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R12 Oracle General Ledger Management Fundamentals

Volume 1 - Student Guide

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Authors

Brent Bosin, Marilyn Crawford, Shivranjini Krishnamurthy, Stacey Tucker-Blosch

Technical Contributors and Reviewers

Ivy Farren, Joe Gum, Theresa Hickman, Suzanne Miller, Vidya Nagaraj, Cynthia Prier, Pam Rietz, Mei Siauw, Lata Sundar, Kathy Wohlnoutka

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Table of Contents

Oracle General Ledger Process.....	1-1
Oracle General Ledger Process	1-3
Objectives.....	1-4
Oracle General Ledger Overview.....	1-5
General Ledger Overview.....	1-6
Functions and Features	1-7
General Ledger Accounting Cycle	1-8
Critical Implementation Issues	1-9
Oracle General Ledger Integrates with	1-10
Also Integrates with.....	1-13
Integrating with Subledgers.....	1-13
Importing to General Ledger from Non-Oracle Applications.....	1-16
Overview of Accounting Setup Manager	1-17
Foreign Currency Concepts	1-18
Multiple Currency Support.....	1-19
Budgeting	1-21
Overview of Enterprise Planning and Budgeting (EPB)	1-22
Reporting and Analysis	1-23
Standard Reports and Listings.....	1-25
Financial Statement Generator Reports (FSG)	1-26
Summary.....	1-27
Accounting Setup Manager	2-1
Accounting Setup Manager	2-3
Objectives.....	2-4
Accounting Setups.....	2-5
Ledger Processing Options.....	2-7
Secondary Ledgers	2-9
Reporting Currencies.....	2-11
Accounting Setup Considerations	2-13
Accounting Setups with One Legal Entity	2-14
Accounting Setups with Multiple Legal Entities.....	2-16
Accounting Setups with No Legal Entities.....	2-17
Designing the Chart of Accounts.....	2-18
Summary.....	2-19
Ledger.....	3-1
Ledger.....	3-3
Objectives.....	3-4
Ledgers Defined	3-6
Accounting Setup Manager Overview.....	3-7
Secondary Ledgers	3-9
Secondary Ledger Conversion Levels	3-10
Reporting Currencies.....	3-12
Reporting Currency (RC) Conversion Levels.....	3-13
Accounting Setup Steps.....	3-14
Accounting Setup Manager Create Accounting Setup	3-16
Accounting Calendar	3-18
Unlimited Currencies.....	3-19
Sharing Ledgers Across Oracle Applications.....	3-20
Chart of Accounts.....	3-21
Building the Chart of Accounts Structure.....	3-22
Identifying Business Requirements	3-23

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R12 Oracle General Ledger Management Fundamentals Table of Contents
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Identifying Segment Requirements	3-24
Analyzing Reporting Requirements.....	3-26
Creating a Worldwide Chart of Accounts.....	3-27
Worldwide Chart of Accounts Example.....	3-28
Creating Vertical Structures	3-29
Validation and Value Sets	3-30
Using Independent and Dependent Segments.....	3-31
Designing Size and Numbering Systems.....	3-33
Creating Accounting Flexfields.....	3-35
Defining Value Sets.....	3-36
Defining the Accounting Flexfield Structure.....	3-38
Defining Segment Values.....	3-41
Populating Segment Value Attributes.....	3-42
Segment Qualifiers	3-43
Control Accounts.....	3-45
Control Accounts Setup and Process.....	3-46
Defining Hierarchies.....	3-47
Working with Ranges	3-49
Account Hierarchies	3-50
Account Hierarchy Manager.....	3-51
Account Hierarchy Manager—Security	3-52
Defining an Accounting Calendar	3-54
Defining Period Types.....	3-56
Defining Your First Accounting Period.....	3-57
Accounting Period Statuses	3-58
Calendar Auditing.....	3-60
Enabling Currencies	3-61
Enabling Account Combinations.....	3-62
Segment Value Inheritance.....	3-63
Troubleshooting Segment Value Inheritance.....	3-65
Defining Flexfield Security Rules	3-67
Using Dynamic Insertion.....	3-69
Defining Cross-Validation Rules.....	3-70
Defining Shorthand Aliases.....	3-72
Overview of Account Hierarchy Manager.....	3-74
Integrating with Oracle General Ledger	3-76
Using the Account Hierarchy Toolbar.....	3-77
Account Hierarchy Manager Segment Symbols.....	3-78
Parent Levels in an Account Hierarchy	3-80
Creating New Child Values	3-81
Ledger Sets	3-82
Data Access Sets	3-83
Summary.....	3-84
Basic Journal Entries	4-1
Basic Journal Entries	4-3
Objectives.....	4-4
Journal Entries and the Accounting Cycle.....	4-7
Integrating Journal Entries in Oracle eBusiness	4-8
Performing Journal Entry Functions.....	4-9
Journal Entry Types.....	4-10
Journal Creation Methods.....	4-11
Journal Components	4-13
Grouping Journals into Batches.....	4-15
Manual Journal Entries.....	4-17
Performing Additional Journal Actions	4-19
Posting Journals.....	4-20

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R12 Oracle General Ledger Management Fundamentals Table of Contents
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Data Access Set Impact to Posting	4-22
Posting to a Prior Period.....	4-23
Overview of AutoPost	4-25
Defining AutoPost Criteria Sets	4-26
Running AutoPost.....	4-28
Performing Online Inquiries for Accounts and Journal Entries.....	4-29
Performing Account Inquiry.....	4-30
Reviewing Balances with Account Inquiry	4-32
Reviewing Variances Between Account Balance Types	4-33
Drilling Down to Subledger Details	4-34
T Accounts and Drilldown.....	4-36
Display Options Available While Viewing	4-38
T Accounts.....	4-39
Activity Summary.....	4-41
Reversing Journal Entries.....	4-42
Creating Reversing Journals.....	4-44
Reversing Journals Automatically.....	4-45
Journal Reversal Prerequisites.....	4-46
Running Journal Entries Report.....	4-47
Integrating with Oracle General Ledger	4-48
Web Applications Desktop Integrator Overview.....	4-49
Web ADI Core Functionality.....	4-51
Desktop Integration Via Web ADI.....	4-53
Administering Web ADI	4-55
Creating Web ADI Spreadsheets.....	4-56
Working With Web ADI Spreadsheets.....	4-57
Defining Web ADI Layouts.....	4-58
Defining Web ADI Mappings	4-59
Defining Web ADI Style Sheets.....	4-60
Defining Web ADI Setup Options for Key Flexfields.....	4-61
Uploading and Downloading Data from Web ADI Spreadsheets	4-62
Identifying Web ADI Profile Options	4-64
Identifying Form Functions, Menus, and Responsibilities in Web ADI.....	4-65
Overview of Importing Journal Entries	4-66
Importing Descriptive Flexfields.....	4-68
Importing Journals.....	4-69
Multi-Table Journal Import	4-71
Journal Import Group By Effective Dates Description	4-73
Journal Import Group By Effective Dates Benefits.....	4-74
How to Set Up Journal Import Group By Effective Dates	4-75
Using Journal Import Group By Effective Dates.....	4-76
Importing Journal References.....	4-77
Reviewing Journal Import Data.....	4-79
Journal Import Verification Process	4-80
Using Journal Entry Sources and Categories.....	4-82
Setting Profile Options	4-84
Summary.....	4-85
Using Accounting Setup Manager.....	5-1
Using Accounting Setup Manager.....	5-3
Objectives.....	5-4
Creating Accounting Setups	5-6
Accounting Setup Prerequisites.....	5-7
Create Accounting Setup Demonstration	5-8
Legal Entities Pages.....	5-9
Accounting Setups Pages.....	5-10
Accounting Setup Manager Checklist	5-11

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R12 Oracle General Ledger Management Fundamentals Table of Contents
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Accounting Setup Manager Checklist (continued).....	5-12
Legal Entities Overview	5-13
Balancing Segment Value Assignments.....	5-14
Using Balancing Segment Values for Transaction Processing.....	5-15
Completing Accounting Setups	5-16
Designating the Balancing Segment for a Chart of Accounts	5-17
Defining Legal Entities Using Accounting Setup Manager.....	5-18
Updating Balancing Segment Values	5-20
Creating Accounting Setup Structures.....	5-22
Creating Accounting Setup Structures (continued)	5-23
Creating an Accounting Setup.....	5-25
Completing Accounting Options	5-27
Updating Legal Entities.....	5-28
Primary Ledger Setup Steps	5-30
Ledger Options	5-31
Reporting Currencies.....	5-32
Ledger Balancing Segment Value Assignments.....	5-33
Subledger Accounting Options.....	5-35
Operating Units	5-36
Intracompany Balancing Rules.....	5-38
Sequencing	5-39
Secondary Ledgers	5-40
Using Secondary Ledgers for Consolidated Reporting.....	5-50
Using Ledgers for Consolidation.....	5-54
Completing Accounting Setup.....	5-56
Adding, Deleting, Disabling Secondary Ledgers	5-58
Summary Accounts.....	6-1
Summary Accounts.....	6-3
Objectives.....	6-4
Overview	6-5
Defining Summary Accounts	6-7
Summary Account Examples	6-8
Detail Versus Summary Accounts.....	6-10
Summary Accounts Versus Parent Values	6-11
Parent Values and Rollup Groups.....	6-12
Rollup Groups	6-13
Summary Account Templates.....	6-14
Template Values.....	6-15
Defining Summary Accounts	6-16
Summary Account Creation Example	6-17
Maintain Summary Accounts Overview.....	6-18
Maintaining Summary Templates.....	6-19
Setting Budgetary Control	6-21
Incremental Add/Delete Summary Templates Program.....	6-24
Planning Summary Accounts	6-26
Determine Summary Account Needs	6-27
Plan Summary Account Structure	6-29
Plan Values and Groups	6-35
Plan Summary Account Templates.....	6-37
Summary.....	6-38
Advanced Journal Entries	7-1
Advanced Journal Entries.....	7-3
Objectives.....	7-3
About Recurring Journals	7-5
Recurring Journal Types.....	7-6
Creating Recurring Journals	7-7

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Recurring Journal Entry Lines.....	7-9
Automatic Offset Example	7-10
Formula Recurring Journals	7-11
Generating Recurring Journals	7-12
MassAllocations Overview.....	7-13
MassAllocations versus Recurring Journals	7-14
Steps to Create MassAllocation Journals.....	7-15
Defining MassAllocation Journals	7-16
Defining MassAllocation Formulas.....	7-18
Account Segment Types.....	7-20
Target and Offset Accounts.....	7-21
MassAllocation Journal Example.....	7-22
Rent Expense Example.....	7-24
Generating Mass Allocation Journals	7-25
AutoAllocations Overview.....	7-26
AutoAllocation Workbench.....	7-27
Business Benefits of AutoAllocation Workbench	7-28
AutoAllocation Set Types.....	7-29
Step-Down AutoAllocations.....	7-30
Parallel AutoAllocations.....	7-31
Additional Workbench Functionality	7-32
AutoAllocation Sets and Oracle Workflow	7-33
AutoAllocations and Oracle Workflow	7-34
AutoAllocations Constraints.....	7-35
Submitting AutoAllocation Set Requests	7-36
Reviewing the Status of AutoAllocations.....	7-37
Implementation Considerations for AutoAllocation Workbench	7-38
AutoScheduling Overview.....	7-39
AutoScheduling Process	7-40
Financial Schedules	7-41
Scheduling Journals.....	7-43
Scheduling a Request Using a Financial Schedule	7-44
Periodic Submissions.....	7-45
Incremental Submissions.....	7-46
Implementation Considerations for Journal Entry Automations	7-47
GL Journal Approval Process Overview	7-48
Journal Approval Features.....	7-49
Journal Approval Process	7-50
Approval Methods	7-55
Journal Approval Prerequisites.....	7-56
Setting Up Journal Approval	7-57
Summary.....	7-59
Advanced Security.....	8-1
Advanced Security.....	8-3
Objectives.....	8-4
Data Access Security for Legal Entities and Ledgers.....	8-5
Setup and Process	8-12
Data Access Security for Legal Entities and Ledgers Setup and Process.....	8-13
Data Access Security for Legal Entities and Ledgers Setup - Define Data Access Set	8-14
Management Reporting and Security	8-15
Management Reporting and Security Setup	8-19
Summary.....	8-20
Financial Budgeting.....	9-1
Financial Budgeting.....	9-3
Objectives.....	9-4
What Is a Budget?.....	9-6

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R12 Oracle General Ledger Management Fundamentals Table of Contents
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What Is an Oracle Budget?.....	9-7
Available Budget Methods	9-8
Anatomy of a Budget—Overview.....	9-9
Budget Accounting Cycle.....	9-10
Creating a Budget.....	9-12
Budget Definition Steps.....	9-13
Budget Hierarchies	9-14
Define a Budget.....	9-15
Open Budget Year	9-16
Master-Detail Budgets.....	9-17
Budgets Using FSG Reports.....	9-18
Multiple Versions of a Budget.....	9-19
Define Budget Organizations	9-20
Features of Budget Organizations	9-21
Budget Organization Window	9-22
AutoCopy Budget Organizations.....	9-23
Assign Account Ranges.....	9-24
Add/Change Account Ranges.....	9-25
Removing Account Ranges	9-26
Delete a Budget Organization	9-27
Budget Entry Methods.....	9-28
Journals Created?.....	9-30
Budget Entry Modes.....	9-31
Entering Budget Amounts	9-32
Budget Rules	9-33
Budget Rules and Your Calendar	9-34
Budget Journals Process	9-35
Entering Budget Journals.....	9-36
Budget Journal Features	9-37
Calculating and Translating Budget Amounts.....	9-38
Budget Translation Overview	9-39
Transfer Budget Overview	9-40
Transfer Budget Process.....	9-41
Transfer Budget Amounts Example.....	9-42
Transfer Budget Percentage Example.....	9-43
Transfer with Budgetary Control.....	9-44
Finalize Budgets	9-46
Correcting Budgets	9-47
Budget Journal Entries?.....	9-48
No Budget Journal Entries?.....	9-49
Freeze Budgets	9-50
Budget Inquiry Overview	9-51
Performing Account Inquiry.....	9-52
Reviewing Variances Between Account Balance Types	9-53
Budget Inquiry Window	9-54
Drilldown This Budget	9-55
Query Detail Budgets and Violations Only	9-56
Two Wizards - Overview	9-57
Budget Wizard: Overview	9-58
Budget Wizard Key Benefits.....	9-59
Summary.....	9-60
Multi-Currency.....	10-1
Multi-Currency.....	10-3
Objectives.....	10-4
Overview of Multi-Currency	10-5
Foreign Currency Concepts	10-6

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R12 Oracle General Ledger Management Fundamentals Table of Contents
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Integrating with Subledgers.....	10-7
Reporting Currencies.....	10-8
Defining Currencies.....	10-10
Conversion Overview	10-12
Conversion Example.....	10-13
Defining Conversion Rate Types.....	10-14
Entering Daily Rates.....	10-16
Revaluation Overview	10-17
Revaluation Process.....	10-18
Running Revaluation	10-19
Revaluation Example.....	10-21
Currency Rates Manager Description.....	10-22
Currency Rates Manager Description(continued)	10-23
Currency Rates Manager Benefits.....	10-24
Using Cross Rate Rules	10-25
Translation Overview	10-26
Translation.....	10-27
Balances and Rates Used for Translation	10-28
Cumulative Translation Adjustment Account	10-29
Historical Rates	10-30
Translation with Historical Rates and Amounts	10-31
Translating Owners' Equity Accounts	10-33
Secondary Tracking Segment Description.....	10-35
Secondary Tracking Segment Description (continued)	10-36
Secondary Tracking Segment Benefits.....	10-37
How to Set Up Secondary Tracking Segment	10-38
Using Secondary Tracking Segment.....	10-40
Secondary Tracking Segment Closing and Translation Example	10-41
Secondary Tracking Segment Revaluation Example.....	10-42
Automatically Assigned Rate Types.....	10-43
Foreign Currency Listings.....	10-45
Multi-Currency Profile Options.....	10-46
Summary.....	10-48
Consolidations.....	11-1
Consolidations	11-3
Objectives.....	11-4
Overview of Consolidations	11-5
Consolidation Tools.....	11-6
Consolidating Multiple Companies Sharing a Single Ledger.....	11-7
Consolidating Multiple Companies with Multiple Ledgers.....	11-8
Global Consolidation System (GCS) Features and Benefits	11-9
Global Consolidation System (GCS) Features and Benefits (continued)	11-10
Consolidating Data in Multiple Instances.....	11-12
Interface Data Transformer (IDT) Description.....	11-14
Interface Data Transformer (IDT) Benefits	11-15
Interface Data Transformer (IDT) Rule Set Description	11-16
Interface Data Transformer String Function Example.....	11-17
Interface Data Transformer PL/SQL Function Example	11-18
Interface Data Transformer Lookup Table Example	11-19
Interface Data Transformer Steps	11-20
Other Uses for Global Consolidation System.....	11-21
Consolidation Workbench	11-23
Consolidation Workbench (continued).....	11-24
Using the State Controller	11-26
State Controller Button Colors	11-28
Defining a Consolidation Mapping	11-29

Mapping Rules.....	11-31
Using Account Mapping Rules.....	11-32
Using Segment Mapping Rules	11-33
Using Segment Rollup Rules.....	11-34
Defining a Consolidation Mapping Set	11-36
Consolidation Hierarchy Viewer.....	11-37
Preparing Subsidiary Data	11-39
Revaluation Process.....	11-41
Translation.....	11-43
Transferring Subsidiary Data to Parent Ledger	11-44
Consolidation Tracking and Reversals	11-46
Posting Consolidation Journal Entries.....	11-47
Global Consolidation System Cross Instance Data Transfer	11-48
Cross Instance Data Transfer Security.....	11-50
Global Consolidation System Parallel Consolidation.....	11-51
Creating Eliminating Entries	11-52
Formula-Based Eliminations.....	11-54
Automatic Intercompany Eliminations Program	11-55
Defining an Elimination Set.....	11-56
Source and Target Account Examples.....	11-58
Balancing Options for Eliminations	11-59
Allow Out of Balance Journal	11-61
Balance with Net Difference	11-62
Consolidated Balances Inquiry	11-63
Performing Consolidated Balances Inquiry.....	11-65
Running Consolidation Reports.....	11-66
Creating Custom Consolidation Reports	11-68
Summary.....	11-69
Period Close	12-1
Period Close.....	12-3
Objectives.....	12-4
The Accounting Cycle.....	12-5
Period Close Checklist.....	12-6
Overview of Importing Journal Entries	12-7
Journal Import Verification Process	12-9
Posting Journals.....	12-11
Reconciling Subledger Data	12-13
Close the Subledgers	12-14
P2P Close Processes	12-16
Overview of the P2P Period Close	12-18
Reconcile AP to GL.....	12-19
Reports.....	12-20
Reports (continued)	12-22
O2C Period Close Process.....	12-25
Overview of O2C Period Close Process	12-26
Transferring Inventory and Receivables.....	12-27
O2C Standard Reports	12-29
Reconciling Receivables Transactions, Receipts, and Customer Balances	12-30
Mapping Receivables Transactions to General Ledger Categories	12-32
GL Reconciliation Report for Cash Management	12-33
Project Close Cycle	12-34
Overview of Project Closing Cycles.....	12-35
Closing a PA Period	12-38
Period-Closing Exception Reports.....	12-39
Period Rates.....	12-40
Running Revaluation	12-41

Revaluation Example.....	12-42
Accounting Period Status	12-43
Balance Sheet Close	12-44
Income Statement Close	12-46
Historical Rates	12-48
Foreign Currency Translation.....	12-49
Overview of Consolidations.....	12-50
Global Consolidation System (GCS) Features and Benefits	12-52
Consolidating Ledgers.....	12-54
Reporting Options	12-55
Performing Account Inquiry.....	12-56
Helpful Closing Reports	12-57
Summary.....	12-59
Financial Reporting.....	13-1
Financial Reporting.....	13-3
Objectives.....	13-4
Objectives (continued).....	13-5
Reporting Options	13-6
Online Inquiry	13-7
When to Use Online Inquiry.....	13-9
Standard Reports and Listings.....	13-10
When to Use Standard Reports.....	13-11
Financial Statement Generator Features.....	13-12
FSG Hierarchical Security.....	13-14
Defining Row Sets.....	13-15
Define Column Sets.....	13-16
When to Use FSG Reports.....	13-17
Using Ledger Sets in FSG Reports.....	13-18
XML Publisher and Templates.....	13-20
Publishing FSG Reports with XML Publisher.....	13-21
When To Use Report Manager.....	13-23
E-Business Intelligence	13-25
When to Use E-Business Intelligence.....	13-27
Oracle Discoverer	13-28
When to Use Oracle Discoverer	13-29
Preparing Your FSG Report	13-30
Building Basic Reports.....	13-31
Financial Statement Generator	13-32
Steps for FSG Financial Reports	13-34
Defining Row Sets.....	13-35
Assigning Accounts.....	13-37
Defining Calculations in Row Sets.....	13-39
Reviewing Your Row Set Definitions	13-40
Defining Ad Hoc Reports	13-41
Defining Column Sets	13-42
Applying Column Set Relative Headings	13-44
Standard Column Sets	13-46
Reviewing Your Column Set Definitions	13-47
Row Set and Column Overrides	13-48
Defining and Requesting Financial Reports	13-50
Handling Rounding Problems.....	13-52
Specifying Control Values.....	13-53
Defining Content Sets.....	13-55
Selecting Display Options	13-56
Reviewing Your Content Set Definitions	13-58
Defining Row Orders.....	13-59

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R12 Oracle General Ledger Management Fundamentals Table of Contents
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Ranking Methods.....	13-60
Order by Ranking - Display Description.....	13-61
Order by Description - Display Description.....	13-62
Order by Value - Display Value	13-63
Order by Value - Display Description	13-64
Reviewing Your Row Order Detail Listing Report	13-65
Copying Reports and Components	13-66
FSG Report Prerequisites	13-67
Enabling FSG Security	13-68
Run FSG Reports from Standard Request Submission.....	13-69
Downloading Financial Reports	13-70
Running Financial Report Sets	13-71
Different Output Options for FSG Using XML Publisher.....	13-72
FSG Tips and Techniques.....	13-73
Setting FSG Options for General Ledger	13-74
Working with the Attribute Set Window	13-76
Modifying Attribute Sets	13-77
Defining Summary Details	13-79
Summary.....	13-80
Summary (continued)	13-81
Oracle Advanced Global Intercompany System.....	14-1
Oracle Advanced Global Intercompany System.....	14-3
Objectives.....	14-4
Intercompany Transactions.....	14-5
Intracompany Transactions.....	14-6
Importance of Intercompany Transactions	14-7
Importance of Intercompany Transactions (Contd..).....	14-8
Intercompany and Intracompany Balancing – Overview	14-9
Intercompany and Intracompany Balancing – Benefits.....	14-10
Intercompany Balancing – Define Intercompany Accounts	14-12
Intracompany Balancing Rules.....	14-13
Balancing API	14-14
Setting Up Intercompany and Intracompany Balancing	14-15
Intercompany and Intracompany Balancing Process	14-16
Balancing Rules Precedence.....	14-18
Intercompany and Intracompany Balancing Process – Example 1	14-19
Intercompany and Intracompany Balancing Process – Example 2	14-20
Setting Up Advanced Global Intercompany System	14-21
Define Intercompany Accounts	14-22
Enable Intracompany Balancing.....	14-24
Set Up Intercompany Accounts	14-25
Create Intracompany Balancing Rules	14-27
Create Intracompany Balancing Rules – Options Tab.....	14-28
Creating Intercompany Organizations	14-30
Setting up Intercompany Security	14-31
Define Intercompany Transaction Types.....	14-32
Controlling Intercompany Periods Statuses.....	14-34
Defining Intercompany Invoicing Options	14-35
Intercompany Invoicing Options – Receivables Assignments Page.....	14-36
Intercompany Invoicing Options – Customer and Supplier Associations Page.....	14-37
Intercompany Invoicing Options – Trading Partners Page.....	14-39
Specifying Intercompany System Options	14-40
Specifying Intercompany System Options (contd...)	14-41
Setting up Approvals Management.....	14-43
Setting Up the Default Accounts Rules in Subledger Accounting	14-44
Setting Up the Default Accounts Rules in Subledger Accounting (contd...)	14-45

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Intercompany Transactions.....	14-47
Intercompany Home Page.....	14-48
Intercompany Transactions Page.....	14-49
Intercompany Transactions – Outbound.....	14-50
Intercompany Transactions – Outbound (contd...)	14-52
Intercompany Transactions – Inbound	14-54
Intercompany Transactions – Workflow Notifications.....	14-55
Intercompany Transactions – Transfer Transactions.....	14-56
Transferring Transactions to General Ledger	14-57
Intercompany Transactions – Transfer Transactions to Subledgers (Online Mode).....	14-59
Intercompany Transactions – Transfer Transactions to Subledgers (Batch Mode)	14-61
Intercompany Transactions – Reverse Transactions.....	14-63
Importing Intercompany Transactions Using Open Interface.....	14-65
Importing Intercompany Transactions Using WebADI.....	14-67
Intercompany Reporting.....	14-69
Intercompany Transaction Summary Report.....	14-70
Intercompany Account Details Report	14-72
Intercompany Reconciliation Report.....	14-74
Summary.....	14-75

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Preface

Profile

Prerequisites

- *Navigating Oracle Applications*

How This Course Is Organized

Oracle General Ledger Management Fundamentals is an instructor-led course featuring lecture and hands-on exercises. Online demonstrations and written practice sessions reinforce the concepts and skills introduced.

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R12 Oracle General Ledger Management Fundamentals Table of Contents
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Related Publications

- System release bulletins
- Installation and user's guides
- Read-me files
- International Oracle User's Group (IOUG) articles
- *Oracle Magazine*

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xiv

Typographic Conventions

Typographic Conventions in Text

Convention	Element	Example
Bold italic	Glossary term (if there is a glossary)	The <i>algorithm</i> inserts the new key.
Caps and lowercase	Buttons, check boxes, triggers,	Click the Executable button. Select the Can't Delete Card check box. Assign a When-Validate-Item trigger to the ORD block.
Courier new, case sensitive (default is lowercase)	Code output, directory names, filenames, passwords, pathnames, URLs, user input, usernames	<code>Open the Master Schedule window;</code> Directory: bin (DOS), \$FMHOME (UNIX) Filename: Locate the init.ora file. Password: User tiger as your password. Pathname: Open c:\my_docs\projects URL: Go to http://www.oracle.com User input: Enter 300 Username: Log on as scott
Initial cap	Graphics labels (unless the term is a proper noun)	Customer address (<i>but</i> Oracle Payables)
Italic	Emphasized words and phrases, titles of books and courses, variables	Do <i>not</i> save changes to the database. For further information, see <i>Oracle7 Server SQL Language Reference Manual</i> . Enter <code>user_id@us.oracle.com</code> , where <code>user_id</code> is the name of the user.
Quotation marks	Interface elements with long names that have only initial caps; lesson and chapter titles in cross-references	Select “Include a reusable module component” and click Finish. This subject is covered in Unit II, Lesson 3, “Working with Objects.”
Uppercase	SQL column names, commands, functions, schemas, table names	Use the SELECT command to view information stored in the LAST_NAME column of the EMP table.
Arrow	Menu paths	Select File > Save.
Brackets	Key names	Press [Enter].
Commas	Key sequences	Press and release keys one at a time: [Alternate], [F], [D]
Plus signs	Key combinations	Press and hold these keys simultaneously: [Ctrl]+[Alt]+[Del]

Typographic Conventions in Code

Convention	Element	Example
Caps and lowercase	Oracle Forms triggers	When-Validate-Item
Lowercase	Column names, table names	SELECT last_name FROM s_emp;
	Passwords	DROP USER scott IDENTIFIED BY tiger;
	PL/SQL objects	OG_ACTIVATE_LAYER (OG_GET_LAYER ('prod_pie_layer'))
Lowercase italic	Syntax variables	CREATE ROLE <i>role</i>
Uppercase	SQL commands and functions	SELECT userid FROM emp;

Typographic Conventions in Oracle Application Navigation Paths

This course uses simplified navigation paths, such as the following example, to direct you through Oracle Applications.

(N) Invoice > Entry > Invoice Batches Summary (M) Query > Find (B) Approve

This simplified path translates to the following:

1. (N) From the Navigator window, select **Invoice** then **Entry** then **Invoice Batches Summary**.
2. (M) From the menu, select **Query** then **Find**.
3. (B) Click the **Approve** button.

Notations:

(N) = Navigator

(M) = Menu

(T) = Tab

(B) = Button

(I) = Icon

(H) = Hyperlink

(ST) = Sub Tab

Typographical Conventions in Oracle Application Help System Paths

This course uses a “navigation path” convention to represent actions you perform to find pertinent information in the Oracle Applications Help System.

The following help navigation path, for example—

(Help) General Ledger > Journals > Enter Journals

—represents the following sequence of actions:

1. In the navigation frame of the help system window, expand the General Ledger entry.
2. Under the General Ledger entry, expand Journals.
3. Under Journals, select Enter Journals.
4. Review the Enter Journals topic that appears in the document frame of the help system window.

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Oracle General Ledger Process

Chapter 1

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Oracle General Ledger Process

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Objectives

Objectives

After completing this lesson, you should be able to do

the following:

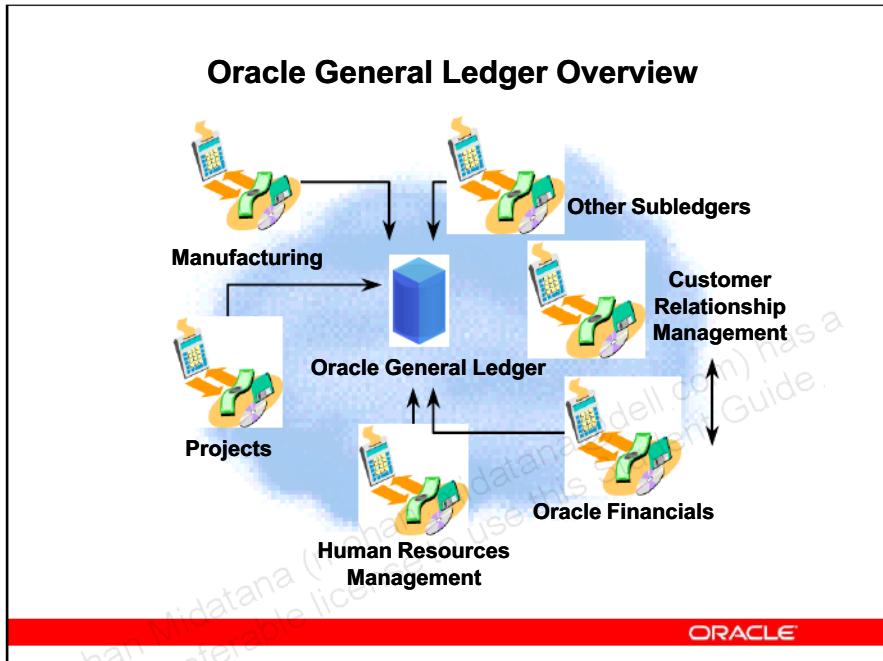
- Identify the steps required to complete the accounting cycle using Oracle General Ledger.
- Describe how Oracle General Ledger integrates with other Oracle eBusiness applications.
- Describe the implementation considerations for setting up and using Oracle General Ledger and the Oracle eBusiness Suite.

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Oracle General Ledger Overview



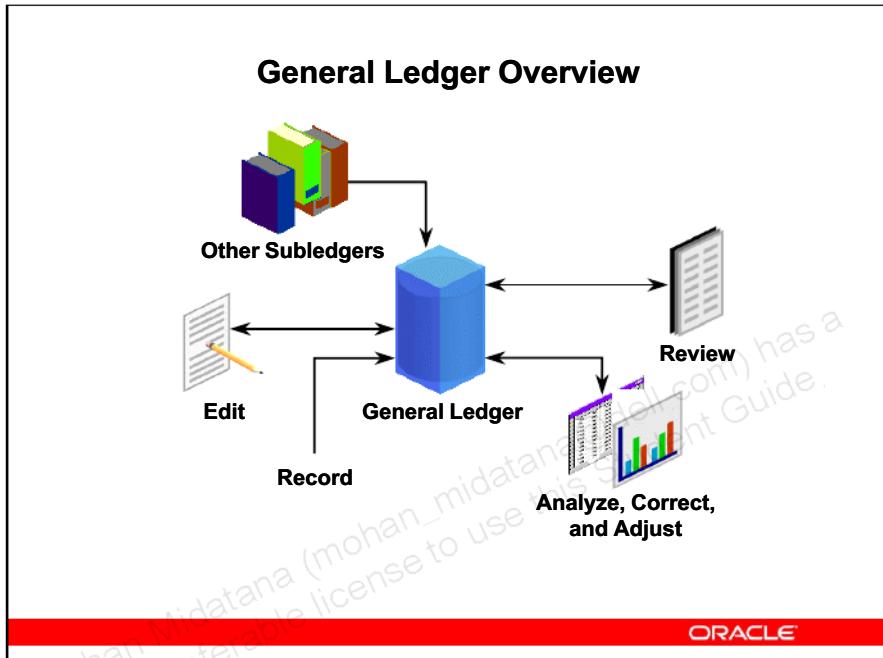
Oracle General Ledger Overview

The Oracle General Ledger is the central repository of accounting information. The main purpose of a general ledger system is to record financial activity of a company and to produce financial and management reports to help people inside and outside the organization make decisions.

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General Ledger Overview



General Ledger Overview

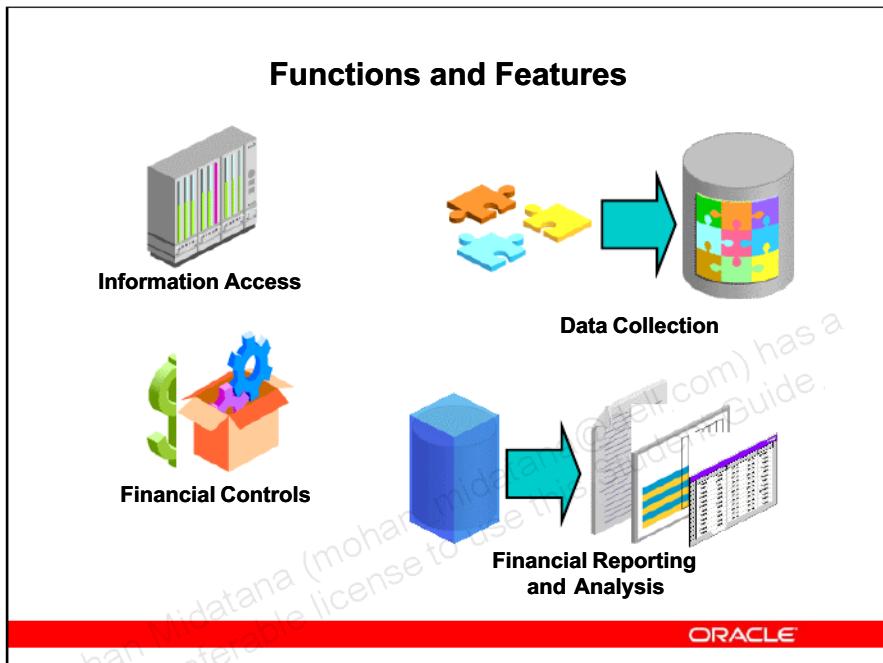
Oracle General Ledger is a comprehensive financial management solution that enables you to:

- Record and Review Accounting Information
- Import data from subsidiary ledgers, or enter journals to record actual or budget transactions directly into Oracle General Ledger.
- Enter encumbrance journals to track encumbrances through the purchase process and to control spending against budgeted amounts.
- Review account balances online or through reports.
- Analyze, correct, and adjust accounting information.
- Correct actual, budget, and encumbrance information.
- Revalue and translate balances denominated in foreign currencies.
- Consolidate balances from multiple ledgers.
- Analyze Accounting Information
- Integrate Oracle General Ledger with Oracle Enterprise Planning and Budgeting, Oracle Discoverer, or Web Applications Desktop Integrator to simplify the budgeting and forecasting process.

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Functions and Features



Functions and Features

Information Access

- Access information stored in the General Ledger through online inquiries or reporting and analysis tools. Oracle General Ledger is the repository of your organization's financial information.

Financial Controls

- Use security features to control access to specific areas and functions of General Ledger.

Data Collection

- Collect data from Oracle subledgers and non-Oracle feeder systems.

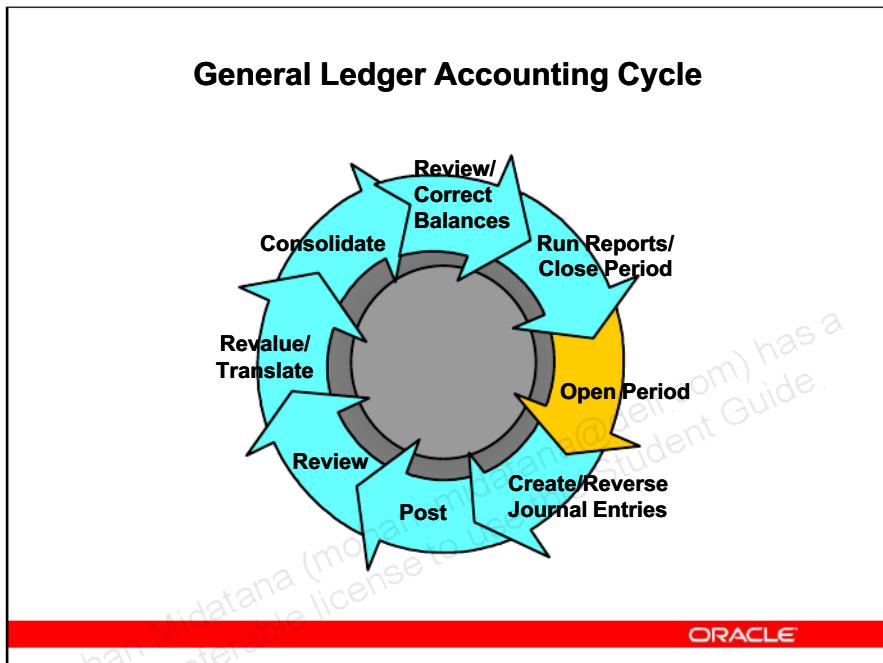
Financial Reporting and Analysis

- Select from a variety of Standard Reports and Listings.
- Use the Financial Statement Generator to build customized reports with reusable report objects.
- Use Web ADI (Web Applications Desktop Integrator) Report Manager to build reports and drilldown on balances within a spreadsheet environment.

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General Ledger Accounting Cycle



General Ledger Accounting Cycle

1. Open period
2. Create/reverse journal entries
3. Post
4. Review
5. Revalue
6. Translate
7. Consolidate
8. Review/correct balances
9. Run accounting reports
10. Close accounting period

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Critical Implementation Issues

Critical Implementation Issues

Identify critical implementation issues that affect multiple business areas:

- **Shared information**
- **Information flows**
- **Open interfaces**
- **Non-Oracle systems**



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Critical Implementation Issues

Shared information

- Oracle Applications share information to avoid redundancy, minimize setup time, and keep systems synchronized.
- Identify the key entities shared by Oracle Applications.
- Define setup parameters required by multiple applications.

Information Flows

- Record transactions once and pass them to the next business process.
- Use Oracle Applications open interfaces to import transactions.

Open interfaces

- Transfer data within Oracle Applications.
- Import transactions from other applications into Oracle Applications.

Non-Oracle Systems

- Obtain input from all business areas and applications that are affected by the implementation.

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Oracle General Ledger Integrates with ...

Oracle General Ledger Integrates with ...

Financials

- Payables
- Receivables
- Assets
- Purchasing
- Projects
- Treasury
- Property Manager
- Lease Management

HRMS

- Human Resources
- Payroll

Continued... 

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Oracle General Ledger Integrates with ...

Here is a list of just some of the Financial and Human Resource Management products that integrate with General Ledger.

- Oracle Payables sends invoices, payments, realized gain and loss on foreign currency, and invoice price variance to GL.
- Oracle Receivables sends invoices, payments, adjustments, debit memos, credit memos, cash, chargebacks, and realized gain and loss on foreign currency to GL.
- Oracle Assets sends capital and construction in process asset additions, cost adjustments, transfers, retirements, depreciation, and reclassifications to GL.
- Oracle Purchasing sends accruals or receipts not invoiced, purchase orders, final closes, and cancellations to GL.
- Oracle Projects sends cost distribution of labor and non-labor costs, and project revenue to GL.
- Oracle Treasury sends revaluation and accrual entries to GL.
- Oracle Property Manager sends revenues and expenses related to real estate to GL.

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- Oracle Lease Management sends accounting distributions related to leases, such as bookings of contracts, accruals, asset dispositions, terminations, and adjustments for multi-GAAP contracts to GL.
- Oracle HR shares employee information with GL.
- Oracle Payroll sends salary, deductions, and tax information to GL.

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Oracle General Ledger Integrates with ...

Oracle General Ledger Integrates with ...

Manufacturing

- Inventory
- Work in Process
- Labor Distribution

Public Sector

- Grants Accounting
- Public Sector Budgeting
- Public Sector Financials
- Federal Financials

Continued...

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Oracle General Ledger Integrates with ...

- In terms of manufacturing and public sector applications, Inventory sends cycle counts, physical inventory adjustments, receiving transactions, delivery transactions, intercompany transfers, sales order issues, internal requisitions, sub-inventory transfers, and Cost of Goods Sold (COGS) to GL.
- Work In Process sends material issues or back flush from WIP to GL, as well as completions, returns, resource and overhead transactions, and cost updates.
- Oracle Labor Distribution sends salary costs to GL.
- Oracle Grants Accounting sends grant amounts received to build a project as well as unbilled revenue to GL.
- Oracle Public Sector Budgeting sends budget and forecast amounts to GL.

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Also Integrates with ...

Also Integrates with ...

Business Intelligence/Analytic Solutions

- **Financial Consolidation Hub**
- **Enterprise Planning and Budgeting (EPB)**
- **Oracle Financial Services Applications (OFSA)**
- **Daily Business Intelligence (DBI)**
- **Activity-Based Management (OABM)**

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Also Integrates with ...

- General Ledger's integration with Oracle Enterprise Planning and Budgeting (EPB) allows you to easily identify, analyze, model, budget, forecast, and report on information stored in your general ledger. Use Oracle GL to maintain and report on account balances throughout the accounting period, and use Financial Analyzer to analyze financial data, such as actual and budget balances, after closing the period. You can automatically transfer actual, budget, or encumbrance data, as well as functional, statistical, and foreign entered data from General Ledger to Financial Analyzer. From Financial Analyzer, you can perform sophisticated budgeting and modeling, make changes to budgets and write back budget data to a new budget in GL or to several budget versions for comparative reporting. You can also drill directly from EPB balances to balances and transactions in Oracle General Ledger. This provides EPB users with immediate and direct access to GL data without having to run reports or account inquiries in GL.
- Oracle Financial Services Applications (OFSA) is a product suite that helps financial services institutions assess enterprise performance. This integration allows the transfer of General Ledger balances to OFSA to reconcile OFSA instrument tables, calculate transfer pricing of non-interest balance sheet items, or perform allocations. The results of OFSA

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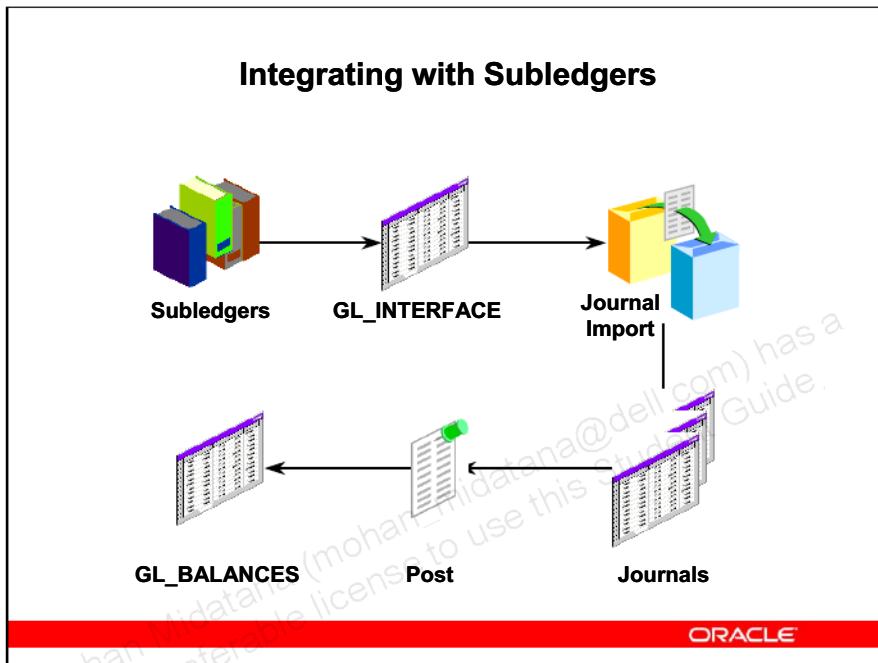
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Chapter 1 • Page 13

allocation and transfer pricing results can then be transferred back to GL for posting and reporting.

- The integration with Oracle Daily Business Intelligence (DBI) allows you to get a daily snapshot of your company's financial picture through its E-Business Suite Portals. The over 200 pre-built Portals provide every user in the enterprise with the right information that they need, about every aspect of their business. The information spans across multiple applications to give you real-time information all in one place.
- The integration with Oracle Activity Based Management (OABM) allows you to perform complex analysis on costs that are collected in General Ledger in a separate analysis environment—apart from your GL data. OABM is optimized to support multi-layer complex cost assignment rules, activity hierarchies, and complex product and service definitions in terms of activities with complete activity definitions.

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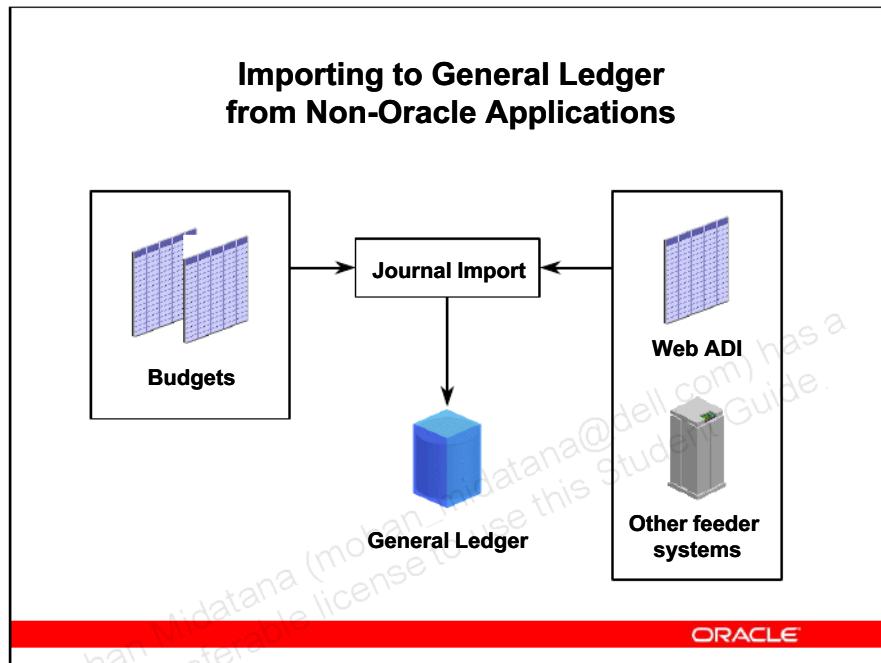
Integrating with Subledgers



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Chapter 1 • Page 15

Importing to General Ledger from Non-Oracle Applications



Importing to General Ledger from Non-Oracle Applications

Journal Import

- Use Journal Import to automatically import budget, actual, and encumbrance data from your non-Oracle applications. You can create SQL Loader script to load the data into the interface.
- You can also check funds and reserve them for your imported transactions.
- Web Applications Desktop Integrator (Web ADI)
- You can enter data in a spreadsheet and upload to General Ledger:
 - Prepare and analyze budgets.
 - Prepare functional and foreign journal entries.

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Overview of Accounting Setup Manager

Central place for defining and maintaining accounting

setup for the following:

- **Legal Entities**
- **Operating Units**
- **Ledgers (primary and secondary ledgers)**
- **Reporting Currencies**
- **Subledger Accounting**
- **Intercompany and Intracompany Balancing**
- **Sequencing (Accounting and Reporting Sequencing)**

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Foreign Currency Concepts

Foreign Currency Concepts

The three key foreign currency concepts in Oracle General Ledger are:

Conversion

Revaluation

Translation

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Foreign Currency Concepts

Conversion

- Conversion refers to foreign currency transactions that are immediately converted at the time of entry to the ledger currency of the ledger in which the transaction takes place.

Revaluation

- Revaluation adjusts liability or asset accounts that may be materially understated or overstated at the end of a period due to a fluctuation in the exchange rate between the time the transaction was entered and the end of the period.

Translation

- Translation refers to the act of restating an entire ledger or balances for a company from the ledger currency to a foreign currency.

Multiple Currency Support

Multiple Currency Support

If one or more of the following are different,

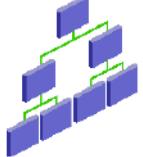


Chart of accounts



Calendar



US GAAP
Accrual



Accounting
Method

Use a Secondary Ledger

If difference is only currency,







Currency

Use Reporting Currencies

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Multiple Currency Support

Reporting Currencies are integrated with ledgers. You specify the reporting currency as a part of the ledger with which you are working.

- Reporting currency is flexible. You can maintain additional currency representations at three different levels:
 - Balance level
 - Journal level
 - Subledger level
- Balance level maintains translated balances. Every time you run translation in General Ledger, balances are stored in a balance level reporting currency.
- Journal level, is a currency representation of only your GL journals and balances. Every time you post a journal in GL, the journal will be converted to one or more journal level reporting currencies.
- Subledger level is a complete currency representation of your subledger transactions, GL journals entries and balances.

Every time you enter a subledger transaction or enter and post a journal directly in GL, the same transaction and journal will be converted to one or more associated subledger level reporting currencies.

Reporting Currencies are not the same as secondary ledgers. Looking at the 4 C's that define a ledger, we have a chart of accounts, calendar, accounting method, and currency.

If you only need multiple currencies to support your reporting requirements, use reporting currencies.

If you need to account for your data using different calendars, charts of accounts, accounting methods in addition to currency, use a secondary ledger.

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Budgeting

Budgeting

Oracle General Ledger gives you a variety of tools to create, maintain, and track your budgets, including the ability to upload budget amounts from an Excel spreadsheet.

January 2002			
Cost Center 100			
	Actuals	Budgets	Variance
Salaries	14,000	15,000	1,000
Supplies	4,000	3,500	(500)
Travel	1,500	1,700	200
TOTAL	19,500	20,200	700

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Budgeting

Budgeting in Oracle General Ledger (GL)

- Create an unlimited number of budgets or forecasts.
- Control user access to budgets.
- Create budget organizations to mirror the various levels of your company's organization and to control user access to the budget information.
- Create master-detail budgets.

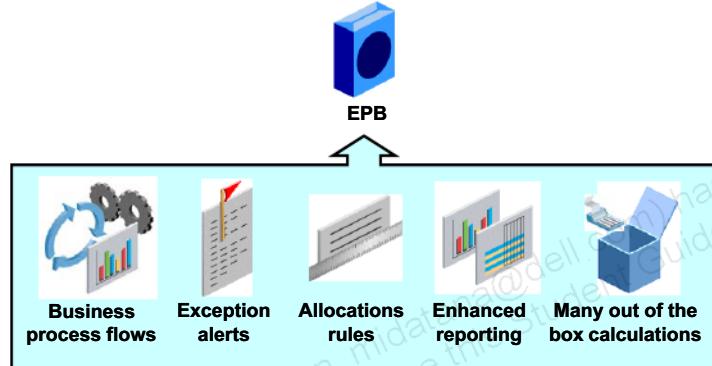
Budgeting with Web Applications Desktop Integrator (Web ADI)

- Enter budget amounts in the familiarity of a spreadsheet, then upload your budget data to General Ledger.
- Downloads both budget or actual amounts and use to calculating new budget amounts, then be upload the new budget amounts into Oracle General Ledger.

Note: You can also use Oracle Planning and Budgeting to update budget balances in General Ledger. For more information, refer to the Oracle Planning and Budgeting User's Guide.

Overview of Enterprise Planning and Budgeting (EPB)

Overview of Enterprise Planning and Budgeting (EPB)



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Overview of Enterprise Planning and Budgeting

What is Enterprise Planning and Budgeting (EPB)?

- An application built on the integrated multi-dimensional and relational technology in Oracle10g
- An application for planning, budgeting, forecasting, reporting, monitoring, and analysis
- An application that provides sophisticated data modeling and multi-dimensional analysis
- A keystone of Oracle's CPM initiative
- An application tailored for customer's own business processes

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Chapter 1 Page 22

Reporting and Analysis

Reporting and Analysis

Oracle General Ledger provides you with a variety of reporting, consolidating, and analysis capabilities.

- **Online account and transaction analysis**
- **Standard reports and listings**
- **Financial Statement Generator reports**
- **Web ADI Report Manager**
- **Oracle Enterprise Planning and Budgeting**



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Reporting and Analysis

Online Account and Transaction Analysis:

- Drilldown to account balances and journal entries to their source. For example, you can drill down from a Payables journal entry to the original transaction in Oracle Payables.

Standard Reports and Listings:

- Oracle General Ledger provides over 70 different standard reports and listings to help you view financial and non-financial information.

Financial Statement Generator reports:

- The Financial Statement Generator (FSG) is a powerful tool that allows you to create custom financial statements without programming.

Web ADI Report Manager:

- With Report Manager, you can define reports graphically in Excel, then upload the report definitions to General Ledger as Financial Statement Generator (FSG) report objects. You can also download existing FSG reports, modify them in Report Wizard, then save the modified definition to General Ledger. You can select amounts from spreadsheet-based FSG reports and drill into the underlying financial information within Oracle Applications.

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Oracle Enterprise Planning and Budgeting:

- Use Oracle Enterprise Planning and Budgeting, Oracle's On Line Analytical Processing (OLAP) application, to perform in depth analysis, modeling, budgeting, reporting, and forecasting functions using General Ledger data without additional data entry.

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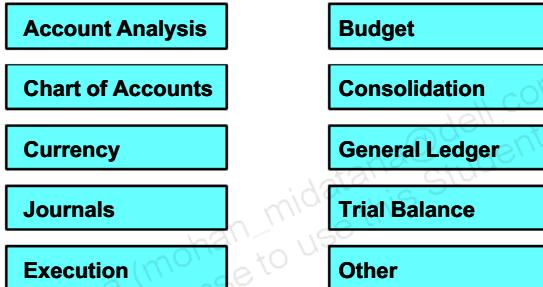
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Standard Reports and Listings

Standard Reports and Listings

Oracle General Ledger delivers over 70 standard reports. The following categories provide financial and non-financial information for General Ledger data.



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Standard Reports and Listings

Oracle General Ledger provides several types of reports and listings to meet your business needs. All of the information in these reports and listings is also available online.

You can obtain account analysis information, budget information, chart of accounts listing, and many other types of data without customization.

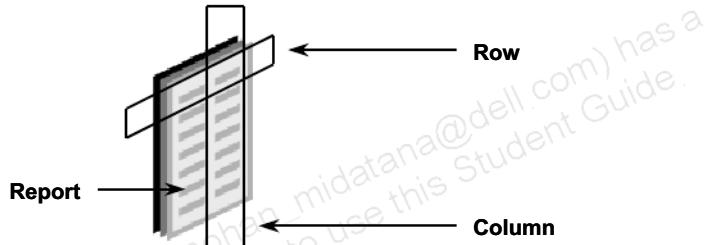
Oracle General Ledger standard reports provide the following functionality:

- Request reports online. Your report is generated and printed in the background while you continue to work.
- Group and submit reports into report sets to save time.
- Schedule reports to run at regularly scheduled intervals.

Financial Statement Generator Reports (FSG)

Financial Statement Generator Reports (FSG)

Oracle General Ledger's Financial Statement Generator (FSG) is a powerful and flexible tool you can use to build your own custom reports without programming.



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Financial Statement Generator Reports (FSG)

You can define custom financial reports, such as income statements and balance sheets, online with complete control over the rows, columns, and content of your report. You can control account assignments, headings, descriptions, format, and calculations in addition to the actual content. The reusable report components make building reports quick and easy. You can copy a report component from one report, make minor edits, then apply the report component to a new report without having to create a new report from scratch.

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Chapter 1 • Page 26

Summary

Summary

In this lesson, you should have learned how to:

- Identify the steps required to complete the accounting cycle using Oracle General Ledger.
- Describe how Oracle General Ledger integrates with other Oracle eBusiness applications.
- Describe the implementation considerations for setting up and using Oracle General Ledger and the Oracle eBusiness Suite.

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Accounting Setup Manager

Chapter 2

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Accounting Setup Manager

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Objectives

Objectives

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

- **Describe Accounting Setups**
 - Ledger Processing Options
 - Secondary Ledgers
- **Describe Reporting Currencies**
- **Describe Accounting Setup Considerations**
 - Accounting Setups with One Legal Entity
 - Accounting Setups with Multiple Legal Entities
 - Accounting Setups with No Legal Entities

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Accounting Setups

Accounting Setups

An accounting setup is based on several factors, such as:

- legal environment
- number of legal entities maintained in the same primary ledger
- business needs
- transaction processing needs

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Accounting Setups

An accounting setup defines the accounting context for one or more legal entities or a business need if legal entities are not involved.

Defining an accounting setup is based on several factors, such as:

- legal environment
- number of legal entities maintained in the same primary ledger
- business needs
- transaction processing needs

Legal entities should be assigned to accounting setups to maintain a legal entity context for transactions and use Oracle financial subledgers that require a legal entity context. No legal entities should be assigned to accounting setups if there are business needs that do not require a legal entity context.

If legal entities are involved, the general rule is to define a separate accounting setup for each legal entity or group of legal entities that require their own primary ledger. In other words, if legal entities require any one of the following attributes to be different from other legal entities, a different primary ledger is required, and therefore a different accounting setup is required:

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- Chart of Accounts: One legal entity requires a six-segment chart of accounts and another requires only a four-segment chart of accounts.
- Accounting Calendar: One legal entity uses a 4-4-5 calendar and another uses a monthly calendar; or one legal entity has a different fiscal year end than another.
- Primary Currency: Legal entities operate in different countries requiring them to use their own local currencies.
- Subledger Accounting Method: Legal entities operate in different countries or industries that have different accounting standards.
- Ledger Processing Options: Legal entities operate in different industries, such as retail and financial services, and require different ledger processing options, such as maintaining average daily balances for legal entities in the financial services industry.

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Ledger Processing Options

Ledger Processing Options

This table is an example of ledger attributes for a global company that has four legal entities—two in the U.S., one in the U.K., and one in France.

Ledger Attributes	U.S. East Operations	U.S. West Operations	U.K. Operations	France Operations
Chart of Accounts	Corporate	Corporate	Corporate	French Statutory
Accounting Calendar/Period Type	Monthly/Month	Monthly/Month	Monthly/Month	Fiscal/Fiscal
Currency	USD	USD	USD	EUR
Subledger Accounting Method	Standard Accrual	Standard Accrual	Standard Accrual	French GAAP
Ledger Options	•Enable Average Balances •Enable Journal Approval enabled	No Average Balances or Journal Approval enabled	No Average Balances or Journal Approval enabled	No Average Balances or Journal Approval enabled

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Ledger Processing Options

Based on the above information, four different accounting setups are created because each legal entity requires its own primary ledger. If the two U.S. legal entities (U.S. East and U.S. West) share the same ledger processing options, they can share the same primary ledger and be included in the same accounting setup.

Ledger Processing Options are defined at the ledger level and refer to the following options that control how journals and transactions are processed for that ledger:

- First Ever Opened Period
- Number of Future Enterable Periods
- Retained Earnings Account
- Subledger Accounting Options, such as the subledger accounting method, journal description language, entered currency balancing account, cash basis accounting, and the ledger currency balancing account
- Option to track balances using a secondary segment
- Suspense Account
- Rounding Differences Tracking Account

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- Intracompany Balancing option
 - Journal Approval
 - Journal Entry Tax
 - Journal Reversal Criteria Set
 - Default Period End Rate Type
 - Default Period Average Rate Type
 - Cumulative Translation Adjustment Account
 - Journal Reconciliation
 - Budgetary Control
- Reserve for Encumbrance Account
- Average Balance Processing
 - Average Balance Consolidation
 - Net Income Account
 - Transaction Calendar

If there are legal entities that require any one of the above ledger processing options to be different, then define a separate primary ledger for each legal entity and therefore, a new accounting setup.

Secondary Ledgers

Secondary Ledgers

Additional ledgers called secondary ledgers can optionally be assigned to an accounting setup to maintain multiple accounting representations for the same legal entity. For example:

- **Subledger Level Secondary Ledgers**
- **Journal Level Secondary Ledgers**
- **Balance Level Secondary Ledgers**
- **Adjustments Only Secondary Ledgers**

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Secondary Ledgers

Assign an unlimited number of secondary ledgers to each primary ledger of an accounting setup. Each secondary ledger can be maintained at one of the following data conversion levels:

- The subledger level secondary ledger maintains subledger journals, general ledger journal entries, and balances in the additional accounting representation. This data conversion level uses both Subledger Accounting and the General Ledger Posting program to create the necessary journals in both the primary and secondary ledgers simultaneously. Subledger Accounting creates the journal entries from subledger transactions if the subledger integrates with Subledger Accounting. General Ledger Posting creates the journal entries for all other transactions that do not integrate with Subledger Accounting, including manual journal entries.
- The journal level secondary ledger maintains primary ledger journal entries and balances in an additional accounting representation. This type of secondary ledger is maintained using the General Ledger Posting program. Every time a journal is posted in the primary ledger, the same journal can be automatically replicated and maintained in the secondary ledger for those journal sources and categories that are set up for this behavior.

- The balance level secondary ledger maintains primary ledger account balances in another accounting representation. This type of secondary ledger requires Oracle General Ledger Consolidation to transfer primary ledger balances to this secondary ledger.
- The adjustments only secondary ledger level is an incomplete accounting representation that holds only adjustments. The adjustments can be manual adjustments or automated adjustments from Subledger Accounting. This type of ledger must share the same chart of accounts, accounting calendar/period type combination, and currency as the associated primary ledger. To obtain a complete secondary accounting representation that includes both the transactional data and the adjustments, use ledger sets to combine the adjustments-only secondary ledger with the primary ledger when running reports.

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Reporting Currencies

Reporting Currencies

If you only need a different currency representation of the primary or secondary ledgers, assign reporting currencies to them. For example:

- Subledger Level Reporting Currency
- Journal Level Reporting Currency
- Balance Level Reporting Currency

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Reporting Currencies

If you only need a different currency representation of the primary or secondary ledgers, assign reporting currencies to them. Unlike secondary ledgers, reporting currencies must share the same chart of accounts, accounting calendar/period type combination, subledger accounting method, and ledger processing options as their source ledger.

As a general rule, always use reporting currencies instead of secondary ledgers if you only need to maintain an accounting representation that differs in currency alone.

You can assign reporting currencies to both primary and secondary ledgers. Reporting currencies are maintained at one of the following currency conversion levels:

- The subledger level reporting currency maintains a complete currency representation of your subledger journals, General Ledger journals entries, and balances. When using the subledger level reporting currency, define currency conversion rules. These rules provide instructions on how to convert subledger and general ledger data to one or more subledger level reporting currencies. Subledger level reporting currencies are maintained using both Subledger Accounting and the General Ledger Posting program to create the necessary subledger journals and General Ledger journals in both the primary and secondary ledgers simultaneously. Subledger Accounting creates the journal entries from subledger

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Chapter 2 • Page 11

transactions if the subledger integrates with Subledger Accounting. General Ledger Posting creates the journal entries for all other transactions that do not integrate with Subledger Accounting, including manual journal entries.

- The journal level reporting currency maintains General Ledger journal entries and balances in another currency representation. Journal level reporting currencies are maintained using the General Ledger Posting program. Every time a journal is posted in the source ledger, such as the primary or secondary ledger, the journal is automatically converted to the respective currency of the journal level reporting currency.
- The balance level reporting currency only maintains balances in another currency. It maintains the translated balances of the source ledger. Every time general ledger translation is run in the source ledger, such as the primary or secondary ledger, the translated balances are reflected in the balance level reporting currency.

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Accounting Setup Considerations

Accounting Setup Considerations

Legal Entity	Vision Credit Group Legal Entity	Vision Services & Vision Consulting Legal Entities	Vision Operations Legal Entity
Number of Legal Entities	One	Multiple	One
Primary Ledger	Vision Credit Group	Vision Services	Vision Operations
Chart of Accounts	Corporate	Corporate	Corporate
Calendar	Monthly	Monthly	Monthly
Currency	USD	USD	USD

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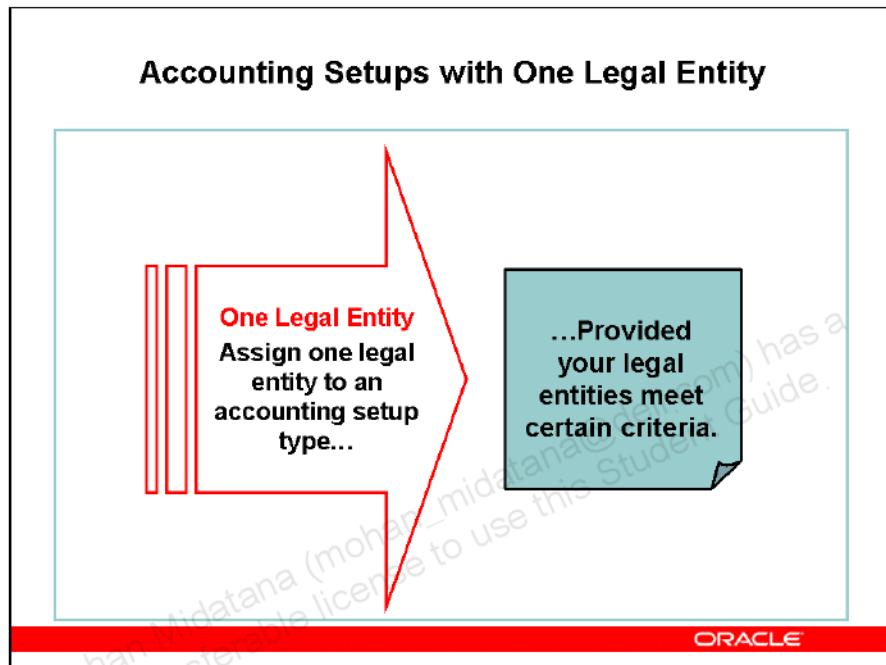
Accounting Setup Considerations

Before creating accounting setups, carefully consider the number of legal entities that you want to assign to each accounting setup.

Associate each accounting setup with one of the following accounting environment types:

- Accounting Setups with One Legal Entity
- Accounting Setups with Multiple Legal Entities
- Accounting Setups with No Legal Entities

Accounting Setups with One Legal Entity



Accounting Setups with One Legal Entity

You should only assign one legal entity to an accounting setup type if your legal entities meet any one of the following criteria:

- Operate in a country with strict legislative requirements that require the legal entity to maintain its accounting data separate from other legal entities
- Have specific legal or statutory rules that require a separate ledger for the legal entity
- Require different primary ledger attributes from other legal entities. For example, the legal entity requires any one of the following ledger attributes to be different from other legal entities:
 - Chart of Accounts: One legal entity requires a 10-segment chart of accounts and another requires a 6-segment chart of accounts.
 - Accounting Calendar: One legal entity requires a weekly calendar and another requires a monthly calendar.
 - Primary Currency: There are legal entities and companies that require different primary currencies to act as their main record-keeping currency.

- Subledger Accounting Method: One legal entity uses the accrual method of accounting and another uses the cash basis of accounting.
- Ledger Processing Options: One legal entity wants to translate revenue and expense accounts using period-end balances while another legal entity wants to use year-to-date balances.
- Need autonomous document sequencing of transactions and journals for each legal entity
- Need to open and close periods autonomously for each legal entity
- Have tax requirements that are specific for a legal entity

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Accounting Setups with Multiple Legal Entities

The diagram is titled "Accounting Setups with Multiple Legal Entities". It contains two main text blocks. The first block, enclosed in a red border, says "Multiple Legal Entities" at the top, followed by "When an accounting setup has more than one legal entity...". The second block, enclosed in a blue border, says "...Multiple legal entities can share the same primary ledger attributes." A watermark "Unauthorised reproduction or distribution prohibited. Copyright © 2009, Oracle and/or its affiliates." is diagonally across the slide. The Oracle logo is at the bottom right.

Accounting Setups with Multiple Legal Entities

If an accounting setup has more than one legal entity it means that multiple legal entities can share the same primary ledger attributes, such as the same chart of accounts, accounting calendar/period type combination, currency, subledger accounting method, and ledger processing options.

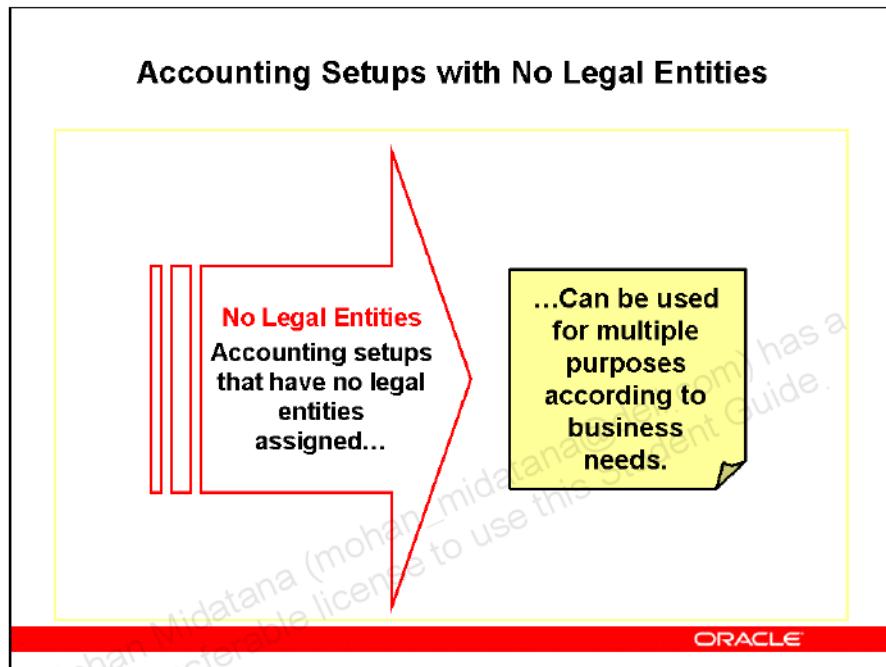
Assign multiple legal entities to the same accounting setup if all of the legal entities assigned to the accounting setup meet all of the following criteria:

- operate in a country that allows multiple legal entities to share the same primary ledger and ledger attributes, such as the same chart of accounts, calendar, primary currency, subledger accounting method, document sequence, and accounting options
- do not need to have different ledger processing options for each legal entity. For example, legal entities can use the same general ledger translation rule and cumulative translation adjustment accounts to translate balances.
- do not need to open and close periods independently by legal entity
- do not have tax requirements that are specific for a legal entity

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Chapter 2 • Page 16

Accounting Setups with No Legal Entities



Accounting Setups with No Legal Entities

Accounting setups that do not have legal entities assigned can be used for multiple purposes based on business needs. For example, define an accounting setup with no legal entity assigned if a legal entity context is not required for transaction processing, or use it to supplement the accounting contained in other accounting setups that have legal entities assigned.

You can use accounting setups with no legal entities for the following business needs:

- You do not need to maintain transactions using a legal entity context.
- You are using a separate instance of General Ledger as a standalone application and do not plan to integrate with Oracle financial subledgers that require a legal entity context.
- You are not integrating with Oracle financial subledgers but are using Subledger Accounting to integrate Oracle General Ledger with non-Oracle systems.
- You want to maintain an additional accounting setup for management reporting purposes or consolidation purposes.

Designing the Chart of Accounts

Designing the Chart of Accounts

Feature Comparison by Accounting Setup

- The number of legal entities assigned to an accounting setup affects different key features available in the E-Business Suite.
- Review the features in the following table to understand how different features are affected.

Feature	One Legal Entity Assigned	Multiple Legal Entities Assigned	No Legal Entities Assigned
Open/Close GL Accounting Periods	Legal entities can open/close periods at different times.	All legal entities in a ledger must open/close periods at the same time.	The standalone ledger can open/close periods independently.
Document Sequencing	Legal entities can have autonomous document sequencing rules.	All legal entities in a ledger must share the same document sequencing rules.	The ledger can have autonomous document sequencing rules.
Multiple Legal Entity Journals	No	Journal entries can cross multiple legal entities.	N/A No legal entities exist.

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Designing the Chart of Accounts

If your company uses legal entities and wants the ability to identify legal entities during transaction processing, designate the balancing segment of the chart of accounts as the legal entity or company segment. This enables you to identify transactions per legal entity and take full advantage of the legal entity accounting features available, such as intercompany accounting.

If you have multiple legal entities that use different charts of accounts, it is recommended that you limit the number of value sets that you define for the balancing segment. This allows you to share the same value set across multiple charts of accounts and assign unique balancing segment values for each legal entity that is consistent across charts of account.

Summary

Summary

In this lesson, you should have learned how to:

- **Describe Accounting Setups**
 - Ledger Processing Options
 - Secondary Ledgers
- **Describe Reporting Currencies**
- **Describe Accounting Setup Considerations**
 - Accounting Setups with One Legal Entity
 - Accounting Setups with Multiple Legal Entities
 - Accounting Setups with No Legal Entities

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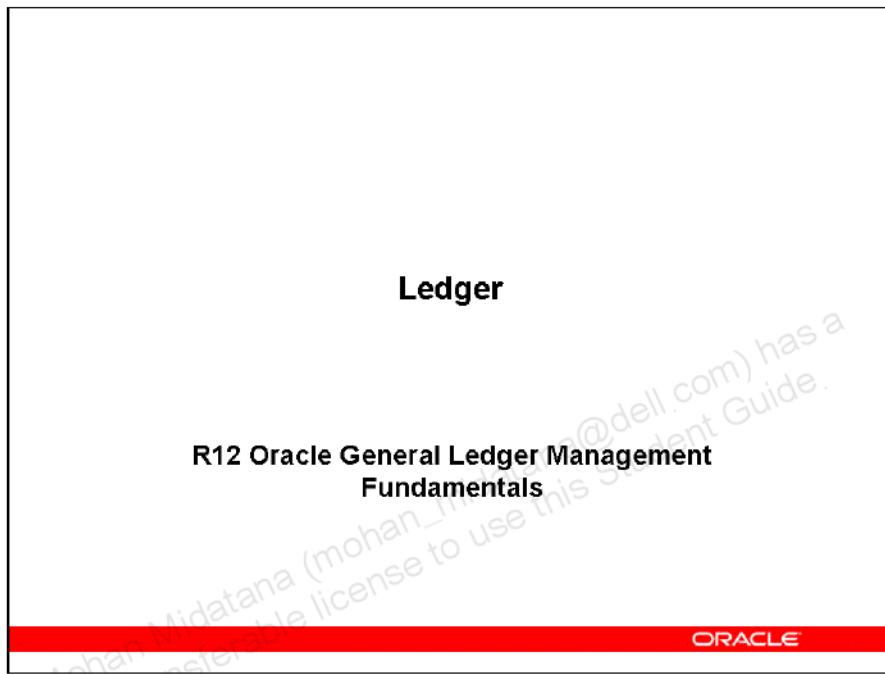
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Objectives

Objectives

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

- Describe the elements required to create a ledger within Oracle General Ledger
- Identify key implementation issues involved when creating a ledger in Oracle General Ledger
- Identify the attributes, options and settings required to define the Accounting Flexfield
- Define an accounting calendar

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Objectives

Objectives

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

- **Enable predefined currencies**
- **Create a ledger in Oracle General Ledger**
- **Utilize the Account Hierarchy Manager to view and maintain Accounting Flexfield values**

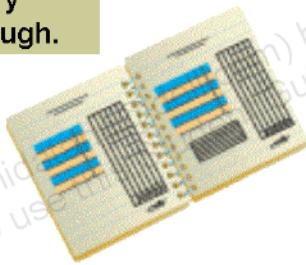
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Ledgers Defined

Ledgers Defined

Ledgers

The *Ledgers* represent the core of a company's financial records where every transaction flows through.



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Ledgers Defined

A fundamental concept in Oracle Applications is the "Ledger." The Ledger represents an accounting representation for an organization that is accountable in a self-contained way.

A ledger owner might be a legal entity, a group of companies in a common legal environment, a substantial operation within a legal entity but with legal entity attributes, or a foreign branch. Ledgers are also used to consolidate and manage Organizational Models in reporting. In a pure implementation, "a legal entity accounts for itself in a ledger."

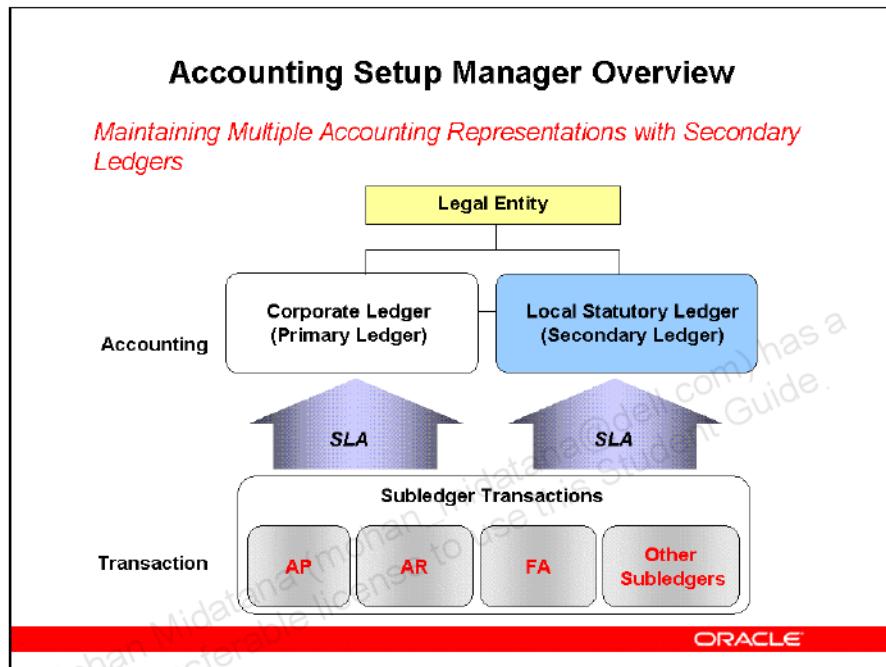
A ledger provides balanced ledger accounting for the accounting entity and serves as the repository of financial information. Consequently, it is the principal source of information for the analytical applications in the Oracle E-Business Suite.

Ledger balances have meaning. They assert that the balance on an account at a given date has a specific value in a particular currency and is properly calculated. This implies a consistent application of what we sometimes call "the 4 Cs": Chart of Accounts (COA), Calendar, Currency, and accounting Convention. The COA provides the account code; Calendar the date and accounting period; Currency the transaction currency; and Convention the accounting rules and regulations for the company/country.

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Accounting Setup Manager Overview



Account Setup Manager Overview

Central place for defining and maintaining accounting setup for the following:

- Legal Entities
- Operating Units
- Ledgers
- Primary and Secondary Ledgers
- Reporting Currencies
- Subledger Accounting
- Inter- and Intra-company Balancing
- Sequencing
- Accounting and Reporting Sequencing

Accounting Setup Manager Concepts

Primary Ledgers

- Main, record-keeping ledger
- Defined by 4Cs:

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- Chart of accounts
- Accounting calendar
- Primary currency
- Subledger Accounting Method

Secondary Ledgers

- Optional, additional accounting representations of your primary ledger
- Can differ in one or more of the following from the primary ledger:
 - Chart of accounts
 - Accounting calendar
 - Primary currency
 - Subledger Accounting Method

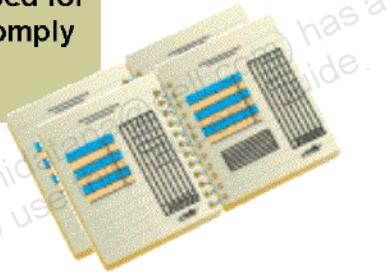
By assigning two different subledger accounting methods to each ledger, you can use Subledger Accounting (SLA) rules to simultaneously account for the same legal entity transaction in both ledgers to meet both fiscal and corporate requirements.

Secondary Ledgers

Secondary Ledgers

Secondary Ledgers

The Secondary Ledgers are used for supplementary purposes and can be used for global companies to comply with various legal requirements.



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Secondary Ledgers

Business Reasons

- For global companies that must comply with different countries' legal requirements
- Useful for supplementary purposes, such as consolidation or management reporting
- Provides a complete accounting picture within itself or a partial picture to be grouped with other ledgers to provide a complete picture

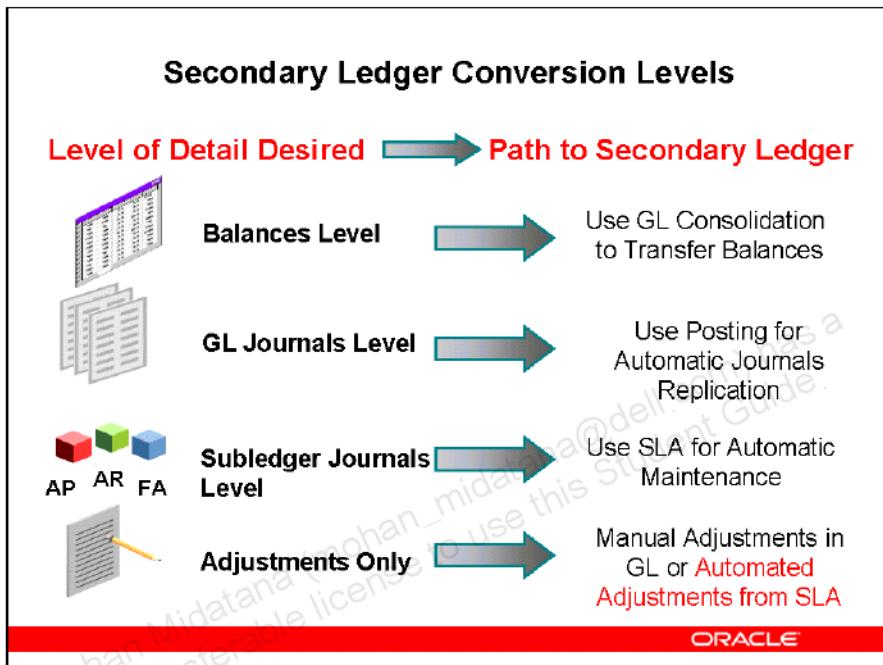
Benefits

- More flexibility
- Represent legal entity(s) accounting information in a different:
 - Accounting method
 - Chart of Accounts
 - Calendar
- Subledger Accounting Method
- Maintain at 4 Different Levels

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Secondary Ledger Conversion Levels



Secondary Ledger Conversion Levels

Balance Level

- The balance level secondary ledger maintains primary ledger account balances in another accounting representation. This type of secondary ledger requires Oracle General Ledger Consolidation to transfer primary ledger balances to this secondary ledger.

Journal Level

- The journal level secondary ledger maintains journal entries and balances in an additional accounting representation.
- This type of secondary ledger is maintained using the General Ledger Posting program. Every time you post a journal in the primary ledger, the same journal can be automatically replicated and maintained in the secondary ledger for those journal sources and categories that are set up for this behavior.

Subledger Level

- The subledger level secondary ledger uses both Subledger Accounting and the General Ledger Posting program to create the necessary journals in both the primary and secondary ledgers simultaneously. Subledger Accounting creates the journal entries from subledger transactions that integrate with Subledger Accounting.

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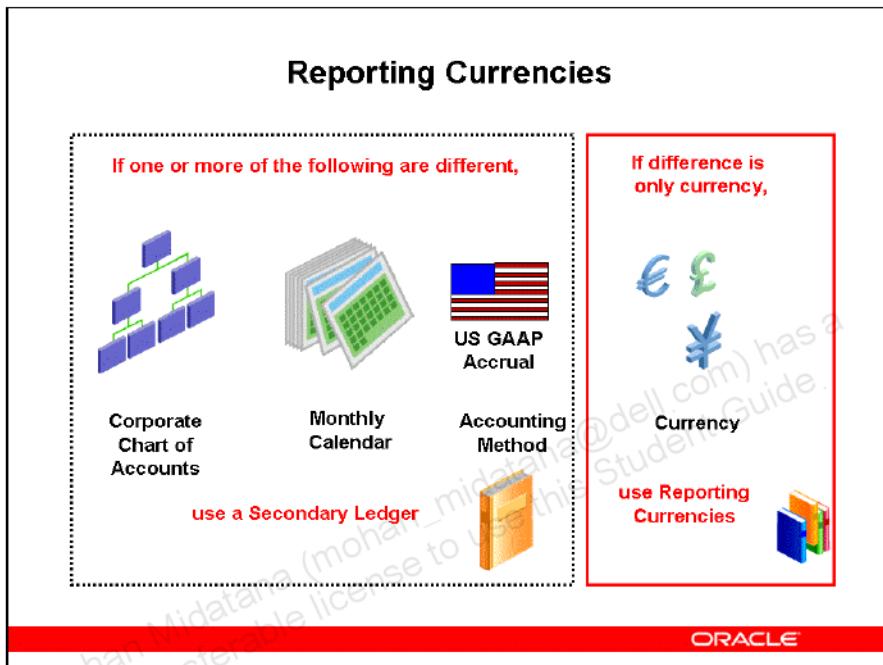
- General Ledger Posting creates the journal entries for all other transactions that do not integrate with Subledger Accounting, including manual journal entries.

Adjustments Only

- Secondary ledger level is an incomplete accounting representation that holds only adjustments.
- The adjustments can be manual adjustments or automated adjustments from Subledger Accounting. This type of ledger must share the same chart of accounts, accounting calendar/period type combination, and currency as the associated primary ledger. To obtain a complete secondary accounting representation that includes both the transactional data and the adjustments, use ledger sets to combine the adjustments-only secondary ledger with the primary ledger when running reports.

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Reporting Currencies



Reporting Currencies

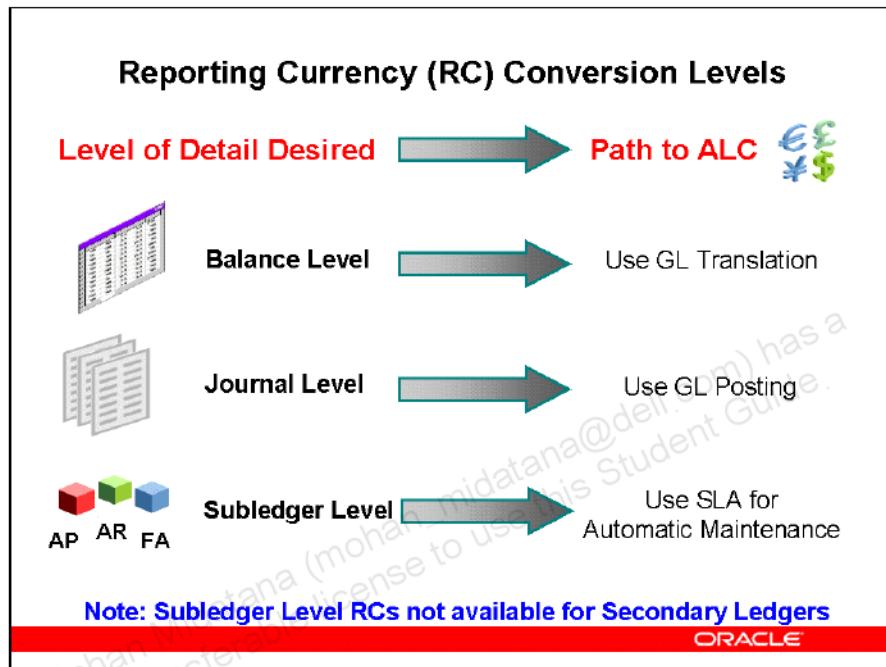
Business Reasons

- Useful for consolidation reporting and analysis
- No need to physically move balances to create views of consolidation data
- Beneficial for parent consolidation entities that share the same chart of accounts and calendar with their subsidiaries

Benefits

- Tighter link to ledgers
- For accounting and reporting in another currency (in addition to the ledger's primary currency)
- Can be used with Primary or Secondary ledgers

Reporting Currency (RC) Conversion Levels



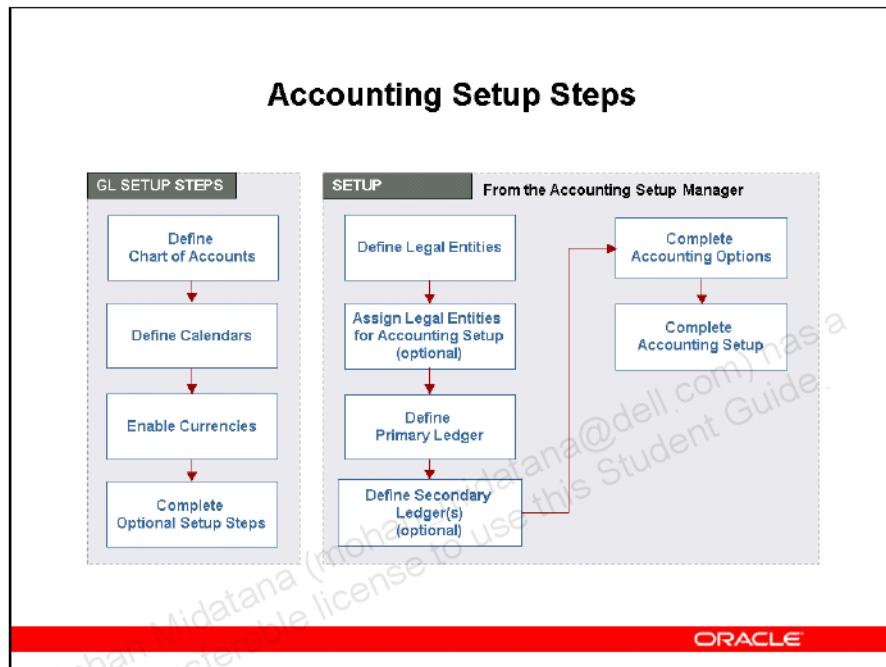
Reporting Currency (RC) Conversion Levels

You can maintain additional currency representations at three different levels:

- Balance level
 - Journal level
 - Subledger level
- Balance level maintains translated balances. Every time you run translation in General Ledger, balances are stored in a balance level reporting currency.
 - Journal level, is a currency representation of only your GL journals and balances. Every time you post a journal in GL, the journal will be converted to one or more journal level reporting currencies.
 - Subledger level is a complete currency representation of your subledger transactions, GL journals entries and balances.

Every time you enter a subledger transaction or enter and post a journal directly in GL, the same transaction and journal will be converted to one or more associated subledger level reporting currencies.

Accounting Setup Steps



Accounting Setup Steps

Before you can use Accounting Setup Manager, you must complete the required General Ledger setup steps. At the very least, you must:

- Define a chart of accounts
- Define an accounting calendar
- Enable currencies

Creating an accounting setup consists of the following steps:

- Define Legal Entities. If you are not integrating with Oracle subledgers or are defining an accounting setup that does not require a legal entity context, then you can skip this step.
- Assign none, one or multiple legal entities to an accounting setup.
- Define a primary ledger by specifying a name, chart of accounts, calendar, currency, and optionally a subledger accounting method.
- Optionally assign one or more secondary ledgers. Secondary ledgers can differ from the primary ledger in any or all of the following:
 - Chart of accounts
 - Calendar

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- Currency
 - Subledger Accounting Method
- Optionally, you can create reporting currencies and assign to the primary and/or the secondary ledger if you want to maintain multiple currency representations.
 - Complete the Accounting Options by specifying the journal processing options and transaction processing options for the setup components in this accounting setup.
 - Mark the accounting setup complete. This will prevent certain changes to your accounting setup and launch the GL Accounting Setup Program that will make your setup components ready for data entry.

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Accounting Setup Manager Create Accounting Setup

The diagram is titled "Accounting Setup Manager Create Accounting Setup". It features two blue 3D hexagonal boxes side-by-side. The left box contains the text "1. Create accounting setup structure" in yellow. The right box contains the text "2. Complete the accounting options" in orange. Below the boxes, the text "Two main steps exist to create an accounting setup" is displayed in blue.

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Accounting Setup Manager—Create Accounting Setup

When creating an accounting setup, there are two main steps that each have sub-steps. The two main steps are to create the accounting setup structure and then to complete the accounting options.

Create Accounting Setup Structure

The first step in creating an accounting setup structure is to assign none, one, or multiple legal entities to an accounting setup.

Based on the number of legal entities you assign, the Accounting Environment Type will default.

- If no legal entities are assigned, then Other defaults. The Other Accounting Environment Type should be used if you are not using Oracle subledgers, or if you want a standalone ledger for consolidation or management reporting purposes.
- If one legal entity is assigned, Exclusive Legal Environment defaults, but can be changed to Shared legal Environment. You should use the Exclusive Legal Environment if
 - the legal entity operates in a country where its transactions must be kept separate from the transactions of other legal entities

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- the legal entity is required to use a separate document sequence from other legal entities
- you plan to use Globalization features specific to that country in which the legal entity operates you should also use the Exclusive Legal Environment for a legal entity that requires its own period close schedule (i.e. it must close its period at a different time than other legal entities).
- you want to use the Advanced Global Intercompany System, you must have at least one legal assigned to the accounting setup
- If more than one legal entity is assigned, then the Shared Legal Environment type defaults and cannot be changed. You should house multiple legal entities in the same accounting setup
 - if you operate in a country that does not require a separate document sequence for each legal entity
 - All of the legal entities can share the same period close schedule, same primary and secondary ledgers, and same journal processing options

Select the accounting environment type carefully. You cannot change it once it is defined.

Complete Accounting Options

The second step is to assign a primary ledger and optionally one or more secondary ledgers. Secondary ledgers can differ in one or more of the following from the primary ledger:

- Chart of accounts
- Accounting calendar
- Currency
- Subledger accounting method

Save the structure.

Note: You can add secondary ledgers at any time. **Complete Accounting Options**

After you have saved the structure, you are ready to complete the accounting options. The accounting options page is in a checklist format. You must complete all of the required steps. Different setup steps are displayed depending on whether or not you are using legal entities, secondary ledgers, and reporting currencies.

It is strongly advised that you assign balancing segment values to legal entities to help you identify legal entities during transaction processing and reporting. You must assign Balancing Segment Values (BSV) to legal entities if you plan to use the Advanced Global Intercompany System.

After all of the required setup steps are complete, you can complete the entire accounting setup.

Accounting Calendar

Accounting Calendar

You create a calendar to define an accounting year and the periods it contains.



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Accounting Calendar

Oracle General Ledger allows you to define multiple calendars and assign a different calendar to each ledger. For example, you can use a monthly calendar for one ledger, and a weekly calendar for another.

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Unlimited Currencies

Unlimited Currencies

- You can enable predefined currencies or set up your own customized currencies
- You can enable a variety of currencies to allow you to enter transactions in multiple currencies



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Sharing Ledgers Across Oracle Applications

Sharing Ledgers Across Oracle Applications

Many elements of an Oracle General Ledger ledger are shared with other Oracle applications.

Account structure	Value sets Segment values Security rules Cross-validation rules
Accounting calendar	Periods Period Types
Currencies	Daily Rates Rate Types
Journal	Categories Sources

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Chart of Accounts

Chart of Accounts

Your chart of accounts is a list of Accounting Flexfields you create to identify general ledger accounts

- This flexible structure is made up of subfields or segments
- Each segment has a name and a set of values

Company	Division	Department	Account	Project
---------	----------	------------	---------	---------

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Chart of Accounts

In Oracle General Ledger, you build a chart of accounts using Accounting Flexfields.

Flexible:

- You can design a flexible account structure that meets your reporting needs and anticipates the way you run your organization in the future.

Multiple Rollups:

- You can summarize accounting information from multiple perspectives by creating rollup groups.

Ranges:

- With a well-planned account structure, you can use ranges to group accounts in reports, specify security and cross-validation rules, define summary accounts and reporting hierarchies.

Building the Chart of Accounts Structure

Building the Chart of Accounts Structure

Define a flexible chart of accounts structure:

- Create up to 30 segments with a maximum of 25 characters per segment
 - Maximum total length allowed is 240 characters
- Define each segment name and the order in which it appears
- Attach a list of valid values to each segment

XX - XXX - XXXX - XXXX - XXX
Company | Cost Center | Account | Sub-Account | Product

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Building the Chart of Accounts Structure

- The decisions you make when designing your chart of accounts are very important. Making changes in the future to the structure of your chart of accounts is difficult and not recommended.
- Plan carefully to create an account structure that meets the current needs of your organization and anticipate future requirements.
- Tailor your account structure for your industry and reporting requirements.
- Choose the number of segments, as well as the length, name, and order of each segment.

Identifying Business Requirements

Identify the aspects of your business that you need to track and analyze; pay specific attention to aspects that span several applications. Examples include:

- **Company, legal entity, fund**
- **Division, region, territory, state, country**
- **Location, plant, office, store**
- **Cost center, department, function**
- **Natural Account categories:**
 - **asset, liability, owner's equity, revenue and expense**
- **Product, product line, line of business, channel**
- **Project, phase, task, job, work order**

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Identifying Business Requirements

If all the detail for an item is contained in one application or a group of tightly integrated applications, retain the detail in the application itself. Do not add extra segments to the Accounting Flexfield structure for detail that is tracked in your subledgers. For example, if you are using Oracle Projects, do not include a project segment in your Accounting Flexfield.

Conversely, if you capture details in multiple applications that all pass data to Oracle General Ledger, consider including other elements, such as product, in the Accounting Flexfield.

Identifying Segment Requirements

Identifying Segment Requirements

- Assign each business dimension as a separate segment.
- Avoid having more than one meaning for each segment.



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Identifying Segment Requirements

Keep each business dimension in a separate segment to avoid complicating your processing and reporting.

Combining location and department into one segment may lead to difficulties when retrieving data for the same department number across locations and restricting certain departments to specific accounts.

Avoid having more than one meaning for each segment. Having more than one meaning can make it difficult to default the segment, to isolate different data for reporting, and to logically assign codes or numbers to segment values. For example, using one generic segment for subaccount, project, and product elements make it impossible to analyze product sales by individual project.

Consider creating extra segments to handle any future reporting requirements that may occur.

Consider data entry efficiency when ordering your segments.

Place segments with defaults at the beginning of your Accounting Flexfield, at the end, or both. When the Accounting Flexfield window opens, the cursor is placed on the first blank, non-defaulted segment. Once users enter all the values for the blank segments, they can press the Enter key to save their work.

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Use alpha characters only in parent account segments. Users can easily enter numerical child value characters using the ten-key pad when they do not have to shift hand position for alpha characters.

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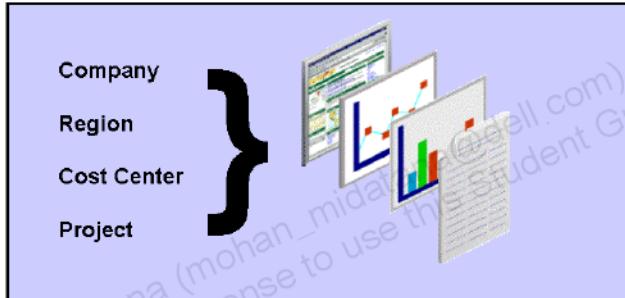
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Chapter 3 • Page 25

Analyzing Reporting Requirements

Analyzing Reporting Requirements

Make certain that you can generate the required reports based on the segments in your Accounting Flexfield.



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Analyzing Reporting Requirements

Review reports currently produced outside of Oracle General Ledger either in stand-alone systems or in spreadsheets. Determine if adding segments to your Accounting Flexfield, or structuring your segment values in a certain way using parent/child hierarchies, allows you to generate those reports directly from Oracle General Ledger.

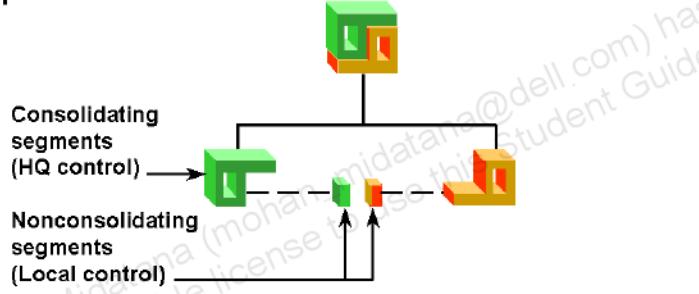
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Creating a Worldwide Chart of Accounts

Creating a Worldwide Chart of Accounts

Many companies need to use a unified chart of accounts, but also need to capture different information in different sites and countries based on business needs and statutory requirements.



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Creating a Worldwide Chart of Accounts

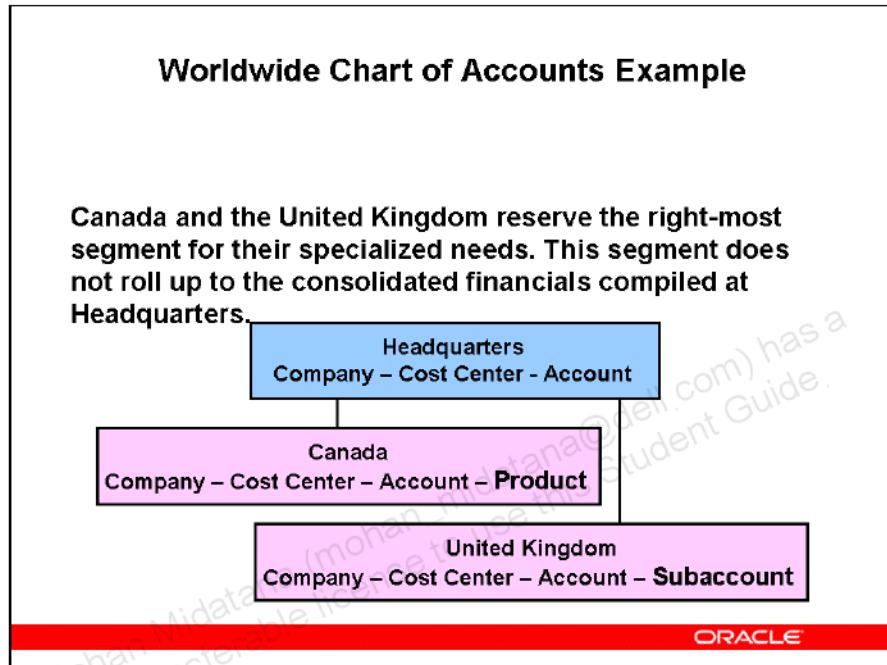
It is important to design a chart of accounts structure that can report effectively to meet corporate business needs and comply with country specific regulations. How you accomplish this depends on your organization's needs.

- There are two possible approaches:
 - Assign Account Ranges
 - Allow Reporting Units to Define Segments.

Assign Account Ranges

- For example, your department segment represents true cost centers, such as factories. You assign a different range of accounts to each cost center to maintain detail information by cost center.
 - Factory 1: Assigned accounts 200 to 299
 - Factory 2: Assigned accounts 300 to 399
 - Factory 3: Assigned accounts 400 to 499

Worldwide Chart of Accounts Example



Worldwide Chart of Accounts Example

Allow Reporting Units to Define Segments

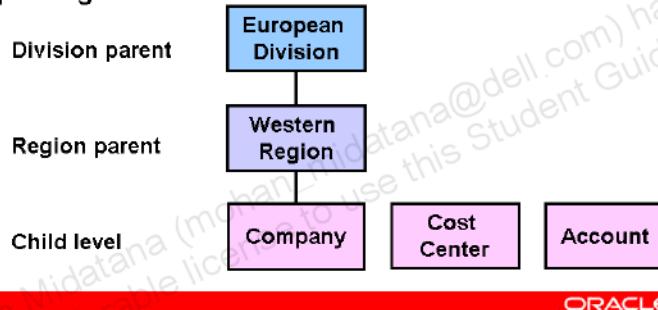
- Establish general criteria for segments, but allow each reporting unit to define an additional segment and values within its own ledger. For example, each factory creates its own segment and values in the account structure but does not report detail balance information for this segment to the parent company. The detail information disappears upon consolidation.
 - Factory 1:
Designates accounts 100 to 999 to represent distribution channels in the subaccount segment.
 - Factory 2:
Designates accounts 100 to 999 to represent products in the product segment.

Note: This method requires different ledgers for each unique Chart of Accounts.

Creating Vertical Structures

Creating Vertical Structures

- Use vertical parent rollups on specific segments when possible rather than creating additional segments. Segment by using vertical Accounting Flexfields.
- Example: Division and region are not included in the posting level.



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Creating Vertical Structures

Consider summarizing your data according to your management structure.

Create a separate segment for the lowest level in the Accounting Flexfield.

Strive to use parent rollups within a single segment for reporting, rather than creating additional segments in the Accounting Flexfield.

For example, a child value of Company reports to Western Region which reports to European Division. Only Company is a posting level account in the Accounting Flexfield. Set up Western Region as parent of Company and European Division as parent of Western Region.

If your company reorganizes frequently, use parent/child relationships for maximum flexibility.

A child value can be in multiple parents. It is better to create new parent structures than to modify existing structures because changes can effect historical reporting. For example, if the Western Region contained five companies, reported year end results, and then had two more

companies moved into its child range, then historical reports run after the two additional companies were added would show different results.

Validation and Value Sets

Validation and Value Sets

When you define value sets, you also need to determine how you want to validate your values

- The available validation types are:
 - Independent
 - Dependent
 - Table
- Oracle recommends using independent validation with the Accounting Flexfield

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Validation and Value Sets

Use independent validation when the meaning of a value does not depend on the value of another segment.

Use dependent validation when the meaning of a value depends on the value of another (independent) segment. The independent segment value determines the acceptable dependent segment values.

Use table validation when the valid values already exist in a database table.

Points to Consider

- If you are validating your value set against a non-Oracle database table, have your System Administrator register the table with Oracle Application Object Library.
- The validation type of an existing value set cannot be changed.
- It is strongly recommended that you use independent validation type with Accounting Key Flexfield segments. Parent values cannot be defined for dependent segments. The dependent validation type limits ability to use parent values with MassAllocations, MassBudgeting, and Financial Statement Generator (FSG).

Using Independent and Dependent Segments

Using Independent and Dependent Segments

Independent Segment	Dependent Segment
Segment that has meaning on its own without depending on other segment values	Segment that is linked to an independent segment
Example Company: 01	Example Account: 1100 Subaccount: 001 Desc: Cash-Citibank Account: 2200 Subaccount: 001 Desc: Debt-B of A

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Using Independent and Dependent Segments

Independent Segments

- For Accounting Key Flexfields, use independent segments. Do not use the Dependent validation type. It complicates parent/child hierarchies and limits the ability to use parent values with reporting and mass allocation journal entries.

Dependent Segments

- Dependent segments separate items that are closely related into individually identifiable segments.
- Account/subaccount is the most common use for independent/dependent segments (account is the major classification and subaccount provides more detail within the account).
- With dependent segments, you must set up each combination of independent/dependent values.
- You do not need to set up cross-validation rules for independent/ dependent combinations since you set up each combination individually. Sometimes setting up dependent segments is preferable to maintaining extensive validation rules for combinations of two segments which have many values with no ranges or logic for the valid combinations.

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- Dependent segments limit the values that appear on lists to the dependent values of the independent segment chosen.

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Designing Size and Numbering Systems

Designing Size and Numbering Systems

- Decide whether to allow alphabetical characters in the Accounting Flexfield
- Decide on the size of the Accounting Flexfield segments
- Design the coding scheme for your Accounting Flexfield values

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Designing Size and Numbering Systems

Numeric and Alphanumeric Values

- Numerics are preferable from a data entry perspective because users can use the ten key pad. Sort order is clearer and ranges are easy to use.
- Alphanumerics may have some logic and meaning to users. If you do use alphanumeric codes, set up the codes in all uppercase to enable consistency and ease of sorting and querying.
- With an alphanumeric coding system, you can have alpha characters for parent values and numeric codes for child values; this allows for visually distinguishing levels of your hierarchy.
- Regardless of whether you use numbers or alphanumeric characters, you must use the char (character) format type.

Segment Sizes

- To make data entry simpler, do not design the segments longer than needed. However, consider your organization's growth requirements. If your organization currently has 30 departments, but plans to acquire more companies and expand its operations globally, a

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Chapter 3 • Page 33

two character segment size will only accommodate up to 99 different department values.

A three character segment size can accommodate up 999 different department values.

- If you limit segment descriptions to a maximum of 30 characters, your flexfield pop-up window does not include a horizontal scroll bar.

Coding Schemes

- Consider revising your existing coding schemas. Retaining the old logic of historic numbering systems often places unnecessary constraints on the Oracle General Ledger and may create ongoing processing, reporting, and maintenance problems.
- As Oracle General Ledger often uses ranges, make certain that these ranges are broad enough to create new values in logical sequences.

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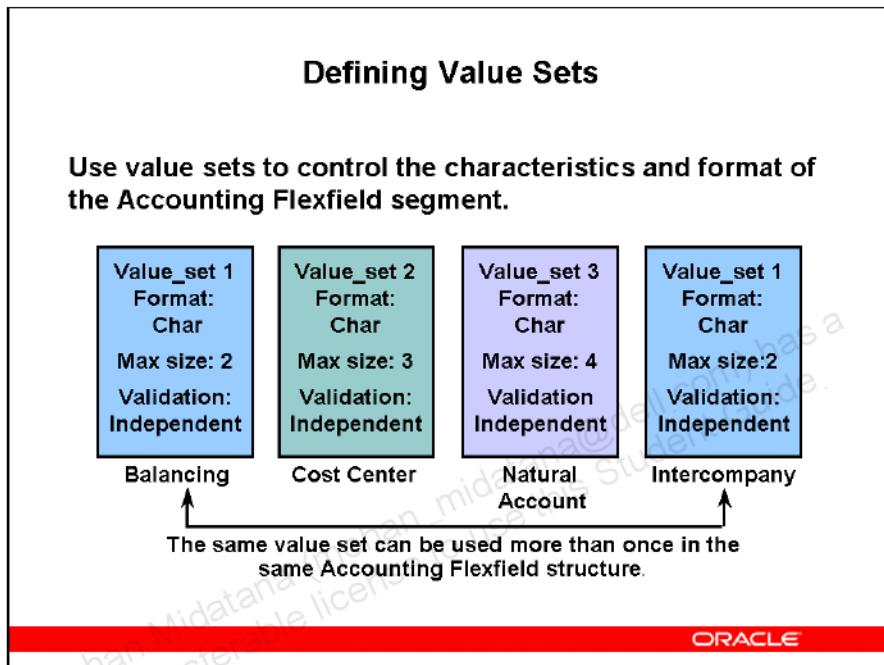
Creating Accounting Flexfields

To create an Accounting Flexfield:

1. Define a value set
2. Define an account structure
3. Define valid segment values
4. Optionally, create account combinations
5. Optionally, create aliases
6. Optionally, define security rules

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Defining Value Sets



Defining Value Sets

(N) Setup > Financials > Flexfields > Validation > Sets

What is a Value Set?

- A value set defines the boundaries for the attributes that you assign to a key or descriptive flexfield segment. Value sets control what types of values can be used as Accounting Flexfield segment values. Value sets determine the attributes of your segments such as length, zero-fill, right-justify, alphanumerics, and value security. Value sets also control how validation is performed. For example, with independent validation, a list of values must be created and used.

Assigning Value Sets to Segments

- Assign one value set to each Accounting Flexfield segment.
- Share the same value sets across multiple ledgers to facilitate consolidation.
- You can use the same value set more than once within the same Accounting Flexfield structure, as noted in the diagram above, where the same values set is used for the Balancing and Intercompany segments.

How to Define Value Sets

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1. Open the Value Sets window.

2. Enter the following:

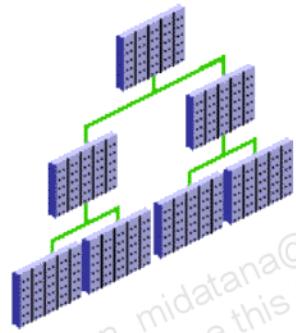
- Value Set Name
- Description
- List Type
- Security Type
- Format Type
- Maximum Size
- Validation Type

3. Save your work.
Note: Changing the attributes of a value set affects all of the Accounting Flexfield segments using that value set.

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Defining the Accounting Flexfield Structure

Defining the Accounting Flexfield Structure



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Defining the Accounting Flexfield Structure

How to Define Flexfield Structure

(N) Setup > Financials > Flexfields > Key > Segments

1. Open the Key Flexfield Segments window
2. Run a query to find:
 - Application—Oracle General Ledger
 - Flexfield Title—Accounting Flexfield
3. Place your in the Title field on any line and select (I) New
4. Enter the following information:
 - Code
 - Title will automatically populate
 - Description
 - View Name
5. Save your work
6. (B) Segments

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Chapter 3 • Page 38

7. In the Segments Summary window, define the individual segments and the order in which they appear
8. Place your cursor on line one
9. (B) Open
10. In the Validation Region of the Segments window, place checks in the Required and Security Enabled checkboxes
11. In the Sizes Region, enter sizes for Display, Description, and Concatenated Description fields
12. Save your work
13. (B) Flexfield Qualifiers
14. Select Enabled
 - Each ledger can have its own Accounting Flexfield structure. Select the appropriate symbol in the Segment Separator field.
 - Choose whether to enable dynamic insertion to allow new account combinations to be entered. If dynamic insertion is not allowed, account combinations must be defined using the GL Accounts window.
 - Choose to allow cross-validation rules to control the creation of account combinations.
 - You can also select to enable the flexfield structure and compile changes made to an Accounting Flexfield.
 - Enter a name, description, column and segment number for each segment. Segment numbers must be sequential for the accounting key flexfield, beginning with 1 (such as 1, 2, 3, ...).
 - To prevent changes to the Accounting Flexfield structure definition, select the Freeze Flexfield Definition check box.

Setting Validation Information for Segments

- Assign a value set to each segment.
 - Always enable the flexfield security check box for each segment.
 - Enter a default value from the list of values, or enter another value.
 - Select the Required check box and the Displayed check box.
 - Selecting Different Sizes for the Segment Display
 - Choose the number of characters to be displayed for the flexfield segment value and its description in the Display Size and Description Size fields.
 - In the Concatenated Description Size field, choose the number of characters to be displayed for each segment value description that makes up the account combination.

Assigning Flexfield Qualifiers

- In the Flexfield Qualifiers window, assign qualifiers to individual accounting key flexfield segments:
 - Natural Account: Each Accounting Flexfield structure must contain only one natural account segment. When setting up the values, you will indicate the type of account as Asset, Liability, Owner's Equity, or Expense.
 - Balancing Account: Each structure must contain only one balancing segment. Oracle General Ledger ensures that all journals balance for each balancing segment.

- Cost Center: This segment is required for Oracle Assets. The cost center segment is used in many Oracle Assets reports and by Oracle Workflow to generate account numbers. In addition, Oracle Projects and Oracle Purchasing also utilize the cost center segment.
- Intercompany: General Ledger automatically uses the intercompany segment in the account code combination to track intercompany transactions within a single ledger. This segment has the same value set and the same values as the balancing segment.

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Defining Segment Values

Defining Segment Values

Enter valid values for each segment before using them in the Accounting Flexfield segments.

Segment	Value Set 1	Value Set 2	Value Set 3	Value Set 4
Balancing	Format: Char Max size: 2 Validation: Independent	Format: Char Max size: 3 Validation: Independent	Format: Char Max size: 4 Validation: Independent	Format: Char Max size: 2 Validation: Independent
Cost Center	01	100	TSAL	01
Natural Account	02	101	1000	02
Intercompany	03	999	9999	03

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Defining Segment Values

Use the Segment Values window to enter values for each segment you create. These are the values that you use when building your account code combinations.

(N) Setup > Financials > Flexfields > Key > Values

Note: Create the segments and account structure before performing this step.

Populating Segment Value Attributes

Populating Segment Value Attributes

Attributes for each value include:

- **Translated Value**
- **Description**
- **Parent**
- **Group and level**
- **Segment qualifiers**
 - Allow budgeting and posting
 - Account type – natural account segment values
 - Control Account
 - Reconciliation Flag
- **Enabled**
- **Date From and To**

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Populating Segment Value Attributes

As you enter values for a value set in the Segment Values window, you also set the attributes for those values.

If the value set has the type Translatable Independent or Translatable Dependent, the Translated Value field is enabled and users can select the Translation icon to update the translated value in all installed languages.

Select Parent to specify a parent value (an account segment value that references a number of other segment values called child values). When entering parent values, optionally enter a rollup group name and/or level.

Enable or disable values by selecting the enabled check box or by using the Date From and To fields.

Segment Qualifiers

Segment Qualifiers	
Account Type	Asset, Liability, Owners' Equity Revenue, Expense Budgetary Dr, Budgetary Cr
Budget Entry Allowed	Yes or No
Posting Allowed	Yes or No
Third Party Control Account	Payables, Receivables, Yes, or No
Reconciliation Flag	Yes or No

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Segment Qualifiers

- When you define a segment value, you must also assign qualifiers for that value to determine the account type, whether budgeting is allowed, whether posting is allowed, and other information specific to that segment value. You must enter segment qualifier information whenever you define segment values for any value set used to create an Accounting Flexfield combination. Segment qualifiers vary by segment.

You can define the following segment qualifiers:

Allow Budgeting:

- Enter Yes to perform detailed budgeting for accounts with this segment value. If set to No, you cannot assign accounts with this segment value to budget organizations and you cannot define budget formulas for those accounts. If you are defining a parent segment value, you must enter No.

Allow Posting:

- If set to No, you cannot use accounts with this segment value to enter journals. If you are defining a parent segment value, you must enter No because you cannot post to parent accounts.

Account Type:

- Defines the account type for the natural account segment value. You can enter only valid account types. Enter the type of proprietary account (Asset, Liability, Owners' Equity, Revenue, or Expense) or enter the type of budget account (Budgetary Dr or Budgetary Cr). For statistical accounts, enter either Asset, Liability, or Owners' Equity. If you choose an account type of Revenue or Expense for a statistical account segment value, your statistical balance zeros-out at the end of the fiscal year. The default for this field is Expense.

To change the Account Type for a value that has not been used, unfreeze all Accounting Flexfield structures that reference the natural account segment. Changing the account type only affects new accounts created after this change is made. Note: Please consult Oracle Support before making a change to a value that has been used or has a balance to prevent problems.

Third Party Control Account:

- Enter Payables, Receivables, or Yes for the Third Party Control Account to designate the account as a Control Account. Access to this account will be restricted to Oracle Payables, Receivables, and Inventory, for which Subledger Accounting automatically creates detailed balances. If you do not specify the account as a control account, you will be able to use the account for all Oracle Applications.

Reconciliation Flag:

- Enter Yes for Reconciliation Flag to allow reconciliation for natural accounts that should balance to zero.

Note: When you define a value as a Parent, you can not budget or post to this value even if you select the Budget Entry Allowed and Posting Allowed check boxes.

Control Accounts

Control Accounts

- Ensure control accounts can only contain data from an approved journal source
- Prevent manual data entry to control accounts

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Control Accounts

Control accounts are General Ledger accounts accessed from Oracle Payables, Receivables, and Inventory, for which Subledger Accounting automatically creates detailed balances. Control Accounts prevent users from entering data from unauthorized sources.

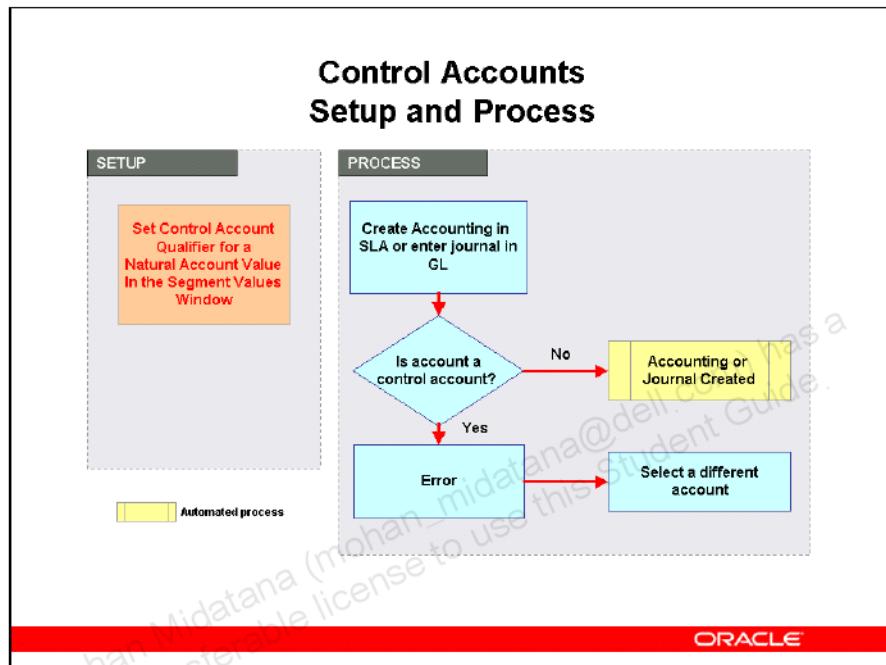
Benefits

- Improved Data Integrity
 - Only allow approved source to post to an account
- Streamlined Reconciliation
 - Enforce consistency between source system and GL account balance

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Chapter 3 • Page 45

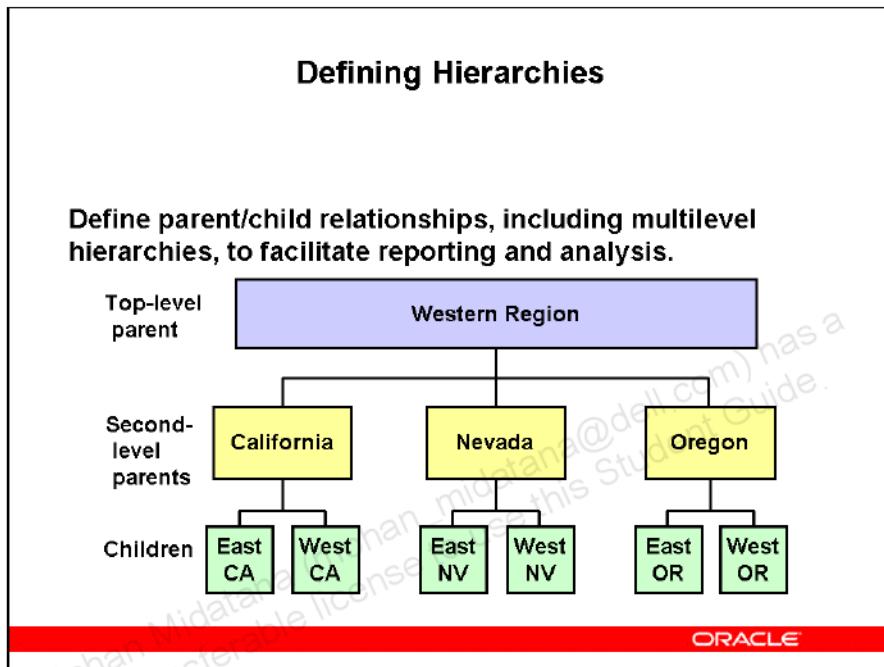
Control Accounts Setup and Process



Control Accounts Setup and Process

- When defining your natural account segment values, you can designate an account as a control account using the qualifier in the segment values window.
- You can select the journal source from which data can originate for each control account.
- SLA and GL will verify that only data from the specified source can be posted to the control account.

Defining Hierarchies



Defining Hierarchies

Child Segment Values

- Post journals and enter budgets directly to child segment values. Assign ranges of children to parents.

Parent Segment Values

- Use parents to sum the balances of associated child accounts. Any segment that has children beneath it - even if that segment has its own parent above it - is considered a parent by Oracle General Ledger. You cannot post journals or enter budgets directly for parent segment values. Assign ranges of child values to parent values to create summations for running reports, MassAllocations, or MassBudgeting.
- You can create parent segment values for independent segments, but there are limitations when used with dependent segments. The Dependent validation type limits using parent values with MassAllocations, MassBudgeting, and Financial Statement Generator (FSG).

The only parent value available for dependent segments is an all inclusive parent that

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Chapter 3 • Page 47

- Summary accounts may use the segment value 'T' in one or more of the segments, therefore, define the segment value "T" for every Accounting Flexfield segment if you are planning to create summary accounts. The value 'T' is also a parent value even though its children are not specifically assigned. Note: Char must be used as the format type for all segments of the accounting key flexfields because of the value "T".

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Working with Ranges

Working with Ranges

For each parent value, you can:

- Define child ranges
- Define parent ranges
- Move child ranges
- Move parent ranges
- View hierarchies

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Working with Ranges

- Enter the ranges of child values for each parent.
- Specify a range type of Child or Parent.
- When using the Child type, any child values that fall within the specified range are considered children of the parent value.
- When using the Parent type, any parent values that fall within the specified range are considered children of the parent value.

Moving Ranges

- Move a range of child values from one parent to another parent value.
- If the child moved is also a parent, its children are moved automatically.

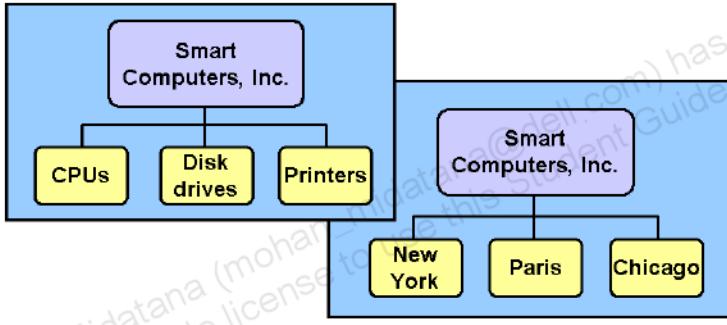
Viewing Hierarchies

- View the hierarchy structure to which the selected value belongs.

Account Hierarchies

Account Hierarchies

You can set up a variety of flexible parent/child account hierarchies to match your organizational needs.



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Account Hierarchies

- Use various flexible parent/child account hierarchies to view your business according to product lines, geographical regions, organizational lines, or any other combination of factors you deem important.
- Create your hierarchy with as many vertical and horizontal levels as you need to effectively analyze your business or business segment. It is better to create new parent structures than to modify existing structures because changes can effect historical reporting.

Note: Oracle General Ledger treats all segment values that have the Parent check box selected as parents even if they don't have children assigned and does not allow direct posting or budgeting to these values.

Account Hierarchy Manager

Account Hierarchy Manager

With the Account Hierarchy Manager you can:

- Graphically create, maintain, and review account structure hierarchies
- Define new parent and child segment values, as well as change parent/child dependencies
- Create new rollup groups from the Account Hierarchy Manager and have your changes reflected automatically in both the Key Segment Values and Rollup Groups windows

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Planning Hierarchies

Plan your hierarchies carefully. When you create and save Parent and Child segment values, they become permanent. You cannot change or delete Parent or Child segment values using the Account Hierarchy Manager or Oracle General Ledger. You can only disable them. Disabled segment values are displayed in the Account Hierarchy Manager as grayed out.

If you are creating large hierarchies, creating numerous parents and children, or managing the attributes of many parents and children, you can use a spreadsheet template as a planning aid. Model your spreadsheet template after the grid format in the Attributes window. Enter the appropriate data in the cells. You can use your template to guide you when making changes in the Account Hierarchy Manager. You can copy and paste entries from your template into the Attributes window, one field at a time for the Value, Description, From, and To fields. The date format you enter in your template must follow the MM-DD-YYYY format.

Account Hierarchy Manager—Security

Account Hierarchy Manager—Security

The Account Hierarchy Manager has security rules that enable you to control:

- Read only or read/write access
- Access to hierarchies, segment values, and charts of accounts

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Account Hierarchy Manager—Security

(N) Setup > Accounts > Manager

The Account Hierarchy Manager has security rules that work together. You can control read only or read/write access and control access to hierarchies, segment values, and charts of accounts.

- Read Only, Read/Write Security
 - Read Only – Disables you from modifying or saving hierarchies or segment values and parameters. You can only query, view hierarchy, view details, and export to a tab delimited files. Read Only is displayed in the title bar of the Account Hierarchy Manager.
 - Read/Write Security – Gives you read/write access to all segment values in the Chart of Accounts. Segment Value Security may limit the segment values you can access.
- Segment Value Security—An Oracle Applications feature that lets you exclude a segment value or ranges of segment values for a specific user responsibility. Segment Value Security is extended to the Account Hierarchy Manager.

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- Chart of Accounts Security—You have access to those charts of accounts associated with your user responsibility. If you need access to charts of accounts not available to you, see your system administrator.

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Defining an Accounting Calendar

Defining an Accounting Calendar

Create a calendar to define an accounting year and the periods that it contains.

- Set up one year at a time, specifying the accounting period type
- Define your calendar with at least one period before the period in which you start entering transactions
- Optionally, define multiple calendars and assign a different calendar to each ledger

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Defining an Accounting Calendar

Account Calendar Considerations

- Define at least one year at a time. By setting up your periods in advance, you can reduce the amount of period maintenance at the start of each accounting period.
- Foreign currency translations cannot be performed in the initial period opened for your ledger.
- Choose the earliest period carefully. After you open the first accounting period, prior periods cannot be opened.
- Set up the number of periods you want to budget for, up to a maximum of 60 periods.
- When the next accounting period is opened, Oracle General Ledger rolls account balances forward to that period.

How to Define an Accounting Calendar

(N) Setup > Financials > Calendar > Accounting

- Open the Accounting Calendar window
- Enter the following information:
 - Calendar: Accounting Demo

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Chapter 3 • Page 54

- Description: Standard Calendar

- Enter the following information to add the periods that make up the calendar year:

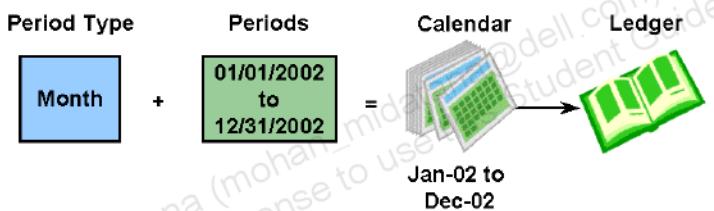
Prefix	Type	Year	Quarter	Num	From	To	Name
Jan	Month	2003		1	01-JAN-2003	31-JAN-2003	Jan-03
Feb	Month	2003		1	01-FEB-2003	28-FEB-2003	Feb-03

- Notice the Adjustment box to designate an adjusting period.
- Save your work
- Close the Accounting Calendar window. A decision window appears whenever you close the Accounting Calendar window after creating or editing a calendar. Select the Current button to validate the calendar you just created.
- (B) OK
- Find your request in the Requests window and select the View Output button to find out if there were any errors in the calendar you just created
- The Calendar Validation Report identifies if there are missing periods for this calendar

Defining Period Types

Defining Period Types

- Each calendar has an associated period type
- Pre-defined period types in Oracle General Ledger are Month, Quarter, and Year
- If needed, define your own period types in addition to the standard periods



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Defining Period Types

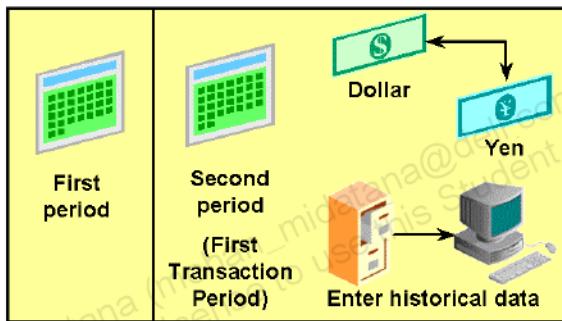
Oracle General Ledger uses the year type to determine the year to assign to a period name in the accounting period system. When defining new period types:

- Choose Calendar to use the year in which an accounting period begins for the period name.
- Choose Fiscal to use the year in which your fiscal year ends for the period name.

Defining Your First Accounting Period

Defining Your First Accounting Period

Define at least one accounting period before the first period for which you enter transactions or perform foreign currency translation.



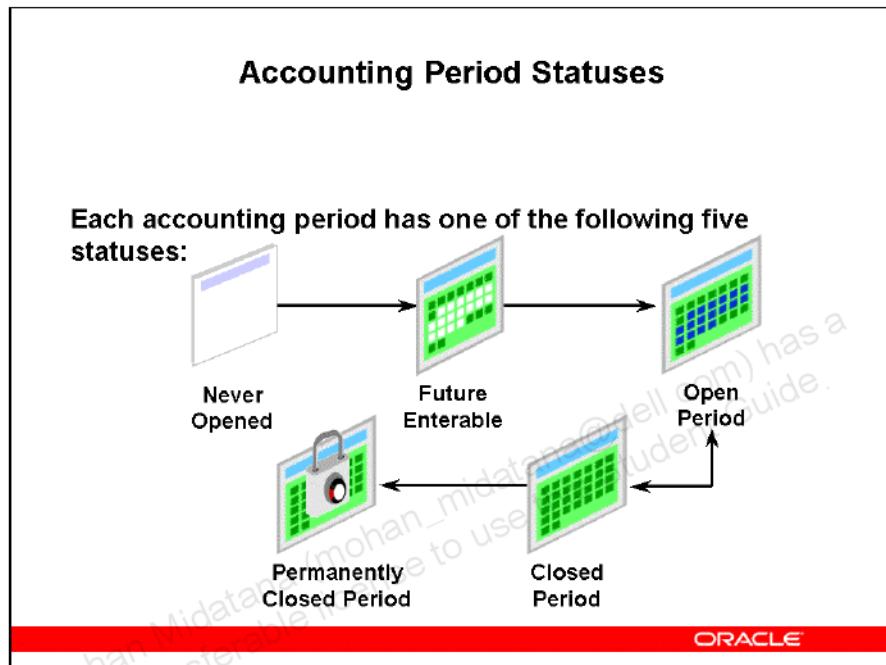
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Defining Your First Accounting Period

When you define a new ledger, choose carefully the first accounting period you want to open. Once you open your first accounting period, Oracle General Ledger does not allow you to open prior accounting periods.

Choosing whether to include an adjusting period or not in your calendar is a very important decision. You can have an unlimited number of adjusting periods. Typically, the last day of the fiscal year is used as an adjusting period to perform adjusting and closing journal entries. Once you begin using your accounting calendar, you cannot change its structure to remove or add an adjusting period.

Accounting Period Statuses



Accounting Period Statuses

Never Opened:

- You cannot enter or post journals.

Future Enterable:

- You can enter journals, but you cannot post. The number of future enterable periods is a fixed number defined in the Ledger window. You can change the number of Future Enterable periods at any time.

Open:

- You can enter and post journals to any open period. An unlimited number of periods can be open, but doing so may slow the posting process and can confuse users entering journals.

Closed:

- You must reopen Closed periods before you can post journals. You should manually close periods after finishing your month-end processing.

Permanently Closed:

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Chapter 3 • Page 58

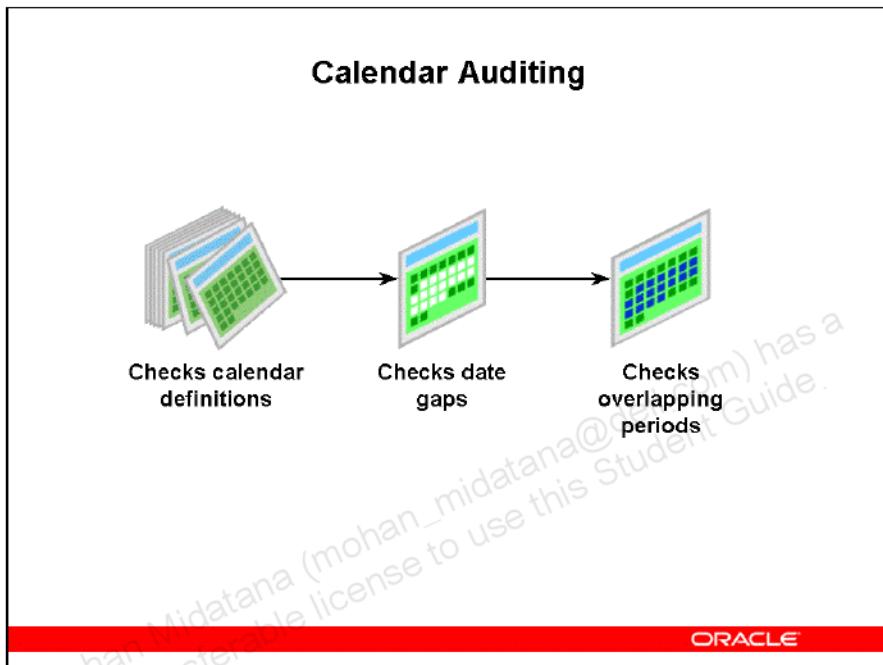
- Permanently Closed periods cannot be reopened. This status is required to archive and purge data.

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Chapter 3 • Page 59

Calendar Auditing



Calendar Auditing

Oracle General Ledger can automatically audit your accounting calendars to check for common setup errors. This feature strengthens controls during implementation and prevents potential processing problems related to invalid calendar definitions.

When you use the Accounting Calendar window to enter periods, the system only performs online checking of errors such as the wrong number of days assigned to a period or nonadjusting periods that have overlapping days.

When you exit the Calendar window, the Calendar Auditing program automatically produces a report that clearly outlines calendar definition violations such as date omissions, overlapping nonadjusting periods, and nonsequential periods.

The Calendar Validation report prints the error description, years, periods, or dates that violate the GL calendar definition when you create a calendar or add accounting periods to your calendar.

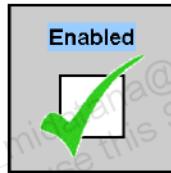
Use the Calendar Validation Report to identify errors in your calendar that may interfere with the proper operation of Oracle General Ledger.

Enabling Currencies

Enabling Currencies

You must enable a currency before you can enter transactions or record balances in that currency.

Canadian Dollar



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Enabling Currencies

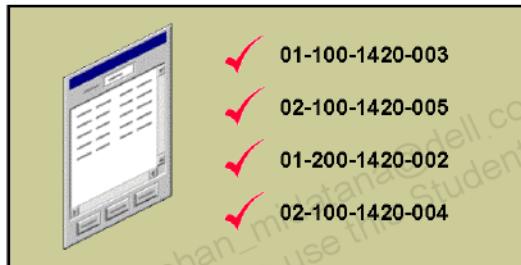
(N) Setup > Currencies > Define

1. To Enable or Disable a Currency, open the Currencies window.
2. In the currencies window, query all existing records by using the CTRL + F11 keys.
3. Select any existing currency that has not been enabled. Scroll to the right and select the Enabled check box to enable the currency.
4. Save your work.

Enabling Account Combinations

Enabling Account Combinations

To use an account combination, accept the default enabled check box in the GL Accounts window.



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Enabling Account Combinations

The default setting for an account code combination is enabled. Once created, an account code combination cannot be deleted. To discontinue using an account code combination, simply deselect the Enabled check box for the account. You can also use the effective date to enable or disable the combination. For example, if you have a new department as of January 1, 2002, you can create an account code combination with an effective date of 01-JAN-2002 and the account combination becomes enabled on that date. This means you have the flexibility to create the account combinations in advance.

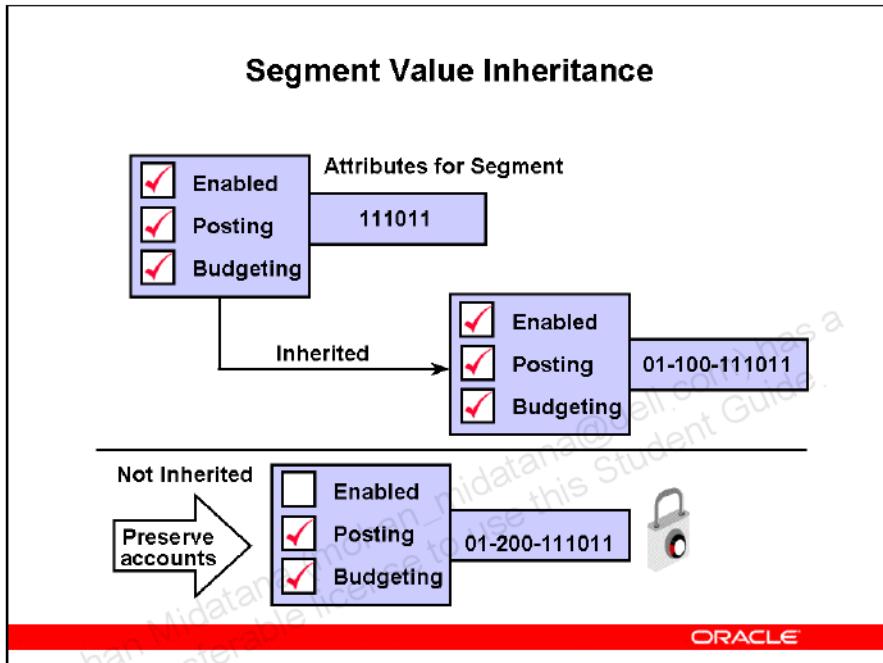
Additionally, you can control the following attributes from the GL Accounts window:

- Preserved
- Type
- Effective Dates
- Allow Posting
- Allow Budgeting

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Chapter 3 • Page 62

Segment Value Inheritance



Segment Value Inheritance

Overview of Segment Value Inheritance

- Oracle General Ledger eases chart of accounts maintenance by automatically replicating changes to segment value attributes of the account code combinations that contain that segment value. For example, if you enable a particular cost center segment value that had been disabled previously, you can run the Segment Value Inheritance program so that all account code combinations containing that cost center are automatically re-enabled. You can also prevent selected account code combinations from being affected by segment value attribute changes by selecting the Preserved check box in the GL Accounts window.

Using the Segment Value Inheritance Program

- To use the Segment Value Inheritance program:
 - Enable or disable a segment or change other attributes in the Segment Values window.
 - Run the Segment Value Inheritance program to change the attributes on all account code combinations that contain the segment.
 - Use the Segment Value Inheritance Exception Report to view the account code combinations that have been changed.

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Chapter 3 Page 63

- Individual segment value attributes override account code combination attributes. To protect account code combinations from changes when you run the Segment Value Inheritance program, select the Preserved check box in the GL Accounts window.
- An account code combination is composed of several segment values. If these segment values have conflicting settings with respect to being enabled, posting, budgeting, and effective dates, the most restrictive of these settings for any of the individual segment values applies to the account code combination when the program is run. If you disable a segment value, the code combinations that contain that value will no longer be able to be used, even if the preserved check box is selected.

Note: You can also disable an account code combination in the GL Accounts window. However, you must select or deselect the Enabled check box for each account combination individually. This applies to other attributes such as budgeting and posting as well.

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Troubleshooting Segment Value Inheritance

Troubleshooting Segment Value Inheritance

- **Segment Value Inheritance updates the Accounting Flexfield structure assigned to the ledger for your responsibility**
- **A chart of accounts that uses table validation must have a LAST_UPDATE_DATE and a CREATION_DATE field**

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Troubleshooting Segment Value Inheritance

Accounting Flexfield Structure:

- If you want to update another Accounting Flexfield structure, you must use the responsibility for that structure. If you have multiple ledgers, you must have at least one responsibility defined for each ledger. The segment value inheritance program only updates one ledger, which is the one assigned to the responsibility of the user launching the program. If multiple ledgers need to be updated, you must launch the program multiple times, each time from a different responsibility.

Table Validation:

- If the Segment Value Inheritance program is run for a chart of accounts that contains a table validated value set, the columns LAST_UPDATE_DATE and CREATION_DATE must be in the table used by the table validated value set. If the table does not have these columns, then the Segment Value Inheritance program cannot determine which segment values attributes have changed since its last run and assumes that no segment value has changed in this value set.
- The Segment Value Inheritance program prints a warning message in the report.

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Chapter 3 Page 65

- The program continues the inheritance process for other segments and generates a warning when the program is completed.

Segment Value Inheritance and Flexfield Security

- Segment value inheritance and flexfield security are different and unrelated.
- You can use flexfield security to enable specific users to use a segment value and block other users from using the same value.
- Segment value inheritance finds code combinations using a segment value and transfers the segment value attributes to the code combinations.

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Defining Flexfield Security Rules

Defining Flexfield Security Rules

Restrict data entry, online inquiry, and reporting to specific values by using flexfield security rules.

Account Segment	
Include:	0000 to 9999
Exclude:	1000 to 3999
Available:	0000 to 0999 4000 to 9999
Unavailable:	1000 to 3999

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Defining Flexfield Security Rules

- To prohibit certain users from accessing specific segment values, you can define flexfield security rules and assign those rules to the responsibility of the restricted users. For example, you can create a security rule that grants a user access only to his or her own department.
- Accounting Flexfield segment values must pass every assigned flexfield security rule for a user's responsibility before the value can be selected by the user.

How to Define Security Rules

(N) Setup > Financials > Flexfields > Validation > Security > Define

1. In the Find Key Flexfield Segment window, enter:

- Title Accounting Flexfield
- Structure Demo Accounting Flex
- Segment Company

2. Select the Find button.

3. Enter the parameters for the security rule.

4. In the Security Rules region:

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Chapter 3 Page 67

- Name Demo FFS
- Description Company Not Valid for Responsibility
- Message Demo FFS – Company not valid for responsibility

5. In the Security Rules Elements region:

- Include 00 – 99
- Exclude 00 - 00

6. Save your work.

7. Select the Assign button and assign the rule to:

- Application Oracle General Ledger

- Responsibility Name Demo Vision Operations, USA

8. Save your work.

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Using Dynamic Insertion

Using Dynamic Insertion

You can dynamically create new account code combinations when entering data by enabling dynamic insertion in the Key Flexfield Segments window.

- Dynamic Insertion can be enabled or disabled at any time
- Define cross validation rules to prevent incorrect account combinations from being created by dynamic insertion

Allow Dynamic Inserts

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Using Dynamic Insertion

Setting the Allow Dynamic Inserts Option

- You have the option of allowing account combinations to be added automatically as you enter them in transactions, including when you define a ledger. This option is controlled by the Allow Dynamic Inserts check box located on the Key Flexfield Segments window. Alternately, you can require all accounts to be defined manually in the Accounts Combinations window.
- Frequently, companies enable dynamic insertion while they are entering historical data from a legacy system. They then disable the feature to ensure tighter control over the creation of new account combinations.

Note: If you are defining an Accounting Flexfield for Oracle Projects, you must define your segment with the Allow Dynamic Inserts option set to Yes. For more information, refer to the Oracle Projects User Guide.

Defining Cross-Validation Rules

Defining Cross-Validation Rules

Prevent the creation of invalid account combinations by setting up cross-validation rules.

- Define cross-validation rules before entering a chart of accounts
 - Use cross-validation rules in combination with dynamic insertion

Division:	Region:	Account:
01 US	100 New York	4100 Sales
02 Asia	400 Tokyo	7550 Travel
Valid		01 - 100 - 4100
Invalid		01 - 400 - 4100

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Defining Cross-Validation Rules

Cross-validation controls the combinations of values you can create when you are setting up Accounting Flexfield combinations. A cross-validation rule defines whether a value of a particular segment can be combined with specific values of other segments. Cross-validation is different from segment validation, which controls the values you can enter for a particular segment.

You use cross-validation rules to prevent the creation of combinations that should never exist (combinations with values that should not coexist in the same combination). For example, you can assign rules to prevent the combination of a product with administrative departments.

Defining and Revising Cross-Validation Rules

- Because cross-validation rules validate only new accounts, you should define and enable them prior to entering accounts.
 - Revise cross-validation rules at any time, but remember that they only prevent the creation of new invalid account combinations.

Combinations of Segment Values

- New accounts must pass every enabled cross-validation rule to be valid.

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- Cross-validation rules do not affect existing accounts.
- Using Cross-Validation with Dynamic Insertion
- Enable dynamic insertion in the Key Flexfield Segments window to allow users to define new account combinations of segment values.
- If dynamic insertion is not enabled, you can only enter new account combinations of segment values using the GL Accounts window.
- Cross validation rules are important even if dynamic insertion is not enabled to prevent creating invalid combinations accidentally.

Specifying Cross-Validation Rules

- To enter cross validation rules, navigate to the Cross Validation Rules window.

(N) Setup > Financials > Flexfields > Key > Rules

- Enter the error message that should be displayed if the rule is violated. Include the name of the rule in the error message for easy identification.
- Enter the name of the segment most likely to cause this cross-validation rule to fail; Oracle General Ledger moves the cursor to this segment whenever a new account combination violates this cross-validation rule.

Defining Cross-Validation Rule Elements

- Select Include or Exclude and specify a range of accounts for each rule.
- Oracle General Ledger excludes all accounts that are not explicitly included.
- Exclude rule elements always override Include rule elements. Therefore, create a universal Include statement that includes all possible accounts. Then specify Exclude statements.
- Note: Defining many rules with few elements is generally much clearer than defining few rules with many elements. For clarity, always contain one universal Include element and one or more restricting Exclude elements.

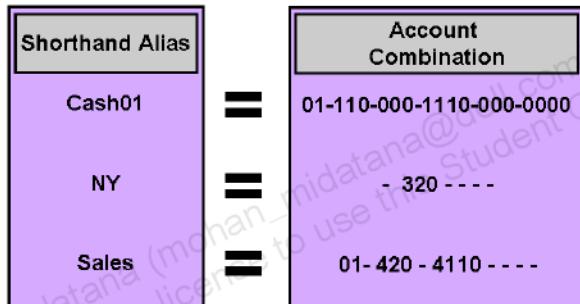
Note: To help you maintain your cross-validation rules, have your system administrator add the following reports to your General Ledger responsibility:

- Cross-Validation Rule Violation Report: This report provides a listing of all the previously-created flexfield combinations that violate your cross-validation rules. You can also choose to have the report program actually disable the existing combinations that violate your new rules.
- Cross-Validation Rules Listing Report: This report lists all the cross-validation rules that exist for a particular flexfield structure. This is the information you define using the Define Cross-Validation Rules form, presented in a multiple-rule format you can review and keep for your records for a given flexfield structure.

Defining Shorthand Aliases

Defining Shorthand Aliases

A shorthand alias is a word or code that represents a partial or complete account combination. Use shorthand aliases to reduce account-entry keystrokes and to maximize productivity and accuracy.



Defining Shorthand Aliases

Defining Aliases to Represent Accounts

- An alias can represent the value for a single segment, several segments or an entire account combination.
- You can define an unlimited number of aliases to represent complete or partial accounts.

How to Create Aliases

(N) Setup > Financials > Flexfields > Key > Aliases

1. In the Shorthand Aliases window, use the Find icon to find the Demo Accounting Flex chart of accounts.
 - Application Oracle General Ledger
 - Flexfield Title Accounting Flexfield
 - Structure DEMO ACCOUNTING FLEX
2. Select the Enabled checkbox.
3. In the Max Alias Size field, enter 4.
4. In the Prompt field, enter Alias.

5. In the Aliases, Description tabbed region, enter:

- | | |
|---------------|----------------------------------|
| - Alias | Cash |
| - Template | 01.100.1000 |
| - Description | Cash account for Cost Center 100 |

6. Save your work

7. Open the Key Flexfield Segments window.

(N) > Setup > Financials > Flexfields > Key > Segments

8. Use the Find icon to locate:

- | | |
|---------------|-----------------------|
| - Application | Oracle General Ledger |
|---------------|-----------------------|

9. From the Structures list, select Demo Accounting Flex.

10. Clear the Freeze Flexfield Definition check box. Select OK when the message box appears.

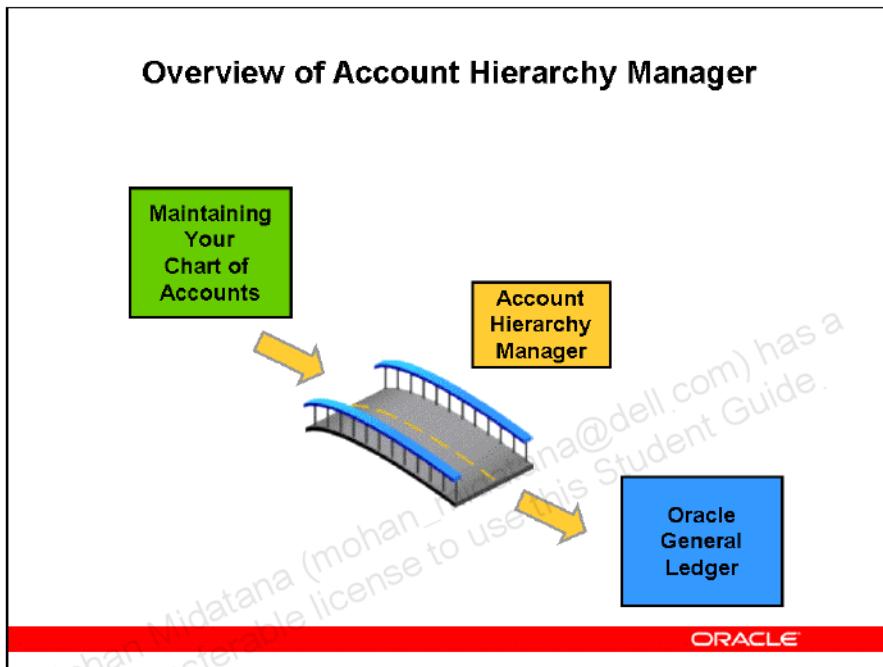
11. Select the Freeze Flexfield Definition check box and select OK when the message box appears.

12. Save your work.

Important Notes:

- You cannot define a shorthand alias using invalid values.
- There is no validation process or checking of cross-validation rules when you define shorthand aliases.
- After you define the first shorthand alias, you must unfreeze your flexfield and recompile it in order to be able to use your newly defined shorthand alias. This step is performed only once.
- The Flexfields: Shorthand Entry Profile Option must be set to Yes before you can use your shorthand aliases. This profile option can be set by the user or system administrator.
- Caution: Do not define shorthand aliases for a small number of accounts. It is inefficient.
- Entering Aliases When Entering Accounts
- When you invoke the account list of values window, the shorthand window is displayed.
- You can enter a partial shorthand alias or skip the shorthand window to open the Accounting Flexfield window.
- After you enter a partial alias, the Accounting Flexfield window displays the segment values represented by the alias. Change any segment values if desired.
- If you entered an alias that represented an entire accounting combination, it fills in the values and moves you to the next field in the window.

Overview of Account Hierarchy Manager



Overview of Account Hierarchy Manager

With the Account Hierarchy Manager you can:

- Graphically create, maintain, and review account structure hierarchies
- Define new parent and child segment values, as well as change parent/child dependencies
- Create new rollup groups from the Account Hierarchy Manager and have your changes reflected automatically in both the Key Segment Values and Rollup Groups windows

Planning Hierarchies

Plan your hierarchies carefully. When you create and save Parent and Child segment values, they become permanent. You cannot change or delete Parent or Child segment values using the Account Hierarchy Manager or Oracle General Ledger. You can only disable them. Disabled segment values are displayed in the Account Hierarchy Manager as grayed out.

If you are creating large hierarchies, creating numerous parents and children, or managing the attributes of many parents and children, you can use a spreadsheet template as a planning aid.

Model your spreadsheet template after the grid format in the Attributes window. Enter the appropriate data in the cells. You can use your template to guide you when making changes in the Account Hierarchy Manager. You can copy and paste entries from your template into the

Attributes window, one field at a time for the Value, Description, From, and To fields. The date format you enter in your template must follow the MM-DD-YYYY format.

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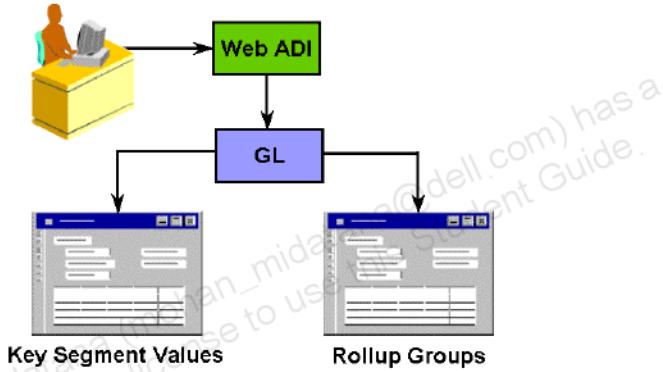
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Chapter 3 • Page 75

Integrating with Oracle General Ledger

Integrating with Oracle General Ledger

Use Account Hierarchy Manager to make changes to your account structure. Upon saving, Oracle General Ledger reflects changes automatically.



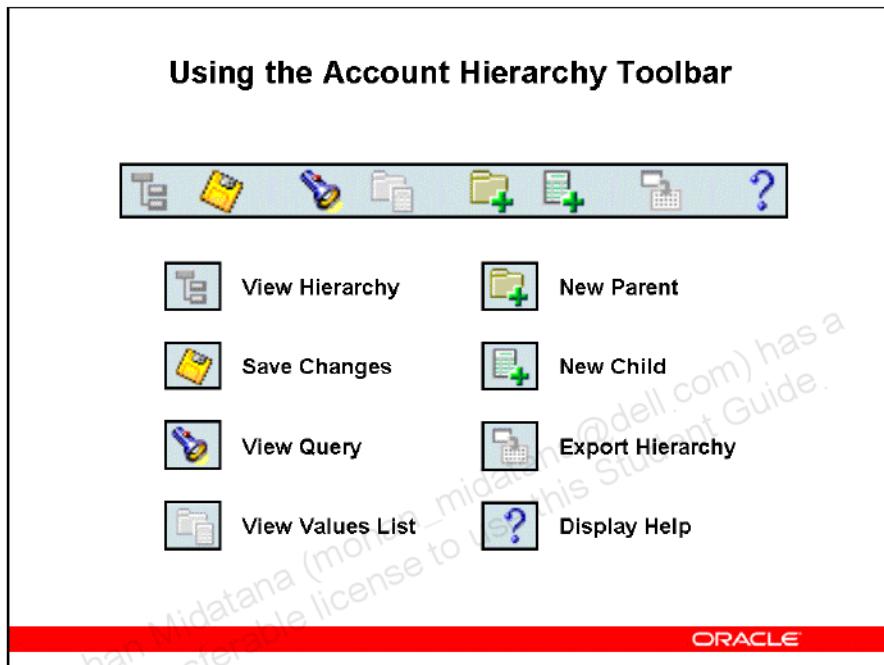
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Integrating with Oracle General Ledger

Account Hierarchy Manager is fully integrated with Oracle General Ledger. You can create and manage values and hierarchies for your Accounting Flexfields using the Account Hierarchy Manager just as you can in General Ledger. All changes made in Account Hierarchy Manager are reflected in GL upon saving and your entire chart of accounts is available in Account Hierarchy Manager. Working with account structures and hierarchies in Account Hierarchy Manager is easy and intuitive because of the graphical interface. In addition, performing what-if manipulations for account structures is a simple process using the Account Hierarchy Manager.

You can use Account Hierarchy Manager in conjunction with GL. First, set up the basic account framework in General Ledger by defining value sets, the account structure, segment qualifiers, and the order of the segments. Then use the Account Hierarchy Manager to add values and relationships. You will find setting up your chart of accounts to be more efficient this way.

Using the Account Hierarchy Toolbar



Using the Account Hierarchy Toolbar

Building a Hierarchy

To build a hierarchy, select a parent value from the Values List window and choose the View Hierarchy button from the toolbar. The parent value and all its children are displayed in the Hierarchy window.

To continue building a hierarchy, select additional values from the Values List window, then drag and drop them in the Hierarchy window. Any new values must be added to existing parent values in the hierarchy window. For example, you can select a child value, drag it to the Hierarchy window, then drop it onto any parent value. You can also select a parent value, drag it to the Hierarchy window, and drop it on any parent value.

However, there are instances when you cannot drop a selected value onto an existing value in the hierarchy diagram. For example, you cannot drop a child value onto another child value. The Account Hierarchy Manager will prevent you from completing the drag and drop in these instances.

To remove a value from a hierarchy, select it and choose Remove from the right-click mouse menu.

Account Hierarchy Manager Segment Symbols

Account Hierarchy Manager Segment Symbols

	Top Level Parent—represents an entire chart of accounts structure
	Chart of Accounts Segment—Represents an individual segment of a particular chart of accounts structure
	Parent Level—Represents a parent segment value
	Child—Represents a child segment value



Account Hierarchy Manager Segment Symbols

Displaying Segment Values and Hierarchies

The Account Hierarchy Manager interface consists of multiple windows to help you find, manage, and create hierarchies.

Chart of Accounts - Segments Window

The Chart of Accounts - Segments window lists the Chart of Accounts you can access subject to Chart of Accounts Security.

Displaying Parents and Children in a Graphical Hierarchy

1. Expand any Chart of Accounts folder to view the individual segments, such as Company, Department, Account, etc.
2. Highlight a specific segment and choose Find in the Query Values window.
The window changes to the Values List window and displays all the Parent and Child values for that segment.
3. Highlight any parent value and choose the View Hierarchy button. The Hierarchy window appears. Parent and Child values are displayed in a graphical hierarchy.

Query Values Window

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Chapter 3 • Page 78

Enter search criteria in the Query Values window to search for existing segment values. Values you can access are subject to Segment Value Security. Criteria entered in the Parent and Child tabs work together in your search. The Parent and Child tabs have Values, Status, and Dates tabs to help you limit your query. You can sort the results of your search by Value or Description.

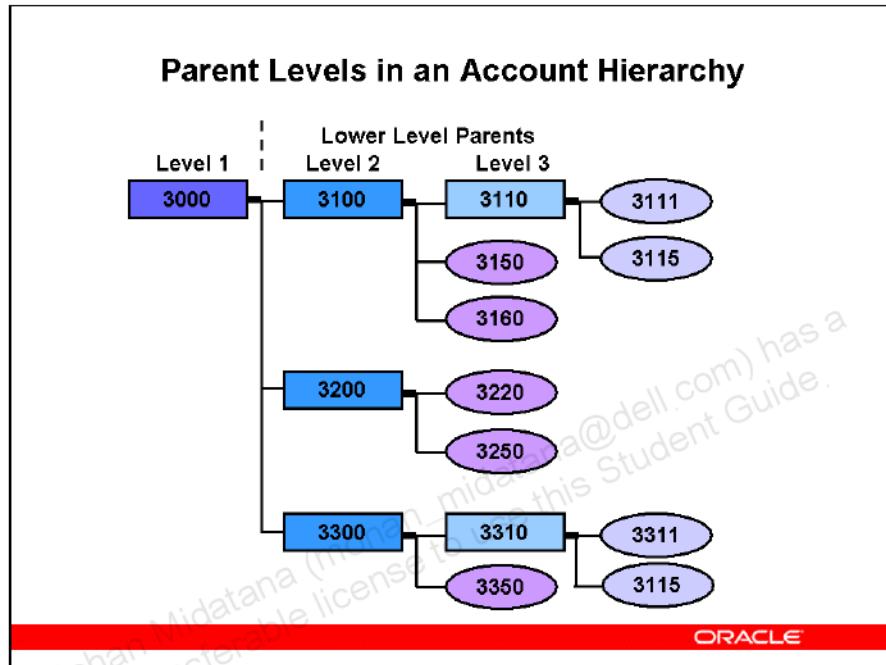
Values List Window

Expand a Chart of Accounts, select a Segment and choose Find in the Query Values window. The Account Hierarchy Manager displays 100 segment values at a time in the Values Detail window. You can select arrows to scroll through the list.

Values Detail Window

The Account Hierarchy Manager displays your hierarchies and attributes in two windows—Account Values Detail window and Hierarchy window. The title of the Values Detail window is dynamic to reflect the segment you are working with. For example, if you highlight a parent value for the account segment in the Account Values window and choose the View Hierarchy button from the toolbar, the parent and its children appear in the Hierarchy and Attributes sub windows of the Account Values Detail window. The displayed title of the Values Detail window, in this example, is Account Values Detail. The Hierarchy window displays your hierarchies graphically. From a Hierarchy window, you can build, modify, and view account hierarchies. The Attributes window lists the attributes of segment values displayed in the Hierarchy window. Attributes are: Description, Rollup Group, Account Type, Effective Date Ranges, Enabled, Budgeting Allowed, and Posting Allowed.

Parent Levels in an Account Hierarchy



Parent Levels in Account Hierarchy

As illustrated in the diagram, a parent value can be a child of a higher level parent. For example, in the diagram, parent value 3110 has two child segment values, 3111 and 3115. The parent is itself a child of the higher level parent value 3100, which also includes the child values 3150 and 3160. Parent value 3100 is, in turn, a child of the topmost parent value, 3000, which also includes the lower level parent values 3200 and 3300, as well as all of their child values.

When you select a parent level in the Account Hierarchy Manager, you are selecting the parent segment value plus all of its child values, which include lower level parents and their associated child values. For example, if you select the parent value 3300 from the hierarchy shown in the diagram, you are selecting the values 3300, 3310, 3311, 3315, and 3350.

Creating New Child Values

Creating New Child Values

Use the Account Hierarchy Manager to define a new child segment value.

- Create a new child value in the Child Attributes window
- Enter attributes

Segment Value:	4140
Description:	Training Revenue
Account Type:	
Effective:	<input checked="" type="checkbox"/>
Enabled:	<input checked="" type="checkbox"/>
Allow Budgeting:	<input checked="" type="checkbox"/>
Allow Posting:	<input checked="" type="checkbox"/>

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Creating New Child Values

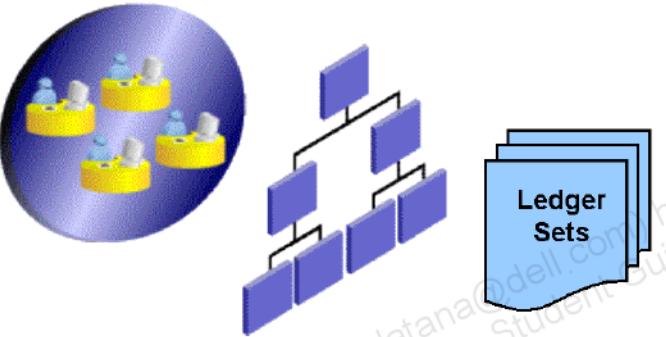
Use the Account Hierarchy Manager to define a new segment value by entering attributes for a new child value. The new value must comply with the defined format of the segment's value set.

To create a new child segment value for your hierarchy, from the Chart of Accounts - Segments window select the Chart of Accounts and Segment for the existing hierarchy you want to work with. Choose Find in the Query Values window, and choose New Child from the Edit menu. The Child Attributes window appears. In the Child Attributes window, enter a new Segment Value. The Account Hierarchy Manager validates the value when you close the Child Attributes window.

Once you create and save a new child segment value, you cannot delete it. To disable the segment value at any time, uncheck the Enable check box in the Child Attributes window.

Ledger Sets

Ledger Sets



Use ledger sets to group multiple ledgers for processing efficiency

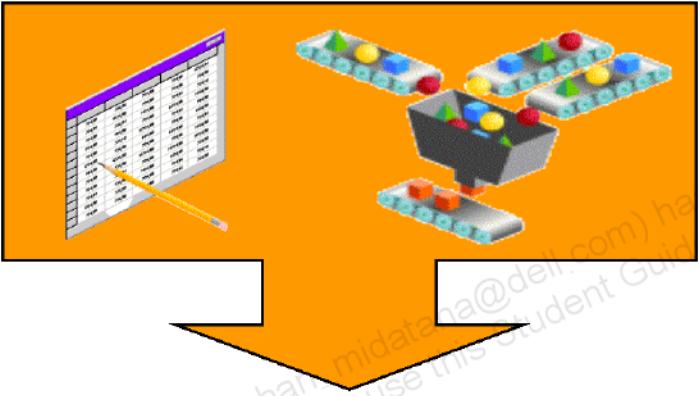
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Ledger Sets

Ledger Sets enable you to group multiple ledgers that share the same COA and calendar combination. Essentially, Ledger Sets allow you to treat multiple ledgers as one. For example, you can open and close periods for multiple ledgers in a ledger set in a single submission by submitting the new Open and Close Periods programs from the Submit Request form.

Data Access Sets

Data Access Sets



Data Access Sets enable the specification of:

- read only or read and write access

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Data Access Sets

Data Access Sets enable you to specify read only or read and write access for a legal entity, ledger, balancing segment value or management segment value.

Summary

Summary

In this lesson, you should have learned how to:

- **Describe the elements required to create a ledger within Oracle General Ledger**
- **Identify key implementation issues involved when creating a ledger in Oracle General Ledger**
- **Identify the attributes, options and settings required to define the Accounting Flexfield**
- **Define an accounting calendar**

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Summary

Summary

In this lesson, you should have learned how to:

- Enable predefined currencies
- Create a ledger in Oracle General Ledger
- Utilize the Account Hierarchy Manager to view and maintain Accounting Flexfield values

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Basic Journal Entries

Chapter 4

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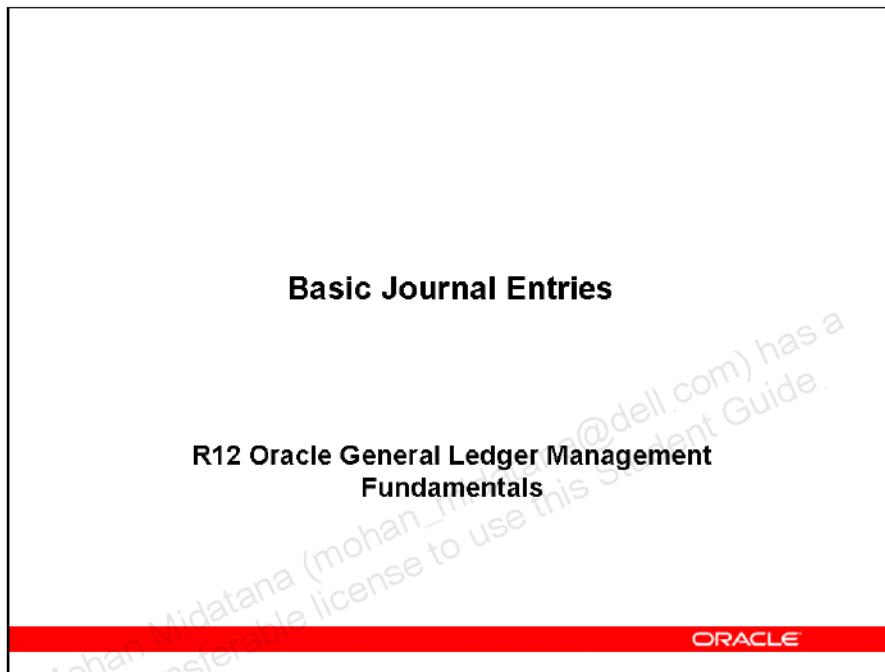
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Objectives

Objectives

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

- **Describe how journal entries are positioned in the accounting cycle**
- **Identify the types of journal entries**
- **Create manual journal entries**
- **Post journal entries using various posting options**
- **Perform account inquiries**
- **Perform drilldowns to Oracle subledger applications**
- **Create reversing entries**

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Objectives

Objectives

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

- Import journal entry information using the **GL_INTERFACE** table
- Describe the setup options available to process journal entries
- Identify reports, listings and inquiry options available for journal entries
- Identify the profile options necessary to process journal entries
- Identify the key implementation issues regarding journal entries and General Ledger

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Objectives

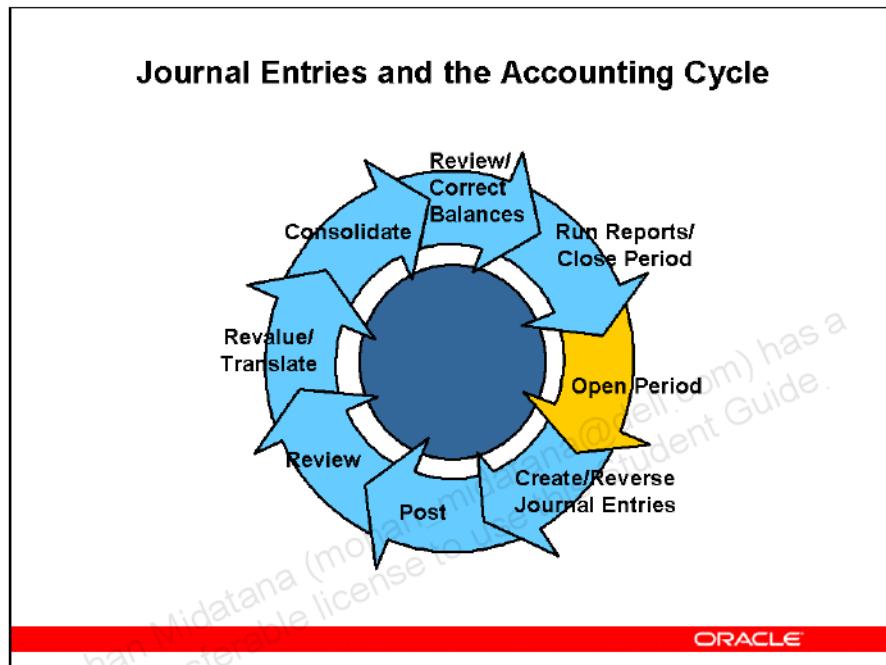
Objectives

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

- Identify the key elements of Web Applications Desktop Integrator (Web ADI)
- Define Web ADI setup options for key flexfields
- Use Web ADI to create journal entries
- Setup Web ADI layouts, mappings, and style sheets
- Identify Web ADI profile options, forms functions, menus, and responsibilities

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Journal Entries and the Accounting Cycle



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Journal Entries and the Accounting Cycle

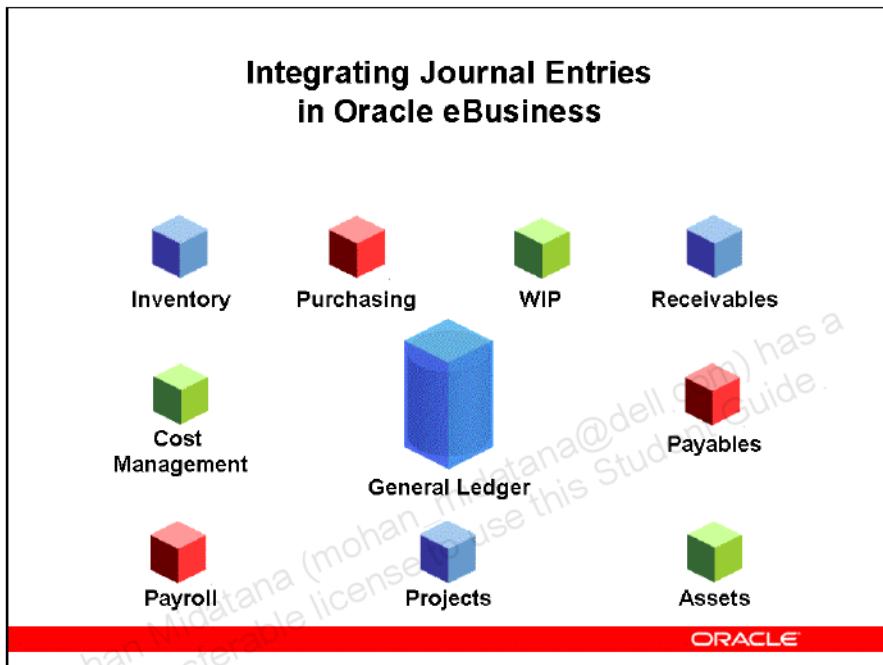
Journal entries are an integral part of the accounting cycle:

- Open period
- Create functional and foreign journal entries.
- Reverse journal entries
- Post
- Review and correct balances
- Revalue foreign currency balances
- Translate foreign currency balances
- Consolidate ledgers
- Review and correct balances
- Run accounting reports
- Close the accounting period

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Chapter 4 Page 7

Integrating Journal Entries in Oracle eBusiness



Integrating Journal Entries in Oracle eBusiness

Journal entries transfer accounting transactions to General Ledger for reporting and analysis. You can integrate the following subledgers with Oracle General Ledger:

- Purchasing: Accrual of receipts not invoiced, purchase orders, final close cancellations
- Payables: Invoices, payments, realized gain and loss, invoice price variance
- Assets: Capital asset additions, cost adjustments, transfers, retirements, depreciation, reclassifications, also construction in process
- Work In Process: Material issues or backflush to WIP, completions, returns, resource and overhead transactions, cost updates
- Inventory: Inventory, cost of goods sold (COGS), cycle count and physical inventory adjustments, receiving transactions, delivery transactions, intercompany transfers, sales order issues, internal requisitions, subinventory transfers
- Projects: Cost distribution of labor and non-labor, revenue
- Receivables: Invoices, payments, adjustments, debit memos, credit memos, cash, chargebacks, realized gain and loss
- Payroll: Salary, deductions and taxes

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Performing Journal Entry Functions

Performing Journal Entry Functions



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Performing Journal Entry Functions

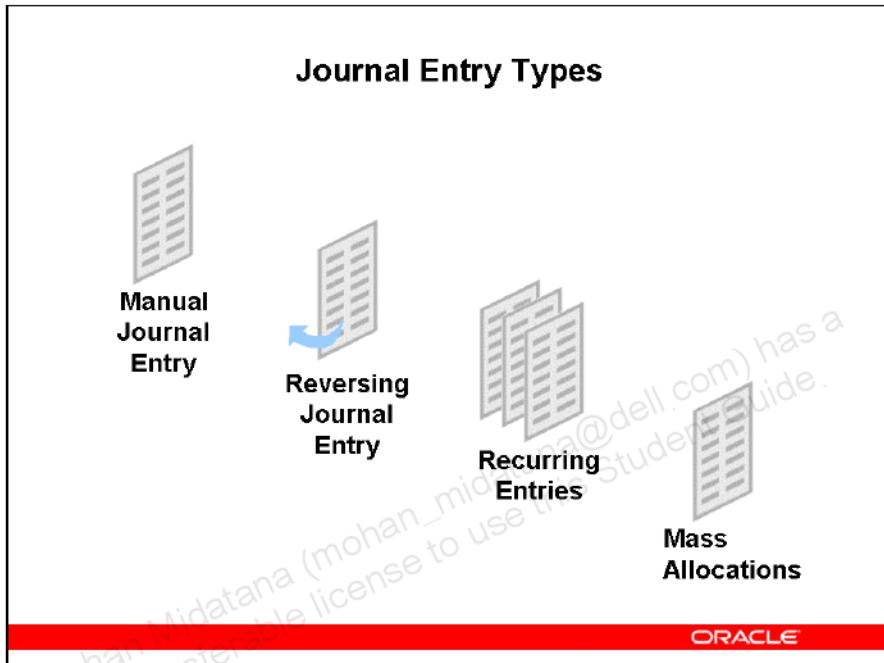
Using Oracle General Ledger, Oracle subledgers, and Oracle Web ADI, you can perform the following journal entry functions:

- Create journal entries in Oracle General Ledger or use Web ADI to enter journals from a spreadsheet.
- Import journal entries
- Post journal entries
- Inquire on account information and journal entries
- Drill down to subledgers
- Run reports
- Reverse journal entries

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Journal Entry Types



Journal Entry Types

Within Oracle General Ledger, you can work with the following types of journal entries:

- Manual Journal Entries: The basic journal entry type is used for most accounting transactions. Examples include adjustments and reclassifications.
- Reversing Journal Entries: Reversing journal entries are created by reversing an existing journal entry. You can reverse any journal entry and post it to the current or any future open accounting period.
- Recurring Journal Entries: Recurring journal entries are defined once, then are repeated for each subsequent accounting period you generate. You can use recurring journal entries to define automatic consolidating and eliminating entries. Examples include intercompany debt, bad debt expense, and periodic accruals.
- MassAllocations: MassAllocations are journal entries that utilize a single journal entry formula to allocate balances across a group of cost centers, departments, divisions or other segments. Examples include rent expense allocated by headcount or administrative costs allocated by machine labor hours.

Journal Creation Methods

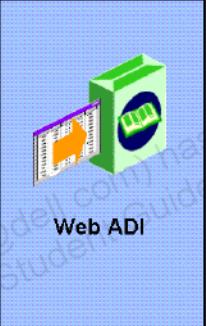
Journal Creation Methods



Manual Entry
Reversals
Recurring
MassAllocations



Journal Import



Web ADI



Journal Creation Methods

Manual Journal Entries

- Organization Need: Create adjusting journal.
- Procedure: Enter debits, credits, and accruals manually.
- Reversing Entries
- Organization Need: Reverse errors and revaluation journals.
- Procedure: Reverse the journal encumbrance and accrual amounts of a preexisting journal entry.
- Recurring Entries
- Organization Need: Create journals using fixed variable amounts and complex formulas. Create multiple journal entries with the same or similar information.
- Procedure: Create journals using skeleton, standard, or formula template.
- MassAllocations
- Organization Need: Allocate from one account to many by using a single formula.
- Procedure: Calculate journals by using an allocation formula.

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Chapter 4 • Page 11

- Journal Import
- Organization Need: Integrate Oracle General Ledger with other applications.
- Procedure: Import journal entry information from feeder systems.
- Journal Wizard
- Organization Need: Integrate Oracle General Ledger with an Excel spreadsheet for journal creation.
- Procedure: Upload journal entries from an Excel spreadsheet.

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Journal Components

Journal Components

Every journal entry in Oracle General Ledger has three components.

The diagram illustrates the three components of a journal entry. At the top, there is a computer monitor icon labeled "Enter Journals". Below it, three more monitor icons are shown side-by-side, each with a circled area indicating it is a component: "Batch", "Header", and "Lines".

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Journal Components

Every journal entry belongs to a batch. You create a batch of journal entries by entering a name, control total and description for the batch. This step is optional. If you do not enter batch information, Oracle General Ledger automatically creates one batch for each journal entry, defaulting the name and the latest open period.

- All journal entries in a batch share the same period.
- Entering a batch control total and description are optional.
- If you do not enter a batch name, you must recall the journal entry by date.
- Batch information is stored in the GL_JE_BATCHES table.

Note: Most companies use standard naming conventions for batches and journals to easily identify who entered the journal and the purpose of the journal entries. An example would be: Accrual <Initials of the person who entered the journal> today's date.

Journal Header Information

- The header information identifies common details for a single journal entry, such as name, effective date, source, category, currency, description, and control total.

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Group related lines into journal entries

- All lines in a journal entry must share the same currency and category.
- If no journal entry-level information is entered, Oracle General Ledger assigns a default name, category, and the functional currency.
- Header information is stored in the GL_JE_HEADERS table.

Journal Line Information

- Journal lines specify the accounting information for the journal entry.
- Total debits must equal total credits for a journal entry for all journal entries except budget journal entries and statistical journal entries.
- Description for each line can be entered optionally.
- Information for journal entry lines is stored in the GL_JE_LINES table.

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Grouping Journals into Batches

Grouping Journals into Batches

You can organize journal entries with common attributes into batches.

Batch 01 Mar-02 journal entries

Batch 02 Accrual Journal entries

Batch 03 Euro Journal entries

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Grouping Journals into Batches

- The use of journal batches is optional. If desired, you can enter a journal directly without creating a batch by selecting New Journal in the Find Journals window. A batch name is created for you using the source combined with a batch ID and system date as in Manual <BatchID><Date>.
- Batches can contain an unlimited number of journal entries.
- All journal entries in a batch must share the same accounting period. You can enter journals only in a current or future enterable accounting period.

Note: If you enter a period prior to the current accounting period and the user profile Journals: Enable Prior Period Notification is set to Yes, General Ledger displays a message indicating that you are entering a prior period journal.

- If you post one journal entry, the entire batch posts.
- When using the reversing functionality, you can choose to reverse all the entries in a batch or just one journal.
- You can post journal entries with unbalanced debits and credits if Suspense posting is enabled. The difference is posted to the suspense account. If suspense posting is not

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enabled, you cannot post an unbalanced journal entry except for statistical or budget entries which do not have to be balanced to post.

How to Create a Journal Batch

1. Open the Find Journals window.

(N) Journals > Enter (B) New Batch

2. Select the New Batch button. The Batch window appears.

3. Enter the following information:

Batch	Demo Computer Purchases and Sales
Period	Select the latest open period
Control Total	220000 (This field is optional)

4. Select the Journals button to enter a journal header and journal lines.

5. Enter the Journal Header information:

Journal	Demo Computer Purchase
Category	Addition
Currency	USD

6. Enter the following journal lines:

Line	Account	Debit	Credit	Description
10	01-000-1560-2113-000	85000		Computers and Software
20	01-000-1110-2113-000		5000	Cash
30	01-000-2210-2113-000		80000	Accounts Payable

7. Save. In the Decision window, select Yes to save the journal entry, even though there is a control total violation.

8. In the Header level, select the New icon to create a second journal entry within this batch.

9. Enter the following header information:

Name	Demo Computer Sales
Category	Revenue
Currency	USD

10. Enter the following information for the second journal entry:

Line	Account	Debit	Credit	Description
10	01-000-1210-2113-000	135000		Accounts Receivable
20	01-420-4110-2113-000		135000	Revenue

11. Save your work.

Manual Journal Entries

Manual Journal Entries

A manual journal entry is entered directly into Oracle General Ledger. Typical manual journal entries include the following:

- **Functional currency entries**
- **Foreign currency entries**
- **Statistical entries**
- **Intercompany entries**

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Manual Journal Entries

Your functional currency appears as the default currency when you open the Enter Journals window.

- Foreign Currency Journal Entries
 - To enter a foreign currency journal, specify the currency you want to use and enter conversion information.
 - Conversion type can be Spot, Corporate, User, or other defined type.
 - Conversion date must be within the accounting period defined for the journal entry.
 - Enter a conversion rate if you enter User as the conversion type.
- Statistical Journal Entries
 - To enter a statistical journal entry, select STAT as the currency for the journal entry.
 - Statistical journal entries can be "one-sided" entries. The debits do not need to equal credits for the journals to post.
 - Combined Currency and Statistical Amounts
 - You can enter a statistical journal entry by itself or combined with currency journal amounts.

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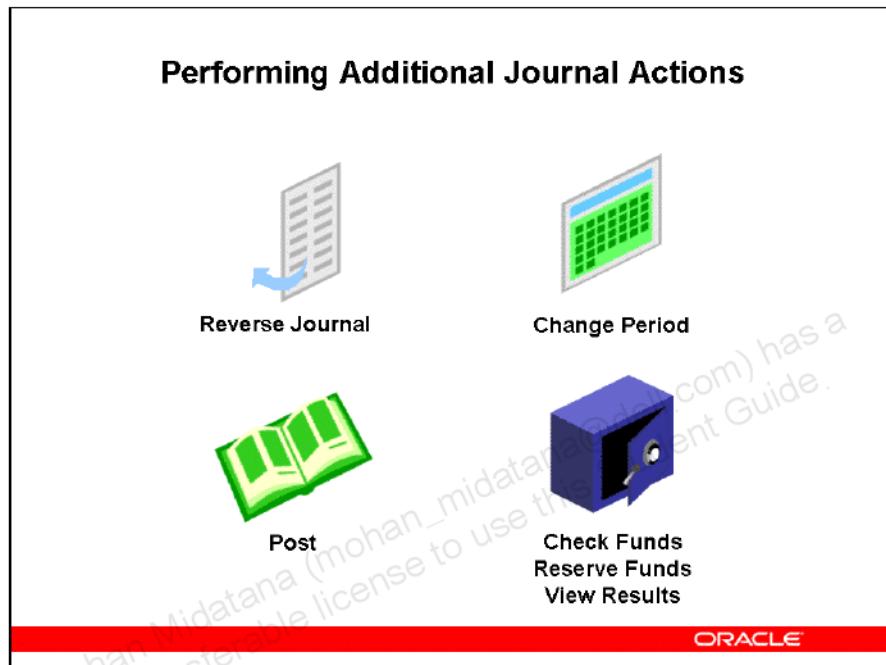
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- Set the Journals: Mix Statistical and Monetary profile option to Yes.
- Define a statistical unit of measure for any natural account segment values you want to combine statistical and monetary journal entries.
- When entering the journal lines, use debit and credit amounts for any monetary currency. In the Statistical Amounts region, enter the statistical quantity.
- Intercompany Journal Entries
 - Enter the intercompany transaction. General Ledger automatically creates the balancing intercompany journal lines based on the accounts you defined in the Intercompany Accounts window.

How to Create a Manual Journal Entry

1. Open the Batch window.
(N) Journals > Enter (B) New Batch
2. Enter the Batch and Period.
3. (B) Journals
4. Enter data for the following fields:
 - Journal
 - Period
 - Category
 - Currency
 - Description
5. Enter journal line information.
6. Save your work.
7. Select Yes to close the message box telling you that the debits do not equal the credits.
One-sided journal entries can be posted when the currency is STAT.

Performing Additional Journal Actions



Performing Additional Journal Actions

You can use the More Actions window to perform additional journal activities.

Reverse Journal: You can reverse a journal entry or batch. Select a reversal period if prompted.
Select the reversal method: Switch Debit/Credit or Change Sign.

Change Period: Select this button to change the period of any entry.

Post: Select this button to launch the concurrent process to post a manual journal entry and update account balances. Posting is available in the More Actions window only if the profile option Journals: Allow Posting During Journal Entry is set to Yes.

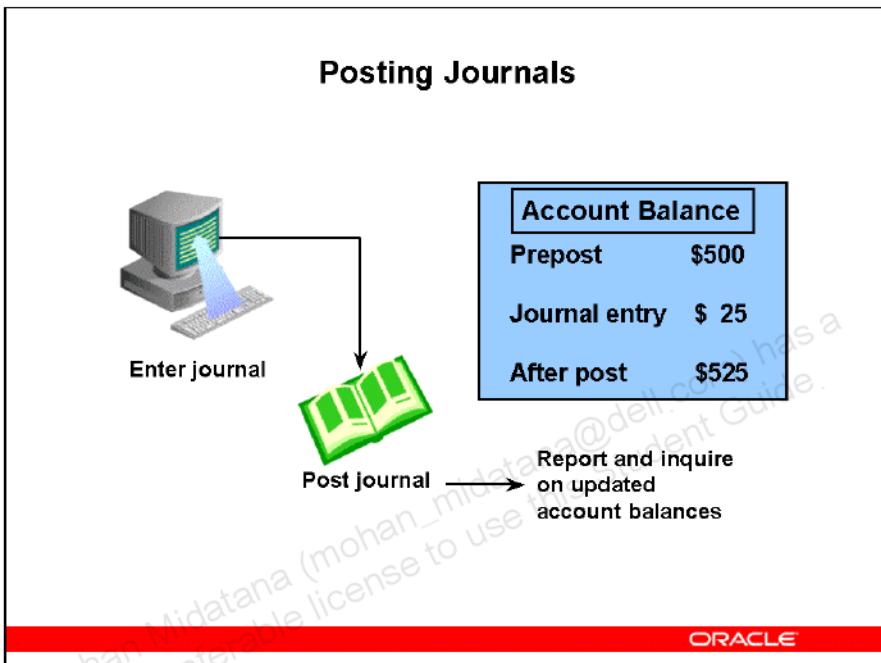
Note: You can also post journal entries by navigating to the Post Journals window.

(N) Journals > Post.

Funds Action: If you enable budgetary control for a ledger, you have the following additional actions available for manual journal entries:

- Check funds
- Reserve funds
- View results

Posting Journals



Posting Journals

You have three methods to post journal batches.

Batch Posting: Navigate to the Post Journals window to post a group of journal batches.

(N) Journals > Post

Manual Posting: Select the More Actions button from either the Journals window or the Batch window to post a journal batch at the time of entry. This option is available only if the profile option Journals: Allow Posting During Journal Entry has been set to Yes. When you post journals, Oracle General Ledger posts all journals in a batch. You cannot post individual journal entries in a batch.

(N) Journals > Enter (B) More Actions

Automatic Posting: Run the AutoPost program to post journal batches automatically based on a schedule you define.

(N) Setup > Journals > AutoPost

Posting Journal Batches

You can post actual, budget, and encumbrance journal batches.

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The Posting Status for the batch must be Postable and the Period Status must be Open for the following balance types:

- Actual: Open period
- Budget: Periods in an open budget year
- Encumbrance: Any period up to the last period in the latest encumbrance year

If applicable, check the Control Total for the journal entry batch. General Ledger does not post journal batches if the total entered debits do not match the control total for the batch.

Correcting Batch Posting Errors

Review the batch to identify the posting error. Common explanations for unpostable batches include:

- Control total violations
- Posting to unopened periods
- Unbalanced journal entries

Correct the specific error and post the batch from the More Actions window.

Posting Status

- Unposted
- Pending
- Processing
- Selected for posting
- Posted
- Error

How to Post Journal Entries

1. Open the Find Journal Batches window.

(N) Journals > Enter
2. (B) More Actions

3. (B) Post
4. Note the concurrent request ID number.
5. Select OK in the Note window.
6. Open the Post Journals window.

(N) Journals > Post

7. In the Find Journal Batches window, find your batch.
8. Select the check box.
9. (B) Post
10. Note the concurrent request ID number.
11. Select OK to close the Note window.

Data Access Set Impact to Posting

Data Access Set Impact to Posting

The data access set assigned to your user responsibility controls whether you can enter, modify, delete, post, and view journal batches for your ledger.

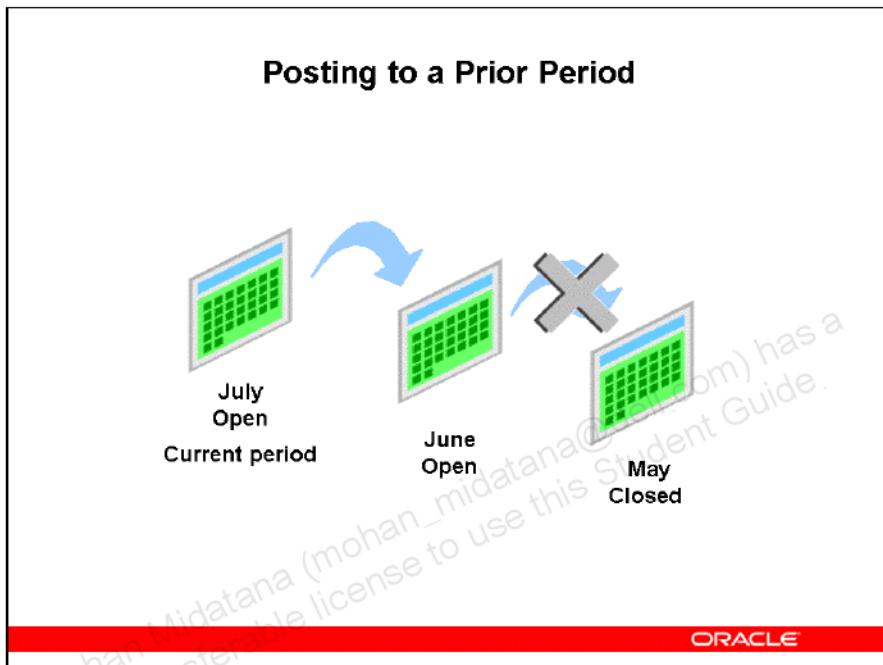


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Posting to a Prior Period



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Posting to a Prior Period

You can post journal entries to a prior accounting period, as well as to a prior fiscal year, as long as the prior period is open. When you post to a prior period, General Ledger automatically updates the beginning balances of all subsequent periods even if the period is closed. In addition, if you post a journal entry into a prior year, General Ledger adjusts your retained earnings balance for the effect on your income and expense accounts.

When you finalize your activity for an accounting period, simply close the period to prevent the entry or posting of additional journal entries.

Displaying Warning Messages

To ensure that you do not accidentally enter a journal for a prior period, you can require General Ledger to display a message whenever you try to enter a prior period journal. To use this feature, have your system administrator set the profile option Journals: Enable Prior Period Notification to Yes.

Having more than one open period affects the time required to run the posting program. Also, managing the number of open periods prevents errors in posting to an incorrect period.

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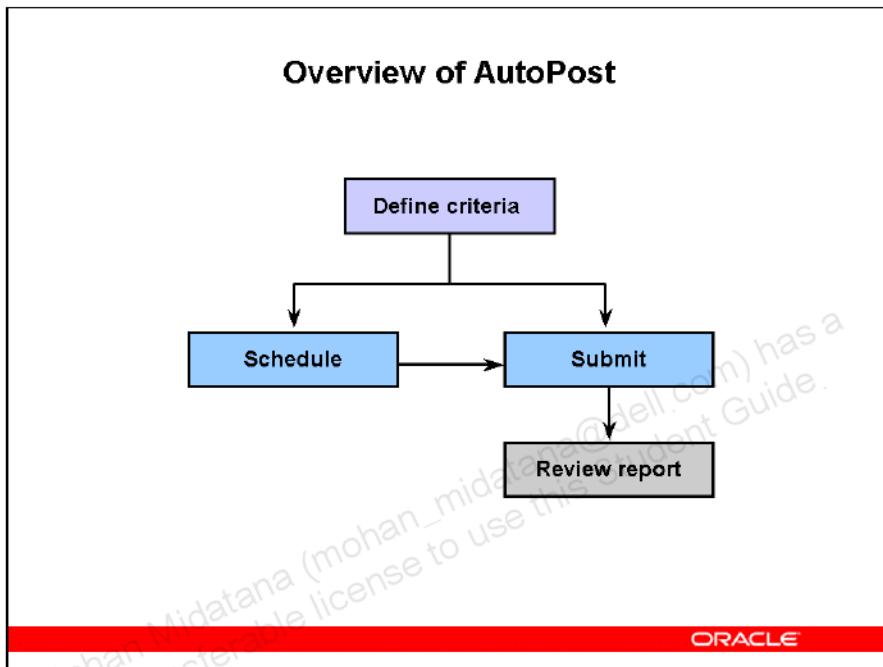
You should run a Trial Balance Report whenever you post to a previous fiscal year to ensure that your Retained Earnings account is properly reconciled.

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Overview of AutoPost



Overview of AutoPost

To facilitate journal batch posting, you can schedule automatic posting based on parameters you specify. You can define multiple criteria sets that include a range of journal effective dates and multiple AutoPost priorities.

For example, suppose after running Journal Import, you routinely post journal entries from Payables to record your payments. To automate posting these batches, you can define a set of criteria to select all unposted journal entries with a source of Payables, a category of Payments, and a balance type of Actual for all periods. You can then schedule the AutoPost program to run at the beginning of each week. Oracle General Ledger automatically selects and posts your Payables payment batches to update your cash balances.

Defining AutoPost Criteria Sets

Defining AutoPost Criteria Sets

Specify the parameters to select journal batches to be posted automatically.

Parameters	Value
Days before current date	0 to 1000
Days after current date	0 to 999
Priority number	1 to 99
Source	Specify or All
Category	Specify or All
Balance Type	Specify or All
Period	Specify or All

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Defining AutoPost Criteria Sets

You can define multiple AutoPost criteria sets to automatically post journal entries. For each criteria set, you can choose to select journal batches for posting based on:

- Journal source
- Journal category
- Balance type
- Period
- Effective date

You can set the priority of the criteria set. The priority number must be a value from 1 to 99, where 1 is the highest priority and 99 is the lowest. Batches with higher priorities are posted first. You can use the same priority number more than once. You can also select whether all priority sets are considered for posting or only sets with a specific priority number:

- Submit All Priorities in Order: Submits the batches for all of your AutoPost priorities in the same AutoPost run based on priority number.
- Submit Only Priorities with Batches in Order: Submits batches with a specific priority number only.

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Chapter 4 • Page 26

Note: Select this option when you need to balance the load on your concurrent manager. This may be necessary since a single AutoPost request that contains multiple priorities can result in numerous instances of the Posting program running concurrently. The load on the concurrent manager is increased further if a large number of journal batches are selected by your AutoPost priorities.

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Running AutoPost

Running AutoPost

You can run the AutoPost program from:

- AutoPost Criteria Sets window by selecting the Submit AutoPost button
- Submit Request window
 - Enter the AutoPost criteria set name in the Parameters window

You can easily schedule AutoPost runs to fit the needs of your organization

As soon as possible
Once: Select a date and time
Periodically: Specify interval of minutes, hours, days, or months
On specific days: Select day of week or month
Advanced: Apply a saved schedule

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Running AutoPost

Once you define an AutoPost criteria set, run the AutoPost program to select and post any journal batches that meet the specified criteria.

You can run the AutoPost program from:

- AutoPost Criteria Sets window: (N) Setup > Journal > AutoPost
- Submit Request window: Enter the AutoPost criteria set name in the Parameters window.

Review the AutoPost Execution Report to verify the journal batches selected for posting.

Performing Online Inquiries for Accounts and Journal Entries

Performing Online Inquiries for Accounts and Journal Entries

Journal Enter

Account Inquiry Journal Inquiry

Balance information T Accounts
Account Information Activity Summary

Dr Cr

Drilldown to subledgers

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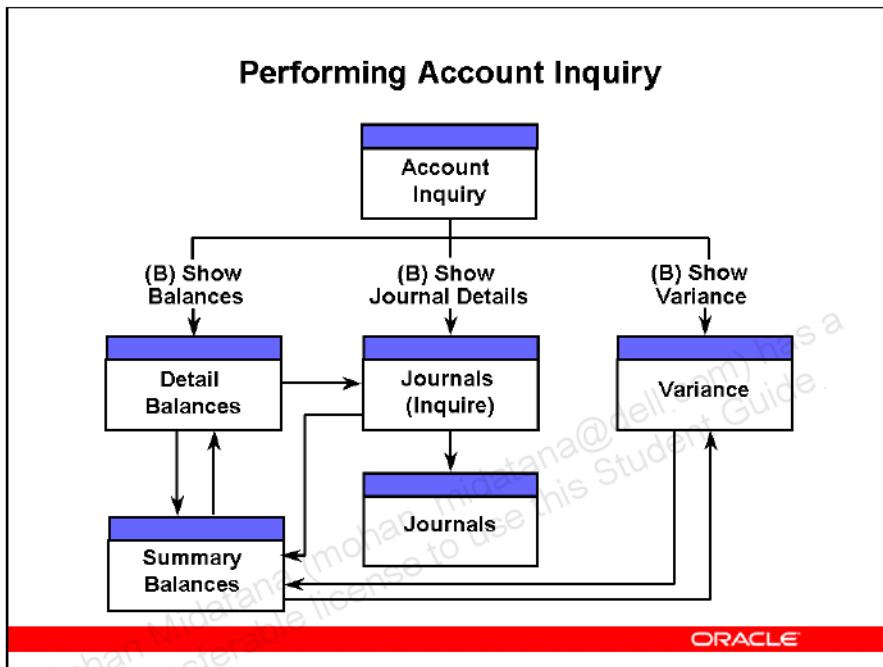
Performing Online Inquiries for Accounts and Journal Entries

Oracle General Ledger provides three windows to view detail and summary information for your account balances, journal entries, and subledger accounting transactions:

- Account Inquiry
- Journal Entry Inquiry
- Enter Journals

Whether you start in the Journals window or the Account Inquiry window, you can take advantage of the graphical view of underlying accounting information for your transactions by accessing the T Account and Activity Summary windows. You can also drilldown to see the subledger transactions that created the journal entries.

Performing Account Inquiry



Performing Account Inquiry

Use the account inquiry feature to view actual, budget, and encumbrance account balances for a specific period or periods in either entered or balance level reporting currencies.

You can select one of three buttons to access the type of account information you want to view:

- Show Balances: Displays PTD and YTD account balances by period for both detail and summary accounts.
- Show Journal Details: Lists all the journal batches and entries that affect the account balance. From here you can drill down to the full journal entry and subledger transaction.
- Show Variance: Displays actual vs. budget or encumbrance amounts and the variance for PTD, QTD, YTD, and PJTD (project-to-date) time periods.

Note: The Account Inquiry window displays balances from posted journal entries. To get the most up-to-date account balance information, be sure all journal entries are posted.

How to Perform Account Inquiry

1. Open the Account Inquiry window.
(N) Inquiry > Account
2. Enter the following selection criteria for Accounting Periods:

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Chapter 4 • Page 30

From JUN-03
To Current period

3. Accept the defaults for Currency and Primary Balance Type
4. In the Accounts region, use the Find Accounts window to enter a range of accounts:

Segment	Low	High
Account	2210	2210
Sub Account	0000	2113
5. Select account 01-000-2210-2113-000 and then select the Show Balances button.
6. In the Detail Balances window, put your cursor on the line for the current period. Select the Journal Details button to view the journal information for this account.
7. Select the Show Full Journal button to drill down to the journal entry that created this information.

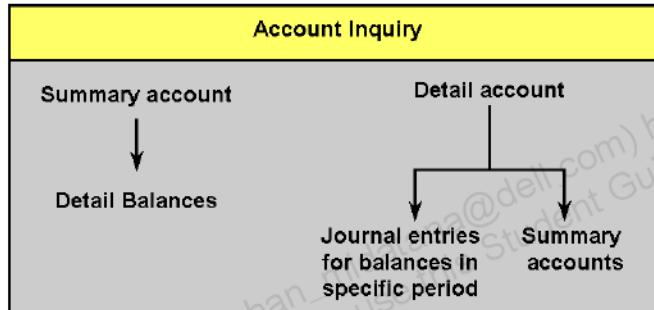
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Reviewing Balances with Account Inquiry

Reviewing Balances with Account Inquiry



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Reviewing Balances with Account Inquiry

When you perform an account inquiry, you can navigate from summary account balances to detail balances. You have several navigation options to move between summary and detail information:

- From detail account balances, you can drill down to the journal entries that make up the account balances or drill back up to the summary account balance.
- From the journal entry, you can drill further to review the subledger transaction by selecting the Drilldown button, when available.
- If drilling down from a consolidated journal batch, you can drill further to see subsidiary journal entry details and subledger transactions. The button, Drilldown to [subsidiary ledger name], appears only if you are reviewing consolidated balances in your parent ledger.

Reviewing Variances Between Account Balance Types

Reviewing Variances Between Account Balance Types

- You can compare amounts for any two account balance types, and calculate the difference, by using the variance calculation
- Select the Show Variance button in the Account Inquiry window to navigate to the Variance window

Variance = Primary Balance Type – Secondary Balance Type

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Reviewing Variances Between Account Balance Types

(N) Inquiry > Account > (B) Show Variance

You can compare balances between any primary and secondary account type, such as:

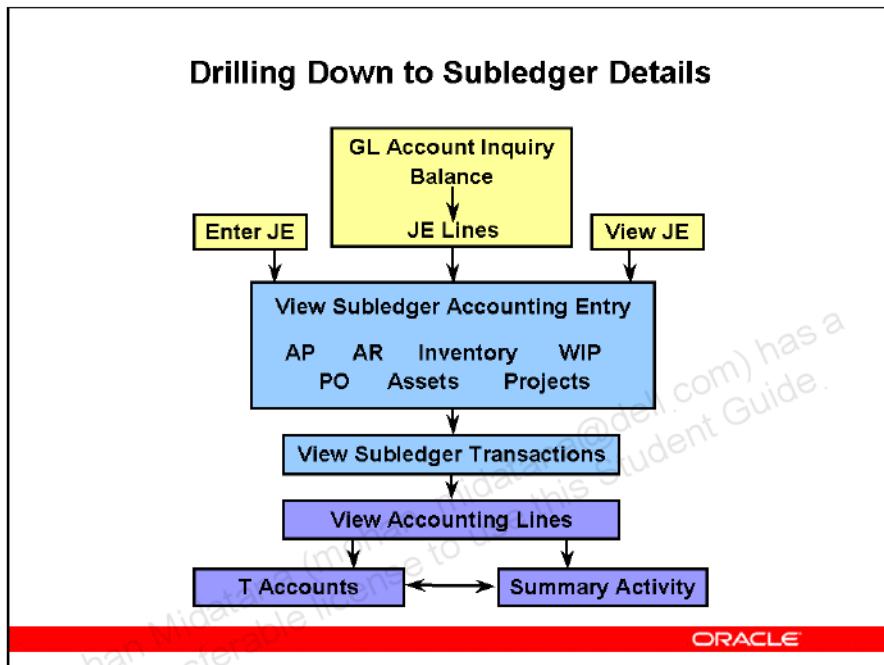
- Actual and budget
- Budget and budget
- Actual and encumbrance

You must specify a primary and secondary balance type and select a budget or encumbrance type in order to compare balance amounts.

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Chapter 4 • Page 33

Drilling Down to Subledger Details



Drilling Down to Subledger Details

You can drill down from the Account Inquiry, Journal Entry, and Journal Inquiry windows.

- From the Account Inquiry window, drill down to the journal entry, then select the Drilldown button, then the Show Transactions button.
- From the Journal Inquiry and Journals windows, review the journal entry and select an account combination in the journal entry. Select Drilldown from the Tools menu.

You can only drill down to subledgers if the journal entry was generated from one of the following Oracle subledgers: Payables, Receivables, Inventory, Assets (except depreciation), Projects, Purchasing, and Work in Process.

- For Payables, you can see detailed information about payments and invoices.
- For Receivables, you can see detailed information about invoices, receipts, adjustments, or cash applications.
- For Inventory, Assets (except Depreciation), Projects, Purchasing, and Work in Progress you can see the detailed information about transactions.

Note: In order to drilldown to subledger transactions, you must enable the Import Journal References option for each journal source in the Journal Sources window.

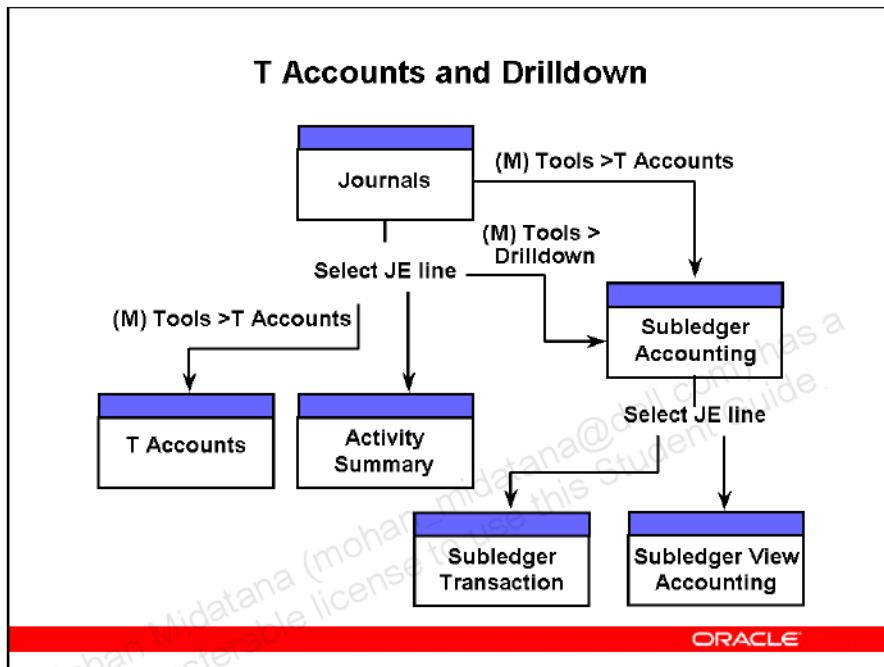
Note: If your implementation uses Multiple Organizations, you see only subledger transactions that are associated with your current responsibility's organization (MO: Operating Unit profile option). For more information, refer to the Oracle General Ledger User Guide.

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T Accounts and Drilldown



T Accounts and Drilldown

You can view journal entries or subledger accounting entries in a graphical format using the T Account and Activity Summary windows.

You access these windows from:

Enter Journals Window

(N) Journals > Enter (B) Find (M) Tools > T Accounts (B) T Accounts

Journals Window

(N) Journals > Enter (B) Find (B) Review Journal (M) Tools > T Accounts (B) T Accounts

Journal Entry Inquiry Window

(N) Inquiry > Journal > (B) Find (M) Tools > T Accounts

Account Inquiry Window

(N) Inquiry > Account (B) Show Journal Details (M) Tools > T Account or

(N) Inquiry > Account (B) Show Journal Details (B) Drilldown > (B) Show Accounting Transactions (B) T Accounts

Accounting information is viewable in two different formats that can be customized:

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Chapter 4 • Page 36

- T Accounts: Displays journal entries or subledger accounting entries in a graphical T Account format including account, activity detail, net activity for the entry and account balance information.
- Activity Summary: Displays journal entries and subledger entries in a trial balance format including account, net activity for the entry, and account balance information.

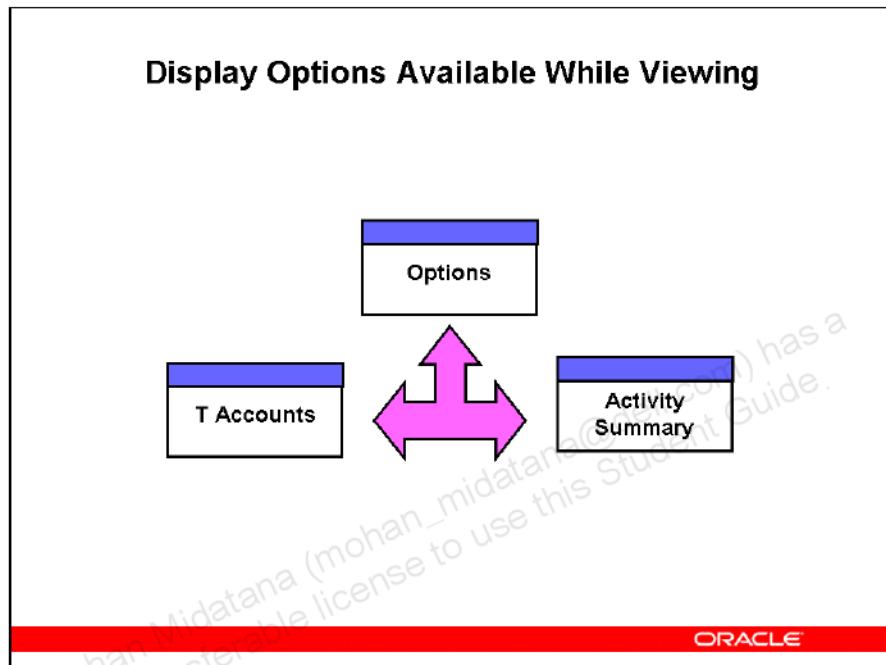
The Activity Summary and T Accounts windows are for display purpose only. You cannot update records from these windows.

Drilling Down to Subledgers

Using the Tools menu, you can also drilldown to viewing transactions in Oracle subledgers.

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Display Options Available While Viewing



Display Options Available While Viewing

The first time you try to access the T Accounts or subledger accounting windows, the Options window appears. You can then specify which window opens the next time you choose to view accounting information. You can set the T Accounts, Activity Summary, or Options window as the default window.

Use the Options window to customize the T Accounts and Activity Summary windows to display the exact information you want. You can choose to view:

- Accounting information by full accounting flexfield or summarized by account segment.
- Account description, balances, entered amounts, and activity in the T Accounts window.
- Account description, balances, entered amounts in the Activity Summary window.
- Debits and credits in separate columns or as a net amount in the Activity Summary window.

The Options, T Accounts, and Activity Summary windows are all linked. From any of these windows, you can access the other two windows by clicking the appropriate button.

T Accounts

T Accounts

Use the T Accounts window to view General Ledger journal entries or subledger accounting entries in a graphical T Account format.

01.1100 Operations.Cash	
1250.00	1250.00
01.7550 Operations.Travel Expense	
1250.00	1250.00

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T Accounts

Use the T Accounts window to view journal entries in a graphical T Account format. General Ledger displays information for the journal entry, such as accounts, activity details, net activity for the entry, and account balances in both entered and functional currency. Customize the display to meet your inquiry needs.

How to Use T Accounts and Activity Summary

1. Enter Demo% in the Batch Name field and select the Find button to retrieve the Demo Computer Purchase and Sales journal batch.

(N) Journals > Enter

2. Select the Review Journal button.
3. Select a journal line and navigate to the T Accounts window.

(M) Tools > T Accounts

4. In the Options window, select the Segment radio button in the Organize By region. Select the Company and Account segments from the List of Values.
5. Select the T Accounts button to view a graphical t-account display of the accounting information.

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Chapter 4 • Page 39

6. From the T Accounts window, select the Activity Summary button to view the same information in a trial balance format.
7. Select the Options button to return to the Option window.

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Activity Summary

Activity Summary

Use the Activity Summary window to view accounting information summarized by account in a trial balance format.

01.1100	Operations.Cash	USD	1250.00
01.7550	Operations.Travel Exp	USD	<u>1250.00</u>
Total Net Activity			1250.00
		<u>=====</u>	<u>=====</u>

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Activity Summary

The Activity Summary window contains a view of the accounting entry, summarized by account in a trial balance format. This columnar layout groups debit and credit amounts by account to provide a high-level view of the transaction.

In this window, you can:

- Display debits and credits in separate columns with separate columns for entered and functional currency, or
- Display the net amount of debits and credits in one column.

Reversing Journal Entries

Reversing Journal Entries

Generate a reversal of any journal entry.

Original

Dr. Rent Expense.....10,000 functional dollars
Cr. Cash.....10,000 functional dollars

Reversal

Dr. Cash.....10,000 functional dollars
Cr. Rent Expense.....10,000 functional dollars

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Reversing Journal Entries

You can create reversing journal entries to reverse accruals, estimates, temporary adjustments and reclassifications, or correct errors.

You can reverse a journal entry in two ways:

- Switch Dr/Cr: Journal entry is reversed by switching the debit and credit amounts.
- Change Sign: Journal entry is reversed by changing the sign of the amounts from positive to negative.

A journal entry can be reversed only once. You can reverse a reversing journal entry.

You control which responsibility can reverse journal entries directly from the Enter Journals or Enter Encumbrance window by excluding the function called Enter Journals: Reverse from the responsibility's menu.

Reversing Journal Batches

- You can reverse a single journal entry or an entire batch of journal entries. When you reverse a batch, General Ledger creates a reversing batch with a reversing journal entry for each journal entry in the batch.

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Chapter 4 • Page 42

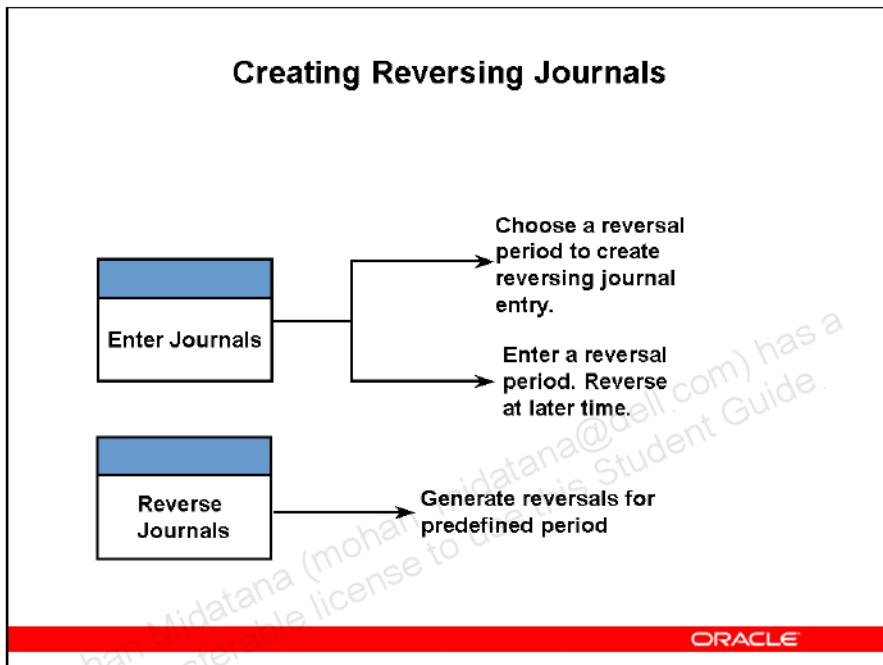
- General Ledger uses the reversal method assigned to the journal category in the Journal Reversal Criteria window.

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Creating Reversing Journals



Creating Reversing Journals

You have two options for manually selecting journal entries for reversal. You can create the reversal immediately or enter the period and generate the reversal later.

Click the Reverse or Reverse Batch button to reverse any posted or unposted journal entry or batch in the current period or future enterable period.

(N) Journals > Enter (B) Review Journal (B) Reverse

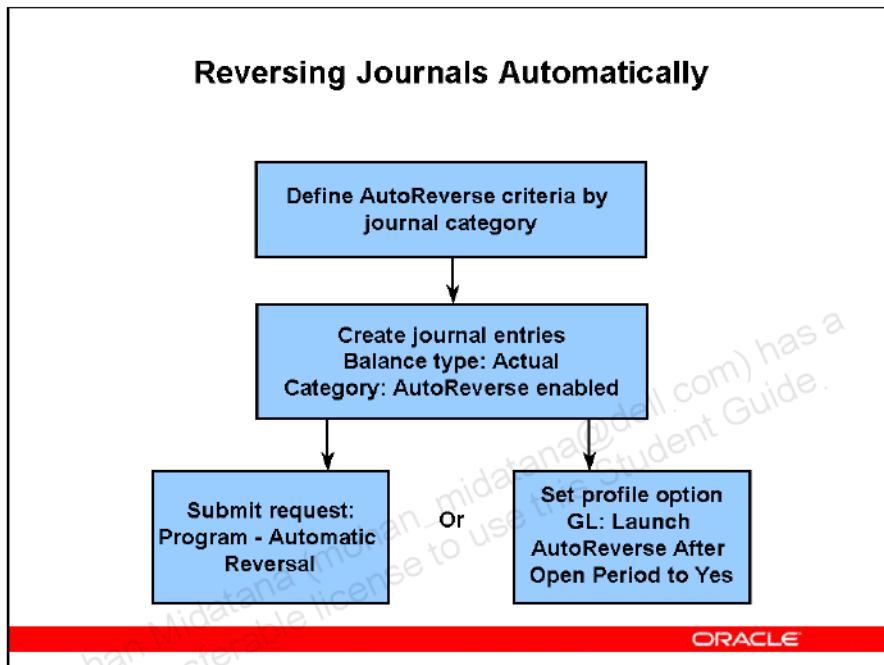
(N) Journals > Enter (B) Review Batch (B) Reverse Batch

Select a period from the Period list of values to define a reversal period for a journal entry. Then, click Reverse to reverse the journal entry at a later time.

Use the Reverse Journals window to generate reversal journals with a predefined reversal period, such as monthly accruals, that need to be reversed at the beginning of the following period.

(N) Journals > Generate > Reversal

Reversing Journals Automatically



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Reversing Journals Automatically

If you routinely generate and post large numbers of reversing journal entries as part of your monthly procedures for closing and opening accounting periods, you can use the Automatic Journal Reversal feature to save time and automate the process. This feature automatically reverses your previous month's accrual journal entries and automatically posts them, if desired.

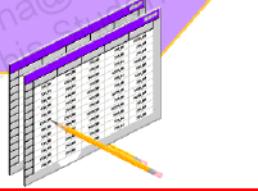
- Enable AutoReverse, and optionally AutoPost Reversal, options for journal categories.
- Enter journals using categories with AutoReverse enabled.
- Launch the Automatic Reversal program:
 - Submitting a request from the Submit Request window to run the Automatic Reversal program for all journals that meet the submission requirements, or
 - Setting the profile option, GL: Launch AutoReverse After Open Period, to Yes. When you open the next period, the AutoReverse program finds all journal entries that have categories with AutoReverse and, optionally AutoPost, enabled. It creates reversing journal entries and, optionally, posts them.

Journal Reversal Prerequisites

Journal Reversal Prerequisites

General Ledger automatically generates and posts reversals for journal entries if:

- Journal balance type is Actual
- Journal category has AutoReverse enabled
- Journal is posted but not yet reversed
- Journal reversal period is open or future enterable



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Chapter 4 • Page 46

Running Journal Entries Report

Running Journal Entries Report

The Journal Entries Report provides:

- Accounting date
- Category
- Journal name
- Reference
- Journal batch



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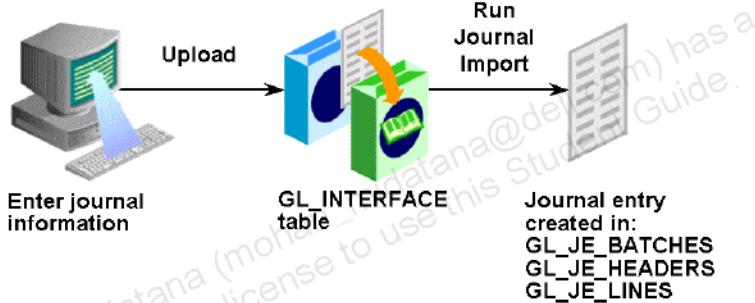
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Chapter 4 • Page 47

Integrating with Oracle General Ledger

Integrating with Oracle General Ledger

After creating journal entries in Web ADI, you must upload them to the interface table and then import them into Oracle General Ledger for posting.



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Integrating with Oracle General Ledger

You create your journal entries in a spreadsheet, using all of the Microsoft Excel features that you are familiar with. When you are ready, upload your journal entries from Web ADI to the GL_INTERFACE table. From the interface table, submit the Journal Import process to create postable journal entries.

Journal import can be submitted in three ways:

- From Web ADI, at the same time you submit the upload process
- From Web ADI as a separate submission process
- From General Ledger using the Import Journals window.

When your journal entries have been validated by Oracle General Ledger, unposted journal entries are created and can be reviewed in the Enter Journals window in General Ledger.

Web Applications Desktop Integrator Overview

New Web ADI Features

- Works via internet
- Presents E-Business Suite data in a spreadsheet interface
- Validates data
- Enables customizations
- Supports all E-Business Suite certified browsers
- Automatically imports data

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Web Applications Desktop Integrator Overview

Web ADI brings Oracle E-Business Suite functionality to the desktop where the familiar Microsoft Excel, Word, and Project applications can be used to complete your Oracle E-Business Suite tasks.

The Web ADI integration with Microsoft Excel enables you to bring your E-Business Suite data to a spreadsheet where familiar data entry and modeling techniques can be used to complete Oracle E-Business Suite tasks. You can create formatted spreadsheets on your desktop that allow you to download, view, edit, and create Oracle E-Business Suite data. Use data entry shortcuts (such as copying and pasting or dragging and dropping ranges of cells) or Excel formulas to calculate amounts to save time. You can combine speed and accuracy by invoking lists of values for fields within the spreadsheet. After editing the spreadsheet, you can use Web ADIs validation functionality to validate the data before uploading it to the Oracle E-Business Suite. Validation messages are returned to the spreadsheet, allowing you to identify and correct invalid data.

All business rules these users encounter in the main application are enforced within the Web ADI worksheet. For example, if the wrong cost center is entered for a journal, the data will not be committed to the database; a message will be returned directly to the worksheet where the

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Chapter 4 • Page 49

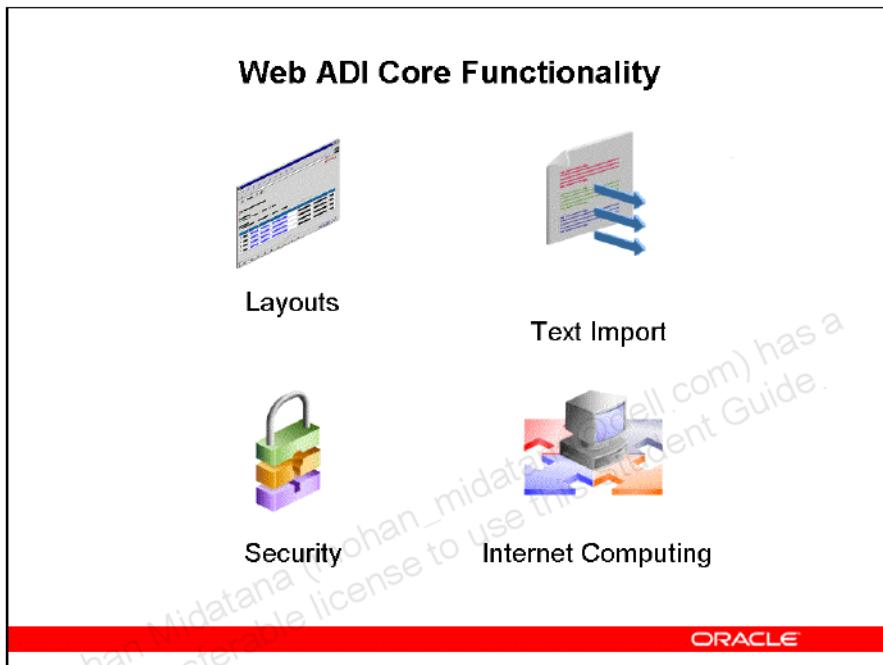
invalid data exists; the user can then quickly make the correction and save their Excel data to Oracle General Ledger.

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Web ADI Core Functionality



Web ADI Core Functionality

Layout Features

- Remove and add fields to a Layout: Users are only presented with the fields they need, resulting in simpler UI and shorter navigation paths between needed fields increases productivity.
- Indicate field placement in the Layout: The UI can conform to your business process. If entering data in a certain order will quicken entry, then fields in the UI can be ordered in a similar way.
- Assign a default value to a field in a Layout: Save time by having default values automatically populate the document when it is generated.
- Save the layout: Layouts can be defined by one with the appropriate responsibility, then used by the entire site.

Text Import Features

- Import text file data into a document on the desktop (i.e. Excel worksheets): Move data from legacy or third party systems into Oracle Applications. The data will be accurate since it will move through the desktop document allowing for edits, then validated before

it is uploaded. Data conversion from other systems is simplified by eliminating the need for custom SQL scripts.

- Create Mapping Templates which can be modified and re-used: Change where data is moved on the fly. Accommodate organizational changes and data restructuring by the easy creation or modification of mapping templates.

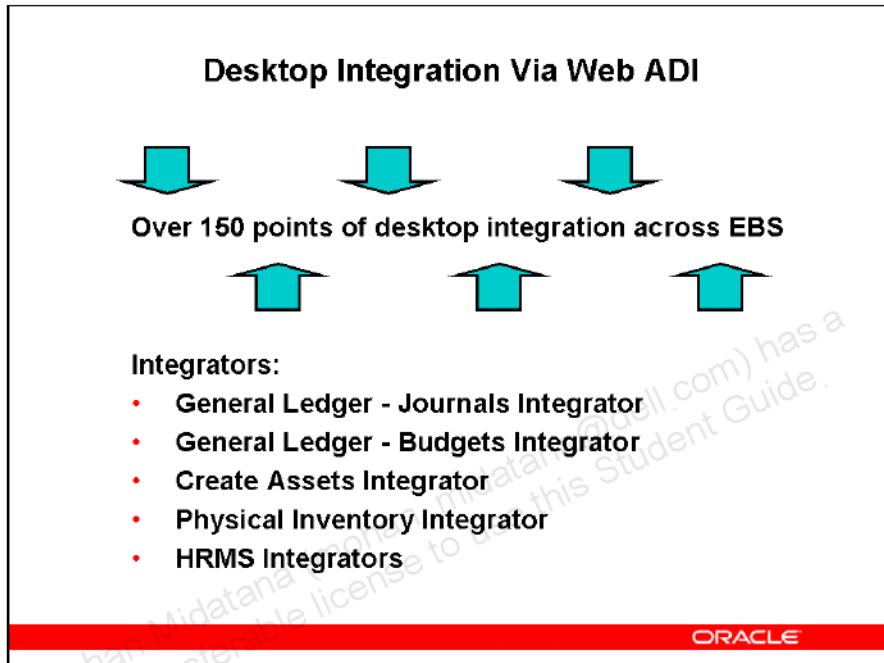
Security Features

- Attach Web ADI functions to a menu: Create customized points of access which act as security profiles.
- Attach a menu to a responsibility that is assigned to users: Restrict Web ADI access on the user level.
- Add default parameters to a self service link: Force users to use predefined parameters when generating a document on their desktop.
- Attach form function to a user's menu to grant access to an integrator: Determine the desktop functionality within Web ADI to which a user has access.

Internet Computing Features

- Centrally Deployed: The client needs only a browser and Excel to operate the product.
- Runs on the Web: The client/server ADI installs everything to the PC, including all of the business rules. The move to a web architecture means that the business rules are now installed on the middle tier. So when Web ADI communicates with the database, only data is sent.

Desktop Integration Via Web ADI



Desktop Integration Via Web ADI

The Oracle E-Business Suite task you perform on the desktop is determined by the integrator you select in Web ADI. Each integrator is delivered with the E-Business Suite product that provides the functionality being integrated with the desktop.

General Ledger - Journals Integrator Features

- Automatically builds spreadsheet-based journal entry worksheets based on a definable layout.
- Enables quick journal entry by copying and pasting journal lines, then making incremental modifications.
- Allows you to define journal templates which you can modify and upload repeatedly.
- Full validation of accounts with enforcement of security and cross validation rules, as well as other reference fields.
- Loads journals into Oracle General Ledger through the General Ledger open interface.
- Conforms to Oracle General Ledger Euro compliance rules.
- Provides lists of values for fields (including KFFs and DFFs) within the spreadsheet.

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Chapter 4 • Page 53

General Ledger - Budgets Integrator Features

- Automatically builds budget worksheets, based on the budget elements you define in Oracle General Ledger.
- Creates budget worksheets for any open budget period range.
- Provides a flexfield pop-up window to assist entering and validating new budget accounts.
- Enforces segment value security in budget worksheets.
- Limits the accounts that are downloaded.
- Creates graphs of your budgets and actuals using a variety of graphing styles, including bar graphs, line graphs, and even 3-D area graphs.
- Provides budget notes to add descriptions to accounts and amounts in your budget.
- Create Assets Integrator and Physical Inventory Integrator Features
- Use the Layout feature to define personalized asset worksheets.
- Allows spreadsheet cut, copy, and paste functionality.
- Provides Lists of Values for easy access to valid field information.
- Maps data files into asset worksheets when used in conjunction with the Import Text File feature.
- Full validation of accounts with enforcement of security and cross validation rules, as well as other reference fields.
- Posts assets to Oracle Assets through the Mass Additions table.

HRMS Integrators Features

- Oracle HRMS delivers a number of Integrators that support download of data from various windows and folders.
- Another delivered Integrator provides both download and upload support for salary proposals and administration.
- In addition, a system administrator can configure Web ADI for HRMS to download data from any other HRMS window or directly from the application database, by setting up new Integrators as required.

Administering Web ADI

Administering Web ADI

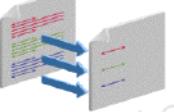
System Administrators can use the Desktop Integration responsibility to access the following functionality:



Create spreadsheets



Define layouts



Define mappings



Define style sheets



Set up options for key flexfields



Manage document links

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Administering Web ADI

System Administrators can also edit mappings and layouts for all integrators.

Implementation Methods

- Generally, the product implementation follows one of two methods:
 - The product integrates the generate spreadsheet functionality within its own functional page flow. Web ADI is used in the background to generate the spreadsheet. This is the most common method.
 - The product provides a self-service menu item that invokes the Web ADI Create Document page flow.

Creating Web ADI Spreadsheets

To create a spreadsheet:

1. From the Oracle Applications Navigator, select the link appropriate for your product to create a document
2. Select an integrator
3. Select the viewer to use to open your spreadsheet
4. Select a layout
5. Select the content to import
6. Select the Mapping to map the text file or other data to the spreadsheet columns
7. Optionally select a document shortcut to appear at the beginning of the Create Document flow
8. Create your spreadsheet by selecting Create Document or the link specified by your product documentation

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Working With Web ADI Spreadsheets

Working With Web ADI Spreadsheets

This figure shows Web ADI features that extend the functionality of the spreadsheet:

The screenshot displays a Microsoft Excel-like spreadsheet interface with several annotations:

- A callout bubble points to the top menu bar with the text: "Toggle on and off the view of each region".
- An annotation on the left side of the spreadsheet area says: "The field hints tell you the state type of the field, whether it is required, and whether it offers a list of values".
- Another annotation on the left side says: "For List fields, double-click the field to launch the list of values".
- Annotations on the right side point to specific cells with the text: "Line - Text", "Line - Text", "Line - Text", "Line - Text", and "Line - Text".
- A note at the bottom right says: "Tip: This is not the end of the Tardata. Unprotect the sheet and insert as many rows as needed."

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Working With Web ADI Spreadsheets

Viewing Data

- The toggle bars at the top of the spreadsheet allow you to toggle on and off the views of each of the sections: Context, Header, and Lines. Web ADI enables you to turn on Microsoft Excel filtering on the line items. This is useful when your spreadsheet contains many rows of data.

Multiple Worksheets

- Your spreadsheet may contain multiple worksheets if your product integrator is defined to generate multiple worksheets or if your downloaded data exceeds 64,000 rows, multiple worksheets will be automatically created. If your spreadsheet contains multiple worksheets, then at upload time you will be presented the options of Upload or Upload All. Upload will upload only the current worksheet. Upload All will upload all worksheets.

Viewing Graphs

- If your integrator supports graphs, your spreadsheet will include additional graphing options.

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Chapter 4 • Page 57

Defining Web ADI Layouts

To define or modify a Web ADI layout:

1. Select the integrator
2. Select an existing layout to update or create a new layout
3. Enter a name for the layout and select the number of headers
4. Select the fields to appear on the layout, set defaults for the fields, and select the placement of the field as context, header, or line item
5. Set properties for the layout components including field width or column span, hidden or unhidden, and position

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Defining Web ADI Layouts

Layouts enable you to customize the user interface presented in your spreadsheet. Use the layout functionality to determine the fields in a spreadsheet, set their positions, and specify default values for the fields.

A layout must be available before you create a spreadsheet in the Create Document flow. Some integrators offer predefined layouts, or you can use the procedure described in this chapter to create a layout.

Note: For some products, the layouts are predefined and preselected. Therefore you cannot select an alternate layout during document creation.

Note: Unless your User is assigned the System Administrator responsibility, you must be granted access to an integrator to modify its layout. Specific form functions grant access to specific integrators.

Defining Web ADI Mappings

Defining Web ADI Mappings

To define a new Web ADI mapping:

1. Select the Define Mapping link
2. In the Mapping window, select an integrator
3. In the Select Content window, select a content to import
4. In the Select Mapping window, select Define Mapping and enter a name for the new mapping, and the number of columns to be mapped
5. In the Define Mapping - Source to Target Columns window, associate columns being imported from the content to fields in the spreadsheet

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Defining Web ADI Mappings

You can choose to automatically import data into the spreadsheet during the Create Document flow. When you choose to import data on the Content page, Web ADI prompts you to select a mapping. Web ADI requires a mapping to determine where imported data should be placed in the spreadsheet.

Mapping associates columns in the imported data with columns in the spreadsheet. You do not need to create new mappings for fields that do not have data, or if a mapped field is not included in the spreadsheet. You need to create multiple mappings for Content only if the associations between the downloaded columns and the fields in the spreadsheet change. If you import text files with varied data structures, you may have to define more than one mapping for each text file variation.

Note: Do not modify Contents that download data from the Oracle E-Business Suite.

Note: To modify an integrator's mappings, you must be granted access to the integrator or have the System Administrator responsibility.

Defining Web ADI Style Sheets

Defining Web ADI Style Sheets

This figure shows the style sheet items as they appear on a generated document:

The screenshot displays a grid-based template for defining Web ADI style sheets. The columns are labeled A through M at the top, and rows are numbered 1 through 29 on the left. Key components visible include:

- View Context:** Rows 2-6, spanning columns A-M. It includes fields for Balance Type, Database, Data Access Set, and Chart Of Accounts.
- Prompts:** Rows 7-14, spanning columns A-M. It includes fields for Ledger, Category, Source, Organisation, Currency, and Budget.
- Hint Text:** Row 15, spanning columns A-M. It contains a single field labeled "Ud = Test".
- Data Fields:** Rows 16-27, spanning columns A-M. It includes fields for Org Period, Cn. Dept Acct Stab, Prst Defalt, Credit, and Messages. The last row (27) contains a note: "This is not the end of the template - Unprotect the sheet, and insert as many rows as needed."
- Read-Only Fields:** A column on the right side of the grid, spanning rows 16-27, containing the text "Text" in each cell.

A watermark across the page reads: "Midathan (mohan.midathan@gmail.com) has a Guide to use this Style Sheet."

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Defining Web ADI Style Sheets

The Style Sheet enables you to define the following properties for the Sheet, the Prompts, the Hints, and the Data fields:

- Background color
- Font color
- Font Family
- Font Style
- Font size

Navigate to the Create Style Sheet page using the Define Style Sheet link. This may be under the Desktop Integration responsibility, or it may be located under a different responsibility assigned to you by your system administrator.

Select a Read Only color to apply to the background of read-only fields. Read-only fields take the font properties of Data fields. Use the color picker to select a color, or for additional color options, you can enter the hexadecimal value for the color in the field provided (for example, enter #A52A2A for brown).

Defining Web ADI Setup Options for Key Flexfields

To set the right-justify and zero-fill format mask for a key flexfield or a specific key structure:

- From the Oracle E-Business Suite Navigator, select Desktop Integration, then Setup Options.
- Choose Select Key Flexfields.
- To apply the right-justify and zero-fill format mask to every structure of a flexfield, select it from the list.
- To apply the format mask to specific structures of the key flexfield, choose Select Structure, then select the appropriate structures.

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Defining Web ADI Setup Options for Key Flexfields

Web ADI provides the option to set right-justification and zero padding for every segment of a key flexfield, regardless of this setting at the value set level.

Lists of values for flexfields apply character format masks after a segment value has been selected. These format masks such as right-justify and zero padding and maximum character width is derived from the flexfield value set definition. Use the Web ADI Setup Options feature to override the values specified in the value set definition.

Note: If you are migrating from client server ADI, this provides the equivalent functionality to the Zero Pad Account Values feature.

Uploading and Downloading Data from Web ADI Spreadsheets

Uploading and Downloading Data from Web ADI Spreadsheets

To upload data by using Web ADI:

1. While viewing your spreadsheet, choose Upload from the Oracle menu.
2. Select the desired parameters.
3. Start the upload process.

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Manage Document Links

Uploading Data

After creating and modifying your spreadsheet, you can upload the data to Oracle Applications.

To upload data:

1. While viewing your spreadsheet, choose Upload from the Oracle menu. The Upload Parameters window appears.
2. Select the desired parameters. Upload parameters depend on the integrator you select. Moreover, your system administrator might disallow you from changing upload parameters using the Web ADI: Allow Set Parameters profile option.
3. Start the upload process. After the upload process completes, the upload window indicates whether or not the upload was successful. Web ADI returns messages to the spreadsheet identifying all rows containing invalid values. If the data in any rows are invalid, Web ADI does not upload any of the data in the spreadsheet. You must correct all errors to successfully upload the spreadsheet. Any errors that occur during the upload of a multi-sheet workbook will also be displayed in a Summary Worksheet. The Summary Worksheet enables you to see all errors and link to them.

Note: Not all spreadsheets support upload.

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Chapter 4 • Page 62

Downloading Data

Download enables you to refresh data that you have imported into your spreadsheet. This option is available only if the spreadsheet contains imported data.

Note: Any new rows of data or other modifications that you have made on the spreadsheet will be overwritten when you use Download to refresh the data. Some product integrators may not allow refresh.

If you imported data from a text file, Download will not be available.

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Identifying Web ADI Profile Options

Identifying Web ADI Profile Options

- **BNE Allow No Security Rule**
- **BNE Allow Set Parameters**
- **BNE Debug Log Directory**
- **BNE Debug Log Filename**
- **BNE Debug Log Level**
- **BNE Disable**
- **BNE Document Lifetime**
- **BNE Enforce Parameter Values**
- **BNE Excel Worksheet Maximum**
- **BNE Redirect Portal URL**
- **BNE Upload Batch Size**
- **BNE XML Response Compression**

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Identifying Web ADI Profile Options

These profile options can be set to control specific Web ADI functions in your system.

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Chapter 4 • Page 64

Identifying Form Functions, Menus, and Responsibilities in Web ADI

Identifying Form Functions, Menus, and Responsibilities in Web ADI

- **BNEADI_CREATE_DOCUMENT**
- **BNEADI_DEFINE_LAYOUT**
- **BNEADI_DEFINE_MAPPING**
- **BNEADI_DEFINE_STYLESHEET**
- **BNEADI_LOB_MANAGEMENT**
- **BNEADI_SETUP_OPTIONS**

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Identifying Form Functions, Menus, and Responsibilities in Web ADI

Form Functions

This is a list of form functions that are automatically created. Note that integrators are not installed with Web ADI, but with their associated products.

Menus

The Desktop Integration Menu is created with the following prompts:

- Create Document (BNEADI_CREATE_DOCUMENT)
- Define Layout (BNEADI_DEFINE_LAYOUT)
- Define Mapping (BNEADI_DEFINE_MAPPING)
- Manage Document Links (BNEADI_LOB_MANAGEMENT)
- Setup Options (BNEADI_SETUP_OPTIONS)

Define Style Sheet (BNEADI_DEFINE_STYLESHEET)

Responsibility

- The Desktop Integration responsibility is created with the Desktop Integration Menu.

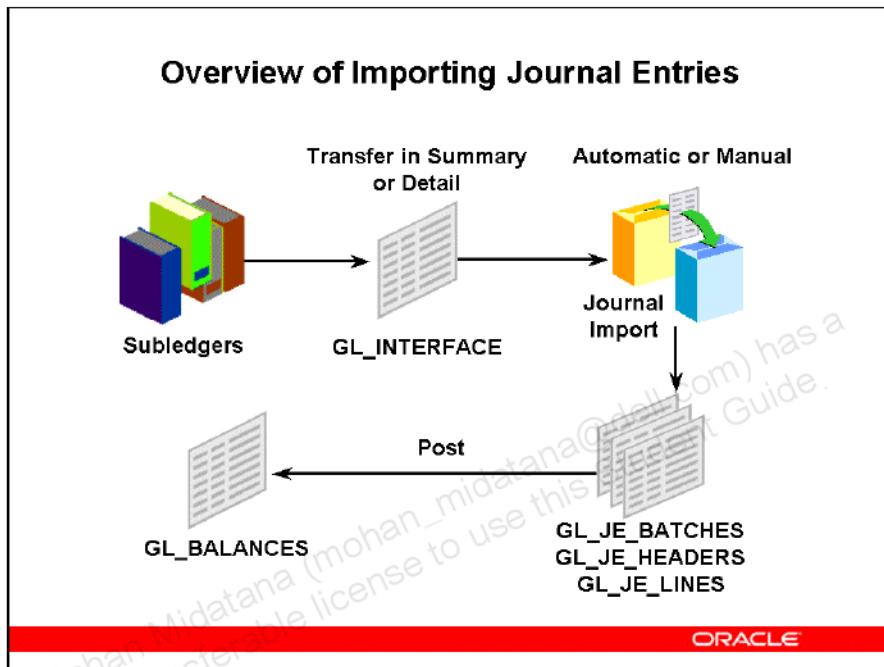
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Chapter 4 • Page 65

Overview of Importing Journal Entries



Overview of Importing Journal Entries

About Journal Import

- Use Journal Import to integrate information from other applications such as payroll, accounts receivable, accounts payable and fixed assets with your General Ledger application. For each accounting period, you can import accounting data from these feeder systems, then review, update and post the journal entries. You can also use Journal Import to import historical data from your previous accounting system. General Ledger lets you import data from multiple interface tables. This enables you to customize interface tables to your specific requirements. Each particular source/group ID combination will only have data in one interface table at a time. Journal import will process data from one table at a time.
- To import subledger and feeder system data to General Ledger:
 - Set up General Ledger to accept Journal Import data by defining your ledger, currencies, accounts, journal sources, and categories. You should also run the Optimizer program, and define your concurrent program controls.
 - Export data from your feeder system and populate the GL_INTERFACE table. Note: If you use reporting currencies and Oracle subledger systems, you must post to

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Chapter 4 • Page 66

General Ledger from each subledger multiple times. Post first using your primary subledger responsibility, which transfers amounts denominated in your functional currency. Post next using each of your subledger reporting responsibilities, which transfers amounts denominated in your reporting currencies.

- Run Journal Import. If your import program converts your journal entries from other sources into the required data format, and all of the data is valid in your General Ledger application, then Journal Import should run successfully the first time. However, if you load data into the GL_INTERFACE table which is not valid in your General Ledger application, Journal Import informs you of the specific errors on the Journal Import Execution Report. Note: If you use reporting currencies and Oracle subledger systems, and have chosen not to run Journal Import automatically when posting amounts to General Ledger from your subledgers, you must run Journal Import manually in your primary ledger and in each of your reporting ledgers.
- Use the Journal Import Execution Report to review the status of all import journal entries. The Journal Import Execution Report prints a line for each journal entry source from which you are importing journal entries.
- If you encounter relatively few Journal Import errors, you can correct the data in the GL_INTERFACE table.
- If you encounter several Journal Import errors, you should delete the Journal Import data from the GL_INTERFACE table, and correct the information in your feeder system before rerunning Journal Import.
- Review the journal entries created by Journal Import before you post them.
- Post your Journal Import journal entries.

Importing Descriptive Flexfields

Importing Descriptive Flexfields

- If you use descriptive flexfields to capture extra information that is otherwise not tracked by Oracle applications, you can import line-level descriptive flexfield information along with journal entry information into General Ledger.
- When importing descriptive flexfields, consider the impact of the following:
 - Validation
 - Table population
 - Summary journals

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Importing Descriptive Flexfields

Importing descriptive flexfields is optional.

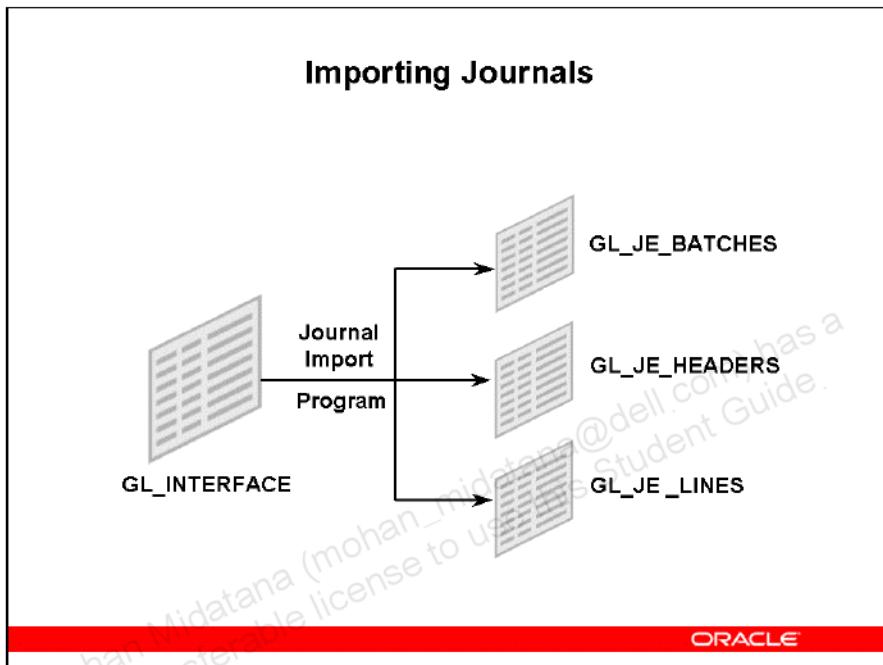
You can choose to import descriptive flexfields with or without validation. If importing with validation, Journal Import creates journal lines only if validation succeeds.

If you want to import descriptive flexfield information from Oracle subledgers, you must run Journal Import separately in Oracle General Ledger using the Import Journals window. Choose to import descriptive flexfields with or without validation.

Note: You should always import descriptive flexfield information with validation to avoid corrupting journal lines.

If you want to create summary journal lines, you cannot import descriptive flexfields.

Importing Journals



Importing Journals

(N) Journals > Import > Run

To run journal import from General Ledger, navigate to the Import Journals window. Enter the source. You can choose No Group ID, All Group IDs, or specific Group IDs. You can use the list of values for this field to determine if the Group ID exists in the interface table. Then select the Import button to start the import program.

Note: Oracle subledgers create a report when the transfer is run from the subledger that displays the Journal Import Group ID. You can view the output in the Request window to locate the Group ID.

You can run Journal Import in parallel for several sources as long as each request corresponds to a unique Source/Group ID combination. The maximum number of combinations you can run at one time is 20.

Oracle General Ledger names the created batch with the following naming convention:

<Optional User-Entered Reference><Source><Request ID><Actual Flag><Group ID>
Suspense Posting

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Chapter 4 • Page 69

- If suspense posting is enabled for your ledger, select the Post Errors to Suspense check box. Journal Import posts entries with invalid account combinations to a predefined suspense account or accounts, if you have defined one for each journal source and category. Typical account errors are:
 - Detailed posting not allowed.
 - Account disabled for this date.
 - Disabled account.
 - Account code combination is not valid.
 - Account code combination ID does not exist.
- If you choose not to post errors to a suspense account, Journal Import rejects any source/group ID combination with account errors.

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Multi-Table Journal Import

Multi-Table Journal Import

General Ledger allows you to import data from multiple interface tables:

- Enables you to customize alternative interface tables to your specific data requirements
- Using alternative tables can help you improve performance since Journal Import more efficiently processes high volumes of data from multiple tables than from the single GL_INTERFACE table
- Data load routines can be created which can choose the interface table in which to data will go, and whether the table should be dropped when Journal Import completes successfully

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Multi-Table Journal Import

Using Multi-Table Journal Import

- General Ledger provides you with the Journal Import Package (GL_JOURNAL_IMPORT_PKG) to create a new interface table and populate the GL_INTERFACE_CONTROL table. In addition, you can create your own procedures to populate your interface table with data and to launch Journal Import. This enables you to automate the entire procedure.
- Below are the steps to follow to use Multi-Table Journal Import:
 - Create a new interface table. New interface tables must have the same columns as the GL_INTERFACE table but you can add more if your needs require.
 - Populate the new interface table with data.
 - Populate the GL_INTERFACE_CONTROL table with one record for each source/group ID combination that was put into the interface table. Specify a table name that the data is to be retrieved from for each combination. Specify what should be done with the data once it has been processed.

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Chapter 4 • Page 71

- Start Journal Import using the Import Journals window. Specify each of the source/group ID combinations that you want to import. If there are multiple tables, Journal Import will be launched multiple times.
- If Journal Import indicates that the data is erroneous, then correct the data using the Correct Journal Import Data window or delete it using the Delete Journal Import Data window. If you choose to correct it, then start Journal Import again using the Import Journals window.

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Journal Import Group By Effective Dates Description

Journal Import Group By Effective Dates Description

A new profile option, **GL Journal Import: Separate Journals by Accounting Date**, allows you to choose how Journal Import will group journal lines.

- Yes: Journal Import will place journal lines with different accounting dates into separate journals
- No: Journal Import will group all journal lines with different accounting dates that fall into the same period into the same journal, unless average balance processing is enabled

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Journal Import Group By Effective Dates Description

Journal Import now provides an option to automatically group journal lines into journal entries based on effective dates. This functionality was previously only available to customers using average balance processing.

Through a new profile option called GL Journal Import: Separate Journals by Accounting Date, you can choose to separate journal lines into separate journals by different accounting dates, even if using a standard ledger. This includes journals originating from Oracle subledger applications.

Journal Import Group By Effective Dates Benefits

Journal Import Group By Effective Dates Benefits

More Flexibility

- Account for business transactions by effective date or by accounting period
- Better Auditing
- Track transactions by date to facilitate financial auditing and compliance of the Sarbanes-Oxley Act
- Better Information
- Make daily updates to Daily Business Intelligence (DBI)
- Make better business decisions with up-to-date information

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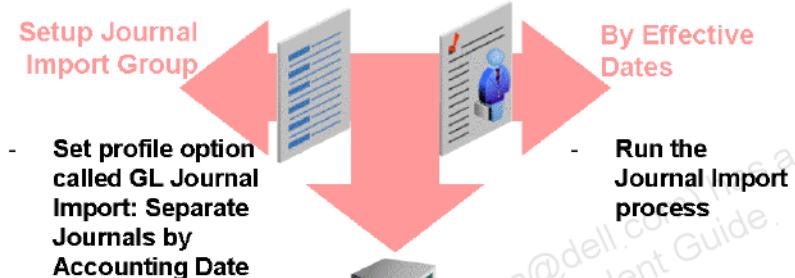
Journal Import Group By Effective Dates Benefits

By grouping and monitoring business transactions by date, rather than by accounting period:

- You have greater flexibility in how you want to account for your business transactions. You can account for them by effective date or by accounting period.
- You facilitate financial auditing and compliance with the new Sarbanes-Oxley Act.
- For DBI customers, you have better information that is updated on a daily basis. This enables you to make better business decisions and react more quickly to opportunities.

How to Set Up Journal Import Group By Effective Dates

How to Set Up Journal Import Group By Effective Dates



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How to Set Up Journal Import Group By Effective Dates

1. Set the profile option called GL Journal Import: Separate Journals by Accounting Date.
 - If set to Yes, journals that pass the GL_INTERFACE table via Journal Import will be separated into separate journals by accounting date.
 - If set to No, journals will be grouped by accounting period.
2. Run the Journal Import process.

Note: If you want journals that originated from Oracle subledgers to be separated by accounting date, you must set this profile option for each Oracle subledger application.

Using Journal Import Group By Effective Dates

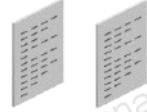
Using Journal Import Group By Effective Dates

The following journal lines exist in the GL_INTERFACE table:

Line	Account	Amount	Effective Date
1	Office Expense	5,000 USD	08/06/2003
2	Utilities	8,500 USD	08/21/2003

Profile Option Settings

Yes: Creates 2 journals for the same batch



Line 1 Line 2

No: Creates 1 journal



Lines 1 and 2

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Using Journal Import Group By Effective Dates

If you have two journal lines in the same accounting period but with different effective dates, by setting the profile option to Yes, you can create two separate journals; one for each line that has a different effective date. Both journals will still be grouped in the same journal batch.

By setting the profile option to No, the lines will be grouped by accounting period and placed in the same journal. This is the current functionality for standard ledgers.

Importing Journal References

Importing Journal References

You have the option of transferring journal entry information in summary or in detail when you run the journal import process.

Summary Journal: Summarizes all source transactions into one journal line.

Detail Journals: Preserves all source detail information for journal lines in General Ledger

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Importing Journal References

You can import subledger transactions into General Ledger in detail. The Journal Import process creates one journal entry line for every transaction line in the subledger.

To reduce the size of journal lines and speed the import process, you can choose to summarize journal entry information when you run Journal Import:

- Select Create Summary Journals check box to have Journal Import summarize all transactions for the same account, period, and currency into one debit and credit line.
- When Journal Import creates summary journal lines, all mapping back to the source information is lost. However, you can preserve transaction detail for summary journal lines in the GL_IMPORT_REFERENCES table:
 - Select the Import Journal References check box in the Journal Sources window for each journal entry source you wish to preserve. (N) Setup > Journal > Sources.
 - Oracle General Ledger populates the GL_IMPORT_REFERENCE table with one record for every transaction in your feeder system.

You cannot import descriptive flexfields if you create summary journals.

Note: If you want to be able to drill down to subledger transaction lines, such as Payables invoices, from General Ledger, select the Import Journal References check box for the subledger source in the Journal Sources window whether you transfer in summary or detail from subledgers.

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Reviewing Journal Import Data

Reviewing Journal Import Data



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Reviewing Journal Import Data

Review the status of accounting data imported into Oracle General Ledger using the Journal Import Execution Report. Use the Error Key section on the report to identify the types of errors found.

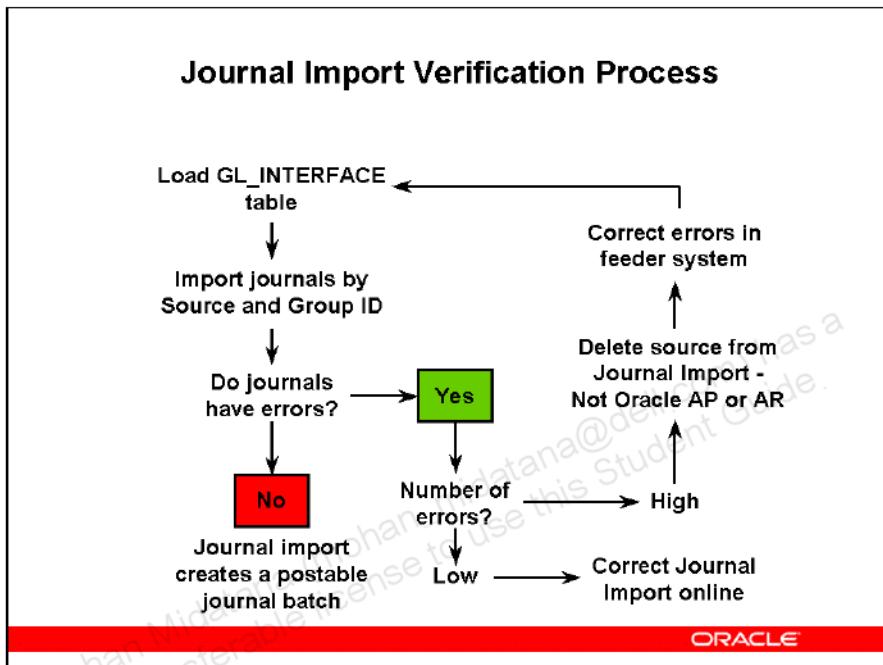
The journal import program rejects all transactions of a Source and Group ID if any of its journals have errors.

Use the journal import verification process to identify and correct journal import errors.

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Chapter 4 • Page 79

Journal Import Verification Process



Journal Import Verification Process

Validation When Using Open Interfaces

- Journal Import validates all of your data before it creates journal entries in General Ledger. If you allow suspense posting for your ledger, Journal Import assigns lines with invalid accounts to the suspense account. Journal Import rejects all other invalid lines, and they remain in the GL_INTERFACE table, where you can correct them online in the Correct Journal Import Data window or in your feeder systems. Journal Import also prints your error lines in the Journal Import Execution report.

Journal Level Validation

- Journal Import validates the following attributes to ensure that your journals contain the appropriate accounting data:
 - Account combinations
 - Unbalanced journal entries
 - Periods
 - Foreign currency errors
 - Budget information

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Chapter 4 • Page 80

- Encumbrance information
- Other miscellaneous items

Correcting Journal Import Errors Online

- If your Journal Import results in relatively few errors, you can make online corrections to the data that was rejected, then rerun Journal Import to import the corrected data.

(N) Journals > Import > Correct

- The Correct Journals Import window displays each field of the GL_INTERFACE table. From this window you can query import lines that have a status of Error or Corrected.
- Make your corrections.
 - If you are correcting Accounts data, you must enter an account segment value or enter a valid Code Combination ID.
 - Segment values override Code Combination IDs, so you must first clear all displayed segment values before changing the displayed Code Combination ID.
- The Status changes to Corrected after you save your changes.
- Select the Import Journals button to return to the Import Journals window.
- Deleting Journal Import Data to Correct Errors
- If you encountered a high number of errors from the Journal Import process, you should delete all information from the interface table and rerun Journal Import after correcting the errors.

(N) Journals > Import > Delete

- If you delete import data that originated from an Oracle subledger, you must correct the data in the subledger and reimport it from the original source:
 - Delete all the import data for your journal entry source and group ID from the GL_INTERFACE table.
 - Correct the errors in feeder system.
 - Repopulate the GL_Interface table.
 - Rerun Journal Import.

Caution: Do not delete journal import data from Oracle subledgers such as Oracle Payables or Oracle Receivables. The Oracle subledgers set flags to indicate the transactions have been sent to Oracle General Ledger. These flags must be reset before the transactions can be resent.

Using Journal Entry Sources and Categories

Using Journal Entry Sources and Categories

- Use journal entry sources and categories to differentiate journal entries and to enhance your audit trail
- Select pre-defined sources and categories or define your own

Sources	Categories
Assets Purchasing Projects AX Receivables Manual Budget Journal Payroll	Accrual Adjustment Credit Memos Headcount Receipts Revaluation WIP

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Using Journal Entry Sources and Categories

(N) Setup > Journal > Sources

Journal entry sources indicate where your journal entries originate.

General Ledger supplies a list of predefined journal sources for journal entries that originate in Oracle subledger applications, such as Assets or Payables.

You can define your own journal sources for non-Oracle feeder systems.

For each journal source, specify whether to import detail reference information for summary journals imported from your Oracle subledger applications. This is required if you want to be able to drilldown to the original subledger transaction from balances in General Ledger.

With journal sources, you can:

- Define intercompany and suspense accounts for specific sources.
- Run the AutoPost program for specific sources.
- Import journals by source.
- Freeze journals imported from subledgers to prevent users from making changes to any journals that have been transferred to General Ledger from that source. This ensures that transactions from your subledger systems reconcile with those posted in General Ledger.

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Chapter 4 • Page 82

- Report on journals by source using the Foreign Currency Journals or General Journals reports.

If you have journal approval enabled for your ledger, you can use journal sources to enforce management approval of journals before they are posted.

If you are using average balance processing, select an effective date for your journal source. For more information, refer to the Oracle General Ledger User Guide or 11i General Ledger Financial Management Advanced Topic Average Balance Processing.

Journal Categories

(N) Setup > Journal > Categories

- Journal categories help you differentiate journal entries by purpose or type, such as accrual, payments or receipts. When you create journal entries, you must choose the default or specify a category.
- Using categories, you can:
 - Define intercompany and suspense accounts for specific categories.
 - Use document sequences to sequentially number journals by category.
 - Define journal categories for accruals and estimates. Use these categories when you define criteria for AutoReverse and AutoPost.
- Journal categories appear in standard reports, such as the General Journals report. You can run reports by category, by source, or category and source. For example, for month end close, you might run a report listing all journals that were created for the period with a category of accruals. This way you can review the accrual entries created before finalizing your close.

Caution: Oracle General Ledger does not have a standard report showing Journal Import reference information. You must create a custom report to access this information.

Setting Profile Options

Profile Option	User	System Administrator			
		User	Resp	App	Site
Journals: Allow Multiple Exchange Rates	✓	✓	✓	✓	✓
Journals: Allow Posting During Journal Entry		✓	✓	✓	✓
Journals: Default Category	✓	✓	✓	✓	✓
Journals: Enable Prior Period Notification		✓	✓	✓	✓
Journals: Mix Statistical and Monetary	✓	✓	✓	✓	✓
Journals: Override Reversal Method		✓	✓	✓	✓

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Setting Profile Options

Journals: Allow Multiple Exchange Rates - Controls whether to allow multiple conversion rates within a journal entry.

Journals: Allow Posting During Journal Entry - Controls whether you can post a manual journal entry from the Enter Journals window.

Journals: Default Category - Specify the default category for manual journal entries.

Journals: Enable Prior Period Notification - Controls whether General Ledger notifies you when you are entering a journal for a prior period.

Journals: Mix Statistical and Monetary - Controls whether you can enter statistical amounts in the same journal line as monetary amounts.

Journals: Override Reversal Method - Controls whether you can override the specified default reversal method.

Summary

Summary

In this lesson, you should have learned how to:

- **Describe how journal entries are positioned in the accounting cycle**
- **Identify the types of journal entries**
- **Create manual journal entries**
- **Post journal entries using various posting options**
- **Perform account inquiries**
- **Perform drilldowns to Oracle subledger applications**
- **Create reversing entries**

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Summary

Summary

In this lesson, you should have learned how to:

- Import journal entry information using the **GL_INTERFACE** table
- Describe the setup options available to process journal entries
- Identify reports, listings and inquiry options available for journal entries
- Identify the profile options necessary to process journal entries
- Identify the key implementation issues regarding journal entries and General Ledger

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Summary

Summary

In this lesson, you should have learned how to:

- Identify the key elements of Web Applications Desktop Integrator (Web ADI)
- Define Web ADI setup options for key flexfields
- Use Web ADI to create journal entries
- Setup Web ADI layouts, mappings, and style sheets
- Identify Web ADI profile options, forms functions, menus, and responsibilities

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Using Accounting Setup Manager

Chapter 5

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Using Accounting Setup Manager

Using Accounting Setup Manager

R12 Oracle General Ledger Management Fundamentals

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Objectives

Objectives

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

- Create Accounting Setups
- Create Accounting Setup Structures
- Complete Accounting Options
- Reporting Currencies
- Ledger Balancing Segment Value Assignments
- Subledger Accounting Options

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Objectives

Objectives

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

- Operating Units
- Intracompany Balancing Rules
- Sequencing
- Secondary Ledgers
- Complete Accounting Setup

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Creating Accounting Setups

Creating Accounting Setups

•Create Accounting Structure	•Complete Accounting Options	•Complete Accounting Options (continued)
•Assign legal entities	•Complete ledger options.	•Define and assign operating units to the primary ledger.
•Specify ledger attributes for primary ledger	•Complete reporting currencies.	•Define intracompany balancing rules.
•Specify the ledger attributes for one or more secondary ledgers	•Assign balancing segment values to legal entities.	•Define sequencing options.
•Assign reporting currencies	•Assign balancing segment values to ledgers.	•Complete secondary ledger setup steps.
	•Define subledger accounting options.	•Complete accounting setup.

Creating Accounting Setups

The Accounting Setup Process consists of three main steps and are described in the table above:

1. Create an accounting setup structure.
2. Update accounting options.
3. Complete the accounting setup.

Accounting Setup Prerequisites

Accounting Setup Prerequisites

- Complete General Ledger Setup Steps
- Optionally, define additional Subledger Accounting Methods

Accounting Setup Prerequisites

Complete General Ledger Setup Steps

- To create accounting setups, complete the General Ledger prerequisites, such as defining a chart of accounts and accounting calendar.

Optionally, define additional Subledger Accounting Methods

- To use additional subledger accounting methods other than Standard Accrual or Standard Cash, define them using Subledger Accounting .
- When defining ledgers in Accounting Setup Manager, assign a subledger accounting method if planning to use Subledger Accounting to integrate data from transaction sources.
- Perform this step for each subledger accounting method.

Accounting Setup Manager provides the following pages:

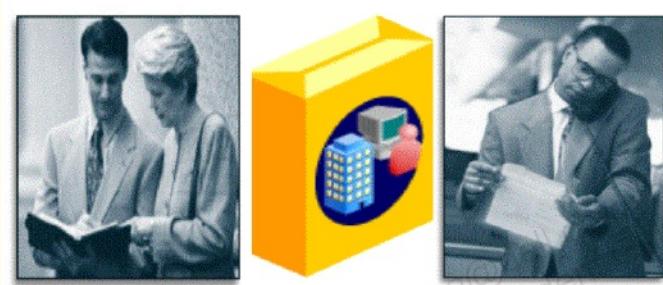
- Legal Entities Pages
- Accounting Setups Pages
- Accounting Options Pages

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Create Accounting Setup Demonstration

Create Accounting Setup Demonstration



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Legal Entities Pages

The screenshot shows the Oracle Accounting Setup Manager interface for Legal Entities. At the top, there's a navigation bar with links for Home, Logout, Preferences, and Diagnostics. Below that is a sub-navigation bar with tabs for Accounting Setups and Legal Entities, with Legal Entities selected. A search bar labeled 'Simple Search' allows filtering by Name or Country, with a 'Advanced Search' link. A message at the top says: 'You must fill out one of the following fields before starting your search: Name, Country'. Below the search bar is a table listing legal entities and establishments. The table has columns for Select, Name, Legal Type, Address, Country, Legal Entity Identifier, Org number, and View Details. The data includes:

Select	Name	Legal Type	Address	Country	Legal Entity Identifier	Org number	View Details
<input type="radio"/>	Vision Corporation	Legal Entity	300 Madison Ave, New York, NY, 10001	United States	USSYS11004	50406	
<input type="radio"/>	Vision Corporation	Establishment	300 Madison Ave, New York, NY, 10001	United States		50401	
<input type="radio"/>	Vision Operations	Legal Entity	475 Park Avenue, New York, NY, 10022	United States	USSYS11005	50407	
<input type="radio"/>	Vision Operations	Establishment	475 Park Avenue, New York, NY, 10022	United States		50439	
<input type="radio"/>	Maintenance-Plant 2	Establishment	455 Columbus Avenue, Chicago, IL, 60601-3475	United States		50563	
<input type="radio"/>	Chicago Subassembly Plant	Establishment	455 Columbus Avenue, Chicago, IL, 60601-3475	United States		50562	
<input type="radio"/>	Seattle Manufacturing	Establishment	3435 108th Avenue, Seattle, WA, 98101	United States		50564	
<input type="radio"/>	Boston Manufacturing	Establishment	399 Berkeley Street, Boston, MA, 02116-3211	United States		50565	
<input type="radio"/>	Seattle Distribution Center	Establishment	3457 108th Avenue, Seattle, WA, 98101	United States		50566	

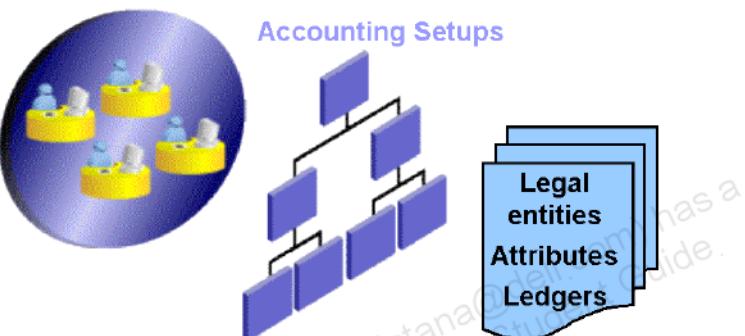
Legal Entities Pages

The Legal Entities page enables you to:

- Create new legal entities and assign specific balancing segment values to legal entities to help identify legal entities during transaction processing and reporting. You can take full advantage of all of the legal entity-related features, such as Intercompany Accounting.
- Query existing legal entities, view their attributes, and make updates to the legal entities.
- Update balancing segment values assigned to legal entities.
- Enter an end-date to deactivate a legal entity.

Accounting Setups Pages

Accounting Setups Pages



- Use the Accounting Setups pages to analyze and update various accounting setups

Accounting Setups Pages

You can perform the following in the Accounting Setups page:

- Create new accounting setups.
- Query existing accounting setups (named after the primary ledger) by legal entity or ledger.
- Update the accounting options for an accounting setup to modify the related setup components.
- Query existing legal entities and view their attributes.
- Identify the associated primary ledger for any legal entity, ledger, operating unit, and reporting currency.
- View the status of accounting setups.

Accounting Options Pages

After creating an accounting setup structure, update the accounting options immediately after creating the structure or later.

Accounting Setup Manager Checklist

Accounting Setup Manager Checklist

Step Number	Required?	Step Description
Step 1	Optional	Define Legal Entities
Step 2	Required	Create Accounting Setup Structure
Step 3	Required	Complete ledger options
Step 4	Conditionally Required	Complete reporting options
Step 5	Optional	Assign balancing segment values to legal entities
Step 6	Optional	Assign balancing segment values to ledger
Step 7	Conditionally Required	Define Subledger Accounting options
Step 8	Optional	Define operating units. If using an accounting setup that has legal entities assigned, define operating units for your primary ledger.
Step 9	Conditionally Required	Define intracompany balancing rules.

Accounting Setup Manager Checklist (continued)

Accounting Setup Manager Checklist (continued)

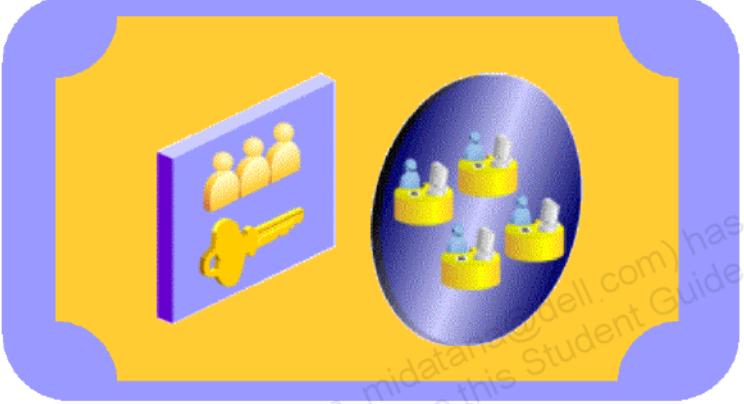
Step Number	Required?	Step Description
Step 11	Optional	Define Sequencing. Define accounting and reporting sequencing options for ledgers and reporting currencies. Repeat this step for each ledger.
Step 12	Conditionally Required	Complete primary to secondary ledger mapping.
Step 13	Required	Complete the Accounting Setup
Step 14	Optional	Perform additional General Ledger setup steps.

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Chapter 5 • Page 12

Legal Entities Overview

Legal Entities Overview



Use Accounting Setup Manager to define legal entities and their accounting context

Legal Entities Overview

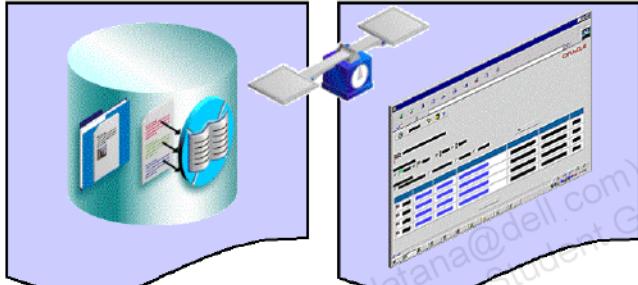
Define one or more legal entities using Accounting Setup Manager's Legal Entities tab if planning to assign legal entities to accounting setups.

You can also define legal entities using Legal Entity Configurator. The Legal Entity pages of Accounting Setup Manager are the same as the Legal Entity pages in Legal Entity Configurator. The only difference is that you can assign balancing segment values to legal entities using Accounting Setup Manager.

Balancing Segment Value Assignments

Balancing Segment Value Assignments

Balancing Segment Value Assignments to Legal Entities



The diagram consists of two side-by-side icons. On the left, a teal cylinder represents a database or ledger, with two blue books shown inside it. On the right, a computer monitor displays a software interface with a grid of columns and rows, representing a ledger or transaction processing system.

Assigning balancing segment values to legal entities is considered optional

Identifies legal entities across your transaction processing and reporting

Balancing Segment Value Assignments

Assigning balancing segment values to legal entities is optional; however, it is strongly recommended that you assign specific balancing segment values to each legal entity to help identify legal entities during transaction processing and reporting. This is particularly important for accounting setups that use the accounting setup where multiple legal entities share the same primary ledger.

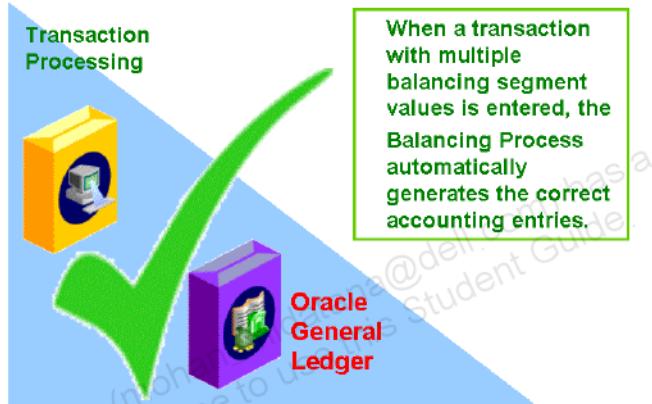
By assigning balancing segment values to legal entities, you can also take advantage of all of the legal entity accounting features available, such as intercompany accounting.

If you do not assign any balancing segment values to your legal entities, then all balancing segment values will be available for transaction processing.

If using multiple value sets for the balancing segment across charts of accounts, be sure to assign the correct value set to the legal entity. Once assigned, you cannot remove the value set from legal entities. However, there is no harm in assigning the wrong value set or assigning balancing segment values for the wrong value set; the system will ignore it during transaction processing.

Using Balancing Segment Values for Transaction Processing

Using Balancing Segment Values for Transaction Processing



Using Balancing Segment Values for Transaction Processing

Any balancing segment values assigned to a legal entity are automatically assigned to the legal entity's ledger when completing the accounting setup.

When entering transactions using Oracle subledgers, use only the valid balancing segment values that are assigned to the legal entity.

When entering journals in General Ledger, use only the valid balancing segment values assigned to the ledger's legal entities and the ledger itself.

If no balancing segment values are assigned to the legal entities or ledgers, then all balancing segment values will be available to enter transactions and journal entries.

Completing Accounting Setups

Completing Accounting Setups

Accounting Setups

- You must ensure the correct balancing segment values are assigned to legal entities across all of your accounting setups



Completing Accounting Setups

If you have an accounting setup with multiple legal entities assigned and specific balancing segment values assigned to legal entities, you cannot complete the accounting setup if the following violations exist:

- overlapping balancing segment values assigned to the legal entities for the same accounting setup
- balancing segment values assigned to some, not all, of the legal entities assigned to the same accounting setup

Accounting Setup Manager does not check for overlapping balancing segment values assigned to legal entities in different accounting setups. Therefore, ensure that the correct balancing segment values are assigned to legal entities in all accounting setups.

Before the accounting setup is complete, delete and add balancing segment values to legal entities at any time. After completing the accounting setup, you cannot delete balancing

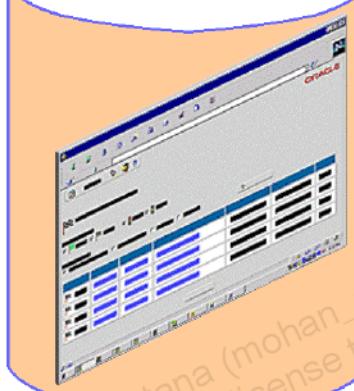
segment values from legal entities; you can end date the balancing segment value to prevent

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Designating the Balancing Segment for a Chart of Accounts

Designating the Balancing Segment for a Chart of Accounts



- You should designate the balancing segment of the chart of accounts as the legal entity or company segment

Designating the Balancing Segment for a Chart of Accounts

It is recommended that you designate the balancing segment of the chart of accounts as the legal entity or company segment. If there are multiple legal entities that use different charts of accounts, limit the number of value sets you define for the balancing segment to ease maintenance efforts. This allows you to share value sets across multiple charts of accounts and assign unique balancing segment values for each legal entity that is consistent across charts of accounts.

Defining Legal Entities Using Accounting Setup Manager

Defining Legal Entities Using Accounting Setup Manager



Accounting Setup Manager
is a central location to
define accounting related
setup

Define your legal
entities and accounting
context which includes
the ledgers that will
contain the accounting
data for each legal entity



Defining Legal Entities Using Accounting Setup Manager

Use the Create Legal Entity page to create legal entities.

Prerequisites—The following prerequisites are required only if you are planning to assign balancing segment values to legal entities:

- define a chart of accounts
- define segment values for the balancing segment

Creating Legal Entities

1. Open the Legal Entities page.
2. Select Create Legal Entity
3. Enter all relevant fields for the Identification Information, Legal Address, Additional Information, and Balancing Segment Value Assignments.
4. Select Apply or click Save and Add Details to enter additional information for the legal entity that includes the following:
 - registrations
 - establishments
5. In the Balancing Segment Value Assignments region, click Add Value Set.

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6. Select a value set from the list of values. Only value sets that use the balancing segment value qualifier are displayed.
7. To assign balancing segment values for the value set, click Add Balancing Segment Value.
8. Select one or more balancing segment values to assign to this legal entity. You cannot assign parent values.

Note: Be sure to assign unique balancing segment values to each legal entity. You cannot complete the accounting setup if multiple legal entities assigned to the same accounting setup have overlapping balancing segment values assigned or only some of the legal entities have balancing segment values assigned.

9. To make this value available for a limited time, enter a start date and/or an end date. Start and end dates can be changed at any time.
10. Select Apply.

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Updating Balancing Segment Values

Updating Balancing Segment Values



- To update balancing segment value assignments for legal entity, use:
 - Legal Entities tab
 - Accounting Options page

Updating Balancing Segment Values

Update the balancing segment value assignments for the legal entity in one of the following pages:

- Legal Entities tab
- Accounting Options page after assigning legal entities to accounting setups. Add value sets and balancing segment values to legal entities at any time.

Prerequisites

- Define a legal entity
- Assign a legal entity to an accounting setup to automatically assign the value set associated with the legal entity's ledger.

To update balancing segment values for legal entities:

1. Open the Legal Entities page and search for a legal entity.
2. Select the Balancing Segment Value Assignments sub-tab.
3. To update the balancing segment value assignment, click Update.

4. Add one or more value sets. Once assigned, you cannot remove the value set. If you accidentally assign the wrong value set that is not associated with any of the legal entity's ledgers, the invalid value set will be ignored during transaction processing.
5. Add or remove balancing segment values. If the legal entity is assigned to a complete accounting setup, you cannot remove its balancing segment values. You can disable them by entering an end date.
6. Select Apply.

To update balancing segment values for legal entities that are assigned to accounting setups:

1. Open the Accounting Options page for an accounting setup.
2. In the Legal Entities region, select the Update Balancing Segment Values icon for a legal entity. The value set associated with one or more of the legal entity's ledgers will be automatically assigned.
3. Add or remove balancing segment values for the appropriate value set. If multiple value sets are assigned to the legal entity, assign the same balancing segment value across value sets.

Creating Accounting Setup Structures

Creating Accounting Setup Structures

•Step	•Required?	•Description	•Application or Feature Name
•1. Review Oracle Financials Implementation Guide	•Required	<ul style="list-style-type: none">Carefully consider the number of accounting setups that you need.	•Accounting Setup Manager
•2. Define chart of accounts	•Required	<ul style="list-style-type: none">Define at least one chart of accounts. For ease in assigning balancing segment values to legal entities, it is recommended that all charts of accounts share the same value set for the balancing segment.	•General Ledger
•3. Define accounts	•Required	<ul style="list-style-type: none">Define the following natural accounts that will be used to create your ledgers:<ul style="list-style-type: none">Retained Earnings AccountSuspense Account, if you want to enable suspense postingCumulative Translation Adjustment (CTA) AccountNon-Postable Net Income Account, if you plan to enable average balance processingReserve for Encumbrance Account, if you plan to use encumbrance accounting or budgetary control	•General Ledger

Creating Accounting Setup Structures

The accounting setup structure defines the framework or skeleton of an accounting setup.

Creating Accounting Setup Structures (continued)

Creating Accounting Setup Structures (continued)

•Step	•Required?	•Description	•Application or Feature Name
•4. Define cross-validation rules	•Required	•Carefully consider the number of accounting setups that you need.	•Accounting Setup Manager
•5. Define chart of accounts mapping	•Conditionally Required	•If you plan to use a secondary ledger that uses a different chart of accounts from the primary ledger, define a chart of accounts mapping. The mapping provides instructions on how to transfer data between disparate charts of accounts.	•General Ledger
•6. Define period types	•Optional	•If you want to use period types that are not installed with General Ledger, define the period types that you will use for your accounting calendar.	•General Ledger
•7. Define accounting calendars	•Required	•Define one or more accounting calendars.	•General Ledger
•8. Define transaction calendars	•Conditionally Required	•If you plan to use average balance processing, define a transaction calendar to specify valid business days used by your organization.	•General Ledger
•9. Define or enable currencies	•Required	•Define or enable one or more currencies.	•General Ledger

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Chapter 5 • Page 23

Creating Accounting Setup Structures (continued)

Creating Accounting Setup Structures (continued)

•Step	•Required?	•Description	•Application or Feature Name
•10. Define currency conversion rate types and rates	•Required	•If you plan to enter foreign currency transactions, define conversion rate types and conversion rates.	•General Ledger
•11. Define journal reversal criteria	•Optional	•Define a journal reversal criteria set that you will assign to each ledger to have journals for that ledger automatically reversed.	•General Ledger
•12. Define jurisdictions	•Optional	•If you do not want to use the jurisdictions that are seeded, define a jurisdiction. The jurisdiction is used to assign a territory to a legal entity.	•Legal Entity Configurator
•13. Define legal entities	•Optional	•Create a complete definition of your legal entity. It is recommended that you assign specific balancing segment values to legal entities to help you secure and identify transactions by legal entity.	•Legal Entity Configurator or Accounting Setup Manager
•14. Define subledger accounting methods	•Optional	•If you do not want to use Standard Accrual or Standard Cash as your ledger's default accounting method, define subledger accounting methods using Oracle Subledger Accounting.	•Oracle Subledger Accounting

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Chapter 5 • Page 24

Creating an Accounting Setup

Creating an Accounting Setup

- Creating an accounting setup is comprised of the following steps:
 - Assigning Legal Entities
 - Defining Accounting Representations
 - Saving the Accounting Structure

Creating an Accounting Setup

Assigning Legal Entities

- Assigning legal entities to accounting setups is optional. Assign legal entities if you are planning to use Oracle financial subledgers that require a legal entity context for transaction processing. Also, assign legal entities if you are planning to use legal entity specific features, such as intercompany accounting.
- If creating legal entities from the Assign Legal Entities page, you are not creating a complete definition of your legal entity. Complete the definition of the legal entity later from the Legal Entities tab.

Defining Accounting Representations

- Specify the ledger attributes for the primary ledger. The primary ledger acts as the primary accounting representation. Optionally specify the ledger attributes for one or more secondary ledgers to represent primary ledger transactions in a different chart of accounts, calendar, currency, subledger accounting method, and/or ledger processing options.
- To maintain additional currency representations of primary or secondary ledgers, assign reporting currencies to them.

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Chapter 5 • Page 25

Note: Add secondary ledgers and reporting currencies to accounting setups at any time. Before completing the accounting setup, you can delete secondary ledgers and reporting currencies. After completing the accounting setup, you can only disable the conversion of reporting currencies and secondary ledgers.

To define accounting representations:

1. Open the Define Accounting Representations page from the Assign Legal Entities page.
2. Specify primary ledger attributes for the required fields.

Note: You cannot assign a calendar if it contains gaps between periods or it does not have a full fiscal year defined.

3. Optionally assign a subledger accounting method if planning to use Subledger Accounting to integrate data from Oracle financial subledgers or external feeder systems.

Note: Once you assign a subledger accounting method, you must always have a subledger accounting method assigned. You can change the subledger accounting method at any time.

4. Optionally, specify the following secondary ledger attributes:

- name
- chart of accounts
- accounting calendar
- Currency
- subledger accounting method

5. Specify a Data Conversion Level.

6. Optionally, select the Add Reporting Currency icon.

7. In the Add Reporting Currency page, enter a currency and one of the following currency conversion levels:

- Balance: maintains translated balances
- Journal: maintains journals and balances in the reporting currency using the General Ledger Posting program
- Subledger: maintains a currency representation of the source ledger's subledger journals, General Ledger journals, and balances using both Subledger Accounting and the General Ledger Posting program.

8. Select Apply.

Saving the Accounting Structure

1. Navigate to the Save Accounting Structure page from the Define Accounting Representations page.
2. Review the accounting setup structure.
3. Click Finish.

Completing Accounting Options

Completing Accounting Options

- The structure of the Accounting Options page:
- Displayed in checklist format to ensure correctness of setup steps



Completing Accounting Options

The Accounting Options page is displayed in a checklist format to complete the relevant setup steps to make the accounting setup ready for entering transactions and journals.

Before entering transactions, complete all of the required setup steps for each accounting setup. If using secondary ledgers, complete all of the required setup steps for the primary ledger before completing the setup steps for the secondary ledgers. Navigate to the Accounting Options page in one of the following ways:

- After saving the accounting setup structure, click Define Accounting Options.
- Query an existing accounting setup from the Accounting Setups page, and then select the Update Accounting Options icon.

The name of the Accounting Options page is named after the primary ledger, such as Accounting Options: <Name of primary ledger>.

Updating Legal Entities

Updating Legal Entities



**Using the Accounting Options page,
you can make various revisions to
legal entities**

Updating Legal Entities

The Legal Entities region of the Accounting Options page allows you to do the following:

- View legal entities and make changes
- Update legal entities
- Add legal entities
- Remove legal entities from one accounting setup and assign them to another accounting setup
 - Once the accounting setup is complete, you cannot remove any of its legal entities. To disable a legal entity, end-date it.
 - Once you end-date a legal entity, you cannot enter new subledger transactions against the legal entity. You can use the legal entity's balancing segment values to enter manual journal entries in General Ledger. This allows you to enter adjusting entries during the accounting close.
 - If you end-date a legal entity, end date its balancing segment value to prevent the use of the balancing segment value for journal entries.
- Assign unique balancing segment values to legal entities

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Chapter 5 • Page 28

Note: If you use balancing segment values to represent legal entities, do not assign the same balancing segment values to multiple legal entities that are assigned to different accounting setups. Accounting Setup Manager will not prevent you from assigning the same values to legal entities in different accounting setups.

- Remove balancing segment values
 - You can only remove balancing segment values before the accounting setup is complete. A balancing segment value removed from one legal entity can be assigned to another legal entity within the same or different accounting setup.
- End-date balancing segment values
 - You can end-date balancing segment values at any time. If you end-date a balancing segment value, you cannot enter new transactions with dates after the end-date. You can query historical transactions and report on the end-dated balancing segment value.

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Primary Ledger Setup Steps

Primary Ledger Setup Steps

- The primary ledger setup steps are as follows:
 - Ledger Options
 - Reporting Currencies
 - Ledger Balancing Segment Value Assignments
 - Subledger Accounting Options
 - Operating Units
 - Intracompany Balancing Rules
 - Sequencing
 - Secondary Ledgers
 - Completing Accounting Setup

Primary Ledger Setup Steps

The primary ledger setup steps are:

- Ledger Options
- Reporting Currencies
- Ledger Balancing Segment Value Assignments
- Subledger Accounting Options
- Operating Units
- Intracompany Balancing Rules
- Sequencing
- Secondary Ledgers
- Completing Accounting Setup

Ledger Options

Ledger Options

- The primary ledger setup steps are as follows:

- **Ledger Options**
- Reporting Currencies
- Ledger Balancing Segment Value Assignments
- Subledger Accounting Options
- Operating Units
- Intracompany Balancing Rules
- Sequencing
- Secondary Ledgers
- Completing Accounting Setup

Ledger Options

A ledger determines the chart of accounts, accounting calendar, currency, subledger accounting method, and ledger processing options for each company, legal entity, or group of companies and legal entities.

Each accounting setup requires a primary ledger that acts as the main record-keeping ledger for none or one or more legal entities that use your main chart of accounts, accounting calendar, subledger accounting method, and currency to record and report on all of your financial transactions.

To maintain an additional accounting representation, use secondary ledgers.

To maintain an additional currency representation, use reporting currencies.

Reporting Currencies

Reporting Currencies

- The primary ledger setup steps are as follows:

- Ledger Options
- **Reporting Currencies**
- Ledger Balancing Segment Value Assignments
- Subledger Accounting Options
- Operating Units
- Intracompany Balancing Rules
- Sequencing
- Secondary Ledgers
- Completing Accounting Setup

Reporting Currencies

To report on account balances in multiple currencies, assign reporting currencies to ledgers.

Reporting currencies can only differ by currency from their source ledger and must share the same chart of accounts, accounting calendar/period type combination, subledger accounting method, and ledger processing options as their source ledger.

Reporting currencies can be maintained at one of the following currency conversion levels:

- Subledger
- Journal
- Balance

Ledger Balancing Segment Value Assignments

Ledger Balancing Segment Value Assignments

- The primary ledger setup steps are as follows:

- Ledger Options
- Reporting Currencies
- **Ledger Balancing Segment Value Assignments**
- Subledger Accounting Options
- Operating Units
- Intracompany Balancing Rules
- Sequencing
- Secondary Ledgers
- Completing Accounting Setup

Ledger Balancing Segment Value Assignments

Optionally assign specific balancing segment values to ledgers to track non-legal entity-related transactions or adjustments using a specific balancing segment value.

Note: Assign specific balancing segment values to all legal entities in an accounting setup before assigning a specific balancing segment value to the ledgers in the accounting setup.

Balancing segment values can be added to ledgers at any time.

- Before the accounting setup is complete, you can remove balancing segment values from ledgers.
- After the accounting setup is complete, you can only disable the balancing segment value by entering an end date.

To assign balancing segment values to ledgers:

1. Open the Accounting Options page.
2. Select the Update icon for the Balancing Segment Value Assignments step.
3. View the balancing segment values assigned to the legal entities associated with the accounting setup in the Legal Entity Assignment region.
4. In the Ledger Assignment region, enter a balancing segment value.

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5. Optionally, enter a start and end date to make the value effective for a limited time.

To remove balancing segment values:

Balancing segment values can only be removed from ledgers before the accounting setup is complete.

1. Open the Ledger Balancing Segment Value Assignments page. You access this page by updating the Balancing Segment Value Assignments step for the ledger.
2. To remove balancing segment values, click the Remove icon for each balancing segment value.

To disable balancing segment values:

Disable balancing segment values by entering an end date for the value. You cannot use the balancing segment value to enter new transactions or journals after the end date. You can only use the value for reporting and viewing historical data.

1. Open the Ledger Balancing Segment Value Assignments page. You access this page by updating the Balancing Segment Value Assignments step for the ledger.
2. To disable a balancing segment value, enter an end date.

Subledger Accounting Options

Subledger Accounting Options

- The primary ledger setup steps are as follows:
 - Ledger Options
 - Reporting Currencies
 - Ledger Balancing Segment Value Assignments
 - Subledger Accounting Options
 - Operating Units
 - Intracompany Balancing Rules
 - Sequencing
 - Secondary Ledgers
 - Completing Accounting Setup

Subledger Accounting Options

If you assigned a subledger accounting method to your ledgers, the Subledger Accounting Options step will be displayed with a status of Complete.

If you did not assign a subledger accounting method to your ledger, then this step will not be displayed.

You can update this step at any time from the Accounting Options page. Subledger Accounting Options allow you to define how to generate the accounting entries from subledger transactions.

Note: All of the subledgers assigned to a ledger inherit its subledger accounting method from that ledger.

Operating Units

Operating Units

- The primary ledger setup steps are as follows:
 - Ledger Options
 - Reporting Currencies
 - Ledger Balancing Segment Value Assignments
 - Subledger Accounting Options
 - Operating Units
 - Intracompany Balancing Rules
 - Sequencing
 - Secondary Ledgers
 - Completing Accounting Setup

Operating Units

You can assign operating units to the primary ledger to partition subledger transaction data when multiple operating units perform accounting in the context of one or more legal entities. If using an accounting setup that has legal entities assigned, the Operating Units step will be displayed. The status for this step will be Not Started.

You can update the Operating Units step at any time from the Accounting Options page. You do not have to complete this step to complete your accounting setup.

Note: If you defined operating units in the Define Organization window in Oracle HRMS, then those operating units will be automatically assigned to the appropriate primary ledger in Accounting Setup Manager.

Prerequisites

The following prerequisites are required if you plan to assign operating units to a primary ledger in the Accounting Setup Manager:

- Define legal entities and assign them to accounting setups
- Complete primary ledger setup steps

To Define and Assign Operating Units:

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1. Open the Operating Units page.
2. Select Add Operating Unit to both create and assign an operating unit to the primary ledger.
3. In the Add Operating Units page, enter the following:
 - Name: The name of the operating unit
 - Short Code: The short name of the operating unit
 - Business Group: The highest level in the organization structure, such as the consolidated enterprise, a major division, or an operation company that secures human resources information
 - Default Legal Context: One of the legal entities assigned to the accounting setup to act as the default legal context
4. Alternatively, you can create operating units by clicking Open Organization Form to open the Define Organization window in Oracle HRMS. When you define your operating unit and assign it to a primary ledger and default legal context, you will be able to view the operating unit assignment from Accounting Setup Manager.
5. Click Apply or Add Another to define and assign multiple operating units.
6. To mark the Operating Units step complete, select Complete.

Note: Once you add an operating unit to a primary ledger, you cannot remove it. You can prevent the use of that operating unit by not assigning it to a Security Profile in Oracle HRMS.

Intracompany Balancing Rules

Intracompany Balancing Rules

- The primary ledger setup steps are as follows:
 - Ledger Options
 - Reporting Currencies
 - Ledger Balancing Segment Value Assignments
 - Subledger Accounting Options
 - Operating Units
 - **Intracompany Balancing Rules**
 - Sequencing
 - Secondary Ledgers
 - Completing Accounting Setup

Intracompany Balancing Rules

If you enabled the Intracompany Balancing option for your ledger, the Intracompany Balancing step will be displayed. The status for this step will be Not Started.

Update the Intracompany Balancing step to define rules to balance journal entries between balancing segment values that are assigned to the same legal entity or ledger.

Note: You do not have to complete this step to complete your accounting setup. You can update this step at any time from the Accounting Options page.

Sequencing

Sequencing

- The primary ledger setup steps are as follows:
 - Ledger Options
 - Reporting Currencies
 - Ledger Balancing Segment Value Assignments
 - Subledger Accounting Options
 - Operating Units
 - Intracompany Balancing Rules
 - **Sequencing**
 - Secondary Ledgers
 - Completing Accounting Setup

Sequencing

Sequencing enables you to define accounting and reporting sequencing options for ledgers and reporting currencies. You can update this step at any time from the Accounting Options page.

Note: It is not necessary to complete this step to complete your accounting setup.

Secondary Ledgers

Secondary Ledgers

- The primary ledger setup steps are as follows:

- Ledger Options
- Reporting Currencies
- Ledger Balancing Segment Value Assignments
- Subledger Accounting Options
- Operating Units
- Intracompany Balancing Rules
- Sequencing
- **Secondary Ledgers**
- Completing Accounting Setup

Secondary Ledgers

Secondary ledgers represent the primary ledger's accounting data in another accounting representation that differs in one or more of the following ways:

- chart of accounts
- accounting calendar/period type combination
- currency
- subledger accounting method
- ledger processing options

Use secondary ledgers for supplementary purposes, such as consolidation, statutory reporting, or adjustments for one or more legal entities within the same accounting setup. For example, use a primary ledger for corporate accounting purposes that uses the corporate chart of accounts and subledger accounting method, and use a secondary ledger for statutory reporting purposes that uses the statutory chart of accounts and subledger accounting method. This allows you to maintain both a corporate and statutory representation of the same legal entity's transactions in parallel.

Assign one or more secondary ledgers to each primary ledger for an accounting setup.

The secondary ledgers assigned can only perform the accounting for the legal entities within the same accounting setup.

Note: If an additional ledger is needed to perform accounting across legal entities or ledgers in different accounting setups, use a ledger in an accounting setup with no legal entity assigned. This can be used for multiple purposes, such as performing management reporting or consolidation across multiple legal entities.

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Secondary Ledgers

Secondary Ledgers

•Data Conversion Levels

- Secondary Ledgers can be maintained at one of the following data conversion levels:
 - Subledger Level Secondary Ledgers
 - Journal Level Secondary Ledgers
 - Balance Level Secondary Ledgers
 - Adjustments Only Secondary Ledger

Secondary Ledgers

Data Conversion Levels

Conversion Rules

The following conversion rules are used to convert data from the primary ledger to the secondary ledger:

- Chart of Accounts Conversion: If the secondary ledger uses a different chart of accounts from the primary ledger, a chart of accounts mapping is used to provide instructions for mapping accounts or entire account segments from the primary ledger to the secondary ledger.
- Calendar Conversion: If the secondary ledger uses a different accounting calendar from the primary ledger, the journal effective date determines the corresponding non-adjusting period in the secondary ledger.
- Currency Conversion: If the secondary ledger uses a different currency from the primary ledger, currency conversion rules are required to instruct the system on how to convert data from the currency of the primary ledger to the currency of the secondary ledger.
- Journal Conversion (Used by General Ledger Posting only): To select the journals for transfer to the secondary ledger based on journal source and category combinations. The

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Chapter 5 • Page 42

General Ledger Posting program uses these rules to determine which journals to automatically transfer to the secondary ledger during posting.

Note: The above conversion rules do not apply to Adjustments Only level secondary ledgers because they must share the same chart of accounts, accounting calendar, and currency as the primary ledger.

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Chapter 5 • Page 43

Secondary Ledgers

Secondary Ledgers

- Subledger Level Secondary Ledgers
- Journal Level Secondary Ledgers
- Balance Level Secondary Ledgers
- Adjustments Only Secondary Ledger

Secondary Ledgers

Subledger Level Secondary Ledgers

The subledger level secondary ledger maintains an additional accounting representation of the subledger journals, journal entries, and balances. The subledger level secondary ledger is maintained using both Subledger Accounting and the General Ledger Posting program.

By assigning two different subledger accounting methods to the primary and secondary ledger, you can use Subledger Accounting rules to simultaneously account for the same legal entity transaction in both ledgers. This allows you to maintain multiple accounting representations of a single subledger transaction and have the different subledger journals produced in each ledger.

Note: Subledger Accounting integrates data from both Oracle and non-Oracle transaction sources. For a list of transaction sources that integrate with Oracle Subledger Accounting, query them in the Subledger Application page available from the Subledger Accounting setup menu.

When entering subledger transactions using Oracle financial subledgers that integrate with Subledger Accounting, Subledger Accounting automatically generates the appropriate

accounting entries to both the primary and secondary ledgers in General Ledger based on the accounting rules defined for a particular subledger accounting method.

Journal Conversion Rules

By default, the following types of journals are replicated to the secondary ledger using General Ledger Posting, not Subledger Accounting:

- journals created by Oracle subledgers that do not use Subledger Accounting
- manual journal entries entered in the primary ledger
- journals from spreadsheets or non-Oracle systems that were entered via the primary ledger's GL Interface table

Each time you post these journals in the primary ledger, they are automatically propagated to the subledger level secondary ledger, unless you defined journal conversion rules to exclude these journal sources from being transferred to the secondary ledger.

By default, journals that use the following journal sources are not transferred to the subledger level secondary ledger:

- Move/Merge
- Move/Merge Reversal
- Revaluation
- Subledger sources that use Subledger Accounting

Secondary Ledgers

Secondary Ledgers

- Subledger Level Secondary Ledgers
- **Journal Level Secondary Ledgers**
- Balance Level Secondary Ledgers
- Adjustments Only Secondary Ledger

Secondary Ledgers

Journal Level Secondary Ledgers

The journal level secondary ledger is an additional accounting representation of the primary ledger journal entries and balances. This type of secondary ledger is maintained using the General Ledger Posting Program only.

Every time you post a journal in the primary ledger, the same journal is automatically replicated and maintained in the secondary ledger, depending on the journal conversion rules specified for the secondary ledger.

By default, journals that use the following journal sources are not transferred to the journal level secondary ledger:

- Move/Merge
- Move/Merge Reversal
- Revaluation

Secondary Ledgers

Secondary Ledgers

- Subledger Level Secondary Ledgers
- Journal Level Secondary Ledgers
- **Balance Level Secondary Ledgers**
- Adjustments Only Secondary Ledger

Secondary Ledgers

Balance Level Secondary Ledgers

The balance level secondary ledger only maintains the primary ledger balances in another accounting representation. To maintain balances in this type of secondary ledger, use General Ledger Consolidation to transfer the primary ledger balances to this secondary ledger.

If the balance level secondary ledger uses a different currency from the primary ledger, use General Ledger Consolidation to transfer balances from the primary ledger's balance level reporting currency to the balance level secondary ledger. This balance level reporting currency uses the same currency as the secondary ledger and represents the translated balances of the primary ledger.

Secondary Ledgers

Secondary Ledgers

- Subledger Level Secondary Ledgers
- Journal Level Secondary Ledgers
- Balance Level Secondary Ledgers
- **Adjustments Only Secondary Ledger**

Secondary Ledgers

Adjustments Only Secondary Ledger

The adjustments only secondary ledger is an incomplete accounting representation that only holds adjustments, manual adjustments, or automated adjustments created by Subledger Accounting. Create adjustments as follows:

- To create manual adjustments, enter manual journal entries directly in the secondary ledger.
- To create automated adjustments using Subledger Accounting, assign a subledger accounting method to both the primary and secondary ledger and define Subledger Accounting rules that transfer only the subledger accounting adjustment to this adjustments only secondary ledger.

Adjustments only secondary ledgers are useful if you do not need a complete ledger to perform management or statutory reporting. You can perform all of your daily transactions in the

~~adjustments only secondary ledger~~, such as management or statutory adjustments, in the

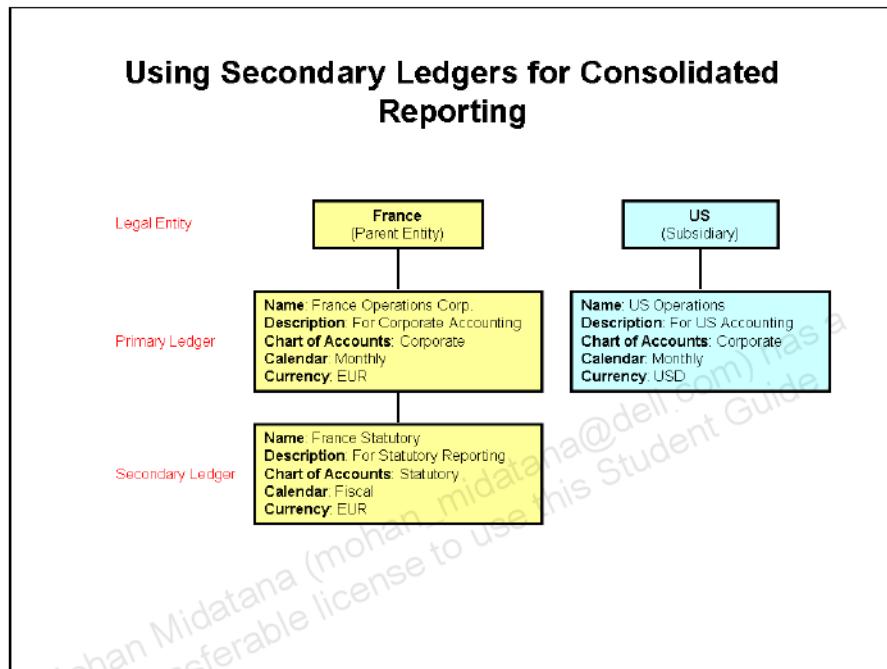
Using a secondary ledger as an adjustments ledger is not sufficient for companies that operate in countries that require companies to have two complete ledgers, one for statutory reporting and another for corporate accounting.

By itself, this adjustments only secondary ledger does not represent the complete accounting picture; it only holds the adjustments for the transactions contained in its associated primary ledger. Use a ledger set to combine the adjustments only secondary ledger with the primary ledger to obtain a complete secondary accounting representation that includes both the transactional data and the adjustments. Then report on the ledger set using General Ledger's Financial Statement Generator (FSG), which automatically summarizes data across ledgers in a ledger set.

Notes:

- Ledger Sets enable you to group multiple ledgers together (that share the same chart of accounts and accounting calendar/period type combination) to obtain processing efficiencies, such as opening and closing periods and reporting across multiple ledgers simultaneously.
- Adjustments only secondary ledgers must share the same chart of accounts, accounting calendar/period type combination, and currency as the associated primary ledger.

Using Secondary Ledgers for Consolidated Reporting



Using Secondary Ledgers for Consolidated Reporting

Use secondary ledgers for consolidated reporting to prevent the need to perform balance transfer consolidations, and to obtain a cross-company view of your enterprise. For example, assume the two accounting setups described in the following graphic and table are defined for the company's legal entities.

The France legal entity uses a primary ledger for corporate accounting purposes and a secondary ledger for statutory reporting purposes. Both ledgers use different charts of accounts and accounting calendars.

The US subsidiary uses its own chart of accounts and currency to account for its transactions in its main record-keeping ledger, the primary ledger.

For ease of consolidation, the US subsidiary can assign a secondary ledger to its primary ledger. The secondary ledger should use the same chart of accounts, accounting calendar, and currency as the parent entity, France. Then, by using a ledger set to group the secondary ledger of the US subsidiary with the primary ledger of the parent entity, consolidated results can be obtained by simply running an FSG report using the ledger set. This prevents the need to perform balance transfer consolidations every period.

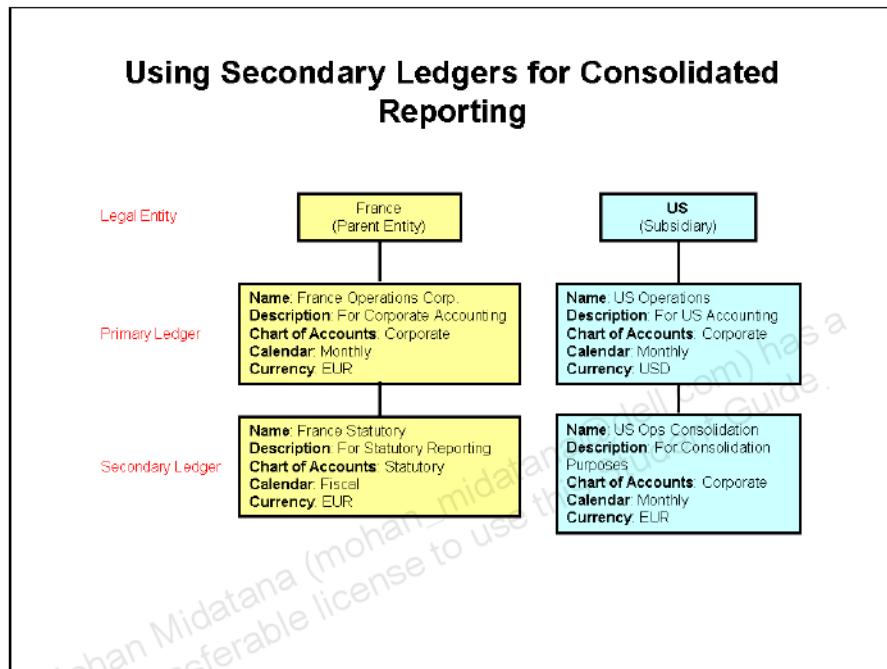
The following graphic and table describe an example of the ledger configuration when a secondary ledger is added to the US subsidiary. The Consolidation Ledger Set is comprised of the primary Ledger for France and the secondary ledger for the US.

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Using Secondary Ledgers for Consolidated Reporting



Using Secondary Ledgers for Consolidated Reporting

The France legal entity uses a primary ledger for corporate accounting purposes and a secondary ledger for statutory reporting purposes. Both ledgers use different charts of accounts and accounting calendars.

The US subsidiary uses its own chart of accounts and currency to account for its transactions in its main record-keeping ledger, the primary ledger.

For ease of consolidation, the US subsidiary can assign a secondary ledger to its primary ledger. The secondary ledger should use the same chart of accounts, accounting calendar, and currency as the parent entity, France. Then, by using a ledger set to group the secondary ledger of the US subsidiary with the primary ledger of the parent entity, consolidated results can be obtained by simply running an FSG report using the ledger set. This prevents the need to perform balance transfer consolidations every period.

The graphic above is an example of the ledger configuration when a secondary ledger is added to the US subsidiary. The Consolidation Ledger Set is comprised of the primary Ledger for France and the secondary ledger for the US.

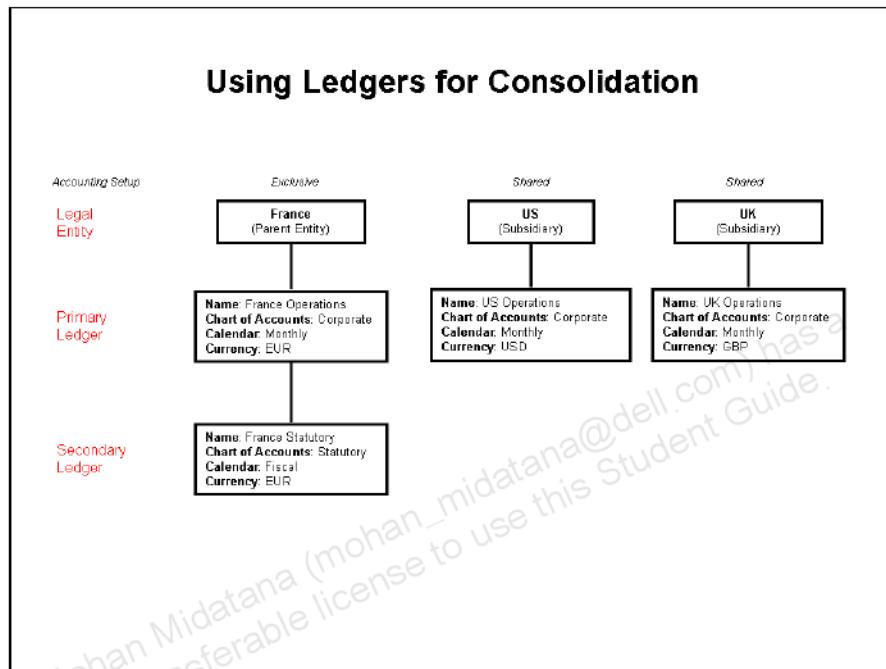
Note: If the parent entity, France, needs to enter consolidation adjustments, such as intercompany eliminations, they can enter those adjustments in their primary ledger using a balancing segment value that is reserved for manual adjustments.

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Using Ledgers for Consolidation



Using Ledgers for Consolidation

A ledger in an accounting setup with no entity assigned can be used as the parent consolidation ledger when performing fairly simple consolidations across multiple legal entities in different accounting setups. This allows users to keep consolidation adjustments completely separate from the ledgers that are used to maintain the day-to-day transactions for multiple legal entities.

For example, assume the legal entities and ledgers in three different accounting setups as described in the following table above.

- The France legal entity uses a primary ledger for corporate accounting purposes and a secondary ledger for statutory reporting purposes.
- The US subsidiary uses its own chart of accounts and currency to account for its transactions in its primary ledger.
- The U.K. Operations uses the corporate chart of accounts and calendar to account for its

transactions, but it uses its own local currency. Instead of assigning secondary ledgers to the US and U.K. operations to perform consolidation, the parent entity can define another accounting setup with no legal entity assigned to perform balance transfer consolidations from all three legal entities.

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The primary ledger should share the same ledger attributes as the primary ledger of the parent entity, such as the same chart of accounts, accounting calendar, and currency.

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Completing Accounting Setup

Completing Accounting Setup

- The primary ledger setup steps are as follows:
 - Ledger Options
 - Reporting Currencies
 - Ledger Balancing Segment Value Assignments
 - Subledger Accounting Options
 - Operating Units
 - Intracompany Balancing Rules
 - Sequencing
 - Secondary Ledgers
 - Completing Accounting Setup

Completing Accounting Setup

If you assigned secondary ledgers when you created an accounting setup structure, complete the secondary ledger steps described in the table below in the Accounting Options page.

Completing Accounting Setup

Completing Accounting Setup

Secondary Ledger Steps in the Accounting Options Page

•Step Number	•Step Description	•Note
•Ledger Options	•Defines and updates the journal and transaction processing options for the ledger.	•The Ledger Options for the primary ledger must be completed before completing the Ledger Options for the secondary ledger
•Primary to Secondary Ledger Mapping	•To specify conversion options to transfer data from the primary ledger to the secondary ledger.	

Completing Accounting Setup

If you assigned secondary ledgers when you created an accounting setup structure, complete the secondary ledger steps described in the table above in the Accounting Options page.

Adding, Deleting, Disabling Secondary Ledgers

Adding, Deleting, Disabling Secondary Ledgers

•Field	•Description	•Note
•Accounting Calendar	•General Ledger uses the calendar periods that have the period type specified for journal entry, budgeting, and reporting with this ledger.	•Accounting Setup Manager reports an error if there are any gaps between periods in the accounting calendar or if any of the non-adjusting periods overlaps.
•Subledger Accounting Method	•If defining a balance or journal level secondary ledger, do not assign a subledger accounting method. •If defining a subledger journals level secondary ledger, a subledger accounting method must be assigned to the secondary ledger and its primary ledger.	•If defining an Adjustments Only secondary ledger for manual adjustments in General Ledger, do not assign a subledger accounting method. To use the Adjustments Only secondary ledger for both manual and automated adjustments from Subledger Accounting, assign a subledger accounting method to both the primary and secondary ledger.
•Data Conversion Level	•To select Subledger, a subledger accounting method must be assigned to both the primary and secondary ledger. •To select Adjustments Only, the secondary ledger must share the same chart of accounts, accounting calendar and currency as the primary ledger. The subledger accounting method, if used, can be different from the primary ledger. However, to assign a subledger accounting method to the adjustments only secondary ledger, you must also assign one to the primary ledger.	

Adding, Deleting, Disabling Secondary Ledgers

Adding Secondary Ledgers

Add secondary ledgers to accounting setups at any time in the Accounting Options page.

If you add a balance level secondary ledger that uses a different currency from the primary ledger, a balance level reporting currency is generated for the primary ledger unless one already exists. This balance level reporting currency maintains the primary ledger's translated balances and is the source representation for the secondary ledger. In other words, when using GL Consolidation to transfer balances to the secondary ledger, transfer the balances from the source representation, the balance level reporting currency.

Prerequisite

The ledger options for the primary ledger must be completely defined.

To add secondary ledgers:

1. Open the Accounting Options page.
2. Select Add Secondary Ledger. This button will only appear after the ledger options for the primary ledger have a complete status.
3. Enter all relevant fields.

The table above describes the selected fields in the Add Secondary Ledger page.

Note: After adding a secondary ledger, complete the Ledger Options step and the Primary to Secondary Ledger Mapping step to enable the secondary ledger for data entry.

Deleting Secondary Ledgers

You can only delete secondary ledgers before the accounting setup is complete. After the accounting setup is complete, you can disable the conversion of secondary ledgers. This prevents any journals that are entered in the primary ledger or source representation from being transferred to the secondary ledger.

Deleting a secondary ledger removes the ledger and all of its setup steps.

To delete secondary ledgers:

1. Navigate to the Accounting Options page.
2. Find the secondary ledger to delete and click the Remove Secondary Ledger icon.

Disabling the Conversion of Secondary Ledgers

Once you disable the conversion of secondary ledgers, it immediately prevents the propagation of journals from the primary ledger to the secondary ledger.

The disabled secondary ledger is still available for historical reporting and manual journal entries.

Notes:

- Balance level secondary ledgers cannot be disabled. To stop transferring balances from the source representation (primary ledger or balance level reporting currency) to the balances level secondary ledger, stop running consolidations.
- Adjustments only secondary ledgers cannot be disabled because journals are not automatically transferred to this secondary ledger.

To disable the conversion of secondary ledgers:

1. Open the Accounting Options page.
2. In the Secondary Ledgers region, select the Disable Conversion icon for the secondary ledger to be disabled.

Note: Once the conversion of a secondary ledger is disabled, the status of the secondary ledger is changed to Disabled.

Summary

• In this lesson, you should have learned how to describe the following:

- Create Accounting Setups
- Create Accounting Setup Structures
- Complete Accounting Options
- Reporting Currencies
- Ledger Balancing Segment Value Assignments
- Subledger Accounting Options

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Summary

• In this lesson, you should have learned how to describe the following:

- Operating Units
- Intracompany Balancing Rules
- Sequencing
- Secondary Ledgers
- Complete Accounting Setup

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Summary Accounts

Chapter 6

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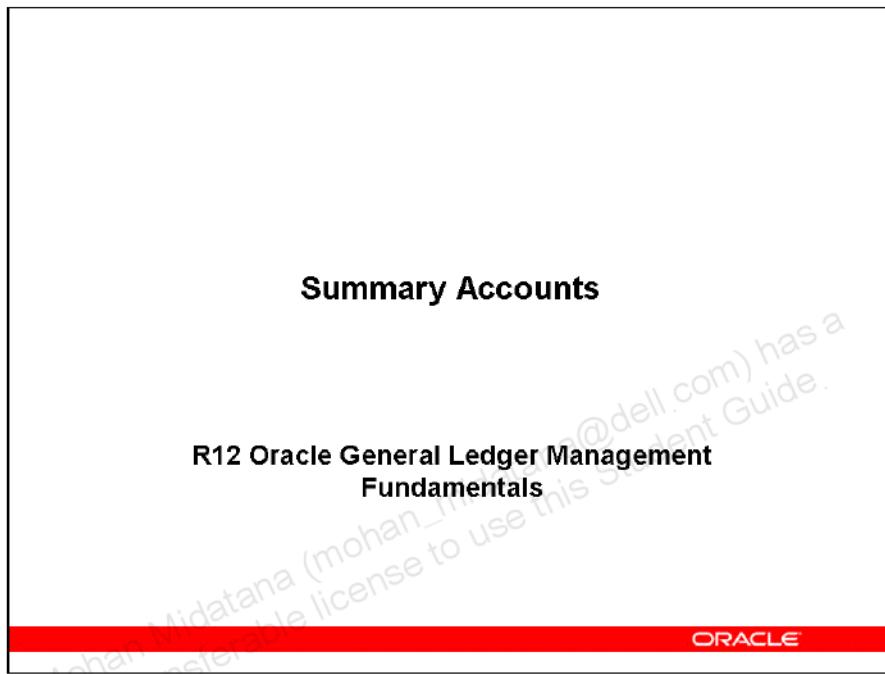
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Summary Accounts



Objectives

Objectives

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

- Discuss summary accounts and how they are used in General Ledger
- Define rollup groups for summary account creation
- Assign parent values to rollup groups
- Determine the number of summary accounts created by a template using a specific formula
- Enter summary account templates to create summary accounts
- Maintain summary accounts
- Discuss key implementation considerations in planning summary accounts

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Overview

Overview

What are Summary Accounts?

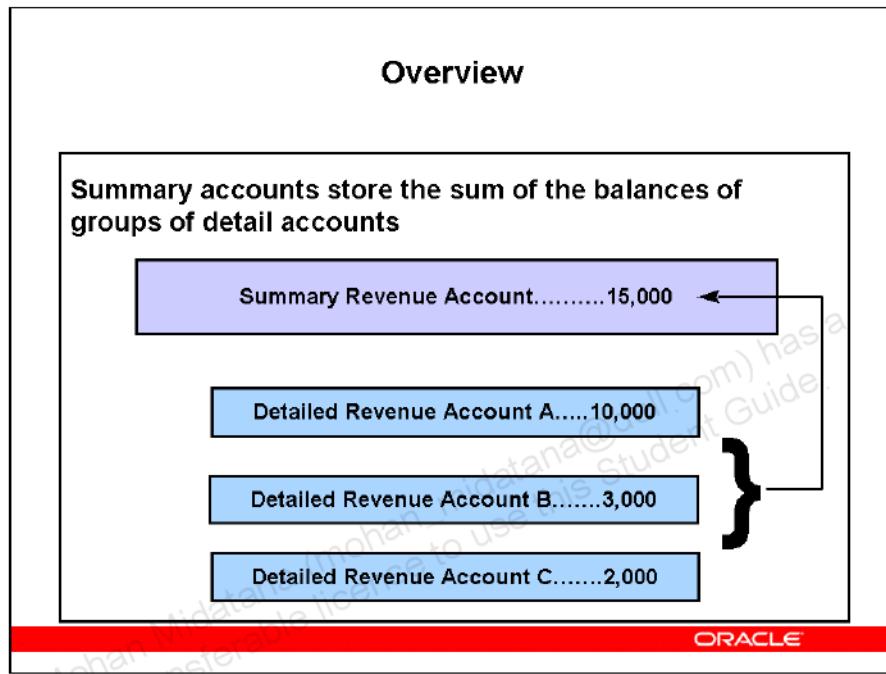
- A summary account is an account whose balance is the sum of balances from multiple detail accounts
- Use summary accounts to perform online summary inquiries, as well as speed the processing of financial reports and Mass Allocations, and Recurring journal formulas
- You do not enter or post transactions directly to summary accounts

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Chapter 6 Page 5

Overview



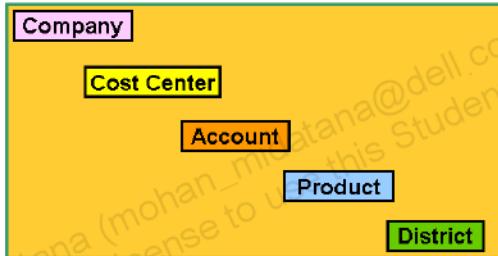
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Defining Summary Accounts

Defining Summary Accounts

- **Summary accounts enable quick online inquiries of account groupings**
- **The following are common segments you can use to summarize information:**



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Defining Summary Accounts

The first step in defining your summary accounts is to determine your summary account needs. Summary accounts provide you with significant benefits when you produce summary reports and perform allocations.

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Chapter 6 • Page 7

Summary Account Examples

Summary Account Examples

Here are some common dimensions and examples of ways you can summarize information within each dimension:

- Company
- Cost Center
- Account
- Product
- District

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Summary Account Examples

Here are some common dimensions and examples of ways you can summarize information within each dimension:

Company:

- A segment that indicates legal entities. You might summarize companies by major industry, such as Electronics Companies; by regions within a country, such as Eastern Companies; or by country group, such as European Companies.

Cost Center:

- A segment that indicates functional areas of your business, such as Accounting, Facilities, Shipping, and so on. You might keep track of functional areas at a detailed level, but produce summary reports that group cost centers such as Accounting, Planning & Analysis and Facilities, into one division called Administration.

Account:

- A segment that indicates your "natural" account, such as Cash, Accounts Payable, or Salary Expense. You will likely summarize your accounts by account type, namely your Assets, Liabilities, Equity, Revenues and Expenses. You might also summarize at a more detailed level, with summary accounts like Current Assets or Long-Term Liabilities.

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Product:

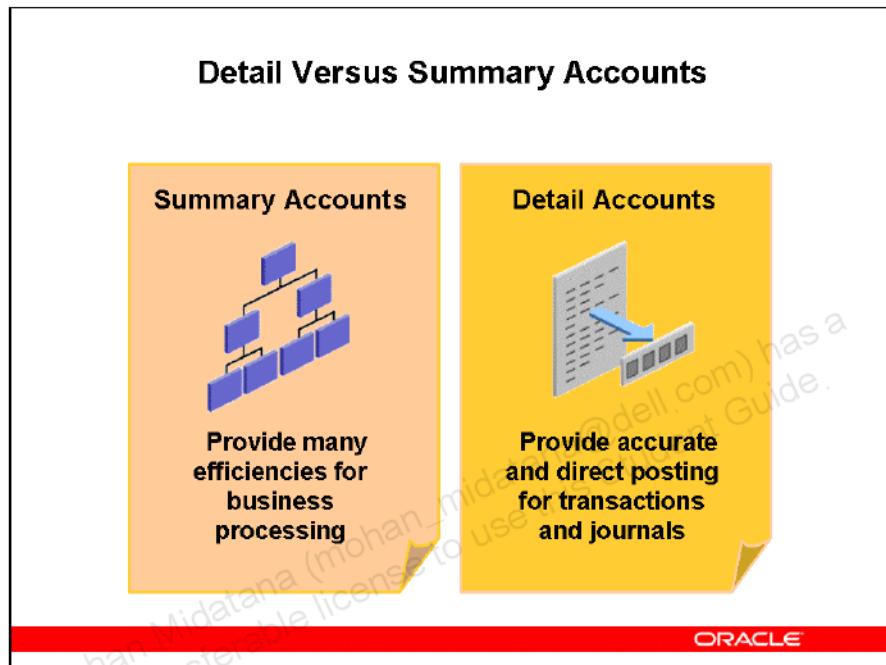
- A segment that indicates products. You might want to summarize products into product groups such as personal computer components, storage devices, and so on.

District:

- A segment that indicates geographical locations, such as Northern California, Central Florida or Western New York. If you define segments that record data within smaller geographical areas, such as districts, you can easily summarize districts into states, or even into groups of states you can call regions.

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Detail Versus Summary Accounts



Detail Versus Summary Accounts

Summary Accounts:

- Updated when journals are posted to a corresponding detail account
- Enable online summary inquiries
- Speed concurrent processing

Detail Accounts:

- Allow direct posting of business transactions and journals

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Summary Accounts Versus Parent Values

Summary Accounts Versus Parent Values

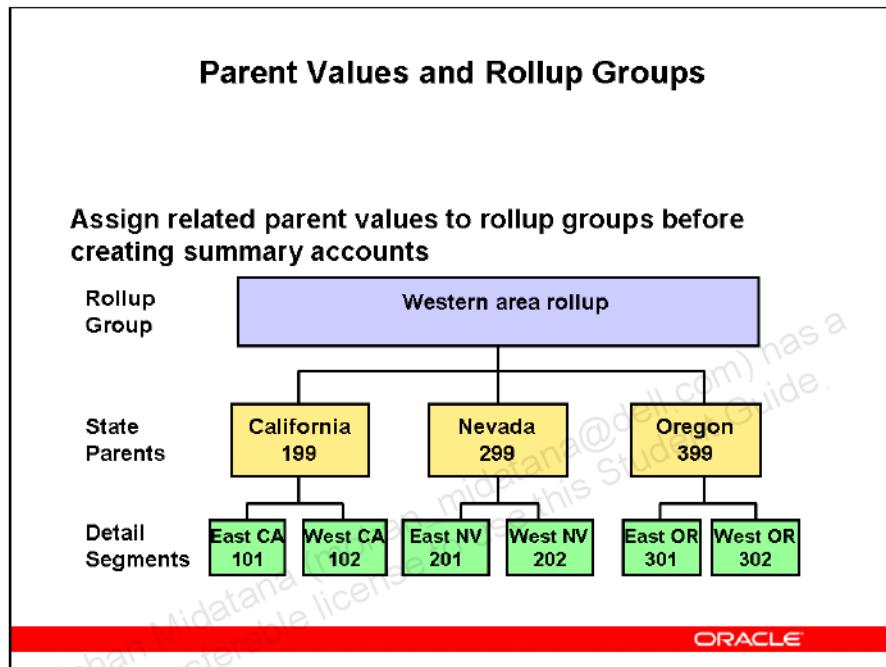
Summary Accounts	Parent Values
Store summary balances.	Do not store account balances.
View balances online.	Cannot be viewed online because they do not maintain balances.
Use in recurring journals or budget formulas.	Cannot be used in recurring journals or budget formulas because they do not maintain balances.
Use the constant segment type in Mass Allocations.	Use the looping segment type in Mass Allocations.
Get quicker FSG reporting because no summations are required.	Result in slower FSG reporting because summations are required.
Require posting to additional accounts because balances must be updated each time journals are posted to one of the corresponding detail accounts.	Expedite the posting process because parent values maintain no balances and therefore do not have to be updated each time journals are posted.

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Parent Values and Rollup Groups

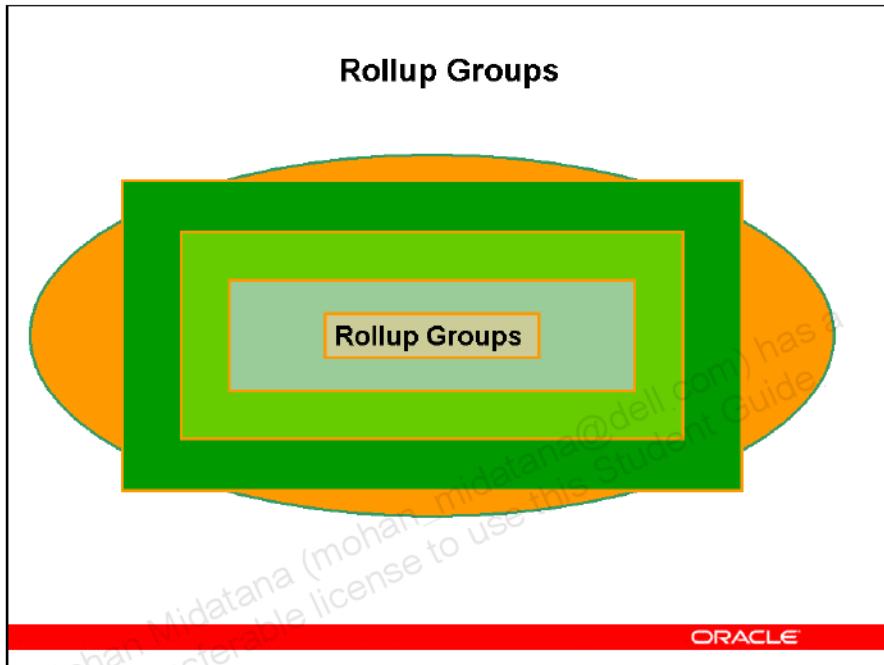


Parent Values and Rollup Groups

After determining your needs and organizing your summary account structure, define your parent values and your rollup groups.

Note: You can use the Account Hierarchy Manager or the Account Hierarchy Editor, if Applications Desktop Integrator is installed, to create and edit your account hierarchies graphically. You can use the Account Hierarchy Manager or the Account Hierarchy Editor to define parent and child segment values, as well as rollup groups.

Rollup Groups



Rollup Groups

About Rollup Groups:

- A rollup group is a collection of parent segment values for a given segment
- A value cannot belong to a rollup group unless it is a parent value that has child values
- Parent values and child values belong to the same value set, which is attached to a key flexfield segment

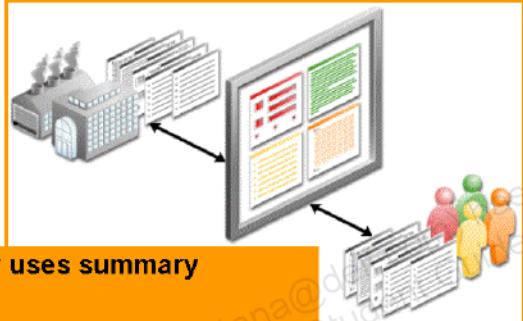
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Summary Account Templates

Summary Account Templates



General Ledger uses summary templates to:

- Create summary accounts
- Perform online summary inquiries
- Speed processing of reports

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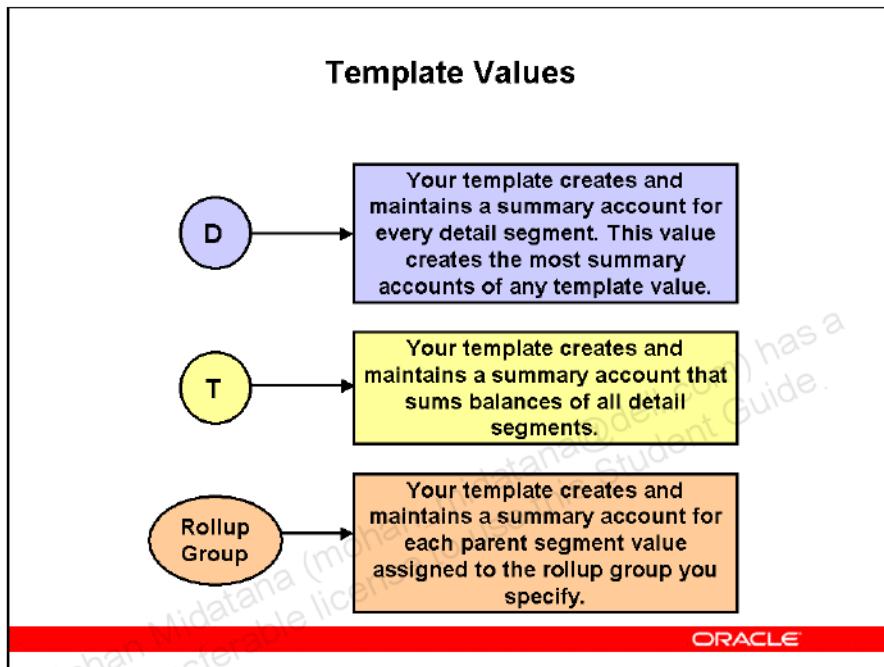
Summary Account Templates

- Oracle General Ledger uses summary templates to create summary accounts.
- Oracle General Ledger uses the templates in combination with parent segment value definitions to create summary accounts.
- You specify when you want Oracle General Ledger to begin maintaining your summary account balances.
- When you delete a summary template, Oracle General Ledger deletes all summary accounts created from that template and their associated balances.

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Template Values



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Chapter 6 • Page 15

Defining Summary Accounts

Defining Summary Accounts

Determine the number of summary accounts created by a template using this formula

$$\begin{array}{l} \text{Number of Summary Accounts Created} \\ = \\ \text{Number of Detail Segment Values for} \\ \text{Each Segment with a "D" Value} \\ \times \\ \text{Number of Parent Segment Values for} \\ \text{Each Segment with a Rollup Group Name} \\ \times \\ 1 \\ \text{For Each Segment with a "T" Value} \end{array}$$

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Defining Summary Accounts

Plan Your Summary Account Templates

- Set up templates to define and maintain summary accounts. You can enhance the speed of your summarizations by controlling the number of summary accounts created by your template. The number of summary accounts your template creates depends on the template segment values.
 - Use the formula above to determine the number of summary accounts any given template will create.

Summary Account Creation Example

Summary Account Creation Example

Suppose a company has the following account segments and values:

Company	-	Department	-	Account
01 - US		101- East		4000- Parent Value
02 - CAD		102- West		Rollup Group = Revenue
				4001- Revenue Prod A
				4002- Revenue Prod B

To create summary accounts to reflect total revenue for each company, all departments, the following summary template would be defined:

D - T - Revenue

This template would create the following summary accounts:

01 - T - 4000
02 - T - 4000

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Summary Account Creation Example

How to Define a New Summary Account Template

1. Open the Summary Accounts window.
2. Enter a Name for the summary account template.
3. Enter the Template.
4. Enter the Earliest Period for which you want General Ledger to maintain your actual, encumbrance and budget summary account balances. General Ledger maintains summary account balances for this accounting period and for subsequent periods.
5. If you are using budgetary control for your ledger, set the budgetary control options for the summary template.
6. Save your work. General Ledger submits a concurrent request to add the summary accounts, and displays the Status of your summary template.
 - Current: The summary accounts are active.
 - Adding: The concurrent request to create summary accounts is pending or running.
 - Deleting: The concurrent request to delete summary accounts is pending or running.

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Maintain Summary Accounts Overview

Maintain Summary Accounts Overview

The following changes to your parent values cause changes in the summary account reporting structure:



Adding child ranges



Removing child ranges



Assigning a new value to a Rollup Group



Removing a rollup group assignment



Changing a rollup group assignment

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Maintain Summary Accounts Overview

Maintenance on Summary Accounts is required when performing the following changes to your parent values:

- Addition of child ranges assigned to a parent value
- Removal of child ranges assigned to a parent value
- Assigning a new parent segment value to a rollup group
- Removing a rollup group assignment from a parent segment value
- Changing rollup group assignment for a parent segment value

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Maintaining Summary Templates

Maintaining Summary Templates



Posting automatically updates summary templates if you have added new detail accounts since your last posting for your ledger

D - T- Revenue

Summary Template



To improve the performance of your posting program, run the Maintain Summary Templates program to update your summary templates

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Maintaining Summary Templates

- If you make changes to your flexfield hierarchies that affect summary accounts, run the Incremental Add/Delete Summary Templates program to update your summary account balances. This program lets you make changes to account hierarchies without having to drop and recreate the summary template.
- Changes to the account hierarchies and rollup group assignments are ignored until the Incremental Add/Delete Summary Templates Program is run.
- Choose the Incremental Add/Delete Summary Templates from the Submit Request window.

Note: You also need to run the program, Maintain Summary Templates to update summary accounts for non-flexfield hierarchy related changes.

Incremental Add/Delete Summary Template Program Performance

- The amount of time it takes the Incremental Add/Delete Summary Template Program to complete depends on several factors, such as:
 - Degree of complexity of the summary account template.
 - Number of parents assigned to each affected rollup group.

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- Number of detail child values that are assigned to the affected parent values.
- Number of periods for which summary account balances have to be maintained.
- Maintenance of average daily balances for summary accounts.
- Extent of changes made to the account hierarchies.

Maintain Summary Templates Program

- Use this program to ensure that summary account balances reflect new detail accounts that may have been added to that summary account. The posting process automatically maintains summary accounts but running this program is beneficial if many new detail account combinations have been created since the last posting. Run this program when you make changes to detail accounts to improve the performance of the posting program.

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Setting Budgetary Control

Setting Budgetary Control

**Setting Summary Account
Budgetary Control Options**

- Enter budgetary control options for summary account template
- Choose Incremental Add/Delete Summary Templates from the Submit Request window



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Setting Budgetary Control

Setting the Summary Account Budgetary Control Options

- If budgetary control is enabled for your ledger, enter budgetary control options for your summary account template.
- Choose the Incremental Add/Delete Summary Templates from the Submit Request window.

Note: You also need to run the program, Maintain Summary Templates to update summary accounts for non-flexfield hierarchy related changes.

To set the budgetary control options for a summary account template:

1. Open the Summary Accounts window.
2. Enter the summary account template Name.
3. Enter the summary account Template.
4. Enter the Earliest Period for which you want General Ledger to maintain your actual, encumbrance and budget summary account balances. General Ledger maintains summary account balances for this accounting period and for subsequent periods.

5. Enter the Funds Check Level. If you choose the Advisory or Absolute funds check level, you must enter values in the remaining budgetary control fields. You cannot enter values in these fields if you choose the None funds check level.
6. Assign a Debit or Credit balance type to your summary template. General Ledger uses the balance type to determine if funds are available, based on the funds available equation:

Funds Available = Budget - Actual - Encumbrance

- For summary accounts with a Debit balance, General Ledger considers funds available to be sufficient if the funds available equation yields a positive result.
- For summary accounts with a Credit balance, General Ledger considers funds available to be sufficient if the funds available equation yields a negative result.

Note: Assigning a balance type of debit or credit to a summary account does not restrict the balance type of the detail accounts that roll up into a summary account.

7. Enter the Amount Type, or cumulative balance used in the funds checking interval.
8. Enter the Boundary, or the endpoint of the funds checking interval. Combined with the amount type you specify, boundary determines the time interval over which to perform summary level budgetary control.
9. Enter the Funding Budget against which you want General Ledger to check or reserve funds. You can only choose a funding budget that requires journal entries. General Ledger requires you to create budget journal entries for your funding budget to enforce budgetary control.

Note: If you want to change the funds check level from None to Advisory or Absolute, you must delete the summary template and then recreate it with the appropriate funds check level. General Ledger does not perform summary level budgetary control retroactively for the summary accounts it creates.

To set the budgetary control options for a summary account template:

1. Open the Summary Accounts window.
2. Enter the summary account template Name.
3. Enter the summary account Template.
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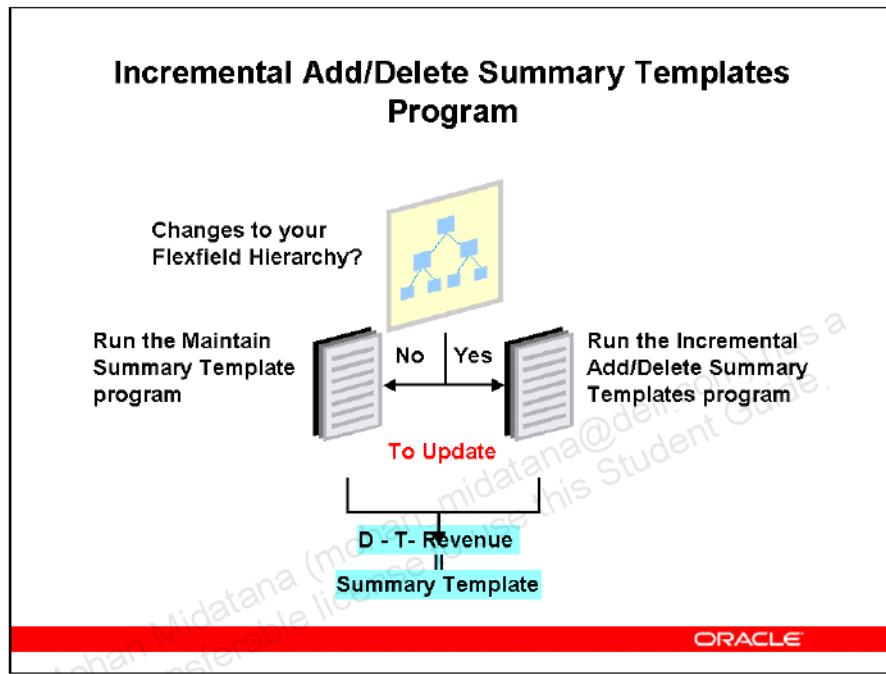
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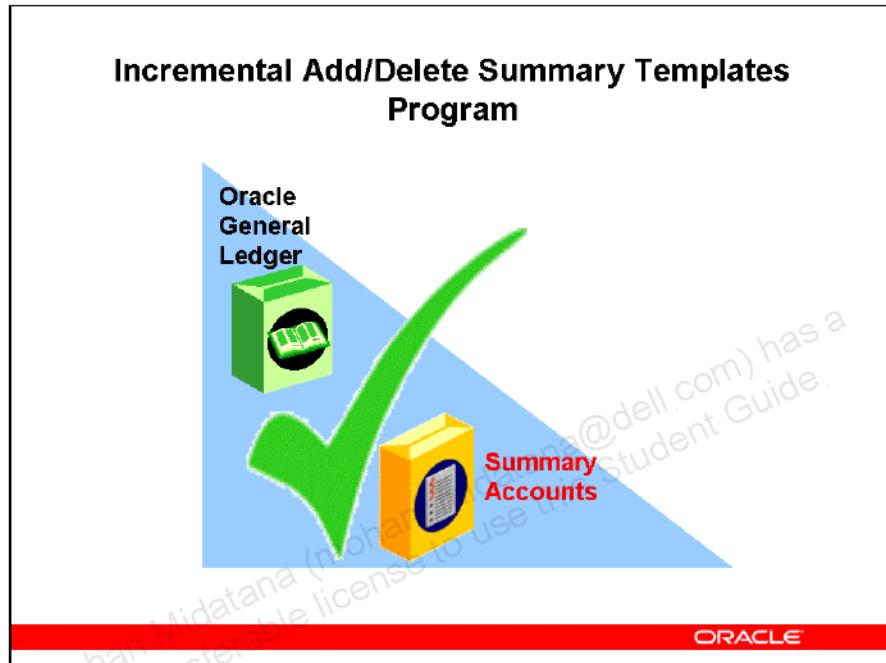
Note: If you want to change the funds check level from None to Advisory or Absolute, you must delete the summary template and then recreate it with the appropriate funds check level. General Ledger does not perform summary level budgetary control retroactively for the summary accounts it creates.

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Incremental Add/Delete Summary Templates Program



Incremental Add/Delete Summary Templates Program



Incremental Add/Delete Summary Templates Program

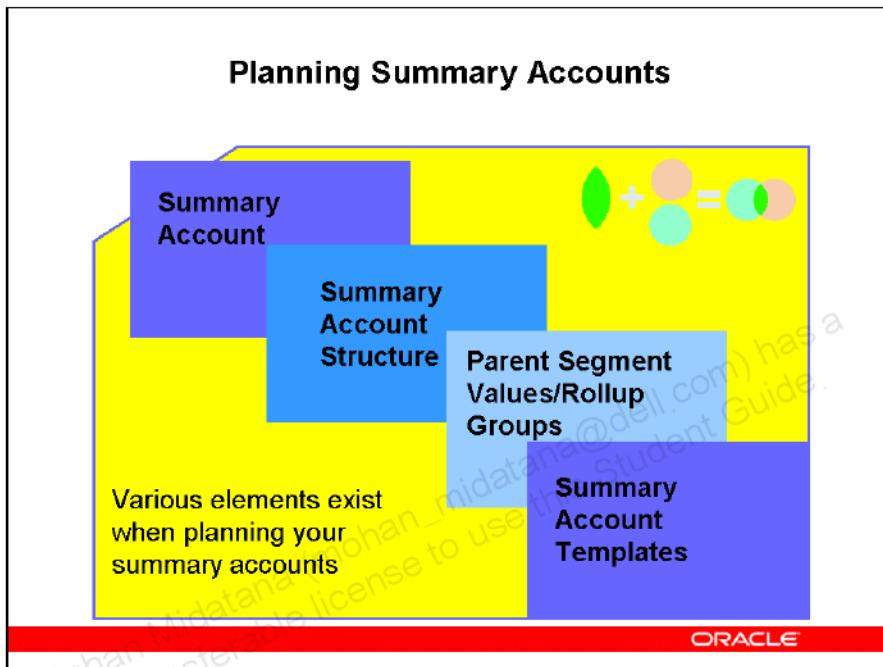
Factors that affect performance of Incremental Summarization:

- Degree of complexity of the summary account template
- Number of parents assigned to each affected rollup group
- Number of detail child values that are assigned to the affected parent values
- Number of periods for which summary account balances have to be maintained
- Maintenance of average daily balances for summary accounts
- Extent of changes made to the account hierarchies

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Chapter 6 • Page 25

Planning Summary Accounts

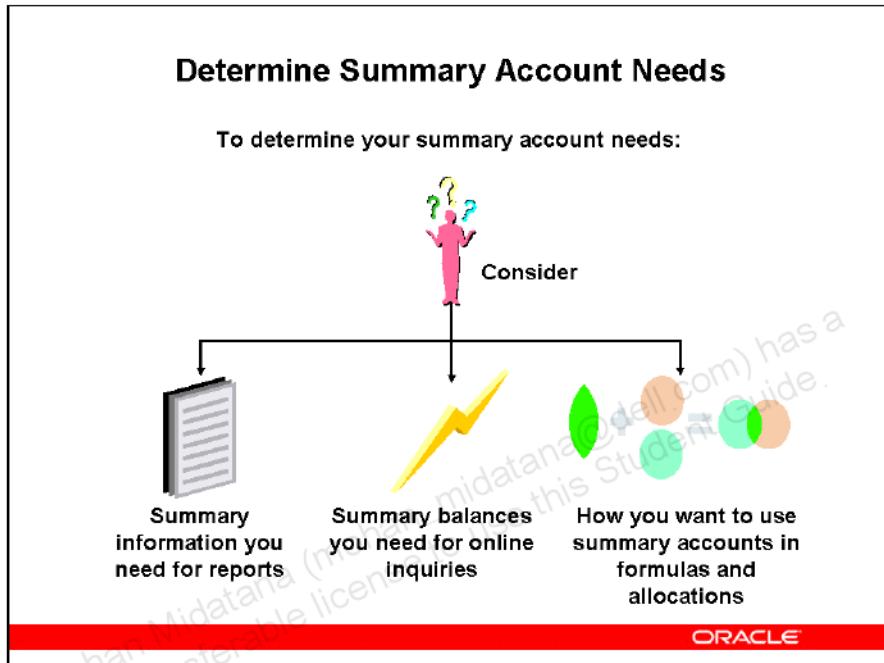


Planning Summary Accounts

How to Plan Your Summary Accounts

- Determine your summary account needs.
- Plan the summary account structure to meet your needs.
- Plan the parent segment values and rollup groups you need for your summary accounts.
- Plan your summary account templates to generate multiple summary accounts.

Determine Summary Account Needs



Determine Summary Account Needs

Consider the summary information you need for reports. Although you can easily define financial statements that sum a number of accounts together for a given row, you can use summary accounts for faster access to summarized balances.

- For example, many of the reports for upper management in your company may include summary level amounts. You may have summary income or revenue statements and balance sheets, a summary overhead expense analysis and many other summary level reports in your management reporting package.

Identify the summary balances you need for online inquiries.

- For example, you may need "flash" inquiries on the total of all cash balances for your domestic organizations to make daily decisions about investments or foreign currency hedging. You may also want to review the amount of working capital (current assets less current liabilities) for each division or department on a weekly basis.

Consider how you want to use summary accounts in formulas and allocations. You can use

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Chapter 6 • Page 27

- Use summary accounts to reference summary balances in a recurring journal formula. For example, to estimate a sales commission accrual based on the total of all product sales for each division, you can use a summary account that totals all product sales in each division.
- Use summary accounts to reference summary budget balances in a budget formula. For example, to base the budget for employee benefits in each company on the total of all budgeted employee salaries, use summary accounts that total all employee salaries in each company.
- Use summary accounts when entering budgets with budget rules. For example, you can base your budget for the current year's Salary account on a percentage of the prior year's total Overhead expense, a summary account.
- Use summary accounts to indicate the total amount you want to allocate when defining your allocation formulas. Also, use summary accounts to help you calculate the allocation ratios to use in your allocation formulas.

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Plan Summary Account Structure

Plan Summary Account Structure

- Select ways to summarize accounting information based on the structure of your accounting flexfield segments and your informational needs
- Some common dimensions include:
 - Company
 - Account
 - District
 - Cost Center
 - Product

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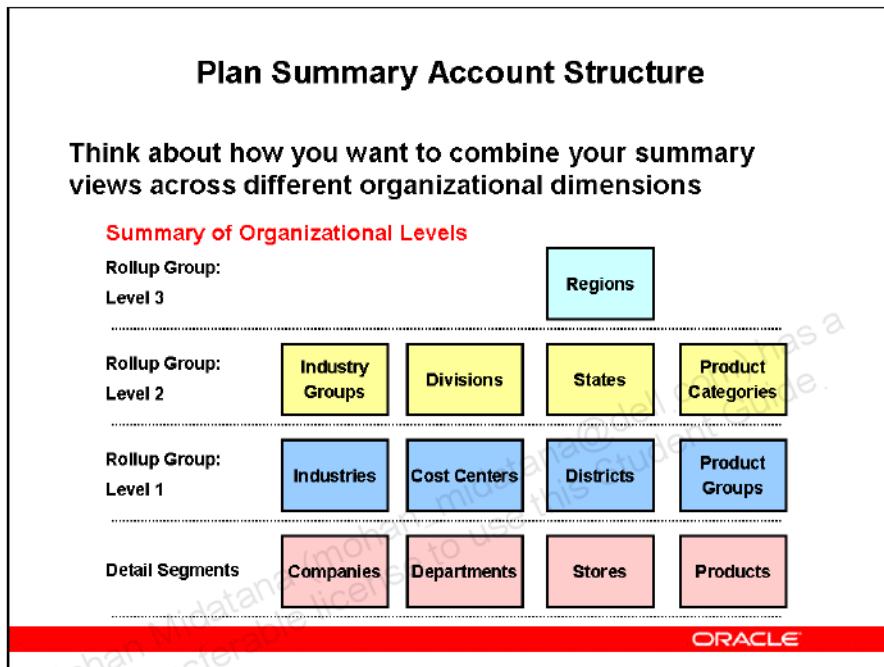
Plan Summary Account Structure

After determining your summary account needs, plan your summary account structure according to how you want to summarize your accounting information.

To determine your summary account structure you will need to choose ways to summarize your accounting information depending on the structure of your account and your informational needs. Generally, organizations structure their accounts such that each segment represents a particular dimension, or a way of looking at their organization.

- Common dimensions and examples of ways you can summarize information within each dimension:
 - Company
 - Cost Center
 - Account
 - Product
 - District

Plan Summary Account Structure



Plan Summary Account Structure

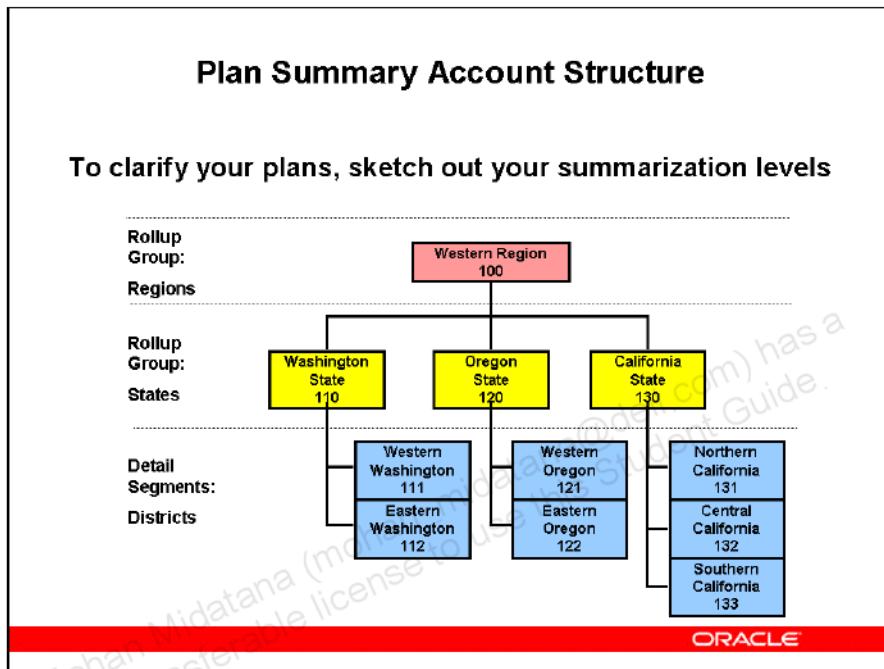
For any organizational dimension you want to summarize, determine how many summarization levels you want within that dimension.

- For example, you can summarize your natural accounts into Assets and Liabilities, or you can summarize at a more detailed level, such as Current Assets, Non-Current Assets, and so on. You can also summarize products into product groups and into larger groups called product categories. Likewise, you can summarize districts into states and then into regions.
- You can also summarize at different levels within an organizational dimension. For example, you may decide to group your East Coast offices together, your West Coast offices into another group, and your Midwest offices into a third group. Each of these summary groups can then be included in separate rollup groups namely Eastern States, Western States and Midwestern States. Then, you may decide to combine these three groups into a higher level group, United States offices, and define a rollup group named Total Country Offices. If you have a single Canadian Office, you may decide to designate it as a group in itself and assign it to the rollup group Total Country Offices as well. In this example, your United States offices group is at the same summary level as your Canadian

office group, but you have one summary level below the United States level, while you have no summary levels below your Canadian office.

- To clarify your plans, sketch your summarization levels on paper.
- The illustration above represents the summarization of districts into states and regions:
 - Indicate the segment value and description of each of the parents in your sketch. Also write the rollup group name or number and a description of the summary level next to each of your summarization levels. You do not need to include every parent value in a rollup group. You may define some parent values for
 - reporting or formula definition purposes only.
 - For example, you may decide to group all of your cost centers under the parent value "All Cost Centers." However, if you do not plan to report on your cost centers at a summary level, there is no need to assign these parent values to a rollup group.
 - You can define multiple summary levels by assigning children that are parents themselves (grand-parenting). For example, you can assign cost centers or departments 110, 120 and 130 as the children for cost center or department 100 – Western Region. General Ledger automatically maintains rollup relationships from the summary level to the lowest detail level so that when you transfer a child value from one parent to another, all the values assigned to the child are transferred as well. However, you can only drill down balances from the summary level to the lowest detail level, not to intermediate levels.

Plan Summary Account Structure



Plan Summary Account Structure

- After considering how you want to summarize within each of your organizational dimensions, think about how you want to combine your summary views across different organizational dimensions. For example, if you summarize departments into divisions and districts into regions, you may wish to reference and report on divisions by region.
- You can also combine a particular summary level for one organizational dimension with a different summary level for another organizational dimension. For example, you may wish to reference and report on departments by region. To decide upon the combinations of summary views across your organizational dimensions, you can lay your summarization level sketches side by side so that you can consider your summarization levels conceptually. The chart above shows how you might roll up your account segments into several levels.

Consider whether you want to create these summary relationships with summary accounts, or with reporting hierarchies. You can achieve the benefits of summary reporting with reporting hierarchies instead of summary accounts. A significant benefit of using reporting hierarchies instead of summary accounts is easier reorganizations.

Use reporting hierarchies instead of summary accounts when:

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Chapter 6 • Page 32

- You want to easily reorganize your summary views in the future.
- Your primary use for summarization is reporting. You cannot reference reporting hierarchies in formulas, allocations or online.

Use summary accounts instead of reporting hierarchies when:

- Your summary relationships are more permanent.
- You want to use summary accounts in formulas and allocations, as well as reporting.
- You want online inquiry of these summary amounts.
- You want faster financial reporting of these summary amounts.

To define parents for each of your account segments, organize your account structure so you can use ranges to easily define the children for your parent values.

For example, if you know that all of your administration cost centers are between 100 and 199, you can define the Administration parent as the range of cost center values between 100 and 199.

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Plan Summary Account Structure

Plan Summary Account Structure

Use Reporting Hierarchies when:

- You want to easily reorganize your summary views in the future
- The primary use for summarization is reporting

Use Summary Accounts when:

- Your summary relationships are more permanent
- You want to use summary accounts in formulas and allocations
- You want online inquiry of these summary amounts
- You want faster financial reporting of these summary amounts

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Plan Summary Account Structure

Consider whether you want to create summary relationships with summary accounts or reporting hierarchies.

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Plan Values and Groups

Plan Values and Groups

To determine the parent values and rollup groups you need to:

-  Plan your parent segment values
-  Define the parent segment values and enter meaningful segment value descriptions
-  Select a naming or numbering method for rollup groups that is similar for all segments

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Plan Values and Groups

Plan your parent segment values. When determining the values of parents for each account segment, consider the structure of values within that segment. If your segment values are logically organized and the child values for your parent are all in a contiguous range, a logical value for the parent is the first or last value in the range. For example, if all of your Assets are between 1000 and 1999, an appropriate value for your Total Assets parent is 1999. If you want to use parent values like this, reserve the first or last value in your ranges for a summary value. If your segment values do not follow a particular structure, and your segment allows alphabetic characters, you can use alphabetic characters for parent values. The alphabetic characters not only distinguish your parent values from your detail values, but they can also provide some description for the parent value. For example, you could group your United States companies, companies 07, 12 and 18 into a parent with a value of "US."

Define the parent segment values, and enter meaningful segment value descriptions. For example, for rollup groups that summarize districts into states and regions you might use descriptions for your parent values such as "Washington State," and "Western Region."

Choose a naming or numbering method for rollup groups that are similar for all segments to establish a more memorable and logical rollup group structure. This consistent rollup group

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structure helps you know the approximate level of detail the parents in rollup groups provide. For example, where districts are your detail segment, states would be rollup group name States, regions would be rollup group name Regions, and so on.

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Plan Summary Account Templates

Plan Summary Account Templates

Set up templates to define and maintain summary accounts. The number of summary accounts your template creates depends on the template segment values.

Number of Summary Accounts Created

=

Number of Detail Segment Values for
Each Segment with a "D" Value

X

Number of Parent Segment Values for
Each Segment with a Rollup Group Name

X

1
For Each Segment with a "T" Value

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Plan Summary Account Templates

Set up templates to define and maintain summary accounts. You can enhance the speed of your summarizations by controlling the number of summary accounts created by your template. The number of summary accounts your template creates depends on the template segment values.

- Use the formula above to determine the number of summary accounts any given template will create.

Summary

Summary

In this lesson you should have learned how to:

- Explain what summary accounts are and how they are used in Oracle eBusiness applications
- Define rollup groups for summary account creation
- Assign parent values to rollup groups
- Determine the number of summary accounts created by a template using a specific formula
- Enter summary account templates to create summary accounts
- Maintain summary accounts
- Explain key implementation considerations in planning for summary accounts

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Advanced Journal Entries

Chapter 7

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Advanced Journal Entries

R12 Oracle General Ledger Management Fundamentals

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Objectives

Objectives

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

- **Describe the key features of the following Oracle General Ledger advanced journal entries functions**
 - Recurring Journals, Mass Allocation Journals, AutoAllocations, Journal Scheduling, and Journal Approval
- **Identify the key issues and considerations when implementing the advanced journal entry functions of Oracle General Ledger**
- **Explain the business benefits derived from utilizing Oracle General Ledger's advanced journal entries functions**

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About Recurring Journals

About Recurring Journals

Define recurring journals for transactions that repeat every accounting period, such as accruals, depreciation charges, and allocations



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Recurring Journal Types

Recurring Journal Types

There are three major types of recurring journals

Skeleton

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

Standard

Dr. Auto Lease Expense.....10,000 dollars
Cr. Accounts Payable.....10,000 dollars

Formula

Dr. Bad Debt Expense.....<Variable Amounts>
Cr. Bad Debt Reserve.....<Variable Amounts>

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Recurring Journal Types

Skeleton Journals

- Skeleton journals have varying amounts in each accounting period. You define a recurring journal entry without amounts, then enter the appropriate amounts each accounting period.
- There are no formulas to enter, only account combinations. For example, you can record temporary labor expense in the same account combination every month with varying amounts due to fluctuations in hours.

Standard Journals

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

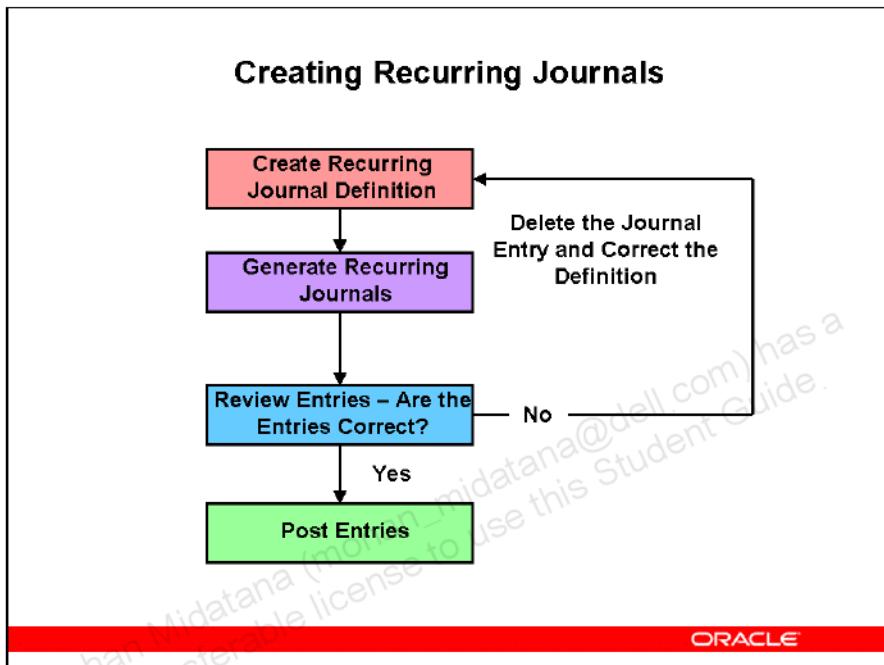
Formula Journals

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

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Creating Recurring Journals



Creating Recurring Journals

(N) Journals—>Define—>Recurring

There is a basic four-step process to create recurring journals.

1. Create recurring journal definition.
 - Define reusable skeleton templates, standard templates, and formulas.
2. Generate journals.
 - Use skeleton templates, standard templates, and formulas to create unposted journal entries.
 - Reuse the templates to generate journal entries in multiple accounting periods.
3. Review the journal for accuracy.
4. Post the journal entry.

Note: You can copy entries from an existing recurring journal batch by selecting AutoCopy

- Batch.
- Consider grouping your recurring entries into one batch (by frequency of generation) to speed processing.

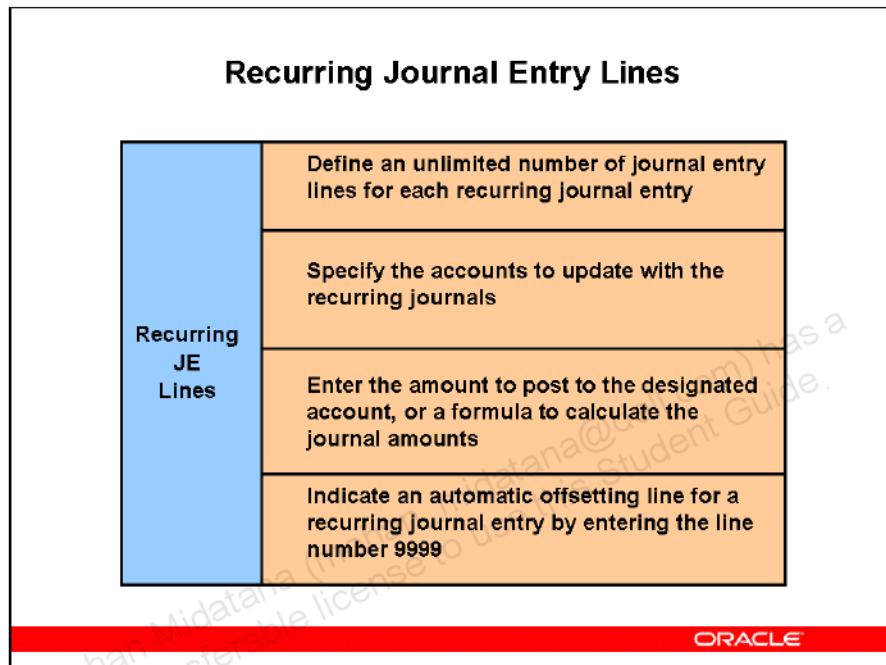
- Journal Entry Region. Optionally, you can enter a range of Active Dates to limit the use of the recurring entry to a specific time interval.

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Recurring Journal Entry Lines



Recurring Journal Entry Lines

(N) Journals—>Define—>Recurring (B) Lines

How to Enter a Recurring Journal Line

1. Enter a Line number in the Line field.
2. Enter the Account you want Oracle General Ledger to update when you generate and post your recurring journals.
3. Enter an optional Line Description for the recurring entry line.
4. Enter a Formula for the line if this is a formula recurring entry. Otherwise, enter a standard amount for standard entries.

Note: Formulas are not entered for skeleton journal entries.

5. If you are not entering a formula, enter all remaining lines for your recurring journal entry.
6. Save your work.

Automatic Offset Example

Automatic Offset Example			
<u>Line</u>	<u>Account</u>	<u>Debit</u>	<u>Credit</u>
10	AR: Consulting Revenue	1,000	
20	AR: Training Revenue	4,000	
30	Sales Revenue		2,000
9999	Services Revenue (Offset Line)		3,000
		(System calculated) ←	

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Automatic Offset Example

How to Enter an Automatic Offsetting Line

1. After you enter one or more lines for the recurring journal entry, enter 9999 as the line number for the automatic offsetting line.
2. Enter an account combination for the line, but do not enter a formula. Oracle General Ledger will automatically calculate the amount for this journal entry line when you generate your recurring journal. The difference between the total debits and total credits for the recurring journal entry will be calculated for you.
3. Save your work.

Formula Recurring Journals

Formula Recurring Journals

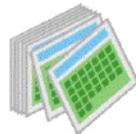
When creating Formula Recurring Journals, create a formula for each journal line. Each formula can contain an unlimited number of steps. The steps can use any combination of amounts, account balances, and/or operators. The operators that can be used are:

- Enter: To enter the amount or balance from the account listed in the appropriate account.
 - Add: To add the amount or account balance in the previous line to this line.
 - Subtract: To subtract the amount or account balance in the previous line from this line.
 - Multiply: To multiply the last amount or account balance by the number entered on this line.
 - Divide: To divide the last amount or account balance by the number entered on this line.

Note: If the formula yields a positive amount, your account will be debited. If your formula yields a negative amount, your account will be credited.

Generating Recurring Journals

- **Generate Recurring Journals** to create unposted journal entries from the defined recurring journal templates
- **Generate Skeleton Journal Entries** and then, use the Enter Journals window to complete the journal information
- **Generate Recurring Journal Batches** according to schedules defined in Oracle General Ledger

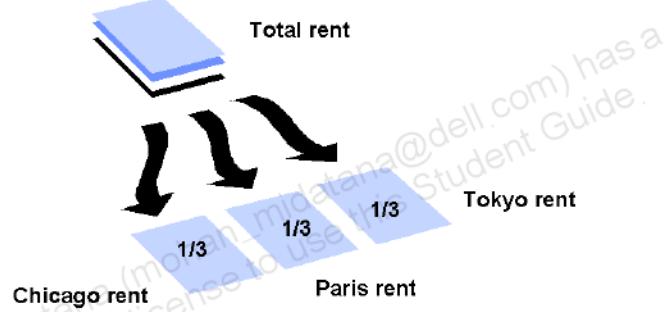


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MassAllocations Overview

MassAllocations Overview

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



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MassAllocations versus Recurring Journals

MassAllocations versus Recurring Journals

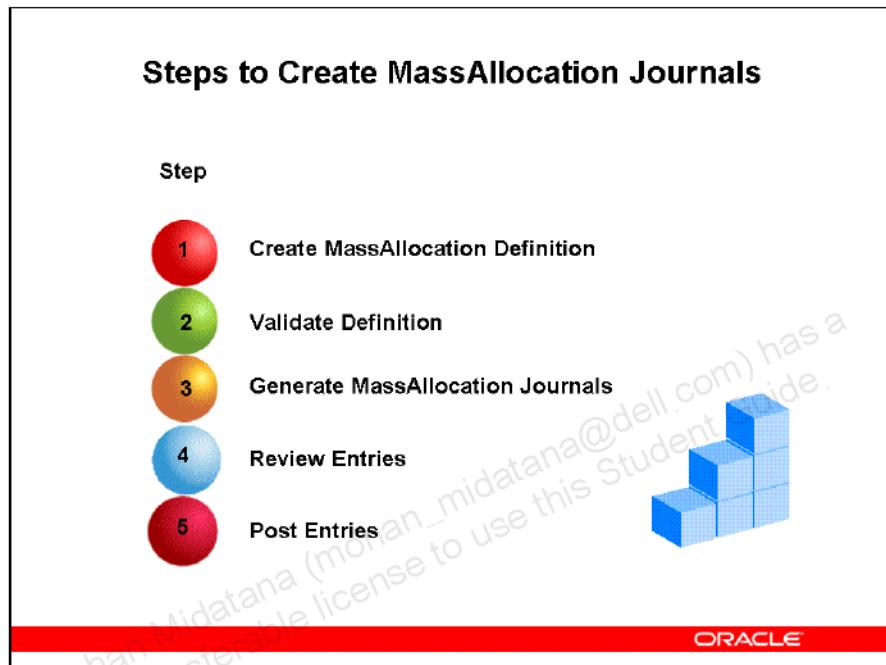
Type of Entry	MassAllocations	Recurring Journals
Formula Entries	Yes	Yes
Standard Entries	Yes	Yes
Skeleton Entries	No	Yes
Currency	Ledger or STAT	Ledger, Foreign or STAT
Formulas per Journal Line	One formula for many lines	One formula per line
Formula	A*B/C	Any formula

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Steps to Create MassAllocation Journals



Steps to Create MassAllocation Journals

Five-Step Process

1. Create MassAllocation Definition
 - Enter batch information
 - Create MassAllocation formulas
 - Enter MassAllocation formulas
2. Validate Definition
3. Generate MassAllocation Journals
 - Choose which batch to generate
4. Review Entries
 - Review the journal for accuracy
5. Post the Journal Entry

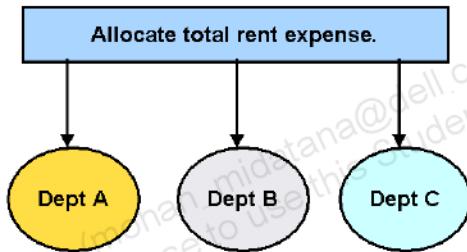
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Defining MassAllocation Journals

Defining MassAllocation Journals

Define a single formula to allocate amounts across a group of balancing segment values, departments, or cost centers. You can create a new MassAllocation batch or copy an existing batch.



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Defining MassAllocation Journals

(N) Journals > Define > Allocation

To create MassAllocation Journal, use the following basic steps:

1. Open the Define MassAllocations window.
2. Enter a Name and Description (optional) for the MassAllocation batch.
3. Choose Actual or Encumbrance from the Balance Type poplist.
4. Select Formulas to enter MassAllocation formulas, then save your work.

Note: Formulas cannot be generated until they have been validated successfully. Oracle General Ledger verifies that allocation formulas conform to MassAllocation definition rules. If Oracle General Ledger finds an invalid allocation, it marks the entire batch with an error status. Validation does not guarantee that a journal entry will be created from the journal definition.

There must be balances in the accounts used in the MassAllocation journal.

5. Check the MassAllocation batch validation status:
 - Validated: The definition is valid and follows the definition rules.
 - Not Validated: The definition had not bee validated yet. Select the Validate ALL button.

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Chapter 7 • Page 16

- In Process: Oracle General Ledger is still validating the formula.
 - Error: The formula is not correct. Make corrections and select for validation again.
6. Generate unposted journal batches from your MassAllocation formulas.

Note: You can identify errors using the MassAllocations/MassBudgeting Validation Report.

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Defining MassAllocation Formulas

Defining MassAllocation Formulas

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

Cost Pool * (Usage Factor/Total Usage)

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

A * B/C

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

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Defining MassAllocation Formulas

(N) Journals > Define > Allocation (B) Formulas

How to Enter a MassAllocation Formula

1. Open the Define MassAllocations window and enter or query the name of the MassAllocation batch to which you want to add the formula.
2. Select Formulas.
3. Enter the Name, Category, and Description (optional) of the MassAllocation formula. Categories help you group journal entries in a convenient manner for reporting and analysis.
4. Select whether to enter currency allocation from the Converted Amount or from a Calculated Amount. If you are allocating encumbrance balances, you must allocate the converted amount. You cannot allocate foreign currency encumbrances.
5. Select Full Cost Pool Allocation to have rounding differences added to the cost pool with the largest relative balance. If you do not choose this option, any rounding differences will remain in the scrcinal account.
6. Enter the formula lines using the formula A*B/C.

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- A is the Cost Pool that will be allocated. The can be amount or an account balance.
- B is the numerator of the factor (a number or statistical account) that multiples the cost pool for the allocation.
- C is the denominator of the factor (a number or statistical account) that multiples the cost pool for the allocation.

Note: Parent values can be used in one or more segments. To improve performance keep the number of parents to a minimum.

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Account Segment Types

Account Segment Types

When entering an account into a Mass Allocation formula line, assign a segment type for each account segment

The diagram consists of three circular icons arranged horizontally. The first icon is yellow and contains the word "Looping". The second icon is blue and contains the word "Summing". The third icon is light blue and contains the word "Constant".

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Account Segment Types

Looping (L)

- Assign this type to a parent segment value to include each child value assigned to the parent value in the formula.
- The allocation program runs the formula once for each corresponding child segment value.
- You can loop only on parent values.

Summing (S)

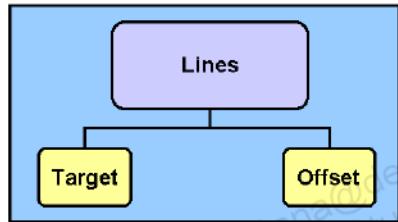
- Assign this type to a parent segment value to sum the account balances of all the child segment values assigned to a parent.
- You can sum only on parent values.

Constant (C)

- Assign this type to a child segment value to use the detail account balance associated with the child value.

Target and Offset Accounts

Target and Offset Accounts



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Target and Offset Accounts

These are the lines that are the actual journal entry.

Target (T)

- Enter an account in the Target line to specify the destination for your allocations.
- The parent value used in the target must be the same parent value used in the B and C lines of the formula.

Offset (O)

- Enter an account in the Offset line to specify the account to use for the offsetting debit or credit from your allocation.
- The Offset account is usually the same account as formula line A to reduce the cost pool by the allocated amount.

MassAllocation Journal Example

MassAllocation Journal Example

Redistribute monthly rent expense to departments based on the amount of space each occupies

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

In January 2002, the organization spends 10,000 dollars for rent

Dr. Rent expense	10,000 functional dollars
Cr. Rents payable	10,000 functional dollars

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MassAllocation Journal Example

MassAllocation Journal Example

Allocate rent to three departments:

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

The rent expense is redistributed by the following MassAllocation Journal entry:

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

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Rent Expense Example

Rent Expense Example

Segment Value	Description
Department 000	Corporate
Department 101, 102, & 103	Human Resources, Research, and Finance
Department 999	Parent of 101, 102, and 103

Natural Accounts:

5740	Total Rent Expense
SQFT	Department Square Footage

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Rent Expense Example

You can automatically allocate rent expense.

Row	Co	Dept	N. Acct	
A	01	000	5740	Allocate cost pool to all departments
	C	C	C	
B	01	999	SQFT	Loop through square footage of each department
	C	L	C	
C	01	999	SQFT	Total the square footage
	C	S	C	
T	01	999	5740	Assign each department the result of A*B/C
	C	L	C	
O	01	000	5740	Use cost pool as offset account.
	C	C	C	

Note: In the last example, O must be different from A to add incremental allocations.

Generating Mass Allocation Journals

- Generate MassAllocations to create unposted journal batches based on your validated MassAllocation formulas
 - The generated journal batch contains one entry for each allocation formula in the batch
- Use MassAllocation journals to reverse existing balances, post new allocation amounts, or generate journals that increment the existing balances to match the current allocation amount
- Generate MassAllocation journal batches for any range of open or future enterable periods

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AutoAllocations Overview

AutoAllocations Overview

- AutoAllocations is a powerful feature to automate journal batch validation and generation for:
 - MassAllocations
 - Recurring Journals
 - MassBudgets
 - MassEncumbrances
- Use AutoAllocations to process journal batches you generate regularly, such as month end closing

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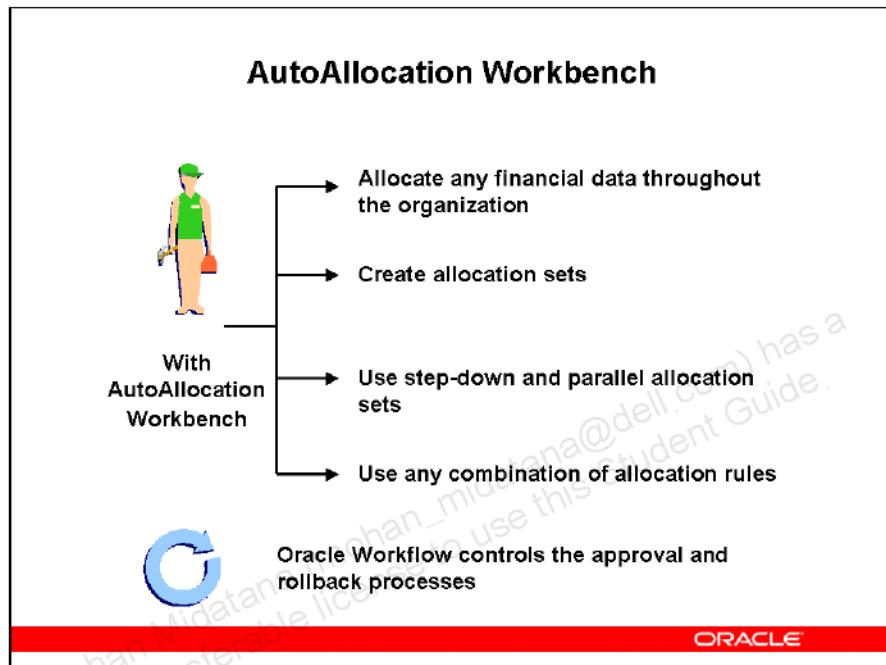
AutoAllocations Overview

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AutoAllocation Workbench



AutoAllocation Workbench

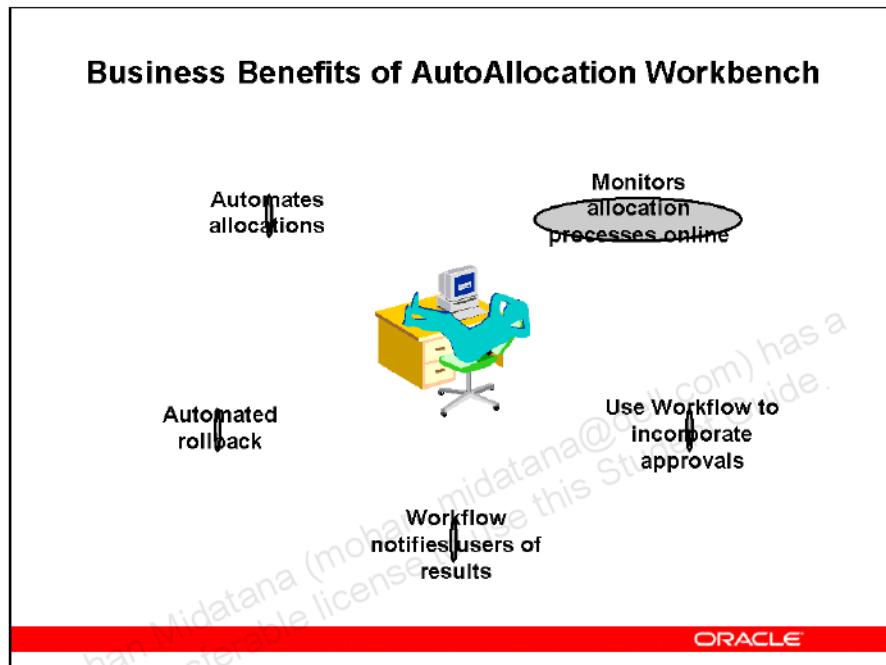
You can use the AutoAllocation Workbench to automatically allocate any financial amount throughout your organization.

You can create allocation sets with the AutoAllocation Workbench by grouping allocation journals in an intuitive form. AutoAllocation supports any combination of MassAllocations, MassBudgets, Recurring Journals, MassEncumbrances, and Oracle Projects allocation rules. The AutoAllocation Workbench also supports both Step-Down and Parallel allocation sets.

Oracle General Ledger also provides the AutoAllocation Workbench to Oracle Projects users. Project accountants can access the AutoAllocation Workbench directly from Oracle Projects to create Step-down and Parallel allocation sets. You can even combine allocations in Oracle Projects with Oracle General Ledger allocations. This tight integration allows for more effective financial management, because you can leverage the most current financial data from both applications as the basis for your allocations.

Oracle Workflow controls the approval and rollback processes.

Business Benefits of AutoAllocation Workbench



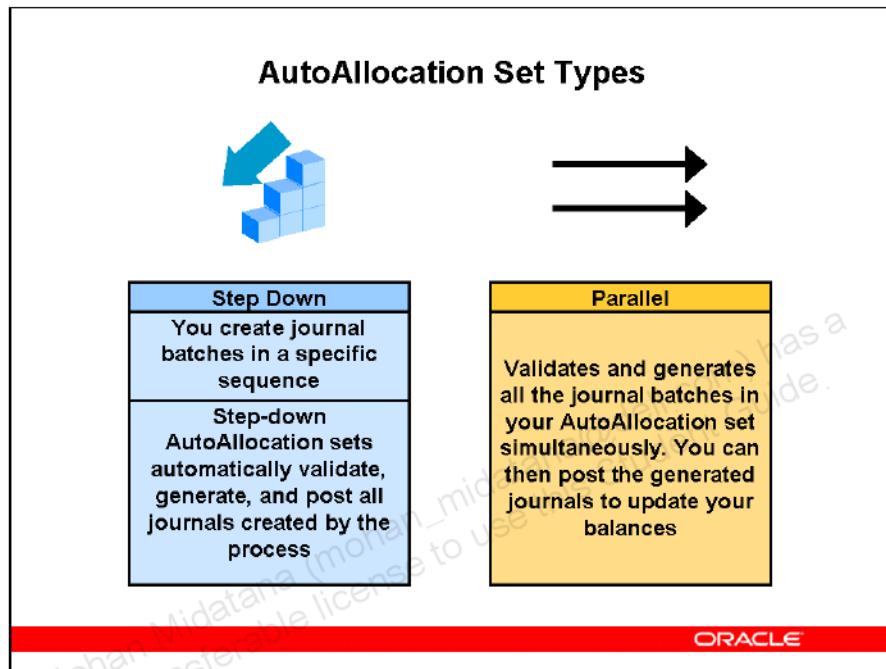
Business Benefits of AutoAllocation Workbench

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

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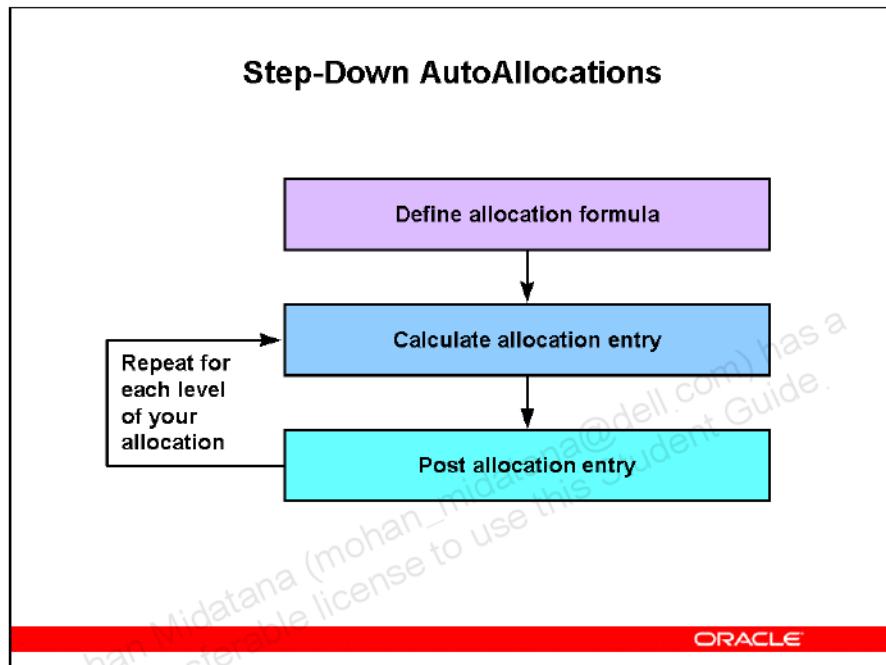
AutoAllocation Set Types



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Step-Down AutoAllocations

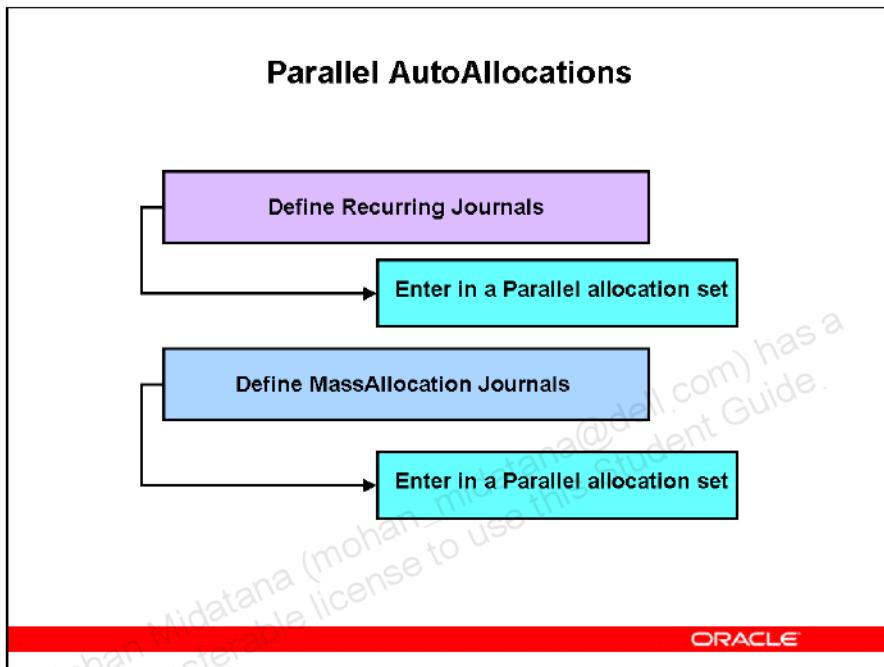


Step-Down AutoAllocations

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

Note: You can navigate to all the required forms to define MassAllocation and Recurring Journal formulas from the AutoAllocation workbench window.

Parallel AutoAllocations



Parallel AutoAllocations

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

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Additional Workbench Functionality



Extended functionality in the AutoAllocation Workbench window includes:



Query defined allocation or recurring journal batches to use in Parallel or Step-down AutoAllocation sets



Drill down to use any batch definition form and create new journal batches to use in a AutoAllocation set

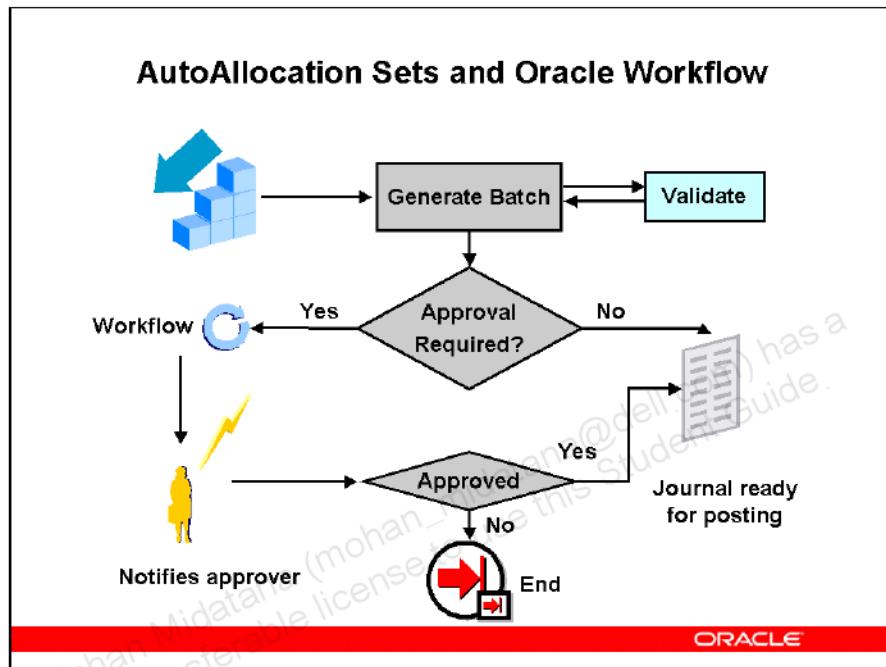


Submit or schedule an AutoAllocation set and view the status of your set

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AutoAllocation Sets and Oracle Workflow



AutoAllocation Sets and Oracle Workflow

- The Step-down AutoAllocation process invokes subprocesses to generate and validate AutoAllocation set batches incorporating approvals and notifications at various points in the process.
- If the generation batch requires approvals, Workflow launches the batch approval process.
- If the Step-down AutoAllocation process fails, Workflow gives the contact individual or responsibility the option to rollback the process. Rollback cancels any generated journal batches and reverses any posted journal batches.
- To use the rollback option, you must set the GL: AutoAllocation Rollback Allowed profile option.

AutoAllocations and Oracle Workflow

- **Workflow Processes**
 - Step-down AutoAllocation process
 - Journal Approval process
- **Workflow Activity Settings**
 - Request Approval for Approver Time-out
 - Reached Manager Notification Resend Limit
 - Default Error Notification: Performer
- **Customizable Processes**
 - Generated Journal Batch Validation
 - Generated Recurring Journal Batch
 - MassAllocation Validation process
 - Select and Validate Journal Batch process

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AutoAllocations and Oracle Workflow

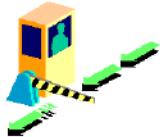
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- If the Step-down AutoAllocation process fails, Oracle Workflow gives the contact individual or responsibility the option to roll back the process. Rollback cancels any generated journal batches and reverses any posted journal batches.

Note: You must select the GL: AutoAllocation Rollback Allowed profile option for rollback to be an option if the AutoAllocation process fails.

- The Workflow process is delivered with four customizable functions that allow customers to have more control in the validation and generation of journals resulting from Step-down allocations.

AutoAllocations Constraints

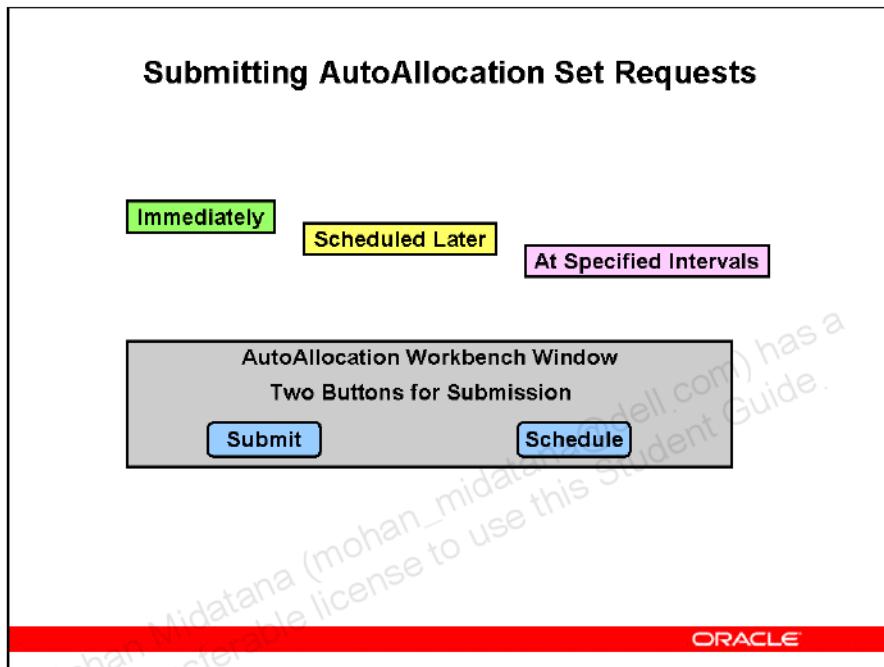
AutoAllocations Constraints



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

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Submitting AutoAllocation Set Requests



Submitting AutoAllocation Set Requests

Before you submit your AutoAllocation set, complete the Parameters window, which must be accessed from the AutoAllocation Workbench window.

Submit Parallel and Step-Down AutoAllocation sets:

- Immediately
- Scheduled Later
- At Specified Intervals

Reviewing the Status of AutoAllocations

Reviewing the Status of AutoAllocations

- To review the status of your AutoAllocation set, choose the Review Status button in the AutoAllocation Workbench window
- If more than one AutoAllocation set is pending, you can query the set you want to find



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Implementation Considerations for AutoAllocation Workbench

What factors should you consider before implementing AutoAllocation Workbench?

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

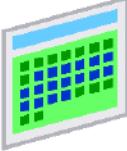


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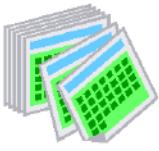
AutoScheduling Overview

AutoScheduling Overview

Choose from the following schedules:



Define your own schedule in General Ledger, based on your General Ledger calendar



Choose any defined schedule in the Application Object Library (AOL), based on a standard monthly calendar



Define your own AOL schedule or use an AOL schedule you previously defined and saved

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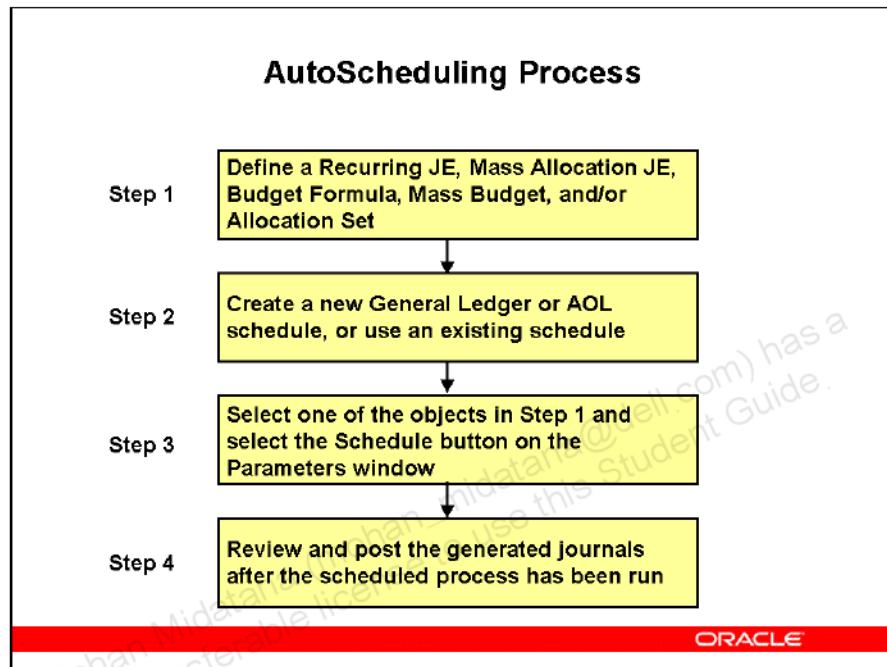
AutoScheduling Overview

Automatic Journal Scheduling enables you to generate Recurring Journals, AutoAllocation sets, Mass-Allocations, MassBudgets and Budget Formulas according to a schedule you define. For example, you can schedule the same journal and allocation sets to be generated every month as part of your month-end closing procedures.

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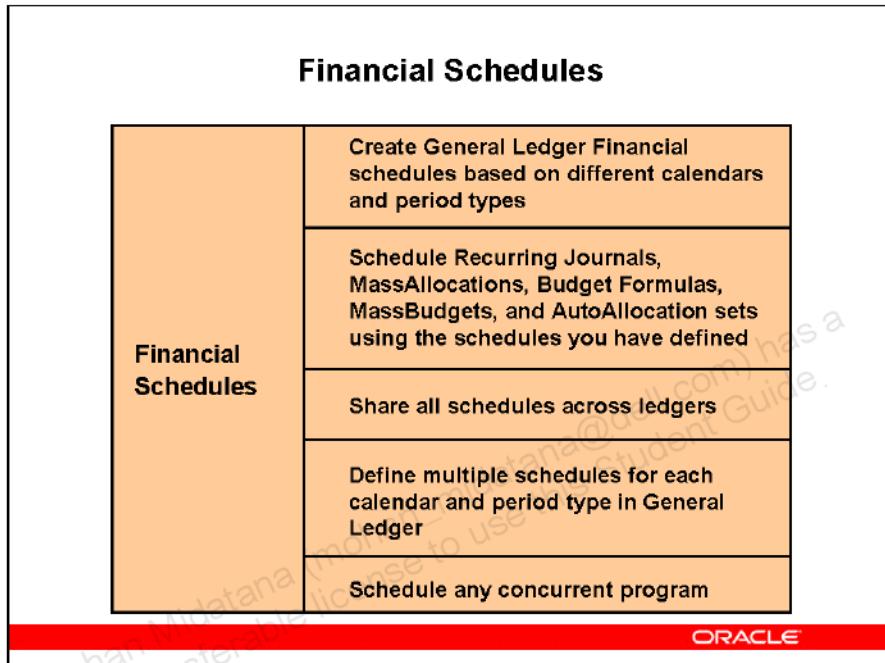
AutoScheduling Process



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Financial Schedules



Financial Schedules

(N) Setup > Other > Schedule

You can create General Ledger financial schedules based on different calendars and period types. You can then schedule AutoAllocation sets, Recurring Journals, MassAllocations, Budget Formulas, and MassBudgets to run according to the General Ledger schedules that you have defined. Your journals (as well as any other process that can be submitted by SRS) are automatically generated based on the schedule you assigned. All schedules are shared across ledgers. You can define multiple schedules for each calendar and period type in Oracle General Ledger.

How to Define a Financial Schedule

1. Open the Concurrent Request Schedules window.
2. In the Schedule field, enter your schedule name.
3. In the Calendar field, from the list of values select a calendar defined in Oracle General Ledger.
4. In the Period Type field, choose a period type.

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Chapter 7 • Page 41

5. In the Run Day field, enter a number from 1 to 366, or enter last day to choose the last day of each period. For example, selecting 5 for run day sets your request to run on the fifth day of the period.
6. In the Run Time field, enter the time in 24-hour format. This is the time you want your program to run on the day specified in the Run Day field.
7. Select the Enable check box to make your schedule available for selection from the Standard Report Submission window.
8. Save your work.

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Scheduling Journals

Scheduling Journals

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

- (N) Journals > Schedule > Recurring
- (N) Journals > Schedule > Allocation



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Scheduling Journals

Create or define Recurring journals, MassAllocations, Budget formulas, MassBudgets, and AutoAllocation sets. Enter submission parameters, and select a schedule to automate the generation of your journals. You can then review and post the generated journals.

Note: You can also choose any defined schedule in the Application Object Library (AOL). AOL schedules are based on a standard monthly calendar. You can define a new AOL schedule or use one of your existing schedules. You can define your AOL schedule to run a request as soon as possible, at a specific time, or repeatedly at specific intervals, on a specific day and time of the week or month.

Scheduling a Request Using a Financial Schedule

Scheduling a Request Using a Financial Schedule

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

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Periodic Submissions

Periodic Submissions

General Ledger increments the period and date parameters based on user-defined resubmission intervals

Resubmission intervals can be based on the standard calendar or the fiscal calendar for your ledger



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Periodic Submissions

Additional Information on Incremental Submission

General Ledger calculates the journal period for subsequent scheduled submission based on the initial period offset for Non-ADB ledgers. General Ledger assigns the date closest to the start date as the journal effective date.

The initial period offset is the number of non-adjusting periods between the journal period and the initial run period.

For example, if you want to establish a monthly schedule to book month end rent allocation entries for calendar year 1999, schedule General Ledger to run a rent allocation set on the 1st of every month from January to December 1999. Submit your rent allocation set on the start date of February 1, 1999 and enter January 1999 as the Journal Period. The period offset is calculated to be -1.

When the rent allocation set is automatically resubmitted on March 1, 1999, General Ledger

sets the Journal Period to February 1999. Each subsequent submission has a journal date of the prior month.

Note: The AOL saved schedules do not save the increment parameter. It requires you to check it every time.

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Incremental Submissions

Incremental Submissions

You can choose to increment your scheduled submissions



Prerequisites

- 1 Your ledger calendar must include all the schedule start dates for the schedule you are using
- 2 You must enter a non-adjusting period when you first submit your scheduled request

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Incremental Submissions

You can choose to increment your scheduled submissions.

Prerequisites for incremental submissions:

- Your ledger calendar must include all the schedule start dates for the schedule you are using.
- You must enter a non-adjusting period when you first submit your scheduled request.
- You must enter a business day for both journal and calculation effective dates when you submit a request in an Average Daily Balance, Non-Consolidation ledger.

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Implementation Considerations for Journal Entry Automations



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

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GL Journal Approval Process Overview

GL Journal Approval Process Overview

The GL Journal Approval Process obtains the necessary management approvals for manual journal batches. This process:

- Validates the journal batch
- Determines if approval is required
- Submits the batch to approvers (if required)
- Notifies appropriate individuals of the approval results



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GL Journal Approval Process Overview

The GL Journal Approval Process obtains the necessary management approvals for manual journal batches. The process validates the journal batch, determines if approval is required, submits the batch to approvers (if required), then notifies appropriate individuals of the approval results.

The process gives one of four results:

- Approval Not Required—The journal batch does not need approval.
- Approved—The journal batch was approved by all necessary approvers.
- Rejected—The journal batch was rejected by an approver.
- Validation Failed—The journal batch failed the validation process and was never submitted to the approver.

Note: If the profile option Journals: Allow Preparer Approval has been set to Yes and the preparer has the appropriate authority, the journal can be autoapproved.

Journal Approval Features

Journal Approval Features

To use the Approving Journals process:

-  You must enable the ledger so that journal entries be approved before posting
-  Create an approval hierarchy and define authorization limits for each user



Oracle Workflow Engine

- Approval process is based on Oracle Applications Workflow engine
- General Ledger provides a default approval workflow template which you can customize

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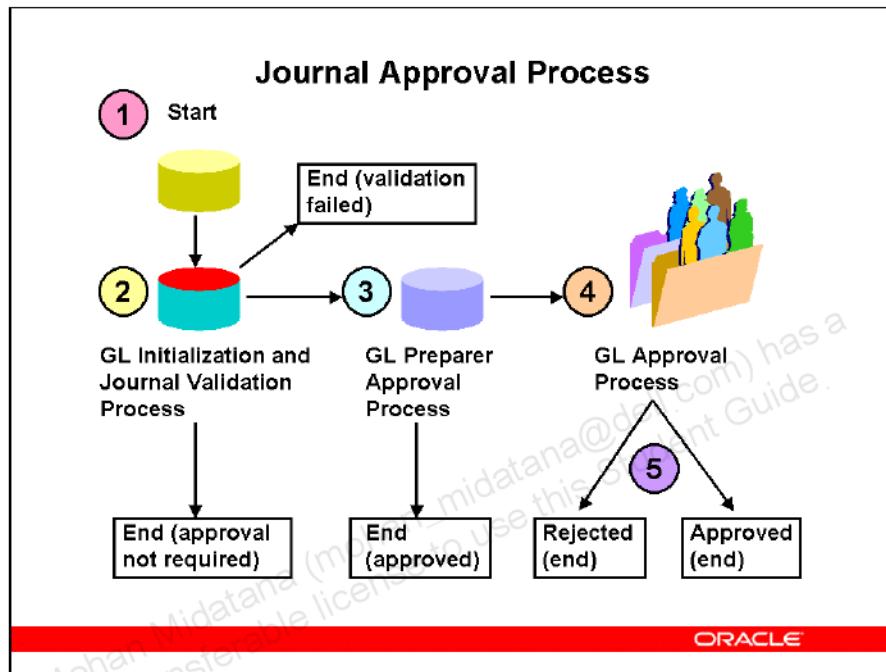
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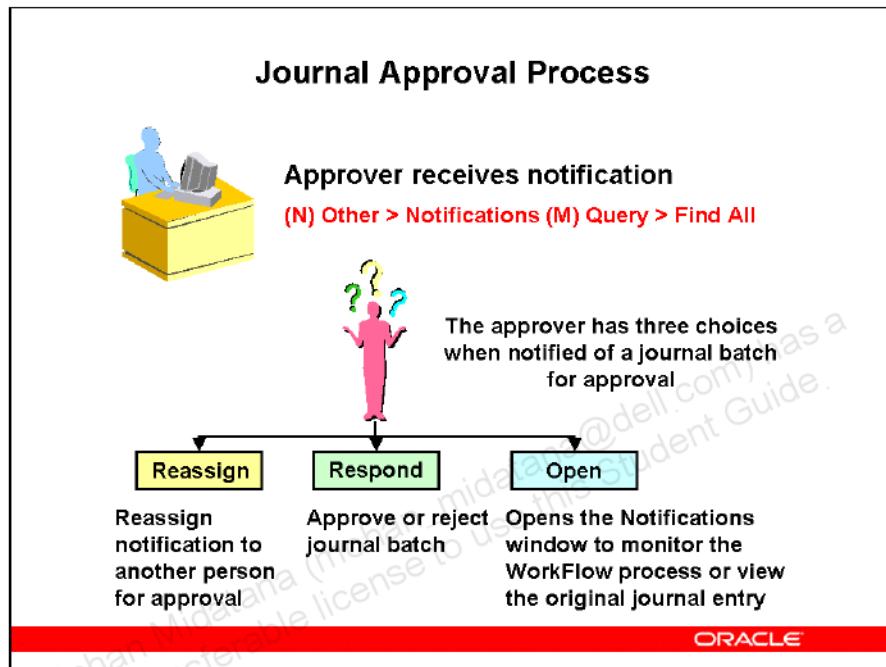
Journal Approval Process



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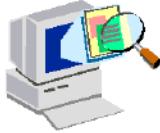
Journal Approval Process



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Chapter 7 • Page 51

Journal Approval Process



**After examining the journal batch,
the approver can take additional
action using the More Actions
options**

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

Option 1 - Reverse the Batch entry

Option 2 - Post the entry

Option 3 - Unapprove a preapproved batch

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Journal Approval Process

Journal Approval Process

Preparer receives notification



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

- 1 Reassign → To reassign the batch
- 2 OK → To confirm receipt of notification
- 3 Open → To open the Notifications window to view the full message, WorkFlow process, or the original journal entry

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Journal Approval Process

Open

When the Preparer opens the Notifications window to view the full message,



Drill down to the Enter Journals window to either directly post the batch or make corrections if the batch is rejected or invalid

and

If the batch was rejected or invalid and they make the appropriate corrections, they can use Journal Approval to resubmit the batch for approval

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Approval Methods

Approval Methods

There are 3 approval methods:

- **Go up the Management Chain**
- **Go Direct to Person with Sufficient Authorization**
- **One Stop Go Direct**

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Approval Methods

1. Go up the Management Chain—Requires approval of everyone within the management chain, up to and including the person with appropriate authorization limit.
2. Go Direct to Person with Sufficient Authorization Limit—Requires only the approval of the person with sufficient authorization limit. Bypasses any manager who does not have sufficient authorization to approve the journal.
3. One Stop Go Direct—Requires approval of preparer's direct manager and, if necessary, the next person with sufficient approval authority.

Journal Approval Prerequisites

Journal Approval Prerequisites

Before setting up Journal Approval,
your system administrator must:

-  Set up Oracle Workflow
-  Set General Ledger Profile Options
-  Configure GL Journal Approval Process in Oracle Workflow Builder
-  Set three WorkFlow activity settings (Optional)



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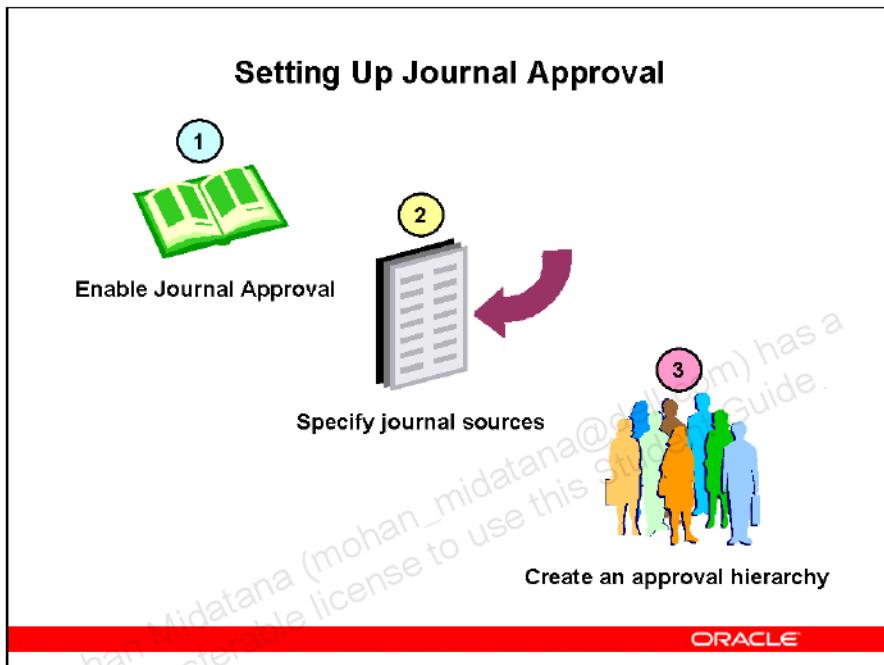
Journal Approval Prerequisites

1. Set up Workflow.
2. Set General Ledger Profile Options:
 - Journals—Allow Preparer Approval
 - Journals—Find Approver Method
3. Configure GL Journal Approval Process in Oracle Workflow Builder.
4. Set three WorkFlow activity settings (Optional):
 - Request Approval From Approver Timeout
 - Reached Manager Notification Resend Limit
 - Default Error Notification

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Setting Up Journal Approval



Setting up Journal Approval

1. Enable Journal Approval for your ledger.
 - Journal Approval is enabled in the ledger window
 - When you enable journal approval for a ledger, you will be asked if you want to automatically enable journal approval for manual journal entries
2. Specify journal sources that require Journal Approval.
 - You can enable journal approval for specific journal sources in the Journal Sources window
 - For example, you might require journal approval for manual journal entries and a user might require any MassAllocation journal batch to be approved before it is posted
3. Create an approval hierarchy for employees and supervisors and define authorization limits.
 - Enter employees in Oracle Human Resources (if installed) or Oracle General Ledger
 - Define authorization limits for employees in the Journal Authorization Limits window

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

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Summary

Summary

In this lesson, you should have learned how to:

- **Describe the key features of the following Oracle General Ledger advanced journal entries functions**
 - Recurring Journals, Mass Allocation Journals, AutoAllocations, Journal Scheduling, and Journal Approval
- **Identify the key issues and considerations when implementing the advanced journal entry functions of Oracle General Ledger**
- **Explain the business benefits derived from utilizing Oracle General Ledger's advanced journal entry functions**

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Chapter 7 • Page 59

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