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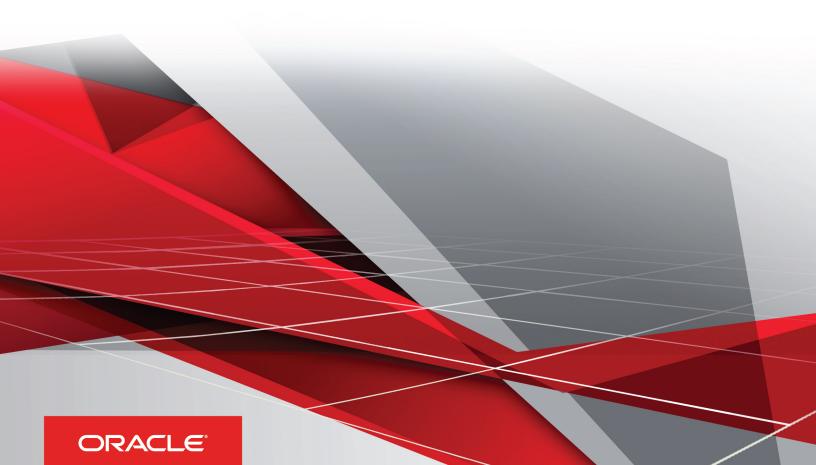
Financials Cloud
Implementing Subledger Accounting

Release 12

This guide also applies to on-premises implementations

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Oracle® Financials Cloud Implementing Subledger Accounting

Part Number E73067-03

Contents

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Preface

This preface introduces information sources that can help you use the application.

Oracle Applications Help

Use the help icon ⍰ to access Oracle Applications Help in the application. If you don't see any help icons on your page, click the Show Help icon ⍰ in the global header. Not all pages have help icons. You can also access Oracle Applications Help at https://fusionhelp.oracle.com.

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1 Subledger Application and Sources

Accounting Attribute Assignments: Points to Consider

The Create Accounting process uses the values of sources assigned to accounting attributes plus accounting rules to create subledger journal entries. Almost all accounting attributes have sources assigned at the accounting event class level. Depending on the accounting attribute, the accounting attribute assignment defaults from the accounting event class. It can be overridden on journal line rules or subledger journal entry rule sets.

Once sources are assigned to accounting event classes, they are eligible for assignment to accounting attributes for the same accounting event classes.

The Create Accounting process uses these assignments to copy values from transaction objects to subledger journal entries. For example, you may map the invoice entered currency to the subledger journal entry entered currency.

Each accounting attribute is associated with a level:

1. Header: To be used when creating subledger journal entry headers.
2. Line: To be used when creating subledger journal entry lines.

The types of accounting attributes values are as follows:

Values that are Subject to Special Processing

You may have values that are subject to special processing or values that are stored in named columns in journal entry headers and lines.

Examples of accounting attributes are Entered Currency Code and Entered Amount.

Values that Control the Action of the Create Accounting Process

You may have values that control the action of the Create Accounting process when processing a specific accounting event or transaction object line.

An example of accounting attributes of this type is Accounting Reversal Indicator.

Minimum Required Accounting Attribute Assignments

To create a valid journal entry you must, at a minimum, set up the following accounting attribute assignments.

- Accounting Date
- Distribution Type
- Entered Amount
- Entered Currency Code
- First Distribution Identifier

The details and descriptions of these attributes are included in the Accounting Attributes section.

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Accounting Attributes

Accounting attribute groups are represented in the tables below:

Accounted Amount Overwrite

- The accounted amount overwrite attribute identifies whether the accounted amount calculated by the Create Accounting process should be overwritten by the value of the accounted amount accounting attribute.

- If the source value mapped to Accounted Amount Overwrite is 'Y', then an accounted amount must be provided.

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Accounted Amount Overwrite Indicator	Alphanumeric	Line	Event Class and Journal Line Rule	No	Y - Overwrite accounted amount N - Not overwrite accounted amount

Accounting Date

- The accounting date attribute is relevant to all applications. The Create Accounting process uses it to derive the accounting date of journal entries. Typically, the event date system source is assigned to the accounting date attribute.

- The Accrual Reversal GL Date accounting attribute is relevant to applications using the accrual reversal feature. Users can assign system and standard date sources to the Accrual Reversal GL Date in the Accounting Attribute Assignments page. When the Accrual Reversal GL Date accounting attribute returns a value, the Create Accounting process generates an entry that reverses the accrual entry.

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Accounting Date	Date	Header	Event Class and Journal Entry Rule Set	Yes	Should be in open general ledger period
Accrual Reversal GL Date	Date	Header	Event Class and Journal Entry Rule Set	No	Should be later than the accounting date

Accounting Reversal

- Accounting reversal accounting attributes are relevant to applications that want to take advantage of the accounting reversal feature. The Create Accounting process uses them to identify transaction (distributions) whose accounting impact should be reversed.

- For the Create Accounting process to successfully create a line accounting reversal, the accounting reversal indicator, distribution type, and first distribution identifier should always be assigned to sources. The definition of the accounting reversal distribution type and distribution identifiers mirrors the definition of the distribution identifiers.

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Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Accounting Reversal Distribution Type	Alphanumeric	Line	Event Class	Yes, if another accounting reversal accounting attribute is assigned.	
Accounting Reversal First Distribution Identifier	Alphanumeric	Line	Event Class	Yes, if another accounting reversal accounting attribute is assigned.	
Accounting Reversal Second Distribution Identifier	Alphanumeric	Line	Event Class	No	
Accounting Reversal Third Distribution Identifier	Alphanumeric	Line	Event Class	No	
Accounting Reversal Fourth Distribution Identifier	Alphanumeric	Line	Event Class	No	
Accounting Reversal Fifth Distribution Identifier	Alphanumeric	Line	Event Class	No	
Accounting Reversal Indicator	Alphanumeric	Line	Event Class	Yes, if another accounting reversal accounting attribute is assigned.	Y - Reverse without creating a replacement line B - Reverse and create a new line as replacement N or Null - Not a reversal
Transaction Accounting Reversal Indicator	Alphanumeric	Header	Event Class	No	Y - Reversal transaction object header N or null - Standard transaction object header

Business Flow

- The business flow accounting attributes are referred to as 'applied to' accounting attributes. If a transaction is applied to a prior transaction in the business flow, the transaction object must populate sources assigned to 'applied to' accounting attributes with sufficient information to allow the Create Accounting process to uniquely identify a transaction object line for a prior event in the business flow.

- When deriving accounting data from a previous event in the business flow, the Create Accounting process searches for a journal entry line for the prior event using a combination of the 'applied to' accounting attributes and the business flow class of both journal entries.

- The Applied to Amount accounting attribute is used to calculate the accounted amount and gain or loss in cross-currency applications when business flows are implemented. This attribute value is used to calculate the accounted amount when a source is mapped to the Applied to Amount attribute on a journal line type and the entered currency is different than the original currency entered.

✎ **Note:** When enabling a business flow to link journal lines in the Journal Line Rule page, certain accounting attribute values are unavailable for source assignment. These do not appear in the Accounting Attributes Assignments window of the same page because they are copied from the related prior journal entry.

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Applied to Amount	Number	Line	Event Class and Journal Line Rule	No	
Applied to First System Transaction Identifier	Alphanumeric	Line	Event Class and Journal Line Rule	Yes, if another accounting attribute in the same group has assignment.	
Applied to Second System Transaction Identifier	Alphanumeric	Line	Event Class and Journal Line Rule	No	
Applied to Third System Transaction Identifier	Alphanumeric	Line	Event Class and Journal Line Rule	No	
Applied to Fourth System Transaction Identifier	Alphanumeric	Line	Event Class and Journal Line Rule	No	
Applied to Distribution Type	Alphanumeric	Line	Event Class and Journal Line Rule	Yes, if another accounting attribute in the same group has assignment.	
Applied to First Distribution Identifier	Alphanumeric	Line	Event Class and Journal Line Rule	Yes, if another accounting attribute in the same group has assignment.	
Applied to Second Distribution Identifier	Alphanumeric	Line	Event Class and Journal Line Rule	No	
Applied to Third Distribution Identifier	Alphanumeric	Line	Event Class and Journal Line Rule	No	

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Applied to Fourth Distribution Identifier	Alphanumeric	Line	Event Class and Journal Line Rule	No	
Applied to Fifth Distribution Identifier	Alphanumeric	Line	Event Class and Journal Line Rule	No	
Applied to Application ID	Number	Line	Event Class and Journal Line Rule	Yes, if another accounting attribute in the same group has assignment.	Must be a valid application ID
Applied to Entity Code	Alphanumeric	Line	Event Class and Journal Line Rule	Yes, if another accounting attribute in the same group has assignment.	Must be a valid Entity for the application selected in Applied to Application ID

Distribution Identifier

- Distribution identifiers accounting attributes are relevant to all applications. The distribution identifier information links subledger transaction distributions to their corresponding journal entry lines. In addition, many of the subledger accounting features, including accounting reversals, rely on the correct definition and storing of distribution identifiers in the line transaction objects.

- The distribution type and first distribution identifiers are always assigned to sources. If a transaction distribution is identified by a composite primary key, additional distribution identifiers are assigned to standard sources, as appropriate.

- Values for the distribution type and distribution identifiers are always stored in accounting transaction objects. The combinations of the values of the system transaction identifiers with the values of the distribution identifiers uniquely identify a subledger transaction distribution line.

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Distribution Type	Alphanumeric	Line	Event Class	Yes	
First Distribution Identifier	Alphanumeric	Line	Event Class	Yes	
Second Distribution Identifier	Alphanumeric	Line	Event Class	No	
Third Distribution Identifier	Alphanumeric	Line	Event Class	No	
Fourth Distribution Identifier	Alphanumeric	Line	Event Class	No	
Fifth Distribution Identifier	Alphanumeric	Line	Event Class	No	

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Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules

Document Sequence

- The document sequence accounting attributes are relevant to applications that use the document sequencing feature to assign sequence numbers to subledger transactions. The Create Accounting process uses them to provide a user link between subledger transactions and their corresponding subledger journal entries.

- Assign all document sequence accounting attributes to sources or do not assign any.

- The Document Sequence Category Code is made available as an Accounting Sequence Numbering control attribute.

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Subledger Document Sequence Category	Alphanumeric	Header	Event Class	Yes, if another accounting attribute in the same group has assignment.	
Subledger Document Sequence Identifier	Number	Header	Event Class	Yes, if another accounting attribute in the same group has assignment.	
Subledger Document Sequence Value	Number	Header	Event Class	Yes, if another accounting attribute in the same group has assignment.	

Entered Currency

- Entered currency accounting attributes are relevant to all applications. The Create Accounting process uses them to populate the journal entry line entered currency and amounts.

- The entered currency accounting attributes must always be assigned to sources. The sources assigned to the entered currency accounting attributes must always contain a value.

- For event classes that support cross currency transactions, and more than one entered currency and entered currency amount, multiple event class accounting attribute assignments are created.

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Entered Currency Code	Alphanumeric	Line	Event Class and Journal Line Rule	Yes	A valid currency code
Entered Amount	Number	Line	Event Class and Journal Line Rule	Yes	

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Ledger Currency

- Ledger currency accounting attributes are relevant to all applications that use the Create Accounting process. The Create Accounting process uses them to populate journal entry accounted amounts.

- If a transaction's entered currency is different from the ledger currency, the Create Accounting process copies the conversion date, rate, and rate type to the corresponding journal entry lines. If the entered currency is the same as the ledger currency, the Create Accounting process ignores the conversion type and conversion rate.

- For event classes that support foreign currency transactions, and therefore more than one conversion rate and reporting currency amount, multiple event class accounting attribute assignments are created.

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Accounted Amount	Number	Line	Event Class and Journal Line Rule	No	
Conversion Date	Date	Line	Event Class and Journal Line Rule	No	
Conversion Rate	Number	Line	Event Class and Journal Line Rule	No	
Conversion Rate Type	Alphanumeric	Line	Event Class and Journal Line Rule	No	A valid general ledger conversion rate type or User

Tax

- The tax accounting attributes are relevant to applications that uptake the tax initiative. The tax team uses the tax accounting attributes to link subledger transaction tax distributions to their corresponding journal entry lines.

- Oracle Fusion Tax specifies which tax reference values are required in transaction objects and are assigned to standard sources.

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Detail Tax Distribution Reference	Number	Line	Event Class	No	
Detail Tax Line Reference	Number	Line	Event Class	No	
Summary Tax Line Reference	Number	Line	Event Class	No	

Third Party

- Third-party accounting attributes are relevant to subledger applications that use third-party control accounts. The third-party accounting attributes link suppliers and customers to their corresponding subledger journal entry lines in the supplier and customer subledgers.

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- For all subledger transactions that represent financial transactions with third parties, all third-party accounting attributes have sources assigned.

- If a transaction line is associated with a customer or supplier, the transaction objects must include values for all sources mapped to third-party accounting attributes for the event class.

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Party Identifier	Number	Line	Event Class and Journal Line Rule	Yes, if another accounting attribute in the same group has assignment.	If party type C - Should be a valid customer account If party type is S - Should be a valid supplier identifier
Party Site Identifier	Number	Line	Event Class and Journal Line Rule	Yes, if another accounting attribute in the same group has assignment.	If party type C - Should be a valid customer account If party type is S - Should be a valid supplier identifier
Party Type	Alphanumeric	Line	Event Class	Yes, if another accounting attribute in the same group has assignment.	C for Customer S for Supplier

Exchange Gain Account, Exchange Loss Account

- The Create Accounting process determines whether there is an exchange gain or loss and derives the account combination based on whether the journal line rule is defined.

- If the gain or loss journal line rule is defined, the account rule assigned to the journal line rule is used to determine the gain or loss account to use.

- If the gain or loss journal line rule is not defined, the gain or loss account assigned to the Exchange Gain Account and Exchange Loss Account accounting attributes is used.

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Exchange Gain Account	Number	Header	Event Class	No	
Exchange Loss Account	Number	Header	Event Class	No	

Gain or Loss Reference

- The Gain or Loss Reference accounting attribute groups entry lines together when calculating exchange gain or loss. The accounted debit and accounted credit amounts for lines with the same gain or loss reference are combined. The total of accounted debit and total of accounted credit are compared to calculate the exchange gain or loss.

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Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Gain or Loss Reference	Alphanumeric	Line	Event Class	No	

Transfer to GL Indicator

- The Transfer to GL accounting attribute is relevant to applications which create subledger journal entries that are not transferred to the general ledger. The Transfer to GL process uses this accounting attribute to determine whether to transfer subledger journal entries to the general ledger.

- If the Transfer to GL accounting attribute is not assigned to a source, the Transfer to GL process transfers journal entries for the event class to the General Ledger.

- If the Transfer to GL accounting attribute is assigned to a source and the source is not populated, the Transfer to GL process transfers journal entries for the event class to the General Ledger.

Accounting Attributes	Data Type	Journal Entry Level	Assignment to Rules	Assignment Required?	Validation Rules
Transfer to GL Indicator	Alphanumeric	Header	Event Class	No	Should be Y or N

2 Subledger Accounting Setup

Manage Accounting Rules

Accounting Method: Explained

Accounting methods group subledger journal entry rule sets to define a consistent accounting treatment for each accounting event class and accounting event type for all subledger applications. This grouping allows a set of subledger journal entry rule sets to be assigned collectively to a ledger.

For example:

- A subledger accounting method entitled US GAAP can be defined to group subledger journal entry rule sets that adhere to and comply with US Generally Accepted Accounting Principles (GAAP) criteria.

- By assigning a different subledger accounting method to each related ledger, you can create multiple accounting representations of transactions.

Accounting rules can be defined with either a top down, or a bottom up approach.

- Top Down: Define the accounting method, followed by components of each rule that must be assigned to it.

- Bottom Up: Define components for each rule and then assign them as required.

The Create Accounting process uses the accounting method definition with active journal entry rule set assignments to create subledger journal entries.

When an accounting method is initially defined its status changes to Incomplete. The status will also be Incomplete after modifying a component of any accounting rule associated to the assigned journal entry rule set.

⚠ **Caution:** The accounting method must be completed, by activating its journal entry rule set assignments, so that it can be used to create accounting.

The following definitions are used to define the journal entries, and are applied as updates to the accounting method:

- Updates to the predefined accounting method

- Assignment of journal entry rule sets for an accounting event class and accounting event type from the accounting methods page

- Assignment of accounting methods to ledgers

- Activation of subledger journal entry rule set assignments

Updates on Predefined Accounting Method

You may update a predefined accounting method by end dating the existing assignment and creating an assignment with an effective start date.

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Assignment of Journal Entry Rule Set for Accounting Event Class and Accounting Event Type

You create the assignment of a journal entry rule set for an accounting event class and accounting event type using the accounting method page.

The following should be considered for assigning rule sets:

- If the accounting method has an assigned chart of accounts you can select journal entry rule sets that:

  o Use the same chart of accounts

  o Are not associated with any chart of accounts

- Select an option to assign existing journal entry rule sets or create one.

Assignment of Accounting Methods to Ledgers

If the accounting method has an assigned chart of accounts, it may only be used by ledgers that use the same chart of accounts.

If the accounting method does not have an assigned chart of accounts, the accounting method can be assigned to any ledger.
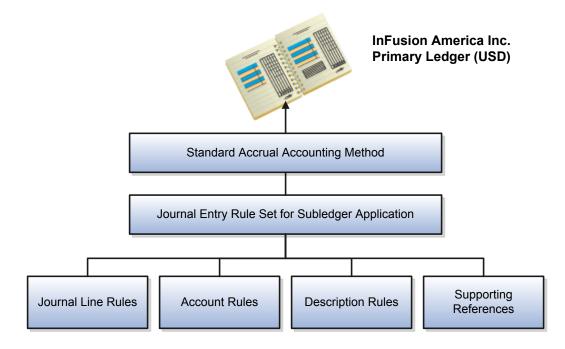
Activation of Subledger Journal Entry Rule Set Assignments

You can activate the subledger journal entry rule set assignments from the Accounting Method page. You can also submit the Activate Subledger Journal Entry Rule Set Assignments process to validate and activate your accounting set ups.

Fusion Setup Flow

The figure below shows the relationship of components making up an accounting method as described in the above text.

Subledger Journal Entry Rule Sets: Explained

Subledger journal entry rule sets provide the definition for generating a complete journal entry for an accounting event.

Select the option to define the subledger journal entry rule set for a particular accounting event class or accounting event type.

If you are using multiple ledgers to meet divergent and mutually exclusive accounting requirements, you can vary journal entry rule sets by ledger. Each of the subledger journal entry rule sets can meet a specific type of accounting requirements.

For example, use US Generally Accepted Accounting Principles (GAAP) oriented subledger journal entry rule sets for a ledger dedicated to US GAAP reporting. Use French statutory accounting conventions for a ledger dedicated to French statutory reporting. These two sets of definitions have differences based on the setup of the various components that make up their subledger journal entry rule sets.

Predefined subledger journal entry rule sets are provided for all Oracle subledgers. If specific requirements are not met by predefined subledger journal entry rule sets, create a copy of the predefined definitions, rename, and modify the copied definitions and their assignments.

Subledger journal entry rule set assignments can be made at two levels, header and line. The following are the subcomponents of a subledger journal entry rule set:

- Description rules

- Journal line rules
- Account rules

Assignment at Header Level

Header assignments define subledger journal header information and line assignments define journal line accounting treatment.

A header assignment includes the following:

- Accounting date (required)
- Accrual reversal accounting date (optional)
- Description rule (optional)

Assignment at Line Level

You can define multiple subledger journal entry rule sets for an accounting event class or accounting event type. Using the line assignment of the journal entry rule set assigned to the accounting event class or type, a single journal entry is generated per accounting event per ledger.

The following can be assigned to a journal entry line:

- Journal line description rule
- Journal line rule
- Account rule
- Supporting references

Assignment of Description Rules

If a description rule is defined with sources, the sources must also be assigned to the accounting event class that is assigned to the journal entry rule set. The description rule may be assigned at either the header or line level of the journal entry or to both levels.

Assignment of Journal Line Rules

When assigning the journal line rule, you must identify the line type: Gain, Loss, Gain or Loss, Credit, or Debit. The journal line rule must be assigned to the same accounting event class as the one assigned to the subledger journal entry rule set.

When assigning a journal line rule that is enabled for accounting for a business flow, the account combination and certain accounting attribute values are copied from its related journal line having the same business flow class as the current line. Optionally, copy the description rule into the current line instead of assigning a separate description rule.

When assigning a journal line rule that is enabled to copy from the corresponding line within the same journal entry, you have the option to copy the account combination, the segment value, or the line description from the corresponding line into the current line.

Assignment of Account Rules

The account rule assignment defines which accounts are used for the subledger journal line. If the account rule is set up with a chart of accounts, it must have the same chart of accounts as the one assigned to the journal entry rule set. When account rules are defined with sources, the sources must also be assigned to the accounting event class that is assigned the journal entry rule set.

There are two types of account rules:

- Account Combination Rule: Assign an account combination rule to derive the account combination.

- Segment Rule: Assign a segment rule to derive a specific segment of an account. For example, a cost center or a natural account segment.

Assignment of Supporting References

Supporting references may be used to capture transaction values on journal entry lines. A supporting reference can be used on a journal entry rule set only if it's assigned a source from the event class of the journal entry rule set.

Journal Line Rules: Explained

Journal line rules are defined within the context of accounting event classes. A journal line rule can be used in a subledger journal entry rule set that has the same event class. You may also assign conditions to the journal line rule.

Journal Line Rules

Journal line rules are assigned to journal entry rule sets.

To create a journal line rule, select values for options such as:

- Side (Debit, Credit, Gain or Loss)

  For example, when an Oracle Fusion Payables invoice is generated, the liability account should normally be credited. The journal line rule must therefore specify the Side option as Credit. On the other hand, the payment of the Payables invoice must be accounted with a debit to the liability account. A separate journal line rule must be defined to create this debit line.

- Merge Matching Lines: To summarize subledger journal entry lines within each subledger entry. Journal entry lines with matching criteria are merged.

- Accounting Class

  o Select an accounting class to classify journal entry lines.

  o For example, when a validated Payables invoice is accounted, the Item Expense and Liability journal lines are created. In this case, the journal line rules used in the accounting rules are assigned Item Expense and Liability accounting classes respectively.

- Conditions: To restrict the use of a journal line rule by controlling when a particular journal line rule is used by the Create Accounting process.

- Accounting Attributes: When creating a journal line rule, accounting attribute assignments are automatically established based on the default accounting attribute assignments for that journal line rule's accounting event class. You can override this default mapping of standard sources to accounting attributes. The list of values for the source override includes all sources assigned to the accounting attribute for the event class associated with the journal line rule.

- Advanced Options

  o The Subledger Gain or Less Option: Applies only to amount calculations for the primary ledger. Gain or loss amounts are not converted to reporting currency or nonvaluation method secondary ledgers. If the option is selected, the journal line holds the gain or loss amounts calculated by the subledger.

The gain or loss amount is calculated as the difference in applied amounts due to fluctuations in conversion rates, based upon conversion to the ledger currency. Foreign exchange gain or loss amounts occur when two related transactions, such as an invoice and its payment, are entered in a currency other than the ledger currency, and the conversion rate fluctuates between the times that the two are accounted.

- o The Rounding Class Option: Along with transaction rounding, groups journal lines together and calculates transaction rounding. Subledger transaction rounding differences can occur when a transaction has multiple-related applied-to transactions, such as a Receivables invoice that has multiple associated receipts.
- o The Link Journal Lines Option: Determines whether the journal line rule is set up to establish a link between the accounting of transactions that are related both within the same application, and across applications. The alternatives are described in this table:

Link Journal Lines Option	Description
None	No link is established.
Copy from corresponding line	Build account for a journal line using segments from the offsetting entry of the current journal line. For example, when the business process requires that a cost center incurring an expense must also bear the invoice liability and cash outlay.
Business flow	Link logically related business transactions. For example, when recording the closing of a loan, you can link to the account that was used to book the loan origination. Journal line rules that are linked must also be assigned the same business flow class.

Defining Conditions for Journal Line Rules

You may set conditions to specify whether the journal line rule are used to create a subledger journal entry line. If the conditions are true, the line rule is used to create a subledger journal entry line. Use sources to create these conditions.

For example, you can set up a condition that creates a journal line to record tax, only if there is tax for an invoice. The line type and account class mentioned here are examples of sources.

- The condition for a Payables invoice tax journal line rule could be:
  - o Where Line Type = Tax
  - o When this condition is true, there is tax for a payables invoice line. A journal entry line is created to record the accounting impact of the tax.

- Similarly, the condition for an invoice tax journal line rule could be:
  - o Where Account Class = Tax
  - o In this case, if there is an account class of Tax, the journal line is used to record the accounting impact of the tax.

Another example is a condition that creates a journal line for freight when there are freight charges on an invoice.

Journal line rule conditions determine whether a journal line rule and its associated account rules and description rules are used to create the subledger journal entry line. If the conditions of all the journal line rules assigned to the journal entry rule set are not met, the transaction is processed without the creation of any subledger journal entries, and the event status is set to Processed.

> 🖉 **Note:** Constant values that are used in any Conditions region must not contain the following characters:
>
> - "
> - ,
> - &
> - |
> - (
> -)
> - '
>
> For example, in the condition "Project Type" = ABC (123), the constant value following the equal sign, ABC (123), contains restricted characters ( ) that enclose 123 and is invalid.

Related Topics

- Event Status: Explained

Account Rules: Explained

Account rules are used to determine the accounts for subledger journal entry lines. In addition, you can specify the conditions under which these rules apply. Using these capabilities, you can develop complex rules for defining accounts under different circumstances to meet your specific requirements. You can define account rules for an account, segment, or value set.

Account Rules by Account

Define account rules by account to determine the entire account combination. For example, an account rule defined by account can be used to determine the complete supplier liability account in Oracle Fusion Payables.

Account Rules by Segment

Define segment rules to derive a specific segment of the general ledger account. For example, a particular segment like the company segment can be determined from the distribution account.

Another segment can be determined with the use of a constant value. Creating the account one segment at a time offers greater flexibility, but also requires more setup.

Use both segment based and account based rules to derive a single account. Segment-specific rules are used, where they are defined, and take the remaining values from an account-based rule. For example, you can select an account rule which is for all segments and also separately select a rule which is for one particular segment. Segment-specific rules take precedence over the all segments account based rule.

Combine account rules with segment rules. In this case, the segment value is derived from the segment rule to override the corresponding segment of the account. If the segment rule has conditions associated with the priorities and none are met, no override occurs and the segment value is derived from the account rule.

> ✏️ **Note:**
> - If the returned account is end dated with a date that is the same or before the subledger journal entry accounting date, and an alternate account is defined in the general ledger, the alternate account is used. The original account is stored on the journal line for audit purposes
> - If the alternate account is invalid, and the **Post Invalid Accounts to Suspense Account** option is selected in the Create Accounting process, then a suspense account is used. An error message is displayed if a valid suspense account is not available.

Account Rules by Value Sets

In the absence of a chart of accounts, you may define account rules based upon value sets. This enables you to share the same rule between more than one chart of accounts if the segments in these charts of accounts share the same value set.

Sharing Account Rules across Applications

You may share account rules across applications in the following ways.

- Assign an account rule from the same or a different application to a journal line rule in the subledger journal entry rule set. For example, to derive an expense account for journal line rule Expense, assign the Projects Cost Account rule owned to the Payables journal line rule Expense.

- Create an account rule based on an account rule from another application and assign it to a journal line rule. For example, you may create an account rule Invoice Expense Account referencing Project Cost Account assigned in the Priorities region. You may attach the Invoice Expense Account rule to the journal line rule Expense in the journal entry rule set.

> ✏️ **Note:**
> - To share an account rule across applications, all sources used by the account rule must be available for the event class.
> - If the sources are available, an account rule is assigned to a journal line rule in the journal entry rule set. Verification occurs to confirm that all sources used by the account rule are available for the journal line rule accounting event class. Journal line rules are only available if the sources are shared; such as reference objects.

Account Rules and Mapping Sets

Mapping sets can be used to associate a specific output value for an account or segment. You can use mapping sets in account rules to build the account.

Account Rules Conditions

In the account rules you may specify conditions for each rule detail line. Priorities determine the order in which account rule conditions are examined. When the condition is met, the rule associated with that priority is used. Depending on which of the defined conditions is met, a different account rule detail is employed to create the account.

The Create Accounting process evaluates conditions based on the priority of the rule detail. When the condition is met, the rule detail is applied.

Account Rules: Points to Consider

You can define an account rule using the following rule types:

- Account combination
- Segment
- Value Set

Account Combination Rules

Set up account combination rules based upon the following value types:

1. Source Value Type: Derive the account combination by specifying a source.

   Sources that have been set up as accounts can be assigned to an account combination rule. Subledger Accounting then obtains the account combination identifier from the source.

2. Constant Value Type: Establish the account as a constant value.

   For example, the constant could be a completed account combination from the chart of accounts specified. An example is the account combination, 01.000.2210.0000.000. This is the simplest way to derive an account.

3. Mapping Set Value Type: Derive the account combination by referencing a mapping set.

   Set up a mapping set to determine the complete account combination from the chart of accounts specified.

4. Account Rule Value Type: Derive the account by referencing another account rule.

   The chart of accounts is optional when defining this type of rule. If the account rule has a chart of accounts assigned, then all the related account rules must use the same or no chart of accounts.

   ✎ **Note:** A chart of accounts must be specified for account combination rules using constants.

Segment Rules

Set up segment rules as follows:

- When a chart of accounts is specified, create a rule to derive the value for a specific segment from the chart of accounts.
- If the chart of accounts is not specified, create a rule to derive the value for an account segment with a specific qualifier.

Set up segment rules using the same methods discussed in the preceding Account Combination Rules section. By specifying different value types, users can select the way in which the segment value is derived.

   ✎ **Note:** A chart of accounts must be specified for segment rules using constants.

Value Set Rules

Value set based rules can be created when a chart of accounts is not specified, enabling you to share the same rule between more than one chart of accounts. But, only if the segments in these charts of accounts share the same value set.

Set up value set based rules using the same methods discussed in the preceding Account Combination Rules section.

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Mapping Sets: Explained

Mapping sets provide an efficient way to define a segment or account combination value for one or more transaction or reference attribute values. Using such input and output mappings is simpler than using complex conditions on account rules.

Based on the value of the source input, a single segment or a full account is derived.

Examples of source input:

- Transaction attributes
- Reference attributes

With mapping sets you can:

- Use up to 10 transaction or reference attributes as inputs into a mapping.
- Define default output value to use when actual input values don't match the mappings.
- Use wildcards for multiple input mapping sets to indicate that the value of a particular input should be ignored for certain mappings.
- Enter the mappings directly on the user interface or use the spreadsheet available in the Export option, and then import.

  Export allows:

  - Exporting a template to create new mappings.
  - Exporting all mappings created for the mapping set to add or edit the current mappings.

Example

Assume a business operates in several regions, including:

- East
- South
- West

The business has a Region segment in their chart of accounts.

The region name can be the input for the mappings to derive the value of the region segment. You can create a mapping set that maps region names to the corresponding region code as described below.

Input Value (Region Name)	Segment Value
East	01
South	02
West	03

Additional transaction information, such as transaction type and salesperson name, could also be used as inputs to help derive a different segment value for each combination of the input values.

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Related Topics

- Managing Accounting Sources: Critical Choices

Mapping Sets: Examples

Define a mapping set when you have a matrix of input values that produces distinct output values. For each input value, specify a corresponding account combination or segment output value. One or more related pairs of these input values with the segment or account combination output values form a mapping set.

A mapping set definition includes the selection of input sources, output type, and mappings. The mappings section displays how input values are mapped to output values.

To define mapping sets:

- Specify the output type:

    o The output type for a mapping set can be an account combination, segment, or value set.

    o Use value set:

        - If the value set is used by more than one chart of accounts,
        - And the mapping set can be reused across multiple charts of accounts.

    o Expected input or output combinations are constant across the charts of accounts.

    o Based on the selection, the mapping set provides the value for an account, segment, or value set.

- Define the input source:

    o Specify the input source for mapping.

        - The input source is provided for predefined mapping sets.

- Define the chart of accounts and value sets.

- Specify the output value for the mapping:

    o For a given input value, enter the corresponding output value.

    o The account rule uses this value to populate either the account or the segment.

        - If the output type is a value set, the output value is an individual value from the value set entered.
        - If the output type is segment, the output value is an individual segment value.
        - If the output type is account combination, the output value is an entire account.

Mapping sets are used with account rules:

- If the output type is account combination or segment, identify the chart of accounts assigned to the mapping set.

- If the output type is a value set, identify the value set assigned to the mapping set.

- If defining a mapping set for more than one chart of accounts or value set, it can be assigned to more than one account rule. This increases the ability to share the mapping set.

A mapping set with no associated chart of accounts:

- Can be assigned to an account rule if:

  o The account rule is not associated with a chart of accounts.

  o The mapping set can have any chart of accounts or no chart of accounts.

- Cannot be assigned to an account rule if:

  o The account rule is associated to a chart of accounts. The mapping set must have the same chart of accounts.

Example

In the following example, the chart of accounts is set up with four segments. A mapping set is defined with a value set for Supplier Type as described in the following table.

Input Value	Output Value
Services	01-100-6120-000
Consulting	01-400-6110-000

Assume that two invoices are entered, one for a supplier with a type of Services and one for a supplier with a type of Manufacturing.

When using the mapping set, the source value Supplier Type is compared with the mapping set input values to determine the account.

In this example, there is a match for the first case; the invoice with a supplier type of Services maps to an input value. However, the invoice with a supplier type of Manufacturing does not map to an input value.

The accounts are derived and described in the following table.

Invoice	Supplier Type	Output Value
1	Services	01-100-6120-000
2	Manufacturing	No account generated

Note: To ensure that transaction 2 is accounted, you may want to modify the account rule to which the mapping set is assigned. If not, a separate rule can be defined to provide for the Manufacturing supplier type, or define a default output in the existing mapping set.

Description Rules: Explained

Use descriptions rules to define the elements of a description that appears on the subledger journal entry at the header or the line. The definition determines both the content and sequence in which the elements of the description appear. You can assign a condition to a description rule to determine that the description is selected for display if the condition is satisfied.

Description Rule Definition

A description rule can be defined with combinations of source and literal values. If sources are used in the rule, the accounting event class associated with the sources determines in which subledger journal entry rule set the description rule can be selected and used.

Build descriptions using the available sources for the application.

The following is the description details that have been entered, using a literal and a source:

- Loan Origination Date = Origination Date

    o Literal = Loan Origination Date
    o Source = Origination Date

For example:

- Source value of the Origination Date = 11/01/11
- Journal entry description = Loan Origination Date 11/01/11

Create a Condition: Examples

The following provides examples of defining an account rule with a condition.

Example 1: Custom Real Estate Application Account Rule Condition Example

This example defines an account rule for assignment to a loan journal line. The account rule has two priorities, a mapping set and a constant.

- The first priority creates an output for an account based on the mapping set rule definition.

    o A condition is created using the first priority rule. This rule is only used if the condition below is met.

        - The condition is **Credit Status** must not be null.
        - The accounts derived from the mapping set rule are used if the Credit Status has a valid value. Otherwise, the accounts derived from the entered constants value from the second priority are used.

The following table describes the setup of the condition on the first priority:

(	Source	Operator	Value	)
(	"Credit Status"	is not null		)

The second priority creates an output from a constant value (0.9100030.50034206331.0.0.0). No condition is associated with the second priority.

Example 2: Oracle Fusion Assets Account Rule Condition Example

This example defines a rule for a capital purchase. The rule is applied if the distribution account cost center is the same as the liability account cost center, and the asset tracking option is Yes.

This condition can be expressed as:

- Where Distribution Cost Center = Liability Cost Center and Asset Tracking option = Yes

The following tables describe the setup of the condition:

(	Source	Delimiter	Segment	Operator	Value	Delimiter	Segment	)	And Or
(	"Distribution Account"	.	"Cost Center"	=	"Liability Account"	.	"Cost Center"	)	'AND'
(	"Asset Flag"			=	Yes			)	

The following two rows of data are used in the accounting event, to which the account rule and condition applies.

Account Rule Condition Example: Accounting Event Data

Account	Invoice 1	Invoice 2	Asset Flag
Distribution Account	02-640-2210-1234	01-780-6120-0000	Yes
Liability Account	01-640-2210-0000	02-782-2210-0000	Yes

In the Accounting Event Data table above, assume the cost center segment is the second segment. When the account rule with this condition is used the account rule is applied to derive the account of Invoice 1 only. For Invoice 2, (assets tracking option = Yes), the cost center for the Distribution and Liability accounts are not the same. Both conditions must be met in order for the rule to apply.

> ✏️ **Note:**
> - When an account source is selected or entered, you must also select or enter a specific segment. Select All if the full account is required to be used in the condition instead of a specific segment.
> - The condition uses the account source and distribution account, along with a segment that you must provide. In this example, the cost center segment is provided.

Creating a Custom Formula

▶ **Watch:** This video tutorial shows you how to define a custom formula to return a value to be used to create subledger journal entries.

Manage Custom Formulas: Explained

You can use Subledger Accounting custom formulas to derive a value that is used in a journal entry, such as a journal amount or description.

Formula Usage and Assignments

A custom formula can be used to:

- Calculate a numeric value
- Derive an alphanumeric value
- Return a date value

It can also be used in any of the following accounting rule components:

- Journal line rule
- Account rule
- Mapping set
- Description rule
- Supporting reference

Formula Definition

Define custom formulas using sources for the selected event class. Predefined functions and conditions can also be used to derive the resulting value.

- Enter source in double quotes (").
- Enter constant values in single quotes (').
- Enter date values in the format YYYY-MON-DD.

Example 1

A custom formula has been defined to use in the description rule for the journal entry rule set for the Invoice event class.

Steps:

1. Define a formula:
   - ```
     IF "Project Number" IS NOT NULL AND "Invoice Date" >= '2015-Jan-01'
     THEN Concatenate("Project Number", "Invoice Number")
     ELSE Concatenate("Supplier Name", "Invoice Number")
     ```
2. Use the formula in a description rule.
3. Assign the description rule to a journal entry rule set.

Results:

Accounting is created for two project invoices and one nonproject invoice.

Invoice	Invoice Details	Journal Entry Description
1	Invoice number = MA0024	ABC Inc.MA0024
	Invoice date = 2014-Dec-11	
	Supplier name = ABC Inc.	
	Project number = 12345	
2	Invoice number = MA0045	12345MA0045
	Invoice date = 2015-Jan-30	
	Supplier name = ABC Inc.	
	Project number = 12345	
3	Invoice number = MA0012	ABC Inc.MA0012
	Invoice date = 2015-Jan-15	
	Supplier name = ABC Inc.	

Example 2

A journal entry is recorded for the actual 401k funding every quarter. The monthly accrued amount entry is created for each month of the quarter using the following custom formula.

Note that the accrual entry is to be reversed at the beginning of the next month by the accrual reversal feature.

Steps:

1. Define a formula:

   o "Fund Balance" / 3 * "Month Number in the Quarter"
2. Assign the formula to the Entered Amount accounting attribute for the event class.
3. Use the formula as the Entered Amount for the journal line rule.
4. Assign the journal line rule to the journal entry rule set.

Fund balance = 1,200 USD

Month	Results
1	Accrual amount for the first month in the quarter: 1200 / 3 * 1 = 400
2	Accrual amount for the second month in the quarter: 1200 / 3 * 2 = 800
3	Accrual amount for the third month in the quarter: 1200 /3 * 3 = 1200

Predefined Formula Functions

The following predefined functions are available to be used in custom formulas.

Type	Function	Description	Example
Alphanumeric	Concatenate	Concatenate two strings into one single string.	Concatenate('This is ', 'a test.') returns 'This is a test'.
Alphanumeric	Substring	Extract part of a string.	Substring('How are you?', 3,5) returns 'w are'.
Date	FirstDayOfYear	Return the first day of the calendar year based on the parameter.	FirstDayOfYear('2013-Jul-11') returns '01-Jan-2013' in date format.
Date	LastDayOfYear	Return the last day of the calendar year based on the parameter.	LastDayOfYear('2013-Jul-11') returns '31-Dec-2013' in date format.
Date	FirstDayOfMonth	Return the first day of the month based on the parameter.	FirstDayOfMonth('2013-Jul-11') returns '01-Jul-2013' in date format.
Date	LastDayOfMonth	Return the last day of the month based on the parameter.	LastDayOfMonth('2013-Jul-11') returns '31-Jul-2013' in date format.
Date	AddMonth	Return the date of specified number of months after the date in parameter.	AddMonth('2013-Jul-11', 2) returns 11-Sep-2013 in date format.
Numeric	YearNum	Return the year of a date source in 4-digit format.	YearNum('2012-Feb-28') returns the number 2012.
Numeric	MonthNum	Return the month of a date source in numeric format.	MonthNum('2012-Feb-28') returns the number 2.
Numeric	DayNum	Return the day of date source in numeric format.	DayNum('2012-Feb-28') returns the number 28.
Numeric	Round	Round a number to a specific decimal place.	Round(183.1123, 2) returns 183.11 Round(183.1123, -1) returns 180
Numeric	RoundUp	Round up a number to integer.	RoundUp(0.01) returns 1. RoundUp(1.50) returns 2.
Numeric	RoundDown	Round down a number to integer.	RoundDown(0. 01) returns 0. RoundDown(1. 50) returns 1.
Numeric	Power	Return the power of a number.	Power(3,2) returns 9.

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Type	Function	Description	Example
Numeric	NumberOfGLPeriod	Return the number of nonadjustment accounting periods between two dates. • If start date is not the first day of an accounting period it's counted as one period. • If end date is not the last day of an accounting period, it's counted as one period.	If accounting calendar is defined as Monthly, NumberOfGLPeriod('2013-Jul-11', '2013-Oct-10') returns 4.

Related Topics

- Subledger Journal Entry: Overview

- Creating a Manual Subledger Journal: Points to Consider

- Accrual Reversals: Explained

Supporting References: Explained

Supporting references are used to store additional source information about a subledger journal entry at the line level.

Supporting references with balances establish subledger balances for a particular source and account for a particular combination of supporting references plus the account combination.

For example:

- If a journal line contains a supporting reference that includes two sources, Customer Type and Customer Name.

- Balances are created for the account combination, plus customer name and customer type.

Examples of how you may want to use supporting reference balances are to:

- Facilitate reconciliation back to the subledgers and source systems by tagging journal entries with transaction and reference attributes.

- Create balances by dimensions not captured in the chart of accounts.

- Reporting using dimensions not captured in the chart of accounts.

- Enrich Oracle Fusion Business Intelligence Applications reporting on subledger journals.

- Profit and loss balances by dimensions not captured in the chart of accounts

Define supporting references to hold additional supporting information for detailed account balance maintenance or reconciliation and reporting requirements.

Supporting Reference Assignment

Supporting references are a powerful tool to allow capture of journal entries with transaction attributes. You can use these tags to report on entries, reconcile entries back to source systems or even maintain balances at the attribute level.

- Define supporting references once and reuse by assigning sources of different event classes or source systems to the same supporting reference.

- You can assign one source per event class to each supporting reference. The subledger or source system uses the supporting reference name to store the source values. This standardizes supporting reference information, even if it comes from disparate source systems.

Supporting references can be defined using either of these options (located on tabs):

- With Balances:
  - Select the balances option in the definition of the supporting reference, to have balances only maintained when the supporting reference is assigned.
  - If balances are maintained for a supporting reference, they are carried forward into the next fiscal year, for all Profit and Loss account types.
  - A limit of thirty supporting references with balances can be defined. You can consider adding more source assignments to predefined supporting references, rather than creating a new one.

- Without Balances:
  - No limit to the number of supporting references without balances is defined.
  - Consider using a journal entry header or line description if:
    - No balance is maintained for a supporting reference.
    - No supporting reference details are needed for reports.

⚠ **Caution:** Using supporting references instead of descriptions may impact accounting engine performance.

Related Topics

- Supporting Reference Assignments: Points to Consider

Migrate the Configuration

Migrating Accounting Rules: Points to Consider

Use the export and import functionality in the Setup and Maintenance work area to perform migration of setup data. When migrating accounting rules, you must migrate task lists in entirety and fulfill some requirements.

Full Task List Migration

This table shows the task lists to migrate in full, depending on the offering.

Offering	Task List
Oracle Fusion Accounting Hub	Define Accounting Transformation Configuration
Oracle Fusion Financials	Define Subledger Accounting Rules
	Define Transaction Account Rules

Support is not provided for a partial task list migration.

You may migrate setup data for specific applications only. Note that supporting references, accounting options, and accounting class usages are migrated for all applications, regardless of the applications specified.

Migration Requirements

Prior to migration, journal entry rule sets and accounting methods must be successfully activated. Invalid journal entry rule sets or accounting methods cause import failure.

Ensure that your setup data migration includes all dependent business objects from other required setup modules, such as Define Ledgers. The import sequencing of these dependent business objects must be prior to accounting rules business objects.

Related Topics

- Configuration Packages: Explained

- Implementation Project Based Export and Import: Explained

Manage Transaction Account Builder

Transaction Account Builder: Explained

Use the Transaction Account Builder to derive default accounts for Oracle Fusion Common Module: Intercompany and Oracle Fusion Purchasing transactions before they are accounted.

Define Transaction Account Rules

Transaction account definitions are assigned at the ledger and subledger levels. Transaction attributes are used in account rules, which are used in transaction account definitions.

Transaction account types are predefined by the Subledger Accounting application, and categorize different accounts generated for transactions. Sources are assigned to transaction account types.

Transaction account types allow subledger applications to categorize different accounts that are generated for transactions. Accounts that require a consistent derivation throughout the application should share the same transaction account type. This also provides the ability to view or manually override an account on the transaction.

Transaction account types are assigned to transaction account definitions. Assign account combination or segment rules to each transaction account type assignment in a transaction account definition. Assigned sources in each transaction account type are available for use in account rules to derive accounts for a transaction account type.
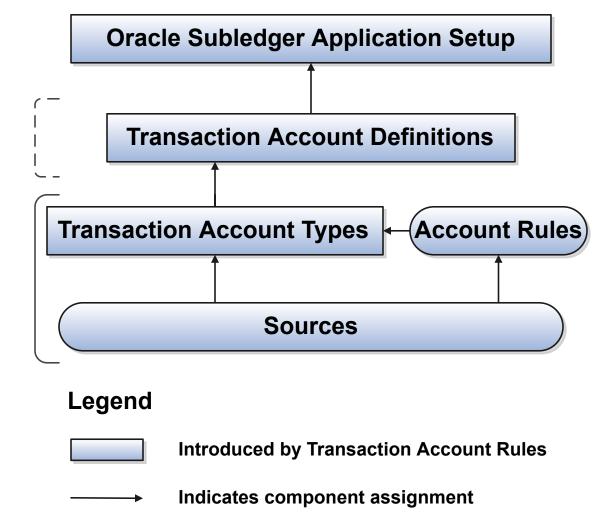
This setup is accomplished using the **Define Transaction Account Rules** task list in the **Setup and Maintenance** work area.

Transaction account rules are used by:

- Oracle Fusion Common Module: Intercompany
- Oracle Fusion Purchasing

Transaction Account Builder Components

```
┌──────────────────────────────────────────────┐
│      Oracle Subledger Application Setup        │
└──────────────────────────────────────────────┘
                        ▲
                        │
┌──────────────────────────────────────────┐
│        Transaction Account Definitions     │
└──────────────────────────────────────────┘
                  ▲
                  │
┌──────────────────────────────┐        ┌──────────────────┐
│  Transaction Account Types     │ ◄───── │  Account Rules   │
└──────────────────────────────┘        └──────────────────┘
                  ▲                                ▲
                  │                                │
              ┌──────────────────────────────────────┐
              │               Sources                  │
              └──────────────────────────────────────┘
```

Legend

▭	**Introduced by Transaction Account Rules**
──────►	**Indicates component assignment**
──────	**Predefined and Users**
─ ─ ─ ─	**Users**

- **Transaction Account Type**: Predefined.
- **Account Rules**: Users and Predefined.
- **Sources**: Predefined.

Manage Other Setup Options

Accounting Class Usages: Explained

Accounting class usages is a classification or grouping of accounting event classes to be used in a report or process based on subledger journal entries. A report or process referring to such a group would only process subledger journal entries tagged with the accounting event classes defined in the group.

Manage Accounting Class Usages Task

The Manage Accounting Class Usages task enables you to group accounting event classes. Use Accounting Class Usages assignments to determine which subledger journal entry lines to retrieve for a particular process. For example, for mass additions a subledger can define accounting class usages to identify the journal entry lines that must be processed to create records for another subledger.

Defining Accounting Class Usages

Use the Manage Accounting Class Usages task to create assignments that may be associated with a ledger. In the Accounting Class Assignments region, assign accounting classes to an assignment definition.

Predefined processes and assignment definitions cannot be deleted or updated. You can copy a predefined assignment definition and modify if necessary.

Subledger Accounting Options: Explained

Subledger accounting options define how certain accounting processing should be done for transactions of a given subledger at a ledger level. These options are set up for the primary and secondary ledgers only.

Manage Subledger Accounting Options

This task is accessed from the Setup and Maintenance work area. The page is displayed in the context of a primary or secondary ledger. All registered subledger applications are displayed. If you created additional accounting event classes after initial ledger setup, run the Update Subledger Accounting Options process to incorporate these event classes.

The Manage Subledger Accounting Options task provides the ability to edit:

- Accounting Options
- System Options

Edit Accounting Options

This page displays the subledger accounting options for the selected ledger. You can review and update the options. The view for this page depends on the subledger application type and the ledger type (primary or secondary).

The views are as follows:

- The Defaults and Ledger options view displays the accounting program defaults and the event class options for the following:

    - A primary ledger for a subledger application.

    - A secondary ledger for a subledger application.

- The Ledger options view displays the event class options for a subledger application, and secondary ledger.

General Options

- Subledger Accounting Enabled

  This option is visible only for secondary ledgers in the ledger options view. Enable or disable the subledger application for the ledger. No entries are generated by subledger accounting for an application if subledger accounting is disabled for the ledger.

- General Ledger Journal Entry Summarization

  - This option determines whether subledger journal entries are summarized or grouped when they are transferred to General Ledger as described in the table below.

Option	Description

Summarize by general ledger period	Default option.
	
	Indicates that all subledger entry lines are summarized into a single general ledger entry if they have the same:
	
	    ○ Accounting period
	    ○ General ledger journal category
	    ○ Account
	    ○ Entered currency
	    ○ Side
	    ○ Balance type
	
	Disabled if the ledger uses daily balancing.
	
	The general ledger effective date defaults to the last date of the accounting period.

Summarize by general ledger date	Indicates that all subledger entry lines are summarized into a general ledger entry if they have the same:
	
	    ○ Accounting date
	    ○ General ledger journal category
	    ○ Account
	    ○ Entered currency
	    ○ Side
	    ○ Balance type
	
	Default value if Summarize by accounting period is disabled.
	
	The general ledger effective date is equal to the subledger accounting date.

Group by general ledger period	Indicates that all subledger journal entries with the same accounting period are grouped together. Each subledger journal entry line is transferred into the general ledger with the same granularity as the original lines.

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Option	Description
Group by general ledger date	Indicates that all subledger journal entries with the same accounting date are grouped together.
	Each subledger journal entry line is transferred into the general ledger with the same granularity as the original lines.

- Reversal Method

  Use the Reversal Method option to determine how the reversal subledger journal entries are generated in subledger accounting. The options are:

  o Switch debit and credit (default): reverses a debit for a credit and a credit for a debit.

  o Change Sign: The reversal entry keeps the same side as the original entry, but the sign is changed.

- Rounding Rule

  Use the Rounding Rule option to determine which option to use for rounding. Subledger accounting rounds to the minimum accountable unit or ledger currency precision. The table below describes the rounding rule options.

  💡 **Tip:** For examples described in the Rounding Rule Options table below, assume that the precision is 2 and the minimum account unit is 0.01.

Option	Description
Up	Amount rounded up. For example, $5.983 is rounded to $5.99.
Down	Amount rounded down. For example, $5.988 is rounded to $5.98.
Nearest	Amount rounded to nearest number. However, if the difference between Up and Down options is equal, the amount is rounded up. For example, $5.985 is rounded to $5.99.

- Third-Party Merge Accounting Options

  The reporting currency ledgers inherit the third-party merge accounting option from the primary ledger. The table below describes the third-party merge accounting options.

Option	Description
Transfer of the third-party control account balances	o Transfers the control account balance at the merge date from the old third party to the new third party. o Reverses and rebooks the existing journal entries that occurred after the merge date. o In the case of a partial merge, transfers the balance that corresponds to the transactions that are part of the partial merge.
Replace third party	o Updates the existing journal entries by replacing the old third party and site with the new third party and site.
None	o No accounting effect.

Journal Categories Options

- The table below describes the event class option that can be overridden. Note that only the Journal Category event class can be overridden.

Option	Description
Journal Category	Defined in the accounting rules for an event class. Any valid journal category defined in General Ledger can be selected.

Edit System Options

The following three regions are available:

- Create Accounting Processing Options
- Event Class Options
- Transfer to General Ledger Processing Options

Create Accounting Processing Options

- Number of Create Accounting Workers
- Processing Unit Size

Column Name	Description
Processing Unit Size	Approximate batch size for high volume general ledger transfer flow, and is also the general ledger import batch size. If not specified, the corresponding accounting processing unit size is used.

- ○ You can define the processing unit size to process a large number of items in one commit cycle. A processing unit is the number of transactions processed by the Create Accounting process in one commit cycle. Create Accounting processes the default processing unit size at the application level.
- Stop at Error Limit

  - ○ Maximum number of events allowed to fail before canceling account program.

Event Class Options

- Event Class
- Processing Unit Size

On the **Manage Subledger Accounting Options** page, you can select the subledgers for each ledger or ledger set, and specify the **Processing Unit Size** for each event class.

Transfer to General Ledger Processing Options

- Number of General Ledger Transfer Workers
- Processing Unit Size

Importing information from subledgers is done using subledger accounting. Posting from the subledger systems transfers data to the general ledger interface and journal entry tables.

As part of your configuration, you can specify whether the Create Accounting process is to split the creation process into multiple workers (processors). The benefit of splitting the creation process is that:

- Accounting can be generated more efficiently with more resources allocated to complete the process.

- You can have multiple processors running in parallel to create the entries in a shorter period of time.

One restriction is the capacity of the hardware that is being used by the application. The more available processors, the more you are able to allocate to the Create Accounting process.

The decision for how many processors to use is made based upon expected volumes and the processing window. In other words, how much time is allocated to creating accounting. Accounting is often done as a nightly batch process, to facilitate system availability during work hours.

Dependencies exist between the overall completion status of the Create Accounting process and the workers. In general, the parent does not update to the Completed status until all the workers successfully complete.

The process that allows transfer of subledger journal entries to general ledger uses separate processing workers that are specialized in general ledger transfer. A lightweight general ledger transfer parent process is used to distribute the workload to the workers. To transfer entries even faster, you can have a number of parallel processing workers used for high volume general ledger transfer flow. If not specified, the corresponding accounting processors are used.

Related Topics

- Update Subledger Accounting Balances Process

3 Security for Subledger Accounting

Security for Subledger Accounting: Explained

Oracle Fusion Subledger Accounting features require both function and data security privileges.

Overview

Security for Subledger Accounting includes:

- Setup task security

    o Security to configure accounting rules to define accounting treatments for transactions.

- Transaction task security

    o Security to create subledger journal entries (manual subledger journal entries or those generated by the Create Accounting process or Online Accounting).
    o Security to review and generate reports of subledger journal entries and lines.

Security to Perform Setup Tasks

Use the Define Subledger Accounting Rules task in the Setup and Maintenance work area to configure subledger accounting rules.

To configure subledger accounting rules, the setup user must be provisioned with a role that includes the Subledger Accounting Administration duty role.

- In the security reference implementation, the Financial Application Administrator job role hierarchy includes the Subledger Accounting Administration duty role. This role provides the access to configure your accounting rules.

- For more information about available setup job roles, duty roles and privileges, see the Oracle Financial Security Reference Manual.

Security to Perform Transactional Tasks

To create and view subledger journal entries, you must have the necessary access to perform the tasks in the relevant subledger work areas. Predefined subledger job roles include the entitlement to create and view subledger journal entries for subledger transactions you are authorized to access.

Disable Posting Subledger Transactions to General Ledger

Predefined subledger job roles are granted the privileges to create accounting and post to the general ledger.

Predefined subledger job roles such as:

- Accounts Payable Supervisor

- Accounts Receivable Manager

To implement the segregation between create accounting and post to the general ledger, use the Oracle Authorization Policy Manager to revoke the grant to post to the general ledger.

To disable posting for subledger users, remove the Journal Posting Program Duty inherited by any application roles granted to the users, such as:

- Subledger Accounting Duty
- Subledger Accounting Manager Duty

Related Topics

- Submitting the Create Accounting Process: Explained

- Creating a Manual Subledger Journal: Points to Consider

- How can I disable posting to the Oracle Fusion General Ledger for Oracle Fusion Subledger Accounting users?

- Subledger Accounting Options: Explained

4 Advanced Features

Subledger Accounting Profile Options

Set values for each profile option to specify how Oracle Fusion Subledger Accounting controls access to and processes data.

Profile Options

The following table describes the controls available for subledger accounting:

Profile Option	Profile Display Name	Profile Description
XLA_ DIAGNOSTIC_ MODE	Diagnostics Enabled	Control whether transaction data used in accounting generation should be gathered for diagnostics.
XLA_ DISABLE_ GLLEZL	Journal Import Disabled	Control whether subledger journal entries are imported to the general ledger.
XLA_ ENABLE_ TRANSFER_ TO_EBS_GL	Enable Transfer to Oracle EBS GL	Specify whether the target for transfer and post subledger journal entries is Oracle E-Business Suite General Ledger.
XLA_ ENABLE_ TRANSFER_ TO_PSFT_GL	Enable Transfer to Oracle PeopleSoft GL	Specify whether the target for transfer and post subledger journal entries is Oracle PeopleSoft General Ledger.
XLA_ OTE_ OLA_ POLLING_ INTERVAL	Online Accounting Request Polling Interval	Set the interval in seconds for online accounting engine to check for incoming accounting requests.
XLA_ OTE_OLA_PROCS	Number of Online Accounting Processes	Set the number of processes for online accounting.
XLA_ OTE_ OLA_ TIMEOUT_LIMIT	Online Accounting Processing Timeout Limit	Set the number of seconds online accounting engine attempts to process a transaction before timing out.
XLA_ SHOW_ ZERO_AMT_JRNL	Zero Amount Journal Lines Displayed	Show zero amount journal lines.

Related Topics

- Profile Options: Overview

Accrual Reversals: Explained

To use accrual reversal, assign application or standard date sources to the Accrual Reversal Accounting Date Source accounting attribute. When this accounting attribute returns a value, the Create Accounting process generates an entry that reverses the accrual entry.
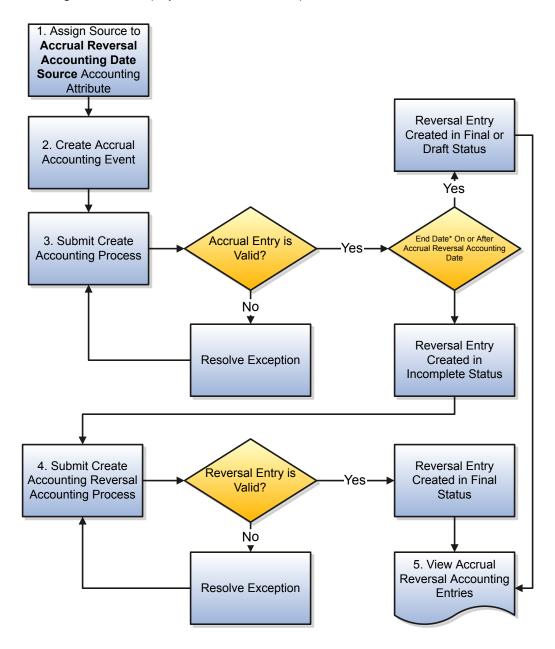
You can define how and when accrual reversals are automatically performed by:

- Indicating that an accounting event is eligible for accrual reversal.

- Determining when the accrual is reversed.

- Scheduling the Create Accrual Reversal Accounting process to generate the reversal entries of the accrual.

Accrual Reversal Process Steps

The diagram below displays the accrual reversal process:

📝 **Note:** * End Date: The date up to which the Create Accounting process selects accounting events for processing.

Accrual Reversal Process Steps

1. Assign a date source to the Accrual Reversal Accounting Date Source accounting attribute at the event class level.

Use this attribute to schedule the automatic reversal of a journal entry. Assign any standard date source or one of the following application sources to the Accrual Reversal Accounting Date Source accounting attribute:

   o Next Day: The accounting date of the accrual reversal is the next day following the accounting date of the accrual entry.
   o First Day of Next Accounting Period: The accounting date of the accrual reversal entry is the first day of the following accounting period.
   o Last Day of Next Accounting Period: The accounting date of the accrual reversal entry is the last day of the following accounting period.

   Note: You can override the Accrual Reversal Accounting Date Source accounting attribute values on the journal entry rule set if multiple sources have been assigned to the accounting attribute.

2. Create an accounting event in the subledger application.
3. Submit the Create Accounting process.

The Create Accounting process creates the accrual journal entry as well as the accrual reversal journal entry. The process creates the accrual reversal entry to negate the impact of the accrual entry. The Manage Subledger Accounting Options, Reversal Method option enables entries to appear as debit and credit signs reversed or to have negative amounts.

The status of the accrual reversal journal entry is based upon both the:

   o Accounting period status of the accrual reversal journal entry accounting date.

   o End Date specified in the Create Accounting process parameters.

Accounting Date	Open or Future Entry Accounting Period	Closed or Permanently Closed Accounting Period	Never Opened Accounting Period
Accounting date of the accrual reversal is on or before the end date specified.	Creates the journal entry with the accounting mode specified.	o Adjusts the accounting date to the next open or future accounting period. o Creates the journal entry with an adjusted accounting date if the adjusted accounting date is on or before the end date. o Creates the journal entry with an adjusted accounting date in an Incomplete status, if the adjusted accounting date is after the end date. o If no open or future accounting period is found, creates the journal entry with an Error status.	Creates the journal entry with an Error status.
Accounting date of the accrual reversal is after the end date specified.	Creates the journal entry with an Incomplete status.	o Adjusts the accounting date to the next open or future accounting period. o Creates the journal entry with an adjusted accounting date in an Incomplete status.	Creates the journal entry with an Incomplete status.

Accounting Date	Open or Future Entry Accounting Period	Closed or Permanently Closed Accounting Period	Never Opened Accounting Period
		o If no open accounting period is found, creates the journal entry with an Error status.	

4. Submit the Create Accrual Reversal Accounting process to complete accrual reversals in future accounting periods as the periods are opened.

5. View accrual reversal accounting entries.

Related Topics

- Accrual Reversal: Examples

- Submitting the Create Accrual Reversal Accounting Process: Explained

- Subledger Accounting Options: Explained

- Subledger Journal Entry: Overview

- Accounting Attribute Assignments: Points to Consider

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5 **FAQs**

How can I disable posting to the Oracle Fusion General Ledger for Oracle Fusion Subledger Accounting users?

Use the **Oracle Authorization Policy Manager** page to access and disable posting to the Oracle Fusion General Ledger for Oracle Fusion Subledger Accounting users. Open the **Subledger Accounting Duty**, **XLA_SUBLEDGER_ACCOUNTING_DUTY**. Select the Application Hierarchy tab and delete the **Journal Posting Program Duty** row.

Related Topics

- Disabling Posting Subledger Transactions to the General Ledger: Explained

Glossary

account rule

The rule that processing uses to derive complete accounts or segment values on a subledger journal entry. Conditions can be defined within the rule to derive a different account based on specific attributes of the transaction.

accounting attribute

Predefined fields that map to components of subledger journal entries. Sources are assigned to accounting attributes.

accounting class usage

Grouping of accounting classes used in subledger journal entry reporting or processing.

accounting event class

Categories that classify transaction types and group event types for accounting rules.

accounting event type

Represents a business operation that may have an accounting impact.

accounting method

A set of journal entry rules which determine how a subledger journal entry is created for each event class or event type.

action

The kind of access, such as view or edit, named in a security policy.

business object

A resource in an enterprise database, such as an invoice or purchase order.

chart of accounts

The account structure your organization uses to record transactions and maintain account balances.

constant

Holds the numeric value used to evaluate numeric conditions in Contract Expert rules. A constant permits you to reset the conditions of many rules with just one edit.

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data security

The control of access and action a user can take against which data.

description rule

The rule that defines description content that can appear on the subledger journal header and line.

duty role

A group of function and data privileges that represents one of the duties of a job.

entitlement

Grant of access to functions and data. Oracle Fusion Middleware term for privilege.

function security

The control of access to a page or a specific use of a page. Function security controls what a user can do.

job role

A role, such as an accounts payable manager or application implementation consultant, that usually identifies and aggregates the duties or responsibilities that make up the job.

journal entry

Point of entry of business transactions into the accounting system. Chronological record, with an explanation of each transaction, the accounts affected, and the amounts to increase or decrease each account.

journal line

An element of journal entries consisting of account combinations and credit or debit amounts. Optionally, contains statistical quantities, currency information for multicurrency journals, and additional information.

journal line rule

A rule that includes options to convert transactional data into a subledger journal line. Conditions can be defined within the rule so it's only used based on specific attributes of a transaction.

mapping set

Maps a combination of input source values to specific output values. The output value of a mapping set is used to derive accounts or segments in account rules.

offering

A comprehensive grouping of business functions, such as Sales or Product Management, that is delivered as a unit to support one or more business processes.

primary ledger

Main record-keeping ledger.

privilege

A grant of access to functions and data; a single, real world action on a single business object.

secondary ledger

An optional, additional ledger that is associated with the primary ledger for an accounting setup. Secondary ledgers can represent the primary ledger's data in another accounting representation. The Secondary ledger differs in chart of accounts, accounting calendar, currency, subledger accounting method and ledger processing options.

security reference implementation

Predefined function and data security that includes role based access control, and policies that protect functions, and data. The reference implementation supports identity management, access provisioning, and security enforcement across the tools, data transformations, access methods, and the information life cycle of an enterprise.

segment

A segment is a single field within a flexfield and maps to a single table column in your database. When customizing a flexfield, you define the appearance and meaning of individual segments.

source

Contextual and reference information from subledger applications used in conjunction with accounting rules to create subledger journal entries.

subledger

A low-level ledger that stores and manages the details that substantiate the monetary value stored in the general ledger. Oracle Fusion Receivables and Oracle Fusion Payables are examples of subledgers.

subledger accounting options

Defines how certain accounting processing should be done for transactions at the ledger and subledger application level.

subledger journal entry

A detailed journal entry generated for a transaction in a subledger application.

subledger journal entry line

An individual debit or credit line that is part of a subledger journal entry.

subledger journal entry rule set

A set of rules defining how to generate a complete journal entry for an accounting event.

supporting reference

Stores additional source information about a subledger journal entry line which can be used to establish a subledger balance for source values for an account.

transaction account definition

Used to determine the types of accounts derived for a transaction, as well as which account rules are used for the derivation.

transaction account type

Used to determine the types of accounts derived for a transaction, as well as which sources that can be used for the derivation.

transaction object

Standardized data model containing transaction information used by the Create Accounting process to create subledger journal entries from accounting events.

value set

A set of valid values against which values entered by an end user are validated. The set may be tree structured (hierarchical).

work area

A set of pages containing the tasks, searches, and other content you need to accomplish a business goal.