Functional Setup Manager provides an integrated, end-to-end applications setup and administration process.

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The Oracle Functional Setup Manager facilities initial setup and ongoing maintenance. The Functional Setup Manager guides you through the ongoing steps including:

- **Planning:** Identify the offerings you want to implement. Evaluate what functional areas and features to opt into and prepare accordingly for their setup requirements.
- **Opting In:** Select the offerings, functional areas, and features that best fit your business requirements by enabling them.
- **Setting up:** Use setup tasks to enter setup data necessary for your enabled offerings and functional areas.
- **Deploying:** Move your verified setup data from the test environment to a production environment and deploy to all users to start transaction processing.
- **Maintaining:** Update setup data or opt into configuration of the functional areas and features as necessary. Setup Manager.
- The Application Implementation Consultant job role has full access to perform all Functional Setup Manager-related activities. Other users must include the Functional Setup User role in addition to other roles or privileges needed to perform specific setup activities.
- For more detailed information about security requirements for Functional Setup Manager, refer to the Security Reference for Oracle Applications Cloud Common Features guide in the All Books for Oracle Cloud page of the Oracle Help Center (docs.oracle.com).

Functional Setup Manager Benefits

1 Centralized Setup

Single interface for all Oracle Cloud Applications.

3 Configurable

Opt into functional areas and features to **fit business needs**.

5 Setup Data Migration

Export and Import of setup data between environments.



2 Guided Process

Task lists guide you through **recommended setup**.

4 Easier Management of Setup Data

No guessing with built-in **prerequisites** and **dependencies**.

6 Reporting

Comprehensive reporting for **setup data validation**.

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The screenshot of the Offerings shows the wide range of offerings available with Oracle Cloud. All of these offerings use the Functional Setup Manager, which provides you with many benefits including:

- **Centralized Setup:** A single interface for all your Oracle Cloud applications.
- **Guided Process:** The offering task lists guide you through the recommended setup tasks.
- **Configurable:** An opt in approach to functional areas and features that can be configured to your business needs.
- **Easier Management of Setup Data:** The built-in prerequisites and dependencies eliminate uncertainty and eases the management of setup data.
- **Setup Data Migration:** The export and import process move setup data smoothly between environments.
- **Reporting:** The comprehensive validation reporting exists to help you confirm your setup data is valid.

Functional Setup Manager also offers the following:

- Standardized application configuration and setup experience.
- Flexible processes for managing setup:
 - Setup by functional areas for an adopt-as-you-go approach.
 - Implementation projects to manage exception setup situations.
 - Upload functionally to enter setup data in bulk.

Key Concepts

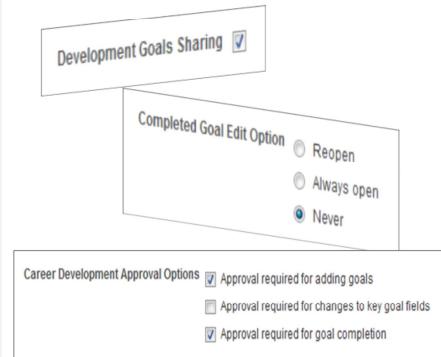
Offerings



Functional Areas

Sales	Procurement
Enterprise Profile	Purchasing
User and Security	Self Service Procurement
Sales Foundation	Supplier Invoice Processing
Sales Catalog and Products	Supplier Portal
Accounts and Contacts	Sourcing
Opportunities	Supplier Qualification
Sales Forecasting	Procurement Contracts

Features



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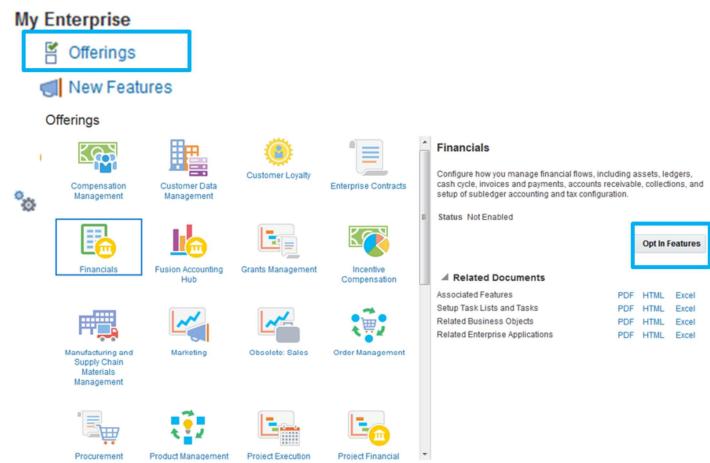
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Navigate to: My Enterprise > Offerings.

- Offerings:** Functional groupings within Oracle Cloud Applications representing enterprise business processes that are subscribed and administered as a unit.
- Functional Areas:** Functional modules such as business sub-processes within an offering.
- Features:** Optional or alternative business methods and practices applicable to a functional area. Depending on the setup requirements for a feature, you can:
 - Select if the feature either applies or it does not.
 - Select one choice to apply to the feature out of multiple choices.
 - Select many choices to apply to the feature out of the multi-choices available.

Review Offerings and Prepare to Opt In

1. Navigate to: My Enterprise > Offerings.
2. Select the Offering you want to implement.
3. View a detailed description.
4. Check the Status to determine if the offering is enabled.
5. Use the Opt In Features button to manage opt in configuration.
6. Optionally, expand the Related Documents to learn about implementation requirements.



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Before using any Oracle Cloud Applications, you must opt into relevant offerings and their features by enabling them.

Two Financials related offerings are available. Select one or both of them according to your subscription.

- **Financials offering:** Includes Oracle General Ledger and Oracle Subledger Accounting application features, as well as at least one of the subledger financial applications.
- **Accounting Hub offering:** Includes Oracle General Ledger and Oracle Subledger Accounting application features integrated with an existing enterprise resource planning (ERP) system or third-party application to enhance the current reporting and analysis.

Select an offering by clicking on the icon to see a detailed description. The current status of the offering is also shown. In the beginning, the offering status shows Not enabled.

Use the Opt In Features button to opt into the features that are applicable to your business requirements.

- If you need to change the opt in configuration of the offering, use the same button.
- Before you proceed to opt in, expand the Related Documents section to review details about the implementation requirements of the offering to help you plan your implementation.

Opt into Offering, Functional Areas, and Features

Offering, functional areas, and sub functional areas are shown in a hierarchy.

1. Check Enable to opt in:
 - a. A child cannot be enabled unless the parent is enabled.
 - b. A non optional functional area is enabled automatically when the parent is enabled.
2. Use Edit icon to open Edit Features to opt into related features.

The screenshot shows the Oracle ERP Cloud interface for 'Opt In: Financials'. The main table lists various functional areas under an offering. A red box highlights the 'Edit' icon in the 'Features' column for the 'Budgetary Control and Encumbrance Accounting' row. A red line connects this row to a smaller 'Edit Features' dialog window titled 'Edit Features: Expenses', which displays three specific features: 'Corporate Cards with Expenses', 'Expense Receipt Image Processing', and 'Travel Integration'. Each feature has checkboxes for 'Enable', 'View History', and 'Setup'.



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Navigate to: My Enterprise > Offering > select your offering > Opt In button.

In the Opt In page:

- The first row shows the Offering and the subsequent rows show the offering's functional areas. If sub functional areas exist they are shown underneath their parents.
- To opt in, select the Enable checkboxes of the offering and the functional areas.
 - If a child is not optional, then the child is enabled and displayed as read-only when the parent is enabled. For example, when the Supplier Invoice Processing parent is opted into, the Payables child functional area is enabled. Child functional areas that are not optional, are enabled or disabled automatically when their parent is enabled or disabled.
 - A child cannot be enabled unless its parent is enabled. For example, to enable Collections, Customer Invoice Processing must be enabled first.
- Click the Edit icon in the Features column to enable and opt into related features.

Review What's New and Opt into New Features After Upgrade

After an upgrade of the Oracle Cloud applications, go to the New Features page.

1. Review newly introduced features for your enabled offerings.
2. Enable the Show Help icon to display the Learn More column.
3. Use the Opt In button to go to the Edit Features pages to enable the new features.

Offering	Feature	Description	Learn More	Requires Setup	Enabled	Opt In
Financials	Early Payment Offers	Enables the buyer to create early payment discount offers for suppliers.			<input checked="" type="checkbox"/>	
Financials	XML Invoicing in OAGS 10.1 Format	Enable enhanced XML invoicing that offers OAGS 10.1 XML format. Allows users to include additional transaction attributes in the XML invoice that is sent to customers. Includes the ability to include a transaction header attachment in the XML invoice sent to customers.				
Manufacturing and Supply Chain Materials Management	Automate Action Past Due Date	Allows an administrator to define the action that occurs when a supplier is past the due date on their contractually obligated commitment.				
Manufacturing and Supply Chain Materials Management	Capture Electronic Records and Electronic Signatures for SCM Transactions	Securely capture, store, retrieve, and print electronic records and signatures to support 21 CFR Part 11 compliance.				
Procurement	Allow Taxpayer ID Sharing Across Suppliers	Allow taxpayer ID sharing across suppliers in the same parent-child hierarchy.				
Procurement	Early Payment Offers	Enables the buyer to create early payment discount offers for suppliers.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Procurement	Escalate Self-Service Receiving for Items Not Received	Define flexible escalation and action rules for self-service receiving items that have not been received. Allow requesters to determine when to escalate to buyers that items are missing.				



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Navigate to: My Enterprise > New Features.

Consult additional help topics from the Learn More icon to better understand the new features.

Manage Setup Data Using Functional Areas

Using the functional areas setup method is the best practice for configuring your Oracle Cloud applications.

Begin by:

1. Navigating to the Setup and Maintenance page.
2. Select the desired functional area.
3. Check the Shared link to see other offerings sharing this functional area.

Note: All enabled functional areas based on opt-in configuration of the offering are displayed.

The screenshot shows the 'Setup: Financials' page. In the 'Functional Areas' list, 'Legal Structures' is selected and highlighted in blue. To the right of the list, a modal window titled 'Shared Offerings: Legal Structures' displays a table of offerings that share this functional area. The table includes columns for 'Name' and 'Description'.

Name	Description
Marketing	Project Financial Management
Procurement	Incentive Compensation
Manufacturing	Manufacturing and Supply Chain Materials Management
Workforce Deployment	Workforce Development
Grants Management	Enterprise Contracts
Customer Data Management	



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The offerings you enable determine:

- The order of the setup sequence that helps you avoid data dependency errors.
- The content in the Shared link which indicates if more than one enabled offering contains that functional area.
- If the setup tasks are mandatory. An asterisk indicates if the functional area has mandatory setup tasks.

Related Setup Tasks

The screenshot shows the Oracle ERP Cloud interface for 'Setup: Financials'. On the left, a sidebar lists functional areas: Initial Users, Enterprise Profile, Legal Structures, Financial Reporting Structures, General Ledger, Organization Structures, Resources, and Budgetary Control and Encumbrance Accounting. The 'Budgetary Control and Encumbrance Accounting' area is selected and highlighted with a red box. The main pane displays a 'Task' section for 'Budgetary Control and Encumbrance Accounting', with a sub-section titled 'Manage Budgetary Control' also highlighted with a red box. Below this, there are four optional tasks: Manage Control Budgets, Manage Control Budget Data Access for Users, Manage Encumbrance Accounting, and Columns Hidden 4. A large red arrow points from the 'Manage Budgetary Control' task down to a detailed view of the ledger configuration. This view includes a table with columns for Ledger (Name, Budgetary Control Enabled, Encumbrance Accounting Enabled) and Business Unit (Name, Budgetary Control Enabled, Encumbrance Accounting Enabled). The table data is as follows:

Name	Ledger		Business Unit		
	Budgetary Control Enabled	Encumbrance Accounting Enabled	Name	Budgetary Control Enabled	Encumbrance Accounting Enabled
Australia Primary Ledger	No	No	Australia Business Unit	No	No
Belgium Primary Ledger	No	No	Belgium Business Unit	No	No
Canada Primary Ledger	No	No	Canada Business Unit	No	No

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Navigate to: Setup and Maintenance.

When a functional area is selected, the related setup tasks are listed in the Task section.

- If the functional area has mandatory setup tasks then those are shown by default.
- Use the Show drop down list to select All Tasks to display optional tasks.
- If the functional area has NO mandatory tasks, then ALL setup tasks are displayed.

Display order of the tasks reflects the sequence in which they should be performed to address data dependencies.

To enter setup data, drill down on the task name to open the appropriate page.

Practice 2-5: Exploring the Functional Setup Manager

This practice covers the following topics:

- Navigating to the Functional Setup Manager.
- Selecting the Financials Offering.
- Exploring the General Ledger setup tasks.



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Summary

In this lesson, you should have learned how to:

- Navigate Oracle Cloud Applications.
- Explore dashboards.
- Examine panels.
- Review infolets and infotiles.
- Understand personalizations.
- Explain the benefits and key concepts of Financials setup pages.
- Use the opt in feature to enable offerings, functional areas, and features after upgrades.
- Understand the Setup pages for ongoing maintenance.



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Implementation Options for Budgetary Control

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Lesson Objectives



After completing this lesson, you should be able to:

- Discussing Budgetary Control features, integration points and accounting processing.
- Examining concepts used for Budgetary Control:
 - Funds Available
 - Budget Calendar
 - Budget Date
 - Budget Account
 - Budgetary Control Balances
- Explaining security for Budgetary Control.
- Enabling Budgetary Control options.
- Managing control budgets.
- Exploring budget amounts and budget periods.

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Budgetary Control Features

Budget creation and adjustment features include:

- Planning and budgeting integration.
- Projects integration.
- Spreadsheet entry.

Budgetary control features include:

- Creating rules for budget consumption.
- Monitoring budget consumption.



Budgetary Control Integration Points

Loading budget data into Budgetary Control:

- Planning and Budgeting Cloud Service.
- Project Portfolio Management Cloud Service.
- ADFdi Spreadsheet.
- FBDI Spreadsheet.

Checking and reserving funds for:

- Requisitions (internal and external).
- Purchase Orders and Change Orders.
- Receiving transactions.
- Payables Invoices.
- Subledger Accounting manual accounting entries.
- General Ledger manual journal entries.
- Projects and Grants transactions (expenditures, costs, burdening).



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Enterprise Structure of Progress US Ledger

Industry	Public Sector
Primary Ledger	Progress US (USD)
Legal Entity	Progress US LE
BSV	1001, 1230, 2130
Business Unit	Progress US BU
Secondary Ledger	GASB34 (USD)



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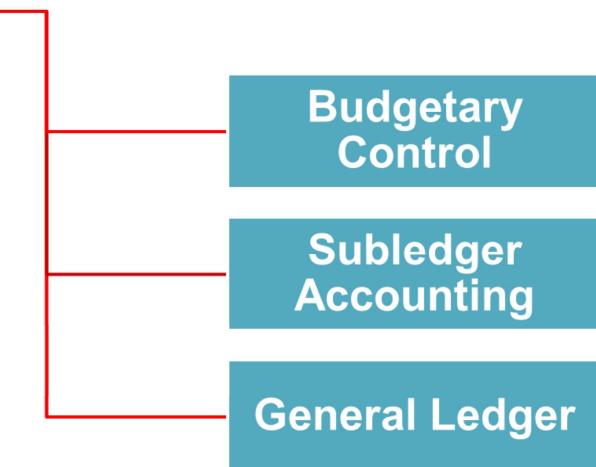
1 - 64

Progress US Ledger is used to demonstrate the setups and features of Budgetary Control in this course.

The table in the slide illustrates the business unit structure of Progress US Ledger.

Budgetary Control and Encumbrance Accounting Processing

Applications



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Note: Balances stored in Budgetary Control are not the same as balances stored in General Ledger.

Budgetary Control manages the spending control process by providing the following functions:

Stores and maintains budgetary control balances, based on the budget calendar and control budget structure, for the following:

- Budget, categorized as initial and adjustment
- Consumption, categorized as commitments, obligations, expenditures, and other
- Funds available

Performs funds check and funds reservation, when transactions are submitted or approved.

Subledger Accounting supports the encumbrance accounting process by providing the following functions:

- Creates the encumbrance journal entries for requisitions and purchase orders.
- Creates the actual journal entries for receipts and invoices, and the encumbrance journal entries reversing the purchase orders.

These journal entries are created when you submit the accounting program.

General Ledger supports the encumbrance accounting process by providing the following functions:

- Stores the encumbrance and actual journal entries.
- Stores and maintains the encumbrance and actual account balances based on the ledger's accounting calendar and chart of accounts.

When accounting is created for transactions and the encumbrance or actual journal entries are created in General Ledger, the General Ledger account balances are updated for the specific account combinations and accounting period. You can also load budget balances in General Ledger for use in financial reporting, but not for Budgetary Control.

The funds reservation process in Budgetary Control and the Create Accounting program in Subledger Accounting and General Ledger are separate and independent events performed on the same transaction. These two events can happen at different times depending on how frequently the Create Accounting program is executed.

Funds Available



Attributes to determine the funds available amount when budgetary control validation is performed on a transaction or journal:

- Budget date determines the budget period.
- Distribution account determines the budget account.
Example: Charge account for a requisition and purchase order.
- Ledger and budget period determine the control budget.

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The funds available amount in Budgetary Control is calculated as the budget amount minus the budget consumption amount (or the funds reserved amount) for a given control budget, budget period and budget account combination.

Budget Calendar

The budget calendar assigned to the control budget determines time boundaries used for spending control and for reporting. You can either:

- Share calendars between General Ledger and Budgetary Control or
- Designate a calendar for Budgetary Control only.

Consider how you define your budget calendar since the period interval will affect your funds available as budget amounts are summarized according to the calendar period interval.

Mostly used are:

- Yearly calendar
- Quarterly calendar
- Monthly calendar



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Budget amounts are imported into the periods defined as per the budget calendar.

Monthly Calendar: If you have a monthly budget calendar, when you are loading budgets into the control budget you can load the information by month or annually. You can then see all of your balances by month when you go to report your balances.

Annual Calendar: If you have an annual budget calendar, when you are loading your budget data for your budget account you are loading data that is basically a year's worth of data. Note that when you report on this control budget, the data is only available per year and is not broken down by month.

Budget calendars can also have periods that are quarterly, every two years, or any other time interval.

Budget Date

Transaction	Date Field	Purpose
Requisitions & Purchase Orders	Budget Date	Determines (1) budget period for funds check/reservation, and (2) accounting date for encumbrance journal entry
Payables Invoices	Budget Date*	Determines budget period for funds check/reservation
	Accounting Date*	Determines accounting date for encumbrance journal entry
SLA & GL Journal Entries	Accounting (GL) Date	Determines (1) budget period for funds check/reservation, and (2) accounting date for encumbrance journal entry



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Note:

- Reconciliation issues between Budgetary Control and GL modules may occur if budget date and accounting date fall into different periods.
- Requisitions and purchase orders have a budget date field. The date selected for this field is used to determine the budget period to funds check/reserve against, and is also used as the accounting date for the encumbrance accounting journal entry.
- Payables invoices have a budget date field and an accounting date field:
 - The date selected for the budget date field is used to determine the budget period to funds check/reserve against.
 - The date selected for the accounting date is the date for the journal entry.
- If the accounting date and the budget date are different and fall into different periods, the balances in Budget Control may differ from the balances in General Ledger.
- Payables has a setup page, Manage Invoice Options, where you can set the Budget Date Basis to Accounting Date, Invoice Date or System Date. If it is important for you to keep the balances in Budgetary Control in sync with General Ledger, then you should set the basis for the budget date to the accounting date.
- Manual journal entries entered in Subledger Accounting or General Ledger have an accounting date field or GL date field. The date selected for this field is the accounting date for the encumbrance accounting journal entry, and is also used to determine the budget period to funds check/reserve against.

Budget Account

Consists of budget segments assigned to the control budget structure that represents the spending controls and/or report spending dimensions, like General Ledger Accounting Segments.

You can:

- You can share the chart of accounts and their segment value sets between General Ledger and Budgetary Control.
- You can select a subset of segments you want the budget dimension to represent.

Control Budget Structure Usages:

- Level of summarization at which you control or report spending.
- Use tree hierarchies with tree labels to assign the level of summarization in the budget segment



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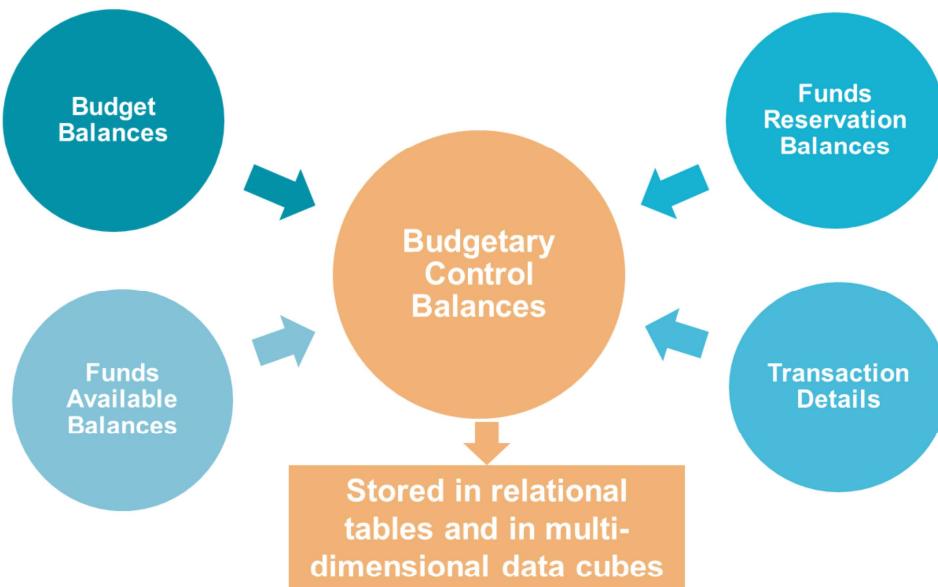
Note:

If you do not assign tree hierarchies, budgetary control will occur at the detail level.

If you assign a tree hierarchy and tree label to a budget segment, budgetary control will occur at the defined summary level.

The budgetary control process maps the transaction distribution's account (Example: the charge account on a requisition or purchase order) and budget date to the control budget's budget account and budget period, respectively, to determine the funds available. Consider the assignment of budget segments and associated tree hierarchies and labels to achieve the correct funds available amount, and enforce spending controls and reporting.

Budgetary Control Balances



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Budgetary Control stores budget balances, funds reservation balances (commitments and obligations), and funds available balances for each budget account. It also stores the transaction details and their references that make up the budgetary control balances. These balances are stored in relational tables and in multi-dimensional data cubes for dynamic reporting. A separate data cube is maintained in Budgetary Control for every unique combination of budget calendar and control budget structure.

The relational tables and data cubes in Budgetary Control are different from the relational tables and data cubes in General Ledger. The Budgetary Control data cubes have different dimensions compared to the General Ledger data cubes.

Security

To access the Budgetary Control Work area and tasks, assign the Budget Manager job role to a user.

To access Budgetary Control data:

- After Control Budgets are defined, Control Budget contexts are available to assign the relevant budget to a user.
- Control Budget Context is automatically assigned to the control budget creator and budget manager.



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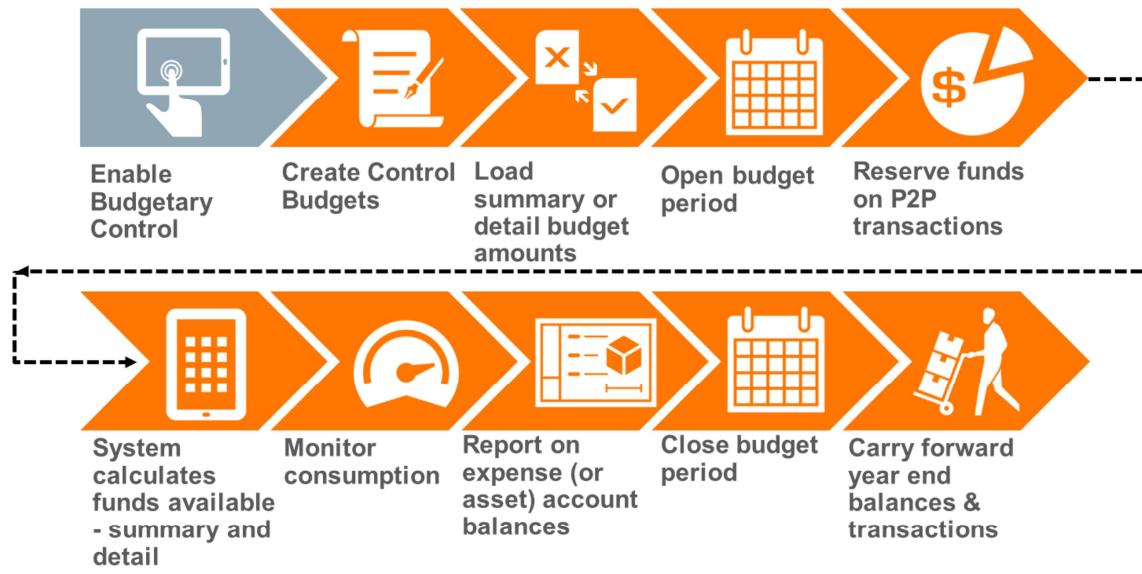
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Navigate to: Setup and Maintenance > Financials > Users and Security > Show: All Tasks > Manage Data Access for Users

In addition to assigning the job role to the user, you also have to assign a security context value (i.e. business unit, control budget, or data access set) for the job role to the user.

Budget View - When viewing the View Budgetary Control Results window on the requisition, purchase order, invoice or journal, if the user can only see the Transaction view but also needs the Budget view, add the Review Budget Impact (XCC REVIEW BUDGET IMPACT) privilege to the Budget Manager role.

Setup and Process Overview for the Budgetary Control Module: Enabling Budgetary Control

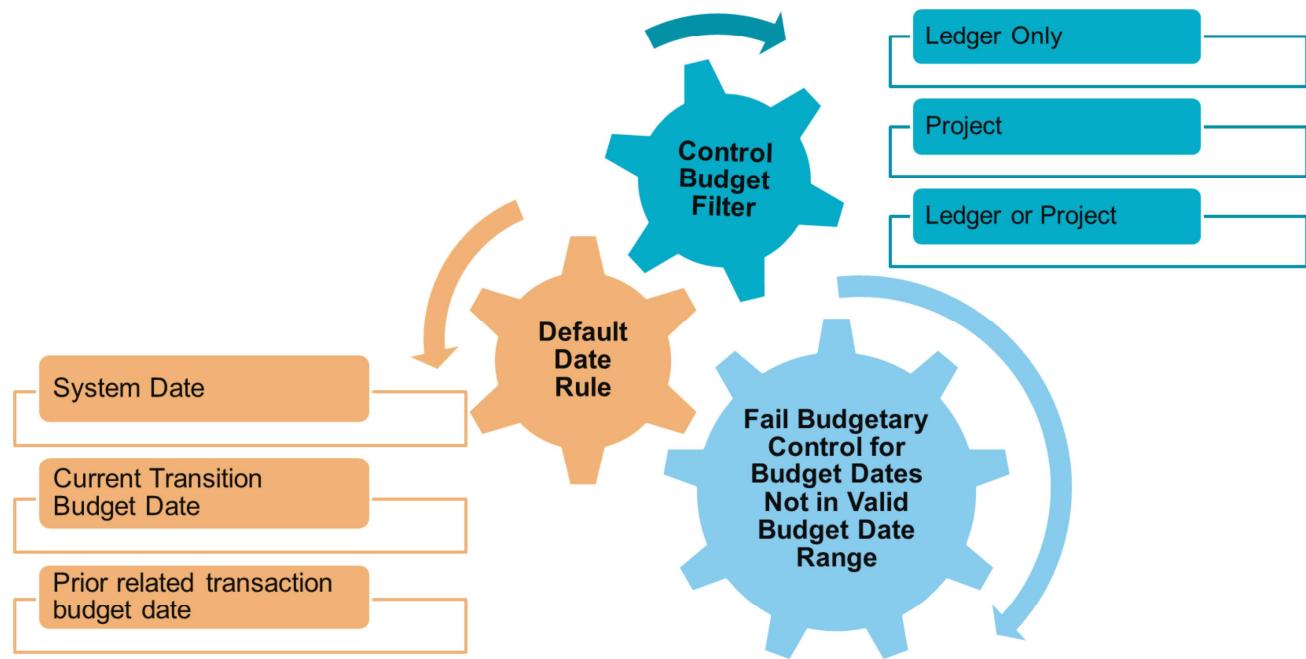


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Enabling Budgetary Control: Options



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Navigate to: Setup and Maintenance > Financials > Budgetary Control and Encumbrance Accounting > Manage Budgetary Control.

You can enable budgetary control for ledgers, business units assigned to a ledger, projects, transaction types, and journal sources and categories. And specify options to exclude certain journal sources, journal categories, or business functions from budgetary control or encumbrance accounting.

Control Budget Filter: Use the Control Budget Filter option to determine how the budgetary control engine processes transactions. Transaction handling is based on one of the following options:

- Ledger only – (1) if you are not implementing PPM, or (2) if you are implementing PPM but only want budgetary control based on the accounts on the transaction, not based on Project attributes.
- Project – Implementing PPM and to use budgetary control based on Project attributes
- Ledger or project – To use budgetary control on both Projects and operational (non-Project) transactions

When a ledger or business unit is enabled for budgetary control, the budgetary control engine evaluates the transactions and the control budget filter value to determine which control budget to use for checking the funds available balance.

- Select the 'Enable Budgetary Control for the ledger and all journal sources and categories' checkbox if you are enabling budgetary control.
- Select the Enable Encumbrance Accounting checkbox only if you are enabling Encumbrance Accounting.

Fail Budgetary Control for Budget Dates Not in Valid Budget Date Range: Budget dates can pass or fail budgetary control validation based on whether they're within the period range of control budgets that are past the defining stage and not permanently closed. By default, Budgetary Control allows transactions with budget dates outside of control budget periods to pass validation. Set the Fail budgetary control for budget dates not in valid budget date range option to Yes to fail these transactions during budgetary control validation.

Default Date Rule: Use the Default Date Rule drop-down list to select the budget date for the budgetary control liquidation of a prior related or backing document. Options include:

- System date
- Current transaction budget date
- Prior related transaction budget date

Implementation Options: Ledger, Project, and Ledger or Project

Control Budget Filter	Ledger Only	Project	Ledger or Project
Not implementing Projects	X		
Implementing Projects, need only Budgetary Control on charge account (may include project segment)	X		
Implementing Projects, need only Budgetary Control on project attributes, not charge account		X	
Implementing Projects, need Budgetary Control on project attributes and charge account			X



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If you enable Ledger only in the Control Budget Filter, you cannot select a specific project in the Project field in the Manage Control Budgets page.

Enabling Budgetary Control: Budgetary Control Exceptions

You can add Journal Sources and Categories on the Budgetary Control Exceptions section to exclude from Budgetary Control.

Default Journal Sources and Categories available are:

- Closing Journal source.
- Open Balances source.
- Revaluation source.

The screenshot shows a user interface for managing budgetary control exceptions. At the top, there's a toolbar with 'View', '+', and 'X' buttons. Below that is a header bar with 'Journal Source' and 'Journal Categories' tabs. Under 'Journal Source', there are three entries: 'Closing Journal' (selected), 'Open Balances', and 'Revaluation'. Each entry has a dropdown arrow icon and the word 'All' next to it. The background of the application is light grey, and the overall design is clean and modern.

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Navigate to: Setup and Maintenance > Financials > Budgetary Control and Encumbrance Accounting > Manage Budgetary Control.

Enabling Budgetary Control: Business Units

On the Business Unit section, you can make the following selections to enable certain functionality:

- Select the Enable Budgetary Control box to enable Budgetary Control.
- Select the Enable Encumbrance Accounting box to enable Encumbrance Accounting.
- Select the type of Default Date Rule for Budgetary Control or Encumbrance Accounting box depending on your business needs.

Business Unit: Progress US Business Unit

Budgetary Control

Enable

Default Date Rule: Current transaction budget date

Procure-to-Pay Business Unit

Encumbrance Accounting

Enable

Default Date Rule: Current transaction accounting date



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Navigate to: Setup and Maintenance > Financials > Budgetary Control and Encumbrance Accounting > Manage Budgetary Control.

Note: The Default Date Rule also impacts the behavior of the Carry Forward Purchase Order Budgetary Control Balances process.

Default Date Rule Options

* Assume System Date is November 1, 2017

Default Date Rule	Budget Period of Transaction Activity		
	Sep 2017	Oct 2017	Nov 2017
Current Transaction Budget Date (most commonly used)	PO \$100 Budget Date 9-1-17	Invoice match to PO \$100 Budget Date 10-1-17 PO liquidation budget date 10-1-17	
Prior Related Transaction Budget Date	PO \$100 Budget Date 9-1-17 PO liquidation budget date 9-1-17	Invoice match to PO \$100 Budget Date 10-1-17	
System Date	PO \$100 Budget Date 9-1-17	Invoice match to PO \$100 Budget Date 10-1-17	PO liquidation budget date 11-1-17



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Default Date Rule

- Current Transaction Budget Date: Liquidates reserved funds/encumbrance accounting using date of current transaction (most commonly used). For example, if the budget date for the PO is in Sep and the budget date for the invoice is in Oct, the liquidation of the reserved funds of the PO is dated in Oct.
- Prior Related Transaction Budget Date: Liquidates reserved funds/encumbrance accounting using date of prior transaction. For example, if the budget date for the PO is in Sep and the budget date for the invoice is in Oct, the liquidation of the PO will be dated in Sep.
- System Date: Liquidates reserved funds/encumbrance accounting using system date. For example, if the budget date for the PO is in Sep and the budget date for the invoice is in Oct, and the System Date is in Nov, the liquidation of the PO will be dated in Nov.

Default Date Rule Options - Carry Forward

* Assume System Date is January 5, 2018

Default Date Rule	Budget Period of Transaction Activity	
	Dec 2017	Jan 2018 (new year)
Current Transaction Budget Date (most commonly used)	PO \$100 Budget Date 12-1-17 Final Close - PO liquidation budget date 12-1-17	
Prior Related Transaction Budget Date	PO \$100 Budget Date 12-1-17 Final Close - PO liquidation budget date 12-1-17	
System Date		PO \$100 Budget Date 12-1-17 Final Close - PO liquidation budget date 1-5-18



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Note:

- The Default Date Rule also impacts the behavior of the Carry Forward Purchase Order Budgetary Control Balances process.
- If you use this process to final close purchase orders automatically, the process uses the Default Date Rule to determine the date on which to liquidate reserved funds.
- If the Default Date Rule is set to Prior related transaction budget date or Current transaction budget date, funds are liquidated on the PO distribution budget date. Both these options are same during Carry Forward processing, but not for normal transaction processing.
- If the Default Date Rule is set to System Date, funds are liquidated on the date the Carry Forward Purchase Order Budgetary Control Balances process is run; if the process is run in the new fiscal year, funds are liquidated in the new fiscal year, which may be undesirable.

Enabling Budgetary Control: Business Functions

On the Business Functions section:

- Enable each Business Function.
- Determine if you want Partial Reservation for each Business Function.
- Determine if you want Reservation point to be at submission or at approval.
- Enable Encumbrance Accounting.

The screenshot shows two windows. The main window is titled 'Business Functions' and lists four business functions: Requisitioning, Procurement, Receiving, and Payables Invoicing. Each row has columns for 'Enabled' (Yes), 'Partial Reservation' (No), 'Reservation Point' (Approval), and 'Encumbrance Accounting Enabled' (Yes). A red box highlights the 'Details' button for Payables Invoicing. A red arrow points from this button to a modal dialog titled 'Transaction Type Details: Payables Invoicing'. This dialog lists two transaction types: 'Invoice' (Matched invoice) and 'Invoice' (Unmatched invoice), each with 'Budgetary Control Enabled' set to 'Yes'. The dialog has 'OK' and 'Cancel' buttons at the bottom.

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Navigate to: Setup and Maintenance > Financials > Budgetary Control and Encumbrance Accounting > Manage Budgetary Control.

To enable options at Transaction Type level, click Transaction Type Details to view additional details.

- Transaction type and subtype
- Budgetary Control Enabled/Not Enabled
- Encumbrance Accounting Enabled/Not Enabled

Enabling Budgetary Control: Project Accounting

On the Project Accounting Business Function section:

- If you want to enable budgetary control for projects, select the Enable budgetary control for all transaction sources and documents box.
- On the Budgetary Control Exceptions select the transaction sources you want to exclude.



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Demonstration 3-1: Managing Budgetary Control Options

This demonstration covers Managing Budgetary Control Options.



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Managing Control Budgets

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Navigate to: Setup and Maintenance > Financials > Budgetary Control and Encumbrance Accounting > Manage Control Budgets.

A control budget is a setup object that defines:

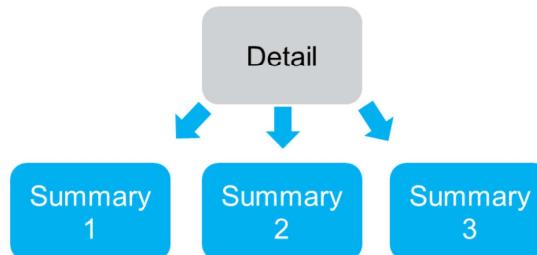
- Calendar and Periods: Select which Budget Calendar you want to use and then select your desired time interval.
- Source Budget Type: Select a type to determine if the Control Budget is a Detailed or Summary Control Budget.
- Source Budget Name: Select an existing detail control budget if the type of Source Budget Type is Control Budget.
- Currency and Default Rate Type: Select the currency and the default conversion rate type for the budget.
- Control Level: Select either:
 - Absolute
 - Advisory
 - Track
 - None
- Tolerance Amount and Percentage: Select a tolerance amount or percentage the transactions can be over budget.
- Ledger and Project: Select either the ledger, project, or both that you want to control spending against. For the project field:
 - Blank equals transactions with any project that are included in the control budget.
 - Specific Project Name transactions with this project name are included in the control budget.

- No project for the transaction equals only transactions with no project attributes are included in control budget.

- **Segments:** Select just the segments you want to control. You do not have to control all segments in your Chart of Accounts.
- **Override Rules:** Select the Allow Overrides option to enable users to request an override for requisitions, purchase orders, invoices, and General Ledger journals if the budget is consumed. If selected, Override Rules are then required.
- **Hierarchies:** Enable the control you want to use at the hierarchy level.
- **Exceptions:** Supplemental rules let you define exceptions.

Detail and Summary Control Budgets

- Spending Control and Reporting needs may require multiple Control Budgets.
- Link control budgets to minimize data entry.
- Detail Control Budget equals the source while the Summary Control Budget equals the target.
- All data in Summary Control Budgets are sourced from the Detail Control Budget.
- Detail Control Budget can have one or more Summary Control Budgets, but a Summary Control Budget cannot be the source for another Control Budget.



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To address various spending control and reporting requirements, you may need multiple control budgets. You can link control budgets together so that budgets entered into the detail control budget are automatically loaded into the summary control budget(s).

Detail Control Budget:

- A Detail Control Budget can have multiple Summary control budgets.
- The source Detail Control Budget can accept budget data from any source (such as Hyperion Planning and Budgeting Cloud Service, spreadsheet, and third party), and all budget data entered into the source Detail Control Budget is propagated to the Summary Control Budget. Summary Control budgets cannot accept data from any source other than the Source Detail Control budget.

Summary Control Budget

- A Summary Control Budget cannot be a source for another control budget (no chains).
- The Summary control budget can control using different segments as long as they are a subset of the segments in the source detail control budget. The summary control budget can control using a different hierarchy level than the source detail control budget, provided that the source detail control budget is more detailed.
- The Summary Control Budget can have a different calendar than a Detail Control Budget, but the start date of the Summary Control Budget period must be within date range of periods assigned to the Detail control budget. For example, a Detail Control Budget has a monthly calendar with monthly periods from Jan 2013 to Dec 2013 assigned to the control budget. A Summary Control Budget can have an annual calendar with a period from Jan 1 2013 – Dec 31 2013 assigned to the control budget.

Control Budget Structure

The control budget structure defines:

- Segments requiring spending control.
- Level of summarization requiring spending control.



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Navigate to: Setup and Maintenance > Financials > Budgetary Control and Encumbrance Accounting
> Manage Control Budgets

- The control budget structure defines the segments of the chart of accounts by which you control or report spending. It also defines the level of summarization at which you control or report spending. You can define multiple control budgets, each with a different control budget structure if needed, to address your budgetary control and reporting requirements.
- As long as a transaction's ledger, project, and budget date matches the attributes of a control budget, it will be subject to budgetary control against the control budget. All account values included in a control budget structure are applicable for budgetary control, unless Supplemental Rules specify accounts which are exceptions, or you use a hierarchy that includes only account values you want to include in budgetary control. A transaction can be subject to budgetary control against more than one control budget.
- After a transaction is identified as applying to a control budget, the budgetary control process uses the account combination on the transaction distribution to identify the account in the control budget to check/reserve funds against. When a control budget structure includes hierarchies, the budgetary control process determines the hierarchy version in the control budget and identifies the summary budget account in the control budget to check/reserve funds.

Control Budget Structure: Scenario

Fund Hierarchy	
Value	Tree Label
1000	Level 1
1100	Level 2
1101	Detail
1102	Detail

Department Hierarchy	
Value	Tree Label
50000	Level 1
55000	Level 2
55010	Detail
55020	Detail

Control Budget 1	
Segment	Tree Label
Fund	No Tree
Department	Level 1

Transaction	
Fund	1101
Department	55020

Funds Check / Reservation against budget account	
Fund	1101
Department	50000

Control Budget 2	
Segment	Tree Label
Fund	Level 2
Department	Level 1

Transaction	
Fund	1101
Department	55020

Funds Check / Reservation against budget account	
Fund	1100
Department	50000



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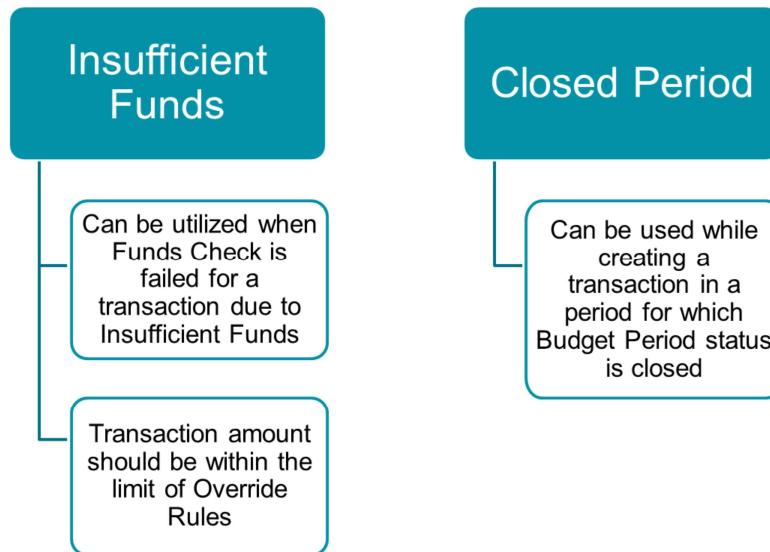
An organization has hierarchies defined for its two segments Fund and Department. The Budgetary Control process maps the transaction account to the control budget account as explained above.

Note:

- You need to add tree labels to parent values in a hierarchy that you want to include for budgetary control.
- Only add tree labels to parent values; do not add them to child values in a hierarchy.
- You can add a tree label such as Account Level 2, to any parent value, regardless of the current hierarchy level.
- A parent value in a hierarchy that does not have a tree label does not have budgetary control for the child values that roll up to it.
- You can determine exactly what level you want to control against.

Budget Override Request

Two Types of Budget Override Requests:



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If your control budget is set to the Absolute control level and the Allow overrides option is enabled, you can request an override for requisitions, purchase orders, Payables invoices, and General Ledger journals when your transaction exceeds funds available and when you are trying to create a transaction in closed budget period.

Note:

- Budget Override requests for Closed Period does not work for Permanently Closed periods. It works only for Closed periods.
- Budget Override requests for Closed Period can be used to override the transactions like Payables Invoices, GL Journals and SLA Journals. It cannot be used Purchasing and Requisition transactions as they does not have period concept.

Budget Override Request: Transactions

You can enable Override Requests for following transactions:

- Requisitions
- Purchase Orders
- Payables Invoices
- GL Journals
- SLA Journals

Enabled	* Name	Description	* Type	Amount	* Transaction Types	Journal Sources	Journal Categories	User Assignments
<input checked="" type="checkbox"/>			<input type="button" value="▼"/>					+ None



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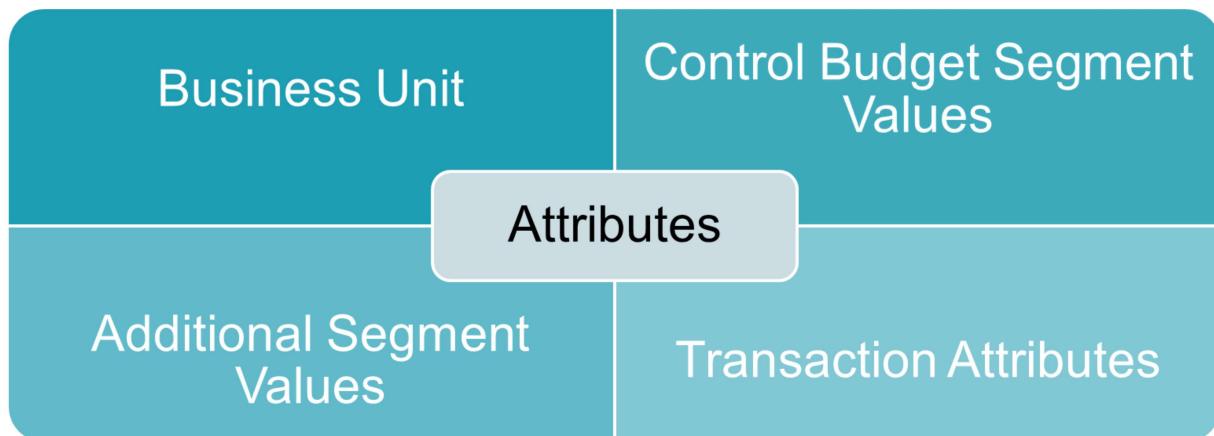
Navigate to: Setup and Maintenance > Financials > Budgetary Control and Encumbrance Accounting > Manage Control Budgets.

Note:

- Budget Override request will be available only for the transactions which are not exceeding the maximum override amount set at the header section of Override Rules.
- You can define Override rules during creation of Control Budget. If the status of Control Budget is changed to Prepare for Use, you cannot change or add the Override rules.
- User added in User Assignments will be treated as Budget Overrider.

Supplemental Rules: Attributes

Supplemental rules are exceptions to the control level and tolerance settings defined in the control budget header.



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Note: When multiple supplemental rules apply, the highest control level and the lowest tolerance amount or percentage are used.

You can define supplemental rules using the following attributes:

1. Business unit: If you enter a business unit, this rule would not apply to transactions that do not have a business unit, such as journal entries
2. Control budget segment values
3. Additional segment values
 - If a ledger is on the control budget header, you can specify any chart of accounts segment that's not a control budget segment
 - If the project has a value on the control budget header, you can specify any project segment that's not a control budget segment
4. Transaction attributes
 - **Business function:** All, Requisitioning, Procurement, Receiving, Payables invoicing, Project accounting, and Journal entry
 - **Journal source:** Journal sources defined in GL, All, and No value
 - **Journal category:** Journal categories defined in GL, All, and No value
 - **Natural account type:** All, Asset, Budgetary credit, Budgetary debit, Expense, Liability, Owner's equity, and Revenue
 - **Receiving destination type:** All, Expense, Inventory, and No value

Note:

- Supplemental rules are not applied to budget adjustments
- If you select All, the supplemental rule applies to all transactions, regardless of whether a transaction attribute is blank or has a value.
- If you select No value, the supplemental rule only applies when the attribute is blank.
- For example, if a supplemental rule is defined with the Receiving Destination Type set to No value, only transactions without a Receiving Destination Type are subject to this supplemental rule.

Three Ways to Exclude Accounts from Budget Control

You can exclude accounts using:

- Supplemental Rule – Exclude by Account Type or Specific Values (control budget with no tree)
- Exclude Accounts from Hierarchy (control budget with tree)
- Do Not Apply Tree Label (control budget with tree)



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To exclude values from Budgetary Control, you have three different options:

- Set Supplemental Rule to None and select the accounts or account types to exclude.
- If your control budget includes the hierarchy, include only those accounts that you want to budgetary control in the hierarchy. Exclude accounts from the hierarchy for which you do not want budgetary control.
- Only add tree label to the parent values that you want to budgetary control. Budgetary control does not occur for accounts that roll up to parents that do not have a tree label.

Prevent Consumption of Future Funds

Summary control budgets (with source budget type: Control budget) have a Release for Consumption option:

- To prevent consumption of future funds, select to release budget for consumption when the source control budget period is open.
- Example: February budget is not available for consumption in summary control budget (annual calendar) until February budget period is open in detail control.



Create Control Budget

* Name	Annual Absolute
Description	
* Budget Calendar	Annual Calendar
* From Period	FY1-16
* To Period	FY1-17
* Source Budget Type	Control budget
* Source Budget Name	Progress Monthly
Release Budget for Consumption	
<input type="radio"/> Immediately	
<input checked="" type="radio"/> When source budget period opens	

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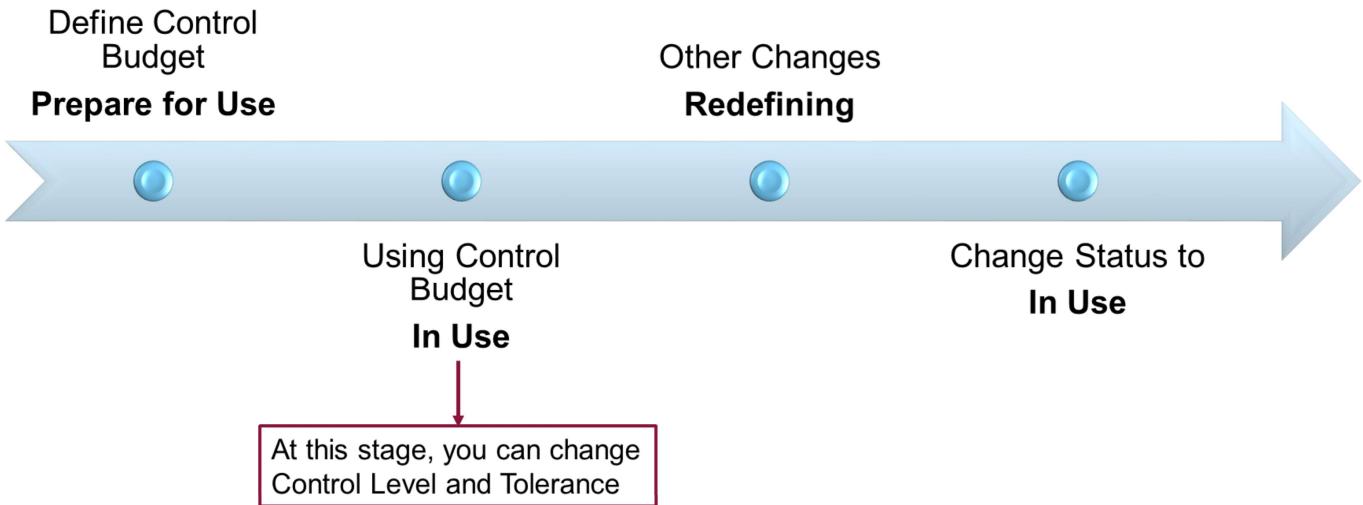
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Release Budget for Consumption

When using source detail and summary control budgets, you can prevent budget consumption in future periods by controlling the release of budget amounts by period. Release Budget for Consumption is available on control budgets that have a source budget type of Control budget. Depending on how you set the Release Budget for Consumption option, you can release budget amounts:

- When the period of the specified source control budget is opened.
- Upon import to the source control budget.

Control Budget Statuses



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When you are done defining your control budget and are ready to put it into use, go to the Action menu and select the status Prepare for Use. Go to Scheduled Processes to confirm all related processes complete successfully.

The status of the control budget determines the changes you can make to budgetary control validations, such as the control level, tolerance, overrides, and supplemental rules. You can change the control level and tolerance when the control budget is In Use. All other changes can only be made when the control budget is in the Redefining status. Changes to budgetary control validations will only affect new transactions; existing transactions would not be reprocessed.

To make changes to your control budget in the Redefining status, use the following steps:

1. Navigate to the Manage Control Budget page.
2. From the Action menu, select Close. Select Redefine.
3. Make the changes to the control budget.
4. Select Prepare for Use from the Action menu to change the control budget status back to In use.

When control budgets are closed or being redefined, transactions applicable to the control budget will fail budgetary control.

After a control budget is in use, you cannot edit supplemental rules; you can only add, delete, enable or disable rules. To change a supplemental rule, you must disable or delete the existing rule, and then add a new rule.

Practice 3-2: Creating a Control Budget

This practice covers Creating a Control Budget.



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Budgetary Control Is Not Retroactive

- Finalize control budgets BEFORE transaction entry (Requisitions, POs, Invoices) begins as budgetary control cannot be performed retroactively.
- If budgetary control implementation timeframe is after Procurement go-live, consider enabling budgetary control at Procurement go-live with a control budget at Track control level, detail accounts and monthly calendar to capture transactions processed.
- Control budget can be changed to Advisory or Absolute control level later.
- If Budgetary Control and Encumbrance Accounting is implemented after transaction entry (and you did not complete the above steps), you can choose to:
 - Cancel and re-enter transactions.
 - Enter initialization commitment/obligation balances. Such initialization balances does not effect in linking of underlying transactions.



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Notes

- Be sure to activate all control budgets at go-live, prior to transaction data entry.
- If you activate a control budget after transactions are entered, those transactions are not captured by the control budget.
- If you implement budgetary control after go-live or after transactions are entered, you may need to enter balances to initialize the beginning commitment or obligation balances in the Budgetary Control module. These initialization balances are not linked to the underlying transactions, so the balances may require manual liquidation when the related transactions are processed.

Opening a Budget Period

- Open a Budget Period for each control budget to enable transaction processing.
- Period Statuses: Open, Available for Budgeting, Never Opened, Closed and Permanently Closed

Edit Budget Period Statuses

Control Budget: 16Budget Control Budget Status: In use

Budget Calendar: AccountingMMYY
Latest Open Period: Jun-18

Actions ▾ View ▾ Mass Period Status Update ▾

Period Name	Period Number	Budget Year	Start Date	End Date	Status
Apr-18	4	2018	4/1/18	4/30/18	Available for budgeting
May-18	5	2018	5/1/18	5/31/18	Available for budgeting
Jun-18	6	2018	6/1/18	6/30/18	Open
Jul-18	7	2018	7/1/18	7/31/18	Available for budgeting
Aug-18	8	2018	8/1/18	8/31/18	Available for budgeting

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Navigate to: Budgetary Control > Budgetary Control > Tasks Panel > Period Close > Budget Period Statuses.

Practice 3-3: Opening Budget Periods

This practice covers Opening Budget Periods.



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Options for Loading Budget Amounts

- ADFdi, FBDI, Projects, or Planning and Budgeting Cloud Service
- Load budget at the Summary or Detail level, based on control budget calendar and hierarchies defined.
- Summary control budgets are automatically loaded when budget is loaded into detail control budget.

Changed	Row Status	*VSL Funds[.]	*VSL Dept[.]	*VSL Account[.]	Jan-16	Feb-16	Mar-16	Apr-16
		0001	9501	3110	10,000	10,000	10,000	10,000
		0001	9501	3120	10,500	10,500	10,500	10,500
		0001	9501	3310	11,000	11,000	11,000	11,000
		0001	9501	3330	11,500	11,500	11,500	11,500

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When control budgets are linked with the detail/summary relationships, budget data that is loaded into the detail control budget is also automatically loaded into the summary control budget(s).

- If the summary control budget includes account hierarchies, the budget data is aggregated into summary balances.
- If the summary control budget has a quarterly or annual budget calendar, the budget data is aggregated from months into quarters and years.

When you have a monthly calendar and your budget is defined annually, you can choose to:

- Load the total annual amount into one of the months of the year if you only need to report at the annual level .
- Allocate the annual amount across multiple months if you need visibility into monthly budget.

If control budgets are not linked, you have to load budget amounts into each control budget separately.

Loading Budget Amounts

- Budget data automatically loaded for summary control budget.

Changed	Row Status	*VSL Funds[...]	*VSL Dept[...]	*VSL Account[...]	FY16
		0001	9501	1900	120,000
		0001	9501	2000	126,000
		0001	9501	3100	132,000
		0001	9501	3300	138,000



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You can load budget amounts from the ADFdi spreadsheet, FBDI spreadsheet, Planning and Budgeting Cloud Service, or Project Budgets.

ADFdi Spreadsheet – Preferred method for end users as it has user-friendly names for the columns in spreadsheet.

FBDI Spreadsheet – Preferred method for implementers as it has the column names that resembles the names of the interface tables.

Note: Budget amounts loaded in Budgetary Control are not related to Budget amounts in GL. It is a separate task to load budget amounts in GL.

Practice 3-4: Loading Budget Amounts

This practice covers Loading budget amounts using spreadsheets.



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Summary

In this lesson, you should have learned how to:

- Discussing Budgetary Control features, integration points and accounting processing.
- Examining concepts used for Budgetary Control:
 - Funds Available
 - Budget Calendar
 - Budget Date
 - Budget Account
 - Budgetary Control Balances
- Explaining security for Budgetary Control.
- Enabling Budgetary Control options.
- Managing control budgets.
- Exploring budget amounts and budget periods.



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Using Budgetary Control Features

Chapter 4

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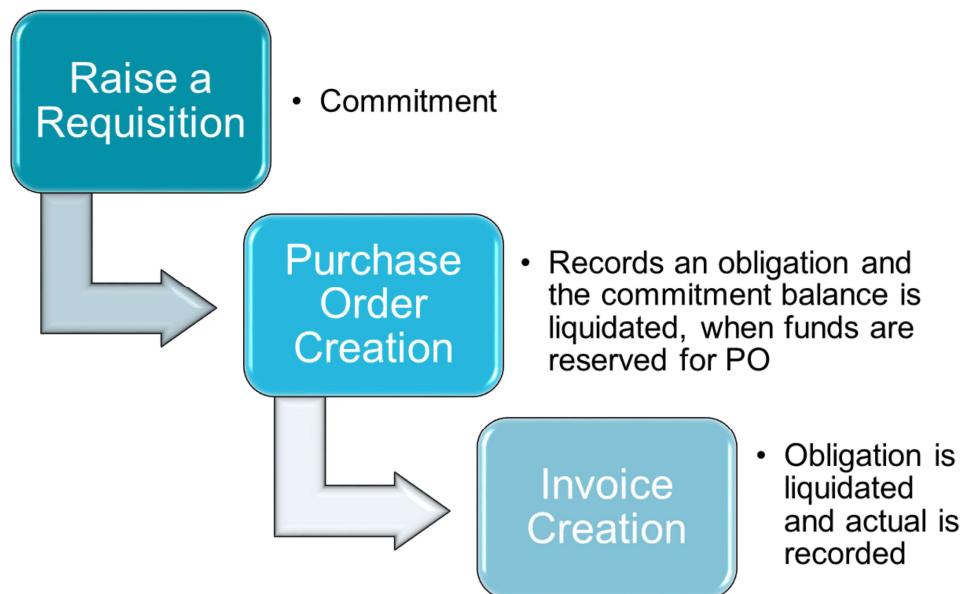
Lesson Objectives



After completing this lesson, you should be able to:

- Understand Procurement Cycle Overview.
- Discuss Reserve funds on P2P transactions.
- Explain Budget Override Requests.
- Close a budget period.
- Carry forward year end balances and transactions.

Procurement Cycle Overview



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The picture on the slide illustrates Period End Accrual scenario.

Budgetary Control calculates Funds Available using the following formula, where Consumption is the equivalent of commitment, obligation, and expenditure balances, originating from requisitions, purchase orders, invoices or journals.

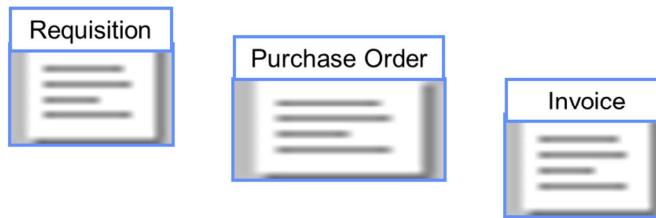
Budget – Consumption = Funds Available

Note:

- For Period End Accrual: The Invoice recognizes the actual and liquidates or reverses the obligation..
- For Accrue At Receipt: The Receipt recognizes the actual and liquidates or reverses the obligation. Invoice creation does not have any impact on Budgetary Control.

Procurement Cycle – Budget Amounts

Formula: Budget – Commitments – Obligations – Actuals = Funds Available



Budget	Commitments	Obligations	Actuals	Funds Available
5000	0	0	0	5000
5000	0	0	0	5000



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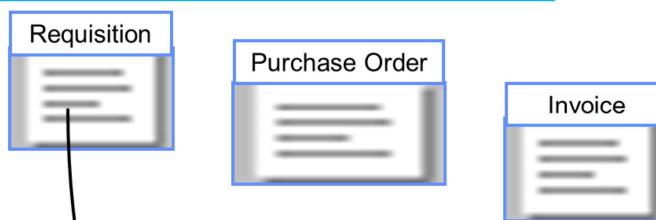
1 - 107

In the first stage the Budget is \$5,000 and the funds available are also \$5,000

Calculate funds available by taking budgets minus commitments minus obligations minus actuals.

Procurement Cycle – Requisition

Formula: Budget – Commitments – Obligations – Actuals = Funds Available



Budget	Commitments	Obligations	Actuals	Funds Available
5000	0 1500	0	0	5000 3500
5000	1500	0	0	3500



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Requisition Stage:

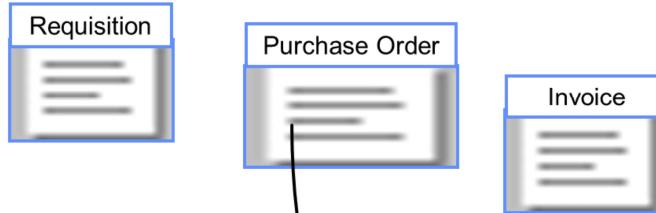
In this stage a requisition of \$1,500 funds is added to the Commitments column leaving \$3,500 funds available.

When you enter the requisition, your account has a budget of \$5,000

When you enter the requisition a commitment balance of \$1,500 is recorded and funds available is automatically updated and reduced to \$3,500.

Procurement Cycle – Purchase Order

Formula: Budget – Commitments – Obligations – Actuals = Funds Available



Budget	Commitments	Obligations	Actuals	Funds Available
5000	0 1500 -1500	0 1500	0	5000 3500
5000	0	1500	0	3500



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Purchase Order:

In this stage, a Purchase Order is added to the Obligations leaving \$3,500 in Funds Available.

When you enter the Purchase Order the PO Obligation of \$1500 is recorded and the funds reserved for the requisition is liquidated or reversed. Commitment goes to 0 while Obligations is \$1,500 and Funds Available is still \$3,500

Procurement Cycle – Period End Accrual

Formula: Budget – Commitments – Obligations – Actuals = Funds Available



Budget	Commitments	Obligations	Actuals	Funds Available
5000	0 1500 -1500	0 1500 -1400	0	5000 3500
5000	0	100	1400	3500



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The picture on the slide illustrates Period End Accrual scenario.

In this illustration, it is considered that only goods worth of \$1,400 are invoiced, hence there is a partial liquidation. \$1,400 funds reserved for the PO is liquidated and \$1,400 for the invoice is recorded as Expenditure. The PO remains open until the rest of the goods are invoiced.

If the invoice is \$1,400 because of a cheaper price, and all goods that were ordered are included in the \$1,400, then the purchase order is final closed. Then \$1,500 reserved funds from the PO is completely reversed, and Expenditures of \$1,400 is recorded for the invoice.

Note: If using Accrue on Receipt, the receipt transaction liquidates or reverses \$1,400 obligation up to the purchased items received and records an actual expenditure of \$1,400. No budgetary control is then performed for AP invoice.

Demonstration 4-1: Managing Roles for Your User

This demonstration covers Managing Roles for Your User.



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Practice 4-2: Defining Your User as a Procurement Agent

This practice covers Defining Your User as a Procurement Agent.



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Practice 4-3: Creating a Purchase Requisition

This practice covers the following topics:

- Updating your Requisition Preferences.
- Creating a requisition using the features of Budgetary Control.



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Practice 4-4: Viewing the Purchase Order

This practice covers the Viewing the Purchase Order topic.



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Practice 4-5: Creating an Invoice with PO Matching

This practice covers Creating an Invoice with PO Matching topic.



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Practice 4-6: Using Budget Override Request

This practice covers the following topics:

- Verifying the Budgetary Control Balances.
- Creating an Invoice exceeding funds available.
- Processing the Invoice by using Budget Override.



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General Ledger Journals: Budgetary Control for Actual or Encumbrance Journals

The screenshot shows the Oracle General Ledger Journals interface. At the top, there's a header with 'Edit Journal', 'Tags', and a social sharing icon. Below it, the journal batch is identified as 'LW2 Increase Fund Balance'. The journal details include 'Journal Batch: LW2 Increase Fund Balance', 'Description', 'Accounting Period: NOV-15', and 'Attachments None'. On the right, there are status fields: 'Source: AutoCopy', 'Balance Type: Encumbrance', 'Approval Status: Not required', 'Funds Status: Reserved', 'Batch Status: Posted', and 'Completion Status: Complete'. A blue callout box highlights these status fields with the following points:

- Expense account debit increases consumption and decreases funds available
- Expense account credit decreases consumption and increases funds available

Below the header, the 'Journal' section shows the journal entry: 'Journal: LW2 Increase Fund Balance', 'Description', 'Ledger: Progress US Primary Ledger', 'Accounting Date: 11/25/2014', and 'Category: Adjustment'. To the right, there are details like 'Encumbrance Type: Obligation', 'Currency: USD - US Dollar', 'Conversion Date: 11/25/2014', 'Conversion Rate Type: User', 'Conversion Rate: 1', and 'Inverse Conversion Rate: 1'.

The 'Journal Lines' section displays the transaction details in a grid format. The grid has columns for Line, Account, Currency, Entered (USD), Debit, and Credit. The data shows two lines: one debit to account 1001-0000-00000-31130-0000-00000000 (USD - US Dollar) for 400.00, and one credit to account 1001-0000-10500-55300-0000-00000000 (USD - US Dollar) for 400.00. A total row shows 400.00 in both debit and credit columns.

To the right, a modal window titled 'Funds Reservation: Journal LW2 Increase Fund Balance NOV-15' is open. It lists budget items for 'LW' under 'Control Budget'. The first item is 'LW Absolute' with a status of 'Increased funds available', a requested account of '1001-0000-10500-55300-0000-1001-10500-55000', a budget account of 'FY1-15', and a budget manager of 'Linda Wong'. The second item is 'LW Advisory' with a similar status and budget details.

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Navigate to: General Accounting > Journals > Tasks Panel > Journals > Manage Journals.

General Ledger journals can go through Budgetary Control as well and have funds reserved against them. If you use an expense account that has budgetary control enabled and you enter a debit balance in a GL journal, the consumption control for that account is increased and funds available for that account are decreased.

However, if you entered a GL journal for an expense account that has budgetary control enabled and you credit that expense account, Budgetary Control records it as a decrease in consumption and an increase in funds available.

Closing a Budget Period

- You should close a budget period to prevent any more budgetary control activity from happening in that period.
- Go to Edit Budget Period Statuses > Select a Budget Period > Change status > Close.
- Period Statuses: Open, Available for Budgeting, Never Opened, Closed and Permanently Closed.

The screenshot shows a table with columns: Period Name, Period Number, Budget Year, Start Date, End Date, and Status. The rows represent months from April to August 2018. The 'Jun-18' row is selected and has a blue border around it. The 'Status' column for Jun-18 contains the word 'Closed' with a blue rectangular box drawn around it, indicating it has been manually changed. The other periods remain in their original state: Apr-18, May-18, Jul-18, and Aug-18, all labeled 'Available for budgeting'. At the top of the screen, there are tabs for 'Actions', 'View', 'Detach', and 'Mass Period Status Update'. On the right side, there are buttons for 'Save', 'Save and Close', and 'Cancel'.

Period Name	Period Number	Budget Year	Start Date	End Date	Status
Apr-18	4	2018	4/1/18	4/30/18	Available for budgeting
May-18	5	2018	5/1/18	5/31/18	Available for budgeting
Jun-18	6	2018	6/1/18	6/30/18	Closed
Jul-18	7	2018	7/1/18	7/31/18	Available for budgeting
Aug-18	8	2018	8/1/18	8/31/18	Available for budgeting

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Navigate to: Budgetary Control > Budgetary Control > Tasks Panel > Period Close > Budget Period Statuses.

Overview of Budget Control Carry Forward

At the end of the budget cycle, review surplus funds and open transactions to determine if they should be carried forward to the next budget cycle:



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Note: You can Carry Forward Funds Available and Purchase Orders only if they are allowed. If allowed, you can even carry forward the budget for POs. Usually Budget Manager job role allows you to carry forward.

Step 1 involves transaction clean up – cancel or close any transactions that you are not carrying forward.

The following slides provide more detail on each of these steps.

Canceling or Closing Transactions

Follow these guidelines for Canceling or Closing PO related transactions:

- Cancel all Requisitions or convert them to Purchase Orders.
- Final close purchase orders that are not being carry forwarded.



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Determine accounts and transactions that are holding funds that should NOT be carried forward to the next budget cycle. Return the funds being held for these transactions to the surplus (funds available) by cancelling or final closing the purchase order.

Note: This step is mandatory, especially if you plan to use the automated Carry Forward Purchase Order Budgetary Control Balances process to carry forward transactions.

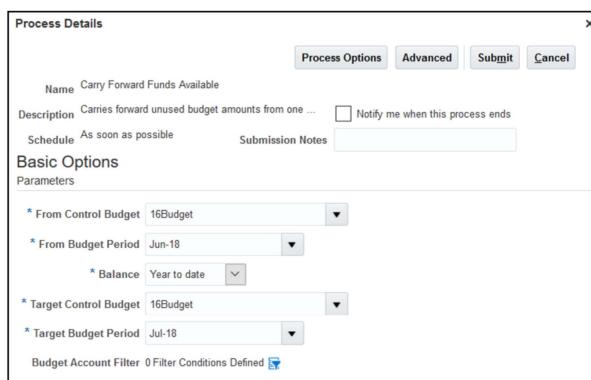
The automated process picks up all open transactions for the ledger and carries them forward; you cannot select transactions by account or any other transaction attribute. That is why it is imperative to cancel or close all transactions you do not plan to carry forward, before running the carry forward process.

You can use a report such as the sample OTBI report Purchase Order Balance by Control Budget posted on Customer Connect to review which transactions you want to cancel or close.

Carrying Forward Funds Available

Follow these guidelines when you are carrying forward funds available:

- Run the Funds Available Balance Report.
- Review the surplus balances.
- Upload the surplus balance amounts to budgets or you can use Carry Forward Funds Available process.



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If your organization allows surplus funds to be carried forward to the next budget cycle, determine which control budget accounts have surplus balances (funds available).

You can use Carry Forward Funds Available process to carry forward unused budget amounts from one budget to another, such as from the previous year budget to the current year budget. This process can be used to carry forward unused budget amounts within same budget from one period to another period.

Carrying Forward Purchase Orders

- Process for low volume transactions: Manually Final Close POs and reopen them in new budget year.
- Process high volume transactions: Use the Carry Forward Purchase Order Budgetary Control process with following options:
 - Ledger level: cannot select transactions by account.
 - Optionally carry forward budget.
 - Preview mode to ensure you are carrying forward the right transactions.
 - Review Carry Forward Purchase Order report.



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If you have low transaction volumes, manually final close POs and reopen them in new budget year.

If you have high transaction volumes and you want to use an automated process, use the Carry Forward Purchase Order Budgetary Control process.

- This process carries forward all open POs for the ledger as you cannot filter by account or any transaction attribute except Budget Date. That's why it is important that you cleaned up and closed POs that should not be carried forward so this process does not pick them up for processing.
- Use the Preview mode to ensure you are carrying forward the right transactions before you finalize it.

Summary

In this lesson, you should have learned how to:

- Procurement Cycle Overview.
- Reserve funds on P2P transactions.
- Budget Override Requests.
- Close a budget period.
- Carry forward year end balances and transactions.



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1

Implementation Options for Encumbrance Accounting

Chapter 5

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Lesson Objectives



After completing this lesson, you should be able to:

- Overview on Encumbrance Accounting features and integration points.
- Applying the Encumbrance Accounting method.
- Encumbrance types and Encumbrance Year.
- Encumbrance Accounting Entries for P2P transactions.
- GL Balances for Reporting.
- Carry forward year end balances.

Encumbrance Accounting Features

You can use the Encumbrance Accounting feature to:

- Report on GL commitment and obligation balances for requisitions and purchase orders.
- Provide budget versus consumption reporting that coincides with the accounting dimensions.



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Encumbrance Accounting Integration Points

Loading budget data into General Ledger:

- ADFdi Spreadsheet
- FBDI Spreadsheet
- Planning and budgeting Cloud Service

Creating Encumbrance Journal entries:

- Subledger Accounting creates encumbrance accounting entries for:
 - Requisitions: Internal and External.
 - Purchase Orders and Change Orders.
 - Receiving: Reverses PO Obligations.
 - Payables Invoices: Reverses PO obligation if period end accrual.
- Manual Subledger Accounting encumbrance accounting entries
- Manual General Ledger encumbrance journals
- Projects and Grants transactions (expenditures, costs, burdening)



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Enabling Encumbrance Accounting

You can enable the Encumbrance Accounting feature at following levels:

- Ledger
- Project
- Business Unit



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Navigate to: Setup and Maintenance > Financials > Setup > Budgetary Control and Encumbrance Accounting > Manage Budgetary Control.

Use the Manage Budgetary Control page to enable encumbrance accounting. On this page you can decide which business functions you want to enable:

- Enable budgetary control or encumbrance accounting for a ledger, project, or business unit.
- Specify options to exclude certain journal sources, journal categories, or business functions from budgetary control or encumbrance accounting.

Subledger Accounting Methods – Decision Points

Decision points to identify suitable Subledger Accounting Method among the delivered methods:

Enable Encumbrance Accounting	Requisition/PO Encumbrance Journal Entries Automatically Created	GL/SLA Manual Encumbrance Journal Entries Allowed	Subledger Accounting Method
No	No	No	Standard Accrual
Yes	Yes	Yes	Standard Accrual with Encumbrances
Yes	No	Yes	Standard Accrual



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Subledger Accounting Method

- You can use the delivered Standard Accrual with Encumbrances accounting method or you can define your own.
- When you set up your ledger you must complete a step to select which subledger accounting method you want to use. This selection tells the system which accounting rules you want to execute.
- These two accounting methods are shipped out of the box:
 - Standard Accrual
 - Standard Accrual with Encumbrances

Subledger Accounting Method Options - Detail

Requirement	Enable Encumbrance Accounting for...	Subledger Accounting Method Assigned to Ledger
Encumbrance for requisitions and POs with Budgetary Control	Ledger, Requisition and POs	Standard Accrual with Encumbrances
Encumbrance for Requisitions and POs without Budgetary Control	Ledger, requisition and POs	Standard Accrual with Encumbrances Extra Step (Also enable Budgetary Control for requisition/POs and define control budget with None control level)
Encumbrance for POs only	Ledger and POs	Copy of "Standard Accrual with Encumbrances" with requisition accounting rules disabled
Encumbrance for GL journals only	Ledger	In GL assign the Standard Accrual method
Encumbrance for Receiving	Ledger, Receiving, and other business functions	Make a Copy of "Standard Accrual with Encumbrances" with receiving accounting rules modified



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Enabling Encumbrance Accounting for Requisitions and Purchase Orders

- If Budgetary Control is already enabled for requisitions and purchase orders, you can enable Encumbrance Accounting for the ledger and business functions on the Manage Budgetary Control page.
- You can assign the Standard Accrual with Encumbrances subledger accounting method to the ledger.

Enabling Encumbrance Accounting for requisitions and purchase orders without implementing budgetary control. The following setups are required because requisitions and purchase orders drive the accounting date based on the budget date, and enabling Budgetary Control is required for the Budget Date field to display on procurement transactions. In the Manage Budgetary Control page:

- Enable Budgetary Control for the business unit(s) for requisitions and purchase orders.
- Enable Encumbrance Accounting and assign the Standard Accrual with Encumbrances subledger accounting method to the ledger.
- Define a control budget with control level set to None, and open the budget period.

Enabling Encumbrance Accounting for Purchase Orders only (not for requisitions)

- If Budgetary Control is already enabled you can enable Encumbrance Accounting for the ledger and business functions on the Manage Budgetary Control page and copy and update the Standard Accrual with Encumbrances subledger accounting method.
- You can either update the journal line condition to not create accounting lines for requisitions, or you can delete the Requisition journal entry rule set.

Enabling Encumbrance Accounting for General Ledger Only (not requisitions or purchase orders)

- You can enable Encumbrance Accounting for the ledger and assign the Standard Accrual subledger accounting method to the ledger.
- This allows you to enter encumbrance journal entries in GL, but requisitions and purchase orders do not generate encumbrance accounting entries.

Enabling Encumbrance Accounting for Receiving

- Enable Encumbrance Accounting for the Receiving business function on the Manage Budgetary Control page.
- Duplicate the Standard Accrual with Encumbrances subledger accounting method, and modify the copy by configuring adjusted receipt accounting rules.

Encumbrance Types

Used for:

- Reporting purposes
- Categorizing transactions

Standard Encumbrance Types available are:

- Commitment
- Obligation

Manage Encumbrance Types	
View ▾ + X Detach	
* Name	Description
▶ Commitment	An encumbrance you record when a purchase requisition is completed
▶ Obligation	An encumbrance you record when a requisition becomes a purchase order



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Navigate to: Setup and Maintenance > Financials > Budgetary Control and Encumbrance Accounting > Show: All Tasks > Manage Encumbrance Types.

You can define additional encumbrance types depending on your business requirements.

Open Encumbrance Year

In addition to opening the GL period, open the Encumbrance Year to allow entry of encumbrance journals.

The screenshot shows a table of accounting periods for the year 2020. The columns are Period Number, Year, Start Date, End Date, and Status. The status column contains icons indicating whether each period is open or closed. The 'Open Next Encumbrance Year' button is located at the top of the table area, just below the header.

Accounting Period	Period Number	Year	Start Date	End Date	Status
ADJ-20	13	2020	6/30/20	6/30/20	
JUN-20	12	2020	6/1/20	6/30/20	
MAY-20	11	2020	5/1/20	5/31/20	
APR-20	10	2020	4/1/20	4/30/20	
MAR-20	9	2020	3/1/20	3/31/20	
FEB-20	8	2020	2/1/20	2/29/20	
JAN-20	7	2020	1/1/20	1/31/20	
DEC-20	6	2020	12/1/19	12/31/19	
NOV-20	5	2020	11/1/19	11/30/19	
OCT-20	4	2020	10/1/19	10/31/19	



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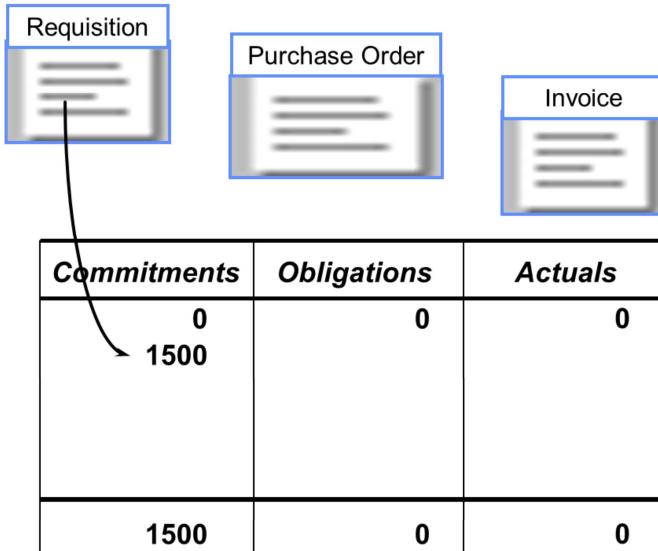
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You must open both the GL period and the Encumbrance year before you can start transaction processing.

Navigate to General Accounting > Period Close

- Select the period that you want to open for transaction processing and open it.
- Open the encumbrance year if you are going to be performing encumbrance accounting.
- After these processes complete successfully you can enter your transactions and process them.

Procurement Cycle Step 1



When you run the Create Accounting program for a requisition, it creates an encumbrance journal entry with encumbrance type of Commitment and posts it to the General Ledger.

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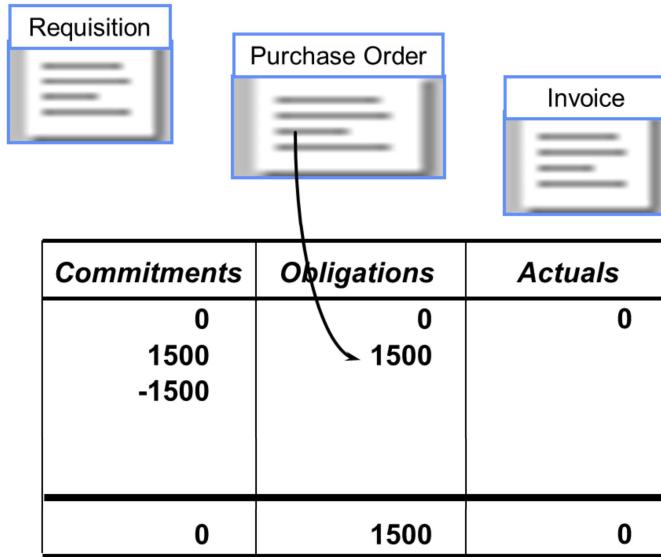
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This procurement cycle demonstrates the procure to pay flow which includes a requisition, a purchase order, and an invoice.

You can schedule the Create Accounting program to run at predetermined interval such as daily, weekly, or monthly.

In General Ledger the Commitment Balance in this example is 1500 when Create Accounting is run for the requisition.

Procurement Cycle Step 2



When you run the Create Accounting program for a PO, the encumbrance for the requisition is reversed. The program creates an encumbrance journal with encumbrance type of Obligation and posts it to General Ledger.

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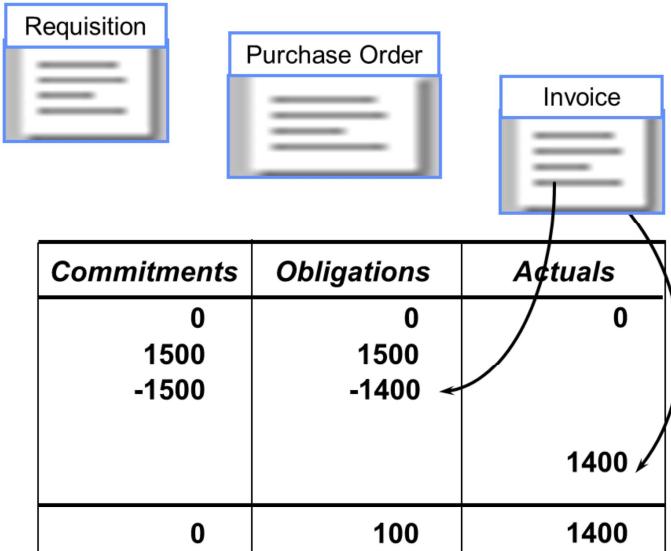
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When the PO is created and entered an encumbrance entry reverses the commitment amount for the requisition and books the obligation amount for the PO.

After this entry is posted in GL, the GL balances show a zero Commitment balance and 1500 for the obligation balance to reflect the encumbered amount for the PO.

Procurement Cycle Step 3



When you run the Create Accounting program for goods received or invoice, the encumbrance for the PO is reversed, and an actual journal is created and posted to General Ledger.

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In this example the invoice is 1400 which does not reflect the full PO amount of 1500 when create accounting is run for the invoice, it records the invoice amount as actual expense and liquidates the PO encumbrance accounting.

Create Accounting for Encumbrance Accounting Entries

Encumbrance Accounting entries can be generated by:

- Run Create Accounting process
- Real time Create Accounting – Payables Invoices
- Schedule Create Accounting process – Requisitions and POs



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You can run create accounting from following places:

- Payables > Invoices > Tasks panel tab > Accounting > Create Accounting.
- General Accounting > Journals > Tasks Panel tab > Subledger Accounting > Create Accounting.

These can be used for batch processing rather than for a single transaction.

In the Invoice page you can run the Create Accounting program directly online if you go to the Invoice Actions menu > Post to Ledger.

This option is not available for requisitions and POs. For both of those you have to go to the Scheduled Processes to run Create Accounting program.

Viewing Accounting from General Ledger

- Encumbrance Accounting entries can be viewed in Manage Journals
- Drilldown to SLA Journal
- Drilldown to Invoice from SLA

The screenshot shows the 'Manage Journals' page in Oracle General Ledger. At the top, there is a search bar with fields for 'Journal' (Starts with), 'Journal Batch' (Starts with), 'Accounting Period' (Equals JUN-18), 'Batch Status' (Equals), and 'Balance Type' (Equals Encumbrance). Below the search bar is a toolbar with actions like 'Actions', 'View', 'Format', 'Detach', 'Wrap', 'Post Batch', 'Reverse Batch', and 'Reverse Journal'. The main area is a grid table with columns: Journal, Journal Batch, Accounting Period, Source, Category, Journal Entered Debit, Journal Entered Credit, Batch Status, Balance Type, and Encumbrance Type. Three rows of data are visible:

Journal	Journal Batch	Accounting Period	Source	Category	Journal Entered Debit	Journal Entered Credit	Batch Status	Balance Type	Encumbrance Type
JUN-18Purchase Invoices ...	Payables E 135026400000...	JUN-18	Payables	Purchase Invoices	279.00 USD	279.00 USD	Posted	Encumbrance	Obligation
JUN-18Purchase Invoices ...	Payables E 135027900000...	JUN-18	Payables	Purchase Invoices	699.00 USD	699.00 USD	Posted	Encumbrance	Obligation
JUN-18Purchase Order 30...	Purchasing E 1350241000...	JUN-18	Purchasing	Purchase Order	2,097.00 USD	2,097.00 USD	Posted	Encumbrance	Commitment

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Navigate to: General Accounting > Journals > Tasks Panel > Manage Journals.

The journal entries display where you can drill on the amounts for this journal entry.

Practice 5-1: Creating Purchase Requisition and View Encumbrance Accounting Entries

This practice covers the following topics:

- Creating a purchase requisition.
- Opening a ledger period.
- Viewing encumbrance accounting entries for purchase requisitions.



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Practice 5-2: Verifying a Purchase Order and Viewing Encumbrance Accounting Entries

This practice covers the following topics:

- Verifying the Purchase Order.
- Viewing Encumbrance Accounting entries for Purchase Order.



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Practice 5-3: Creating a Payables Invoice and View Encumbrance Accounting Entries

This practice covers the following topics:

- Creating a PO matched Invoice.
- Viewing Encumbrance Accounting entries for Invoice.



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Practice 5-4: View Encumbrance Accounting Journal Entries in GL

This practice covers the following topic:

- View Encumbrance Accounting Journal Entries in GL.



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General Ledger Balances for Reporting

General Ledger maintains account balances for the following balance types:

- Actual
- Encumbrance
- GL Budget



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General Ledger maintains account balances for Actual, Encumbrance, and GL Budget balance types. Encumbrance balances are maintained for commitments, obligations, and your user defined encumbrance types.

Because General Ledger does not calculate or maintain the Funds Available balance, budget amounts in Budgetary Control module are not loaded to General Ledger. If you need these for reporting, you have to load them separately.

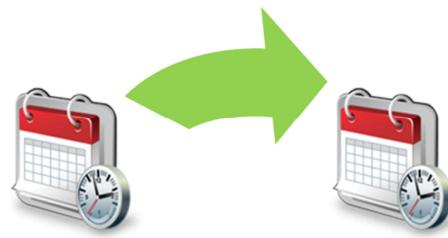
To load Budgets to GL: Navigate to: General Accounting > Create Budgets in Spreadsheets. In the Create Budgets spreadsheet you can enter your budget data including:

- Ledger
- Accounting Period
- Company
- Line of Business

Create Accounting for Carry Forward Transactions

Following are the types of carry forward transactions and their corresponding processes:

- Open or Re-Opened Purchase Orders: Run the Create Accounting process.
- Manually Entered SLA or GL Encumbrance Journals: Run the Encumbrance Year End Carry Forward process.



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If you need to carry forward any open and re-opened purchase orders to the new budget year, run the regular Create Accounting process for those transactions. This automatically liquidates the encumbrance balances in the prior year and records them in the new year if the Default Date Option on Manage Budgetary Control and Encumbrance Accounting setup page is set to Prior Related or Current Transaction Budget Date.

You may also have some encumbrance accounting balances remaining to be carried forward that were entered as Subledger Accounting or GL journal entries. You run the Encumbrance Year End Carry Forward process from the scheduled processes page to carry forward these year to date encumbrance balances in General Ledger. The preview mode provides the ability to ensure that only the required balances are carried forward to the next year.

Note: This is a different program than the Budgetary Control Carry Forward program.

Encumbrance Year End Carry Forward

- Select accounts and encumbrance type to carry forward.
- Carry forward commitment and obligation balances in GL.
- Preview results before running in Final mode.

The screenshot shows the 'Generate Encumbrance Carry Forward' process in Oracle ERP Cloud. On the left, the configuration screen displays:

- Name: Encumbrance Year End Carry Forward
- Description: Encumbrance Year End Carry Forward Process
- Schedule: As soon as possible
- Parameters:
 - * Data Access Set: Vision City
 - * Ledger: Vision City
 - * Carry Forward Rule: PO Balances Carry Forward
 - * Encumbrance Type: Obligation
 - * Preview Mode: Yes
 - * From - To Period: 13-Dec-14 - Jan-15

On the right, the execution report lists account combinations and their balances:

Description	Currency	Net Entered	Net
0001-0000-0000-7310-000000-0000	USD	626,561.37	=
Major Fund=Unspecified-No Program=Reserve for Encumbrance-No Project-No Location			
0001-1010-0000-3721-000000-0000	USD	2,400.00	=
Major Fund=City Council-No Program=Laptop Computer-No Project-No Location			
0001-1010-0000-3722-000000-0000	USD	2,424.00	=
Major Fund=City Council-No Program=Desktop Computer-No Project-No Location			

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Use the Encumbrance Year End Carry Forward process if you have Subledger Accounting and Encumbrance GL journal entries that you entered in the prior year and you want to carry those balances forward to the new year.

When you run the Encumbrance Year End Carry Forward process you select the:

- Ledger for which you want to run the process.
- Carry forward rule – basically the rule is just the ability to select the range of accounts that you want to carry forward.
- Encumbrance type to carry forward – Obligation, Commitment, or Both.
- Mode in which you want to run the program – Preview or Final mode.
- Period you want to carry forward.

After you submit the process, the execution report displays the account combinations that have encumbrance balances to be carried forward. You can preview the completed report this before you run it.

Summary

In this lesson, you should have learned how to:

- Overview on Encumbrance Accounting features and integration points.
- Applying the Encumbrance Accounting method.
- Encumbrance types and Encumbrance Year.
- Encumbrance Accounting Entries for P2P transactions.
- GL Balances for Reporting.
- Carry forward year end balances.





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Reporting on Budgetary Control and Encumbrance Accounting

Chapter 6

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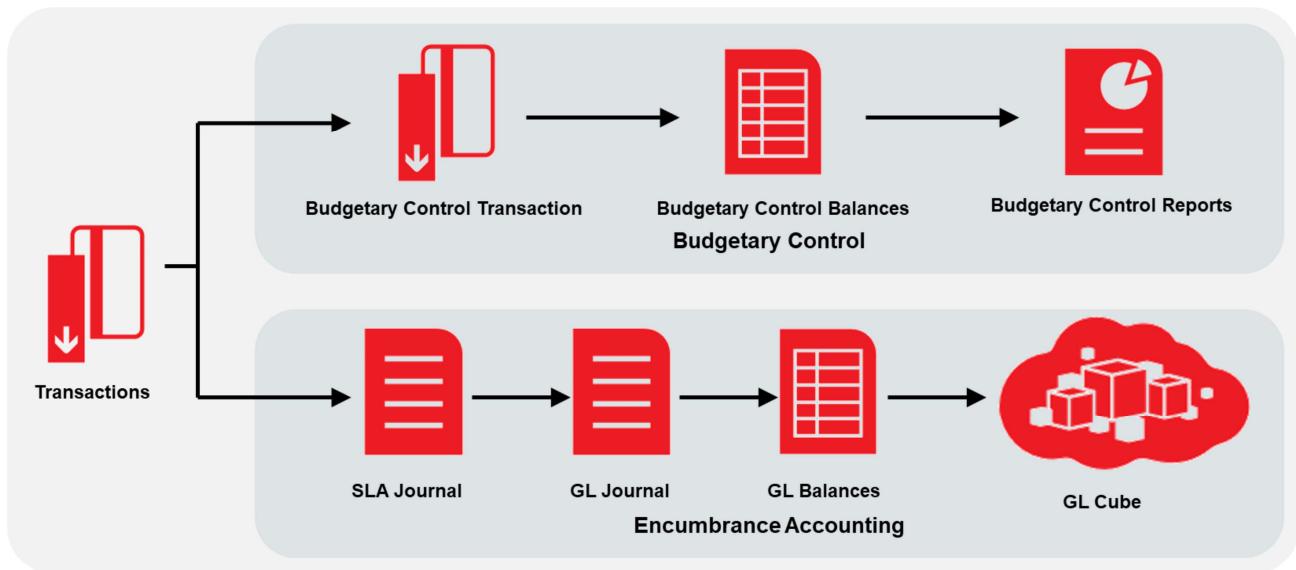
Lesson Objectives



After completing this lesson, you should be able to:

- Overview on Reporting Process and Solutions.
- Budget Monitor and Account Group.
- Budget Consumed and Funds Available Infolets.
- Smart View reporting on Budgetary Control and Encumbrance Accounting.
- BI Publisher Reports on Budgetary Control and Encumbrance Accounting.
- OTBI Reports on Budgetary Control and Encumbrance Accounting.

Reporting Process Overview



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- **Budgetary Control:** You can view reports on Budgetary Control from Budgetary Control Balances
- **Encumbrance Accounting:** You can view reports on encumbrances from the GL Cube.

Note:

- The budget, commitment, obligation, and actual balances between Budgetary Control and General Ledger may differ due to timing or accounting differences.
- Budgetary Control has the ability to reserve funds before a transaction is accounted or journal is posted. This is beneficial for Budget Managers and consumers because Budgetary Control reflects the real-time availability of budget for spending and budget transfers. However, financial reporting for these balances should be performed in General Ledger where transactions are fully accounted and posted.
- Accounts subject to budgetary control in the Procure to Pay flow are primarily expense accounts. Account types like asset, liability, equity and revenue are typically not subject to budgetary control and are not covered by the reporting, inquiry and analysis solutions in Budgetary Control. General Ledger reporting should be used instead for these accounts.

Reporting Solutions Overview – Budgetary Control

Reporting Solution	Account Balances with Drill to Transaction	Transaction	Balances and Transaction
Budget Monitor – monitor budget, consumption, funds available by account	X		
Budgetary Control Infolets – monitor summary level consumption, funds available	X		
Smart View – report and analyze balances in spreadsheet	X		
Financial Reporting Studio - report and analyze balances with professionally formatted report	X		
Budgetary Control Analysis Report (BIP) – detail analysis of select periods or accounts			X
Budgetary Control - Transactions Real Time Subject Area (OTBI) – ad hoc transactions reporting		X	
Budgetary Control - Balances Real Time Subject Area (OTBI) – budget balances			X



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You can use the first four reports to report on account balances. You can drill down to transactions for them as well. Use the BIP report if you want to view balances and transactions all in a single report. Use OTBI for reporting on transactions.

To monitor budget, consumption, and funds available balances, use:

- Infolets for summary level balances.
- Budget Monitor for account level balances.

The infolets drill down into Budget Monitor but you must configure the infolets and budget account groups.

To report and analyze budget, consumption, funds available balances by account, chart of account dimension, time dimension, PTD/YTD, or balance type, use:

- Smart View for spreadsheet user interface.
- Financial Reporting Studio for HTML user interface (or report output in PDF, Excel, CSV). You must define the reports.

After you have identified the period(s) and/or account(s) on which you want to focus, use the out of the box Budgetary Control Analysis Report (BI Publisher) to view the detail transactions that make up the account balances.

To report on budgetary control transactions and control budgets, use the Budgetary Control - Transactions Real Time subject area in OTBI to create your own ad hoc reports.

To report on budget, consumption, reservation category, available fund balances and control budget details, use the Budgetary Control - Balances Real Time subject area in OTBI..

Budget Monitor

- Monitor Consumption on accounts
- Drill Down to detail accounts
- Drill Down to supporting transactions
 - Requisitions
 - Purchase Orders
 - Invoices
 - Journals

Fund			Department	Account	Budget (USD)	Consumption (USD)	Funds Available	
			Total		Total			
1001	13500	56100			611,677.00	29,647.00		
							582,030.00	95.15



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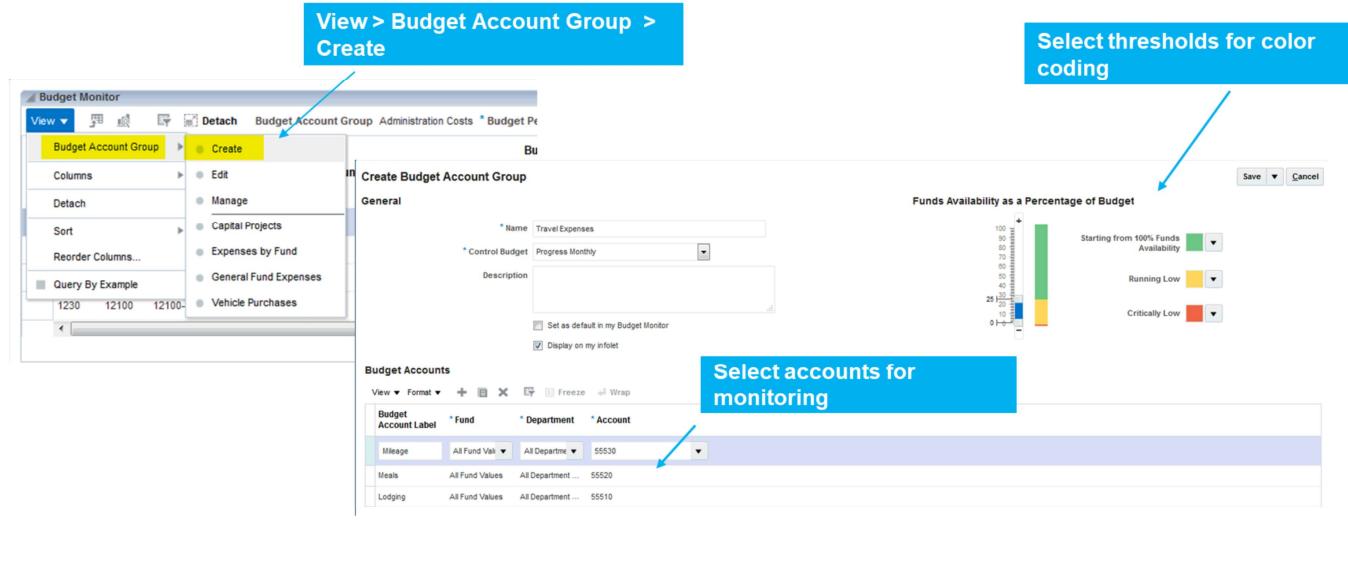
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Navigate to: Budgetary Control > Budgetary Control > Budgetary Control Dashboard.

Use the Budget Monitor to monitor consumption for those accounts on which you want to focus. If a budget account group is defined using parent level accounts, you can drill down to detail accounts and to supporting transactions such as requisitions, purchase orders, invoices, or journals.

Defining a Budget Account Group

Define a budget account group to indicate the accounts you want to monitor.



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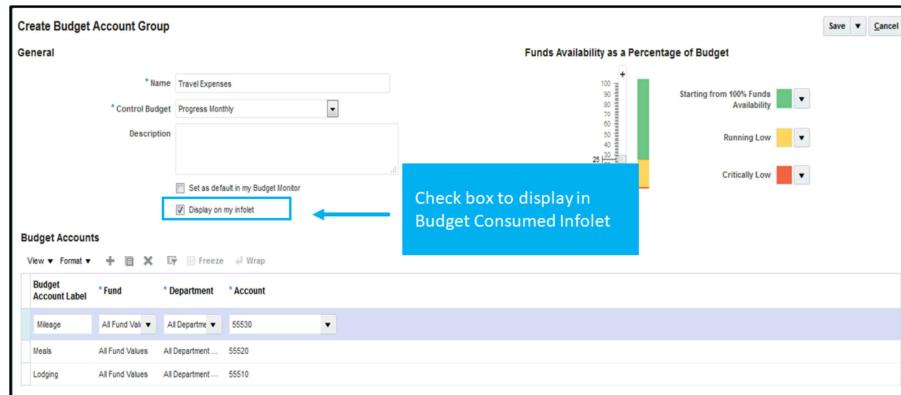
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Navigate to: Budgetary Control > Budgetary Control. In Budget Monitor section, click View > Budget Account Group > Create.

If your budget account group includes parent values, you can click on the parent values to drill down. In addition to selecting accounts for monitoring you can also set the color coding threshold.

Budget Consumed Infolets

- Displays Budget Consumption for a group of budget accounts.
- Select the Display on my infolet check box while creating Budget Account Group.



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You can use infolets to:

- Monitor consumption for your important accounts.
- Highlight risks and other issues to help prioritize tasks.

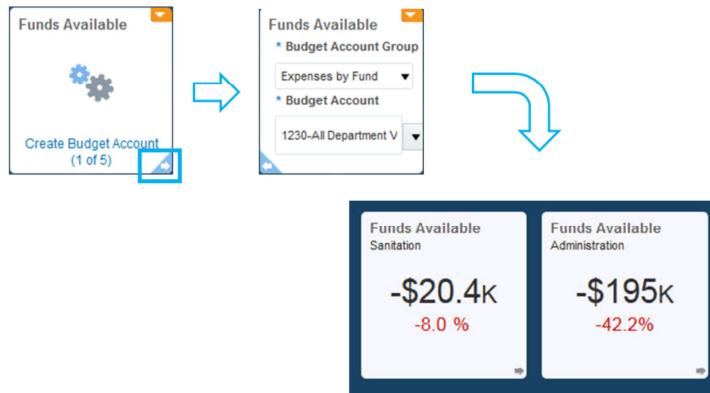
The Budget Consumed infolet displays the budget consumption for a group of budget accounts you choose. Expand the infolet to see the budget accounts with the highest consumption percentages for the control budget. You can also view the funds available details by clicking on the budget account link to drill down to the Budget Monitor.

Enabling the Budget Consumed Infolet:

- In the Create Budget Account Group page, create a budget account group.
- Enable the Display on my infolet check box. This automatically includes the budget account group in the Budget Consumed infolet on the General Accounting infolet page. You can display a maximum of five budget account groups.

Funds Available Infolets

- Displays funds available amount and percentage for a specified budget account.
- Not required to select the Display on my infolet check box while creating Budget Account Group.



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Funds Available infolets are available on the General Accounting infolet page.

To enable the Funds Available infolet:

- In the Create Budget Account Group page, create a budget account group. You do not need to check the Display on my infolet check box.
- Navigate to the General Accounting Infolets Dashboard by selecting the appropriate white dot from the Springboard.
- In the General Accounting Infolets Dashboard, select the Funds Available infolet and click on the arrow at the bottom right corner of the infolet to flip the tile.
- Select the Budget Account Group and Budget Account on the back view of the infolet. You can display a maximum of five Funds Available infolets with selected budget accounts from any budget account group.
- Every time you access this page it displays your Funds Available balance for you.

Practice 6-1: Using the Budget Monitor

This practice covers the following topics :

- Defining your own Budget Account Group.
- Viewing the Budget Consumed Infolet and drill down to transaction.



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Smart View – Budgetary Control Balances

Smart View is a spreadsheet user interface that lets you report on all of your Budgetary Control balances.

You can use Smart View to:

- Query and analyze your budget, consumption, and funds available balances in the Budgetary Control module.
- Pivot your time dimension, budget account segments, and budgetary balance dimension around to tailor budgetary data view.
- Analyze data by reviewing trends, adding graphs, and drilling down to transaction details.



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- Smart View is a multi-dimensional analysis reporting tool so you can take any of the dimensions and pivot them in the row or dimension or page dimension.
- Inquiry, Reporting, Analysis in Spreadsheet with Real-Time Data
- Slice and dice account balance information by any segment or hierarchy within the control budget

Practice 6-2: Exploring Smart View

This practice covers the following topics :

- Creating an ad hoc analysis in Smart View.
- Defining a Report with the Query Designer in Smart View.

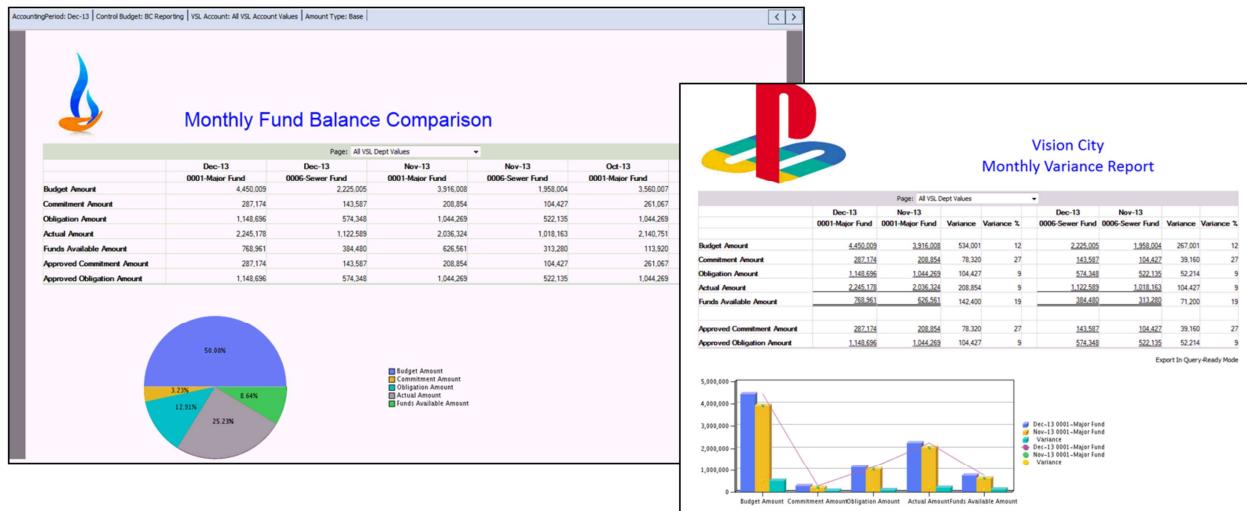


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Financial Reports– Budgetary Control Balances

Use Financial Reporting Studio to define financial reports to report on your budget, consumption, and funds available balances.



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- You can define professional financial and management reports containing real time data.
- You can select different dimensions for your rows and columns page dimensions. You can load those along with charts and graphs to your reports. Within the report you can expand on a parent to show detail account values.
- You can also drill from the balances in the reports to supporting transactions (requisitions, purchase orders, invoices, journals).

Practice 6-3: Creating a Report from Financial Reporting Studio

This practice covers creating a new financial report from Financial Reporting Studio topic.



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Budgetary Control Analysis Report

Overview:

- View transaction activity behind the account balance.
- Filter by control budgets, period, or account.

Layouts:

- Funds Available Trend: How the budget is consumed
- View Funds Available: How much is left in the budget
- Accounts Activities: Which activities are consuming the budget



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The Budgetary Control Analysis report is a delivered report that displays the budgetary balances for your budget accounts including the transaction details for each account.

- Use the filters to focus the report output on specific periods or accounts that you are trying to analyze. Filters help you to target the accounts you want to see by preventing a lot of unnecessary data accumulating in your report.
- Because the report includes all transaction activity for a given account, you can achieve better performance by specifying specific periods or accounts in the report parameters.
- You can define your own BI Publisher templates for this report if the delivered template does not meet your requirements.

The following report layouts are predefined, but you can modify the reports to meet your requirements and filter data interactively.

- Funds Available Trend Report: Lists fund budget and consumption balances for a specific control budget in a range of periods. The budget, commitment, obligation, and expenditure balances by cost center and account are also listed.
- View Funds Available Report: Lists funds available by control budget account and period. Budget consumption from transactions is listed along with the impacted commitment, obligation, and expenditure and funds available balances.
- Account Activities Report: Lists control budget accounts by period with consumption and without consumption. Account balances and transaction details are also listed.

Budgetary Control Exception Analysis

Use this report to monitor

- Validation failures
- Exceptions
- Activity details



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- The Budgetary Control Exception Analysis report is a delivered report for monitoring exceptions and validation failures that occurred during budgetary control for your organization.
- You can run this report periodically to see how many failures you have and where they failed. The details display in the Activity Details section.

Note: Funds Reservation errors are included but not Funds Check errors.

Practice 6-4: Viewing BI Publisher Reports

This practice covers the following topics :

- Viewing BI Publisher Report - Budgetary Control Analysis report.
- Viewing Budgetary Control Exception Analysis Report from Scheduled Processes.



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OTBI - Budgetary Control Subject Areas

Available subject areas for Budgetary Control:

- Budgetary Control - Transactions Real Time Subject Area (OTBI) – ad hoc transactions reporting.
- Budgetary Control - Balances Real Time Subject Area (OTBI) – budget balances.



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You have access to all of the attributes in the folders available in Subject Areas. You can select the subject area and enable the attributes you want to see in the report and follow the Wizard to create your report.

Use the Budgetary Control - Transactions Real Time subject area in OTBI to perform ad hoc queries of transactions that are subject to budgetary control such as:

- Funds check status
- Funds reservation status
- Reserved transaction amount, budget date

Use the Budgetary Control - Balances Real Time subject area in OTBI to perform ad hoc queries of transactions that are subject to budgetary control such as:

- Budget
- Consumption
- Reservation category
- Available fund balances
- Control budget details

To create your own OTBI reports navigate to the Reports and Analytics page and select any of the subject areas.

All of the folders containing the attributes for your selected subject area are displayed.

Select which columns you want to view and use the Wizard to finish creating your report.

Practice 6-5: Using the OTBI Budgetary Control Subject Area for Analysis

This practice covers the following topics:

- Creating an analysis from the Reports and Analytics work area.
- Using the Budgetary Control Balances Real-Time Subject Area.
- Running the analysis and generating an Excel file.



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Reporting Solutions Summary

Requirement	Best Practice Solution
Report and analyze budget, consumption, and funds available balances	Smart View Financial Reporting Studio
Monitor budget, consumption, and funds available balances	Budget Monitor Infolets
Review and report transaction activity	OTBI – Budgetary Control - Transactions Real Time Subject Area
Reconcile and analyze transaction activity that make up an account balance	Budgetary Control Analysis Report (BIP)
Review and report budgetary control exceptions	Budgetary Control Exception Analysis (BIP)



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The tools listed in the Best Practice Solution column are the ideal tool you should use to meet various reporting requirements.

For example, if you want to report and analyze on your balances, the ideal tool to use is Smart View and Financial Reporting Studio.

Reporting Solutions Overview – Encumbrance Accounting

Reporting Solution	Encumbrance Balance with Drills to Journals	Encumbrance Balances	Encumbrance Journals
Smart View – report and analyze encumbrance balances in spreadsheet	X		
Financial Reporting Studio - report and analyze encumbrance balances with professionally formatted report	X		
Delivered Reports - Trial Balance - Account Analysis - Journal Entries Report		X X	X X
Ad Hoc Reporting (OTBI) - General Ledger Balances subject area - General Ledger Journals subject area - SLA Journals subject area		X	X X



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If you are familiar with the GL module, these reporting solutions should be very familiar to you if you use them for your actual reporting. The GL and Subledger accounting deliver quite a few reports out of the box. Most of these reports can report on Encumbrance Accounting as well.

To report and analyze encumbrance balances by chart of account dimensions, time dimension, currency, PTD/YTD, or beginning/ending/period activity balance, use:

- Smart View for spreadsheet user interface
- Financial Reporting Studio for HTML user interface (or report output in PDF, Excel, CSV).

Using Smart View with General Ledger Balances

- Real-time reporting for General Ledger actual and encumbrance balances.
- Encumbrance balances also broken out by encumbrance type.
- Aggregated summary balances at each hierarchy level.

POV [encu...]	A	B		C	D	E
		Actual	Encumbrance	Commitment	Obligation	
June 2015	2 Spending Report	(19,631,743.64)	-	-	-	
Progress US Primary Ledger	3	778,441.10	-	-	-	
All Budget Reference Values	4 40000-Revenues	101,386.52	-	-	-	
All Department Values	5 51000-Personal services - salaries and wages	4,549,544.49	6,456,119.69	1,136,150.73	5,319,968.96	
All Program Values	6 52000-Personal services - employee benefits	1,705,191.96	2,138,693.73	322,813.53	1,815,880.20	
All Funding Source Values	7 53000-Purchased professional and technical services	1,330,513.35	1,812,478.65	318,628.36	1,493,850.29	
All Project Values	8 54000-Purchased property services	1,680,210.72	2,253,617.62	405,500.70	1,848,116.92	
Ending Balance	9 55000-Other purchased services	5,069,135.24	6,372,829.65	1,159,884.36	5,212,945.29	
Base	10 56000-Supplies	15,214,423.38	19,033,739.34	3,342,977.68	15,690,761.66	
USD - US Dollar	11 57000-Property					
Total	12 50000-Expenses					
Refresh	13					
	14					
	15					
	16					
	17					

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Note:

- Budget balances are only available if they were separately entered into GL. Funds available balance is not maintained in GL but can be calculated with a formula.
- If you need budget versus actual reporting for revenue, or other accounts not included in your control budgets, then you must perform budget versus actual reporting in General Ledger.

Financial Reports – General Ledger Balances



Statement of Activities					
Ledger: Progress US Primary Ledger; Budget Reference: Budget Reference Department: All Department Values Program: Program Funding Source: Funding Source Project: Project Balance Amount: Balance Amount Type: Base Currency: USD; Currency Type: Total					
	Government Activities Actual	Government Activities Encumbrance	Commitment	Obligation	Total
REVENUES					
Operating Revenue					
40000-Revenues	20,848,638	-	-	-	-20,848,638
Total Revenue	20,848,638				-20,848,638
EXPENDITURES					
51000-Personal services - salaries and wages	285,604	-	-	-	285,604
52000-Personal services - employee benefits	1,061,723	373,870	387,888	345,982	3,785,179
53000-Purchased professional and technical services	245,358	92,969	56,596	36,374	338,327
53100-Official/ Administrative	245,358	92,969	56,596	36,374	338,327
53200-Professional	358,101	232,822	114,976	117,847	590,922
53300-Other professional	1,217,745	143,385	97,674	45,711	1,361,130
53400-Technical services	764,549	149,844	58,462	91,382	914,393
53600-Outside consulting	474,866	114,851	60,182	54,669	689,806
54000-Purchased property services	1,274,361	246,234	120,695	125,540	1,520,595
55000-Other purchased services	833,078	272,742	107,942	164,800	1,165,820
56000-Supplies	1,226,556	374,311	178,372	195,648	1,670,607
57000-Property	1,541,655	960,519	496,625	473,894	4,501,323
Total Expenditure	10,388,515	1,281,522	1,305,864	1,035,864	10,388,515
Excess of Revenues Over Expenditures	-10,460,123	1,281,522	1,305,864	-1,035,864	-10,460,123

- Real-time reporting for General Ledger actual and encumbrance balances.
- Encumbrance balances also maintained by encumbrance type.
- Aggregated summary balances at each hierarchy level.

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You can do Budget vs. Actual reporting if you manually load budget balances to GL.

Delivered Reports

Commonly used reports:

- Trial Balance Reports for Encumbrance Balances.
- Account Analysis Report.
- Journal Entries Report.
- Budget Import Report.
- Budget Import Analysis Report.



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- These reports are shipped with GL and SLA and are the commonly used reports that include Encumbrance Accounting.
- You can run Trial Balance Reports for Encumbrance Balances to view your accounts and the beginning and ending balance for the time period you selected.
- The Account Analysis Report shows all the journal entries including the entries originating from requisitions and POs that affect the balance for that account.
- The Journal Entries report provides all of the pertinent information you need for your encumbrance journal entries.

OTBI – Encumbrance Accounting Subject Areas

Available subject areas for Encumbrance Accounting:

- General Ledger Balances subject area.
- General Ledger Journals subject area.
- SLA Journals subject area.



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Use General Ledger and Subledger Accounting subject areas in OTBI to perform ad hoc queries of encumbrance journals or balances.

For OTBI, GL and Subledger accounting areas are available to query your encumbrance accounting balances or their accounting entries.

Summary

In this lesson, you should have learned how to:

- Overview on Reporting Process and Solutions.
- Budget Monitor and Account Group.
- Budget Consumed and Funds Available Infolets.
- Smart View reporting on Budgetary Control and Encumbrance Accounting.
- BI Publisher Reports on Budgetary Control and Encumbrance Accounting.
- OTBI Reports on Budgetary Control and Encumbrance Accounting.



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Appendix A: Integration with Projects

Chapter A

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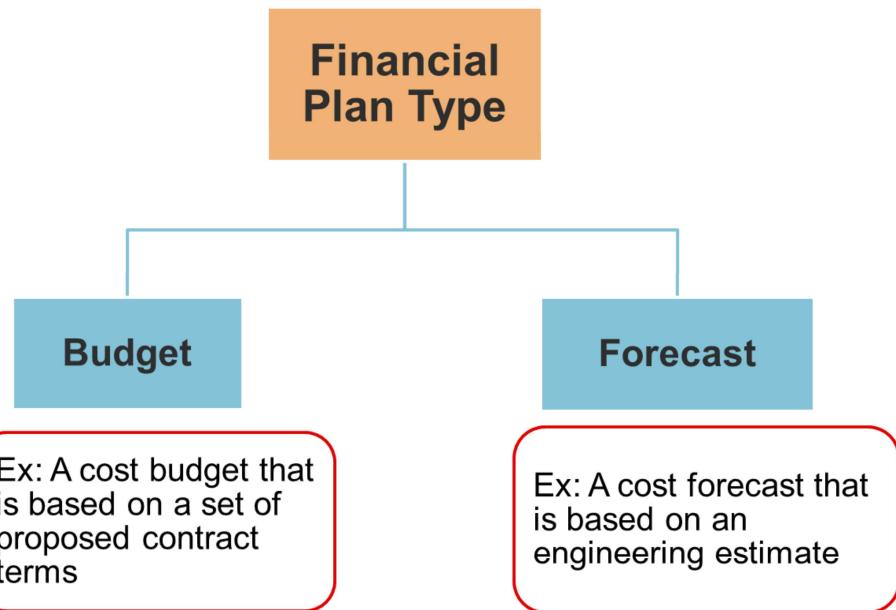
Lesson Objectives



After completing this lesson, you should be able to:

- Budget and Forecast Creation Methods.
- Financial Plan Type Configuration.
- Control Budgets – Options and Creation.
- Importing Processes.
- Perform Budgetary Control.
- Perform Encumbrance Accounting.

Budget and Forecast Creation Methods: Critical Choices



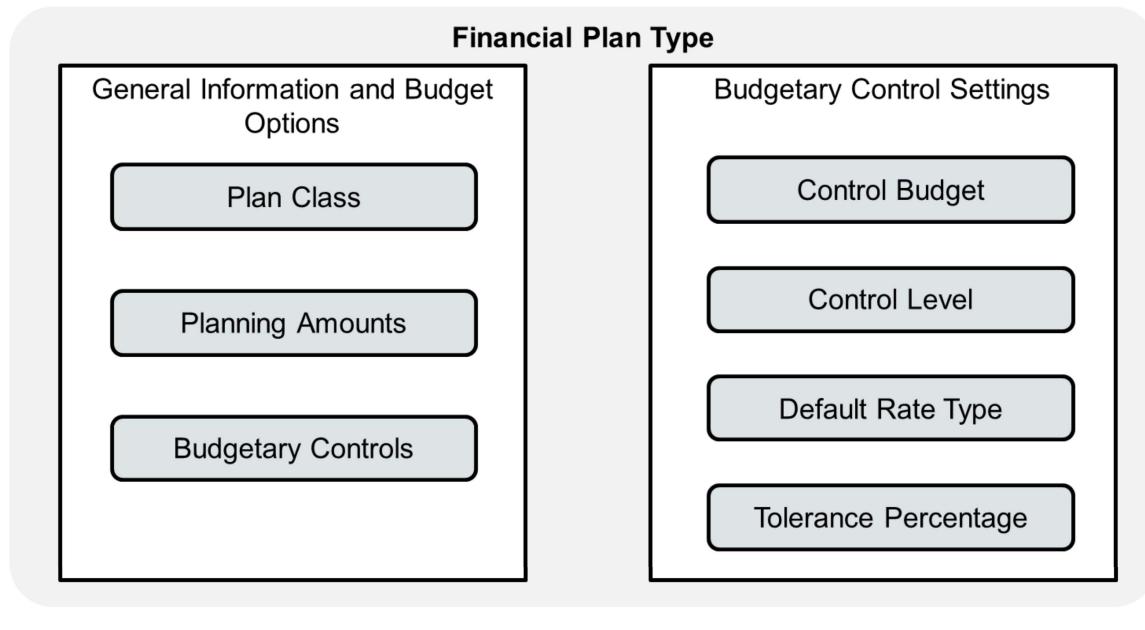
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A budget or forecast version represents a specific planning scenario created with a financial plan type. While creating a Financial Plan Type, a user need to select either a Budget or Forecast as the Plan Class.

Financial Plan Type Configuration



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Financial Plan Types and Project Budget Versions: How They Work With Budgetary Controls

- Financial plan types and budget versions in Oracle Project Control contain attributes that enable you to automatically create control budgets in Oracle Budgetary Control. Configuring these attributes on a financial plan type enables the budget versions that you create from that financial plan type to create control budgets.
- The figure shows the components of a financial plan type that you must configure to enable a project budget version for creating a control budget in Oracle Budgetary Control. The general budget information includes the plan class, planning amounts, and the enable budgetary controls option. The budgetary control settings are the control budget, control level, default rate type, and tolerance percentage.
- A project can have only one financial plan type that is enabled for budgetary controls. If a financial plan type that is enabled for budgetary controls is used by a budget version on a project, then you cannot create another budget version with a different financial plan type that is enabled for budgetary controls.

Budgetary Control Configuration

To create control budgets, you must configure at least one financial plan type for budgetary controls. Set the following options on the Create Financial Plan Type page:

- Plan Class: Budget
- Planning Amounts: Cost or cost and revenue. You cannot enable budgetary controls on financial plan types that are used for revenue only.
- Enable budgetary controls

The Budgetary Control Settings tab in the Planning Options section of the financial plan type contains the control budget attributes. The attributes and their impact on the control budgets are as follows:

- **Control Budget:** The level in the project hierarchy at which you can enter budgetary control amounts. Enter amounts in the budget version at either the project level or the top resource level. The control budget will contain those amounts, and Oracle Budgetary Control uses the project and top resource information to create the control budget account segments.
- **Control Level:** The level of funds reservation for expenditures that impact the control budget. The three levels are:
 - **Absolute:** Reserve funds for transactions that impact the control budget only if funds are available in the budget.
 - **Advisory:** Reserve funds for transactions that impact the control budget whether or not enough funds are available in the budget. However, you can review any exceptions that are generated if a transaction exceeds the funded amount.
 - **Track:** Reserve funds for all transactions that impact the control budget. Do not issue a notification if the budget does not have enough funds for a transaction.
 - **Do not create control budget:** When you select this option, control budgets would not be created in Oracle Budgetary Control.
- **Default Rate Type:** The rate type that converts the amount of a transaction to the currency used in the control budget before the funds check.
- **Tolerance Percentage:** The percentage by which a transaction can exceed the budgeted amount before Oracle Budgetary Control issues a warning notice or restricts the funds reservation.

Creating Financial Plan Type

Example of a financial plan type that is enabled for budgetary controls.

The screenshot shows the 'Create Financial Plan Type for Non-Sponsored Project' dialog box. It includes fields for Name (Approved Cost and Budget), Description (Approved Cost and Budget), Plan Class (Budget), and Planning Amounts (Cost only). Under 'Budget Options', there are checkboxes for Designate as approved cost budget, Use workflow for status changes, Set as default financial plan type, Enable planning in multiple transaction currencies, and Enable budgetary controls (which is checked). Under 'Planning Options', tabs for Set Assignments, Plan Settings, Currency Settings, Rate Settings, Budgetary Control Settings (which is selected), Generation Options, and Reporting are available. The 'Budgetary Control Settings' tab shows controls for Project and Top Resource, setting Control Level to Absolute and Track, and Default Rate Type to Corporate.

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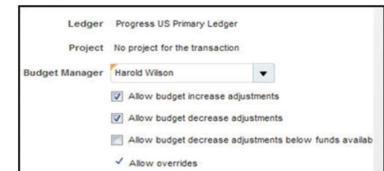
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Navigate to: Setup and Maintenance > Project Financial Management Offering > Project Control > Manage Financial Plan Types.

- Project managers can gain control over the spending of project budgets at the project level and the individual spending category level by enabling the budgetary control feature on a project budget. A control budget is a budget that is created in the Oracle Budgetary Control application to prevent overspending of budgeted amounts. This is extremely useful for government and higher education projects that have limited funds and cannot afford to overspend their budgets.
- Control budgets are automatically created when you create baseline versions of project budget versions that are enabled for budgetary control.
- You can also use the File-Based Data Import Process called Import Project Budget to import budgets enabled for budgetary control. See the File-Based Data Import for Oracle PPM Cloud guide for more information.
- Consider a scenario where the budget version consists of \$100 for a labor resource and \$200 for a financial resource. When you create the baseline budget version, corresponding control budgets are created in Oracle Budgetary Control. The control budgets contain the control levels from financial plan types such as: absolute, advisory and track. When the project incurs expenditures, the expenditures are checked against the control budget. If the expenditure amounts exceed the control budget, they are either restricted from over spending (in case of absolute control), or you receive a warning message (in case of advisory or track control).

Control Budget - Project Options

Control Budget Project Options:	Blank (i.e. all projects)	Specific Project (i.e. ABC)	No Project for the Transaction
Transaction with project "ABC"	Transaction controlled against <u>project ABC</u> budget	Transaction controlled against <u>project ABC</u> budget	
Transaction with project "XYZ"	Transaction controlled against <u>project XYZ</u> budget		
Transaction with no project attributes	Transaction controlled against <u>charge account</u> budget		Transaction controlled against <u>charge account</u> budget



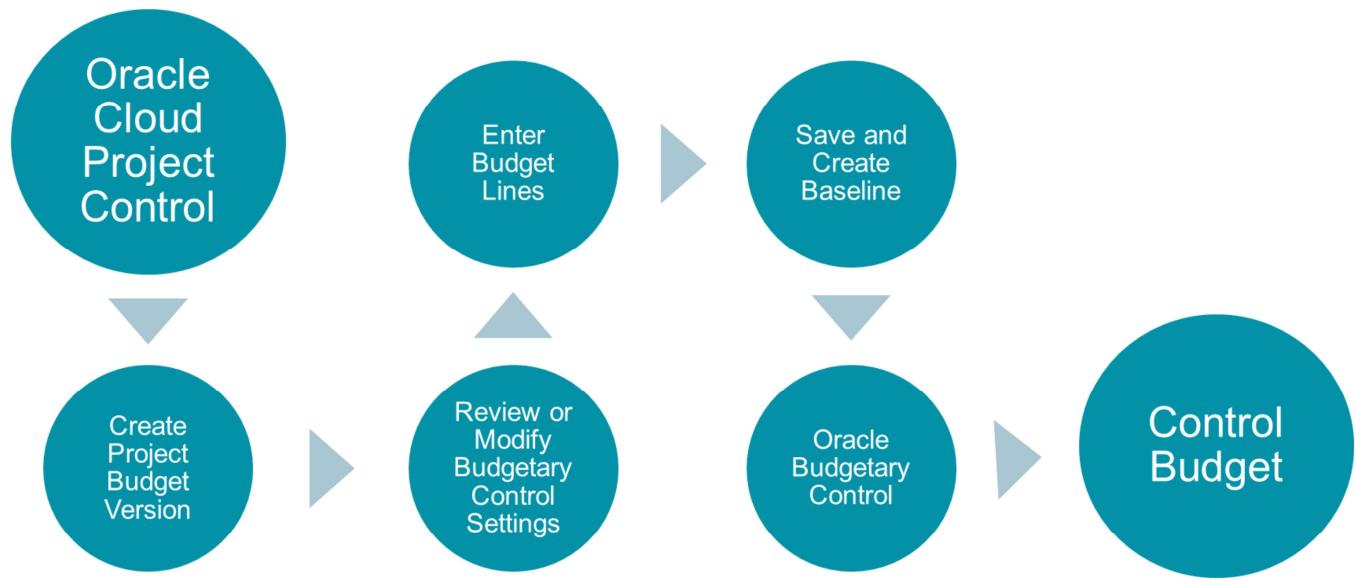
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- Navigate to: Setup and Maintenance > Financials > Budgetary Control and Encumbrance Accounting > Manage Control Budgets
- Blank equals transactions with any project that are included in the control budget.
- Specific Project Name transactions with this project name are included in the control budget
- No project for the transaction equals only transactions with no project attributes are included in control budget
- The action is determined by the option you choose – Blank , a specific Project, or No Project for the Transaction.

Creating Control Budgets from Project Budgets: Procedure



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- Create a control budget in Oracle Budgetary Control from a project budget version to centrally enforce budgetary controls for sponsored and non-sponsored project transactions. When you create a baseline version of a project budget version with budgetary control attributes, you automatically create a control budget in Oracle Budgetary Control.
- The above figure shows the procedure for creating a control budget from a project budget version. Create a budget version in Oracle Project Control, and review or modify the budgetary control settings. Enter the budget lines, and when you're satisfied with the budget, save the version and create a baseline. Creating the baseline prompts Oracle Budgetary Control to automatically validate and import the budget version, and create a corresponding control budget.

Importing Processes

Project Budgets

- From third-party applications
- Creates new Budget Versions
- Updates existing Budget Versions
- Import Project Budget Execution Report

Project Forecasts

- From third-party applications
- Creates new Project Forecast versions
- Updates existing project forecast versions
- Import Project Forecasts Report

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- **Import Project Budgets Process:** The Import Project Budgets process imports project budget versions from third-party applications, creates new budget versions, or updates existing budget versions. You can import working and baseline project budget versions. Run the Import Project Budgets process from the Scheduled Processes Overview page.
- **Import Project Budget Execution Report:**
 - The Import Project Budget Execution report summarizes the number of processed, accepted, and rejected items encountered when you imported the project budget versions. The report contains details for all budget version lines that generated errors during the import process.
 - Review the error message details for each budget version line. Fix the errors in the source spreadsheet, load the interface file again, and resubmit the Import Project Budgets process until you import all project budget version lines.
- **Import Project Forecasts Process:** The Import Project Forecasts process imports project forecast versions from third-party applications, creates new project forecast versions, or updates existing project forecast versions. You can import working and approved project forecast versions.
- **Import Project Forecasts Report:** The Import Project Forecast report summarizes the number of processed, accepted, and rejected items encountered when you imported the project forecast versions. The report contains details for all forecast version lines that generated errors during the import process.

Perform Budgetary Control

- Perform budgetary control on:
- Receipt based project costs
- Requisition commitment based project costs
- Purchase order obligation based project costs
- Payables invoice based project costs
- Expenditure items against ledger based control budgets
- Expenditure item adjustments



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- Perform Budgetary Control and Encumbrance Accounting: Perform Budgetary Control
- You can perform budgetary control on receipt based project costs. Project managers and principal investigators can consume funds against ledger based budgets by performing budgetary control of expenditure items against ledger based control budgets.
- You can perform budgetary control when a project expenditure item adjustment occurs against a project control budget. You can adjust a control budget from within a project budget version for amount, control level, or project manager. When you set the revised project budget version to baseline, the control budget is automatically updated in Oracle Budgetary Control.
- You can burden and perform budgetary control on project costs for purchase orders with an expense-based receipt destination for project-related transactions. You can then import these project-based receipt costs into Project Costing, thus enabling projects and grants users to view complete procure-to-pay costs.

Note: You cannot cancel an expenditure item adjustment if the funds are already reserved.

Perform Budgetary Control

You can review transaction and budget level budgetary control results in:

- Funds Reservation window on the following pages:
 - Manage Unprocessed Costs
 - Manage Project Costs
 - Manage Cost Distributions
- Project Budgetary Control Validation and Balance Activities diagnostic report



- Perform Budgetary Control and Encumbrance Accounting: Perform Budgetary Control
- You can perform control budget adjustments including amount, control level, and project manager changes directly from the project budget and have these changes automatically integrate with Oracle Budgetary Control when you baseline the project budget.
- You can use the Transaction Account Builder (TAB) to generate budget account for expenditure cost. With this, you can budget check expenditure cost against an account based control budget.

Note: The budget account needs to be generated only for receipt based and expenditure costs. For payable costs, the raw cost uses the account provided on the payables invoice. The same account is then copied to the burden cost.

- The View Accounting window in the application displays journal entries at the distribution level. But the subledger accounting records are reserved for encumbrance entries at the transaction level. This can cause the supplier invoice entries reserved for encumbrance to not have offsetting credit and debit amounts in the View Accounting window.
- When you enable budgetary control, the Generate Burden Costs process groups expenditure items by the data set ID. For example, let's say only 1 burden cost is associated to fringe and there are 10 expenditure items for the same project, task, and so on, then the Generate Burden Costs process generates 1 expenditure item for fringe. If budgetary control is enabled and the expenditure items are imported in 2 different runs, then each set is separately processed by the budgetary control engine. So the Generate Burden Costs process creates 2 expenditure items since the data set ID, which is unique for each run, is used in the grouping criteria.

Burden cost recalculation is required when:

- A build occurs on a burden schedule version that was previously built.
- An actual burden schedule version is built to replace a provisional burden schedule version.
- During recalculation, one or more transactions are not marked for recalculation of burden cost amounts, such as when an expenditure item is locked by another unprocessed adjustment, or a technical error occurs in the process.

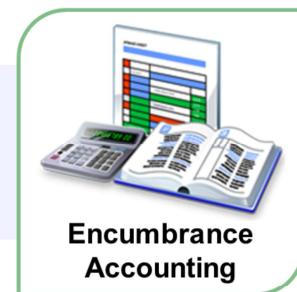
For same line burdening, the processed expenditure item creates a reversing cost distribution line for the original burden schedule and a new cost distribution line using the new burden schedule change. Burden cost recalculation is performed using the latest burden schedule.

For separate line burdening, when you perform an adjustment, for example, a burden schedule rate change, the Recalculate Burden Cost process is initiated. The adjustment type for each impacted expenditure item is marked for burden re-summarization. An entry is added to the adjustment history table. The Generate Burden Costs process picks up these marked expenditure items for burden re-summarization and generates the summarized burden transaction costs (BTC). Transactions that are processed for the first time for budgetary control are ignored as the burden on the expenditure items have already been reserved when the transactions were imported.

Perform Encumbrance Accounting

Perform encumbrance accounting for:

- Payables and receipt accounting
- Requisition and purchase order encumbrance accounting entries
- Project raw and burden cost commitments and obligations



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- Perform Budgetary Control and Encumbrance Accounting: Perform Encumbrance Accounting
- You can perform encumbrance accounting for project burden costs. Burden encumbrances are now included with the requisition commitments and purchase order obligations. The burden and raw costs have the encumbrance accounting journal entries created in the general ledger to record the associated commitments and obligations. For project related transactions, encumbrance accounting is created on raw costs and the burden costs where the originating transactions create encumbrances such as requisition commitments or purchase order obligations.
- For Payables and Receipt Accounting, raw costs are actual accounted at the source and the corresponding raw cost encumbrance obligations are liquidated.
- For same line burdening, burden costs are actual accounted after costs are interfaced to project costing from payables or receipt accounting. The supplier cost event class liquidates the encumbrance obligation for burden cost.
- For separate line burdening, the costs are interfaced to project costing from payables or receipt accounting and the Generate Burden Costs process creates the actual burden. Then the Create Accounting process actual accounts the burden cost and liquidates the encumbrance obligation for burden cost by using the burden cost event class.

Note: If burden or burdened accounting is not enabled then the burden cost for encumbrance obligation is not relieved.

Summary

In this lesson, you should have learned how to:

- Budget and Forecast Creation Methods.
- Financial Plan Type Configuration.
- Control Budgets – Options and Creation.
- Importing Processes.
- Perform Budgetary Control.
- Perform Encumbrance Accounting.



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