Lean Specification

Conversion - O2\_GENAI\_CNV402

AR Transactions

Document Control Information

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# Summary

## Objective

This design document is intended to provide all the key information, assumptions, rules, and logic that are required to convert the relevant historical AR invoices, Credit Memos, and Debit Memos along with open transactional data from the legacy system (VISION) to Oracle Cloud ERP using the standard FBDI.

All required data that has mapped to Oracle fields has to be extracted, cleansed, validated and fed into the Oracle Cloud Accounts Receivable module with the help of Oracle Standard File-Based Data Import (FBDI) template.

The purpose of this functional specification is to outline requirements to map and extract the legacy AR transactional data and to provide an overview on how the historical and open AR transaction details will be captured in Oracle Cloud Receivables module.

This document outlays the conversion of receivables transaction for the NA, EMEA and APAC regions.

## Assumptions

* Open AR Transaction means any AR invoice, credit memo or debit memo that has one or more-line items that have not been fully paid (invoices and debit memos) or applied (credit memos). It would be the latest open invoice in VISION.
* The historical transaction data only for the last 6 months before go-live would be a part of this conversion program.
* Based on the data selection criterion, the transaction data from VISION to be converted would be extracted, translated, and provided in the FBDI template by the XXX IT team. XXX business team will perform validations on the FBDI template before loading into Oracle.
* It is assumed that legacy system data clean-up (Ex: Open transactions that can be closed, to be closed) will be performed to eliminate or reduce errors in the target system.
* Customer Accounts and sites are loaded prior to converting the invoices. Deloitte team to share the mapping of legacy vision account number and oracle account number and site number post customer conversion.
* Customer Payment Terms will be updated against customers in Oracle AR prior to executing the Open AR conversion.
* All required configurations will be completed in Oracle prior to conversion, to reduce number of rejected records.
* Open transactions related to Program vehicles, Risk vehicles, and Miscellaneous receivables for different geographies would be extracted and loaded to the Oracle Cloud under agreed future Receivable Transaction Types.
* Any AR transaction that has an open receivable would be converted for the original amount. The amount (partial) already paid would be brought in as an Open receipt /credit memo and applied to this AR transaction
* The conversion program uses transaction type to identify the correct GL distribution for invoices, debit memos, and credit memo transactions. The accounting (GL Code combination segment values) for all Invoices will be derived using the Auto Accounting rules defined in AR. Need confirmation on the accounting strings to be generated for Receivables and Revenue strings
* Invoice & Line Transaction Flexfields will be setup in the Oracle Cloud prior to running the conversion.
* All Receivables-related activities which will update the balances on the open/closed transactions will be put on hold until conversion program finishes successfully.
* Any changes to the converted open transactions will be done in Oracle Cloud ERP post conversion and reconciliation.
* It is assumed that there should not be any unaccounted transaction in the source system at the time of agreed cut-over. All transactions must be posted to General Ledger in source system.
* XXX team will be responsible for any data archiving or reporting needs that need to be taken care by source system.
* SPOT rate type to be used for converting all foreign currency transactions.
* For Invoices with Functional currency, the conversion rate type will be ‘User’ & conversion rate 1.
* Transaction Date will be converted as is. But GL Date will be set to the Open period of the Conversion/Go-Live. This period will be opened in Oracle Cloud ERP.
* The Unit of Measure for all the transactions would be ‘EACH’.
* Grouping & Line Ordering rules will be defined as per the configuration rules for Auto Invoice Import related to Conversions.
* All the fields mentioned in the mapping sheet are expected to be provided in the source extract, along with a few other values as requested. Some of the fields would not be extracted from the source system instead they will be translated post extraction.
* Line description for each receivable line would be as provided in the extract.
* This is a conversion program and not designed to be used on an ongoing basis.

## Proposed Process

N/A

## Dependencies and Prerequisites

1. Dependency on receiving the cleansed transaction data in an FBDI format from XXX Team.
2. All the mandatory fields in auto-invoice import template should be filled with data.
3. Required configuration / setup would be available for conversion

* All the periods pertaining to AR invoice conversion are open
* Auto accounting
* Payment Terms
* Grouping Rules
* Transaction types
* Transaction Source

1. All related master data would be converted prior to this conversion

* Customers and customer sites

# Functional Design

## Data Mapping Layout

N/A

## Cross Reference/Data Transformation

N/A

## Business Rules

|  |  |
| --- | --- |
| SNo. | Description |
| 1 | Conversion specific batch source will be setup for importing converted transactions to support reconciliation and reporting. Automatic transaction numbering will be set to ‘No’. |
| 2 | Transaction Types would be created specifically for each geography. |
| 3 | Tax will not be calculated on converted Transactions as tax would have already been calculated for such transactions in the legacy system |
| 4 | Each open transaction will be created with at least one line that reflects the net amount outstanding |
| 5 | The tax lines are summarized and allocated to the ORIGINAL RECEIVABLE memo line on the invoice and all the other lines are marked to calculate tax as No, so that re-calculation doesn't happen. Each distinct tax code related lines are to be converted as a separate line.  To ensure no tax is calculated in Oracle cloud after conversion, the tax classification code of the item line will be defaulted with a code “XX AR NO TAX”, where XX is the country code. A custom lookup under Manage Standard Lookup (AR TAX RATE FOR CONVERSION) to map BU/LE name and TCC to be created in Oracle Cloud ERP to map the TCC (I.e., TCC related to XX AR NO TAX).  No TCC default required for US BUs in Cloud (Since by default Tax is Not applicable for US)    For Canada, use "NOTAX" in the User Defined Fiscal Classification field on the ITEM line. This is because Canada has province level taxes and 3 different XX AR NO TAX codes for GST, HST and PST. |
| 6 | Transaction data points (Currency, Transaction Date, Transaction Number, etc) will be converted as-is unless explicitly stated otherwise |
| 7 | Business to provide the list of Transaction Types to be configured for each of the AR transactions to be converted |
| 8 | Business to confirm the list of payment terms to be configured and map in the conversion file |
| 9 | Line description will be defaulted to ‘Created by Conversion’ |
| 10 | Accounting Date should be in the open period and will be the date of conversion in Oracle. |
| 11 | For the converted transactions, Oracle will generate the accounting which should not have an impact considering GL and AR balances are already loaded in Oracle during the GL Balances conversion. Need confirmation on the accounting strings to be generated for Receivables and Revenue strings |
| 12 | Sales representative details will be captured in the Invoice Header DFF. |
| 13 | Business to provide BU details for each of the AR transactions to be converted in the conversion file. |
| 14 | Customer Account number and site number to be generated based on the customer conversion. Deloitte team to share the mapping of legacy vision account number and oracle account number and site number post customer conversion. |
| 15 | In case of one VIN one invoice, VIN number and Legacy Invoice Number will be unique identifiers to group the lines into an Invoice. In case of multi VINS on an invoice, Transaction Type and Customer Account Number will be unique identifiers to group the lines into an invoice. |

## Data Criteria Specifications

### Data Selection and Filtering Criteria

* It is required to extract all the open receivables transactions along with historical data for the last 6 months for conversion to Oracle Cloud ERP.

|  |  |  |
| --- | --- | --- |
| **Transaction Type** | **Payment Criterion** | **Region** |
| AR Invoices | Not Paid/Partially paid | NA/EMEA/APAC |
| Credit Memo | Not Applied/Partially applied | NA/EMEA/APAC |
| Debit Memo | Not Paid/Partially paid | NA/EMEA/APAC |

### Pre Extract Clean up Criteria

N/A

### Post Extract Clean up Criteria

N/A

### Pre Conversion Clean-up Criteria

N/A

### Post Conversion Acceptance Criteria

N/A

### Non-Converted Data

N/A

## Acceptance Criteria

N/A

## 2.6 Test Scenarios

N/A

# 3 Technical Specification

## 3.1 Process Description

N/A

## 3.2Design Approach

N/A

## 3.3 Data Selection Criteria

N/A

## 3.4 File Layout / Report Output

N/A

## 3.5 Data Processing / Derivation / Validation / Transformation Rules

N/A

## 3.6 Validation & Reconciliation

### 3.6.1 Data Validation

N/A

### 3.6.2 Data Reconciliation

|  |  |
| --- | --- |
| S. No. | Actions to be performed |
| 1 | Compare the count of records loaded into Oracle against the count of records in the data file.  Procedure for this conversion:  A custom reconciliation report will be generated to provide the following conversion statistics:   * Number of records successfully processed * Number of records errored along with the error reason for unsuccessful records * Total AR Amount of imported AR Transactions |
| 2 | This report will be used to manually reconcile the data loaded into Oracle against the data in the source file. It will also show the error records along with the reasons of errors which can be used to correct the data.  After the correction of data, the Invoice FBDI file shall be re-loaded with the help of import process to load the data successfully in Oracle Fusion Cloud ERP. |
| 3 | Review the details loaded in the system to ensure the accuracy of the data.  Procedure for this conversion:  User will query sample converted data and manually validate the following:   * Business Unit * Transaction Number * Transaction Amount * Transaction Date * Accounting Date * Customer Account Number * Transaction Currency * Transaction Line DFF * Line quantity * Unit Standard Price * Payment Term * Payment Due Date * Line Description |

### 3.6.3 Post-conversion Steps

|  |  |
| --- | --- |
| S. No. | Actions to be performed |
| 1 | Reverse the accounting created for converted AR Transactions:   * + Run the create accounting process for posting the accounting created for converted AR Transactions   + Manage Journal Sources à query source value ‘Receivables’   + Set Freeze Journal = No; Save and Close   + Navigate to General Accounting à query Journal Batch created for posted converted AR invoices. Reverse the posted journal batch created for the converted AR transactions   + Manage Journal Sources and query source value ‘Receivables’   + Set Freeze Journal = Yes; Save and Close |
| 2 | Users will run aging reports in Oracle and review them to ensure the data and balances are accurate. |
| 3 | After all open invoices, open credit and debit memos are interfaced, the AR team will manually investigate any records that failed validation. These records may be fixed in the interface table, or fixed in the legacy system and interfaced again, depending on the nature of the issue |
| 4 | Errors encountered during Oracle Auto Invoice Import run will be captured in the Exception report. This report is to be reviewed for further information and errors are to be corrected based on the exception nature. |
| 5 | Some of the errors during the auto-invoice process can be manually fixed by the AR team in consultation with the users (for ex: inactive account combinations for revenue/receivables, missing customer site) |
| 6 | Conversion specific setups needs to be end dated/deactivated post successful conversion of invoices into Oracle Cloud.   * + Transaction Source: Conversion   + Receivables Descriptive Flexfield: Name: Line Transactions, Context: Conversion |

## 3.7 Component List

N/A

# 4 Application Setup and Technical Requirements

## 4.1 Programs/Report and Parameters

N/A

## 4.2 ESS Program, Scheduling and Executables

* **ESS Job -** **Load Interface File for Import**

**N/A**

## 4.3 Security and Controls Requirements

|  |  |  |
| --- | --- | --- |
| **Security/Control ID** | **Description** | **Comments** |
|  |  |  |
|  |  |  |
|  |  |  |

## 4.4 Archiving & Purging

N/A

# 5 Open and Closed Issues

## 5.1 Open Issues

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Date Reported | Status | Question | Resolution | Due Date | Responsible Party |
| 14-JUN-2023 | Closed | What is the expected volume of invoices for conversion in NA | 500,000 | 07-JUL-2023 | XXX |
| 14-JUN-2023 | Open | What is the expected volume of invoices for conversion in APAC and EMEA |  | 07-JUL-2023 | XXX |
| 14-JUN-2023 | Closed | How the invoice grouping should be done in case there are multiple in an invoice  With the assumption that only EMEA misc. receivables will have multiple VINS in a single invoice | MultiVin invoices will be grouped by Transaction Type and Customer Account Number | 25-JUN-2023 | XXX |
| 30-JUN-2023 | Closed | Data Extraction from EFSS. | No data will be sourced from EFSS for original, credit and final invoices | 07-JUL-2023 | XXX |
| 30-JUN-2023 | Open | If credit memos/old invoices (which are settle) are not converted in Oracle, and in future, payment is adjusted/received against the same, how would they be applied in Oracle |  | 07-JUL-2023 | XXX |
| 30-JUN-2023 | Open | Revenue and Receivable Account Strings for AR transactions |  | 07-JUL-2023 | Deloitte/XXX |

## 5.2 Closed Issues

N/A

# 6 Appendix

N/A