

# **Oracle® Assets**

User Guide

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# Send Us Your Comments

## **Oracle Assets User Guide, Release 12.1**

### **Part No. E13586-04**

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# Preface

## Intended Audience

Welcome to Release 12.1 of the *Oracle Assets User Guide*.

This guide assumes you have a working knowledge of the following:

- The principles and customary practices of your business area.
- Computer desktop application usage and terminology

If you have never used Oracle Applications, we suggest you attend one or more of the Oracle Applications training classes available through Oracle University.

See Related Information Sources on page xxv for more Oracle E-Business Suite product information.

## Deaf/Hard of Hearing Access to Oracle Support Services

To reach Oracle Support Services, use a telecommunications relay service (TRS) to call Oracle Support at 1.800.223.1711. An Oracle Support Services engineer will handle technical issues and provide customer support according to the Oracle service request process. Information about TRS is available at <http://www.fcc.gov/cgb/consumerfacts/trs.html>, and a list of phone numbers is available at <http://www.fcc.gov/cgb/dro/trsphonebk.html>.

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## Related Information Sources

This document is included on the Oracle Applications Document Library, which is supplied in the Release 12 DVD Pack. You can download soft-copy documentation as PDF files from the Oracle Technology Network at <http://otn.oracle.com/documentation>, or you can purchase hard-copy documentation from the Oracle Store at <http://oraclestore.oracle.com>. The Oracle E-Business Suite Documentation Library Release 12 contains the latest information, including any documents that have changed significantly between releases. If substantial changes to this book are necessary, a revised version will be made available on the online documentation CD on *My Oracle Support*.

If this guide refers you to other Oracle Applications documentation, use only the Release 12 versions of those guides.

For a full list of documentation resources for Oracle Applications Release 12, see Oracle Applications Documentation Resources, Release 12, *My Oracle Support* Document 394692.1.

### Online Documentation

All Oracle Applications documentation is available online (HTML or PDF).

- **PDF:** PDF documentation is available for download from the Oracle Technology Network at <http://otn.oracle.com/documentation>.
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available on *My Oracle Support*.

### **Related Guides**

You should have the following related books on hand. Depending on the requirements of your particular installation, you may also need additional manuals or guides.

#### **Oracle Application Framework Personalization Guide**

This guide covers the design-time and run-time aspects of personalizing applications built with Oracle Application Framework.

**Important:** Oracle Assets does not contain any end-user personalizable regions, and there are no special considerations that you need to be aware of when creating administrator-level personalizations of its regions or pages. For general information about how to create personalizations, refer to the Oracle Application Framework Personalization Guide.

#### **Oracle E-Business Suite Concepts**

This book is intended for all those planning to deploy Oracle E-Business Suite Release 12, or contemplating significant changes to a configuration. After describing the Oracle Applications architecture and technology stack, it focuses on strategic topics, giving a broad outline of the actions needed to achieve a particular goal, plus the installation and configuration choices that may be available.

#### **Oracle E-Business Suite Developer's Guide**

This guide contains the coding standards followed by the Oracle Applications development staff. It describes the Oracle Application Object Library components needed to implement the Oracle Applications user interface described in the *Oracle E-Business Suite User Interface Standards for Forms-Based Products*. It provides information to help you build your custom Oracle Forms Developer forms so that they integrate with Oracle Applications. In addition, this guide has information for customizations in features such as concurrent programs, flexfields, messages, and logging.

#### **Oracle E-Business Suite Diagnostics User's Guide**

This manual contains information on implementing, administering, and developing diagnostics tests in the Oracle E-Business Suite Diagnostics framework.

#### **Oracle E-Business Suite Integrated SOA Gateway User's Guide**

This guide describes the high level service enablement process, explaining how users can browse and view the integration interface definitions and services residing in Oracle Integration Repository.

#### **Oracle E-Business Suite Integrated SOA Gateway Implementation Guide**

This guide explains how integration repository administrators can manage and administer the service enablement process (based on the service-oriented architecture) for both native packaged public integration interfaces and composite services (BPEL

type). It also describes how to invoke Web services from Oracle E-Business Suite by employing the Oracle Workflow Business Event System; how to manage Web service security; and how to monitor SOAP messages.

### **Oracle E-Business Suite Integrated SOA Gateway Developer's Guide**

This guide describes how system integration developers can perform end-to-end service integration activities. These include orchestrating discrete Web services into meaningful end-to-end business processes using business process execution language (BPEL), and deploying BPEL processes at run time.

It also explains in detail how to invoke Web services using the Service Invocation Framework. This includes defining Web service invocation metadata, invoking Web services, managing errors, and testing the Web service invocation.

### **Oracle Workflow Client Installation Guide**

This guide describes how to install the Oracle Workflow Builder and Oracle XML Gateway Message Designer client components for Oracle E-Business Suite.

### **Oracle E-Business Suite Flexfields Guide**

This guide provides flexfields planning, setup, and reference information for the Oracle Applications implementation team, as well as for users responsible for the ongoing maintenance of Oracle Applications product data. This guide also provides information on creating custom reports on flexfields data.

### **Oracle E-Business Suite Installation Guide: Using Rapid Install**

This book is intended for use by anyone who is responsible for installing or upgrading Oracle Applications. It provides instructions for running Rapid Install either to carry out a fresh installation of Oracle Applications Release 12, or as part of an upgrade from Release 11i to Release 12. The book also describes the steps needed to install the technology stack components only, for the special situations where this is applicable.

### **Oracle Applications Multiple Organizations Implementation Guide:**

This guide describes the multiple organizations concepts in Oracle Applications. It describes in detail on setting up and working effectively with multiple organizations in Oracle Applications.

### **Oracle E-Business Suite Patching Procedures:**

This guide describes how to patch the Oracle Applications file system and database using AutoPatch, and how to use other patching-related tools like AD Merge Patch, OAM Patch Wizard, and OAM Registered Flagged Files. Describes patch types and structure, and outlines some of the most commonly used patching procedures. Part of Maintaining Oracle Applications, a 3-book set that also includes Oracle E-Business Suite Maintenance Utilities and Oracle E-Business Suite Maintenance Procedures.

### **Oracle E-Business Suite Maintenance Procedures:**

This guide describes how to use AD maintenance utilities to complete tasks such as compiling invalid objects, managing parallel processing jobs, and maintaining snapshot information. Part of Maintaining Oracle Applications, a 3-book set that also includes

Oracle E-Business Suite Patching Procedures and Oracle E-Business Suite Maintenance Utilities.

**Oracle E-Business Suite Maintenance Utilities:**

This guide describes how to run utilities, such as AD Administration and AD Controller, used to maintain the Oracle Applications file system and database. Outlines the actions performed by these utilities, such as monitoring parallel processes, generating Applications files, and maintaining Applications database entities. Part of Maintaining Oracle Applications, a 3-book set that also includes Oracle E-Business Suite Patching Procedures and Oracle E-Business Suite Maintenance Procedures.

**Oracle E-Business Suite System Administrator's Guide Documentation Set**

This documentation set provides planning and reference information for the Oracle Applications System Administrator. *Oracle E-Business Suite System Administrator's Guide - Configuration* contains information on system configuration steps, including defining concurrent programs and managers, enabling Oracle Applications Manager features, and setting up printers and online help. *Oracle E-Business Suite System Administrator's Guide - Maintenance* provides information for frequent tasks such as monitoring your system with Oracle Applications Manager, administering Oracle E-Business Suite Secure Enterprise Search, managing concurrent managers and reports, using diagnostic utilities including logging, managing profile options, and using alerts. *Oracle E-Business Suite System Administrator's Guide - Security* describes User Management, data security, function security, auditing, and security configurations.

**Oracle Applications Upgrade Guide: Release 11i to Release 12:**

This guide provides information for DBAs and Applications Specialists who are responsible for upgrading a Release 11i Oracle Applications system (techstack and products) to Release 12. In addition to information about applying the upgrade driver, it outlines pre-upgrade steps and post-upgrade steps, and provides descriptions of product-specific functional changes and suggestions for verifying the upgrade and reducing downtime.

**Oracle E-Business Suite User's Guide**

This guide explains how to navigate, enter data, query, and run reports using the user interface (UI) of Oracle Applications. This guide also includes information on setting user profiles, as well as running and reviewing concurrent requests.

**Oracle Financials and Oracle Procurement Functional Upgrade Guide: Release 11i to Release 12:**

This guides provides detailed information about the functional impacts of upgrading Oracle Financials and Oracle Procurement products from Release 11i to Release 12. This guide supplements the Oracle Applications Upgrade Guide: Release 11i to Release 12.

**Oracle Financials Concepts Guide:**

This guide describes the fundamental concepts of Oracle Financials. The guide is intended to introduce readers to the concepts used in the applications, and help them compare their real world business, organization, and processes to those used in the

applications.

**Oracle Financials Country-Specific Installation Supplement:**

This guide provides general country information, such as responsibilities and report security groups, as well as any post-install steps required by some countries.

**Oracle Financials Glossary:**

The glossary includes definitions of common terms that are shared by all Oracle Financials products. In some cases, there may be different definitions of the same term for different Financials products. If you are unsure of the meaning of a term you see in an Oracle Financials guide, please refer to the glossary for clarification. You can find the glossary in the online help or in the *Oracle Financials Implementation Guide*.

**Oracle Financials Implementation Guide:**

This guide provides information on how to implement the Oracle Financials E-Business Suite. It guides you through setting up your organizations, including legal entities, and their accounting, using the Accounting Setup Manager. It covers intercompany accounting and sequencing of accounting entries, and it provides examples.

**Oracle Financials RXi Reports Administration Tool User Guide:**

This guide describes how to use the RXi reports administration tool to design the content and layout of RXi reports. RXi reports let you order, edit, and present report information to better meet your company's reporting needs.

**Oracle General Ledger Implementation Guide:**

This guide provides information on how to implement Oracle General Ledger. Use this guide to understand the implementation steps required for application use, including how to set up Accounting Flexfields, Accounts, and Calendars.

**Oracle General Ledger Reference Guide**

This guide provides detailed information about setting up General Ledger Profile Options and Applications Desktop Integrator (ADI) Profile Options.

**Oracle General Ledger User's Guide:**

This guide provides information on how to use Oracle General Ledger. Use this guide to learn how to create and maintain ledgers, ledger currencies, budgets, and journal entries. This guide also includes information about running financial reports.

**Oracle iAssets User Guide**

This guide provides information on how to implement and use Oracle iAssets. Use this guide to understand the implementation steps required for application use, including setting up Oracle iAssets rules and related product setup steps. It explains how to define approval rules to facilitate the approval process. It also includes information on using the Oracle iAssets user interface to search for assets, create self-service transfer requests and view notifications.

**Oracle Payables Implementation Guide:**

This guide provides you with information on how to implement Oracle Payables. Use this guide to understand the implementation steps required for how to set up suppliers, payments, accounting, and tax.

#### **Oracle Payables Reference Guide:**

This guide provides you with detailed information about the Oracle Payables open interfaces, such as the Invoice open interface, which lets you import invoices. It also includes reference information on purchase order matching and purging purchasing information.

#### **Oracle Payables User Guide**

This guide describes how to use Oracle Payables to create invoices and make payments. In addition, it describes how to enter and manage suppliers, import invoices using the Payables open interface, manage purchase order and receipt matching, apply holds to invoices, and validate invoices. It contains information on managing expense reporting, procurement cards, and credit cards. This guide also explains the accounting for Payables transactions.

#### **Oracle Payments Implementation Guide:**

This guide describes how Oracle Payments, as the central payment engine for the Oracle E-Business Suite, processes transactions, such as invoice payments from Oracle Payables, bank account transfers from Oracle Cash Management, and settlements against credit cards and bank accounts from Oracle Receivables. This guide also describes how Oracle Payments is integrated with financial institutions and payment systems for receipt and payment processing, known as funds capture and funds disbursement, respectively. Additionally, the guide explains to the implementer how to plan the implementation of Oracle Payments, how to configure it, set it up, test transactions, and how use it with external payment systems.

#### **Oracle Receivables Implementation Guide:**

This guide provides you with information on how to implement Oracle Receivables. Use this guide to understand the implementation steps required for application use, including how to set up customers, transactions, receipts, accounting, tax, and collections. This guide also includes a comprehensive list of profile options that you can set to customize application behavior.

#### **Oracle Receivables Reference Guide:**

This guide provides you with detailed information about all public application programming interfaces (APIs) that you can use to extend Oracle Receivables functionality. This guide also describes the Oracle Receivables open interfaces, such as AutoLockbox which lets you create and apply receipts and AutoInvoice which you can use to import and validate transactions from other systems. Archiving and purging Receivables data is also discussed in this guide.

#### **Oracle Receivables User Guide:**

This guide provides you with information on how to use Oracle Receivables. Use this guide to learn how to create and maintain transactions and bills receivable, enter and

apply receipts, enter customer information, and manage revenue. This guide also includes information about accounting in Receivables. Use the Standard Navigation Paths appendix to find out how to access each Receivables window.

### **Oracle Subledger Accounting Implementation Guide:**

This guide provides setup information for Oracle Subledger Accounting features, including the Accounting Methods Builder. You can use the Accounting Methods Builder to create and modify the setup for subledger journal lines and application accounting definitions for Oracle subledger applications. This guide also discusses the reports available in Oracle Subledger Accounting and describes how to inquire on subledger journal entries.

### **Oracle Projects Documentation Set**

#### **Oracle Project Billing User Guide:**

This guide shows you how to use Oracle Project Billing to define revenue and invoicing rules for your projects, generate revenue, create invoices, and integrate with other Oracle Applications to process revenue and invoices, process client invoicing, and measure the profitability of your contract projects.

#### **Oracle Project Costing User Guide**

Use this guide to learn detailed information about Oracle Project Costing. Oracle Project Costing provides the tools for processing project expenditures, including calculating their cost to each project and determining the GL accounts to which the costs are posted.

#### **Oracle Project Management User Guide:**

This guide shows you how to use Oracle Project Management to manage projects through their lifecycles -- from planning, through execution, to completion.

#### **Oracle Project Portfolio Analysis User Guide:**

This guide contains the information you need to understand and use Oracle Project Portfolio Analysis. It includes information about project portfolios, planning cycles, and metrics for ranking and selecting projects for a project portfolio.

#### **Oracle Project Resource Management User Guide:**

This guide provides you with information on how to use Oracle Project Resource Management. It includes information about staffing, scheduling, and reporting on project resources.

### **Oracle Projects Fundamentals**

Oracle Project Fundamentals provides the common foundation shared across the Oracle Projects products (Project Costing, Project Billing, Project Resource Management, Project Management, and Project Portfolio Analysis). Use this guide to learn fundamental information about the Oracle Projects solution. This guide includes a Navigation Paths appendix. Use this appendix to find out how to access each window in the Oracle Projects solution.

### **Oracle Projects Glossary:**

This glossary provides definitions of terms that are shared by all Oracle Projects applications. If you are unsure of the meaning of a term you see in an Oracle Projects guide, please refer to the glossary for clarification. You can find the glossary in the online help for Oracle Projects, and in the Oracle Projects Fundamentals book.

### **Oracle Projects Implementation Guide:**

Use this manual as a guide for implementing Oracle Projects. This manual also includes appendixes covering security functions, menus and responsibilities, and profile options.

### **Oracle HRMS Documentation Set**

This set of guides explains how to define your employees, so you can give them operating unit and job assignments. It also explains how to set up an organization (operating unit). Even if you do not install Oracle HRMS, you can set up employees and organizations using Oracle HRMS windows. Specifically, the following manuals will help you set up employees and operating units:

- **Managing People Using Oracle HRMS**

Use this guide to find out about entering employees.

- **Using Oracle HRMS – The Fundamentals**

This user guide explains how to set up and use enterprise modeling, organization management, and cost analysis.

## **Integration Repository**

The Oracle Integration Repository is a compilation of information about the service endpoints exposed by the Oracle E-Business Suite of applications. It provides a complete catalog of Oracle E-Business Suite's business service interfaces. The tool lets users easily discover and deploy the appropriate business service interface for integration with any system, application, or business partner.

The Oracle Integration Repository is shipped as part of the E-Business Suite. As your instance is patched, the repository is automatically updated with content appropriate for the precise revisions of interfaces in your environment.

## **Do Not Use Database Tools to Modify Oracle E-Business Suite Data**

Oracle STRONGLY RECOMMENDS that you never use SQL\*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle E-Business Suite data unless otherwise instructed.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL\*Plus to modify Oracle E-Business Suite data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.



Because Oracle E-Business Suite tables are interrelated, any change you make using an Oracle E-Business Suite form can update many tables at once. But when you modify Oracle E-Business Suite data using anything other than Oracle E-Business Suite, you may change a row in one table without making corresponding changes in related tables. If your tables get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle E-Business Suite.

When you use Oracle E-Business Suite to modify your data, Oracle E-Business Suite automatically checks that your changes are valid. Oracle E-Business Suite also keeps track of who changes information. If you enter information into database tables using database tools, you may store invalid information. You also lose the ability to track who has changed your information because SQL\*Plus and other database tools do not keep a record of changes.



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## Overview of Oracle Assets

This chapter covers the following topics:

- Graphical User Interface

### Graphical User Interface

Oracle Assets has a highly responsive, multi-window graphical user interface (GUI) with full point-and-click capability. You can use your mouse or keyboard to operate graphical controls such as pull-down menus, buttons, poplists, check boxes, or tabbed regions.

You can read more about the basic characteristics of the user interface in the *Oracle Applications User's Guide*.

### Oracle Assets Workbenches

Oracle Assets workbenches let you find critical information in a flexible way, see the results in your defined format, and selectively take appropriate action. For example, in the Assets Workbench, you can find your assets based on asset detail, assignment, invoice, or lease information. Then, for that asset, you can review financial, assignment, and other detailed asset information, perform transfers, review the purchasing or other source information, or retire the asset. All the windows you need are accessible from just one form; you can query an asset then perform several transactions without having to find it again.

You can perform most of your transactions in Oracle Assets using just three windows: the Assets Workbench, Mass Additions Workbench, and Tax Workbench.

| Asset Number | Description            | Tag Number | Category                | Serial Number | Asset Key |
|--------------|------------------------|------------|-------------------------|---------------|-----------|
| 100051       | BMW 850I               | 854213     | VEHICLE-OWNED LUXURY    | BMW3384140    |           |
| 100071       | LAND                   |            | LAND-OCCUPIED           |               |           |
| 100072       | OFFICE BUILDING        |            | BUILDING-OFFICE         |               |           |
| 100073       | MANUFACTURING BUILDING |            | BUILDING-MANUFACTURING  |               |           |
| 100074       | MACK TRUCK             | 854210     | VEHICLE-OWNED HEAVY     | VIN88502T002  |           |
| 100075       | LEASED VEHICLE         | 853312     | VEHICLE-LEASED STANDARD | VIN811190001  |           |
| 100076       | PERSONAL COMPUTER      | 854369     | COMPUTER-PC             | PC7559202     |           |
| 100077       | DESK                   |            | COMPUTER-PC             |               |           |
| 100078       | MACHINE                | 854333     | MACHINE-FABRICATE       | XV16666601    |           |
| 100079       | STANDARD VEHICLE       | 854444     | VEHICLE-OWNED STANDARD  | VIN557890091  |           |
| 100080       | AIR CONDITION          |            | TENANT IMPROVEMENT-REMO | P0976655      |           |
| 100081       | DRILL PRESS            | 854226     | MACHINE-FABRICATE       | 63218978      |           |
| 100082       | SOFTWARE FINANCIAL APP |            | COMPUTER-SOFTWARE       |               |           |
| 100083       | CAPITAL PROJECT        |            | TENANT IMPROVEMENT-REMO |               |           |
| 100084       | CIP OFFICE BUILDING    |            | BUILDING-OFFICE         |               |           |
| 100091       | OAK DESK               |            | FURNITURE-DESKS         |               |           |

|             |                |                   |       |
|-------------|----------------|-------------------|-------|
| Additions   | QuickAdditions | Source Lines      | Books |
| Assignments | Retirements    | Financial Inquiry | Open  |

## Assets Workbench

Use the Assets Workbench windows to add new assets to the system, and to perform transactions, such as retirements, adjustments, source line adjustments, and transfers. You can also review asset detail, financial, and assignment information using this workbench.

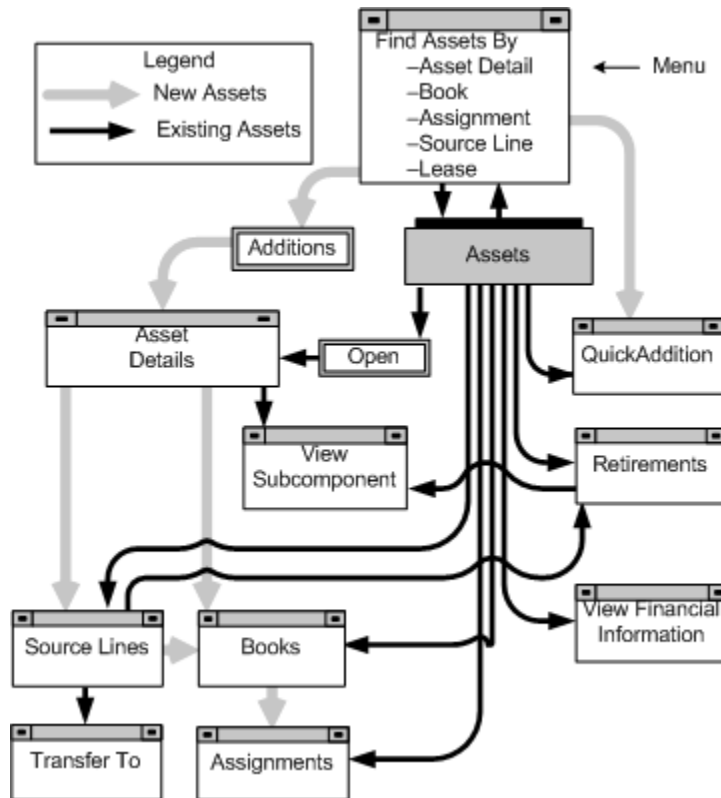
The Assets Workbench graphic is a graphical representation of the windows in the Assets Workbench and their relationship to each other. The following table describes these relationships:

### From the Assets Workbench window...

Find Assets

### You can navigate to the following windows...

QuickAdditions, View Financial Information, Retirements, Books, Source Lines, Assignments, Asset Details. Buttons include Additions and Open, which access Asset Details.



For example, to transfer an asset using the Assets Workbench:

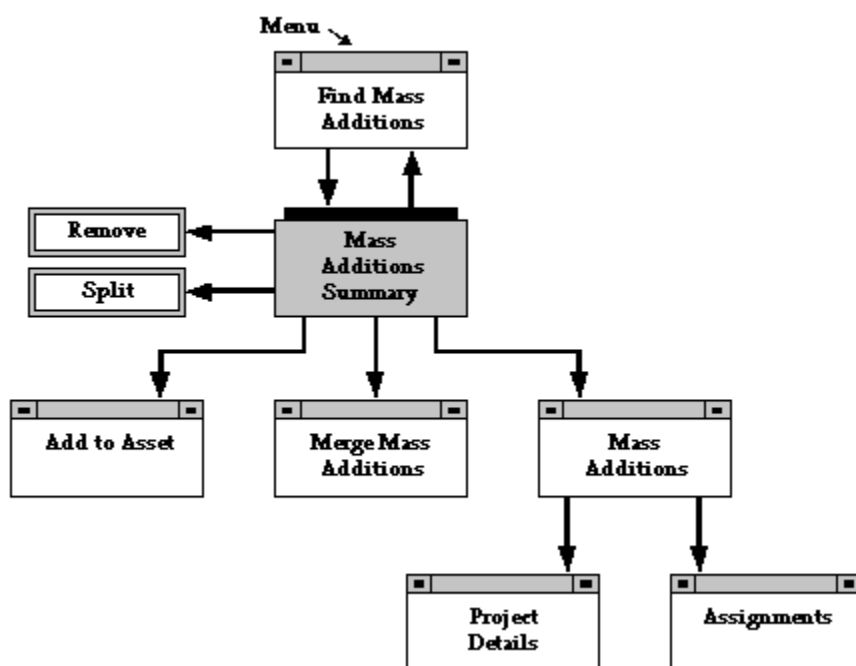
- Choose Assets:Assets Workbench from the Navigator window
- Find the asset you want to transfer using the Find Assets window
- Choose the asset in the Assets window
- Choose the Assignments button to open the Assignments window

## Mass Additions Workbench

Use the Mass Additions workbench windows to review, merge, split, and remove mass additions.

The Mass Additions Workbench graphic is a graphical representation of the windows in the Mass Additions Workbench and their relationship to each other. The following table describes these relationships:

| From the Mass Additions Workbench window... | You can navigate to the following windows...                                                             |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------|
| Find Mass Additions                         | Mass Additions Summary                                                                                   |
| Mass Additions Summary                      | Add to Assets, Merge Mass Additions, Mass Additions Buttons include Split, Add to Assets, Merge and Open |
| Mass Additions                              | Project Details, Assignments                                                                             |



## Tax Workbench

Use the Tax Workbench to assign investment tax credits and to perform reserve adjustments.

The Tax Workbench graphic is a graphical representation of the windows in the Tax Workbench and their relationship to each other. The following table describes these relationships:

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**From the Tax Workbench window...**

**You can navigate to the following windows...**

---

Find Assets

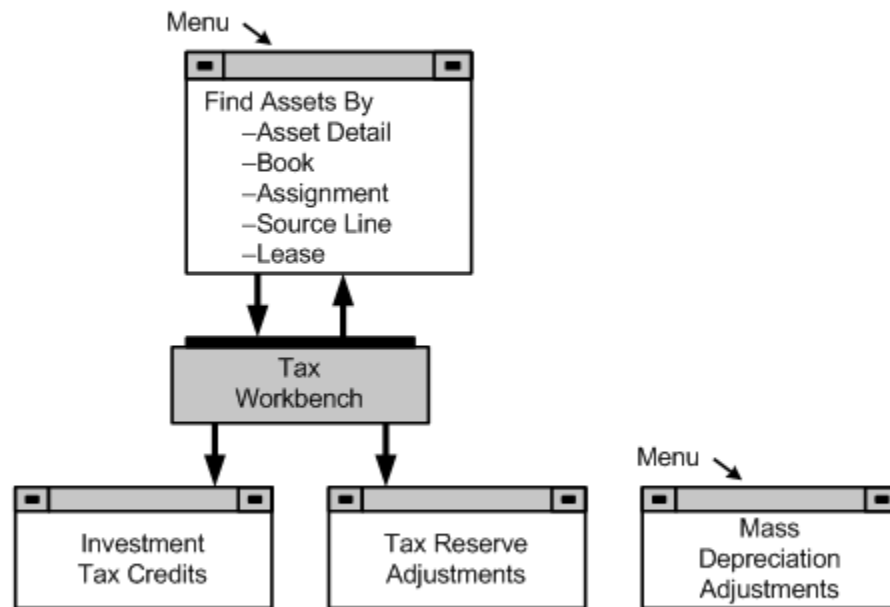
Assets

Assets

Investment Tax Credits, Tax Reserve  
Adjustments

Mass Depreciation Adjustments

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## Asset Setup

This chapter covers the following topics:

- Asset Setup Information
- Asset Setup Processes (Additions)
- Adding an Asset Accepting Defaults (QuickAdditions)
- Adding an Asset Specifying Details (Detail Additions)
- Correcting Current Period Addition Errors
- Overview of the Mass Additions Process
- Auto Prepare Mass Additions Lines
- Adding an Asset Automatically from an External Source (Mass Additions)
- About the Mass Additions Interface
- Creating Asset Additions Using Web ADI
- Future Transactions
- Adding Assets in Short Tax Years

### Asset Setup Information

This section includes everything you need to know about asset setup:

- Asset Descriptive Details
- Depreciation Rules (Books)
- Assignments
- Source Lines
- Construction-In-Process (CIP) Assets

## Asset Descriptive Details

This section describes selected fields on the Asset Details window.

### Asset Number

An asset number uniquely identifies each asset. When you add an asset, you can enter the asset number, or leave the field blank to use automatic asset numbering. If you enter an asset number, it must be unique and not in the range of numbers reserved for automatic asset numbering. You can enter any number that is less than the number in the Starting Asset Number field in the System Controls window, or you can enter any non-numeric value.

### Description

Use list of values to choose a standard description you defined in the QuickCodes window, or enter your own.

### Tag Number

If you enter a tag number, it must be unique. A tag number uniquely identifies each asset. For example, use the tag number to track asset barcodes, if you use them.

### Category

Oracle Assets defaults depreciation rules based on the category, book, and date placed in service. All assets in a category share the same asset cost accounts and depreciation accounts for each depreciation book.

### Category Descriptive Flexfield

Descriptive flexfields allow you to collect and store additional information about your assets. For each asset category, you can set up a descriptive flexfield to prompt you for additional information based on the asset category you enter. For example, you might want to track the license number for automobiles, but the square footage for buildings. When you specify a category for a new asset, you can enter your information in a descriptive flexfield.

### Asset Key

The asset key allows you to group assets or identify groups of assets quickly. It does not have financial impact; rather it can be used to track a group of assets in a different way than the asset category. For example, use an asset key to group assets by project.

### Asset Type

Valid asset types are:

- **Capitalized:** Assets included on the company balance sheet. Capitalized assets usually depreciate. Charged to an asset cost clearing account.
- **CIP (Construction-In-Process):** Unfinished assets being built, not yet in use and not yet depreciating. Once you capitalize a CIP asset, Oracle Assets begins depreciating it. Charged to a construction-in-process clearing account.
- **Expensed:** Items that do NOT depreciate; the entire cost is charged in a single period to an expense account. Oracle Assets tracks expensed items, but does not create journal entries for them. Oracle Assets does not depreciate expensed assets, even if the Depreciate check box in the Books and Mass Additions Prepare windows is checked for that asset.
- **Group:** A group asset is a collection of member assets. You can add member assets to a group asset, transfer assets out, or between groups assets. Group asset cost is the sum of all the associated member assets costs. A group may contain many individual assets that were placed into service in different years, but share one depreciation account maintained for the group. Group asset depreciation, known as group depreciation, is computed and stored at the group level.

## Units

The number of units represents the number of components included as part of an asset. Use units to group together identical assets. For example, you might add an asset that is composed of ten separate but identical chairs. If you are adding an asset, accept the default value of one, or enter a different number of units.

## Parent Asset

You can separately track and manage detachable asset components, while still automatically grouping them to their parent asset. For example, a monitor can be tracked as a subcomponent of its parent asset, a computer. You can specify a rule in the Asset Categories window by which Oracle Assets defaults the life for a subcomponent asset based on the category and the parent asset life.

Enter the parent asset to which your asset belongs if you are adding a subcomponent asset. The parent asset must be in the same corporate book. If you are adding a leasehold improvement, enter the asset number of the leased asset. To properly default the subcomponent life, add the parent asset before the subcomponent.

You must set up the depreciation method for the subcomponent asset life before you can use the method for that life. If your subcomponent asset uses a depreciation method of type Calculated, Oracle Assets sets up the depreciation method for you. If the depreciation method is not Calculated and if it is not already set up for the subcomponent life rule default, Oracle Assets uses the asset category default life.

Oracle Assets does not automatically perform the same transaction on a subcomponent asset when you perform it on the parent asset. Use the Parent Asset Transactions Report

to review the transactions that you have performed on parent assets during a period.

### Warranty Number

You can set up and track manufacturer and supplier warranties online. Each warranty has a unique warranty number. Use the list of values or enter a previously defined warranty number to assign the asset to the coinciding warranty.

### Lease Number

You can enter lease information only for an asset assigned to an asset category in which the Ownership field is set to Leased. You must define the lessor as a valid supplier in the Suppliers window, and define leases in the Lease Details window, before you can attach a lease to an asset you are adding in the Asset Details window.

If you are entering a leasehold improvement and you completed the Parent Asset field in the Asset Details window, Oracle Assets displays the related lease information from the parent asset. You cannot provide separate lease information for the leasehold improvement.

### Ownership

You can track **Owned** and **Leased** assets. Choosing the value Leased from the Ownership list does not automatically allow you to enter lease information. You can enter lease information only if you assign the asset to a leased asset category.

If the lease has a Transfer of Ownership option, you can change the value of the Ownership field from Leased to Owned, even when the lease is attached to an asset. Changing the ownership of the lease does not affect the lease or any other financial attributes of the asset.

### In Use

The In Use check box is for your reference only. It indicates whether the asset is in use. For example, a computer in storage still depreciates because it becomes obsolete over time whether or not it is in use. Use this check box to track that it is not in use.

### In Physical Inventory

When you check the In Physical Inventory check box, it indicates that this asset will be included when you run the Physical Inventory comparison. When you set up categories, you define whether assets in a particular category should be included in physical inventory. You can use the In Physical Inventory check box in the Asset Details window to override the default.

### Related Topics

Depreciation Rules (Books), page 2-5

Assignments, page 2-11

Source Lines, page 2-13

Oracle Assets System Setup, page 9-2

Asset Setup Processes (Additions), page 2-16

Adding an Asset Specifying Details (Detail Additions), page 2-20

Adding an Asset Accepting Defaults (QuickAdditions), page 2-18

Adding an Asset Automatically from an External Source (Mass Additions), page 2-44

Changing Asset Details, page 3-1

Entering Suppliers, *Oracle Payables User Guide*

Entering Leases, page 9-201

## Depreciation Rules (Books)

This section describes selected fields on the Books window.

### Book

An asset can belong to any number of depreciation books, but must belong to only one corporate depreciation book. You must assign a new asset to a corporate depreciation book before you can assign it to any tax books. You can only assign the asset to a book for which you defined the asset category. Oracle Assets defaults financial information from the asset category, book, and date placed in service.

Each book can have independent accounts, an independent calendar, and independent depreciation rules. You can specify for which ledger a depreciation book creates journal entries.

The asset can also have different financial information in each book. For example, you can make the asset cost in your tax book different from the cost in your financial reporting book. The depreciation books are independent, so you can run depreciation for each book on a different schedule.

You can change financial and depreciation information for an asset in a book. You can choose whether to amortize or expense the adjustment. See: Amortized and Expensed Adjustments, page 6-12.

You can add an asset to a tax book using the Books window. To copy a group of assets to a tax book, use Mass Copy. See: Tax Book Maintenance, page 7-1.

### Current Cost

The current cost can be positive, zero, or negative. Oracle Assets defaults a cost of zero for construction-in-process (CIP) assets and you cannot change it. Oracle Assets automatically updates the cost to the sum of the invoice line costs after you add invoice lines to a CIP asset using the Mass Additions process. You can also change the cost of a CIP asset manually by entering non-invoiced items or transferring invoice lines

between assets in the Source Lines window.

If this is a capitalized leased asset, and you previously calculated the cost to capitalize for the lease in the Lease Payments window and you have not override the result of the capitalization test, Oracle Assets automatically enters the Cost to Capitalize amount in the Current Cost field, and you can change it.

### **Original Cost**

Oracle Assets displays the original cost of the asset and updates it if you make a cost adjustment in the period you added the asset. After the first period, Oracle Assets does not update the original cost.

### **Salvage Value**

The salvage value cannot exceed the asset cost.

You can specify a salvage value as a percentage of an asset's acquisition cost or as an amount. The percentage salvage value will be defaulted from the category default rules if you have defaulted the salvage value percentage at the category level in the Asset Categories window. The salvage value is calculated by multiplying the acquisition cost by the default salvage value percentage. Then you can define a default percentage salvage value at the category level in the Asset Categories window. Oracle Assets calculates the salvage value by multiplying the acquisition cost by the default salvage value percentage for the category, book, and date placed in service. If you specify the salvage value as an amount, you simply enter the amount.

You can also select Sum of Member Assets if you are using the Group Depreciation feature. For more information, see: *Create Group Assets Using Detail Additions*, page 11-4.

You can perform salvage value adjustments if necessary. You also can override the default salvage value when adding an asset during the Detail Additions process.

### **Recoverable Cost**

The recoverable cost is the portion of the current cost that can be depreciated. It is the current cost less the salvage value less the Investment Tax Credit basis reduction amount. If you specify a depreciation cost ceiling, and if the recoverable cost is greater than that ceiling, Oracle Assets uses the cost ceiling instead.

### **Accumulated Depreciation**

You normally enter zero accumulated depreciation for new capitalized assets. If you are adding an asset that you have already depreciated, you can enter the accumulated depreciation as of the last depreciation run date for this book, or let Oracle Assets calculate it for you. If you enter a value other than zero, Oracle Assets uses that amount as the accumulated depreciation as of the last depreciation run date. If you have bonus reserve, the amount should be added to the accumulated depreciation and is no longer tracked as bonus reserve.

If you enter too little accumulated depreciation, Oracle Assets adjusts depreciation to the correct amount for the current fiscal year. If you enter too much accumulated depreciation, the asset becomes fully reserved before the end of its life.

If you enter zero accumulated depreciation, Oracle Assets calculates the accumulated depreciation and the bonus reserve, if any, based on the date placed in service. You can have a different accumulated depreciation for each depreciation book.

Enter the amount of depreciation taken in the current fiscal year, if any, for the year-to-date depreciation. If the asset is placed in service in the current fiscal year, the accumulated depreciation amount and the year-to-date depreciation amount must be the same.

For Oracle Assets to recognize an asset as fully reserved when you add it, enter an accumulated depreciation amount equal to the recoverable cost.

You cannot change the accumulated depreciation after the period in which you added the asset. You can, however, change the depreciation taken for prior fiscal years in your tax books using the Tax Reserve Adjustments window.

You cannot enter year-to-date or life-to-date depreciation when you add a units of production asset. Instead, enter the asset with zero accumulated depreciation, and enter the total life-to-date production as production for the current period to catch up depreciation.

### **Limit Amount**

Limit the annual depreciation expense that Oracle Assets calculates for an asset. You can enter a depreciation limit based on an amount or a percentage of the asset cost.

### **Ceiling**

Limit the recoverable cost used to calculate annual depreciation expense. You can enter a ceiling only for assets in tax depreciation books. You can enter a depreciation ceiling only for assets in books that allow depreciation ceilings. You enable depreciation ceilings for a book in the Book Controls window.

### **Investment Tax Credit**

The Investment Tax Credit (ITC) check box displays whether you claimed an ITC on an asset. You cannot claim an Investment Tax Credit on an asset unless it is using a life-based depreciation method. Allow ITC for a tax book in the Book Controls window and the category in the Asset Categories window. Assign ITC to an asset in a tax book in the Investment Tax Credits window.

**Note:** This field appears only when you are setting up a tax book.

### Net Book Value

The net book value is defined as:

Net Book Value = Current Cost - Total Reserve (Accumulated Depreciation + Bonus Reserve)

### Revaluation Reserve

If you are adding an asset, enter the revaluation reserve, if any. You cannot update the revaluation reserve after the period you added the asset. After that, Oracle Assets updates the revaluation reserve when you perform revaluations.

Revaluation Reserve = Existing Revaluation Reserve + Change in Net Book Value due to current revaluation

**Note:** You can only enter revaluation amounts if you allow revaluation in the Book Controls window.

### Revaluation Ceiling

If you try to revalue the asset cost above the ceiling, Oracle Assets uses the revaluation ceiling instead.

**Note:** You can only enter revaluation amounts if you allow revaluation in the Book Controls window.

### Method

The depreciation method you choose determines the way in which Oracle Assets spreads the cost of the asset over the time it is in use. You specify default depreciation rules for a category and book in the Asset Categories window. You can use predefined Calculated, Table, Units of Production, Flat-Rate, or Formula type methods, or define your own in the Methods window.

Depending on the type of depreciation method you enter in the Books window, Oracle Assets provides additional fields so you can enter related depreciation information. For example, if you enter a Calculated or Table depreciation method, you must also enter a life for the asset. In contrast, for a units of production depreciation method, you must enter a unit of measure and capacity. The table below illustrates information related to the depreciation types:

| Method Type         | Related Fields           |
|---------------------|--------------------------|
| Calculated or Table | Life in Years and Months |



| Method Type         | Related Fields                         |
|---------------------|----------------------------------------|
| Calculated or Table | Bonus Rule                             |
| Flat-Rate           | Basic Rate                             |
| Flat-Rate           | Adjusted Rate                          |
| Flat-Rate           | Bonus Rule                             |
| Units of Production | Unit of Measure                        |
| Units of Production | Capacity                               |
| Units of Production | Year-to-Date Production - display only |
| Units of Production | Life-to-Date Production - display only |
| Formula-Based       | Life in Years and Months               |
| Formula-Based       | Bonus Rule                             |

Calculated and table methods must be set up with the same number of prorate periods per year as the prorate calendar for the book. The depreciation method must already be defined for the life you enter.

You cannot choose a units of production depreciation method in a tax book if the asset does not use a units of production method in the associated corporate book.

## Date in Service

If the current date is in the current open period, the default date placed in service is the calendar date you enter the asset. If the calendar date is before the current open period, the default date is the first day of the open period. If the calendar date is after the current open period, the default date is the last day of the open period. Accept this date, or enter a different date placed in service in the current accounting period or any prior period. You cannot enter a date placed in service before the oldest date placed in service you specified in the System Controls window.

You can change the date placed in service at any time. If you change the date placed in service after depreciation has been processed for an asset, Oracle Assets treats it as a financial adjustment, and the accumulated depreciation is recalculated accordingly.

The asset category, book, and date placed in service determine which default depreciation rules Oracle Assets uses. If the asset category you entered is set up for

more than one date placed in service range for this book, the date placed in service determines which rules to use.

If you enter a date placed in service in a prior period and zero accumulated depreciation, Oracle Assets automatically calculates catchup depreciation when you run depreciation, and expenses the catchup depreciation in the current period.

The date placed in service for CIP assets is for your reference only. Oracle Assets automatically updates this field to the date you specify when you capitalize the asset using the Capitalize CIP Assets window.

### **Prorate Convention and Prorate Date**

Oracle Assets uses the prorate convention to determine how much depreciation to take in the first and last years of asset life.

Oracle Assets determines the prorate date from the date placed in service and the prorate convention. It uses this date to determine how much depreciation to take during the first and last years of asset life.

### **Amortization Start Date**

When you choose to amortize an adjustment, Oracle Assets uses the Amortization Start Date to determine the amount of catchup depreciation to take in the current open period. The remaining depreciation is spread over the remaining life of the asset.

The amortization start date defaults according to the rules described for the Date Placed in Service. You can change the default date to another date in the current period or a previous period.

When adding assets with depreciation reserve, you can choose to amortize the net book value over the remaining life of the asset. Oracle Assets uses the Amortization Start Date to spread the remaining recoverable cost over the remaining useful life of the asset. This can only be performed in the period of addition.

### **Related Topics**

Entering Financial Information, page 2-22

Defining Depreciation Books, page 9-60

Defining Additional Depreciation Methods, page 9-65

Setting Up Asset Categories, page 9-186

Adding an Asset Specifying Detail (Detail Additions), page 2-20

Adding an Asset Accepting Defaults (QuickAdditions), page 2-18

Adding an Asset Automatically from an External Source (Mass Additions), page 2-44

Adjusting Accounting Information, page 3-7

Amortized and Expensed Adjustments, page 6-12

Updating a Tax Book with Assets and Transactions, page 7-23

Assigning Tax Credits, page 7-29

Adjusting Tax Book Accumulated Depreciation, page 7-58

Depreciation Calculation, page 5-21

## Assignments

**Note:** The system does not allow assigning reserve to an asset that was placed in service in the current period.

Assign assets to employees, general ledger depreciation expense accounts, and locations. You can share your assets among several assignment lines. You can automatically assign distributions to an asset by choosing a predefined Distribution Set.

You can transfer an asset between employees, expense accounts, and locations. Changing the expense account has a financial impact, since Oracle Assets creates journal entries for depreciation expense to the general ledger using the account. Changing the location or employee information, however, has no financial impact because Oracle Assets uses them solely for property tax and responsibility reporting.

When you run a transaction report or create journal entries for a tax book, Oracle Assets uses the current assignment information from the associated corporate book.

The following are some of the fields that appear on the Assignments window:

### Transfer Date

You can enter a date in the current or a prior accounting period. You cannot back-date transfers before the start of your current fiscal year, or before the date of the last transaction you performed on the asset. You also cannot enter a date that is after the last day of the current accounting period.

When you back-date a transfer, the depreciation program automatically adjusts the accumulated depreciation and year-to-date depreciation amounts for the affected general ledger accounts.

### Distribution Set

You can use the Distribution Set poplist to choose a predefined distribution set for an asset. A distribution set allows you to automatically assign a predefined set of one or more distributions to an asset. When you choose a distribution set, Oracle Assets automatically enters the distributions for you.

### Show Merged Distributions (Mass Additions only)

The Show Merged Distributions check box appears in the Assignments window for a mass addition line only. You can only view the distribution for a merged parent or a

merged child one at a time, unless you check the Show Merged Distributions check box.

### **Total Units**

Oracle Assets displays the total of the number of units for the asset.

### **Units to Assign**

Oracle Assets displays the number of units you must assign. For a two-sided transfer, the Units to Assign starts at zero. For one-sided transfers (additions, partial unit retirements, and unit adjustments) the Units to Assign starts at the number of units added, retired, or adjusted. The Units to Assign value automatically updates to reflect the assignment you enter or update. It must be equal to zero before you can save your work.

### **Unit Change**

The Units field displays the number of units assigned to that assignment. You can transfer units between existing assignment lines or to a new assignment line. You can enter whole or fractional units. The number of units that you enter tells the depreciation program what fraction of depreciation expense to charge to that account.

You can transfer units out of only one assignment line in a single transaction, but you can transfer units into as many lines as you want. To transfer units out of a assignment, enter a negative number. To transfer units into a assignment, on a new line, enter a positive number.

### **Employee**

Assign assets to the owner or person responsible for that asset. You must enter a valid, current employee number and name that you created in the Enter Person window.

### **Expense Account**

Assign assets to depreciation expense accounts.

Oracle Assets charges depreciation expense to the asset using the expense account and runs Responsibility Reports using the cost center information.

### **Location**

Enter the physical location of the asset. Oracle Assets uses location information for Property Tax reports.

### **Related Topics**

[Adding an Asset Specifying Detail \(Detail Additions\), page 2-20](#)

[Adding an Asset Accepting Defaults \(QuickAdditions\), page 2-18](#)

[Adding an Asset Automatically from an External Source \(Mass Additions\), page 2-44](#)

Transferring Assets between Depreciation Expense Accounts, page 3-14

Moving Assets Between Employees and Locations, page 3-14

Defining Locations, page 9-49

Defining Distribution Sets, page 9-193

Defining Depreciation Books, page 9-60

Entering a New Person, *Oracle HRMS Documentation Set*

## Source Lines

You can track information about where assets came from, including sources such as invoice lines from your accounts payable system and capital assets from Oracle Projects.

Each source line that came from another system through Mass Additions may include the following information:

- Cost
- Invoice Number
- Line
- Description
- Supplier
- Purchase Order Number
- Source Batch
- Project Number
- Task Number

You change invoice information for a line using the Source Lines window only if you manually added the source line. For example, you can manually add a line, adjust the cost of an existing line, or delete a line for a CIP asset. You also can transfer lines between assets.

You cannot change invoice information if the line came from another system through Mass Additions.

If the source of the line is Oracle Projects, choose the Project Details button to view detail project information for the line in the Asset Line Details window.

## Related Topics

Adding an Asset Accepting Defaults (QuickAdditions), page 2-18

Adding an Asset Specifying Detail (Detail Additions), page 2-20

Adding an Asset Automatically from an External Source (Mass Additions), page 2-44

Changing Invoice Information for an Asset, page 3-19

## **Construction-in-Process (CIP) Assets**

A construction-in-process (CIP) asset is an asset you construct over a period of time. You create and maintain your CIP assets as you spend money for raw materials and labor to construct them. Since a CIP asset is not yet in use, it does not depreciate. When you finish building the CIP asset, you can place it in service and begin depreciating it.

You can track CIP assets in Oracle Assets, or you can track detailed information about your CIP assets in Oracle Projects. If you use Oracle Projects to track CIP assets, you do not need to track them in Oracle Assets.

See: Create Mass Additions from Capital Assets in Oracle Projects, page 2-41.

### **Use the Asset Key to Track CIP Projects**

The asset key is a set of key identifying information, such as project name and project number, that you define for each CIP asset. Use the asset key to group and track your CIP assets with common key words so you can find them easily for inquiry or transactions.

### **Acquire and Build CIP Assets**

Create CIP assets using Mass Additions or manual additions.

Oracle Assets identifies invoices with distributions to CIP clearing accounts in Oracle Payables, and creates mass additions from them. You can create new CIP assets from your mass additions, or add them to existing assets. You can also add non-invoiced expenses, such as labor cost, to your CIP assets. You can perform transfers or adjustments on your CIP assets if necessary.

### **Automatically Adding CIP Assets to Tax Books**

You can set up Oracle Assets to automatically copy CIP assets to a tax book when a CIP asset is added to the corporate book.

#### **To enable CIP assets to be automatically added to a tax book:**

1. Navigate to the Book Controls window.
2. Query the tax book to which you want CIP assets copied.
3. Choose Accounting Rules from the poplist in the Book Controls window.
4. In the Tax Rules region, check the Allow CIP Assets check box.

5. Save your work.

### Conditions When CIP Assets are Copied to Tax Books

After you set up Oracle Assets to automatically add CIP assets to your tax book, all CIP assets you add to your corporate book will automatically be added to your tax book at the same time. When you capitalize these CIP assets in your corporate book, the same assets will automatically be capitalized in your tax book, even if the corporate and tax books are in different accounting periods.

**Important:** If your corporate and tax books' accounting periods are not in the same fiscal year, and you add and capitalize a CIP asset in the corporate book, the same CIP asset may be added and capitalized in a different fiscal year in the tax book.

If you checked Allow CIP Assets and later you uncheck it, you may have CIP assets that were automatically added to the tax book while Allow CIP Assets was checked. Although Allow CIP Assets is no longer checked, those CIP assets in the tax book will be automatically capitalized when the same assets are capitalized in the corporate book.

### Performing Transactions on CIP Assets

Although CIP assets can now appear in your tax books, you cannot perform any transactions directly to CIP assets in tax books. You can only perform transactions on CIP assets in your corporate book, and these transactions will automatically be replicated to the tax book.

**Note:** You cannot view CIP assets in tax books from the Asset Workbench. You can view this information in the View Financial Information window.

### Place Finished Assets in Service

You capitalize CIP assets when you are ready to place them in service. You can capitalize or reverse capitalize a single asset or a group of assets.

When you capitalize an asset, Oracle Assets changes the asset type from CIP to Capitalized, changes the date placed in service to the date you enter, sets the cost to the sum of all source lines for the asset, and re-defaults the depreciation rules from the asset category. Oracle Assets creates an Addition transaction for an asset you added in a prior period or changes the CIP Addition transaction to an Addition for an asset you added in the current period.

When you reverse a capitalization, Oracle Assets changes the asset type from Capitalized back to CIP and leaves the date placed in service unchanged. It changes the Addition transaction to an Addition/Void for an asset you added in a prior period or changes the Addition transaction to a CIP Addition for an asset you added in the

current period. It also creates a CIP Reverse transaction for assets you capitalized in a prior period.

## Related Topics

Adding an Asset Automatically from an External Source (Mass Additions), page 2-44

Overview of the Mass Additions Process, page 2-28

CIP Reports, page 10-24

Entering Suppliers, *Oracle Payables User Guide*

Viewing Assets, page 12-1

Assignments, page 2-11

Source Lines, page 2-13

Parent Asset Report, page 10-32

Parent Asset Transactions Report, page 10-81

Adding an Asset Accepting Defaults (QuickAdditions), page 2-18

Adding an Asset Specifying Details (Detail Additions), page 2-20

Transferring Assets, page 3-14

Retiring Assets, page 4-4

Placing CIP Assets in Service (Capitalizing a CIP Asset), page 3-28

## Asset Setup Processes (Additions)

You can use one of the following processes to enter new assets:

### QuickAdditions

Use the QuickAdditions process to quickly enter ordinary assets when you must enter them manually. You can enter minimal information in the QuickAdditions window, and the remaining asset information defaults from the asset category, book, and the date placed in service.

### Detail Additions

Use the Detail Additions process to manually add complex assets which the QuickAdditions process does not handle:

- Assets that have a salvage value
- Assets with more than one assignment



- Assets with more than one source line
- Assets to which the category default depreciation rules do not apply
- Subcomponent assets
- Leased assets and leasehold improvements

## **Mass Additions**

Use the Mass Additions process to add assets automatically from an external source. Create assets from one or more invoice distribution lines in Oracle Payables, CIP asset lines in Oracle Projects, asset information from another assets system, or information from any other feeder system using the interface. You must prepare the mass additions to become assets before you post them to Oracle Assets.

## **Related Topics**

Adding an Asset Accepting Defaults (QuickAdditions), page 2-18

Adding an Asset Specifying Detail (Detail Additions), page 2-20

Adding an Asset Automatically from an External Source (Mass Additions), page 2-44

Overview of the Mass Additions Process, page 2-28

Additions Reports, page 10-69

Mass Additions Reports, page 10-73

## Adding an Asset Accepting Defaults (QuickAdditions)

**QuickAdditions**

Asset Number: 812  
Tag Number:   
Serial Number:   
Asset Type: Capitalized  
Supplier Name:   
Invoice Number:   
Description: OFFICE FURNITURE  
Category: FURNITURE-DESKS  
Asset Key:   
Units: 1  
Supplier Number:   
PO Number:   
**Book**  
Book: OPS CORP  
Group Asset:   
Method: STL  
Life Years: 10  
Months: 0  
Cost: 200  
Date in Service: 01 JUN 2006  
☒ Depreciate  
Prorate Convention: MID-MONTH  
Prorate Date: 01 JUN 2006  
**Assignment**

| Units | Employee Name | Number | Expense Account      | Location                  |
|-------|---------------|--------|----------------------|---------------------------|
| 1     |               |        | 01-000-2225-0000-000 | USA-CA-SAN FRANCISCO-NONE |
|       |               |        |                      |                           |
|       |               |        |                      |                           |
|       |               |        |                      |                           |

Done Cancel

### To add an asset quickly accepting default information:

1. Choose Assets > Asset Workbench from the Navigator window.
2. Choose QuickAdditions from the Find Assets window.
3. Enter a Description of the asset.
4. Enter the asset Category.
5. Select the Asset Type of the asset. For a description of the assets types, see: Asset Descriptive Details, page 2-2.
6. Assign your asset to a corporate depreciation Book.
7. Enter the current Cost.
8. Optionally update the Date Placed In Service.
9. If you are entering a member asset, enter the number of the associated group asset in the Group Asset field. See: Assigning Member Assets to a Group Asset, page 11-15.
10. Update the depreciation method and prorate convention, if necessary. The

depreciation method and prorate convention are defaulted from the category default rules. However, you can update them here.

11. Assign the asset to an Employee Name (optional), a general ledger depreciation Expense Account, and a Location.

12. Save your work.

**Note:** When you create a new member asset and add it to a group asset as a prior period addition, Oracle Assets automatically submits the Process Group Adjustments concurrent program to calculate the prior period depreciation expense for the group asset. You must acknowledge the message containing the request number of the program submission.

## Related Topics

Asset Descriptive Details, page 2-2

Source Lines, page 2-13

Depreciation Rules (Books), page 2-5

Assignments, page 2-11

Setting Up Asset Categories, page 9-186

Defining Distribution Sets, page 9-193

Asset Setup Processes (Additions), page 2-16

Correcting Current Period Addition Errors, page 2-27

Create Group Assets Using QuickAdditions, page 11-11

## Adding an Asset Specifying Details (Detail Additions)

The screenshot shows the 'Asset Details' window with the following fields and values:

| Field                                                     | Value              |
|-----------------------------------------------------------|--------------------|
| Asset Number                                              | 100330             |
| Tag Number                                                |                    |
| Serial Number                                             |                    |
| Asset Type                                                | Capitalized        |
| Parent Asset                                              |                    |
| Manufacturer                                              |                    |
| Warranty Number                                           |                    |
| Lease Number                                              |                    |
| Lessor                                                    |                    |
| <input checked="" type="checkbox"/> In Use                |                    |
| <input checked="" type="checkbox"/> In Physical Inventory |                    |
| Property Type                                             | Personal           |
| Property Class                                            | 1245               |
| Description                                               | PERSONAL COMPUTERS |
| Category                                                  | COMPUTER-PC        |
| Asset Key                                                 |                    |
| Units                                                     | 3                  |
| Description                                               |                    |
| Model                                                     |                    |
| Description                                               |                    |
| Ownership                                                 | Owned              |
| Bought                                                    | New                |

Buttons at the bottom: View Subcomponents, Done, Cancel.

Use the Detail Additions process to manually add complex assets that the QuickAdditions process does not handle.

Override default depreciation rules if necessary.

### To add an asset specifying detail information:

1. Choose Assets > Asset Workbench from the Navigator window.
2. Choose Additions.
3. In the Asset Details window, enter a Description of the asset.
4. Enter the asset Category.
5. Select the Asset Type of the asset. For a description of the assets types, see: Asset Descriptive Details, page 2-2.
6. Enter the number of Units.
7. If you are adding a subcomponent asset, enter the Parent Asset number. If you are adding a leasehold improvement, enter the leased asset number.
8. Optionally enter the Manufacturer and Model of your asset.

9. Enter the Warranty Number if you want to assign a pre-defined warranty to an asset.
10. Use the list of values to choose a lease number if you are adding a leased asset in a leased asset category.
11. Choose whether to include the asset in physical inventory comparisons. By default, the In Physical Inventory check box is set according to the asset category you specified, but you can override that value here.
12. Enter additional information, such as Property Type and Class, and whether the asset is **Owned** or **Leased** and **New** or **Used**.
13. Optionally choose Source Lines to enter purchasing information such as the Supplier Name and Purchase Order Number for the asset.
14. Choose Continue to continue adding your asset. See: Entering Financial Information (Detail Additions Continued)., page 2-22

**Note:** The Detail Additions process requires you to provide descriptive, financial, and assignment information in the Asset Details, Books, and Assignments windows.

## Related Topics

Asset Descriptive Details, page 2-2

Source Lines, page 2-13

Asset Setup Processes (Additions), page 2-16

Correcting Current Period Addition Errors, page 2-27

## Entering Financial Information (Detail Additions Continued)

The screenshot shows the 'Books' window in Oracle Assets. It is divided into several sections:

- Asset Information:** Asset Number (empty), Book (ADB CORP), Reference Number (empty), and Comments (empty).
- Financial Information:** Current Cost (500), Original Cost (500), Salvage Value Type (Amount), Salvage Value (0), Recoverable Cost (500), Net Book Value (500), YTD Depreciation (0), Accumulated Depreciation (0), Salvage Value Percent (%), Revaluation Ceiling (empty), and Revaluation Reserve (empty).
- Depreciation:** Group Asset (selected), Short Fiscal Year (empty).
- Method:** Method (STL), Life Years (10), Months (0), Bonus Rule (empty), and Depreciation Limit (Type, Limit Amount, Percent).
- Depreciation Options:** ☒ Depreciate, Date in Service (30-NOV-1998), Prorate Convention (MID-MONTH), Prorate Date (16-NOV-1998), Amortization Start Date (empty), ☐ Amortize NBV over Remaining Life, and Ceiling (empty).

Buttons at the bottom: Continue, Cancel.

To continue adding your asset using the Detail Additions process, you must enter financial information in the Books window.

You can also use this window to add an asset to a tax book.

**Note:** You can use Mass Copy to copy groups of assets to a tax book.  
See: Tax Book Maintenance, page 7-1.

### Prerequisites

- Enter descriptive information for a new asset in the Asset Details window. See: Adding an Asset Specifying Details (Detail Additions), page 2-20
- Optionally enter the purchasing information for the new asset in the Source Lines window.

## Continue Adding your Asset

To enter financial information for a new asset:

1. Assign your asset to a corporate depreciation Book.
2. Enter the current Cost.

**Note:** If this is a leased asset, and you previously calculated the cost to capitalize for the lease in the Lease Payments window and you have not overridden the result of the capitalization test, Oracle Assets automatically enters the Cost to Capitalize amount in the Current Cost field, and you can change it. If this is a group asset, you cannot update the Cost field. Group asset cost is derived from the sum of all member asset costs.

### 3. Enter the Salvage Value.

If you wish to enter a salvage value, select either Percent, Amount, or Sum of Member Assets in the Salvage Value Type field.

If you selected the Percent value type, enter the percentage in the Salvage Value Percent field. This is the percentage of the asset cost to use as the salvage value. When you subsequently adjust the cost of this asset, the salvage value amount is changed proportionally.

If you selected the Amount value type, enter the salvage amount in the Salvage Value Amount field. This is the salvage amount of the asset. When you perform a partial retirement by cost, the salvage value is reduced proportionately.

Select Sum of Member Assets only if you are using the Group Depreciation feature. For more information, see: Create Group Assets Using Detail Additions, page 11-4.

**Note:** If you plan to use mass copy, you must use the same salvage value type for both the corporate and tax books.

To continue adding your asset using the Detail Additions process, you must do one of the following:

- Choose Continue to continue adding your asset. See: Assigning an Asset (Detail Additions Continued), page 2-26
- Optionally, enter or override depreciation information using the tabs in the Books window. Instructions for adding this information are included in the following tasks.

#### To optionally enter or override the depreciation information for a new asset:

1. Indicate whether you want to Depreciate the asset.
2. If you are adding a group asset, indicate whether the group asset should be disabled.

**Note:** The Disable check box is displayed only if you are adding a

group asset.

3. Specify the date placed in service of the asset.
4. If necessary, override the Depreciation Method and associated depreciation information defaulted from the category. See: Changing Financial and Depreciation Information., page 3-7
5. Optionally specify the Bonus Rule.
6. Override the prorate convention defaulted from the category if necessary.
7. Check the Amortize NBV Over Remaining Life check box to amortize an adjustment in the period in which the asset is entered. This check box is available only in the period in which the asset was entered.

**Note:** Once you save the asset, you cannot change the asset type. If you want to capitalize a CIP asset, use the Capitalize CIP asset window.

8. Optionally select the depreciation limit Type of your asset. Choices include Amount and Percent. Sum of Member Assets is only available for group assets.
9. Enter the Limit Amount if you selected a depreciation limit Type of Amount.
10. Enter the Percent if you selected a depreciation limit Type of Percent.
11. Enter the Ceiling if you want to limit the recoverable cost used to calculate annual depreciation expense. You can enter a ceiling only for assets in tax depreciation books.

**Note:** You cannot enter a ceiling if the asset is a group asset or a member asset.

**If the asset is a member of a group asset, enter advanced depreciation rules information:**

1. Select the Group Asset tab.
2. Enter the group asset number in the Group Asset field. The description defaults automatically when you enter the group asset number.
3. Optionally enter the percentage to use as the reduction rate.

See: Set Up Group Assets in Book Controls, page 11-3 and Create Group Assets Using



Detail Additions, page 11-4 for more information on setting up group assets.

**Optionally, enter short fiscal year information:**

1. Select the Short Fiscal Year tab.
2. Check the Short Fiscal Year check box if this asset is a short fiscal year asset.
3. Enter the Conversion Date of the asset.
4. Enter the Original Depreciation Start Date of the asset. This is the depreciation start date of the asset prior to conversion.

**To enter asset assignment information for a new asset:**

1. Choose Continue to continue adding your asset. See: Assigning an Asset (Detail Additions Continued), page 2-26

**Note:** The Detail Additions process requires you to provide descriptive, financial, and assignment information in the Asset Details, Books, and Assignments windows.

## **Add an Individual Asset to Your Tax Book**

**To add an asset to a tax book:**

1. Choose Assets:Asset Workbench from the Navigator window.
2. Find the asset you want to add to a tax book.
3. Choose the Books button.
4. Enter the tax Book to which you want to assign the asset and tab to the Current Cost field.

Oracle Assets automatically copies the date placed in service from the corporate book; however, if the date placed in service in the corporate book falls in a future period in the tax book, Oracle Assets defaults the date placed in service for the asset in the tax book to the last day of the current tax period.

5. You can change the financial information defaulted from the corporate book, such as cost, date placed in service, depreciation method, life, rate, prorate convention, ceiling, and bonus rule.
6. Save your work.

## Related Topics

Depreciation Rules (Books), page 2-5

Changing Financial and Depreciation Information, page 3-7

## Assigning an Asset (Detail Additions Continued)

| Unit Change | Units | Employee Name    | Number | Expense Account      | Location                  |
|-------------|-------|------------------|--------|----------------------|---------------------------|
| 1           | 1     | Black, Mr. Chris | 25     | 01.000.6210.2270.000 | USA-NY-NEW YORK-NONE      |
| 2           | 2     | Adams, Mr. Brian | 43     | 01.000.6210.2260.000 | USA-CA-SAN FRANCISCO-NONE |
|             |       |                  |        |                      |                           |
|             |       |                  |        |                      |                           |
|             |       |                  |        |                      |                           |
|             |       |                  |        |                      |                           |
|             |       |                  |        |                      |                           |
|             |       |                  |        |                      |                           |
|             |       |                  |        |                      |                           |
|             |       |                  |        |                      |                           |

To continue adding your asset using the Detail Additions process, you must assign your new asset to an employee, depreciation expense account, and location in the Assignments window. You can manually enter the distribution(s), or choose a predefined distribution set to automatically assign the appropriate distribution(s) to the asset.

### Prerequisites

- Enter descriptive information for a new asset in the Asset Details window. See: Adding an Asset Specifying Details (Detail Additions)., page 2-20
- Optionally enter purchasing information for the new asset in the Source Lines window.
- Enter financial information in the Books window. See: Entering Financial Information (Detail Additions Continued)., page 2-22

## Continue Adding your Asset

To assign your asset to an employee, depreciation expense account, and location:

**Note:** Choose a predefined distribution set from the Distribution Set poplist to automatically assign the appropriate distribution(s) to your new asset.

1. Optionally enter the Employee Name or Number of the person responsible for the asset.
2. Enter the default Expense Account to which you want to charge depreciation.

Oracle Assets defaults the natural account segment from the category and the book.

3. Enter the physical Location of the asset.
4. Choose Done to save your work.

**Note:** When you create a new member asset and add it to a group asset as a prior period addition, Oracle Assets automatically submits the Process Group Adjustments concurrent program to calculate the prior period depreciation expense for the group asset. You must acknowledge the message containing the request number of the program submission.

## Related Topics

Assignments, page 2-11

Asset Setup Processes (Additions), page 2-16

Transferring Assets, page 3-14

Defining Distribution Sets, page 9-193

## Correcting Current Period Addition Errors

If you incorrectly added an asset, you can delete it from the system. You can only delete assets added in the current period.

**Note:** Do not add assets with reserve for current period addition. In Period of Addition, you cannot do YTD and Accumulated Depreciation adjustments.

### To delete an asset you added in the current period:

1. Choose Assets > Asset Workbench from the Navigator window.
2. Find the asset you want to delete.

**Note:** For best performance, query by asset number or tag number since they are unique values.

3. Choose Open.
4. From the menu, select Edit, Delete Record.
5. Save your change to delete the asset from the system.

### To change descriptive, financial, or assignment information for an asset you added in the current period:

- Correct any information for an asset added in the current period in any of the following windows: Asset Details, Source Lines, Books, and Assignments.

### Related Topics

Changing Asset Details, page 3-1

Adjusting Accounting Information, page 3-7

Moving Assets Between Employees and Locations, page 3-14

## Overview of the Mass Additions Process

The mass additions process lets you add new assets or cost adjustments from other systems to your system automatically without reentering the data. For example, you can add new assets from invoice lines brought over to Oracle Assets from Oracle Payables, or from CIP asset lines sent from Oracle Projects. The steps in the mass additions process are described below:

## Steps in the Mass Addition Process

1. **Create** - Enter invoices in Oracle Payables, or source information in any other feeder system. Run Create Mass Additions for Oracle Assets in Oracle Payables, the Interface Assets process in Oracle Projects, or use the interface to convert data from other systems.
2. **Review** - Review mass additions to become assets. Add mass addition lines to existing assets. Split, merge, or adjust mass additions.
3. **Post** - Post your mass additions to Oracle Assets.
4. **Clean up** - Delete unnecessary and posted mass additions. Purge deleted mass addition lines from Oracle Assets.

## Mass Addition Queues

Each mass addition belongs to a queue that describes its status, and the queue name changes according to the transactions you perform on the mass addition. You can define your own mass additions hold queues in the QuickCodes window. The following table describes each Oracle Assets mass addition queue name:

| Queue Name                          | Definition                                                                                     | Set by                                                                             |
|-------------------------------------|------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| NEW                                 | New mass addition line created but not yet reviewed                                            | Set by Oracle Assets after line is brought over from an external source            |
| ON HOLD, or user-defined hold queue | Mass addition line updated or put on hold by you, or a new single unit line created by a SPLIT | Set by you. Also set by Oracle Assets after any update to a NEW mass addition line |
| SPLIT                               | Mass addition line already split into multiple lines                                           | Set by Oracle Assets when splitting a multi-unit mass addition line                |
| MERGED                              | Mass addition line already merged into another line                                            | Set by Oracle Assets when merging a line into another line                         |
| COST ADJUSTMENT                     | Mass addition line to be added to an existing asset; ready for posting                         | Set by Oracle Assets after you have put line in the POST queue                     |

| Queue Name | Definition                                     | Set by                                      |
|------------|------------------------------------------------|---------------------------------------------|
| POST       | Mass addition line ready to become an asset    | Set by you                                  |
| POSTED     | Mass addition line already posted              | Set by Post Mass Additions to Oracle Assets |
| DELETE     | Mass addition line to be deleted               | Set by you                                  |
| CAPITALIZE | CIP asset you want to capitalize in the future | Set by you                                  |

## Related Topics

Create Mass Additions from Invoice Distributions in Oracle Payables, page 2-36

Create Mass Additions from Capital Assets in Oracle Projects, page 2-41

Create Mass Additions for Oracle Assets Program (from Oracle Payables), *Oracle Payables User Guide*

Mass Additions Open Interface, page 2-56

Review Mass Additions, page 2-30

Post Mass Additions to Oracle Assets, page 2-34

Clean Up Mass Additions, page 2-35

Entering QuickCodes, page 9-50

## Review Mass Additions

Review newly created mass addition lines before posting them to Oracle Assets. Enter additional mass addition source, descriptive, and depreciation information in the Mass Additions window. Assign the mass addition to one or more distributions, or change existing distributions, in the Assignments window. If the mass addition is not an asset, or if it was created in error, you can delete it.

Once you have verified that the mass addition is ready to become an asset, change the queue to POST. The next time you Post Mass Additions to Oracle Assets this mass addition becomes an asset. The Mass Additions post program defaults depreciation rules from the asset category, book, and date placed in service. You can override the depreciation rules in the Books window if necessary.

## Add to Existing Asset

You can add a mass addition line to an existing asset as a cost adjustment. These mass additions lines can include future assets that have not yet been capitalized. Choose whether to change the category and description of the existing asset to those of the mass addition. Oracle Assets reclassifies the destination asset to the category and updates its description to that of the mass addition when you Post Mass Additions to Oracle Assets. Also choose whether to amortize or expense the cost adjustment.

When you change the queue name to POST for a mass addition line you are adding to an existing asset, Oracle Assets automatically changes the queue name to COST ADJUSTMENT. This makes it easy to differentiate between adding a new asset or adjusting an existing asset.

## Merge Mass Additions

You can merge separate mass addition lines into a single mass addition line with a single cost. The mass addition line becomes a single asset when you Post Mass Additions to Oracle Assets.

For example, merge tax lines into the main invoice line distribution to maintain proper asset descriptions; merge a discount line with its appropriate mass addition line; or combine individual mass additions from different invoices into a single line and amount.

You can only merge mass additions in the NEW, ON HOLD, or user-defined hold queues. Choose whether to sum the number of units.

As an audit trail after the merge, the original cost of the invoice line distribution remains on the line. The cost of the parent line will not be altered as a result of the merge and will remain the same. You can view the merged lines and the total merged cost in the Merge submenu. When you post the merged line, the asset cost is the total merged cost.

If you undo a merge, the mass addition lines appear as they did before the merge.

**Important:** You cannot merge split mass addition lines. For example, if you split a mass addition line with 5 units into five separate mass additions, you cannot merge two of the new lines together. You can, however, post one of the lines to create a new asset, and then add the second mass addition line to the existing asset as a cost adjustment.

## Example

For example, you are asked to merge the mass additions line for invoice #220 into the line for invoice #100. Prior to the merge, both have a queue name of NEW. Details for the two lines are as follows:

- Invoice #100, Line 1, \$5000, 2 units, Queue = NEW, Description = Personal

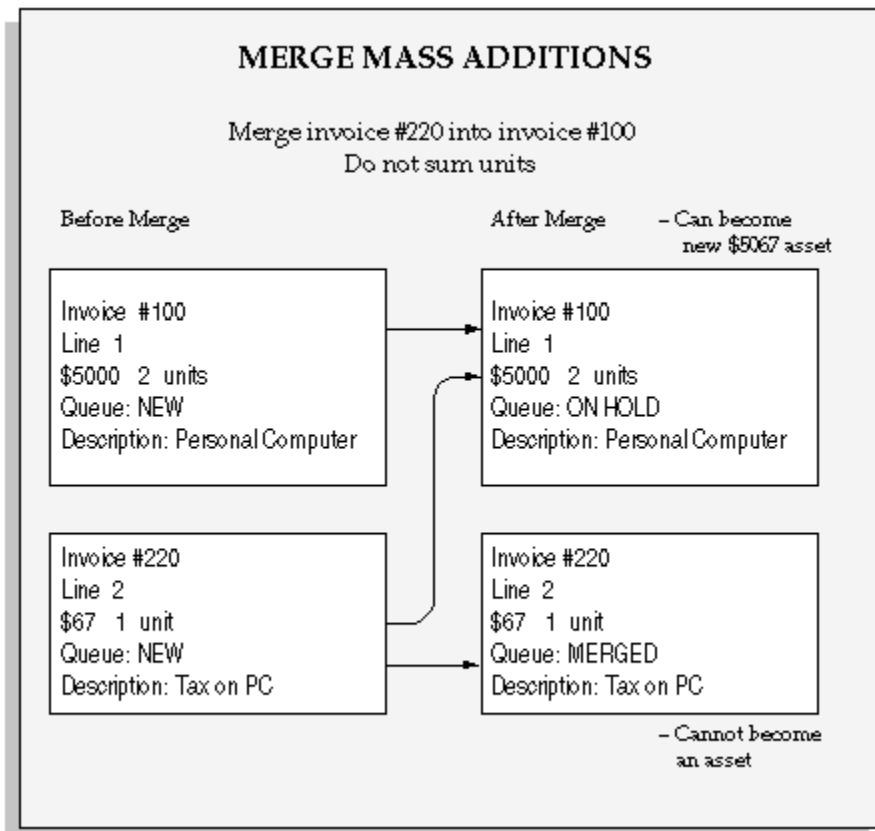
## Computer

- Invoice #220, Line 2, \$67, 1 unit, Queue = NEW, Description = Tax on PC

After the merge, the line for invoice #100 has a queue name of ON HOLD and can become an asset. The line for invoice #220 has a queue name of MERGED and cannot become an asset. Details for the two lines are as follows:

- Invoice #100, Line 1, \$5000, 2 units, Queue = ON HOLD, Description = Personal Computer
- Invoice #220, Line 2, \$67, 1 unit, Queue = MERGED, Description = Tax on PC

The following graphic illustrates the example:



## Split Mass Additions

You can split a mass addition line with multiple units into several single unit lines. You can split a previously merged mass addition line.

If you split a mass addition, the original line is put in the SPLIT queue as an audit trail of the split. The resulting split mass additions appear with one unit each, and with the same existing information from the source system. Each split child is now in the ON



HOLD queue. You can review each line to become a separate asset.

If you undo a split, Oracle Assets places the original multiple unit mass addition line in the ON HOLD queue and deletes the single unit lines.

### Example

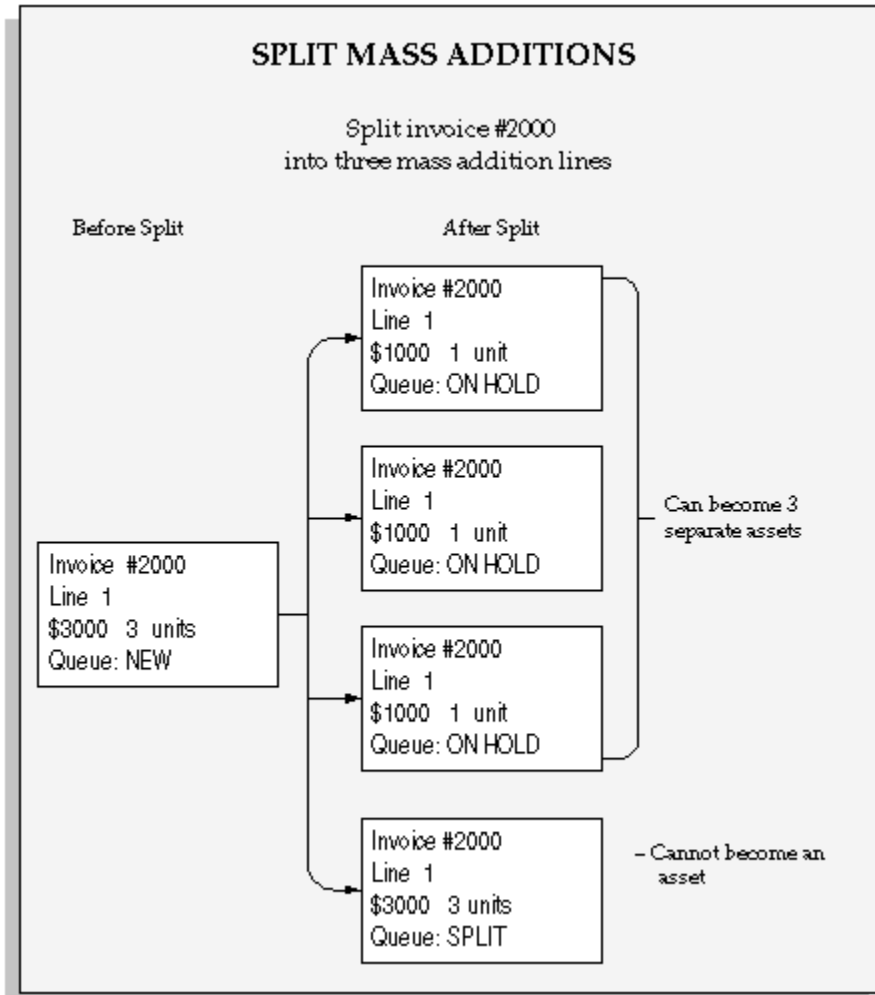
For example, you are asked to split a single mass addition line into three new lines. Prior to the split, the mass addition line has a queue name of NEW. Details for the line are as follows:

- Invoice #2000, Line 1, \$3000, 3 units, Queue = NEW

After the split, you have four mass additions lines. The original line now has a queue name of SPLIT and cannot be made into an asset. The three new lines have a queue name of ON HOLD and can become an asset. Details for the mass addition lines are now as follows:

- Invoice #2000, Line 1, \$3000, 3 units, Queue = SPLIT
- Invoice #2000, Line 1, \$1000, 1 unit, Queue = ON HOLD
- Invoice #2000, Line 1, \$1000, 1 unit, Queue = ON HOLD
- Invoice #2000, Line 1, \$1000, 1 unit, Queue = ON HOLD

The following graphic illustrates the example:



## Related Topics

Mass Addition Queues, page 2-29

Reviewing Mass Addition Lines, page 2-45

## Post Mass Additions to Oracle Assets

Use the Post Mass Additions to Oracle Assets program to create assets from mass addition lines in the POST queue using the data you entered in the Mass Additions window. It also adds mass additions in the COST ADJUSTMENT queue to existing assets. You can run this program as often as you want during a period.

If you post many mass additions, you can set up Oracle Assets to run more than one process in parallel. For information on the FA: Number Mass Addition Parallel Requests profile option, see: Profile Options and Profile Options Categories Overview, page B-1. The following table describes the effect of posting on each Oracle Assets

mass addition queue name.

| Queue Name Before Post             | Effect of Post Mass Additions                              | Queue Name After Post |
|------------------------------------|------------------------------------------------------------|-----------------------|
| POST                               | Creates new asset from mass addition line                  | POSTED                |
| COST ADJUSTMENT                    | Adds mass addition line to existing asset                  | POSTED                |
| MERGED                             | Mass Addition line already merged                          | POSTED                |
| SPLIT                              | Mass Addition line already split; post does not affect     | SPLIT                 |
| NEW                                | New mass addition line; post does not affect               | NEW                   |
| ON HOLD or user-defined queue name | Mass addition line on hold; post does not affect           | ON HOLD               |
| DELETE                             | Mass Addition line awaiting deletion; post does not affect | DELETE                |

## Related Topics

Mass Addition Queues, page 2-29

Reviewing Mass Addition Lines, page 2-45

Posting Mass Addition Lines to Oracle Assets, page 2-53

## Clean Up Mass Additions

### Delete unwanted mass addition lines

The Delete Mass Additions program removes mass addition lines in the following queues:

- Mass additions in the SPLIT queue for which you have already posted the child mass addition lines created by the split
- Mass additions in the POSTED queue that have already become assets

- Mass additions in the DELETE queue. Note that Oracle Assets does not create a journal entry to clear the clearing account, since the line does not become an asset

Oracle Assets maintains an audit trail by moving lines in the DELETE queue to the interim table FA\_DELETED\_MASS\_ADDITIONS. After you run Delete Mass Additions, these lines no longer appear in the Mass Additions window.

### **Removing The Audit Trail For Deleted Mass Additions**

The Purge Mass Additions from Oracle Assets program removes mass additions from the interim table FA\_DELETED\_MASS\_ADDITIONS. The items in the interim table are the audit trail from the mass addition lines you marked DELETE and removed using Delete Mass Additions. When you purge the interim table, you lose your audit trail. For security, the Purge Mass Additions from Oracle Assets program can only be accessed through the Fixed Assets Administrator standard responsibility.

### **Related Topics**

Reviewing Mass Addition Lines, page 2-45

Posting Mass Additions to Oracle Assets, page 2-53

Deleting Mass Additions from Oracle Assets, page 2-54

About the Mass Additions Interface, page 2-56

### **Create Mass Additions from Invoice Distributions in Payables**

Mass Additions lets you add assets and cost adjustments directly into Oracle Assets from invoice information in Payables. The Create Mass Additions for Oracle Assets process sends valid invoice line distributions and associated discounts from Payables to an interface table in Oracle Assets. Then you review them in Oracle Assets and determine whether to create assets from the lines.

### **Register your Accounts**

#### **Account Type Must Be Asset**

You must register the clearing accounts you want to use as Asset accounts in the Segment Values window. The create mass additions process selects Payables invoice line distributions charged to clearing accounts with the type of Asset.

#### **Define Valid Clearing Accounts in Oracle Assets**

For each asset category in Oracle Assets for which you want to import invoice line distributions from Payables, define valid asset clearing and construction-in-process clearing accounts. These accounts must be of type Asset. The create mass additions process only imports lines charged to accounts that are already set up in your asset categories.

## Using Multiple Ledgers

Payables must be tied to the same ledger as the corporate book for which you want to create mass additions in Oracle Assets. If you use the multiple organization feature and have multiple corporate books in Oracle Assets, ensure that you create mass additions for the correct Oracle Assets corporate book. You cannot create mass additions for tax books.

## Define Items with Asset Categories

You can define a default asset category for an item in Purchasing or Inventory. Then when you purchase and pay for one of these items using Purchasing and Payables, the mass additions process defaults this asset category. This is the only time Oracle Assets defaults an asset category for a new mass addition line.

If you want mass addition lines for an item to appear in Oracle Assets with an asset category, you must:

- Define a default asset category for an item in the Item window in Purchasing or Inventory
- Create a purchase order for that item
- Receive the item in either Purchasing or Inventory
- Enter an invoice in Payables and match it to the outstanding purchase order
- Approve the invoice
- Post the invoice to General Ledger

After you run create mass additions, the mass addition line appears with the asset category you specified for the item.

## Enter Invoices in Payables

When you enter a new invoice in Payables, if you want the invoice line to be imported to Oracle Assets, you must charge the distribution to a clearing account that is already assigned to an asset category. The line amount can be either positive or negative.

## Invoice Description Field

Any additional information you enter in the Description field in the Invoices Summary window in Payables appears in the Description field in the Mass Additions window in Oracle Assets.

Discount line distributions brought over to Oracle Assets automatically have a description of DISCOUNT.

## Units

If you enter a purchase order in Purchasing with multiple units and match it completely to an invoice in Payables, the Create Mass Additions process uses the number of units specified by the original purchase order for the mass addition line. Mass addition lines created from invoices entered directly into Payables without matching to a purchase order default to one unit. You can update the number of units in the Mass Additions window.

After you approve and post the invoice in Payables, run the Create Mass Additions for Oracle Assets process to send valid invoice line distributions to Oracle Assets.

## Handle Returns

You can easily process and track returns using mass additions. For example, you receive an invoice, post it, and create an asset using mass additions. You then discover that the asset is defective and you must return it.

First you reverse the invoice in Payables, charging the credit invoice line distribution to the same asset clearing account. Then you run mass additions to bring over the credit line. Add this line to the existing asset to bring the asset cost to zero. Now you can retire the asset. The asset does not affect your balance sheet, but its audit trail remains intact.

## Conditions For Asset Invoice Line Distributions To Be Imported

For the mass additions create process to import an invoice line distribution to Oracle Assets, these specific conditions must be met:

- The line is charged to an account set up as an Asset account
- The account is set up for an existing asset category as either the asset clearing account or the CIP clearing account
- The Track As Asset check box is checked. (It is automatically checked if the account is an Asset account)
- The invoice is approved
- The invoice line distribution is posted to Oracle General Ledger from Payables
- The general ledger date on the invoice line distribution is on or before the date you specify for the create program
- If you use the multiple organization feature, your Payables operating unit must be tied to the same ledger as the corporate book for which you want to create mass additions.

## Conditions For Expensed Invoice Line Distributions To Be Imported

You can create expensed items from expensed invoice line distributions in Oracle Payables. Oracle Assets does not depreciate or create journal entries for expensed items. You cannot change an expensed item to a capitalized or CIP asset.

The create mass additions process imports an expensed line only if:

- The invoice line distribution is charged to an Expense account
- Track as Asset is checked
- The invoice is approved
- The invoice line distribution is posted to Oracle General Ledger from Payables
- The general ledger date on the invoice line distribution is on or before the date you specify for the create program
- Your installation of Payables must be tied to the same ledger as the corporate book for which you want to create mass additions

## Running the Create Mass Additions For Oracle Assets Program in Payables

You can run Create Mass Additions for Oracle Assets as many times as you like during a period. Each time it sends potential asset invoice line distributions and any associated discount lines to Oracle Assets. Payables ensures that it does not bring over the same line twice.

Use the Post Accounting programs in Oracle Subledger Accounting to determine the line types that should be interfaced to Oracle Assets by the Mass Additions Create program. Please refer to the SLA user guide for more information on the Post Accounting programs.

**Important:** Verify that you are creating mass additions for the correct corporate book in Oracle Assets, because you cannot undo the process and resend them to a different book.

Payables sends line amounts entered in foreign currencies to Oracle Assets in the converted ledger currency. Since Oracle Assets creates journal entries for the ledger currency amount, you must clear any foreign currency invoices manually in your general ledger. Review the Mass Additions Create Report to see both foreign and ledger currency amounts.

### Example

For example, you purchase an asset in euros, and place the asset into service. Oracle Payables creates a journal entry for the purchase in euros, and sends it to Oracle

General Ledger. The conversion rate and journal entry created are included below:

Conversion Rate: 1 EUR = 1.25 USD

**Oracle Payables**

Dr Asset Clearing EUR 4,000

Cr Accounts Payable Liability EUR 4,000

In Oracle Payables, the amounts are converted to dollars, the ledger currency, and sent to Oracle Assets via the Create Mass Additions process. Oracle Assets creates a journal entry for the asset addition in dollars. The conversion rate and journal entry created are included below:

Conversion Rate: 1 EUR = 1.25 USD

**Oracle Assets**

Dr Asset Cost USD 5,000.00

Dr Depreciation Expense USD 312.50

Cr Asset Clearing USD 5,000.00

Cr Accumulated Depreciation USD 312.50

In Oracle General Ledger, the Asset Clearing account becomes unbalanced after posting the debit amount in euros and the credit amount in dollars for the asset purchase. The asset purchase journal entry amounts in the Asset Clearing account are included below:

**Oracle General Ledger**

Dr Asset Clearing EUR 4,000.00

Cr Asset Clearing USD 5,000.00

You must manually clear the unbalanced amounts entered in the Asset Clearing account. You can clear these amounts by creating journal entries to reverse the unbalanced amounts, and bring the Asset Clearing account into balance. The journal entries required to balance the Asset Clearing account are included below:

**Oracle General Ledger**

**Journal Entry 1:**

Dr Asset Clearing USD 5,000.00

Cr Asset Cost USD 5,000.00

**Journal Entry 2:**

Dr Asset Cost EUR 4,000.00

Cr Asset Clearing EUR 4,000.00

## Related Topics

Create Mass Additions for Oracle Assets Program (from Oracle Payables), *Oracle Payables User Guide*

About the Mass Additions Interface, page 2-56



Mass Additions Create Report, page 10-75

Entering Basic Invoices, *Oracle Payables User Guide*

Create Mass Additions for Oracle Assets Program (from Oracle Payables), *Oracle Payables User Guide*

Adding an Asset Automatically from an External Source (Mass Additions), page 2-44

Reviewing Mass Addition Lines, page 2-45

Defining Items, *Oracle Inventory User Guide*

## **Create Mass Additions from Capital Assets in Oracle Projects**

You can collect CIP costs for capital assets you are building in Oracle Projects. When you finish building your CIP asset, you can capitalize the associated costs as asset lines in Oracle Projects and send them to Oracle Assets as mass addition lines. When you run the Interface Assets process, Oracle Projects sends valid capital asset lines to the Mass Additions interface table in Oracle Assets. You review these mass addition lines in Oracle Assets and determine whether to create assets from them.

If you use Oracle Projects to build CIP assets, you do not need to create CIP assets in Oracle Assets. For costs that originate in Oracle Payables, you should send CIP costs to Oracle Projects, and capitalized costs to Oracle Assets.

## **Build Capital Assets in Oracle Projects**

You define and build capital assets in Oracle Projects using information specified in the project work breakdown structure (WBS). You define and assign the grouping method and levels for CIP costs to summarize them for capitalization. You can review and adjust the summarized CIP costs if necessary. You also can adjust capital project costs before and after capitalization.

When your CIP asset is built and ready to be placed in service, you can capitalize and send the associated costs as asset lines to Oracle Assets. Oracle Assets places these imported mass addition lines in a holding area, where you can post the capitalized costs to become assets. Now you can begin using and depreciating your assets. You can review detail project transactions associated with the asset lines in both Oracle Projects and Oracle Assets.

## **Conditions for Project Information to Be Imported**

For Oracle Projects to send asset lines to Oracle Assets, the asset line must meet these specific conditions:

- The actual date in service must fall in the current or a prior Oracle Assets accounting period
- The CIP costs for summarized asset lines must be interfaced to Oracle General Ledger

- The CIP costs for supplier invoice adjustments must be interfaced to Oracle Payables
- A CIP asset must be associated with the asset line

## Interface Assets Process

You run the Interface Assets process in Oracle Projects to send asset lines to Oracle Assets. This process creates a mass addition line for each asset line in Oracle Projects. It then merges all mass additions for one asset into a single parent mass addition line. All of the mass additions appear in the Prepare Mass Additions window. The merged children have a status of MERGED.

Oracle Assets places the parent mass addition in the POST queue if you completely defined the asset in Oracle Projects, and it is ready for posting. Oracle Assets places the parent mass addition in the NEW queue if the asset definition is not complete; you must enter additional information for the mass addition in the Prepare Mass Additions window, and then update the queue status to POST. You do not need to change the queue status for lines with a status of MERGED.

You can query mass additions by source, project number, and task number in the Mass Additions Summary window. Choose the Project Details button from the Mass Additions window to view detail project information for the mass addition. You can view detail information only for mass additions or assets that have a project number assigned to them. You also can query by source and view project information for the assets created from these mass additions in the Assets, View Assets, Source Lines, View Source Lines, and Tax Workbench windows. You can query by source in the Add to Asset window as well.

## Related Topics

About the Mass Additions Interface, page 2-56

Reviewing Mass Addition Lines, page 2-45

Overview of Capital Projects, *Oracle Project Costing User Guide*

Creating and Preparing Asset Lines for Oracle Assets, *Oracle Project Costing User Guide*

Creating a Capital Asset in Oracle Projects, *Oracle Project Costing User Guide*

Sending Asset Lines to Oracle Assets, *Oracle Payables User Guide*

Adjusting Assets After Interface, *Oracle Project Costing User Guide*

Accounting for CIP and Asset Costs in Oracle Projects and Oracle Assets, *Oracle Project Costing User Guide*

# Auto Prepare Mass Additions Lines

## Auto Prepare Mass Additions Lines Overview

The preparation of mass addition lines can be performed automatically to avoid manual intervention in the mass additions process. The Prepare Mass Additions concurrent program uses the information provided for specific mass addition lines to populate other fields. Oracle Assets uses a standard set of rules for the Auto Prepare Mass Addition Lines process, but also allows you to customize your specific accounting needs. The rules you set up in public API will be used by the Prepare Mass Additions program to derive the data for all required fields.

The Auto Prepare Mass Addition Lines process consists of setting up rules, interfacing mass addition lines, running the Prepare Mass Additions concurrent program, and posting mass additions.

## Auto Prepare Mass Additions Lines Process

This section consists of the following topics:

- Set Up Auto Prepare Mass Addition Lines Rules
- Interface Mass Addition Lines
- Run Prepare Mass Additions Concurrent Program
- Post Mass Additions

## Set Up Auto Prepare Mass Addition Lines Rules

You need to set up the rules to prepare mass additions through Quickcodes. To set up rules, navigate to Set up > Asset System > Quick Code. The following table describes the rules and set up values for Prepare Automatic Mass Additions.

### *Rules to Prepare Automatic Mass Additions*

| Value       | Description                                                                                                                          |
|-------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Use Default | The Asset Category is derived based on the Asset Clearing Account, provided there is a one-to-one match in the Asset Category setup. |

| Value             | Description                                                                                  |
|-------------------|----------------------------------------------------------------------------------------------|
| Use Custom        | The Prepare Mass Additions concurrent program uses the custom logic coded in the Public API. |
| Use Custom Energy | The energy industry-specific custom rule.                                                    |

The Prepare Mass Additions concurrent program processes lines in fa\_mass\_additions that have a queue status of NEW or ON HOLD.

If you set the Rule to Default, the category is derived through matching the cost clearing account of the line with the cost clearing account defined for the Asset Categories for that Asset Book. There must be a one-to-one mapping for cost clearing account and the asset category.

The Prepare Mass Additions program derives the expense account by taking the clearing account combination and overlaying the natural account segment with the value of the natural account segment of the depreciation expense defined in the category. If the program cannot derive the required information, the Queue status is set to ON HOLD and you can review and make the necessary changes to the asset line.

If you set the rule to Custom: the Prepare Mass Additions program uses the custom logic coded in the Public API.

For information on setting the rule to Energy, see Energy Assets, page 11-106.

## Interface Mass Addition Lines

You can interface mass addition lines from Oracle Payables or an external system. For information of interfacing mass addition lines, see Overview of the Mass Additions Process.

## Run Prepare Mass Additions Concurrent Program

Once you have created your mass addition lines, run the Prepare Mass Additions concurrent program from the Concurrent Manager. After the Prepare Mass Additions concurrent program is run, you can verify the mass additions data, if needed, and then post the mass additions.

## Post Mass Additions

To post mass additions, see Post Mass Additions to Oracle Assets, page 2-34.

## Adding an Asset Automatically from an External Source (Mass Additions)

Use the Mass Additions process to add an asset automatically from an external source.

Review new mass addition lines created from external sources before posting them to Oracle Assets. You can also delete unwanted mass addition lines to clean up the system. See: Overview of the Mass Additions Process, page 2-28.

You can also load data into Oracle Assets using the Create Assets Feature in the Applications Desktop Integrator (ADI), which allows you to import data from an Excel spreadsheet.

Create Mass Additions for Oracle Assets Program (from Oracle Payables), *Oracle Payables User Guide*

Sending Asset Lines to Oracle Assets (from Oracle Projects), *Oracle Project Costing User Guide*

Reviewing Mass Addition Lines, page 2-45

Posting Mass Addition Lines to Oracle Assets, page 2-53

Deleting Mass Additions from Oracle Assets, page 2-54

Create Assets Feature (*Oracle Applications Desktop Integrator User's Guide*)

## Reviewing Mass Addition Lines

You must review newly created mass addition lines before you can post them to Oracle Assets to become assets. You can place a group of mass additions in the POST, ON HOLD, or DELETE queues all at once. You can also perform a split, merge, or cost adjustment on mass additions before you post them. You can continue to review a mass addition until you post it. To review mass additions that have not yet been posted, run the Unposted Mass Additions or Mass Additions Status Report.

**Note:** If you want to find mass additions by Invoice Number, PO Number, or Supplier Number in the Find Mass Additions window, your search criteria must match exactly, including capitalization.

### Prerequisites

- Create mass additions from external sources. See: About the Mass Additions Interface, page 2-56, Sending Asset Lines to Oracle Assets (from Oracle Projects), *Oracle Project Costing User Guide*, and Mass Additions Create Program (from Oracle Payables), *Oracle Payables User Guide*

**Mass Additions**

Book: OPS CORP  
Transaction Type:   
Invoice Number: ERS-8294-136579  
Category: COMPUTER-PC  
Employee Name:   
Expense Account:   
Date in Service: 31-AUG-2007 ☒ Depreciate  
Queue: NEW  
Transaction Date:   
Line Number: 1 [ .. ]  
Group Asset:   
Employee Number:   
Location:   
Cost: 35,912.00

**Source** **Asset Details** **Depreciation**

Method: STL  
Life Years: 3  
Life Months: 0  
YTD Depreciation:   
Accumulated Depreciation:   
Prorate Convention: MID-MONTH  
Bonus Rule:   
Depreciation Limit Type:   
Limit Amount:   
Percent:   
Salvage Value Type:   
Salvage Value:   
Salvage Value Percent:   
Project Details... Assignments... Cancel Done

### To review a mass addition line:

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Find mass additions with the queue name NEW, ON HOLD, or user-defined hold queue in the Find Mass Additions window.

**Note:** If you want to find mass additions by Invoice Number, PO Number, or Supplier Number, your search criteria must match exactly, including capitalization.

3. Choose the mass addition line you want to review, and choose Open.
4. Optionally enter additional mass addition source, descriptive, and depreciation information.
5. If this mass addition was created from Oracle Projects, you can choose the Project Details button to review associated project information.

Assignments

Invoice Number: 1001782      Line Number: 1  
 Book: OPS CORP      Total Units: 4

Distribution Set:        ☐ Show Merged Distributions

Units Assigned: 4      Units Remaining: 0

---

**Distributions**

| Units | Employee Name  | Employee Number | Expense Account      | Location             |
|-------|----------------|-----------------|----------------------|----------------------|
| 4     | Stock, Ms. Pat | 24              | 01.410.7340.0000.000 | USA.CA.SAN FRANCISCO |
|       |                |                 |                      |                      |
|       |                |                 |                      |                      |
|       |                |                 |                      |                      |
|       |                |                 |                      |                      |
|       |                |                 |                      |                      |

6. If you want to assign this mass addition to multiple distributions, or you want to review or change existing distributions, choose the Assignments button.

**Note:** You can only view the distribution for a merged parent or a merged child one at a time in the Assignments window; however, if you check Show Merged Distributions, Oracle Assets displays all the distributions of both the parent and children.

In the Assignments window, manually enter or change the distribution(s) for the mass addition line. To automatically assign a predefined distribution set to your mass addition line, use the Distribution Set poplist. See: Assignments, page 2-11.

Choose Done to save your work and return to the Mass Additions window.

7. Change the queue name.

If you are ready to turn a mass addition line into an asset, change the queue name to POST. While you are processing, you can put a mass addition line in the ON HOLD or a user-defined queue. If you want to delete an unwanted line, assign it to the DELETE queue.

8. Save your work.

**To place a group of mass additions in the POST, ON HOLD, or DELETE queue:**

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Use the Find Mass Additions window to query the group of mass additions you want to place in the POST, ON HOLD, or DELETE queue. Oracle Assets displays the mass additions that meet your search criteria in the Mass Additions Summary window.
3. From the menu, choose Special, Post All, Hold All, or Delete All.

**Caution:** Oracle Assets places EACH mass addition that meets your search criteria into the queue you specify.

**Post All:** Oracle Assets checks each mass addition, ensures that it is prepared for posting, and places it in the POST queue. If it encounters a problem with a mass addition, Oracle Assets alerts you with an error message and terminates the Post All process. Note that this mass addition and all other subsequent mass additions are **not** yet in the POST queue.

For example, if you choose to Post All, and Oracle Assets alerts you that a mass addition is incomplete, you can supply the missing information for it in the Mass Additions window, save your work, return to the Mass Additions Summary window, and choose Special, Post All from the menu to resume the process.

If you receive an error message and you want to omit a mass addition from the Post All process, you can use Edit, Clear Record from the menu to clear the mass addition from the Mass Additions Summary window. Choose Special, Post All from the menu to resume the process.

**Delete All:** You may want to review the mass additions you query in the Mass Additions Summary window **before** you choose Delete All, since this process automatically places each mass addition that meets your search criteria in the DELETE queue.



| Asset Number | Tag Number | Description | Category    | Units | Asset Type | Manufacturer | Serial Number |
|--------------|------------|-------------|-------------|-------|------------|--------------|---------------|
| 104148       |            | CAPITALIZA  | TENANT IMPR | 1     | CAPITA...  |              |               |
|              |            |             |             |       |            |              |               |
|              |            |             |             |       |            |              |               |
|              |            |             |             |       |            |              |               |
|              |            |             |             |       |            |              |               |
|              |            |             |             |       |            |              |               |
|              |            |             |             |       |            |              |               |
|              |            |             |             |       |            |              |               |
|              |            |             |             |       |            |              |               |
|              |            |             |             |       |            |              |               |
|              |            |             |             |       |            |              |               |

☒ Amortize Adjustment  
☐ New Category and Description

Cancel Done

### To add a mass addition line to an existing asset:

**Note:** You can only perform cost adjustments for mass additions in the NEW, ON HOLD, or user-defined hold queues.

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Find the mass addition(s) for this transaction in the Find Mass Additions window.
3. Choose the mass addition line you want to add to an existing asset as a cost adjustment.
4. Choose Add to Asset.
5. Query and choose the asset to which to add the line. You can find assets by Asset Detail, Assignment, Source, and Lease.
6. Choose whether to amortize or expense the adjustment to the existing asset.
7. Check New Category and Description to change the category and description of the existing asset to those of the mass addition you are adding as a cost adjustment.
8. Save your work.
9. Choose Open and change the queue name to POST.
10. Save your work.

### To undo an addition to an existing asset:

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Find the mass addition(s) for this transaction in the Find Mass Additions window.
3. Choose the cost adjustment you want to undo in the Mass Additions window.
4. Choose Remove from Asset.
5. Save your work.

Invoice Number 123456 Line Number 1

Units 5 Line Amount 12,500.00

Merged Units 5 Total Merged Cost 37,500.00

☐ Sum Units

Lines

Merged

| Queue                                      | Invoice Number | Line | Cost      | Description              |
|--------------------------------------------|----------------|------|-----------|--------------------------|
| <input checked="" type="checkbox"/> MERGED | 123456         | 2    | 25,000.00 | DESK - CAPITALIZABLE, TA |
| <input type="checkbox"/>                   |                |      |           |                          |
| <input type="checkbox"/>                   |                |      |           |                          |
| <input type="checkbox"/>                   |                |      |           |                          |
| <input type="checkbox"/>                   |                |      |           |                          |
| <input type="checkbox"/>                   |                |      |           |                          |
| <input type="checkbox"/>                   |                |      |           |                          |

Cancel Done

### To merge mass addition lines:

**Note:** You can only merge mass additions in the NEW or ON HOLD queues.

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Find the mass addition(s) for this transaction in the Find Mass Additions window.
3. Choose the mass addition line **into** which you want to merge other lines (the merged parent).

4. Choose Merge.
5. Choose whether to sum the number of units or keep the original number of units for the line. The Units field shows the total units for the new merged mass addition, depending on the value of the Sum Units check box. The Merged Units field displays the sum of children's units only.

If you are merging a **multi-distributed** mass addition, and you do not check the Sum Units check box, Oracle Assets uses the distribution of the merged parent for the new merged mass addition line. If you check the Sum Units check box, Oracle Assets uses BOTH the merged parent and child distributions for the new merged mass addition line.

If you are adjusting the cost of a parent mass addition, and Sum Units is checked, you are cost adjusting the SUM. Otherwise, the adjustment difference is applied to the parent line only.

6. In the Merged Lines block, choose the line(s) you want to merge into the merged parent. If you want to merge **all** the lines, choose Special, Merge All from the menu.

Oracle Assets assigns the line(s) to the MERGED queue.

**Note:** If you use the default query or blind query, only the other lines in the same invoice are shown. Use Query - Run with a % in any field to bring up all potential invoice lines for the same book.

7. Save your work.

#### To undo a merge:

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Find the mass addition(s) for this transaction in the Find Mass Additions window.
3. Choose the merged parent(s) you want to undo.
4. Choose Merge.
5. Uncheck the line(s) for which you want to undo the merge. If you want to unmerge **all** the lines, choose Special, Unmerge All from the menu.
6. Save your work. Oracle Assets changes the queue name for the unmerged lines to

the original queue name before the merge.

#### **To split a mass addition line:**

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Find the mass addition(s) for this transaction in the Find Mass Additions window.
3. Choose the mass addition line that you want to split.
4. Choose Split. Oracle Assets splits the line into multiple single-unit mass addition lines. Review the new lines in the Mass Additions window.

**Note:** This also splits any merged children on the line, and keeps them merged into the split child.

If you split a multi-distributed mass addition line, Oracle Assets proportionately divides each split child's unit between all of the parent's distributions.

#### **To undo a previously split mass addition line:**

- Choose the split mass addition line you want to undo in the Mass Additions window. Choose Undo Split. You can undo a split only before posting the split children.

#### **Related Topics**

Overview of the Mass Additions Process, page 2-28

Mass Additions Queues, page 2-29

Asset Descriptive Details, page 2-2

Financial Information (Books), page 2-5

Assignments, page 2-11

Defining Distribution Sets, page 9-193

Recoverable Cost Adjustments (Journal Entry Examples), page 6-13

Create Mass Additions from Invoice Distribution Lines in Oracle Payables, page 2-36

Create Mass Additions from Capital Assets in Oracle Projects, page 2-41

Posting Mass Addition Lines to Oracle Assets, page 2-53

Deleting Mass Additions from Oracle Assets, page 2-54

Mass Additions Reports, page 10-73

Sending Asset Lines to Oracle Assets (from Oracle Projects), *Oracle Project Costing User Guide*

Create Mass Additions for Oracle Assets Program (from Oracle Payables), *Oracle Payables User Guide*

## Posting Mass Addition Lines to Oracle Assets

When you post mass additions, Oracle Assets creates assets from your mass additions in the POST queue and adds mass additions in the COST ADJUSTMENT queue to existing assets.

### Prerequisites

- Create mass additions from external sources. See: About the Mass Additions Interface, page 2-56, Sending Asset Lines to Oracle Assets (from Oracle Projects), *Oracle Project Costing User Guide*, and Mass Additions Create Program (from Oracle Payables), *Oracle Payables User Guide*
- Review mass additions. See: Reviewing Mass Addition Lines, page 2-45.

### To post mass addition lines to Oracle Assets:

1. Choose Mass Additions > Post Mass Additions from the Navigator.
2. In the Parameters window, specify the corporate book for which you want to post your mass additions.

If your corporate book is not listed in the list of values, one of the errors shown in the following table may have occurred:

| Error                                                              | Solution                                                                                                               |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| No mass additions lines in the post queue.                         | Navigate to the Mass Additions window and change the queue to POST for the mass additions that are ready to be posted. |
| The corporate book is not effective for these mass additions lines | Check the effective date range of the corporate book in the Book Controls window.                                      |
| Depreciation has been run with errors.                             | Fix the errors and resubmit Depreciation. When Depreciation has been run successfully, re-submit Post Mass Additions.  |

| Error                                                                   | Solution                                                                            |
|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Depreciation is currently running for the corporate book you specified. | Wait until Depreciation completes successfully, then re-submit Post Mass Additions. |

3. Choose Submit to submit a concurrent process to post your mass additions to Oracle Assets.  
  
When the program completes successfully, Oracle Assets automatically runs the Mass Additions Posting Report, which gives you an audit trail of the processed mass additions.
4. Review the log file and report after the request completes.

## Related Topics

[Reviewing Mass Addition Lines, page 2-45](#)  
[Overview of the Mass Additions Process, page 2-28](#)  
[Mass Additions Reports, page 10-73](#)  
[Mass Additions Posting Report, page 10-76](#)  
[Unposted Mass Additions Report, page 10-78](#)

## Deleting Mass Additions from Oracle Assets

The Delete Mass Additions program removes mass additions in the DELETE and POSTED queues. It also removes SPLIT parents if the split children have been posted or deleted. The program archives mass additions in the DELETE queue only to an audit trail table, FA\_DELETED\_MASS\_ADDITIONS.

**Note:** Lines assigned to the DELETE queue do not get journal entries; you must clear them manually.

### Prerequisites

- Change queue name to DELETE for unwanted or erroneous mass addition lines in the Mass Additions window. See: [Reviewing Mass Addition Lines, page 2-45](#).
- Run the Delete Mass Additions Preview Report.

**To delete mass additions from Oracle Assets:**

1. Choose Mass Additions > Delete Mass Additions from the Navigator.
2. In the Parameters window, specify the corporate book for which you want to clean up mass additions.
3. Choose Submit to submit a concurrent process to remove the lines.  
  
When the program completes successfully, Oracle Assets automatically runs the Mass Additions Delete Report, which gives you an audit trail of the processed mass addition lines.
4. Review the log file and report after the request completes.

**To purge the audit trail for deleted mass additions:**

1. Change Responsibilities to Fixed Assets Administrator.
2. Choose Purge > Mass Additions from the Navigator.
3. Enter the Batch Number of the Create Mass Additions batch associated with the deleted mass additions for which you want to purge the audit trail from Oracle Assets. The create batch number is on the Mass Additions window and the Create Mass Additions Report.
4. Choose Submit to submit a concurrent process that removes archived lines from the audit trail table for deleted mass additions.  
  
When the program completes successfully, Oracle Assets automatically runs the Mass Additions Purge Report, which lists the mass addition lines you purged.
5. Review the log file and report after the request completes.

**Related Topics**

Reviewing Mass Addition Lines, page 2-45  
Overview of the Mass Additions Process, page 2-28  
Mass Additions Queues, page 2-29  
Mass Additions Reports, page 10-73  
Delete Mass Additions Preview Report, page 10-74  
Mass Additions Delete Report, page 10-74

## About the Mass Additions Interface

You can create assets automatically from information in any other system using Mass Additions. Oracle Assets is already integrated with Oracle Payables; you can easily integrate it with other payables systems. You can also use the mass additions process to convert your assets from an outside system to Oracle Assets.

**Important:** Plan your conversion carefully and thoroughly, since you cannot undo it.

### Create Assets From Oracle Payables

The Create Mass Additions program creates mass additions from invoice information in Oracle Payables. The concurrent process places the new mass additions in a holding area (the table FA\_MASS\_ADDITIONS) that is separate from the main Oracle Assets tables, so that you can review and approve the mass additions before they become asset additions.

### Create Asset Additions From Another Payables System

To integrate Oracle Assets with another system, develop your own program to add mass additions to the FA\_MASS\_ADDITIONS table. Also, you may want to add another window to the Oracle Assets menu to run your concurrent process. A description of the columns in the FA\_MASS\_ADDITIONS table is included later in this essay.

### Convert From Other Systems

Oracle Assets lets you convert from your previous asset system using mass additions. Instead of loading your asset information into multiple Oracle Assets tables, load your information into the FA\_MASS\_ADDITIONS table and use the mass additions process to simplify your work.

### Use Mass Additions to Import Your Asset Data

The Mass Additions feature of Oracle Assets is normally used to import asset information from Oracle Payables. Mass Additions automatically populates the many Oracle Assets tables from the relatively simple FA\_MASS\_ADDITIONS table. By placing your data in this table, you can use the power of the Post Mass Additions to Oracle Assets program to perform the bulk of your import.

Mass Additions has three main components:

- **Create:** finds potential new assets in Oracle Payables and brings them into the FA\_MASS\_ADDITIONS table



- **Prepare:** allows you to review potential new assets and enter additional information
- **Post:** creates assets by importing asset information from the FA\_MASS\_ADDITIONS table into several Oracle Assets tables

To import asset information from another payables system, load the FA\_MASS\_ADDITIONS table and then use Prepare and Post to add your assets to Oracle Assets.

To convert assets from another assets system, use only the Post component to move the asset information you store in the FA\_MASS\_ADDITIONS table into Oracle Assets.

## Data Import Checklist

Complete these steps to import your asset data into Oracle Assets.

1. Plan your import. See: Planning Your Import., page 2-57
2. Define your Oracle Assets setup information and perform the Oracle Assets setup process. See: Defining Oracle Assets for Mass Additions., page 2-59
3. Load your asset data into an interim table or file you define. See: Loading Your Asset Data., page 2-63
4. Import or load your asset data from the interim table or file into FA\_MASS\_ADDITIONS. See: Importing Your Asset Information., page 2-87
5. Reconcile your Oracle Assets data with your old asset information. See: Finishing Your Import., page 2-92

## Related Topics

FA\_MASS\_ADDITIONS Interface Table, page 2-65

## Planning Your Import

You must plan each step of the import process. Prepare a complete step-by-step procedure to follow, with distinct checkpoints.

1. Decide when to begin your import project. Schedule it when you are able to devote enough time to complete the entire import process.
2. Determine who, if not you, can make the decisions required to complete the definition phase found in the next section. Ensure that you have the correct person available to make these decisions.
3. Schedule and confirm the computer resources you need, well in advance. Specifically, ensure that you have:

- Disk space sufficient to handle multiple copies of your asset data
  - Access to a terminal
  - Access to a media drive (if required)
  - Sufficient CPU and memory to handle the database operations you perform as part of the import
  - Access to operating system documentation
4. Know the status of your Oracle Assets installation.

Oracle Assets must be installed and confirmed before your import. If you plan an install, consult your Oracle Applications Installation Manual for complete installation instructions. Determine if you are using Oracle General Ledger and if it is installed and set up.
  5. Know in what form the other system stores its data, and what tools are available to convert that data, so you can plan the conversion of the existing asset data into a form that SQL\*Loader can read.
  6. Know the number of assets, categories, locations, and exceptions in your data. You need these numbers to estimate the amount of time required for the import.
  7. Define an import schedule and procedure.

Estimate how long it will take you to complete your import. Base your schedule on the information you gained in the preceding steps. Try to include a buffer in your schedule in case you have difficulty during the import.
  8. Ensure that all parties agree on the schedule.
  9. Complete your schedule documentation. It should clearly state the start and end dates for each major step, and the amount of time for each detail step.

## Related Topics

About the Mass Additions Interface, page 2-56

Defining Oracle Assets for Mass Additions, page 2-59

Loading Your Asset Data, page 2-63

FA\_MASS\_ADDITIONS Interface Table, page 2-65

Importing Your Asset Information, page 2-87

Finishing Your Import, page 2-92

## Defining Oracle Assets for Mass Additions

Defining Oracle Assets is the most important phase of a conversion, so take sufficient care to make decisions that you can live with in the long term. Complete the following steps to define Oracle Assets before you begin importing your asset data:

During this phase, make important business decisions about how to define Oracle Assets and then actually perform the setup process.

### 1. Define your Account structure.

Most sites do not run Oracle Assets as a stand-alone system, so an account flexfield may already exist for your Oracle General Ledger. If you plan to run Oracle Assets as a stand-alone system, you need to define the account.

### 2. Define your location flexfield.

Most companies plan to do business internationally, if they do not already, so the location flexfield must begin with the country. State, possibly county, city, and site are the typical segments of a location flexfield. Many companies find it useful to pinpoint the exact building and room for some assets, for example, for barcoding. Add these segments if needed.

### 3. Define your category flexfield.

Most companies prefer to set up categories which match their chart of accounts. Each chart account defines a major category. Usually the first segment, or major category, corresponds to the asset accounts in the company's chart of accounts. Define at least one subcategory segment to allow for distinctions within a major category. You can define up to seven segments if necessary.

You probably want to set up no more than 3 category segments due to maintenance issues, and limited reporting space on Oracle Assets reports.

Potential uses for a subcategory segment include such information as personal/real, capitalized/expensed, owned/leased, project numbers, foreign, and luxury items.

### 4. Define your asset key flexfield.

A company may have a system for grouping similar assets. Many companies find it useful to group assets associated with a specific project, department, or location. For example, you can use the asset key flexfield to track your construction-in-process assets. Define an asset key flexfield that describes asset groups in your organization.

If you do not choose to track assets using the asset key, define a one segment asset key flexfield without validation. Then, when you navigate to the asset key flexfield on a window, the flexfield window does not open and you can return through the field. You can define up to ten segments for the asset key flexfield if required.

### 5. Define default locations, cost centers, asset key flexfield combinations and suppliers.

If you track this information electronically, set up each location, expense code combination, asset key flexfield combination, and supplier before import. If you do not already track this information, define default values. The defaults you define are used in place of actual values until the actual value is known.

- **Default Location**

Many companies do not currently track asset location. If you do not, then set up a default location to be used in the import. Once the assets are imported, you can locate the assets by performing an asset inventory and then transfer the assets from the default location to the actual location. If you already track location, then set up each location before import.

- **Default Cost Center**

Some companies do not track assets on a cost center level. If you do not, then set up a default cost center for your incoming assets. To define the default cost center, create a code combination in each depreciation expense account for the default cost center. When you start tracking assets by cost center, you can transfer each asset from the default cost center the actual one. If you already track assets by cost center, create each expense account code combination.

- **Default Asset Key Flexfield Combination**

Some companies do not use the asset key flexfield. If you do not, then define a default combination to be used for incoming assets. Give the default combination an 'inactive date' so you do not use the combination accidentally at a future time. If you start using the asset key flexfield, you can change the combination from the default combination to the actual one. If you already use the asset key flexfield, create each asset key flexfield combination.

- **Default Suppliers**

Many companies do not track suppliers on an asset level. If you do not, then define a default supplier to be used for incoming assets. Give the default supplier an 'inactive date' so you do not use the supplier name accidentally at a future time. When you start tracking asset suppliers, you can change the supplier from the default supplier to the actual one. If you already track asset suppliers, then enter all suppliers for all incoming assets. If you use Oracle Payables or Oracle Purchasing, your suppliers are already defined there and Oracle Assets shares the information.

## **6. Define when to perform the initial depreciation run.**

Typically, the best time for the initial depreciation run after a conversion is the end of the fiscal year just before the current one. This year provides accumulated depreciation numbers that you can reconcile with your company's financial statements. It also ensures that the year-to-date numbers on your reports are correct during the current fiscal year.

Decide whether to enter assets with accumulated depreciation, or enter them without accumulated depreciation and let Oracle Assets calculate it for you. If you do not enter accumulated depreciation, Oracle Assets calculates the accumulated depreciation and revaluation reserve if necessary the first time you run depreciation. If you enter your assets with accumulated depreciation, Oracle Assets does not recalculate it, unless you make an adjustment to that asset. You must enter the correct accumulated depreciation.

Year-to-date numbers are important because the Depreciation program expenses all the catchup depreciation to the period in which it is run. If you enter your assets without accumulated depreciation, the first time you run depreciation, the depreciation expense is equal to the accumulated depreciation. The first period absorbs that one-time expense and, since the result from that period is not be posted to the general ledger, the general ledger is not affected and your year-to-date numbers in the next year are correct in Oracle Assets.

When you want to use the values for accumulated depreciation from the old assets system, you should start with the first period of the current fiscal year. Otherwise, your year-to-date values will not include the year-to-date depreciation you specify in the FA\_MASS\_ADDITIONS table.

You determine the initial depreciation period when you set up your books using the Book Controls window. Enter the period of your initial depreciation period in the Current Period Name field.

#### **7. Define your asset numbering scheme.**

Determine if you want to use your own asset numbering system, or if you want to use Oracle Assets automatic numbering system. In either case you must choose a starting value for automatic numbering in the System Controls window. Even if you do not use automatic numbering for the conversion, Oracle Assets uses the value internally as the ASSET\_ID, so you must still choose the starting value carefully. You must use a value that is large enough to leave sufficient asset numbers unclaimed by automatic numbering. However, you cannot use asset numbers larger than 2,000,000,000.

If you do use automatic numbering, enter a value on the System Controls window that is the starting value you want to use plus the number of assets you are converting. By entering a value larger than you use for any conversion asset, you ensure that Oracle Assets does not try to assign an existing asset ASSET\_ID to a newly added asset after the conversion. Using specific ranges of numbers for groups of assets makes it easier to keep track of related items.

#### **8. Define your depreciation methods for all assets in all books.**

Determine the depreciation methods for all assets in all books. Oracle Assets seeds most depreciation methods, but you must enter any customized method. Decide what depreciation method, prorate convention, and other depreciation rules will be used for each asset in each book. You must set up the depreciation methods and

rates, depreciation ceilings, investment tax credit rates, prorate conventions, and price indexes you will need before you can define your categories.

**9. Define your asset categories.**

Use category names that match the corresponding chart asset account. Define subcategories so that all the assets in a subcategory have the same depreciation method, prorate convention, and other depreciation rules. For assets in your tax books that you acquired under different, past tax laws, you can set up the asset category with different depreciation rule defaults for different date placed in service ranges. The asset category and date placed in service determine the depreciation rule defaults for an asset.

You need to set up categories because the Mass Additions Posting program gets depreciation method information for each asset from the defaults defined in the Asset Categories window.

If you have only a few assets that use a particular depreciation method, you do not necessarily need to define a separate category for them. Instead, you can place them in another category and then manually change the depreciation information using the Books window before you run depreciation for the first time. Note that you should place these assets in a compatible category because the asset and reserve accounts are determined by your category choice, and the capitalize flag and the category type cannot be changed on the Books window.

For each book, create a plan to give all assets the correct depreciation information. Most assets should receive the correct information from the category books values. You can change the depreciation information for individual exceptions. Create your categories to minimize the number of individual transactions.

Try to keep the major category names short, ideally less than 20 characters, since Oracle Assets reports print only a limited number of characters for the category.

**10. Define your Oracle Assets installation.**

Complete the standard setup procedure with the information you obtained in the previous steps.

**11. Define your asset key values.**

Define values for your Asset Key flexfield that describe the different groups of assets within the company. Many companies find it useful to group assets associated with a specific project, department, or location. You can use the asset key flexfield to track your construction-in-process assets.

## **Related Topics**

About the Mass Additions Open Interface, page 2-56

Planning Your Import, page 2-57

Loading Your Asset Data, page 2-63

FA\_MASS\_ADDITIONS Interface Table, page 2-65

Importing Your Asset Information, page 2-87

Finishing Your Import, page 2-92

## Loading Your Asset Data

This section describes how to define, load, and confirm your interim asset table. In many cases you have to load asset information into the Oracle7 tables from a non-Oracle file system. This section shows you how to use SQL\*Loader to import your information. Complete the following steps to load your asset data:

**Note:** If you are using Multiple Reporting Currencies (MRC), when loading the FA\_MASS\_ADDITIONS table with data from a legacy system (a feeder system other than Oracle Payables or Oracle Projects), you must also load the FA\_MC\_MASS\_RATES table. For each mass addition line in FA\_MASS\_ADDITIONS, you need to provide exchange rate information in the FA\_MC\_MASS\_RATES table for each reporting ledger associated with the corporate book into which the assets will be added. It is recommended that you use the calculated exchange rate, not the official exchange rate, for each ledger. This will minimize rounding issues. See: *Multiple Reporting Currencies in Oracle Applications*, *Multiple Reporting Currencies in Oracle Applications*.

### 1. Define your interim table in the Oracle database.

Use a single interim table if possible. You can use multiple tables if the data exists in multiple tables or files in the old asset system. In either case, you must eventually place the data in a single table, the FA\_MASS\_ADDITIONS table.

If you wish, you may load data directly into FA\_MASS\_ADDITIONS, but it is more difficult due to the complexity of the table.

### 2. Load your interim table (Using SQL\*Loader if asset data is external).

Use SQL\*Loader to import information from outside your Oracle database. SQL\*Loader accepts a number of input file formats and loads your old asset data into your interim table.

If the data already resides within an Oracle database, there is no need to use SQL\*Loader. Simply consolidate the asset information in your interim table using SQL\*Plus or import, and go directly to .

Follow these steps if you plan to use SQL\*Loader:

- **Get the asset information in text form**

Most database or file systems can output data in text form. Usually you can generate a variable or fixed format data file containing comma or space delimiters from the existing system. If you can't find a way to produce clean text data, try generating a report to disk, using a text editor to format your data. Another option is to have SQL\*Loader eliminate unnecessary information during its run. If there is a large volume of information, or if the information is difficult to get in a loadable format, you can write your own import program. Construct your program to generate a SQL\*Loader readable text file.

- **Create the SQL\*Loader control file**

In addition to the actual data text file, you must write a SQL\*Loader control file. The control file tells SQL\*Loader how to import the data into your interim table. Be sure to specify a discard file if you are planning to use SQL\*Loader to filter your data.

- **Run SQL\*Loader to import your asset data**

Once you have created your asset data file and SQL\*Loader control file, run SQL\*Loader to import your data. SQL\*Loader produces a log file with statistics about the import, a bad file containing records that could not be imported due to errors, and a discard file containing all the records which were filtered out of the import by commands placed in the control file.

3. **Compare record counts and check the SQL\*Loader files.**

Check the number of rows in the interim table against the number of records in your original asset data file or table to ensure that all asset records are imported.

The log file shows if records were rejected during the load, and the bad file shows which records were rejected. Fix and re-import the records in the bad file.

4. **Spot check interim table.**

Check several records throughout the interim table and compare them to the corresponding records in the original asset data file or table. Look for missing or invalid data. This step ensures that your data was imported into the correct columns and that all columns were imported.



## Related Topics

About the Mass Additions Interface, page 2-56

Planning Your Import, page 2-57

Defining Oracle Assets for Mass Additions, page 2-59

FA\_MASS\_ADDITIONS Interface Table, page 2-65

Importing Your Asset Information, page 2-87

Finishing Your Import, page 2-92

## FA\_MASS\_ADDITIONS Interface Table

The database definition of the FA\_MASS\_ADDITIONS table does not require that you provide values for any columns, but in order for the Mass Additions Posting program to work properly, you must follow the rules in the following list of column descriptions. The Mass Additions Posting program uses some of the columns in the FA\_MASS\_ADDITIONS table, so these columns are marked NULL. Do not import your data into columns marked NULL. You must fill columns marked REQUIRED before you run Mass Additions Post.

You can either load the column directly from your other system, or you can fill in some values in the Mass Additions window before you post. Columns marked OPTIONAL are for optional asset information that you can track if you want. VARCHAR2 columns are case sensitive.

| Column Name     | Null | Type       | Comments                                                                                                                   |
|-----------------|------|------------|----------------------------------------------------------------------------------------------------------------------------|
| ACCOUNTING_DATE | Null | DATE       | Required. Use this column for the accounting date of the invoice. The Unposted Mass Additions Report reports on this date. |
| ADD_TO_ASSET_ID |      | NUMBER(15) | Do not use this column.                                                                                                    |
| ADJUSTED_RATE   |      | NUMBER     | Actual rate used to calculate the depreciation for flat rate method.                                                       |

| Column Name                | Null | Type        | Comments                                                                                                                                                                                             |
|----------------------------|------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ALLOWED_DEPRN_LIMIT        |      | NUMBER      | Depreciation limit percentage for the asset.                                                                                                                                                         |
| ALLOWED_DEPRN_LIMIT_AMOUNT |      | NUMBER      | Depreciation limit amount for the asset.                                                                                                                                                             |
| AMORTIZATION_START_DATE    |      | DATE        | Optional. This column indicates the date to start amortizing the net book value for the asset, if the AMORTIZE_NBV_FLAG column is set to Yes.                                                        |
| AMORTIZE_FLAG              |      | VARCHAR2(3) | Optional. Use this column to determine whether an asset should be amortized. This column should be set to yes if either the AMORTIZATION_START_DATE or the AMORTIZE_NBV_FLAG columns contain values. |
| AMORTIZE_NBV_FLAG          |      | VARCHAR2(1) | Optional. Use this column to determine whether to enable the asset to amortize the net book value over the remaining useful life                                                                     |

| Column Name                     | Null | Type       | Comments                                                                                                                                                                                                           |
|---------------------------------|------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AP_DISTRIBUTION_<br>LINE_NUMBER |      | NUMBER(15) | Optional. Use this column for the distribution line number. The value must be a valid in the AP_DISTRIBUTION_<br>LINE_NUMBER column on the table AP_INVOICE_DISTRIBUTIONS, and tied to the INVOICE_ID given above. |
| ASSET_CATEGORY_<br>ID           |      | NUMBER(15) | Required. Use this column for the category id that corresponds with the asset category of the asset. See: Importing Your Asset Information , page 2-89.                                                            |
| ASSET_ID                        | Null | NUMBER(15) | Do not use this column.                                                                                                                                                                                            |
| ASSET_KEY_CCID                  |      | NUMBER(15) | Use this column for the code combination id that corresponds to the asset key. Use an enabled value from the CODE_COMBINATION_ID column of the FA_ASSET_KEYWORD table.                                             |

| Column Name  | Null | Type         | Comments                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------|------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASSET_NUMBER |      | VARCHAR2(15) | Optional. This column is a unique external identifier for assets. If you enter a value in this column it is used for asset numbering. The numbers you supply must be unique. It identifies the asset in Oracle Assets windows and reports. If you leave this column blank Oracle Assets assigns an asset number using automatic numbering, in which case the asset number is the same as the asset id. |
| ASSET_TYPE   |      | VARCHAR2(11) | Use this column for the asset type of the asset. Enter one of the following values:<br><br>Capitalized: For your capitalized assets.<br><br>CIP: For your construction-in-process (CIP) assets.<br><br>Expensed: For your expensed assets.<br><br>Group: For your group assets.                                                                                                                        |

| Column Name                          | Null | Type          | Comments                                                                                                                                                                                                                                                                                                                               |
|--------------------------------------|------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASSIGNED_TO                          |      | NUMBER(15)    | Optional. Use this column for the employee id of the employee responsible for this asset. Use a value from the EMPLOYEE_ID column in FA_EMPLOYEES. Note that EMPLOYEE_ID is the unique internal identifier, and not the same as the external identifier EMPLOYEE_NUMBER.                                                               |
| ATTRIBUTE_CATEGORY_CODE              | Null | VARCHAR2(30)  | Do not use this column.                                                                                                                                                                                                                                                                                                                |
| ATTRIBUTE1<br>through<br>ATTRIBUTE30 |      | VARCHAR2(150) | Optional Use these columns to copy the Asset Workbench descriptive flexfield segments setup on the Asset Workbench. To access these values in the Asset Workbench, you need to define the descriptive flexfield on the Asset Workbench. The values stored in ATTRIBUTE1 through ATTRIBUTE30 are copied to the columns in FA_ADDITIONS. |
| BASIC_RATE                           |      | NUMBER        | Base rate used to calculate the depreciation amount for flat rate.                                                                                                                                                                                                                                                                     |

| Column Name         | Null | Type          | Comments                                                                                                                                                                                                                                  |
|---------------------|------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BEGINNING_NBV       | Null | NUMBER        | Do not use this column.                                                                                                                                                                                                                   |
| BONUS_DEPRN_RESERVE |      | NUMBER        | Optional. This column contains the bonus depreciation reserve for the asset. This amount should also be included in the DEPRN_RESERVE column.                                                                                             |
| BONUS_RULE          |      | VARCHAR2(30)  | Name of the bonus rule for the asset.                                                                                                                                                                                                     |
| BONUS_YTD_DEPRN     |      | NUMBER        | Optional. This column contains the year-to-date bonus depreciation expense for the asset. This amount should also be included in the YTD_DEPRN column.                                                                                    |
| BOOK_TYPE_CODE      |      | VARCHAR2(15)  | Required. Use this column for the book to which you want to assign the asset. You must choose a book that you have set up in the Book Controls window, and the book class must be CORPORATE. Values in this column must be in upper case. |
| CONTEXT             |      | VARCHAR2(210) | Optional. Use this column for the date you load this asset into the FA_MASS_ADDITIONS table.                                                                                                                                              |

| Column Name             | Null | Type       | Comments                                                                                                                                                                                                    |
|-------------------------|------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CONVERSION_DATE         |      | DATE       | Optional. This column indicates the date the short fiscal year asset was added to the acquiring company.                                                                                                    |
| CREATE_BATCH_DATE       |      | DATE       | Optional. Use this column for the date you load this asset into the FA_MASS_ADDITIONS table.                                                                                                                |
| CREATE_BATCH_ID         |      | NUMBER(15) | Optional. Use the value 1 for this column to distinguish it from subsequent Mass Additions for a conversion, or use the same number for all mass additions from your payables system that you load at once. |
| CREATED_BY              |      | NUMBER(15) | Required. Use the value 1 in this column, or the specific user id of the person working on the import.                                                                                                      |
| CREATION_DATE           |      | DATE       | Required. Use this column for the date you load this asset into the FA_MASS_ADDITIONS table.                                                                                                                |
| CUA_PARENT_HIERARCHY_ID |      | NUMBER     | CRL users should use this column to assign the asset to a hierarchy parent node.                                                                                                                            |

| Column Name            | Null | Type         | Comments                                                                                                                                                                                                                                                      |
|------------------------|------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DATE_PLACED_IN_SERVICE |      | DATE         | Required. Use this column for the date you placed the asset in service.                                                                                                                                                                                       |
| DEPRECIATE_FLAG        |      | VARCHAR2(3)  | Required. Use this column to indicate if you want Oracle Assets to depreciate this asset. If you want to calculate depreciation on this asset, enter YES in this column. If you do not want to calculate depreciation, enter NO.                              |
| DEPRN_LIMIT_TYPE       |      | VARCHAR2(30) | Depreciation limit type of the asset, such as the amount or percent.                                                                                                                                                                                          |
| DEPRN_METHOD_CODE      |      | VARCHAR2(12) | Name of the depreciation method for the asset.                                                                                                                                                                                                                |
| DEPRN_RESERVE          |      | NUMBER       | Optional. Use this column for the accumulated depreciation of the asset as it currently appears in your general ledger. You can enter a value, or have Oracle Assets calculate it. For CIP, expensed and group assets, you must enter zero or leave it blank. |
| DESCRIPTION            |      | VARCHAR2(80) | Required. Use this column for a description of the asset.                                                                                                                                                                                                     |



| Column Name                 | Null | Type         | Comments                                                                                                                                                                                |
|-----------------------------|------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DIST_NAME                   |      | VARCHAR2(25) | Optional. Use this column to indicate the name of the distribution set.                                                                                                                 |
| EXPENSE_CODE_COMBINATION_ID |      | NUMBER(15)   | Required. Use this column for the code combination id of the general ledger account to which depreciation expense should be charged. See: Importing Your Asset Information , page 2-88. |
| FEEDER_SYSTEM_NAME          |      | VARCHAR2(40) | Optional. Use this column to note that this asset came from a import process. Use a word like CONVERSION or PAYABLES to denote the nature of the import.                                |

| Column Name               | Null | Type         | Comments                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------|------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FIXED_ASSETS_COST         |      | NUMBER       | Required. Use this column for the cost of the asset as it currently appears in your general ledger. For group assets, you must enter zero or leave it blank. The cost of a group asset is derived from the sum of all member assets when the member assets are assigned to the group. For group assets, you must enter zero or null. The cost of a group asset is the sum of the assigned member asset costs. |
| FIXED_ASSETS_UNITS        |      | NUMBER(15)   | Required. Use this column for the number of units that make up the asset. You must use a positive integer value.                                                                                                                                                                                                                                                                                              |
| FULLY_RSVD_REVALS_COUNTER |      | NUMBER       | Optional. Use this column for the number of times you have revalued this asset as fully reserved. If you do not revalue your assets, do not use this column.                                                                                                                                                                                                                                                  |
| GLOBAL_ATTRIBUTE_CATEGORY | Null | VARCHAR2(30) | Do not use this column.                                                                                                                                                                                                                                                                                                                                                                                       |

| Column Name              | Null | Type          | Comments                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------------|------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GLOBAL_<br>ATTRIBUTE1-20 |      | VARCHAR2(150) | Optional. Use these columns to copy the Asset Workbench global descriptive flexfield segments setup on the Asset Workbench. To access these values in the Asset Workbench, you need to define the global descriptive flexfield on the Asset Workbench. The values stored in GLOBAL_ATTRIBUTE1 through GLOBAL_ATTRIBUTE20 are copied to the columns in FA_ADDITIONS.                                          |
| GROUP_ASSET_ID           |      | NUMBER(15)    | Optional. Use this column for member assets only.<br>Group_Asset_ID is the Asset_ID of the group asset to which the member asset is assigned. Note that if you leave this field null, any applicable default from the category default will be applied. If a group association exists in the category, and you wish to enforce no group association, you should populate this field with FND_API.G_MISS_NUM. |

| Column Name        | Null | Type         | Comments                                                                                                                                                                                                                                                       |
|--------------------|------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IN_USE_FLAG        |      | VARCHAR2(3)  | Optional. Use this column to indicate whether the asset is in use.                                                                                                                                                                                             |
| INVENTORIAL        |      | VARCHAR2(3)  | Optional. Use this column to indicate whether an asset should be included in physical inventory. The value is defaulted from the category but can be overridden. The valid values for this column are YES or NO.                                               |
| INVOICE_CREATED_BY | Null | NUMBER(15)   | Do not use this column.                                                                                                                                                                                                                                        |
| INVOICE_DATE       | Null | DATE         | Do not use this column.                                                                                                                                                                                                                                        |
| INVOICE_ID         |      | NUMBER(15)   | Optional. Use this column for the invoice id, if available. Use the appropriate value from the INVOICE_ID column of the AP_INVOICES table. Note that INVOICE_ID is the unique internal identifier, and not the same as the external identifier INVOICE_NUMBER. |
| INVOICE_NUMBER     |      | VARCHAR2(15) | Optional. Use this column for the invoice number for this asset, if available.                                                                                                                                                                                 |

| Column Name        | Null | Type       | Comments                                                                                                                                          |
|--------------------|------|------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| INVOICE_UPDATED_BY | Null | NUMBER(15) | Do not use this column.                                                                                                                           |
| LAST_UPDATE_DATE   |      | DATE       | Required. Use this column for the date you load this asset into the FA_MASS_ADDITIONS table.                                                      |
| LAST_UPDATE_LOGIN  |      | NUMBER(15) | Required. Use the value 1 in this column, or the specific user id of the person working on the import.                                            |
| LAST_UPDATED_BY    |      | NUMBER     | Required. Use the value 1 in this column, or the specific user id of the person working on the import.                                            |
| LEASE_ID           |      | NUMBER(15) | Optional. This column identifies the lease number.                                                                                                |
| LESSOR_ID          |      | NUMBER(15) | Optional. This column identifies the lessor number.                                                                                               |
| LIFE_IN_MONTHS     |      | NUMBER(4)  | Life of the Asset in total months.                                                                                                                |
| LOCATION_ID        |      | NUMBER(15) | Required. Use this column for the location id that corresponds with the location of the asset. See: Importing Your Asset Information , page 2-89. |

| Column Name                       | Null | Type         | Comments                                                                                                                                                                                                                                                                   |
|-----------------------------------|------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MASS_ADDITION_ID                  |      | NUMBER(15)   | Required. Oracle Assets uses this column as a unique identifier for mass additions. The values in MASS_ADDITION_ID are generally sequential. You can use a sequence generator to populate this column. Note that the value of this column must be less than 2,000,000,000. |
| MANUFACTURER_NAME                 |      | VARCHAR2(30) | Optional. Use this column for the name of the manufacturer of the asset.                                                                                                                                                                                                   |
| MERGE_INVOICE_NUMBER              |      | VARCHAR2(50) | Optional. Optionally set this column to INVOICE_NUMBER for unmerged lines.                                                                                                                                                                                                 |
| MERGE_PARENT<br>MASS_ADDITIONS_ID | Null | NUMBER(15)   | Do not use this column.                                                                                                                                                                                                                                                    |
| MERGE_VENDOR_NUMBER               |      | VARCHAR2(30) | Optional. Optionally set this column to VENDOR_NUMBER for unmerged lines                                                                                                                                                                                                   |
| MERGED_CODE                       | Null | VARCHAR2(3)  | Do not use this column.                                                                                                                                                                                                                                                    |
| MODEL_NUMBER                      |      | VARCHAR2(40) | Optional. Use this column for the model number of the asset.                                                                                                                                                                                                               |
| NEW_MASTER_FLAG                   | Null | VARCHAR2(3)  | Do not use this column.                                                                                                                                                                                                                                                    |

| Column Name               | Null | Type         | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------|------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NEW_USED                  |      | VARCHAR2(4)  | Optional. Use this column to indicate whether the asset is new or used.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| ORIGINAL_DEPRN_START_DATE |      | DATE         | Optional. This column indicates the date the short fiscal year asset began depreciating in the acquired company's books.                                                                                                                                                                                                                                                                                                                                                                                             |
| OWNED_LEASED              |      | VARCHAR2(15) | Optional. Use this column to indicate whether the asset is owned or leased.                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| PARENT_ASSET_ID           |      | NUMBER(15)   | <p>Optional. If you are importing asset information from another payables system, use this column for the asset id of the parent asset if this asset is a subcomponent of another asset. The parent asset must be an existing asset. Note that ASSET_ID is the unique internal identifier, and not the same as the external identifier ASSET_NUMBER.</p> <p>For a conversion, do not use this column. If an asset is a subcomponent, you can enter this relationship in the Subcomponents window after you post.</p> |

| Column Name                  | Null | Type         | Comments                                                                                                                                                                                                 |
|------------------------------|------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PARENT_MASS_ADDITION_ID      | Null | NUMBER(15)   | Do not use this column.                                                                                                                                                                                  |
| PAYABLES_BATCH_NAME          | Null | VARCHAR2(50) | Do not use this column.                                                                                                                                                                                  |
| PAYABLES_CODE_COMBINATION_ID |      | NUMBER(15)   | Required. Use this column for the code combination id of the asset clearing account you assigned to the asset category. See: Importing Your Asset Information Step 2, page 2-88: page 1 - 92, page 2-88. |
| PAYABLES_COST                |      | NUMBER       | Required. Use this column for the original cost of the asset. If you do not have the original cost of the asset, use the asset cost as it appears in the general ledger.                                 |
| PAYABLES_UNITS               |      | NUMBER       | Required. Use this column for the number of units that make up the asset. You must use a positive integer value. Use the same value in this column that you use in the FIXED_ASSETS_UNITS column.        |
| PERCENT_SALVAGE_VALUE        |      | NUMBER       | Salvage percentage of the asset.                                                                                                                                                                         |



| Column Name    | Null | Type         | Comments                                                                                                                                                                                                                                                                                                                                        |
|----------------|------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PO_NUMBER      |      | VARCHAR2(15) | Optional. Use this column for the purchase order number for this asset, if available.                                                                                                                                                                                                                                                           |
| PO_VENDOR_ID   |      | NUMBER(15)   | Optional. Use this column for the supplier id. See: Importing Your Asset Information Step 5, page 2-90: page 1 - 94, page 2-90.                                                                                                                                                                                                                 |
| POST_BATCH_ID  | Null | NUMBER(15)   | Do not use this column.                                                                                                                                                                                                                                                                                                                         |
| POSTING_STATUS |      | VARCHAR2(15) | <p>Required. To import asset information from another payables system, use the value NEW or ON HOLD for this column if you want to review this asset in the Mass Additions window.</p> <p>Use the value POST for this column if you are entering all required information and want to post the asset immediately, such as for a conversion.</p> |

| Column Name             | Null | Type         | Comments                                                                                                                                                                                                                                      |
|-------------------------|------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PRODUCTION_CAPACITY     |      | NUMBER       | Optional. Use this column for the capacity of a units of production asset. If you do not enter a capacity, Oracle Assets uses the capacity from the asset category. If this asset is not a units of production asset, do not use this column. |
| PROJECT_ASSET_LINE_ID   | Null | NUMBER(15)   | Do not use this column.                                                                                                                                                                                                                       |
| PROJECT_ID              | Null | NUMBER(15)   | Do not use this column.                                                                                                                                                                                                                       |
| PROPERTY_1245_1250_CODE |      | VARCHAR2(4)  | Optional. Use this column to indicate that the property type class is 1245 (personal) or 1250 (real).                                                                                                                                         |
| PROPERTY_TYPE_CODE      |      | VARCHAR2(10) | Optional. Use this column to indicate the property type.                                                                                                                                                                                      |
| PRORATE_CONVENTION_CODE |      | VARCHAR2(10) | Depreciation prorate convention used for the asset.                                                                                                                                                                                           |
| QUEUE_NAME              |      | VARCHAR2(15) | Required. Use the same value you entered into the POSTING_STATUS column (e.g. NEW, ON HOLD, POST).                                                                                                                                            |

| Column Name                      | Null | Type         | Comments                                                                                                                                                                                                  |
|----------------------------------|------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REVAL_<br>AMORTIZATION_B<br>ASIS |      | NUMBER       | Optional. Use this column for the basis for amortization of revaluation reserve for a revalued asset, usually the current revaluation reserve. If you do not revalue your assets, do not use this column. |
| REVAL_RESERVE                    |      | NUMBER       | Optional. Use this column for the revaluation reserve of a revalued asset. If you do not revalue your assets, do not use this column.                                                                     |
| REVIEWER_<br>COMMENTS            |      | VARCHAR2(60) | Optional. Use this column to note that this asset came from a import process and any other details about this asset.                                                                                      |
| SALVAGE_TYPE                     |      | VARCHAR2(30) | Salvage type of the asset, such as the amount or percent.                                                                                                                                                 |
| SALVAGE_VALUE                    |      | NUMBER       | Optional. Use this column for the salvage value of the asset, if available.                                                                                                                               |
| SERIAL_NUMBER                    |      | VARCHAR2(35) | Optional. Use this column for the serial number of the asset.                                                                                                                                             |
| SHORT_FISCAL_YE<br>AR_FLAG       |      | VARCHAR2(3)  | Optional. Use this column to indicate if the asset was added in a short fiscal year.                                                                                                                      |

| Column Name                    | Null | Type         | Comments                                                                                                                                                                                         |
|--------------------------------|------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SPLIT_CODE                     | Null | VARCHAR2(3)  | Do not use this column.                                                                                                                                                                          |
| SPLIT_MERGED_CODE              | Null | VARCHAR2(3)  | Do not use this column.                                                                                                                                                                          |
| SPLIT_PARENT_MASS_ADDITIONS_ID | Null | NUMBER(15)   | Do not use this column.                                                                                                                                                                          |
| SUM_UNITS                      | Null | VARCHAR2(3)  | Do not use this column.                                                                                                                                                                          |
| TAG_NUMBER                     |      | VARCHAR2(15) | Use this column for the asset tag number if required. You can use this column for barcode values if you track assets by barcodes. Oracle Assets allows no duplicate values except null.          |
| TASK_ID                        |      | NUMBER(15)   | Optional. This column identifies the task from which costs were collected, summarized, and transferred from Oracle Projects. This column is only populated if the costs were summarized by task. |
| TRANSACTION_DATE               |      | DATE         | Optional. This column indicates the date on which the transaction is processed.                                                                                                                  |

| Column Name               | Null | Type         | Comments                                                                                                                                                                                                                                                            |
|---------------------------|------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRANSACTION_TY<br>PE_CODE |      | VARCHAR2(20) | Optional. Use this column to identify the type of future transaction. Possible values are: FUTURE ADD, FUTURE ADJ, and FUTURE CAP.                                                                                                                                  |
| UNIT_OF_MEASURE           |      | VARCHAR2(25) | Optional. Use this column for the unit of measure for a units of production asset. If you do not enter a unit of measure, Oracle Assets uses the unit of measure from the asset category. If this asset is not a units of production asset, do not use this column. |
| UNITS_TO_ADJUST           |      | NUMBER(15)   | Do not use this column.                                                                                                                                                                                                                                             |
| UNREVALUED_COST           |      | NUMBER       | Optional. Use this column for the cost without regard to any revaluations of a revalued asset. If you do not revalue your assets, do not use this column.                                                                                                           |
| VENDOR_NUMBER             | Null | VARCHAR2(15) | Do not use this column.                                                                                                                                                                                                                                             |
| WARRANTY_ID               |      | NUMBER(15)   | Optional. Use this column to identify the warranty number.                                                                                                                                                                                                          |

| Column Name | Null | Type   | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------|------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| YTD_DEPRN   |      | NUMBER | <p>Optional. Use this column for the year-to-date depreciation of the asset as it currently appears in your general ledger. You can enter a value, or have Oracle Assets calculate it for an asset with a date placed in service in a prior period. For CIP, expensed and group assets, you must enter zero or leave it blank.</p> <p>Note: If you enter the YTD_DEPRN manually, make sure you are aware of how this affects depreciation calculation in subsequent periods. For more information, see: Journal Entries for Additions and Capitalizations, page 6-8. If you are using the FA: Annual Rounding profile option, see: Profile Options and Profile Options Categories Overview, page B-1.</p> |

| Column Name                 | Null | Type   | Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------|------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| YTD_REVAL_DEPR<br>N_EXPENSE |      | NUMBER | <p>Optional. Use this column for the year-to-date depreciation expense due to revaluation of a revalued asset. If you do not revalue your assets, do not use this column.</p> <p>Some columns do not apply to group, CIP, or expensed assets. These columns include the following:<br/>YTD_REVAL_DEPR<br/>N_EXPENSE,<br/>UNREVALUED_COST,<br/>SHORT_FISCAL_YEAR_FLAG,<br/>REVAL_RESERVE,<br/>REVAL_AMORTIZATION_BASIS,<br/>ORIGINAL_DEPRN_START_DATE,<br/>FULLY_RSVD_REVALS_COUNTER,<br/>YTD_DEPRN</p> |

## Related Topics

About the Mass Additions Open Interface, page 2-56

Planning Your Import, page 2-57

Defining Oracle Assets for Mass Additions, page 2-59

Loading Your Asset Data, page 2-63

Importing Your Asset Information, page 2-63

Finishing Your Import, page 2-92

## Importing Your Asset Information

During this phase, use SQL\*Plus to move your asset data into the FA\_MASS\_ADDITIONS table. Run the Mass Additions Status Report and the Unposted

Mass Additions Report to check your data. Then prepare the assets using Prepare Mass Additions if necessary and post them using Mass Additions Post.

Once you have set up Oracle Assets, you are ready to import your asset information.

If you are importing asset information from another payables system, load the FA\_MASS\_ADDITIONS table directly. Then use Prepare Mass Additions and Mass Additions Post to add your assets to Oracle Assets.

If you are converting asset information from another assets system, use SQL\*Plus to move the asset information from the interim table into the FA\_MASS\_ADDITIONS table. After you load and confirm the FA\_MASS\_ADDITIONS table, run Mass Additions Post to post your assets to Oracle Assets.

#### 1. Load your asset data into the FA\_MASS\_ADDITIONS table.

You use SQL\*Plus to load your asset information into the FA\_MASS\_ADDITIONS table from the interim table. Be sure to check the table after each SQL\*Plus script to ensure that the script updated the table correctly. Also load the LAST\_UPDATE\_DATE column and all the other columns that are the same for all your assets.

**Tip:** Load your data into the FA\_MASS\_ADDITIONS table in stages, posting and cleaning the table, to avoid exceeding tablespace allocations.

#### 2. Load expense code combination IDs.

Use SQL\*Plus to match expense account information in your interim table with the correct segments of the GL\_CODE\_COMBINATIONS table. To do this, you must first determine the mapping between segment numbers and segment names. Find the name of your chart of accounts using the Ledgers window to query on the ledger that you entered for the depreciation book in the Book Controls window. When you know the chart of accounts, perform the following SQL\*Plus script:

**Example:**

```
select segment_name, application_column_name
  from fnd_id_flex_segments
 where id_flex_code = 'GL#'
 and enabled_flag = 'Y'
 and id_flex_num in (
   select id_flex_num
   from fnd_id_flex_structures
  where id_flex_structure_name =
        Your Chart of Accounts Name
        and id_flex_code = 'GL#')
```

Match the information you have in the interim table with the appropriate segments to determine the correct code combination id for each asset. You might have only an account in your interim table, or you might have a company, division, and cost center that you need to match with segments in the GL\_CODE\_COMBINATIONS



table. Make certain that your SQL\*Plus script selects only one code combination id for each asset.

You can create the combinations you need using the Account Flexfield Combinations window.

### 3. Load category IDs.

The asset category determines many of the accounts to which each asset belongs. The category and date placed in service also determine the depreciation method, prorate convention, and other depreciation rules for the asset based on default values you defined for each category. Unless the interim table contains explicit information about the category to which each asset belongs, you must use all the information you have about each asset to determine its category. Asset account and reserve account are often useful in determining an asset's major category.

You need to determine the name of the category flexfield structure using the System Controls window. When you know the name of the category flexfield, perform the following SQL\*Plus script:

**Example:**

```
select segment_name, application_column_name
  from fnd_id_flex_segments
 where id_flex_code = 'CAT#'
 and enabled_flag = 'Y'
 and id_flex_num in (
    select id_flex_num
      from fnd_id_flex_structures
     where id_flex_structure_name =
           Your Category Flexfield Name
       and id_flex_code = 'CAT#')
```

Match the information you have with the corresponding columns in the FA\_CATEGORIES table, the FA\_CATEGORY\_BOOKS table, and the FA\_CATEGORY\_BOOK\_DEFAULTS table. These tables join using the CATEGORY\_ID column in each. The FA\_CATEGORY\_BOOKS table contains information about a category that is specific to a book, e.g. accounts. The FA\_CATEGORY\_BOOK\_DEFAULTS table contains information about a category that is specific to a book and date placed in service range, e.g. depreciation method. The FA\_CATEGORIES table contains information about a category that is common for all books, including the category flexfield segment values. You can match on segments the same way you do for the Expense Code Combination ID if you have enough information in the interim table.

You can set up categories using the Asset Categories window.

### 4. Load location IDs.

Use SQL\*Plus to match location information in your interim table with the location segments in the FA\_LOCATIONS table. To do this, you need to determine the mapping between segment names and segment numbers. Determine the name of the location flexfield structure you defined on the System Controls window and

then perform the following SQL\*Plus script:

**Example:**

```
select segment_name, application_column_name
  from fnd_id_flex_segments
 where id_flex_code = 'LOC#'
 and enabled_flag = 'Y'
 and id_flex_num in (
    select id_flex_num
      from fnd_id_flex_structures
     where id_flex_structure_name =
           Your Location Flexfield Name
       and id_flex_code = 'LOC#')
```

Match the location information in your interim table with the location segments in the FA\_LOCATIONS table. Load the LOCATION\_ID of the matching location record into the FA\_MASS\_ADDITIONS table. Be certain you select only one location id for each asset.

You can set up locations using the Locations window.

**5. Load supplier information.**

If you have supplier information for your assets, use SQL\*Plus to match the supplier name in the interim table with the PO\_VENDOR\_NAME column in the PO\_VENDORS table. Load the PO\_VENDOR\_ID of the matching record into the FA\_MASS\_ADDITIONS table.

You need to set up suppliers in the Suppliers window if you are not using Oracle Payables or Oracle Purchasing. Note that PO\_VENDOR\_ID is the unique internal identifier, and not the same as the external identifier supplier number.

**6. Prepare mass additions for posting.**

Once the FA\_MASS\_ADDITIONS table is loaded, you must change the POSTING\_STATUS column to HOLD for any assets that have a date placed in service after the end of the conversion period. For most conversions, the conversion period is the last period of the previous fiscal year.

When you are ready to post the FA\_MASS\_ADDITIONS table, use the Send Mass Additions to Oracle Asset program to run Mass Additions Post. This program moves your assets into Oracle Assets.

Run the Mass Additions Status Report to see the results. Compare this report with the expected results, and investigate missing or incomplete items. Check the PERIOD\_FULLY\_RESERVED column in FA\_BOOKS for fully reserved assets.

For assets that you placed in service after the conversion period, you can run Mass Additions Post after you have opened the appropriate period. For example, if your fiscal year ends December 31, December is your conversion period. If you have some assets that you placed in service in January, set the posting status to ON HOLD for the January assets while you post the first time. After you run

depreciation for December, then you set the posting status of the January assets to POST and run Mass Additions Post again.

## 7. Fix exceptions.

During this step you fix all the exceptions which were not properly imported using Mass Additions. You only need to perform these steps if they apply to your import:

- **Assets With Multiple Distributions:**

If you want some of your assets to have multiple distribution lines, then you need to use the Assignments window to correct the distribution information for each of these assets.

- **Assets With Investment Tax Credits:**

After you have posted your assets with Mass Additions, use the Assign Investment Tax Credit window to add ITC information.

- **Leased Assets And Leasehold Improvements:**

After you have posted your assets with Mass Additions Post, use the Asset Details window to add leasing information for your leased assets and your leasehold improvements. Verify that the life of your leasehold improvements is correct when you run depreciation.

- **Assets With Parent Or Child Assets:**

After you have posted your assets using Mass Additions Post, use the Asset Details to add parent asset information to each child asset.

- **Units of Production Assets:**

You cannot load units of production assets with accumulated depreciation. For more information about this restriction, see Assets Depreciating Under Units of Production, page 5-37.

If you want to load a large number of units of production assets, please use the production interface instead of the mass additions interface. See: Using the Production Interface, page 5-40

## Related Topics

About the Mass Additions Interface, page 2-56

Planning Your Import, page 2-57

Defining Oracle Assets for Mass Additions, page 2-59

FA\_MASS\_ADDITIONS Interface Table, page 2-65

Loading Your Asset Data, page 2-63

## Finishing Your Import

When you have all your asset information moved into Oracle Assets, you need to verify that the financial information matches your records. Once you are satisfied that the value of your assets is correct, you can run depreciation and then verify that the accumulated depreciation matches your records. When you are satisfied that your corporate book is correct, you can copy the assets into your tax books. You reconcile each tax book using a similar procedure.

If some of the assets in the FA\_MASS\_ADDITIONS table have dates placed in service after the import, you need to bring these assets into Oracle Assets in the correct period.

Complete the following steps to finish your import:

1. **Verify your assets.**

Before you run depreciation you should run the Asset Additions Report. Use this report to verify that each asset has the correct depreciation method, life, and date placed in service. Also verify that each asset has the correct cost and accumulated depreciation and that the totals for each asset account are correct. If you find any errors, make adjustments using the Books window and reclassifications using the Asset Details window.

For additional verification, project depreciation to the asset and cost center level to see that the expense projections agree with your estimates, and that the assets appear properly.

2. **Run Depreciation.**

When you are satisfied that your assets are correct, run depreciation for the conversion period. After depreciation completes, Oracle Assets automatically runs the Journal Entry Reserve Ledger report.

3. **Reconcile depreciation amounts.**

Use the Journal Entry Reserve Ledger Report from Step 2 to verify that the depreciation amounts are correct. If Oracle Assets calculated depreciation for you, verify that the calculated amount is correct. If you find any errors, make adjustments using the Books window and reclassifications using the Asset Details window.

4. **Run Mass Additions for post-dated assets.**

If necessary, run Mass Additions to add assets into the periods following your import period. Add any other new assets and perform any transactions that you made during the period. Verify all these transactions and run depreciation again. Repeat this procedure until you have caught up to the current period.

5. **Copy assets to your tax books using Mass Copy.**

When you are satisfied that your corporate book is correct, use Mass Copy to copy your assets into your tax books. You should set up your tax books so that the first period starts at the same time as the associated corporate book. If your import period is the last period of the previous fiscal year, use Initial Mass Copy. If your import is the first period of the current fiscal year, use Periodic Mass Copy since there is no historical data in Oracle Assets.

#### **6. Reconcile your tax books.**

Reconcile your tax books the same way you did your corporate book, but use the Tax Reserve Ledger Report in place of the Journal Entry Reserve Ledger Report.

Run Periodic Mass Copy each period to bring over any new assets, cost adjustments, retirements, and reinstatements from the corporate book.

#### **7. Clean up the Mass Additions holding area.**

After you have successfully imported a group of assets, you should remove them from the mass additions holding area. First, run the Unposted Mass Additions Report and verify the status of any unposted mass additions. Afterward, use the Delete Mass Additions window, and the Purge Mass Additions window if necessary.

### **Related Topics**

About the Mass Additions Interface, page 2-56

Planning Your Import, page 2-57

Defining Oracle Assets for Mass Additions, page 2-59

FA\_MASS\_ADDITIONS Interface Table, page 2-65

Loading Your Asset Data, page 2-63

Importing Your Asset Information, page 2-87

## **Creating Asset Additions Using Web ADI**

Oracle Assets integrates with Web ADI to enable you to create assets additions through the Additions Integrator. The Additions Integrator allows you to enter or load data into a spreadsheet using pre-defined mappings and layouts. Web ADI validates all required fields. If the Pre-Validate check box is checked, Web ADI validates both required and optional fields. After validating data, you can automatically upload your assets to Oracle Assets.

To use Web ADI to create assets additions, refer to *Creating a Document in Oracle Web ADI Implementation and Administration Guide*.

In the Integrator page, you need to select a corporate asset book. In the Layout page, you need to select a layout.

You can create custom layouts or select one of the following seeded layouts:

- Add Assets – Default
- Add Assets – Detailed
- Add CIP Assets
- Add Leased Assets

After creating your spreadsheet, you can upload the data into Oracle Assets. See: *Uploading and Downloading Data from Spreadsheets in Oracle Web ADI Implementation and Administration Guide*.

During the Create Assets Upload, check the Create Assets Now check box if you want to run the Mass Additions Post program automatically when you upload.

## Future Transactions

Oracle Assets supports one open asset accounting period. However, Oracle Assets allows you to enter transactions for future accounting periods. When you enter a future transaction, it is temporarily stored in the FA\_MASS\_ADDITIONS interface table. This pending transaction does not become effective until the transaction date for the transaction is within the current open period in Oracle Assets. For example, if the current open period is May 2000, and you enter an adjustment transaction with a transaction date of 01-Sep-2000, the transaction does not become effective until Sep-2000 is the current open period.

When you open a new accounting period, the Process Pending Transactions concurrent program runs and automatically processes all pending transactions with a transaction date that falls within the open period. You do not need to enter any further transaction detail to complete the transaction in the effective open period.

The Process Pending Transactions program looks up the transaction date of each pending transaction. If the transaction date falls within the current open period of the corporate book, the program processes that transaction. Any exceptions are written to the log file.

It is not necessary to enter future transactions in chronological order. The Process Pending Transactions program automatically processes pending transactions in chronological order.

You can also add assets from invoice lines from Oracle Payables, and provide a future date placed in service. These invoices must first be posted to future General Ledger periods from Oracle Payables and satisfy all other mass addition criteria to be successfully interfaced from Oracle Payables to Oracle Assets.

## Related Topics

- Adding a Future Transaction Manually, page 2-95
- Invoice Additions, page 2-96
- Merge Mass Additions, page 2-96
- Split Mass Additions, page 2-97
- Performing Adjustments with Future Effective Dates, page 2-97
- Capitalize CIP Assets in Advance, page 2-98
- View Pending Transactions, page 2-99

## Adding a Future Transaction Manually

Oracle Assets allows you to add an asset with a future date placed in service using the Prepare Mass Additions Workbench.

You can enter future transactions only in your corporate depreciation book. You cannot enter future assets directly into tax books or budget books. Once a future asset becomes effective in the corporate book in the designated accounting period, you can use Mass Copy to copy the asset into associated tax books.

You can update distribution information (location, employee, depreciation, and expense account information) in the Assignment window for a future asset with a future date placed in service. However, this will be considered an update, and not a transfer, such that when the future period becomes the effective open period, the asset will be assigned to the updated distribution without any history of previous distributions.

Oracle Assets defaults depreciation parameters when you enter the addition transaction via the Prepare Mass Additions window. When an asset is placed in service using a future date placed in service, it does not re-inherit category defaults.

For example, you enter a future asset in the VEHICLE-OWNED LUXURY category during the current open period, Dec-1999, and enter the date placed in service as Feb-2000. The VEHICLE-OWNED LUXURY category defaults the salvage value to be 15 percent of the cost for assets having a date placed in service from Jun-1999 to Dec-1999. In Jan-2000, you changed the default salvage value to 10 percent, applicable to assets with a date placed in service of Jan-2000 onward. When the system places the vehicle in service in Feb-2000, the asset inherits a salvage value of 15 percent instead of 10 percent.

### To enter a future transaction manually:

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Choose the New button on the Find Assets window to bring up the Mass Additions Detail window

3. Enter the corporate depreciation book to which the asset will be added.
4. Enter the transaction date for this addition. The date must be a future date. In other words, the date must be later than the last day of the current open period.
5. Refer to Overview of the Mass Additions Process on page: , page 2-28 for information on entering remaining fields.

**Note:** Before running the Process Pending Transaction process, you must set the queue name to POST. Otherwise, the addition will not be processed in the appropriate period.

## Invoice Additions

Oracle Payables allows you to enter invoices with a future date placed in service. However, you cannot post these invoices to General Ledger until the period is open. Invoices that are not yet posted to Oracle General Ledger cannot be transferred to Oracle Assets.

Normally, the Mass Additions Create program in Oracle Payables forces the date placed in service to be in the current open period, even if the General Ledger date and invoice date are in the future. To use Oracle Assets to process future invoice additions, you must set the FA: Default DPIS to Invoice Date profile option to Yes. This allows you to default the date placed in service to the invoice date, even though the invoice date is in a future accounting period.

### To review future mass additions lines:

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Enter the selection criteria for the mass additions lines and choose Find.
3. Highlight the desired invoice line and choose Open.
4. Review the future mass addition.
5. When you are ready to run the Process Pending Transactions process, change the queue name to POST for any future transactions that need to be processed. The date placed in service, or transaction date, defaults to the invoice date. However, you can overwrite the transaction date.

## Merge Mass Additions

You can post merged mass addition lines to a future period. To do this, you must enter a future transaction date and change the queue name to POST. The merged children inherit the date placed in service from their merged parent.



**Note:** You can merge and split mass additions as much as you like until you set the status to POST. Once you set the status to POST, Oracle Assets creates an asset ID, and you can no longer split or merge the mass addition line.

## Split Mass Additions

After you split mass additions, each split child will be in the ON HOLD queue. You can review each line to become a separate asset. If you intend to post the split mass additions line to a future period, you must set the line to the POST queue for it to be processed.

**Note:** You can split and merge mass additions as much as you like until you set the status to POST. Once you set the status to POST, Oracle Assets creates an asset ID, and you can no longer split or merge the mass addition line.

## Performing Adjustments with Future Effective Dates

Oracle Assets allows you to adjust both current and future assets, including CIP assets. Oracle Assets does not process these future transactions until the system opens the period in which the effective date falls. Future adjustments are limited to cost adjustments only. These adjustments can be made to capitalized assets, including fully reserved ones, that have already been placed in service. You cannot, however, adjust retired assets.

### Adjust Asset Costs in Advance Manually

You can make non-invoiced or manual cost adjustments in advance to a current capitalized or CIP asset, or a capitalized or CIP asset that is pending to be placed in service in future periods. To perform such cost adjustments, you must first create a cost adjustment record and attach it to an asset using the Add to Asset feature.

#### To adjust asset cost in advance manually:

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Choose Adjust.
3. At the Mass Additions window, enter the cost adjustment amount in the Cost field. Note that you must enter the net change in cost, not the new cost.
4. Enter the Transaction Date.
5. Choose Add to Asset.

6. In the Add to Asset window, query the asset you want to adjust.
7. Highlight the asset.
8. Check Amortize Adjustment if you want to amortize the adjustment over the remaining useful life of the assets. Otherwise, leave the check box blank to expense the adjustment.

**To adjust asset costs in advance by invoice additions:**

1. In the Find Mass Additions window, enter the selection criteria for the invoice lines you are about to add to an asset.
2. Choose Find.
3. In the Mass Additions Summary window, highlight the desired invoice line and choose Open.
4. Optionally change the Date Place in Service and Transaction Date, and choose Save.
5. Choose Add to Asset.
6. Highlight an asset.
7. Check Amortize Adjustment if you want to amortize the adjustment or leave it blank to expense the adjustment.
8. Check New Category and Description to change the category and description of the existing asset to those of the mass addition you are adding as a cost adjustment.
9. Choose Done.

## **Capitalize CIP Assets in Advance**

You can capitalize current and future CIP assets in advance using the Mass Additions workbench.

**Note:** Oracle Assets does not support reverse capitalization for future transactions.

**To capitalize CIP assets in advance:**

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Choose Capitalize.

3. In the Add to Asset window, query the CIP assets to be capitalized.
4. Check the check boxes for the assets you want to capitalize.
5. Enter the transaction date. This date must be a in future period.
6. Choose Done.

## View Pending Transactions

When you enter a future transaction, the system assigns a transaction type to that transaction for audit trail. Available transaction types are:

- FUTURE ADD -- manual or invoice addition of asset
- FUTURE ADJUST - a manual or invoice adjustment
- FUTURE CAPITALIZE - capitalization of current or future CIP assets

You are encouraged to view all pending transactions of an asset before performing adjustments and other future transactions.

### To view pending transactions:

1. Choose Mass Additions > Prepare Mass Additions from the Navigator window.
2. Enter selection criteria and click Find.
3. Click Open to drill down to further details of the transaction.

You can update pending ADJUSTMENT and ADDITION transactions. However, this will be considered an update, and not a transfer, such that when the future period becomes the effective open period, the asset will be assigned to the updated distribution without any history of previous distributions.

## Related Topics

Overview of the Mass Additions Process, page 2-28

Create Mass Additions from Invoice Distributions in Oracle Payables, page 2-36

Mass Additions Open Interface, page 2-56

Review Mass Additions, page 2-30

Post Mass Additions to Oracle Assets, page 2-34

Clean Up Mass Additions, page 2-35

Create Mass Additions for Oracle Assets Program (from Oracle Payables), *Oracle Payables User Guide*

## Adding Assets in Short Tax Years

When assets are acquired as a result of a merger, in the first year during which the assets are acquired, these assets are usually depreciated during a shorter than normal tax year. It is essential that the acquiring company is able to depreciate the acquired assets correctly during the short tax year.

When you add assets in a short tax year, you identify the asset as a short tax year asset. When you add short tax year assets, you must use either the detail additions process or the mass additions process. You cannot use the quick additions process to add short tax year assets.

You can define custom depreciation formulas to help you to properly depreciate newly acquired assets in a short tax year. See: Defining Formula-Based Depreciation Methods, page 9-69.

### Adding a Single Asset in a Short Tax Year

#### To add an asset to the corporate book in a short tax year:

1. Follow the steps to add an asset using the detail additions process. See: Adding an Asset Specifying Details, page 2-20.
2. While in the Books window, check the Short Fiscal Year check box to indicate the current year is a short tax year.
3. Enter the conversion date. This is the date the short tax year asset begins depreciating in Oracle Assets in the acquiring company.
4. Enter the original depreciation start date of the acquired assets. This is the date when the assets began depreciating in the acquired company.
5. Continue adding the asset.

### Adding Multiple Assets in a Short Tax Year

#### To add multiple assets in a short tax year:

1. Add assets using the mass additions process. See: Overview of the Mass Additions Process, page 2-28.

**Note:** In the period you added short tax year assets, we recommend that you run depreciation without closing the period, verify the depreciation amounts, then close the period. See: Rolling Back

Depreciation, page 5-3.

2. Use the mass copy process to copy the asset information into your tax books. See: Tax Book Maintenance, page 7-1.
3. Upload depreciation information for tax books to the FA\_TAX\_INTERFACE table. See: Uploading Tax Book Depreciation Information, page 2-101.
4. Run the Upload Short Tax Year Reserves concurrent program to update reserve in your tax book.

**Note:** You should run this program after running mass copy.

## Uploading Tax Book Depreciation Information

When you use the mass copy process to copy asset information into your tax books, no depreciation or depreciation reserve amounts are copied into the tax books. After running mass copy, you use the FA\_TAX\_INTERFACE table and Upload Short Tax Year Reserves program to update depreciation information for the short tax year assets in your tax books.

You use SQL\*Loader to load the FA\_TAX\_INTERFACE table, using the same procedure you used to load the FA\_MASS\_ADDITIONS table when you created mass additions. See: Loading Your Asset Data, page 2-63. For detailed information on the FA\_TAX\_INTERFACE table, see: Populating the FA\_TAX\_INTERFACE table, page 7-15.

## How Oracle Assets Calculates Depreciation in a Short Tax Year

To depreciate assets properly in a short tax year, Oracle Assets needs to account for the acquired assets up to the date on which the assets are converted to the acquiring company's Oracle Assets system. When adding assets that will depreciate in a short tax year, you must enter a conversion date and original depreciation start date, and check the Short Fiscal Year check box on the Books window.

**Note:** The prorate date is determined by the date placed in service and the prorate convention. If the original prorate convention is different from that in the acquiring company, you may need to set up a new prorate convention for the converted assets to map the prorate date correctly.

The conversion date is the date an asset begins depreciating under the acquiring company's Oracle Assets system. Therefore, the year-to-date depreciation is zero at that time. The conversion date enables Oracle Assets to calculate the remaining life of the

asset. You must choose a conversion date in the current open period of the corporate and tax books. Otherwise, the depreciation calculations may be incorrect. You cannot enter a conversion date in a past fiscal year or in future periods.

**Note:** Oracle Assets does not calculate any depreciation before the conversion date. You must enter the total depreciation taken (depreciation reserve) up to the conversion date.

The prorate convention and depreciation method control when Oracle Assets starts to depreciate new assets. For assets using the flat-rate method, if the Depreciate When Placed In Service option is selected for the prorate convention, depreciation starts from the DPIS date (not from convention date).

Depreciation in a short tax year is calculated as follows:

**Depreciable Basis \* Annual Rate \* No. of Months in Short Tax Year / No. of Months in the Full Tax Year**

If the depreciation method has a calculation basis of NBV, the value of the depreciable basis is the net book value (NBV) as of the conversion date. The NBV is derived from the depreciation reserve.

## **MACRS Deductions in a Short Tax Year**

You can define a formula-based MACRS depreciation method to calculate depreciation in a short tax year. For example, you could define a MACRS method with a straight-line switch as follows:

**Greatest (2/Life, Decode (Short Year, 1, 1/Remaining Life 1, 0, 1/ Remaining Life 2))**

In this example, Decode means the following: if the current year is a short tax year, then use Remaining Life 1. Otherwise, use Remaining Life 2.

- Remaining Life 1

Oracle Assets calculates the remaining life of the asset as of the conversion date or prorate date, whichever is later. If the prorate date is later than the conversion date, Oracle Assets calculates the remaining life based on the prorate date to avoid over-depreciating the asset.

- Remaining Life 2

Oracle Assets calculates the remaining life of the asset as of the first day of the fiscal year of the acquiring company, after the conversion date.

**Note:** Oracle Assets finds the number of months between the beginning of the fiscal year of the acquiring company and the end of the asset life. It then converts the value to years.

## Adjustments and Revaluation

You cannot revalue short tax year assets or perform financial adjustments on short tax year assets.

## Retiring Assets

Oracle Assets may take additional depreciation or reverse depreciation expense when you retire an asset. These amounts are controlled by the asset's retirement convention, date retired, and depreciation method. You may need to retire a short tax year asset during the short tax year in which it was acquired. You may want to set up special retirement conventions specifically for this scenario.

For example, your company has a short tax year that starts in May 1998 and ends in December 1998. You set up a half-year retirement convention with a prorate date in the mid-point of the short tax year (September 1). If you retire a short tax year asset in November 1998 using that half-year retirement convention, Oracle Assets backs out depreciation expense taken in September and October.

## Short Tax Year Example

XYZ has a fiscal year that begins on August 1 and ends on July 31. XYZ has assets that were placed in service during XYZ's fiscal year 1996, using a half-year prorate convention. The prorate date is February 1, 1996.

At Work has a fiscal year that begins January 1 and ends December 31. In 1997, ABC acquired XYZ and decided to begin depreciating the acquired assets in Oracle Assets on April 1, 1997.

## Defining a MACRS Depreciation Formula

Because ABC acquired XYZ and its assets in the middle of ABC's fiscal year, the asset manager at ABC needs to add assets as short tax year assets. For assets depreciating under MACRS with a 5-year life, the asset manager defines a formula-based depreciation method:

|                            |                |
|----------------------------|----------------|
| Depreciation method        | 5YRMACRS - STY |
| Calculation basis rule     | NBV            |
| Depreciate in year retired | Yes            |

The asset manager defines the following depreciation formula:

**Greatest (2/Life, Decode (Short Year, 1, 1/Remaining Life 1, 0, 1/Remaining Life 2))**

The acquired assets depreciate under a 5-year MACRS depreciation method, with a

half-year prorate convention. The depreciation basis is net book value.

### Adding Acquired Assets

ABC adds the acquired assets to its books on April 1, 1997. The asset manager specifies a conversion date of 4/1/97 and enters the cost (\$10,000) and accumulated depreciation (\$4133.30) for the assets. In the Books window, the asset manager checks the Short Fiscal Year check box. The original depreciation start date is 2/1/96. The asset manager uses the mass copy feature to copy the assets to the tax book, and uploads the reserves accordingly.

### Calculating Depreciation

When the asset manager runs depreciation for the acquired assets, Oracle Assets uses the defined formula to derive the rates during the short tax year and in the following years.

The following table illustrates how depreciation is taken throughout the remaining life of the acquired assets, which were placed in service in XYZ's fiscal year 1996 with a half-year prorate convention. The rates in boldface indicate which rate is used for each fiscal year. Note that the rate switches from declining balance to straight-line in fiscal year 1999:

| Company                                         | Declining<br>Balance Rate<br>(2/Life)        | Straight-Line<br>Rate (1/<br>Remaining Life<br>1 or 1/<br>Remaining Life<br>2) | Depreciation | Year End Net<br>Book Value |
|-------------------------------------------------|----------------------------------------------|--------------------------------------------------------------------------------|--------------|----------------------------|
| ABC Short Tax<br>Year 1997<br>(4/1/97-12/31/98) | 0.40000 Rate<br>used for the<br>fiscal year. | 0.26000                                                                        | 1760.01      | 4106.69                    |
| ABC FYR 1998                                    | 0.40000 Rate<br>used for the<br>fiscal year. | 0.32000                                                                        | 1642.68      | 2464.01                    |
| ABC FYR 1999                                    | 0.40000                                      | 0.48000 Rate<br>used for the<br>fiscal year.                                   | 1182.73      | 1281.29                    |
| ABC FYR 2000                                    | 0.40000                                      | 0.92308 Rate<br>used for the<br>fiscal year.                                   | 1182.73      | 98.56                      |



| Company      | Declining<br>Balance Rate<br>(2/Life) | Straight-Line<br>Rate (1/<br>Remaining Life<br>1 or 1/<br>Remaining Life<br>2) | Depreciation | Year End Net<br>Book Value |
|--------------|---------------------------------------|--------------------------------------------------------------------------------|--------------|----------------------------|
| ABC FYR 2001 | 0.40000                               | 12.00000 Rate<br>used for the<br>fiscal year.                                  | 98.56        | 0.00                       |

The following figure graphically illustrates information discussed in the preceding text. It shows the acquisition of XYZ Company by ABC Corporation, and how Oracle Assets determines the short tax year and the Remaining Life 1.



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## Asset Maintenance

This chapter covers the following topics:

- Changing Asset Details
- Adjusting Accounting Information
- Mass External Transfers of Assets and Source Lines
- Placing Construction-In-Process (CIP) Assets in Service
- Revaluing Assets
- Asset Management in a Highly Inflationary Economy (Revaluation)
- Asset Impairments
- The United Kingdom Local Authority Accounting for Revaluations and Impairments
- Physical Inventory
- Scheduling Asset Maintenance

### Changing Asset Details

You can change descriptive information for an asset at any time. Changing asset descriptive information other than category and units has no financial impact on the asset.

Reclassifying Assets, page 3-1

Adjusting Units for an Asset, page 3-7

### Reclassifying Assets

Reclassify assets to update information, correct data entry errors, or when consolidating categories. You cannot reclassify fully retired assets.

**Note:** When you reclassify an asset in a period after the period you entered it, Oracle Assets creates journal entries to transfer the cost and accumulated depreciation to the asset cost and accumulated depreciation accounts of the new asset category. This occurs when you create journal entries for your general ledger. Oracle Assets also changes the depreciation expense account to the default depreciation expense account for the new category, but does not adjust for prior period expenses.

## Reclassifying an Asset to Another Category

To reclassify an asset to another category:

1. Choose Asset > Asset Workbench from the Navigator window.
2. Find the asset you want to reclassify.

**Tip:** For best performance, find by asset number or tag number since they are unique values.

3. Choose Open.
4. Enter the new category.
5. Save your changes.

**Note:** Reclassification does not redefault the depreciation rules to the default rules from the new category. Manually change the depreciation rules in the Books or Mass Change windows if necessary.

## Reclassifying a Group of Assets

You can reclassify a group of assets using the Mass Reclassifications window. In addition to reclassifying assets to a new category, when you run the Mass Reclassification process, you have the option to have assets inherit the depreciation rules of the new category. If you choose to have the reclassified assets inherit depreciation rules, you can also choose to either amortize or expense the resulting depreciation adjustments. See: Depreciation Rules (Books), page 2-5.

If you want only fully reserved assets to be reclassified, check the Fully Reserved - Yes check box. If you want only assets that are not fully reserved to be reclassified, check the Fully Reserved - No check box. If you do not check either check box, both fully reserved assets and assets that are not fully reserved will be reclassified.

When you run the Mass Reclassification process, Oracle Assets first reclassifies the assets (changes the assets from one category to another), then changes the depreciation rules, if you have chosen to have the reclassified assets inherit the depreciation rules of the new category. Oracle Assets reclassifies assets to a new category, even if inheriting depreciation rules fails. However, if reclassification fails (assets are not changed to the new category), assets will not inherit the depreciation rules of the new category.

## Reclassification

Reclassification is done at the asset level. If an asset cannot be reclassified in one book, the asset will not be reclassified in any of the books to which it belongs.

If you attempt to reclassify assets to the same category (for example, you have a group of assets assigned to category PC, and you run the Mass Reclassification process to reclassify the assets to category PC), the assets will not be reclassified and will not inherit depreciation rules.

You cannot reclassify an asset in a prior period.

## Inheriting Depreciation Rules

Inheriting depreciation rules is performed at the book level, meaning that if assets do not inherit depreciation rules in one book to which the assets belong, it will not prevent assets from successfully inheriting depreciation rules in other books to which they belong.

When you choose to have assets inherit the depreciation rules of the new category, you can choose to have all rules inherited by checking the Inherit Depreciation Rules of New Category check box on the Mass Reclassifications window, or no rules by ensuring that the check box is not checked. You cannot choose to have assets inherit only specified depreciation rules. When an asset with a salvage value is reclassified to a category that does not have a default salvage value, the asset will retain the salvage value even after the reclassification.

When you choose to have assets inherit depreciation rules, you can also choose to amortize the resulting adjustments by checking the Amortize Adjustments check box on the Mass Reclassifications window. If you do not check the Amortize Adjustments check box, adjustments will be expensed. Note that if you choose to expense adjustments on the Mass Reclassifications window (the Amortize Adjustments check box is not checked), reclassification will fail for any assets for which you have previously amortized an adjustment.

**Note:** Depreciation rules are inherited in both the corporate and tax books. The rules set up for the category in the corporate book are inherited in the corporate book and the rules set up for the category in the tax book are inherited in the tax book. Depreciation rules are not copied from the corporate book to the tax book. Therefore, you do not need to check the Allow Mass Copy - Copy Adjustments check box in the Accounting Rules tabbed region of the Books Controls window.

### Setting Up Assets to Depreciate

If the Depreciate check box on the Books window is checked for an asset before the asset is reclassified, the check box will remain checked after reclassification. If the Depreciate check box is not checked for an asset before the asset is reclassified, that asset will inherit the depreciation rules of the new category, but the Depreciate check box will remain unchecked.

See: Entering Financial Information, page 2-22

### Allowing Mass Changes

If you check the Inherit Depreciation Rules of New Category check box, you must also ensure you have checked the Allow Mass Changes check box in the Accounting Rules region of the Book Controls window, for any assets that you want to inherit depreciation rules. If the Allow Mass Changes check box is not checked, reclassified assets will not inherit depreciation rules, even though you checked the Inherit Depreciation Rules of New Category check box on the Mass Reclassifications window.

**Note:** You cannot perform a mass change on the depreciation method on assets with unplanned depreciation.

See: Entering Accounting Rules for a Book, page 9-62

### Copying Descriptive Flexfield Information

You can choose to copy descriptive flexfield information to the new category by checking the Copy Category Descriptive Flexfield to New Category check box on the Mass Reclassifications window. Descriptive flexfield information will be copied only if assets are being reclassified within the same major category. The descriptive flexfields should be set up with the same segments in both the old and the new category. Otherwise, descriptive flexfield information in the old category may be copied incorrectly into an incorrect segment in the new category. If a segment in the old category and a corresponding segment in the new category have different formats (for example, segment 1 in the old category is alphanumeric and segment 1 in the new category is in date format), the information will be copied, but you will need to correct the descriptive information in that segment.

**Note:** If you do not choose to copy category descriptive flexfield information to the new category, the category descriptive flexfield information from the old category will be deleted.

### Previewing Your Mass Reclassifications

You can run the Mass Reclassification Preview Report before submitting the Mass Reclassifications process. The report allows you to preview the changes before actually submitting them. The report lists all the assets that the mass reclassification process will reclassify.

See: Mass Reclassification Preview and Review Reports, page 10-90

### Running the Mass Reclassification Process

After reviewing the Mass Reclassification Preview Report, run the mass reclassification process. If reclassification fails for any of the assets, the mass reclassification process completes with a warning. You need to review the log file to determine the reasons the assets were not reclassified.

To review the changes to category and depreciation rules, run the Mass Reclassification Review Report.

See: Mass Reclassification Preview and Review Reports, page 10-90

**Note:** You can run the Mass Reclassification Review Report from either Oracle Assets or the ADI Request Center.

### To reclassify a group of assets:

1. Choose Mass Transactions > Reclassifications from the Navigator window.
2. Find the assets you want to reclassify.
3. Specify the corporate book on which you want to run reclassification.
4. Optionally specify other asset selection criteria in the following fields:
  - Asset Type
  - Expense Accounts
  - Location
  - Group Asset
  - Employee Name
  - Employee Number
  - Category
  - Asset Key
  - Cost Range
  - Asset Numbers
  - Dates In Service

5. Enter the new category.
6. Specify if you want the current category descriptive flexfield information copied to the new category.  
  
If you do not choose to copy the flexfield information, the current category descriptive flexfield information will be deleted.
7. Specify whether to inherit the depreciation rules of the new category.
8. Specify whether to inherit the group asset of the new category.
9. If you choose to inherit the depreciation rules of the new category, specify whether to amortize the changes.
10. Choose Preview to run the Mass Reclassification Preview report.
11. Query the Mass Transaction number and choose Run to submit the Mass Reclassification concurrent process.

If you wish to simultaneously run this program in more than one process to reduce processing time, Oracle Assets can be set up to run this program in parallel. For more information on setting up parallel processing and the FA: Number of Parallel Requests profile option, see: Profile Options and Profile Options Categories Overview, page B-1.

**Note:** If Oracle Assets encounters assets with invalid employee names and numbers during the Mass Reclassification concurrent process, it will set the employee name and number to null (blank) and will process the reclassification for those assets. The process completes with a warning status, and the log file displays the affected asset numbers and the invalid employee names and numbers assigned at the time of the reclassification.

## Related Topics

Asset Descriptive Details, page 2-2

Reclassification Reports, page 10-83

Journal Entries for Transfers and Reclassifications, page 6-28

Changing Financial and Depreciation Information, page 3-7

Viewing Assets, page 12-1



## Adjusting Units for an Asset

### To adjust the number of units for an asset:

1. Choose Asset > Asset Workbench from the Navigator window.
2. Find the asset whose units you want to adjust.

**Tip:** For best performance, find by asset number or tag number since they are unique values.

3. Choose Open.
4. Change the number of Units.
5. Update assignment information to reflect the new number of units in the Assignments window. See: Assigning an Asset (Detail Additions Continued)., page 2-26
6. Save your work.

### Related Topics

Viewing Assets, page 12-1

Asset Descriptive Details, page 2-2

Assignments, page 2-11

Unit Adjustment Journal Entry, page 6-33

Adjustments Reports, page 10-78

## Adjusting Accounting Information

You can adjust financial, depreciation, distribution, and invoice information for an asset.

Changing Financial and Depreciation Information, page 3-7

Transferring Assets Between General Ledger Depreciation Expense Accounts, page 3-14

Changing Invoice Information for an Asset, page 3-19

## Changing Financial and Depreciation Information

You can correct an error or update financial and depreciation information for a single

asset or for multiple assets. You can also override depreciation information for an asset while adding it using the Detail Additions process. See: Asset Setup Processes (Additions), page 2-16

**Before** running depreciation (in the period in which you added the asset), you can change any field.

**After** you have run depreciation (in any period after the one in which you added the asset), you can change asset cost, salvage value, prorate convention, depreciation method, life, capacity and unit of measure (in the corporate book), rate, bonus rule, depreciation ceiling, and revaluation ceiling.

If the asset is fully reserved, you can adjust the same fields as for an asset for which you have run depreciation. If the asset is fully retired, you cannot change any fields.

You can choose whether to amortize or expense the adjustment. See: Amortized and Expensed Adjustments, page 6-12.

## Changing Financial Information for a Single Asset

To change financial information for a single asset:

1. Choose Asset > Asset Workbench from the Navigator window.
2. Find the asset for which you want to change financial information.

**Tip:** For best performance, find by asset number or tag number since they are unique values.

3. Choose Books.
4. Choose the Book to which the asset belongs.
5. Choose whether to Amortize Adjustment or expense it in the current period.

**Note:** When you adjust a group or member asset using a prior period amortization start date, Oracle Assets automatically submits the Process Group Adjustments concurrent program to calculate the prior period depreciation expense for the group asset. You must acknowledge the message containing the request number of the program submission.

6. Enter the new financial information for the asset.

**Note:** You can change the depreciation method from units of production to a flat-rate or life-based method if the asset is not

depreciating by units of production in any associated tax book.

You can only change the depreciation method from life-based or flat-rate to units of production in the period you added the asset.

7. Save your work.

### Changing Financial Information for Multiple Assets (Mass Change)

When you change financial information for multiple assets using the Mass Changes window, the mass change transaction will exclude the following assets from the mass change transaction:

- CIP assets.
- Retired assets.

#### To change financial information for multiple assets

1. Choose Mass Transactions > Changes from the Navigator window.
2. Enter the Book to which the assets belong.
3. Select Amortize Adjustments if you wish to amortize your adjustments. If Amortize Adjustments is not selected, the adjustments will be expensed in the current period. When Amortize Adjustments is selected, enter the Amortization Start Date in the Change Date field. This allows you to select the date the amortization begins. The new date selected defaults to the current period date.

**Note:** When you adjust a group or member asset using a prior period amortization start date, Oracle Assets automatically submits the Process Group Adjustments concurrent program to calculate the prior period depreciation expense for the group asset. You must acknowledge the message containing the request number of the program submission.

4. In the Change Date field, enter the date of the mass change.  
  
You can perform a prior period depreciation rule change by entering a prior period date in the Change Date field and checking the Amortize Adjustment check box. The date in the Change Date field defaults to the current period date.
5. Select the assets you wish to change. Specify the asset numbers, dates placed in service, and category for which the mass change applies.
6. Select the asset type of the assets you wish to change in the Asset Type field, you

can select one of the following values:

- Capitalized
- Group

The system will automatically include assets with an asset type of Capitalized or Group if you do not select an Asset Type.

7. Choose whether to Change Fully Reserved Assets.
8. You can use the Before and After fields as either information to change or as a selection criterion without changing the information. When you enter the same value for the Before and After fields, the mass change affects only assets that match that information.
9. Specify the new financial information for these assets in the After column.
10. Select the group asset association of the assets you wish to change. In the Group Association field, you can select one of the following values:
  - Member: The system will select only member assets belonging to a group asset for the mass change transaction.
  - Standalone: The system will select only standalone assets for the mass change transaction. All the member assets are excluded from the mass change transaction.
  - No Selection: The system will include all assets, regardless of the group association of the assets. For example, the system will include group, member, and standalone assets for the mass change transaction. If you do not select the group asset association in a Before field, you cannot select the Member or Standalone values in the corresponding After field. The default value of the Before and After fields is No Selection.
11. If you selected the Member value for the Group Association field, you must enter a valid group asset number in the Group Asset field.
12. The following fields are applicable only to the requirements related to Japan Tax Reforms FY2007 .
  - Salvage Type
  - Salvage Value
  - Salvage Value Percent
  - Depreciation Limit Type

- Limit Amount
- Limit Percent

**Note:** The system displays the above fields only if you set the **FA: Japan 2007 Tax Reforms Features** profile option, page B-8 to Yes.

For more information, see: Japan Tax Reforms FY2007 Requirements, page 9-137.

13. Choose Preview to run the Mass Change Preview report. Use this report to preview what effects to expect from the Mass Change before you perform it. If necessary, update the definition and run the preview report again.

The mass change status determines what action to perform next. The following table defines each mass change status and their next actions available.

| Status    | Definition                                       | Possible Action                  |
|-----------|--------------------------------------------------|----------------------------------|
| New       | Newly created mass change definition             | Preview                          |
| Preview   | Preview report currently running                 | None                             |
| Previewed | Preview report completed successfully            | Run                              |
| Updated   | Mass change definition updated after previewing  | Preview                          |
| Running   | Mass change currently running                    | None                             |
| Completed | Mass Change completed successfully               | Review<br>Copy                   |
| Error     | Preview report or mass change completed in error | Preview or Run, whichever failed |

14. To perform the mass change, query the definition and choose Run. Oracle Assets submits a concurrent process to perform the change.

If you wish to simultaneously run this program in more than one process to reduce

processing time, Oracle Assets can be set up to run this program in parallel. For more information on setting up parallel processing and the FA: Number of Parallel Requests profile option, see: Profile Options and Profile Options Categories Overview, page B-1.

15. To review a completed mass change, query the definition and choose Review. Oracle Assets runs the Mass Change Review report.
16. Review the log file and report after the request completes.

## Performing Group Reclassifications Using Mass Change

You can also use the Mass Changes window to perform a group reclassification by changing the group asset assignment of a range of assets. However, you cannot change both the depreciation rules and the group asset assignment of the capitalized assets in the same mass change transaction. You must perform the mass group reclassification as a separate mass change transaction.

When you use the Mass Changes window to change the group asset assignment of capitalized assets, the system will always use the Calculate transfer type to process the reclassification. The date placed in service of the asset changed is used as the group amortization start date. The date in the Change Date field has no affect on the group amortization start date. For more information about the group amortization start date and group reclassifications, see: Transfer Type - Calculate, page 11-47

**Note:** If the mass change will change the group asset membership, the following restrictions apply:

- You cannot change other asset attributes, such as prorate convention, depreciation method, life, and bonus rule, in the same mass change transaction.
  - Oracle Assets will only process the change using the Calculated transfer type. For more information about reassigning group asset membership, see: Transactions: Group Reclassification, page 11-47

You can change the group membership of an asset by performing the following reclassification transactions:

- Transfer a member asset from a source group asset to a target group asset
- Remove a member asset from a group asset
- Add a standalone asset to a group asset

The following examples describe the ways in which you can change the group membership of an asset.

### Transferring Member Assets Between Group Assets

The table below describes the group assignment of a member asset before and after it is reassigned from a source group asset to a target group asset.

| Asset Attribute        | Before        | After         |
|------------------------|---------------|---------------|
| Group Association      | Member        | Member        |
| Group Asset Assignment | Group Asset 1 | Group Asset 2 |

### Removing Member Assets from a Group Asset

The table below describes the group assignment of an asset before and after it is reassigned from a member asset to a standalone asset.

| Asset Attribute        | Before        | After      |
|------------------------|---------------|------------|
| Group Association      | Member        | Standalone |
| Group Asset Assignment | Group Asset 1 | Null       |

### Adding Standalone Assets to a Group Asset

The table below describes the group assignment of an asset before and after it is reassigned from a standalone asset to a member asset.

| Asset Attribute        | Before     | After         |
|------------------------|------------|---------------|
| Group Association      | Standalone | Member        |
| Group Asset Assignment | Null       | Group Asset 1 |

If you select Standalone in the Group Association field, you cannot enter a group asset number in the Group Asset field. However, if you select Member in the Group Association field, you must enter a valid group asset number in the Group Asset field.

### Related Topics

Depreciation Rules (Books), page 2-5

Journal Entries for Adjustments, page 6-11

Recoverable Cost Adjustments , page 6-13  
Amortized and Expensed Adjustments, page 6-12  
Adjustments Reports, page 10-78  
Depreciation Calculation, page 5-21  
Mass Change Preview and Review Reports, page 10-87  
Assets Depreciating Under Units of Production, page 5-37  
Defining Additional Depreciation Methods, page 9-65

## Transferring Assets

You can transfer assets between employees, depreciation expense accounts, and locations. When transferring assets, you should consider the following:

- You can change the transfer date to a date in a prior period for a particular transfer, but the transfer must occur within the current fiscal year
- You can change the transfer date of an asset to a prior period only once per asset.
- You cannot transfer an asset to a future period.

**Note:** You cannot transfer assets from one corporate book to another corporate book.

## Transferring a Single Asset

### To transfer an asset between employees, expense accounts, and locations:

1. Choose Asset > Asset Workbench from the Navigator window.
2. Find the asset you want to transfer between employees, expense accounts, and/or locations.

**Note:** For best performance, find by asset number or tag number since they are unique values.

3. Choose Assignments.
4. Optionally update the Transfer Date.

**Note:** If you transfer an asset during the period in which it was added, the Transfer Date automatically defaults to the asset's date



placed in service and you cannot change it.

5. In the Units Change field, enter a negative number for the assignment line **from** which you want to transfer the asset.
6. Create one or more new lines, entering a positive number in the Units Change field for the assignment lines **to** which you want to transfer the asset.
7. Enter the new Employee Name, Expense Account, and/or Location for the new distribution.
8. Save your changes.

### Transferring Multiple Assets in One Transaction

Oracle Assets allows you to transfer multiple assets in one transaction. You use the Transfer From and Transfer To fields to identify the assets to be transferred.

You can transfer between expense accounts, locations, and employees and employee numbers. By selecting any combination of these criteria, you can further restrict the range of assets to be transferred.

### Transferring Between Expense Accounts

For the From account, you can enter a single expense account or a range of expense accounts. When entering a single account number, you need to enter the account number in both the low and high fields for the From account. You can enter the entire account combination or only a partial combination.

For the To account, you can enter the entire account combination or only a partial combination. Note that when specifying partial combinations for both From and To accounts, you do not need to specify the same segment in both. For example, you can specify the first segment for the From account, and the second segment for the To account.

The following table shows an example of transferring between expense accounts:

In the following example, both the From and To fields contain complete account combinations. Assets with expense accounts in the From range will be transferred to the 02-300-5000-600 expense account.

| From     | To       |
|----------|----------|
| Complete | Complete |

| <b>From</b>     | <b>To</b>       |
|-----------------|-----------------|
| 01-100-2000-500 | 02-300-5000-600 |
| 01-110-2000-500 |                 |

In the following example, the From field contains a partial account combination, and the To field contains a complete account combination. Regardless of the value of the other segments, assets with a second segment between 200 and 400 are transferred to the 02-300-5000-600 expense account.

| <b>From</b>     | <b>To</b>       |
|-----------------|-----------------|
| Partial         | <b>Complete</b> |
| XX-200-XXXX-XXX | 02-300-5000-600 |
| XX-400-XXXX-XXX |                 |

In the following example, the From field contains a complete account combination, and the To field contains a partial account combination. Assets with the expense account 01-100-2000-500 will be transferred to the expense account 01-300-2000-600.

| <b>From</b>     | <b>To</b>       |
|-----------------|-----------------|
| Complete        | <b>Partial</b>  |
| 01-100-2000-500 | XX-300-XXXX-600 |
| 01-100-2000-500 |                 |

In the following example, both the From and To fields contain partial account combinations. Assets with expense accounts in which the second segment is between 200 and 400 will be transferred to an expense account in which the second segment is 600. The other segments will remain unchanged.

| <b>From</b> | <b>To</b>      |
|-------------|----------------|
| Partial     | <b>Partial</b> |

| <b>From</b>     | <b>To</b>       |
|-----------------|-----------------|
| XX-200-XXXX-XXX | XX-600-XXXX-XXX |
| XX-400-XXXX-XXX |                 |

In the following example, both the From and To fields contain partial account combinations. However, the second segment is specified in the From fields, and the fourth segment is specified in the To field. Assets with expense accounts in which the second segment is between 200 and 400 will be transferred to an expense account in which the fourth segment is 600. The second segment will remain unchanged.

| <b>From</b>     | <b>To</b>       |
|-----------------|-----------------|
| Partial         | <b>Partial</b>  |
| XX-200-XXXX-XXX | XX-XXX-XXXX-600 |
| XX-400-XXXX-XXX |                 |

### Transferring Between Locations and Employees

You can transfer an asset between two locations, for example from the New York office to the Dallas office. You can also transfer assets between employee name and number. For example, you can transfer an asset from Robert Smith (employee 103) to Janet Jones (employee 214).

The following is an example of an asset transfer:

| <b>From</b>                 | <b>To</b>                  |
|-----------------------------|----------------------------|
| Expense Accounts: 1 - 100   | Expense Account: 10000     |
| Location: New York          | Location: Dallas           |
| Employee Name: Robert Smith | Employee Name: Janet Jones |

The above transfer affects all assets that are assigned to Robert Smith in New York with an expense account in the range of 1 through 100. An asset must satisfy all three criteria to be transferred to Janet Jones in Dallas with an expense account of 10000.

### To transfer multiple assets between employees, expense accounts, and locations:

1. Choose Mass Transactions > Transfers from the Navigator window.
2. Choose the corporate depreciation Book for the assets you want to transfer.
3. Optionally select a Category to use as a selection criterion for the mass transfer.
4. Optionally update the Transfer Date.  
You can change the transfer date to a prior period date. You cannot change the date to a future period date.
5. Enter one or more selection criteria for the mass transfer in the Transfer From and Transfer To fields.
6. Choose Preview to run the Mass Transfers Preview report. Use this report to preview the expected effects of the Mass Transfer before you perform it. If necessary, update the definition and run the preview report again.
7. To perform the Mass Transfer, query the mass transfer and choose Run. Oracle Assets submits a concurrent process to perform the transfer.

If you wish to simultaneously run this program in more than one process to reduce processing time, Oracle Assets can be set up to run this program in parallel. For more information on setting up parallel processing and the FA: Number of Parallel Requests profile option, see: Profile Options and Profile Options Categories Overview, page B-1.

8. Review the log file after the request completes.

### Transferring Invoice Lines Between Assets

#### To transfer invoice lines between assets:

1. Choose Asset > Asset Workbench from the Navigator window.
2. Find the asset whose invoice information you want to change.  
**Note:** For best performance, find by asset number or tag number since they are unique values.

3. Choose Source Lines.
4. Choose the line(s) you want to transfer.

To transfer the entire amount, check the check box to the left of the source line.

Otherwise, enter a partial amount.

**Note:** When you perform a source line transfer on a member asset using a prior period amortization start date, Oracle Assets automatically submits the Process Group Adjustments concurrent program to calculate the prior period depreciation expense for the group asset. You must acknowledge the message displaying the request number of the program submission.

5. Choose Transfer To.
6. In the Transfer To window, query the destination asset to which you want to transfer the line.
7. Save your work.

## Related Topics

Assignments, page 2-11

Viewing Assets, page 12-1

Source Lines, page 2-13

Journal Entries for Transfers and Reclassifications, page 6-28

Transfers Reports, page 10-81

## Changing Invoice Information for an Asset

If you brought over mass addition lines from invoices or discounts in your payables system, use the Source Lines window to change invoice information for an asset. You can:

- Add a new invoice line to an asset
- Change the cost of a invoice line
- Delete an invoice line from an asset
- Transfer invoice lines between assets, page 3-18

### To change invoice information for an asset

1. Choose Asset > Asset Workbench from the Navigator window.
2. Find the asset whose invoice information you want to change.

**Note:** For best performance, find by asset number or tag number since they are unique values.

3. Choose Source Lines.

- Enter a description and cost to manually add a new invoice line to the asset.
- Change the cost of a line for a CIP asset if necessary.
- To delete an invoice line, uncheck Active.

**Note:** When you adjust a source line or add a new source line to an existing member asset using a prior period amortization start date, Oracle Assets automatically submits the Process Group Adjustments concurrent program to calculate the prior period depreciation expense for the group asset. You must acknowledge the message containing the request number of the program submission.

4. Save your changes.

## Mass External Transfers of Assets and Source Lines

The Mass External Transfers features provides a mechanism for accepting data about asset transfers and source line transfers from external systems. The system includes an interface table that allows other systems to pass details of assets and source lines to be transferred. A preview screen lets you view, accept, or reject the transfers from external systems. A new process, similar to the existing Post Mass Additions program, processes the transfer detail information from the new table directly to Oracle Assets.

| Phase  | Description                                                                                                                                                                                                                     |
|--------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Create | Enter mass external transfer information into the FA_MASS_EXTERNAL_TRANSFERS interface table. Make note of the system-generated transfer number so you can use it to locate the batch if you must modify the batch information. |

| Phase    | Description                                                                                                                                                                                                                                             |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Post     | Submit the Post Mass External Transfers request to post the external asset transfer information to Oracle Assets. Similarly, submit the Post Mass Source Line Transfers request to post the external source line transfer information to Oracle Assets. |
| Review   | Query on the mass external transfer batch to check for errors.                                                                                                                                                                                          |
| Clean up | Set the status of posted transfers to Delete. Submit the Purge Mass External Transfers program to delete these rows from the interface table.                                                                                                           |

### To process asset and source line transfers from external systems:

1. After populating the interface table, from the Navigator, select Other > Requests > Run.
2. In the Submit Request window, select Post Mass External Transfers in the Request Name field to process asset transfers. To process source line transfers, select Post Mass Source Line Transfers.
3. Choose Submit Request to post the mass external transfer information to Oracle Assets.

If the system finds errors in the batch information, the mass external transfer process is aborted. You can view the errors to determine what transactions caused the process to abort. After you have submitted the mass external transfer batch for posting, use the following process to look for possible errors.

### To check a mass external transfer batch for errors:

1. From the Navigator, choose Mass Transactions > External Transfers.
2. In the Find External Transfers window, enter the Transfer Number or other information in the window and click Find.
3. In the External Transfers Summary window, scroll down to view the Transaction Status for each transaction.

4. If you locate a transaction with a status of Error, highlight that row and click Open to view and correct the transaction details in the Modify External Transfer window.

After you determine what corrections need to be made, use the following process to make those corrections.

### **To correct mass external transfer transaction errors:**

1. From the Navigator, select Mass Transactions > External Transfers.
2. In the Find External Transfers window, enter the Transfer Number or other information in the window and choose Find.
3. In the External Transfers Summary window, select the transaction you want to modify and click Open.
4. In the Modify External Transfer window, modify specific information as appropriate and click Done. Repeat this process to make all the necessary corrections before you resubmit the batch.
5. From the Navigator, select Other > Requests > Run to submit a request to run the Post Mass External Transfer process again. This process resubmits the batch for processing.

After the mass external transfer batch has completed successfully, you can delete the mass transfer information from the interface table using the following process:

### **To delete the mass external transfer information from the interface table:**

1. Open the batch that you want to purge in the Modify External Transfer window.
2. Change the Transaction Status to Delete.
3. From the Navigator, select Other > Requests > Run.
4. In the Submit Request window, select Purge Mass External Transfers in the Request Name field.
5. Click Submit Request to delete the mass external transfer information from the interface table.

For details on the accounting for Asset Transfers and Source Line Transfers, see: Transferring Assets, page 3-14.



| Column Name               | Null?    | Type         | Remarks                                                                                                                                 | Apply to Asset Transfer (A), Source Line Transfer (S), or Both (B) |
|---------------------------|----------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| BATCH_NAME                | Not Null | VARCHAR2(15) | Name of Batch.                                                                                                                          | B                                                                  |
| MASS_EXTERNAL_TRANSFER_ID | Not Null | NUMBER(15)   | System-generated identifier of the external transfer.                                                                                   | B                                                                  |
| EXTERNAL_REFERENCE_NUM    |          | VARCHAR2(15) | Reference number used by external system.                                                                                               | B                                                                  |
| TRANSACTION_REFERENCE_NUM |          | NUMBER(15)   | Indicates the order of transactions for the same asset ID.                                                                              | B                                                                  |
| TRANSACTION_TYPE          | Not Null | VARCHAR2(15) | Type of transaction for this record: Adjustment or Transfer. Use Adjustment for source line transfers and Transfer for asset transfers. | B                                                                  |
| BOOK_TYPE_CODE            |          | VARCHAR2(15) | Corporate Book Type Code.                                                                                                               | B                                                                  |
| TRANSACTION_STATUS        | Not Null | VARCHAR2(20) | Status of Transaction: New, Post, Posted, On Hold, Delete or Error.                                                                     | B                                                                  |
| TRANSACTION_DATE_ENTERED  |          | DATE         | Date when this transaction is entered into Oracle Assets.                                                                               | B                                                                  |

| Column Name               | Null?    | Type          | Remarks                                          | Apply to Asset Transfer (A), Source Line Transfer (S), or Both (B) |
|---------------------------|----------|---------------|--------------------------------------------------|--------------------------------------------------------------------|
| DESCRIPTION               |          | VARCHAR2(200) | Description of transaction.                      | B                                                                  |
| CREATED_BY                | Not Null | NUMBER(15)    | Person who created the record.                   | B                                                                  |
| CREATION_DATE             | Not Null | DATE          | Record creation date.                            | B                                                                  |
| LAST_UPDATE_BY            | Not Null | NUMBER(15)    | Last updated by person.                          | B                                                                  |
| LAST_UPDATE_DATE          | Not Null | DATE          | Last updated date.                               | B                                                                  |
| LAST_UPDATE_LOGIN         |          | NUMBER(15)    | Last update login user.                          | B                                                                  |
| ATTRIBUTE columns 1 to 15 |          | VARCHAR2(150) | Descriptive flexfield segments.                  | B                                                                  |
| ATTRIBUTE_CATEGORY_CODE   |          | VARCHAR2(30)  | Descriptive flexfield structure defining column. | B                                                                  |

| Column Name          | Null? | Type       | Remarks                                                                                                                                                                                                                      | Apply to Asset Transfer (A), Source Line Transfer (S), or Both (B) |
|----------------------|-------|------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| WORKER_ID            |       | NUMBER(15) | When the program is run in parallel, this is the worker that is processing the asset. The worker number corresponds to the sequence number assigned by the program, which is used to match assets with available processors. | B                                                                  |
| POST_BATCH_ID        |       | NUMBER(15) | Unique identifier for a Post Mass External Transfer or Post Source Line Transfer request.                                                                                                                                    | B                                                                  |
| FROM_DISTRIBUTION_ID |       | NUMBER(15) | Originating Distribution ID. Applicable to Transfer transactions only.                                                                                                                                                       | A                                                                  |
| FROM_LOCATION_ID     |       | NUMBER(15) | Originating Location ID. Applicable to Transfer transactions only.                                                                                                                                                           | A                                                                  |

| Column Name            | Null? | Type       | Remarks                                                                       | Apply to Asset Transfer (A), Source Line Transfer (S), or Both (B) |
|------------------------|-------|------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------|
| FROM_GL_CCI<br>D       |       | NUMBER(15) | Originating GL Code Combination ID. Applicable to Transfer transactions only. | A                                                                  |
| FROM_EMPLO<br>YEE_ID   |       | NUMBER(15) | Originating Employee ID. Applicable to Transfer transactions only.            | A                                                                  |
| TO_DISTRIBUTI<br>ON_ID |       | NUMBER(15) | Destination Distribution ID. Applicable to Transfer transactions only.        | A                                                                  |
| TO_LOCATION<br>_ID     |       | NUMBER(15) | Destination Location ID. Applicable to Transfer transactions only.            | A                                                                  |
| TO_GL_CCID             |       | NUMBER(15) | Destination GL Code Combination ID. Applicable to Transfer transactions only. | A                                                                  |

| Column Name     | Null? | Type       | Remarks                                                                                 | Apply to Asset Transfer (A), Source Line Transfer (S), or Both (B) |
|-----------------|-------|------------|-----------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| TO_EMPLOYEE_ID  |       | NUMBER(15) | Destination Employee ID. Applicable to Transfer transactions only.                      | A                                                                  |
| TRANSFER_UNITS  |       | NUMBER     | Number of asset units to transfer. Applicable to Transfer transactions only.            | A                                                                  |
| FROM_ASSET_ID   |       | NUMBER(15) | Source asset for source line transfer. Applicable to Adjustment transactions only.      | S                                                                  |
| TO_ASSET_ID     |       | NUMBER(15) | Destination asset for source line transfer. Applicable to Adjustment transactions only. | S                                                                  |
| TRANSFER_AMOUNT |       | NUMBER     | Amount of cost to transfer. Applicable to Adjustment transactions only.                 | S                                                                  |

| Column Name    | Null? | Type       | Remarks                                                                | Apply to Asset Transfer (A), Source Line Transfer (S), or Both (B) |
|----------------|-------|------------|------------------------------------------------------------------------|--------------------------------------------------------------------|
| SOURCE_LINE_ID |       | NUMBER(15) | Source line identifier.<br>Applicable to Adjustment transactions only. | S                                                                  |

## Related Topics

Source Lines, page 2-13

Reviewing Mass Addition Lines, page 2-45

Viewing Assets, page 12-1

## Placing Construction-In-Process (CIP) Assets in Service

Capitalize finished assets that are ready to be placed in service. You can capitalize a single asset or a group of assets in a transaction. If you erroneously capitalize a CIP asset, you can reverse the capitalization.

**Note:** If you have CIP assets in both your corporate book and your tax book, you capitalize the CIP assets in your corporate book, and they are automatically capitalized in the tax book. See: Automatically Adding CIP Assets to Tax Books, page 2-14.

### Prerequisites

- Create CIP assets using Mass Additions or manual additions. See: Asset Setup Processes (Additions), page 2-16
- Create CIP assets using Mass Additions or manual additions. See: Overview of the Mass Additions Process, page 2-28
- Build CIP assets as you spend money for raw materials and labor to construct them.

## To capitalize a CIP asset:

1. Navigate to the Capitalize CIP Assets window.

2. Find assets with asset type CIP.
3. Enter the date you placed the asset in service. Oracle Assets uses this date to begin calculating depreciation for the assets you are placing in service.
4. Choose the CIP asset(s) you want to capitalize. Choose Special, Check All if you want to capitalize all the assets in the Capitalize CIP Assets window.
5. Choose Capitalize.
6. Override the depreciation rules re-defaulted from the asset category if necessary. See: Changing Financial and Depreciation Information., page 3-7

### To reverse capitalize an asset:

1. Navigate to the Capitalize CIP Assets window.
2. Query assets with type Capitalized.
3. Choose the asset(s) you want to reverse capitalize. Choose Special, Check All to reverse capitalize all the assets in the Capitalize CIP Assets window.

**Note:** You can reverse capitalize an asset only in the period you capitalized it, and only if you did not perform any transactions on it.

4. Choose Reverse.

### Related Topics

Construction-In-Process (CIP) Assets, page 2-14

CIP Reports, page 10-24

Capitalization Journal Entry Example, page 6-10

### Revaluing Assets

Revalue assets to adjust the value of your capitalized assets in a highly inflationary economy. You can revalue all categories in a book, all assets in a category, or individual assets.

You can revalue all assets using the Mass Revaluation process. The Mass Revaluation process does not use price indexes to revalue assets.

The Mass Revaluation process includes the following steps:

- Create Mass Revaluation Definition
- Preview Revaluation
- Run Revaluation
- Optionally Review Revaluation

**Tip:** To obtain a value for replacement cost for insurance purposes, run the Mass Revaluation Preview Report without performing the revaluation.

#### Prerequisites

- Set up your Revaluation Rules and Accounts. See: Defining Depreciation Books., page 9-60

### To revalue all assets in a category:

1. Navigate to the Mass Revaluation window.
2. Enter the Book for which you want to revalue assets.
3. Enter a Description of the revaluation definition.
4. Specify revaluation rules. See: Asset Management In a Highly Inflationary Economy (Revaluation)., page 3-32
5. Enter the category you want to revalue.
6. Enter the revaluation percentage rate to revalue your assets. Enter either a positive or negative number.
7. Override revaluation rules if necessary.
8. Choose Preview.

Oracle Assets runs the Mass Revaluation Preview Report so you can preview what effect this revaluation will have when you perform it. If necessary, update the definition and run the preview report again.

**Note:** You must preview the revaluation definition before you perform it.

9. Find the revaluation definition using the Mass Transaction Number.



10. Choose Run. Oracle Assets begins a concurrent process to perform the revaluation.
11. Review the log file after the request completes.

**Note:** You cannot run Mass Revaluation more than once per period. Once you run Mass Revaluation, values are changed in the Oracle Assets system. If you re-run Mass Revaluation in the same period, the Mass Revaluation calculation will be based on the previous Mass Revaluation calculation. You can run the Mass Revaluation Preview report as many times as you like, without affecting actual values in the system.

### To revalue an individual asset:

- Enter the asset number you want to revalue instead of a category. If you revalue a single asset in a category which is also being revalued, the rate you enter for the asset overrides the category rate.

### To review the effects of a revaluation:

1. Navigate to the Mass Revaluations window.
2. Find the revaluation definition you want to review.
3. Choose Review to run the Mass Revaluation Review Report.
4. Review the log file and report after the request completes.

### To copy an existing revaluation definition:

1. Navigate to the Mass Revaluations window.
2. Query the revaluation definition you want to copy.
3. Choose Special, Copy Definition from the menu.
4. Specify your rates and override any of the copied information in your new definition.
5. Save your work.

## Related Topics

Asset Management in a Highly Inflationary Economy (Revaluation), page 3-32

Journal Entries for Revaluations, page 6-42

Mass Revaluation Preview and Review Reports, page 10-89

Revaluation Reserve Detail and Summary Reports, page 10-51

Revaluation Reserve Balance Report, page 10-51

## Asset Management in a Highly Inflationary Economy (Revaluation)

Oracle Assets allows you to periodically adjust the value of your capitalized assets due to inflation or deflation, according to rates you enter. This process is known as revaluation. The rules for revaluation often differ from country to country. Oracle Assets has the flexibility to handle your specific requirements.

Oracle Assets multiplies the asset cost by the revaluation rate you enter in the Mass Revaluations window to determine the adjustment to the asset cost.

Revaluations are not processed for:

- Fully retired assets
- Assets with pending retirements

**Tip:** Since Oracle Assets does not Mass Copy revaluations, when you perform a revaluation in your corporate book, also perform it in each tax book associated with that corporate book.

## Set Up Revaluation Accounts

You must set up the following revaluation accounts before you can perform a revaluation:

- Revaluation reserve account and revaluation amortization account for each category in the Asset Categories window
- Revaluation reserve retired gain and loss accounts in the Book Controls window

## Specify Default Revaluation Rules

Allow revaluation and specify default revaluation rules for a book in the Book Controls window. If necessary, you can override these rules when creating a revaluation definition in the Mass Revaluations window.

## Revalue Accumulated Depreciation

If you decide to revalue accumulated depreciation, Oracle Assets revalues the accumulated depreciation by the same rate by which you revalue your asset cost. Then

it determines the change in net book value and transfers the difference to the revaluation reserve account. Oracle Assets calculates current depreciation expense based on the net book value after revaluation, salvage value, and the remaining life.

### **Revalue YTD Depreciation**

If you need to revalue depreciation expense, Oracle Assets creates a journal entry including a line crediting or debiting the depreciation expense account. The amount credited or debited results from applying the revaluation rate to the year-to-date depreciation. Assets that are fully reserved will be adjusted for inflation without extending the life of the asset.

**Change In Net Book Value = Change In Asset Cost - Change In Accumulated Depreciation**

If you decide not to revalue accumulated depreciation, Oracle Assets transfers the current accumulated depreciation to revaluation reserve. In this case, Oracle Assets calculates current depreciation expense based on the recoverable cost after revaluation and the remaining life.

If you do not amortize the revaluation reserve, the amount remains in the revaluation reserve account until you retire the asset.

### **Retire Revaluation Reserve**

If you want to retire revaluation reserve, Oracle Assets creates journal entries for the remaining reserve to the revaluation reserve retired gain or loss accounts when you retire assets.

### **Revalue Fully Reserved Assets**

You can revalue fully reserved assets that are depreciating under a life-based method. If you choose to revalue fully reserved assets, Oracle Assets also requires you to enter a life extension factor to extend the asset life.

Oracle Assets does not revalue fully retired assets. So if you retire an asset, revalue its category, and reinstate it, the asset is reinstated without being revalued. You can revalue it individually if necessary.

### **Maximum Fully Reserved Revaluations**

You can limit the number of times an asset can be revalued as fully reserved. If you allow revaluation of fully reserved assets, Oracle Assets does not revalue a fully reserved asset if the revaluation exceeds the maximum number of times you can revalue an asset as fully reserved.

### **Life Extension Factor**

When you revalue a fully reserved asset, you must extend the asset life so its revalued cost can be depreciated over one or more periods. To determine the new asset life,

Oracle Assets multiplies the original asset life by the life extension factor.

### Revalue CIP Assets

If you want to include CIP assets in the revaluation of a tax book, Oracle Assets includes all the tax book CIP assets in the revaluation calculation. This rule is only available for tax books. By default, this rule is selected if the tax book allows CIP assets.

### Life Extension Ceiling

The life extension ceiling limits the amount of depreciation you can back out when you revalue fully reserved assets. If your life extension factor is greater than the life extension ceiling, Oracle Assets uses the life extension ceiling to calculate the new accumulated depreciation and the depreciation adjustment. It uses the life extension factor to calculate the new asset life regardless of whether a life extension ceiling exists.

### Revaluation Ceiling

Use the ceiling to prevent revaluation above the fair market value. Enter the revaluation ceiling in the Books window.

### Related Topics

Control Your Revaluation, page 3-34

Revaluing Assets, page 3-29

### Control Your Revaluation

Use the status to track your revaluation. The revaluation status determines what action to perform next. The following table defines each revaluation status and their next action available.

| Status    | Definition                                      | Possible Action |
|-----------|-------------------------------------------------|-----------------|
| New       | Newly created mass depreciation definition      | Preview         |
| Preview   | Preview report currently running                | None            |
| Previewed | Preview report completed successfully           | Run             |
| Updated   | Revaluation definition updated after previewing | Preview         |

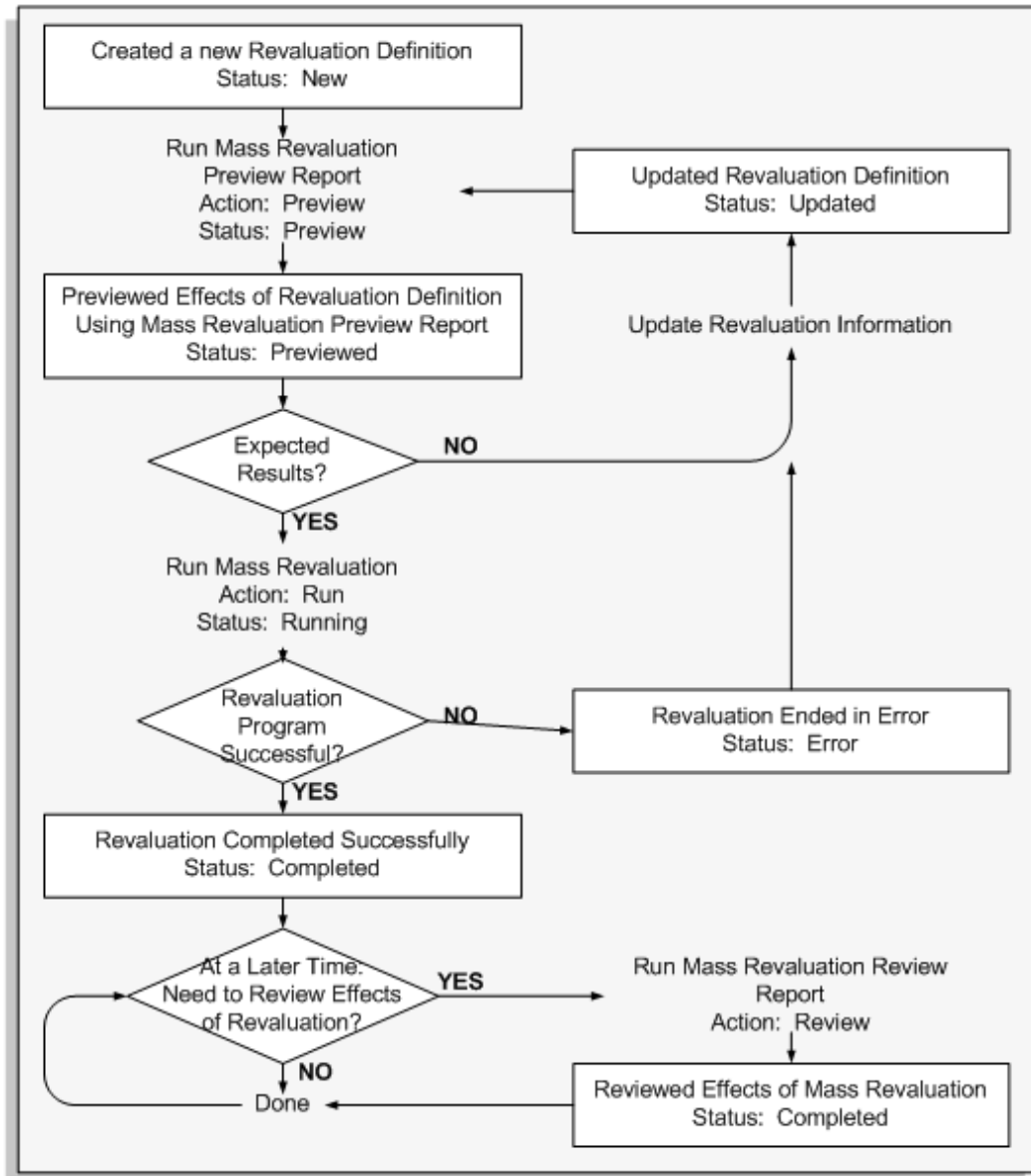
| Status    | Definition                                       | Possible Action                  |
|-----------|--------------------------------------------------|----------------------------------|
| Running   | Revaluation currently running                    | None                             |
| Completed | Revaluation completed successfully               | Review<br>Copy                   |
| Error     | Preview report or revaluation completed in error | Preview or Run, whichever failed |

### Use Mass Transaction Number to Track Your Revaluation Definition

When you save a new definition, Oracle Assets gives it a unique Mass Transaction Number. Use this number to find your revaluation definition when you want to perform the next stage in the transaction cycle.

### Mass Revaluation Process

The following figure graphically illustrates the Mass Revaluation process. A detail description of the process was provided in the preceding text.



## Related Topics

Defining Depreciation Books, page 9-60

Setting Up Asset Categories, page 9-186

Revaluing Assets, page 3-29

Mass Revaluation Preview and Review Reports, page 10-89

Revaluation Reserve Detail and Summary Reports, page 10-51

Revaluation Reserve Balance Report, page 10-51

## Asset Impairments

This section covers the following topics:

- Overview, page 3-37
- Application Setup, page 3-37
- Asset Impairment Business Process, page 3-39
- Accounting Methods, page 3-48
- Asset Impairment Considerations, page 3-67
- Post-Impairment Transactions, page 3-67
- Asset Impairment Reports, page 3-69
- Loading Impairment Data, page 3-72

### Overview

Capital assets may incur unexpected or sudden decline in value. This decline in value could be due to physical damage to the asset, obsolescence due to technological innovation, or changes to legal codes. When the recoverable cost of an asset is less than its carrying cost, the amount by which the carrying amount of the asset exceeds its recoverable cost is treated as an impairment loss and is recognized as an expense on the income statement.

### Setting Up Impairments

To process asset impairments with Oracle Assets, complete the following setup tasks:

- Define Cash Generating Unit , page 3-37
- Assign Impairment Accounts, page 3-37

### Defining Cash Generating Unit

A Cash Generating Unit is the smallest identifiable group of assets that generates cash inflows from continuous use and is independent of cash inflows from other assets or group of assets. If your organizations groups assets into Cash Generating Units, perform the following setup to define a cash generating unit.

Define the Cash Generating Units based on the cash inflow criteria for each unit.

1. Navigate to the Define Cash Generating Units window.

Navigation: Setup > Asset System > Cash Generating Units

Navigator - Assets, Vision Operations (USA)

Functions Documents

Setup: Asset System: Cash Generating

Define Cash Generating Units

Book: ASSET BOOK

| Cash Generating Unit | Description                      | Disabled                 |
|----------------------|----------------------------------|--------------------------|
| Impairments CGU      | Impairments Cash Generating Unit | <input type="checkbox"/> |
|                      |                                  | <input type="checkbox"/> |
|                      |                                  | <input type="checkbox"/> |
|                      |                                  | <input type="checkbox"/> |
|                      |                                  | <input type="checkbox"/> |
|                      |                                  | <input type="checkbox"/> |
|                      |                                  | <input type="checkbox"/> |
|                      |                                  | <input type="checkbox"/> |
|                      |                                  | <input type="checkbox"/> |
|                      |                                  | <input type="checkbox"/> |

Open

2. In the Book field, select the asset book name for the Cash Generating Unit.
3. Enter the name and description for unit in the Cash Generating Unit and Description fields.
4. Save your work.

## Assign Impairment Accounts

Impairment losses are accounted for in the Organization's General Ledger and are reported on the income statement. In order for the impairment transactions to be accounted for correctly in the general ledger, the general ledger impairment accounts are assigned for the asset category.

Perform the following steps to assign impairment accounts to asset categories:

1. Navigate to the Asset Categories window.  
Navigation: Setup > Asset System > Asset Categories
2. Use the Search tool to query the asset category.
3. Query the asset book the impairment accounts are to be assigned.



Asset Categories

Category: COMPUTER-PC  
 Description: Owned Personal computer  
 Category Type: Non-Lease  
 Ownership: Owned  
 Property Type: PERSONAL  
 Property Class: 1245

☒ Enabled  
☒ Capitalize  
☒ In Physical Inventory

General Ledger Accounts

| Account Name                   | Account Code         |
|--------------------------------|----------------------|
| Book                           | ASSET BOOK           |
| Asset Cost                     | 01-000-1560-0000-000 |
| Asset Clearing                 | 01-000-1570-0000-000 |
| Depreciation Expense           | 01-000-7360-0000-000 |
| Accumulated Depreciation       | 01-000-1660-0000-000 |
| Bonus Expense                  | 01-000-7360-0000-000 |
| Bonus Reserve                  | 01-000-1660-0000-000 |
| Revaluation Reserve            | 01-000-1560-0000-000 |
| Revaluation Amortization       | 01-000-1680-0000-000 |
| CIP Cost                       |                      |
| CIP Clearing                   |                      |
| Impairment Expense             | 01-000-7365-0000-000 |
| Accumulated Impairment         | 01-000-1710-0000-000 |
| Unplanned Depreciation Expense |                      |
| Alternate Asset Cost           |                      |
| Write-Off Expense              |                      |

4. Enter the impairment account combination in the Impairment Expense and Accumulated Impairment fields.
5. Save your work.

## Asset Impairment Business Process

The following are the processes for creating, posting and managing asset impairment:

- Assigning Cash-Generating Units to Assets (Optional), page 3-40
- Entering and Uploading Asset Impairments, page 3-42
- Updating Asset Impairments, page 3-44
- Reviewing Asset Impairment Reports, page 3-45
- Posting Asset Impairments, page 3-46
- Viewing Asset Impairments, page 3-46
- Rolling Back Asset Impairments, page 3-47

- Deleting Asset Impairments, page 3-48

### **Assigning Cash-Generating Units to Assets (Optional)**

Use one of the following options, to assign assets to a Cash Generating Unit:

- Manual Assignment, page 3-40
- WebADI Assignment, page 3-41

#### **Manual Assignment**

Perform the following steps to manually assign an existing asset to a Cash Generating Unit:

1. Navigate to the Asset Workbench window.  
Navigation: Assets > Asset Workbench
2. Query the asset to be assigned.
3. Click the Book button to open the Books window.
4. In the Book field, select the asset book from the list of values.
5. Click the Impairment tab.

The screenshot shows a window titled 'Books' with the following fields and values:

| Financial Information |            | Depreciation/Impairment  |        |
|-----------------------|------------|--------------------------|--------|
| Asset Number          | 109662     | Reference Number         |        |
| Book                  | ASSET BOOK | Comments                 | [ ]    |
| Current Cost          | 5,000.00   | YTD Depreciation         | 694.45 |
| Original Cost         | 5,000.00   | Accumulated Depreciation | 694.45 |
| Salvage Value Type    | Amount     | Salvage Value Percent    | %      |
| Salvage Value         | 0.00       | Revaluation Ceiling      |        |
| Recoverable Cost      | 5,000.00   | Revaluation Reserve      | 0.00   |
| Net Book Value        | 3,000.00   |                          |        |

Below the financial information, there are tabs: Depreciation, Group Asset, Short Fiscal Year, and Impairment. The 'Impairment' tab is selected, showing the following fields:

|                        |                 |
|------------------------|-----------------|
| Accumulated Impairment | 1,305.55        |
| YTD Impairment         | 1,305.55        |
| Cash Generating Unit   | Impairments CGU |

At the bottom of the window, there are three buttons: 'Unplanned Depreciation', 'Done', and 'Cancel'.

6. Select the Cash Generating Unit from the list of values.
7. Save your work.

### WebADI Assignment

Perform the following steps to use the Cash Generating Units WebADI spreadsheet to assign assets to a cash generating unit:

1. Navigate to the Assign Cash Generating Units spreadsheet.  
Navigation: Assets > Impairment > Assign Cash Generating Units
2. In the spreadsheet enter the following data:
  - Book: From the list of values, select the asset book from which the assets are to be assigned to the cash generating unit.
  - Asset Number: From the list of values, select the asset numbers to be assigned to the cash generating unit.
  - Cash Generating Unit: From the list of values, select the cash generating unit.

| View Context     | View Header              | View Line                |
|------------------|--------------------------|--------------------------|
| Database         | RWS60180REMS.FZ1UT21     |                          |
| Book             | * List - Text Asset Book |                          |
| Upl Asset Number | Cash Generating Unit     | Messages                 |
| * List - Text    | * List - Text            |                          |
| 109662           | Impairments CGU          | <input type="checkbox"/> |

Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

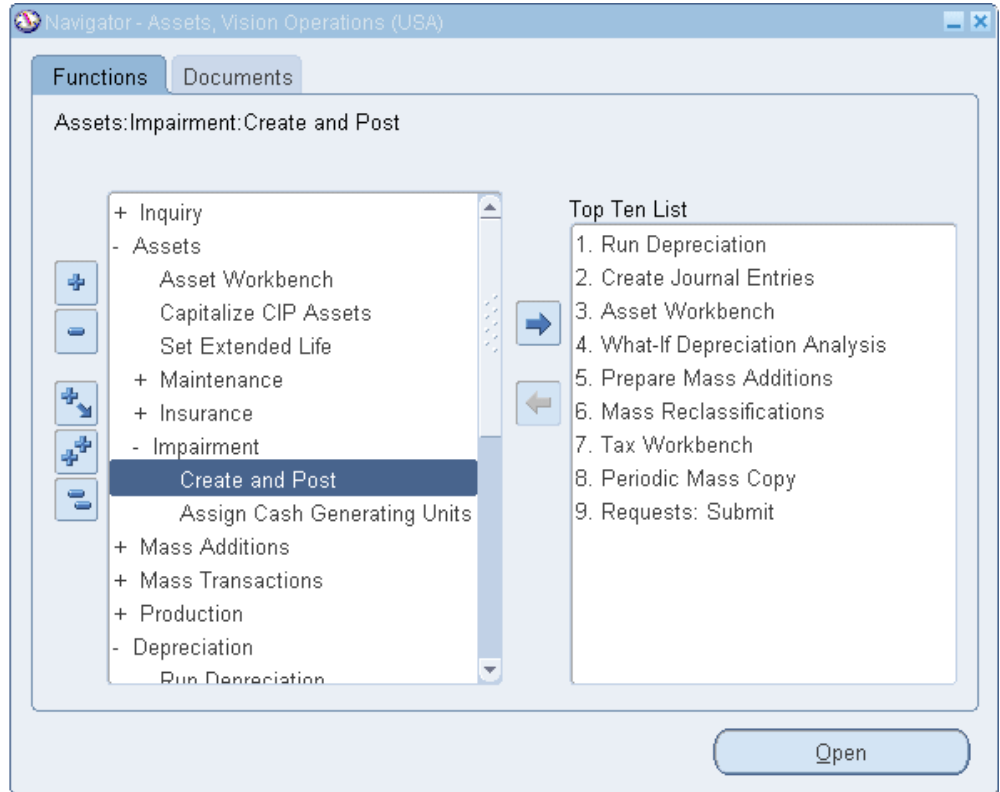
3. Upload the assignments. From the main menu go to Oracle > Upload.

### Entering and Uploading Asset Impairments

Oracle Assets uses the WebADI for creating, loading and maintaining impairment transactions.

Perform the following steps to create and upload asset impairment transactions:

1. Navigate to the Create and Post Impairments window  
Navigation: Assets > Impairment > Create and Post



2. Click the New Impairment button. The File Download window is displayed.
3. Choose to Open the file when prompted. The system will download and display the Impairments spreadsheet. The Confirmation window will appear. Click Close to return to the spreadsheet.
4. Populate the mandatory header fields (Book, Impairment Name and Impairment Date) and Impairment detail information (Status, Cash Generating Unit / Asset Number, Net Selling Price, Value in Use, Impairment Loss, Goodwill, and optionally Comments).

5. Upload the records to the system for processing. From the main menu go to Oracle > Upload; The Upload Parameter window is displayed. Accept the defaults and click Upload to start the process.
6. The Process Impairments request is executed. When the process is successfully completes, the Upload Parameters window displays the Request ID for the Impairment Preview Process.

|                   |   |                          |                      |                  |              |                |               |                |               |          |
|-------------------|---|--------------------------|----------------------|------------------|--------------|----------------|---------------|----------------|---------------|----------|
| A                 | B | C                        | D                    | E                | F            | G              | H             | I              | J             | K        |
| View Context      |   | View Header              |                      | View Line        |              |                |               |                |               |          |
| Database          |   | RWS60180REMS.FZ1UT212    |                      |                  |              |                |               |                |               |          |
| Book              |   | * List - Text Asset Book |                      |                  |              |                |               |                |               |          |
| Impairment Name   |   | * Text IAS 36 Impairment |                      |                  |              |                |               |                |               |          |
| Impairment Date   |   | * Date 1-May-09          |                      |                  |              |                |               |                |               |          |
| User Entered Date |   | Date                     |                      |                  |              |                |               |                |               |          |
| Upl               |   | Cash Generating Unit     | Asset Number         | Net Selling Pric | Value in Use | Impairment Lo: | Goodwill Amou | Goodwill Asset | Status        | Comments |
|                   |   | Conditionally required   | Conditionally requir | Value            | Value        | Value          | Value         | Value          | * List - Text | Text     |
| Rs                |   |                          | 109662               | 3000             |              |                |               |                | Preview       |          |
| Rs                |   |                          | 109682               | 3500             | 2800         |                |               |                | Preview       |          |
| Rs                |   |                          | 109664               |                  |              | 1000           |               |                | Preview       |          |

## Updating Asset Impairments

Use the Update Impairment icon to modify the impairment's status or transaction details. Only impairments processed with a status of Preview can be posted.

Perform the following steps to update an existing unposted impairment:

1. Navigate to the Create and Post Impairments window.

Navigation: Assets > Impairments > Create and Post

2. Enter the query criteria: Book, Cash-Generating Unit, Impairment Name, Asset Number, Impairment Date and/or Status. Click the Go button.

Asset Impairment

Search or Enter Impairment

\* Book: ASSET BOOK

Cash Generating Unit:

Impairment Name:

Asset Number:

Impairment Date:

Go Clear New Impairment

Select Object: Post Delete Rollback

Select All | Select None

| Select Name                         | Impairment        | Book       | Impairment Date | Cash Generating Unit | Asset Number | Currency | Net Book Value | Net Selling Price | Value In Use | Impairment Loss | Status | Comments | Update Impairment | Update Allocation |
|-------------------------------------|-------------------|------------|-----------------|----------------------|--------------|----------|----------------|-------------------|--------------|-----------------|--------|----------|-------------------|-------------------|
| <input checked="" type="checkbox"/> | IAS 36 Impairment | ASSET BOOK | 01-May-2009     |                      | 110562       | USD      |                | 3000              |              |                 | New    |          |                   |                   |

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3. Click Update Impairment button for the row of the impairment to update. The File Download window is displayed.
4. Choose to Open the file when prompted. The system will download and display the Impairments spreadsheet. The Confirmation window will appear, Click Close to return to the spreadsheet.
5. Make the necessary updates to the impairment record.
6. Upload the records to the system for processing. From the main menu go to Oracle > Upload; The Upload Parameter window is displayed. Accept the defaults and click Upload to start the process.
7. The Process Impairments request is executed. When the process is successfully completed, the Upload Parameters window displays the Request ID for the Impairment Preview process.

### Reviewing Asset Impairment Reports

The Asset Impairment report is created as part of the upload process. The report displays the following details of the impairments entered: cost, new net book value, net selling price, value in use and impairment loss amount. Only impairments with a status of Preview are included in the report. Use the Asset Impairment report to review and validate the impairment transactions prior to posting the transaction to Oracle Assets.

Perform the following steps to view the Asset Impairment Report:

- Navigate to Requests window.

Navigation: View > Requests

- Search or Enter in the Request ID for the Impairment Preview Process displayed in the Upload Parameters Confirmation window.
- Select the Request ID row for the Asset Impairment report.
- Click View Output.

## Posting Asset Impairments

Impairments are not reflected against the asset until the impairment is posted to Oracle Assets. After confirming the impairment transactions are correct using the Asset Impairment report, commit the results by posting the impairment.

Perform the following to post the impairment transaction to Oracle Assets:

1. Navigate to the Create and Post Impairments window.  
Navigation: Assets > Impairments > Create and Post
2. Enter the query criteria: Book, Cash-Generating Unit, Impairment Name, Asset Number, Impairment Date and/or Status. Click the Go button.
3. Check Select box for the row of the impairments to be posted. Press Post button to launch the process.
4. Click Yes to confirm and post the impairments.
5. The Process Impairments concurrent program is executed and the concurrent request id is displayed.
6. Upon successful completion of the posting process, the Asset Impairment report is generated once again and the impairment's status is updated to Posted.

## Viewing Asset Impairments

After the posting process is complete, use the Financial Inquiry feature in Oracle Assets to view the results of the impairment transaction posted to the asset.

Perform the following to view impairments posted to an asset:

1. Navigate to Financial Inquiry window.  
Navigation: Inquiry > Financial Information
2. Query the asset by Asset Detail or Book. The View Financial Information window will appear displaying financial data for the selected asset.



| Financial Information |            | Depreciation             |        |
|-----------------------|------------|--------------------------|--------|
| Asset Number          | 109662     | Reference Number         |        |
| Book                  | ASSET BOOK | Comments                 | [ ]    |
| Current Cost          | 5,000.00   | YTD Depreciation         | 694.45 |
| Original Cost         | 5,000.00   | Accumulated Depreciation | 694.45 |
| Salvage Value Type    | Amount     | Salvage Value Percent    | %      |
| Salvage Value         | 0.00       | Revaluation Ceiling      |        |
| Recoverable Cost      | 5,000.00   | Revaluation Reserve      | 0.00   |
| Net Book Value        | 3,000.00   |                          |        |

| Impairment             |                 |
|------------------------|-----------------|
| Accumulated Impairment | 1,305.55        |
| YTD Impairment         | 1,305.55        |
| Cash Generating Unit   | Impairments CGU |

Buttons: Unplanned Depreciation, Done, Cancel

3. Click the Impairments tab to display the Impairment details for the asset.

## Rolling Back Asset Impairments

If after the impairment is posted to Oracle Assets it is determined that the impairment transactions was invalid, the effects of the impairment can be "rolled back". Impairments can only be rolled back in the asset period the transaction was posted and as long as the asset period is still open. Once the impairment is rolled back, the impairment cannot be posted again. A new impairment transaction will need to be created.

Perform the following steps to rollback an impairment:

1. Navigate to the Create and Post Impairments window.  
Navigation: Assets > Impairments > Create and Post
2. Enter the query criteria such as Book, Cash-Generating Unit, Impairment Name, Asset Number, Impairment Date and Status. Click the Go button.
3. Check Select box for the impairments to be rolled back. Click the Rollback button to launch the process.
4. Click Yes to confirm and rollback the impairments.
5. The Process Impairments concurrent program is executed and the concurrent request id is displayed.
6. Upon successful completion of the process the impairment's status is updated to

Deleted.

## Deleting Asset Impairments

Use the Delete functionality to delete unposted asset impairments from the system.

Perform the following to delete unposted impairments:

1. Navigate to the Create and Post Impairments window.  
Navigation: Assets > Impairments > Create and Post
2. Enter the query criteria such as Book, Cash-Generating Unit, Impairment Name, Asset Number, Impairment Date and Status. Click the Go button.
3. Check Select box for the row of the unposted impairments to be deleted. Click Delete button to launch the process.
4. Click Yes to confirm and delete the impairments.
5. The Confirmation is displayed with the Impairment ID of the deleted impairment and the impairment's status is updated to Deleted.

## Accounting Methods

There are several methods for deriving the impairments loss amount on an asset. The method used is based on customer's business practices and regulatory guidance. The methods supported by Oracle Assets are as follows:

- Calculate Impairment Loss using either Fair Value (Net Selling Price) or Value in Use for the asset., page 3-50
- Calculate Impairment Loss using both Fair Value (Net Selling Price) and Value in Use for the asset., page 3-52
- Using Known Impairment Loss Amount, page 3-53.
- Reversing Impairment Losses in a future period., page 3-54

## Examples of Impairment Methods and Corresponding Accounting Entries

Below highlights the logic and accounting entries generated for the various methods mentioned above.

- The account entries detailed may not reflect all the accounting entries created by Oracle Assets for an asset.
- For Japan Depreciation methods specific calculations and examples,

see the FY2007 Japan Tax Reforms - Impairment section, page 9-153

#### Initial Data for Impairments Transactions Examples

##### **A. Asset Addition**

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b> |
|-------------------------|--------------------------------|
| Book Type Code          | Asset Book                     |
| Asset Numbers           | 109662,109663,109664,109682    |
| Method                  | STL 3Y                         |
| Cost                    | 5,000                          |
| Addition Period         | Feb-2009                       |
| DPIS                    | 01-JAN-2009                    |
| Prorate Date            | 01-JAN-2009                    |
| Depreciate              | Y                              |
| Divide Depreciation     | Evenly                         |

Depreciation has been run until MAY- 2009. As of May 01, 2009 the assets' details are as follows:

##### **B. Current Asset Data**

| <b>Asset Item</b>    | <b>Asset Information</b> |
|----------------------|--------------------------|
| Cost                 | 5,000                    |
| Depreciation Reserve | 555.56                   |
| Monthly Depreciation | 138.89                   |

### Calculate Impairment Loss Using Either Fair Value (Net Selling Price) or Value in Use for the Asset

Users can enter in either the Fair Value (Net Selling Price) or the Value in Use to determine the impairment loss amount. The system calculates the impairment loss amount based on which value has been entered.

#### Example 1: Using Fair Value (Net Selling Price)

The impairment is created with the following transaction details:

##### *Impairment Transaction*

| Impairment Item                | Impairment Value  |
|--------------------------------|-------------------|
| Book                           | Asset Book        |
| Impairment Name                | IAS 36 Impairment |
| Impairment Date                | 01-May-2009       |
| Status                         | Preview           |
| Asset Number                   | 109662            |
| Fair Value (Net Selling Price) | 3,000             |

The impairment transaction is uploaded to the interface and posted to the asset.

Impairment calculations are as follows:

Carrying Amount (NBV) = Cost - (Accumulated Depreciation + Current Period Depreciation) - Previously Impairment Expense

$$5,000 - 694.45 - 0 = 4,305.55$$

**Note:** When determining the NBV, the depreciation for the current period is added to the Accumulated Depreciation. That is, May-09, 694.45 = (555.56 + 138.89).

Since the Carrying Amount > Net Selling Price, the Impairment Loss amount (Expense) is calculated as:

Impairment Loss Amount Expense = Carrying Amount - Net Selling Price

$$4,305.55 - 3,000 = 1,305.55$$

The Adjusted Cost is equal to the Net Selling Price (3000) and will depreciate over the remaining life of the asset. The monthly depreciation is recalculated as follows:

Monthly Depreciation = Adjusted Cost / Remaining life in years  
 $3,000 / 31 = 96.77$

### Example 2: Using Value in Use

The impairment is created with the following transaction details:

#### **Impairment Transaction**

| Impairment Item | Impairment Value  |
|-----------------|-------------------|
| Book            | Asset Book        |
| Impairment Name | IAS 36 Impairment |
| Impairment Date | 01-May-2009       |
| Status          | Preview           |
| Asset Number    | 109663            |
| Value in Use    | 3,000             |

The impairment transaction is uploaded to the interface and posted to the asset.

Impairment calculations are as follows:

Carrying Amount (NBV) = Cost - (Accumulated Depreciation + Current Period Depreciation) - Previously Impairment Expense

$5,000 - 694.45 - 0 = 4,305.55$

**Note:** When determining the NBV, the depreciation for the current period is added to the Accumulated Depreciation. That is, May-09,  $694.45 = (555.56 + 138.89)$ .

Since the Carrying Amount > Value in Use, the Impairment Loss Amount (Expense) is calculated as:

Impairment Loss Amount (Expense) = Carrying Amount - Value in Use

$4,305.55 - 3,000 = 1,305.55$

The Adjusted Cost will be equal to the Value in Use (3,000) and will depreciate over the remaining life of the asset. The monthly depreciation is recalculated as follows:

Monthly Depreciation = Adjusted Cost / Remaining life in years

$3,000 / 31 = 96.77$

### Calculate Impairment Loss Using Fair Value (Net Selling Price) and Value in Use for the Asset

Users can enter in both the Fair Value and Value in Use for the asset or cash-generating unit to determine the impairment loss amount. The system calculates the impermanent loss amount based on both values entered.

#### Example 3: Using both Fair Value and Value in Use

The impairment is created with the following transaction details:

#### *Impairment Transaction*

| Impairment Item   | Impairment Value  |
|-------------------|-------------------|
| Book              | Asset Book        |
| Impairment Name   | IAS 36 Impairment |
| Impairment Date   | 01-May-2009       |
| Status            | Preview           |
| Asset Number      | 109682            |
| Value in Use      | 2,800             |
| Net Selling Price | 3,500             |

The impairment transaction is uploaded to the interface and posted to the asset.

Impairment calculations are as follows:

Carrying Amount = Cost - (Accumulated Depreciation + Current Period Depreciation) - Previously Impairment Expense

$$5,000 - 694.45 - 0 = 4,305.55$$

**Note:** When determining the NBV the depreciation for the current period is added to the Accumulated Depreciation. That is, May-09, 694.45 = (555.56 + 138.89).

Since the Carrying Amount > Max (Value in Use, Net Selling Price), the Impairment Loss Amount (Expense) is calculated as:

Impairment Loss Amount (Expense) = Carrying Amount - Net Selling Price

$$4,305.55 - 3,500 = 805.55$$

The Adjusted Cost is equal to the Maximum (Value in Use, Net Selling Price) = 3,500 and will depreciate over the remaining life of the asset. The monthly depreciation is recalculated as follows:

Monthly Depreciation = Adjusted Cost / Remaining life in years

$$3,500 / 31 = 112.90$$

#### Using Known Impairment Loss Amount

When the Impairment Loss amount is known, users can enter in the Impairment Loss amount directly into the system and the system will use the entered amount for the impairment calculations.

#### Example 4: Known Impairment Loss Amount

##### *Impairment Transaction*

| Impairment Item    | Impairment Value  |
|--------------------|-------------------|
| Book               | Asset Book        |
| Impairment Name    | IAS 36 Impairment |
| Impairment Date    | 01-May-2009       |
| Status             | Preview           |
| Asset Number       | 109664            |
| Impairment Expense | 1,000             |

The Impairment transaction is uploaded to the interface and posted to the asset.

Impairment Calculations are as follows:

Adjusted Cost = Cost - (Accumulated Depreciation + Current Period Depreciation) - Impairment Loss Amount

$$3,305.55 = 5,000 - 694.45 - 1,000$$

**Note:** When determining the Adjusted Cost (NBV), the depreciation for the current period is added to the Accumulated Depreciation. That is, May-09, 694.45 = (555.56 + 138.89).

The monthly depreciation is recalculated as follows:

Monthly Depreciation = Adjusted Cost / Remaining life in years

$$106.63 = 3,305.55 / 31$$

### Reversing the Impairment Loss in a Future Period

There are two ways to reverse impairment transactions once the impairment loss has been posted to Oracle Asset:

- In the transaction period the impairment was posted (Rollback).
- In a future period when the asset's Value in Use and/or Net Selling Price are different.

Reversing Impairments in a future period may be necessary to:

- Correct a previous impairment transaction that was mistakenly added to the asset.
- Reverse the previous impairment by actualizing the asset information in the future current period as the result of change in Value in Use and/or Net Selling Price.

#### ***Current Asset Data Before Reversal***

| <b>Asset Item</b>           | <b>Asset Information</b> |
|-----------------------------|--------------------------|
| Current Period Counter      | AUG-2009                 |
| Asset Numbers               | 109662, 109663           |
| Cost                        | 5,000                    |
| Depreciation Reserve        | 984.76                   |
| Monthly Depreciation        | 96.77                    |
| Previous Impairment Expense | 1,305.55                 |
| Carrying Amount (NBV)       | 2,709.69                 |

### Correcting Previous Impairment Transaction

Users will use this method when it is necessary to remove the effects of a previous impairment transaction and the depreciation to be expensed going forward is as if the impairment transaction had never taken place. As a result, at the end of the asset life, the depreciation reserve on the asset will be the same value as the cost of the asset.

In order to reverse the impairment transaction it is necessary to calculate the asset's NBV on the Impairment Date as if the impairment had not taken place.



For example, on 01-May-2009 the asset's Value in Use and Net Selling Price would have been 4,305.55 (5000 - (5\*138.89)). In order to reverse the effects of the impairment, a backdated amortized adjustment is performed using the impairment date and the Value in Use / Net Selling Price of 4,305.55 or the Impairment Loss (Expense) amount of <1,305.55>.

**Example 5: Reversing Impairments using Value in Use and Net Selling Price:**

The impairment is created with the following transaction details:

***Impairment Transaction***

| Impairment Item                | Impairment Value  |
|--------------------------------|-------------------|
| Book                           | Asset Book        |
| Impairment Name                | IAS 36 Impairment |
| Impairment Date                | 01-May-2009       |
| Status                         | Preview           |
| Asset Number                   | 109662            |
| Fair Value (Net Selling Price) | 4,305.55          |

The impairment transactions is uploaded to the interface and posted to the asset.

Impairment calculations are as follows:

Carrying Amount = Cost - (Accumulated Depreciation + Current Period Depreciation) - Previously Impairment Expense

$$3,000 = 5,000 - (5*138.89) - 1,305.55$$

Since the Carrying Amount < Max (Value in Use, Net Selling Price). The Impairment Loss Amount (Expense) is calculated as:

Impairment Loss Amount (Expense) = Carrying Amount - Value in Use

$$-1,305.55 = 3,000 - 4,305.55$$

Depreciation Catch-up

$$(3*138.89) - (3*96.77) = 416.67 - 290.31 = 126.36$$

Adjusted Cost = Cost - (Accumulated Depreciation + Current Period Depreciation) - Previously Impairment Expense - Impairment Loss Amount (Expense)

$$3,888.89 = 5,000 - (984.76 + 126.36) - 1,305.55 - (-1,305.55)$$

The Adjusted Cost is now equal to 3,888.89 and will be depreciated over the remaining life of the asset.

The monthly depreciation is recalculated as follows:

Monthly Depreciation = Adjusted Cost / Remaining life in years

$138.89 = 3,888.89 / 28$

#### **Reverse Previous Impairment by Actualizing Asset Data Starting from Current Period**

Due to the economic changes, the Value in Use and Fair Value of the asset are considered as if the assets have not had a prior impairment. Meaning the values for period AUG-2009 will be 3,888.89 ( $5,000 - (8 * 138.89)$ ). The same result would also occur if used the Impairment Loss amount of <1,305.55 > with an Impairment Date in the AUG-2009 period.

#### **Example 6: Reversing Impairment by Actualizing the Asset Data Starting from Current Period**

In this example, Value in Use and Net Selling Price will be used.

The impairment is created with the following transaction details:

##### ***Impairment Transaction***

| <b>Impairment Item</b>           | <b>Impairment Value</b>    |
|----------------------------------|----------------------------|
| Book                             | Asset Book                 |
| Impairment Name                  | IAS 36 Impairment Reversal |
| Impairment Date                  | 01-Aug-2009                |
| Status                           | Preview                    |
| Asset Number                     | 109663                     |
| Value in Use / Net Selling Price | 3,888.89                   |

The impairment transaction is uploaded to the interface and posted to the asset.

Impairment calculations are as follows:

Carrying Amount (NBV) = Cost - (Accumulated Depreciation + Current Period Depreciation) - Previously Impairment Expense

$2,709.69 = 5,000 - 984.76 - 1,305.55$

Since the Carrying Amount < Max (Value in Use, Net Selling Price), the Impairment

Loss Amount (Expense) is calculated as:

Impairment Loss Amount (Expense) = Carrying Amount - Value in Use

-1,179.2 = 2,709.69 - 3,888.89

Depreciation is calculated from now on the Adjusted Cost (Value in Use) over the remaining life.

The monthly depreciation is recalculated as follows:

3,888.89 / 28 = 138.89

### Impairment Journals

The following examples provide the accounting entries that are generated for:

- Asset impairment with no prior revaluation, page 3-57
- Asset impairment with a prior revaluation, page 3-60

### Example of Accounting for Impairment Loss with no Prior Revaluation

This example is related to an asset impairment where the asset has had no prior revaluation.

On February 1, 2009, an asset was purchased and recorded into Oracle Assets with the following details:

#### A. Asset Addition

| Asset Setup Item    | Asset Setup Information |
|---------------------|-------------------------|
| Book Type Code      | Asset Book              |
| Method              | STL 3Y                  |
| Cost                | 5,000                   |
| Addition Period     | Feb-2009                |
| DPIS                | 01-JAN-2009             |
| Prorate Date        | 01-JAN-2009             |
| Depreciate          | Y                       |
| Divide Depreciation | Evenly                  |

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b> |
|-------------------------|--------------------------------|
| Salvage Value           | 0.00                           |

Depreciation has been run until MAY- 2009. As of May 01, 2009 the assets' details are as follows:

***B. Current Asset Data***

| <b>Asset Item</b>    | <b>Asset Information</b> |
|----------------------|--------------------------|
| Cost                 | 5,000                    |
| Depreciation Reserve | 555.56                   |
| Monthly Depreciation | 138.89                   |

On May 1, 2009, it was determined the asset was damaged. The following impairment transaction is recorded:

***Impairment Transaction***

| <b>Impairment Item</b>           | <b>Impairment Value</b> |
|----------------------------------|-------------------------|
| Book                             | Asset Book              |
| Impairment Name                  | IAS 36 Impairment       |
| Impairment Date                  | 01-May-2009             |
| Status                           | Preview                 |
| Impairment Loss Amount (Expense) | 1,000                   |

Impairment calculations are as follows:

Adjusted Cost (NNBV) = Cost - (Accumulated Depreciation + Current Period Depreciation) - Impairment Loss Amount

3,305.55 = 5,000 - 694.45 - 1000

**Note:** When determining the Adjusted Cost (NNBV) the depreciation for the current period is added to the Accumulated Depreciation. That is, May-09, 694.45 = (555.56 + 138.89).

The monthly depreciation is recalculated as follows:

Monthly Depreciation = Adjusted Cost (NNBV) / Remaining life in years

106.63 = 3,305.55 / 31

The effect of the impairment is illustrated in the following table:

| Date              | Cost  | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) *1 | Asset NNBV *2   | Revaluation Reserve | Revaluation Amortization | Accumulated Impairment |
|-------------------|-------|----------------------|--------------------------|-------------------------------|-----------------|---------------------|--------------------------|------------------------|
| Feb-09            | 5,000 | 277.78               | 277.78                   | 4,722.22                      |                 |                     |                          |                        |
| Mar-09            |       | 138.89               | 416.67                   | 4,583.33                      |                 |                     |                          |                        |
| Apr-09            |       | 138.89               | 555.56                   | 4,444.44                      |                 |                     |                          |                        |
| <b>Impairment</b> |       |                      |                          | <b>4,305.55</b>               | <b>3,305.55</b> |                     |                          | <b>1,000.00</b>        |
| May-09            | 5,000 | 138.89               | 694.45                   | 3,305.55                      |                 |                     |                          | 1,000.00               |
| Jun-09            |       | 106.63               | 801.08                   | 3,198.92                      |                 |                     |                          | 1,000.00               |

\*1 Current Net Book Value

\*2 New Net Book Value

The following accounting entries are generated to record the impairment loss without an existing revaluation balance:

| Account Description                                              | Debit    | Credit |
|------------------------------------------------------------------|----------|--------|
| Impairment Loss Expense<br>(Impairment Loss Amount<br>(Expense)) | 1,000.00 |        |

| Account Description                                             | Debit | Credit   |
|-----------------------------------------------------------------|-------|----------|
| Accumulated Impairment<br>(Impairment Loss Amount<br>(Expense)) |       | 1,000.00 |

At the end of the month, the following accounting entry is booked to record the depreciation expense for the May-09 period:

| Account Description      | Debit   | Credit |
|--------------------------|---------|--------|
| Depreciation Expense     | 138.89* |        |
| Accumulated Depreciation |         | 138.89 |

\* Since the current month depreciation is considered in the NBV calculation, depreciation is not recalculated until the following month.

#### Example of Accounting for Impairment Loss with Prior Revaluation

This example is related to an asset impairment where the asset has had a revaluation and there is an existing revaluation reserve balance.

On February 1, 2009, a used asset was purchased and recorded into Oracle Assets with the following details:

##### **A. Asset Addition**

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Book Type Code   | Asset Book              |
| Method           | STL 3Y                  |
| Cost             | 5,000                   |
| Addition Period  | Feb-2009                |
| DPIS             | 01-JAN-2009             |
| Prorate Date     | 01-JAN-2009             |

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b> |
|-------------------------|--------------------------------|
| Depreciate              | Y                              |
| Divide Depreciation     | Evenly                         |
| Salvage Value           | 0.00                           |

Depreciation has been run until MAY- 2009. As of May 01, 2009 the asset's details are as follows:

***B. Current Asset Data***

| <b>Asset Item</b>    | <b>Asset Information</b> |
|----------------------|--------------------------|
| Cost                 | 5,000                    |
| Depreciation Reserve | 555.56                   |
| Monthly Depreciation | 138.89                   |

On May 1, 2009, it was determined the asset was undervalued. The following revaluation transaction is recorded:

***Revaluation Transaction***

| <b>Revaluation Item</b>            | <b>Revaluation Value</b> |
|------------------------------------|--------------------------|
| Book                               | Asset Book               |
| Revaluation Date                   | 01-May-2009              |
| Status                             | Preview                  |
| Revaluation (Adjusted Cost: 6,000) | 20%                      |

Current Net Book Value (CNBV) = Cost + Cost Adjustments + Revaluations - Salvage Value - Accumulated Depreciation - Accumulated Impairments - Retirements

$$\text{CNBV} = 5,000.00 + 0.00 + 0.00 - 0.00 - 555.56 - 0.00 - 0.00$$

CNBV = 4,444.44

Adjusted Cost (NNBV) = Asset value change as deemed by professional valuation

Adjusted Cost (NNBV) = Cost + (Cost \* Rate %)

6,000 = 5,000 + (5,000 \* 20%)

Revaluation Amount = NNBV - CNBV

Revaluation Amount = 1,555.56

The effect of the revaluation is illustrated in the following table:

| Date               | Cost  | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) *1 | Asset NNBV *2   | Revaluation Reserve | Revaluation Amortization | Accumulated Impairment |
|--------------------|-------|----------------------|--------------------------|-------------------------------|-----------------|---------------------|--------------------------|------------------------|
| Feb-09             | 5,000 | 277.78               | 277.78                   | 4,722.22                      |                 |                     |                          |                        |
| Mar-09             |       | 138.89               | 416.67                   | 4,583.33                      |                 |                     |                          |                        |
| Apr-09             |       | 138.89               | 555.56                   | 4,444.44                      |                 |                     |                          |                        |
| <b>Revaluation</b> |       |                      | <b>555.56</b>            | <b>4,444.44</b>               | <b>6,000.00</b> | <b>1,555.56</b>     | <b>48.61</b>             |                        |
| May-09             | 6,000 | 187.50               | 187.50                   | 5,812.50                      |                 | 1,506.95            | 48.61                    |                        |
| Jun-09             |       | 187.5                | 375.00                   | 5,625.00                      |                 | 1,458.34            | 48.61                    |                        |

\*1 Current Net Book Value

\*2 New Net Book Value

The following accounting entries are generated to record the revaluation.

When booking a revaluation on the asset, an entry to the Accumulated Depreciation account is made to reverse the accumulated depreciation to date on the asset and set the account balance to zero. This will cause the fixed asset cost to be equal to the new net book value.

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Accumulated Depreciation | 555.56 |        |



| Account Description                                              | Debit    | Credit   |
|------------------------------------------------------------------|----------|----------|
| Fixed Asset Cost (Revaluation Amount – Accumulated Depreciation) | 1,000.00 |          |
| Revaluation Reserve                                              |          | 1,555.56 |

- If the result of (Revaluation Amount - Accumulated Depreciation) is positive, then the Fixed Asset Cost account is debited.
- If the result of (Revaluation Amount - Accumulated Depreciation) is negative, then the Fixed Asset Cost account is credited.

At the end of the month, the following accounting entry is booked to record the new depreciation expense for the period (May-09):

| Account Description      | Debit   | Credit |
|--------------------------|---------|--------|
| Depreciation Expense     | 187.50* |        |
| Accumulated Depreciation |         | 187.50 |

\* Depreciation is recalculated and is based on the revalued net book value.

Monthly Depreciation = Adjusted Cost (NNBV) / Remaining deprecation periods

$$187.50 = (6,000 / 32)$$

On September 1, 2009 the asset suffered damage due to flooding in the area. The following impairment transaction is recorded:

#### ***Impairment Transaction***

| Impairment Item | Impairment Value  |
|-----------------|-------------------|
| Book            | Asset Book        |
| Impairment Name | IAS 36 Impairment |
| Impairment Date | 01-Sep-2009       |

| Impairment Item                  | Impairment Value |
|----------------------------------|------------------|
| Status                           | Preview          |
| Impairment Loss Amount (Expense) | 4,000            |

When determining the current net book value (CNBV), the current period's depreciation is included in the CNBV calculation.

Current Net Book Value (CNBV) = Cost + Cost Adjustments + Revaluations - Salvage Value - (Accumulated Depreciation + Current Period Depreciation) - Accumulated Impairments - Retirements

$CNBV = 5,000.00 + 0.00 + 1,000.00 - 0.00 - 937.50 - 0.00 - 0.00$

$CNBV = 5,062.50$

Impairment Loss Amount = 4,000.00

Adjusted Cost (NNBV) = CNBV - Impairment Loss Amount

$1,062.50 = 5,062.50 - 4,000.00$

The monthly depreciation is recalculated as follows:

Monthly Depreciation = Adjusted Cost (NNBV) / Remaining life in years

$39.35 = 1,062.50 / 27$

The effect of the impairment is illustrated in the following table:

| Date               | Cost  | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) *1 | Asset NNBV *2   | Revaluation Reserve | Revaluation Amortization | Accumulated Impairment |
|--------------------|-------|----------------------|--------------------------|-------------------------------|-----------------|---------------------|--------------------------|------------------------|
| Feb-09             | 5,000 | 277.78               | 277.78                   | 4,722.22                      |                 |                     |                          |                        |
| Mar-09             |       | 138.89               | 416.67                   | 4,583.33                      |                 |                     |                          |                        |
| Apr-09             |       | 138.89               | 555.56                   | 4,444.44                      |                 |                     |                          |                        |
| <b>Revaluation</b> |       |                      | <b>555.56</b>            | <b>4,444.44</b>               | <b>6,000.00</b> | <b>1,555.56</b>     | <b>48.61</b>             |                        |
| May-09             | 6,000 | 187.50               | 187.50                   | 5,812.50                      |                 | 1,506.95            | 48.61                    |                        |

| Date              | Cost  | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) *1 | Asset NNBV *2   | Revaluation Reserve | Revaluation Amortization | Accumulated Impairment |
|-------------------|-------|----------------------|--------------------------|-------------------------------|-----------------|---------------------|--------------------------|------------------------|
| Jun-09            |       | 187.50               | 375.00                   | 5,625.00                      |                 | 1,458.34            | 48.61                    |                        |
| Jul-09            |       | 187.50               | 562.50                   | 5,437.50                      |                 | 1,409.72            | 48.61                    |                        |
| Aug-09            |       | 187.50               | 750.00                   | 5,250.00                      |                 | 1,361.11            | 48.61                    |                        |
| <b>Impairment</b> |       |                      |                          | <b>5,062.50</b>               | <b>1,062.50</b> | <b>1,312.50</b>     | <b>48.61</b>             | <b>4,000</b>           |
| Sep-09            |       | 187.50               | 937.50                   | 1,062.50                      |                 |                     | 48.61                    | 4,000                  |
| Oct-09            | 6,000 | 39.35                | 976.85                   | 1,023.15                      |                 |                     |                          | 4,000                  |
| Nov-09            |       | 39.35                | 1,016.20                 | 983.80                        |                 |                     |                          | 4,000                  |
| Dec-09            |       | 39.35                | 1,055.56                 | 944.44                        |                 |                     |                          | 4,000                  |

\*1 Current Net Book Value

\*2 New Net Book Value

The following accounting entries are generated to record the impairment with a prior revaluation reserve balance:

| Debit                                                                    | Credit                                          |
|--------------------------------------------------------------------------|-------------------------------------------------|
| Revaluation Reserve (Up to the amount of the impairment loss)            |                                                 |
| Impairment Loss (Impairment loss not covered by the Revaluation Reserve) |                                                 |
|                                                                          | Accumulated Impairment (Impairment loss amount) |

**Note:** When determining the amount of the revaluation reserve available, the current month revaluation reserve amortization is taken

in to account. For example, the Revaluation Reserve balance is reduced by the current month's amortization. The remaining balance is then applied to the impairment loss amount to determine the amount to be booked to the Impairment Loss expense account.

At the end of the month, the following accounting entries are booked:

To record the impairment for the period:

| <b>Account Description</b> | <b>Debit</b> | <b>Credit</b> |
|----------------------------|--------------|---------------|
| Revaluation Reserve        | 1,312.50     |               |
| Impairment Loss Expense    | 2,687.50     |               |
| Accumulated Impairment     |              | 4,000.00      |

To record the depreciation expense for the period (Sep-09):

| <b>Account Description</b> | <b>Debit</b> | <b>Credit</b> |
|----------------------------|--------------|---------------|
| Depreciation Expense       | 187.50*      |               |
| Accumulated Depreciation   |              | 187.50        |

\* Since the current month depreciation is considered in the CNBV calculation, depreciation is not recalculated until the following month.

To record the revaluation amortization reserve for the period (Sep-09):

| <b>Account Description</b> | <b>Debit</b> | <b>Credit</b> |
|----------------------------|--------------|---------------|
| Revaluation Reserve        | 45.61*       |               |
| Revaluation Amortization   |              | 45.61         |

\* The available revaluation reserve is reduced by the current month revaluation amortization to the current period revaluation reserve amortization is recorded to set the accounts to zero.

## Asset Impairment Considerations

The following conditions are to be considered when performing impairments in Oracle Assets:

- Mass copy does not copy the impairment transactions to the Tax book.
- Impairment transaction can be performed separately in the Tax book.
- Transfer, reclassification, or Source Line Transfer will move the Accumulated Impairment balance from source to destination asset or distribution.
- If the goodwill asset number is provided in the impairment WebADI spreadsheet and a goodwill amount is not given, the entire net book value of the goodwill asset is considered as goodwill applicable for the Cash Generating Unit.
- Only one impairment transaction in a period is allowed. If additional impairments are required for the asset, rollback the impairment to undo the transactions and create a new impairment transaction for the revised amount.
- The Accumulated Impairment amount is reversed at the time of retirement. Backdated impairment transactions are not allowed.
- Impairment of Group asset and allocation of corporate asset are not supported.
- Accounting entries are created for goodwill only if goodwill is being tracked as a fixed asset and the goodwill asset number is entered against the Cash Generating Unit at the time of impairment creation.

## Post-Impairment Transactions

After Impairment transactions are complete, Oracle Assets enables the following post-impairment transactions

- Depreciation, page 3-67
- Revaluation, page 3-68
- Retirement, page 3-68

### Depreciation

After the recognition of an impairment loss, the depreciation charge for the asset is adjusted in future periods to allocate the asset revised carrying amount, less its residual value, on a systematic basis over the asset remaining useful life. The formula for this calculation is:

Depreciable Basis after Impairment = (Cost - Salvage Value - Accumulated Depreciation

- Accumulated Impairment)

## Revaluation

Revaluations can be performed on previously impaired assets. When a revaluation is performed on an asset where there is an existing balance in the Accumulated Impairment Loss account, the accumulated impairment loss is first reversed, and the remaining amount is applied to the asset cost.

Example of accounting for asset revaluation after impairment loss:

| Asset                           | Amount |
|---------------------------------|--------|
| Cost                            | 10,000 |
| Accumulated Depreciation        | 2,000  |
| Accumulated Impairment          | 1,000  |
| Net Book Value after Impairment | 7,000  |

The asset is revalued by 20%, then the accounting entries for reversing Accumulated Impairment are

| Account Description    | Debit | Credit |
|------------------------|-------|--------|
| Accumulated Impairment | 1,000 |        |
| Revaluation Reserve    |       | 1,000  |

The remaining revaluation cost is accounted as:

| Account Description      | Debit | Credit |
|--------------------------|-------|--------|
| Asset Cost               | 1,000 |        |
| Accumulated Depreciation |       | 400    |
| Revaluation Reserve      |       | 600    |

## Retirement

An asset may be retired after the recognition of the impairment loss. Since the

impairment loss is already recognized in the financial statements, the impairment is considered in the calculation of asset's NBV Retired amount. The formula for calculating NBV Retired is:

$$\text{NBV Retired} = \text{Cost} - \text{Accumulated Depreciation} - \text{Accumulated Impairment}$$

Example of accounting for asset revaluation after impairment loss:

| Asset                  | Amount |
|------------------------|--------|
| Cost                   | 10,000 |
| Depreciation Reserve   | 3,000  |
| Impairment Reserve     | 500    |
| Net Book Value Retired | 6,500  |

The asset is retired and the following accounting entries are recorded:

| Account Description  | Debit | Credit |
|----------------------|-------|--------|
| Depreciation Reserve | 3,000 |        |
| Impairment Reserve   | 500   |        |
| NBV Retired          | 6,500 |        |
| Asset Cost           |       | 10,000 |

## Asset Impairment Reports

Oracle Assets provides the following Asset Impairment reports:

- Asset Impairment Report, page 3-69
- List Assets By Cash Generating Unit Report, page 3-71

### Asset Impairment Report

Use the Asset Impairment report to view and validate impairment transactions uploaded to the Oracle Assets interface table prior to posting the transactions into Oracle Assets. The Asset Impairment report is automatically executed when impairment transactions are uploaded to the Oracle Asset interface from WebADI and

when impairment transactions are posted. It can also be executed manually via the concurrent manager.

Only impairment transactions with a status of Preview, Previewed or Posted are displayed in the Asset Impairment report.

#### **Report Parameters:**

The Asset Impairment report includes the following parameters:

- Required:
  - Book: Asset Book
  - Ledger Currency: Currency the Ledger associated with the Asset book
  - Period: Fixed asset period transactions are recorded.
- Optional:
  - Impairment: Name of the Impairment
  - Cash Generating Unit: Name or value of the Cash Generating unit

#### **Report Headings:**

The headings for Asset Impairment report are:

| Heading                | Description                                                                                                                                                                                  |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Current Net Book Value | The asset's current carrying value calculated as of the date of the impairment transaction. It contains the depreciation amount for the period in which the impairment transaction occurred. |
| Net Selling Price      | The amount entered in as the Net Selling Price for the asset to be used to derive the impairment loss on the asset.                                                                          |
| Value in Use           | The amount entered in for the Value in Use for the asset to be used to derive the impairment loss on the asset.                                                                              |
| Impairment Loss        | The amount of the impairment loss on the asset. Either calculated based on Net Selling Price and/or Value in Use or entered in manually.                                                     |



| Heading                        | Description                                                                                  |
|--------------------------------|----------------------------------------------------------------------------------------------|
| Revaluation Reserve Adjustment | The amount of the revaluation reserve available on the asset before applying the impairment. |
| New Net Book Value             | The asset's new carrying value after applying the impact of the impairment.                  |

ORACLE

Vision Operations (USA)

Book:UK\_FACILITY

Set of Books:Vision Operations (USA)

Asset Impairment Report

Impairment Description:

Impairment Date:

Report Date: 12/10/2008

Impairment Id:

Page 1 of 1

| Asset Number | Current Net Book Value | Net Selling Price | Value in Use | Impairment Loss | Revaluation Reserve Adjustment | New Net Book Value | Impairment Class Type     | Reason                          | Impairment Expense Account | Split Impairment |
|--------------|------------------------|-------------------|--------------|-----------------|--------------------------------|--------------------|---------------------------|---------------------------------|----------------------------|------------------|
| UKF_BLDNG_2  | 4,458,333.32           |                   |              | 500,000.00      |                                | 3,958,333.32       | Change in Property Prices | Mkt Value, Excessive Use, Misc. | 5600                       | Yes              |

| Split Impairment Class Type     | Split Impairment Loss | Revaluation Reserve Adjustment | Split Reason                       | Split Impairment Expense Account |
|---------------------------------|-----------------------|--------------------------------|------------------------------------|----------------------------------|
| Change in Property Prices       | 250,000.00            | 0.00                           | Rezoning of District               | 5600                             |
| Consumption of Economic Benefit | 125,000.00            | 0.00                           | Deterioration due to excessive use | 5601                             |
| Others                          | 125,000.00            | 0.00                           | Misc. damages                      | 5602                             |

| Report Totals | Current Net Book Value | Net Selling Price | Value in Use | Impairment Loss | Revaluation Reserve Adjustment | New Net Book Value |
|---------------|------------------------|-------------------|--------------|-----------------|--------------------------------|--------------------|
|               | 4,458,333.32           | 0.00              | 0.00         | 500,000.00      | 0.00                           | 3,958,333.32       |

## List Assets By Cash Generating Unit Report

Use the List Assets by Cash Generating Unit report to review and validate impairment transactions on an individual asset or all the assets within a Cash Generating unit.

### Report Parameters:

The List Assets By Cash Generating Unit report includes the following parameters:

- Required:
  - Book: Asset Book
  - Ledger Currency: Currency the Ledger associated with the Asset book
- Optional:
  - Cash Generating Unit: Name or value of the Cash Generating unit
  - Asset Number: The asset number of the individual asset to be reported

### Report Headings:

The headings for the List Assets By Cash Generating Unit report are:



| Column Name             | Description                                                                                                                                | Type          | Optional or Required   |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------|
| IMPAIRMENT_NAME         | The name of the Impairment transaction.                                                                                                    | VARCHAR2(30)  | Required               |
| DESCRIPTION             | The description of the Impairment transaction.                                                                                             | VARCHAR2(240) | Optional               |
| REQUEST_ID              | System-generated request id when impairment line is uploaded, posted, adjusted, rolled back or deleted.                                    | NUMBER(15)    | System-generated       |
| STATUS                  | Current Impairment status. You can upload impairments only with New or Preview status.                                                     | VARCHAR2(30)  | Required               |
| BOOK_TYPE_CODE          | Use the column for the book that will receive the Impairment transaction.                                                                  | VARCHAR2(15)  | Required               |
| CASH_GENERATING_UNIT_ID | The identification number for Cash Generating Unit. If you enter the value for this column then you cannot enter the Asset_Id information. | NUMBER(15)    | Conditionally required |
| ASSET_ID                | The identification number for the Asset. If using this column then Cash_Generating_Unit_Id shouldn't be used.                              | NUMBER        | Conditionally required |

| Column Name              | Description                                                                                                             | Type       | Optional or Required   |
|--------------------------|-------------------------------------------------------------------------------------------------------------------------|------------|------------------------|
| NET_BOOK_VALUE           | System-generated amount for Net Book Value used as reference in Impairment transaction.                                 | NUMBER     | System-generated       |
| NET_SELLING_PRICE        | The value entered for Net Selling Price of Asset/CGU. You can use this column and/or Value_In_Use or Impairment_Amount. | NUMBER     | Conditionally required |
| VALUE_IN_USE             | The value entered for Value in Use of Asset/CGU. You can use this column and/or Net_Selling Price or Impairment_Amount. | NUMBER(15) | System-generated       |
| GOODWILL_AMOUNT          | The entered Goodwill amount for the Asset/CGU.                                                                          | NUMBER     | Optional               |
| USER_DATE                | The extra date that users can use as reference for the Impairment transaction.                                          | DATE       | Optional               |
| PERIOD_COUNTER_IM PAIRED | The system-generated period counter of the impairment transaction.                                                      | NUMBER(15) | System-generated       |

| Column Name       | Description                                                                                                     | Type       | Optional or Required   |
|-------------------|-----------------------------------------------------------------------------------------------------------------|------------|------------------------|
| IMPAIRMENT_AMOUNT | The Impairment expense amount for Asset/CGU. If used then Net_Selling_Price and Value_In_Use shouldn't be used. | NUMBER     | Conditionally required |
| DATE_INEFFECTIVE  | The system-generated date in the moment when the impairment is deleted.                                         | DATE       | System-generated       |
| CREATION_DATE     | Standard who columns. The date when Impairment was created.                                                     | DATE       | System-generated       |
| CREATED_BY        | Standard who columns. Typically the user id of the person that created the Impairment.                          | NUMBER(15) | System-generated       |
| LAST_UPDATE_DATE  | Standard who columns. This date corresponds to the date a user updated the Impairment transaction.              | DATE       | System-generated       |
| LAST_UPDATED_BY   | Standard who columns. The user id of the person that updated the transaction.                                   | NUMBER(15) | System-generated       |
| LAST_UPDATE_LOGIN | Standard who columns. The user id of the last person that updated the transaction.                              | NUMBER(15) | System-generated       |

# The United Kingdom Local Authority Accounting for Revaluations and Impairments

This section covers the following topics:

- Overview, page 3-76
- Application Setup, page 3-81
- Managing Impairments, page 3-85
- Managing Revaluations, page 3-92
- Accounting Entry Examples, page 3-97

## Overview

CIPFA/LASAAC Joint Committee produced, in accordance with the Accounting Standards Board's code of practice, a "Code of Practice on Local Authority Accounting in the United Kingdom 2006" on proper accounting practice. This is also generally referred to as "A Statement of Recommended Accounting Practice (SORP) 2006". The SORP is required to be adhered to by all local authorities in United Kingdom (UK). The SORP includes recommendations on how fixed assets are to be revalued from April 1, 2007 and onwards

The UK Local Authority Accounting for Revaluations and Impairments feature enhances the existing functionality in Oracle Assets in order to address the above fixed asset revaluation requirements that apply to UK local authorities. The enhanced Revaluation and Impairment functionality for fixed assets in Oracle Assets addresses the following requirements:

## Revaluation Reserve Accounting – Net Book Value

The accounting for revaluations and impairments is based on the difference between new net book value (professional valuation) and current net book value of the assets at the time of revaluation or impairment. The revaluation reserve, capital adjustment and statement of movement on general fund balances are stored at the asset level. As required by SORP, impairment and revaluation of fixed assets are now accounted for using the Revaluation Reserve and Capital Adjustment accounts instead of the Fixed Asset Restatement account.

For impairments, when calculating the current net book value, the current net book value includes the depreciation amount of the period where the Impairment date is entered when determining the impairment loss on the asset.

## Generating Depreciation Neutralizing Entries

Under SORP, any debit entry to an Income or Expenditure account that impacts a Profit and Loss account is to be neutralized. This includes depreciation. The effect of the depreciation charge on revenue is neutralized by booking an accounting entry to the Capital Adjustment and Statement of Movement on the General Fund Balance (General Fund) accounts. The neutralizing entry is generated and posted in conjunction with the depreciation accounting entry for the asset. The Depreciation program of Oracle Assets creates the neutralizing accounting entry. The accounting entries are generated based on the asset's assigned depreciation schedule and the amount used is the same as the corresponding standard depreciation accounting entry.

The accounts assigned for the Capital Adjustment and Statement of Movement on General Fund Balance for the asset's category are used.

The neutralizing accounting entries consist of:

| Debit              | Credit                                            |
|--------------------|---------------------------------------------------|
| Capital Adjustment | Statement of Movement on the General Fund Balance |

## Revaluation of Donated and Discounted Assets

Assets, which are acquired as donations or at a discount, are required to be revalued and accounted for through the Revaluation Reserve account. Inherited assets are to be treated in the same manner as discounted or donated assets. Whenever a donated asset is acquired, the asset must be revalued to its current market value. The revaluation is to be accounted through the revaluation reserve account as any other revalued asset.

The existing Oracle Assets Release 11i functionality previously supported revaluation based on a percentage increase of the historical cost. To accommodate the above requirement, users now can enter the asset's revalued amount in the Revaluation window using the following approaches:

- Percentage increase based on Net Book Value
- Enter the actual Revalued Net Book Value
- Incremental Amount of the Net Book Value

**Note:** Revaluation only affects assets added in a prior period.

Revaluations can only be performed in a subsequent period to the asset

addition.

## Impairment Classification Types

In order to determine the appropriate accounting treatment for impaired assets, impairments are required to be classified as either Consumption of Economic Benefit, Change in Property Prices, or Other.

The Impairment WebADI feature contains additional columns to capture the impairment data elements for the impairment classification type, reason, impairment amount, and impairment expense account number fields. Users can select the impairment classification type; enter in the reason for the impairment and the portion of the impairment amount to attribute to the type of impairment event in addition to the impairment expense account to be used to record the impairment loss.

## Reason and Purpose Descriptions

Per SORP, the reason or purpose for the impairment is to be recorded and maintained at the Asset and Event levels. Both the Revaluation and Impairment windows now contain the Reason field in which you can enter the reason for the asset's impairment or revaluation.

## Generating Impairment Loss Neutralizing Accounting Entries

When an impairment loss occurs it is a requirement that the effect of the impairment expense loss accounting entry to the profit and loss account be neutralized through the use of the Capital Adjustment and Statement of Movement on the General Fund Balance accounts.

The accounting entry consists of a debit to the Capital Adjustment account and a credit to the Statement of Movement on General Fund Balance account in the amount equivalent to the impairment expense loss accounting entry.

Oracle Assets creates the required neutralizing accounting entry for the impairment expense loss. Whenever an impairment accounting entry is debited to the Impairment Loss of income and expenditure account, regardless of its impairment classification, the neutralizing accounting entries are created. The Capital Adjustment and Statement of Movement on General Fund Balance accounts assigned to the asset's category are used for generating the neutralizing accounting entries.

The neutralizing accounting entries consist of:

| Debit              | Credit |
|--------------------|--------|
| Capital Adjustment |        |



| Debit | Credit                                               |
|-------|------------------------------------------------------|
|       | Statement of Movement on the General Fund<br>Balance |

## Revaluations Directly Related to Prior Impairments

In rare circumstances, a revaluation may reverse the impact of a prior impairment on an asset. When a revaluation can be linked to a prior impairment, it is required that the effect of the impairment be taken in account when booking the revaluation.

To accommodate this requirement, the Revaluation window contains the Link Impairments feature that allows users to select an asset's impairment or impairment classification type to link to the Revaluation.

When the Link option is selected for an individual asset or asset category, the system displays the Link Impairments window. The Link Impairments window includes the following tabs:

- **Asset Level tab:** This tab displays all the historic impairment transactions for the asset. Users select a single historic impairment record to link to the revaluation. Only impairments with an impairment classification type of Change in Property Prices or Other are enabled for selection.
- **Category tab:** This tab displays the impairment classifications types to be linked to the assets within the category. Only the most recent impairment for the impairment classification type selected is reversed for the assets within the category.

Oracle Assets contains the necessary logic to generate the accounting entries for reversing the impact of the prior impairment on linked revaluations.

**Note:** Revaluations cannot be linked to impairments with an impairment classification type of Consumption of Economic Benefit.

## Generate Asset Decommission and Disposal Entries

When disposing or decommissioning an asset, the carrying amount of the asset is to be removed from the balance sheet.

The accounting entries to record the removal are:

| <b>Debit</b>                                     | <b>Credit</b>    |
|--------------------------------------------------|------------------|
| Disposal Gain or Loss (Income Statement account) |                  |
|                                                  | Fixed Asset Cost |

The accounting entry is based on the assumption that the Fixed Asset Cost, Accumulated Depreciation, Accumulated Impairment, and Revalued Cost are posted to the Fixed Asset Cost account. However, SORP requires the reversal of the carrying amount for the asset be from the balance sheet account that it was originally posted. As a result, the following reversal accounting entries (based on Asset Category setup and Asset Book level setup) are required:

| <b>Debit</b>                                     | <b>Credit</b>    |
|--------------------------------------------------|------------------|
| Disposal Gain or Loss (Income Statement account) |                  |
| Accumulated Depreciation                         |                  |
| Accumulated Impairment                           |                  |
|                                                  | Fixed Asset Cost |

Additionally, the neutralizing accounting entries to the Capital Adjustment and Statement of Movement on the General Fund balance are posted. Any remaining balance in the Revaluation Reserve for the asset is also removed and transferred to the Capital Adjustment account.

The accounting entries to transfer the remaining revaluation reserve balances are:

| <b>Debit</b>        | <b>Credit</b>      |
|---------------------|--------------------|
| Revaluation Reserve |                    |
|                     | Capital Adjustment |

## Accounting for Grants and Contributions

Accounting entries for government grants and contributions (apart from the asset

acquisition and depreciation on asset, which is fulfilled by standard Oracle Asset functionality) will be managed by UK local authorities through the creation of manual journal entries in Oracle General Ledger.

### **Accounting for Usable Capital Receipts**

Funding and write-off charges to revenue can be performed by the UK local authorities on an annual basis using Manual Journals and Recurring Journals features in Oracle General Ledger.

### **Maintaining Historical and Revalued Asset Information Separately at the Asset Level**

The existing functionality of Oracle Assets addresses the UK authority requirements by maintaining historical and revaluation information separately for each asset.

The historical record contains the following data elements:

- Gross Cost (Acquisition and adjustments)
- Accumulated Depreciation
- Impairment
- Net Book Value

For the current value record (Revalued):

- Revalued Amount
- Revalued Accumulated Depreciation
- Impairment
- Net Book Value
- Revaluation Reserve
- Capital Adjustment
- Statement of Movement on the General Fund Balance

The UK Local Authority Accounting for Revaluations and Impairments feature provides additional fields to support the generation of accounting entries for revaluation gains and losses, storing purpose description, impairment classification code, impairment and revaluation identifiers to link back to an impairment.

### **Application Setup**

To use the UK Local Authority Accounting for Revaluations and Impairments feature, complete the following setup tasks:

- Enable the UK Local Authority Accounting Option, page 3-82
- Add Additional Account Information to Asset Categories, page 3-83

### Enable the UK Local Authority Accounting Option

In order to use the UK Local Authority Accounting for Revaluations and Impairments feature for an accounting or tax book, the UK Local Authority Accounting option must be enabled at the book level.

Perform the following steps to enable the UK Local Authority Accounting option for an accounting or tax book:

1. Navigate to the Book Controls window.

Navigation: Setup> Asset System > Book Controls

**Book Controls**

Book: **UK FACILITY** Class: **Corporate**

Description: **UK FACILITY ASSET BOOK**

Associated Corporate Book: **UK FACILITY**

Calendar | **Accounting Rules** | Natural Accounts

Capital Gain Threshold Years: **1** Months: **0**

☒ Allow Amortized Changes ☒ Allow Mass Changes

☒ UK Local Authority Accounting ☒ Allow Cost Sign Changes

☒ **Allow Revaluations**

☐ Revalue Accumulated Depreciation ☐ Revalue YTD Depreciation

☒ Retire Revaluation Reserve ☒ Amortize Revaluation Reserve

☒ Revalue Fully Reserved Assets (B)  Maximum Revaluations

Life Extension Factor: **2**  Life Extension Ceiling

☐ **Allow Group Depreciation**

☐ Allow CIP Members in Group Assets

☐ Allow CIP Depreciation in Group Assets (J)

☐ Allow Member Asset Tracking

☐ Allow Intercompany Member Asset Assignments (Q)

2. Create a new book or query an existing book.
3. Select the Accounting Rules tab.
4. Select the UK Local Authority Accounting check box.

The system automatically enables the Allow Revaluations region and the necessary revaluations rules to perform revaluations for the UK Local Authority Accounting:

- Retire Revaluation Reserve

- Revalue Fully Reserved Assets
- Amortize Revaluation Reserve

**Note:** If you select the UK Local Authority Accounting check box, changes to the revaluation rules within the Allow Revaluations region will be prohibited.

5. If defining a new book, complete the remaining necessary Book Control setup.
6. Save your work.

#### **Add Additional Account Information to Asset Categories**

After enabling the UK Local Authority Accounting option for the book, assign the book to the relevant assets categories and add additional required accounting information.

Perform the following steps for assigning and adding additional account information to the asset categories:

1. Navigate to the Asset Categories window.  
Navigation: Setup> Asset System > Asset Categories
2. Query the asset category to be assigned and updated.
3. In the Book field, select the book from the list of values.

**Asset Categories**

Category: BUILDING-OFFICE  
 Description: Owned office building  
 Category Type: Non-Lease  
 Ownership: Owned  
 Property Type: REAL  
 Property Class: 1245

☒ Enabled  
☒ Capitalize  
☒ In Physical Inventory

**General Ledger Accounts**

Book: UK FACILITY

|                                |                      |
|--------------------------------|----------------------|
| Asset Cost                     | 01-110-1520-0000-000 |
| Asset Clearing                 | 01-110-1570-0000-000 |
| Depreciation Expense           | 01-110-7320-0000-000 |
| Accumulated Depreciation       | 01-110-1620-0000-000 |
| Bonus Expense                  | 01-110-7320-0000-000 |
| Bonus Reserve                  | 01-110-1620-0000-000 |
| Revaluation Reserve            | 01-110-1670-0000-000 |
| Revaluation Amortization       | 01-110-1680-0000-000 |
| CIP Cost                       |                      |
| CIP Clearing                   |                      |
| Impairment Expense             | 01-110-5900-0000-000 |
| Accumulated Impairment         | 01-110-1800-0000-000 |
| Unplanned Depreciation Expense |                      |
| Alternate Asset Cost           |                      |
| Write-Off Expense              |                      |
| Capital Adjustment             | 01-110-1970-0000-000 |
| General Fund                   | 01-110-3070-0000-000 |

4. For the books that the UK Local Authority Accounting option is enabled, the system displays the following additional fields for setting up account assignments for the Capital Adjustment and Statement of Movement of General Fund Balance accounts:
  - Capital Adjustments
  - General Fund
5. In the Capital Adjustment and General Fund fields, enter the appropriate balance sheet accounts to be used when creating the neutralizing accounting entries. The system performs the following account type validation on the entered accounts:
  - Capital Adjustments: Asset
  - General Fund: Liability or Owner's Equity
6. Save your work.

**Note:** If you have not previously performed asset impairments for fixed assets, ensure that you also enter Accumulated Impairment and Impairment Expense accounts for each asset category to be used.

## Managing Impairments

The UK Local Authority Accounting for Revaluations and Impairments feature enables users to manage fixed asset impairments based on the regulatory requirements for UK local authorities.

### Prerequisites:

Enable the UK Local Authority Accounting for Revaluations and Impairments feature. For more information, see *Setting Up UK Local Authority Accounting for Revaluations and Impairment*, page 3-81 section.

### Asset Impairment Considerations

The following conditions are to be considered when performing impairments using the UK Local Authority Accounting for Revaluations and impairments feature in Oracle Assets:

- Impairments are defined at the asset level only.
- Impairments must be performed through the WebADI Impairments user interface. Impairments may not be performed through the Mass Revaluations window, as this may result in the creation of a negative revaluation reserve, which is contrary to CIPFA guidelines for the UK local authority accounting treatment for fixed asset revaluations and impairments.
- To reverse a prior impairment once it has been posted and the period closed, perform an upward revaluation through the Mass Revaluation user interface.
- An asset can have only one posted impairment event per period. If a second impairment is required, the first posted impairment must be rolled back prior to uploading the second impairment.
- To ensure proper accounting treatment, the Generate Accounts process, invoked during the depreciation process, must be executed and is not to be disabled or cancelled.

This section covers the following topics:

- Performing Impairments, page 3-85
- Rolling Back Impairments, page 3-91
- Deleting Impairments, page 3-91

## Performing Impairments

Oracle Assets uses the WebADI for creating, loading and maintaining impairment transactions.

The steps for performing impairments are:

- Enter and Upload Asset Impairments, page 3-86
- Review Impairment Results and Post, page 3-89

## Entering and Uploading Asset Impairments

Perform the following steps to create and upload impairment transactions:

1. Navigate to the Asset Impairment window.

Navigation: Assets > Impairment > Create and Post

2. Click the New Impairment button. The File Download window is displayed.
3. Choose to Open the file when prompted. The system will download and display the Impairments spreadsheet. On completion, the Confirmation window will appear, Click Close to return to the spreadsheet.
4. Populate the mandatory spreadsheet fields.

- In the Book field, enter or select the asset book of the asset to be impaired from



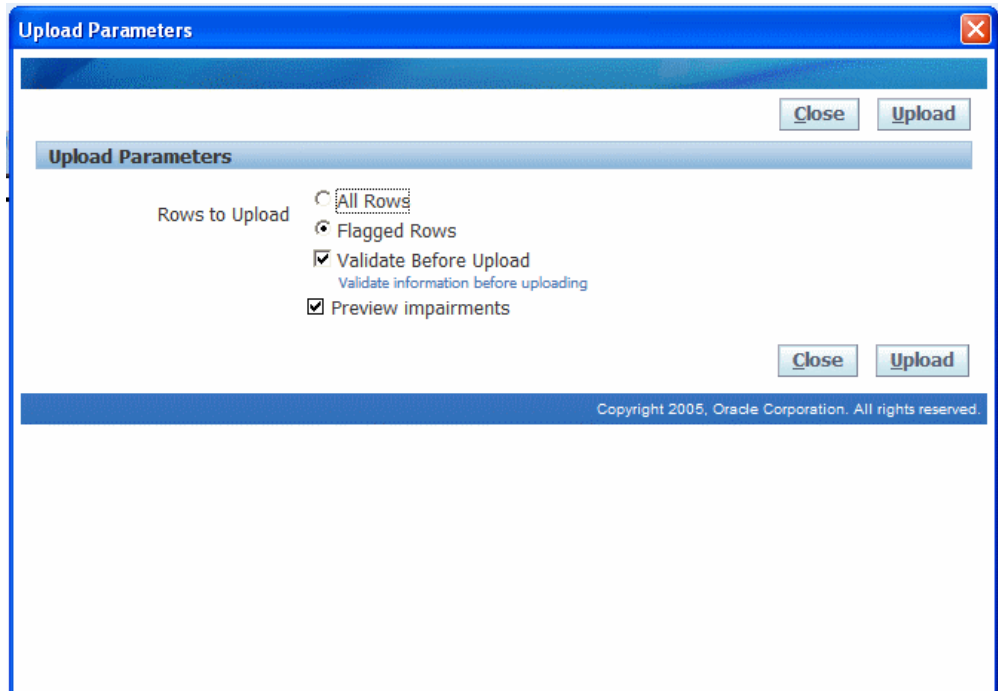
the list of values.

- In the Impairment Name field, enter a name for the impairment event.
  - In the Impairment Date field, enter the date for the impairment. The system populates the User Entered Date field when the worksheet is uploaded.
  - In the Status field, select the Preview option from the list of values. By selecting the Preview option when the spreadsheet is uploaded, Oracle Assets submits the Impairment Preview process to the concurrent request manager to generate the Asset Impairment report for the records with the Preview status. Use the report to preview the impairment results before posting.
5. Enter the necessary information in the following fields:
- Cash Generating Unit: If Applicable, enter the name of Cash Generating Unit.
  - Asset Number: Enter the asset number or select it from the list of values.
  - Net Selling Price: If applicable, enter the Net Selling Price amount.
  - Value in Use: If applicable, enter the Value in Use amount.
  - Impairment Loss: Enter the Impairment Loss amount or leave it blank if the Net Selling Price or Value in Use fields are populated. When the Net Selling Price or Value in Use field is populated, the system calculates impairment loss.
  - Goodwill Amount and Asset: If applicable, enter the Goodwill Amount and Asset.
  - Comments: Enter a description about the impairment in this field.
6. The following fields are specific to the asset books that use the UK Local Authority Accounting for Revaluations and Impairments feature and are not used when defining impairments for assets of non-UK Local Authority Accounting asset books.
- Classification Type: Indicates the type of impairment being defined. Select one of the following impairment classification types from the list of values:
    - Select Consumption of Economic Benefit if the impairment is fully attributed to an event such as demolition or vandalism.
    - Select Change in Property Prices if the impairment is fully attributed to a decrease in the value of the property due to events such as rezoning or market conditions.
    - Select 'Other' if the cause of the impairment is unclear.

- Reason Description: Enter the reason or cause for impairment.
- Impairment Account: Enter the natural account number for the impairment loss expense account if you want to select a specific impairment loss expense account for the impairment classification type or leave blank to use the impairment expense account assigned for the asset category.
- Split Indicator: If the impairment is the result of a combination of events, such as both consumption of economic benefit and change in property prices, set the Split Indicator option to Yes. The accounting for the impairment components is similar as if the impairment is fully attributed to a specific event. Each component is accounted for separately based on its classification type.
- If the Split Indicator is set to Yes, enter in the required information for each split in the following fields:
  - Split: Classification Type
  - Split: Reason Description
  - Split: Loss Percent
  - Split: Impairment Account

**Note:** Impairments can be split into two or three components. Each component is assigned a percentage allocation of the impairment loss. The sum of the percentage allocation of the impairment loss for all components must equal 100%.

7. Upload the records to the system for processing. From the main menu go to Oracle > Upload. The Upload Parameters window is displayed. Accept the default settings and click Upload to start the process. If errors are encountered during the upload process, an error message is displayed in the Messages Column of the spreadsheet.



8. The Process Impairments request is executed. When the process successfully completes, the Upload Parameters window displays the Request ID for the Impairment Preview process and you can review the impairment results using the Asset Impairment report.

**Note:** Ensure that the Validate Before Upload check box is selected.

### Reviewing and Posting Impairment Results

After successfully uploading the impairments to Oracle Assets, review the Asset Impairment report generated during the upload process. Confirm that the impairment details uploaded and results are correct. If the results are correct, commit the results to the system by posting the impairments.

Perform the following steps to review and post impairments:

1. To review the Asset Impairment report, navigate to the View Request window and enter in the Request ID.
2. Select View Output to display the report. In addition to the impairment details entered, the report includes the following information:
  - New Net Book Value of the asset after the effects of the impairment.
  - Split Impairment Loss amounts as calculated using percentages entered.

- Summary Totals for all the impairment records defined in the spreadsheet for the following columns: Current Net Book Value, Net Selling Price, Value in Use, Impairment Loss and New Net Book Value.

ORACLE

Vision Operations (USA)

Book:UK\_FACILITY

Set of Books:Vision Operations (USA)

Asset Impairment Report

Impairment Description:

Impairment Date:

Report Date: 12/10/2008

Impairment Id:

Page 1 of 1

| Asset Number | Current Net Book Value | Net Selling Price | Value in Use | Impairment Loss | Revaluation Reserve Adjustment | New Net Book Value | Impairment Class Type     | Reason                          | Impairment Expense Account | Split Impairment |
|--------------|------------------------|-------------------|--------------|-----------------|--------------------------------|--------------------|---------------------------|---------------------------------|----------------------------|------------------|
| UKF_BLDNG_2  | 4,458,333.32           |                   |              | 500,000.00      |                                | 3,958,333.32       | Change in Property Prices | Mix Value, Excessive Use, Misc. | 5600                       | Yes              |

| Split Impairment Class Type     |  | Split Impairment Loss |  | Revaluation Reserve Adjustment | Split Reason                       |  | Split Impairment Expense Account |  |
|---------------------------------|--|-----------------------|--|--------------------------------|------------------------------------|--|----------------------------------|--|
| Change in Property Prices       |  | 250,000.00            |  | 0.00                           | Rezoning of District               |  | 5600                             |  |
| Consumption of Economic Benefit |  | 125,000.00            |  | 0.00                           | Deterioration due to excessive use |  | 5601                             |  |
| Others                          |  | 125,000.00            |  | 0.00                           | Misc. damages                      |  | 5602                             |  |

| Report Totals | Current Net Book Value | Net Selling Price | Value in Use | Impairment Loss | Revaluation Reserve Adjustment | New Net Book Value |
|---------------|------------------------|-------------------|--------------|-----------------|--------------------------------|--------------------|
|               | 4,458,333.32           | 0.00              | 0.00         | 500,000.00      | 0.00                           | 3,958,333.32       |

- To post the impairment, navigate to the Asset Impairment window.  
Navigation: Assets: Impairment > Create and Post
- Enter the query criteria for the impairment: Asset Book or Asset Number. For more information about running a Query, see Oracle Assets User Guide. The system displays the impairment records for the search criteria entered. Only impairments that are in the Previewed status can be posted.

**ORACLE** Impairment

Navigator
Favorites
Diagnostics Home Logout Preferences

Asset Impairment

Search or Enter Impairment

\* Book UK\_FACILITY
Impairment Name
Impairment Date

Cash Generating Unit
Asset Number
Status

Go Clear New Impairment

Select Object: Post Delete Rollback

Select All Select None

| Select                              | Impairment Name       | Book        | Impairment Date | Cash Generating Unit | Asset Number | Currency | Net Book Value | Net Selling Price | Value in Use | Impairment Loss | Status    | Comments | Update Impairment | Update Allocation |
|-------------------------------------|-----------------------|-------------|-----------------|----------------------|--------------|----------|----------------|-------------------|--------------|-----------------|-----------|----------|-------------------|-------------------|
| <input checked="" type="checkbox"/> | Building-2 Impairment | UK_FACILITY | 01-Apr-2008     |                      | UKF_BLDNG_2  | USD      | 4458333.32     |                   |              | 500000          | Previewed |          |                   |                   |

Diagnostics Home Logout Preferences

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- Select the check box for the row of the impairment to be posted. Click the Post button to launch the process.
- Click Yes to confirm and post the impairments. The Process Impairments concurrent program is executed and the concurrent request id is displayed.
- Upon successful completion of the Posting process, the Asset Impairment report is

generated once again and the status of impairment is updated to Posted.

### Rolling Back Impairments

Impairment transactions can only be rolled back in the fixed asset's period the transaction is posted and the period is still open. Once the fixed assets period is closed, the transactions cannot be rolled back.

To rollback an impairment transaction:

1. Navigate to the Create and Post Impairments window.  
Navigation: Assets > Impairments > Create and Post
2. Enter the query criteria for the impairment: Asset Book or Asset Number. For more information about running a Query, see Oracle Assets Users Guide. The system displays the impairment records for the search criteria entered.
3. Select the check box for the row of the impairments to be rolled back. Press Rollback button to launch the process.
4. Click Yes to confirm and rollback impairments. The Process Impairments concurrent program is executed and the concurrent request id is displayed.
5. Upon successful completion of the process the impairment's status is updated to Deleted.

**Note:** After an impairment transaction is rolled back, the transaction cannot be posted again.

### Deleting Impairments

Use the Delete functionality to delete unposted asset impairments from the system.

Perform the following steps to delete unposted impairments:

1. Navigate to the Create and Post Impairments window  
Navigation: Assets > Impairments > Create and Post
2. Enter the query criteria for the impairment to be deleted. Click the Go button. The system displays the impairment records for the search criteria entered.
3. Select the check box for the row of the unposted impairment to be deleted.
4. Click the Delete button to launch the process
5. Click Yes to confirm and delete the impairments.
6. The Confirmation is displayed with the Impairment ID of the deleted impairment

and the impairment's status is updated to Deleted.

## Managing Revaluations

The UK Local Authority Accounting for Revaluations and Impairments feature enables users to manage fixed assets revaluations based on the regulatory requirements for UK local authorities.

Revaluations can be performed on an asset category or individual asset level.

**Prerequisites:** Enable the UK Local Authority Accounting for Revaluations and Impairments feature. For more information, see *Setting Up UK Local Authority Accounting for Revaluations and Impairment*, page 3-81 section.

### Revaluation Considerations:

The following conditions are to be considered when performing revaluations using the UK Local Authority Accounting for Revaluations and impairments feature in Oracle Assets:

- Fully reserved assets can only be revalued at the asset level since their Net book value is equal to zero. If the category level is selected and the fully reserve assets flag enabled, then the asset will be processed, however, the revalued amount will be zero.
- The system does not allow negative revaluations through the Mass Revaluation window for the asset books where the UK Local Authority Accounting for Revaluations and Impairments feature is enabled. To perform negative revaluations on the UK Local Authority Accounting enabled book assets, use the Impairment feature.
- The revaluation is based on the asset's net book value at the time of the revaluation.
- The net book value for historic and revalued assets is stored at the asset level.
- To ensure proper accounting treatment, the Generate Accounts process, invoked during the depreciation process, must be executed and is not to be disabled or cancelled.

## Performing Revaluations

Perform the following steps to execute an asset revaluation:

1. Navigate to the Mass Revaluations window.

Navigation: Assets > Mass Revaluations

Book: UK FACILITY  
Comments: Building 2 - Revaluation  
Status: Previewed  
Mass Transaction Number: 468  
Revaluation Date: 30-JUN-2008

**Rules**  
☒ Revalue Fully Reserved Assets  
☐ Revalue CIP Assets  
Life Extension Factor: 2  
Maximum Revaluations:   
Life Extension Ceiling:

**Rates**

| Category | Asset Number | Reason                        | Value Type     | Value   | Linked                   | Rules Overridden         |
|----------|--------------|-------------------------------|----------------|---------|--------------------------|--------------------------|
|          | UKF_BLDNG_2  | Increase Due to GoGreen Renov | Net Book Value | 5500000 | <input type="checkbox"/> | <input type="checkbox"/> |
|          |              |                               |                |         | <input type="checkbox"/> | <input type="checkbox"/> |
|          |              |                               |                |         | <input type="checkbox"/> | <input type="checkbox"/> |
|          |              |                               |                |         | <input type="checkbox"/> | <input type="checkbox"/> |
|          |              |                               |                |         | <input type="checkbox"/> | <input type="checkbox"/> |
|          |              |                               |                |         | <input type="checkbox"/> | <input type="checkbox"/> |
|          |              |                               |                |         | <input type="checkbox"/> | <input type="checkbox"/> |
|          |              |                               |                |         | <input type="checkbox"/> | <input type="checkbox"/> |

Description: OFFICE BUILDING

Buttons: Override Rules, Link, Review, Run, Preview

2. In the Book field, select the asset book that you want to process from the list of values.
3. In the Comments field, enter the reason or other information about the revaluation. This is a required field.
4. The Mass Transaction Number, Revaluation Date, and Status fields are populated by the system.
5. In the Rules region, the following fields are defaulted based on the values that were assigned to the asset book during setup:
  - Revalue Fully Reserved Assets
  - Life Extension Factor
  - Maximum Revaluations
  - Life Extension Ceiling

**Note:** You cannot revalue CIP assets. Only once the CIP asset is capitalized, can you revalue the asset.

6. In the Category or Asset Number field, select the asset category or individual asset from the list of values.

7. In the Reason field, provide a description for the revaluation. This is a required field.

**Note:** Revaluations are only performed on assets that are added in prior periods. Revaluations are not processed on assets that are:

- Added or backdated in the current open period
  - Fully retired
  - With pending retirements
8. If a value is entered for the Asset Number field, from the list of values for the Value Type field select one of the following options:
    - Net Book Value: This is the new net book value for the asset based on the professional valuation.
    - Amount: This is the incremental amount increase to the asset's current net book value based on the professional valuation.
    - Percentage: This is the percentage increase to the asset's current net book value based on the professional valuation.
  9. If an asset category is selected in the Category field, the value for the Value Type field is automatically set to Percentage and cannot be changed.
  10. In the Value field, enter an amount based on the option that was selected for the Value Type field. The format of the Value field is based on the Value Type selection and the Currency Precision definition for the base currency as defined for the Ledger linked to the selected Asset Book.
  11. To define override rules for the asset or category that are different than the default set for the book, select the Rules Overridden check box and then click the Override Rules button. The system displays the Override Rules window that you can use to override defaults for the asset or category.
  12. To link a prior impairment to a revaluation for an asset or category, highlight the revaluation row and then click the Link button. The system displays the appropriate Link Impairments window. For more information, see Using the Link Impairments window, page 3-95.
  13. Once the revaluation criteria is defined, process the revaluations and preview the revaluation results prior to committing them. To process and preview the revaluations, click the Preview button on the Mass Revaluation form. The Revaluation concurrent program is submitted, a Request ID is displayed and the



Mass Transaction Number field is populated. When the process is complete, the transaction status is changed to Preview on the Mass Revaluation window. Use the Request ID to query and display the Revaluation Preview report in the Request window.

14. After verifying the information provided in the Revaluation Preview report, navigate to the Mass Revaluations window and query your revaluation using the number that was provided in the Mass Transaction Number field.
15. If the Preview results are correct, click the Run button to process and commit the revaluation results. If the results are incorrect, make the necessary changes to the revaluation criteria and press Preview to process the changes.
16. Once the revaluation is executed in the run mode, the revaluation is committed and the status on the Mass Revaluation Transaction record is changed to Completed and cannot be updated.

#### **Using the Link Impairments Window**

If the revaluation can be directly linked to a prior impairment event and will negate the impairment, then under the new SORP guidelines, the effects of the impairment must be taken into consideration when accounting for the revaluation. To link an impairment or impairment classification type to a revaluation, in the Mass Revaluation window, highlight the row of the revaluation to be linked and click the Link button. The system launches the Link Impairments window and displays the appropriate tab for the type of revaluation that is being linked.

The Link Impairment window consists of following tabs:

- **Category Level:** If you selected an asset category revaluation for linking, the system displays the Category Level tab of the Linked Impairment window. The tab displays the Impairment Classification Type codes available for linking to a category. The tab contains the following check boxes:
  - Change in Property Prices
  - Other

The screenshot shows a window titled "Link Impairments" with two tabs: "Asset Level" and "Category Level". The "Category Level" tab is active. Inside the window, there is a section titled "Impairment Classification Type" containing two radio buttons: "Change in Property Prices" (which is selected) and "Other". At the bottom of the window, there are two buttons: "Save" and "Cancel".

**Note:** For each asset in the category that links to prior impairments, only one impairment per asset will be reversed (the most recent impairment record) for the Impairment Classifications selected.

- **Asset Level:** If an asset level revaluation is selected for linking, the system displays the Asset Level tab of the Linked Impairment window. The Asset Level tab displays all existing impairments for the asset. Only impairments with the classification type of Change in Property Prices (CPP) or Other (OTH) can be selected for linking and reversal. Only one asset impairment can be linked and reversed per revaluation. The Asset Level tab displays the following impairment details:
  - **Reference Number:** Assigned to record at the time it was originally processed.
  - **FA Period:** The fixed asset period that the impairment was posted.
  - **Impairment Date:** The original date of the impairment.
  - **Impairment Classification Type:** The Impairment Classification type that was assigned to the record.
  - **Reason:** The detail reason or cause for the impairment.
  - **Impairment Loss Amount:** Amount of the Impairment transaction.
  - **Unused Impairment Loss Amount:** The remaining impairment loss amount

available for future reversal. Impairment Loss Amount is the unused portion of the impairment loss amount from a previous linked event.

| Reference Number                            | FA Period | Impairment Date | Impairment Classification Type | Reason                    | Impairment Loss Amount | Unused Impairment Loss Amount |
|---------------------------------------------|-----------|-----------------|--------------------------------|---------------------------|------------------------|-------------------------------|
| <input checked="" type="checkbox"/> 10161.1 | Apr-08    | 01-APR-2008     | Change in Prop                 | Rezoning of District      | 250000                 | 250000                        |
| <input type="checkbox"/> 10161.3            | Apr-08    | 01-APR-2008     | Others                         | Misc. Damages             | 125000                 | 125000                        |
| <input type="checkbox"/> 10161.2            | Apr-08    | 01-APR-2008     | Consumption o                  | Deterioration due to exce | 125000                 | 125000                        |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |
| <input type="checkbox"/>                    |           |                 |                                |                           |                        |                               |

Buttons: Save, Cancel

After making your selections, click:

- Save to link the transaction.
- Cancel to discard your selection, close the window, and return to the Mass Revaluation window.

**Note:** Use the existing RXi Revaluation Reserve Balance report to review the Revaluation Reserve balance before or after a revaluation has been performed. In the RXi Revaluation Reserve Balance report, upward revaluations are reflected through all columns in the report. However, impairments that impact the revaluation reserve balance are reported within the Adjustments column.

## Accounting Entry Examples

This section highlights the logic and accounting entries generated for the UK Local Authority Accounting for Revaluations and Impairments feature. It does not reflect all the accounting entries created by Oracle Assets for the asset.

### Depreciation Neutralizing Accounting Entries

Under SORP, any debit entry to an Income or Expenditure account that impacts a profit

and loss account is to be neutralized. This includes depreciation. The affects of the depreciation charge on revenue are neutralized by booking an accounting entry to the Capital Adjustment and Statement of Movement on the General Fund Balance (General Fund) account. The neutralizing entry is generated and posted in conjunction with the depreciation accounting entry for the asset.

The Depreciation program of Oracle Assets creates the neutralizing accounting entry. The accounting entries are generated based on the asset's assigned depreciation schedule and the amount used is the same as the corresponding standard depreciation accounting entry.

The accounting entry uses the Capital Adjustment and Statement of Movement on General Fund Balance accounts assigned to the asset category of the asset.

The neutralizing accounting entry consists of:

| Debit                                            | Credit                                                                          |
|--------------------------------------------------|---------------------------------------------------------------------------------|
| Capital Adjustment (Depreciation Expense Amount) | Statement of Movement on the General Fund Balance (Depreciation Expense Amount) |

## Revaluations

The SORP guidelines for UK Local Authority, requires the use of Revaluation Reserve account for revaluations of assets, including discounted and donated assets and the revaluation is to be based on the asset's current net book value.

A revaluation occurs when a professional valuation on an asset is greater than the asset's current net book value. Where:

- Current Net Book Value (CNBV) = Cost + Cost Adjustments + Revaluations - Salvage Value - Accumulated Depreciation - Accumulated Impairments - Retirements
- New Net Book Value (NNBV) = Asset value as deemed by professional valuation
- Revaluation Amount = NNBV - CNBV. When the revaluation amount is positive it is considered a revaluation. If the amount is negative, it is an impairment.

**Note:** For revaluations, the CNBV does not include depreciation for the period of the Revaluation Date.

The accounting entries generated for revaluation are dependent on whether the asset has been previously impaired or the revaluation can be linked to a prior impairment.

**Revaluations - Example 1**

Building #1 has had its first professional revaluation. The building has not been previously impaired and there is no balance in the Accumulated Impairment account for this asset.

Building #1 was purchased on April 1, 2007 and recorded into Oracle Assets with the following details:

**Asset Addition**

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b> |
|-------------------------|--------------------------------|
| Cost                    | 5,000,000                      |
| Life                    | 10 Years                       |
| Addition Period         | April - 2007                   |
| Method                  | STL – 10 yr                    |
| Prorate Convention      | Monthly                        |
| Monthly Depreciation    | 41,667                         |
| Salvage Value           | 0.00                           |

Depreciation has been run up to and including March - 2008.

On April 1, 2008, a professional valuation was performed on Building #1 and was revalued to 5,500,000.

As of April 1, 2008, the accounting and asset details are as follows:

**Current Asset Data**

| <b>Asset Item</b>        | <b>Asset Information</b> |
|--------------------------|--------------------------|
| Cost                     | 5,000,000                |
| Accumulated Depreciation | 500,000                  |
| Accumulated Impairment   | 0.00                     |

| <b>Asset Item</b>      | <b>Asset Information</b> |
|------------------------|--------------------------|
| Cost Adjustment        | 0.00                     |
| Salvage Value          | 0.00                     |
| Retirements            | 0.00                     |
| Remaining Life         | 108 Months               |
| Professional Valuation | 5,500,000                |

Revaluation Calculations are as follows:

Current Net Book Value (CNBV) = Cost + Cost Adjustments + Revaluations - Salvage Value - Accumulated Depreciation - Accumulated Impairments - Retirements

CNBV = 5,000,000 + 0.00 + 0.00 - 0.00 - 500,000 - 0.00 - 0.00

CNBV = 4,500,000

New Net Book Value (NNBV) = Asset value as deemed by professional valuation

NNBV = 5,500,000

Revaluation Amount = NNBV - CNBV

Revaluation Amount = 1,000,000

When booking a revaluation on the asset, an entry to the Accumulated Depreciation account is made to reverse the accumulated depreciation to date on the asset and set the account balance to zero. This will cause the fixed asset cost to be equal to the new net book value.

The effect of the revaluation is illustrated in the following table:

| <b>Period</b> | <b>Cost</b> | <b>Depreciation Expense</b> | <b>Accumulated Depreciation</b> | <b>Asset CNBV (End of Period)</b> | <b>Asset NNBV</b> | <b>Revaluation Reserve</b> | <b>Revaluation Amortization</b> |
|---------------|-------------|-----------------------------|---------------------------------|-----------------------------------|-------------------|----------------------------|---------------------------------|
| Apr-07        | 5,000,000   | 41,667                      | 41,667                          | 4,958,333                         |                   |                            |                                 |
| May-07        |             | 41,667                      | 83,333                          | 4,916,667                         |                   |                            |                                 |
| Jun-07        |             | 41,667                      | 125,000                         | 4,875,000                         |                   |                            |                                 |

| Period             | Cost      | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) | Asset NNBV       | Revaluation Reserve | Revaluation Amortization |
|--------------------|-----------|----------------------|--------------------------|----------------------------|------------------|---------------------|--------------------------|
| Jul-07             |           | 41,667               | 166,667                  | 4,833,333                  |                  |                     |                          |
| Aug-07             |           | 41,667               | 208,333                  | 4,791,667                  |                  |                     |                          |
| Sep-07             |           | 41,667               | 250,000                  | 4,750,000                  |                  |                     |                          |
| Oct-07             |           | 41,667               | 291,667                  | 4,708,333                  |                  |                     |                          |
| Nov-07             |           | 41,667               | 333,333                  | 4,666,667                  |                  |                     |                          |
| Dec-0              |           | 41,667               | 375,000                  | 4,625,000                  |                  |                     |                          |
| Jan-08             |           | 41,667               | 416,667                  | 4,583,333                  |                  |                     |                          |
| Feb-08             |           | 41,667               | 458,333                  | 4,541,667                  |                  |                     |                          |
| Mar-08             |           | 41,667               | 500,000                  | 4,500,000                  |                  |                     |                          |
| <b>Revaluation</b> |           |                      | <b>500,000</b>           | <b>4,500,000</b>           | <b>5,500,000</b> | <b>1,000,000</b>    | <b>9,259</b>             |
| Apr-08             | 5,500,000 | 50,926               | 50,926                   | 5,449,074                  |                  | 990,741             | 9,259                    |
| May-08             |           | 50,926               | 101,852                  | 5,398,148                  |                  | 981,481             | 9,259                    |

The following accounting entries are generated to record the revaluation:

| Account Description                                              | Debit   | Credit    |
|------------------------------------------------------------------|---------|-----------|
| Accumulated Depreciation (Current Balance)                       | 500,000 |           |
| Fixed Asset Cost (Revaluation Amount - Accumulated Depreciation) | 500,000 |           |
| Revaluation Reserve                                              |         | 1,000,000 |

- If the result of (Revaluation Amount - Accumulated Depreciation) is positive, then the Fixed Asset Cost account is debited.
- If the result of (Revaluation Amount - Accumulated Depreciation) is negative, then the Fixed Asset Cost account is credited.

**Revaluation Reserve Amortization Gain Neutralizing Accounting Entry:**

At the end of the month, the following accounting entry is booked to record the amortization of the Revaluation Reserve for the period:

| Account Description | Debit   | Credit |
|---------------------|---------|--------|
| Revaluation Reserve | 9,259 * |        |
| Capital Adjustment  |         | 9,259  |

\* Monthly Revaluation Reserve Amortization = Revaluation Reserve / Remaining Life

$$9,259 = 1,000,000 / 108$$

**Depreciation and Depreciation Neutralizing Accounting Entries:**

At the end of the month, the following accounting entry is booked to record the depreciation expense and its corresponding neutralizing entries for the period:

| Account Description      | Debit    | Credit |
|--------------------------|----------|--------|
| Depreciation Expense     | 50,926 * |        |
| Accumulated Depreciation |          | 50,926 |

\* Depreciation is recalculated and is based on the revalued net book value.

New Monthly Depreciation Expense = NNBV / Remaining depreciation periods

$$50,926 = 5,500,000 / 108$$

The following is the neutralizing depreciation accounting entry:

| Account Description | Debit  | Credit |
|---------------------|--------|--------|
| Capital Adjustment  | 50,926 |        |



| Account Description | Debit | Credit |
|---------------------|-------|--------|
| General Fund        |       | 50,926 |

### Revaluations - Example 2

Building #2 has undergone a professional revaluation. The building had been previously impaired and has an existing balance in the Accumulated Impairment account.

Building #2 was purchased on April 1, 2007 and recorded into Oracle Assets with the following details:

### Asset Addition

| Asset Setup Item     | Asset Setup Information |
|----------------------|-------------------------|
| Cost                 | 5,000,000               |
| Life                 | 10 Years                |
| Addition Period      | April-2007              |
| Method               | STL – 10 yr             |
| Prorate Convention   | Monthly                 |
| Monthly Depreciation | 41,667                  |
| Salvage Value        | 0.00                    |

On March 1, 2008, a professional valuation was performed on Building #2 and the building's value had decreased by 500,000. The monthly depreciation after the impairment is 37,037.

On March 1, 2008, the accounting and asset details are as follows:

### Current Asset Data

| Asset Item | Asset Information |
|------------|-------------------|
| Cost       | 5,000,000         |

| Asset Item               | Asset Information |
|--------------------------|-------------------|
| Accumulated Depreciation | 458,333*          |
| Accumulated Impairment   | 0.00              |
| Salvage Value            | 0.00              |
| Remaining Life           | 109 Months        |
| Monthly Depreciation     | 41,667            |

\* Excludes depreciation for March 2008.

Impairment Calculations are as follows:

When determining the impairment loss amount, the current period's (March 2008) depreciation is included in the CNBV calculation. Where:

- Current Net Book Value (CNBV) = Cost + Cost Adjustments + Revaluations - Current Period Depreciation - Salvage Value - Accumulated Depreciation - Accumulated Impairments - Retirements
- New Net Book Value (NNBV) = Asset value as deemed by professional valuation
- Impairment Amount = NNBV - CNBV is negative

**Note:** CNBV includes depreciation for the period of the Impairment Date.

Current Net Book Value (CNBV) = Cost + Cost Adjustments + Revaluations - Current Period Depreciation - Salvage Value - Accumulated Depreciation - Accumulated Impairments - Retirements

$$4,500,000 = 5,000,000 + 0.00 + 0.00 - 41,667 - 0.00 - 458,333 - 0.00 - 0.00$$

Impairment Amount = Provide by professional valuation

$$\text{Impairment Amount} = 500,000$$

New Net Book Value (NNBV) = CNBV - Impairment Amount

$$4,000,000 = 4,500,000 - 500,000$$

The following accounting entries are generated to record the impairment loss without an existing revaluation reserve balance for all impairment classification types:

| Account Description                                          | Debit   | Credit  |
|--------------------------------------------------------------|---------|---------|
| Impairment Loss Expense<br>(Expensed Impairment Loss Amount) | 500,000 |         |
| Accumulated Impairment<br>(Expensed Impairment Loss Amount)  |         | 500,000 |

The following is the impairment loss neutralizing accounting entry:

| Account Description                            | Debit   | Credit  |
|------------------------------------------------|---------|---------|
| Capital Adjustment                             | 500,000 |         |
| General Fund (Expensed Impairment Loss Amount) |         | 500,000 |

#### Depreciation and Depreciation Neutralizing Accounting Entries:

At the end of the month, the following accounting entry is booked to record the depreciation expense and its corresponding neutralizing entries for the period (March 2008):

| Account Description      | Debit    | Credit |
|--------------------------|----------|--------|
| Depreciation Expense     | 41,667 * |        |
| Accumulated Depreciation |          | 41,667 |

\* Since the current month depreciation is considered in the CNBV calculation, depreciation is not recalculated until the following month.

Monthly Depreciation Expense = CNBV / Remaining depreciation periods

$$41,667 = 4,541,667 / 109$$

The following is the neutralizing depreciation accounting entry:

| Account Description | Debit  | Credit |
|---------------------|--------|--------|
| Capital Adjustment  | 41,667 |        |
| General Fund        |        | 41,667 |

On April 1, 2009, another professional valuation was performed and the building's value had increased to 5,500,000. The revaluation is not linked to the prior impairment.

On April 1, 2009, the accounting for the building is as follows:

**Current Asset Data**

| Asset Item               | Asset Information |
|--------------------------|-------------------|
| Cost                     | 5,000,000         |
| Accumulated Depreciation | 944,444           |
| Accumulated Impairment   | 500,000           |
| Salvage Value            | 0,00              |
| Remaining Life           | 96 Months         |
| Impairment Loss Amount   | 500,000           |
| Professional Valuation   | 5,500,000         |
| Monthly Depreciation     | 37,037            |

The revaluation calculations are as follows:

Current Net Book Value (CNBV) = Cost + Cost Adjustments + Revaluations - Salvage Value - Accumulated Depreciation - Accumulated Impairments - Retirements

$3,555,556 = 5,000,000 + 0.00 + 0.00 - 0.00 - 944,444 - 500,000 - 0.00$

New Net Book Value (NNBV) = Asset value as deemed by professional valuation

$NNBV = 5,500,000$

Revaluation Amount = NNBV - CNBV

$1,944,444 = 5,500,000 - 3,555,556$

The effect of the revaluation is illustrated in the following table:

| Period            | Cost      | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) | Asset NNBV       | Revaluation Reserve | Revaluation Amortization | Accumulated Impairment |
|-------------------|-----------|----------------------|--------------------------|----------------------------|------------------|---------------------|--------------------------|------------------------|
| Apr-07            | 5,000,000 | 41,667               | 41,667                   | 4,958,333                  |                  |                     |                          |                        |
| May-07            |           | 41,667               | 83,333                   | 4,916,667                  |                  |                     |                          |                        |
| Jun-07            |           | 41,667               | 125,000                  | 4,875,000                  |                  |                     |                          |                        |
| Jul-07            |           | 41,667               | 166,667                  | 4,833,333                  |                  |                     |                          |                        |
| Aug-07            |           | 41,667               | 208,333                  | 4,791,667                  |                  |                     |                          |                        |
| Sep-07            |           | 41,667               | 250,000                  | 4,750,000                  |                  |                     |                          |                        |
| Oct-07            |           | 41,667               | 291,667                  | 4,708,333                  |                  |                     |                          |                        |
| Nov-07            |           | 41,667               | 333,333                  | 4,666,667                  |                  |                     |                          |                        |
| Dec-07            |           | 41,667               | 375,000                  | 4,625,000                  |                  |                     |                          |                        |
| Jan-08            |           | 41,667               | 416,667                  | 4,583,333                  |                  |                     |                          |                        |
| Feb-08            |           | 41,667               | 458,333                  | 4,541,667                  |                  |                     |                          |                        |
| <b>Impairment</b> |           |                      | <b>500,000</b>           | <b>4,041,667</b>           | <b>4,000,000</b> |                     |                          | <b>500,000</b>         |
| Mar-08            | 5,500,000 | 41,667               | 500,000                  | 4,000,000                  |                  |                     |                          | 500,000                |
| Apr-08            |           | 37,037               | 537,037                  | 3,962,963                  |                  |                     |                          | 500,000                |
| May-08            |           | 37,037               | 574,074                  | 3,925,926                  |                  |                     |                          | 500,000                |

| Period             | Cost      | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) | Asset NNBV       | Revaluation Reserve | Revaluation Amortization | Accumulated Impairment |
|--------------------|-----------|----------------------|--------------------------|----------------------------|------------------|---------------------|--------------------------|------------------------|
| Jun-08             |           | 37,037               | 611,111                  | 3,888,889                  |                  |                     |                          | 500,000                |
| Jul-08             |           | 37,037               | 648,148                  | 3,851,852                  |                  |                     |                          | 500,000                |
| Aug-08             |           | 37,037               | 685,185                  | 3,814,815                  |                  |                     |                          | 500,000                |
| Sep-08             |           | 37,037               | 722,222                  | 3,777,778                  |                  |                     |                          | 500,000                |
| Oct-08             |           | 37,037               | 759,259                  | 3,740,741                  |                  |                     |                          | 500,000                |
| Nov-08             |           | 37,037               | 796,296                  | 3,703,704                  |                  |                     |                          | 500,000                |
| Dec-08             |           | 37,037               | 833,333                  | 3,666,667                  |                  |                     |                          | 500,000                |
| Jan-09             |           | 37,037               | 870,370                  | 3,629,630                  |                  |                     |                          | 500,000                |
| Feb-09             |           | 37,037               | 907,407                  | 3,592,593                  |                  |                     |                          | 500,000                |
| Mar-09             |           | 37,037               | 944,444                  | 3,555,556                  |                  |                     |                          | 500,000                |
| <b>Revaluation</b> |           |                      |                          |                            | <b>5,500,000</b> | <b>1,944,444</b>    | <b>20,255</b>            | <b>0</b>               |
| Apr-09             | 5,500,000 | 57,292               | 57,292                   | 5,442,708                  |                  | 1,924,190           | 20,255                   | 0                      |

When booking a revaluation on the asset with a prior impairment, an entry to the Accumulated Depreciation and Accumulated Impairment accounts will be made to set the accounts balance to zero.

Accounting entries are:

| Account Description                                                                         | Debit   | Credit    |
|---------------------------------------------------------------------------------------------|---------|-----------|
| Accumulated Depreciation<br>(Entire current balance in the account)                         | 944,444 |           |
| Accumulated Impairment<br>(Entire current balance in the account)                           | 500,000 |           |
| Fixed Asset Cost (Revaluation Amount - (Accumulated Depreciation + Accumulated Impairment)) | 500,000 |           |
| Revaluation Reserve<br>(Revaluation Amount)                                                 |         | 1,944,444 |

- If the result of (Revaluation Amount - Accumulated Depreciation - Accumulated Impairment) is positive, then debit the Fixed Asset Cost account.
- If the result of (Revaluation Amount - Accumulated Depreciation - Accumulated Impairment) is negative, then credit the Fixed Asset Cost account.

The following accounting entry is booked to record the amortization of the Revaluation Reserve for the month:

| Account Description | Debit    | Credit |
|---------------------|----------|--------|
| Revaluation Reserve | 20,255 * |        |
| Capital Adjustment  |          | 20,255 |

\* Monthly Revaluation Reserve Amortization = Revaluation Reserve / Remaining Life  
 $20,255 = 1,944,444 / 96$

At the end of the month, the following accounting entry is booked to record the depreciation expense and its corresponding neutralizing entries for the period:

| Account Description      | Debit    | Credit |
|--------------------------|----------|--------|
| Depreciation Expense     | 57,292 * |        |
| Accumulated Depreciation |          | 57,292 |

\* Monthly Depreciation is recalculated and is based on the revalued net book value.

Monthly Depreciation = NNBV / Remaining depreciation periods

57,292 = 5,500,000 / 96

The following is the neutralizing depreciation accounting entry:

| Account Description | Debit  | Credit |
|---------------------|--------|--------|
| Capital Adjustment  | 57,292 |        |
| General Fund        |        | 57,292 |

## Impairments

Impairment occurs when a professional valuation on an asset is less than the asset's current net book value. Under the new SORP guidelines, the classification type assigned to the impairment determines the accounting treatment for the impairment. The primary difference in the accounting treatment is in regard to the impact of the revaluation reserve account balance. When booking impairment with the classification type of Change in Property Prices (CPP) or Other (OTH), the impairment loss amount booked to the Impairment Loss account is reduced by the amount available in the Revaluation Reserve account for the asset, up to the impairment loss amount.

Whereas for Impairments with the classification type of Consumption of Economic Benefit (CEB), the entire amount of the impairment loss is booked to the Impairment Loss account and then if a balance does exist in the Revaluation Reserve account, the balance is transferred to the Capital Adjustment account. When booking the impairment on an asset, the impairment loss accounting entries will be reflected in the Accumulated Impairment account. Impairments have no effect on the Accumulation Depreciation Reserve account.

The following examples provide the accounting entries that are generated for an asset impairment with no revaluation reserve balance and impairment classification type that is equal to Change in Property Prices, Other, or Consumption of Economic Benefit.

### Impairments - Example 1:

On April 1, 2007, Building #2 was purchased and recorded into Oracle Assets with the following details:



**Asset Addition**

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b> |
|-------------------------|--------------------------------|
| Cost                    | 5,000,000                      |
| Life                    | 10 Years                       |
| Addition Period         | April-2007                     |
| Method                  | STL – 10 yr                    |
| Prorate Convention      | Monthly                        |
| Salvage Value           | 0.00                           |

On March 1, 2008, a professional valuation was performed on Building #2 and the building's value had decreased due to a decline in property values in the area. The building was impaired by 500,000.

On March 1, 2008, the accounting for the building is as follows:

**Current Asset Data**

| <b>Asset Item</b>        | <b>Asset Information</b> |
|--------------------------|--------------------------|
| Cost                     | 5,000,000                |
| Accumulated Depreciation | 458,333 *                |
| Accumulated Impairment   | 0.00                     |
| Cost Adjustment          | 0.00                     |
| Revaluation              | 0.00                     |
| Salvage Value            | 0.00                     |
| Retirements              | 0.00                     |
| Remaining Life           | 109 Months               |

| Asset Item           | Asset Information |
|----------------------|-------------------|
| Monthly Depreciation | 41,667            |

\* Excludes depreciation for March 2008.

When determining the impairment loss amount, the current period's (March 2008) depreciation is included in the CNBV calculation. Where:

- Current Net Book Value (CNBV) = Cost + Cost Adjustments + Revaluations - Salvage Value - Accumulated Depreciation - Accumulated Impairments - Retirements)
- New Net Book Value (NNBV) = Asset value as deemed by professional valuation
- Impairment Amount = NNBV - CNBV is negative

**Note:** CNBV includes depreciation for the period of the Impairment Date.

Impairment calculations are as follows:

Current Net Book Value (CNBV) = Cost + Cost Adjustments + Revaluations - Current Period Depreciation - Salvage Value - Accumulated Depreciation - Accumulated Impairments - Retirements

$$4,500,000 = 5,000,000 + 0.00 + 0.00 - 41,667 - 0.00 - 458,333 - 0.00 - 0.00$$

Impairment Amount = Provided by professional valuation

Impairment Amount = 500,000

New Net Book Value (NNBV) = CNBV - Impairment Amount

$$4,000,000 = 4,500,000 - 500,000$$

The effect of the impairment is illustrated in the following table:

| Period | Cost      | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) | Asset NNBV | Revaluation Reserve | Revaluation Amortization | Accumulated Impairment |
|--------|-----------|----------------------|--------------------------|----------------------------|------------|---------------------|--------------------------|------------------------|
| Apr-07 | 5,000,000 | 41,667               | 41,667                   | 4,958,333                  |            |                     |                          |                        |
| May-07 |           | 41,667               | 83,333                   | 4,916,667                  |            |                     |                          |                        |

| Period            | Cost      | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) | Asset NNBV       | Revaluation Reserve | Revaluation Amortization | Accumulated Impairment |
|-------------------|-----------|----------------------|--------------------------|----------------------------|------------------|---------------------|--------------------------|------------------------|
| Jun-07            |           | 41,667               | 125,000                  | 4,875,000                  |                  |                     |                          |                        |
| Jul-07            |           | 41,667               | 166,667                  | 4,833,333                  |                  |                     |                          |                        |
| Aug-07            |           | 41,667               | 208,333                  | 4,791,667                  |                  |                     |                          |                        |
| Sep-07            |           | 41,667               | 250,000                  | 4,750,000                  |                  |                     |                          |                        |
| Oct-07            |           | 41,667               | 291,667                  | 4,708,333                  |                  |                     |                          |                        |
| Nov-07            |           | 41,667               | 333,333                  | 4,666,667                  |                  |                     |                          |                        |
| Dec-07            |           | 41,667               | 375,000                  | 4,625,000                  |                  |                     |                          |                        |
| Jan-08            |           | 41,667               | 416,667                  | 4,583,333                  |                  |                     |                          |                        |
| Feb-08            |           | 41,667               | 458,333                  | 4,541,667                  |                  |                     |                          |                        |
| <b>Impairment</b> |           |                      |                          | <b>4,500,000</b>           | <b>4,000,000</b> |                     |                          | <b>500,000</b>         |
| Mar-08            | 5,000,000 | 41667                | 500,000                  | 4,000,000                  |                  |                     |                          | 500,000                |
| Apr-08            |           | 37,037               | 537,037                  | 3,962,963                  |                  |                     |                          | 500,000                |

The following accounting entries are generated to record the impairment loss without an existing revaluation reserve balance for all impairment classification types:

| Account Description                                          | Debit   | Credit |
|--------------------------------------------------------------|---------|--------|
| Impairment Loss Expense<br>(Expensed Impairment Loss Amount) | 500,000 |        |

| Account Description                                            | Debit | Credit  |
|----------------------------------------------------------------|-------|---------|
| Accumulated Impairment<br>(Expensed Impairment Loss<br>Amount) |       | 500,000 |

The following is the impairment loss neutralizing accounting entry:

| Account Description                               | Debit   | Credit  |
|---------------------------------------------------|---------|---------|
| Capital Adjustment                                | 500,000 |         |
| General Fund (Expensed<br>Impairment Loss Amount) |         | 500,000 |

#### Depreciation and Depreciation Neutralizing Accounting Entries:

At the end of the month, the following accounting entry is booked to record the depreciation expense and its corresponding neutralizing entries for the period (March 2008):

| Account Description      | Debit    | Credit |
|--------------------------|----------|--------|
| Depreciation Expense     | 41,667 * |        |
| Accumulated Depreciation |          | 41,667 |

\* Since the current month depreciation is considered in the CNBV calculation, depreciation is not recalculated until the following month.

Monthly Depreciation = CNBV / Remaining depreciation periods

$$41,667 = 4,541,667 / 109$$

The following is the neutralizing depreciation accounting entry:

| Account Description | Debit  | Credit |
|---------------------|--------|--------|
| Capital Adjustment  | 41,667 |        |
| General Fund        |        | 41,667 |

### **Impairments - Example 2**

Building #3 is being impaired as a result of a change in property values. The building has had a previous revaluation and there is an existing revaluation reserve balance for this asset.

Building #3 was purchase on April 1, 2007, and recorded into Oracle Assets with the following details:

#### ***Asset Addition***

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b> |
|-------------------------|--------------------------------|
| Cost                    | 5,000,000                      |
| Life                    | 10 Years                       |
| Addition Period         | April-2007                     |
| Method                  | STL – 10 yr                    |
| Prorate Convention      | Monthly                        |
| Monthly Depreciation    | 41,667                         |
| Salvage Value           | 0.00                           |

On April 1, 2008, a professional valuation was performed on Building #3 and the building's value had increased due improvements made. The building was revalued to a net book balance of 5,500,000. With a new monthly depreciation of 50,926, revaluation reserve balance of 1,000,000, and a monthly revaluation reserve amortization amount of 9,259, and a remaining life of 108 months.

On March 1, 2009, a professional valuation was performed on Building #3 and the building's value had decreased due to a decline in property values in the area. The buildings value is now 3,500,000 resulting in an impairment of 1,388,889.

On March 1, 2009, the accounting for the building is as follows:

#### ***Current Asset Data***

| <b>Asset Item</b> | <b>Asset Information</b> |
|-------------------|--------------------------|
| Cost              | 5,000,000                |

| Asset Item                               | Asset Information |
|------------------------------------------|-------------------|
| Accumulated Depreciation                 | 560,185 *         |
| Accumulated Impairment                   | 0.00              |
| Revaluation Reserve                      | 898,148 **        |
| Salvage Value                            | 0.00              |
| Remaining Life                           | 97 Months         |
| Monthly Depreciation                     | 50,926            |
| Monthly Revaluation Reserve Amortization | 9,259             |

\* Accumulated Depreciation at end of February 2008.

\*\* Revaluation Reserve at end of February 2008.

When determining the impairment loss amount, the current period's (March 2008) depreciation is included in the CNBV calculation.

Impairment calculations are as follows:

Current Net Book Value (CNBV) = Cost + Cost Adjustments + Revaluations - Current Period Depreciation - Salvage Value - Accumulated Depreciation - Accumulated Impairments - Retirements

$4,888,889 = 5,000,000 + 0.00 + 500,000 - 50,926 - 0.00 - 560,185 - 0.00 - 0.00$

New Net Book Value (NNBV) = Provided by professional valuation

$NNBV = 3,500,000$

Impairment Amount = NNBV - CNBV

$-1,388,889 = 3,500,000 - 4,888,889$

The effect of the impairment is illustrated in the following table:

| Period | Cost      | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) | Asset NNBV | Revaluation Reserve | Revaluation Amortization | Impairment Loss | Accumulated Impairment |
|--------|-----------|----------------------|--------------------------|----------------------------|------------|---------------------|--------------------------|-----------------|------------------------|
| Apr-06 | 5,000,000 | 41,667               | 41,667                   | 4,958,333                  |            |                     |                          |                 |                        |
| May-06 |           | 41,667               | 83,333                   | 4,916,667                  |            |                     |                          |                 |                        |
| Jun-06 |           | 41,667               | 125,000                  | 4,875,000                  |            |                     |                          |                 |                        |
| Jul-06 |           | 41,667               | 166,667                  | 4,833,333                  |            |                     |                          |                 |                        |
| Aug-06 |           | 41,667               | 208,333                  | 4,791,667                  |            |                     |                          |                 |                        |
| Sep-06 |           | 41,667               | 250,000                  | 4,750,000                  |            |                     |                          |                 |                        |
| Oct-06 |           | 41,667               | 291,667                  | 4,708,333                  |            |                     |                          |                 |                        |
| Nov-06 |           | 41,667               | 333,333                  | 4,666,667                  |            |                     |                          |                 |                        |
| Dec-06 |           | 41,667               | 375,000                  | 4,625,000                  |            |                     |                          |                 |                        |
| Jan-07 |           | 41,667               | 416,667                  | 4,583,333                  |            |                     |                          |                 |                        |
| Feb-07 |           | 41,667               | 458,333                  | 4,541,667                  |            |                     |                          |                 |                        |
| Mar-07 |           | 41,667               | 500,000                  | 4,500,000                  |            |                     |                          |                 |                        |

| Period      | Cost      | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) | Asset NNBV | Revaluation Reserve | Revaluation Amortization | Impairment Loss | Accumulated Impairment |
|-------------|-----------|----------------------|--------------------------|----------------------------|------------|---------------------|--------------------------|-----------------|------------------------|
| Revaluation |           |                      | 500,000                  | 4,500,000                  | 5,500,000  | 1,000,000           | 9,259                    |                 |                        |
| Apr-07      | 5,500,000 | 50,926               | 50,926                   | 5,449,074                  |            | 990,741             | 9,259                    |                 |                        |
| May-07      |           | 50,926               | 101,852                  | 5,398,148                  |            | 981,481             | 9,259                    |                 |                        |
| Jun-07      |           | 50,926               | 152,778                  | 5,347,222                  |            | 972,222             | 9,259                    |                 |                        |
| Jul-07      |           | 50,926               | 203,704                  | 5,296,296                  |            | 962,963             | 9,259                    |                 |                        |
| Aug-07      |           | 50,926               | 254,630                  | 5,245,370                  |            | 953,704             | 9,259                    |                 |                        |
| Sep-07      |           | 50,926               | 305,556                  | 5,194,444                  |            | 944,444             | 9,259                    |                 |                        |
| Oct-07      |           | 50,926               | 356,481                  | 5,143,519                  |            | 935,185             | 9,259                    |                 |                        |
| Nov-07      |           | 50,926               | 407,407                  | 5,092,593                  |            | 925,926             | 9,259                    |                 |                        |
| Dec-07      |           | 50,926               | 458,333                  | 5,041,667                  |            | 916,667             | 9,259                    |                 |                        |
| Jan-08      |           | 50,926               | 509,259                  | 4,990,741                  |            | 907,407             | 9,259                    |                 |                        |
| Feb-08      |           | 50,926               | 560,185                  | 4,939,815                  |            | 898,148             | 9,259                    |                 |                        |



| Period     | Cost      | Depreciation Expense | Accumulated Depreciation | Asset CNBV (End of Period) | Asset NNBV | Revaluation Reserve | Revaluation Amortization | Impairment Loss | Accumulated Impairment |
|------------|-----------|----------------------|--------------------------|----------------------------|------------|---------------------|--------------------------|-----------------|------------------------|
| Impairment |           |                      |                          | 4,888,889                  | 3,500,000  | 888,889             | 9,259                    | 500,000         | 500,000                |
| Mar-08     |           | 50,926               | 611,111                  | 3,500,000                  |            |                     |                          | 500,000         | 500,000                |
| Apr-08     | 5,500,000 | 36,458               | 647,569                  | 3,463,542                  |            |                     |                          | 500,000         | 500,000                |
| May-08     |           | 36,458               | 684,028                  | 3,427,083                  |            |                     |                          | 500,000         | 500,000                |
| Jun-08     |           | 36,458               | 720,486                  | 3,390,625                  |            |                     |                          | 500,000         | 500,000                |
| Jul-08     |           | 36,458               | 756,944                  | 3,354,167                  |            |                     |                          | 500,000         | 500,000                |
| Aug-08     |           | 36,458               | 793,403                  | 3,317,708                  |            |                     |                          | 500,000         | 500,000                |
| Sep-08     |           | 36,458               | 829,861                  | 3,281,250                  |            |                     |                          | 500,000         | 500,000                |
| Oct-08     |           | 36,458               | 866,319                  | 3,244,792                  |            |                     |                          | 500,000         | 500,000                |
| Nov-08     |           | 36,458               | 902,778                  | 3,208,333                  |            |                     |                          | 500,000         | 500,000                |
| Dec-08     |           | 36,458               | 939,236                  | 3,171,875                  |            |                     |                          | 500,000         | 500,000                |
| Jan-09     |           | 36,458               | 975,694                  | 3,135,417                  |            |                     |                          | 500,000         | 500,000                |

The following accounting entries are generated to record the impairment with a prior revaluation reserve balance:

| Debit                                                                            | Credit                                          |
|----------------------------------------------------------------------------------|-------------------------------------------------|
| Revaluation Reserve (Up to the amount of the impairment loss)                    |                                                 |
| Impairment Loss (Impairment loss not covered by the Revaluation Reserve balance) |                                                 |
|                                                                                  | Accumulated Impairment (Impairment loss amount) |

**Note:**

- **Revaluation Reserve:** When determining the amount of the revaluation reserve available, the current month revaluation reserve amortization is taken in account. For example, the Revaluation Reserve balance is reduced by the current month's amortization. The remaining balance is then applied to the impairment loss amount to determine the amount to be booked to the impairment loss account.

For example, the Revaluation Reserve balance is reduced by the current month's amortization. The remaining balance is then applied to the impairment loss amount to determine the amount to be booked to the impairment loss account.

| Account Details                               | Data                            |
|-----------------------------------------------|---------------------------------|
| Revaluation Reserve                           | 898,148                         |
| Current Month Amortization                    | 9,259                           |
| Available Revaluation Reserve                 | 888,889                         |
| Amount to Book to the Impairment Loss Account | $1,388,889 - 888,889 = 500,000$ |

- **Current Net Book Value:** When determining the impairment loss amount, the Current Net Book Value calculation will take in account the current month's depreciation as previously mentioned.

| Account Description | Debit   | Credit |
|---------------------|---------|--------|
| Revaluation Reserve | 888,889 |        |

| Account Description     | Debit   | Credit    |
|-------------------------|---------|-----------|
| Impairment Loss Expense | 500,000 |           |
| Accumulated Impairment  |         | 1,388,889 |

#### **Impairment Loss Neutralizing Accounting Entry:**

Under the new SORP guidelines, any debit to the Impairment Loss account must have a corresponding neutralizing entry to the Capital Adjustment and Statement of Movement on General Fund Balance (General Fund) accounts. As a result, the following neutralizing entry is also created:

| Account Description                                     | Debit   | Credit  |
|---------------------------------------------------------|---------|---------|
| Capital Adjustment<br>(Expensed impairment loss amount) | 500,000 |         |
| General Fund (Expensed impairment loss amount)          |         | 500,000 |

#### **Depreciation and Depreciation Neutralizing Accounting Entries:**

At the end of the month, the following entry is booked to record the depreciation expense and its corresponding neutralizing entries for the period:

| Account Description      | Debit    | Credit |
|--------------------------|----------|--------|
| Depreciation Expense     | 50,926 * |        |
| Accumulated Depreciation |          | 50,926 |

\* Since the current month depreciation is considered in the CNBV calculation, depreciation is not recalculated until the following month.

Monthly Depreciation = CNBV / Remaining depreciation periods

50,926 = 4,939,815 / 97

The following is the neutralizing depreciation accounting entry:

| Account Description | Debit  | Credit |
|---------------------|--------|--------|
| Capital Adjustment  | 50,926 |        |
| General Fund        |        | 50,926 |

#### Asset Decommission and Disposal Accounting Entries:

When an asset is disposed of or decommissioned, the carrying amount (NVB) of the asset is removed from the balance sheet. The following accounting entries are generated to remove the remaining NBV from the balance sheet accounts (based on Asset Category and Asset Book level setup):

| Debit                                             | Credit           |
|---------------------------------------------------|------------------|
| Disposal Gains or Loss (Income Statement account) |                  |
| Accumulated Depreciation                          |                  |
| Accumulated Impairment                            |                  |
|                                                   | Fixed Asset Cost |

Additionally, a neutralizing entry to the Capital Adjustment and Statement of Movement on the General Fund balance is posted. Any remaining balance in the Revaluation Reserve for the asset is also cleared out and transferred to the Capital Adjustment account.

#### Disposal Neutralizing Accounting Entries:

Carrying Amount (NBV)

| Debit                    | Credit             |
|--------------------------|--------------------|
| Capital Adjustment (NBV) |                    |
|                          | General Fund (NBV) |

Revaluation Reserve

| Debit                                                  | Credit                                                |
|--------------------------------------------------------|-------------------------------------------------------|
| Revaluation Reserve (Remaining balance on the account) |                                                       |
|                                                        | Capital Adjustment (Remaining balance on the account) |

## Physical Inventory

Physical inventory is the process of ensuring that the assets a company has listed in its production system match the assets it actually has in inventory. A company takes physical inventory by manually looking at all assets to ensure they exist as recorded, are in the appropriate locations, and consist of the recorded number of units.

A person taking physical inventory can collect physical inventory data in a number of ways, such as by writing down information about the asset manually, or by using a barcode scanner to automatically scan asset information into a file such as an Excel spreadsheet. After this information is collected, any discrepancies need to be reconciled. For example, if a computer is located in Room 549 according to your production data, but is actually in Room 346, you need to either change the record to reflect the true location of the computer, or move it to Room 549.

## About Physical Inventory

The Physical Inventory feature in Oracle Assets assists you in comparing and reconciling your physical inventory data. To use the Physical Inventory feature, you must first take physical inventory of your assets. You need to include the following information about your assets:

- A unique identifier, which can be either the asset number, tag number, or serial number
- The location
- The number of units

You can include other information that may make it easier for you to keep track of the assets you are comparing, such as a description of each asset, but only the information listed above is required.

You load your physical inventory data into Oracle Assets using the Physical Inventory Entries window, or you can use the Record Physical Inventory process in the Applications Desktop Integrator (ADI), which allows you to import data from an Excel spreadsheet. You can also use SQL\*Loader to import physical inventory data from a

non-Oracle file system.

When you finish entering physical inventory data into Oracle Assets, you run the Physical Inventory comparison program, which highlights the differences between the asset information in Oracle Assets and the actual assets in physical inventory. This program compares your physical inventory data with your Oracle Assets data for all assets that have the In Physical Inventory check box checked.

You can view the results of the comparison online in the Physical Inventory Comparison window, or by running the Physical Inventory Comparison Report. The comparison results highlight differences between the assets in your production system and those in physical inventory. You can reconcile the differences between physical inventory and the information in your database by updating each asset manually, or you can use the mass additions process to add assets that are missing from the production system.

When you have completed your physical inventory, you can run the Missing Assets Report, which lists all assets that have not been accounted for in the physical inventory process.

#### **Prerequisites**

- Ensure that the In Physical Inventory check box is checked for all assets in Oracle Assets that you want included in the physical inventory comparison program. See: Setting Up Oracle Assets Data to be Included in Physical Inventory, page 3-125.

#### **To gather and reconcile physical inventory information:**

1. Take physical inventory of your assets by using a barcode scanner (if your assets are set up with barcodes) or by manually noting the location, number of units, and a unique identifier.
2. Navigate to the Physical Inventory window.
3. Enter the inventory name (for example, Q2 Physical Inventory USA) and the start date. Entering an end date indicates that the physical inventory is complete, so you should not enter an end date until you have completed all physical inventory tasks.
4. Save your changes.
5. Load the physical inventory data into Oracle Assets using the Physical Inventory window, the Record Physical Inventory process in ADI, or SQL\*Loader. See: Loading Physical Inventory Data, page 3-126.
6. Run the Physical Inventory Comparison program. See: Physical Inventory Comparison Program, page 3-135.
7. Run the Physical Inventory Comparison Report or review the results online using the Find Physical Inventory Comparison window. See: Viewing Comparison

Results, page 3-136.

8. Analyze the report results.
9. Change Oracle Assets data to reconcile with the physical inventory data and ensure you have accounted for all assets. See: Reconciliation, page 3-137.
10. Run the Missing Assets Report. See: Missing Assets, page 3-138
11. Purge the physical inventory data. See: Purging Physical Inventory Data, page 3-138

## Related Topics

Overview of the Mass Additions Process, page 2-28

Setting Up Asset Categories, page 9-186

Adding an Asset Specifying Details (Detail Additions), page 2-20

Record Physical Inventory Feature (*Oracle Applications Desktop Integrator User Guide*)

## Setting Up Oracle Assets Data to be Included in Physical Inventory

Assets listed in Oracle Assets will be compared by the Physical Inventory Comparison program only if the In Physical Inventory check box is checked for those assets. If the In Physical Inventory check box is not checked for a particular asset, that asset will be ignored in the comparison.

The In Physical Inventory check box allows you to determine which assets are included in the physical inventory process. For example, you may have several buildings that you track as assets in Oracle Assets, but you do not want the buildings included in the physical inventory process.

## Mass Additions

You can designate a group of assets to be included in the physical inventory process by checking the In Physical Inventory check box in the Mass Additions window.

## Asset Categories

When you set up asset categories in the Asset Categories window, the In Physical Inventory check box is checked by default. If you do not want assets in a particular category to be included in physical inventory, you can uncheck the In Physical Inventory check box when you set up the category. For example, you may set up a category called BUILDING, which includes all of the buildings owned by your company. You may not want your buildings included in the physical inventory process, so you can uncheck the In Physical Inventory check box so that all assets with a category of BUILDING will not be included in physical inventory.

After setting up categories, you can override the value of the In Physical Inventory check box for individual assets using the Asset Details window.

## Asset Details

You can use the Asset Details window to override the value of the In Physical Inventory check box. For example, you may have assets with a category of COMPUTER designated to be included in the physical inventory process. You may also have a particular asset with a category of COMPUTER that you do not want included in the physical inventory process. You can open the Asset Details window for that particular asset and uncheck the In Physical Inventory check box.

## Loading Physical Inventory Data

To use the Physical Inventory feature in Oracle Assets, you must load physical inventory data that you have collected into the FA\_INV\_INTERFACE table in Oracle Assets. The Usage column in the following table indicates whether a field is required, optional, or system-generated.

The following table lists the column name, type, description, and usage for each column in the FA\_INV\_INTERFACE table.

| Column Name | Type          | Description                                                                   | Usage            |
|-------------|---------------|-------------------------------------------------------------------------------|------------------|
| INVENTORY   | VARCHAR2 (80) | The user-defined inventory identification number to which this entry belongs. | Required         |
| ASSET_ID    | NUMBER (15)   | The system-generated asset identification number.                             | System-generated |



| Column Name    | Type          | Description                                                                                                                                                                                                                                                                                                                      | Usage                                                                                                                                                               |
|----------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASSET_NUMBER   | VARCHAR2 (15) | The unique asset number assigned by either the user or Oracle Assets during asset setup. Although this field is not required, it is recommended, because it is the first field compared by the Physical Inventory Comparison program when it attempts to match an asset in physical inventory with one in the production system. | Conditionally required. When you enter physical inventory data in the Physical Inventory window, either the asset number, tag number, or serial number is required. |
| ASSET_KEY_CCID | NUMBER (15)   | The asset key flexfield combination.                                                                                                                                                                                                                                                                                             | Optional                                                                                                                                                            |
| TAG_NUMBER     | VARCHAR2 (15) | The tag number of the asset. The Physical Inventory Comparison program uses the tag number to uniquely identify an asset if it was unable to do so using the asset number, because it was not provided.                                                                                                                          | Conditionally required. When you enter physical inventory data in the Physical Inventory window, either the asset number, tag number, or serial number is required. |
| DESCRIPTION    | VARCHAR2 (80) | The description of the asset.                                                                                                                                                                                                                                                                                                    | Optional                                                                                                                                                            |
| MODEL_NUMBER   | VARCHAR2 (40) | The model number of the asset.                                                                                                                                                                                                                                                                                                   | Optional                                                                                                                                                            |

| Column Name       | Type          | Description                                                                                                                                                                                                                  | Usage                                                                                                                                                               |
|-------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SERIAL_NUMBER     | VARCHAR2 (35) | The serial number of the asset. The Physical Inventory Comparison program uses the serial number to uniquely identify an asset if it was unable to do so using the asset number or tag number, because neither was provided. | Conditionally required. When you enter physical inventory data in the Physical Inventory window, either the asset number, tag number, or serial number is required. |
| MANUFACTURER_NAME | VARCHAR2 (30) | The name of the manufacturer that made the asset.                                                                                                                                                                            | Optional                                                                                                                                                            |
| ASSET_CATEGORY_ID | NUMBER (15)   | The category to which the asset belongs.                                                                                                                                                                                     | Optional                                                                                                                                                            |
| UNITS             | NUMBER        | The number of units in physical inventory for the asset.                                                                                                                                                                     | Required                                                                                                                                                            |
| LOCATION_ID       | NUMBER (15)   | The location ID that corresponds to the location of the asset.                                                                                                                                                               | Required                                                                                                                                                            |
| STATUS            | VARCHAR2 (15) | <p>The status of the asset will be one of the following:</p> <p>NEW</p> <p>TO RECONCILE</p> <p>RECONCILED</p> <p>DIFFERENCE</p> <p>NO ASSET NUMBER</p> <p>NON-INVENTORIAL</p> <p>NOT UNIQUE</p>                              | Initially system-generated, but can be manually changed by the user.                                                                                                |

| Column Name        | Type          | Description                                                                                                                                                                                                                                | Usage            |
|--------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| UNIT_ADJ           | VARCHAR2 (1)  | Indicates whether this entry needs a location adjustment. A NULL value indicates that this physical inventory entry has not been compared.                                                                                                 | System-generated |
| UNIT_RECONCILE_MTH | VARCHAR2 (20) | <p>The unit adjustment reconciliation method must be one of the following:</p> <p>NONE</p> <p>ADDITION</p> <p>UP - UNIT ADJUSTMENT</p> <p>DOWN - UNIT ADJUSTMENT</p> <p>REINSTATEMENT</p> <p>FULL RETIREMENT</p> <p>PARTIAL RETIREMENT</p> | System-generated |
| LOCATION_ADJ       | VARCHAR2 (1)  | Indicates whether this entry needs a location adjustment. If there is no value in this field, it indicates that this physical inventory entry has not been compared.                                                                       | System-generated |
| LOC_RECONCILE_MTH  | VARCHAR2 (20) | <p>The location adjustment reconciliation method:</p> <p>NONE</p> <p>TRANSFER</p>                                                                                                                                                          | System-generated |

| Column Name       | Type        | Description                                                                                                 | Usage            |
|-------------------|-------------|-------------------------------------------------------------------------------------------------------------|------------------|
| CREATED_BY        | NUMBER (15) | Standard who columns. Typically, the username or user ID of the person running Physical Inventory.          | System-generated |
| CREATION_DATE     | DATE        | Standard who columns. The date when the physical inventory was opened.                                      | System-generated |
| LAST_UPDATE_DATE  | DATE        | Standard who columns. This date corresponds to the last date a user entered physical inventory information. | System-generated |
| LAST_UPDATED_BY   | NUMBER (15) | Standard who columns. The user ID of the last user to update physical inventory information.                | System-generated |
| LAST_UPDATE_LOGIN | NUMBER (15) | Standard who columns. The user ID of the last user to update physical inventory information.                | System-generated |

## Status Codes

After you have loaded your physical inventory data and run the Physical Inventory comparison program, Oracle Assets generates a status code based on the information it has stored about an asset and the information you provided during the physical inventory process. The following table contains descriptions of these codes.

| <b>Status Code</b> | <b>Description</b>                                                                                                                                                                                                                                                                                                                           | <b>Set by</b>      |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| DIFFERENCE         | During the comparison, Oracle Assets identified a difference in the location or number of units for this asset.                                                                                                                                                                                                                              | Oracle Assets      |
| NEW                | When you enter a new physical inventory entry, the status is automatically set to NEW. A status of NEW indicates the entry has not been compared. After an entry has been compared, you also have the option to reset the status to NEW, so that it will be compared again. You can reset the status to New in the Inventory Entries window. | Oracle Assets/User |
| NO ASSET NUMBER    | The comparison program could not locate the asset number in Oracle Assets.                                                                                                                                                                                                                                                                   | Oracle Assets      |
| NON-INVENTORIAL    | The asset associated with the physical inventory entry is not designated to be included in physical inventory (the In Physical Inventory check box is not checked).                                                                                                                                                                          | Oracle Assets      |
| NOT UNIQUE         | During the comparison, more than one asset listed in Oracle Assets matched a single physical inventory entry.                                                                                                                                                                                                                                | Oracle Assets      |
| RECONCILED         | The asset is the same in Oracle Assets and in physical inventory, and is automatically set to a status of RECONCILED.                                                                                                                                                                                                                        | User/Oracle Assets |

| Status Code  | Description                                                                                                                                    | Set by |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| TO RECONCILE | When a difference is identified in the comparison, you change the status to TO RECONCILE to indicate that the entry is ready to be reconciled. | User   |

### Unit Reconciliation Methods

When you run the Physical Inventory Comparison program, Oracle Assets updates the UNIT\_RECONCILE\_MTH field in the FA\_INV\_INTERFACE table with the appropriate unit reconciliation code. The code indicates whether the asset needs an adjustment in the number of units stored in Oracle Assets, and if so, the type of unit adjustment needed. The following table lists the unit reconciliation codes and a description of each code:

| Code                   | Description                                                                                                                                                                  |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ADDITION               | An asset was found in physical inventory that is not in Oracle Assets. The asset needs to be added to Oracle Assets.                                                         |
| DOWN - UNIT ADJUSTMENT | For a particular asset, more units are listed in Oracle Assets than are found in physical inventory. The number of units needs to be adjusted down in Oracle Assets.         |
| FULL RETIREMENT        | An asset needs to be fully retired, because it is listed in Oracle Assets but not found in physical inventory.                                                               |
| NONE                   | No unit adjustment is necessary.                                                                                                                                             |
| PARTIAL RETIREMENT     | An asset needs to be partially retired. Usually, you would do this when for a particular asset, you found less units in physical inventory than are listed in Oracle Assets. |

| Code                 | Description                                                                                                                                                        |
|----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REINSTATEMENT        | An asset needs to be reinstated. Although it was retired, during the physical inventory process, it was found that the asset was still being used.                 |
| UP - UNIT ADJUSTMENT | For a particular asset, less units are listed in Oracle Assets than are found in physical inventory. The number of units needs to be adjusted up in Oracle Assets. |

## Methods for Loading Physical Inventory Data

You can load physical inventory data into Oracle Assets using several different methods. You can:

- Import data from an Excel spreadsheet using ADI
- Enter data in the Physical Inventory Entries window
- Import data from a non-Oracle system using SQL\*Loader

### Import data from an Excel spreadsheet using the ADI

You can use ADI to load your physical inventory data into an Excel spreadsheet and import the data into Oracle Assets.

See: Uploading Physical Inventory Data into Oracle Assets (*Oracle Applications Desktop Integrator User Guide*)

### Enter data using the Physical Inventory Entries window

You can enter data for each asset directly into Oracle Assets using the Physical Inventory Entries window. Keep in mind that you can only enter data for one asset at a time when using this method.

### Import data from a non-Oracle system using SQL\*Loader

You can use SQL\*Loader to import physical inventory data by completing the following steps:

#### 1. Define your interim table in the Oracle database.

Use a single interim table if possible. You can use multiple tables if the data exists in multiple tables or files in the system from which you are loading data. In either case, you must eventually place the data in a single table, the FA\_INV\_INTERFACE table.

If you prefer, you can load data directly into the FA\_INV\_INTERFACE table, but it is more difficult due to the complexity of the table.

## **2. Load your interim table using SQL\*Loader.**

Use SQL\*Loader to import information from outside your Oracle database. SQL\*Loader accepts a number of input file formats and loads your physical inventory data into your interim table.

If the data already resides within an Oracle database, there is no need to use SQL\*Loader. Simply consolidate the physical inventory information in your interim table using SQL\*Plus or import, and go directly to .

- **Convert the physical inventory information into text form.**

Most database or file systems can output data in text form. Usually you can generate a variable or fixed format data file containing comma or space delimiters from the existing system. If you cannot find a way to produce clean text data, try generating a report to disk, using a text editor to format your data. Another option is to have SQL\*Loader eliminate unnecessary information during its run. If there is a large volume of information, or if the information is difficult to convert into a loadable format, you can write your own import program. Construct your program to generate a SQL\*Loader readable text file.

- **Create the SQL\*Loader control file.**

In addition to the actual data text file, you must write a SQL\*Loader control file. The control file tells SQL\*Loader how to import the data into your interim table. Be sure to specify a discard file if you are planning to use SQL\*Loader to filter your data.

- **Run SQL\*Loader to import your physical inventory data.**

Once you have created your physical inventory data file and SQL\*Loader control file, run SQL\*Loader to import your data. SQL\*Loader produces a log file with statistics about the import, a bad file containing records that could not be imported due to errors, and a discard file containing all the records that were filtered out of the import by commands placed in the control file.

## **3. Compare record counts and check the SQL\*Loader files.**

Check the number of rows in the interim table against the number of records in your original physical inventory data file or table to ensure that all physical inventory records were imported.

The log file shows if records were rejected during the load, and the bad file shows which records were rejected. Fix and re-import the records in the bad file.

## **4. Spot check the interim table.**

Check several records throughout the interim table and compare them to the



corresponding records in the original physical data file or table. Look for missing or invalid data. This step ensures that your data was imported into the correct columns and that all columns were imported.

## Physical Inventory Comparison Program

To run the Physical Inventory Comparison program, navigate to the Run Comparison window. You must enter the name of the physical inventory being compared. You can also enter either the location, the category, or both, if you want to narrow the search criteria. If you do not enter either of these parameters, the comparison program compares all assets in the physical inventory with the assets in your production system.

**Note:** The Physical Inventory Comparison program only compares physical inventory entries with a status of NEW. If an entry has been compared and you want it to be compared again, you must change the status of that entry back to NEW in the Inventory Entries window.

During the comparison, the comparison program attempts to match each asset in the physical inventory data to an asset in the production system. It begins the comparison by searching for matching unique identifiers. The matching unique identifier can be either the asset number, tag number, or serial number.

The program first determines whether the physical inventory data includes an asset number. If an asset number has been provided, the comparison program searches the Oracle Assets production system for a matching asset number. If it finds a matching asset number, the program continues the comparison by determining whether the location and number of units match. If they do not match, the program updates the status of that asset to DIFFERENCE. For a list of status codes, see: Loading Physical Inventory Data, page 3-126.

If the program cannot find a matching asset number in the Oracle Asset production system, it terminates the comparison for that asset and continues on to the next asset.

If an asset number has not been recorded as part of the physical inventory, the program next determines whether the physical inventory data includes a tag number. If there is a tag number, the program searches the Oracle Assets production system for a matching tag number. Similarly, if the physical inventory data includes neither an asset number nor a tag number, the program determines whether a serial number has been recorded for the asset. If so, it searches the Oracle Assets production system for a matching serial number. In both cases, if the program finds a match, it will continue the comparison to determine whether the location and number of units match. If they do not match, the program updates the status of that asset to DIFFERENCE. For a list of status codes, see: Loading Physical Inventory Data, page 3-126.

In both cases, if the program cannot find a matching identifier in the Oracle Assets production system, it terminates the comparison for that asset and continues on to the next asset.

If none of the three unique identifiers are present for that asset, the program attempts to match the asset using other criteria, such as description and asset key CCID.

**Note:** When the program attempts to match assets using criteria other than the three unique identifiers, the matching criteria may not be unique and the program may not be able to uniquely identify an asset. Therefore, we strongly recommend that when bringing physical inventory data into Oracle Assets using any method other than the Physical Inventory window (which does not allow you to save your changes unless you have entered an asset number, tag number, or serial number), that you include at least one of the three unique identifiers for each asset in physical inventory.

After completing the comparison, the comparison program updates the FA\_INV\_INTERFACE table, indicating the assets in physical inventory that cannot be reconciled with the assets in Oracle Assets, and, if necessary, the type of adjustment that needs to be made (either a unit adjustment or location adjustment). If there are no differences between the Oracle Assets data and the physical inventory data for a particular asset, and the asset meets the other requirements for inclusion in the physical inventory process, the asset will automatically have a status of RECONCILED. If there are differences between the Oracle Assets data and the physical inventory data for a particular asset, or the asset does not meet the requirements for inclusion in the physical inventory process, another status code will be assigned to the asset. You can view the comparison data online using the Find Physical Inventory Comparison window, or by running the Physical Inventory Comparison Report.

## Viewing Comparison Results

There are two ways to view the results of the Physical Inventory Comparison.

- Physical Inventory Comparison window
- Physical Inventory Comparison Report

### Physical Inventory Comparison Window

You can view the results of the comparison online on the Physical Inventory Comparison window. The Physical Inventory Comparison window displays the asset number, location, and number of units for each asset in your Oracle Assets production system, and the corresponding asset number in physical inventory, along with its location and number of units. If the location or number of units differs, the comparison highlights the differences in the comparison results. It also indicates when it cannot find a corresponding asset number in the production system, and when it finds duplicate assets.

**Note:** Assets with a status of New or Not Unique are not included on the Physical Inventory Comparison window.

**To view the results of the Physical Inventory Comparison online:**

1. Navigate to the Find Physical Inventory Comparison window.
2. Enter the name of the physical inventory to view the results for the entire physical inventory. If you want to narrow the search criteria, you can enter additional parameters, such as category or location.
3. Choose Find.

### **Physical Inventory Comparison Report**

Similar to the Physical Inventory Comparison window, the Physical Inventory Comparison Report displays information on each asset in your production system, along with the corresponding asset number in physical inventory. This report displays all assets, including those with a status of New and Not Unique.

This report is a standard variable format report. You can run this report from Oracle Assets or from the Applications Desktop Integrator (ADI) Request Center. The Request Center allows you to manipulate data in the desktop application of your choice.

### **Related Topics**

Request Center (*Oracle Applications Desktop Integrator User Guide*)

Physical Inventory Comparison Report, page 10-32

### **Reconciliation**

After you finish running physical inventory and generating reports, you need to reconcile your physical inventory data with your Oracle Assets data.

**To reconcile your physical inventory with stored asset information:**

1. Analyze your reports to determine the assets that need to be reconciled.
2. Obtain proper approval to change assets that need to be reconciled.
3. Change the asset information by using the Asset Workbench or the Mass Change window.

### **Related Topics**

Changing Financial and Depreciation Information, page 3-7

## Missing Assets

When you are finished with reconciling your physical inventory, you can run the Physical Inventory Missing Assets Report to determine if there are any assets in your production system that could not be found during the physical inventory process.

This report is a standard variable format report. You can run this report from Oracle Assets or from the ADI Request Center. The Request Center allows you to manipulate data in the desktop application of your choice.

## Related Topics

Request Center (*Oracle Applications Desktop Integrator User Guide*)

Physical Inventory Missing Assets Report, page 10-33

## Purging Physical Inventory Data

After you close your physical inventory, you can purge the physical inventory data. Oracle Assets will not allow you to purge the data unless the physical inventory is closed. You close the physical inventory by entering an end date in the Physical Inventory window.

### To purge physical inventory data:

1. Navigate to the Physical Inventory window.
2. Choose the Purge button.

## Creating Physical Inventory Using Web ADI

Oracle Assets integrates with Web ADI to enable you to create physical inventory through the Physical Inventory Integrator. The Physical Inventory Integrator allows you to enter or load data into a spreadsheet using pre-defined mappings and layouts. Web ADI validates all required fields. If the Pre-Validate check box is checked, Web ADI validates both required and optional fields. After validating data, you can automatically upload your physical inventory to Oracle Assets.

To use Web ADI to create physical inventory, refer to Creating a Document in the Oracle Web ADI Implementation and Administration Guide.

In the Integrator page, you need to select an inventory. In the Layout page, you need to select one of the following layouts:

- Physical Inventory – Default
- Physical Inventory – Line Entry

- Physical Inventory – Single Category
- Physical Inventory – Single Location
- Physical Inventory – Tag number entry

After creating your spreadsheet, you can upload the data into Oracle Assets. See: [Uploading and Downloading Data from Spreadsheets in the Oracle Web ADI Implementation and Administration Guide](#).

Before running the Physical Inventory Upload, check the Run Comparison check box if you want to automatically run the Comparison report and the View Comparison Results check box if you want to view the comparison results.

## Scheduling Asset Maintenance

Oracle Assets allows you to schedule repair and service events for your long-term capital assets, to help ensure you maintain your long-term assets in a timely manner. You can plan for maintenance to occur at appropriate times, such as seasonal downtime. You can also schedule maintenance to occur at specific intervals, for example, monthly. Using Oracle Assets to schedule your asset maintenance also allows you to record the maintenance history of assets, in addition to scheduling future maintenance events.

### To schedule asset maintenance:

1. Navigate to the Schedule Maintenance Events window.
2. Enter the Start Date and End Date.
3. Enter the depreciation book containing the assets for which maintenance will be scheduled.
4. Optionally enter additional selection criteria, such as asset numbers, date placed in service, and category.
5. Enter event information, such as the Event name and Description of the event.
6. Choose Run to schedule maintenance events.

### To view maintenance schedules:

1. Navigate to the Maintenance Details window.
2. Query the asset for the maintenance event you want to view.

3. Optionally enter changes.
4. Save your work.

### To purge maintenance schedules:

1. Navigate to the Purge Maintenance Schedules window.
2. Enter the selection criteria to select the maintenance schedules that need to be purged, such as Schedule ID, Asset Number, or Maintenance Date.
3. Choose Purge.

### Schedule Maintenance Events Window Reference

**Schedule ID.** The unique identification number assigned to the transaction.

**Status.** Status of the concurrent request (NEW, ERROR, or COMPLETED).

### Maintenance Period Region

You can schedule maintenance events during a particular range of dates. For example, if you want to schedule maintenance yearly, you might enter a Start Date of January 1 and an End Date of December 31.

**Start Date.** Enter the date the maintenance event will begin.

**End Date.** Enter the date the maintenance event will end.

### Selection Criteria Region

**Book.** Enter the depreciation book containing the asset for which you are scheduling maintenance. This field is required.

**Currency.** The currency of the depreciation book displays automatically when you enter the name of the depreciation book.

**Asset Number.** You can enter the asset number or a range of asset numbers for which you want to schedule maintenance events. This field is optional.

**Date Placed in Service.** Enter the date the asset was placed in service. This field is optional.

**Category.** Enter the category of the assets for which you want to schedule maintenance events. This field is optional.

**Location.** Enter the location of the assets for which you want to schedule maintenance events. This field is optional.

**Asset Key.** Enter the asset key of the asset for which you want to schedule maintenance events. This field is optional.

## Events Region

**Event.** Use the list of values to select the name of the maintenance event, for example, tire rotation, or oil change. This field is required.

**Description.** Enter a description of the maintenance event. This field is required.

**Frequency in Days.** Enter the frequency (in days) at which the event should occur. For example, for a monthly service, you would enter 30. This field is required if no date is specified.

**Date.** Enter the date the service event will occur. This field is required if no frequency is specified.

**Cost.** Enter the cost per event. This field is optional.

**Supplier Number.** Enter the number of the supplier who will perform the maintenance. This field is optional.

**Supplier Name.** Enter the name of the supplier who will perform the maintenance. This field is optional.

**Contact Number.** Enter the contact number of the person responsible for the maintenance task.

**Contact Name.** Enter the name of the person responsible for the maintenance task.

**Descriptive flexfield.** Enter any detail information pertaining to each event to be scheduled.

## Buttons

**Run.** Choose this button to schedule maintenance events.

## Maintenance Details Window Reference

Use the Maintenance Details Window to query assets and review maintenance events that have been scheduled for those assets.

## Selection Criteria Region

Use the Selection Criteria region to select the assets for which you want to view maintenance details.

**Book.** Enter the depreciation book containing the asset for which you want to view maintenance details.

**Asset Number.** You can enter the asset number as selection criteria for assets for which you want to view maintenance events. This field is optional.

**Description.** You can enter an asset description as selection criteria for assets for which you want to view maintenance events. This field is optional.

**Tag Number.** You can enter an asset tag number as selection criteria for assets for

which you want to view maintenance events. This field is optional.

**Category.** You can enter the category of the assets for which you want to view maintenance events. This field is optional.

**Serial Number.** You can enter the serial number of the assets for which you want to view maintenance events. This field is optional.

**Asset Key.** You can enter the asset key of the assets for which you want to view maintenance events. This field is optional.

## Events Region

This region displays details of the maintenance schedule you queried. You cannot create maintenance events here, but you can modify certain values in an existing event.

**Event.** The name of the maintenance event, for example, tire rotation, or oil change.

**Description.** The description of the maintenance event. This field is required.

**Maintenance Due Date.** The frequency (in days) at which the event should occur. You can update the maintenance due date in this window.

**Status.** The status of the event, either NEW, COMPLETED, or ERROR. You can update the status in this window.

**Cost.** The cost per event. You can update the cost in this window.

**Supplier Number.** The number of the supplier who will perform the maintenance. You can update the supplier number in this window.

**Supplier Name.** The name of the supplier who will perform the maintenance. You can update the supplier name in this window.

**Contact Number.** The contact number of the person responsible for the maintenance task. You can update the contact number in this window.

**Contact Name.** The name of the person responsible for the maintenance task. You can update the contact name in this window.

## Purge Maintenance Schedules Window Reference

Use this window to specify the selection criteria for maintenance schedules that should be purged.

**Book Name.** Enter the name of the depreciation book. This field is optional.

**Asset Number.** Enter a range of assets for which maintenance schedules need to be purged. This field is optional.

**Maintenance Date.** Enter the range of maintenance dates for which maintenance schedules need to be purged. This field is optional.

**Category.** Enter the category of the assets for which you want to purge maintenance events. This field is optional.



**Status.** Enter the status of the assets for which you want to purge maintenance events.  
This field is optional.



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## Asset Retirements

This chapter covers the following topics:

- About Retirements
- Retiring Assets
- Correcting Retirement Errors (Reinstatements)
- Mass External Retirements
- Calculating Gains and Losses for Retirements
- Retirement Requests

### About Retirements

Retire an asset when it is no longer in service. For example, retire an asset that was stolen, lost, or damaged, or that you sold or returned.

### Full and Partial Retirements by Units or Cost

You can retire an entire asset or you can partially retire an asset.

- When you retire an asset by units, Oracle Assets automatically calculates the fraction of the cost retired
- When you retire an asset by cost, the units remain unchanged and the cost retired is spread evenly among all assignment lines

### Restrictions

You cannot retire assets by units in your tax books; you can only perform partial and full cost retirements in a tax book. Also, you can only perform full retirements on CIP assets; you cannot retire them by units, or retire them partially by cost.

If you perform multiple partial retirements on an asset within a period, you must run

the calculate gains and losses program between transactions.

**Gain/Loss = Proceeds of Sale - Cost of Removal - Net Book Value Retired +  
Revaluation Reserve Retired**

If you partially retire a units of production asset, you must manually adjust the capacity to reflect the portion retired.

## Full Retirement for a Group of Assets (Mass Retirement)

Use the Mass Retirements window to retire a group of assets at one time. You specify selection criteria, including asset category, asset key, location, depreciation expense account segments, employee, asset number range, and date placed in service range, to select the assets you want to retire. You can also elect to automatically retire subcomponents along with the parent asset.

When you define a mass retirement, you can choose to immediately submit the concurrent request to retire the selected assets, or you can save the mass retirement definition for future submission. You can change the details of any mass retirement before you submit the concurrent request.

When you submit a mass retirement, Oracle Assets automatically runs the Mass Retirements Report and the Mass Retirements Exception Report. You can review these reports, perform a mass reinstatement, or adjust an individual retirement transaction if necessary.

If you wish to simultaneously run this program in more than one process to reduce processing time, Oracle Assets can be set up to run this program in parallel. For more information on setting up parallel processing and the FA: Number of Parallel Requests profile option, see: Profile Options and Profile Options Categories Overview, page B-1

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## Exceptions

Oracle Assets does not retire the following types of assets, even if they are selected as part of a mass retirements transaction:

- Assets with transactions dated after the retirement date you enter
- Assets that are multiply distributed and one or more values do not meet the mass retirement selection criteria
- For reinstatements, assets retired during a prior fiscal year

## Independence Across Depreciation Books

You can retire an asset or a group of assets from any depreciation book without affecting other books. To retire an asset from all books, retire it from each book separately, or set up Mass Copy to copy retirements to the other books in the Book

Controls window.

## Retirement and Reinstatement Statuses

Each retirement transaction has a status. A new retirement receives the status PENDING. After you run depreciation or calculate gains and losses, the status changes to PROCESSED.

When you reinstate a PENDING retirement, Oracle Assets deletes the retirement transaction and the asset is immediately reinstated. If you reinstate a PROCESSED retirement, Oracle Assets changes the status to REINSTATE, and you must rerun the Calculate Gains and Losses program or run depreciation to process the reinstatement.

When you perform a mass retirement, Oracle Assets creates PENDING retirement transactions. If you submit a mass reinstatement before running the Calculate Gains and Losses program, Oracle Assets immediately reinstates these assets. If you submit a mass reinstatement to reinstate PROCESSED retirements, you must rerun the Calculate Gains and Losses program or run depreciation to process the reinstatements.

## ITC Recapture

If you retire an asset for which you took an investment tax credit (ITC) and the ITC recapture applies, Oracle Assets automatically calculates it.

## Correct Retirement Errors

You can undo asset retirement transactions, and Oracle Assets creates all the necessary journal entries for your general ledger to catch up any missed depreciation expense. You can reinstate an individual or mass retirement transaction. For multiple partial retirements, You can reinstate only most recent or processed retirement. You cannot reinstate an asset retired in a previous fiscal year. You can only reinstate assets retired in the current fiscal year.

## Retirement Conventions

Oracle Assets lets you use a different prorate convention when you retire an asset than when you added it. The retirement convention in the Retirements window and the Mass Retirements window defaults from the retirement convention you set up in the Asset Categories window. You can change the retirement convention for an individual asset in the Retirements window before running the Calculate Gains and Losses program.

## Per Diem Retirements

If you set up a book to divide depreciation by days and to use both a daily prorate convention and a daily prorate calendar, and if you retire an asset in that book in the current period, Oracle Assets takes depreciation expense for the number of days up to,

but not including, the date of retirement. If you perform a prior period retirement, Oracle Assets backs out the depreciation expense through the date of retirement. If you reinstate the asset, Oracle Assets catches up depreciation expense through the end of the current period.

## Retirement Transactions

### For prior-period retirement dates:

You can retire retroactively only in the current fiscal year, and only after the most recent transaction date.

## Proceeds of Sale and Cost of Removal

You can enter proceeds of sale and cost of removal amounts when you perform a retirement or mass retirement. For a mass retirement, you enter the *total* proceeds of sale and/or the *total* cost of removal amounts, and Oracle Assets prorates the total amounts over the assets being retired according to each asset's current cost.

Oracle Assets uses the following formula to prorate the **proceeds of sale** amount across the assets you select:

**Proceeds of Sale (per asset) = Current cost of asset/Total current cost of all selected assets X Proceeds of Sale**

Oracle Assets uses the following formula to prorate the **cost of removal** amount across the assets you select:

**Cost of removal (per asset) = Current cost of asset/Total current cost of all selected assets X Cost of Removal**

## Related Topics

Retiring Assets, page 4-4

Correcting Retirement Errors (Reinstatements), page 4-10

Calculating Gains and Losses for Retirements, page 4-18

Journal Entries for Retirements and Reinstatements, page 6-35

Mass Retirements Report and Mass Retirements Exception Report, page 10-88

## Retiring Assets

You can retire an individual asset in the Retirements window. You can retire a group of assets in the Mass Retirements window.

## Partially or fully retiring an asset

Partially or fully retire an asset by cost or units.

### To FULLY retire an asset:

1. Choose Assets > Asset Workbench from the Navigator window.
2. Find the asset you want to retire.

**Tip:** For best performance, find by asset number or tag number since they are unique values.

3. Choose Retirements.
4. Select the depreciation Book from which you want to retire the asset.
5. Enter the date of the retirement. It must be in the current fiscal year, and cannot be before any other transaction on the asset.
6. To fully retire the asset, enter all the units or the entire cost.
7. If you are retiring an asset before it is fully reserved, enter the Retirement Convention.
8. Enter the Retirement Type.
9. If you are retiring an asset with a 1250 property class in a tax book:  
Select the Straight Line Method and life you want Oracle Assets to use for the Form 4797 - Gain from Disposition of 1250 Property Report.
10. If there is a trade-in asset that will be used to replace the asset you are retiring, enter the asset number of the trade-in asset.

**Note:** The trade-in asset must have been added to the Oracle Assets system before you retire the current asset, if you want to track the trade-in asset in the retirement transaction.

11. If you are retiring a parent asset, choose Subcomponents to view the subcomponents asset(s) affected by the retirement transaction. You can separately retire these subcomponents if necessary.
12. Save your work.

Oracle Assets assigns each retirement transaction a unique Reference Number that

you can use to track the retirement.

13. Optionally calculate gains and losses to change the status of the retirement transaction from PENDING to PROCESSED. See: Calculating Gains and Losses for Retirements., page 4-18

#### **To retire asset costs using Source Lines:**

1. Select Assets > Asset Workbench from the Navigator window.
2. Find the asset whose invoice information you want to change.

**Tip:** For best performance, find by unique values, such as asset number or tag number.

3. Select Find to navigate to the Assets window.
4. Choose the asset whose source lines you want to retire.
5. Select Source Lines to navigate to the Source Lines window.
6. Choose the source line or enter the amount you want to retire.
7. Select Retire to navigate to the Source Line Retirement window.
8. Modify the necessary fields.

**Note:** You cannot modify units retired or cost retired. You must cancel out of the retire window before changing the units or cost information. You can change this information in the Source Lines window. Source Line window changes are propagated to the Retire window when you navigate to it.

9. Select Done to save your work.

#### **To PARTIALLY retire an asset:**

- Enter the number of units or cost you want to retire. The salvage value is reduced proportionately by the ratio (Retired Cost)/ Cost.

**Note:** If you partially retire by units, you must choose Continue to specify which units to retire in the Assignments window.



## Retiring a group of assets

You can retire a group of assets at one time. You enter selection criteria in the Mass Retirements window to choose the group of assets you want to retire.

When you define a mass retirement, you can choose to immediately submit the concurrent request to retire the selected assets, or you can save the mass retirement definition for future submission. You can change the details of any mass retirement before you submit the concurrent request.

You can also reinstate a mass retirement transaction. See: Correcting Retirement Errors (Reinstatements), page 4-10.

**Note:** When you perform a mass retirement, Oracle Assets creates PENDING transactions that are not PROCESSED until you run the Calculate Gains and Losses program. An exception to this is when you perform mass retirements by units, the status is automatically set to PROCESSED.

### To retire a GROUP of assets:

1. Navigate to Mass Retirements window.
2. Enter the Book from which you want to retire multiple assets.
3. Enter the date for the mass retirement. You can back date retirements to a prior period in the same fiscal year, or enter a date in the current open period. You cannot enter a date in a future period.
4. Enter the Retirement Type, or reason for this mass retirement. The type you enter applies to all the assets that meet your selection criteria.
5. Enter the total Proceeds of Sale and the total Cost of Removal for the mass retirement, if any. Oracle Assets prorates these amounts across the assets you select for the mass retirement according to each asset's cost.
6. Choose whether to retire all levels of subcomponents of all parent assets that meet your mass retirement selection criteria.
7. In the Retirements region, use the Asset Type poplist to indicate whether you want to retire CIP, Capitalized, or Expensed assets. Choose the blank option to retire CIP, Capitalized, Expensed, and Group assets.
8. Choose whether to:
  - Retire only fully reserved assets by checking the Fully Reserved - Yes check box

- Retire only assets that are not fully reserved by checking the Fully Reserved - No check box
- Retire all assets specified in the window. Do not check either of the Fully Reserved check boxes.

9. Enter one or more of the following selection criteria for your mass retirement:

- General Ledger Depreciation Expense Account range
- Location
- Group Asset
- Employee Name and Number
- Asset Category
- Asset Key
- Cost Range
- Asset Number range
- Dates in Service range
- Group Asset Association
- Group Asset

If you enter a value in more than one field, Oracle Assets includes only those assets that meet all the selection criteria in the mass retirement. For example, if you enter a location and employee, Oracle Assets includes all assets assigned to that employee AND location. Oracle Assets does not include assets in that location which are not assigned to the employee.

**Note:** Oracle Assets selection criteria is based on an alphabetical sort. For example, if you enter an asset number range of 100 to 200, asset numbers such as 1044 or 100234 are included in the selection.

10. Choose Create, Oracle Assets saves all the retirement information input, but does not execute the retirement transaction. The status field changes from New to Created. If you are satisfied with the retirement created, you may proceed to the next step. Optionally, you may choose to discard or further modify the criteria of the retirement transaction created.

- Discard your mass retirement transaction: Choose Discard if you wish to discard the created retirement. The status will change to Discard and all the information you entered will be purged.
  - Refine your retirement criteria: To further refine or modify the criteria of the created retirement, navigate to the Prepare Mass Retirement window. Mass Transaction > Retirements > Prepare In the Prepare Mass Retirement window, you can modify or further refine your retirement criteria. For example, you may change the backdate range, convert selected retirements to partial retirements, or reallocate the proceeds amounts as desired.
11. Choose Retire if you want Oracle Assets to automatically complete and post the retirement you created. Selecting Retire also runs the Mass Retirements Report and the Mass Retirements Exception Report. The status of transaction will change from Created to Pending momentarily, and finally to Completed when the mass retirement process completes.
    - You can also complete the retirement transaction by running the Post Mass Retirements concurrent program. To run this program, navigate to Mass Transactions > Retirements > Post. The Post Mass Retirement concurrent program will prompt for the Book and batch number parameters of the retirement transaction you wish to post. After the parameters are entered, select Submit to complete the mass retirement transaction.
  12. Choose Review to submit the Mass Retirement Report. This step can be done at any time after the Post process has completed.
  13. When you are ready to process gains and losses for the completed mass retirement transaction, run the Calculate Gains and Losses program. See: Calculating Gains and Losses, page 4-18

**Note:** Gains and losses are calculated automatically when performing mass retirements by units.

## Related Topics

Viewing Assets, page 12-1

Correcting Retirement Errors (Reinstatements), page 4-10

About Retirements, page 4-1

Journal Entries for Retirements and Reinstatements, page 6-35

Mass Retirements Report and Mass Retirements Exception Report, page 10-88

## Correcting Retirement Errors (Reinstatements)

You cannot reinstate assets retired in the previous fiscal year. You can reinstate only most recent or processed retirement. You can reinstate both individual and mass retirement transactions.

### To correct a retirement error:

1. Choose Assets > Asset Workbench from the Navigator window.
2. Find the asset you want to reinstate.

**Tip:** For best performance, find by asset number or tag number since they are unique values.

3. Choose Retirements.
4. Query the retirement transaction you want to undo.
5. If the retirement has a status of PROCESSED, choose Reinstate. If it is PENDING, choose Undo Retirement.
6. If the retirement has a status of PROCESSED, calculate gains and losses to reinstate the asset. If it is PENDING, Oracle Assets deletes the retirement transaction.

### To correct a reinstatement error:

- Query the reinstatement transaction in the Retirements window and choose the Undo Reinstatement button.

### To undo/reinstate a mass retirement transaction:

1. Navigate to the Mass Retirements window.
2. Use the mass transaction number to query the mass retirement transaction you want to reinstate.
3. Choose Undo. To reverse retirements for which you have not yet run the Calculate Gains and Losses program.
4. Choose Reinstate. To reverse retirements for which you have already run the Calculate Gains and Losses program.

**Note:** If you reinstate a mass retirement after you have run the Calculate Gains and Losses program, you must rerun the Calculate Gains and Losses program to process the mass reinstatement.

## Related Topics

Retiring Assets, page 4-4

Calculating Gains and Losses for Retirements, page 4-18

About Retirements, page 4-1

Journal Entries for Retirements and Reinstatements, page 6-35

Asset Retirements By Cost Center Report, page 10-85

Asset Retirements Report, page 10-86

Asset Disposals Responsibility Report, page 10-82

Reinstated Assets Report, page 10-86

Tax Retirements Report, page 10-64

Retired Assets Without Property Classes Report and Retired Assets Without Retirement Types Report, page 10-61

Mass Retirements Report and Mass Retirements Exception Report, page 10-88

Retirements Report, page 10-87

## Mass External Retirements

You can use Oracle Assets to retire a group of assets by populating an external interface table with these assets, setting the line status to POST, and running the Post Mass Retirements process.

Oracle Assets allows both partial cost and partial unit retirements. However, retirements can only be grouped using a Batch Number, which restricts you from fully utilizing the benefit of the Oracle Assets Mass Retirements feature.

## Related Topics

Rules for Mass External Retirements, page 4-11

Entering Mass External Retirements, page 4-12

## Rules for Mass External Retirements

To process the cost or unit retirements for the external retirement batch, you must populate the FA\_MASS\_EXT\_RETIREMENTS table with the correct retirement batch.

To perform the source line retirement you need to populate the source line details in table FA\_EXT\_INV\_RETIREMENTS in addition to populating values in FA\_MASS\_EXT\_RETIREMENTS. The following business rules apply to Mass External Retirements:

- The Review Status should be initially set to NEW, ON HOLD or POST by an external system.
- A Review Status of NEW indicates that the data is new and may require additional information before retirement can take place in the Post Mass Retirements process.
- A Review Status of ON HOLD indicates that the data should remain unprocessed by the Post Mass Retirements process until it is set to a Review Status of POST.
- A Review Status of POST indicates that the data is ready for retirement to take place in the Post Mass Retirements process.
- A Review Status of ERROR indicates that the data was invalid and will not be submitted for retirement in the Post Mass Retirements process. You can set these errored records to DELETE if they need to be removed from the database. Remove them by running the Purge Mass External Retirements program.
- A Review Status of DELETE indicates that the data will not be submitted for retirement in the Post Mass Retirements process.
- You can use the Purge Mass External Retirements process to remove posted or deleted records completely from the database.
- All displayed data passed from an external system or Oracle Projects is subject to modification.

## Entering Mass External Retirements

### To enter mass external retirements:

1. Populate the FA\_MASS\_EXT\_RETIREMENTS table with the assets to be retired along with relevant details. For source line retirement you need to populate both FA\_MASS\_EXT\_RETIREMENTS and FA\_EXT\_INV\_RETIREMENTS.
2. Set the Retirement line to a status of POST.
3. Submit the Post Mass Retirements concurrent process.

## Mass External Retirements Interface Table

The following table describes the columns and their dependencies found in the

FA\_MASS\_EXT\_RETIREMENTS table.

| Column Name             | Type         | Comments                                                                                                                                                                                                                                                                                                                             |
|-------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BATCH_NAME              | VARCHAR2(15) | Required. Use this column to distinguish a retirement batch from subsequent retirement batches, or use the same name for all mass retirements from the external system that you load at once.                                                                                                                                        |
| MASS_EXTERNAL_RETIRE_ID | NUMBER(15)   | Required. Oracle Assets uses this column as a unique identifier for mass retirements. The values in MASS_EXTERNAL_RETIRE_ID are generally sequential. You can use a sequence generator to populate this column.                                                                                                                      |
| RETIREMENT_ID           | NUMBER(15)   | Do not use this column.                                                                                                                                                                                                                                                                                                              |
| BOOK_TYPE_CODE          | VARCHAR2(15) | Optional. Use this column for the book that contains the asset you want to retire. You must choose a book that you have set up in the Book Controls window, and the asset must be defined for this book. Values in this column must be in uppercase.                                                                                 |
| REVIEW_STATUS           | VARCHAR2(8)  | <p>Required. To import retirement information from an external system, use the value of NEW for this column if you want to review this asset in the Mass External Retirements window.</p> <p>Use the value of POST for this column if you are entering all the required information and want to post the retirement immediately.</p> |

| Column Name                   | Type         | Comments                                                                                                                                                                                                                                    |
|-------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASSET_ID                      | NUMBER       | Optional. Use this column for the identifier of the asset that you want to retire. Note that the ASSET_ID is the unique internal identifier, and not the same as the external identifier ASSET_NUMBER.                                      |
| TRANSACTION_NAME              | VARCHAR2(30) | Optional. Use this column to note any details about the retirement of this asset or any other details.                                                                                                                                      |
| DATE_RETIRED                  | DATE         | Optional. Use this column to indicate the date you want to retire this asset, or you can leave it blank and the system determines it. The date must be in the current fiscal year, and cannot be before any other transaction on the asset. |
| DATE_EFFECTIVE                | DATE         | Optional. Reserved for future use.                                                                                                                                                                                                          |
| COST_RETIRED                  | NUMBER       | Optional. Use this column for the asset cost you want to retire.                                                                                                                                                                            |
| RETIREMENT_PRORATE_CONVENTION | VARCHAR2(10) | Optional. Enter the valid prorate convention for the retirement. You can leave it blank for the system to determine it for the asset                                                                                                        |
| UNITS                         | NUMBER       | Optional. Use this column for the number of units. If a partial number of units is supplied, the distribution_id column must be populated accordingly.                                                                                      |
| PERCENTAGE                    | NUMBER       | Optional. Reserved for future use.                                                                                                                                                                                                          |



| Column Name          | Type         | Comments                                                                                                                                                                                                                    |
|----------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COST_OF_REMOVAL      | NUMBER       | Optional. Use this column to enter the cost of removal of the asset, if any.                                                                                                                                                |
| PROCEEDS_OF_SALE     | NUMBER       | Optional. Use this column to enter the proceeds from the sale of the asset, if any.                                                                                                                                         |
| RETIREMENT_TYPE_CODE | VARCHAR2(15) | Optional. Enter a valid predefined RETIREMENTQuickCode.                                                                                                                                                                     |
| REFERENCE_NUM        | VARCHAR2(15) | Optional. Use this column for the reference number, if any.                                                                                                                                                                 |
| SOLD_TO              | VARCHAR2(30) | Optional. Use this column to enter the name of the party to whom this asset was sold.                                                                                                                                       |
| TRADE_IN_ASSET_ID    | NUMBER       | Optional. Use this column for the asset identifier of the new asset for which this asset was traded in. Note that the ASSET_ID is the unique internal identifier, and not the same as the external identifier ASSET_NUMBER. |
| CALC_GAIN_LOSS_FLAG  | VARCHAR2(3)  | Required. To run the Calculate Gains and Losses process immediately after the retirements process, enter YES. Otherwise enter NO.                                                                                           |
| STL_METHOD_CODE      | VARCHAR2(12) | Optional. Use this column for the straight line method for retirement reporting of 1250 property in a tax book.                                                                                                             |
| STL_LIFE_IN_MONTHS   | NUMBER       | Optional. Use this column for the straight line life for retirement.                                                                                                                                                        |

| Column Name         | Type       | Comments                                                                                                                                                                                                                                         |
|---------------------|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| STL_DEPRN_AMOUNT    | NUMBER     | Optional. Use this column for straight line depreciation amount for reporting of 1250 property in a tax book.                                                                                                                                    |
| CODE_COMBINATION_ID | NUMBER(15) | Optional. Use this column, together with the LOCATION_ID and ASSIGNED_TO columns, if partial units have been entered in the units column. The combination of these columns determines which assignment should be partially unit retired.         |
| LOCATION_ID         | NUMBER(15) | Optional. Use this column, together with the CODE_COMBINATION_ID and ASSIGNED_TO columns, if partial units have been entered in the units column. The combination of these columns determines which assignment should be partially unit retired. |
| ASSIGNED_TO         | NUMBER(15) | Optional. Use this column, together with the CODE_COMBINATION_ID and LOCATION_ID columns, if partial units have been entered in the units column. The combination of these columns determines which assignment should be partially unit retired. |
| CREATED_BY          | NUMBER(15) | Required. Use the value of 1 in this column, or the specific user ID of the person processing the mass retirements.                                                                                                                              |

| Column Name       | Type       | Comments                                                                                                            |
|-------------------|------------|---------------------------------------------------------------------------------------------------------------------|
| CREATION_DATE     | DATE       | Required. Use the column for the date you load this retirement line into the FA_MASS_EXT_RETIREMENTS table.         |
| LAST_UPDATED_BY   | NUMBER(15) | Required. Use the value of 1 in this column, or the specific user ID of the person processing the mass retirements. |
| LAST_UPDATE_DATE  | DATE       | Required. Use the column for the date you load this retirement line into the FA_MASS_EXT_RETIREMENTS table.         |
| LAST_UPDATE_LOGIN | NUMBER(15) | Optional. Use the value of 1 in this column, or the specific user ID of the person processing the mass retirements. |

The following table describes the columns and their dependencies found in the FA\_EXT\_INV\_RETIREMENTS table.

| Column Name             | Null     | Type       | Comments                                                           |
|-------------------------|----------|------------|--------------------------------------------------------------------|
| MASS_EXTERNAL_RETIRE_ID | Not null | NUMBER(15) | Mass External Retirement identifier.                               |
| SOURCE_LINE_ID          | Not null | NUMBER(15) | Source line identifier against which retirement will be processed. |
| COST_RETIRED            | Not null | NUMBER     | Amount to be retired from source line.                             |
| SOURCE_LINE_ID_RETIRED  |          | NUMBER(15) | Identifier of the source line retired.                             |

## Calculating Gains and Losses for Retirements

Run the calculate gains and losses program to:

- Calculate gains and losses resulting from retirements
- Correct the accumulated depreciation for reinstated assets
- Calculate Investment Tax Credit recapture for retired assets in a tax book, if necessary

**Tip:** Although the depreciation program automatically processes retirements, you can run the Calculate Gains and Losses program several times during the period to reduce period end processing time.

### To calculate gains and losses for retirements:

**Note:** If you are using Multiple Reporting Currencies (MRC), you can only run the Calculate Gains and Losses program using the standard Fixed Assets or MRC primary responsibility. You cannot run this program using an MRC reporting responsibility.

When you run the Calculate Gains and Losses program using the standard Fixed Assets or MRC primary responsibility, this program will also run automatically for the associated reporting responsibilities. See: *Multiple Reporting Currencies in Oracle Applications, Multiple Reporting Currencies in Oracle Applications*.

1. Choose Depreciation > Calculate Gains and Losses from the Navigator window.
2. In the Parameters window, enter the Book for which you want to calculate gains and losses.
3. Choose Submit to submit a concurrent process to calculate gains and losses.

If you wish to simultaneously run this program in more than one process to reduce processing time, Oracle Assets can be set up to run this program in parallel. For more information on setting up parallel processing and the FA: Number of Parallel Requests profile option, see: Profile Options and Profile Options Categories Overview, page B-1.

4. Review the log file after the request completes.

## Related Topics

Retiring Assets, page 4-4

Correcting Retirement Errors (Reinstatements), page 4-10

Running Depreciation, page 5-2

Submitting a Request, *Oracle Applications User's Guide*

About Retirements, page 4-1

Depreciation Calculation, page 5-21

## Retirement Requests

Field employees can use the Retirement Requests feature to identify and submit requests for asset retirements. These requests are received and reviewed by those responsible for asset retirements in Oracle Assets, who then edit the requests and complete the retirement process.

The retirement request captures all of the information about the asset that is available in the field, such as asset category, location, date placed in service, quantity retired, serial number, manufacturer, model number, tag number, and more. Information captured about the retirement transaction also includes project, task, and any removal cost or sales proceeds. The person responsible for asset retirements in Oracle Assets, the fixed asset accountant, reviews the request, makes any necessary additions or corrections, and completes processing of the retirement request.

An inbound API enables retirement information from external asset tracking systems to be interfaced directly into Oracle Assets as retirement requests. Since the imported retirement requests may result in high volumes of required processing each period, you have the option of batch processing all imported retirement requests. Using batch processing can eliminate the need for manual intervention and review of individual requests. See: Retiring a Group of Assets, page 4-7.

## Creating Retirement Requests in Oracle Projects - Field Employees

A field employee identifies one or more disposed field assets that should be retired from the financial systems. The employee enters the retirement request, which captures as much information about the assets and its retirement that is known to the field personnel.

### **To create a retirement request in Oracle Projects (Field Employee):**

1. Navigate to the Mass Retirements window in Oracle Projects.
2. In the top region of the window, enter the name of the asset book, and any information regarding the asset retirement.

**Note:** The Status field defaults to New and cannot be changed by field employees.

3. Using the Retirement Criteria and Additional Criteria tabs, enter the available asset identification information.
4. From the menu, select Save to save your work.

**Note:** The mass transaction number is automatically created when the request is saved. Field and accounting staff can use this number to query and track the retirement request.

5. You can delete the retirement request by selecting Delete from the menu. You can only delete the retirement requests that you created, and only those that have a status of New.

### **Processing Retirement Requests - Fixed Asset Accountant**

The fixed asset accountant reviews the newly created retirement request for validity and information content. Information in the retirement request can be added or corrected as needed.

The create mass retirements process finds and selects assets to be retired based on the criteria entered in the retirement request. This process also applies retirement cost to each retirement, based on the cost retired.

You can review the mass retirement batch and the individual assets it contains, and subsequently edit, add, or delete information. The mass retirement transactions are then posted into Oracle Assets.

### **To process retirement requests - Fixed Asset Accountant:**

1. Navigate to the Mass Retirements window.
2. Query the retirement request you wish to review. Add or correct information if needed.

**Note:** All new retirement requests have a status of New. You can change the status to Pending or On Hold.

3. Select the Create button to create a mass retirement batch containing assets meeting the retirement request criteria. The selection process also applies retirement cost to each selected retirement, based on the cost retired. The status of the request changes from New or Pending to Created.
4. To discard the mass retirement and end further processing, select the Discard button.
5. Optionally, navigate to Find Mass Retirements window to review, edit, or delete any of the individual retirements.

You can enter or modify the cost of removal and proceeds of sale for non-project related assets. For project related assets, the cost of removal and proceeds of sale cannot be changed, since the retirement costs are handled separately using the retirement cost processing feature.

6. In the Mass Retirements window, select the Retire button to submit the Post Mass Retirements process and posts the mass retirement. The Mass Retirements Report and the Mass Retirements Exception Report run automatically when the process completes. The status of the mass retirement will change from Created to Pending momentarily, and finally to Completed when the process completes.

## Processing Imported Retirement Requests

You can process the imported retirement requests individually or by batch. Processing imported requests individually is similar to processing manually created retirement requests, as previously described.

Retirement requests originating in external systems are imported into Oracle Assets via the Retirement Requests API. The status field of the imported request is automatically set to Pending. Optionally, you can review the request for validity and information content.

Submitting the batch asset selection program finds all retirement requests with a status of Pending, from these, it selects assets for retirement that meet the criteria of the requests.

The batch program generates an error log indicating if an insufficient asset quantity is found to meet the criteria of a retirement request, or one or more of the required fields were not populated on a retirement request. The batch process also applies retirement cost to each selected retirement, based on the cost retired.

You can review the batch of selected assets, and use the batch posting process to post the mass retirement batches into Oracle Assets.

**To process imported retirement requests individually:**

1. Use the Retirement Requests API to import a retirement request from an external system into Oracle Assets.
2. Navigate to the Mass Retirements window. Use the mass transaction number to query the individual request you wish to review. Review the new retirement request for valid and complete information. Add, edit, or delete information as needed.
3. Select the Create button to create a mass retirement containing assets meeting the retirement request criteria. The selection process also applies retirement cost to each selected retirement, based on the cost retired. The status of the request changes from New or Pending to Created.
4. To discard the mass retirement and end further processing, select the Discard button.
5. Optionally, navigate to the Find Mass Retirements window to find, review, edit, or delete any of the individual retirements.

Cost of Removal and Proceeds of Sale can be entered or modified for non-project related assets. For project related assets, cost of removal and proceeds of sale cannot be changed, since retirement costs are handled separately using the Retirement Cost Processing feature.

6. In the Mass Retirements window, select the Retire button to submit the Post Mass Retirements process and posts the mass retirement. The Mass Retirements Report and the Mass Retirements Exception Report run automatically when the process completes. The status of the mass retirement will change from Created to Pending momentarily, and finally to Completed when the post mass retirement process completes.

**To process imported retirement requests by batch:**

1. Use the Retirement Requests API to import retirement requests from an external system into Oracle Assets.
2. Optionally, review the new retirement requests for valid and complete information. Navigate to the Mass Retirements window and query all or selected imported retirement requests. You can find all newly imported retirement requests by querying for Pending in the Status field. Review the requests and enter any needed corrections or additions.
3. Navigate to the Submit Request window and select the Process Pending Retirements Criteria program.



4. The parameters include Book and Extended Search, Yes or No. Selecting Yes or No for the Extended Search parameter will result in the following behavior:

**Yes:** If Yes is selected for the Extended Search Criteria parameter, and the number of asset units found using the retirement request criteria is less than the number of units specified in the retirement request, the system will also include assets outside of the specified date place in service range. Assets outside the specified date place in service range are selected on a FIFO basis.

**No:** If No is selected for the Extended Search Criteria parameter, and the number of asset units found using the retirement request criteria is less than the number of units specified in the retirement request, the system will put the request on hold.

5. Submit the Process Pending Retirements Criteria program to automatically select and process all retirement requests with a status of Pending.

If the retirement request specifies the cost retired, it will be prorated by the original cost.

**Note:** Imported retirements requests have an initial Status of Pending.

6. Review the error log for error conditions. Possible error conditions include the following:
  - The program found an insufficient number of assets that meet the retirement request criteria.
  - The retirement request has one or more required fields that were not populated.
7. Optionally, navigate to the Mass Retirements window to query, review, or edit the mass retirements created. To discard a mass retirement and end further processing, select the Discard button.
8. Optionally, navigate to Find Mass Retirements to find, review, edit, or delete any of the individual retirements.
9. Navigate to the Submit Request window and select the Post Mass Retirements program. The parameters include Book and Batch Name. You must select a book for the Book parameter. The Batch Name parameter is optional. If you select a batch, posting is limited to the batch. If you do not select a batch, the program will post all mass retirement batches that have a status of Created, and are associated with the selected book parameter.

The Mass Retirements Report and the Mass Retirements Exception Report run automatically when the process completes. The status of selected mass retirements will change from Created to Pending momentarily, and finally to Completed when the post mass retirement process completes.

## **Related Topics**

[Viewing Assets, page 12-1](#)

[About Retirements, page 4-1](#)

[Retiring Assets, page 4-4](#)

[Mass Retirements Report and Mass Retirements Exception Report, page 10-88](#)

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## Depreciation

This chapter covers the following topics:

- Running Depreciation
- Rolling Back Depreciation
- Depreciation Override
- About the Depreciation Override Interface
- Loading Depreciation Override Data
- Basic Depreciation Calculation
- Depreciation Calculation for Flat-Rate Methods
- Depreciation Calculation for Table and Calculated Methods
- Depreciation Calculations for Double Declining Table Base Methods
- Depreciation Calculation for the Units of Production Method
- Assets Depreciating Under Units of Production
- Using the Production Interface
- Entering Production Amounts
- Projecting Depreciation Expense
- Forecasting Depreciation
- Data Archive and Purge
- Archiving and Purging Transaction and Depreciation Data
- Unplanned Depreciation
- Bonus Depreciation
- Defaulting Asset Salvage Value as a Percentage of Cost
- Depreciating Assets Beyond the Useful Life

## Running Depreciation

Run depreciation to process all assets in a book for a period. If you have assets that have not depreciated successfully, these assets are listed in the log file created by Oracle Assets when you run depreciation.

## Closing a Depreciation Period

When you run depreciation, Oracle Assets gives you the option of closing the current period if you check the Close Period check box on the Run Depreciation window. If all of your assets depreciate successfully, Oracle Assets automatically closes the period and opens the next period for the book. If you do not check the Close Period check box when you run depreciation, Oracle Assets does not close the period.

Once depreciation has been processed for an asset in the current open period, you cannot perform any transactions on those assets unless depreciation is rolled back or the current period is closed. See: *Rolling Back Depreciation*, page 5-3.

**Note:** Ensure that you have entered all transactions for the period before you run depreciation. Once the program closes the period, you cannot reopen it.

## Multiple Reporting Currencies

If you are using Multiple Reporting Currencies (MRC), you can only run the Calculate Gains and Losses and depreciation programs using the standard Fixed Assets or MRC primary responsibility. You cannot run these programs using an MRC reporting responsibility.

When you run the Calculate Gains and Losses and depreciation programs using the standard Fixed Assets or MRC primary responsibility, these program will also run automatically for the associated reporting responsibilities. See: *Multiple Reporting Currencies in Oracle Applications*, *Multiple Reporting Currencies in Oracle Applications*.

### Prerequisites

- Run the Assets Not Assigned to Any Cost Centers Listing and the Assets Not Assigned to Any Books Listing to ensure that all assets are assigned to expense accounts and books. See: *Assets Not Assigned to Any Books Listing/Assets Not Assigned to any Cost Centers Listing*, page 10-30.
- Optionally process retirements regularly throughout the period. See: *Calculating Gains and Losses for Retirements.*, page 4-18

### To run depreciation:

1. Open the Run Depreciation window.
2. Choose the Book for which you want to run depreciation.
3. Choose whether you want Oracle Assets to close the period after successfully depreciating all assets.
4. Choose Run to submit concurrent requests to run the calculate gains and losses, depreciation, and reporting programs.

**Note:** You cannot enter transactions for the book while depreciation is running.

Oracle Assets automatically runs the Journal Entry Reserve Ledger report when you run the depreciation program for a corporate book, and the Tax Reserve Ledger report for a tax book, so you can review the depreciation calculated. These reports are run automatically for the primary currency only. You can use the Standard Report Submission (SRS) process to manually run these reports for the reporting currencies.

5. Review the log files and report after the request completes.
6. If the log file lists assets that did not depreciate successfully, correct the errors and re-run depreciation.

### Related Topics

Depreciation Calculation, page 5-21

Depreciation Reports, page 10-39

Submitting a Request, *Oracle Applications User's Guide*

Rolling Back Depreciation, page 5-3

### Rolling Back Depreciation

Depreciation rollback restores assets to their state prior to running depreciation. For example, you may have outstanding adjustments or transactions that you need to process for a period. However, you have already run depreciation for that period. If the Close Period check box was not checked when you ran depreciation, depreciation is automatically rolled back when you process transactions on these assets.

Financial adjustments and other transactions can be made to one or more assets through

the asset workbench or mass transactions. Oracle Assets will automatically rollback depreciation on the selected assets and allow the transactions to be processed normally. The assets for which depreciation was rolled back are automatically included in the next depreciation run.

Depreciation is rolled back automatically by Oracle Assets provided the following conditions are met:

- Depreciation has been processed in that period
- The period is not Closed

## Related Topics

Running Depreciation, page 5-2

Depreciation Calculation, page 5-21

Depreciation Reports, page 10-39

## Depreciation Override

Depreciation Override allows you to optionally override the depreciation amounts calculated by Oracle Assets. Using this feature, you can manually override the calculated default depreciation amounts for standalone and group assets.

Before running depreciation or performing adjustments, you must provide the necessary information in the Depreciation Override window or the FA\_DEPRN\_OVERRIDE table, and indicate whether the override data is for depreciation or adjustments. When running depreciation, the system will upload and use the depreciation amounts provided in the interface table.

If you do not use the Depreciation Override window to input the override amounts, you must first populate the FA\_DEPRN\_OVERRIDE table with the necessary depreciation data. Next, the feature uploads and overrides the system calculated depreciation amounts with the amounts you provided in the override interface table.

### Prerequisite

- Set the profile option FA: Enable Depreciation Override to Yes.

**Note:** For MRC-enabled books, you do not need to provide the override amounts for the reporting currency books. The system will derive the reporting currency values based on the ratio of asset cost in the reporting currency to asset cost in the ledger currency.

## To override the system calculated depreciation amounts using the Depreciation Override window:

1. Navigate to the Depreciation Override window.
2. You can use the Find Assets window to find assets for which you want to change depreciation.
3. If you did not use the Find Assets window, or query, to find the assets records you wish to modify, enter the asset number, book, and period of the asset in the rows of Depreciation Override window.
4. In the Depreciation field, you can enter the override depreciation amount.
5. In the Bonus Depreciation field you can enter the override bonus depreciation amount.
6. In the Use By field, you can select the adjustment type of Depreciation or Adjustment. The default value is Depreciation when creating a new record.
7. The Status field displays the current status of the override record, which may be New, Post, or Posted. If the status is Post or Posted, you cannot update the record, you can only delete the record and reenter the updated record.
8. Select Save from the menu to save your work.

## To override the system calculated depreciation amounts using the FA\_DEPRN\_OVERRIDE table:

1. Define the override data in the FA\_DEPRN\_OVERRIDE table. In the FA\_DEPRN\_OVERRIDE table, enter all basic override depreciation information: BOOK\_TYPE\_CODE, ASSET\_ID, PERIOD\_NAME, DEPRN\_AMOUNT, BONUS\_DEPRN\_AMOUNT and USED\_BY. You can provide depreciation amounts for depreciation expense and bonus expense separately using the columns: DEPRN\_AMOUNT and BONUS\_DEPRN\_AMOUNT. Define either DEPRECIATION or ADJUSTMENT in the USED\_BY column depending on your requirement.

**Note:** You can assign multiple override data for each asset as long as PERIOD\_NAME and USED\_BY do not overlap for records with a non-posted status.

2. Optionally run What-If Analysis or Projection to review the estimated depreciation amounts for that period.

3. Run Depreciation or perform adjustments (single asset adjustment and mass change) to incorporate the override data.
4. If the override fails, the system will roll back the depreciation for the asset. You first need to correct the override information in the interface table, then rerun depreciation. For example, if any assets became over-reserved during the overriding process, the override will fail and the system will return an error.

## Depreciation Example

The following table contains asset setup information used in this example.

| Asset Setup Item | Asset Setup Information    |
|------------------|----------------------------|
| Book Type Code   | CORP                       |
| Asset Number     | ASSET-A (Asset ID: 100869) |
| Method           | Flat COST                  |
| Rate             | 10%                        |
| Bonus Rule       | 10%                        |
| Cost             | 1,000,000                  |
| Addition Date    | Qtr-2-95                   |
| Salvage Value    | 0                          |

Load the following override data in the FA\_DEPRN\_OVERRIDE table before running depreciation:

| BOOK_TYPE_CODE | ASSET ID | PERIOD NAME | DEPRN_AMOUNT | BONUS_DEPRN_AMOUNT | USED BY      |
|----------------|----------|-------------|--------------|--------------------|--------------|
| CORP           | 100869   | Qtr-2-1996  | 80,000       | (NULL)             | DEPRECIATION |
| CORP           | 100869   | Qtr-3-1996  | (NULL)       | 50,000             | DEPRECIATION |



| BOOK_<br>TYPE_<br>CODE | ASSET ID | PERIOD<br>NAME | DEPRN_<br>AMOUNT | BONUS_<br>DEPRN_<br>AMOUNT | USED BY          |
|------------------------|----------|----------------|------------------|----------------------------|------------------|
| CORP                   | 100869   | Qtr-2-1997     | 100,000          | 0                          | DEPRECIATI<br>ON |
| CORP                   | 100869   | Qtr-4-1998     | (NULL)           | 0                          | DEPRECIATI<br>ON |
| CORP                   | 100869   | Qtr-3-1999     | (NULL)           | 20,000                     | DEPRECIATI<br>ON |

Expected depreciation results for Asset ID 100869 are included in the following table:

| Fiscal Year   | 1995      | 1996      | 1997      | 1998      | 1999      |
|---------------|-----------|-----------|-----------|-----------|-----------|
| Adjusted Cost | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 | 1,000,000 |
| Q1            | 0         | 50,000    | 50,000    | 50,000    | 50,000    |
| Q2            | 50,000    | 105,000   | 100,000   | 50,000    | 50,000    |
| Q3            | 50,000    | 75,000    | 50,000    | 50,000    | 45,000    |
| Q4            | 50,000    | 50,000    | 50,000    | 25,000    | 0         |
| Accumulated   | 150,000   | 430,000   | 680,000   | 855,000   | 1,000,000 |
| Basic Rate    | 10%       | 10%       | 10%       | 10%       | 10%       |
| Bonus Rate    | 10%       | 10%       | 10%       | 10%       | 10%       |

For this example:

- System Calculated Depreciation Amount for each period = 25,000
- System Calculated Bonus Depreciation Amount for each period = 25,000
- Qtr2-96 = (override deprn amt) + (system calculated bonus deprn amt) = 80,000 + 25,000 = 105,000

- $\text{Qtr3-96} = (\text{system calculated deprn amt}) + (\text{override bonus deprn amt}) = 25,000 + 50,000 = 75,000$
- $\text{Qtr2-97} = (\text{override deprn amt}) + (\text{override bonus deprn amt}) = 100,000 + 0 = 100,000$
- $\text{Qtr4-98} = (\text{system calculated deprn amt}) + (\text{override bonus deprn amt}) = 25,000 + 0 = 25,000$
- $\text{Qtr3-99} = (\text{system calculated deprn amt}) + (\text{override bonus deprn amt}) = 25,000 + 20,000 = 45,000$

**Note:** Currently, Oracle Assets does not support bonus depreciation amounts in the last period of an asset's life (Qtr3-99 in this example). As a default, the depreciation amount for Qtr3-99 is calculated as follows:

- The system calculated Depreciation Amount for Qtr3-99 = Adjusted Recoverable Cost - Depreciation Reserve =  $(1,000,000 - 955,000) = 45,000$ .
- The system calculated Bonus Depreciation Amount for Qtr3-99 = 0.

Using the override feature, you can define the bonus amount even at the last period of life for the asset, provided  $((\text{Depreciation Reserve} + \text{Current Period Depreciation Total}) = \text{Adjusted Recoverable Cost})$ . If the total of depreciation reserve and current period depreciation is greater than the adjusted recoverable cost, the system will return an error. Next, you need to correct the amount and run depreciation again.

## Adjustment Example

The following table contains asset setup information used in this example.

| Asset Setup Item | Asset Setup Information    |
|------------------|----------------------------|
| Book Type Code   | CORP                       |
| Asset Number     | ASSET-B (Asset ID: 100870) |
| Method           | Flat NBV                   |
| Rate             | 10%                        |

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Bonus Rule       | 0%                      |
| Cost             | 10,000                  |
| Addition Date    | Qtr-2-95                |
| Salvage Value    | 0                       |

Load the following override data in the FA\_DEPRN\_OVERRIDE table before performing the adjustment:

| BOOK_<br>TYPE_<br>CODE | ASSET ID | PERIOD<br>NAME | DEPRN_<br>AMOUNT | BONUS_<br>DEPRN_<br>AMOUNT | USED BY        |
|------------------------|----------|----------------|------------------|----------------------------|----------------|
| CORP                   | 100870   | Qtr-3-1995     | 0                | 1,000                      | ADJUSTMEN<br>T |

### Non-Override Example

For this example:

- Expensed Adjustment on Qtr-1-96
- Adjustment Amount from 10,000 to 20,000
- Missed Depreciation = Re-calculated Depreciation Total - Depreciation Reserve =  $(20,000 * 0.1 / 4 * 3) - 750 = 750$
- New Adjusted Cost for 1996 = New Cost - Recalculated Depreciation Reserve for 1995 =  $20,000 - (20,000 * 0.1 / 4 * 3) = 20,000 - 1,500 = 18,500$

Expected depreciation results for Asset ID 100870 are included in the following table:

|               | 1995   | 1996             | 1997   |
|---------------|--------|------------------|--------|
| Adjusted Cost | 10,000 | 18,500           | 17,400 |
| Q1            | 0      | 1,213 (=463+750) | 435    |

|             | 1995 | 1996  | 1997  |
|-------------|------|-------|-------|
| Q2          | 250  | 463   | 435   |
| Q3          | 250  | 463   | 435   |
| Q4          | 250  | 461   | 435   |
| Accumulated | 750  | 2,600 | 4,340 |
| Basic Rate  | 10%  | 10%   | 10%   |
| Bonus Rate  | 0%   | 0%    | 0%    |

### Override Example

For this example:

- Enter the override amount as indicated in the following table:

| BOOK_<br>TYPE_<br>CODE | ASSET ID | PERIOD<br>NAME | DEPRN_<br>AMOUNT | BONUS_<br>DEPRN_<br>AMOUNT | USED BY          |
|------------------------|----------|----------------|------------------|----------------------------|------------------|
| CORP                   | 100870   | Qtr-3-1995     | (NULL)           | 1,000                      | DEPRECIAT<br>ION |

### Scenario:

- Expensed Adjustment on Qtr-1-96
- Adjustment Amount from 10,000 to 20,000
- Missed Depreciation = Re-calculated Depreciation Total - Depreciation Reserve=  
 $(20,000 * 0.1 / 4 * 3 + 1,000) - 750 = 1,750$
- New Adjusted Cost for 1996 = New Cost - Recalculated Depreciation Reserve for  
1995 =  $20,000 - (20,000 * 0.1 / 4 * 3 + 1,000) = 20,000 - 2,500 = 17,500$

The expected depreciation results for asset ID 100870 are included in the following table:

|               | 1995   | 1996               | 1997   |
|---------------|--------|--------------------|--------|
| Adjusted Cost | 10,000 | 17,500             | 16,500 |
| Q1            | 0      | 2,188 (=438+1,750) | 413    |
| Q2            | 250    | 438                | 413    |
| Q3            | 250    | 438                | 413    |
| Q4            | 250    | 436                | 411    |
| Accumulated   | 750    | 3,500              | 5,150  |
| Basic Rate    | 10%    | 10%                | 10%    |
| Bonus Rate    | 0%     | 0%                 | 0%     |

As above, override effect will appear in the adjusted period, in this case, Qtr-1-96.

For this example:

- Expensed Adjustment on Qtr1-96
- Adjustment Amount: From 10,000 To 20,000
- Missed Depreciation = Re-calculated Depreciation Total - Depreciation Reserve =  $(20,000 \times 0.1/4 \times 3 + 1,000) - 750 = 2,500 - 750 = 1,750$
- New Adjusted Cost for 1996 = New Cost - Recalculated Depreciation Reserve for 1995 =  $20,000 - (20,000 \times 0.1/4 \times 3 + 1,000) = 20,000 - 2,500 = 17,500$

The expected depreciation results for asset ID 100870 are included in the following table:

| Fiscal Year   | 1995   | 1996   | 1997   |
|---------------|--------|--------|--------|
| Adjusted Cost | 10,000 | 17,500 | 15,750 |
| Q1            | 0      | 438    | 394    |
| Q2            | 250    | 438    | 394    |

| <b>Fiscal Year</b> | <b>1995</b> | <b>1996</b> | <b>1997</b> |
|--------------------|-------------|-------------|-------------|
| Q3                 | 250         | 438         | 394         |
| Q4                 | 250         | 437         | 393         |
| Accumulated        | 750         | 2,500       | 4,075       |
| Basic Rate         | 10%         | 10%         | 10%         |
| Bonus Rate         | 0%          | 0%          | 0%          |

In the above example:

- The FA: Annual Rounding profile option is set to always.
- $\text{Qtr1-96} = \text{Periodic Depreciation Amount} + \text{Missed Depreciation Amount} = 438 + 1750 = 2188.$

Currently, Oracle Assets does not support bonus depreciation for back-dated amortized adjustments. If you provide override bonus depreciation amounts, and back-dated amortized adjustments are used, the override will fail with an error.

## About the Depreciation Override Interface

You can use the Depreciation Override feature to manually override the default depreciation amounts calculated by Oracle Assets. The depreciation override information is loaded in the FA\_DEPRN\_OVERRIDE table. The necessary information must be loaded prior to depreciating or adjusting the assets that will have their depreciation overridden.

### FA\_DEPRN\_OVERRIDE Interface Table

The database definition of the FA\_DEPRN\_OVERRIDE table does not require values for any columns. However, to properly override the system-calculated depreciation amounts, you should consider the points below:

- Since no user interface is currently available for this feature, you must ensure the interface table is properly populated before running depreciation or making adjustments.
- The status of the records is updated from NEW to POSTED when the record information actually overrides the depreciation calculated by Oracle Assets.

- You cannot update records after they are inserted and stored in the table. For records with a status of New, you can delete the record and then re-enter the record with the correct information.

## Loading Depreciation Override Data

To use the Depreciation Override feature in Oracle Assets, you must load your depreciation override data into the FA\_DEPRN\_OVERRIDE table in Oracle Assets. The Usage column in the following table indicates whether a field is required, optional, or system-generated.

| Column Name       | Type         | Description                                                                                                                                                                                     | Usage            |
|-------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| DEPRN_OVERRIDE_ID | NUMBER(15)   | This is a unique identifier for the depreciation override records in this interface table. This number is automatically assigned to each record when you insert override data into this table.  | System-generated |
| BOOK_TYPE_CODE    | VARCHAR2(15) | Use this column for the book that will receive the depreciation override. You must choose a book that you have set up in the Book Controls window, and the book class must be CORPORATE or TAX. | Required         |
| ASSET_ID          | NUMBER(15)   | This column is a unique identifier for assets.                                                                                                                                                  | Required         |

| Column Name        | Type         | Description                                                                                                                                                                                                                                                                                                                                | Usage    |
|--------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| PERIOD_NAME        | VARCHAR2(15) | Use this column for the period on which you want to perform overriding the system-calculated depreciation amounts.                                                                                                                                                                                                                         | Required |
| DEPRN_AMOUNT       | NUMBER       | Use this column to store the override depreciation amounts. This depreciation amount does not include bonus depreciation amounts.                                                                                                                                                                                                          | Optional |
| BONUS_DEPRN_AMOUNT | NUMBER       | Use this column to store the override bonus depreciation amounts. For assets with bonus depreciation, you need to set up the bonus rule for the asset as a prerequisite. Otherwise, depreciation and adjustments will fail with an error. You need to enter the overriding amount in either the DEPRN_AMOUNT or BONUS_DEPRN_AMOUNT column. | Optional |
| SUBTRACTION_FLAG   | VARCHAR2(1)  | Do not use this column.                                                                                                                                                                                                                                                                                                                    | Null     |



| Column Name           | Type         | Description                                                                                                                                                                                                                                                                                                                                                                                                                                   | Usage            |
|-----------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| USED_BY               | VARCHAR2(15) | Enter either DEPRECIATION or ADJUSTMENT in this column depending on the situation in which you want to use this data.                                                                                                                                                                                                                                                                                                                         | Required         |
| STATUS                | VARCHAR2(1)  | When you insert asset depreciation information into this table, it automatically assigns NEW in this status column. When depreciation or adjustments are performed, the status of the used record is updated to POSTED. You cannot delete any records with a POSTED status from this table. You can assign multiple override data for each asset, as long as the PERIOD_NAME and USED_BY do not overlap for records with a non-posted status. | System-generated |
| TRANSACTION_HEADER_ID | NUMBER(15)   | This column stores the TRANSACTION_HEADER_ID in the FA_TRANSACTION_HEADERS table. The number is automatically assigned to this column when you perform adjustments.                                                                                                                                                                                                                                                                           | System-generated |

| Column Name            | Type       | Description                                                                                  | Usage    |
|------------------------|------------|----------------------------------------------------------------------------------------------|----------|
| REQUEST_ID             | NUMBER(15) | Use this column to store the REQUEST_ID if you use any loading program.                      | Optional |
| PROGRAM_APPLICATION_ID | NUMBER(15) | Use this column to store the application ID if you use any loading program.                  | Optional |
| PROGRAM_ID             | NUMBER(15) | Use this column to store the request ID if you use any loading program.                      | Optional |
| CREATED_BY             | NUMBER(15) | Use the value 1 in this column, or the specific user ID of the person working on the import. | Optional |
| CREATION_DATE          | NUMBER(15) | Use this column for the date you load this asset into FA_DEPRN_OVERRIDE table.               | Optional |

## Import data from a non-Oracle system using SQL\*Loader

You can use SQL\*Loader to import depreciation override data by completing the following steps:

### 1. Define your interim table in the Oracle database.

Use a single interim table if possible. You can use multiple tables if the data exists in multiple tables or files in the system from which you are loading data. In either case, you must eventually place the data in a single table, the FA\_DEPRN\_OVERRIDE table.

If you prefer, you can load data directly into the FA\_DEPRN\_OVERRIDE table, but it is more difficult due to the complexity of the table.

## **2. Load your interim table using SQL\*Loader.**

Use SQL\*Loader to import information from outside your Oracle database. SQL\*Loader accepts a number of input file formats and loads your depreciation override data into your interim table.

If the data already resides within an Oracle database, there is no need to use SQL\*Loader. Simply consolidate the depreciation override information in your interim table using SQL\*Plus or import, and go directly to the next step.

- Convert the depreciation override information into text form.

Most database or file systems can output data in text form. Usually you can generate a variable or fixed format data file containing comma or space delimiters from the existing system. If you cannot find a way to produce clean text data, try generating a report to disk, using a text editor to format your data. Another option is to have SQL\*Loader eliminate unnecessary information during its run. If there is a large volume of information, or if the information is difficult to convert into a loadable format, you can write your own import program. Construct your program to generate a SQL\*Loader readable text file.

- Create the SQL\*Loader control file.

In addition to the actual data text file, you must write a SQL\*Loader control file. The control file tells SQL\*Loader how to import the data into your interim table. Be sure to specify a discard file if you are planning to use SQL\*Loader to filter your data.

- Run SQL\*Loader to import your depreciation override data.

Once you have created your depreciation override data file and SQL\*Loader control file, run SQL\*Loader to import your data. SQL\*Loader produces a log file with statistics about the import, a bad file containing records that could not be imported due to errors, and a discard file containing all the records that were filtered out of the import by commands placed in the control file.

## **3. Compare record counts and check the SQL\*Loader files.**

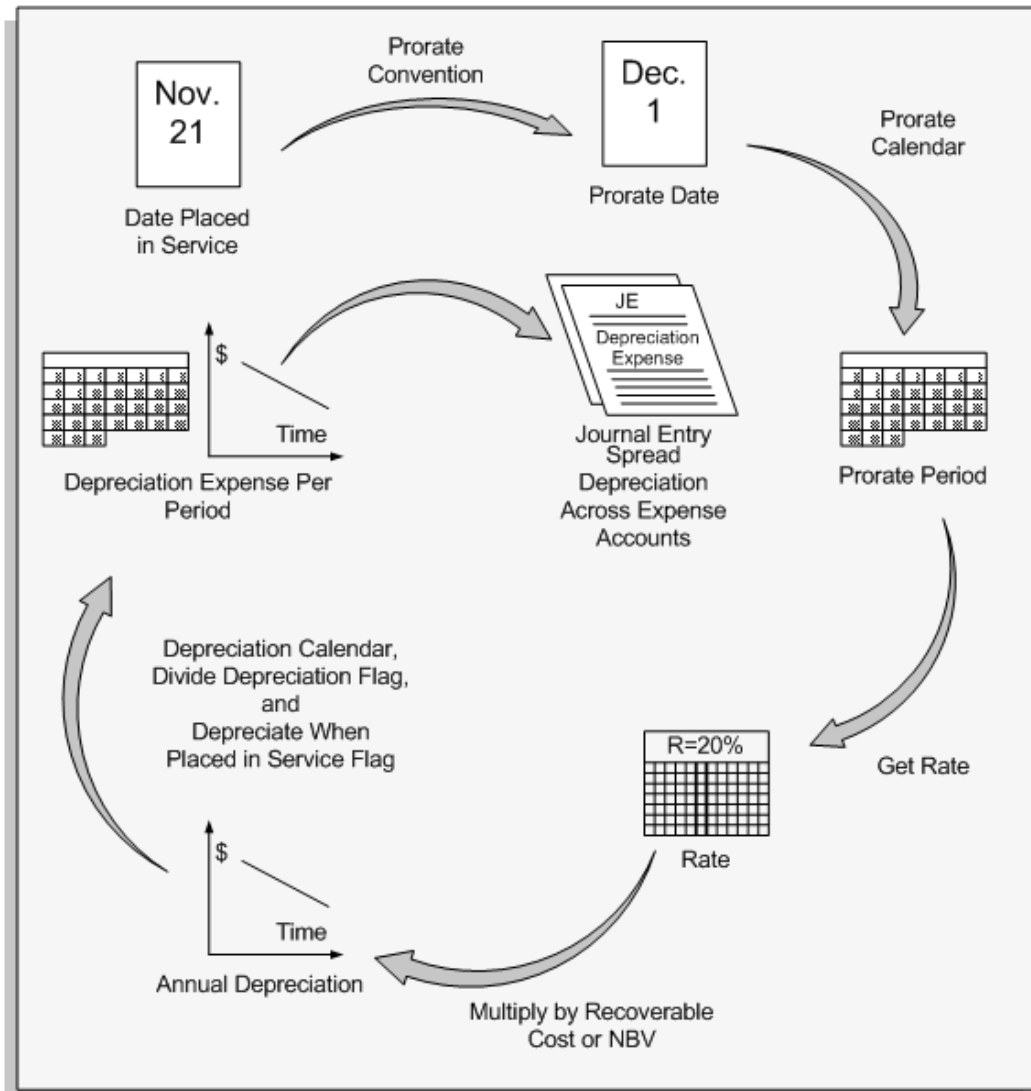
Check the number of rows in the interim table against the number of records in your original depreciation override data file or table to ensure that all depreciation override records were imported.

The log file shows if records were rejected during the load, and the bad file shows which records were rejected. Fix and re-import the records in the bad file.

## **4. Spot check the interim table.**

Check several records throughout the interim table and compare them to the corresponding records in the original data file or table. Look for missing or invalid data. This step ensures that your data was imported into the correct columns and that all columns were imported.

## Basic Depreciation Calculation



### Prorate Date

Oracle Assets prorates the depreciation taken for an asset in its first fiscal year of life according to the prorate date. Oracle Assets calculates the prorate date when you initially enter an asset. The prorate date is based on the date placed in service and the asset prorate convention. For example, if you use the half-year prorate convention, the prorate date of all assets using that convention is simply the mid-point of your fiscal year. So assets acquired in the same fiscal year take the same amount (half a year's worth) of depreciation in the first year. If however, you use the following month prorate convention, the prorate date is the beginning of the month following the month placed

in service, so the amount of depreciation taken for assets acquired in the same fiscal year varies according to the month they were placed in service.

Your reporting authority's depreciation regulations determine the amount of depreciation to take in the asset's first year of life. For example, some governments require that you prorate depreciation according to the number of months you hold an asset in its first fiscal year of life. In this case, your prorate convention has twelve rate periods--one for each month of the year. Other reporting authorities require that you prorate depreciation according to the number of days that you hold an asset in its first year of life. This means that the fiscal year depreciation amount would vary depending on the day you added the asset. Thus, your prorate convention contains 365 prorate periods--one for each day of the year.

## **Depreciation Rate**

### **Calculation Basis**

Oracle Assets calculates depreciation using either the recoverable cost or the recoverable net book value as a basis. If the depreciation method uses the asset cost, Oracle Assets calculates the fiscal year depreciation by multiplying the recoverable cost by the rate.

If the depreciation method uses the asset net book value, Oracle Assets calculates the fiscal year depreciation by multiplying the recoverable net book value as of the beginning of the fiscal year, or after the latest amortized adjustment or revaluation, by the rate.

### **Determining the Prorate Period**

Oracle Assets uses the prorate date to choose a prorate period from the prorate calendar.

For life-based methods, the prorate period and asset age then determine which rate Oracle Assets selects from the rate table. The depreciation program calculates asset age from the date placed in service as the number of fiscal years that you have held the asset. If two assets are placed in service at different times, but have the same depreciation method and life, Oracle Assets uses the same rate table, but may choose a different rate from a different column and row in the table.

Flat-rate methods use a fixed rate and do not use a rate table.

### **Determining the Depreciation Rate**

For life-based depreciation methods, Oracle Assets uses the depreciation method and life to determine which rate table to use. Then, it uses the prorate period and year of life to determine which of the rates in the table to use. Note that the life of an asset has more fiscal years than its asset calendar life if it is placed in service during a fiscal year.

Flat-rate depreciation methods determine the depreciation rate using fixed rates,

including the basic rate, adjusting rate, and bonus rate.

## **Calculate Annual Depreciation**

Calculated and table-based methods calculate annual depreciation by multiplying the depreciation rate by the recoverable cost or net book value as of the beginning of the fiscal year.

Flat-rate methods calculate annual depreciation as the depreciation rate multiplied by the recoverable cost or net book value, multiplied by the fraction of year the asset was held.

## **Allocate Annual Depreciation Across Periods**

After calculating the annual depreciation amount, Oracle Assets uses your depreciation calendar, the divide depreciation flag, and the depreciate when placed in service flag to determine how much of the fiscal year depreciation to allocate to the period for which you ran depreciation.

If you choose to allocate depreciation evenly to each of your accounting periods, Oracle Assets divides the annual depreciation by the number of depreciation periods in your fiscal year to get the depreciation per period. If, however, you choose to allocate it according to the number of days in each period, Oracle Assets divides the annual depreciation by the number of days the asset depreciates in the fiscal year and multiplies the result by the number of days in the appropriate accounting period.

## **Spreading Depreciation Across Expense Accounts**

Finally, Oracle Assets allocates the periodic depreciation to the assignments to which you have assigned the asset. Oracle Assets does this according to the fraction of the asset units that is assigned to each depreciation expense account in the Assignments window.

## **Related Topics**

Depreciation Calculation for Flat-Rate Methods, page 5-25

Depreciation Calculation for Table and Calculated Methods, page 5-29

Depreciation Calculation for Units of Production Methods, page 5-36

Running Depreciation, page 5-2

Asset Accounting, page 6-4

Depreciation Rules (Books), page 2-5

Assignments, page 2-11

## Depreciation Calculation

Run the depreciation program independently for each of your depreciation books. The depreciation program calculates depreciation expense and adjustments, and updates the accumulated depreciation and year-to-date depreciation.

When you run depreciation, the depreciation program submits three separate requests to:

- Calculate gains and losses for retired assets and catch up depreciation for retired and reinstated assets
- Calculate depreciation expense and adjustments for the period, and close the current period
- Run the reserve ledger report

Depreciation expense is calculated as follows:

$$\text{Depreciation Expense} = (\text{Current Cost} - \text{Recoverable Cost}) * \text{Basic Rate}$$

## Depreciation Calendar

The depreciation calendar determines the number of accounting periods in your fiscal year.

## Prorate Calendar

The prorate calendar determines what rate Oracle Assets uses to calculate annual depreciation by mapping each date to a prorate period, which corresponds to a set of rates in the rate table.

## Period Close

Oracle Assets automatically closes the book's current period and opens the next when you run the depreciation program. You cannot have more than one open period for a given depreciation book.

## Year-End Processing

You can close the year independently in each depreciation book. The depreciation program automatically resets year-to-date amounts on a book the first time the depreciation program is run on that book in a fiscal year. Oracle Assets automatically creates the depreciation and prorate periods for your new year when you run depreciation for the last period of the previous fiscal year.

**Note:** Verify the depreciation and prorate periods that Oracle Assets creates before you enter transactions in the new year.

## Suspend Depreciation

You can suspend depreciation by unchecking Depreciate in the Books window. If you suspend depreciation of an asset when you add the asset, Oracle Assets expenses the missed depreciation in the period you start depreciating the asset.

For table and calculated methods, Oracle Assets calculates depreciation expense for the asset based on an asset life that includes the periods you did not depreciate it. If you suspend depreciation after an asset has started depreciating, Oracle Assets catches up the missed depreciation expense in the last period of life.

For flat-rate methods, Oracle Assets continues calculating depreciation expense for the asset based on the flat-rate. For flat-rate methods that use net book value, Oracle Assets uses the asset net book value at the beginning of the fiscal year in which you resume depreciation. The asset continues depreciating until it becomes fully reserved.

## Recoverable Cost

For depreciation methods with a calculation basis of cost, Oracle Assets calculates depreciation using the recoverable cost. The recoverable cost is calculated as the lesser of either the cost less the salvage value less the investment tax credit basis reduction amount, or the cost ceiling. Oracle Assets depreciates the asset until the accumulated depreciation equals the recoverable cost.

## Adjustments

The following are some examples of financial adjustments you can expense or amortize:

- Recoverable Cost Adjustments
- Depreciation Method Adjustments
- Life Adjustments
- Rate Adjustments
- Capacity Adjustments

For more information about amortized and expensed adjustments and how they affect depreciation calculation, see *Amortized and Expensed Adjustments*, page 6-12.

## Prior Period Transactions

### Prior Period Additions

If you enter an asset with a date placed in service before the current accounting period, Oracle Assets automatically calculates the missed depreciation and adjusts the accumulated depreciation on the next depreciation run.

If you provide accumulated depreciation when you add the asset, Oracle Assets does



not recalculate the accumulated depreciation. It accepts the amount you entered.

For table and calculated methods, even if the entered accumulated depreciation differs from what Oracle Assets would have calculated, Oracle Assets does not depreciate the asset beyond the recoverable cost. If the accumulated depreciation is too low, Oracle Assets takes additional depreciation in the last period of the asset's life so that the asset becomes fully reserved. If the asset's accumulated depreciation is too high, Oracle Assets stops depreciating the asset when it becomes fully reserved, effectively shortening the asset life.

#### **Prior Period Transfers**

If you back date an asset transfer, Oracle Assets automatically reallocates depreciation expense by reversing some of the depreciation charged to the "from" account, and redistributing it proportionally to the "to" accounts. Retroactive transfers do not impact the total depreciation. You cannot backdate a transfer to a prior fiscal year.

#### **Prior Period Retirements / Reinstatements**

If you back date a retirement, Oracle Assets automatically adjusts the depreciation for the year by the appropriate amount, resulting in a one-time adjustment in depreciation expense for the period. Oracle Assets then computes the gain or loss using the resulting net book value. You cannot backdate a retirement to a previous fiscal year, nor can you reinstate a retirement performed in a previous fiscal year.

#### **Prior Period Amortized Adjustments**

If you back date an amortized adjustment, Oracle Assets automatically calculates depreciation from the retroactive amortization start date, and adds the retroactive depreciation to the current period. You can perform multiple prior period amortized adjustments to an asset.

#### **Credit Assets**

You can enter a credit asset as an asset with a negative cost, and Oracle Assets credits depreciation expense and debits accumulated depreciation each period for the life of the asset.

#### **Depreciation Projections**

Oracle Assets estimates depreciation expense for the periods for which you project depreciation based on the financial information for your existing assets at the start of that period. The projection includes additions, transfers, and reclassification transactions you perform in the current period. It ignores other asset transactions you make in the current period, such as the depreciation adjustment for retroactive additions and retroactive transfers you enter in the current period. The program also ignores fully reserved and fully retired assets.

If you do not start your projection beyond the current period, the projection does not include your most recent transactions. For example, if the current period in your

corporate book is JUL-92, and you request an annual projection starting with JAN-92, Oracle Assets projects depreciation expense based on the financial information for your existing assets as of the start of January 1992. The projection does not include some of the transactions you entered between January and June 1992. If instead you request an annual projection starting with JAN-93, Oracle Assets projects depreciation expense based on the financial information for your existing assets as of the start of July 1992.

**Note:** You cannot run depreciation projections for prior periods.

## Related Topics

Defining Additional Depreciation Methods, page 9-65

Running Depreciation, page 5-2

Projecting Depreciation Expense, page 5-44

Asset Accounting, page 6-4

Depreciation Rules (Books), page 2-5

Depreciation Calculation for Flat-Rate Methods, page 5-25

Depreciation Calculation for Table and Calculated Methods, page 5-29

Depreciation Calculation for the Units of Production Method, page 5-36

Depreciation Reports, page 10-39

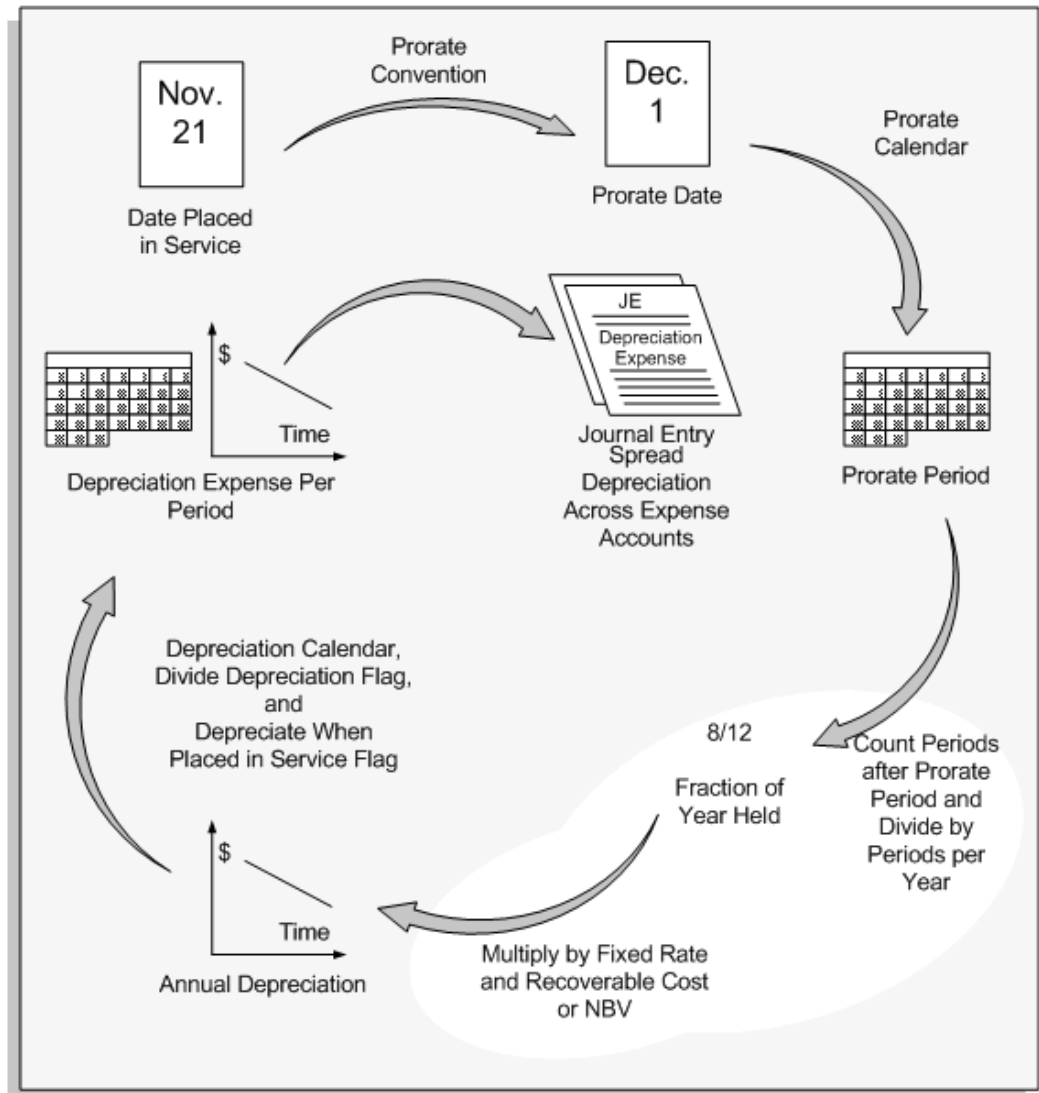
Profile Options and Profile Options Categories Overview, page B-1

Depreciation for Retirements, page 6-36

Depreciation for Reinstatements, page 6-36

Amortized and Expensed Adjustments, page 6-12

## Depreciation Calculation for Flat-Rate Methods



Use a flat-rate method to depreciate the asset over time using a fixed rate.

Oracle Assets uses a flat-rate and either the recoverable cost or the recoverable net book value as of the beginning of the fiscal year to calculate depreciation using a flat-rate depreciation method. The asset continues to depreciate until its recoverable cost and accumulated depreciation are the same.

### Depreciation in the First Year of Life

An asset's prorate convention and depreciation method control when Oracle Assets starts to depreciate new assets. For assets using flat-rate methods, depreciation starts in the accounting period that either the date placed in service or the prorate date falls into,

depending on the depreciate when placed in service flag. Oracle Assets allocates the first year's depreciation to the accounting periods remaining in the fiscal year.

### Example

Suppose your fiscal year ends in May, you have a monthly (12 period) depreciation calendar, and you want to allocate depreciation evenly to each period in the year. You place a \$10,000 asset in service in the third period of your fiscal year (AUG-92) using a half-year prorate convention. The rate for the diminishing value (calculation basis of NBV) depreciation method is 20%.

Since the asset is using a half-year prorate convention, the prorate date is in December--the mid-point of your fiscal year. For assets that have a prorate date at the mid-point of the fiscal year, depreciation expense for the first fiscal year of life is 50% of the amount for a full fiscal year. For the asset in our example, a full fiscal year depreciation amount is \$2,000 (20% of \$10,000), so the depreciation for the first year (fiscal 1993) is \$1,000.

You can specify whether to start taking depreciation in the period of the date placed in service or the prorate date using the depreciate when placed in service flag for the prorate convention. If you elect to start depreciation in the accounting period corresponding to the date placed in service, Oracle Assets starts to depreciate the asset in AUG-92, and the depreciation for each period is \$100 (\$1000 divided by 10--the number of periods from August to May).

If you elect to start depreciation on the prorate date, Oracle Assets does not start to depreciate the asset until December. The depreciation for each period from DEC-92 to MAY-93 is \$166.67 (\$1,000 divided by 6--the number of periods from December to May).

### Depreciation in the Remaining Years of Life

For methods using the net book value, you use the flat-rate and the recoverable net book value at the beginning of each fiscal year to calculate the annual depreciation. In the second year of the asset life (fiscal 1994), the net book value as of the beginning of the fiscal year is \$9,000. Applying the 20% rate yields an annual depreciation amount of \$1,800. Oracle Assets divides this amount evenly across all twelve accounting periods in the year, so depreciation expense for each period is \$150.

Similarly, the net book value at the beginning of the 1995 fiscal year is \$7,200. Oracle Assets calculates annual depreciation of \$1,440 and divides this amount evenly to get the depreciation amount for each period. Oracle Assets repeats this process until the asset is fully depreciated or retired.

### Calculation Basis

Flat-rate methods use a calculation basis of either the recoverable cost or recoverable net book value to calculate annual depreciation. Assets depreciating under flat-rate methods with a calculation basis of recoverable net book value do not become fully reserved. Rather, the annual depreciation expense becomes smaller and smaller over

time.

## Strict Calculation Basis

When you adjust an asset, Oracle Assets resets the calculation basis. If you do not check the Strict Calculation Basis check box on the Depreciation Methods window, Oracle Assets uses the calculation basis shown in the following table:

| Asset Adjustment                                                         | Cost                                  | NBV                                   |
|--------------------------------------------------------------------------|---------------------------------------|---------------------------------------|
| Amortized adjustment with amortization start date in the current period. | Recoverable cost                      | NBV as of the current period          |
| Amortized adjustment with amortization start date in a prior period      | NBV as of the amortization start date | NBV as of the amortization start date |
| Expensed adjustments                                                     | Recoverable cost                      | NBV as of current period              |

If you check the Strict Calculation Basis check box on the Depreciation Methods window, Oracle Assets uses the calculation basis shown in the following table:

| Asset Adjustment                                                         | Cost             | NBV                                        |
|--------------------------------------------------------------------------|------------------|--------------------------------------------|
| Amortized adjustment with amortization start date in the current period. | Recoverable cost | NBV as of the beginning of the fiscal year |
| Amortized adjustment with amortization start date in a prior period      | Recoverable cost | NBV as of the beginning of the fiscal year |
| Expensed adjustments                                                     | Recoverable cost | NBV as of the beginning of the fiscal year |

## Reset Recoverable Net Book Value

At the beginning of each fiscal year, Oracle Assets automatically resets each asset's year-to-date depreciation expense to zero and recalculates the recoverable net book value as of the beginning of the fiscal year. Oracle Assets also recalculates the recoverable net book value by which to multiply the flat-rate when you perform an amortized adjustment or revalue an asset.

## Adjusting Rates

In some countries, the flat-rate consists of a basic rate and an adjusting rate, or loading factor. These rates vary according to your reporting authority's depreciation regulations.

When you add an asset, you can select a basic rate and an adjusting rate. Oracle Assets increases the basic rate by the adjusting rate to give you the adjusted rate. This is your flat-rate for the fiscal year.

**Depreciation Rate = Basic Rate x (1 + Adjusting Rate) + Bonus Rate**

**Annual Depreciation Amount = Depreciation Rate x Depreciation Calculation Basis x Fraction of Year Held**

The following table provides examples of how the rate is calculated.

| Basic Flat-Rate | Adjusting Rate | Adjusted Rate |
|-----------------|----------------|---------------|
| 10%             | 10%            | 11%           |
| 10%             | 20%            | 12%           |
| 10%             | 25%            | 12.5%         |
| 10%             | 40%            | 14%           |

## Bonus Depreciation

For reporting authorities that allow additional depreciation in the early fiscal years of an asset life, you can assign an additional bonus rate on top of the flat-rate. Oracle Assets adds the bonus rate to the adjusted rate to give you the flat-rate for the fiscal year. The following table provides examples of how the rate is calculated

| Fiscal Year | Adjusted Rate | Bonus Rate | Flat-Rate for Fiscal Year |
|-------------|---------------|------------|---------------------------|
| 1           | 20%           | 10%        | 30%                       |
| 2           | 20%           | 7%         | 27%                       |
| 3           | 20%           | 5%         | 25%                       |

In this example, starting with year four, there is no bonus rate so the adjusted rate is the

normal 20%. From fiscal year four until the asset is fully reserved, the flat-rate for each fiscal year is 20%.

## Related Topics

Defining Additional Depreciation Methods, page 9-65

Specifying Dates for Prorate Conventions, page 9-179

Running Depreciation, page 5-2

Defining Bonus Depreciation Rules, page 9-75

Asset Accounting, page 6-4

About Prorate and Retirement Conventions, page 9-180

Depreciation Reports, page 10-39

## Depreciation Calculation for Table and Calculated Methods

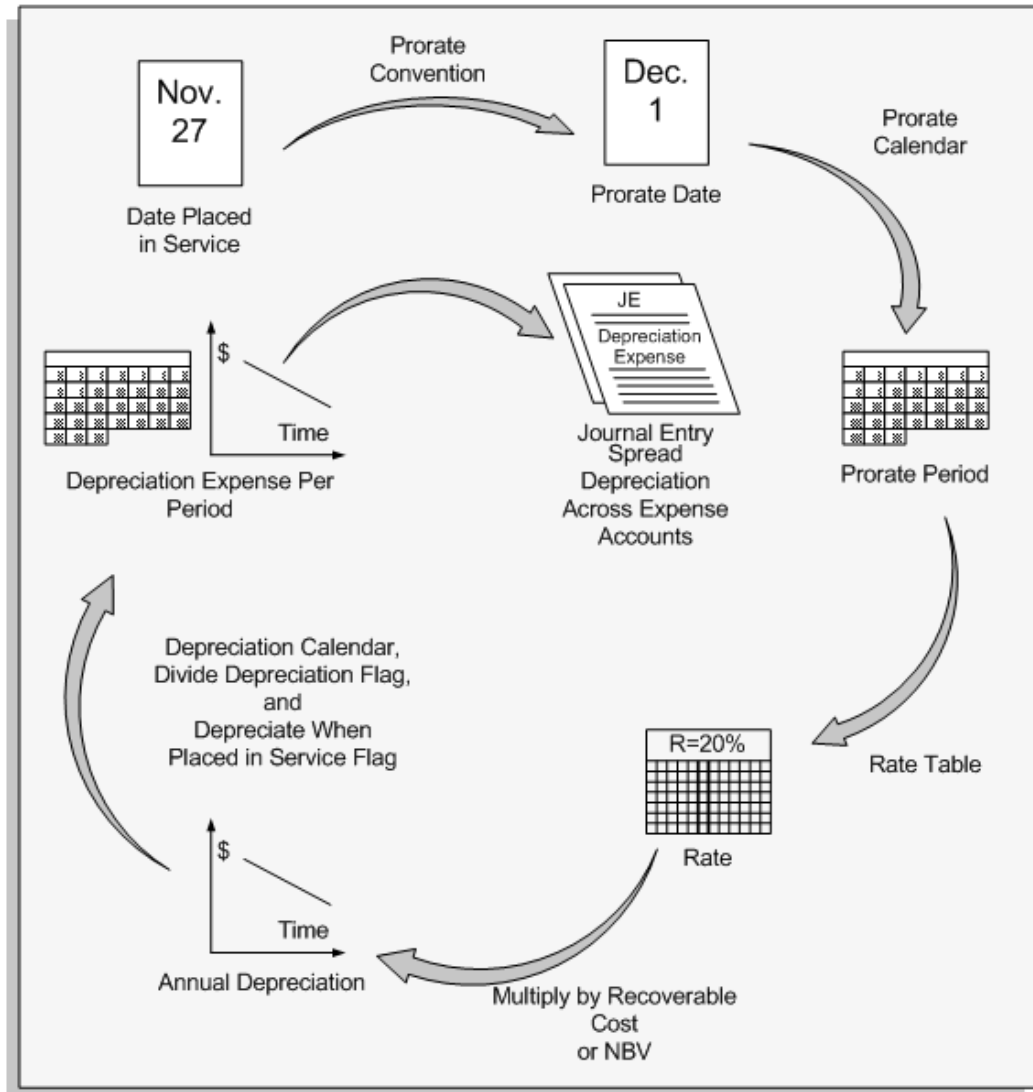
Use a life-based method to depreciate the asset over a fixed time using specified rates. There are two types of life-based methods:

**Table:** Oracle Assets gets the annual depreciation rate from a rate table.

**Calculated:** For straight-line depreciation, the depreciation program calculates the annual depreciation rate by dividing the life (in years) into one. Calculated methods spread the asset value evenly over the life.

You can accommodate new depreciation methods using rate tables instead of formulas. Add the appropriate rates to create a new method at any time.

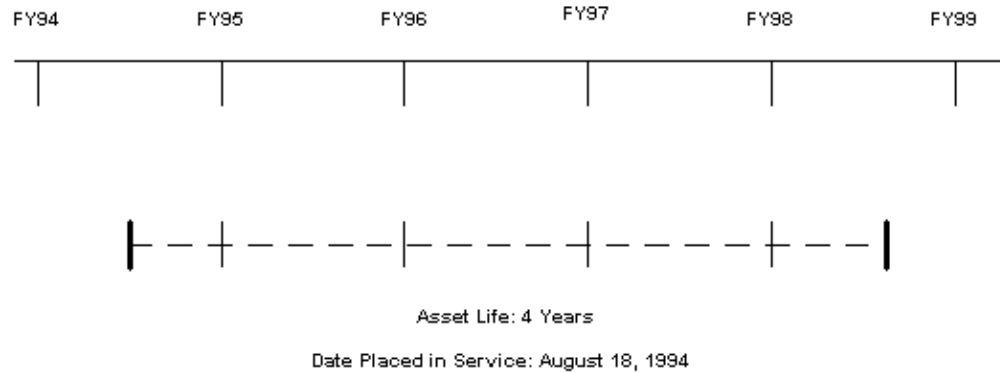
Oracle Assets uses asset recoverable cost or net book value, salvage value, date placed in service, prorate convention, depreciation method, and life to calculate depreciation for life-based methods. Oracle Assets, using rates from a table or calculated rates, depreciates assets with life-based depreciation methods to be fully reserved at the end of a fixed lifetime.



## Determining the Depreciation Rate

The rate tables contain annual rates for each fiscal year of asset life. The annual rate varies according to your reporting authority's depreciation regulations.





For example, some reporting authorities require that you prorate depreciation according to the number of months you hold an asset in its first fiscal year of life. In this case, your prorate calendar has 12 prorate periods and your rate table has 12 rates (one for each month of the year) per year of life. Other governments require that you prorate depreciation according to the number of days that you hold an asset in its first fiscal year of life. This means that there is a different depreciation rate for each day of the year. Thus, the number of rates in your rate table is a factor of 365. For example, the rate table would have 1825 rates for an asset with a 4 year life (365 x 5). This means that your prorate calendar must contain 365 prorate periods and correspondingly, your rate table must have 365 rates (one for each day of the year) for each year of life.

To determine the rates, calculate an annual depreciation rate for each fiscal year of an asset's life, for each period in your prorate calendar. This rate is the annual rate for the year for an asset where the prorate date falls into this prorate period. You do not need to calculate the depreciation rate for each depreciation period in each year of the asset life. You only enter annual depreciation rates in the Annual Rate field of the Rates window. The depreciation program uses this annual depreciation rate to determine the fraction of an asset cost or net book value to allocate to this fiscal year. It then uses the depreciation calendar and divide depreciation flag to spread the annual depreciation over the depreciation periods of the fiscal year.

**Annual Depreciation Amount = Depreciation Rate x Depreciation Calculation Basis x Fraction of Year Held**

Oracle Assets standard rate tables contain 12 rates per year of life. If your government requires daily rates, set up the appropriate rates using the Depreciation Methods window.

## Depreciation in the first year of life

An asset prorate convention and depreciation method control when Oracle Assets starts to depreciate new assets. For assets using the straight-line method, depreciation starts in the first accounting period that the prorate date falls into. For assets using other life-based depreciation methods, depreciation starts in the first accounting period that either the date placed in service or the prorate date falls into, depending on whether

Depreciate When Placed In Service is checked for the prorate convention. In both cases, Oracle Assets allocates the first year's depreciation to the depreciation periods remaining in the fiscal year.

## Example

Suppose your fiscal year ends in May, you have monthly (12 period) depreciation and prorate calendars, and you want to allocate depreciation evenly to each period in the year. You place a \$10,000 asset in service in the third period of your fiscal year (AUG-95) using the half-year prorate convention. Its life is 5 years and the depreciation method is 200% declining balance with a straight-line switch and a calculation basis rule of cost. Since the asset is using the half-year prorate convention, the prorate date is in December (the mid-point of your fiscal year) which corresponds to prorate period 7 in your prorate calendar shown in the following table:

### Prorate Calendar

| Period Number | Period Name | From Date | To Date   |
|---------------|-------------|-----------|-----------|
| 1             | JUN-95      | 01-JUN-95 | 30-JUN-95 |
| 2             | JUL-95      | 01-JUL-95 | 31-JUL-95 |
| 3             | AUG-95      | 01-AUG-95 | 31-AUG-95 |
| 4             | SEP-95      | 01-SEP-95 | 30-SEP-95 |
| 5             | OCT-95      | 01-OCT-95 | 31-OCT-95 |
| 6             | NOV-95      | 01-NOV-95 | 30-NOV-95 |
| 7             | DEC-95      | 01-DEC-95 | 31-DEC-95 |
| 8             | JAN-96      | 01-JAN-96 | 31-JAN-96 |
| 9             | FEB-96      | 01-FEB-96 | 28-FEB-96 |
| 10            | MAR-96      | 01-MAR-96 | 31-MAR-96 |
| 11            | APR-96      | 01-APR-96 | 30-APR-96 |
| 12            | MAY-96      | 01-MAY-96 | 31-MAY-96 |

For assets that have a prorate period of 7, the rates listed in the following table show a 20% annual depreciation rate for the first year of life. If, however, you had used a

prorate convention that resulted in a prorate period at the beginning of your fiscal year, Oracle Assets would have used the full rate for the year (40%).

## Prorate Periods

| Year  | 1           | 2           | 3           | 4           | 5           | 6           | 7           | 8           | 9           | 10          | 11          | 12          |
|-------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 1     | .4000<br>0  | .3666<br>7  | .3333<br>3  | .3000<br>0  | .2666<br>7  | .2333<br>3  | .2000<br>0  | .1666<br>7  | .1333<br>3  | .1000<br>0  | .0666<br>7  | .0333<br>3  |
| 2     | .2400<br>0  | .2533<br>3  | .2666<br>7  | .2800<br>0  | .2933<br>3  | .3066<br>7  | .3200<br>0  | .3333<br>3  | .3466<br>7  | .3600<br>0  | .3733<br>3  | .3266<br>7  |
| 3     | .1440<br>0  | .1520<br>0  | .1600<br>0  | .1620<br>0  | .1760<br>0  | .1840<br>0  | .1920<br>0  | .2000<br>0  | .2080<br>0  | .2160<br>0  | .2240<br>0  | .2320<br>0  |
| 4     | .1020<br>0  | .1094<br>4  | .1107<br>7  | .1120<br>0  | .1131<br>4  | .1142<br>1  | .1152<br>0  | .1200<br>0  | .1248<br>0  | .1296<br>0  | .1344<br>0  | .1392<br>0  |
| 5     | .1020<br>0  | .1094<br>4  | .1107<br>7  | .1120<br>0  | .1131<br>5  | .1142<br>0  | .1152<br>0  | .1136<br>2  | .1123<br>2  | .1110<br>9  | .1099<br>6  | .1089<br>4  |
| 6     | .0000<br>0  | .0091<br>2  | .0184<br>6  | .0280<br>0  | .0377<br>1  | .0475<br>9  | .0576<br>0  | .0663<br>2  | .0748<br>8  | .0833<br>1  | .0916<br>4  | .0998<br>6  |
| Total | 1.000<br>00 | 1.000<br>00 | 1.000<br>00 | 1.000<br>00 | 1.000<br>00 | 1.000<br>00 | 1.000<br>00 | 1.000<br>00 | 1.000<br>00 | 1.000<br>00 | 1.000<br>00 | 1.000<br>00 |

For the asset in this example, Oracle Assets uses a rate of 20%, so the depreciation for fiscal 1996 is \$2,000 (20% of \$10,000).

You can specify whether to start taking depreciation in the period of the date placed in service or the prorate date using the Depreciate When Placed In Service flag for the prorate convention. If you elect to start depreciation in the period corresponding to the date placed in service, Oracle Assets starts to depreciate the asset in AUG-95, and the depreciation for each period is \$200 (\$2,000 divided by 10--the number of periods from August to May).

If you elect to start depreciation in the period corresponding to the prorate date, Oracle Assets does not start to depreciate the asset until DEC-95, and the depreciation for each period from DEC-95 to MAY-96 is \$333.33 (\$2,000 divided by 6--the number of periods from December to May).

## Depreciation In The Middle Years Of Life

For the rest of the asset life, you use annual depreciation rates that correspond to the asset's prorate period in the rate table. Thus, in the second fiscal year of the asset's life (fiscal 1996), Oracle Assets uses a 32% annual depreciation rate (prorate period 7, year 2.). This yields a depreciation amount of \$3,200. Oracle Assets divides this amount evenly across all the accounting periods in the year, so depreciation expense for each period is \$266.67.

Similarly, the rates for 1995, 1996, and 1997 are 19.20%, 11.52%, and 11.52% respectively. Oracle Assets calculates annual depreciation for these years as \$1,920, \$1,152, and \$1,152 and divides these amounts evenly across all the accounting periods in the appropriate fiscal years.

## Depreciation In The Last Year Of Life

In the asset's final year of life (fiscal 1998), the rate is 5.76%, so the final year's depreciation is \$576. This amount is divided evenly across the number of periods remaining in the asset's life (in this case 6), to yield a depreciation amount of \$96 per period.

## Related Topics

Defining Additional Depreciation Methods, page 9-65

Running Depreciation, page 5-2

Asset Accounting, page 6-4

Depreciation Reports, page 10-39

## Depreciation Calculations for Double Declining Table Base Methods

Below describes how regular depreciation, depreciation after revaluation, and revaluation reserve amortization are calculated for the following table based methods: 200DB, 150DB, and other method.

- Regular Annual Depreciation = Depreciable Basis \* Rate

In this case depreciable basis will be either cost or net book value based on the method definition.

For the 200DB method:

- Depreciable Basis = Cost
- Rate = Rate corresponding to the period in which the asset was added

For example, if the fiscal year is from January to December and an asset is added in

March, the rate of depreciation to be used is the rate for period 3 in each year. So, for first year, the rate would be for Year 1, Period 3. For second year, the rate used would be for Year 2, Period 3 and so on.

For monthly depreciation, divide the yearly depreciation by the number of periods in the fiscal year for which the asset is held. So, continuing with the example above, in the first year, the asset is held for 10 months (March to December) and the monthly depreciation is calculated as:  $\text{Monthly depreciation} = \text{Annual depreciation} \times 1/10$

- Depreciation after Revaluation

Once the asset undergoes revaluation, the Rate Adjustment Factor (RAF) is recalculated. The formula for the RAF recalculation is:

$$\frac{[\text{New Cost} - (\text{Depreciation on New cost from DPIS till Period of Revaluation})]}{\text{New Cost}}$$

Where:

- $\text{New Cost} = \text{Cost after Revaluation}$
- $\text{Periodic Depreciation after Revaluation} = [\text{New Cost}/\text{RAF}] \times \text{Depreciation Rate} \times 1/\text{Number of periods for which the asset is held in the year}$

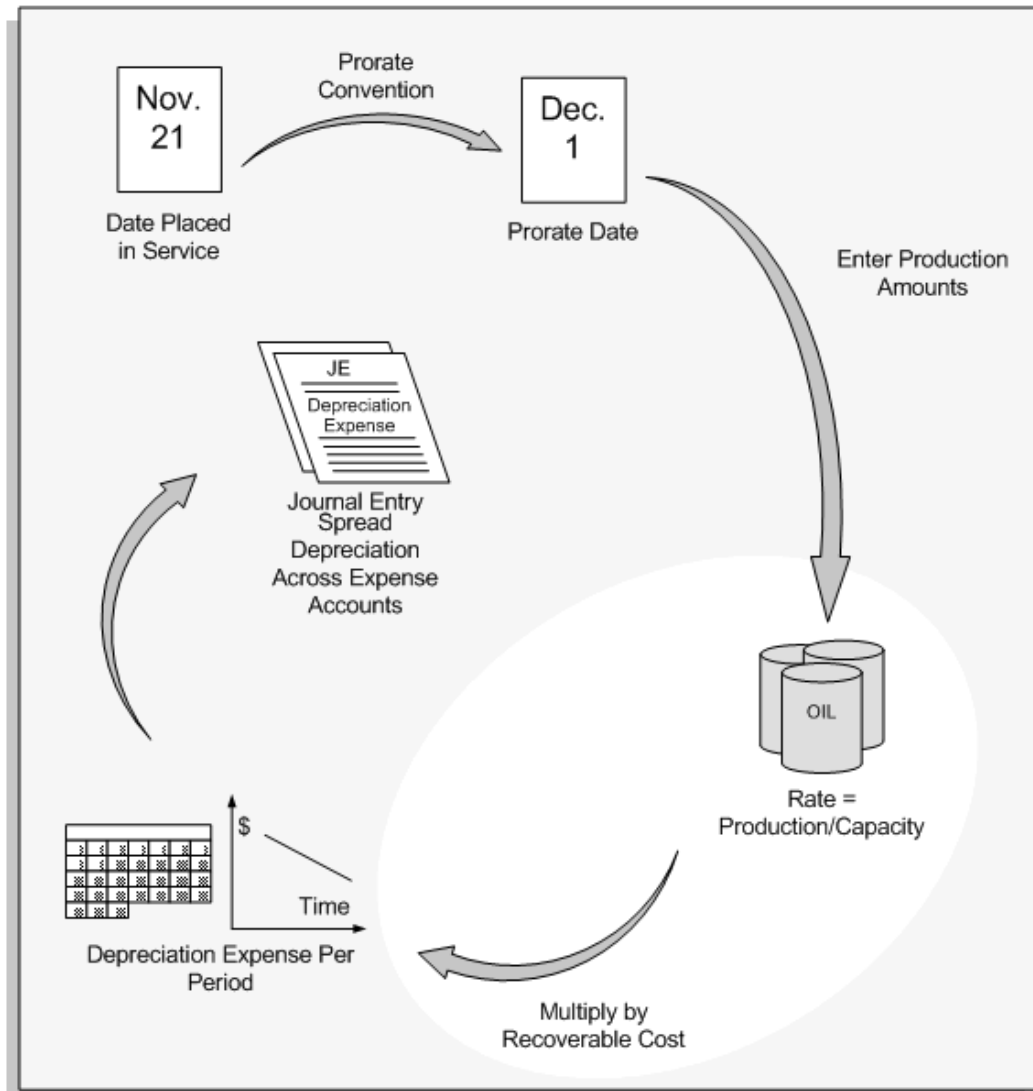
**Note:** The depreciation rate will be the same rate that was used originally. In other words, it continues to be the rate corresponding to the period in which the asset was added.

- Revaluation Reserve Amortization

The Periodic Revaluation Reserve Amortization amount is calculated as follows:

$$\text{Revaluation Reserve} \times \text{Depreciation for the Period/Depreciable Basis}$$

## Depreciation Calculation for the Units of Production Method



Units of production methods depreciate the asset cost based on actual use or production each period.

Units of production depreciation differs from other methods because it bases depreciation only on how much you use the asset. While methods such as straight-line divide depreciation over the asset life regardless of use, units of production disregards the passage of time.

Units of production depreciation is used for assets for which it is better to measure the life in terms of the quantity of the resource you expect to extract from them, such as mines or wells. For example, the production capacity of an oil well is the number of barrels of oil you expect to extract from it. For machinery or equipment, you measure

the production capacity in terms of the expected total hours of use.

You can enter the production capacity as the expected total production or expected total use. First, you enter the units of production depreciation method, production capacity, and unit of measure. You then enter the production each period to depreciate the asset according to actual use that period.

## Basic Depreciation Calculation

For a units of production depreciation method, Oracle Assets uses asset cost, cost ceiling, salvage value, capacity, and production entered for the period to calculate depreciation. It depreciates assets according to the actual production you enter. Oracle Assets calculates the period depreciation rate by dividing the production for the period by the capacity. The depreciation for the period is the depreciation rate multiplied by the recoverable cost.

**Depreciation Expense = (Production for the Period / Capacity) X Recoverable Cost**

Oracle Assets then allocates the period depreciation to the depreciation expense accounts to which you have assigned the asset. Notice that for units of production depreciation there is no annual depreciation amount.

## Depreciation Based on Actual Production

The units of production method does not use depreciation expense ceilings. Also, since depreciation for these assets is calculated on actual production, if you resume depreciation for an asset, reinstate the asset, or perform a prior period transaction, there is no missed depreciation.

## Related Topics

Assets Depreciating Under Units of Production, page 5-37

Units of Production Interface, page 5-40

Entering Production Amounts, page 5-43

Depreciation Reports, page 10-39

## Assets Depreciating Under Units of Production

You can use the units of production method to allocate the cost of an asset by the quantity of resource extracted or used each period. You can automatically or manually enter production amounts for the asset, and project future production amounts if necessary. There are some restrictions when using the units of production depreciation method. For example, since Oracle Assets only stores production amounts for an asset in the corporate book, there are some restrictions on changing depreciation information in corporate or tax books.

## Production Interface

You can load production automatically each period using the production interface. You also can enter or update production manually in the Periodic Production window.

## Production Amount

The start date and end date you enter to which production amounts apply must fall within a single depreciation period in Oracle Assets.

You cannot enter production for dates before the asset's prorate date in the corporate book or for a period for which you have already run depreciation.

You cannot enter production for periods prior to the current open period in your corporate book.

You also cannot enter production for date ranges which overlap. For example, if you enter production for 01-JUN-1995 through 15-JUN-1995, you cannot enter production for 15-JUN-1995 through 30-JUN-1995. You can enter production for 16-JUN-1995 through 30-JUN-1995.

## Projected Production Information

You can enter production for dates in the future to calculate depreciation projections for future periods. You can update the projected amounts when you know the actual production for the period and want to actually depreciate the asset.

## Retirements

If you have entered production information for future periods to project depreciation expense, you may have to remove this projected production information before you retire a units of production asset. Oracle Assets uses all of the production amounts you entered for dates before the retirement prorate date to calculate depreciation expense. If your retirement prorate date is after the retirement date, you may have to remove projected production to avoid using it to calculate actual depreciation expense.

When you partially retire a units of production asset, you must manually adjust the capacity in the Books window. Adjust the capacity to reflect the decrease only for production not already taken, since you already entered the actual production amounts.

If you accidentally enter too much production causing the asset to become fully reserved, you can enter negative production amounts to correct the error.

If you continue to use an asset after it is fully reserved, Oracle Assets ignores the production information you enter.

## Prior Period Transactions

If you enter a retroactive addition or reinstatement, you must enter the missed



production information so Oracle Assets can calculate depreciation. If you enter a retroactive retirement, Oracle Assets reverses the depreciation taken since the date of the retirement.

## **Category Defaults**

You can specify a production capacity and unit of measure that you usually use for assets in a category. When you enter an asset in this category, Oracle Assets defaults the capacity and unit of measure. You can override the default values for an individual asset if necessary.

## **Restrictions**

You cannot enter production for a construction-in-process (CIP) asset before you capitalize it. Similarly, you cannot enter production for an asset before its prorate date. If you use a prorate convention such as actual months, you can enter production for the period you added the asset.

You cannot enter or upload units of production assets with accumulated depreciation. Instead, add the asset with zero accumulated depreciation, and then provide the life-to-date production amount for the current period in the periodic production table using the Periodic Production window. Oracle Assets uses the production amount you enter to calculate the catchup depreciation.

## **Changing the Depreciation Method**

You can change the method from calculated, table, or flat-rate to production only in the period you add the asset.

Since Oracle Assets only stores production amounts for an asset in the corporate book, there are some restrictions on changing depreciation information in corporate or tax books.

An asset can have a production method in the tax book only if it has a production method in the corporate book. You can change the depreciation method from production to calculated, table, or flat-rate type in the corporate book only if the asset does not use a production method in any associated tax book. An asset can have any kind of method in the tax book and a production method in the corporate book.

## **Changing the Capacity**

The capacity must be the same in all books in which the asset uses a production method. You can change the capacity for the asset in the corporate book only. Use Mass Copy to copy the capacity adjustment to each tax book.

## **Mass Copy**

Use Mass Copy to copy adjustments to your tax books. If you use a units of production

method in a tax book, you must Mass Copy from the associated corporate book each period to ensure that the capacity is up-to-date.

Mass Copy always copies capacity adjustments for your units of production assets, regardless of the Mass Copy rules you specified for the book. If you do not allow amortized adjustments in your tax book, Mass Copy copies an amortized capacity adjustment as an expensed adjustment.

## Related Topics

Depreciation Calculation for the Units of Production Method, page 5-36

Using the Production Interface, page 5-40

Production History Report, page 10-49

About Prorate and Retirement Conventions, page 9-180

Specifying Dates for Prorate Conventions, page 9-179

Entering Production Amounts, page 5-43

Defining Depreciation Books, page 9-60

## Using the Production Interface

You can enter production information manually, or you can maintain your production information in another system and upload the information using the production interface. Prepare and analyze your production information on any feeder system and then automatically transfer your production information into Oracle Assets. Oracle Assets uses that information to calculate depreciation for your units of production assets.

### To import production information to Oracle Assets:

1. Use an import program or utility to export data from your feeder system and populate the FA\_PRODUCTION\_INTERFACE table.
2. Run the Upload Production program to move your production information into Oracle Assets.
3. Run the Production History report to review the status of all imported items.
4. Use the Periodic Production window to review or change your production information.

## Related Topics

Assigning Values to Required Columns in the FA\_PRODUCTION\_INTERFACE Table,

page 5-41

Customize the Production Interface SQL\*Loader Script, page 5-41

Uploading Production into Oracle Assets, page 5-43

Entering Production Amounts, page 5-43

## Assigning Values to Required Columns in the FA\_PRODUCTION\_INTERFACE Table

FA\_PRODUCTION\_INTERFACE, the production interface table, is organized into columns in which Oracle Assets stores production information. Enter values for the following required columns:

**ASSET\_NUMBER:** Alphanumeric column. The asset number of the units of production asset for which you want to enter production.

**PRODUCTION:** Numeric column. The production amount for the asset between Start\_Date and End\_Date.

**START\_DATE:** Date column. The first date to which this production amount applies.

**END\_DATE:** Date column. The last date to which this production applies

### Related Topics

Customize the Production Interface SQL\*Loader Script, page 5-41

Uploading Production into Oracle Assets, page 5-43

Entering Production Amounts, page 5-43

## Customize the Production Interface SQL\*Loader Script

Listed below are a sample SQL\*Loader script (filename: *production\_information.ctl*) and production information data file (filename: *production\_information.dat*) that Oracle Assets uses for units of production depreciation. You can easily modify this script to load your production information into the production interface.

### Sample SQL\*Loader script

```
LOAD DATA
  INFILE production_information.dat
  INTO TABLE FA_PRODUCTION_INTERFACE
  FIELDS TERMINATED BY WHITESPACE

  (ASSET_NUMBER,
  PRODUCTION,
  START_DATE DATE "DD-MON-YYYY",
  END_DATE DATE "DD-MON-YYYY")
```

### Sample Production Information Data file

|        |       |             |             |
|--------|-------|-------------|-------------|
| 321456 | 10000 | 01-JUL-1995 | 31-JUL-1995 |
| 322345 | 1100  | 01-AUG-1995 | 05-AUG-1995 |
| 322534 | 1200  | 16-AUG-1995 | 26-AUG-1995 |
| 323242 | 1300  | 24-AUG-1995 | 31-AUG-1995 |
| 334261 | 1400  | 01-SEP-1995 | 30-SEP-1995 |
| 433251 | 1500  | 01-OCT-1995 | 13-NOV-1995 |

## Production Information

For each asset and date range for which you want to enter a production amount, you must specify the following information in the SQL\*Loader script:

- Asset Number
- Production Amount
- Start Date
- End Date

**Important:** You must enter the start and end dates in your data file in the same format which you specify in the SQL\*Loader script.

Remember that you must enter the asset number exactly as it appears in Oracle Assets. For example, do not to enter the asset number 'uopasset1' in the script file when your asset number is actually 'UOPASSET1'.

## Running SQL\*Loader

To execute the SQL\*Loader script and load your production data into the production interface, type the following at the system prompt:

```
$ sqlload <account_name/password>
        control = production_information.ctl
```

## Related Topics

Assigning Values to Required Columns in the FA\_PRODUCTION\_INTERFACE Table, page 5-41

Uploading Production into Oracle Assets, page 5-43

## Uploading Production into Oracle Assets

### Prerequisites

- Load production information into the production interface table FA\_PRODUCTION\_INTERFACE.
- Load production information into the production interface table FA\_PRODUCTION\_INTERFACE. See: Using the Production Interface, page 5-40.

### To upload production to Oracle Assets:

1. Choose Production:Upload from the Navigator window.
2. Enter the corporate depreciation Book for which you want to upload production information in the Parameters window.

If you have not yet run depreciation for a period, you can update or reload production amounts for the same date ranges. Oracle Assets overwrites the production amounts with the new production if you reload.

3. Choose Submit to upload the production.
4. Review and update uploaded production amounts in the Enter Production window. See: Entering Production Amounts., page 5-43

### Related Topics

Assigning Values to Required Columns in the FA\_PRODUCTION\_INTERFACE Table, page 5-41

Customize the Production Interface SQL\*Loader Script, page 5-41

Entering Production Amounts, page 5-43

Submitting a Request, *Oracle Applications User's Guide*

## Entering Production Amounts

You can enter or update production amounts for assets depreciating under units of production. You can enter production information online, or you can load it automatically from a feeder system using the Upload Periodic Production program. Enter production more than once a period if necessary.

## To enter production amounts:

1. Open the Periodic Production window.
2. Find assets within a corporate Book for which you want to enter production information.
3. Enter the from and to date and the total Production for an asset.  
Optionally enter production for multiple non-overlapping date ranges within a single period.
4. Save your work.

## To update production amounts

- If you have not yet run depreciation for a period, you can update production amounts if necessary.

## Related Topics

Using the Production Interface, page 5-40

Uploading Production into Oracle Assets, page 5-43

Depreciation Calculation for the Units of Production Method, page 5-36

Assets Depreciating Under Units of Production, page 5-37

Production History Report, page 10-49

Depreciation Reports, page 10-39

## Projecting Depreciation Expense

Depreciation projections are estimates of actual depreciation expense. You can project depreciation expense for any depreciation book.

You can run depreciation projection only for the current depreciation parameters set up in your system. If you need to project depreciation for scenarios other than your current setup, you can run what-if depreciation using parameters that are not yet set up in your system. See: Forecasting Depreciation, page 5-46.

**Note:** You cannot run depreciation projections for group or member assets, or any asset using the unit of production depreciation method in budget books.

### Prerequisites

- Define fiscal years, depreciation and prorate calendars, and prorate conventions for the periods for which you want to run the projection. See: Creating Fiscal Years, page 9-53, Specifying Dates for Calendar Periods, page 9-53, and Specifying Dates for Prorate Conventions, page 9-179.
- If you want to project depreciation for assets depreciating under the units of production method, enter production amounts for the periods for which you want to run the projection. See: Entering Production Amounts, page 5-43.

### To project depreciation expense:

1. Navigate to the Depreciation Projections window.
2. Enter the Projection Calendar to specify how you want to summarize the projection.  
You can summarize the results by year, quarter, month, or any other interval. For example, you can choose a monthly or quarterly calendar.
3. Enter the Number of Periods for which you want to project depreciation. You can project depreciation expense for the current open period or any number of future periods, on up to four depreciation books at once.

**Note:** You cannot run depreciation projections for prior periods.

4. Enter the Starting Period for your projection.
5. Check Cost Center Detail to print a separate depreciation projection amount for each cost center. Otherwise, Oracle Assets prints a consolidated projection report for each expense account without cost center detail.
6. Check Asset Detail to print a separate depreciation amount for each asset. Otherwise, Oracle Assets prints a consolidated projection report without asset detail.
7. Enter the Book(s) that you want to include in your projection. You can enter a maximum of four books, and all of them must use the same Account structure. The fiscal year name for the Calendar and each Book must be the same.
8. Save your work.  
Oracle Assets submits a concurrent process to calculate the projection, and automatically runs the Depreciation Projection Report.

### Related Topics

Depreciation Projections (Depreciation Calculation), page 5-23

## Forecasting Depreciation

You can use what-if depreciation analysis to forecast depreciation for groups of assets in different scenarios without making changes to your Oracle Assets data. You can run what-if depreciation analysis on assets defined in your Oracle Assets or on hypothetical assets that are not defined in Oracle Assets.

**Important:** You may use What-if Analysis to project depreciation for a group asset. However, you may not create a hypothetical group asset. Note that Prorate Convention has no relevance to group or member assets.

What-if depreciation analysis differs from depreciation projections in that what-if depreciation analysis allows you to forecast depreciation for many different scenarios without changing your Oracle Assets data. Depreciation projection allows projection only for the parameters set up in Oracle Assets. See: Projecting Depreciation Expense, page 5-44.

To perform what-if depreciation analysis in Oracle Assets, you enter different combinations of parameters for a set of assets in the What-If Depreciation Analysis window. When you run what-if analysis based on the parameters you entered, Oracle Assets automatically launches a report, from which you can review the results of the analysis. You can run what-if analysis for as many scenarios as you like. Each time you run what-if analysis, Oracle Assets launches a separate report.

If you are satisfied with the results of your analysis, you can enter the new parameters in the Mass Changes window to update your assets according to the parameters you specified in the what-if analysis.

You may want to run what-if depreciation analysis for several different scenarios for comparison purposes. You can run what-if depreciation analysis for any number of scenarios. The results of an analysis will not overwrite the results of previous analyses.

**Note:** What-if Depreciation cannot be run for assets with the Units of Production method.

### To forecast depreciation using what-if depreciation analysis:

1. Navigate to the What-If Depreciation Analysis window in Oracle Assets.
2. The value in the Currency field defaults to the book's currency. If you are using MRC, the Currency field defaults to the primary currency. If you want to run What-if Analysis for the reporting currency, change the value in the Currency field to the reporting currency.



3. Enter the starting period for which you want to run What-if Analysis.
4. Enter the number of periods for which you want to run What-if Analysis.

**Note:** You cannot run What-if Analysis for hypothetical assets in the reporting currency.

5. Enter the book containing the assets for which you want to run what-if analysis.
6. In the Assets to Analyze tabbed region, enter the parameters you want to use to identify the set of assets for which you want to run what-if depreciation analysis.

OR

In the Hypothetical Assets tabbed region, enter the parameters to identify the hypothetical asset for which you want to run what-if depreciation analysis.

See: Parameters, page 5-48.

7. Enter the Depreciation Scenario parameters to identify the depreciation rules to be used in the analysis.

See: Depreciation Scenario Parameters, page 5-50.

8. Choose Run to run what-if depreciation analysis.
9. Review the results of the What-If Depreciation Report or the Hypothetical What-If Report by navigating to the View My Requests window.
10. Update your assets according to the specified parameters in the Mass Changes window.

OR

Repeat this procedure using different parameters.

### **To forecast depreciation using the Request Center:**

1. From the Request Center, navigate to the Report Submission and Publishing window.
2. Choose Standard (Variable Format).
3. In the Report field, choose What-If Depreciation Analysis from the list of values and choose the Submission button.
4. Enter the book containing the assets for which you want to run what-if analysis.
5. Enter the begin period and the number of periods.

6. Enter the Assets to Analyze parameters to identify the set of assets for which you want to run what-if depreciation analysis.  
See: Assets to Analyze Parameters, page 5-48.
7. Enter the Depreciation Scenario parameters to identify the depreciation rules to be used in the analysis.  
See: Depreciation Scenario Parameters, page 5-50.
8. Submit the What-If Depreciation Analysis report from the Request Center.
9. Review the results of the What-If Depreciation Analysis Report.
10. Update your assets according to the specified parameters in the Mass Changes window  
OR  
Repeat this procedure using different parameters.

## Parameters

You run what-if depreciation analysis based on parameters you specify in the What-If Depreciation Analysis window in Oracle Assets. You enter these parameters for purposes of analysis only. The parameters you enter in these windows do not affect depreciation of your Oracle Assets data.

### Assets to Analyze Parameters

Use the Assets to Analyze tabbed region when you want to perform what-if depreciation analysis on assets that exist in your Oracle Assets system. You use this group of parameters to tell Oracle Assets on which assets to perform what-if analysis. If you leave the optional fields blank, Oracle Assets defaults to performing analysis on all possible assets. The following table provides explanations of the parameters:

| Parameter                     | Usage    | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asset Number                  | Optional | You can enter a beginning range, and ending range, or both. If both fields are blank, Oracle Assets performs analysis on all assets in the specified book. If only the beginning asset number is specified, Oracle Assets performs analysis on all assets including and following the beginning asset number. Similarly, if only the ending asset number is specified, Oracle Assets performs analysis on all assets up to and including the ending asset number. |
| Dates in Service              | Optional | You can enter a beginning range, and ending range, or both. Similar to the Asset Number field, if you leave both fields blank, Oracle Assets will perform analysis on all assets in the specified book, or on all assets preceding or following the beginning or ending date.                                                                                                                                                                                     |
| Description                   | Optional | If you only want assets of a particular description included in your analysis, enter the description.                                                                                                                                                                                                                                                                                                                                                             |
| Category                      | Optional | If you only want assets of a particular category included in your analysis, enter the category.                                                                                                                                                                                                                                                                                                                                                                   |
| Analyze Fully Reserved Assets | Optional | Check the Analyze Fully Reserved Assets check box to include fully reserved assets in your analysis.                                                                                                                                                                                                                                                                                                                                                              |

## Hypothetical Assets Parameters

Use the Hypothetical Assets tabbed region when you want to perform what-if depreciation analysis on assets that have not been defined in your Oracle Assets system. The following table provides explanations of the parameters:

| Parameter                | Usage    | Explanation                                   |
|--------------------------|----------|-----------------------------------------------|
| Category                 | Required | Enter the category of the hypothetical asset. |
| Date in Service          | Required | Enter a hypothetical date placed in service.  |
| Cost                     | Required | Enter a hypothetical asset cost.              |
| Accumulated Depreciation | Optional | Enter hypothetical accumulated depreciation.  |

## Depreciation Scenario Parameters

Use this group of parameters to indicate the depreciation rules you want applied in the analysis. If you leave any of the fields blank, Oracle Assets applies the rules already set up in Oracle Assets. You can enter any combination of parameters. No specific parameters are required, but you must enter at least one parameter. The following table provides explanations of the parameters:

| Parameter | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Method    | Enter the depreciation method, for example, flat-rate. This field is not required, however, if you do enter a depreciation method in this field, it affects other fields you can enter, depending on the value you entered in the Method field. If you enter a life-based method, the Life field appears where you can enter the life of the asset. If you enter a rate-based method, the Rate field appears where you can enter the rate. |

| Parameter            | Explanation                                                                                                                                                                              |
|----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Life                 | Enter the life of the asset in years and months. If you entered a value in the Method field, it must be a life-based method for the Life field to be valid.                              |
| Rate                 | Enter the depreciation rate. If you entered a value in the Method field, it must be a rate-based method for the Rate field to be valid.                                                  |
| Prorate Convention   | Enter the prorate convention you want applied to the assets in the what-if analysis.                                                                                                     |
| Salvage Value %      | Enter the percentage of the cost of your assets that should be equivalent to the salvage value, based on the following formula:<br><br>Salvage Value=Cost x Default Percentage           |
| Amortize Adjustments | Check the Amortize Adjustments check box if you want your adjustments to be amortized in your analysis. If you do not check the check box, adjustments will be expensed on the analysis. |
| Bonus Rule           | If you will be using bonus rules, add the bonus rule used to depreciate the asset.                                                                                                       |

## Process

After you have entered the parameters you want used in your analysis, select the Run button to launch the What-if Depreciation Report or the Hypothetical What-If Report.

For every asset you specified, Oracle Assets will compute depreciation data for the number of periods you specified.

## Related Topics

What-If Depreciation Report, page 10-41

Hypothetical What-If Report, page 10-40

Request Center (*Oracle Applications Desktop Integrator User Guide*)

## Data Archive and Purge

Archive and purge transaction and depreciation data for the book and fiscal year you specify to release disk space for current data.

If you do not need to run reports for previous fiscal years, you can copy the data onto tape or any storage device, and then delete it from your system. If you later need these records online, you can reload them into Oracle Assets.

## What the Purge Program Removes

The purge program removes the depreciation expense and adjustment transaction records for the book and year you specify. However, it does **not** remove the asset identification, financial, and assignment information for your assets, including assets you retired or that became fully reserved during that fiscal year.

## Maintain Audit Trail of Purge Transactions

Oracle Assets maintains an audit trail of which fiscal years you have archived, purged, and restored, and how many records were processed. If your system fails during a purge, you can safely resubmit it. Oracle Assets only processes those records which it has not yet processed.

## Purge Fiscal Years in Chronological Order

You must purge fiscal years in chronological order. Before you purge a fiscal year, you must archive and purge all earlier fiscal years. You cannot purge periods in the current fiscal year. If your current period is the first period of a new fiscal year, you cannot purge the previous period. You can only restore the most recently purged fiscal year, so you must restore fiscal years in reverse chronological order. You cannot archive and purge the period prior to the current period.

## Purge Security

You must allow purge for the depreciation book you want to purge in the Book Controls window. To prevent accidental purge, leave Allow Purge unchecked for your books, and check it only just before you perform a purge.

You submit archive, purge, and restore in the Archive and Purge window. Oracle Assets provides this window only under the standard Fixed Assets Administrator responsibility. You should limit access to this responsibility to only users who require it.

## Related Topics

Archiving and Purging Transaction and Depreciation Data, page 5-56

Defining Depreciation Books, page 9-60

Resizing the Archive Tables, page 5-53

Archive, Purge, and Restore Process, page 5-54

## Resizing the Archive Tables

If you are archiving a large number of records for a fiscal year, you can update the FA:Archive Table Sizing Factor to specify the size of the temporary tables created by an archive. Specifically, if the number of rows Oracle Assets will archive multiplied by the average rowsize of that table for all three tables is very different from 100,000 bytes, you may want to adjust the FA: Archive Table Sizing Factor.

Contact your Database Administrator to find out if you need to update this factor. You can tell your Database Administrator that the Sizing Factor specifies how many kilobytes of storage to reserve for the initial extent. The default value is 100.

You can determine approximately how many rows Oracle Assets will archive for a fiscal year using the following SQL script. You can expect to have about six FA\_ADJUSTMENTS rows per transaction performed that year, and one FA\_DEPRN\_DETAIL row and one FA\_DEPRN\_SUMMARY row for each asset for each period in each book.

To find out about how many FA\_ADJUSTMENTS rows Oracle Assets will archive:

```
select count(ADJ.ASSET_ID)
      from FA_ADJUSTMENTS ADJ,
           FA_DEPRN_PERIODS DP,
           FA_FISCAL_YEAR FY
where
      FY.FISCAL_YEAR = Fiscal Year To Archive and
      DP.CALENDAR_PERIOD_OPEN_DATE >= FY.START_DATE and
      DP.CALENDAR_PERIOD_CLOSE_DATE <= FY.END_DATE and
      ADJ.PERIOD_COUNTER_CREATED = DP.PERIOD_COUNTER;
```

To find out about how many FA\_DEPRN\_DETAIL rows Oracle Assets will archive:

```
select count(DD.ASSET_ID)
      from FA_DEPRN_DETAIL DD,
           FA_DEPRN_PERIODS DP,
           FA_FISCAL_YEAR FY
where
      FY.FISCAL_YEAR = Fiscal Year To Archive and
      DP.CALENDAR_PERIOD_OPEN_DATE >= FY.START_DATE and
      DP.CALENDAR_PERIOD_CLOSE_DATE <= FY.END_DATE and
      DD.PERIOD_COUNTER = DP.PERIOD_COUNTER;
```

To find out about how many FA\_DEPRN\_SUMMARY rows Oracle Assets will archive:

```

select count(DD.ASSET_ID)
  from FA_DEPRN_DETAIL DD,
       FA_DEPRN_PERIODS DP,
       FA_FISCAL_YEAR FY
 where
       FY.FISCAL_YEAR = Fiscal Year To Archive and
       DP.CALENDAR_PERIOD_OPEN_DATE >= FY.START_DATE and
       DP.CALENDAR_PERIOD_CLOSE_DATE <= FY.END_DATE and
       DD.PERIOD_COUNTER = DP.PERIOD_COUNTER;

```

You can determine the average rowsize for each table using something like the following SQL script. You can expect each row to be about 50 bytes.

```

select avg(nvl(vsize(column_1),0)) +
       avg(nvl(vsize(column_2),0)) +
       . . .
       avg(nvl(vsize(column_N),0))
  from table_name;

```

## Related Topics

Archiving and Purging Transaction and Depreciation Data, page 5-56

User Profiles in Oracle Assets, page B-1

Archive, Purge, and Restore Process, page 5-54

## Archive, Purge, and Restore Process

There are several steps to archive, purge, and restore a fiscal year. Some of these steps you can do using the Mass Purge window. Others you should ask your Database Administrator to perform. To archive and purge a fiscal year, you need to:

1. Archive and purge all earlier fiscal years.
2. Update FA: Archive Table Sizing Factor if necessary (Database Administrator).
3. Run Archive (Fixed Assets Administrator).
4. Export temporary archive tables to storage device (Database Administrator).
5. Run Purge (Fixed Assets Administrator).
6. Drop temporary archive tables (Database Administrator).
7. Export current data from tables from which you purged (Database Administrator).
8. Drop tables from which you purged (Database Administrator).
9. Recreate tables from which you purged (Database Administrator).
10. Import current data into tables from which you purged (Database Administrator).



11. Verify tables and indexes (Database Administrator).

If you later need the data online, you can restore it. To restore a fiscal year you need to:

12. Restore all later fiscal years.
13. Import temporary archive tables from storage device (Database Administrator).
14. Run Restore (Fixed Assets Administrator).

## Archiving Data

When you perform the archive, Oracle Assets assigns a reference number to it and copies the depreciation expense and adjustment transaction records to three temporary tables:

- FA\_ARCHIVE\_SUMMARY\_<Archive\_Number>
- FA\_ARCHIVE\_DETAIL\_<Archive\_Number>
- FA\_ARCHIVE\_ADJUSTMENT\_<Archive\_Number>

You can export the temporary archive tables onto tape or any storage device. If you need these records again, you can restore them. You must archive records before you can purge them, and Oracle Assets prevents you from running purge if these tables do not exist. You should not drop the tables until after you have exported the tables and run purge.

## Purging Data

Oracle Assets prevents you from running purge if the temporary archive tables from the archive transaction do not exist. Since the archive number is part of the temporary table name, Oracle Assets purges only the records that were archived during the archive you specify.

## Recreate Database Objects From Which You Purge

After you purge your database, contact your Database Administrator to export, drop, and recreate the tables from which you purged data. By recreating these objects, you can reduce the memory each object occupies in your tablespace and perhaps increase the performance of your system.

You can tell your Database Administrator that you purged from the FA\_DEPRN\_SUMMARY, FA\_DEPRN\_DETAIL, and FA\_ADJUSTMENTS tables. After recreating the tables and importing the data, check that all the appropriate indexes were recreated. The *Oracle Assets Technical Reference Manual* provides information on which indexes each database table requires.

## Restoring Data

To restore records that you have purged from Oracle Assets, you must first import the tables from your archive, then perform the restore. You do not need to archive the records before you purge them again.

Since the archive number is part of the temporary table name, Oracle Assets restores only the records that were archived during that archive you specify.

## Controlling Your Archive

Use the Status field to determine the next possible action.

| Status   | Definition                         | Possible Action |
|----------|------------------------------------|-----------------|
| New      | Newly created archive definition   | Archive         |
| Archived | Archive completed successfully     | Purge           |
| Purged   | Purge completed successfully       | Restore         |
| Restored | Restoration completed successfully | Purge           |

## Related Topics

Archiving and Purging Transaction and Depreciation Data, page 5-56

Resizing the Archive Tables, page 5-53

## Archiving and Purging Transaction and Depreciation Data

If you no longer need to run reports for previous fiscal years, you can archive and purge historical data to free hardware resources. You can only restore the most recently purged fiscal year, so you must restore fiscal years in reverse chronological order.

### Prerequisites

- If necessary, update the FA:Archive Table Sizing Factor profile option. See: Profile Options and Profile Options Categories Overview, page B-1
- Allow Purge for the book in the Book Controls window before you perform the purge. See: Defining Depreciation Books., page 9-60

## To archive and purge transaction and depreciation data:

1. Change Responsibilities to Fixed Assets Administrator.
2. Open the Archive and Purge window.
3. Enter the Book and Fiscal Year you want to archive. You must archive and purge in chronological order.
4. Choose Archive to submit a concurrent request that changes the status from New to Archived and creates temporary archive tables with the data to be purged.

Oracle Assets automatically assigns an Archive Number when you save your work.

**Note:** The temporary table name includes a five-digit archive number.

5. Export the archive tables to a storage device.
6. Return to the Archive and Purge window and use the Archive Number to find the archive you want to purge.
7. Choose Purge to submit a concurrent request that changes the status from Archived to Purged and removes the archived data from Oracle Assets tables. Now your database administrator can drop the temporary archive tables.

You can only purge definitions with a status of Archived or Restored.

## To restore archived data to Oracle Assets:

1. Import the archive tables from your storage device.
2. Open the Archive and Purge window under the standard Fixed Assets Administrator responsibility.
3. Use the Archive Number to query the archive you want to restore.
4. Choose Restore to submit a concurrent process that changes the status from Purged to Restored and inserts the previously purged data into Oracle Assets tables.

You can purge the restored data again if necessary.

## Related Topics

Data Archive and Purge, page 5-52

## Unplanned Depreciation

Unplanned depreciation is a feature used primarily to comply with special depreciation accounting rules in Germany and the Netherlands. However, you also can use this feature to handle unusual accounting situations in which you need to adjust the net book value and accumulated depreciation amounts for an asset without affecting its cost.

For more specific information about using the unplanned depreciation feature to satisfy statutory requirements in Germany, see: Unplanned Depreciation Report, page 10-41.

You can enter unplanned depreciation amounts by asset and book for any current period during the useful life of an asset. You can enter unplanned depreciation for an asset in both the corporate and/or tax books. When you enter unplanned depreciation, Oracle Assets immediately updates the year-to-date and life-to-date depreciation, and the net book value of the asset. You can change the depreciation method after entering unplanned depreciation.

The unplanned depreciation expense you enter must not exceed the current net book value (cost - salvage value - accumulated depreciation) of the asset. If necessary, you can enter multiple unplanned depreciation amounts, both positive and negative, in a single period, provided that the net amount does not exceed the current net book value of the asset. Thus, it is possible to enter unplanned amounts that back out depreciation taken in prior periods, including previously entered unplanned depreciation amounts.

When you enter unplanned depreciation expense, you can choose in which period to begin amortization of the asset's remaining net book value. You can begin amortization in the current or a subsequent period, or you can choose not to amortize the remaining net book value. Note that if you do not amortize the unplanned depreciation or make an amortized adjustment in a subsequent period, the asset will be fully reserved before the end of the useful life. If you choose to amortize in a subsequent period, simply enter an unplanned depreciation amount of zero, and check the Amortize from Current Period check box. Oracle Assets will begin to amortize the remaining net book value as of that period.

Oracle Assets uses the unplanned depreciation amount, in addition to regular depreciation, to calculate depreciation for the period in which you entered the unplanned depreciation. When you create journal entries for the general ledger, Oracle Assets posts the expense due to unplanned depreciation to the account you selected when you entered the unplanned depreciation for the asset.

## Enable Function Security

You can enable or disable unplanned depreciation entry by responsibility if you want to allow or restrict user access to this function. See: Function Security in Oracle Assets, page C-1.

## View Unplanned Depreciation Amounts

You can use the Financial Information inquiry windows to view the effects of the unplanned depreciation amounts you enter. Oracle Assets includes unplanned depreciation amounts in the current and prior period accumulated depreciation, year-to-date depreciation, and net book value amounts of the asset. The View Depreciation History window includes unplanned depreciation amounts in the depreciation expense per period for each asset and book. Note that unplanned depreciation amounts appear as ADJUSTMENT transactions.

**Note:** Unplanned depreciation in the period the asset is added is not tracked as an adjustment transaction in the system. The effect is reflected in the net book value and accumulated depreciation amounts for the asset.

If you want to view unplanned depreciation amounts separately, use the Transaction Detail window. In this window, you can view the unplanned depreciation type and the unplanned depreciation expense account for each unplanned amount.

## Restrictions

You cannot enter unplanned depreciation for assets shared between balancing segments. In other words, you cannot allocate unplanned depreciation amounts to specific distributions of an asset. Oracle Assets posts the unplanned depreciation expense only to the depreciation expense account you enter in the Unplanned Depreciation window.

You cannot enter unplanned depreciation for assets depreciating under table-based methods. If you need to enter unplanned depreciation for an asset depreciating under a table-based method, you must first change the depreciation method to a method that is not table-based.

You cannot enter unplanned depreciation to a unit of production asset that was placed in service in the current period. You can only add unplanned depreciation to a unit of production asset that has historical reserves.

You cannot make expensed adjustments to assets for which you have previously entered unplanned depreciation and have since amortized the amount. You may, however, perform expensed adjustments to the asset until you choose to amortize the unplanned depreciation amount. In addition, you cannot perform a mass change for assets that have unplanned depreciation.

## Examples

### Example 1: Unplanned Depreciation

You place an asset in service with a life of five years, and a cost of 120,000 DEM. The depreciation method is straight-line. There is no salvage value. The calendar has four periods per year. The following table shows quarterly depreciation amounts for the first seven quarters:

| Year of Life | Net Book Value<br>(Start of period) | Depreciation<br>Expense | Unplanned<br>Depreciation | Accumulated<br>Depreciation |
|--------------|-------------------------------------|-------------------------|---------------------------|-----------------------------|
| Yr 1, Q1     | 120,000                             | 6,000                   | 0                         | 6,000                       |
| Yr 1, Q2     | 114,000                             | 6,000                   | 0                         | 12,000                      |
| Yr 1, Q3     | 108,000                             | 6,000                   | 0                         | 18,000                      |
| Yr 1, Q4     | 102,000                             | 6,000                   | 0                         | 24,000                      |
| Yr 2, Q1     | 96,000                              | 6,000                   | 0                         | 30,000                      |
| Yr 2, Q2     | 90,000                              | 6,000                   | 0                         | 36,000                      |
| Yr 2, Q3     | 84,000                              | 6,000                   | 0                         | 42,000                      |

In Year 2, Quarter 4 you enter an unplanned depreciation amount of 10,000 DEM. You choose NOT to amortize the unplanned amount this period. Oracle Assets continues depreciating the asset taking the regular depreciation expense in subsequent periods until you choose to amortize the unplanned depreciation or make an amortized adjustment.

If you do not amortize the unplanned depreciation or make an amortized adjustment in a subsequent period, the asset will be fully reserved before the end of the useful life. The following table shows quarterly depreciation amounts for the last twelve quarters:

| Year of Life | Net Book Value<br>(Start of period) | Depreciation<br>Expense | Unplanned<br>Depreciation | Accumulated<br>Depreciation |
|--------------|-------------------------------------|-------------------------|---------------------------|-----------------------------|
| Yr 2, Q4     | 78,000                              | 6,000                   | 10,000                    | 58,000                      |
| Yr 3, Q1     | 62,000                              | 6,000                   | 0                         | 64,000                      |

| Year of Life | Net Book Value<br>(Start of period) | Depreciation<br>Expense | Unplanned<br>Depreciation | Accumulated<br>Depreciation |
|--------------|-------------------------------------|-------------------------|---------------------------|-----------------------------|
| Yr 3, Q2     | 56,000                              | 6,000                   | 0                         | 70,000                      |
| Yr 3, Q3     | 50,000                              | 6,000                   | 0                         | 76,000                      |
| Yr 3, Q4     | 44,000                              | 6,000                   | 0                         | 82,000                      |
| Yr 4, Q1     | 38,000                              | 6,000                   | 0                         | 88,000                      |
| Yr 4, Q2     | 32,000                              | 6,000                   | 0                         | 94,000                      |
| Yr 4, Q3     | 26,000                              | 6,000                   | 0                         | 100,000                     |
| Yr 4, Q4     | 20,000                              | 6,000                   | 0                         | 106,000                     |
| Yr 5, Q1     | 14,000                              | 6,000                   | 0                         | 112,000                     |
| Yr 5, Q2     | 8,000                               | 6,000                   | 0                         | 118,000                     |
| Yr 5, Q3     | 2,000                               | 6,000                   | 0                         | 120,000                     |

### Example 2: Unplanned Depreciation Amortized from Following Period

You place an asset in service with a life of five years, and a cost of 120,000 DEM. The depreciation method is straight-line. There is no salvage value. The calendar has four periods per year.

You enter an unplanned depreciation of 10,000 DEM in Year 2, Quarter 4, but you choose to amortize the unplanned depreciation expense over the remaining life of the asset, starting in the period following the unplanned depreciation. The following table shows quarterly depreciation amounts:

| Year of Life | Net Book Value<br>(Start of period) | Depreciation<br>Expense | Unplanned<br>Depreciation | Accumulated<br>Depreciation |
|--------------|-------------------------------------|-------------------------|---------------------------|-----------------------------|
| Yr 2, Q1     | 96,000                              | 6,000                   | 0                         | 30,000                      |
| Yr 2, Q2     | 90,000                              | 6,000                   | 0                         | 36,000                      |
| Yr 2, Q3     | 84,000                              | 6,000                   | 0                         | 42,000                      |

| Year of Life | Net Book Value<br>(Start of period) | Depreciation<br>Expense | Unplanned<br>Depreciation | Accumulated<br>Depreciation |
|--------------|-------------------------------------|-------------------------|---------------------------|-----------------------------|
| Yr 2, Q4     | 78,000                              | 6,000                   | 10,000                    | 58,000                      |
| Yr 3, Q1     | 62,000                              | *5,167                  | 0                         | 63,167                      |
| Yr 3, Q2     | 56,833                              | 5,167                   | 0                         | 68,334                      |
| Yr 3, Q3     | 51,666                              | 5,167                   | 0                         | 73,501                      |
| Yr 3, Q4     | 46,499                              | 5,166                   | 0                         | 78,667                      |
| Yr 4, Q1     | 41,333                              | 5,167                   | 0                         | 83,834                      |
| Yr 4, Q2     | 36,166                              | 5,167                   | 0                         | 89,001                      |
| Yr 4, Q3     | 30,999                              | 5,167                   | 0                         | 94,168                      |
| Yr 4, Q4     | 25,832                              | 5,166                   | 0                         | 99,334                      |
| Yr 5, Q1     | 20,666                              | 5,167                   | 0                         | 104,501                     |
| Yr 5, Q2     | 15,499                              | 5,167                   | 0                         | 109,668                     |
| Yr 5, Q3     | 10,332                              | 5,167                   | 0                         | 114,835                     |
| Yr 5, Q4     | 5,165                               | 5,165                   | 0                         | 120,000                     |

**\* Depreciation Expense Per Period = Net Book Value / Remaining Periods in Life**

For Year 3, Quarter 1 = 62,000 / 12 = 5,167 DEM

The asset is fully reserved at the end of the useful life.

### Example 3: Upward and Downward Unplanned Depreciation

Using the asset from the previous example, you enter another unplanned depreciation of -5,000 DEM in Year 4, Quarter 4, which partially reverses the previous unplanned depreciation. Oracle Assets amortizes the unplanned depreciation amount from the current period since you chose to amortize the unplanned depreciation from Year 2, Quarter 4 (See Example 2) for the same asset. The following table shows quarterly depreciation amounts:



| Year of Life | Net Book Value<br>(Start of period) | Depreciation<br>Expense | Unplanned<br>Depreciation | Accumulated<br>Depreciation |
|--------------|-------------------------------------|-------------------------|---------------------------|-----------------------------|
| Yr 4, Q1     | 41,333                              | 5,167                   | 0                         | 83,834                      |
| Yr 4, Q2     | 36,166                              | 5,167                   | 0                         | 89,001                      |
| Yr 4, Q3     | 30,999                              | 5,167                   | 0                         | 94,168                      |
| Yr 4, Q4     | 25,832                              | *6,166                  | <5,000>                   | 95,334                      |
| Yr 5, Q1     | 24,666                              | 6,167                   | 0                         | 101,501                     |
| Yr 5, Q2     | 18,499                              | 6,167                   | 0                         | 107,668                     |
| Yr 5, Q3     | 12,332                              | 6,167                   | 0                         | 113,835                     |
| Yr 5, Q4     | 6,165                               | 6,165                   | 0                         | 120,000                     |

**\* Depreciation Expense Per Period = Net Book Value / Remaining Periods in Life**

For Year 5, Quarter 1 = 24,666 / 4 = 6,167 DEM

The asset is fully reserved at the end of the useful life.

#### Example 4: Amortized Adjustment after Unplanned Depreciation

You place an asset in service with a life of five years, and a cost of 120,000 DEM. The depreciation method is straight-line. There is no salvage value. The calendar has four periods per year.

You enter an unplanned depreciation in Year 1, Quarter 3, which you amortize from the following period, and then perform an amortized cost adjustment of 30,000 DEM in Year 2, Quarter 1. The new cost is 150,000 DEM and there is no catchup depreciation since this is an amortized adjustment. The following table shows quarterly depreciation amounts:

| Year of Life | Net Book Value<br>(Start of period) | Depreciation<br>Expense | Unplanned<br>Depreciation | Accumulated<br>Depreciation |
|--------------|-------------------------------------|-------------------------|---------------------------|-----------------------------|
| Yr 1, Q1     | 120,000                             | 6,000                   | 0                         | 6,000                       |
| Yr 1, Q2     | 114,000                             | 6,000                   | 0                         | 12,000                      |

| Year of Life | Net Book Value<br>(Start of period) | Depreciation<br>Expense | Unplanned<br>Depreciation | Accumulated<br>Depreciation |
|--------------|-------------------------------------|-------------------------|---------------------------|-----------------------------|
| Yr 1, Q3     | 108,000                             | 6,000                   | 10,000                    | 28,000                      |
| Yr 1, Q4     | 92,000                              | **5,412                 | 0                         | 33,412                      |
| Yr 2, Q1     | *116,588                            | ***7,287                | 0                         | 40,699                      |
| Yr 2, Q2     | 109,301                             | 7,287                   | 0                         | 47,986                      |
| Yr 2, Q3     | 102,014                             | 7,287                   | 0                         | 55,273                      |
| Yr 2, Q4     | 94,727                              | 7,286                   | 0                         | 62,560                      |
| Yr 3, Q4     | 65,580                              | 7,286                   | 0                         | 91,708                      |
| Yr 4, Q4     | 36,433                              | 7,286                   | 0                         | 120,856                     |
| Yr 5, Q4     | 7,286                               | 7,286                   | 0                         | 150,000                     |

\* Cost adjustment of 30,000 DEM; new cost is 150,000 DEM

\*\* Depreciation Expense Per Period = Net Book Value / Remaining Periods in Life

For Year 1, Quarter 4, the depreciation expense per period is  $92,000 / 17 = 5,412$  DEM

\*\*\* Depreciation Expense = (New Cost - Accumulated Depreciation) / Remaining Periods in Life

For Year 2, Quarter 1, the new depreciation expense is  $(150,000 - 33,412) / 16 = 7,287$  DEM

Oracle Assets includes the unplanned depreciation amount when it calculates the accumulated depreciation.

**Note:** If you choose to amortize unplanned depreciation in the current period, and then perform a cost adjustment on the same asset in the same book, Oracle Assets automatically amortizes the cost adjustment as well as the unplanned depreciation amount. You cannot expense the cost adjustment.

If you choose to expense an unplanned depreciation amount, and then perform an expensed cost adjustment, Oracle Assets will override the unplanned depreciation amount to expense the cost adjustment. You can re-enter the unplanned depreciation for the asset later if necessary.

## Related Topics

Entering Unplanned Depreciation for an Asset, page 5-65

Unplanned Depreciation Report, page 10-41

## Entering Unplanned Depreciation for an Asset

You can enter unplanned depreciation expense for an asset to comply with your country's accounting rules, or to handle an unusual accounting situation. When you enter unplanned depreciation, you can choose in which period to begin amortization of the asset's remaining net book value.

### To enter unplanned depreciation for an asset:

1. Navigate to the Asset Workbench.
2. Find the asset for which you want to enter unplanned depreciation, and choose the Books button.
3. In the Books window, enter a Book. You can enter unplanned depreciation for an asset in a corporate or tax book.

**Note:** You cannot mass copy unplanned depreciation amounts from the corporate to the tax book. If you want to enter the same unplanned depreciation in the tax book, you must enter it manually.

4. Optionally enter a reason for the unplanned depreciation in the Comments field. You can use this field to find the transaction later if necessary.
5. Choose the Unplanned Depr button to open the Unplanned Depreciation window.
6. Choose the unplanned depreciation Type. See: Entering QuickCodes, page 9-50.
7. Enter the amount of unplanned depreciation expense as a positive or negative currency amount. Unless you are entering unplanned depreciation for a credit asset, the unplanned depreciation amount cannot exceed the net book value of the asset.
8. Enter the complete unplanned depreciation expense account.
9. Check the Amortize From Current Period check box to amortize the unplanned depreciation starting in the current period.

Alternatively, leave the check box unchecked if you want to amortize the remaining net book value in a subsequent period. Then, in the period you want amortization

to start, enter an unplanned depreciation amount of zero for the same asset and expense account, and check the Amortize From Current Period check box. Oracle Assets amortizes the net book value starting in the period you perform this change.

**Note:** The value of this check box overrides the value of the Amortize Adjustment check box in the Books window.

If you make **any amortized** adjustment, for example a cost or life adjustment, to the asset after entering an expensed or amortized unplanned depreciation, Oracle Assets begins amortizing the remaining net book value, which includes the unplanned depreciation amount, from the period you make the amortized adjustment.

10. Choose Done to save your work.

## Related Topics

Unplanned Depreciation Report, page 10-41

## Bonus Depreciation

The bonus rate is applied based on either the cost or on the nbv following the depreciation method calculation basis. That is, the bonus rate is based on the asset cost for straight-line, but on the nbv for flat rate methods using nbv as the calculation basis:

**Bonus Expense=Depreciable Basis\*Bonus Rate**

You can also set up Oracle Assets to charge bonus reserve to an account that is different from the normal accumulated depreciation expense.

## Bonus Rule Accounts

You can set up Oracle Assets to charge bonus depreciation expense to a different account from that of normal depreciation expense.

You can also set up Oracle Assets to charge bonus depreciation reserve to a different account from that of the normal accumulated depreciation account.

## Bonus Rule Examples

The examples presented in the following tables illustrate how bonus depreciation works in various situations. and use the rate tables and depreciation methods provided:

## Rate Tables

### Bonus Rule 1: VEHICLES

| From Year | To Year | Rate |
|-----------|---------|------|
| 1         | 1       | 20%  |
| 2         | 2       | 10%  |
| 3         | 3       | 5%   |

### Bonus Rule 2: MACHINERY

| From Year | To Year | Rate |
|-----------|---------|------|
| 1         | 3       | 40%  |
| -         | -       | -    |
| -         | -       | -    |

### Bonus Rule 3: BUILDINGS

| From Year | To Year | Rate |
|-----------|---------|------|
| 1         | 1       | 20%  |
| 2         | 2       | 15%  |
| 3         | 3       | 15%  |
| 4         | 8       | -10% |

## Depreciation Methods

The examples presented in the following tables illustrate how bonus depreciation works in various situations, and use the rate tables and depreciation methods provided:

### T\_COST Method

Attributes for the following table are Type = TABLE, Basis = COST, Life = 8 year and 1 prorate period per year.

| Year | Pd. | Rate |
|------|-----|------|
| 1    | 1   | 0.10 |
| 2    | 1   | 0.09 |
| 3    | 1   | 0.06 |
| 4    | 1   | 0.15 |
| 5    | 1   | 0.15 |
| 6    | 1   | 0.15 |
| 7    | 1   | 0.15 |
| 8    | 1   | 0.15 |
| 9    | 1   | 0.00 |

### T\_NBV Method

Attributes for the following table are Type = TABLE, Basis = NBV, Life = 3 year and 1 prorate period per year.

| Year | Pd. | Rate |
|------|-----|------|
| 1    | 1   | 0.40 |
| 2    | 1   | 0.50 |
| 3    | 1   | 1.00 |
| -    | -   | -    |
| -    | -   | -    |

| Year | Pd. | Rate |
|------|-----|------|
| -    | -   | -    |
| -    | -   | -    |
| -    | -   | -    |
| -    | -   | -    |

### Example 1: Straight-Line Method

The following tables illustrate using bonus rules with a straight-line depreciation method:

|                  |             |
|------------------|-------------|
| Asset Number:    | 101         |
| Cost:            | 4000 USD    |
| Date in Service: | 01-JAN-2000 |
| Method:          | STL         |
| Life:            | 4 years     |
| Bonus Rule:      | VEHICLES    |

| Quarter | Depreciation Expense | Accumulated Depreciation | Bonus Deprn Expense | Bonus Deprn Reserve | Total Accum Depreciation | NBV  |
|---------|----------------------|--------------------------|---------------------|---------------------|--------------------------|------|
| Y1Q1    | 250                  | 250                      | 200                 | 200                 | 450                      | 3550 |
| Y1Q2    | 250                  | 500                      | 200                 | 400                 | 900                      | 3100 |
| Y1Q3    | 250                  | 750                      | 200                 | 600                 | 1350                     | 2650 |
| Y1Q4    | 250                  | 1000                     | 200                 | 800                 | 1800                     | 2200 |

| Quarter | Depreciation Expense | Accumulated Depreciation | Bonus Deprn Expense | Bonus Deprn Reserve | Total Accum Depreciation | NBV  |
|---------|----------------------|--------------------------|---------------------|---------------------|--------------------------|------|
| Y2Q1    | 250                  | 1250                     | 100                 | 900                 | 2150                     | 1850 |
| Y2Q2    | 250                  | 1500                     | 100                 | 1000                | 2500                     | 1500 |
| Y2Q3    | 250                  | 1750                     | 100                 | 1100                | 2850                     | 1150 |
| Y2Q4    | 250                  | 2000                     | 100                 | 1200                | 3200                     | 800  |
| Y3Q1    | 250                  | 2250                     | 50                  | 1250                | 3500                     | 500  |
| Y3Q2    | 250                  | 2500                     | 50                  | 1300                | 3800                     | 200  |
| Y3Q3    | 200                  | 2700                     | 0                   | 1300                | 4000                     | 0    |

### Example 2: NBV-Based Table Method

The following tables illustrate calculations using a table-based depreciation method where the depreciable basis is the net book value of the asset:

|                  |             |
|------------------|-------------|
| Asset Number:    | 102         |
| Cost:            | 100000 USD  |
| Date in Service: | 01-JAN-2000 |
| Method:          | T_NBV       |
| Life:            | 3 years     |
| Bonus Rule:      | MACHINERY   |



| Quarter | Depreciation Expense | Accumulated Depreciation | Bonus Deprn Expense | Bonus Deprn Reserve | Total Accum Depreciation | NBV   |
|---------|----------------------|--------------------------|---------------------|---------------------|--------------------------|-------|
| Y1Q1    | 10000                | 10000                    | 10000               | 10000               | 20000                    | 80000 |
| Y1Q2    | 10000                | 20000                    | 10000               | 20000               | 40000                    | 60000 |
| Y1Q3    | 10000                | 30000                    | 10000               | 30000               | 60000                    | 40000 |
| Y1Q4    | 10000                | 40000                    | 10000               | 40000               | 80000                    | 20000 |
| Y2Q1    | 2500                 | 42500                    | 2000                | 42000               | 84500                    | 15500 |
| Y2Q2    | 2500                 | 45000                    | 2000                | 44000               | 89000                    | 11000 |
| Y2Q3    | 2500                 | 47500                    | 2000                | 46000               | 93500                    | 6500  |
| Y2Q4    | 2500                 | 50000                    | 2000                | 48000               | 98000                    | 2000  |
| Y3Q1    | 500                  | 50500                    | 200                 | 48200               | 98700                    | 1300  |
| Y3Q2    | 500                  | 51000                    | 200                 | 48400               | 99400                    | 600   |
| Y3Q3    | 500                  | 51500                    | 100                 | 48500               | 100000                   | 0     |
| Y3Q4    | 0                    | 51500                    | 0                   | 48500               | 100000                   | 0     |

### Example 3: Table Method, Negative Bonus Rates

The following tables illustrate calculations using a table-based depreciation method with negative bonus rates:

|                  |             |
|------------------|-------------|
| Asset Number:    | 103         |
| Cost:            | 100000 DEM  |
| Date in Service: | 01-JAN-2000 |
| Method:          | T_COST      |

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Life: 8 years

Bonus Rule: BUILDINGS

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| Quarter | Depreciation Expense | Accumulated Depreciation | Bonus Deprn Expense | Bonus Deprn Reserve | Total Accum Depreciation | NBV   |
|---------|----------------------|--------------------------|---------------------|---------------------|--------------------------|-------|
| Y1Q1    | 2500                 | 2500                     | 5000                | 5000                | 7500                     | 92500 |
| Y1Q2    | 2500                 | 5000                     | 5000                | 10000               | 15000                    | 85000 |
| Y1Q3    | 2500                 | 7500                     | 5000                | 15000               | 22500                    | 77500 |
| Y1Q4    | 2500                 | 10000                    | 5000                | 20000               | 30000                    | 70000 |
| Y2Q1    | 2250                 | 12250                    | 3750                | 23750               | 36000                    | 64000 |
| Y2Q2    | 2250                 | 14500                    | 3750                | 27500               | 42000                    | 58000 |
| Y2Q3    | 2250                 | 16750                    | 3750                | 31250               | 48000                    | 52000 |
| Y2Q4    | 2250                 | 19000                    | 3750                | 35000               | 54000                    | 46000 |
| Y3Q1    | 1500                 | 20500                    | 3750                | 38750               | 59250                    | 40750 |
| Y3Q2    | 1500                 | 22000                    | 3750                | 42500               | 64500                    | 35500 |
| Y3Q3    | 1500                 | 23500                    | 3750                | 46250               | 69750                    | 30250 |
| Y3Q4    | 1500                 | 25000                    | 3750                | 50000               | 75000                    | 25000 |
| Y4Q1    | 3750                 | 28750                    | -2500               | 47500               | 76250                    | 23750 |
| Y4Q2    | 3750                 | 32500                    | -2500               | 45000               | 77500                    | 22500 |
| Y4Q3    | 3750                 | 36250                    | -2500               | 42500               | 78750                    | 21250 |
| Y4Q4    | 3750                 | 40000                    | -2500               | 40000               | 80000                    | 0000  |

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| Quarter | Depreciation Expense | Accumulated Depreciation | Bonus Deprn Expense | Bonus Deprn Reserve | Total Accum Depreciation | NBV   |
|---------|----------------------|--------------------------|---------------------|---------------------|--------------------------|-------|
| Y5Q1    | 3750                 | 43750                    | -2500               | 37500               | 81250                    | 18750 |
| Y5Q2    | 3750                 | 47500                    | -2500               | 35000               | 82500                    | 17500 |
| Y5Q3    | 3750                 | 51250                    | -2500               | 32500               | 83750                    | 16250 |
| Y5Q4    | 3750                 | 55000                    | -2500               | 30000               | 85000                    | 15000 |
| Y6Q1    | 3750                 | 58750                    | -2500               | 27500               | 86250                    | 13750 |
| Y6Q2    | 3750                 | 62500                    | -2500               | 25000               | 87500                    | 12500 |
| Y6Q3    | 3750                 | 66250                    | -2500               | 22500               | 88750                    | 11250 |
| Y6Q4    | 3750                 | 70000                    | -2500               | 20000               | 90000                    | 10000 |
| Y7Q1    | 3750                 | 73750                    | -2500               | 17500               | 91250                    | 8750  |
| Y7Q2    | 3750                 | 77500                    | -2500               | 15000               | 92500                    | 7500  |
| Y7Q3    | 3750                 | 81250                    | -2500               | 12500               | 93750                    | 6250  |
| Y7Q4    | 3750                 | 85000                    | -2500               | 10000               | 95000                    | 5000  |
| Y8Q1    | 3750                 | 88750                    | -2500               | 7500                | 96250                    | 3750  |
| Y8Q2    | 3750                 | 92500                    | -2500               | 5000                | 97500                    | 2500  |
| Y8Q3    | 3750                 | 96250                    | -2500               | 2500                | 98750                    | 1250  |
| Y8Q4    | 3750                 | 100000                   | -2500               | 0                   | 100000                   | 0     |

## Related Topics

Depreciation Calculation for Flat-Rate Methods, page 5-25

Bonus Depreciation Rule Listing, page 10-35

Bonus Depreciation, page 5-66

## Defaulting Asset Salvage Value as a Percentage of Cost

You can default the salvage value of your assets as a percentage of cost, according to percentages you define for each category and book. Oracle Assets uses the defaults whether you add assets manually, automatically, or using Mass Additions. You can override the default value using the Detail Additions process. You also can adjust the default salvage value after an asset has been added. The following transactions affect salvage value:

- Additions, page 5-74
- Adjustments, page 5-75
- Mass Copy, page 5-75

Transfers, retirements, and reclassifications do not affect asset salvage value.

You define a default salvage value percentage for a particular category, book, and range of dates placed in service in the Asset Categories window. See: *Entering Default Depreciation Rules for a Category*, page 9-190.

When you perform transactions that affect asset cost, Oracle Assets uses this default percentage to calculate the salvage value according to the following formula:

Salvage Value = Cost \* **Default Percentage**

## Additions

When you add an asset using Mass Additions or QuickAdditions, Oracle Assets calculates the default salvage value using the cost you enter and the default salvage value percentage. If you do not specify a default percentage, Oracle Assets uses a default salvage value of zero. To change the salvage value, make a salvage value adjustment in the Books window of the Asset Workbench. See: *Changing Financial and Depreciation Information*, page 3-7.

You can override the default salvage value when you add the asset during Detail Additions. Oracle Assets displays the calculated salvage value, and you can change it to a different amount if necessary.

For example, you define the AUTO.LUXURY category as follows:

- Book: US CORP
- Dates Placed in Service: 01-JAN-1990 until 31-DEC-1999
- Default Salvage Value Percentage = 5%

You then add a luxury automobile to the US CORP book:

- Category: AUTO.LUXURY

- Date Placed in Service: 16-DEC-1995
- Cost: 50,000 USD

The default salvage value is  $50,000 * 5\% = 2,500$  USD.

## Adjustments

If you adjust the cost of an asset or perform another transaction which affects asset cost, such as adding an invoice line, Oracle Assets recalculates the salvage value using the new cost.

For example, in 1997 you buy a new radio for the luxury automobile you added to the US CORP book. To record this cost, you add an invoice of 500 USD. The adjusted cost is 50,500 USD, and the new salvage value is  $50,500 * 5\% = 2525$  USD.

## Mass Copy

When you Mass Copy additions, cost adjustments, or salvage value adjustments to a tax book, there are three strategies by which you can affect asset salvage value in your tax book. You must choose one of these strategies when you enable Mass Copy for a book in the Book Controls window. You can choose one of the following options from the Salvage Value poplist: Copy, Do Not Copy, and Use Default Percent. See: Entering Accounting Rules for a Book, page 9-62.

In Example 1, 2, and 3, the following rules apply for the US TAX book:

- Category: AUTO.LUXURY
- Dates Placed in Service: 01-JAN-1990 until 31-DEC-1999
- Default Salvage Value Percentage = 10%

### Example 1: Mass Copying an Addition

In Q1-95, you add a luxury automobile to the US CORP book. The cost is 100,000 USD, and the salvage value is 15,000 USD. You mass copy this transaction to the US TAX book in the same quarter. The following table provides examples of how mass copy works in various situations:

| If You Use This Mass Copy Strategy... | The New Salvage Value in US TAX Is... |
|---------------------------------------|---------------------------------------|
| Copy                                  | 15,000 USD                            |
| Do Not Copy                           | 0 USD                                 |

| If You Use This Mass Copy Strategy... | The New Salvage Value in US TAX Is... |
|---------------------------------------|---------------------------------------|
| Use Default %                         | 100,000 * 10% = 10,000 USD            |

### Example 2: Mass Copying a Cost Adjustment

You place an asset in service in the US CORP and US TAX books as illustrated in the following table:

| Field           | US CORP     | US TAX      |
|-----------------|-------------|-------------|
| Category        | AUTO.LUXURY | AUTO.LUXURY |
| Date in Service | 16-DEC-1995 | 16-DEC-1995 |
| Cost            | 25,000 USD  | 25,000 USD  |
| Salvage Value   | 2500 USD    | 1250 USD    |

You adjust the asset cost in the US CORP book to 20,000 USD, leaving the salvage value at 2500 USD. You then Mass Copy the cost adjustment to the US TAX book. The following table shows how mass copy works in these situations:

| If You Use This Mass Copy Strategy... | The New Salvage Value in US TAX Is... |
|---------------------------------------|---------------------------------------|
| Copy                                  | 2500 USD                              |
| Do Not Copy                           | 1250 USD                              |
| Use Default %                         | 20,000 * 10% = 2000 USD               |

**Note:** Oracle Assets only mass copies the cost adjustment if the cost is the same in both books before the adjustment.

### Example 3: Mass Copying a Salvage Value Adjustment

You place an asset in service in the US CORP and US TAX books as illustrated in the following table:

| FIELD           | US CORP     | US TAX      |
|-----------------|-------------|-------------|
| Category        | AUTO.LUXURY | AUTO.LUXURY |
| Date in Service | 16-DEC-1995 | 16-DEC-1995 |
| Cost            | 25,000 USD  | 25,000 USD  |
| Salvage Value   | 1250 USD    | 1250 USD    |

You adjust the salvage value in the US CORP book to 1000 USD (cost remains 25,000 USD). You Mass Copy the salvage value adjustment to the US TAX book. The following table shows how mass copy works in these situations:

| If You Use This Mass Copy Strategy... | The New Salvage Value in US TAX Is... |
|---------------------------------------|---------------------------------------|
| Copy                                  | 1000 USD                              |
| Do Not Copy                           | 1250 USD                              |
| Use Default %                         | $25,000 * 10\% = 2500$ USD            |

**Note:** Oracle Assets only mass copies the adjustment if the salvage value is the same in both books before the adjustment.

## Related Topics

Entering Accounting Rules for a Book, page 9-62

Entering Default Depreciation Rules for a Category, page 9-190

## Depreciating Assets Beyond the Useful Life

You can depreciate an asset in the years following its useful life if the asset uses a straight-line or flat-rate depreciation method. You must specify a depreciation limit, defined as a flat amount or as a percentage. Oracle Assets depreciates the asset up to the salvage value during the normal useful life. Then Oracle Assets continues to depreciate it, up to the depreciation limit you choose, in periods after the useful life has ended.

You can set up a default limit for each asset category, book, and range of dates in service in the Asset Categories window. See: Entering Default Depreciation Rules for a

Category, page 9-190.

For assets using a straight-line depreciation method, you can use the Set Extended Life window to control the amount of depreciation expense taken for each period. If you do not specify an extended life in years, Oracle Assets continues to depreciate the asset at the same rate it depreciated during the last fiscal year of the asset's normal useful life.

## Additions

When you add an asset to a book, category, and date placed in service range for which you set up a default depreciation limit as an **amount**, Oracle Assets calculates the recoverable cost using the following formula:

$$\text{Recoverable Cost} = \text{Cost} - \text{Default Depreciation Limit}$$

For example, an asset cost of 100,000 yen with a depreciation limit of 1 yen has a recoverable cost of  $100,000 - 1 = 99,999$  yen.

When you add an asset for which you set up a default depreciation limit **percentage**, Oracle Assets calculates the recoverable cost using the following formula:

$$\text{Recoverable Cost} = \text{Cost} * \text{Default Depreciation Limit}$$

For example, an asset cost of 100,000 yen with a depreciation limit of 95% has a recoverable cost of  $100,000 * 95\% = 95,000$  yen.

If you add the asset using Detail Additions, Oracle Assets shows the recoverable cost in the Books window. You can override this value if necessary. If you add the asset using QuickAdditions or Mass Additions, Oracle Assets automatically calculates the recoverable cost for the asset. You can adjust the recoverable cost at any time during the normal useful life of the asset. This does not affect the depreciation expense during the normal useful life, unless the recoverable cost is less than the cost less the salvage value.

**Note:** You cannot adjust the recoverable cost for assets that do not depreciate using the special depreciation limits. For these assets, the recoverable cost must equal (cost - salvage value).

## Depreciation

### Depreciation Methods

If you define a depreciation limit, you must use a straight-line or flat-rate depreciation method for the asset.

### Depreciation During Normal Useful Life

During the normal useful life of the asset, the amount of depreciation taken per fiscal year depends solely on the cost less the salvage value. For example, you place in service an asset with a cost of 100,000 yen and a salvage value of 1000 yen. The asset



depreciates using a straight-line method and a nine year life. Regardless of the depreciation limit, the depreciation expense for this asset is  $(100,000 - 1000) / 9 = 11,000$  yen per year for the first nine years.

### Depreciation During Extended Life

In the years following the useful life, Oracle Assets continues to depreciate the asset until accumulated depreciation equals recoverable cost. Note that recoverable cost is calculated by (cost - depreciation limit amount) or (cost \* depreciation percent limit). By default, the amount of depreciation taken per period is the minimum of the following:

- Depreciation expense per period in the last fiscal year of the useful life
- Recoverable cost less the life-to-date depreciation

For assets depreciating under a straight-line method, the corresponding formula is:

Depreciation per period =

$\min ( (\text{recoverable cost} - \text{life-to-date depreciation}),$

$(\text{cost} - \text{salvage value}) / \text{life in periods} )$

For assets using a straight-line depreciation method, you can control the depreciation expense taken per period in the extended life. To do this, specify the length of the extended life in years in the Set Extended Life window.

Depreciation per period =  $(1 / \text{periods per year}) * (\text{Salvage Value} / \text{Extended Life in years})$

### Example 1

You place an asset in service as follows:

- Cost = 100,000 yen
- Salvage value = 10,000 yen
- Depreciation limit = 1 yen
- Useful life = 10 years
- Depreciation method = Straight Line

The example is illustrated by the following table:

| Year of Life | Annual Depreciation (Yen) | Accumulated Depreciation (Yen) |
|--------------|---------------------------|--------------------------------|
| 1            | 9000                      | 9000                           |

| Year of Life | Annual Depreciation (Yen)   | Accumulated Depreciation (Yen)  |
|--------------|-----------------------------|---------------------------------|
| 2            | 9000                        | 18,000                          |
| :            | :                           | :                               |
| 9            | 9000                        | 81,000                          |
| 10           | 9000                        | 90,000 = (cost - salvage value) |
| 11           | 9000 = less of (9000, 9999) | 99,000                          |
| 12           | 999 = less of (9000, 999)   | 99,999                          |

Recoverable cost is  $(100,000 - 1) = 99,999$  yen.

For the first ten years, Oracle Assets takes an annual depreciation expense of  $(100,000 - 10,000) / 10 = 9000$  yen. If there are four periods per year and you are dividing depreciation evenly, Oracle Assets takes a depreciation expense of 2250 yen per period.

In the 11th year, depreciation expense is also 9000 yen for the year, or 2250 yen per period.

In the 12th year, the depreciation expense is 999 yen. Thus Oracle Assets fully reserves the asset in the first period of this year. Note that in the final year, Oracle Assets does not divide the remaining recoverable cost evenly among the periods in the fiscal year. The depreciation expense per period remains the same in all but the last period of life, when it is equal to the amount necessary to fully reserve the asset.

## Example 2

You place another asset in service as follows:

- Cost = 500,000 yen
- Salvage Value = 50,000 yen
- Depreciation percent limit = 95%
- Useful life = 5 years
- Depreciation method = Straight Line

The example is illustrated by the following table:

| Year of Life | Annual Depreciation (Yen) | Accumulated Depreciation (Yen)   |
|--------------|---------------------------|----------------------------------|
| 1            | 90,000                    | 90,000                           |
| 2            | 90,000                    | 180,000                          |
| 3            | 90,000                    | 270,000                          |
| 4            | 90,000                    | 360,000                          |
| 5            | 90,000                    | 450,000 = (cost - salvage value) |
| 6            | 25,000                    | 475,000                          |

Recoverable cost is  $(500,000 \times 95\%) = 475,000$  yen.

For the first five years, Oracle Assets takes an annual depreciation expense of  $(500,000 - 50,000) / 5 = 90,000$  yen. If there are 12 periods per year and you divide depreciation evenly, Oracle Assets takes depreciation expense of 7500 yen per period.

In the sixth year, the depreciation expense is 25,000 yen for the year. Depreciation expense is 7500 yen per month for the first three months, and 2500 yen in the fourth month.

### Example 3

You place a third asset in service as follows:

- Cost = 4,000,000 won
- Useful life = 4 years
- Salvage value = 400,000 won
- Depreciation limit = 1,000

Based on this information, the depreciable basis  $(4,000,000 - 400,000)$  is 3,600,000. The recoverable cost  $(4,000,000 - 1,000)$  is 3,999,000. The annual depreciation amount  $(3,600,000/4)$  is 900,000.

The depreciation over the useful life of the asset is illustrated in the following table:

| Year | Cost (Won) | Salvage Value | Deprn Basis | Annual Deprn. | NBV       |
|------|------------|---------------|-------------|---------------|-----------|
| 1    | 4,000,000  | 400,000       | 3,600,000   | 900,000       | 3,100,000 |
| 2    | 4,000,000  | 400,000       | 3,600,000   | 900,000       | 2,200,000 |
| 3    | 4,000,000  | 400,000       | 3,600,000   | 900,000       | 1,300,000 |
| 4    | 4,000,000  | 400,000       | 3,600,000   | 900,000       | 400,000   |

When the asset has completed its useful life, you query the asset in the Set Extended Life window. You enter the number of years to depreciate the salvage value, for example, three years.

The depreciation over the extended life of the asset is illustrated in the following table:

| Year | Cost (Won) | Salvage Value | Deprn Basis | Annual Deprn. | NBV     |
|------|------------|---------------|-------------|---------------|---------|
| 5    | 4,000,000  | 400,000       | 400,000     | 133,333       | 266,667 |
| 6    | 4,000,000  | 400,000       | 400,000     | 133,333       | 133,334 |
| 7    | 4,000,000  | 400,000       | 400,000     | 132,334       | 1,000   |

### To set the extended life of an asset:

1. Navigate to the Set Extended Life window.
2. Query the asset for which you want to set the extended life by asset number or description.
3. Navigate to the Books field.  
A list of values window appears containing the books in which you can set the extended life of the asset.
4. Select the applicable book.
5. Enter the number of years over which you want to depreciate the salvage value.
6. Save your work.

---

## Accounting

This chapter covers the following topics:

- Oracle Subledger Accounting
- Asset Accounting
- Journal Entries for Depreciation
- Journal Entries for Additions and Capitalizations
- Journal Entries for Adjustments
- Recoverable Cost Adjustments
- Depreciation Method Adjustments
- Life Adjustments
- Rate Adjustments
- Capacity Adjustments
- Journal Entries for Transfers and Reclassifications
- Journal Entries for Retirements and Reinstatements
- Journal Entries for Revaluations
- Journal Entries for Tax Accumulated Depreciation Adjustments

### Oracle Subledger Accounting

Oracle Assets is fully integrated with Oracle Subledger Accounting for generating accounting entries, transaction drilldown, and reporting.

### Create Accounting

The Create Accounting - Assets concurrent program creates journal entries for transaction events in Oracle Assets. The journal entries can be transferred to and posted in General Ledger. If you choose not to transfer the journal entries to General Ledger at

this time, you can run the Transfer Journal Entries to GL - Assets concurrent program to do this at a later time.

Submit the process from the Create Accounting menu.

**Note:** If you are upgrading from Release 11i and you have asset books set up, then the upgrade program automatically sets the value of the FA: Use Workflow Account Generation profile option to Yes, meaning the account generation rules set up in Oracle Workflow will be used.

You should analyze your current customizations in the Oracle Workflow setup. If you need to use the rules in Oracle Workflow for generating code combinations for asset transactions, do one of the following:

- Re-implement the custom rules in Oracle Subledger Accounting.
- Use the Workflow rules as they are, using the default value upon upgrade.

**Note:** Account Generation Category, page B-3

## Process Parameters:

**Book Type Code:** Choose the corporate book or the tax book from the list of values.

**Process Category:** Choose the transaction event from the list of values for which you want to run Create Accounting. If this field is left blank, then Create Accounting is run for all transaction events in Oracle Assets.

**End Date:** The default value for this is the system date. You can change the date. All transactions with an accounting date that is the same or prior to this date will be processed by this program.

**Accounting Mode:** The default value is Final. You can change the value to Draft. If the accounting is done in Draft mode, the accounting can be re-run later again in Draft mode or in Final mode.

If the mode is Draft, you can neither transfer accounting entries to General Ledger nor post them in General Ledger.

**Errors Only:** The default value is No. Select Yes to limit the creation of accounting to events for which accounting has previously failed. If you select Yes, the process selects only those events that have a status of Error for processing. Select No to process all events. This field is required.

**Report:** The default value is summary. You can select Detail or No Report. The value determines whether there will be a report output and also whether the output will be in Summary or in Detail.

**Transfer to General Ledger:** The default value is Yes. You can select No if you do not want to transfer journal entries to General Ledger.

**Post in General Ledger:** This field is enabled only if the Transfer to General Ledger value is set to Yes. The default value for this field is No. If you set the value to Yes, the journal entries that are transferred to General Ledger will be posted in General Ledger.

**General Ledger Batch Name:** This field is enabled only if the Transfer to General Ledger value is set to Yes. You can optionally enter a batch name for the transfer. The batch name will be prefixed to the Journal Entry Batch name.

**Include User Transaction Identifiers:** The default value is No. You can set the value to Yes if you want the transaction identifiers to appear in the report output.

## Event Model

Oracle Assets creates accounting events for every asset transaction that has accounting impact. The Create Accounting process creates subledger accounting entries for these accounting events.

For example, an asset transaction takes place when an asset is acquired. Simultaneously Oracle Assets creates an accounting event for this asset addition. When you run the Create Accounting process, accounting entries are generated and transferred to General Ledger for this event.

**Note:** You do not need to run depreciation to process accounting for additions.

## Event Entities

Similar accounting events called event classes are grouped under event entities. Oracle Assets groups all the accounting events classes into the following four event entities

- **Transactions:** This event entity groups the following event classes: Additions, Adjustment, Capitalization, Category Reclass, CIP Additions, CIP Adjustments, CIP Category Reclass, CIP Retirements, CIP Revaluation, CIP Transfers, CIP Unit Adjustments, Depreciation Adjustments, Retirements, Retirement Adjustments, Revaluation, Terminal Gain and Loss, Transfers, Unit Adjustments, and Unplanned Depreciation.
- **Depreciation:** This event entity groups the following event classes: Depreciation and Rollback Depreciation.
- **Inter Asset Transactions:** This event entity groups the following event classes: Source Line Transfers, CIP Source Line Transfers, and Reserve Transfers.
- **Deferred Depreciation:** This event entity groups the following event classes: Deferred Depreciation.

Some event classes are further divided into event types. For example, the Retirements event class is divided into the Retirements and Reinstatements event types. This is done to provide more granular accounting flexibility.

Event classes are associated with process categories using the Event Class options. Process categories allow you to run Create Accounting for a specific process. For example, if you want to run accounting for the Revaluation transaction then you can specify the Revaluation process category while running Create Accounting program.

## Account Analysis Report

Use the Account Analysis report in Oracle Subledger Accounting to reconcile accounting entries.

## Asset Accounting

Run the Create Accounting process to create accounting entries.

Run the Create Accounting process to create accounting entries.

**Note:** You do not need to run Depreciation before creating accounting transactions. You can run the Create Accounting process as many times as necessary within a period.

## Journal Entries

The Create Accounting process creates journal entries for the appropriate ledger. You can review these journal entries in the general ledger and post them.

## Adjusting Journal Entries

### Prior Period Transactions

Oracle Assets creates adjusting journal entries to depreciation expense, bonus expense, accumulated depreciation accounts, and bonus reserve accounts when you enter prior period additions, transfers, or retirements:

- For a prior period addition, Oracle Assets creates journal entries for the missed depreciation
- For a prior period transfer, Oracle Assets reverses a portion of the depreciation expense posted to the "from" depreciation expense account and posts it to the "to" depreciation expense account
- For prior period retirements, Oracle Assets creates journal entries that reverse the depreciation taken for periods after the retirement prorate date



### **Depreciation Adjustments**

Oracle Assets creates separate journal entries for adjustments to depreciation expense and current period depreciation. You can review the effect of your adjustment transaction and your current period depreciation expense separately in the general ledger.

### **Any General Ledger**

You can create journal entries for any general ledger. If you do not use Oracle General Ledger, you can copy the journal entry information from the GL tables.

### **Oracle Assets Accounts**

Oracle Assets creates journal entries for the following general ledger accounts:

- Accumulated Depreciation
- Asset Clearing
- Asset Cost
- Bonus Expense
- Bonus Reserve
- CIP Clearing
- CIP Cost
- Cost of Removal Gain, Loss, and Clearing
- Deferred Accumulated Depreciation
- Deferred Depreciation Expense
- Depreciation Adjustment
- Depreciation Expense
- Intercompany Payables
- Intercompany Receivables
- Net Book Value Retired Gain and Loss
- Proceeds of Sale Gain, Loss, and Clearing
- Revaluation Amortization

- Revaluation Reserve
- Revaluation Reserve Retired Gain and Loss

**Debit (Dr.)** A debit to the asset cost, asset clearing, bonus expense, CIP cost, CIP clearing, depreciation expense, proceeds of sale clearing, or intercompany receivables account is an addition to the account. A debit to the accumulated depreciation, bonus reserve, cost of removal clearing, or intercompany payables account is a subtraction from the account. In the journal entry examples, debits are in the left column.

**Credit (Cr.)** A credit to the accumulated depreciation, bonus reserve, cost of removal clearing, or intercompany payables account is an addition to the account. A credit to the asset cost, asset clearing, bonus expense, CIP cost, CIP clearing, depreciation expense, proceeds of sale clearing, or intercompany receivables account is a subtraction from the account. In the journal entry examples, credits are in the right column.

## Reviewing Journal Entries

After sending journal entries from Oracle Assets to your general ledger, you can review or modify journal entries in your general ledger before posting them.

If you integrate Oracle Assets with Oracle General Ledger, use the Enter Journals window in Oracle General Ledger to review, change or correct your entries.

If you use a different general ledger, you can review or change entries in that general ledger.

## Journal Entry Examples

This guide contains examples of asset transactions you can perform and the journal entries that Oracle Assets creates.

The journal entries are for the period that the asset transaction was entered into Oracle Assets. Oracle Assets creates these journal entries when you run the Create Accounting - Assets program.

The asset cost, accumulated depreciation, bonus reserve, and year-to-date depreciation numbers in the following tables are end of quarter balances. The depreciation expense numbers are per period.

**Note:** In the following examples, if you have set up specific bonus expense and bonus reserve accounts, they behave like depreciation and accumulated depreciation accounts. However, bonus expense and bonus reserve are treated separately in certain cases.

### Journal Entry Transaction Examples:

- Depreciation, page 6-7

- Additions and Capitalizations, page 6-8
- Adjustments, page 6-11
- Transfers and Reclassifications, page 6-28
- Revaluations, page 6-42
- Retirements and Reinstatements, page 6-35
- Tax Accumulated Depreciation Adjustments, page 6-55

## Related Topics

Running Depreciation, page 5-2

Entering Journals, *Oracle General Ledger User Guide*

## Journal Entries for Depreciation

When you run depreciation, Oracle Assets creates journal entries for your accumulated depreciation accounts and your depreciation expense accounts. Oracle Assets creates journal entries for your bonus reserve accounts and your bonus depreciation accounts, if any. Oracle Assets creates separate journal entries for current period depreciation expense and for adjustments to depreciation expense for prior period transactions and changes to financial information.

Oracle Assets creates the following journal entries for a current period depreciation charge of \$200 and a bonus charge of \$50:

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Depreciation Expense     | 200.00 |        |
| Bonus Expense            | 50.00  |        |
| Accumulated Depreciation |        | 200.00 |
| Bonus Reserve            |        | 50.00  |

## Related Topics

Depreciation Calculation, page 5-21

Running Depreciation, page 5-2

## Journal Entries for Additions and Capitalizations

This section includes addition and capitalization journal entry examples for the following transactions:

Current and Prior Period Addition, page 6-8

Merge Mass Additions, page 6-9

Construction-in-Process (CIP) Addition, page 6-10

Deleted Mass Additions, page 6-10

Capitalization, page 6-10

Asset Type Adjustments, page 6-11

For manual additions, Oracle Assets gets the clearing account from the category. For mass additions, the clearing account comes from your source system.

**Example:** The recoverable cost is \$4,000 and the method is straight-line 4 years.

### Current and Prior Period Addition

You purchase and place the asset into service in Year 1, Quarter 1.

Payables System

| Account Description        | Debit    | Credit   |
|----------------------------|----------|----------|
| Asset Clearing             | 4,000.00 |          |
| Accounts Payable Liability |          | 4,000.00 |

Oracle Assets - CURRENT PERIOD ADDITION

| Account Description     | Debit    | Credit   |
|-------------------------|----------|----------|
| Asset Cost              | 4,000.00 |          |
| Depreciation Expense    | 250.00   |          |
| Asset Clearing          |          | 4,000.00 |
| Accumulated Depreciaton |          | 250.00   |

You place an asset in service in Year 1, Quarter 1, but you do not enter it into Oracle

Assets until Year 2, Quarter 2. Your payables system creates the same journal entries to asset clearing and accounts payable liability as for a current period addition.

Oracle Assets - PRIOR PERIOD ADDITION

| Account Description                  | Debit    | Credit   |
|--------------------------------------|----------|----------|
| Asset Cost                           | 4,000.00 |          |
| Depreciation Expense                 | 250.00   |          |
| Depreciation Expense<br>(Adjustment) | 1,250.00 |          |
| Asset Clearing                       |          | 4,000.00 |
| Accumulated Depreciaton              |          | 1,500.00 |

## Merge Mass Additions

When you merge two mass additions, Oracle Assets adds the asset cost of the mass addition that you are merging to the asset account of the mass addition you are merging into. Oracle Assets records the merge when you perform the transaction. Oracle Assets does not change the asset clearing account journal entries it creates for each line, so each of the appropriate clearing accounts clears separately.

As an audit trail after the merge, the original cost of the invoice line remains on each line. When you create an asset from the merged line, the asset cost is the total merged cost.

Oracle Assets creates journal entries for the asset cost account for the mass addition into which the others were merged. Oracle Assets creates journal entries for each asset clearing account. For example, you merge mass addition #1 into mass addition #2, so Oracle Assets creates the following journal entries:

| Account Description                                 | Debit    | Credit |
|-----------------------------------------------------|----------|--------|
| Asset Cost (mass addition #2<br>asset cost account) | 4,000.00 |        |
| Depreciation Expense                                | 1,500.00 |        |

| Account Description                                                 | Debit | Credit   |
|---------------------------------------------------------------------|-------|----------|
| Asset Clearing (mass addition #1 accounts payable clearing account) |       | 3,000.00 |
| Asset Clearing (mass addition #2 accounts payable clearing account) |       | 1,000.00 |
| Accumulated Depreciaton                                             |       | 1,500.00 |

## Construction-In-Process (CIP) Addition

You add a CIP asset. (CIP assets do not depreciate)

Oracle Assets

| Account Description | Debit    | Credit   |
|---------------------|----------|----------|
| CIP Cost            | 4,000.00 |          |
| CIP Clearing        |          | 4,000.00 |

## Deleted Mass Additions

Oracle Assets creates no journal entries for deleted mass additions and does not clear the asset clearing accounts credited by accounts payable. You clear the accounts by either reversing the invoice in your payables system, or creating manual journal entries in your general ledger.

## Capitalization

When you capitalize CIP assets, Oracle Assets creates journal entries that transfer the cost from the CIP cost account to the asset cost account. The clearing account has already been cleared.

| Account Description | Debit    | Credit |
|---------------------|----------|--------|
| Asset Cost          | 4,000.00 |        |

| Account Description      | Debit  | Credit   |
|--------------------------|--------|----------|
| Depreciation Expense     | 250.00 |          |
| CIP Cost                 |        | 4,000.00 |
| Accumulated Depreciation |        | 250.00   |

## Asset Type Adjustments

If you change the asset type from capitalized to CIP, Oracle Assets creates journal entries to debit the CIP cost account and credit the asset clearing account. Oracle Assets does not create capitalization or reverse capitalization journal entries for CIP reverse transactions.

Oracle Assets - CHANGE TYPE FROM CAPITALIZED TO CIP (CURRENT PERIOD)

| Account Description | Debit    | Credit   |
|---------------------|----------|----------|
| CIP Cost            | 4,000.00 |          |
| Asset Clearing      |          | 4,000.00 |

## Related Topics

- Asset Setup Processes (Additions), page 2-16
- Depreciation Rules (Books), page 2-5
- Construction-In-Process (CIP) Assets, page 2-14
- Cost Adjustment by Adding a Mass Addition to an Existing Asset, page 6-22
- Adding an Asset Accepting Defaults (QuickAdditions), page 2-18
- Adding an Asset Specifying Details (Detail Additions), page 2-20
- Adding an Asset Automatically from External Sources (Mass Additions), page 2-44
- Placing Construction-In-Process (CIP) Assets in Service, page 3-28

## Journal Entries for Adjustments

Refer to the following sections for examples of different types of adjustments:

- Recoverable Cost Adjustments, page 6-13

Depreciation Method Adjustments, page 6-24

Life Adjustments, page 6-24

Rate Adjustments - Flat-Rate Depreciation Method, page 6-25

Rate Adjustments - Diminishing Value Depreciation Method, page 6-26

Capacity Adjustments, page 6-27

## Amortized and Expensed Adjustments

In the period you add an asset or for CIP assets, changing financial information does not adjust depreciation, since no depreciation has been taken. If you change financial information after you have run depreciation, you must choose whether to expense or amortize the adjustment:

### Expensed Adjustment

For expensed adjustments, Oracle Assets recalculates depreciation using the new information and expenses the entire adjustment amount in the current period. Expensing the adjustment results in a one-time adjusting journal entry.

### Amortized Adjustment

For amortized adjustments, Oracle Assets spreads the adjustment amount over the remaining life or remaining capacity of the asset. For flat-rate methods, Oracle Assets starts depreciating the asset using the new information. You can set up your amortized adjustments to have a retroactive start date by changing the default amortization start date (usually the system date) to a date in a previous period. Any adjustment amount missed since the amortization start date is taken in the current period.

If you amortize an adjustment for an asset, you cannot expense any future adjustments for that asset in that book.

You can allow an amortized adjustment for the book in the Book Controls window.

- **Method Adjustments:** For amortized method changes, Oracle Assets does not recalculate accumulated depreciation, but uses the new information for the remaining time the asset is in service.
  - For table and calculated methods, Oracle Assets depreciates the cost less the accumulated depreciation over the remaining life of the asset.
  - For diminishing value methods, Oracle Assets calculates depreciation based on the recoverable net book value of the asset as of the period you make the change.
  - If, instead, your depreciation method multiplies the flat-rate by the cost, Oracle Assets begins using the new information to calculate depreciation.



- **Bonus Adjustments:**
  - For assets with a cost-based depreciation basis, the bonus rate is applied to the cost.
  - For assets with a net book value depreciation method basis, the bonus rate is applied to the cost less total reserve (accumulated depreciation and bonus reserve).

## Related Topics

Changing Financial and Depreciation Information, page 3-7

Depreciation Rules (Books), page 2-5

Defining Depreciation Books, page 9-60

Recoverable Cost Adjustments, page 6-13

## Recoverable Cost Adjustments

A cost adjustment includes any adjustment that affects the recoverable cost, including a change in cost, salvage value, depreciation, and cost, depreciation expense, ITC ceilings, or bonus rules. You can manually perform a cost adjustment in the Books window or in the Source Lines window. You can automatically perform a cost adjustment by adding a mass addition to an existing asset using Mass Additions.

You can choose to expense or amortize the adjustment. See: Amortized and Expensed Adjustments, page 6-12

## Cost Adjustment Examples

This section illustrates the following types of cost adjustments:

- Cost Adjustments to Assets Using a Life-Based Depreciation Method, page 6-14
- Cost Adjustments to Assets Using a Flat-Rate Depreciation Method, page 6-15
- Cost Adjustments to Assets Using a Diminishing Value Depreciation Method, page 6-16
- Cost Adjustments to Assets Depreciating Under a Units of Production Depreciation Method, page 6-18
- Cost Adjustments to Capitalized and CIP Source Lines, page 6-19
- Cost Adjustment by Adding a Mass Addition to an Existing Asset, page 6-22

## Cost Adjustments to Assets Using a Life-Based Depreciation Method

**Example:** You place an asset in service in Year 1, Quarter 1. The recoverable cost is \$4,000. The life of your asset is 4 years, and you are using straight-line depreciation. The bonus rate is 10%. In Year 1, Quarter 4, you receive an additional invoice for the asset and change the recoverable cost to \$4,800.

| Account Description        | Debit  | Credit |
|----------------------------|--------|--------|
| Asset Clearing             | 800.00 |        |
| Accounts Payable Liability |        | 800.00 |

| Account Description | Debit  | Credit |
|---------------------|--------|--------|
| Asset Cost          | 800.00 |        |
| Asset Clearing      |        | 800.00 |

### Expensed

| Account Description               | Debit  | Credit |
|-----------------------------------|--------|--------|
| Depreciation Expense              | 300.00 |        |
| Bonus Expense                     | 120.00 |        |
| Depreciation Expense (adjustment) | 150.00 |        |
| Bonus Expense (adjustment)        | 60.00  |        |
| Accumulated Depreciation          |        | 450.00 |
| Bonus Reserve                     |        | 180.00 |

### Amortized

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Depreciation Expense     | 311.53 |        |
| Bonus Expense            | 124.62 |        |
| Accumulated Depreciation |        | 311.53 |
| Bonus Reserve            |        | 124.62 |

### Related Topics

Changing Financial and Depreciation Information, page 3-7

Amortized and Expensed Adjustments, page 6-12

Depreciation Rules (Books), page 2-5

### Cost Adjustments to Assets Using a Flat-Rate Depreciation Method

**Example:** You place an asset in service in Year 1, Quarter 1. The recoverable cost is \$4,000. You are depreciating the asset cost at a 20% flat-rate. The bonus rate is 10%. In Year 1, Quarter 4, you change the recoverable cost to \$4,800.

| Account Description        | Debit  | Credit |
|----------------------------|--------|--------|
| Asset Clearing             | 800.00 |        |
| Accounts Payable Liability |        | 800.00 |

| Account Description | Debit  | Credit |
|---------------------|--------|--------|
| Asset Cost          | 800.00 |        |
| Asset Clearing      |        | 800.00 |

### Expensed

| Account Description               | Debit  | Credit |
|-----------------------------------|--------|--------|
| Depreciation Expense              | 240.00 |        |
| Bonus Expense                     | 120.00 |        |
| Depreciation Expense (adjustment) | 120.00 |        |
| Bonus Expense (adjustment)        | 60.00  |        |
| Accumulated Depreciation          |        | 360.00 |
| Bonus Reserve                     |        | 180.00 |

## Amortized

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Depreciation Expense     | 240.00 |        |
| Bonus Expense            | 120.00 |        |
| Accumulated Depreciation |        | 240.00 |
| Bonus Reserve            |        | 120.00 |

## Related Topics

Changing Financial and Depreciation Information, page 3-7

Amortized and Expensed Adjustments, page 6-12

Depreciation Rules (Books), page 2-5

## Cost Adjustments to Assets Using a Diminishing Value Depreciation Method

**Example:** You place an asset in service in Year 1, Quarter 1. The recoverable cost is \$4,000. You are using a 20% flat-rate that you apply to the beginning of year net book value. The bonus rate is 10%. In Year 2, Quarter 1, you change the recoverable cost to \$4,800.

| Account Description        | Debit  | Credit |
|----------------------------|--------|--------|
| Asset Clearing             | 800.00 |        |
| Accounts Payable Liability |        | 800.00 |

| Account Description | Debit  | Credit |
|---------------------|--------|--------|
| Asset Cost          | 800.00 |        |
| Asset Clearing      |        | 800.00 |

### Expensed

| Account Description               | Debit  | Credit |
|-----------------------------------|--------|--------|
| Depreciation Expense              | 168.00 |        |
| Bonus Expense                     | 84.00  |        |
| Depreciation Expense (adjustment) | 160.00 |        |
| Bonus Expense (adjustment)        | 80.00  |        |
| Accumulated Depreciation          |        | 328.00 |
| Bonus Reserve                     |        | 164.00 |

### Amortized

| Account Description  | Debit  | Credit |
|----------------------|--------|--------|
| Depreciation Expense | 180.00 |        |
| Bonus Expense        | 90.00  |        |

| Account Description      | Debit | Credit |
|--------------------------|-------|--------|
| Accumulated Depreciation |       | 180.00 |
| Bonus Reserve            |       | 90.00  |

## Related Topics

Changing Financial and Depreciation Information, page 3-7

Amortized and Expensed Adjustments, page 6-12

Depreciation Rules (Books), page 2-5

## Cost Adjustments to Assets Depreciating Under a Units of Production Method

**Example:** You purchase an oil well for \$10,000. You expect to extract 10,000 barrels of oil from this well. Each quarter you extract 2,000 barrels of oil. In Year 1, Quarter 3, you realize that you entered the wrong asset cost. You adjust the recoverable cost to \$15,000.

| Account Description        | Debit    | Credit   |
|----------------------------|----------|----------|
| Asset Clearing             | 5,000.00 |          |
| Accounts Payable Liability |          | 5,000.00 |

| Account Description | Debit    | Credit   |
|---------------------|----------|----------|
| Asset Cost          | 5,000.00 |          |
| Asset Clearing      |          | 5,000.00 |

## Expensed

| Account Description  | Debit    | Credit |
|----------------------|----------|--------|
| Depreciation Expense | 3,000.00 |        |

| Account Description                  | Debit    | Credit    |
|--------------------------------------|----------|-----------|
| Depreciation Expense<br>(adjustment) | 2,000.00 |           |
| Accumulated Depreciation             |          | 5,0000.00 |

### Amortized

| Account Description      | Debit    | Credit   |
|--------------------------|----------|----------|
| Depreciation Expense     | 3,666.67 |          |
| Accumulated Depreciation |          | 3,666.67 |

### Related Topics

Changing Financial and Depreciation Information, page 3-7

Amortized and Expensed Adjustments, page 6-12

Depreciation Rules (Books), page 2-5

## Cost Adjustments to Capitalized and CIP Source Lines

When you transfer source lines you adjust the recoverable cost of an asset. Depreciation is calculated based on the asset type.

### Transfer Source Lines Between Capitalized Assets

Oracle Assets creates the following journal entries for a source line transfer between capitalized assets.

| Account Description                             | Debit  | Credit |
|-------------------------------------------------|--------|--------|
| Asset Cost (from destination<br>asset category) | 400.00 |        |
| Asset Cost (from source asset<br>category)      |        | 400.00 |

| Account Description                                      | Debit | Credit |
|----------------------------------------------------------|-------|--------|
| Accumulated Depreciation<br>(from source asset category) | 70.00 |        |
| Depreciation Expense                                     |       | 70.00  |
| <hr/>                                                    |       |        |
| Account Description                                      | Debit | Credit |
| Depreciation Expense                                     | 55.00 |        |
| Depreciation Expense<br>(adjustment)                     | 70.00 |        |
| Accumulated Depreciation<br>(from source asset category) |       | 125.00 |

### Transfer Source Lines From Capitalized Assets to CIP Assets

When you transfer source lines from capitalized to CIP assets, Oracle Assets must back out some of the depreciation from the capitalized asset, because CIP assets do not depreciate.

Oracle Assets creates the following journal entries for a source line transfer between capitalized assets and CIP assets:

| Account Description                                      | Debit  | Credit |
|----------------------------------------------------------|--------|--------|
| CIP Asset Cost (from<br>destination asset category)      | 400.00 |        |
| Asset Cost (from source asset<br>category)               |        | 400.00 |
| <hr/>                                                    |        |        |
| Account Description                                      | Debit  | Credit |
| Accumulated Depreciation<br>(from source asset category) | 70.00  |        |



| Account Description  | Debit | Credit |
|----------------------|-------|--------|
| Depreciation Expense |       | 70.00  |

### Transfer Source Lines from CIP Assets to Capitalized Assets

When you transfer source lines from CIP to capitalized assets, Oracle Assets takes catchup depreciation as for any cost adjustment transaction.

Oracle Assets creates the following journal entries for a source line transfer between CIP assets and capitalized assets:

| Account Description                          | Debit  | Credit |
|----------------------------------------------|--------|--------|
| Asset Cost (from destination asset category) | 400.00 |        |
| CIP Asset Cost (from source asset category)  |        | 400.00 |

| Account Description                                                | Debit  | Credit |
|--------------------------------------------------------------------|--------|--------|
| Depreciation Expense (from source asset category)                  | 125.00 |        |
| Accumulated Depreciation Expense (from destination asset category) |        | 125.00 |

### Transfer Source Lines Between CIP Assets

Oracle Assets does not need to reverse depreciation expense when you transfer invoice lines between CIP assets. Because CIP assets do not depreciate.

Oracle Assets creates the following journal entries for a source line transfer between CIP assets:

| Account Description                              | Debit  | Credit |
|--------------------------------------------------|--------|--------|
| CIP Asset Cost (from destination asset category) | 400.00 |        |
| CIP Asset Cost (from source asset category)      |        | 400.00 |

## Related Topics

Changing Invoice Information for an Asset, page 3-19

## Cost Adjustment by Adding a Mass Addition to an Existing Asset

If you add a mass addition to an asset, Oracle Assets creates a journal entry to the asset cost account of the existing asset. Oracle Assets also credits the clearing account you assigned to the invoice distribution line in accounts payable to net it to zero.

If you want the existing asset to assume the asset category and description of the mass addition, Oracle Assets creates a journal entry for the new total asset cost to the asset cost account of the mass addition's category. It also creates journal entries for the clearing account you assigned to the invoice line in accounts payable, and for the clearing or cost account of the original addition category.

Oracle Assets creates the following journal entries for a capitalized \$2,000 mass addition added to a new, manually added \$500 asset, where the asset uses the category of the mass addition:

| Account Description                               | Debit    | Credit   |
|---------------------------------------------------|----------|----------|
| Asset Cost (from asset category of mass addition) | 2,500.00 |          |
| Asset Clearing (from original asset category)     |          | 500.00   |
| Asset Clearing (from original asset category)     |          | 2,000.00 |

## Related Topics

Changing Financial and Depreciation Information, page 3-7

Amortized and Expensed Adjustments, page 6-12

Depreciation Rules (Books), page 2-5

Changing Invoice Information for an Asset, page 3-19

Reviewing Mass Addition Lines, page 2-45

## Amortized Adjustments Using a Retroactive Start Date

**Example:** You place an asset in service in Year 1, Quarter 1. The recoverable cost is \$4,000. The life of your asset is four years, and you are using straight-line depreciation. In Year 2, Quarter 2, you receive an additional invoice for the asset and change the recoverable cost to \$4,800. Since, the invoice date is in Year 1, Quarter 4, you want to amortize the change from that period.

| Account Description        | Debit  | Credit |
|----------------------------|--------|--------|
| Asset Clearing             | 800.00 |        |
| Accounts Payable Liability |        | 800.00 |

| Account Description | Debit  | Credit |
|---------------------|--------|--------|
| Asset Cost          | 800.00 |        |
| Asset Clearing      |        | 800.00 |

| Account Description                  | Debit  | Credit |
|--------------------------------------|--------|--------|
| Depreciation Expense                 | 311.53 |        |
| Depreciation Expense<br>(adjustment) | 123.06 |        |
| Accumulated Depreciation             |        | 434.59 |

| Account Description  | Debit  | Credit |
|----------------------|--------|--------|
| Depreciation Expense | 311.53 |        |

| Account Description      | Debit | Credit |
|--------------------------|-------|--------|
| Accumulated Depreciation |       | 311.53 |

## Depreciation Method Adjustments

**Example:** You place an asset in service in Year 1, Quarter 1. The recoverable cost is \$4,000, the life is 4 years, and you are using the 200 declining balance depreciation method. In Year 2, Quarter 1, you change the depreciation method to straight-line.

### Expensed

| Account Description                  | Debit  | Credit   |
|--------------------------------------|--------|----------|
| Depreciation Expense                 | 250.00 |          |
| Accumulated Depreciation             | 750.00 |          |
| Depreciation Expense<br>(adjustment) |        | 1,000.00 |

### Amortized

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Depreciation Expense     | 166.67 |        |
| Accumulated Depreciation |        | 166.67 |

### Related Topics

Depreciation Rules (Books), page 2-5

Changing Financial and Depreciation Information, page 3-7

## Life Adjustments

**Example:** You place an asset in service in Year 1, Quarter 1. The asset cost is \$4,000, the

life is 4 years, and you are using straight-line depreciation. In Year 2, Quarter 2, you change the asset life to 5 years.

## Expensed

| Account Description                  | Debit  | Credit |
|--------------------------------------|--------|--------|
| Depreciation Expense                 | 200.00 |        |
| Accumulated Depreciation             | 50.00  |        |
| Depreciation Expense<br>(adjustment) |        | 250.00 |

## Amortized

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Depreciation Expense     | 183.33 |        |
| Accumulated Depreciation |        | 183.33 |

## Related Topics

Depreciation Rules (Books), page 2-5

Changing Financial and Depreciation Information, page 3-7

## Rate Adjustments

### Rate Adjustments - Flat-Rate Depreciation Method

**Example:** You place an asset in service in Year 1, Quarter 1. The recoverable cost is \$4,000 and you are depreciating the asset cost at a 20% flat-rate. In Year 2, Quarter 3, you change the flat-rate to 25%.

## Expensed

| Account Description                  | Debit  | Credit |
|--------------------------------------|--------|--------|
| Depreciation Expense                 | 250.00 |        |
| Depreciation Expense<br>(adjustment) | 300.00 |        |
| Accumulated Depreciation             |        | 550.00 |

### Amortized

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Depreciation Expense     | 250.00 |        |
| Accumulated Depreciation |        | 250.00 |

### Related Topics

Depreciation Calculation, page 5-21

Depreciation Rules (Books), page 2-5

Changing Financial and Depreciation Information, page 3-7

## Rate Adjustments - Diminishing Value Depreciation Method

**Example:** You place an asset in service in Year 1, Quarter 1. The recoverable cost is \$4,000 and you are using a 20% flat-rate that you apply to the beginning of year net book value. In Year 2, Quarter 3, you change the flat-rate to 25%.

### Expensed

| Account Description                  | Debit  | Credit |
|--------------------------------------|--------|--------|
| Depreciation Expense                 | 187.50 |        |
| Depreciation Expense<br>(adjustment) | 255.00 |        |

| Account Description      | Debit | Credit |
|--------------------------|-------|--------|
| Accumulated Depreciation |       | 442.50 |

### Amortized

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Depreciation Expense     | 200.00 |        |
| Accumulated Depreciation |        | 200.00 |

### Related Topics

Depreciation Calculation, page 5-21

Depreciation Rules (Books), page 2-5

Changing Financial and Depreciation Information, page 3-7

## Capacity Adjustments

**Example:** You purchase an oil well for \$10,000. You expect to extract 10,000 barrels of oil from this well. Each quarter you extract 2,000 barrels of oil. In Year 1, Quarter 4 you discover that you entered the wrong capacity. You increase the production capacity to 50,000 barrels.

### Expensed

| Account Description                  | Debit    | Credit   |
|--------------------------------------|----------|----------|
| Depreciation Expense                 | 400.00   |          |
| Accumulated Depreciation             | 4,400.00 |          |
| Depreciation Expense<br>(adjustment) |          | 4,800.00 |

## Amortized

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Depreciation Expense     | 181.82 |        |
| Accumulated Depreciation |        | 181.82 |

## Related Topics

- Assets Depreciating Under Units of Production, page 5-37
- Amortized and Expensed Adjustments, page 6-12
- Changing Financial and Depreciation Information, page 3-7
- Entering Production Amounts, page 5-43

## Journal Entries for Transfers and Reclassifications

**Example:** You place an asset in service in Year 1, Quarter 1. The recoverable cost is \$4,000, the life is 4 years, and you are using straight-line depreciation.

This section illustrates the following journal entry examples:

- Current Period Transfer Between Cost Centers, page 6-28
- Prior Period Transfer Between Cost Centers, page 6-29
- Current Period Transfer Between Balancing Segments, page 6-30
- Prior Period Transfer Between Balancing Segments, page 6-31
- Unit Adjustment, page 6-33
- Reclassification, page 6-34

## Current Period Transfer Between Cost Centers

In Year 2, Quarter 2, you transfer the asset from cost center 100 to cost center 200 in the current period.

## Cost Center 100



| Account Description      | Debit    | Credit   |
|--------------------------|----------|----------|
| Accumulated Depreciation | 1,250.00 |          |
| Asset Cost               |          | 4,000.00 |

## Cost Center 200

| Account Description      | Debit    | Credit   |
|--------------------------|----------|----------|
| Asset Cost               | 4,000.00 |          |
| Depreciation Expense     | 250.00   |          |
| Accumulated Depreciation |          | 1,500.00 |

## Prior Period Transfer Between Cost Centers

In Year 3, Quarter 4, you discover that an asset was transferred in Year 3, Quarter 3, from cost center 100 to cost center 200.

## Cost Center 100

| Period (Yr.,Qtr.) | Asset Cost | Accumulated Depreciation | Yr-to-Date Depreciation | Depreciation Expense |
|-------------------|------------|--------------------------|-------------------------|----------------------|
| Y3,Q1             | 4,000.00   | 2,250.00                 | 250.00                  | 250.00               |
| Y3,Q2             | 4,000.00   | 2,500.00                 | 500.00                  | 250.00               |
| Y3,Q3             | 4,000.00   | 2,750.00                 | 750.00                  | 250.00               |
| Y3,Q4             | 0.00       | 0.00                     | 500.00                  | -250.00*             |

## Cost Center 200

| Period (Yr.,Qtr.) | Asset Cost | Accumulated Depreciation | Yr-to-Date Depreciation | Depreciation Expense |
|-------------------|------------|--------------------------|-------------------------|----------------------|
| Y3,Q1             | 0.00       | 0.00                     | 0.00                    | 0.00                 |
| Y3,Q2             | 0.00       | 0.00                     | 0.00                    | 0.00                 |
| Y3,Q3             | 0.00       | 0.00                     | 0.00                    | 0.00                 |
| Y3,Q4             | 4,000.00   | 3,000.00                 | 500.00                  | 500.00*              |

## Cost Center 100

| Account Description               | Debit    | Credit   |
|-----------------------------------|----------|----------|
| Accumulated Depreciation          | 2,750.00 |          |
| Asset Cost                        |          | 4,000.00 |
| Depreciation Expense (adjustment) |          | 250.00   |

## Cost Center 200

| Account Description               | Debit    | Credit   |
|-----------------------------------|----------|----------|
| Asset Cost                        | 4,000.00 |          |
| Depreciation Expense              | 250.00   |          |
| Depreciation Expense (adjustment) | 250.00   |          |
| Accumulated Depreciation          |          | 3,000.00 |

## Current Period Transfer Between Balancing Segments

In Year 3, Quarter 4, you transfer the asset from the ABC Manufacturing Company to

the XYZ Distribution Company.

### ABC Manufacturing

| Account Description      | Debit    | Credit   |
|--------------------------|----------|----------|
| Accumulated Depreciation | 2,750.00 |          |
| Intercompany Receivables | 1,250.00 |          |
| Asset Cost               |          | 4,000.00 |

### XYZ Distribution

| Account Description      | Debit    | Credit   |
|--------------------------|----------|----------|
| Asset Cost               | 4,000.00 |          |
| Depreciation Expense     | 250.00   |          |
| Accumulated Depreciation |          | 3,000.00 |
| Intercompany Payables    |          | 1,250.00 |

### Prior Period Transfer Between Balancing Segments

In Year 3, Quarter 4, you discover that the asset was transferred in Year 3, Quarter 3, from the ABC Manufacturing Company to the XYZ Distribution Company.

### ABC Manufacturing

| Period (Yr.,Qtr.) | Asset Cost | Accumulated Depreciation | Yr-to-Date Depreciation | Depreciation Expense |
|-------------------|------------|--------------------------|-------------------------|----------------------|
| Y3,Q1             | 4,000.00   | 2,250.00                 | 250.00                  | 250.00               |
| Y3,Q2             | 4,000.00   | 2,500.00                 | 500.00                  | 250.00               |

| Period (Yr.,Qtr.) | Asset Cost | Accumulated Depreciation | Yr-to-Date Depreciation | Depreciation Expense |
|-------------------|------------|--------------------------|-------------------------|----------------------|
| Y3,Q3             | 4,000.00   | 2,750.00                 | 750.00                  | 250.00               |
| Y3,Q4             | 0.00       | 0.00                     | 500.00                  | -250.00*             |

## XYZ Distribution

| Period (Yr.,Qtr.) | Asset Cost | Accumulated Depreciation | Yr-to-Date Depreciation | Depreciation Expense |
|-------------------|------------|--------------------------|-------------------------|----------------------|
| Y3,Q1             | 0.00       | 0.00                     | 0.00                    | 0.00                 |
| Y3,Q2             | 0.00       | 0.00                     | 0.00                    | 0.00                 |
| Y3,Q3             | 0.00       | 0.00                     | 0.00                    | 0.00                 |
| Y3,Q4             | 4,000.00   | 3,000.00                 | 500.00                  | 500.00*              |

## ABC Manufacturing

| Account Description               | Debit    | Credit   |
|-----------------------------------|----------|----------|
| Accumulated Depreciation          | 2,750.00 |          |
| Intercompany Receivables          | 1,500.00 |          |
| Asset Cost                        |          | 4,000.00 |
| Depreciation Expense (adjustment) |          | 250.00   |

## XYZ Distribution

| Account Description                  | Debit    | Credit   |
|--------------------------------------|----------|----------|
| Asset Cost                           | 4,000.00 |          |
| Depreciation Expense                 | 250.00   |          |
| Depreciation Expense<br>(adjustment) | 250.00   |          |
| Accumulated Depreciation             |          | 3,000.00 |
| Intercompany Payables                |          | 1,500.00 |

## Unit Adjustment

A unit adjustment is similar to a transfer, since you must update assignment information when you change the number of units for an asset. For example, you place the same \$4,000 asset in service with two units assigned to cost center 100. In Year 2, Quarter 3, you realize the asset actually has four units, two of which belong to cost center 200.

### Cost Center 100

| Account Description      | Debit  | Credit   |
|--------------------------|--------|----------|
| Accumulated Depreciation | 750.00 |          |
| Asset Cost               |        | 2,000.00 |

### Cost Center 200

| Account Description      | Debit    | Credit |
|--------------------------|----------|--------|
| Asset Cost               | 2,000.00 |        |
| Accumulated Depreciation |          | 750.00 |

**Note:** If all units remain in the original cost center, Oracle Assets creates

journal entries with zero amounts.

## Reclassification

**Example:** You reclassify an asset from office equipment to computers in Year 1, Quarter 3. The asset cost is \$4,000, the life is 4 years, and you are using straight-line depreciation.

When you reclassify an asset in a period after the period you entered it, Oracle Assets creates journal entries to transfer the cost and accumulated depreciation to the asset and accumulated depreciation accounts of the new asset category. This occurs when you create journal entries for your general ledger. Oracle Assets also changes the depreciation expense account to the default depreciation expense account for the new category, but does not adjust for prior period expense.

## Office Equipment

| Period (Yr., Qtr.) | Asset Cost | Accumulated Depreciation | Yr-to-Date Depreciation | Depreciation Expense |
|--------------------|------------|--------------------------|-------------------------|----------------------|
| Yr1,Q1             | 4,000.00   | 250.00                   | 250.00                  | 250.00               |
| Yr1,Q2             | 4,000.00   | 500.00                   | 500.00                  | 250.00               |
| Yr1,Q3             | 0.00       | 0.00                     | 500.00                  | 0.00*                |
| Yr1,Q4             | 0.00       | 0.00                     | 500.00                  | 0.00                 |

## Computers

| Period (Yr.,Qtr.) | Asset Cost | Accumulated Depreciation | Yr-to-Date Depreciation | Depreciation Expense |
|-------------------|------------|--------------------------|-------------------------|----------------------|
| Yr1,Q1            | 0.00       | 0.00                     | 0.00                    | 0.00                 |
| Yr1,Q2            | 0.00       | 0.00                     | 0.00                    | 0.00                 |
| Yr1,Q3            | 4,000.00   | 750.00                   | 250.00                  | 250.00*              |

| Period (Yr.,Qtr.) | Asset Cost | Accumulated Depreciation | Yr-to-Date Depreciation | Depreciation Expense |
|-------------------|------------|--------------------------|-------------------------|----------------------|
| Yr1,Q4            | 4,000.00   | 1,000.00                 | 500.00                  | 250.00               |

### Office Equipment

| Account Description      | Debit  | Credit   |
|--------------------------|--------|----------|
| Accumulated Depreciation | 500.00 |          |
| Asset Cost               |        | 4,000.00 |

### Computers

| Account Description      | Debit    | Credit |
|--------------------------|----------|--------|
| Asset Cost               | 4,000.00 |        |
| Depreciation Expense     | 250.00   |        |
| Accumulated Depreciation |          | 750.00 |

### Related Topics

Assignments, page 2-11

Transferring Assets, page 3-14

Reclassifying an Asset to Another Category, page 3-2

## Journal Entries for Retirements and Reinstatements

When you retire an asset and create journal entries for that period, Oracle Assets creates journal entries for your general ledger for each component of the gain/loss amount. Oracle Assets creates journal entries for either the gain or the loss accounts for the following components: proceeds of sale, cost of removal, net book value retired, and revaluation reserve retired. Oracle Assets also creates journal entries to clear the proceeds of sale and cost of removal.

Oracle Assets creates journal entries for the retirement accounts you set up in the Book Controls window. If you enter distinct gain and loss accounts for each component of the gain/loss amount, Oracle Assets creates multiple journal entries for these accounts. You can enter different sets of retirement accounts for retirements that result in a gain and retirements that result in a loss.

## Depreciation for Retirements

The retirement convention, date retired, and depreciation method control how much depreciation Oracle Assets takes when you retire an asset.

Oracle Assets reverses the year-to-date depreciation if the asset's depreciation method does not depreciate it in the year of retirement. In this case, when you perform a full retirement, Oracle Assets reverses the year-to-date depreciation of the asset, and computes the gain or loss using the resulting net book value. For partial retirements, Oracle Assets reverses the appropriate fraction of the year-to-date depreciation and computes the gain or loss using the appropriate fraction of the resulting net book value.

If the depreciation method takes depreciation in the year of retirement, Oracle Assets uses your retirement convention to determine whether the asset is eligible for additional depreciation in that year or whether some of that year's depreciation must be reversed.

When you perform a partial retirement, Oracle Assets depreciates the portion of the asset you did not retire based on the method you use. If your depreciation method multiplies a flat-rate by the cost, Oracle Assets depreciates the asset's cost remaining after a partial retirement. For assets that use a diminishing value method, Oracle Assets depreciates the remaining fraction of the asset's net book value as of the beginning of the fiscal year.

## Depreciation for Reinstatements

The retirement convention, date retired, and period in which you reinstate an asset control how much depreciation Oracle Assets calculates when you reinstate an asset.

When you reinstate a retired asset, Oracle Assets usually calculates some additional depreciation expense in the period in which you perform the reinstatement, unless you perform it in the same period that you retired the asset. This additional depreciation is the depreciation that would have been taken if you had not retired the asset.

Sometimes, however, a reinstatement results in a reversal of depreciation. This occurs if the retirement convention caused some additional depreciation when you retired the asset, and then you reinstate the asset before the retirement prorate date. Then Oracle Assets reverses the extra depreciation that it took at retirement, and waits until the appropriate accounting periods to take it.

## Current Period Retirements

**Example:** You place an asset in service in Year 1, Quarter 1. The asset cost is \$4,000, the life is 4 years, and you are using straight-line depreciation. In Year 3, Quarter 3, you sell



the asset for \$2,000. The cost to remove the asset is \$500. The asset uses a retirement convention and depreciation method which take depreciation in the period of retirement. You retire revaluation reserve in this book.

| <b>Account Description</b> | <b>Debit</b> | <b>Credit</b> |
|----------------------------|--------------|---------------|
| Accounts Receivable        | 2,000.00     |               |
| Proceeds of Sales Clearing |              | 2,000.00      |

| <b>Account Description</b> | <b>Debit</b> | <b>Credit</b> |
|----------------------------|--------------|---------------|
| Cost of Removal Clearing   | 500.00       |               |
| Accounts Payable           |              | 500.00        |

| <b>Account Description</b>       | <b>Debit</b> | <b>Credit</b> |
|----------------------------------|--------------|---------------|
| Accumulated Depreciation         | 2,500.00     |               |
| Proceeds of Sale Clearing        | 2,000.00     |               |
| Cost of Removal Gain             | 500.00       |               |
| Revaluation Reserve              | 600.00       |               |
| Net Book Value Retired Gain      | 1,500.00     |               |
| Asset Cost                       |              | 4,000.00      |
| Proceeds of Sale Gain            |              | 2,000.00      |
| Cost of Removal Clearing         |              | 500.00        |
| Revaluation Reserve Retired Gain |              | 600.00        |

If you enter the same account for each gain and loss account, Oracle Assets creates a single journal entry for the net gain or loss as shown in the following table:

Book Controls window:

| Accounts                    | Gain | Loss |
|-----------------------------|------|------|
| Proceeds of Sale            | 1000 | 1000 |
| Cost of Removal             | 1000 | 1000 |
| Net Book Value Retired      | 1000 | 1000 |
| Revaluation Reserve Retired | 1000 | 1000 |

| Account Description       | Debit    | Credit   |
|---------------------------|----------|----------|
| Accumulated Depreciation  | 2,500.00 |          |
| Proceeds of Sale Clearing | 2,000.00 |          |
| Revaluation Reserve       | 600.00   |          |
| Asset Cost                |          | 4,000.00 |
| Cost of Removal Clearing  |          | 500.00   |
| Gain/Loss                 |          | 600.00   |

## Prior Period Retirement

**Example:** You place an asset in service in Year 1, Quarter 1. The asset cost is \$4,000, the life is 4 years, and you are using straight-line depreciation. In Year 3, Quarter 3, you discover that the asset was sold in Year 3, Quarter 1, for \$2,000. The removal cost was \$500. The asset uses a retirement convention and depreciation method which allow you to take depreciation in the period of retirement.

| Account Description       | Debit    | Credit   |
|---------------------------|----------|----------|
| Accounts Receivable       | 2,000.00 |          |
| Proceeds of Sale Clearing |          | 2,000.00 |

| Account Description         | Debit    | Credit   |
|-----------------------------|----------|----------|
| Cost of Removal Clearing    | 500.00   |          |
| Accounts Payable            |          | 500.00   |
|                             |          |          |
| Account Description         | Debit    | Credit   |
| Accumulated Depreciation    | 2,500.00 |          |
| Proceeds of Sale Clearing   | 2,000.00 |          |
| Cost of Removal Loss        | 500.00   |          |
| Net Book Value Retired Loss | 1,750.00 |          |
| Proceeds of Sale Loss       |          | 2,000.00 |
| Cost of Removal Clearing    |          | 500.00   |
| Asset Cost                  |          | 4,000.00 |
| Depreciation Expense        |          | 250.00   |

## Current Period Reinstatement

**Example:** You discover that you retired the wrong asset. Oracle Assets creates journal entries for the reinstatement to debit asset cost, credit accumulated depreciation, and reverse the gain or loss you recognized for the retirement. Oracle Assets reverses the journal entries for proceeds of sale, cost of removal, net book value retired, and revaluation reserve retired. Oracle Assets also reverses the journal entries you made to clear the proceeds of sale and cost of removal.

Oracle Assets also creates journal entries to recover the depreciation not charged to the asset and for the current period depreciation expense.

| Account Description | Debit    | Credit |
|---------------------|----------|--------|
| Asset Cost          | 4,000.00 |        |

| Account Description       | Debit  | Credit   |
|---------------------------|--------|----------|
| Cost of Removal Clearing  | 500.00 |          |
| Gain / Loss               | 600.00 |          |
| Depreciation Expense      | 250.00 |          |
| Accumulated Depreciation  |        | 2,750.00 |
| Proceeds of Sale Clearing |        | 2,000.00 |
| Revaluation Reserve       |        | 600.00   |

## Prior Period Reinstatement

**Example:** You place an asset in service in Year 1, Quarter 1. The asset cost is \$4,000, the life is 4 years, and you are using straight-line depreciation. In Year 2, Quarter 1, you retire the asset. In Year 2, Quarter 4, you realize that you retired the wrong asset so you reinstate it.

| Account Description                  | Debit    | Credit   |
|--------------------------------------|----------|----------|
| Asset Cost                           | 4,000.00 |          |
| Cost of Removal Clearing             | 500.00   |          |
| Proceeds of Sale Loss                | 2,000.00 |          |
| Depreciation Expense                 | 250.00   |          |
| Depreciation Expense<br>(adjustment) | 500.00   |          |
| Net Book Value Retired Loss          |          | 2,750.00 |
| Cost of Removal Loss                 |          | 500.00   |
| Proceeds of Sale Clearing            |          | 2,000.00 |

| Account Description      | Debit | Credit   |
|--------------------------|-------|----------|
| Accumulated Depreciation |       | 2,000.00 |

## Assets Fully Reserved Upon Addition

If you add an asset with an accumulated depreciation equal to the recoverable cost, it is fully reserved upon addition. When you retire it, Oracle Assets does not back out any depreciation, even if you assigned the asset a depreciation method that backs out all depreciation in the year of retirement. However, it creates all the other journal entries associated with retiring a capitalized asset.

## Non-Depreciated Capitalized/Construction-In-Process (CIP) Assets

A non-depreciated capitalized asset or a CIP asset has no accumulated depreciation. Therefore, Oracle Assets does not create journal entries to catch up depreciation to the retirement prorate date, and does not remove the accumulated depreciation. However, Oracle Assets creates all other journal entries associated with retiring a capitalized asset.

## Reinstatement Transactions

### PENDING Asset Retirement

When you reinstate an asset retired in the current accounting period that the calculate gains and losses program has not yet processed, the retirement transaction is deleted, and the asset is immediately reinstated. No journal entries are created.

### PROCESSED Asset Retirement

When you reinstate an asset retired in a previous accounting period or already processed in the current period, the existing retirement transaction gets a new Status REINSTATE, and the asset is reinstated when you process retirements. Oracle Assets creates journal entries to catch up any missed depreciation expense.

## Related Topics

About Retirements, page 4-1

Retiring Assets, page 4-4

Correcting Retirement Errors (Reinstatements), page 4-10

Calculating Gains and Losses for Retirements, page 4-18

## Journal Entries for Revaluations

The following examples illustrate the effect on your assets and your accounts when you specify different revaluation rules.

### Revalue Accumulated Depreciation

**Example 1:** You place an asset in service in Year 1, Quarter 1. The asset cost is \$10,000, the life is 5 years, and you are using straight-line depreciation.

In Year 2, Quarter 1 you revalue the asset using a revaluation rate of 5%. Then in Year 4, Quarter 1 you revalue the asset again using a revaluation rate of -10%.

Revaluation Rules:

- Revalue Accumulated Depreciation = Yes
- Amortize Revaluation Reserve = No
- Retire Revaluation Reserve = No

Oracle Assets bases the new depreciation expense on the revalued remaining net book value.

In Year 5, Quarter 4, at the end of the asset's life, you retire the asset with no proceeds of sale or cost of removal.

The effects of the revaluations are illustrated in the following table:

| Period (Yr, Qtr.) | Asset Cost | Deprn. Expense | Accum. Deprn. | Reval. Reserve |
|-------------------|------------|----------------|---------------|----------------|
| Yr1,Q1            | 10,000.00  | 500.00         | 500.00        | 0.00           |
| Yr1,Q2            | 10,000.00  | 500.00         | 1,000.00      | 0.00           |
| Yr1,Q3            | 10,000.00  | 500.00         | 1,500.00      | 0.00           |
| Yr1,Q4            | 10,000.00  | 500.00         | 2,000.00      | 0.00           |
| Reval. 1 5%       | 10,500.00  | 0.00           | *2,100.00     | **400.00       |
| Yr2,Q1            | 10,500.00  | 525.00         | 2,625.00      | 400.00         |
| Yr2,Q2            | 10,500.00  | 525.00         | 3,150.00      | 400.00         |
| Yr2,Q3            | 10,500.00  | 525.00         | 3,675.00      | 400.00         |

| Period (Yr, Qtr.) | Asset Cost | Deprn. Expense | Accum. Deprn. | Reval. Reserve |
|-------------------|------------|----------------|---------------|----------------|
| Yr2,Q4            | 10,500.00  | 525.00         | 4,200.00      | 400.00         |
| Yr3,Q1            | 10,500.00  | 525.00         | 4,725.00      | 400.00         |
| Yr3,Q2            | 10,500.00  | 525.00         | 5,250.00      | 400.00         |
| Yr3,Q3            | 10,500.00  | 525.00         | 5,775.00      | 400.00         |
| Yr3,Q4            | 10,500.00  | 525.00         | 6,300.00      | 400.00         |
| Reval. 2 -10%     | 9,450.00   | 0.00           | *5,670.00     | ** -20.00      |
| Yr4,Q1            | 9,450.00   | 472.50         | 6,142.50      | -20.00         |
| Yr4,Q2            | 9,450.00   | 472.50         | 6,615.00      | -20.00         |
| Yr4,Q3            | 9,450.00   | 472.50         | 7,087.50      | -20.00         |
| Yr4,Q4            | 9,450.00   | 472.50         | 7,560.00      | -20.00         |
| Yr5,Q1            | 9,450.00   | 472.50         | 8,032.50      | -20.00         |
| Yr5,Q2            | 9,450.00   | 472.50         | 8,505.00      | -20.00         |
| Yr5,Q3            | 9,450.00   | 472.50         | 8,977.50      | -20.00         |
| Yr5,Q4            | 9,450.00   | 472.50         | 9,450.00      | -20.00         |
| Retire            | 0.00       | 0.00           | 0.00          | -20.00         |

## REVALUATION 1

Year 2, Quarter 1, 5% revaluation

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**\*Accumulated Depreciation = Existing Accumulated Depreciation + [Existing Accumulated Depreciation x (Revaluation Rate / 100)]**

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$$2,000 + [2,000 \times (5/100)] = 2,100$$


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**\*\*Revaluation Reserve = Existing Revaluation Reserve + Change in Net Book Value**

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$$0 + (8,400 - 8,000) = 400$$

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| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Asset Cost               | 500.00 |        |
| Revaluation Reserve      |        | 400.00 |
| Accumulated Depreciation |        | 100.00 |

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## REVALUATION 2

-10% revaluation in Year 4, Quarter 1:

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| Account Description      | Debit  | Credit   |
|--------------------------|--------|----------|
| Revaluation Reserve      | 420.00 |          |
| Accumulated Depreciation | 630.00 |          |
| Asset Cost               |        | 1,050.00 |

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Retirement in Year 5, Quarter 4:

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| Account Description      | Debit    | Credit   |
|--------------------------|----------|----------|
| Accumulated Depreciation | 9,450.00 |          |
| Asset Cost               |          | 9,450.00 |

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## Accumulated Depreciation Not Revalued

**Example 2:** You place an asset in service in Year 1, Quarter 1. The asset cost is \$10,000, the life is 5 years, and you are using straight-line depreciation.

In Year 2, Quarter 1 you revalue the asset using a revaluation rate of 5%. Then in Year 4, Quarter 1 you revalue the asset again using a revaluation rate of -10%.



Revaluation Rules:

- Revalue Accumulated Depreciation = No
- Amortize Revaluation Reserve = No
- Retire Revaluation Reserve = Yes

For the first revaluation, the asset's new revalued cost is \$10,500. Since you do not revalue the accumulated depreciation, Oracle Assets transfers the balance to the revaluation reserve in addition to the change in cost.

Since you are also not amortizing the revaluation reserve, this amount remains in the revaluation reserve account until you retire the asset, when Oracle Assets transfers it to the appropriate revaluation reserve retired account. Oracle Assets bases the new depreciation expense on the revalued net book value.

For the second revaluation, the asset's revalued cost is \$9,450. Again, since you do not revalue the accumulated depreciation, Oracle Assets transfers the balance to the revaluation reserve along with the change in cost.

You retire the asset in Year 5, Quarter 4, with no proceeds of sale or cost of removal.

The effects of the revaluations are illustrated in the following table:

| Period (Yr, Qtr.) | Asset Cost | Deprn. Expense | Accum. Deprn. | Reval. Reserve |
|-------------------|------------|----------------|---------------|----------------|
| Yr1,Q1            | 10,000.00  | 500.00         | 500.00        | 0.00           |
| Yr1,Q2            | 10,000.00  | 500.00         | 1,000.00      | 0.00           |
| Yr1,Q3            | 10,000.00  | 500.00         | 1,500.00      | 0.00           |
| Yr1,Q4            | 10,000.00  | 500.00         | 2,000.00      | 0.00           |
| Reval. 1 5%       | 10,500.00  | 0.00           | 0.00          | *2,500.00      |
| Yr2,Q1            | 10,500.00  | **656.25       | 6,56.25       | 2,500.00       |
| Yr2,Q2            | 10,500.00  | 656.25         | 1,312.50      | 2,500.00       |
| Yr2,Q3            | 10,500.00  | 656.25         | 1,968.75      | 2,500.00       |
| Yr2,Q4            | 10,500.00  | 656.25         | 2,625.00      | 2,500.00       |
| Yr3,Q1            | 10,500.00  | 656.25         | 3,281.25      | 2,500.00       |

| Period (Yr, Qtr.) | Asset Cost | Deprn. Expense | Accum. Deprn.   | Reval. Reserve |
|-------------------|------------|----------------|-----------------|----------------|
| Yr3,Q2            | 10,500.00  | 656.25         | 3,937.50        | 2,500.00       |
| Yr3,Q3            | 10,500.00  | 656.25         | 4,593.75        | 2,500.00       |
| Yr3,Q4            | 10,500.00  | 656.25         | <b>5,250.00</b> | 2,500.00       |
| Reval. 2 -10%     | 9,450.00   | 0.00           | 0.00            | *6,700.00      |
| Yr4,Q1            | 9,450.00   | **1,181.25     | 1,181.25        | 6,700.00       |
| Yr4,Q2            | 9,450.00   | 1,181.25       | 2,362.50        | 6,700.00       |
| Yr4,Q3            | 9,450.00   | 1,181.25       | 3,543.75        | 6,700.00       |
| Yr4,Q4            | 9,450.00   | 1,181.25       | 4,725.00        | 6,700.00       |
| Yr5,Q1            | 9,450.00   | 1,181.25       | 5,906.25        | 6,700.00       |
| Yr5,Q2            | 9,450.00   | 1,181.25       | 7,087.50        | 6,700.00       |
| Yr5,Q3            | 9,450.00   | 1,181.25       | 8,268.75        | 6,700.00       |
| Yr5,Q4            | 9,450.00   | 1,181.25       | 9,450.00        | 6,700.00       |

## REVALUATION 1

5% revaluation in Year 2, Quarter 1:

| Account Description      | Debit    | Credit   |
|--------------------------|----------|----------|
| Asset Cost               | 500.00   |          |
| Accumulated Depreciation | 2,000.00 |          |
| Revaluation Reserve      |          | 2,500.00 |

## REVALUATION 2

-10% revaluation in Year 4, Quarter 1:

| Account Description      | Debit    | Credit   |
|--------------------------|----------|----------|
| Accumulated Depreciation | 5,250.00 |          |
| Asset Cost               |          | 1,050.00 |
| Revaluation Reserve      |          | 4,200.00 |

Retirement in Year 5, Quarter 4:

| Account Description                 | Debit    | Credit   |
|-------------------------------------|----------|----------|
| Accumulated Depreciation            | 9,450.00 |          |
| Revaluation Reserve                 | 6,700.00 |          |
| Revaluation Reserve Retired<br>Gain |          | 6,700.00 |
| Asset Cost                          |          | 9,450.00 |

## Amortizing Revaluation Reserve

**Example 3:** You place an asset in service in Year 1, Quarter 1. The asset cost is \$10,000, the life is 5 years, and you are using straight-line depreciation.

In Year 2, Quarter 1 you revalue the asset using a rate of 5%. Then in Year 4, Quarter 1 you revalue the asset again using a rate of -10%.

Revaluation Rules:

- Revalue Accumulated Depreciation = No
- Amortize Revaluation Reserve = Yes

For the first revaluation, the asset's new revalued cost is \$10,500. Since you do not revalue the accumulated depreciation, Oracle Assets transfers the entire amount to the revaluation reserve. Since you are amortizing the revaluation reserve, Oracle Assets calculates the revaluation amortization amount for each period using the asset's depreciation method. Oracle Assets also bases the new depreciation expense on the revalued net book value.

For the second revaluation, the asset's revalued cost is \$9,450. Again, since you do not revalue the accumulated depreciation, Oracle Assets transfers the entire amount to the

revaluation reserve.

The effects of the revaluations are illustrated in the following table:

| Period<br>(Yr,Qtr.) | Asset Cost | Deprn.<br>Expense | Accum.<br>Deprn. | Reval.<br>Amortize | Reval.<br>Reserve |
|---------------------|------------|-------------------|------------------|--------------------|-------------------|
| Yr1,Q1              | 10,000.00  | 500.00            | 500.00           | 0.00               | 0.00              |
| Yr1,Q2              | 10,000.00  | 500.00            | 1,000.00         | 0.00               | 0.00              |
| Yr1,Q3              | 10,000.00  | 500.00            | 1,500.00         | 0.00               | 0.00              |
| Yr1,Q4              | 10,000.00  | 500.00            | 2,000.00         | 0.00               | 0.00              |
| Reval. 1 5%         | 10,500.00  | 0.00              | 0.00             | 0.00               | *2,500.00         |
| Yr2,Q1              | 10,500.00  | **656.25          | 656.25           | ***156.25          | 2,343.75          |
| Yr2,Q2              | 10,500.00  | 656.25            | 1,312.50         | 156.25             | <b>2,187.50</b>   |
| Yr2,Q3              | 10,500.00  | 656.25            | 1,968.75         | 156.25             | <b>2,031.25</b>   |
| Yr2,Q4              | 10,500.00  | 656.25            | 2,625.00         | 156.25             | <b>1,875.00</b>   |
| Yr3,Q1              | 10,500.00  | 656.25            | 3,281.25         | 156.25             | 1,718.75          |
| Yr3,Q2              | 10,500.00  | 656.25            | 3,937.50         | 156.25             | <b>1,562.50</b>   |
| Yr3,Q3              | 10,500.00  | 656.25            | 4,593.75         | 156.25             | <b>1,406.25</b>   |
| Yr3,Q4              | 10,500.00  | 656.25            | <b>5,250.00</b>  | 156.25             | 1,250.00          |
| Reval. 2 -10%       | 9,450.00   | 0.00              | 0.00             | 0.00               | <b>*5,450.00</b>  |
| Yr4,Q1              | 9,450.00   | **1,181.25        | 1,181.25         | *** <b>681.25</b>  | 4,768.75          |
| Yr4,Q2              | 9,450.00   | 1,181.25          | 2,362.50         | <b>681.25</b>      | 4,087.50          |
| Yr4,Q3              | 9,450.00   | 1,181.25          | 3,543.75         | 681.25             | 3,406.25          |
| Yr4,Q4              | 9,450.00   | 1,181.25          | 4,725.00         | <b>681.25</b>      | 2,725.00          |

| <b>Period<br/>(Yr,Qtr.)</b> | <b>Asset Cost</b> | <b>Deprn.<br/>Expense</b> | <b>Accum.<br/>Deprn.</b> | <b>Reval.<br/>Amortize</b> | <b>Reval.<br/>Reserve</b> |
|-----------------------------|-------------------|---------------------------|--------------------------|----------------------------|---------------------------|
| Yr5,Q1                      | 9,450.00          | 1,181.25                  | 5,906.25                 | 681.25                     | 2,043.75                  |
| Yr5,Q2                      | 9,450.00          | 1,181.25                  | 7,087.50                 | 681.25                     | 1,362.50                  |
| Yr5,Q3                      | 9,450.00          | 1,181.25                  | 8,268.75                 | 681.25                     | 681.25                    |
| Yr5,Q4                      | 9,450.00          | 1,181.25                  | 9,450.00                 | 681.25                     | 0.00                      |

### REVALUATION 1

Year 2, quarter 1, 5% revaluation

| <b>Account Description</b> | <b>Debit</b> | <b>Credit</b> |
|----------------------------|--------------|---------------|
| Asset Cost                 | 500.00       |               |
| Accumulated Depreciation   | 2,000.00     |               |
| Revaluation Reserve        |              | 2,500.00      |

Oracle Assets creates the following journal entries each period to amortize the revaluation reserve:

| <b>Account Description</b> | <b>Debit</b> | <b>Credit</b> |
|----------------------------|--------------|---------------|
| Revaluation Reserve        | 158.25       |               |
| Revaluation Amortization   |              | 158.25        |

### REVALUATION 2

Year 4, quarter 1, -10% revaluation

| <b>Account Description</b> | <b>Debit</b> | <b>Credit</b> |
|----------------------------|--------------|---------------|
| Accumulated Depreciation   | 5,250.00     |               |

| Account Description | Debit | Credit   |
|---------------------|-------|----------|
| Asset Cost          |       | 1,050.00 |
| Revaluation Reserve |       | 4,200.00 |

Oracle Assets creates the following journal entries each period to amortize the revaluation reserve:

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Revaluation Reserve      | 681.25 |        |
| Revaluation Amortization |        | 681.25 |

## Revaluation of a Fully Reserved Asset

**Example 4:** You place an asset in service in Year 1, Quarter 1. The asset cost is \$10,000, the life is 5 years, and you are using straight-line depreciation. The asset's life extension factor is 2 and the maximum fully reserved revaluations allowed for this book is 3.

In year 5, quarter 4 the asset is fully reserved. In Year 9, Quarter 1 you want to revalue the asset with a revaluation rate of 5%.

Revaluation Rules:

- Revalue Accumulated Depreciation = Yes
- Amortize Revaluation Reserve = No

First, Oracle Assets checks whether this fully reserved asset has been previously revalued as fully reserved, and that the maximum number of times is not exceeded by this revaluation. Since this asset has not been previously revalued as fully reserved, this revaluation is allowed.

The asset's new revalued cost is \$10,500. The life extension factor for this asset is 2, so the asset's new life is  $2 * 5 \text{ years} = 10 \text{ years}$ . Oracle Assets calculates depreciation expense over its new life of 10 years. Oracle Assets calculates the depreciation adjustment of \$2,000 using the new 10 year asset life. It transfers the change in net book value to the revaluation reserve account.

Oracle Assets revalues the accumulated depreciation using the 5% revaluation rate. The change in net book value is transferred to the revaluation reserve account. Since you do not amortize the revaluation reserve, the amount remains in the revaluation reserve account.

The effect of the revaluation is illustrated in the following table:

| Period (Yr, Qtr.) | Asset Cost | Deprn. Expense | Accum. Deprn.   | Reval. Reserve |
|-------------------|------------|----------------|-----------------|----------------|
| Yr1 to Yr4        |            |                |                 |                |
| Yr5,Q1            | 10,000.00  | 500.00         | 8,500.00        | 0.00           |
| Yr5,Q2            | 10,000.00  | 500.00         | 9,000.00        | 0.00           |
| Yr5,Q3            | 10,000.00  | 500.00         | <b>9,500.00</b> | 0.00           |
| Yr5,Q4            | 10,000.00  | 500.00         | 10,000.00       | 0.00           |
| Reval. 5%         | 10,500.00  | 0.00           | *8,400.00       | **2,100.00     |
| Yr9,Q1            | 10,500.00  | ***262.50      | <b>8,662.50</b> | 2,100.00       |
| Yr9,Q2            | 10,500.00  | 262.50         | <b>8,925.00</b> | 2,100.00       |
| Yr9,Q3            | 10,500.00  | 262.50         | <b>9,187.50</b> | 2,100.00       |
| Yr9,Q4            | 10,500.00  | 262.50         | <b>9,450.00</b> | 2,100.00       |
| Yr10,Q1           | 10,500.00  | 262.50         | <b>9,712.50</b> | 2,100.00       |
| Yr10,Q2           | 10,500.00  | 262.50         | <b>9,975.00</b> | 2,100.00       |
| Yr10,Q3           | 10,500.00  | 262.50         | 10,237.50       | 2,100.00       |
| Yr10,Q4           | 10,500.00  | 262.50         | 10,500.00       | 2,100.00       |

| Account Description      | Debit    | Credit   |
|--------------------------|----------|----------|
| Asset Cost               | 500.00   |          |
| Accumulated Depreciation | 1,600.00 |          |
| Revaluation Reserve      |          | 2,100.00 |

## Revaluation with Life Extension Ceiling

**Example 5:** You place an asset in service in Year 1, Quarter 1. The asset cost is \$10,000, the life is 5 years, and you are using straight-line depreciation. The asset's life extension factor is 3.0 and its life extension ceiling is 2.

In Year 5, Quarter 4 the asset is fully reserved. In year 9, quarter 1 you want to revalue the asset with a revaluation rate of 5%.

Revaluation Rules:

- Revalue Accumulated Depreciation = Yes
- Amortize Revaluation Reserve = No

To determine the depreciation adjustment, Oracle Assets uses the smaller of the life extension factor and the life extension ceiling. Since the life extension ceiling is smaller than the life extension factor, Oracle Assets uses the ceiling to calculate the depreciation adjustment. The new life used to calculate the depreciation adjustment is  $2 * 5 \text{ years} = 10$  years, the life extension ceiling of 2 multiplied by the original 5 year life of the asset.

Oracle Assets calculates the asset's depreciation expense under the new life of 10 years up to the revaluation period, and moves the difference between this value and the existing accumulated depreciation from accumulated depreciation to revaluation reserve.

Oracle Assets then determines the new asset cost using the revaluation rate of 5% and revalues the accumulated depreciation with the same rate. Oracle Assets calculates the asset's new life by multiplying the current life by the life extension factor. The asset's new life is  $3 * 5 \text{ years} = 15$  years. Oracle Assets bases the new depreciation expense on the revalued net book value and the new 15 year life.

The effect of the revaluation is illustrated in the following table:

| Period (Yr, Qtr.) | Asset Cost | Deprn. Expense | Accum. Deprn.   | Reval. Reserve |
|-------------------|------------|----------------|-----------------|----------------|
| Yr1 to Yr4        |            |                |                 |                |
| Yr5,Q1            | 10,000.00  | 500.00         | 8500.00         | 0.00           |
| Yr5,Q2            | 10,000.00  | 500.00         | 9000.00         | 0.00           |
| Yr5,Q3            | 10,000.00  | 500.00         | <b>9,500.00</b> | 0.00           |
| Yr5,Q4            | 10,000.00  | 500.00         | 10,000.00       | 0.00           |
| Reval. 5%         | 10,500.00  | 0.00           | *8,400.00       | **2,100.00     |



| Period (Yr, Qtr.) | Asset Cost | Deprn. Expense | Accum. Deprn. | Reval. Reserve |
|-------------------|------------|----------------|---------------|----------------|
| Yr9,Q1            | 10,500.00  | ***75.00       | 8,475.00      | 2,100.00       |
| Yr9,Q2            | 10,500.00  | 75.00          | 8,550.00      | 2,100.00       |
| Yr9,Q3            | 10,500.00  | 75.00          | 8,625.00      | 2,100.00       |
| Yr9,Q4            | 10,500.00  | 75.00          | 8,700.00      | 2,100.00       |
| Yr10 to Yr15      |            |                |               |                |

Depreciation Adjustment (calculated using life extension **ceiling**)= 2,000

| Account Description      | Debit    | Credit   |
|--------------------------|----------|----------|
| Asset Cost               | 500.00   |          |
| Accumulated Depreciation | 1,600.00 |          |
| Revaluation Reserve      |          | 2,100.00 |

## Revaluation with a Revaluation Ceiling

**Example 6:** You own an asset which has been damaged during its life. You placed the asset in service in Year 1, quarter 1. The asset cost is \$10,000, the life is 5 years, and you are using straight-line depreciation. You entered a revaluation ceiling of \$10,300 for the asset.

In year 3, quarter 3 you revalue the asset's category with a revaluation rate of 5%.

Revaluation Rules:

- Revalue Accumulated Depreciation = No
- Amortize Revaluation Reserve = Yes

If Oracle Assets applied the new revaluation rate of 5%, the asset's new cost would be higher than the revaluation ceiling for this asset, so instead Oracle Assets uses the ceiling as the new cost. The ceiling creates the same effect as revaluing the asset at a rate of 3%. Oracle Assets bases the asset's new depreciation expense on the revalued asset cost.

The effect of the revaluation is illustrated in the following table:

| Period (Yr, Qtr.)        | Asset Cost | Deprn. Expense | Accum. Depr n.  | Reval. Amortize | Reval. Reserve    |
|--------------------------|------------|----------------|-----------------|-----------------|-------------------|
| Yr1 to Yr 2              |            |                |                 |                 |                   |
| Yr3,Q1                   | 10,000.00  | 500.00         | 4,500.00        | 0.00            | 0.00              |
| Yr3,Q2                   | 10,000.00  | 500.00         | 5,000.00        | 0.00            | 0.00              |
| Reval. *3%               | 10,300.00  | 0.00           | 0.00            | 0.00            | <b>**5,300.00</b> |
| Yr3,Q3                   | 10,300.00  | ***1,030.00    | 1,030.00        | ****530.00      | <b>4,770.00</b>   |
| Yr3,Q4                   | 10,300.00  | 1,030.00       | <b>2,060.00</b> | 530.00          | 4,240.00          |
| Yr4,Q1                   | 10,300.00  | 1,030.00       | 3,090.00        | <b>530.00</b>   | 3,710.00          |
| Yr4,Q2                   | 10,300.00  | 1,030.00       | 4,120.00        | <b>530.00</b>   | 3,180.00          |
| Yr4,Q3                   | 10,300.00  | 1,030.00       | 5,150.00        | 530.00          | 2,650.00          |
| Yr4,Q4                   | 10,300.00  | 1,030.00       | 6,180.00        | <b>530.00</b>   | 2,120.00          |
| Yr5,Q1                   | 10,300.00  | 1,030.00       | 7,210.00        | 530.00          | 1,590.00          |
| Yr5,Q2                   | 10,300.00  | 1,030.00       | 8,240.00        | 530.00          | 1,060.00          |
| Yr5,Q3                   | 10,300.00  | 1,030.00       | 9,270.00        | 530.00          | 530.00            |
| Yr5,Q4                   | 10,300.00  | 1,030.00       | 10,300.00       | 530.00          | 0.00              |
| <hr/>                    |            |                |                 |                 |                   |
| Account Description      | Debit      |                | Credit          |                 |                   |
| Asset Cost               | 300.00     |                |                 |                 |                   |
| Accumulated Depreciation | 5,000.00   |                |                 |                 |                   |
| Revaluation Reserve      |            |                | 5,300.00        |                 |                   |

Oracle Assets creates the following journal entries each period to amortize the revaluation reserve:

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Revaluation Reserve      | 530.00 |        |
| Revaluation Amortization |        | 530.00 |

## Related Topics

Asset Management in a Highly Inflationary Economy (Revaluation), page 3-32

Revaluing Assets, page 3-29

## Journal Entries for Tax Accumulated Depreciation Adjustments

**Example:** You place an asset in service in Year 1, Quarter 1. The asset cost is \$4,000, the life is 4 years, and you are using straight-line depreciation. In Year 4, Quarter 1, your tax authority requests that you change the depreciation taken in Year 2 from \$1000 to \$800.

Oracle Assets creates the following journal entries for the reserve adjustment:

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Accumulated Depreciation | 200.00 |        |
| Depreciation Adjustment  |        | 200.00 |

## Related Topics

Depreciation Calculation, page 5-21

Running Depreciation, page 5-2



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## Tax Accounting

This chapter covers the following topics:

- Tax Book Maintenance
- Tax Book Upload Interface
- Updating a Tax Book with Assets and Transactions
- Deferred Income Tax Liability
- Determining Deferred Income Tax Liability
- Tax Credits
- Assigning Tax Credits
- Adjusted Current Earnings
- Updating an ACE Book with Accumulated Depreciation
- About the ACE Interface
- Handle Tax Audits
- Adjusting Tax Book Accumulated Depreciation

### Tax Book Maintenance

You can copy your assets and transactions from your corporate book to your tax books automatically using Mass Copy. You can create as many tax books as you need, maintain your asset information in your corporate book, and then update your tax books with assets and transactions from your corporate book.

You must allow Mass Copy and choose whether to copy additions, cost adjustments, retirements, and salvage value for your tax book in the Book Controls window before you can run mass copy. You also specify which corporate book mass copy uses as the source. You cannot copy assets from one corporate book into another corporate book.

If you choose to copy adjustments, Oracle Assets copies cost adjustments from the associated corporate book if the unrevalued cost in the corporate book before the

adjustment matches the unrevalued cost in the tax book. It copies both adjustments that are ADJUSTMENT type in the tax book and adjustment transactions that create a new ADDITION type and update the ADDITION/VOID in the tax book.

## Related Topics

How Initial Mass Copy Works, page 7-2

Initial Mass Copy Example, page 7-4

How Periodic Mass Copy Works, page 7-6

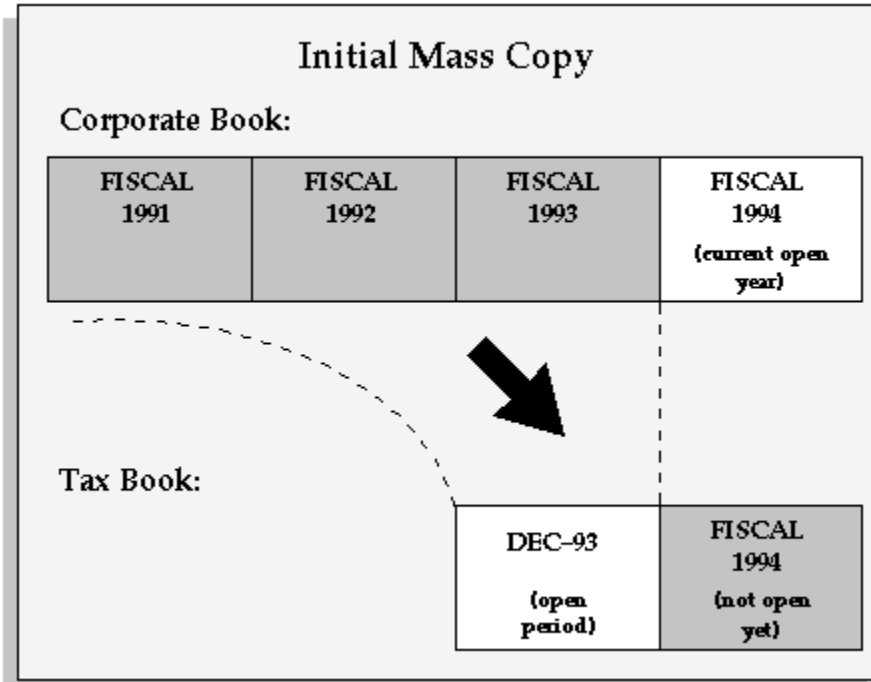
Periodic Mass Copy Example, page 7-13

Updating a Tax Book with Assets and Transactions, page 7-23

## How Initial Mass Copy Works

Use Initial Mass Copy to initially populate your tax book by adding existing assets to a tax book.

Initial Mass Copy copies all the assets added to your corporate book before the end of the current tax fiscal year into the open accounting period in your tax book. The following graphic illustrates the Initial Mass Copy process. In the following example, your fiscal year is from January to December. Your corporate book open accounting period is February 1994 and your tax book open period is December 1993.



When using Initial Mass Copy for the first time in your tax book, you can run it as many

times as necessary for the first period to copy all existing assets. When you rerun the process, Initial Mass Copy only looks at assets which it did not copy into the tax book during previous attempts, so no data is duplicated.

If you wish to simultaneously run this program in more than one process to reduce processing time, Oracle Assets can be set up to run this program in parallel. For more information on setting up parallel processing and the FA: Number of Parallel Requests profile option, see: Profile Options and Profile Options Categories Overview, page B-1.

## **What Gets Copied**

The current fiscal year in your tax book determines which assets Initial Mass Copy copies into your tax book. If the current fiscal year of your tax book is 1994, Initial Mass Copy copies all assets into your tax book as they appeared at the end of 1994 in your corporate book, even if 1995 is the current fiscal year of your corporate book. Only run Initial Mass Copy for the first period of your tax book. For following periods in your tax book, run Periodic Mass Copy.

Initial Mass Copy does not copy assets retired before the end of that year or assets added after the end of that year. You do not need to copy any adjustments or partial retirements you performed before the end of the fiscal year. When you close this initial period, Oracle Assets calculates the net book value of your assets that have zero accumulated depreciation in the tax book, and opens the next period.

When the Initial Mass Copy program copies an asset into a tax book, the following basic financial information comes from the corporate book:

- Cost
- Original Cost
- Units
- Date Placed in Service
- Capacity and unit of measure, for units of production assets
- Salvage Value, if you choose to Copy Salvage Value for the tax book in the Book Controls window

The remaining depreciation information comes from the default category information for your tax book according to the asset category and the date placed in service. You must set up your asset categories with default information for your tax book before you run Initial Mass Copy.

Since tax books share the category and assignments with their associated corporate book, you do not need to copy reclassifications or transfers from one book to another. Tax books also share production amounts with their associated corporate books for assets depreciating under units of production. Initial Mass Copy does not copy any

transactions on CIP assets or expensed items.

For subcomponent assets, copy the parent asset first. Then copy the subcomponent asset, defaulting the asset life according to the subcomponent life rule you defined for the tax category and the parent asset life. You must set up the depreciation method for the subcomponent asset life before you can use the method and life. If your subcomponent asset uses straight-line depreciation, Oracle Assets sets up the depreciation method for the calculated life for you. If the depreciation method is not straight-line, and not already set up for the subcomponent life rule default, Oracle Assets uses the asset category default life.

Group and member assets are copied like any other asset in Oracle Assets. As with any asset in Oracle Assets, the group assets must exist in a corporate book before they are added to the associated tax book. Mass copy will copy group assets from a corporate book to the associated tax book only if the same category exist in both books.

## Related Topics

How Periodic Mass Copy Works, page 7-6

Updating a Tax Book with Assets and Transactions, page 7-23

## Initial Mass Copy Example

You add an asset to your CORP book in the AUTO.DELIVERY category on 01-OCT-1994. You then continue depreciating your CORP book. You run initial mass copy for OCT-94 to your FEDERAL book. Notice that the asset has not yet been depreciated in the FEDERAL book.

|                | <b>CORP</b> | <b>FED</b> |
|----------------|-------------|------------|
| Cost           | 12,000.00   | 12,000.00  |
| Net Book Value | 10,000.00   | 10,000.00  |

|                     | <b>CORP book</b> | <b>FEDERAL book</b> |
|---------------------|------------------|---------------------|
| Open Period         | APR-94           | Q4-93               |
| Depreciation Method | STL              | MACRS HY            |
| Life                | 3 years          | 3 years             |
| Prorate Convention  | Current Month    | Half Year           |



### Choose the first period for your tax book

Choose the period you begin your tax book carefully. For example, assume that 1994 is the current fiscal year in your corporate book, and you want to calculate your federal taxes for 1994. Also, assume you use a monthly calendar in your corporate book and a quarterly calendar in your tax book. If you start your new tax book for the end of the last quarter of 1993, you can reconcile your new book with the audited results from the accounting system you previously used to calculate your tax depreciation. This provides you with a verified starting point.

Use the Book Controls window to create a new federal tax book with Q4-93 as the Current Period Name. Enter 1993 as the current fiscal year for your tax book. When you run Initial Mass Copy, it copies all active assets from your corporate book, as of the end of 1993, into the Q4-93 period in your federal tax book. When you run the depreciation program, it calculates the net book value of each asset in your tax book using the depreciation method you specified in the Asset Categories window for the tax book. Reconcile these results with those of your previous tax system.

### Verifying Initial Mass Copy

To verify that all assets were processed successfully, review the log file for your initial mass copy concurrent request. The log file lists the assets and transactions that did not copy into your tax book, the reasons why, and the actions you must take to resolve the problem.

After you run the program, run the Tax Additions Report to verify that initial mass copy added all the assets to the tax book. When you are satisfied with the information copied into your tax book, run depreciation to close the initial period and open the first period of the next fiscal year, 1993.

Now you can run Periodic Mass Copy. Since the corporate book uses a calendar fiscal year, run Periodic Mass Copy for JAN-93, FEB-93, and MAR-93 for the tax book while Q1-93 is open.

**Note:** You can use Periodic Mass Copy to populate a new tax book only if you added all your assets to your corporate book in the period for which you are running Mass Copy.

### Related Topics

How Initial Mass Copy Works, page 7-2

Periodic Mass Copy Example, page 7-13

Tax Additions Report, page 10-63

Defining Depreciation Books, page 9-60

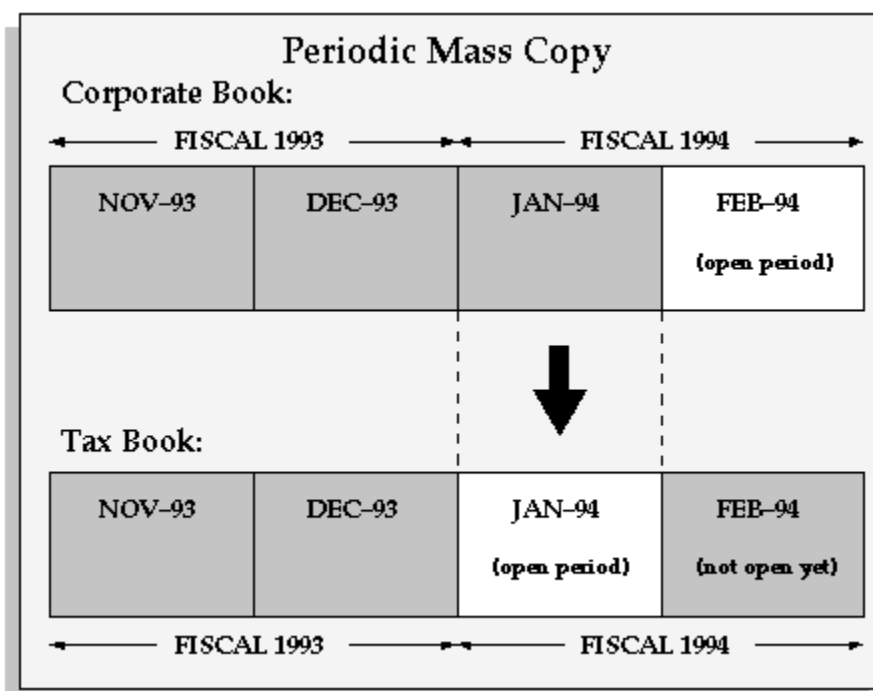
Updating a Tax Book with Assets and Transactions, page 7-23

## How Periodic Mass Copy Works

Use Periodic Mass Copy each period to keep your tax book up to date with your corporate book.

Oracle Assets copies new assets and transactions you made in your corporate book during one accounting period in the current fiscal year into the open period of your tax book. You can run periodic mass copy on a daily basis, allowing tax books to be synchronized daily with the corporate book activity.

The following graphic illustrates the Periodic Mass Copy process. In the following example, your fiscal year is from January to December. Your corporate book open accounting period is February 1994 and your tax book open period is January 1994.



If you wish to simultaneously run this program in more than one process to reduce processing time, Oracle Assets can be set up to run this program in parallel. For more information on setting up parallel processing and the FA: Number of Parallel Requests profile option, see: Profile Options and Profile Options Categories Overview, page B-1

**Note:** You can only run Periodic Mass Copy sequentially without skipping periods. When running Periodic Mass Copy, only the last period run and the following period are available in the period list of values.

## Different Fiscal Year

Associated tax books can have different fiscal years than their corporate books. For example, the corporate book can have a fiscal year from January through December. The associated tax book can have a fiscal year from April through March.

### Retirements/Reinstatements in the Tax Book Due to Different Fiscal Years

Retirements/Reinstatements are not allowed if a retirement with a transaction date in the current fiscal year in the corporate book falls into a prior year in the fiscal year of the tax book.

#### Retirement example:

- Corporate - Book Fiscal Year: July to June
- Tax Book - Fiscal Year: January to December
- Books are synchronized in March 2004.

Scenario 1:

Corporate book - March 2004: Retire asset backdated to December 2003 (fiscal 2004)

This transaction is possible since both December 2003 and March 2004 are in same fiscal year in the corporate book.

Scenario 2:

Tax book - March 2004: Periodic Mass Copy Retirement to the tax book.

This transaction fails because December 2003 and March 2004 are not in the same fiscal year in the tax book. Therefore the retirement crosses a fiscal year boundary in the tax book, which is not currently allowed.

**Tip:** Retire the asset as of January 2004 in the tax book. Since January is the first period of the open fiscal year in the tax book, it is the earliest period to which a retirement can be backdated in the tax book.

#### Reinstatement example:

- Corporate - Book Fiscal Year: July to June
  - Tax Book - Fiscal Year: January to December
  - Books are synchronized in December 2003.
1. Corporate book - December 2003: Retire asset.
  2. Tax book - December 2003: Periodic Mass Copy retirement to the tax book.

3. Corporate book - January 2004: Reinstate January retirement.
4. Tax book - January 2004 - Periodic mass copy reinstatement to tax book. The transaction fails because December 2003 and January 2004 are not in the same fiscal year in the tax book. Therefore the reinstatement crosses a fiscal year boundary in the tax book, which is not currently allowed.

**Tip:** Reinstatement is not possible in this case. The cost can be manually adjusted to effectively reinstate the cost but the retirement transaction, including gain/loss and reserve, cannot be reversed.

### Period Date Range Gaps and Overlaps

If the tax book has a different date range than the corporate book for individual periods, the gap between the periods can cause certain transactions to be ignored. Transactions that do not have a transaction date within or prior to the tax period into which they are being copied will be rejected. For example, transactions dated in February can not be mass copied into a tax book in which the open period ends in January. The transactions can be copied into a subsequent month in the tax book. These scenarios can be managed by the sequence and periods for which mass copy is run.

#### **Future Transaction example (corporate period overlaps tax period):**

- Books are synchronized in January 2004.
  - Corporate book period range: DEC-29-2003 through FEB-01-2004
  - Tax book period range: JAN-01-2004 through JAN-31-2004
1. Corporate book - January 2004: Add/adjust/retire asset with a transaction date of FEB-01-2004. Any transaction subject to mass copy will be affected.
  2. Tax book - January 2004: Periodic Mass Copy for January 2004. The January period in the tax book ends on JAN-31-2004 so transactions dated on FEB-01-2004 are not copied. After closing the January 2004 period in the tax book, re-run Periodic Mass Copy for the January 2004 period (copy January 2004 from the corporate book into February 2004 in the tax book). Periodic mass copy will pick up the previously rejected transactions dated FEB-01-2004 since they now fall into the current open tax period.

**Note:** The January 2004 re-run of mass copy must be completed prior to running Periodic Mass Copy for February 2004. The first time Periodic Mass Copy is run for February 2004, then January 2004 will no longer be available in the parameters.

#### **Future Transaction example (tax period overlaps corporate period):**

- Books are synchronized in January 2004.
  - Corporate book period range:
    - January: JAN-01-2004 through JAN-31-2004
    - February: FEB-01-2004 through FEB-28-2004
  - Tax book period range:
    - January: DEC-30-2003 through FEB-01-2004
    - February: FEB-02-2004 through MAR-01-2004
1. Corporate book - January 2004: Perform transactions for month of January
  2. Tax book - January 2004: Periodic Mass Copy for January 2004.  
 The two previous transactions (to which mass copy applies) will successfully copy since the transaction dates are through JAN-31-2004, which is included in the open tax period.
  3. Corporate book: Close January 2004 (leave tax book open).  
 At this stage you would normally close the tax book to keep the periods synchronized. However, the tax period extends through FEB-01-2004. If you want to copy the FEB-01-2004 transactions into the corporate book, follow steps 4 and 5.
  4. Corporate book - February 2004: Enter transactions dated on FEB-01-2004
  5. Tax JAN 2004: Since Periodic Mass Copy is allowed for the open corporate period, run Periodic Mass Copy and copy the February corporate book into the January tax book immediately after the transactions for FEB-01-2004 are complete in the corporate book. Transactions with a transaction date of FEB-01-2004 will be copied to the January tax period.

#### **Transaction Sequence in Tax Book**

##### **Transaction Sequence Example (Corporate period overlaps tax period):**

- Books are synchronized in January 2004.
  - Corporate book period range: DEC-29-2003 through FEB-04-2004
  - Tax book period range: JAN-01-2004 through JAN-31-2004
  - An existing asset was added in the prior year to both books.
1. Corporate book - January 2004: Adjust the cost of the asset with a JAN-31-2004

transaction date.

2. Corporate book January 2004: Adjust the cost of the asset with a FEB-01-2004 transaction date.
3. Corporate book - January 2004: Retire the asset with a JAN-31-2004 transaction date.
4. Tax book - January 2004: Periodic Mass Copy for JAN 2004.

The January period in the tax book ends on JAN-31-2004 so transactions dated on FEB-01-2004 will not copy. Therefore, the transaction on line 2 fails to copy and the transactions on lines 1 and 3 copy successfully.

Since the cost adjustment on line 2 was not copied, the result is that the retirement on line 3 is applied to a different cost in the tax book than in the corporate book. This occurs because multiple transactions are entered in the overlap period with transaction dates that do not all fall into the same tax period. To avoid this result, it must be controlled from the point of transaction entry.

**Note:** If all of the transactions were entered with transaction dates backdated prior to the end date of the open tax period, then all transactions would copy and there would be no issue with the transaction sequence.

### Transaction Grouping in Tax Book

Typically each transaction in the corporate book that is subject to mass copy is copied as a separate transaction into the tax book. In the case of addition transactions, the state of the asset in corporate as of the close of the period of addition is used to create a single addition transaction in the tax book.

The ability to run mass copy before the period is closed means that the addition can be copied prior to adjustments in the period of addition. Therefore, depending on the timing and number of times mass copy is run, the tax book may reflect a different number of transactions than the corporate book. Please refer to the following example for clarification.

#### Grouping Example:

- Books are synchronized in January 2004
  - Corporate book period: January
  - Tax Book Period: January
1. Corporate book - January 2004: Add asset.
  2. Tax book - January 2004: Periodic Mass Copy Addition to Tax.

3. Corporate book - January 2004: Cost Adjustment 1.
4. Corporate book - January 2004: Cost Adjustment 2.
5. Corporate book - January 2004: Cost Adjustment 3.
6. Tax book - January 2004: Periodic Mass Copy

If Periodic Mass Copy is run after each cost adjustment then the tax book reflects all three of the adjustments. If Periodic Mass Copy is run after several adjustments (as in the example above) then they are grouped in the tax book into a single adjustment transaction.

### What Gets Copied

The Periodic Mass Copy program copies addition, adjustment, retirement, and reinstatement transactions to your tax book from the current period in the associated corporate book.

**Note:** You can use Periodic Mass Copy to populate a new tax book if you added all your assets to your corporate book in the period for which you are running Mass Copy.

Periodic Mass Copy copies all qualifying transactions for an asset one at a time. It does not combine transactions, and only copies transactions from an accounting period in the associated corporate book.

Since tax books share the category and assignments with their associated corporate book, you do not need to copy reclassifications or transfers from your corporate book to your tax books. Tax books also share production information with their associated corporate book for your units of production assets. Periodic Mass Copy does not copy any transactions on CIP assets or expensed items. Finally, it does not copy revaluations.

When you use the same calendar in both the tax and the corporate book, Periodic Mass Copy copies asset transactions into your tax book just as they appear in your corporate book. If two transactions that fall into separate corporate periods fall into the same tax period, Periodic Mass Copy may copy the transactions differently.

### Addition Transactions

Oracle Assets copies additions from your corporate book to your tax book if you chose to Copy Additions in the Book Controls window.

If you add an asset in one period and adjust it several times in the following period in your corporate book, and these two periods fall into the same tax book period, Oracle Assets modifies the transactions in your tax book. Oracle Assets changes the addition transaction and all the adjustments, except the last one, to addition/void transactions. The last adjustment transaction in the corporate book becomes the addition transaction in the tax book.

**Example:** You use the periodic mass copy program to copy an addition to your quarterly tax book. The next month in your corporate book, you adjust the cost of the asset. When you run periodic mass copy, Oracle Assets voids the addition and creates a new addition transaction that reflects the cost adjustment.

If you use different calendars in the tax and the corporate books, some **prior period additions** in your corporate book might be current period additions in your tax book. Oracle Assets treats an addition in your tax book as prior period only if the asset's date placed in service is before the first day of the current tax book accounting period.

### **Capitalizations**

The Periodic Mass Copy program treats CIP asset capitalization transactions exactly the same way it treats addition transactions, since the CIP asset is not already in the tax book.

### **Adjustments**

Oracle Assets always copies capacity adjustments and unit of measure changes for your units of production assets, regardless of what you enter for the Copy Adjustments flag in the Book Controls window. If you do not allow amortized adjustments in your tax book, Mass Copy copies an amortized capacity adjustment as an expensed adjustment.

Oracle Assets copies other adjustments from your corporate book to your tax book if you check Copy Adjustments in the Book Controls window. Oracle Assets copies all adjustments, whether your tax book periods are the same as your corporate book periods or longer. It only copies cost adjustments if the unrevalued cost before the adjustment in the corporate book and the unrevalued cost in the tax book are the same. It copies both adjustments that are ADJUSTMENT type in the tax book and adjustment transactions that create a new ADDITION type and update the ADDITION/VOID in the tax book.

Oracle Assets copies salvage value adjustments if you chose Copy Salvage Value in the Book Controls window. It only copies adjustments if the salvage value before the adjustment in the corporate book and the current salvage value in the tax book are the same.

### **Retirements**

Oracle Assets copies retirement (partial and full) and reinstatement transactions from your corporate book to your tax books if you check Copy Retirements in the Book Controls window.

Oracle Assets does not allow partial unit retirements in tax books, so Oracle Assets translates partial unit retirements in the corporate book into partial cost retirements for your tax books.

For partial cost retirements, if the asset cost is not the same in the two books, Oracle Assets retires an amount from the tax book that is proportional to the cost retired in the corporate book, using this formula:

**Tax Cost Retired = (Corporate Cost Retired / Total Corporate Cost) X Total Tax Cost**



Oracle Assets copies full retirements, even when the cost is different in the tax book. If you have fully retired an asset in your tax book, Oracle Assets does not copy over any more transactions for the asset, unless you reinstate it.

Oracle Assets copies reinstatement transactions into your tax book, unless you already performed the reinstatement in your tax book.

Oracle Assets treats a retirement in your tax book as prior period only if the asset's retirement date is before the first day of the current tax book accounting period.

## Related Topics

How Initial Mass Copy Works, page 7-2

Periodic Mass Copy Example, page 7-13

Updating a Tax Book with Assets and Transactions, page 7-23

Defining Depreciation Books, page 9-60

## Periodic Mass Copy Example

You adjust the cost of an asset on 15-APR-94. The new asset cost is \$15,000.00, and you expense the adjustment.

| Field          | CORP      | FED       |
|----------------|-----------|-----------|
| Cost           | 15,000.00 | 15,000.00 |
| Net Book Value | 12,000.00 | 8,333.31  |

|                     | CORP book     | FEDERAL book |
|---------------------|---------------|--------------|
| Open Period         | APR-94        | Q2-94        |
| Depreciation Method | STL           | MACRS HY     |
| Life                | 3 years       | 3 years      |
| Prorate Convention  | Current Month | Half Year    |

## Verifying Periodic Mass Copy

After the Periodic Mass Copy process runs, it will return a status of Error, Warning, or Normal. These are described in the table below:

| Status  | Description                  |
|---------|------------------------------|
| ERROR   | One or more fatal errors     |
| WARNING | One or more non-fatal errors |
| NORMAL  | No errors                    |

To verify that all assets were processed successfully, review the log file of your periodic mass copy concurrent request. The log file lists the assets and associated transaction numbers that did not copy into your tax book. The transaction number is a unique reference to the transaction being copied from the corporate to the tax book. The log file lists the reason for the error, and may include the action you must take for resolution. You can also use Transaction History to query the transaction number of the error to determine the cause of the error and to determine the corrections required.

The difference between a fatal and a non-fatal error is where the failure occurs in the program. Mass copy performs various basic validation routines for all transactions being copied. If the validation fails, it is treated as a non-fatal error and the reason is noted in the execution report as shown in the following example:

| Asset Number | Transaction Number | Action                                                                         |
|--------------|--------------------|--------------------------------------------------------------------------------|
| 10-02        | 585                | The adjustment is not a cost, salvage value, or production capacity adjustment |

Some errors cannot be resolved and are just noted, as illustrated by the example above. You can optionally address some non-fatal errors, such as a category not being defined in the tax book for an asset addition being copied.

A fatal error occurs when the transaction passes all the initial validation within mass copy, but fails within the corresponding transaction. Any such failure will be noted in the exception report as illustrated in the following example:

| Asset Number | Transaction Number | Action                                     |
|--------------|--------------------|--------------------------------------------|
| 10-27        | 587                | Mass Copy failed on this asset transaction |

More details about such problems must be retrieved from the log file to determine what action must be taken. For example, this could include addressing disabled accounts

causing account generator failures or suggesting a call to support for additional debugging or assistance.

Next, run the Tax Additions Report, Financial Adjustments Report, and Tax Retirements Report on your tax book to view all the transactions that Oracle Assets copied to the tax book.

## Related Topics

How Initial Mass Copy Works, page 7-2

Tax Additions Report, page 10-63

Financial Adjustments Report, page 10-80

Tax Retirements Report, page 10-64

Defining Depreciation Books, page 9-60

Updating a Tax Book with Assets and Transactions, page 7-23

## Tax Book Upload Interface

The Tax Book Upload interface table allows you to enter tax information via SQL. Once the assets have been added into your tax books, you can change basic financial information, such as year-to-date depreciation, accumulated reserve, cost, and salvage value, for an unlimited number of assets in the tax books. You can use the Tax Book Upload interface table to enter tax information only in the period you added the assets to your tax book. You can also use the Tax Book Upload interface table to upload short tax year information.

**Note:** You cannot use the Tax Book Upload interface to update the tax information of CIP assets in your tax book.

You can use the FA: Copy All Cost Adjustments profile option to allow the Mass Copy program to copy all cost adjustments, even when the unrevalued cost is different in the corporate book and the associated tax books. See: Profile Options in Oracle Assets, page B-1.

## Populating the FA\_TAX\_INTERFACE Table

Use SQL\*Plus to enter the appropriate information into the FA\_TAX\_INTERFACE table for each asset and tax book name. See: Tax Book Upload Example, page 7-22.

Required fields are Asset Number, Asset ID, and Tax Book. You cannot run the Upload Tax Book Interface concurrent process unless these fields contain values.

If you need to make changes to the Tax Book Upload Interface table that include changes to the DEPRECIATE\_FLAG column, you must upload the changes to the DEPRECIATE\_FLAG column separately from other changes. For example, you cannot

upload changes to the COST column and the DEPRECIATE\_FLAG column at the same time. You should make all changes to the asset (excluding changes to the DEPRECIATE\_FLAG column) and post them. You can then delete the original rows in the table, and for those assets requiring a change to the DEPRECIATE\_FLAG column insert new rows with only the ASSET\_ID, BOOK, and DEPRECIATE\_FLAG specified. You can also submit the changes to the DEPRECIATE\_FLAG column first, before submitting the other changes.

If you specify a depreciation method in the table, other fields may be required. For Calculated and Table-based methods, LIFE\_IN\_MONTHS is required. For Units of Production methods, PRODUCTION\_CAPACITY is required. For Flat Rate methods, ADJUSTED\_RATE and BASIC\_RATE are required. Also note that if you enter values for any of these fields, you must enter the depreciation method. For example, if you enter a value for LIFE\_IN\_MONTHS, you should enter Calculated or Table for the depreciation method.

**Note:** Only the values you are changing need to be populated, with the exception of required fields.

The following table lists the name, type, and description of each column in the FA\_TAX\_INTERFACE table, along with whether each column is null or not null.

#### FA\_TAX\_INTERFACE TABLE

| Column Name             | Null / Not Null | Type        | Comments                                                                                                          |
|-------------------------|-----------------|-------------|-------------------------------------------------------------------------------------------------------------------|
| ADJUSTED_RATE           | NULL            | NUMBER      | The actual rate used to calculate depreciation for flat-rate methods.                                             |
| AMORTIZATION_START_DATE | NULL            | DATE        | The date to start amortizing the net book value over the remaining useful life, if AMORTIZE_NBV_FLAG is set to Y. |
| AMORTIZE_NBV_FLAG       | NULL            | VARCHAR2(3) | Determines whether to amortize the net book value over the remaining useful life.                                 |

---

|                        |          |              |                                                                                     |
|------------------------|----------|--------------|-------------------------------------------------------------------------------------|
| ASSET_NUMBER           | NOT NULL | VARCHAR2(15) | Enter the assigned asset number of the short tax year assets.                       |
| BASIC_RATE             | NULL     | NUMBER       | The base rate used to calculate the depreciation amount for flat-rate methods.      |
| BONUS_RULE             | NULL     | VARCHAR2(30) | Identifies the bonus rule to use in calculating depreciation for flat-rate methods. |
| BOOK_TYPE_CODE         | NOT NULL | VARCHAR2(15) | The tax book name.                                                                  |
| CEILING_NAME           | NULL     | VARCHAR2(30) | This field identifies a depreciation ceiling to use in calculating depreciation.    |
| CONVERSION_DATE        | NULL     | DATE         | The date the short tax year asset was added to the acquiring company.               |
| COST                   | NULL     | NUMBER       | The current cost of the asset.                                                      |
| CREATED_BY             | NULL     | NUMBER(15)   | Standard Who column.                                                                |
| CREATION_DATE          | NULL     | DATE         | Standard Who column.                                                                |
| DATE_PLACED_IN_SERVICE | NULL     | DATE         | The date the asset was placed in service.                                           |
| DEPRECIATE_FLAG        | NULL     | VARCHAR2(3)  | Indicates whether the asset is depreciating.                                        |
| DEPRN_METHOD_CODE      | NULL     | VARCHAR2(12) | The name of the depreciation method for the asset.                                  |

---

|                           |      |              |                                                                                                                         |
|---------------------------|------|--------------|-------------------------------------------------------------------------------------------------------------------------|
| DEPRN_RESERVE             | NULL | NUMBER       | The amount of depreciation reserve.                                                                                     |
| FULLY_RSVD_REVALSCOUNTER  | NULL | NUMBER       | The number of time an asset has been revalued as fully reserved.                                                        |
| ITC_AMOUNT_ID             | NULL | NUMBER(15)   | The amount of the investment tax credit (ITC).                                                                          |
| LAST_UPDATE_DATE          | NULL | DATE         | Standard Who column.                                                                                                    |
| LAST_UPDATE_LOGIN         | NULL | NUMBER(15)   | Standard Who column.                                                                                                    |
| LAST_UPDATED_BY           | NULL | NUMBER(15)   | Standard Who column.                                                                                                    |
| LIFE_IN_MONTHS            | NULL | NUMBER(4)    | The life of the asset in total months.                                                                                  |
| ORIGINAL_COST             | NULL | NUMBER       | The original cost of the asset.                                                                                         |
| ORIGINAL_DEPRN_START_DATE | NULL | DATE         | Enter the original depreciation start date. This is the date when the asset began depreciating in the acquired company. |
| POSTING_STATUS            | NULL | VARCHAR2(15) | The tax upload status: New, On Hold, Post, or Posted.                                                                   |
| PRODUCTION_CAPACITY       | NULL | NUMBER       | The capacity of a units of production asset.                                                                            |
| PRORATE_CONVENTION_CODE   | NULL | VARCHAR2(10) | The depreciation prorate convention used for the asset.                                                                 |

|                         |      |              |                                                                                                                                                                                                                                                                                         |
|-------------------------|------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REVAL_AMORTIZATIONBASIS | NULL | NUMBER       | The revaluation reserve used in calculating amortization of revaluation reserve. This is updated only when the asset is revalued or an amortized adjustment is performed on the asset.                                                                                                  |
| REVAL_CEILING           | NULL | NUMBER       | The upper limit for revaluing asset cost.                                                                                                                                                                                                                                               |
| REVAL_RESERVE           | NULL | NUMBER       | For a period in which the asset was revalued, this field shows the change in the net book value due to revaluation of asset cost, and sometimes, revaluation of depreciation reserve. For all other periods, this field shows the revaluation reserve amount after depreciation is run. |
| SALVAGE_VALUE           | NULL | NUMBER       | The asset salvage value.                                                                                                                                                                                                                                                                |
| SHORT_FISCAL_YEAR_FLAG  | NULL | VARCHAR2(3)  | Determines whether the asset should be set up as a short tax year asset.                                                                                                                                                                                                                |
| TAX_REQUEST_ID          | NULL | NUMBER(15)   | The concurrent request number for the Tax Book Upload program.                                                                                                                                                                                                                          |
| TRANSACTION_NAME        | NULL | VARCHAR2(30) | Description of the transaction.                                                                                                                                                                                                                                                         |

---

|                                      |      |               |                                                                                                                                                             |
|--------------------------------------|------|---------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UNREVALUED_COST                      | NULL | NUMBER        | The cost of the asset without regard to any revaluations.                                                                                                   |
| YTD_DEPRN                            | NULL | NUMBER        | The year to date depreciation.                                                                                                                              |
| YTD_REVAL_DEPRNEXPENSE               | NULL | NUMBER        | The year-to-date depreciation expense due to revaluation. Oracle Assets does not create journal entries for this amount. It is for reporting purposes only. |
| ATTRIBUTE1-ATTRIBUTE15               | NULL | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                              |
| GLOBAL_ATTRIBUTE1-GLOBAL_ATTRIBUTE20 | NULL | VARCHAR2(150) | Reserved for country-specific functionality.                                                                                                                |
| GLOBAL_ATTRIBUTE_CATEGORY            | NULL | VARCHAR2(150) | Reserved for country-specific functionality.                                                                                                                |
| NBV_AT_SWITCH                        | NULL | NUMBER        | The net book value of an asset at the date the original rate was switched to the revised rate.                                                              |
| PERIOD_FULL_RESERVE                  | NULL | VARCHAR2(30)  | The period in which the asset became fully reserved.                                                                                                        |
| PERIOD_EXTENDED_DEPRN                | NULL | VARCHAR2(30)  | The first period for which the asset begins extended depreciation.                                                                                          |

---



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|                             |      |              |                                                                                                                 |
|-----------------------------|------|--------------|-----------------------------------------------------------------------------------------------------------------|
| PRIOR_DEPRN_LIM<br>T_TYPE   | NULL | VARCHAR2(30) | The depreciation limit type for the asset immediately before it began extended depreciation.                    |
| PRIOR_DEPRN_LIM<br>T_AMOUNT | NULL | NUMBER       | The depreciation limit amount for the asset immediately before it began extended depreciation.                  |
| PRIOR_DEPRN_LIM<br>T        | NULL | NUMBER(15)   | The depreciation limit as a percentage of cost for the asset immediately before it began extended depreciation. |
| PRIOR_DEPRN_MET<br>HOD      | NULL | VARCHAR2(12) | The depreciation method for the asset immediately before it began extended depreciation.                        |
| PRIOR_LIFE_IN_MO<br>NTHS    | NULL | NUMBER(6)    | The life in months for the asset immediately before it began extended depreciation.                             |
| PRIOR_BASIC_RATE            | NULL | NUMBER       | The basic rate of the asset immediately before it began extended depreciation.                                  |
| PRIOR_ADJUSTED_<br>RATE     | NULL | NUMBER       | The adjusted rate of the asset immediately before it began extended depreciation.                               |

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## Upload Tax Book Interface

To copy tax book information into your tax book, you need to run the Upload Tax Book

Interface concurrent process from the Submit Request window. Before running the Upload Tax Book Interface concurrent process, make sure POSTING\_STATUS is set to Post.

If you wish to simultaneously run this program in more than one process to reduce processing time, Oracle Assets can be set up to run this program in parallel. For more information on setting up parallel processing and the FA: Number of Parallel Requests profile option, see: Profile Options and Profile Options Categories Overview, page B-1.

## Tax Book Upload Example

The following example shows how you can use the Tax Book Upload feature and the FA: Copy All Cost Adjustments profile option to copy cost adjustments when the unrevalued cost in the corporate book is different from the unrevalued cost in the tax book:

1. You add an asset in the corporate book with an original cost of \$100.
2. After running mass copy, the asset now appears in your tax book with an original cost of \$100.
3. You want to change the original cost amount in the tax book to \$80, so you execute the following SQL script:

```
insert into fa_tax_interface
(asset_number, book_type_code, cost, posting_status)
values ('12345', 'ABCTAX', 80, 'POST');
```

4. You run the Upload Tax Book Interface program so that the asset in the tax book now has an original cost of \$80.
5. Next, you adjust the asset cost in the corporate book from \$100 to \$200.
6. You run the Mass Copy program to the tax book with the profile option FA: Copy All Cost Adjustments set to Yes.
7. This adjustment is reflected in the tax book with a new cost of \$180.

**Note:** If you have two different cost values for your corporate and tax books, and you want the Periodic Mass Copy program to copy all cost adjustments to your tax books, you must set the FA: Copy All Cost Adjustments profile option to Yes. If you do not set the FA: Copy All Cost Adjustments profile option to Yes, you will not be able to take advantage of the Periodic Mass Copy functionality that allows subsequent cost adjustments to be copied to the tax books.

## Updating a Tax Book with Assets and Transactions

Use Initial Mass Copy once to set up your tax book with assets from your corporate book. Then use Periodic Mass Copy each period to update the tax book with new assets and transactions. You also can manually add a single asset to a tax book.

Oracle Assets defaults the depreciation rules you defined for the category and date placed in service in the tax book. For assets depreciating under the units of production method, Oracle Assets automatically copies the cost, date placed in service, and capacity from the corporate book.

### Prerequisites for Initial Mass Copy

- Specify Mass Copy rules, and Allow Mass Copy for the tax book in the Book Controls window. See: Defining Depreciation Books., page 9-60
- Set up your asset categories for the tax book in the Asset Categories window. See: Setting Up Asset Categories, page 9-186.
- Set up your prorate calendar for the tax book for the first tax period. See: Specifying Dates for Calendar Periods, page 9-53.

### To initially populate a new tax book with assets and transactions:

1. Choose Tax > Initial Mass Copy from the Navigator window.
2. In the Parameters window, enter the name of the tax depreciation Book to which you want to copy your corporate book assets and transactions.
3. Choose Submit to submit a concurrent process that copies assets and transactions into your new tax book.
4. Review the log file and correct any errors.
5. Run the Initial Mass Copy program again if necessary.
6. Review the log file after the request completes.

### To periodically update a tax book with assets and transactions:

**Note:** Ensure that you have run Initial Mass Copy for your tax book if you added assets to the corporate book before this period. You also must close the appropriate period in the corporate book before copying assets and transactions to a tax book.

- Choose Tax:Periodic Mass Copy from the Navigator window. Enter the Book and Corporate Period from which you want to copy assets and transactions for the period. Review the log file and correct any errors.

### **To manually add a single asset to a tax book:**

1. Choose Assets > Asset Workbench from the Navigator window.
2. Find the asset you want to add to a tax book.
3. Choose Books.
4. Enter the name of the tax Book to which you want to add the asset.
5. Review the depreciation rules.
6. Save your work.

### **Related Topics**

Submitting a Request, *Oracle Applications User's Guide*

Tax Book Maintenance, page 7-1

Depreciation Rules (Books), page 2-5

Tax Additions Report, page 10-63

Tax Retirements Report, page 10-64

Financial Adjustments Report, page 10-80

## **Deferred Income Tax Liability**

Your tax authority determines how you account for temporary differences in expenses between the corporate book and the tax book. One of the largest temporary differences is depreciation expense. For example, in the corporate book, you may depreciate assets using a straight-line method. For tax purposes, however, you can often use an accelerated depreciation method to take more depreciation in the early years of an asset's life and less in the later years. The higher depreciation expense in the early years reduces your taxes at that time. Your tax authority may require that you create a liability on your balance sheet to account for the tax payment delay. Deferred depreciation, the temporary difference in depreciation expense between the corporate book and the tax book, is a part of this liability.

To determine the depreciation contribution to your tax liability, calculate the two types of depreciation differences that exist between the corporate book and the tax book. Some differences are temporary; they occur when you use different depreciation methods in the corporate and the tax books. The depreciation calculation reduces, and

eventually eliminates, the temporary difference as the asset becomes fully reserved.

Permanent differences occur when you define different recoverable costs for an asset in the corporate book and the tax book. Permanent differences arise from differences in cost or salvage value, or the effect of investment tax credit basis reductions. The difference is permanent because you never eliminate it through depreciation. The following equations describe how permanent differences affect the recoverable cost in the corporate book and the tax book:

**Corporate Recoverable Cost = Corporate Cost - Corporate Salvage Value**

**Tax Recoverable Cost = the lesser of (Tax Cost - Tax Salvage Value - ITC Basis ReductionAmount) or Depreciation Cost Ceiling, if any**

You can use these calculations to determine your FASB 109 tax liability under United States tax law.

## **Determine Your Future Income Tax Liability**

You can determine the contribution that depreciation makes to your tax liability by projecting depreciation expense for future years and then adjusting depreciation expense for permanent differences. To determine your future income tax liability, you can:

1. Project annual depreciation expense in the corporate and tax books.
2. Determine the recoverable cost in the corporate and tax books as of the end of the fiscal year.
3. Adjust the depreciation projection values to account for the permanent differences in depreciation.

For each projected year, you need three values: corporate depreciation expense, tax depreciation expense, and adjusted tax depreciation expense. You take the corporate and tax depreciation expense values directly from the Depreciation Projection Report. To determine the adjusted tax depreciation expense, you calculate the ratio of the corporate recoverable cost to the tax recoverable cost. You take the corporate and tax recoverable cost values directly from the Recoverable Cost Report. You then multiply the ratio by the tax depreciation expense.

**Adjusted Tax Depreciation Expense = Tax Depreciation Expense X (Corporate Recoverable Cost / Tax Recoverable Cost)**

You can use the difference between the corporate depreciation expense and the adjusted tax depreciation expense for each projection year as the net amount in your tax liability calculations.

Use this information to determine the tax liability depreciation contribution net of the permanent differences.

## Example: Future Income Tax Liability Calculation

You have closed your corporate and tax books for your 1992 fiscal year. You run the Depreciation Projections program to project depreciation for five years, beginning with fiscal year 1993. The Depreciation Projection Report prints the following results:

| Year | Corporate Depreciation Expense | Tax Depreciation Expense |
|------|--------------------------------|--------------------------|
| 1993 | 15,000                         | 25,000                   |
| 1994 | 15,000                         | 20,000                   |
| 1995 | 15,000                         | 15,000                   |
| 1996 | 10,000                         | 10,000                   |
| 1997 | 10,000                         | 5,000                    |

Next, you run the Recoverable Cost Report for the last period of your 1992 fiscal year to determine the recoverable cost in both depreciation books.

Corporate Recoverable Cost = 65,000

Tax Recoverable Cost = 75,000

You then calculate the ratio of the corporate recoverable cost to the tax recoverable cost.

Corporate Recoverable Cost/Tax Recoverable Cost

= 65,000/75,000

= 0.867

Now you have the information you need to adjust the tax depreciation projections.

Using the ratio 0.867, you can calculate the adjusted tax depreciation expense:

| Year | Tax Depreciation Expense | Adjusted Tax Depreciation Expense |
|------|--------------------------|-----------------------------------|
| 1993 | 25,000                   | 21,675                            |
| 1994 | 20,000                   | 17,340                            |
| 1995 | 15,000                   | 13,005                            |
| 1996 | 10,000                   | 8,670                             |

|      |       |       |
|------|-------|-------|
| 1997 | 5,000 | 4,335 |
|------|-------|-------|

You now can determine the tax liability depreciation contribution net of the permanent differences:

| Year | Corporate | Adjusted Tax | Net Taxable (Deductible) |
|------|-----------|--------------|--------------------------|
| 1993 | 15,000    | 21,675       | (6,675)                  |
| 1994 | 15,000    | 17,340       | (2,340)                  |
| 1995 | 15,000    | 13,005       | 1,995                    |
| 1996 | 10,000    | 8,670        | 1,330                    |
| 1997 | 10,000    | 4,335        | 5,665                    |

You can use the net taxable (deductible) amount in your tax liability calculations for each projection year in your financial statement.

## Related Topics

Determining Deferred Income Tax Liability, page 7-27

Projecting Depreciation Expense, page 5-44

Depreciation Projection Report, page 10-40

## Determining Deferred Income Tax Liability

You can determine either actual income tax liability or future deferred income tax liability. You can calculate deferred depreciation and create deferred depreciation journal entries for your general ledger. Deferred depreciation is the difference in depreciation expense taken for an asset between a tax book and its associated corporate book. You can also project depreciation expense and use those values to determine future income tax liability.

Your tax book and associated corporate book must use the same number of periods per fiscal year. The general ledger period for which you want to create journal entries must be open.

**Note:** You cannot roll back deferred journal entries, nor can you run the

Deferred Create Journal Entries program multiple times.

#### **Prerequisite**

- Run the Depreciation program for your corporate and tax books for this period. See: Running Depreciation., page 5-2

### **To calculate journal entries for ACTUAL income tax liability:**

1. Choose Journal Entries > Deferred from the Navigator window.
2. Enter the tax book from which you want to create journal entries for your general ledger.
3. Enter the period in your tax book from which you want to create journal entries.
4. Choose Submit to submit a concurrent process to create deferred depreciation journal entries.
5. Review the log file after the request completes.

### **To calculate FUTURE income tax liability:**

1. Project annual depreciation expense in the corporate book and the tax book. See: Projecting Depreciation Expense., page 5-44  

You can project depreciation expense for future periods based on the asset's current financial information. To calculate your tax liability, run depreciation projections as soon as you close your corporate and tax books for the fiscal year. You project depreciation expense for several years, beginning with the next fiscal year. When you wait until the end of a fiscal year to project depreciation, Oracle Assets calculates depreciation expense using financial information from the entire previous fiscal year.
2. Run the Recoverable Cost Report for the last period of the fiscal year you just closed to determine the recoverable cost in the corporate and the tax book as of the end of the fiscal year.
3. Adjust the depreciation projection values to account for the permanent differences in depreciation between the two books.

### **Related Topics**

Submitting a Request, *Oracle Applications User's Guide*

Deferred Income Tax Liability, page 7-24



## Tax Credits

You can automatically calculate an asset's Investment Tax Credit (ITC). You can use investment tax credit as specified in United States tax law that affects assets placed in service before 1987. Oracle Assets calculates the ITC amount and basis reduction amount and reduces the asset's depreciable basis.

An asset is eligible for ITC only if you allow ITC on your book. ITC only applies to assets depreciating under life-based depreciation methods.

### Enter an asset's ITC

ITC rates vary according to asset life. You choose a rate from a list of rates that are defined for the asset life and date placed in service. After you enter the ITC Rate for your asset, Oracle Assets automatically calculates and displays the ITC Amount and the Recoverable Cost.

### Calculate ITC

Oracle Assets calculates the ITC for an asset. The ITC Basis for an asset is the lesser of its original cost and the ITC Ceiling, if one is used.

**ITC Basis Reduction Amount = ITC Basis X Basis Reduction Rate**

**ITC Amount = ITC Basis X ITC Rate**

When you retire an asset for which you have claimed an Investment Tax Credit, Oracle Assets checks if the retirement is premature. If you retire an asset before it is fully reserved, the Calculate Gains and Losses program calculates the recapture amount.

**ITC Recapture = ITC Amount X ITC Recapture Rate X (Cost Retired / Current Cost)**

## Related Topics

Assigning Tax Credits, page 7-29

Defining Investment Tax Credit Rates, page 9-178

Defining Depreciation Books, page 9-60

Setting Up Asset Categories, page 9-186

Investment Tax Credit Report, page 10-58

## Assigning Tax Credits

You can assign an Investment Tax Credit to an asset in a tax book only if you allow ITC for that tax book, and if it is depreciating using a life-based method.

You can assign an ITC for an asset in as many tax books as you want. For each tax book, Oracle Assets shows you the current cost and the recoverable cost, which is reduced by the basis reduction amount.

#### **Prerequisites**

- Allow ITC for the book and the category. See: Defining Depreciation Books., page 9-60
- Set up investment tax credit rates and ceilings. See: Defining Investment Tax Credit Rates., page 9-178
- Add your assets to your tax book. See: Updating a Tax Book with Assets and Transactions., page 7-23

### **To assign tax credit rates for an asset:**

1. Choose Tax > Tax Workbench from the Navigator window.
2. Find your asset.
3. Choose Investment Tax Credits.
4. Scroll to the record to which you want to assign tax credit rates.
5. Specify the ITC rate and the Basis Reduction Rate for the asset.

Note the new recoverable cost of the asset. Oracle Assets calculates the ITC basis, ITC amount, and the recoverable cost automatically.

6. Save your work

### **To cancel ITC for an asset:**

**Note:** You can cancel ITC for assets added in the current period only.

- Erase the rate and save your change.

### **To change a previously assigned ITC rate for an asset:**

- Change the rate and save your change.

You cannot change any ITC information if retirements are pending or if the asset is fully reserved or fully retired.

## Related Topics

Tax Credits, page 7-29

Investment Tax Credit Report, page 10-58

## Adjusted Current Earnings

United States tax law defines the Adjusted Current Earnings (ACE) depreciation rules. You can update your ACE book according to ACE rules automatically.

To provide sufficient ACE information for your tax purposes, you must create a separate ACE book for your existing assets. Assign each asset a depreciation method, life, and prorate convention according to ACE rules. Oracle Assets converts your assets to the new depreciation methods automatically when you update the ACE book. Oracle Assets also provides two exception reports that list the assets that Oracle Assets cannot update in the ACE book.

To implement ACE, you must define the initial open period of your corporate, ACE, federal, and Alternate Minimum Tax (AMT) books as a period on or before the last period in the last tax year beginning before 1990. Each book must also use the same depreciation calendar

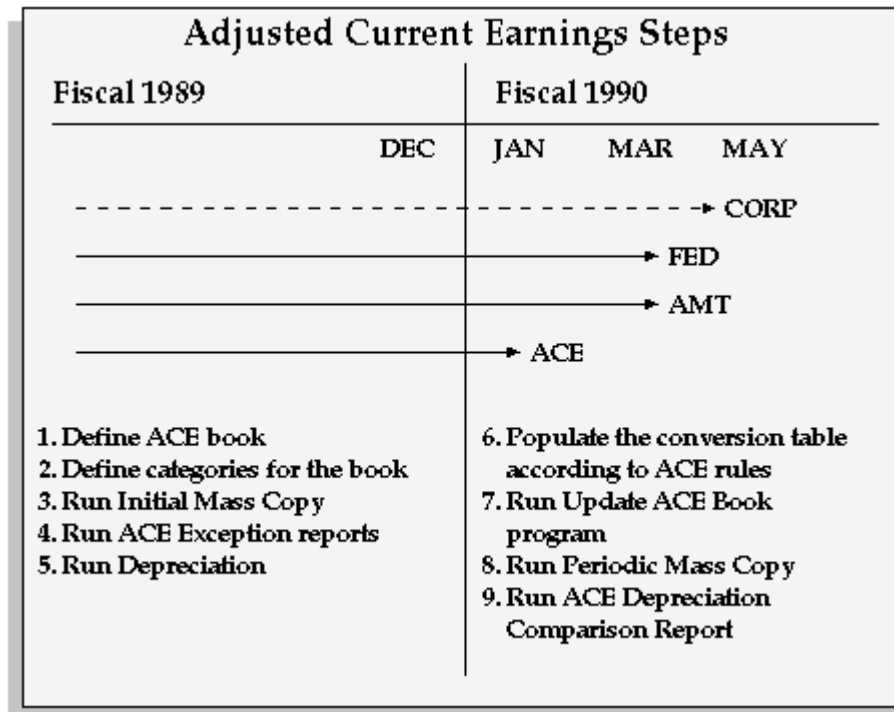
**Note:** If you have ACE accumulated depreciation information from a previous assets system, you can set up your books for the last period for which you have the information and upload it using the ACE conversion table.

You must set up the ACE book, mass copy your assets into the ACE book, and then update the ACE book according to ACE rules.

### Adjusted Current Earning Steps:

1. Define ACE book
2. Define categories for the book
3. Run Initial Mass Copy
4. Run ACE Exception reports
5. Run Depreciation
6. Populate the conversion table according to ACE rules
7. Run Update ACE Book program

8. Run Periodic Mass Copy
9. Run ACE Depreciation Comparison Report



## ACE Depreciation Rules

The ACE depreciation rules require you to depreciate your assets using specific methods, lives, and prorate conventions. The ACE rules for depreciation focus on assets you depreciate in the federal tax book under ACRS and MACRS methods. In some cases, the ACE rules require you to use the asset's net book value, not the cost, as the depreciable basis.

According to ACE rules, you calculate ACE depreciation beginning with your fiscal year that begins in 1990. Thus, the first open period in the ACE book is the last period of the last fiscal year beginning before 1990. When you copy your assets into this period, ACE rules determine the depreciable basis, depreciation method, and other financial information for each asset.

Oracle Assets **looks at the asset's financial information in either the AMT or the federal book to determine new ACE information. If an asset is depreciating in the federal tax book using ACRS, Oracle Assets uses the federal book information. If the asset is depreciating in the federal book using MACRS, Oracle Assets uses the AMT book information. Oracle Assets automatically updates your assets when you run the Update ACE Book program.**

The following table summarizes the ACE rules:

| Federal Book Depreciation Method | ACE Book Depreciation Method | ACE Book Asset Life | ACE Book Prorate Convention | ACE Book Depreciable Basis       |
|----------------------------------|------------------------------|---------------------|-----------------------------|----------------------------------|
| ACRS                             | STL                          | Remaining Life      | New                         | Federal NBV at the start of 1990 |
| MACRS before 1990                | STL                          | Remaining Life      | New                         | AMT NBV at the start of 1990     |
| All after 1989 (including MACRS) | STL                          | Whole Life          | New                         | Federal Book Cost                |
| All Others                       | Federal Book                 | Remaining Life      | Old                         | Federal NBV at the start of 1990 |

**Note:** Oracle Assets does not change the asset cost or life in your ACE book. Instead, it uses an internal factor to adjust the depreciation rates to depreciate the net book value over the remaining life.

**Note:** Assets placed in service after December 31, 1993 are not subject to ACE depreciation rules.

## Related Topics

Tax Book Maintenance, page 7-1

About the ACE Interface, page 7-36

Tax Reports, page 10-53

Updating a Tax Book with Assets and Transactions, page 7-23

Updating an ACE Book with Accumulated Depreciation, page 7-33

Defining Depreciation Books, page 9-60

## Updating an ACE Book with Accumulated Depreciation

If you are providing historical information for Oracle Assets to calculate ACE information for you, set up and update your book as described in the steps below.

**Note:** If you have calculated ACE information already, define the initial

period of your ACE book as the last period of the last fiscal year you completed on your previous system. Then load the accumulated depreciation for your ACE assets using the ACE interface and update the ACE book with the information.

### **Prerequisites**

- Create your ACE book using the Book Controls window; define the initial open period on or before the last period in the last tax year beginning before 1990. See: Defining Depreciation Books., page 9-60
- Set up asset categories for your ACE book with the appropriate depreciation methods, lives, and prorate conventions using the Asset Categories window. See: Setting Up Asset Categories., page 9-186
- Run the Initial Mass Copy program to copy assets from the corporate book into the ACE book. See: Updating a Tax Book with Assets and Transactions., page 7-23

### **To update the ACE book to the current period:**

1. Run the ACE exception reports (ACE Unrecognized Depreciation Method Code Exception Report and the ACE Non-Depreciating Assets Exception Report). See: To run the ACE reports., page 7-35  
  
The reports evaluate the financial information in your federal tax book as of the end date of the open period in your ACE book and list the assets that Oracle Assets cannot update in the ACE book. Manually update these assets in the federal book according to ACE rules.
2. Run depreciation on your ACE book to close the period. See: Running Depreciation., page 5-2
3. Run the Populate ACE Interface program to automatically insert information into the ACE conversion table for your assets according to ACE rules. See: To populate the ACE interface table., page 7-35
4. Run the Update ACE Book program to update the financial information in your ACE book as of the end date of the most recent closed period. Update your ACE book in the first period of a fiscal year, before you enter any transactions. See: To update the ACE book from an interface., page 7-35
5. Run depreciation and periodic mass copy to update the ACE book to the current period if necessary. To prevent assets added after December 31, 1993 from being copied to your tax book, uncheck Copy Additions after that date in the Book Controls window.

**Note:** If you run the balances reports for the first period of your ACE book, expect the report to be out of balance. Oracle Assets only updates the accumulated depreciation, not the depreciation expense, when you update an ACE book.

6. Run the ACE Depreciation Comparison Report to review a list of differences in depreciation between your ACE, federal, and AMT books. You can use this information in your tax calculations. See: To run the ACE reports., page 7-35

### **To run the ACE reports:**

1. Choose Tax > Adjusted Current Earnings > Run Exception Reports from the Navigator window.
2. In the Parameters window, enter the ACE Book and Federal Book.
3. Choose Submit.
4. Review the reports after the request completes.

### **To populate the ACE interface table:**

1. Choose Tax > Adjusted Current Earnings > Populate ACE Interface from the Navigator window.
2. In the Parameters window, enter the ACE Book you want to populate. The ACE book must use the same associated corporate book as the federal tax book and the AMT book.
3. Choose Submit.
4. Review the log file after the request completes.

### **To update the ACE book from an interface:**

1. Choose Tax > Adjusted Current Earnings > Update ACE Book from the Navigator window.
2. In the Parameters window, enter the ACE Book you want to update.
3. Choose Submit.
4. Review the log file after the request completes.

## Related Topics

Adjusted Current Earnings, page 7-31

Tax Reports, page 10-53

About the ACE Interface, page 7-36

## About the ACE Interface

You can either have Oracle Assets calculate ACE information for you, or enter it yourself. If you want Oracle Assets to calculate ACE accumulated depreciation for you, enter historical asset information beginning no later than the last period of fiscal 1989. Start your depreciation books in Oracle Assets before the end of fiscal 1989, and enter asset transactions through the current period.

If you have ACE information from another asset system, you can load it into Oracle Assets using the ACE interface. Define the initial open period of your ACE book as the last period of the last fiscal year you completed on your previous system. Then load the accumulated depreciation for your ACE assets using this interface.

## ACE Update Process Using the ACE Interface

1. Create an ACE tax book with ACE depreciation rules. Copy your assets into the ACE book from the corporate book.
2. Populate the ACE conversion table. Either use the Populate ACE Interface Table program, or load the table manually with the ACE information from your previous system.
3. Update the ACE book with the information in the ACE conversion table.

## Related Topics

Adjusted Current Earnings, page 7-31

ACE Conversion Table, page 7-36

Automatically Populate the ACE Conversion Table, page 7-38

Manually Load the ACE Conversion Table, page 7-41

Updating a Tax Book with Accumulated Depreciation, page 7-33

## ACE Conversion Table

The following table shows how FA\_ACE\_BOOKS, the ACE conversion table, stores ACE information:



| Column Name               | Type         | Description                                                                                                                                                 |
|---------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ASSET_ID                  | Numeric      | Asset identification number                                                                                                                                 |
| MLC_UPDATE_FLAG           | Alphanumeric | YES if update ACE book program needs to update the depreciation method, life, prorate convention, and rate adjustment factor with the values in this table  |
| COST                      | Numeric      | Current asset cost                                                                                                                                          |
| ADJUSTED_COST             | Numeric      | Depreciable basis of the asset, calculated as recoverable cost for cost-based depreciation methods, less the accumulated depreciation for NBV-based methods |
| DEPRN_METHOD_CODE         | Alphanumeric | Depreciation method for the asset                                                                                                                           |
| LIFE_IN_MONTHS            | Numeric      | Whole life of the asset in months                                                                                                                           |
| PRORATE_CONVENTION_CODE   | Alphanumeric | Prorate convention for the asset                                                                                                                            |
| RATE_ADJUSTMENT_FACTOR OR | Numeric      | Internal factor used to adjust depreciation rates to depreciate the net book value over the remaining life                                                  |
| YTD_DEPRN                 | Numeric      | Not currently used                                                                                                                                          |
| DEPRN_RESERVE             | Numeric      | Starting accumulated depreciation for the asset                                                                                                             |
| PRODUCTION_CAPACITY       | Numeric      | Production capacity for assets that use a units of production method                                                                                        |

| Column Name       | Type    | Description                                                                                 |
|-------------------|---------|---------------------------------------------------------------------------------------------|
| ADJUSTED_CAPACITY | Numeric | Remaining capacity to use for depreciation for assets that use a units of production method |
| LTD_PRODUCTION    | Numeric | Life-to-date production for assets that use a units of production method                    |
| ADJUSTED_RATE     | Numeric | Not currently used                                                                          |
| BASIC_RATE        | Numeric | Not currently used                                                                          |

## Related Topics

Adjusted Current Earnings, page 7-31

About the ACE Interface, page 7-36

Automatically Populate the ACE Conversion Table, page 7-38

Manually Load the ACE Conversion Table, page 7-41

Updating a Tax Book with Accumulated Depreciation, page 7-33

## Automatically Populate the ACE Conversion Table

The Populate ACE Interface Table program uses the existing asset information in your federal and AMT tax books to load the table. Cost, depreciation rule, and rate adjustment factor information comes from the FA\_BOOKS row that was active for the source tax book at the beginning of fiscal 1990. Accumulated depreciation information comes from the FA\_DEPRN\_SUMMARY row for the source tax book for the last period in fiscal 1989.

The program creates a row in the table for each asset in the ACE book that you placed in service before the end of fiscal 1989.

The following table shows rows created for assets placed in service before fiscal 1981 or assets not using ACRS or MACRS depreciation methods:

| Column   | Value                       | Source Tax Book |
|----------|-----------------------------|-----------------|
| ASSET_ID | Asset Identification Number | Federal Book    |

| Column                    | Value                    | Source Tax Book                    |
|---------------------------|--------------------------|------------------------------------|
| MLC_UPDATE_FLAG           | YES                      |                                    |
| COST                      | Current Cost             | Federal Book                       |
| ADJUSTED_COST             | Adjusted Cost            | Federal Book                       |
| DEPRN_METHOD_CODE         | Depreciation Method      | Federal Book                       |
| LIFE_IN_MONTHS            | Life                     | Federal Book                       |
| PRORATE_CONVENTION_CODE   | Prorate Convention       | Federal Book                       |
| RATE_ADJUSTMENT_FACTOR OR | Rate Adjustment Factor   | Federal Book                       |
| DEPRN_RESERVE             | Accumulated Depreciation | Federal Book at end of fiscal 1989 |

The following table shows rows created for assets depreciating under ACRS:

| Column                  | Value                                       | Source Tax Book |
|-------------------------|---------------------------------------------|-----------------|
| ASSET_ID                | Asset Identification Number                 | Federal Book    |
| MLC_UPDATE_FLAG         | NO                                          |                 |
| COST                    | Current Cost                                | Federal Book    |
| ADJUSTED_COST           | Recoverable Cost - Accumulated Depreciation | Federal Book    |
| DEPRN_METHOD_CODE       | NULL                                        |                 |
| LIFE_IN_MONTHS          | NULL                                        |                 |
| PRORATE_CONVENTION_CODE | NULL                                        |                 |

| Column                     | Value                                              | Source Tax Book                       |
|----------------------------|----------------------------------------------------|---------------------------------------|
| RATE_ADJUSTMENT_FACT<br>OR | Remaining Life in Months /<br>Whole Life in Months | Federal Book                          |
| DEPRN_RESERVE              | Accumulated Depreciation                           | Federal Book at end of fiscal<br>1989 |

The following table shows rows created for assets depreciating under MACRS and placed in service before fiscal 1990:

| Column                      | Value                                              | Source Tax Book                   |
|-----------------------------|----------------------------------------------------|-----------------------------------|
| ASSET_ID                    | Asset Identification Number                        | AMT Book                          |
| MLC_UPDATE_FLAG             | NO                                                 |                                   |
| COST                        | Current Cost                                       | AMT Book                          |
| ADJUSTED_COST               | Recoverable Cost -<br>Accumulated Depreciation     | AMT Book                          |
| DEPRN_METHOD_CODE           | NULL                                               |                                   |
| LIFE_IN_MONTHS              | NULL                                               |                                   |
| PRORATE_CONVENTION_<br>CODE | NULL                                               |                                   |
| RATE_ADJUSTMENT_FACT<br>OR  | Remaining Life in Months /<br>Whole Life in Months | AMT Book                          |
| DEPRN_RESERVE               | Accumulated Depreciation                           | AMT Book at end of fiscal<br>1989 |

## Related Topics

Adjusted Current Earnings, page 7-31

About the ACE Interface, page 7-36

ACE Conversion Table, page 7-36

Manually Load the ACE Conversion Table, page 7-41

## Manually Load the ACE Conversion Table

When you manually load the ACE conversion table, you must enter the existing ACE information for all assets that you placed in service before fiscal 1990.

The following table shows how to load asset information for assets placed in service before fiscal 1981 or assets with unrecognized depreciation methods:

| Column                       | Value                       | Source Tax Book                             |
|------------------------------|-----------------------------|---------------------------------------------|
| ASSET_ID                     | Asset Identification Number | Federal Book                                |
| MLC_UPDATE_FLAG              | YES                         |                                             |
| COST                         | Current Cost                | Federal Book                                |
| ADJUSTED_COST                | Adjusted Cost               | Federal Book                                |
| DEPRN_METHOD_CODE            | Depreciation Method         | Federal Book                                |
| LIFE_IN_MONTHS               | Life                        | Federal Book                                |
| PRORATE_CONVENTION_CODE      | Prorate Convention          | Federal Book                                |
| RATE_ADJUSTMENT_FACTOR<br>OR | Rate Adjustment Factor      | Federal Book                                |
| DEPRN_RESERVE                | Accumulated Depreciation    | Federal Book at end of<br>conversion period |

For all assets placed in service before fiscal 1981 and assets that are not using ACRS or MACRS methods, load asset information from the federal book as of the end of the conversion period. The conversion period is the first period of your ACE book in Oracle Assets.

If you have not performed any amortized adjustments or revaluations on the asset, the adjusted cost is the same as the current cost, and the rate adjustment factor is 1. Otherwise, the adjusted cost is the recoverable cost less the accumulated depreciation and the rate adjustment factor is the remaining life divided by the whole life at the time of the adjustment.

The following table shows how to load asset information for assets depreciating under ACRS or MACRS placed in service before fiscal 1994:

| Column                      | Value                                              | Source Tax Book |
|-----------------------------|----------------------------------------------------|-----------------|
| ASSET_ID                    | Asset Identification Number                        | Federal Book    |
| MLC_UPDATE_FLAG             | NO                                                 |                 |
| COST                        | Current Cost                                       | Federal Book    |
| ADJUSTED_COST               | Recoverable Cost -<br>Accumulated Depreciation     | Calculated      |
| DEPRN_METHOD_CODE           | NULL                                               |                 |
| LIFE_IN_MONTHS              | NULL                                               |                 |
| PRORATE_CONVENTION_<br>CODE | NULL                                               |                 |
| RATE_ADJUSTMENT_FACT<br>OR  | Remaining Life in Months /<br>Whole Life in Months | Calculated      |
| DEPRN_RESERVE               | Accumulated Depreciation                           | Entered         |

For all assets depreciating under ACRS or MACRS that you placed in service before fiscal 1994, load accumulated depreciation and cost information from your old ACE system as of the end of the conversion period. The conversion period is the first period of your ACE book in Oracle Assets.

## Related Topics

Adjusted Current Earnings, page 7-31

Updating a Tax Book with Accumulated Depreciation, page 7-33

About the ACE Interface, page 7-36

Automatically Populate the ACE Conversion Table, page 7-38

## Handle Tax Audits

You can adjust the depreciation taken for one or all assets for a previous fiscal year in a tax book. Use the Reserve Adjustments window to adjust the tax book accumulated depreciation for a single asset. Use Mass Depreciation Adjustments to adjust the depreciation expense taken for all the assets in a tax book. Some tax authorities allow you to prorate the depreciation expense you recognize, such as for French Fiscal

Depreciation.

You can adjust tax book depreciation between minimum and maximum depreciation expense amounts according to a factor you enter. The minimum and maximum amounts are determined by comparing the accumulated depreciation in your tax book, in a control tax book, and in the associated corporate book.

## Prepare for a Mass Depreciation Adjustment

You must define your corporate, tax, and control tax books before performing a mass depreciation adjustment. The adjusted tax book and control tax book must be associated with the same corporate book.

In addition, the fiscal year must be closed in all three books to run a mass depreciation adjustment. You must be in the first period of your fiscal year immediately following the closed year you are adjusting. You can only adjust the previous fiscal year in your tax book.

You cannot adjust depreciation if you have performed any transactions in the tax book in the current period. You also cannot adjust depreciation if you have performed any transactions in the corporatebook that affect the distribution, units, or category of the assets in the current period, such as transfers, reclassifications, unit adjustments, or partial retirements.

You cannot adjust the depreciation expense taken in a previous fiscal year for assets that use a units of production depreciation method in the adjusted tax book. Oracle Assets does not adjust depreciation for assets where the cost at the end of the fiscal year is not the same in all three books, or where there was an asset retirement during the fiscal year. The log file for the mass depreciation adjustment concurrent request lists assets that the program did not adjust and the reasons why.

## Control Your Mass Depreciation Adjustment

Use the Status field to see the current status of the adjustment and to determine the next possible action, as shown in the following table. Each adjustment definition has a unique Mass Transaction Number that you can use to find your adjustment definition when you want to perform the next step.

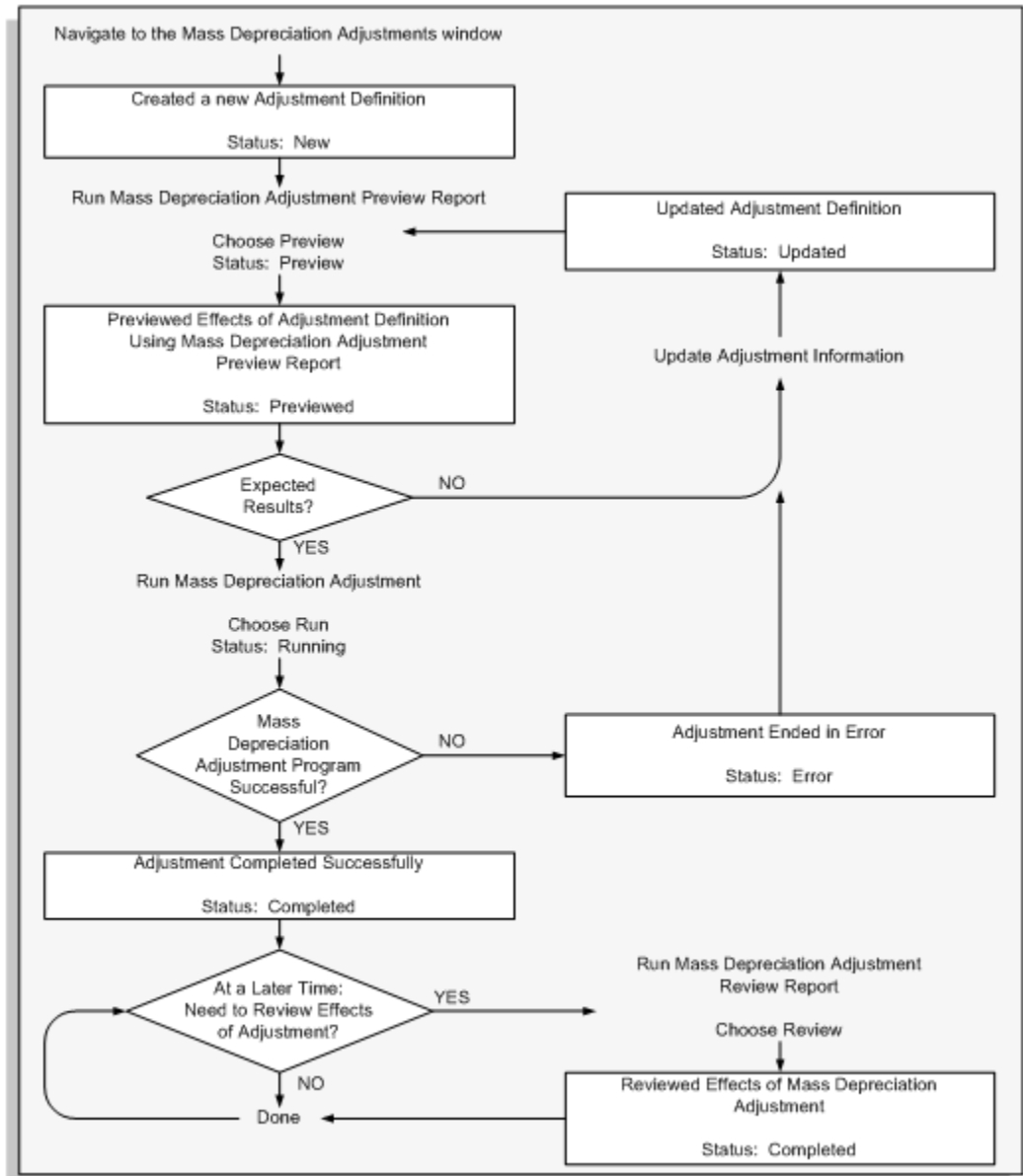
| Status  | Definition                                 | Possible Action |
|---------|--------------------------------------------|-----------------|
| New     | Newly created mass depreciation definition | Preview         |
| Preview | Preview report currently running           | None            |

| Status    | Definition                                      | Possible Action                  |
|-----------|-------------------------------------------------|----------------------------------|
| Previewed | Preview report completed successfully           | Run                              |
| Updated   | Adjustment definition updated after previewing  | Preview                          |
| Running   | Adjustment currently running                    | None                             |
| Completed | Adjustment completed successfully               | Review                           |
| Error     | Preview report or adjustment completed in error | Preview or Run, whichever failed |

## Mass Depreciation Adjustment Process

The following diagram is a graphical representation of the mass depreciation adjustment steps. See: Adjusting Tax Book Accumulated Depreciation, page 7-58.





## Related Topics

Mass Depreciation Adjustment Examples, page 7-47

Determine Adjusted Accumulated Depreciation, page 7-45

Adjusting Tax Book Accumulated Depreciation, page 7-58

## Determine Adjusted Accumulated Depreciation

The Mass Depreciation Adjustment program calculates the minimum accumulated depreciation as follows:

**Minimum Accumulated Depreciation is the greatest of accumulated depreciation in:**

- The adjusted tax book at the *beginning* of the fiscal year
- The control tax book at the end of the fiscal year
- The corporate book at the end of the fiscal year

The Mass Depreciation Adjustment program calculates the maximum accumulated depreciation as follows:

**Maximum Accumulated Depreciation is the greatest of accumulated depreciation in:**

- The adjusted tax book at the *end* of the fiscal year
- The control tax book at the end of the fiscal year
- The corporate book at the end of the fiscal year

The Mass Depreciation Adjustment program calculates the minimum depreciation expense as follows:

**Minimum Depreciation Expense = Minimum Accumulated Depreciation - Accumulated Depreciation in the Adjusted Book at the Beginning of the Fiscal Year**

The Mass Depreciation Adjustment program calculates the maximum depreciation expense as follows:

**Maximum Depreciation Expense = Maximum Accumulated Depreciation - Accumulated Depreciation in the Adjusted Book at the Beginning of the Fiscal Year**

The minimum and maximum depreciation expense amounts are the depreciation amounts necessary to bring the accumulated depreciation in the adjusted tax book at the beginning of the fiscal year to the minimum and maximum amounts that have been calculated for accumulated depreciation at the end of the fiscal year.

Oracle Assets modifies the depreciation expense for all assets in your tax book according to the depreciation adjustment factor you enter.

The Mass Depreciation Adjustment program calculates the adjusted depreciation expense as follows:

**Adjusted Depreciation Expense = Minimum Depreciation Expense + Depreciation Adjustment Factor \* (Maximum Depreciation Expense - Minimum Depreciation Expense)**

Mass Depreciation Adjustment does not adjust fully retired assets. However, it adjusts the depreciation expense for credit (negative cost) assets between the minimum (least negative) and maximum (most negative) depreciation expense.

## Related Topics

Handle Tax Audits, page 7-42

## Mass Depreciation Adjustment Examples

### Example 1

Asset scenario and depreciation information are as follows:

|                                |                                                    |
|--------------------------------|----------------------------------------------------|
| Beginning Value                | 10000                                              |
| Life                           | 5 years                                            |
| Corporate Book Depreciation    | Straight-Line                                      |
| Control Book Depreciation      | 20% Flat-Rate with 3% Bonus Rate in the first year |
| Adjusted Tax Book              | DMV with STL switch                                |
| Depreciation Adjustment Factor | .5                                                 |

Before the adjustment, the accumulated depreciation and net book value for each book are as illustrated in the following table:

| Book                                   | Accumulated Depreciation | Net Book Value |
|----------------------------------------|--------------------------|----------------|
| Adjusted tax book at beginning of year | 4000                     | 6000           |
| Adjusted tax book at end of year       | 6400                     | 3600           |
| Corporate book at end of year          | 4000                     | 6000           |
| Control book at end of year            | 4300                     | 5700           |

Oracle Assets calculates the minimum and maximum accumulated depreciation as:

- Minimum = 4300 (control book at end of year)
- Maximum = 6400 (adjusted tax book at end of year)

Oracle Assets calculates the minimum and maximum depreciation expense as:

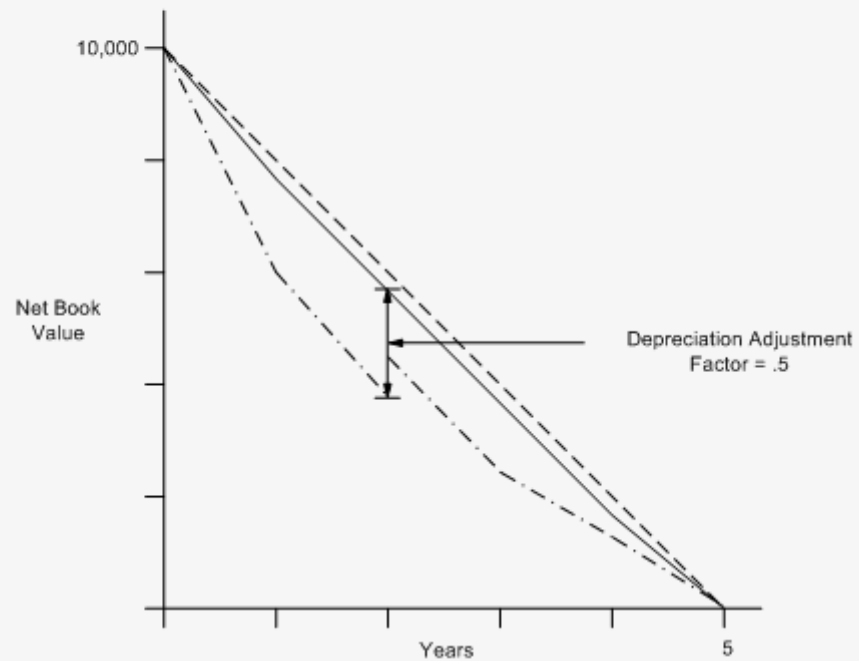
- Minimum = 300 (control book at end of year)
- Maximum = 2400 (adjusted tax book at end of year)

So, with a depreciation adjustment factor of .5, the adjusted depreciation is:

- Adjusted depreciation expense = 1350 =  $300 + .5 * (2400 - 300)$

The effect of this adjustment is shown in the following graph of net book value over time.

### EXAMPLE 1



| LEGEND    |                                                                   |
|-----------|-------------------------------------------------------------------|
| ---       | Corporate Book (Straight-Line)                                    |
| —         | Control Book (20% Flat-Rate with 3% Bonus Rate in the first year) |
| - · - · - | Adjusted Tax Book (DMV with STL switch)                           |

### Example 2

Asset scenario and depreciation information are as follows:

|                             |               |
|-----------------------------|---------------|
| Beginning Value             | 10000         |
| Life                        | 5 years       |
| Corporate Book Depreciation | Straight-Line |

|                                |                                                    |
|--------------------------------|----------------------------------------------------|
| Control Book Depreciation      | 20% Flat-Rate with 3% Bonus Rate in the first year |
| Adjusted Tax Book Depreciation | DMV with STL switch                                |
| Depreciation Adjustment Factor | .75                                                |

Before the adjustment, the accumulated depreciation and net book value for each book are as illustrated in the following table:

| Book                                   | Accumulated Depreciation | Net Book Value |
|----------------------------------------|--------------------------|----------------|
| Adjusted tax book at beginning of year | 6400                     | 3600           |
| Adjusted tax book at end of year       | 7840                     | 2160           |
| Corporate book at end of year          | 6000                     | 4000           |
| Control book at end of year            | 6300                     | 3700           |

Oracle Assets calculates the minimum and maximum accumulated depreciation as:

- Minimum = 6400 (adjusted tax book at beginning of year)
- Maximum = 7840 (adjusted tax book at end of year)

Oracle Assets calculates the minimum and maximum depreciation expense as:

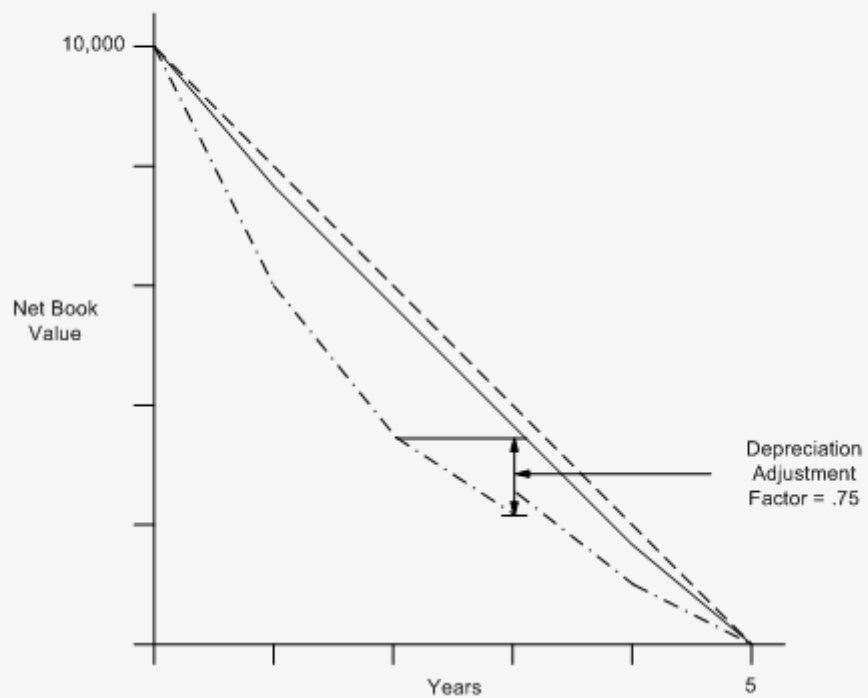
- Minimum = 0 (adjusted tax book at beginning of year)
- Maximum = 1440 (adjusted tax book at end of year)

So, with a depreciation adjustment factor of .75, the adjusted depreciation is:

- Adjusted depreciation expense = 1080 = 0 + .75 \* (1440 - 0)

The effect of this adjustment is shown in the following graph of net book value over time.

### EXAMPLE 2



#### LEGEND

- Corporate Book (Straight-Line)
- Control Book (20% Flat-Rate with 3% Bonus Rate in the first year)
- - - Adjusted Tax Book (DMV with STL switch)

### Example 3

Asset scenario and depreciation information are as follows:

|                             |               |
|-----------------------------|---------------|
| Beginning Value             | 10000         |
| Life                        | 5 years       |
| Corporate Book Depreciation | Straight-Line |

|                                |                                                     |
|--------------------------------|-----------------------------------------------------|
| Control Book Depreciation      | 20% Flat-Rate with 15% Bonus Rate in the first year |
| Adjusted Tax Book Depreciation | DMV with STL switch                                 |
| Depreciation Adjustment Factor | N/A                                                 |

Before the adjustment, the accumulated depreciation and net book value for each book are as illustrated in the following table:

| Book                                   | Accumulated Depreciation | Net Book Value |
|----------------------------------------|--------------------------|----------------|
| Adjusted tax book at beginning of year | 7840                     | 2160           |
| Adjusted tax book at end of year       | 8704                     | 1296           |
| Corporate book at end of year          | 8000                     | 2000           |
| Control book at end of year            | 9500                     | 500            |

Oracle Assets calculates the minimum and maximum accumulated depreciation as:

- Minimum = 9500 (control book at end of year)
- Maximum = 9500 (control book at end of year)

Oracle Assets calculates the minimum and maximum depreciation expense as:

- Minimum = 1660 (control book at end of year)
- Maximum = 1660 (control book at end of year)

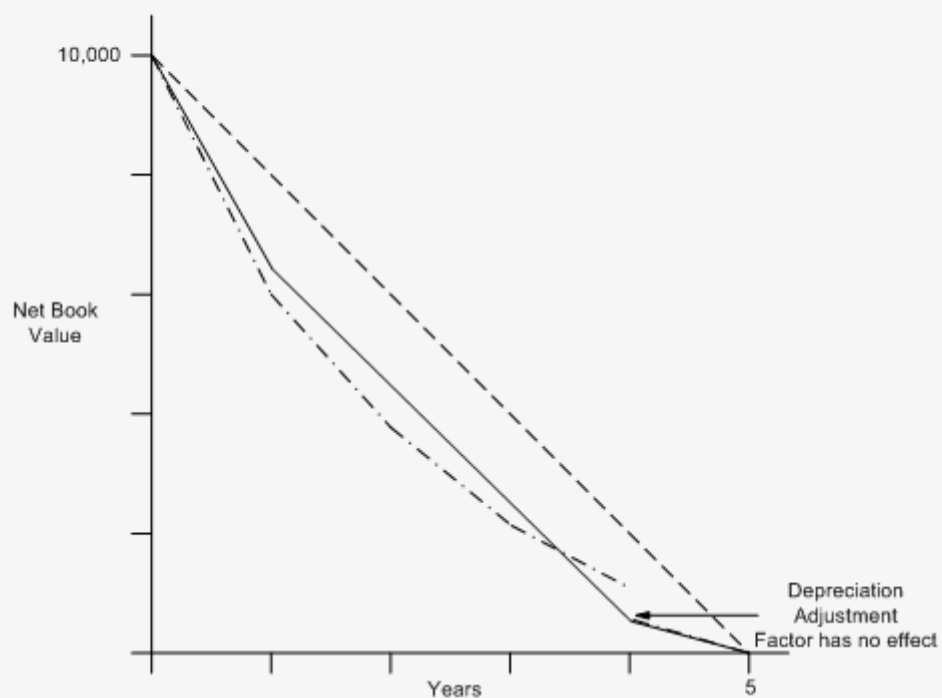
Notice that both the minimum and maximum amounts are the control book accumulated depreciation. Since the minimum and maximum depreciation expense are the same, the depreciation adjustment factor has no effect and the adjusted depreciation is:

- Adjusted depreciation expense = 1660 (Minimum and Maximum depreciation expense have the same value of 1660)

The effect of this adjustment is shown in the following graph of net book value over time.



### EXAMPLE 3



| LEGEND      |                                                                    |
|-------------|--------------------------------------------------------------------|
| -----       | Corporate Book (Straight-Line)                                     |
| ————        | Control Book (20% Flat-Rate with 15% Bonus Rate in the first year) |
| - . - . - . | Adjusted Tax Book (DMV with STL switch)                            |

### Example 4

Asset scenario and depreciation information are as follows:

|                             |                         |
|-----------------------------|-------------------------|
| Beginning Value             | 10000                   |
| Life                        | 5 years                 |
| Corporate Book Depreciation | Sum of the Years-Digits |

|                                |                                                    |
|--------------------------------|----------------------------------------------------|
| Control Book Depreciation      | 20% Flat-Rate with 3% Bonus Rate in the first year |
| Adjusted Tax Book Depreciation | DMV with STL switch                                |
| Depreciation Adjustment Factor | .66667                                             |

Before the adjustment, the accumulated depreciation and net book value for each book are as illustrated in the following table:

| Book                                   | Accumulated Depreciation | Net Book Value |
|----------------------------------------|--------------------------|----------------|
| Adjusted tax book at beginning of year | 0                        | 10000          |
| Adjusted tax book at end of year       | 4000                     | 6000           |
| Corporate book at end of year          | 3334                     | 6666           |
| Control book at end of year            | 2300                     | 7700           |

Oracle Assets calculates the minimum and maximum accumulated depreciation as:

- Minimum = 3334 (corporate book at end of year)
- Maximum = 4000 (adjusted tax book at end of year)

Oracle Assets calculates the minimum and maximum depreciation expense as:

- Minimum = 3334 (corporate book at end of year)
- Maximum = 4000 (adjusted tax book at end of year)

So, with a depreciation adjustment factor of .67, the adjusted depreciation is:

- Adjusted depreciation expense = 3778 = 3334 + .66667 \* (4000 - 3334)

## Example 5

Asset scenario and depreciation information are as follows:

|                 |       |
|-----------------|-------|
| Beginning Value | 10000 |
|-----------------|-------|

|                                |                                                    |
|--------------------------------|----------------------------------------------------|
| Life                           | 5 years                                            |
| Corporate Book Depreciation    | Sum of the Years-Digits                            |
| Control Book Depreciation      | 20% Flat-Rate with 3% Bonus Rate in the first year |
| Adjusted Tax Book Depreciation | DMV with STL switch                                |
| Depreciation Adjustment Factor | N/A                                                |

Before the adjustment, the accumulated depreciation and net book value for each book are as illustrated in the following table:

| Book                                   | Accumulated Depreciation | Net Book Value |
|----------------------------------------|--------------------------|----------------|
| Adjusted tax book at beginning of year | 6267                     | 3733           |
| Adjusted tax book at end of year       | 7760                     | 2240           |
| Corporate book at end of year          | 7996                     | 2004           |
| Control book at end of year            | 6300                     | 3700           |

Oracle Assets calculates the minimum and maximum accumulated depreciation as:

- Minimum = 7996 (corporate book at end of year)
- Maximum = 7996 (corporate book at end of year)

Oracle Assets calculates the minimum and maximum depreciation expense as:

- Minimum = 1729 (corporate book at end of year)
- Maximum = 1729 (corporate book at end of year)

Notice that both the minimum and maximum amounts are the corporate book accumulated depreciation. Since the minimum and maximum depreciation expense are the same, the depreciation adjustment factor has no effect and the adjusted depreciation is:

- Adjusted depreciation expense = 1729 (Minimum and Maximum depreciation expense have the same value of 1729)

## Example 6

Asset scenario and depreciation information are as follows:

|                                |                                                    |
|--------------------------------|----------------------------------------------------|
| Beginning Value                | 10000                                              |
| Life                           | 5 years                                            |
| Corporate Book Depreciation    | Sum of the Years-Digits                            |
| Control Book Depreciation      | 20% Flat-Rate with 3% Bonus Rate in the first year |
| Adjusted Tax Book Depreciation | DMV with STL switch                                |
| Depreciation Adjustment Factor | N/A                                                |

Before the adjustment, the accumulated depreciation and net book value for each book are as illustrated in the following table:

| Book                                   | Accumulated Depreciation | Net Book Value |
|----------------------------------------|--------------------------|----------------|
| Adjusted tax book at beginning of year | 7996                     | 2004           |
| Adjusted tax book at end of year       | 8798                     | 1202           |
| Corporate book at end of year          | 9333                     | 667            |
| Control book at end of year            | 8300                     | 1700           |

Oracle Assets calculates the minimum and maximum accumulated depreciation as:

- Minimum = 9333 (corporate book at end of year)
- Maximum = 9333 (corporate book at end of year)

Oracle Assets calculates the minimum and maximum depreciation expense as:

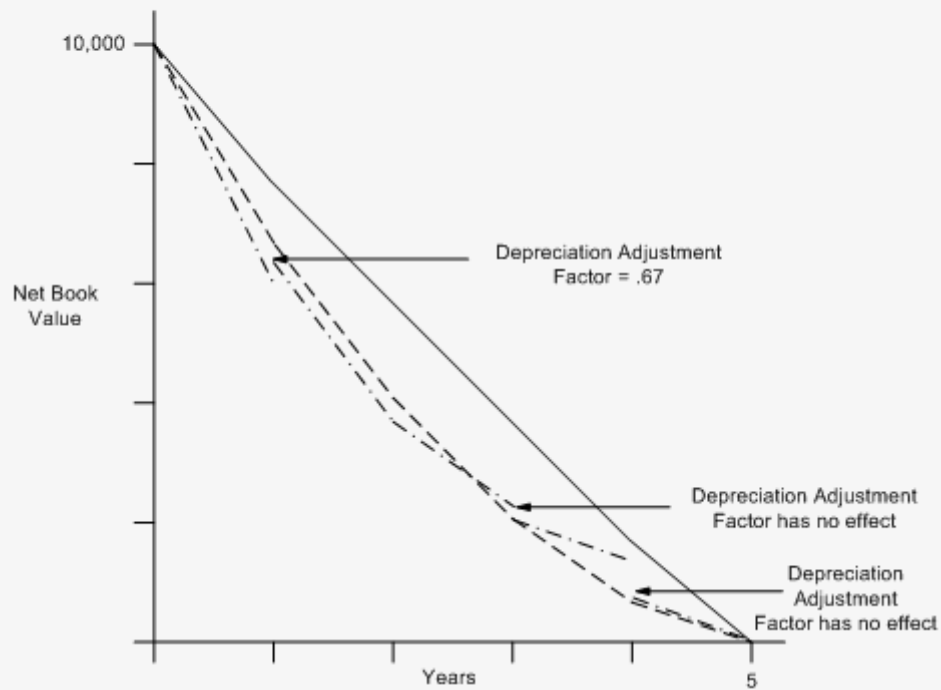
- Minimum = 1337 (corporate book at end of year)
- Maximum = 1337 (corporate book at end of year)

Notice that both the minimum and maximum amounts are the corporate book accumulated depreciation. Since the minimum and maximum depreciation expense are the same, the depreciation adjustment factor has no effect and the adjusted depreciation is:

- Adjusted depreciation expense = 1337 (Minimum and Maximum depreciation expense have the same value of 1337)

The effect of these three adjustments is shown in the following graph of net book value over time.

EXAMPLE 4, 5, and 6



| LEGEND    |                                                                   |
|-----------|-------------------------------------------------------------------|
| ---       | Corporate Book (Sum of the Years-Digits)                          |
| —         | Control Book (20% Flat-Rate with 3% Bonus Rate in the first year) |
| - . - . - | Adjusted Tax Book (DMV with STL switch)                           |

## Related Topics

Handle Tax Audits, page 7-42

Determine Adjusted Accumulated Depreciation, page 7-45

Adjusting Tax Book Accumulated Depreciation, page 7-58

## Adjusting Tax Book Accumulated Depreciation

If your tax authority requires you to change the depreciation taken for an asset in a previous fiscal year, you can adjust the depreciation for one or more assets for that year

in your tax book. When you perform the change, Oracle Assets adjusts the depreciation for the year you make the change and all subsequent years up to the current fiscal year.

If you make an expensed adjustment to an asset after you perform a reserve adjustment on it, Oracle Assets recalculates the asset's depreciation using the depreciation limitations created by the reserve adjustment. For assets using the flat-rate method, Oracle Assets recalculates depreciation expense for each year the asset was in service except the year in which you made the reserve adjustment. For that year, depreciation remains the same.

You can review depreciation reserve adjustments to previous fiscal years using the Adjusted Form 4562 - Depreciation and Amortization Report or the Adjusted Form 4626 - AMT Detail or Summary Reports.

#### **Prerequisites**

- Allow Reserve Adjustments for the tax book. See: Defining Depreciation Books, page 9-60
- Add your assets to your tax book using Mass Copy. See: Updating a Tax Book with Assets and Transactions, page 7-23
- Close the fiscal year you want to adjust.

### **To adjust tax book depreciation for a single asset:**

1. Choose Tax > Tax Workbench from the Navigator window.
2. Find the asset for which you want to adjust the depreciation expense.
3. Choose the Reserve Adjustments button.
4. Enter the tax Book in which you want to make the adjustment.
5. Enter the Fiscal Year for which you want to adjust depreciation.
6. Enter the asset's new depreciation expense for the fiscal year you are adjusting.
7. Optionally check the Strict Calculation Method check box. When you check this check box, Oracle Assets calculates the new depreciable basis based on the net book value as of the beginning of the current fiscal year instead of as of the current period.

**Note:** To use the Strict Calculation Method check box, the asset must have a depreciation method of Flat and a calculation basis of NBV.

You cannot adjust the depreciation taken in a previous fiscal year

for assets using a units of production depreciation method.

**Note:** You also cannot adjust the depreciation for assets on which you have performed an amortized cost adjustment since the end of the fiscal year you are adjusting.

8. Save your work to automatically adjust the asset's accumulated depreciation for that year and all subsequent years up to the current fiscal year.

### To adjust tax book depreciation for a group of assets:

**Note:** Ensure that you have run depreciation to close the previous fiscal year for the tax book you want to adjust, its associated corporate book, and the control tax book.

1. Choose Tax > Mass Depreciation Adjustments from the Navigator window.
2. Enter the Adjusted tax Book for which you want to adjust depreciation. The open period of the book must be the first period of the following fiscal year with no transactions entered.
3. Enter the name of the Control Book that holds the minimum accumulated depreciation control.

Oracle Assets does not adjust the depreciation for each asset in the adjusted book to be less than the depreciation in the control book. The control book must have the same associated corporate book as the adjusted book.

4. Enter the factor by which you want to adjust depreciation above the minimum. Oracle Assets adjusts the previous year's depreciation expense in the adjusted book according to this formula:

**Adjusted Depreciation Expense = Minimum Depreciation + Depreciation Adjustment Factor \*(Maximum Depreciation - Minimum Depreciation)**

5. Choose Preview. You must preview the effects of the adjustment in the Mass Depreciation Adjustment Preview Report before you perform it. If necessary, modify the adjustment definition and run preview again.



6. Find the definition you want to perform using the Mass Transaction Number.
7. Choose Run to perform the adjustment.
8. Review the log file after the request completes.
9. Optionally choose Review to run the review report to show the effects of the adjustment.

## **Related Topics**

Adjusted Form 4562 - Depreciation and Amortization Reports, page 10-54

Adjusted Form 4626 - AMT Detail and Summary Reports, page 10-55

Mass Depreciation Adjustment Preview and Review Reports, page 10-59

Handle Tax Audits, page 7-42

Mass Depreciation Adjustment Examples, page 7-47

Journal Entries for Tax Accumulated Depreciation Adjustments, page 6-55



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## Capital Budgeting

This chapter covers the following topics:

- Capital Budgeting
- Budgeting for Asset Acquisition
- Budget Open Interface

### Capital Budgeting

You can enter budget information manually, or you can maintain your budget information in another system and upload the information using the budget interface. You prepare and analyze your budget information on any feeder system and then automatically transfer it into Oracle Assets. You can use this information to project depreciation expense for your capital budgets and compare actual and planned capital spending in Oracle Assets.

After you create a budget book and budget assets, you can run budget reports and project depreciation expense for amounts budgeted to each category.

You can project depreciation expense on any of your budget books. You can enter budget information and create budget assets for each category from the information. Then you project depreciation for the budget assets in the budget book using the category default depreciation rules from the associated corporate book.

### Compare Actual to Budgeted Spending to Plan Purchases

You can compare the cost of the assets you actually acquired in a period to the cost you budgeted for that period using the Budget-to-Actual Report. This report lists the actual and budgeted amounts for each category, and the percent variance between the two amounts. It also shows you how much you spent for each category for which you did not enter a budget amount.

Enter budget information either at the major category level, or for each full category flexfield combination. Enter a budget amount for each period.

You can create an asset in the budget book for each budget amount, category, and general ledger depreciation expense account you enter. The budget asset is placed in service in the period for which you specified the budget amount. The budget book depreciation calendar must be the same as the associated corporate book and can have up to twelve periods.

When you project depreciation, Oracle Assets projects depreciation for these budget assets, to the detail entered. It projects on a budget book based on the budget amounts you enter for each period. So, if you have entered budget amounts for a year in advance, the projection includes projected depreciation for additions during all twelve periods.

To run the Capital Spending Report, Oracle Assets requires full category flexfield combinations. However, when you compare spending using the Budget-to-Actual Report, Oracle Assets reports on the major category and cost center for each company, regardless of the budget information detail. The report compares budgeted and actual amounts for all categories for which there exists a budget, and it sums them by major category. It also sums the actual expenditures for non-budgeted categories by major category.

If you enter budget amounts for each major category, Oracle Assets projects depreciation expense using the depreciation rules from the major category where the other segments have a value such as NONE. To enter major category budget amounts for the purposes of depreciation projection, set up a category combination for the associated corporate book for each major category. Define the category using the major category value and a value such as NONE for the other segments. Specify the general depreciation rules for assets in this major category.

**Note:** The value NONE is an example of a dummy category; Oracle Assets does not compare budget amounts entered for this dummy category with actual expenditures in other categories with the same major category.

If you entered a budget amount for each full category combination, the depreciation program projects depreciation expense for each category using the depreciation rules from that category.

## Related Topics

Budget Open Interface, page 8-5

Upload Budget Process, page 8-7

Budget Reports, page 10-22

Budgeting for Asset Acquisition, page 8-3

Projecting Depreciation Expense, page 5-44

Budget Report, page 10-22

## Budgeting for Asset Acquisition

After you create a budget book, you can enter or upload capital budget information. You can change the budget amounts for your existing budget assets at any time. You must delete the existing budget before uploading a new capital budget from a spreadsheet.

You can enter budget information for each full category combination, or for each major category. Then you can project depreciation expense for each category you entered. Use the budget reports to review your capital budgets.

### To prepare the budget book for budget information:

- Open the Upload Capital Budgets window and enter a new budget Book name.

**Note:** The budget book must use the same calendar as its associated corporate book so you can compare actual and budgeted spending.

### To delete a budget

1. Open the Upload Capital Budgets window.
2. Enter the name of your budget Book.
3. Choose Delete Existing Budget.
4. Save your work.

### To manually enter or update a budget:

1. Open the Capital Budgets window.
2. Choose the budget Book, asset Category, and general ledger Expense Account for which you want to budget.
3. Enter or update the budget amounts for this period. The budget amount is the amount you plan to spend on new assets in this category in this period for this expense account.
4. Save your work.
5. Review the capital budget for the year using the Budget Report.

### **To automatically upload a budget:**

1. Open the Upload Capital Budget window.
2. Enter the name of your budget Book.
3. Choose Delete Existing Budget to remove your old budget.
4. Save your work.
5. Load your budget information into the budget interface from a feeder system.
6. Return to the Upload Capital Budgets window and choose Upload Capital Budget.
7. Save your work.

### **To create budget assets in a budget book:**

1. Open the Upload Capital Budget window.
2. Enter the name of your budget Book.
3. Choose Create Budget Assets.  

Oracle Assets creates a budget asset for each category, expense account, and budget amount you enter for each period in the Capital Budgets window. The period is determined by the calendar you assigned to the budget book.
4. Save your work.

### **Related Topics**

Projecting Depreciation Expense, page 5-44

Capital Budgeting, page 8-1

Budget Reports, page 10-22

Budget Open Interface, page 8-5

Budget Report, page 10-22

Budget-To-Actual Report, page 10-22

Capital Spending Report, page 10-23

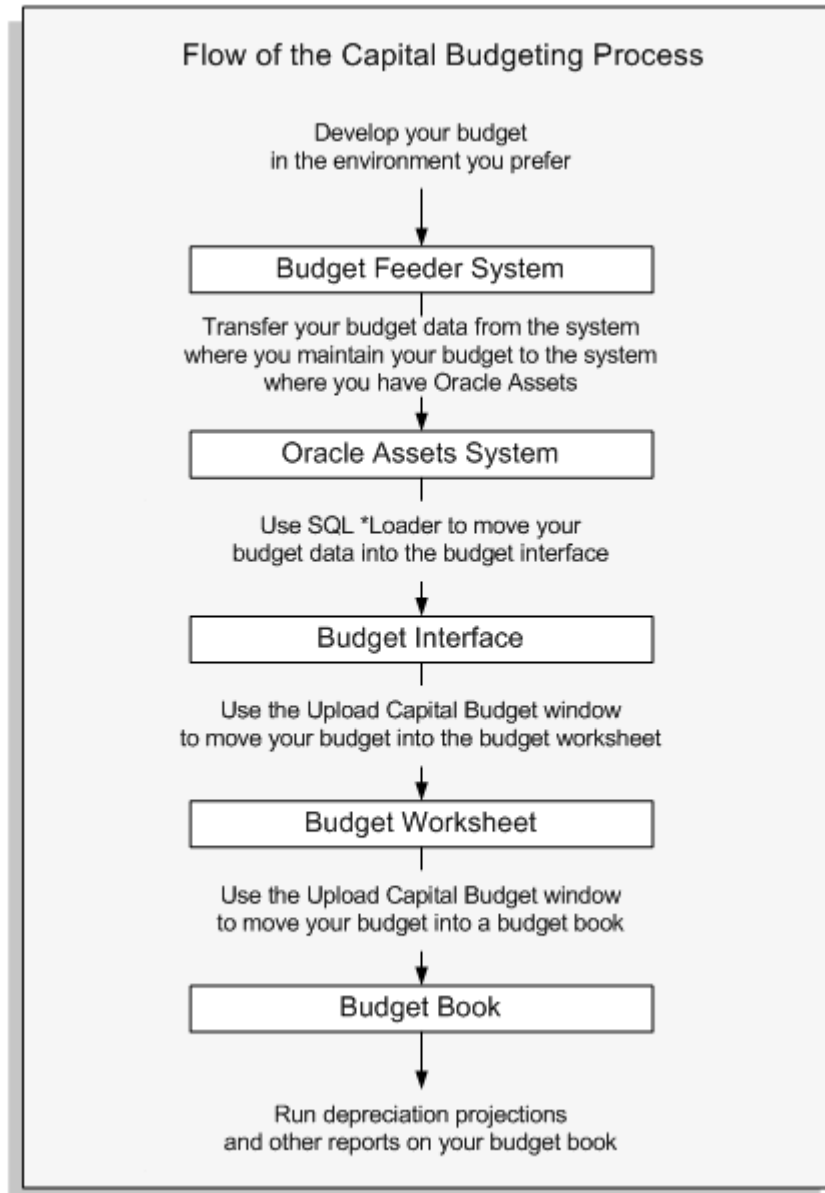
## Budget Open Interface

### Capital Budgeting Process

If you maintain your budget information in a spreadsheet, you can upload it to Oracle Assets using the budget interface. You can transfer budget data from any software package that prints to an ASCII file, and then use SQL\*Loader to load the FA\_BUDGET\_INTERFACE table.

### Steps in the Capital Budgeting Process

1. Develop your budget in the environment you prefer.
2. Transfer your budget data from the system where you maintain your budget to the system where you have Oracle Assets.
3. Use SQL\*Loader to move your budget data into the budget interface.
4. Use the Upload Capital Budget window to move your budget into the budget worksheet.
5. Use the Upload Capital Budget window to move your budget into a budget book.
6. Run depreciation projections and other reports on your budget book.



## Related Topics

Upload Budget Process, page 8-7

Budget Interface Table, page 8-7

Customize the SQL\*Loader Script, page 8-8

Budgeting for Asset Acquisition, page 8-3



## Upload Budget Process

Uploading budgets from other systems (such as a spreadsheet on a personal computer) into Oracle Assets is a five step process.

1. Use a file transfer program to upload your ASCII budget file from your personal computer to the computer where you have Oracle Assets.
2. Use SQL\*Loader to move your budget into the Budget Interface. See: Customize the SQL\*Loader Script., page 8-8
3. Use the Upload Capital Budget window to move your budget into the Budget Worksheet. Check Delete Existing Budget if you are replacing an existing budget.
4. Use the Capital Budgets window to review or change your budget.
5. Use the Upload Capital Budget window to move your budget into a budget book.

## Related Topics

Budget Open Interface, page 8-5

Budget Interface Table, page 8-7

Budgeting for Asset Acquisition, page 8-3

## Budget Interface Table

FA\_BUDGET\_INTERFACE, the budget interface table, is organized into columns in which Oracle Assets stores budget information. The following table provides the data type and a description of the columns:

| Column Name                                  | Type         | Description                                                                                                                                                                     |
|----------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BOOK_TYPE_CODE                               | Alphanumeric | The name of the budget book                                                                                                                                                     |
| PERIOD1_AMOUNT<br>through<br>PERIOD12_AMOUNT | Numeric      | The budget amount you allocate to an asset category and cost center for one period in your fiscal year. For a budget book, you allocate the annual budget over up to 12 periods |
| ACCT_SEGMENT1 through<br>ACCT_SEGMENT30      | Numeric      | Segment of your accounting flexfield                                                                                                                                            |

| Column Name                          | Type         | Description                           |
|--------------------------------------|--------------|---------------------------------------|
| CAT_SEGMENT1 through<br>CAT_SEGMENT7 | Alphanumeric | Segment of your category<br>flexfield |

## Related Topics

Budget Open Interface, page 8-5

Upload Budget Process, page 8-7

Customize the SQL\*Loader Script, page 8-8

Budgeting for Asset Acquisition, page 8-3

## Customize the SQL\*Loader Script

The first script is a sample SQL\*Loader script (filename: **budget.ctl**) and the next script is a budget information data file (filename: **budget.dat**). You can easily modify the SQL\*Loader script to load your budget into the Budget Interface. This script only expects the company, cost center, and major category. Modify it to accept whatever detail you provide.

### Sample SQL\*Loader script

```

LOAD DATA
INFILE budget.dat
INTO TABLE FA_BUDGET_INTERFACE
FIELDS TERMINATED BY WHITESPACE

(BOOK_TYPE_CODE CONSTANT 'FY90',

PERIOD1_AMOUNT,
PERIOD2_AMOUNT,
PERIOD3_AMOUNT,
PERIOD4_AMOUNT,
PERIOD5_AMOUNT,
PERIOD6_AMOUNT,
PERIOD7_AMOUNT,
PERIOD8_AMOUNT,
PERIOD9_AMOUNT,
PERIOD10_AMOUNT,
PERIOD11_AMOUNT,
PERIOD12_AMOUNT,

ACCT_SEGMENT1,
ACCT_SEGMENT2,
ACCT_SEGMENT3 CONSTANT '0000',
ACCT_SEGMENT4 CONSTANT '000',
ACCT_SEGMENT5 CONSTANT '000',
ACCT_SEGMENT6 CONSTANT '0000',

CAT_SEGMENT1,
CAT_SEGMENT2 CONSTANT 'NONE')

```

The accounting flexfield structure is composed of the following segments: Company Code (nn), Cost Center (nnn), Account (nnnn), Product (nnn), Product Line (nnn), Sub Account (nnnn).

The category flexfield structure flexfield is composed of the following segments: Primary Category, Subcategory.

#### **Sample budget data file**

```

1200 15000 15000 15000 36000 20000 20000 20000 20000 20000 15000 15000 01 100
COMPUTER

```

```

15000 12000 17500 25000 28000 28000 28000 28000 15000 15000 15000 20000 01 200 AUTO

```

The SQL\*Loader script reads in three kinds of data: budget amounts, general ledger numbers, and categories.

### **Budget Amounts**

You must define a PERIOD#\_AMOUNT in the SQL\*Loader script for each period of your corporate calendar.

Therefore, edit the SQL\*Loader script to:

- Reflect the number of periods in your company's corporate calendar

## General Ledger Number

You must define an ACCT\_SEGMENT# in the SQL\*Loader script for each segment in your accounting flexfield. In this case, only the company and cost center are specified in the data file. The other ACCT\_SEGMENT#s are held constant in the control file with values such as zeros as place holders.

Therefore, edit the SQL\*Loader script to:

- Reflect the number of segments in your company's accounting flexfield
- Reflect the position of each segment in your company's accounting flexfield

When creating your budget data file, make sure that each segment value has the correct number of digits. For example, if your cost center consists of three digits, you must enter cost centers 5 and 25 as 005 and 025.

## Categories

You must define a CAT\_SEGMENT# in the SQL\*Loader script for each segment in your category flexfield. In this example, only the major category is specified in the data file. The other CAT\_SEGMENT#s are held constant in the control file with the word NONE. Note that each asset category must be defined with subcategory NONE for the corporate book.

Therefore, edit the SQL\*Loader script to:

- Reflect the number of segments used in your company's category flexfield
- Reflect the position of each segment used in your company's category flexfield

For your SQL\*Loader script to work properly, you must define your segments as one word. For instance, you could define the asset category name Leasehold Improvements as LImprove or Lease\_Improvement. For information on how to change the SQL\*Loader script to accept asset category names of more than one word, consult the SQL\*Loader manual.

You must also change the name of the data file, budget book, and company number in the SQL\*Loader script (see italicized words in script). Remember that you must enter names exactly as they appear in Oracle Assets. Thus, do not enter the budget book name fy90 in the script file when your budget book name is actually FY90.

To execute the SQL\*Loader script and load your budget data into the Budget Interface, type the following at the system prompt:

```
sqlload <account_name/password> control=budget.ctl
```

## Related Topics

Budget Open Interface, page 8-5

Upload Budget Process, page 8-7

Budget Interface Table, page 8-7

Budgeting for Asset Acquisition, page 8-3



---

## System Setup

This chapter covers the following topics:

- Setting Up - Overview
- Oracle Assets With Multiple Ledgers
- Defining the Asset Category Descriptive Flexfield
- Using the Account Generator in Oracle Assets
- Asset Key Flexfield
- Category Flexfield
- Location Flexfield
- Specifying System Controls
- Defining Locations
- Defining Asset Keys
- Entering QuickCodes
- Creating Fiscal Years
- Specifying Dates for Calendar Periods
- Setting Up Security by Book
- Defining Depreciation Books
- Defining Additional Depreciation Methods
- Defining Formula-Based Depreciation Methods
- Defining Bonus Depreciation Rules
- Depreciation Methods for the Job Creation and Worker Assistance Act of 2002
- Depreciation Methods for the American Jobs Creation Act of 2004
- Defining Depreciable Basis Rules
- Polish Tax Depreciation

- Polish Tax Depreciable Basis Rules
- Adjusting Polish Tax Depreciation Transactions
- Partial Retirements
- Japan Tax Reforms - FY2007
- Setting Up Depreciation Ceilings
- Defining Investment Tax Credit Rates
- Specifying Dates for Prorate Conventions
- Defining Price Indexes
- Setting Up Asset Categories
- Defining Distribution Sets
- Lease Analysis
- Entering Leases
- Exporting Lease Payments to Oracle Payables
- Defining Asset Warranties
- Overview of Asset Insurance

## Setting Up - Overview

This section contains a brief overview of each task required to set up Oracle Assets.

### Related Topics

Related Product Setup Steps, page 9-2

Setup Flowchart, page 9-5

Setup Checklist, page 9-6

Setup Steps, page 9-9

### Related Product Setup Steps

Perform the following steps to implement Oracle Assets. The steps are discussed in detail in the Setting Up sections of required Oracle product user guides. The following tables list the related product setup steps.

To set up the underlying Oracle Applications technology, complete the following setup steps:

- Performing system-wide setup tasks such as configuring concurrent managers and printers.



- Managing data security which includes setting up responsibilities to allow access to a specific set of business data and complete a specific set of transactions, and assigning individual users to one or more of these responsibilities.
- Setting up Oracle Workflow.

## General Ledger Setup Steps

Refer to the Setting Up General Ledger section of *Oracle General Ledger Implementation Guide* for additional details in how to complete the following setup steps.

---

### Step

---

Define a Ledger

See: Defining Ledgers., *Oracle General Ledger User Guide*

**Note:** If you are not implementing Oracle General Ledger, use the Ledgers window in Oracle Assets to define a ledger.

Define Additional Journal Entry Sources

See: Defining Journal Sources, *Oracle General Ledger User Guide*

**Note:** If you are not implementing Oracle General Ledger, use the Journal Entry Sources window in Oracle Assets to define journal entry sources.

Define Additional Journal Entry Categories

See: Defining Journal Categories, *Oracle General Ledger User Guide*

**Note:** If you are not implementing Oracle General Ledger, use the Journal Entry Categories window in Oracle Assets to define journal entry categories.

---

## Oracle Inventory Setup Steps

Refer to the Setting Up Oracle Inventory section of *Oracle Inventory User Guide* for additional details in how to complete the following setup steps.

---

### Step

---

Define Unit of Measure Classes

See: Defining Units of Measure Classes, *Oracle Inventory User Guide*

**Note:** If you are not implementing Oracle Inventory, use the Unit of Measure Classes window in Oracle Assets to define unit of measure classes.

---

---

**Step**

---

Define Units of Measure

See: Defining Units of Measure, *Oracle Inventory User Guide*

**Note:** If you are not implementing Oracle Inventory, use the Units of Measure window in Oracle Assets to define units of measure.

---

## Oracle Human Resources Setup Steps

Refer to the *Managing Your Workforce Using Oracle HRMS* for additional details in how to complete the following setup steps.

---

**Step**

---

Define Employees

See: Entering a New Person, *Managing Your Workforce Using Oracle HRMS*

**Note:** If you are not implementing Oracle Human Resources, you can use the Enter Person window in Oracle Assets to define your employees.

---

## Oracle Payables Setup Steps

Refer to the Setting Up Oracle Payables section of *Oracle Payables User Guide* for additional details in how to complete the following setup steps.

---

**Step**

---

Define Supplier and Employee Numbering Schemes

See: Defining Financials Options., *Oracle Payables User Guide*

**Note:** If you are not implementing Oracle Payables, use the Financial Options window in Oracle Assets to define supplier and employee numbering schemes.

---

## iSupplier Setup Steps

Refer to the *iSupplier Portal Implementation Guide* for additional details in how to complete the following setup steps.

---

**Step**

---

Define Suppliers

See: Entering Suppliers., *iSupplier Portal Implementation Guide*

**Note:** If you are not implementing Oracle Payables, use the Suppliers window in Oracle Assets to define suppliers.

---

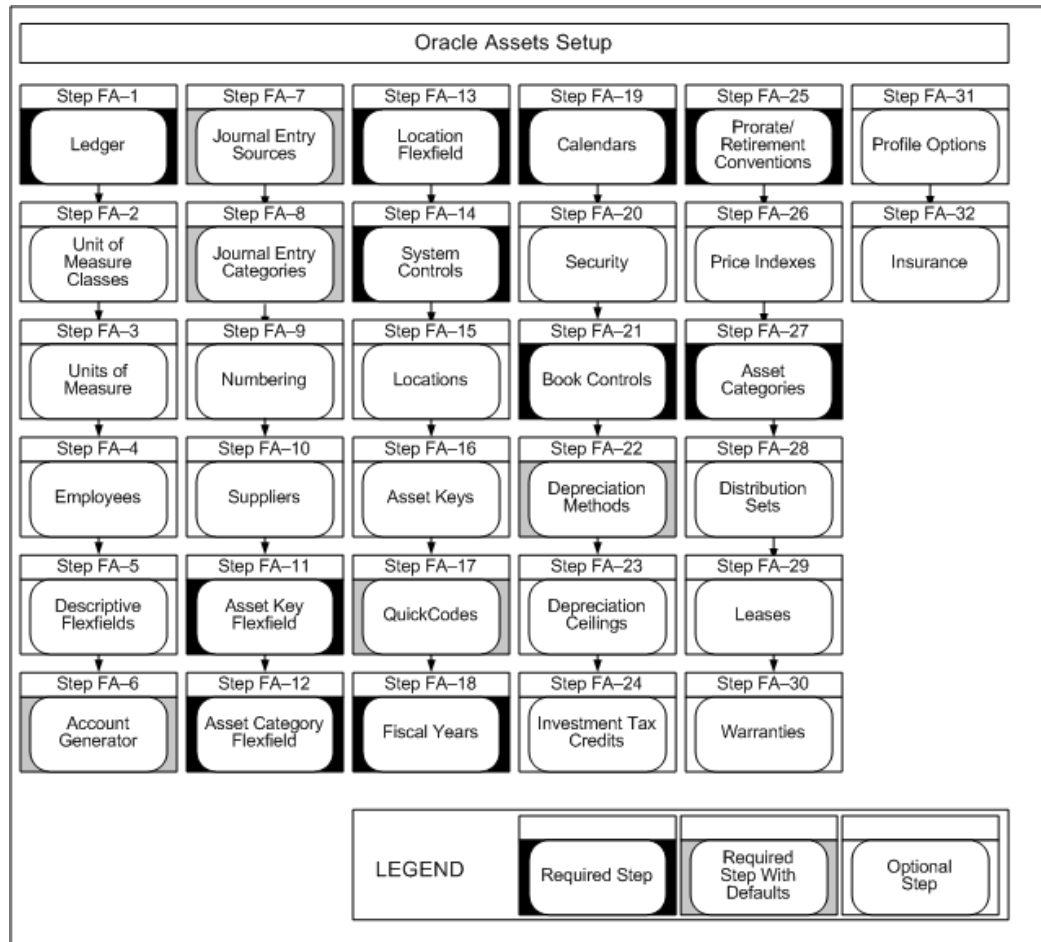
## Related Topics

*Oracle Applications System Administrator's Guide*

*Oracle Workflow Guide*

## Setup Flowchart

The following flowchart outline contains the required and optional setup steps for Oracle Assets. Required steps with Defaults refer to setup functionality that is pre-seeded and contains default values in the database. Review the default values and determine if changes are necessary to suit your business needs. If changes are required, perform the corresponding setup step. Optional steps are only performed if you plan to use the related feature or need to perform the particular business functions.



## Setup Checklist

The following table lists Oracle Assets setup steps and whether the step is optional or required. After you log on to Oracle Applications, complete these steps to implement Oracle Assets:

| Step No. | Required | Step                                           |
|----------|----------|------------------------------------------------|
| Step 1   | Required | Define Your Ledgers, page 9-9                  |
| Step 2   | Optional | Define Your Unit of Measure Classes, page 9-10 |

| <b>Step No.</b> | <b>Required</b>        | <b>Step</b>                                                    |
|-----------------|------------------------|----------------------------------------------------------------|
| Step 3          | Optional               | Define Your Units of Measure, page 9-10                        |
| Step 4          | Optional               | Define Your Employees, page 9-11                               |
| Step 5          | Optional               | Define Your Descriptive Flexfields, page 9-11                  |
| Step 6          | Optional               | Set Up Oracle Subledger Accounting, page 9-12                  |
| Step 7          | Optional               | Decide How to Use the Account Generator, page 9-12             |
| Step 8          | Required with defaults | Define Additional Journal Entry Sources, page 9-12             |
| Step 9          | Required with defaults | Define Additional Journal Entry Categories, page 9-13          |
| Step 10         | Optional               | Define Your Supplier and Employee Numbering Schemes, page 9-13 |
| Step 11         | Optional               | Define Your Suppliers, page 9-13                               |
| Step 12         | Required               | Define Your Asset Key Flexfield, page 9-13                     |
| Step 13         | Required               | Define Your Asset Category Flexfield, page 9-14                |

| Step No. | Required               | Step                                                                          |
|----------|------------------------|-------------------------------------------------------------------------------|
| Step 14  | Required               | Define Your Location Flexfield, page 9-14                                     |
| Step 15  | Required               | Define Your System Controls, page 9-14                                        |
| Step 16  | Optional               | Define Your Locations, page 9-15                                              |
| Step 17  | Optional               | Define Your Asset Keys, page 9-15                                             |
| Step 18  | Required with defaults | Define Your Standard Asset Descriptions and Other QuickCode Values, page 9-15 |
| Step 19  | Required               | Define Your Fiscal Years, page 9-16                                           |
| Step 20  | Required               | Define Your Calendars, page 9-16                                              |
| Step 21  | Optional               | Set Up Security by Book, page 9-17                                            |
| Step 22  | Required               | Define Your Book Controls, page 9-17                                          |
| Step 23  | Required with defaults | Define Additional Depreciation Methods and Rates, page 9-18                   |
| Step 24  | Optional               | Define Your Depreciation Ceilings, page 9-19                                  |
| Step 25  | Optional               | Define Your Investment Tax Credits, page 9-19                                 |

| Step No. | Required | Step                                                      |
|----------|----------|-----------------------------------------------------------|
| Step 26  | Required | Define Your Prorate and Retirement Conventions, page 9-19 |
| Step 27  | Optional | Define Your Price Indexes, page 9-20                      |
| Step 28  | Required | Define Your Asset Categories, page 9-20                   |
| Step 29  | Optional | Define Distribution Sets, page 9-21                       |
| Step 30  | Optional | Enter Leases, page 9-21                                   |
| Step 31  | Optional | Define Warranties, page 9-21                              |
| Step 32  | Optional | Set Profile Options, page 9-21                            |
| Step 33  | Optional | Define Asset Insurance, page 9-22                         |

## Setup Steps

For each step, we include a Context section that indicates whether you need to repeat the step for each set of tasks, ledger, inventory organization, HR organization, or other operating unit under Multiple Organizations.

### 1. Define Your Ledger

You need to define at least one ledger before you can implement and use Oracle Assets.

A ledger includes an accounting calendar, a ledger currency, and an account structure. The account defines the structure of your general ledger accounts. If you have not defined your account while setting up a ledger, you need to set the account to match your accounting structure and provide valid values for expense, cash, and accounts payable liability accounts.

If you previously defined your ledger while setting up a different Oracle Financials

product, proceed to the next step.

You can use Oracle Assets with multiple ledgers within a single installation. See: Oracle Assets with Multiple Ledgers, page 9-22.

**Default** - This is a required step. If you skip this step, you will not be able to use Oracle Assets.

**Context:** You need to perform this step only once per installation.

See: Defining Ledgers., *Oracle General Ledger Implementation Guide*

## 2. Define Your Unit of Measure Classes (optional)

If you do not install Oracle Inventory or Oracle Purchasing, use the Unit of Measure Classes window in Oracle Assets to define your unit of measure classes. You can define classes for the units you use to measure production for your units of production assets.

If you previously defined your unit of measure classes while setting up a different Oracle Applications product, proceed to the next step.

**Important:** You must set up an organization before you can define units of measure classes. See: Creating an Organization., *Oracle Human Resources Management System User Guide*

**Important:** You must define the profile option HR:User Type before you can set up an organization. See: Setting User Profile Options, *Oracle Applications System Administrator's Guide*

**Default** - If you skip this step, Oracle Assets will use the defaults set up in Oracle Inventory or Oracle Purchasing. If neither Oracle Inventory nor Oracle Purchasing are installed, you will not be able to use unit of measure classes.

**Context:** Perform this step once for each Inventory organization.

See: Defining Units of Measure Classes., *Oracle Inventory User Guide*

## 3. Define Your Units of Measure (optional)

If you do not install Oracle Inventory or Oracle Purchasing, use the Units of Measure window in Oracle Assets to define your units of measure. You can define the units you use to measure production for your units of production assets.

**Important:** You must set up an organization before you can define units of measure. See: Creating an Organization, *Oracle Human Resources Management System User Guide*



**Important:** You must define the profile option HR:User Type before you can set up an organization. See: Setting User Profile Options, *Oracle Applications System Administrator's Guide*.

If you previously defined your units of measure while setting up a different Oracle Applications product, proceed to the next step.

**Default -** If you skip this step, Oracle Assets will use the defaults set up in Oracle Inventory or Oracle Purchasing. If neither Oracle Inventory nor Oracle Purchasing are installed, you will not be able to use units of measure.

**Context:** Perform this step once for each Inventory organization.

See: Defining Units of Measure., *Oracle Inventory User Guide*

#### 4. Define Your Employees (optional)

If you do not install Oracle Personnel, Oracle Payroll, Oracle Purchasing, or Oracle Payables, use the Enter Person window in Oracle Assets to define employees. You must enter an employee before you can assign an asset to the employee. Oracle Assets only uses the employee name, number, and termination date.

If you previously defined your employees while setting up a different Oracle Applications product, proceed to the next step.

**Default -** If you skip this step, you will not be able to track assets by employee name.

**Context:** Perform this step once for each business group.

See: Entering a New Person., *Managing Your Workforce Using Oracle HRMS*

#### 5. Define Your Descriptive Flexfields (optional)

You can set up descriptive flexfields to track additional information. For example, you can set up a descriptive flexfield for each asset category to collect information relevant to your business. For example, you might want to track the license number for cars, but the square footage for buildings. Then, when you assign a new asset to a category, you can enter the additional information.

There are many other descriptive flexfields in Oracle Assets. For example, you can set up a descriptive flexfield to store additional information about your transactions.

**Note:** To set up the Leases GUI descriptive flexfield or the Retirements GUI descriptive flexfield, see: Defining Descriptive Flexfield Structures, *Oracle Applications Flexfields Guide*.

**Default -** If you skip this step, you will not be able to enter additional descriptive

information to track assets.

**Context:** You need to perform this step only once per installation.

See: Defining the Asset Category Descriptive Flexfield, page 9-24 and

## 6. Set Up Oracle Subledger Accounting (conditionally required)

**Note:** This step is required if the FA: Use Workflow Account Generation profile option is set to No.

Oracle Assets uses Oracle Subledger Accounting to create journal entries.

**Default -** If you skip this step, Oracle Assets will use the default value of No for the FA Use Workflow Account Generation and will use Subledger Accounting to create journal entries.

**Context:** Perform this step once for each ledger.

See: Subledger Accounting Options Setup Overview, *Oracle Subledger Accounting Implementation Guide*

## 7. Decide How to Use the Account Generator (conditionally required)

Oracle Assets uses the Account Generator to generate accounting flexfield combinations for journal entries. You must review the default process that Oracle Assets uses to see if it meets your accounting requirements. You can optionally customize the Account Generator for each ledger that you have defined. Note that you must set up Oracle Workflow in order to use the Account Generator.

**Default -** If you skip this step, Oracle Assets will use the default Account Generator settings to build accounting flexfield code combinations.

**Context:** Perform this step once for each (entity) i.e. organization operating unit, business group, or legal entity.

See: Using the Account Generator in Oracle Assets, page 9-24

## 8. Define Additional Journal Entry Sources (required with defaults)

If you do not install Oracle General Ledger, use the Journal Entry Sources window in Oracle Assets to define additional journal entry sources. Journal entry sources are used to identify the origin of your journal entry transactions.

If you previously defined your journal entry sources while setting up Oracle General Ledger, proceed to the next step.

**Default -** If you skip this step, Oracle Assets will use the journal entry sources set up in Oracle General Ledger.

**Context:** Perform this step once for each operating unit.

See: Defining Journal Sources., *Oracle General Ledger User Guide*

## 9. Define Additional Journal Entry Categories (required with defaults)

If you do not install Oracle General Ledger, use the Journal Entry Categories window in Oracle Assets to define additional journal entry categories. Journal entry categories describe the purpose or type of your journal entries.

If you previously defined your journal entry categories while setting up Oracle General Ledger, proceed to the next step.

**Default** - If you skip this step, Oracle Assets will use the journal entry categories set up in Oracle General Ledger.

**Context:** Perform this step once for each operating unit.

See: Defining Journal Categories., *Oracle General Ledger User Guide*

## 10. Define Your Supplier and Employee Numbering Schemes (optional)

If you do not install Oracle Purchasing or Oracle Payables, use the Financials Options window in Oracle Assets to define your supplier and employee numbering schemes. You need to specify how to number your suppliers and employees before you can enter suppliers or employees.

If you previously defined your supplier and employee numbering schemes while setting up a different Oracle Applications product, proceed to the next step.

**Default** - If you skip this step, you will not be able to track asset assignments against employees and assignments.

**Context:** Perform this step once for each operating unit.

See: Defining Financials Options., *Oracle Payables User Guide*

## 11. Define Your Suppliers (optional)

If you do not install Oracle iSupplier, use Setup > Assets System > Financials > Suppliers in Oracle Assets to define your suppliers. You must enter a supplier before you can enter assets or bring over mass additions purchased from that supplier. Oracle Assets only uses the supplier name, number, and inactive date.

If you previously defined your suppliers while setting up a different Oracle Applications product, proceed to the next step.

**Default** - If you skip this step, you will not be able to track assets assigned to specific suppliers.

**Context:** Perform this step once for each operating unit.

See: Entering Suppliers., *iSupplier Portal Implementation Guide*

## 12. Define Your Asset Key Flexfield

The asset key flexfield allows you to define asset keys that let you name and group your assets so you do not need an asset number to find them. The asset key is similar to the asset category in that it allows you to group assets. However, the asset

key has no financial impact.

This flexfield lets you assign the same name to many assets so you can find similar assets. You can provide additional descriptive data to group assets by project or other functional group. You can use this flexfield to track your CIP assets. You use the same setup windows to create your asset key flexfield as you do for your other key flexfields.

**Default** - This is a required step. If you skip this step, you will not be able to use Oracle Assets.

**Context:** You need to perform this step only once per installation.

See: Asset Key Flexfield., page 9-36

### 13. Define Your Asset Category Flexfield

The asset category flexfield allows you to define asset categories and subcategories. For example, you can create an asset category for your computer equipment. You can then create subcategories for personal computers, terminals, printers, and software. You must assign the major category segment qualifier to one segment of your category flexfield. The major category segment facilitates capital budgeting. All other segments are optional. You use the same setup windows to create your asset category flexfield as you do for your other key flexfields.

**Default** - This is a required step. If you skip this step, you will not be able to use Oracle Assets.

**Context:** You need to perform this step only once per installation.

See: Category Flexfield, page 9-39

### 14. Define Your Location Flexfield

The location flexfield allows you to specify and track the exact location of your assets. You must assign the state segment qualifier to one segment of your location flexfield. The state segment facilitates property tax reporting. All other segments are optional. You use the same setup windows to create your location flexfield as you do for your other key flexfields.

**Default** - This is a required step. If you skip this step, you will not be able to use Oracle Assets.

**Context:** You need to perform this step only once per installation.

See: Location Flexfield, page 9-44

### 15. Define Your System Controls

Set up your system controls. You specify your enterprise name, asset numbering scheme, and key flexfield structures in the System Controls window. You also specify the oldest date placed in service of your assets.

**Default** - This is a required step. If you skip this step, you will not be able to use

Oracle Assets.

**Context:** You need to perform this step only once per installation.

See: Specifying System Controls., page 9-48

#### 16. Define Your Locations (optional)

Define valid locations. Your location flexfield combinations tell Oracle Assets what locations are valid for your company. Oracle Assets uses location for tracking assets and for property tax reporting.

If your location flexfield has dynamic insertion turned off, this is the only place you can define valid combinations. If dynamic insertion is turned on, Oracle Assets automatically updates the Locations window with the values you enter in the Assignments window.

**Default -** This is a required step. If you skip this step, you will not be able to use Oracle Assets.

**Context:** Perform this step once per ledger.

See: Defining Locations., page 9-49

#### 17. Define Your Asset Keys (optional)

Define valid asset keys. You can use the list of values to choose these combinations for your assets when you enter them.

If dynamic insertion is disabled for your asset key flexfield, Asset Keys is the only window where you can define valid combinations. If dynamic insertion is enabled, Oracle Assets automatically updates the Define Asset Keys window with the values you enter when you add assets.

**Default -** This is a required step. If you skip this step, you will not be able to use Oracle Assets.

**Context:** Perform this step once per ledger.

See: Defining Asset Keys., page 9-50

#### 18. Define Your Standard Asset Descriptions and Other QuickCode Values (required with defaults)

QuickCode values are values that you can choose from a list of values when you enter and maintain assets. You can define the QuickCode values that you want for the following items:

- Standard Asset Descriptions
- Journal Entries
- Mass Additions Queue Names

- Property Type
- Retirement
- Asset Category
- Asset Subcategory

**Default** - If you skip this step, the list of values you receive for maintaining assets will be the seeded defaults.

**Context:** Perform this step once per ledger.

See: Entering QuickCodes., page 9-50

## 19. Define Your Fiscal Years

Use the Fiscal Years window to define the beginning and end of each fiscal year since the start of your company.

Your fiscal year groups your accounting periods. You must define the start and end date of each fiscal year since the oldest date placed in service. If you are using a 4-4-5 calendar, your start and end dates change every year. Create fiscal years from the oldest date placed in service through at least one fiscal year beyond the current fiscal year. Depreciation will fail if the current fiscal year is the last fiscal year.

**Default** - This is a required step. If you skip this step, you will not be able to use Oracle Assets.

**Context:** Perform this step once per ledger.

See: Creating Fiscal Years., page 9-53

## 20. Define Your Calendars

Use the Calendars window to set up as many depreciation and prorate calendars as you need. Calendars break down your fiscal year into accounting periods. Define your calendars with as many periods as you need.

Define a prorate calendar and a depreciation calendar for each depreciation book. Depreciation books can share a calendar, and you can use the same calendar for your depreciation calendar and prorate calendar if appropriate.

- **Depreciation Calendar:** Determines, with the divide depreciation flag, what fraction of the annual depreciation amount to take each period.
- **Prorate Calendar:** Determines, with the date placed in service, which depreciation rate to select from the rate table.

You can set up different calendars for each depreciation book. For example, you might set up a monthly calendar for financial reporting and a quarterly calendar for tax reporting.

**Default** - This is a required step. If you skip this step, you will not be able to use Oracle Assets.

**Context:** Perform this step once per ledger.

See: Specifying Dates for Calendar Periods., page 9-53

## 21. Set Up Security by Book (optional)

If you have multiple depreciation books, you may need to set up security for each book. For example, you may have operations in the U.S., Europe, and Asia, and may have ledgers and associated depreciation books set up for each country, according to that country's currency and tax laws. For a variety of reasons, you may prefer that the staff at the different sites are unable to view depreciation information for another site.

Oracle Assets allows you to limit access to each book so that only certain individuals can view the information. You do this by creating asset organizations and organization hierarchies that determine which organizations have access to a specific depreciation book.

**Default** - If you skip this step, all asset depreciation books will be accessible to all users.

**Context:** Perform this step once per ledger.

See: Setting Up Security by Book., page 9-56

## 22. Define Your Book Controls

Use the Book Controls window to set up your depreciation books. You can set up an unlimited number of independent depreciation books. Each book has its own set of accounting rules and accounts so you can organize and implement your fixed assets accounting policies.

When you define a tax book, you must specify an associated corporate book. You can mass copy assets and transactions from the source book into your tax book. You specify the current open period, and Initial Mass Copy copies each asset into the tax book from the corporate book as of the end of that fiscal year in the corporate book.

**Default** - This is a required step. If you skip this step, you will not be able to use Oracle Assets.

**Context:** Perform this step once per ledger.

To set up security for your ledgers, you need to complete the following steps:

- Define organizations. See: Asset Organizations Overview, page 9-56
- Define organizations hierarchies. See: Organization Hierarchies in Oracle Assets, page 9-58
- Define security profiles. See: Security Profiles, page 9-58

- Run the Security List Maintenance process. See: Security List Maintenance Process, page 9-59
- Define responsibilities. See: Defining Responsibilities. See: Defining Responsibilities, page 9-59
- Assign responsibilities to users. See: Assigning Responsibilities to Users, page 9-59
- Set up the FA: Security Profile profile option. See: Setting Up FA: Security Profile, page 9-59

See: Defining Depreciation Books., page 9-60

### 23. Define Additional Depreciation Methods and Rates (required with defaults)

Depreciation methods specify how to spread the asset cost. Oracle Assets includes many standard depreciation methods, and you can define additional methods in the Methods window, if necessary.

- **Life-Based Depreciation Method:** Oracle Assets includes standard life-based depreciation methods and rates. However, you can define additional life-based methods.
- **Flat-Rate Depreciation Method:** You can define additional flat-rate methods, such as Diminishing Value. You can define your methods to calculate depreciation using either the net book value or the cost of the asset.
- **Bonus Depreciation Rules:** Use the Bonus Depreciation Rules window to enter bonus rates for your flat-rate depreciation methods. Bonus rules allow you to take additional depreciation in the early years of an asset's life.
- **Units of Production:** You can define a units of production method so you can calculate depreciation for an asset based on actual production or use for the period.
- **Formula-Based Depreciation:** You can define specific formulas to derive annual depreciation rates for your assets. You can use these user-defined depreciation formulas in lieu of table-based, flat rate, calculated, or units of measure depreciation methods.

**Default -** If you skip this step, you will be able to use only the standard depreciation methods included in Oracle Assets.

**Context:** Perform this step once per ledger.

See: Defining Additional Depreciation Methods, page 9-65, Defining Formula-Based Depreciation Methods, page 9-69 and Defining Bonus Depreciation Rules., page 9-75



## 24. Define Your Depreciation Ceilings (optional)

Depreciation ceilings limit the depreciation expense you can take for an asset. Set up depreciation expense ceilings to limit the annual amount of depreciation expense you can take on an asset. Or set up depreciation cost ceilings to limit the recoverable cost of an asset.

- **Depreciation Expense Ceilings:** Use the Ceilings window to define your depreciation expense ceilings. If you are subject to United States tax law, you must set up depreciation ceilings for luxury automobiles.
- **Depreciation Cost Ceilings:** If you do business in a country which requires cost ceilings, such as Australia, you can limit the cost Oracle Assets uses to calculate depreciation. When you use a cost ceiling, Oracle Assets bases depreciation expense on the lesser of the cost ceiling and the asset cost.

**Default -** If you skip this step, depreciation expense will not be limited by depreciation ceilings.

**Context:** Perform this step once per ledger.

See: Setting Up Depreciation Ceilings., page 9-177

## 25. Define Your Investment Tax Credits (optional)

Set up your Investment Tax Credit (ITC) rates, recapture rates, and ceilings. Investment tax credits (ITC) allow you to reduce the recoverable cost of an asset.

- **ITC Rates:** Oracle Assets allows you to set up ITC rates for assets that are eligible for Investment Tax Credit. ITC rates determine the amount of ITC for an asset.
- **ITC Recapture Rates:** Oracle Assets allows you to set up ITC recapture rates for assets with Investment Tax Credits. ITC recapture rates determine the portion of the investment tax credit that must be recaptured if you retire the asset prematurely.

See: Defining Investment Tax Credit Rates., page 9-178

- **ITC Ceilings:** Oracle Assets allows you to define Investment Tax Credit (ITC) ceilings. ITC ceilings limit the amount of ITC for an asset. If you are subject to United States tax law, you must set up ITC ceilings for luxury automobiles.

**Default -** If you skip this step, you will not be able to use investment tax credits.

**Context:** Perform this step once per ledger.

See: Setting Up Depreciation Ceilings., page 9-177

## 26. Define Your Prorate and Retirement Conventions

Use the Prorate Conventions window to set up your prorate and retirement

conventions. Prorate and retirement conventions determine how much depreciation expense to take in the first and last year of life, based on when you place the asset in service. Oracle Assets lets you set up as many prorate and retirement conventions as you need.

- **Prorate Conventions:** Determines how much depreciation expense to take in the first year of life.
- **Retirement Conventions:** If you do business in a country that requires you to use a different prorate convention for retirements than for additions, set up retirement conventions to determine how much depreciation to take in the last year of life, based on the retirement date.

You must set up your prorate conventions for the entire year. When you run the depreciation program for the last period in your fiscal year, Oracle Assets automatically generates the dates for your next fiscal year.

**Default -** This is a required step. If you skip this step, you will not be able to use Oracle Assets.

**Context:** Perform this step once per ledger.

See: Specifying Dates for Prorate Conventions., page 9-179

## 27. Define Your Price Indexes (optional)

A price index lets you calculate gains and losses for retirements using current value rather than historical cost. If you do business in a country that requires you to base gains and losses on current value rather than historical cost, Oracle Assets lets you set up price indexes to calculate the gains and losses for your asset upon retirement. When you retire an asset assigned to a category and book for which you have defined a price index, you can run the Revalued Asset Retirements Report which uses the revalued asset cost in calculating gains and losses.

You can use a different index for each asset category or the same index for all categories. You associate an index with an asset category by entering the name of the price index in the Price Index field on the Asset Categories window.

**Default -** If you skip this step, you will not be able to use price indexes with features such as retirements and insurance.

**Context:** Perform this step once per ledger.

See: Defining Price Indexes., page 9-185

## 28. Define Your Asset Categories

Asset categories let you define information that is common to all assets in a category, such as depreciation method and prorate convention. Oracle Assets uses this information to provide default values to help speed asset entry.

**Default -** This is a required step. If you skip this step, you will not be able to use

Oracle Assets.

**Context:** Perform this step once per ledger.

See: Setting Up Asset Categories., page 9-186

### 29. Define Distribution Sets (optional)

Distribution sets let you automatically assign distributions to a new asset or mass addition quickly and accurately by using a predefined distribution set. Default distribution sets appear in the Distribution Set poplist in the Assignments window.

**Default** - If you skip this step, you will not be able to use distribution sets to automatically assign distributions to new asset additions.

**Context:** Perform this step once per ledger.

See: Defining Distribution Sets, page 9-193.

### 30. Enter Leases (optional)

Define leases in the Lease Details window. You can assign leases to one or more assets in the Asset Details window. You can also test your leases in accordance with generally accepted accounting principles in the Lease Details window, and you can analyze alternate leasing strategies using the Lease Payments window.

**Default** - If you skip this step, you will not be able to assign a lease to an asset.

**Context:** Perform this step once per ledger.

See: Entering Leases, page 9-201 and Lease Analysis, page 9-194.

### 31. Define Warranties (optional)

Define and track descriptive information on manufacturer and vendor warranties. You define the warranty information in the Asset Warranties window. You can then assign assets to these previously defined warranties in the Asset Details window. You can assign any number of assets to the same warranty.

**Default** - If you skip this step, you will not be able to track descriptive information on manufacturer and vendor warranties.

**Context:** Perform this step once per ledger.

See: Defining Asset Warranties, page 9-207.

### 32. Set Profile Options (optional)

Profile options specify how Oracle Assets controls access to and processes data. In general, profile options can be set at one or more of the following levels: site, application, responsibility, and user.

Oracle Assets users use the Personal Profile Values window to set profile options only at the user level. System administrators use the Update System Profile Options window to set profile options at the site, application, responsibility, and user levels.

You can set or view the following profile options in Oracle Assets. The table also includes profile options from other applications that are used by Oracle Assets.

**Default** - If you skip this step, you will not be able to control access to and process data optimally in Oracle Assets.

**Context:** Perform this step once per ledger.

See: Overview of User Profiles, *Oracle Applications System Administrator's Guide* and Setting User Profile Options, *Oracle Applications System Administrator's Guide*.

### 33. Define Asset Insurance (optional)

You can use the Fixed Asset Insurance window to define insurance information for your assets, such as insurance policy information and calculation methods. You can enter multiple insurance policies for an asset for different categories of insurance. Oracle Assets uses the insurance information that you enter here to calculate the current insurance value of the asset.

**Default** - If you skip this step, you will not be able to track insurance information for assets.

**Context:** Perform this step once per ledger.

See: Overview of Asset Insurance, page 9-208.

## Oracle Assets With Multiple Ledgers

You can use Oracle Assets with multiple ledgers, within a single Oracle Assets installation.

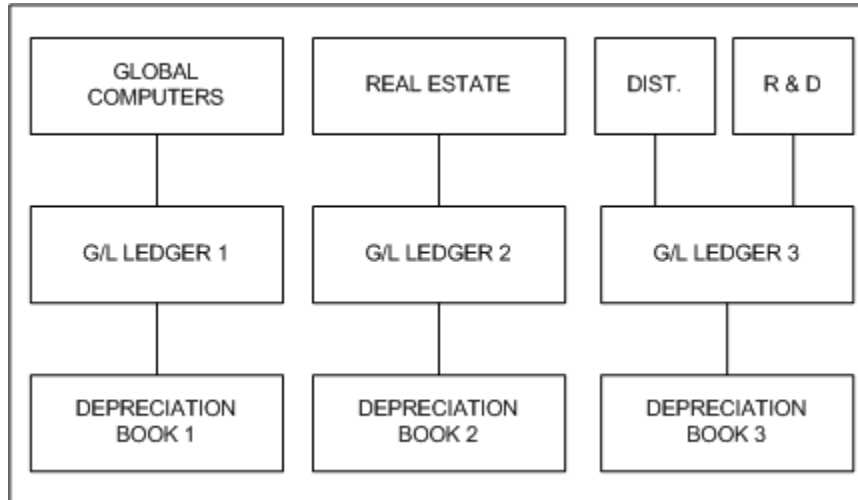
You can handle multiple companies in two different ways. You can have multiple companies within one ledger, or you can have multiple companies each with its own ledger. Regardless of the way you choose, you create at least one depreciation book for each ledger that you want to use.

**Example:** Global Computers is a parent company with three subsidiaries. They are:

---

|                        |              |
|------------------------|--------------|
| Global Computers       | G/L ledger 1 |
| Real Estate            | G/L ledger 2 |
| Research & Development | G/L ledger 3 |
| Distribution           | G/L ledger 3 |

---



Since Global Computers and the Real Estate subsidiary are in different ledgers, they must be in different depreciation books. The Research & Development and Distribution subsidiaries are in the same ledger so you can either set up one depreciation book for both, or a separate depreciation book for each.

## Implementation

You need only one copy of Oracle Assets to implement multiple ledgers. Use AutoInstall to install the single copy.

Once you install Oracle Assets, use the Book Controls window to set up as many depreciation books as you need. For each depreciation book, you choose to create journal entries to the appropriate ledger.

Remember that before you use the Book Controls window to set up your depreciation books, you must:

- Set up the Account structure (chart of accounts) associated with each ledger
- Use Oracle General Ledger to set up the ledger you need. If you do not have Oracle General Ledger, you can set up your ledgers using the Ledgers window in Oracle Assets

## Limitations

Implementing multiple ledgers in Oracle Assets has the following limitations:

- If you want to transfer assets that are in different corporate depreciation books, you must retire the asset from one depreciation book and add it to the other.
- You can run depreciation projections for several books at once if all books have the same Account flexfield structure. If they have different structures, you must project

them separately.

## Related Topics

Oracle Assets System Setup, page 9-2

Defining Ledgers, *Oracle General Ledger Implementation Guide*

Defining Depreciation Books, page 9-60

## Defining the Asset Category Descriptive Flexfield

You can set up the Asset Category descriptive flexfield to store additional information based on the asset category. The Asset Category descriptive flexfield appears in both the Additions and Quick Additions forms.

Enter ATTRIBUTE\_CATEGORY\_CODE as the reference field to base the descriptive flexfield structure on the value of your Category Flexfield (key flexfield). See: Category Flexfield, page 9-39.

You define your context field values (structure names) to exactly match your concatenated Category Flexfield combinations. For example, if you have a Major Category value of BUILDING, and a Minor Category of OFFICE, your Category Flexfield combination is BUILDING.OFFICE, so you would define BUILDING.OFFICE as your context value (structure name). Similarly, you could define another context value as VEHICLE.DELIVERY. Note that the segment separator, spelling and case must exactly match your Category Flexfield combination.

You need not define a descriptive flexfield structure for each combination of your Category Flexfield; define structures only for those categories where you want to capture additional information (such as license number, insurance policy number, and so on).

Note that you may want to "share" segment names (not necessarily the same as your segment prompts) among different structures of context-sensitive segments if you plan to use flexfield views for reporting.

## Related Topics

Overview of Flexfield Views, *Oracle Applications Flexfield Guide*

Segment Naming Conventions, *Oracle Applications Flexfield Guide*

Descriptive Flexfield View Example, *Oracle Applications Flexfield Guide*

## Using the Account Generator in Oracle Assets

This essay describes how to use and customize the default Account Generator process in Oracle Assets.

The Account Generator in Oracle Assets utilizes Oracle Workflow. You can view and customize Account Generator processes through the Oracle Workflow Builder. See: *Predefined Workflows Embedded in Oracle E-Business Suite*, *Oracle Workflow Developer User Guide* and *Overview of the Account Generator*, *Oracle Applications Flexfield Guide*.

Oracle Assets uses the Account Generator to generate accounting flexfield combinations for journal entries. The Account Generator allows you to designate a specific source for each segment in the account for which Oracle Assets creates a journal entry. The Account Generator gives you the flexibility to create journal entries according to your requirements. You can specify to what detail to create journal entries, and you can specify the detail level for each book and account type.

For example, when creating journal entries for asset cost, you can specify that the cost center segment comes from the depreciation expense account of the distribution line you entered for the asset in the Assignments window. Or, you can specify that the cost center comes from the default value you defined for the depreciation book.

Oracle Assets sets up the Account Generator to create journal entries using default assignments when you set up a depreciation book.

Oracle Assets provides two seeded Account Generator processes.

- Generate Default Account process
- Generate Distribution Detail Account process

The Generate Default Account process creates journal entries without cost center level detail, except for depreciation expense. Using the default assignments, it creates journal entries using the balancing segment from the distribution line in the Assignments window and the natural account segment from the asset category or book, depending on the account type. The Account Generator gets the other segments from the default segment values you entered for the book. You can modify the default Account Generator processes so that Oracle Assets creates journal entries to a different detail level.

The Generate Distribution Detail Account process creates journal entries with cost center level detail. It creates journal entries using the distribution expense account for all segment values, except the natural account segment. The natural account segment is created from the asset category or book, depending on the account type. You can modify the default Account Generator processes so that Oracle Assets creates journal entries to a different detail level.

**Tip:** You only need to read this essay and modify the default process if you want to use the Account Generator to post to a different level of detail.

**Important:** Notice that the default process is different for the depreciation expense account and the bonus depreciation expense

account. Using the default process, Oracle Assets creates full detail journal entries for depreciation expense. Oracle Assets creates journal entries for depreciation expense using all the segments from the distribution line you enter for the asset in the Assignments window. For bonus depreciation expense, Oracle Assets creates journal entries using the account segment from the asset category and the other segments from the distribution line.

## Related Topics

Overview of the Account Generator, *Oracle Applications Flexfield Guide*.

## Decide How to Use the Account Generator

In Release 10, several Oracle Applications products used FlexBuilder to derive account code combinations for certain account transactions. In Release 11, FlexBuilder is replaced by the Account Generator to provide implementation teams with even greater flexibility and a better user interface with Oracle Workflow.

**If you are upgrading from Release 10 and used FlexBuilder**, then you should perform the equivalent of this setup step as part of your upgrade. See the FlexBuilder chapter of the *Oracle Applications Upgrade Preparation Manual*.

**If you are implementing Oracle Assets for the first time**, then you need to review how Assets uses the Account Generator to build Accounting Flexfield code combinations. Consider whether the default Account Generator process is appropriate for each ledger that uses a unique Accounting Flexfield structure. For each structure and ledger, you can choose one of the following:

- Use the Generate Default Account process
- Use the Generate Distribution Detail Account process
- Customize the default Account Generator processes

This decision determines which setup steps your implementation team needs to perform.

**Note:** You cannot create a new Account Generator process. However, you can customize the default Account Generator processes, as stated above.

## Before Using the Account Generator

Before using the Account Generator on a production database in Oracle Assets to generate accounting flexfield combinations, you must:



- Define your Accounting Flexfield structure for each ledger.
- Define flexfield segment values and validation rules.
- Set up Oracle Workflow, *Oracle Workflow Guide*
- Choose whether you want to use the default Account Generator process, or if you need to customize it to meet your accounting needs.
- Do one of the following for each ledger:
  - Choose to use the default Account Generator process.
  - Customize the default Account Generator process, test your customizations, and choose the process for a flexfield structure, if necessary.

## Related Topics

The Default Account Generator Processes for Oracle Assets, page 9-27

Customizing the Account Generator for Oracle Assets, page 9-33

## The Default Account Generator Processes for Oracle Assets

Evaluate whether the default Account Generator processes meet your accounting requirements. No setup steps are required to use the default processes. The default processes can also be updated later as your needs change. You can make minor changes to the default processes without changing the name.

**Note:** If you used FlexBuilder in Release 10 but did not customize the default configuration, you can use the default Account Generator process in Release 11, which gives you the same result as the default assignments in FlexBuilder.

Each Account Generator workflow is called an *item type*. Oracle Assets comes with the following Account Generator item type:

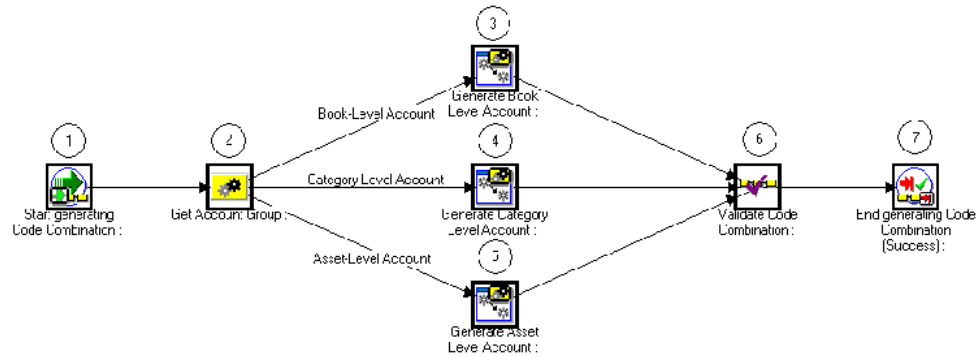
- FA Account Generator

The FA Account Generator contains the following workflow processes:

- Generate Default Account
- Generate Distribution Detail Account
- Generate Account Using FlexBuilder Rules

## Generate Default Account Process

Use the Generate Default Account process to generate asset-level, book-level, and category-level accounts. You can use the default settings or customize it as required.



### Start Generating Code Combination (Node 1)

This is a standard activity that marks the start of the process.

### Get Account Group (Node 2)

This function returns the group to which the account belongs, either book level, category level, or asset level.

### Generate Book Level Account (Node 3)

This activity generates the code combination ID (CCID) for a book-level account. The FA Account Generator finds the name of the account for which it is generating code combinations. Possible account names are:

- Cost of Removal Clearing
- Cost of Removal Gain
- Cost of Removal Loss
- Deferred Depreciation Expense
- Deferred Depreciation Reserve
- Depreciation Adjustment

- Intercompany Accounts Payable
- Intercompany Accounts Receivable
- Net Book Value Retired Gain
- Net Book Value Retired Loss
- Proceeds of Sale Clearing
- Proceeds of Sale Gain
- Proceeds of Sale Loss
- Revaluation Reserve Retired Gain
- Revaluation Reserve Retired Loss

#### **Generate Category Level Account (Node 4)**

This activity generates the code combination ID (CCID) for a category-level account. The FA Account Generator finds the name of the account for which it is generating code combinations. Possible account names are:

- Asset Clearing
- Asset Cost
- Bonus Expense
- Bonus Reserve
- Construction-In-Process Clearing
- Construction-In-Process Cost
- Depreciation Reserve
- Revaluation Amortization
- Revaluation Reserve

#### **Generate Asset Level Account (Node 5)**

This activity generates the code combination ID (CCID) for an asset-level account. The FA Account Generator finds the name of the account for which it is generating code combinations. Possible account names are:

- Depreciation Expense

### Validate Code Combination (Node 6)

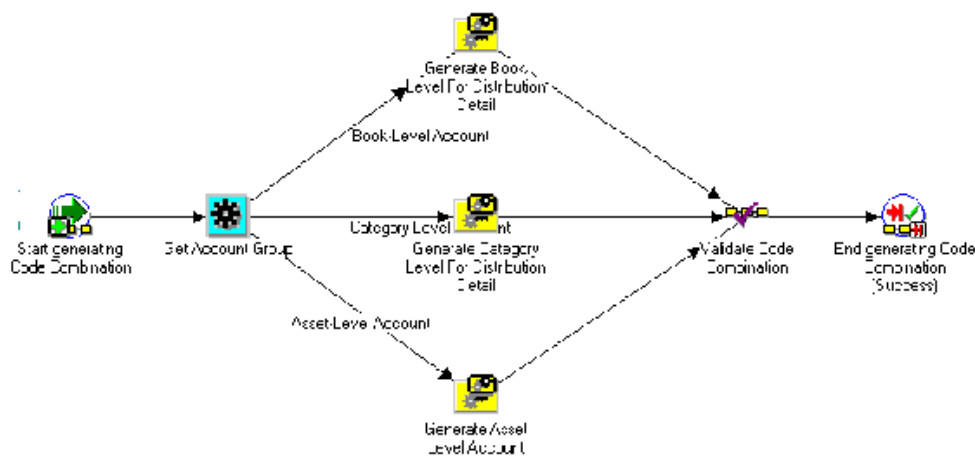
The FA Account Generator validates the generated code combination.

### End Generating Code Combination (Node 7)

It is always the End function for an Account Generator process.

## Generate Distribution Detail Account Process

Use the Generate Distribution Detail Account process to generate asset-level, book-level, and category-level accounts. You can use the default settings or customize it as required.



### Start Generating Code Combination (Node 1)

This is a standard activity that marks the start of the process.

### Get Account Group (Node 2)

This function returns the group to which the account belongs, either book level, category level, or asset level.

### Generate Book Level For Distribution Detail (Node 3)

This activity generates the code combination ID (CCID) for a book-level account. The FA Account Generator finds the name of the account for which it is generating code combinations. Possible account names are:

- Cost of Removal Clearing
- Cost of Removal Gain

- Cost of Removal Loss
- Deferred Depreciation Expense
- Deferred Depreciation Reserve
- Depreciation Adjustment
- Intercompany Accounts Payable
- Intercompany Accounts Receivable
- Net Book Value Retired Gain
- Net Book Value Retired Loss
- Proceeds of Sale Clearing
- Proceeds of Sale Gain
- Proceeds of Sale Loss
- Revaluation Reserve Retired Gain
- Revaluation Reserve Retired Loss

#### **Generate Category Level for Distribution Detail (Node 4)**

This activity generates the code combination ID (CCID) for a category-level account. The FA Account Generator finds the name of the account for which it is generating code combinations. Possible account names are:

- Asset Clearing
- Asset Cost
- Bonus Expense
- Bonus Reserve
- Construction-In-Process Clearing
- Construction-In-Process Cost
- Depreciation Reserve
- Revaluation Amortization
- Revaluation Reserve

### **Generate Asset Level Account (Node 5)**

This activity generates the code combination ID (CCID) for an asset-level account. The FA Account Generator finds the name of the account for which it is generating code combinations. Possible account names are:

- Depreciation Expense

### **Validate Code Combination (Node 6)**

The FA Account Generator validates the generated code combination.

### **End Generating Code Combination (Node 7)**

It is always the End function for an Account Generator process.

## **Generate Account Using FlexBuilder Rules Process**

If you used FlexBuilder in a previous release to generate account combinations, you can use the Generate Account Using FlexBuilder Rules process to replicate your FlexBuilder setup automatically, without changing any of your predefined FlexBuilder Rules, and without customizing the Account Generator. The Generate Account Using FlexBuilder Rules process includes a function generated during your upgrade from Release 10 to Release 11.

If you are upgrading from Release 10, follow the guidelines in the FlexBuilder chapter of the *Oracle Applications Upgrade Preparation Manual*.

## **Exceptions**

In a few special cases, Oracle Assets does not use the Account Generator to determine for which account to create journal entries. These special cases are for the clearing account for an asset added using mass additions, and for the depreciation expense account after a reclassification.

When you add an asset using mass additions, Oracle Assets clears the asset clearing or CIP clearing account to which your payables system charged the asset in your corporate book, without using the Account Generator.

When you reclassify an asset, Oracle Assets changes the depreciation expense account segment for all books to that of the new asset category, without using the Account Generator, or the account segment from the distribution you specified for the asset in the Assignments window.

When Generate Accounts is run, all required accounts are generated and stored in `fa_distribution_accounts` if they pass account validation.

If the account combination already exists in `fa_distribution_accounts`, Generate Accounts will use the account combination without revalidation.

## Related Topics

Defining Depreciation Books, page 9-60

Setting Up Asset Categories, page 9-186

Assigning an Asset, page 2-26

## Customizing the Account Generator for Oracle Assets

Oracle Assets provides two default Account Generator processes for you to use. If the default processes do not satisfy your accounting requirements, you can use the Oracle Workflow Builder to customize the default process or create a new one.

If you want to create a new process to meet your company's needs, use the Oracle Workflow Builder to create a new process, or copy the existing default and change the name before making extensive changes to it.

## Customization Guidelines

You can define to what level of detail Oracle Assets creates journal entries by specifying how the Account Generator generates the account combination. You can indicate the source in Oracle Assets for the value of each segment in the account combination.

**Important:** If you create journal entries to the detail level for segments without qualifiers, the Journal Entry Reserve Ledger Report does not directly reconcile with the general ledger. Most Oracle Assets reports do not report to unqualified segment detail.

Oracle Assets standard reports show the balancing segment from the distribution line, and the cost center and natural account from the asset category or book. They show these values even if you modify the Account Generator process to create journal entries using different segment values.

## Functions

In addition to the functions used in the default processes, the FA Account Generator contains several unique functions, which you can use along with the Standard and Standard Flexfield Workflow functions to customize the FA Account Generator.

**Note:** You cannot delete or modify any of the functions listed in this section.

**Get Book Account Name.** This function returns only one of the book level accounts.

**Get Book Class.** This function determines the book class of the book, either corporate, tax, or budget.

**Get Book Type Code.** This function returns the book type code to be used in the workflow process. To use this function in a process, you must do the following:

- Define a new lookup type called Books.
- Add the lookup codes you have defined to the lookup type Books. The lookup codes should be valid book type codes you defined in the Book Controls window, for example, MYCORP or MYTAX.
- In the Get Book Type Code properties, enter Books in the Result Type field.

## Oracle Assets Default Account Generator Assignments

The following table illustrates default segment sources for each segment:

### Account Structure

| Segment Name | Default Segment Sources |
|--------------|-------------------------|
| Company      | Distribution CCID       |
| Cost Center  | Default CCID            |
| Account      | Account Segment Value   |
| Product      | Default CCID            |
| Sub-Account  | Default CCID            |

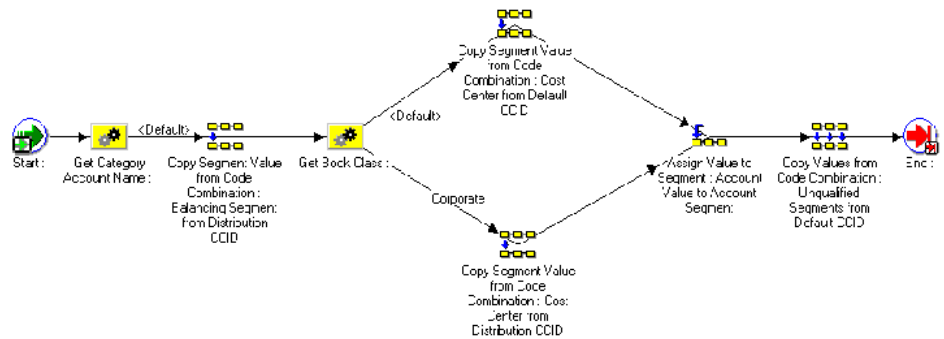
### Customization Example

The Account Generator uses several sources to fill in the account combination for which to create a journal entry.

#### Example 1: Cost Center Detail

To create journal entries to the cost center level for all your category-level accounts in your Corporate book, you specify that the Account Generator uses the cost center segment value in the distribution line attribute.





Using these attributes, Oracle Assets creates journal entries using the balancing and cost center segments from the distribution line. The account segment still comes from the asset category, and the other segments still come from the defaults you entered for the book.

### Testing a Customized Account Generator Process

You must test any modified Account Generator process before using it on a production database.

You can test the supplier invoice account generation process by running the SQL script **faxagtst.sql**. At the system prompt, type:

```
$FA_TOP/admin/sql/faxagtst.sql
```

The script prompts you to enter a value for the following parameters:

- account\_type (for example, asset\_cost or asset\_cost\_clearing)
- book
- distribution\_ccid
- account\_segment
- default\_ccid
- account\_ccid

## Implementing a Customized Account Generator Process

If you have customized your Account Generator process for the FA Account Generator item type and assigned a new name to it, use the Account Generator Processes window to associate the new process name with the appropriate Accounting Flexfield structure and item type.

If you made customizations to the default process, but did not change the name of it, you do not need to perform this step.

## Choosing the Process for a Flexfield Structure

1. Navigate to the Account Generator Processes window.

In the System Administrator responsibility, this window is under the navigation path Application > Flexfield > Key > Accounts. In your Oracle Assets responsibility, it is under Setup > Flexfields > Key > Accounts.

1. Select the structure to which you want to assign a process. You can choose the application, flexfield title, structure, and description from the row list of values.
2. Specify the FA Account Generator item type.
3. Specify the process you want to use to generate the accounts.

The Generate Default Account process will default in. If you want to use a different process, such as the Generate Distribution Detail Account process, enter the name of the process you want to use.

## Related Topics

Customization Guidelines, page 9-33

Customizing the Account Generator, *Oracle Applications Flexfields Guide*

## Asset Key Flexfield

Oracle Assets uses the asset key flexfield to group your assets by non-financial information. You design your asset key flexfield to record the information you want. Then you group your assets by asset key so you can find them without an asset number.

**Warning:** Plan your flexfield carefully. Once you have started entering assets using the flexfield, you cannot change it.

## Asset Key Flexfield

| Owner                    | Oracle Assets       |
|--------------------------|---------------------|
| Flexfield Code           | KEY#                |
| Table Name               | FA_ASSET_KEYWORDS   |
| Number of Columns        | 10                  |
| Width of Columns         | 30                  |
| Dynamic Inserts Possible | Yes                 |
| Unique ID Column         | CODE_COMBINATION_ID |
| Structure Column         | None                |

## Group Assets According To Your Needs

Use the asset key flexfield to group your assets. Group your assets according to non-financial information. You can assign the same asset key to many assets to easily find similar assets. All Oracle Assets transaction forms allow you to query using the asset key, and help you find your assets without an asset number.

## Asset Key Flexfield Structure

You define your asset key flexfield structure to fit the specific needs of your organization. You choose the number of segments, the length of each segment, and the name and order of each segment in your asset key flexfield. You can define up to ten asset key segments. This key flexfield supports only one structure.

## Not Using The Asset Key Flexfield

If you choose not to track assets using the asset key, you must define at least one segment asset key flexfield without validation.

## Determine Your Needs

### Asset Key Structure

Consider the way you group and query your assets. You need to decide how many levels (segments) your asset key structure needs.

## Value Sets

Each segment of your asset key structure needs a value set. The terms you used to group your assets are the values you enter for these value sets.

**Tip:** The asset key name (all segments concatenated) appears on forms and reports which display only a limited number of characters. You may want to abbreviate some asset key segment values.

## Define Your Asset Key Flexfield

### Create A Value Set For Each Segment

Create a value set for each segment using the Value Set windows. If you want to set up a segment which is dependent on another segment, create an independent value set for the segment which the user enters first, and a dependent value set for the segment which depends on the value entered. See: Value Set Windows, *Oracle Applications Flexfields Guide*.

Alternatively you can set up cascading dependencies for your category flexfield value sets.

Alternatively you can set up cascading dependencies for your category flexfield value sets. See: Example of \$FLEX\$ Syntax, *Oracle Applications Flexfields Guide*.

### Enable Each Segment For Your Asset Asset Key Flexfield

Define new asset key segments using the Define Key Segments form. Remember, you must log into Oracle Assets again before you add assets after you recompile your key flexfield.

If you want to define all valid combinations and prevent users from creating additional combinations while entering assets, uncheck Allow Dynamic Inserts. If you do not need to limit valid combinations, check Allow Dynamic Inserts. You can define valid combinations in the Define Asset Key Flexfield Combinations form. See: Key Flexfield Segments, *Oracle Applications Flexfield Guide*.

### Define Values For Each Segment

Create a list of valid values for each segment using the Segment Values Window. Since Oracle Assets only displays a limited number of characters of the asset key flexfield on forms and reports, you may want to keep the values short. See: Segment Values Window, *Oracle Applications Flexfields Guide*.

### Create Asset Key Flexfield Combinations

Use the Define Asset Key Flexfield Combinations form to enter the combination using

the segments you defined. You do not need to use this form to define combinations if you checked Allow Dynamic Inserts.

See: Defining Asset Keys, page 9-50

## Example

You decide to use a two segment asset key flexfield. A typical asset key combination might be JET 10.ENGINE. To set up your asset key flexfield you must set up value sets, enable your segments, and enter valid segment values.

First, use the Value Set windows to set up a value set for each segment. For example, you create the value sets Project and Component.

Then use the Key Flexfield Segments window to enable your segments. Enter each segment and the value set for validation in the Segments window.

Now use the Segment Values windows to enter the valid values for each asset key segment. For example, you enter JET 10 as a valid value for the Project segment.

Now, when you enter an asset, you can specify JET 10.ENGINE as the asset key. Since you checked Allow Dynamic Inserts, Oracle Assets creates the combination for you if it doesn't already exist. Or you can create the combination explicitly in the Define Asset Key Flexfield Combinations form.

## Related Topics

Key Flexfields by Flexfield Name, *Oracle Applications Flexfields Guide*

Key Flexfields by Owning Application, *Oracle Applications Flexfields Guide*

## Category Flexfield

Oracle Assets uses the category flexfield to group your assets by financial information. You design your category flexfield to record the information you want. Then you group your assets by category and provide default information that is usually the same for assets in that category.

**Warning:** Plan your flexfield carefully. Once you have started entering assets using the flexfield, you cannot change it.

## Category Flexfield

| Owner                    | Oracle Assets |
|--------------------------|---------------|
| Flexfield Code           | CAT#          |
| Table Name               | FA_CATEGORIES |
| Number of Columns        | 7             |
| Width of Columns         | 30            |
| Dynamic Inserts Possible | No            |
| Unique ID Column         | CATEGORY_ID   |
| Structure Column         | None          |

## Group Assets According To Your Needs

Define the category flexfield to fit the way you group your assets. Use the category flexfield to group your assets. Group your assets according to depreciation rules. By standardizing category names, you can more easily track your assets.

## Category Flexfield Structure

You define your category flexfield structure to fit the specific needs of your organization. You must define a major category segment and you can also define up to six subcategory segments. This key flexfield supports only one structure.

**Warning:** The combination of segment values plus segment value separators must be 30 characters or less, since the combination is used as a context field value for the Asset Category descriptive flexfield. An example of a valid combination is VEHICLE.DELIVERY, which contains 16 characters including the segment separator.

## Category Hierarchy

You can set up your category flexfield so that the valid values for the subcategory segment are dependent on the major category value entered. Then, if you have a dependent segment, only the valid values appear in the list of values for that segment.

## Category Default Depreciation Rules

You can default asset financial information for new assets based on the asset category. You can enter default depreciation rules for each category flexfield combination for each book. When you add an asset to a book, Oracle Assets defaults the depreciation rules from the asset category. If necessary, you can specify different depreciation rule defaults for different date placed in service ranges.

## Category Budget

You can track actual spending versus budgeted amounts for each category. Enter budgeting information based on asset category. Enter budget amounts for each category for each period and then run depreciation projections for your budgeted additions. You can also run reports that compare budgeted and actual spending or show asset additions to categories for which you did not enter budget amounts.

## Descriptive Flexfield Based on the Asset Category

You can set up a descriptive flexfield that stores additional information based on the asset category. Enter the asset category flexfield as the reference field, and the concatenated category segments as the context field value for that descriptive flexfield structure.

## Determine Your Needs

### Category Structure

Consider the way you group your assets. Determine which assets share depreciation information such as prorate convention and depreciation method. You also need to decide how many levels (segments) your category structure needs. Decide which is the top level (major category segment).

You may want to set up your categories to match your chart of accounts. Each chart account defines a major category. You can define at least one subcategory segment to allow for distinctions within a major category.

**Tip:** You can define up to seven segments for your asset category flexfield. Since Oracle Assets only displays a limited number of characters on its forms and reports, you may wish to use only two or three segments so they can be displayed. Also, since you must define depreciation rules for each category flexfield combination, more segments require more setup and maintenance effort.

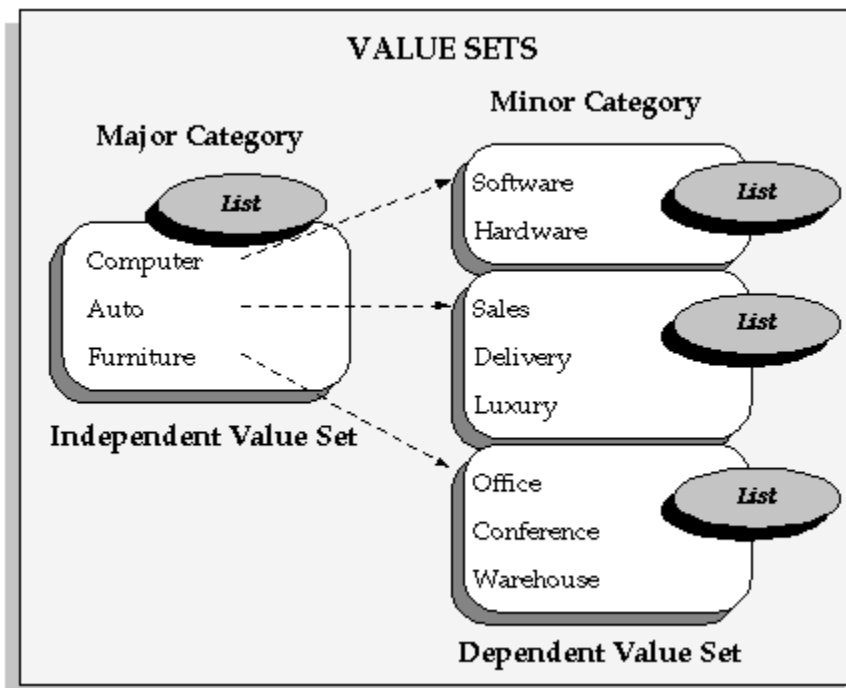
## Value Sets

Each segment of your category structure needs a value set. The terms you used to group your assets are the values you enter for these value sets.

**Tip:** The category name (all segments concatenated) appears on forms and reports which only display a limited number of characters. You may want to abbreviate some category segment values.

## Dependent Segments

To set up a subcategory segment for which the valid values are dependent on the value of a previously entered segment, create a dependent value set. Create an independent value set for the first segment using the Value Set windows. Then create a dependent value set for the dependent segment. Enter the name of the independent value set, and specify the value which must be entered for the dependent value set to be valid.



The valid values for the minor category segment are dependent on the value of the major category segment.

Alternatively you can set up cascading dependencies for your category flexfield value sets. See: Example of \$FLEX\$ Syntax, *Oracle Applications Flexfields Guide*.

## Major Category Qualifier

You must define exactly one Major Category segment when setting up your category



flexfield. Specify which segment is your major category segment by entering Yes for the Major Category qualifier in the Define Key Segments form. You can enter capital budgeting information for your major categories.

## Define Your Category Flexfield

### Create A Value Set For Each Segment

Create a value set for each segment using the Value Set windows. If you want to set up a segment which is dependent on another segment, create an independent value set for the segment which the user enters first, and a dependent value set for the segment which depends on the value entered. See: Value Set Windows, *Oracle Applications Flexfields Guide*.

### Enable Each Segment For Your Asset Category Flexfield

Define new asset category segments using the Define Key Segments form. For your major category segment, check Enabled for the Major Category qualifier. Remember, you must log into Oracle Assets again to add assets after you recompile your key flexfield.

Because you must enter dependent values for each asset category and assign the category to at least one book, Oracle Assets does not allow dynamic insertion when you use the Category flexfield. Make sure the Allow Dynamic Inserts check box on the Key Flexfield Segments window is unchecked and the flexfield registration (Key Flexfields window) is not modified to alter the availability of dynamic insertion. See: Key Flexfield Segments, *Oracle Applications Flexfields Guide*.

### Define Values For Each Segment

Create a list of valid values for each segment using the Segment Values Window. Since Oracle Assets only displays a limited number of characters of the asset category flexfield on forms and reports, you may want to keep the values short. See: Segment Values Window, *Oracle Applications Flexfields Guide*.

**Tip:** If you are setting up the descriptive flexfield on forms where you add assets to reference the asset category, you may want to enter all values in uppercase. Then, when you enter the concatenated category flexfield segments value for which the descriptive flexfield structure applies, you can just enter the segment values in all uppercase separated by your segment separator.

### Create Asset Categories

Use the Asset Categories form to enter the asset category name using the segments you defined. Also enter the asset category default information. You must define your

category for a book using the Asset Categories form before you can enter assets in that category and book.

See: Setting Up Asset Categories, page 9-186

## Example

You decide to use a two segment category flexfield with a dependent segment. A typical category combination might be COMPUTER.HARDWARE, where HARDWARE is a valid value for the second segment only if the value of the first segment is COMPUTER. To set up your category flexfield you must set up value sets, enable your segments, enter valid segment values, and set up the category.

First, use the Value Set windows to set up a value set for each segment. For example, you create the value sets Major, and Minor Computer. Since you want the Minor Computer value set to be dependent on the Major value set, create an independent value set for Major and a dependent value set for Minor Computer. The Independent Value Set on which Minor Computer depends is Major, and the Dependent Default Value is COMPUTER.

Then use the Key Flexfield Segments windows to enable your segments. Enter each segment and the value set for validation in the Segments window. For the major category segment, check Enabled for the Major Category qualifier.

Now use the Segment Values windows to enter the valid values for each subcategory segment. For example, you enter HARDWARE as a valid value for the Minor segment.

Finally, use the Asset Categories window to enter the asset category name and information.

## Flexfield Qualifiers

### Major Category

You must have exactly one Major Category segment in your Category Flexfield. Oracle Assets uses the Major Category segment for capital budgeting.

## Related Topics

Asset Category Descriptive Flexfield in Oracle Assets, page 9-24

Key Flexfields by Flexfield Name, *Oracle Applications Flexfields Guide*

Key Flexfields by Owning Application, *Oracle Applications Flexfields Guide*

Descriptive Flexfield Segments, *Oracle Applications Flexfields Guide*

## Location Flexfield

Oracle Assets uses the location flexfield to group your assets by physical location. You

design your location flexfield to record the information you want. Then you can report on your assets by location. You can also transfer assets that share location information as a group, such as when you move an office to a new location.

**Warning:** Plan your flexfield carefully. Once you have started entering assets using the flexfield, you cannot change it.

## Location Flexfield

| Owner                    | Oracle Assets |
|--------------------------|---------------|
| Flexfield Code           | LOC#          |
| Table Name               | FA_LOCATIONS  |
| Number of Columns        | 7             |
| Width of Columns         | 30            |
| Dynamic Inserts Possible | Yes           |
| Unique ID Column         | LOCATION_ID   |
| Structure Column         | None          |

## Track Asset Location According To Your Needs

Define the location flexfield to fit the way you track your asset locations. Use the location flexfield to track the physical location of your assets. For example, if you do business internationally (or plan to do so in the future), you may want to track the country an asset is in. Other segments you may want include are state, city, and site. If you track asset location to more detail, such as for barcoding, you can also add segments for building and room number.

## Location Flexfield Structure

You define your location flexfield structure to fit the specific needs of your organization. You choose the number of segments, the length of each segment, and the name and order of each segment in your location flexfield. You must define a state segment and you can also define up to six other location segments.

## Property Tax Reporting

You can run the Property Tax Report for your states. The Property Tax Report sorts your assets by the location segment with the state qualifier set to Yes.

See: Property Tax Report, page 10-59

## Mass Transfer By Location

You can transfer assets that share location information as a group. Or you can use the location as a criterion to select assets to transfer between employees or general ledger expense accounts.

See: Transferring Assets, page 3-14

## Determine Your Needs

### Location Structure

Consider the way you track asset location. You need to decide how many levels (segments) your location structure needs. Also decide which is the state segment.

### Value Sets

Each segment of your location structure needs a value set. The terms you used to describe your asset locations are the values you enter for these value sets.

**Tip:** The location name (all segments concatenated) appears on forms and reports which only display a limited number of characters. You may want to abbreviate some location segment values.

### State Qualifier

You must define exactly one State segment when setting up your location flexfield. Specify which segment is your state segment by checking Enabled for the State qualifier in the Segments window. You can run the Property Tax Report for your states.

## Define Your Location Flexfield

### Create A Value Set For Each Segment

Create a value set for each segment using the Value Set windows. If you want to set up a segment which is dependent on another segment, create an independent value set for the segment which the user enters first, and a dependent value set for the segment which depends on the value entered. See: Value Set Windows, *Oracle Applications Flexfields Guide*.

Alternatively you can set up cascading dependencies for your category flexfield value sets. See: Example of \$FLEX\$ Syntax, *Oracle Applications Flexfields Guide*.

### **Enable Each Segment For Your Location Flexfield**

Define new location segments using the Define Key Segments form. For your state segment, check Enabled for the State qualifier. Remember, you must log into Oracle Assets again to add assets after you recompile your key flexfield.

If you want to define all valid locations and prevent users from creating additional location flexfield combinations while entering assets, uncheck Allow Dynamic Inserts. If you do not need to limit valid locations, check Allow Dynamic Inserts. You can define valid location flexfield combinations in the Locations form.

If you want to define shorthand aliases for your location flexfield, check Enable Shorthand Flexfield Entry. You can then set up aliases to represent your locations in the Shorthand Aliases window. See: Key Flexfield Segments, *Oracle Applications Flexfields Guide*. See: Shorthand Aliases, *Oracle Applications Flexfields Guide*.

### **Define Values For Each Segment**

Create a list of valid values for each segment using the Segment Values form. Since Oracle Assets only displays a limited number of characters of the location flexfield on forms and reports, you may want to keep the values short. See: Segment Values Window, *Oracle Applications Flexfields Guide*.

### **Create Locations**

Use the Locations form to enter the location name using the segments you defined. You do not need to use this form to define locations if you checked Allow Dynamic Inserts.

See: Defining Locations, page 9-49

You decide to use a three segment location flexfield. A typical location combination might be UK.OXFORDSHIRE.BDG3. To set up your location flexfield you must set up value sets, enable your segments, enter valid segment values, and set up the location.

First, use the Value Set windows to set up a value set for each segment. For example, you create the value sets Country, District Council, and Site.

Then use the Key Flexfield Segments windows to enable your segments. Enter each segment and the value set for validation in the Segments window. For the District Council segment, enable the State qualifier.

Now use the Segment Values windows to enter the valid values for each segment. For example, you enter UK as a valid value for the Country segment.

Finally, use the Locations window to enter the location flexfield combination UK.OXFORDSHIRE.BDG3.

## Flexfield Qualifiers

### State

You must have exactly one State segment in your Location Flexfield. Oracle Assets uses the State segment for property tax reporting.

### Related Topics

Key Flexfields by Flexfield Name, *Oracle Applications Flexfields Guide*

Key Flexfields by Owning Application, *Oracle Applications Flexfields Guide*

## Specifying System Controls

Use this form to specify your company name, asset numbering scheme, and key flexfield structures.

### Prerequisites

- Set up your Category, Location, and Asset Key Flexfields. See: Setting Up the Asset Category Flexfield,, page 9-39 Setting Up the Asset Key Flexfield,, page 9-36 and Setting Up the Location Flexfield., page 9-44

### To specify system controls:

1. Open the System Controls window.
2. Enter the enterprise name as you want it to appear on reports.
3. Enter the Oldest Date Placed In Service, which controls what dates are valid to place assets in service and on what date to begin your calendars.

If you change this field, you do not affect the assets already in the system. However, you cannot place new assets in service before the new date.

**Note:** You can only update the Oldest Date Placed in Service *before* you assign any calendars to depreciation books.

4. Enter the Starting Number at which you want Oracle Assets to begin automatically numbering your assets. Note that some asset numbers may be skipped.

**Tip:** If you are converting from another system, enter a starting number greater than the number of assets you want to convert so

converted assets keep the same number from the previous system. For example, if you are converting 75,000 assets, you may want to enter 100,000 as the Starting Number to reserve the numbers 1 to 100,000 for manual asset numbering. Note that adding the 75,000 assets will increment the automatic numbering sequence by 75,000 (automatically numbered assets will begin at 175,001).

Note that asset numbers with a letter in them are not reserved for automatic asset numbering, since the automatic numbers are a numerical sequence.

If you are using automatic numbering, then manual numbering must be less than the starting asset number that you have in the System Controls window. Oracle Assets does not support asset numbers that exceed 2,000,000,000.

5. Enter the Location, Category, and Asset Key Flexfield structures you want to use.
6. Save your work.

## Related Topics

Asset Descriptive Details , page 2-2

Oracle Assets System Setup, page 9-2

## Defining Locations

If you chose to Allow Dynamic Inserts in the Define Key Segments form, you do not need to define valid locations, since you automatically create locations when you assign assets to assignment.

### Prerequisite

- Specify the location flexfield structure you want to use. See: Specifying System Controls., page 9-48

## To define location flexfield combinations:

1. Open the Locations window.
2. Enter valid location flexfield combinations.
3. Choose whether to Enable the combination.
4. Save your work.

## Related Topics

Oracle Assets System Setup, page 9-2

Setting Up the Location Flexfield, page 9-44

## Defining Asset Keys

If you chose to Allow Dynamic Inserts in the Define Key Segments form, you do not need to define valid asset keys.

### Prerequisite

- Specify the asset key flexfield structure you want to use. See: Specifying System Controls., page 9-48

### To define location flexfield combinations:

1. Open the Asset Keys window.
2. Enter valid asset key flexfield combinations.
3. Choose whether to Enable the combination.
4. Save your work.

## Related Topics

Oracle Assets System Setup, page 9-2

Setting Up the Asset Key Flexfield, page 9-36

## Entering QuickCodes

Use this window to enter QuickCode values in addition to those provided. These values appear in Lists of Values throughout Oracle Assets.

### To enter QuickCode values:

1. Open the QuickCodes window.
2. Query the QuickCode Name for which you want to define values.
3. Enter a Value for the QuickCode type.

QuickCode Types and their values are listed in the table below:



| <b>QuickCode Type</b>       | <b>QuickCode Values</b>                                                                                                                                                                                                                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asset Description           | Enter values such as PERSONAL COMPUTER and DELIVERY VEHICLE to standardize asset descriptions.                                                                                                                                                                                                           |
| Journal Entries             | You cannot enter new Journal Entry values, but you can change the descriptions.                                                                                                                                                                                                                          |
| Queue Name                  | Enter values such as ACCOUNT HOLD, or LOCATION HOLD to describe your hold queues for Mass Additions. You cannot change values DELETE, ON HOLD, and POST.                                                                                                                                                 |
| Property Type               | Enter values such as PERSONAL, REAL, or RESIDENTIAL to describe your property.                                                                                                                                                                                                                           |
| Retirement                  | Enter values such as EXTRAORDINARY and SALE to describe your retirements.                                                                                                                                                                                                                                |
| Asset Category              | Enter values such as AUTO and COMPUTER to describe your major asset categories. You enter major category values in the QuickCodes window if you are using table-based validation for your asset categories.                                                                                              |
| Asset Subcategory           | Enter values such as SALES and DELIVERY to describe your asset subcategories. For example, you can use these values to create AUTO.SALES and AUTO.DELIVERY asset categories. You enter minor category values in the QuickCodes window if you are using table-based validation for your asset categories. |
| Unplanned Depreciation Type | You can enter values in addition to UNPLANNED DEPRN to describe different types of unplanned depreciation adjustments.                                                                                                                                                                                   |

| QuickCode Type     | QuickCode Values                                                                                                                                                                                                       |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lease Frequency    | The possible values for Lease Compounding Frequency are: Monthly, Quarterly, Semi-Annually, and Annually. You cannot alter existing or enter new Lease Frequency values, but you can change the existing descriptions. |
| Lease Payment Type | You can enter lease payment types in addition to Annuity, Balloon Payment, Bargain Purchase Option, and Bargain Renewal Option.                                                                                        |

**Tip:** If you want to create hierarchical asset category flexfield segment values, use the Define Value Set, Define Key Segment, and Define Key Segment Value windows to define your asset category flexfield. Then, to set up the value of the minor segment to be dependent on the value of the major segment, define the Value Set for the minor segment to be dependent on the value of the major segment.

If you create hierarchical asset category values, you do not need to enter category and subcategory QuickCode values.

**Tip:** The values you enter appear in List of Values windows which allow no more than 12 spaces. You may want to limit your values to 12 characters.

4. Enter a description of your QuickCode value.
5. Optionally enter a Disable Date after which this value no longer appears in Lists of Values.
6. Save your work.

## Related Topics

Setting Up the Asset Category Flexfield, page 9-39

Oracle Assets System Setup, page 9-2

## Creating Fiscal Years

Specify the start and end dates of each fiscal year for a fiscal year name. Create fiscal years from the oldest date placed in service through at least one fiscal year beyond the current fiscal year. Depreciation will fail if the current fiscal year is the last fiscal year.

You can set up multiple fiscal years in this window. You can assign different fiscal years to your different corporate books. The calendar for a tax book must use the same fiscal year name as the calendar for the associated tax book.

### Prerequisite

- Specify the Oldest Date Placed in Service. See: Specifying System Controls., page 9-48

### To create a fiscal year:

1. Open the Asset Fiscal Years window.
2. Enter a Fiscal Year Name and Description. You can set up multiple fiscal years with different names.

**Tip:** The name you enter appears in List of Values windows which allow no more than 30 spaces. You may want to limit your name to 30 characters.

3. Enter the start and end date of each fiscal year.
4. Enter the Fiscal Year you are defining.
5. Save your work.

### Related Topics

Oracle Assets System Setup, page 9-2

## Specifying Dates for Calendar Periods

You can set up as many calendars as you need. Each book you set up requires a depreciation calendar and a prorate calendar. The depreciation calendar determines the number of accounting periods in a fiscal year, and the prorate calendar determines the number of prorate periods in your fiscal year. You can use one calendar for multiple depreciation books, and as both the depreciation and prorate calendar for a book.

Your corporate books can share the same calendar. A tax book can have a different

calendar than its associated corporate book. The calendar for a tax book must use the same fiscal year name as the calendar for the associated tax book.

The depreciation program uses the prorate calendar to determine the prorate period which is used to choose the depreciation rate. The depreciation program uses the depreciation calendar and divide depreciation flag to determine what fraction of the annual depreciation expense to take each period. For example, if you have a quarterly depreciation calendar, Oracle Assets calculates one-fourth of the annual depreciation each time you run depreciation.

You must initially set up all calendar periods from the period corresponding to the oldest date placed in service to the current period. You must set up at least one period before the current period. At the end of each fiscal year, Oracle Assets automatically sets up the periods for the next fiscal year.

**Important:** If you use this depreciation calendar in a depreciation book from which you create journal entries for your general ledger, you must make the period names identical to the periods you have set up in your general ledger.

You can define your calendar however you want. For example, to define a 4-4-5 calendar, set up your fiscal years, depreciation calendar, and prorate calendar with different start and end dates, and fill in the uneven periods. To divide annual depreciation proportionately according to the number of days in each period, enter By Days in the Divide Depreciation field in the Book Controls window.

#### **Prerequisites**

- Set up your Oldest Date Placed in Service. See: Specifying System Controls., page 9-48
- Set up your fiscal years. See: Creating Fiscal Years., page 9-53

### **To specify dates for calendar periods:**

1. Open the Asset Calendars window.
2. Enter the name of your Calendar.

**Tip:** The name you enter appears in List of Values windows which allow no more than 15 spaces. You may want to limit your name to 15 characters.

3. Choose Fiscal or Calendar to append either the fiscal or calendar year to get the accounting period name. If you do not want the fiscal or calendar year automatically appended, choose None.

For example, if your fiscal year runs from June 1 to May 31, and the current date is July 15, 1995, you are in calendar 1995 and fiscal 1996. If you specify FISCAL, your period name is JUL-96. If you specify CALENDAR, your period name is JUL-95.

4. Enter the Fiscal Year Name you want to use for this calendar.
5. Enter the number of periods in the fiscal year for this calendar.

**Note:** You cannot enter more than 365 periods per year.

6. Enter the Name of this period.

If your periods include the year, such as JAN-1995, and you are using the hyphen (-) as the suffix delimiter, you must use either a two or four-digit year suffix. Oracle Assets automatically adds a four-digit year to the end of the period name if you do not enter a year. Otherwise, you can enter a two-digit year suffix.

If you use this depreciation calendar in a depreciation book from which you create journal entries for your general ledger, you must make the period names identical to the periods you have set up in your general ledger.

7. Enter the start and end dates of this period.
8. Save your work.

### To change period names for future periods:

**Note:** Use this procedure if you have already created periods, but need to change them to correspond with GL periods. You can only change the names of future period names.

1. Open the Asset Calendars window.
2. Query the calendar for which you want to change period names and scroll to the last period.
3. From the Main menu, select Edit/Delete Record. Delete all of the periods you plan to rename.
4. Reenter the deleted periods with the correct name.

### Related Topics

Oracle Assets System Setup, page 9-2

Defining Calendars (in Oracle General Ledger), *Oracle General Ledger User Guide*

## Setting Up Security by Book

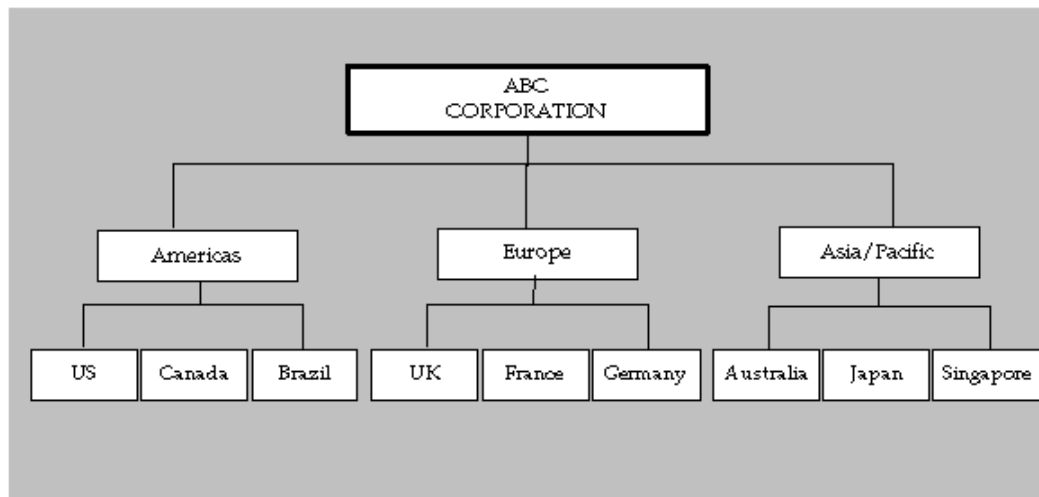
Oracle Assets shares organization and hierarchy information with Oracle Human Resources. If your business does not currently use Oracle Human Resources, you define this data using the Oracle Human Resources windows provided with Oracle Assets.

If you have already implemented Oracle Human Resources, you can skip many of the steps included in this section. Ensure that the organizations and hierarchies you defined in Oracle Human Resources corresponds to the data you want to use with Oracle Assets.

### Asset Organization Overview

Organizations are departments, sections, divisions, companies, or other organizational units in your business.

The illustration below depicts ABC Corporation's organization structure. There are three levels of organizations. ABC Corporation, the top-level organization, has three child organizations Americas, Europe, and Asia/Pacific. Each of these organizations also has several child organizations. For example, the Americas organization has the following child organizations: US, Canada, and Brazil.



ABC Corporation uses the following information to define its default reporting organization hierarchy:

---

|         |               |
|---------|---------------|
| Name    | Oracle Assets |
| Version | 1             |

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## Business Groups

A business group is the highest level of organization and the largest grouping of employees across which you may report.

Oracle Human Resources includes a predefined organization named *Setup Business Group*. We recommend that you modify the definition of this predefined business group rather than defining a new one. If you define a new business group instead of modifying the predefined *Setup Business Group*, you need to set the *HR: Security Profile* profile option to point to the security profile for the new business group. Oracle Human Resources automatically creates a security profile with the business group name when you define a new business group. Oracle Human Resources incorporates all other organizations you specify into the business group you define. See: *Security*, *Oracle Human Resources Documentation Set*

You use the Organization window to retrieve the predefined *Setup Business Group*. Then, you can create your own business group by changing the name of the Setup Business Group. The business group you define here appears in the list of values when you set up the *HR: Security Profile* profile option.

**Note:** If you already use Oracle Human Resources, we recommend that you continue using the same business group you defined in Human Resources. If you are using a shared installation of Human Resources, we recommend you use the pre-defined Setup Business Group.

A business group is a special classification of an organization, so you also need to specify its organization type, location, and whether it is an internal or external organization. It is also essential to select the correct legislation code for a business group for correct functioning of Oracle Human Resources. You cannot change the legislation code after entering employees in a business group. See also: *Entering Business Group Information*, *Oracle Human Resources Documentation Set*

**Important:** Employees, organizations, and other entities are partitioned by business group. If you set up more than one business group, your data will be partitioned accordingly. In addition, classifying an organization as a business group is not reversible. Be sure to plan your business group setup carefully. For more information, refer to the *Oracle Human Resources Documentation Set*.

## Organization Window

You use the Organization window in Oracle Assets or Oracle Human Resources to

specify all the organizations within your company. By choosing the Others button on this window, you can then set up the corporate and tax book information for that particular organization.

## Organization Classifications

Oracle Human Resources uses organization classifications to determine the type of organizations being set up. To flag an organization for use in Oracle Assets, you enable the Asset Organization classification.

An asset organization is an organization that allows you to perform asset-related activities for specific Oracle Assets corporate depreciation books. Oracle Assets uses only organizations designated as asset organizations.

If you require other types of organization classifications, see the *Oracle Human Resources Documentation Set*.

## Related Topics

Creating an Organization, *Oracle Human Resources Documentation Set*

Defining Depreciation Books, page 9-60

## Organization Hierarchies in Oracle Assets

Organization hierarchies show reporting lines and other hierarchical relationships among the organizations in your business.

You use the Organization Hierarchy window to specify your organization hierarchy.

You need to define the top organization in the hierarchy and at least one organization subordinate to it.

## Related Topics

Organization Hierarchies, *Oracle Human Resources Documentation Set*

## Security Profiles

A security profile allows you to control access to Oracle Assets through responsibilities that you create and assign to users of the system. Users can sign on to Oracle Assets only through the responsibilities that you give them. Their responsibilities control what they can see and do in the system.

A responsibility always includes a security profile, which you associate with a work structure such as an organization hierarchy.

See: Security Profiles, *Oracle Human Resources Documentation Set*



## Security List Maintenance Process

This process maintains the lists of organizations, positions, employees, and applicants that security profile holders can access. You should schedule it to run every night to take account of changes made during the day. If a disruption, such as a power outage, occurs while the process is running, you can manually restart it from the Submit Requests window.

See: Security Processes, *Oracle Human Resources Documentation Set*

## Defining Responsibilities

A responsibility is a level of authority in Oracle Applications that allows users to access only those Oracle Applications functions and data appropriate to their roles in an organization. Each responsibility allows access to specific applications, ledgers, windows, functions, and reports.

### Related Topics

Defining a Responsibility, *Oracle Applications System Administrator Guide*

Overview of Oracle Applications Security, *Oracle Applications System Administrator Guide*

## Assigning Responsibilities to Users

When defining Applications users, you need to assign each user to a responsibility. You do this by navigating to the the Users Window in the System Administration responsibility.

See: User's Window, *Oracle Applications System Administrator Guide*

## Setting Up FA: Security Profile

The FA: Security Profile profile option restricts access to the organizations defined in the security profile. The options available for the FA: Security Profile are the previously defined security profile values.

For example, you may want to set up the security profiles for the ABC Corporation. Since there is a one to one correspondence between an organization and a security profile, a logical naming standard for the security profile value would include the organization name and the organization identification number. In this case, the organization ABC Corporation might have a security profile value of ABC\_Corporation\_100, the organization Americas might have a profile value of Americas\_200, and so forth.

### Related Topics

Profile Options and Profile Options Categories Overview, page B-1

## Defining Depreciation Books

You can define corporate, tax, and budget depreciation books. You must set up your depreciation books before you can add assets to them. You can set up multiple corporate books that create journal entries for different ledger, or to the same ledger. In either case, you must both run depreciation and create journal entries for each depreciation book. For each corporate book, you can set up multiple tax and budget books that are associated with it.

### Prerequisites

- Specify system controls. See: Specifying System Controls., page 9-48
- Define your calendars. See: Specifying Dates for Calendar Periods., page 9-53
- Set up your Account segment values and combinations. See: Defining Accounts., *Oracle General Ledger User Guide*
- Set up your journal entry formats. See: Defining Journal Sources, *Oracle General Ledger User Guide* and Defining Journal Categories., *Oracle General Ledger User Guide*

### To define a depreciation book:

1. Open the Book Controls window.
2. Enter the name of the book you want to define.  
The book name cannot contain any special characters.

**Tip:** The name you enter appears in List of Values windows which allow no more than 15 spaces. You may want to limit the book name to 15 characters.

3. Enter a brief, unique description of the book.
4. Choose a Corporate, Tax, or Budget book class.
5. Enter calendar information for your book, page 9-61.
6. Enter accounting rules for your book, page 9-62.
7. Enter natural accounts for your book, page 9-63.
8. Enter tax rules for your book, page 9-64.

9. Save your work.

## Related Topics

Setting Up Asset Categories, page 9-186

Depreciation Rules (Books), page 2-5

Oracle Assets System Setup, page 9-2

## Entering Calendar Information for a Book

1. In the Book Controls window, choose the Calendar tabbed region.
2. Optionally enter a disable date for the depreciation book.

**Note:** Once a book has been disabled, you cannot re-enable it.

3. Choose whether to Allow Purge for the book.
4. Enter the ledger for which you want to create journal entries. Allow GL Posting if you want to create journal entries for this book. You cannot allow general ledger posting for your budget books.

You can enter a different ledger for your tax book than the ledger of the associated corporate book. The different ledger must be a secondary ledger of the ledger assigned to the corporate book and the following conditions must be satisfied:

- Oracle Subledger Accounting should be enabled and Use Primary Ledger Amounts should be set to No in the Accounting options of the secondary ledger setup.
- Oracle Assets must be enabled for Oracle Subledger Accounting for the secondary ledger.

**Note:** When setting up a Tax book that is linked to a Secondary ledger, the chart of accounts and currency must be the same as the Primary ledger which is linked to the Corporate book.

5. Enter the name of the Depreciation Calendar you want to use for this book.
6. Enter the name of the Prorate Calendar that you want to use for this book.

Use the prorate calendar with the smallest period size or resolution you need for determining your depreciation rate. For example, you may want to use a monthly prorate calendar in a tax book that uses a quarterly depreciation calendar to allow

finer control of the annual depreciation amount for some monthly prorate/method combinations.

7. Enter the current open period name for this book.

**Note:** You must set up the depreciation calendar for at least one period before the current period. See: Specifying Dates for Calendar Periods., page 9-53

8. Enter the method for dividing the annual depreciation amount over the periods in your fiscal year for this book.
  - Choose Evenly to divide depreciation evenly to each period
  - Choose By Days to divide it proportionally based on the number of days in each period
9. Choose whether to depreciate assets in this book that are retired in their first year of life.
10. Enter the date on which you last calculated depreciation for this book. Oracle Assets updates this date when you run depreciation.
11. Enter accounting rules for your book, page 9-62.

## Related Topics

Defining Ledgers., *Oracle General Ledger User Guide*

Specifying Dates for Calendar Periods., page 9-53

## Entering Accounting Rules for a Book

1. In the Book Controls window, choose the Accounting tabbed region.
2. To allow amortized changes in this book, check the Allow Amortized Changes check box.
3. Choose Allow Mass Changes to allow mass changes in this book.
4. Enter the minimum time you must hold an asset for Oracle Assets to report it as a capital gain when you retire it. If you want Oracle Assets to report a capital gain for all assets when you retire them, enter zero for the threshold.

If you hold the asset for less than the threshold, Oracle Assets reports it as ordinary income.

5. If you choose to Allow Revaluation, specify revaluation rules:

**Revalue Accumulated Depreciation** If you do not revalue accumulated depreciation, Oracle Assets transfers the accumulated depreciation to the revaluation reserve account upon revaluation.

**Revalue YTD Depreciation** Check this check box to revalue year-to-date depreciation.

**Retire Revaluation Reserve** Check this check box to retire revaluation reserve.

**Amortize Revaluation Reserve** Check this check box to allow revaluation reserve to be amortized in this book. See: Asset Management in a Highly Inflationary Economy (Revaluation), page 3-32.

**Revalue Fully Reserved Assets** Check this check box to revalue fully reserved assets.

**Maximum Revaluations** Enter the maximum number of times an asset in this book can be revalued as fully reserved. If you leave this field blank, Oracle Assets does not limit the number of times you can revalue an asset as fully reserved.

**Life Extension Factor** Enter the life extension factor for fully reserved assets in this book. Oracle Assets multiplies the life extension factor by the asset original life to determine the asset's new, extended life.

**Life Extension Ceiling** The life extension ceiling limits the depreciation adjustment when revaluing fully reserved assets.

6. Choose Allow Group Depreciation to allow group assets to be added in this book. If you choose to allow group depreciation, specify these group depreciation rules:

**Allow CIP Depreciation in Group Assets** Check this check box to allow depreciation of member CIP asset cost.

**Allow Intercompany Member Asset Assignments** Check this check box to allow the group asset and its member assets to have a different balancing segment value. If the check box is not checked, the group asset and each of its member assets must have the same balancing segment value.

## Entering Natural Accounts for a Book

1. In the Book Controls window, choose the Natural Accounts tabbed region.

2. Enter Retirement Accounts.

You can set up your gain and loss accounts so that Oracle Assets creates individual journal entries for each component of the gain/loss amount to separate accounts, or to a single account for the net gain or loss.

3. Enter Deferred Depreciation Reserve and Deferred Depreciation Expense accounts.

4. Enter the general ledger account that you want to use as an offset account for the entry against accumulated depreciation when you perform reserve adjustments.
5. Enter the Account Generator default segment values for this book's journal entries.  
By default, Oracle Assets creates journal entries without cost center level detail for all accounts except the depreciation expense account. Using the default assignments, it creates journal entries using the balancing segment from the expense account in the Assignments window and the account segment from the asset category or book, depending on the account type. Oracle Assets uses the other segments from the default segment values you enter for the book in this field.

## Related Topics

Journal Entries for Additions and Capitalizations, page 6-8

Journal Entries for Depreciation, page 6-7

Journal Entries for Retirements and Reinstatements, page 6-35

Journal Entries for Revaluations, page 6-42

Journal Entries for Tax Accumulated Depreciation Adjustments, page 6-55

## Entering Tax Rules for a Book

The Tax Rules tabbed region is only available for tax books. This tabbed region will not appear if you did not select Tax in the Class field in the Book Controls window.

1. In the Book Controls window, choose the Tax Rules tabbed region.  
Check **Allow Reserve Adjustments** if you want to allow changes to the accumulated depreciation in your tax book.  
You can **Allow Cost/Expense Ceilings** in a depreciation book; however, you cannot apply a cost ceiling and an expense ceiling to the same asset in a depreciation book.
2. Check Allow CIP Assets if you want to be able to automatically add CIP assets to your tax book when you add them to your corporate book.
3. If you choose to Allow Mass Copy into this tax book, choose whether to copy additions, adjustments, retirements, and/or salvage value.
4. In the Group Asset Additions field, choose Copy if you wish to allow mass copy of group assets into this tax book. The default value is Do Not Copy.

**Note:** Mass Copy does not copy group reclassification transactions that are performed when changing member assets' group assignment. Mass Copy does not copy an type of group adjustment, including group reserve transfer, group retirement

adjustments, and group unplanned depreciation.

5. In the Member Asset Assignments field, choose Copy if you wish to allow mass copy of the member asset group asset assignments into this tax book. The default value is Do Not Copy.
6. Enter natural accounts for your book, page 9-63.

### **Related Topics**

Entering Default Depreciation Rules for a Category, page 9-190.

Depreciation Rules (Books), page 2-5

Determine Adjusted Accumulated Depreciation, page 7-45

Tax Credits, page 7-29

Tax Book Maintenance, page 7-1

## **Defining Additional Depreciation Methods**

Once a depreciation method is in use, it cannot be modified. Therefore, any modification to existing rates within a method will require a new depreciation method to be defined.

### **To define a calculated depreciation method:**

1. Navigate to the Depreciation Methods window.

Navigation: Setup: Depreciation > Methods

Method

Description

Method Type

Calculation Basis

Depreciable Basis Rule

☒ Depreciate in Year Retired

☐ Exclude Salvage Value

☐ Straight Line Method

☐ Polish Adjustment Calculation Basis

☐ Guarantee rate evaluation method

☐ Use Japan NBV Calculation for Impairments

Life Years  Months

Prorate Periods Per Year

2. Enter a depreciation Method name and Description.
3. Select Calculated from the Method Type poplist.
4. The calculation basis automatically defaults to Cost (NBV is not valid for calculated methods).
5. Choose whether the depreciation method allows asset depreciation in the year it is retired.
6. Choose the Exclude Salvage Value check box if the method is to exclude the salvage value from the depreciable basis.
7. Enter the number of Years and Months of asset life.
8. Save your work.

### To define a table-based depreciation method:

1. Navigate to the Depreciation Methods window.
2. Enter a depreciation Method name and Description.
3. Select Table from the Method Type poplist.
4. Choose whether to use Cost or NBV as the basis for calculating depreciation from the Calculation Basis poplist.
5. Choose whether this depreciation method allows asset depreciate in the year it is retired.



6. Choose the Exclude Salvage Value check box if the method is to exclude the salvage value from the depreciable basis.
7. Choose whether this method is a straight-line method.
8. Enter the number of Years and Months of asset life.
9. Enter the number of Prorate Periods Per Year the method uses.
10. Choose the Rates button to enter rates in the Depreciation Rates window.
11. Enter annual depreciation rates.

Rates entered must fully depreciate an asset over its life. When specifying a calculation basis rule of Cost, the sum of all the years' rates for each period must be one. When specifying a calculation basis rule of NBV, the rate for the last year of life for each period must be one and all the other rates must be between zero and one.

**Important:** For table methods, the annual rate entered for each prorated period must reflect the fraction of the fiscal year the asset was in service. The rate must be prorated based on the number of periods in the year and on the prorate convention.

12. Save your work.

### **To define units of production depreciation method:**

1. Navigate to the Depreciation Methods window.
2. Enter a depreciation Method name and Description.
3. Select Production from the Method Type poplist.
4. The calculation basis automatically defaults to Cost (NBV is not valid for units of production methods).
5. Choose the Exclude Salvage Value check box if the method is to exclude the salvage value from the depreciable basis.
6. Save your work.

### **To define a flat-rate depreciation method:**

1. Navigate to the Depreciation Methods window.
2. Enter a depreciation Method name and Description.

3. Select Flat from the Method Type poplist.
4. Choose whether to use Cost or NBV as the basis for calculating depreciation from the Calculation Basis poplist.
5. Choose whether this depreciation method allows asset depreciation in the year it is retired.
6. In the Depreciable Basis Rule field, select a depreciable basis rule from the poplist.
7. Choose the Exclude Salvage Value check box if the method is to exclude the salvage value from the depreciable basis. Salvage value can only be excluded if the flat-rate method uses NBV as the calculation basis.
8. Check the Polish Adjustment Calculation Basis check box, if applicable. This check box affects the calculation when creating negative cost adjustments to assets depreciating under Polish tax depreciation. See: Adjusting Polish Tax Depreciation Transactions, page 9-116.

**Note:** This check box is available only if you have selected one of the Polish tax depreciable basis rules as your depreciable basis rule.

9. Choose the Rates button to enter rates in the Depreciation Rates window.
10. Enter basic rates.
11. Enter the adjusting rate, or loading factor.
12. Save your work.

**Note:** If using the Japan Tax Reforms features, when navigating to the Depreciation Methods window, the Use Japan NBV Calculation for Impairments check box will be available. Select this check box if the Japan NBV Calculation for Impairments formula is to be used with this depreciation method.

For seeded JP-STL Depreciation Methods, an additional rate line was added to the Depreciation rates as a result of changes to the Japan Tax Reforms and the Use Japan NBV Calculation for Impairments has been enabled. For more information, see Japan Tax Reforms features, page 9-137.

## Related Topics

Running Depreciation, page 5-2

Basic Depreciation Calculation, page 5-18

Depreciation Calculation, page 5-21

Depreciation Calculation for Flat-Rate Methods, page 5-25

Depreciation Calculation for Table and Calculated Methods, page 5-29

Depreciation Calculation for the Units of Production Method, page 5-36

Asset Depreciating Under Units of Production, page 5-37

## Defining Formula-Based Depreciation Methods

Oracle Assets allows you to define depreciation formulas to calculate annual depreciation rates.

The Depreciation Formula window is used to define depreciation formulas. When finished defining your formula, it is recommended that the formula be tested using the Test Formula tabbed region.

**Note:** Defining depreciation formulas requires some knowledge of SQL.  
See: *Oracle 8i SQL Reference*.

**Note:** To meet the requirements for the Japan 250% Declining Balance depreciation method, the Guarantee Rate Evaluation check box was added to the Depreciation Method window in addition to the Use Japan NBV Calculation for Impairments. The check boxes are only displayed when the **FA: Japan 2007 Tax Reforms Features** profile option is set to Yes. For more information, see Japan Tax Reforms features, page 9-137.

### To define a depreciation formula:

1. Navigate to the Depreciation Methods window.  
Navigation: Setup: Depreciation > Methods
2. Enter a depreciation Method name and Description.
3. Select Formula from the Method Type poplist.
4. Choose whether to use Cost or NBV as the basis for calculating depreciation from the Calculation Basis poplist.
5. Optionally select one of the following depreciable basis rules, if NBV is selected as the basis for calculating depreciation:

- Beginning Period Balance
- Period End Average

See: Defining Depreciable Basis Rules, page 9-84.

6. Choose whether the depreciation method allows asset depreciation in the year it is retired.
7. Choose the Exclude Salvage Value check box if the method is to exclude the salvage value from the depreciable basis. Salvage value can only be excluded if the flat-rate method uses NBV as the calculation basis.
8. Choose whether the method is a straight-line method.
9. Enter the life in years and months.
10. Choose the Formula button to define depreciation formulas in the Depreciation Formula window.

Depreciation Formula

Define Formula   Test Formula

Decode(Sign(Floor(<Cost>\*<Guarantee  
Rate>)-Floor(<Begin NBV>\*<Original Rate>)), 1, <Revised  
Rate>, <Original  
Rate>)

Variables   Functions   Formulas

Z   8   9   /   Back

4   5   6   \*   Clear

1   2   3   :   (

0   .   ,   ±   )

Rate Details

11. While in the Define Formula tabbed region, enter a formula by clicking buttons to insert elements into the formula.
12. Optionally test the formula by choosing the Test Formula tab.
13. Save the formula.

**Note:** To meet the requirements for the Japan 250% Declining Balance depreciation method, the Rate Details button was added to the Depreciation Formula window. The Rate Details button is displayed only when one of the seeded Japan depreciation methods is used. For more information, see Japan Tax Reforms features, page 9-137.

### To test a depreciation formula:

1. In the Depreciation Formula window, go to the Test Formula tabbed region.

2. Optionally enter parameters, such as Life in Years or Salvage Value.

**Note:** To meet the requirements for the Japan Tax Reforms, the **Cost** and **NBV at Beginning of Year** parameters were added to the Test Formula tabbed region. The system displays these parameters only when the **FA: Japan 2007 Tax Reforms Features** profile option is set to Yes. For more information, see Japan Tax Reforms features, page 9-137.

3. Review the test results confirming the results depreciated the asset correctly.
4. Save the formula.

## Using the Calculator to Define a Formula

The Depreciation Formula window contains a calculator that is used to insert elements into formulas.

**Important:** Click on the different buttons on the calculator to enter in the formula in to the display field. Formulas cannot be entered directly into the display field. In addition to the standard calculator keys used to insert constants and operators directly into the display, the Depreciation Formula: Method Name window contains the following special keys: Variables, Functions, and Formulas.

In addition to the standard calculator keys, which insert constants and operators directly into the display, the Depreciation Formula: Method Name window contains the following special keys: Variables, Functions, and Formulas.

### Variables

Oracle Assets provides a poplist of variables. When a variable is selected, Oracle Assets inserts the value for the asset it is depreciating. For example, if you enter 1/<Salvage Value>, when depreciation is executed for the asset using the formula, Oracle Assets retrieves the salvage value of the asset when calculating depreciation.

See: How Oracle Assets Calculates Depreciation in a Short Tax Year, page 2-101.

### Functions

Displays previously defined formulas in the Formulas poplist. Use the Formulas poplist to insert existing user-defined formulas into the display field.

### Formulas

Any formulas you defined previously appear in the Formulas poplist. Use the Formulas

poplist to insert existing user-defined formulas into the display field.

## Changing the Depreciation Rate at a Specified Point in Time

For some companies, it may be advantageous to depreciate an asset at a certain rate, or at a specific point in time, or to begin depreciating the asset at a different rate. Oracle Assets allows you to define depreciation formulas in which the depreciation rate changes at a specified point in time. In order to define specify a formula the change a depreciation rate at a specified time; define the formula using a combination of the SQL DECODE and SIGN functions.

For more information on SQL, see: *Oracle 8i SQL Reference*.

### Example 1

You have an asset with a life of 15 years. The asset's depreciates at a rate of 0.05 while the asset's remaining life is greater than 10 years. See: How Oracle Assets Calculates Depreciation in a Short Tax Year, page 2-101.

When the asset has a remaining life of 10 years, the asset's depreciates at a rate of 0.07. When the remaining life of the asset is less than 10 years, the asset's depreciates at a rate of 0.08. To accomplish this, enter in the following formula in the Depreciation Formula window:

DECODE (SIGN (<Remaining Life2> - 10), 1, 0.05, 0, 0.07, -1, 0.08)

### Example 2

Switch from one depreciation method to another, depending on the rate:

GREATEST (1 / <Life> \* 2, 1 / <Remaining Life1>)

The following table provides examples of how to use the available functions:

| Function | Example                                       | Result                                                                                                                                                                       |
|----------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Decode   | Decode(Remaining Life 1, 3, 0.3, 2, 0.2, 0.1) | If Remaining Life 1 is 3, Oracle Assets returns the value 0.3; if Remaining Life 1 is 2, Oracle Assets returns the value 0.2; otherwise, Oracle Assets returns the value 0.1 |
| Greatest | Greatest(2/Life, 0.5)                         | Oracle Assets returns the greater of 2 divided by the life or 0.5.                                                                                                           |

| Function | Example            | Result                                                                                                                                                                                    |
|----------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Least    | Least(2/Life, 0.5) | Oracle Assets returns the smaller of 2 divided by the life or 0.5.                                                                                                                        |
| Power    | Power(0.5, 3)      | Oracle Assets returns 0.5 to the power of 3 (0.125).                                                                                                                                      |
| Round    | Round(2.33333, 4)  | Oracle Assets rounds to the fourth position and returns a value of 2.3333.                                                                                                                |
| Sign     | Sign(Life - 5)     | If Life minus 5 is a positive number, Oracle Assets returns a value of 1; if Life minus 5 is zero, Oracle Assets returns a value of zero. Otherwise, Oracle Assets returns a value of -1. |
| Sqrt     | Sqrt(25)           | Oracle Assets returns the square root of 25 (5).                                                                                                                                          |

## Guidelines for Defining Depreciation Formulas

When you use formula-based depreciation, you have the flexibility to create custom depreciation methods to meet your specific needs. However, it is essential that you plan and thoroughly test your custom depreciation formulas to ensure that your assets will depreciate correctly. Poorly thought out depreciation formulas can cause unexpected and incorrect depreciation rates.

**Note:** Oracle Assets does not validate custom depreciation formulas.

The following is an example of a poorly thought out depreciation formula:

$$100 / \text{<Salvage Value>} + 0.01$$

If the salvage value of an asset is greater than 100, the asset depreciates at an expected rate (between 0 and 100). However, if the salvage value of the asset is less than 100, the asset actually appreciates over time.

Also, if the salvage value for an asset is zero, Oracle Assets automatically sets any amount you divide by the salvage value to zero ( $100 / 0 = 0$ ). In this case, the rate when you use the above depreciation formula would always equal 0.01.



Finally, if the salvage value is set to null for an asset, the value is automatically set to 0. Again, the rate when you use the above depreciation formula would always equal 0.01.

## Related Topics

Adding Assets in Short Tax Years, page 2-100

## Defining Bonus Depreciation Rules

A bonus rule can have a different bonus rate for each year of the asset's life. You can modify the rate at any time for current and future fiscal years.

You can use bonus rules with corporate books as well as tax books. Bonus rates let you increase the annual depreciation expense for assets using flat-rate, straight-line, table-based, and formula-based depreciation methods. Oracle Assets also allows you to set up negative bonus rates to amortize bonus reserve.

For reporting purposes, you can set the bonus year and rate to 0. Oracle Assets does not calculate any bonus expense.

You can use the One-Time Depreciation check box to limit bonus rules to one fiscal year.

**Note:** After assigning a bonus rule to an asset, it cannot be removed. The solution is to set up a bonus rule with 0 rate and assign it to the asset or the category default.

### To define your bonus rules:

1. Open the Bonus Depreciation Rules window.
2. Enter a Bonus Rule name and description.
3. Check the One-Time Depreciation check box, if applicable.
4. Enter the fiscal year range of the asset life to which the bonus rate applies.
5. Enter the bonus rate for each fiscal year range.
6. If you are setting up a bonus rule for use with Polish tax depreciation, enter a depreciation factor and an alternate depreciation factor. When you enter either a depreciation factor or an alternate depreciation factor, the value in the Rate % field is automatically set to 0%.

**Note:** You need to ensure the depreciation factor and alternate

depreciation factor are set up appropriately. Oracle Assets does not validate that the factor is between a predetermined range.

7. Save your work.

## Related Topics

Depreciation Calculation for Flat-Rate Methods, page 5-25

Oracle Assets System Setup, page 9-2

Bonus Depreciation Rule Listing, page 10-35

## Depreciation Methods for the Job Creation and Worker Assistance Act of 2002

Oracle Assets provides special depreciation methods to help you take advantage of the additional first-year depreciation deduction provided by the Job Creation and Worker Assistance Act of 2002.

The Job Creation and Worker Assistance Act of 2002 provides an additional depreciation deduction for both regular tax and alternative minimum tax purposes in the United States. It provides an additional first-year depreciation deduction that is equal to 30 percent of the qualified asset's depreciable basis. The depreciable basis of the asset and the depreciation deduction in the year of purchase and in later years would be adjusted to reflect the additional first-year depreciation deduction. Refer to the Job Creation and Worker Assistance Act of 2002 for compliance.

## Table-Based Depreciation Methods for the Job Creation and Worker Assistance Act of 2002

The following table shows the table-based depreciation methods Oracle Assets provides to help you take advantage of the additional first-year depreciation deduction allowed by the Job Creation and Worker Assistance Act of 2002.

| Method       | Life                      | Method Description                      | Derived From Method |
|--------------|---------------------------|-----------------------------------------|---------------------|
| MACRS 30B HY | 3, 5, 7, 10, 15, 20 years | MACRS: Half-Year Convention - 30% Bonus | MACRS HY            |

| Method       | Life                      | Method Description                                          | Derived From Method |
|--------------|---------------------------|-------------------------------------------------------------|---------------------|
| MACRS 30B MQ | 3, 5, 7, 10, 15, 20 years | MACRS: Mid-Quarter Convention - 30% Bonus                   | MACRS MQ            |
| MACRS STL30B | 27.5, 39 years            | MACRS: Straight-line Mid-Month Convention - 30% Bonus       | MACRS STL MM        |
| AMT 30B HY   | 2.5 - 20 years            | Alternative Minimum Tax: Half-Year Convention - 30% Bonus   | AMT HY              |
| AMT 30B MQ   | 2.5 - 20 years            | Alternative Minimum Tax: Mid-Quarter Convention - 30% Bonus | AMT MQ              |
| STL 30B      | 3 years                   | Straight-Line - 30% Bonus (Applies to Mid-Month Convention) | N/A                 |

**Important:** The table-based methods referred to above represent modified versions of methods previously included with Oracle Assets. The methods from which they were derived are listed in the Derived From Method column. If you currently use customized rate tables for tax depreciation methods, you will need to modify the rate tables accordingly.

### Example

On June 1, 2002, a corporation acquires and places in service qualified property that costs \$1 million. The corporation is allowed an additional first-year depreciation deduction of \$300,000. The depreciation calculation is computed as shown in the following table:

| Field | Value |
|-------|-------|
|-------|-------|

|                         |                                    |
|-------------------------|------------------------------------|
| Asset Cost:             | \$1 million                        |
| Date placed in service: | June 1, 2002                       |
| Prorate date:           | January 1, 2002                    |
| Life:                   | 5 years                            |
| Period:                 | Yearly calendar ending December 31 |
| Depreciation method:    | MACRS 30B HY                       |
| Prorate convention:     | Half Year                          |

The following table shows the yearly depreciation:

| Period  | Cost      | Depreciation | Accumulated Depreciation | Depreciation Rates for MACRS 30B HY - 5 Years | Depreciation Rates for MACRS HY - 5 Years |
|---------|-----------|--------------|--------------------------|-----------------------------------------------|-------------------------------------------|
| FY 2002 | 1,000,000 | 440,000      | 440,000                  | 44%                                           | 20%                                       |
| FY 2003 | 1,000,000 | 224,000      | 664,000                  | 22.4%                                         | 32%                                       |
| FY 2004 | 1,000,000 | 134,400      | 798,000                  | 13.44%                                        | 19.2%                                     |
| FY 2005 | 1,000,000 | 80,640       | 879,040                  | 8.064%                                        | 11.52%                                    |
| FY 2006 | 1,000,000 | 80,640       | 959,680                  | 8.064%                                        | 11.52%                                    |
| FY 2007 | 1,000,000 | 40,320       | 1,000,000                | 4.032%                                        | 5.76%                                     |

Depreciation is calculated as follows:

FY 2002 = 44% \* 1,000,000 = 440,000

FY 2003 = 22.4% \* 1,000,000 = 224,000

FY 2004 = 13.44% \* 1,000,000 = 134,400

FY 2005 = 8.064% \* 1,000,000 = 80,640

FY 2006 = 8.064% \* 1,000,000 = 80,640

FY 2007 = 4.032% \* 1,000,000 = 40,320

Depreciation rates of MACRS 30B HY - 5 years are modified from MACRS HY - 5 years table rates, listed as follows:

FY 2002 =  $30\% + 20\% * (1 - 30\%) = 44\%$

FY 2003 =  $32\% * (1 - 30\%) = 22.4\%$

FY 2004 =  $19.2\% * (1 - 30\%) = 13.44\%$

FY 2005 =  $11.52\% * (1 - 30\%) = 8.064\%$

FY 2006 =  $11.52\% * (1 - 30\%) = 8.064\%$

FY 2007 =  $5.76\% * (1 - 30\%) = 4.032\%$

## Changing the Depreciation Method

You can change the depreciation method of existing assets to take the additional first-year depreciation deduction. You can perform a prior period depreciation method change and execute the depreciation method change as an expensed adjustment. The catch-up expense will be taken in the current period of change.

You can change the depreciation method of an asset via the Asset Workbench. For a range of affected assets, use Mass Change to perform the depreciation method change. See: Changing Financial and Depreciation Information, page 3-7.

You cannot perform an expensed adjustment if you have previously performed an amortized adjustment for the asset.

**Note:** If you need to adjust prior fiscal year accumulated depreciation, you should perform the reserve adjustment on your assets prior to any depreciation method change.

## Adjusting Accumulated Depreciation for the Prior Fiscal Year

Because the additional first-year depreciation deduction retroactively applies to assets placed in service after September 10, 2001, many users may have closed their previous fiscal year before the additional first-year depreciation deduction was available.

If you need to file amended prior year tax returns, you can use Reserve Adjustment to adjust the depreciation for one or more assets for the previous fiscal year in your tax book.

See: Adjusted Tax Book Accumulated Depreciation, page 7-58.

## Depreciation Methods for the American Jobs Creation Act of 2004

Oracle Assets provides special depreciation methods for qualified leasehold and restaurant improvements to help you take advantage of the additional first-year depreciation deduction provided by the American Jobs Creation Act of 2004.

The American Jobs Creation Act of 2004 provides that qualified leasehold and restaurant improvements placed in service between October 22, 2004 and Dec. 31, 2005 will be depreciated over 15 years using the straight-line method. These improvements can still qualify for the 50 percent bonus depreciation if they were placed in service before Dec. 31, 2004.

The 50 percent bonus depreciation provides an additional first-year depreciation deduction that is equal to 50 percent of the qualified asset's depreciable basis. The depreciable basis of the asset and the depreciation deduction in the year of purchase and in later years will be adjusted to reflect the additional first-year depreciation deduction.

The qualified asset is depreciated using the same depreciation method, useful life, and convention that apply to the qualified asset for both regular tax and alternative minimum tax (AMT) purposes in the United States.

## Table-Based Depreciation Methods for the American Jobs Creation Act of 2004

The following table shows the table-based depreciation methods Oracle Assets provides to help you take advantage of the additional first-year depreciation deduction allowed by the American Jobs Creation Act of 2004. The same depreciation method, life, and prorate convention apply to both regular tax and AMT purposes on the qualified asset.

***Table-Based Depreciation Methods for the American Jobs Creation Act of 2004***

| Method     | Life     | Method Description                                                        | Derived From Method |
|------------|----------|---------------------------------------------------------------------------|---------------------|
| STL 50B HY | 15 years | Straight-Line<br>Half-Year Convention<br>with 50% Bonus<br>Depreciation   | MACRS STL HY        |
| STL 50B MQ | 15 years | Straight-line<br>Mid-Quarter<br>Convention with 50%<br>Bonus Depreciation | MACRS STL MQ        |

**Important:** The table-based methods referred to above represent modified versions of methods previously included with Oracle Assets. The methods from which they were derived are listed in the Derived From Method column. If you currently use customized rate tables for tax depreciation methods, you will need to modify the rate tables accordingly.

## Example

On December 1, 2004, a corporation acquires and places in service a qualified asset that costs \$1 million. The corporation is allowed an additional first-year depreciation deduction of \$500,000. The depreciation calculation is computed as shown in the following table:

| Field                  | Value                              |
|------------------------|------------------------------------|
| Asset Cost             | \$1 million                        |
| Date Placed in Service | December 1, 2004                   |
| Prorate Date           | July 1, 2004                       |
| Life                   | 15 years                           |
| Period                 | Yearly calendar ending December 31 |
| Depreciation Method    | STL 50B HY                         |
| Prorate Convention     | Half Year                          |

The above depreciation method, life and prorate convention are used for both regular tax and AMT purposes on the qualified asset.

The following table shows the yearly depreciation:

### ***Yearly Depreciation Calculations***

| Period  | Cost      | Depreciation | Accumulated Depreciation | Depreciation Rates for STL 50B HY - 15 Years | Depreciation Rates for MACRS STL HY - 15 Years |
|---------|-----------|--------------|--------------------------|----------------------------------------------|------------------------------------------------|
| FY 2004 | 1,000,000 | 516,665      | 516,665                  | 51.6665%                                     | 3.333%                                         |
| FY 2005 | 1,000,000 | 33,335       | 550,000                  | 3.3335%                                      | 6.667%                                         |
| FY 2006 | 1,000,000 | 33,335       | 583,335                  | 3.3335%                                      | 6.667%                                         |
| FY 2007 | 1,000,000 | 33,330       | 616,665                  | 3.333%                                       | 6.666%                                         |

| Period  | Cost      | Depreciation | Accumulated Depreciation | Depreciation Rates for STL 50B HY - 15 Years | Depreciation Rates for MACRS STL HY - 15 Years |
|---------|-----------|--------------|--------------------------|----------------------------------------------|------------------------------------------------|
| FY 2008 | 1,000,000 | 33,335       | 650,000                  | 3.3335%                                      | 6.667%                                         |
| FY 2009 | 1,000,000 | 33,335       | 683,335                  | 3.3335%                                      | 6.667%                                         |
| FY 2010 | 1,000,000 | 33,330       | 716,665                  | 3.333%                                       | 6.666%                                         |
| FY 2011 | 1,000,000 | 33,335       | 750,000                  | 3.3335%                                      | 6.667%                                         |
| FY 2012 | 1,000,000 | 33,335       | 783,335                  | 3.3335%                                      | 6.667%                                         |
| FY 2013 | 1,000,000 | 33,330       | 816,665                  | 3.333%                                       | 6.666%                                         |
| FY 2014 | 1,000,000 | 33,335       | 850,000                  | 3.3335%                                      | 6.667%                                         |
| FY 2015 | 1,000,000 | 33,335       | 883,335                  | 3.3335%                                      | 6.667%                                         |
| FY 2016 | 1,000,000 | 33,330       | 916,665                  | 3.333%                                       | 6.666%                                         |
| FY 2017 | 1,000,000 | 33,335       | 950,000                  | 3.3335%                                      | 6.667%                                         |
| FY 2018 | 1,000,000 | 33,335       | 983,335                  | 3.3335%                                      | 6.667%                                         |
| FY 2019 | 1,000,000 | 16,665       | 1,000,000                | 1.6665%                                      | 3.333%                                         |

Depreciation is calculated as follows:

FY 2004 = 51.6665% \* 1,000,000 = 516,665

FY 2005 = 3.3335% \* 1,000,000 = 33,335

FY 2006 = 3.3335% \* 1,000,000 = 33,335

FY 2007 = 3.333% \* 1,000,000 = 33,330

FY 2008 = 3.3335% \* 1,000,000 = 33,335

FY 2009 = 3.3335% \* 1,000,000 = 33,335

FY 2010 = 3.333% \* 1,000,000 = 33,330

FY 2011 = 3.3335% \* 1,000,000 = 33,335

FY 2012 = 3.3335% \* 1,000,000 = 33,335



$$\text{FY 2013} = 3.333\% * 1,000,000 = 33,330$$

$$\text{FY 2014} = 3.3335\% * 1,000,000 = 33,335$$

$$\text{FY 2015} = 3.3335\% * 1,000,000 = 33,335$$

$$\text{FY 2016} = 3.333\% * 1,000,000 = 33,330$$

$$\text{FY 2017} = 3.3335\% * 1,000,000 = 33,335$$

$$\text{FY 2018} = 3.3335\% * 1,000,000 = 33,335$$

$$\text{FY 2019} = 1.6665\% * 1,000,000 = 16,665$$

Depreciation rates of STL 50B HY - 15 years are modified from MACRS STL HY - 15 years table rates, listed as follows:

$$\text{FY 2004} = 50\% + 3.333\% * (1 - 50\%) = 51.6665\%$$

$$\text{FY 2005} = 6.667\% * (1 - 50\%) = 3.3335\%$$

$$\text{FY 2006} = 6.667\% * (1 - 50\%) = 3.3335\%$$

$$\text{FY 2007} = 6.666\% * (1 - 50\%) = 3.333\%$$

$$\text{FY 2008} = 6.667\% * (1 - 50\%) = 3.3335\%$$

$$\text{FY 2009} = 6.667\% * (1 - 50\%) = 3.3335\%$$

$$\text{FY 2010} = 6.666\% * (1 - 50\%) = 3.333\%$$

$$\text{FY 2011} = 6.667\% * (1 - 50\%) = 3.3335\%$$

$$\text{FY 2012} = 6.667\% * (1 - 50\%) = 3.3335\%$$

$$\text{FY 2013} = 6.666\% * (1 - 50\%) = 3.333\%$$

$$\text{FY 2014} = 6.667\% * (1 - 50\%) = 3.3335\%$$

$$\text{FY 2015} = 6.667\% * (1 - 50\%) = 3.3335\%$$

$$\text{FY 2016} = 6.666\% * (1 - 50\%) = 3.333\%$$

$$\text{FY 2017} = 6.667\% * (1 - 50\%) = 3.3335\%$$

$$\text{FY 2018} = 6.667\% * (1 - 50\%) = 3.3335\%$$

$$\text{FY 2019} = 3.333\% * (1 - 50\%) = 1.6665\%$$

## Changing the Depreciation Method

You can change the depreciation method of existing assets to take the additional first-year depreciation deduction. You can perform a prior period depreciation method change and execute the depreciation method change as an expensed adjustment. The catch-up expense will be taken in the current period of change.

You can change the depreciation method of an asset via the Asset Workbench. For a range of affected assets, use Mass Change to perform the depreciation method change. See: Changing Financial and Depreciation Information, page 3-7.

You cannot perform an expensed adjustment if you have previously performed an amortized adjustment for the asset.

**Note:** If you need to adjust prior fiscal year accumulated depreciation, you should perform the reserve adjustment on your assets prior to any depreciation method change.

## Defining Depreciable Basis Rules

### Depreciable Basis Rules

Oracle Assets provides the Depreciable Basis Rules feature to accommodate depreciation method setup requirements not met by the Cost or NBV calculation basis types. The combination of depreciable basis rule and depreciation method determine how depreciable basis is derived.

### Applying Depreciable Basis Rules

Choose the desired depreciable basis rule when you set up the depreciation methods. When you create transactions, the depreciable basis of the asset is calculated based on the depreciable basis rules specified in the Depreciable Basis Rule field.

**Note:** You can only use depreciable basis rules with flat-rate based methods, with the following exceptions: Beginning Period Balance and Period End Average can also be used with formula-based methods.

- Use Recoverable Cost
- Use Transaction Period Basis
- Use Fiscal Year Beginning Basis
- Flat Rate Extension
- Period End Balance
- Beginning Period Balance
- Period End Average
- Year to Date Average Balance
- Year to Date Average with Half Year Rule

- Year End Balance
- Year End Balance with Positive Reduction Amount
- Year End Balance with Half Year Rule

The following depreciable basis rules are applicable only to Polish tax depreciation. See: Polish Tax Depreciable Basis Rules, page 9-107.

**Note:** When you use one of the Polish Tax depreciable basis rules, the Method Type must be set to Flat and the Calculation Basis must be set to Cost.

- Polish 30% with a Switch to Declining Classic and Flat Rate
- Polish 30% with a Switch to Flat Rate
- Polish Declining Modified with a Switch to Declining Classic and Flat Rate
- Polish Declining Modified with a Switch to Flat Rate
- Polish Standard Declining with a Switch to Flat Rate

The depreciable basis rules provide calculations as described below:

### Use Recoverable Cost Rule

When the Use Recoverable Cost rule is used, the depreciable basis is equal to the new recoverable cost or Cost - Salvage Value. This depreciable basis rule is only available for the Flat rate method with Cost basis.

Current Period Depreciation Expense with Use Recoverable Cost = (Cost - Salvage Value) \* Annual Depreciation Rate / Periods per Year

### Example: Use Recoverable Cost

The following table contains asset setup information used in this example.

#### Asset A

| Asset Setup Item     | Asset Setup Information                                                 |
|----------------------|-------------------------------------------------------------------------|
| Depreciation Method: | Flat Rate with Cost Basis Depreciation Basis Rule: Use Recoverable Cost |
| Depreciation Rate:   | 30%                                                                     |

| <b>Asset Setup Item</b>    | <b>Asset Setup Information</b> |
|----------------------------|--------------------------------|
| Salvage Value:             | 20%                            |
| Group DPIS / Prorate Date: | 01-JAN-2000                    |
| Depreciation Calendar:     | Monthly                        |

The following table contains asset setup information used in this example.

#### **Asset A - Current Period Cost Adjustment**

| <b>Asset Setup Item</b>  | <b>Asset Setup Information</b> |
|--------------------------|--------------------------------|
| Cost Adjustment:         | 10,000                         |
| Period Performed:        | Mar-2000                       |
| Amortization Start Date: | 01-MAR-2000                    |

The table below illustrates asset and calculated amounts for the first four periods of 2000.

|                                  | <b>Jan-2000</b> | <b>Feb-2000</b> | <b>Mar-2000</b> | <b>Apr-2000</b> |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Asset A Cost                     | 30,000          | 30,000          | 40,000          | 40,000          |
| Asset A Depreciable Basis        | 24,000          | 24,000          | 32,000          | 32,000          |
| Asset A Depreciation Expense     | 600             | 600             | 800*            | 800             |
| Asset A Accumulated Depreciation | 600             | 1,200           | 2,000           | 2,800           |

\* Depreciation Expense in Mar-2000 = 32,000 \* 30% / 12 = 800

## Use Transaction Period Basis Rule

This depreciable basis rule is available for Flat rate method with NBV basis only. NBV basis = Cost - Salvage Value - Accumulated Depreciation. The basis will be reset at the end of each fiscal year. If you have performed an amortize adjustment, the NBV basis will be reset at the amortization date.

Use Transaction Period Basis = (Cost - Salvage Value) - Accumulated Depreciation

## Use Fiscal Year Beginning Basis Rule

This depreciable basis rule is available for the Flat rate method with NBV basis only. NBV basis = Cost - Salvage Value - Accumulated Depreciation as of the beginning of the fiscal year. The basis will be reset at the end of each fiscal year.

Use Fiscal Year Beginning Basis = (Cost - Salvage Value) - Accumulated Depreciation as of Beginning of the Fiscal Year

If you have performed an adjustment, the NBV basis will be reset as follows:

Use Fiscal Year Beginning Basis = Current Cost - Current Salvage Value - Recalculated Accumulated Depreciation as of the Beginning of the Fiscal Year

## Flat Rate Extension Rule

This rule supports depreciation method changes from flat-rate and NBV-based methods, to flat-rate and cost-based methods, which are legally required in Japan.

When you change the depreciation method from flat-rate and NBV-based, to flat-rate and cost-based depreciation, the adjustment is amortized. The depreciable basis becomes the NBV on the date amortization begins.

When this rule is applied to flat-rate and NBV-based depreciation methods, the behavior is the same as when the depreciable basis rule is set to Use Fiscal Year Beginning Basis. You can only apply this rule to flat-rate and cost/NBV-based depreciation methods.

For group assets, when member asset tracking is enabled with the Allocate Group Amount option, the depreciable basis of the fully reserved member assets will be removed from the group level depreciable basis. When member tracking is enabled with the Calculate Member Asset Amounts option, and the depreciation method selected is Cost, the depreciable basis of the fully reserved member assets will be removed from the group level depreciable basis.

The following is an example of flat rate extension.

The following table contains asset setup information used in this example.

### Asset Before Adjustment Added in Q1-1998

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b>  |
|-------------------------|---------------------------------|
| Method Type             | Flat-Rate                       |
| Calculation Basis       | NBV                             |
| Rate                    | 20%                             |
| Exclude Salvage Value   | On                              |
| Depreciable Basis Rule  | Use Fiscal Year Beginning Basis |
| Period                  | Q1-1998                         |
| Calculation Basis Rate  | NBV, 20%                        |
| Cost                    | 1,000,000                       |
| Activity                | Add new Assets                  |

The following table contains asset setup information used in this example.

#### **Asset After Adjustment Adjusted in Q1-2000**

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b> |
|-------------------------|--------------------------------|
| Method Type             | Flat-Rate                      |
| Calculation Basis       | Cost                           |
| Rate                    | 25%                            |
| Salvage Value           | 10%                            |
| Exclude Salvage Value   | Off                            |
| Depreciable Basis Rule  | Flat Rate Extension            |
| Period                  | Q1-2000                        |
| Calculation Basis Rate  | Cost, 25%                      |

| Asset Setup Item | Asset Setup Information                                                                  |
|------------------|------------------------------------------------------------------------------------------|
| Cost             | 1,000,000                                                                                |
| Activity         | Amortized Adjustment: Method Change<br>Amortization Start Date: 01-JAN-2000<br>(Q1-2000) |

The table below illustrates depreciation calculated after the adjustment.

| Period  | Cost      | Depreciable Basis | Depreciation Expense | Accumulated Depreciation |
|---------|-----------|-------------------|----------------------|--------------------------|
| Q4-1998 | 1,000,000 | 1,000,000         | 50,000               | 200,000                  |
| Q1-1999 | 1,000,000 | 800,000           | 40,000               | 240,000                  |
| Q2-1999 | 1,000,000 | 800,000           | 40,000               | 280,000                  |
| Q3-1999 | 1,000,000 | 800,000           | 40,000               | 320,000                  |
| Q4-1999 | 1,000,000 | 800,000           | 40,000               | 360,000                  |
| Q1-2000 | 1,000,000 | 540,000           | 33,750               | 393,750                  |
| Q2-2000 | 1,000,000 | 540,000           | 33,750               | 427,500                  |
| Q3-2000 | 1,000,000 | 540,000           | 33,750               | 461,250                  |
| Q4-2000 | 1,000,000 | 540,000           | 33,750               | 495,000                  |
| Q1-2001 | 1,000,000 | 540,000           | 33,750               | 528,750                  |
| Q2-2001 | 1,000,000 | 540,000           | 33,750               | 562,500                  |
| Q3-2001 | 1,000,000 | 540,000           | 33,750               | 596,250                  |
| Q4-2001 | 1,000,000 | 540,000           | 33,750               | 630,000                  |

The following are calculations for the period Q1-2000:

- [Depreciable Basis] = (1,000,000 - [Salvage Value]) - [Accumulated Depreciation] +

[YTD Depreciation]

$$= (1,000,000 - 1,000,000 * 10\%) - 360,000 - 0 = 540,000$$

- [Depreciation Expense] = [Depreciable Basis] \* [Rate] \* (1 / [Period])  
= 540,000 \* 0.25 \* (1/4) = 33,750

## Period End Balance Rule

When the Period End Balance rule is used, current period depreciation is calculated as follows:

Current Period Depreciation Expense for Period End Balance = (Group Asset Balance at Period End \* Annual Depreciation Rate) / Periods Per Year

### Example: Period End Balance

The following table contains asset setup information used in this example.

| Asset Setup Item                 | Asset Setup Information                                                 |
|----------------------------------|-------------------------------------------------------------------------|
| Group Asset:                     | Group A                                                                 |
| Member Assets:                   | Asset 1 Asset 2                                                         |
| Depreciation Method:             | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Period End Balance |
| Depreciation Rate:               | 30%                                                                     |
| Depreciation Calendar:           | Monthly                                                                 |
| Group Asset DPIS / Prorate Date: | 01-JAN-2000                                                             |

The following table contains asset setup information used in this example.

### Asset 1 - Current Period Cost Adjustment

| Asset Setup Item  | Asset Setup Information |
|-------------------|-------------------------|
| Cost Adjustment:  | 10,000                  |
| Period Performed: | Mar-2000                |



| Asset Setup Item         | Asset Setup Information |
|--------------------------|-------------------------|
| Amortization Start Date: | 01-MAR-2000             |

The table below illustrates asset and calculated amounts for the first four periods of 2000.

|                                  | Jan-2000 | Feb-2000 | Mar-2000 | Apr-2000 |
|----------------------------------|----------|----------|----------|----------|
| Asset 1                          | 10,000   | 10,000   | 20,000   | 20,000   |
| Asset 2                          | 20,000   | 20,000   | 20,000   | 20,000   |
| Group A Cost                     | 30,000   | 30,000   | 40,000   | 40,000   |
| Group A Depreciable Basis        | 30,000   | 30,000   | 40,000   | 40,000   |
| Group A Depreciation             | 750      | 750      | 1,000*   | 1,000    |
| Group A Accumulated Depreciation | 750      | 1,500    | 2,500    | 3,500    |

\* Group Depreciation Expense in Mar-2000 = (Group Asset Depreciable Basis \* Annual Depreciation Rate) / Periods Per Year = (40,000 \* 30%) / 12 = 1,000

## Beginning Period Balance Rule

When the Beginning Period Balance rule is used, current period depreciation is calculated as follows:

Current Period Depreciation Expense for Beginning Period Balance = (Group Asset Balance at Beginning of Period \* Annual Depreciation Rate) / Periods Per Year

### Example: Beginning Period Balance

The following table contains asset setup information used in this example.

| <b>Asset Setup Item</b>          | <b>Asset Setup Information</b>                                                 |
|----------------------------------|--------------------------------------------------------------------------------|
| Group Asset:                     | Group A                                                                        |
| Member Assets:                   | Asset 1 Asset 2                                                                |
| Depreciation Method:             | Flat Rate with Cost Basis Depreciation Basis<br>Rule: Beginning Period Balance |
| Depreciation Rate:               | 30%                                                                            |
| Depreciation Calendar:           | Monthly                                                                        |
| Group Asset DPIS / Prorate Date: | 01-JAN-2000                                                                    |

The following table contains asset setup information used in this example.

#### **Asset 1 - Current Period Cost Adjustment**

| <b>Asset Setup Item</b>  | <b>Asset Setup Information</b> |
|--------------------------|--------------------------------|
| Cost Adjustment:         | 10,000                         |
| Period Performed:        | Mar-2000                       |
| Amortization Start Date: | 01-MAR-2000                    |

The table below illustrates asset and calculated amounts for the first four periods of 2000.

|              | <b>Jan-2000</b> | <b>Feb-2000</b> | <b>Mar-2000</b> | <b>Apr-2000</b> |
|--------------|-----------------|-----------------|-----------------|-----------------|
| Asset 1      | 10,000          | 10,000          | 20,000          | 20,000          |
| Asset 2      | 20,000          | 20,000          | 20,000          | 20,000          |
| Group A Cost | 30,000          | 30,000          | 40,000          | 40,000          |

|                                  | Jan-2000 | Feb-2000 | Mar-2000 | Apr-2000 |
|----------------------------------|----------|----------|----------|----------|
| Group A Depreciable Basis        | 0        | 30,000   | 30,000   | 40,000   |
| Group A Depreciation             | 0        | 750      | 750      | 1,000*   |
| Group A Accumulated Depreciation | 0        | 750      | 1,500    | 2,500    |

\* Group Depreciation Expense in Apr-2000 = (Group Asset Depreciable Basis) \* Annual Depreciation Rate / Periods Per Year = 40,000 \* 30% / 12 = 1,000

## Period End Average Rule

When the Period Average Balance rule is used, current period depreciation is calculated as follows:

Current Period Depreciation Expense for Period Average Balance = (End of Current Period Balance + End of Previous Period Balance) / 2 \* Rate / Periods Per Year.

### Example: Period End Average

The following table contains asset setup information used in this example.

| Asset Setup Item           | Asset Setup Information                                                      |
|----------------------------|------------------------------------------------------------------------------|
| Group Asset:               | Group A                                                                      |
| Member Assets:             | Asset 1 Asset 2                                                              |
| Depreciation Method:       | Flat Rate with Cost Basis Depreciation Basis<br>Rule: Period Average Balance |
| Depreciation Rate:         | 30%                                                                          |
| Depreciation Calendar:     | Monthly                                                                      |
| Group DPIS / Prorate Date: | 01-JAN-2000                                                                  |

The following table contains asset setup information used in this example.

### Asset 1 - Current Period Cost Adjustment

| Asset Setup Item         | Asset Setup Information |
|--------------------------|-------------------------|
| Cost Adjustment:         | 10,000                  |
| Period Performed:        | Mar-2000                |
| Amortization Start Date: | 01-MAR-2000             |

The table below illustrates asset and calculated amounts for the first four periods of 2000.

|                                  | Jan-2000 | Feb-2000 | Mar-2000 | Apr-2000 |
|----------------------------------|----------|----------|----------|----------|
| Asset 1                          | 10,000   | 10,000   | 20,000   | 20,000   |
| Asset 2                          | 20,000   | 20,000   | 20,000   | 20,000   |
| Group A Cost                     | 30,000   | 30,000   | 40,000   | 40,000   |
| Group A Depreciable basis        | 15,000   | 30,000   | 35,000*  | 40,000   |
| Group A Depreciation             | 375      | 750      | 875**    | 1,000    |
| Group A Accumulated Depreciation | 375      | 1,125    | 2,000    | 3,000    |

\* Group Asset Depreciable Basis in Mar-2000 = (End of Current Period Balance + End of Previous Period Balance) / 2 = (40,000 + 30,000) / 2 = 35,000

\*\* Group Asset Depreciation Expense Mar-2000 = Group Asset Depreciable Basis \* Annual Depreciation Rate / Periods Per Year = 35,000 \* 30% / 12 = 875

### Year to Date (YTD) Average Balance Rule

When the Year to Date Average Balance rule is used, current period depreciation is

calculated as follows:

Current Period Depreciation Expense for Year to Date Average Balance = (End of Current Period Balance + End of Previous Year Balance) / 2 \* Rate / Periods Per Year

#### Example: Year to Date (YTD) Average Balance

The following table contains asset setup information used in this example.

| Asset Setup Item           | Asset Setup Information                                                 |
|----------------------------|-------------------------------------------------------------------------|
| Group Asset:               | Group A                                                                 |
| Member Assets:             | Asset 1 - cost adjusted in Mar-2000 Asset 2 - cost adjusted in Feb-2000 |
| Depreciation Method:       | Flat Rate with Cost Basis Depreciation Basis Rule: YTD Average Balance  |
| Depreciation Rate:         | 30%                                                                     |
| Depreciation Calendar:     | Monthly                                                                 |
| Group DPIS / Prorate Date: | 01-JAN-2000                                                             |

The following table contains asset setup information used in this example.

#### Asset 1 - Current Period Cost Adjustment

| Asset Setup Item         | Asset Setup Information |
|--------------------------|-------------------------|
| Cost Adjustment:         | 10,000                  |
| Period Performed:        | Mar-2000                |
| Amortization Start Date: | 01-MAR-2000             |

The following table contains asset setup information used in this example.

#### Asset 2 - Current Period Cost Adjustment

| <b>Asset Setup Item</b>  | <b>Asset Setup Information</b> |
|--------------------------|--------------------------------|
| Cost Adjustment:         | 20,000                         |
| Period Performed:        | Feb-2000                       |
| Amortization Start Date: | 01-FEB-2000                    |

The table below illustrates asset and calculated amounts for the first four periods of 2000.

|                                  | <b>Jan-2000</b> | <b>Feb-2000</b> | <b>Mar-2000</b> | <b>Apr-2000</b> |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Asset 1                          | 10,000          | 10,000          | 20,000          | 20,000          |
| Asset 2                          | 20,000          | 40,000          | 40,000          | 40,000          |
| Group A Cost                     | 30,000          | 50,000          | 60,000          | 60,000          |
| Group A Depreciable Basis        | 15,000          | 25,000*         | 30,000**        | 30,000          |
| Group A Depreciation             | 375             | 625             | 750***          | 750             |
| Group A Accumulated Depreciation | 375             | 1,000           | 1,750           | 2,500           |

\* Group Asset Depreciable Basis in Feb-2000 = (End of Current Period Balance + End of Previous Year Balance) / 2 = (50,000 + 0) / 2 = 25,000

\*\* Group Asset Depreciable Basis in Mar-2000 = (End of Current Period Balance + End of Previous Year Balance) / 2 = (60,000 + 0) / 2 = 30,000

\*\*\* Group Asset Depreciation Expense Mar-2000 = (Group Asset Depreciable Basis \* Annual Depreciation Rate) / Periods Per Year = (30,000 \* 30%) / 12 = 750

## Year to Date (YTD) Average with Half Year Rule

This depreciable basis rule is only available for the Flat rate method with Cost basis. When the Year to Date Average with Half Year rule is used, current period depreciation is calculated as follows:

Current Period Depreciation Expense for Year to Date Average with Half Year rule =  
 (((End of Current Period Balance + End of Previous Year Balance) / 2 \* Rate) - Year to  
 Date Depreciation ) / Remaining Fiscal Periods

#### Example: Year to Date (YTD) Average with Half Year Rule

The following table contains asset setup information used in this example.

| Asset Setup Item           | Asset Setup Information                                                                        |
|----------------------------|------------------------------------------------------------------------------------------------|
| Group Asset:               | Group A                                                                                        |
| Member Assets:             | Asset 1<br>Asset 2                                                                             |
| Depreciation Method:       | Flat Rate with Cost Basis Depreciation Basis<br>Rule: Year to Date Average with Half Year rule |
| Depreciation Rate:         | 30%                                                                                            |
| Depreciation Calendar:     | Monthly                                                                                        |
| Group DPIS / Prorate Date: | 01-JAN-2000                                                                                    |

The following table contains asset setup information used in this example.

#### Asset 1 - Current Period Cost Adjustment

| Asset Setup Item         | Asset Setup Information |
|--------------------------|-------------------------|
| Cost Adjustment:         | 10,000                  |
| Period Performed:        | Mar-2000                |
| Amortization Start Date: | 01-MAR-2000             |

The following table contains asset setup information used in this example.

#### Asset 2 - Current Period Cost Adjustment

| <b>Asset Setup Item</b>  | <b>Asset Setup Information</b> |
|--------------------------|--------------------------------|
| Cost Adjustment:         | 20,000                         |
| Period Performed:        | Feb-2000                       |
| Amortization Start Date: | 01-FEB-2000                    |

The table below illustrates asset and calculated amounts for the first four periods of 2000.

|                                   | <b>Jan-2000</b> | <b>Feb-2000</b> | <b>Mar-2000</b> | <b>Apr-2000</b> |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Asset 1                           | 10,000          | 10,000          | 20,000          | 20,000          |
| Asset 2                           | 20,000          | 40,000          | 40,000          | 40,000          |
| Group A Cost                      | 30,000          | 50,000          | 60,000          | 60,000          |
| Group A Depreciation              | 375*            | 647.73**        | 797.73***       | 797.73          |
| Group A Accumulated Depreciation  | 375             | 1,022.73        | 1,820.46        | 2,618.19        |
| Group A Year to Date Depreciation | 375             | 1,022.73        | 1,820.46        | 2,618.19        |

\* Group A Depreciation Expense in Jan-2000 = (((End of Current Period Balance + End of Previous Year Balance) / 2) x Annual Depreciation Rate - Year to Date Depreciation) / Remaining Fiscal Year Periods = ((( 30,000 + 0 ) / 2 ) x 30% - 0 ) / 12 = 375

\*\* Group A Depreciation Expense in Feb-2000 = (((End of Current Period Balance + End of Previous Year Balance) / 2) x Annual Depreciation Rate - Year to Date Depreciation) / Remaining Fiscal Year Periods = ((( 50,000 + 0 ) / 2 ) x 30% - 375 ) / 11 = 647.73

\*\*\* Group A Depreciation Expense in Mar-2000 = (((End of Current Period Balance + End of Previous Year Balance) / 2) x Annual Depreciation Rate - Year to Date Depreciation) / Remaining Fiscal Year Periods = ((( 60,000 + 0 ) / 2 ) x 30% - 1,022.73 ) / 10 = 797.73



## Year End Balance Rule

End of Current Fiscal Year balance. This depreciable basis rule is available for the Flat method with NBV basis only.

Current Period Expense for Year End Balance = Current Period YTD Depreciation - Prior Period Ytd Depreciation

### Example: Year End Balance - NBV Basis

The following table contains asset setup information used in this example.

#### Asset Information

| Asset Setup Item | Asset Setup Information                 |
|------------------|-----------------------------------------|
| Group Asset:     | Group A                                 |
| Member Assets:   | Asset 1 Cost adjusted in FY2002 Asset 2 |

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item           | Asset Setup Information                                            |
|----------------------------|--------------------------------------------------------------------|
| Depreciation Method:       | Flat Rate with NBV Basis Depreciation Basis Rule: Year End Balance |
| Depreciation Rate:         | 30%                                                                |
| Group DPIS / Prorate Date: | 01-JAN-2000                                                        |
| Depreciation Calendar:     | Yearly                                                             |

The following table contains asset setup information used in this example.

#### Asset 1 - Current Period Cost Adjustment

| <b>Asset Setup Item</b>  | <b>Asset Setup Information</b> |
|--------------------------|--------------------------------|
| Cost Adjustment:         | 10,000                         |
| Period Performed:        | FY-2002                        |
| Amortization Start Date: | 01-JAN-2002                    |

The table below illustrates asset and calculated amounts for four years.

|                                  | <b>FY 2000</b> | <b>FY 2001</b> | <b>FY 2002</b> | <b>FY 2003</b> |
|----------------------------------|----------------|----------------|----------------|----------------|
| Asset 1                          | 10,000         | 10,000         | 20,000         | 20,000         |
| Asset 2                          | 20,000         | 20,000         | 20,000         | 20,000         |
| Group Asset A Cost               | 30,000         | 30,000         | 40,000         | 40,000         |
| Group Asset A Depreciable Basis  | 30,000         | 21,000         | 24,700*        | 17,290         |
| Group A Depreciation Expense     | 9,000          | 6,300          | 7,410**        | 5,187          |
| Group A Accumulated Depreciation | 9,000          | 15,300         | 22,710         | 27,897         |

\* Group Asset A Depreciable Basis in FY-2002 = Cost - Salvage Value - Accumulated Depreciation = 40,000 - 15,300 - 24,700

(Additions + / - Adjustments) - (Proceeds of Sales - Cost of Removal) > 0

\*\* Group Asset Depreciation Expense in FY-2002 = Depreciable Basis \* Annual Rate = 24,700 \* 30% = 7,410

## Year End Balance with Positive Reduction Amount Rule

This rule can be applied to Flat method with Cost or NBV basis. The Reduction Rate field is enabled only for group and member assets, and it is not enabled for standalone assets.

In Canada, if the following calculation is greater than zero in any given period for a group asset, then half of the excess amount must be deducted from the depreciable basis when calculating the group depreciation amount. The calculation is as follows:

$(\text{Additions} + / - \text{Adjustments}) - \text{Proceeds of Sales} - \text{Cost of Removal} > 0$

However, some groups may be exempted from 50% rule. In order to accommodate Canada's 50% rule, you must select the Year End Balance with Positive Reduction Amount depreciable basis rule for the group asset depreciation method, and enter the reduction rate of 50% for the group asset.

You may enter a reduction rate for the group asset if the group asset has this depreciable basis rule setup in the depreciation method.

**Note:** The Year End Balance with Positive Reduction Amount rule is applicable only to Group Assets (not for standalone assets).

### Example: Year End Balance with Positive Reduction Amount

The following table contains asset setup information used in this example.

#### Asset Information

| Asset Setup Item | Asset Setup Information                 |
|------------------|-----------------------------------------|
| Group Asset:     | Group A                                 |
| Member Assets:   | Asset 1 Cost adjusted in FY2002 Asset 2 |

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item     | Asset Setup Information                                                                            |
|----------------------|----------------------------------------------------------------------------------------------------|
| Depreciation Method: | Flat Rate with NBV Basis Depreciation Basis Rule: Year End Balance with Positive Adjustment Amount |
| Depreciation Rate:   | 30%                                                                                                |
| Reduction Rate:      | 50%                                                                                                |

| Asset Setup Item           | Asset Setup Information |
|----------------------------|-------------------------|
| Group DPIS / Prorate Date: | 01-JAN-2000             |
| Depreciation Calendar:     | Yearly                  |

The following table contains asset setup information used in this example.

### Asset 1 - Current Period Cost Adjustment

| Asset Setup Item         | Asset Setup Information |
|--------------------------|-------------------------|
| Cost Adjustment:         | 10,000                  |
| Period Performed:        | FY-2002                 |
| Amortization Start Date: | 01-JAN-2002             |

The table below illustrates asset and calculated amounts for four years.

|                                  | FY 2000 | FY 2001  | FY 2002   | FY 2003   |
|----------------------------------|---------|----------|-----------|-----------|
| Asset 1                          | 10,000  | 10,000   | 20,000    | 20,000    |
| Asset 2                          | 20,000  | 20,000   | 20,000    | 20,000    |
| Group Asset A Cost               | 30,000  | 30,000   | 40,000    | 40,000    |
| Group Asset A Depreciable Basis  | 15,000* | 25,500** | 22,850*** | 20,995    |
| Group A Depreciation Expense     | 4,500   | 7,650    | 6,855**** | 6,298.50  |
| Group A Accumulated Depreciation | 4,500   | 12,150   | 19,005    | 25,303.50 |

\* Group A Depreciable Basis in FY 2000 = Cost - Salvage Value - Accumulated Depreciation - Reduced Amount = 30,000 - (30,000 \* 50%) = 15,000

\*\* Group A Depreciable Basis in FY 2001 = 30,000 - 4,500 = 25,500

\*\*\* Group A Depreciable Basis in FY 2002 = 40,000 - 12,150 - 10,000 \* 50% = 22,850

\*\*\*\* Group A Depreciation Expense in FY 2002 = Depreciable Basis \* Annual Rate = 22,850 \* 30% = 6,855

## Year End Balance with Half Year Rule

The Year End Balance with Half Year Rule basis rule can be applied to the Flat method with NBV basis. The Reduction Rate field is enabled only for group and member assets, and it is not enabled for standalone assets.

In India, if a member asset is added during the second half of the fiscal year, the depreciation rate is reduced by 50% for the member asset. Otherwise, 100% of depreciate rate can be used if the member asset is placed into service during the first half of the fiscal year.

In order to accommodate India's 50% rule, you must select the Year End Balance with Half Year Rule depreciable basis rule for the group asset depreciation method, and enter the reduction rate of 50% for the group asset. You also need to enter the Mid Year Start Date on the Fiscal Year setup window.

- If the date placed in service is in the first half of the year, use 100% of Group Depreciation Rate.
- If the date placed in service is in the second half of the year, use 50% of Group Depreciation Rate.

You may enter a reduction rate for the group asset if the group asset has this depreciable basis rule setup in the depreciation method.

### Example: Year End Balance with Half Year Rule

The following table contains asset setup information used in this example.

| Asset Setup Item | Asset Setup Information                                |
|------------------|--------------------------------------------------------|
| Group Asset:     | Group A                                                |
| Member Assets:   | Asset 1 DPIS: 01-JAN-2000 Asset 2 DPIS:<br>01-AUG-2000 |

The following table contains asset setup information used in this example.

## Group Asset A Setup

| Asset Setup Item           | Asset Setup Information                                                                   |
|----------------------------|-------------------------------------------------------------------------------------------|
| Depreciation Method:       | Flat Rate with NBV Basis Depreciation Basis<br>Rule: Year End Balance with Half Year Rule |
| Depreciation Rate:         | 30%                                                                                       |
| Reduction Rate:            | 50%                                                                                       |
| Group DPIS / Prorate Date: | 01-JAN-2000                                                                               |
| Depreciation Calendar:     | Yearly                                                                                    |
| Mid Year Start Date:       | 01-JUL-2000                                                                               |

The table below illustrates asset and calculated amounts for four years.

|                                  | FY 2000 | FY 2001   | FY 2002 | FY 2003 |
|----------------------------------|---------|-----------|---------|---------|
| Asset 1                          | 10,000  | 10,000    | 10,000  | 10,000  |
| Asset 2                          | 20,000  | 20,000    | 20,000  | 20,000  |
| Group Asset A Cost               | 30,000  | 30,000    | 30,000  | 30,000  |
| Group Asset A Depreciable Basis  | 20,000* | 24,000*** | 16,800  | 11,760  |
| Group A Depreciation Expense     | 6,000** | 7,200     | 5,040   | 3,528   |
| Group A Accumulated Depreciation | 6,000   | 13,200    | 18,240  | 21,768  |

\* Group A Depreciable Basis in FY 2000 = Cost - Salvage Value - Accumulated Depreciation - Reduced Amount = 30,000 - (20,000 \* 50%) = 20,000

\*\* Group A Depreciation Expense in FY 2000 = Depreciable Basis \* Annual Rate = 20,000  
\* 30% = 6,000

\*\*\*Group A Depreciable Basis in FY 2001 = 30,000 - 6,000 = 24,000

## Defining Depreciable Basis Rules

### To define depreciable basis rules:

1. Navigate to the Depreciation Methods window.
2. In the Method field, enter a name for your depreciation method.
3. In the Description field, enter a description for your depreciation method.
4. Select Flat from the Method Type poplist.
5. Choose whether to use Cost or NBV as the basis for calculating depreciation from the Calculation Basis Rule poplist.
6. Select the Depreciable Basis Rule.

**Note:** When you select Flat in the Method Type field, the Depreciable Basis Rule field becomes required. You can update the defaulted value.

7. Check the Depreciate in Year Retired check box if you want depreciation calculated in the year retired.
8. Check the Exclude Salvage Value check box if you want this method to exclude the salvage value from the calculation of Cost - Salvage Value.
9. Choose the Rates button to enter rates in the Depreciation Rates window.
10. Enter the basic rates.
11. Enter the adjusting rate, or loading factor.
12. Save your work.

## Polish Tax Depreciation

Oracle Assets provides five seeded depreciable basis rules to support Polish tax depreciation requirements. Each of these five depreciable basis rules is comprised of several Polish tax depreciation methods. These Polish tax depreciation methods are in

effect in a predetermined or conditional sequence. For example, if a depreciable basis rule consists of three Polish tax depreciation methods, then the first Polish tax depreciation method may be effective in fiscal year one, the second Polish tax depreciation method may be effective from fiscal year two through fiscal year four, and the third Polish tax depreciation method may be effective for the remaining fiscal years until the asset is fully depreciated.

Polish tax depreciation methods are similar to depreciation methods, except they cannot be set up or used individually to depreciate assets. That is, you cannot assign an asset to depreciate using one of these Polish tax depreciation methods.

**Note:** If you are using Polish tax depreciation methods, you cannot use Depreciation Projections to determine future depreciation. You can use What-if Depreciation.

The Polish tax depreciation methods are as follows:

- 30% Flat Rate: Assets depreciate at the rate of 30 percent in the period of addition and depreciation is suspended for the rest of the periods in the fiscal year.
- Declining Classic: Assets depreciate at the defined flat rate multiplied by the depreciation factor. When this Polish tax depreciation method is used in a depreciable basis rule, it always begins in the second fiscal year.
- Declining Modified: Assets depreciate at the defined flat rate multiplied by the alternate depreciation factor.
- Standard Declining: Assets depreciate at the defined flat rate multiplied by the depreciation factor.
- Flat Rate: Assets depreciate at the defined flat rate.

The Polish tax depreciable basis rules are each comprised of two or more of the Polish tax depreciation methods listed above. The depreciable basis rules for Polish tax depreciation are as follows:

- Polish 30% with a Switch to Declining Classic and Flat Rate
- Polish 30% with a Switch to Flat Rate
- Polish Declining Modified with a Switch to Declining Classic and Flat Rate
- Polish Declining Modified with a Switch to Flat Rate
- Polish Standard Declining with a Switch to Flat Rate



## To set up Polish tax depreciation:

1. Define a new depreciation method in the Depreciation Methods window. See: Defining Additional Depreciation Methods, page 9-65.
2. Choose one of the Polish tax depreciable basis rules from the Depreciable Basis Rule list of values, for example, Polish 30% with a Switch to Flat Rate. See: Polish Tax Depreciable Basis Rules, page 9-107.
3. Navigate to the Depreciation Rates window and enter the flat rate.
4. Save your work.
5. Navigate to the Bonus Depreciation Rules window and define the bonus rule. See: Defining Bonus Depreciation Rules, page 9-75.
6. Enter the depreciation factor and the alternate depreciation factor. See: Defining Bonus Depreciation Rules, page 9-75.
7. Navigate to the Books window and assign the method and bonus rule to the asset. See: Entering Financial Information (Detail Additions Continued), page 2-22.

You can also assign the method to an asset category. See: Entering Default Depreciation Rules for a Category, page 9-190.

## Polish Tax Depreciable Basis Rules

Oracle Assets provides five seeded polish tax depreciable basis rules:

- Polish 30% with a Switch to Declining Classic and Flat Rate, page 9-107
- Polish 30% with a Switch to Flat Rate, page 9-110
- Polish Declining Modified with a Switch to Declining Classic and Flat Rate, page 9-111
- Polish Declining Modified with a Switch to Flat Rate: , page 9-113
- Polish Standard Declining with a Switch to Flat Rate: , page 9-114

## Polish 30% with a Switch to Declining Classic and Flat Rate

In the first fiscal year this depreciable basis rule uses the 30% Flat Rate Polish tax depreciation method. The asset is depreciated at a fixed depreciation rate of 30 percent in the period of addition. After that, the depreciation is suspended for the remainder of the periods in the fiscal year. There should be no catchup depreciation even if an

adjustment is made in subsequent periods in the first fiscal year after the 30 percent depreciation has been charged.

In the second fiscal year, the depreciation rate is calculated using the Declining Classic Polish tax depreciation method. The formula to be used by the Declining Classic Polish tax depreciation method is calculated by multiplying the flat rate with the depreciation factor defined in the Bonus Depreciation Rules window.

The formula used to calculate the rate of depreciation used by the Declining Classic Polish tax depreciation method is as follows:

**Flat Rate \* Depreciation Factor**

For example, if the flat rate = 20 percent and the depreciation factor is 2, then the resulting depreciation rate for this Polish tax depreciation method is:

$$20\% * 2 = 40\%$$

Depreciation in the second fiscal year is always calculated on the basis of cost. Depreciation in the subsequent fiscal years (where the Declining Classic depreciation Polish tax depreciation method is used) is calculated on the following basis:

**Cost - Depreciation Reserve + First Year Reserve**

After the end of the second fiscal year, at the beginning of every fiscal year, a test is performed to verify whether the estimated depreciation amount calculated based on the Declining Classic Polish tax depreciation method is equal to or less than the estimated depreciation amount calculated based on the flat rate.

If the estimated depreciation calculation based on the Declining Classic Polish tax depreciation method is equal to or less than the estimated depreciation amount calculated based on the flat rate (the depreciation basis for the Flat Rate method is always cost), then the depreciation method from that fiscal year onward needs to switch to the Flat Rate method. Otherwise, depreciation will continue with the Declining Classic Polish tax depreciation method.

**Example - Polish 30% with a Switch to Declining Classic and Flat Rate**

| Month | Year 1: 30%<br>(3000.00) | Year 2: 20% * 2<br>(4000.00) | Year 3: 20% * 2<br>(2400.00) | Year 4: 20%<br>(600.00) |
|-------|--------------------------|------------------------------|------------------------------|-------------------------|
| M1    | 3000.00                  | 333.33                       | 200.00                       | 166.67                  |
| M2    | 0.00                     | 333.33                       | 200.00                       | 166.67                  |
| M3    | 0.00                     | 333.33                       | 200.00                       | 166.67                  |
| M4    | 0.00                     | 333.33                       | 200.00                       | 99.99                   |

| Month | Year 1: 30%<br>(3000.00) | Year 2: 20% * 2<br>(4000.00) | Year 3: 20% * 2<br>(2400.00) | Year 4: 20%<br>(600.00) |
|-------|--------------------------|------------------------------|------------------------------|-------------------------|
| M5    | 0.00                     | 333.33                       | 200.00                       | --                      |
| M6    | 0.00                     | 333.33                       | 200.00                       | --                      |
| M7    | 0.00                     | 333.33                       | 200.00                       | --                      |
| M8    | 0.00                     | 333.33                       | 200.00                       | --                      |
| M9    | 0.00                     | 333.33                       | 200.00                       | --                      |
| M10   | 0.00                     | 333.33                       | 200.00                       | --                      |
| M11   | 0.00                     | 333.33                       | 200.00                       | --                      |
| M12   | 0.00                     | 333.37                       | 200.00                       | --                      |

In this example:

- The asset cost is \$10,000.
- Year 1 uses the 30% Flat Rate Polish tax depreciation method with a depreciation basis of 10,000.
- Year 2 uses the Declining Classic Polish tax depreciation method with a depreciation basis of 10,000.
- Year 3 uses the Declining Classic Polish tax depreciation method with a depreciation basis of 6000.

**Note:** In this case, the basis has changed to Cost - Reserve + First year reserve.

- Year 4 uses the Flat Rate method with a depreciation basis of 10,000.

The depreciation reserve amounts at the end of each year are as follows:

- Year 1: 3000.00
- Year 2: 7000.00
- Year 3: 9400.00

- Year 4: 10,000.00

## Polish 30% with a Switch to Flat Rate

In the first fiscal year this depreciable basis rule uses the 30% Flat Rate Polish tax depreciation method. The asset is depreciated at a fixed depreciation rate of 30 percent in the period of addition. After that, the depreciation is suspended for the remainder of the periods in the fiscal year.

In the second fiscal year this depreciable basis rule automatically switches from the 30% Flat Rate Polish tax depreciation method to the Flat Rate method.

### Example - Polish 30% with a Switch to Flat Rate

| Month | Year 1: 30%<br>(3000.00) | Year 2: 20%<br>(2000.00) | Year 3: 20%<br>(2000.00) | Year 4: 20%<br>(2000.00) | Year 5: 20%<br>(1000.00) |
|-------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| M1    | 3000.00                  | 166.67                   | 166.67                   | 166.67                   | 166.67                   |
| M2    | 0.00                     | 166.67                   | 166.67                   | 166.67                   | 166.67                   |
| M3    | 0.00                     | 166.67                   | 166.67                   | 166.67                   | 166.67                   |
| M4    | 0.00                     | 166.67                   | 166.67                   | 166.67                   | 166.67                   |
| M5    | 0.00                     | 166.67                   | 166.67                   | 166.67                   | 166.67                   |
| M6    | 0.00                     | 166.67                   | 166.67                   | 166.67                   | 166.65                   |
| M7    | 0.00                     | 166.67                   | 166.67                   | 166.67                   | --                       |
| M8    | 0.00                     | 166.67                   | 166.67                   | 166.67                   | --                       |
| M9    | 0.00                     | 166.67                   | 166.67                   | 166.67                   | --                       |
| M10   | 0.00                     | 166.67                   | 166.67                   | 166.67                   | --                       |
| M11   | 0.00                     | 166.67                   | 166.67                   | 166.67                   | --                       |
| M12   | 0.00                     | 166.63                   | 166.63                   | 166.63                   | --                       |

In this example:

- The asset cost is \$10,000.

- Year 1 uses the 30% Flat Rate Polish tax depreciation method with a depreciation basis of 10,000.
- Years 2 through 5 use the Flat Rate method with a depreciation basis of 10,000.

The depreciation reserve amounts at the end of each year are as follows:

- Year 1: 3000.00
- Year 2: 5000.00
- Year 3: 7000.00
- Year 4: 9000.00
- Year 5: 10,000.00

## Polish Declining Modified with a Switch to Declining Classic and Flat Rate

When you use this depreciable basis rule the depreciation for the first fiscal year is based on the Declining Modified Polish tax depreciation method. The rate of depreciation used by the Declining Modified Polish tax depreciation method is obtained by multiplying the flat rate with the alternate depreciation factor.

The formula used to calculate the rate of depreciation used by the Declining Modified Polish tax depreciation method is as follows:

### **Flat Rate \* Alternate Depreciation Factor**

For example if the flat rate is 20 percent and the alternate depreciation factor is 3, then the depreciation rate is:

$$20\% * 3 = 60\%$$

At the beginning of the second fiscal year the Polish tax depreciation method automatically switches from the Declining Modified Polish tax depreciation method to the Declining Classic Polish tax depreciation method. The depreciation rate is calculated using the Declining Classic Polish tax depreciation method.

The formula used to calculate the rate of depreciation used by the Declining Classic Polish tax depreciation method is as follows:

### **Flat Rate \* Depreciation Factor**

For example if the flat rate is 20 percent and the depreciation factor is 2, then the resulting depreciation rate for this Polish tax depreciation method is:

$$20\% * 2 = 40\%$$

Depreciation in the second fiscal year is always calculated on the basis of cost. Depreciation in the subsequent fiscal years (where the Declining Classic Polish tax depreciation method is used), is calculated on the following basis:

### Cost - Depreciation Reserve + First Year Reserve

After the second fiscal year, at the beginning of every fiscal year, a test is performed to verify whether the estimated depreciation amount calculated based on the Declining Classic Polish tax depreciation method is equal to or less than the estimated depreciation amount calculated based on the flat rate.

If the estimated depreciation calculation based on the Declining Classic Polish tax depreciation method is equal to or less than the estimated depreciation amount calculated based on the flat rate, then from that fiscal year onward, the depreciation method needs to change to the Flat Rate method. Otherwise depreciation will continue with the Declining Classic Polish tax depreciation method.

### Example - Polish Declining Modified with a Switch to Declining Classic and Flat Rate

| Month | Year 1: 20% * 2.5<br>(5000.00) | Year 2: 20% * 2<br>(4000.00) | Year 3: 20% * 2<br>(1000.00) |
|-------|--------------------------------|------------------------------|------------------------------|
| M1    | 416.67                         | 333.33                       | 200.00                       |
| M2    | 416.67                         | 333.33                       | 200.00                       |
| M3    | 416.67                         | 333.33                       | 200.00                       |
| M4    | 416.67                         | 333.33                       | 200.00                       |
| M5    | 416.67                         | 333.33                       | 200.00                       |
| M6    | 416.67                         | 333.33                       | --                           |
| M7    | 416.67                         | 333.33                       | --                           |
| M8    | 416.67                         | 333.33                       | --                           |
| M9    | 416.67                         | 333.33                       | --                           |
| M10   | 416.67                         | 333.33                       | --                           |
| M11   | 416.67                         | 333.33                       | --                           |
| M12   | 416.63                         | 333.37                       | --                           |

In this example:

- The asset cost is \$10,000.

- Year 1 uses the Declining Modified Polish tax depreciation method with a depreciation basis of 10,000.
- Year 2 uses the Declining Classic Polish tax depreciation method with a depreciation basis of 10,000.
- Year 3 uses the Declining Classic Polish tax depreciation method with a depreciation basis of 6000.

**Note:** In this case, the basis has changed to Cost - Reserve + First year reserve.

The depreciation reserve amounts for each year are as follows:

- Year 1: 5000.00
- Year 2: 9000.00
- Year 3: 10,000.00

## Polish Declining Modified with a Switch to Flat Rate

The Polish tax depreciation method used in the first fiscal year is the Declining Modified Polish tax depreciation method. The calculations are similar to the first year calculation in the Polish Declining Modified with a Switch to Declining Classic and Flat Rate depreciable basis rule. See: Polish Declining Modified with a Switch to Declining Classic and Flat Rate, page 9-111.

In the second fiscal year, the depreciation method automatically changes to the Flat Rate method and the asset continues to depreciate using the Flat Rate method until the asset is fully depreciated.

### Example - Polish Declining Modified with a Switch to Flat Rate

| Month | Year 1: 20% *<br>2.5 (5000.00) | Year 2: 20%<br>(2000.00) | Year 3: 20%<br>(2000.00) | Year 4: 20%<br>(1000.00) |
|-------|--------------------------------|--------------------------|--------------------------|--------------------------|
| M1    | 416.67                         | 166.67                   | 166.67                   | 166.67                   |
| M2    | 416.67                         | 166.67                   | 166.67                   | 166.67                   |
| M3    | 416.67                         | 166.67                   | 166.67                   | 166.67                   |
| M4    | 416.67                         | 166.67                   | 166.67                   | 166.67                   |

| Month | Year 1: 20% *<br>2.5 (5000.00) | Year 2: 20%<br>(2000.00) | Year 3: 20%<br>(2000.00) | Year 4: 20%<br>(1000.00) |
|-------|--------------------------------|--------------------------|--------------------------|--------------------------|
| M5    | 416.67                         | 166.67                   | 166.67                   | 166.67                   |
| M6    | 416.67                         | 166.67                   | 166.67                   | 166.65                   |
| M7    | 416.67                         | 166.67                   | 166.67                   | --                       |
| M8    | 416.67                         | 166.67                   | 166.67                   | --                       |
| M9    | 416.67                         | 166.67                   | 166.67                   | --                       |
| M10   | 416.67                         | 166.67                   | 166.67                   | --                       |
| M11   | 416.67                         | 166.67                   | 166.67                   | --                       |
| M12   | 416.63                         | 166.63                   | 166.63                   | --                       |

In this example:

- The asset cost is \$10,000.
- Year 1 uses the Declining Modified Polish tax depreciation method with a depreciation basis of 10,000.
- Years 2 through 4 use the Flat Rate method with a depreciation basis of 10,000.

The depreciation reserve amounts at the end of each year are as follows:

- Year 1: 5000.00
- Year 2: 7000.00
- Year 3: 9000.00
- Year 4: 10,000.00

## Polish Standard Declining with a Switch to Flat Rate

The Polish tax depreciation method used in the first fiscal year is the Standard Declining Polish tax depreciation method. The rate of depreciation is derived by multiplying the flat rate with the depreciation factor.

The formula used to calculate the rate of depreciation used by the Declining Standard Polish tax depreciation method is as follows:



### Flat Rate \* Depreciation Factor

For example if the flat rate is 20 percent and the depreciation factor is 3, then the depreciation rate is:

$$20\% * 3 = 60\%$$

After the first fiscal year, at the beginning of every fiscal year a test is performed to verify whether the estimated depreciation amount calculated based on the Standard Declining Polish tax depreciation method is equal to or less than the estimated depreciation amount calculated based on the flat rate.

If the estimated depreciation calculation based on the Standard Declining Polish tax depreciation method is equal to or less than the estimated depreciation amount calculated based on the flat rate, then the depreciation method from that fiscal year onward changes to the Flat Rate method. Otherwise, depreciation should continue with the Standard Declining Polish tax depreciation method. The depreciation basis for the Standard Declining Polish tax depreciation method is always net book value.

### Example - Polish Standard Declining with a Switch to Flat Rate

| Month | Year 1: 20% * 2<br>(4000.00) | Year 2: 20% * 2<br>(2400.00) | Year 3: 20%<br>(2000.00) | Year 4: 20%<br>(1600.00) |
|-------|------------------------------|------------------------------|--------------------------|--------------------------|
| M1    | 333.33                       | 200.00                       | 166.67                   | 166.67                   |
| M2    | 333.33                       | 200.00                       | 166.67                   | 166.67                   |
| M3    | 333.33                       | 200.00                       | 166.67                   | 166.67                   |
| M4    | 333.33                       | 200.00                       | 166.67                   | 166.67                   |
| M5    | 333.33                       | 200.00                       | 166.67                   | 166.67                   |
| M6    | 333.33                       | 200.00                       | 166.67                   | 166.67                   |
| M7    | 333.33                       | 200.00                       | 166.67                   | 166.67                   |
| M8    | 333.33                       | 200.00                       | 166.67                   | 166.67                   |
| M9    | 333.33                       | 200.00                       | 166.67                   | 166.67                   |
| M10   | 333.33                       | 200.00                       | 166.67                   | 99.97                    |
| M11   | 333.33                       | 200.00                       | 166.67                   | --                       |

| Month | Year 1: 20% * 2<br>(4000.00) | Year 2: 20% * 2<br>(2400.00) | Year 3: 20%<br>(2000.00) | Year 4: 20%<br>(1600.00) |
|-------|------------------------------|------------------------------|--------------------------|--------------------------|
| M12   | 333.37                       | 200.00                       | 166.63                   | --                       |

In this example:

- The asset cost is \$10,000.
- Year 1 uses the Standard Declining Polish tax depreciation method with a depreciation basis of 10,000.
- Year 2 uses the Standard Declining Polish tax depreciation method with a depreciation basis of 6000.
- Years 3 and 4 use the Flat Rate method with a depreciation basis of 10,000.

The depreciation reserve amounts at the end of each year are as follows:

- Year 1: 4000.00
- Year 2: 6400.00
- Year 3: 8400.00
- Year 4: 10,000.00

## Adjusting Polish Tax Depreciation Transactions

You can perform cost adjustments on assets that are depreciating using Polish Tax Depreciation transactions. The cost adjustments can be for either a positive (higher cost) or a negative (lower cost) amount. You can perform a current dated adjustment, which means the adjustment applies to any date in the current period, or you can perform a prior period adjustment.

### Related Topics

Negative Cost Adjustments, page 9-116

Positive Cost Adjustments, page 9-127

### Negative Cost Adjustments

A negative cost adjustment occurs when the cost of an asset is reduced from the current cost. When you perform negative cost adjustments, depreciation is calculated based on whether you have checked the Polish Adjustment Calculation Basis check box.

**Note:** The Polish Adjustment Calculation Basis check box applies only to negative cost adjustments.

### **Polish Adjustment Calculation Basis Checked**

If this check box is checked, Oracle Assets uses special rules to calculate the new depreciation basis. The new depreciation basis is calculated using the following formula:

#### **Old Cost - Net Book Value of Adjustment Amount**

To calculate the net book value of the adjustment amount, Oracle Assets first calculates the calculated proportion of the reserve. This is calculated using the following formula:

#### **Old Reserve \* Adjustment Amount/Old Cost**

Oracle Assets then uses the calculated proportion of the reserve to calculate the net book value of the adjusted amount using the following formula:

#### **Adjusted Amount - Calculated Proportion of Reserve**

For example, assume the old cost is 20,000, the old reserve is 10,800, and the adjustment amount is 8,000. Oracle Assets first calculates the proportion of the reserve:

$$10,800 * 8,000 / 20,000 = 4,320$$

Oracle Assets then calculates the net book value of the adjustment amount:

$$8,000 - 4,320 = 3,680$$

Finally, Oracle Assets calculates the new depreciation basis:

$$20,000 - 3,680 = 16,320$$

### **Polish Adjustment Calculation Basis Unchecked**

If this check box is unchecked, Oracle Assets uses the following formula to calculate the new depreciation basis:

#### **Old Basis - Old Basis \* Adjustment Amount/Old Cost**

For example, if the old cost is 20,000 and the old basis is 12,000, the adjustment amount is 8,000. The new basis is calculated as follows:

$$12,000 - 12,000 * 8,000 / 20,000 = 7,200$$

### **Example: Current Dated Negative Cost Adjustment: Polish Adjustment Calculation Basis Checked**

In the following example:

- Depreciable basis rule: Polish Standard Declining with a Switch to Flat Rate
- Flat rate: 20 percent

- Factor: 2
- In year 1, no test is performed to determine whether to switch the depreciation method. In all subsequent years, the test is performed.

In this example, the negative cost adjustment occurs in year 2, month 8.

The following table shows depreciation information for year one:

**Note:** The rounding in this table and subsequent tables is approximate.

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 1     | 20,000.00 | 666.67       | 666.67   | 20,000.00          |
| 2     | 20,000.00 | 666.67       | 1,333.33 | 20,000.00          |
| 3     | 20,000.00 | 666.67       | 2,000.00 | 20,000.00          |
| 4     | 20,000.00 | 666.67       | 2,666.67 | 20,000.00          |
| 5     | 20,000.00 | 666.67       | 3,333.33 | 20,000.00          |
| 6     | 20,000.00 | 666.67       | 4,000.00 | 20,000.00          |
| 7     | 20,000.00 | 666.67       | 4,666.67 | 20,000.00          |
| 8     | 20,000.00 | 666.67       | 5,333.33 | 20,000.00          |
| 9     | 20,000.00 | 666.67       | 6,000.00 | 20,000.00          |
| 10    | 20,000.00 | 666.67       | 6,666.67 | 20,000.00          |
| 11    | 20,000.00 | 666.67       | 7,333.33 | 20,000.00          |
| 12    | 20,000.00 | 666.67       | 8,000.00 | 20,000.00          |

The following table shows depreciation information for year two:

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis |
|-------|-----------|--------------|-----------|--------------------|
| 1     | 20,000.00 | 400.00       | 8,400.00  | 12,000.00          |
| 2     | 20,000.00 | 400.00       | 8,800.00  | 12,000.00          |
| 3     | 20,000.00 | 400.00       | 9,200.00  | 12,000.00          |
| 4     | 20,000.00 | 400.00       | 9,600.00  | 12,000.00          |
| 5     | 20,000.00 | 400.00       | 10,000.00 | 12,000.00          |
| 6     | 20,000.00 | 400.00       | 10,400.00 | 12,000.00          |
| 7     | 20,000.00 | 400.00       | 10,800.00 | 12,000.00          |
| 8     | 12,000.00 | 544.00       | 11,344.00 | 16,320.00          |
| 9     | 12,000.00 | 544.00       | 11,888.00 | 16,320.00          |
| 10    | 12,000.00 | 544.00       | 12,432.00 | 16,320.00          |
| 11    | 12,000.00 | 544.00       | 12,976.00 | 16,320.00          |
| 12    | 12,000.00 | 544.00       | 13,520.00 | 16,320.00          |

The following table shows depreciation information for year three:

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis |
|-------|-----------|--------------|-----------|--------------------|
| 1     | 12,000.00 | 272.00       | 13,792.00 | 16,320.00          |
| 2     | 12,000.00 | 272.00       | 14,064.00 | 16,320.00          |
| 3     | 12,000.00 | 272.00       | 14,336.00 | 16,320.00          |
| 4     | 12,000.00 | 272.00       | 14,608.00 | 16,320.00          |
| 5     | 12,000.00 | 272.00       | 14,880.00 | 16,320.00          |

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis |
|-------|-----------|--------------|-----------|--------------------|
| 6     | 12,000.00 | 272.00       | 15,152.00 | 16,320.00          |
| 7     | 12,000.00 | 272.00       | 15,424.00 | 16,320.00          |
| 8     | 12,000.00 | 272.00       | 15,696.00 | 16,320.00          |
| 9     | 12,000.00 | 272.00       | 15,968.00 | 16,320.00          |
| 10    | 12,000.00 | 272.00       | 16,240.00 | 16,320.00          |
| 11    | 12,000.00 | 80.00        | 16,320.00 | 16,320.00          |
| 12    |           |              |           |                    |

#### Example: Back Dated Negative Cost Adjustment: Polish Adjustment Calculation Basis Checked

In the following example:

- Depreciable basis rule: Polish Standard Declining with a Switch to Flat Rate
- Flat rate: 20 percent
- Factor: 2
- In year 1, no test is performed to determine whether to switch the depreciation method. In all subsequent years, the test is performed.

In this example, the negative cost adjustment occurs in year 3, month 7, and is back dated to year 2, month 8. Note that the depreciation amount of 624.00 shown for year 3, month 7 includes the current period depreciation expense of 272.00 plus the catchup depreciation.

The following table shows depreciation information for year one:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 1     | 20,000.00 | 666.67       | 666.67   | 20,000.00          |
| 2     | 20,000.00 | 666.67       | 1,333.33 | 20,000.00          |

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 3     | 20,000.00 | 666.67       | 2,000.00 | 20,000.00          |
| 4     | 20,000.00 | 666.67       | 2,666.67 | 20,000.00          |
| 5     | 20,000.00 | 666.67       | 3,333.33 | 20,000.00          |
| 6     | 20,000.00 | 666.67       | 4,000.00 | 20,000.00          |
| 7     | 20,000.00 | 666.67       | 4,666.67 | 20,000.00          |
| 8     | 20,000.00 | 666.67       | 5,333.33 | 20,000.00          |
| 9     | 20,000.00 | 666.67       | 6,000.00 | 20,000.00          |
| 10    | 20,000.00 | 666.67       | 6,666.67 | 20,000.00          |
| 11    | 20,000.00 | 666.67       | 7,333.33 | 20,000.00          |
| 12    | 20,000.00 | 666.67       | 8,000.00 | 20,000.00          |

The following table shows depreciation information for year two:

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis |
|-------|-----------|--------------|-----------|--------------------|
| 1     | 20,000.00 | 400.00       | 8,400.00  | 12,000.00          |
| 2     | 20,000.00 | 400.00       | 8,800.00  | 12,000.00          |
| 3     | 20,000.00 | 400.00       | 9,200.00  | 12,000.00          |
| 4     | 20,000.00 | 400.00       | 9,600.00  | 12,000.00          |
| 5     | 20,000.00 | 400.00       | 10,000.00 | 12,000.00          |
| 6     | 20,000.00 | 400.00       | 10,400.00 | 12,000.00          |
| 7     | 20,000.00 | 400.00       | 10,800.00 | 12,000.00          |

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis |
|-------|-----------|--------------|-----------|--------------------|
| 8     | 20,000.00 | 400.00       | 11,200.00 | 12,000.00          |
| 9     | 20,000.00 | 400.00       | 11,600.00 | 12,000.00          |
| 10    | 20,000.00 | 400.00       | 12,000.00 | 12,000.00          |
| 11    | 20,000.00 | 400.00       | 12,400.00 | 12,000.00          |
| 12    | 20,000.00 | 400.00       | 12,800.00 | 12,000.00          |

The following table shows depreciation information for year three:

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis |
|-------|-----------|--------------|-----------|--------------------|
| 1     | 20,000.00 | 333.33       | 13,133.33 | 20,000.00          |
| 2     | 20,000.00 | 333.33       | 13,466.67 | 20,000.00          |
| 3     | 20,000.00 | 333.33       | 13,800.00 | 20,000.00          |
| 4     | 20,000.00 | 333.33       | 14,133.33 | 20,000.00          |
| 5     | 20,000.00 | 333.33       | 14,466.67 | 20,000.00          |
| 6     | 20,000.00 | 333.33       | 14,800.00 | 20,000.00          |
| 7     | 12,000.00 | 624.00       | 15,424.00 | 16,320.00          |
| 8     | 12,000.00 | 272.00       | 15,696.00 | 16,320.00          |
| 9     | 12,000.00 | 272.00       | 15,968.00 | 16,320.00          |
| 10    | 12,000.00 | 272.00       | 16,240.00 | 16,320.00          |
| 11    | 12,000.00 | 80.00        | 16,320.00 | 16,320.00          |
| 12    |           |              |           |                    |



### Example: Current Dated Negative Cost Adjustment: Polish Adjustment Calculation Basis Unchecked

In the following example:

- Depreciable basis rule: Polish Standard Declining with a Switch to Flat Rate
- Flat rate: 20 percent
- Factor: 2
- In year 1, no test is performed to determine whether to switch the depreciation method. In all subsequent years, the test is performed.

In this example, the negative adjustment from 20,000.00 to 12,000.00 occurs in year 2, month 8. The new depreciation basis is 7,200.00.

The following table shows depreciation information for year one:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 1     | 20,000.00 | 666.67       | 666.67   | 20,000.00          |
| 2     | 20,000.00 | 666.67       | 1,333.33 | 20,000.00          |
| 3     | 20,000.00 | 666.67       | 2,000.00 | 20,000.00          |
| 4     | 20,000.00 | 666.67       | 2,666.67 | 20,000.00          |
| 5     | 20,000.00 | 666.67       | 3,333.33 | 20,000.00          |
| 6     | 20,000.00 | 666.67       | 4,000.00 | 20,000.00          |
| 7     | 20,000.00 | 666.67       | 4,666.67 | 20,000.00          |
| 8     | 20,000.00 | 666.67       | 5,333.33 | 20,000.00          |
| 9     | 20,000.00 | 666.67       | 6,000.00 | 20,000.00          |
| 10    | 20,000.00 | 666.67       | 6,666.67 | 20,000.00          |
| 11    | 20,000.00 | 666.67       | 7,333.33 | 20,000.00          |
| 12    | 20,000.00 | 666.67       | 8,000.00 | 20,000.00          |

The following table shows depreciation information for year two:

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis |
|-------|-----------|--------------|-----------|--------------------|
| 1     | 20,000.00 | 400.00       | 8,400.00  | 12,000.00          |
| 2     | 20,000.00 | 400.00       | 8,800.00  | 12,000.00          |
| 3     | 20,000.00 | 400.00       | 9,200.00  | 12,000.00          |
| 4     | 20,000.00 | 400.00       | 9,600.00  | 12,000.00          |
| 5     | 20,000.00 | 400.00       | 10,000.00 | 12,000.00          |
| 6     | 20,000.00 | 400.00       | 10,400.00 | 12,000.00          |
| 7     | 20,000.00 | 400.00       | 10,800.00 | 12,000.00          |
| 8     | 12,000.00 | 240.00       | 11,040.00 | 7,200.00           |
| 9     | 12,000.00 | 240.00       | 11,280.00 | 7,200.00           |
| 10    | 12,000.00 | 240.00       | 11,520.00 | 7,200.00           |
| 11    | 12,000.00 | 240.00       | 11,760.00 | 7,200.00           |
| 12    | 12,000.00 | 240.00       | 12,000.00 | 7,200.00           |

#### Example: Back Dated Negative Cost Adjustment: Polish Adjustment Calculation Basis Unchecked

In the following example:

- Depreciable basis rule: Polish Standard Declining with a Switch to Flat Rate
- Flat rate: 20 percent
- Factor: 2
- In year 1, no test is performed to determine whether to switch the depreciation method. In all subsequent years, the test is performed.

In this example, the negative adjustment from 20,000.00 to 12,000.00 occurs in year 3, month 7, but is back dated to year 2, month 8. The negative 2,800.00 shown as the depreciation amount in year 3 month 7 is the amount of excess depreciation expense

and reserve that is backed out.

The following table shows depreciation information for year one:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 1     | 20,000.00 | 666.67       | 666.67   | 20,000.00          |
| 2     | 20,000.00 | 666.67       | 1,333.33 | 20,000.00          |
| 3     | 20,000.00 | 666.67       | 2,000.00 | 20,000.00          |
| 4     | 20,000.00 | 666.67       | 2,666.67 | 20,000.00          |
| 5     | 20,000.00 | 666.67       | 3,333.33 | 20,000.00          |
| 6     | 20,000.00 | 666.67       | 4,000.00 | 20,000.00          |
| 7     | 20,000.00 | 666.67       | 4,666.67 | 20,000.00          |
| 8     | 20,000.00 | 666.67       | 5,333.33 | 20,000.00          |
| 9     | 20,000.00 | 666.67       | 6,000.00 | 20,000.00          |
| 10    | 20,000.00 | 666.67       | 6,666.67 | 20,000.00          |
| 11    | 20,000.00 | 666.67       | 7,333.33 | 20,000.00          |
| 12    | 20,000.00 | 666.67       | 8,000.00 | 20,000.00          |

The following table shows depreciation information for year two:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 1     | 20,000.00 | 400.00       | 8,400.00 | 12,000.00          |
| 2     | 20,000.00 | 400.00       | 8,800.00 | 12,000.00          |
| 3     | 20,000.00 | 400.00       | 9,200.00 | 12,000.00          |

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis |
|-------|-----------|--------------|-----------|--------------------|
| 4     | 20,000.00 | 400.00       | 9,600.00  | 12,000.00          |
| 5     | 20,000.00 | 400.00       | 10,000.00 | 12,000.00          |
| 6     | 20,000.00 | 400.00       | 10,400.00 | 12,000.00          |
| 7     | 20,000.00 | 400.00       | 10,800.00 | 12,000.00          |
| 8     | 20,000.00 | 400.00       | 11,200.00 | 12,000.00          |
| 9     | 20,000.00 | 400.00       | 11,600.00 | 12,000.00          |
| 10    | 20,000.00 | 400.00       | 12,000.00 | 12,000.00          |
| 11    | 20,000.00 | 400.00       | 12,400.00 | 12,000.00          |
| 12    | 20,000.00 | 400.00       | 12,800.00 | 12,000.00          |

The following table shows depreciation information for year three:

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis |
|-------|-----------|--------------|-----------|--------------------|
| 1     | 20,000.00 | 333.33       | 13,133.33 | 20,000.00          |
| 2     | 20,000.00 | 333.33       | 13,466.67 | 20,000.00          |
| 3     | 20,000.00 | 333.33       | 13,800.00 | 20,000.00          |
| 4     | 20,000.00 | 333.33       | 14,133.33 | 20,000.00          |
| 5     | 20,000.00 | 333.33       | 14,466.67 | 20,000.00          |
| 6     | 20,000.00 | 333.33       | 14,800.00 | 20,000.00          |
| 7     | 12,000.00 | (2800.00)    | 12,000.00 | 7,200.00           |

## Positive Cost Adjustments

A positive cost adjustment occurs when the cost of an asset is increased from the current cost.

### Example: Current Dated Positive Cost Adjustment

In the following example:

- Depreciable basis rule: Polish Standard Declining with a Switch to Flat Rate
- Flat rate: 20 percent
- Factor: 2
- In year 1, no test is performed to determine whether to switch the depreciation method. In all subsequent years, the test is performed.

In this example, the positive cost adjustment from 10,000.00 to 20,000.00 occurs in year 3, month 7.

**Note:** In this example, although depreciation is shown only through year 3, it should be assumed that depreciation will continue until the asset is fully reserved.

The following table shows depreciation information for year one:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 1     | 10,000.00 | 333.33       | 333.33   | 10,000.00          |
| 2     | 10,000.00 | 333.33       | 666.67   | 10,000.00          |
| 3     | 10,000.00 | 333.33       | 1,000.00 | 10,000.00          |
| 4     | 10,000.00 | 333.33       | 1,333.33 | 10,000.00          |
| 5     | 10,000.00 | 333.33       | 1,666.67 | 10,000.00          |
| 6     | 10,000.00 | 333.33       | 2,000.00 | 10,000.00          |
| 7     | 10,000.00 | 333.33       | 2,333.33 | 10,000.00          |

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 8     | 10,000.00 | 333.33       | 2,666.67 | 10,000.00          |
| 9     | 10,000.00 | 333.33       | 3,000.00 | 10,000.00          |
| 10    | 10,000.00 | 333.33       | 3,333.33 | 10,000.00          |
| 11    | 10,000.00 | 333.33       | 3,666.67 | 10,000.00          |
| 12    | 10,000.00 | 333.33       | 4,000.00 | 10,000.00          |

The following table shows depreciation information for year two:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 1     | 10,000.00 | 200.00       | 4,200.00 | 6,000.00           |
| 2     | 10,000.00 | 200.00       | 4,400.00 | 6,000.00           |
| 3     | 10,000.00 | 200.00       | 4,600.00 | 6,000.00           |
| 4     | 10,000.00 | 200.00       | 4,800.00 | 6,000.00           |
| 5     | 10,000.00 | 200.00       | 5,000.00 | 6,000.00           |
| 6     | 10,000.00 | 200.00       | 5,200.00 | 6,000.00           |
| 7     | 10,000.00 | 200.00       | 5,400.00 | 6,000.00           |
| 8     | 10,000.00 | 200.00       | 5,600.00 | 6,000.00           |
| 9     | 10,000.00 | 200.00       | 5,800.00 | 6,000.00           |
| 10    | 10,000.00 | 200.00       | 6,000.00 | 6,000.00           |
| 11    | 10,000.00 | 200.00       | 6,200.00 | 6,000.00           |
| 12    | 10,000.00 | 200.00       | 6,400.00 | 6,000.00           |

The following table shows depreciation information for year three:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 1     | 10,000.00 | 166.67       | 6,566.67 | 10,000.00          |
| 2     | 10,000.00 | 166.67       | 6,733.33 | 10,000.00          |
| 3     | 10,000.00 | 166.67       | 6,900.00 | 10,000.00          |
| 4     | 10,000.00 | 166.67       | 7,066.67 | 10,000.00          |
| 5     | 10,000.00 | 166.67       | 7,233.33 | 10,000.00          |
| 6     | 10,000.00 | 166.67       | 7,400.00 | 10,000.00          |
| 7     | 20,000.00 | 333.33       | 7,733.33 | 20,000.00          |
| 8     | 20,000.00 | 333.33       | 8,066.67 | 20,000.00          |
| 9     | 20,000.00 | 333.33       | 8,400.00 | 20,000.00          |
| 10    | 20,000.00 | 333.33       | 8,733.33 | 20,000.00          |
| 11    | 20,000.00 | 333.33       | 9,066.67 | 20,000.00          |
| 12    | 20,000.00 | 333.33       | 9,400.00 | 20,000.00          |

#### Example: Back Dated Positive Cost Adjustment

In the following example:

- Depreciable basis rule: Polish Standard Declining with a Switch to Flat Rate
- Flat rate: 20 percent
- Factor: 2
- In year 1, no test is performed to determine whether to switch the depreciation method. In all subsequent years, the test is performed.

In this example, the positive cost adjustment from 10,000.00 to 20,000.00 occurs in year 3, month 7, with an effect beginning year 2, month 7. Note that the depreciation amount of 1,333.33 shown for year 3, month 7 includes the current period depreciation expense

of 333.33 plus the catchup depreciation. The amount of catchup depreciation between year 2, month 7 and year 3, month 2 is 1,000.00.

**Note:** In this example, although depreciation is shown only through year 3, it should be assumed that depreciation will continue until the asset is fully reserved.

The following table shows depreciation information for year one:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 1     | 10,000.00 | 333.33       | 333.33   | 10,000.00          |
| 2     | 10,000.00 | 333.33       | 666.67   | 10,000.00          |
| 3     | 10,000.00 | 333.33       | 1,000.00 | 10,000.00          |
| 4     | 10,000.00 | 333.33       | 1,333.33 | 10,000.00          |
| 5     | 10,000.00 | 333.33       | 1,666.67 | 10,000.00          |
| 6     | 10,000.00 | 333.33       | 2,000.00 | 10,000.00          |
| 7     | 10,000.00 | 333.33       | 2,333.33 | 10,000.00          |
| 8     | 10,000.00 | 333.33       | 2,666.67 | 10,000.00          |
| 9     | 10,000.00 | 333.33       | 3,000.00 | 10,000.00          |
| 10    | 10,000.00 | 333.33       | 3,333.33 | 10,000.00          |
| 11    | 10,000.00 | 333.33       | 3,666.67 | 10,000.00          |
| 12    | 10,000.00 | 333.33       | 4,000.00 | 10,000.00          |

The following table shows depreciation information for year two:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 1     | 10,000.00 | 200.00       | 4,200.00 | 6,000.00           |



| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 2     | 10,000.00 | 200.00       | 4,400.00 | 6,000.00           |
| 3     | 10,000.00 | 200.00       | 4,600.00 | 6,000.00           |
| 4     | 10,000.00 | 200.00       | 4,800.00 | 6,000.00           |
| 5     | 10,000.00 | 200.00       | 5,000.00 | 6,000.00           |
| 6     | 10,000.00 | 200.00       | 5,200.00 | 6,000.00           |
| 7     | 10,000.00 | 200.00       | 5,400.00 | 6,000.00           |
| 8     | 10,000.00 | 200.00       | 5,600.00 | 6,000.00           |
| 9     | 10,000.00 | 200.00       | 5,800.00 | 6,000.00           |
| 10    | 10,000.00 | 200.00       | 6,000.00 | 6,000.00           |
| 11    | 10,000.00 | 200.00       | 6,200.00 | 6,000.00           |
| 12    | 10,000.00 | 200.00       | 6,400.00 | 6,000.00           |

The following table shows depreciation information for year three:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis |
|-------|-----------|--------------|----------|--------------------|
| 1     | 10,000.00 | 166.67       | 6,566.67 | 10,000.00          |
| 2     | 10,000.00 | 166.67       | 6,733.33 | 10,000.00          |
| 3     | 10,000.00 | 166.67       | 6,900.00 | 10,000.00          |
| 4     | 10,000.00 | 166.67       | 7,066.67 | 10,000.00          |
| 5     | 10,000.00 | 166.67       | 7,233.33 | 10,000.00          |
| 6     | 10,000.00 | 166.67       | 7,400.00 | 10,000.00          |

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis |
|-------|-----------|--------------|-----------|--------------------|
| 7     | 20,000.00 | 1,333.33     | 8,733.33  | 20,000.00          |
| 8     | 20,000.00 | 333.33       | 9,066.67  | 20,000.00          |
| 9     | 20,000.00 | 333.33       | 9,400.00  | 20,000.00          |
| 10    | 20,000.00 | 333.33       | 9,733.33  | 20,000.00          |
| 11    | 20,000.00 | 333.33       | 10,066.67 | 20,000.00          |
| 12    | 20,000.00 | 333.33       | 10,400.00 | 20,000.00          |

## Partial Retirements

Oracle Assets does not provide any special treatment for partial retirements on assets using one of the five Polish tax depreciation methods. Oracle Assets calculates the new reserve, depreciation basis and the new cost as it would for any other partial retirement transaction.

The calculation for the new basis is the same as for a negative cost adjustment in which the Polish Adjustment Calculation Basis check box is unchecked, except the adjustment amount is replaced by the partial retirement amount:

**Old Basis - Old Basis \* Partial Retirement Amount/Old Cost**

For example, if the old cost is 20,000 and the old basis is 12,000, and the partial retirement amount is 8,000, the new basis is calculated as follows:

$$12,000 - 12,000 * 8,000/20,000 = 7,200$$

### Example: Current Dated Partial Retirement

In the following example:

- Depreciable basis rule: Polish Standard Declining with a Switch to Flat Rate
- Flat rate: 20 percent
- Factor: 2
- In year 1, no test is performed to determine whether to switch the depreciation method. In all subsequent years, the test is performed.

In this example, the partial retirement of 8,000 occurs in year 2, month 8. The new reserve is calculated as follows:

**Old Reserve + Current Period Depreciation - Old Reserve \* Retirement Amount/Old Cost**

The following table shows depreciation information for year one:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis | Method |
|-------|-----------|--------------|----------|--------------------|--------|
| 1     | 20,000.00 | 666.67       | 666.67   | 20,000.00          | SD     |
| 2     | 20,000.00 | 666.67       | 1,333.33 | 20,000.00          | SD     |
| 3     | 20,000.00 | 666.67       | 2,000.00 | 20,000.00          | SD     |
| 4     | 20,000.00 | 666.67       | 2,666.67 | 20,000.00          | SD     |
| 5     | 20,000.00 | 666.67       | 3,333.33 | 20,000.00          | SD     |
| 6     | 20,000.00 | 666.67       | 4,000.00 | 20,000.00          | SD     |
| 7     | 20,000.00 | 666.67       | 4,666.67 | 20,000.00          | SD     |
| 8     | 20,000.00 | 666.67       | 5,333.33 | 20,000.00          | SD     |
| 9     | 20,000.00 | 666.67       | 6,000.00 | 20,000.00          | SD     |
| 10    | 20,000.00 | 666.67       | 6,666.67 | 20,000.00          | SD     |
| 11    | 20,000.00 | 666.67       | 7,333.33 | 20,000.00          | SD     |
| 12    | 20,000.00 | 666.67       | 8,000.00 | 20,000.00          | SD     |

The following table shows depreciation information for year two:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis | Method |
|-------|-----------|--------------|----------|--------------------|--------|
| 1     | 20,000.00 | 400.00       | 8,400.00 | 12,000.00          | SD     |
| 2     | 20,000.00 | 400.00       | 8,800.00 | 12,000.00          | SD     |

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis | Method |
|-------|-----------|--------------|-----------|--------------------|--------|
| 3     | 20,000.00 | 400.00       | 9,200.00  | 12,000.00          | SD     |
| 4     | 20,000.00 | 400.00       | 9,600.00  | 12,000.00          | SD     |
| 5     | 20,000.00 | 400.00       | 10,000.00 | 12,000.00          | SD     |
| 6     | 20,000.00 | 400.00       | 10,400.00 | 12,000.00          | SD     |
| 7     | 20,000.00 | 400.00       | 10,800.00 | 12,000.00          | SD     |
| 8     | 12,000.00 | 240.00       | 6,720.00  | 7,200.00           | SD     |
| 9     | 12,000.00 | 240.00       | 6,960.00  | 7,200.00           | SD     |
| 10    | 12,000.00 | 240.00       | 7,200.00  | 7,200.00           | SD     |
| 11    | 12,000.00 | 240.00       | 7,440.00  | 7,200.00           | SD     |
| 12    | 12,000.00 | 240.00       | 7,680.00  | 7,200.00           | SD     |

The following table shows depreciation information for year three:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis | Method |
|-------|-----------|--------------|----------|--------------------|--------|
| 1     | 12,000.00 | 200.00       | 7,880.00 | 12,000.00          | FR     |
| 2     | 12,000.00 | 200.00       | 8,080.00 | 12,000.00          | FR     |
| 3     | 12,000.00 | 200.00       | 8,280.00 | 12,000.00          | FR     |
| 4     | 12,000.00 | 200.00       | 8,480.00 | 12,000.00          | FR     |
| 5     | 12,000.00 | 200.00       | 8,680.00 | 12,000.00          | FR     |
| 6     | 12,000.00 | 200.00       | 8,880.00 | 12,000.00          | FR     |
| 7     | 12,000.00 | 200.00       | 9,080.00 | 12,000.00          | FR     |

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis | Method |
|-------|-----------|--------------|-----------|--------------------|--------|
| 8     | 12,000.00 | 200.00       | 9,280.00  | 12,000.00          | FR     |
| 9     | 12,000.00 | 200.00       | 9,480.00  | 12,000.00          | FR     |
| 10    | 12,000.00 | 200.00       | 9,680.00  | 12,000.00          | FR     |
| 11    | 12,000.00 | 200.00       | 9,880.00  | 12,000.00          | FR     |
| 12    | 12,000.00 | 200.00       | 10,080.00 | 12,000.00          | FR     |

### Example: Back Dated Partial Retirement

In the following example:

- Depreciable basis rule: Polish Standard Declining with a Switch to Flat Rate
- Flat rate: 20 percent
- Factor: two
- In year 1, no test is performed to determine whether to switch the depreciation method. In all subsequent years, the test is performed.

In this example, the partial retirement of 8,000 occurs in year 2, month 12. Note that the depreciation amount of (400.00) shown for year 2, month 12 includes the current period depreciation expense of 240.00 plus the excess depreciation amount of 640.00 from year 2, month 8 through year 2, month 11, that was backed out.

The following table shows depreciation information for year one:

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis | Method |
|-------|-----------|--------------|----------|--------------------|--------|
| 1     | 20,000.00 | 666.67       | 666.67   | 20,000.00          | SD     |
| 2     | 20,000.00 | 666.67       | 1,333.33 | 20,000.00          | SD     |
| 3     | 20,000.00 | 666.67       | 2,000.00 | 20,000.00          | SD     |
| 4     | 20,000.00 | 666.67       | 2,666.67 | 20,000.00          | SD     |

| Month | Cost      | Depreciation | Reserve  | Depreciation Basis | Method |
|-------|-----------|--------------|----------|--------------------|--------|
| 5     | 20,000.00 | 666.67       | 3,333.33 | 20,000.00          | SD     |
| 6     | 20,000.00 | 666.67       | 4,000.00 | 20,000.00          | SD     |
| 7     | 20,000.00 | 666.67       | 4,666.67 | 20,000.00          | SD     |
| 8     | 20,000.00 | 666.67       | 5,333.33 | 20,000.00          | SD     |
| 9     | 20,000.00 | 666.67       | 6,000.00 | 20,000.00          | SD     |
| 10    | 20,000.00 | 666.67       | 6,666.67 | 20,000.00          | SD     |
| 11    | 20,000.00 | 666.67       | 7,333.33 | 20,000.00          | SD     |
| 12    | 20,000.00 | 666.67       | 8,000.00 | 20,000.00          | SD     |

The following table shows depreciation information for year two:

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis | Method |
|-------|-----------|--------------|-----------|--------------------|--------|
| 1     | 20,000.00 | 400.00       | 8,400.00  | 12,000.00          | SD     |
| 2     | 20,000.00 | 400.00       | 8,800.00  | 12,000.00          | SD     |
| 3     | 20,000.00 | 400.00       | 9,200.00  | 12,000.00          | SD     |
| 4     | 20,000.00 | 400.00       | 9,600.00  | 12,000.00          | SD     |
| 5     | 20,000.00 | 400.00       | 10,000.00 | 12,000.00          | SD     |
| 6     | 20,000.00 | 400.00       | 10,400.00 | 12,000.00          | SD     |
| 7     | 20,000.00 | 400.00       | 10,800.00 | 12,000.00          | SD     |
| 8     | 20,000.00 | 400.00       | 11,200.00 | 12,000.00          | SD     |
| 9     | 20,000.00 | 400.00       | 11,600.00 | 12,000.00          | SD     |

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis | Method |
|-------|-----------|--------------|-----------|--------------------|--------|
| 10    | 20,000.00 | 400.00       | 12,000.00 | 12,000.00          | SD     |
| 11    | 20,000.00 | 400.00       | 12,400.00 | 12,000.00          | SD     |
| 12    | 12,000.00 | (400.00)     | 7,680.00  | 12,000.00          | SD     |

The following table shows depreciation information for year three:

| Month | Cost      | Depreciation | Reserve   | Depreciation Basis | Method |
|-------|-----------|--------------|-----------|--------------------|--------|
| 1     | 12,000.00 | 200.00       | 7,880.00  | 12,000.00          | FR     |
| 2     | 12,000.00 | 200.00       | 8,080.00  | 12,000.00          | FR     |
| 3     | 12,000.00 | 200.00       | 8,280.00  | 12,000.00          | FR     |
| 4     | 12,000.00 | 200.00       | 8,480.00  | 12,000.00          | FR     |
| 5     | 12,000.00 | 200.00       | 8,680.00  | 12,000.00          | FR     |
| 6     | 12,000.00 | 200.00       | 8,880.00  | 12,000.00          | FR     |
| 7     | 12,000.00 | 200.00       | 9,080.00  | 12,000.00          | FR     |
| 8     | 12,000.00 | 200.00       | 9,280.00  | 12,000.00          | FR     |
| 9     | 12,000.00 | 200.00       | 9,480.00  | 12,000.00          | FR     |
| 10    | 12,000.00 | 200.00       | 9,680.00  | 12,000.00          | FR     |
| 11    | 12,000.00 | 200.00       | 9,880.00  | 12,000.00          | FR     |
| 12    | 12,000.00 | 200.00       | 10,080.00 | 12,000.00          | FR     |

## Japan Tax Reforms - FY2007

On March 30, 2007, the Japan Tax Reform act was published by the Ministry of Finance

Japan and was enacted on April 1, 2007. The reform significantly impacted the methods used for depreciation of assets in Japan and provided new guidelines on the calculation and treatment of depreciation of assets. The purpose of the new depreciation rules laid down in the FY2007 Tax Reforms is to increase the Depreciation expenses by abolishing salvage value and increasing the depreciation limit on assets so that the companies can reduce National and Local taxes. Additionally, new depreciation methods were introduced and extended depreciation feature made available for assets acquired before April 1, 2007. In order to address the Japanese depreciation requirements, the following Japan specific depreciation methods have been created and seeded within Oracle Assets.

| Method       | Method Type | Calculation Basis | Depreciable Basis Rule                                               |
|--------------|-------------|-------------------|----------------------------------------------------------------------|
| JP-STL XXYYR | Flat Rate   | Cost              | FLAT RATE<br>EXTENSION                                               |
| JP-DB XXYYR  | Flat Rate   | NBV               | FLAT RATE<br>EXTENSION                                               |
| JP-250DB XX  | Formula     | NBV               | DUAL RATE<br>EVALUATION<br><br>(Guarantee Rate<br>Evaluation method) |
| JP-STL-EXTND | Calculated  | Cost              | Straight Line Method                                                 |

This section covers the following topics:

- Japanese Straight Line Depreciation Method, page 9-138
- Japanese 250% Declining Balance Depreciation Method, page 9-139
- Japanese Straight Line Extended Depreciation, page 9-143
- Windows, Tabs, and Menu Items Specific to Japan Tax Reforms, page 9-145
- Impairments, page 9-153

## Japanese Straight Line Depreciation Method

As a result of the reform, new Straight Line depreciation rates were published for assets acquired on or after April 1, 2007. The Straight Line depreciation rate calculation for assets acquired prior to April 1, 2007 used rates rounded downward rather than upward as required by the new reform. As a result, the existing seeded JP-STL XXYYR



depreciation methods were modified. For depreciation terms where the rate calculation required by the reform impacted the rate, an additional rate line was added to the depreciation method. For depreciation methods where there was not an impact, the method continues to contain a single rate line. For example, in the JP-STL depreciation methods for assets with a life of four or five years the change in the rounding did not impact the rate, therefore, only one rate line is defined. Whereas in JP-STL depreciation methods for asset with lives of three to six, there was an impact on the rate, so an additional rate line was added. The method contains one rate that can be used for assets with a DPIS of prior to April 1, 2007 with another for assets with a DPIS on or after April 1, 2007.

## Japanese 250% Declining Balance Depreciation Method

As part of the reform, the Japan government published a new 250% Declining Balance Depreciation Method which can be used on assets acquired on or after April 1, 2007. For this method, the rate applied for depreciation is an accelerated balance method which is 250% of the rates used under the straight line method or more commonly known as 250DB. The method comes with an added feature of a straight-line switch. As a result, a new Guarantee Rate Evaluation Method check box was introduced to the Depreciation Method window to support the new 250DB method. This option enables five new variables to be available in defining depreciation formulas within the window.

The rates provided under this method are the basic 250DB rates, the guarantee rates and revised rates. The 250% DB Depreciation methods, as specified by the Japan government, are seeded as JP-250DB XX depreciation methods in Oracle Assets with one depreciation method for each possible asset life year.

The following table describes the JP-250DB depreciation methods:

| Field Name                 | Value                                |
|----------------------------|--------------------------------------|
| Method                     | JP-250DB XX                          |
| Description                | Japan 250 Declining Balance XX years |
| Method Type                | Formula                              |
| Calculation Basis          | NBV                                  |
| Depreciable Basis Rule     | Dual Rate Evaluation, page 9-140     |
| Depreciate in Year Retired | Yes                                  |
| Exclude Salvage Value      | Yes                                  |

| Field Name                                | Value                                                                                                                                  |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| Straight Line Method                      | No                                                                                                                                     |
| Polish Adjustment Calculation Basis       | No                                                                                                                                     |
| Guarantee Rate Evaluation Method          | Yes                                                                                                                                    |
| Use Japan NBV Calculation for Impairments | Yes                                                                                                                                    |
| Life Years                                | XX Years                                                                                                                               |
| Months                                    | 0                                                                                                                                      |
| Formula                                   | Decode(Sign(Floor(<Cost> * <Guarantee Rate>) – Floor(<NBV at beginning of year> * <Original Rate>)),1,<Revised Rate>, <Original Rate>) |

### Dual Rate Evaluation Depreciable Basis Rule

Oracle Assets provides the Depreciable Basis Rules feature to accommodate depreciation method setup requirements not met by the Cost or NBV calculation basis types. The combination of depreciable basis rule and depreciation method determines how depreciable basis is derived.

The Dual Rate Evaluation depreciable basis rule is part of the predefined rules. This depreciable basis rule determines the basis for the calculation of depreciation. The rule checks the rate that is used for calculating depreciation and accordingly determines the depreciable basis. This depreciable basis rule is available only if the FA: Japan 2007 Tax Reforms Features profile option, page B-8 is set to Yes.

The Dual Rate Evaluation depreciable basis rule is available only for depreciation methods that satisfy both of the following conditions:

- Depreciation method must be a Formula based method.
- The Guarantee Rate Evaluation Method check box is selected for the depreciation method.

The formula that is specified in the Formula field of the depreciation method determines which rate is used for the calculation of depreciation. When the Original rate is used, the depreciation calculation basis is the net book value at the beginning of the fiscal year for the asset. When the Revised rate is used, the basis of depreciation calculation is the NBV of the asset as at the date of the switch from Original rate to the Revised rate.

The following changes have been made for Formula Based methods to support the Japan Tax Reforms:

### Variables for Depreciation Formula

Five additional variables were added to the list of variables on the Depreciation Formula window. These variables are used in the formula for the predefined 250% Declining Balance Depreciation (JP-250DB) methods and are available only for those formula-based depreciation methods that have the Guarantee Rate Evaluation Method check box selected.

The following table describes the new variables on the Depreciation Formula window for the formula-based methods:

| Variable Name            | Purpose                                                                                               |
|--------------------------|-------------------------------------------------------------------------------------------------------|
| Cost                     | The original cost of the asset.                                                                       |
| NBV at Beginning of Year | The net book value of the asset at the beginning of the first period of the fiscal year.              |
| Original Rate            | The original rate of depreciation is specified in the Original Rate field on the Rate Details window. |
| Revised Rate             | The revised rate of depreciation is specified in the Revised Rate field on the Rate Details window.   |
| Guarantee Rate           | The guarantee rate is specified in the Guarantee Rate field on the Rate Details window.               |

The Rate Details Window is available for Formula Based depreciation methods. Use the Rate Details window to enter the Original Rate, Revised Rate and Guarantee Rate of depreciation for Formula Based Depreciation methods that have the Guarantee Rate Evaluation Method check box selected.

To accommodate the above variables, the system displays **Cost** and **NBV at Beginning of Year** parameters in the Test Formula tabbed region of Depreciation Formula window. In order to have access to these parameters, the FA: Japan 2007 Tax Reforms Features profile option, page B-8 must be set to Yes.

#### Example for JP-250DB depreciation method

##### Assumptions:

- Asset added on: April 1st, 2007

- Depreciation method = JP250DB 3
- Life of asset = 3 Years
- Asset cost = 1000 Yen
- Original Rate = 0.833
- Guarantee Rate = 0.02789
- Revised Rate = 1.00

### Year 1

Depreciation Calculation:

Rate to be used =

= Decode (Sign (Floor (<Cost> \* <Guarantee Rate>) - Floor (<NBV at beginning of year> \* <Original Rate>)),1,<Revised Rate>, <Original Rate>)

= 27 - 833

= -806

Therefore depreciation rate for the first year is the Original rate.

Rate = 0.833

Thus, depreciation for the first year is as follows:

Year 1 = NBV \* Original Rate

= 1000 \* 0.833

= 833

### Year 2

Depreciation Calculation:

= Decode (Sign(Floor(<Cost> \* <Guarantee Rate>) - Floor(<NBV at beginning of year> \* <Original Rate>)),1,<Revised Rate>, <Original Rate>)

= Decode (sign(1000 \* 0.02789)-((1000 - 833)\* 0.833)),1,Revised Rate, Original Rate)

= 27 - 139

= -112

Therefore, depreciation method for the second year is the Original rate.

Rate = .833

Thus, depreciation for the second year is as follows:

Year 2 = NBV \* Original Rate

= 167 \* 0.833

= 139

### Year 3

Depreciation Calculation:

Rate to be used =

= Decode (Sign(Floor(<Cost> \* <Guarantee Rate>) - Floor(<NBV at beginning of year> \* <Original Rate>)),1,<Revised Rate>, <Original Rate>)

= Decode (sign(floor(1000 \* 0.02789)-((1000 - 833- 139) \* 0.833)),1,Revised Rate, Original Rate)

= 27 - 23

= 4

Therefore, depreciation method for the second year is the Revised rate.

Rate = 1.00

Thus, depreciation for the second year is as follows:

Year 3 = NBV at time of switch \* Revised Rate

= 28 \* 1.00

= 28

### Japanese Straight Line Extended Depreciation

The reform provided an extended depreciation benefit to assets acquired before April 1, 2007 which have already reached the earlier depreciation limit of 95%. Under this benefit, these assets could now be depreciated further to 1 Yen using the Straight Line method over a 60 month period. Through the Find Eligible Assets window, you can search for the eligible assets and then use the Set Extended Depreciation window to record the decision whether or not a particular asset should be avail for extended depreciation. Once the decision is recorded on the asset and then you click on the Submit button of Set Extended Depreciation window, a concurrent process is launched to update the depreciation method to JP-STL-EXTND and depreciation limit is set to 1 Yen.

The new straight line depreciation method (JP-STL-EXTND) has been seeded in Oracle Assets in support of the extended depreciation benefit. This new method is used for all assets for which the extended depreciation decision has been set to Yes.

Depreciation Methods

Method: JP-STL-EXTND

Description: Japan STL method for Extended Depreciation

Method Type: Calculated

Calculation Basis: Cost

Depreciable Basis Rule:

☒ Depreciate in Year Retired  
☒ Exclude Salvage Value  
☒ Straight Line Method  
☐ Polish Adjustment Calculation Basis  
☐ Guarantee rate evaluation method  
☒ Use Japan NBV Calculation for Impairments

Life Years: 5      Months: 0

Prorate Periods Per Year: 1

Formula      Rates

The following table describes the fields related to JP-STL-EXTND depreciation method:

| Field Name                                | Value                                      |
|-------------------------------------------|--------------------------------------------|
| Method                                    | JP-STL-EXTND                               |
| Description                               | Japan STL Method for Extended Depreciation |
| Method Type                               | Calculated                                 |
| Calculation Basis                         | Cost                                       |
| Depreciable Basis Rule                    | N/A                                        |
| Depreciate in Year Retired                | Yes                                        |
| Exclude Salvage Value                     | Yes                                        |
| Straight Line Method                      | Yes                                        |
| Polish Adjustment Calculation Basis       | No                                         |
| Guarantee Rate Evaluation Method          | No                                         |
| Use Japan NBV Calculation for Impairments | Yes                                        |
| Life Years                                | 5 Years                                    |

| Field Name | Value |
|------------|-------|
| Months     | 0     |
| Formula    | N/A   |

### Windows, Window Tabs, and Menu Items Specific to Japan Tax Reforms

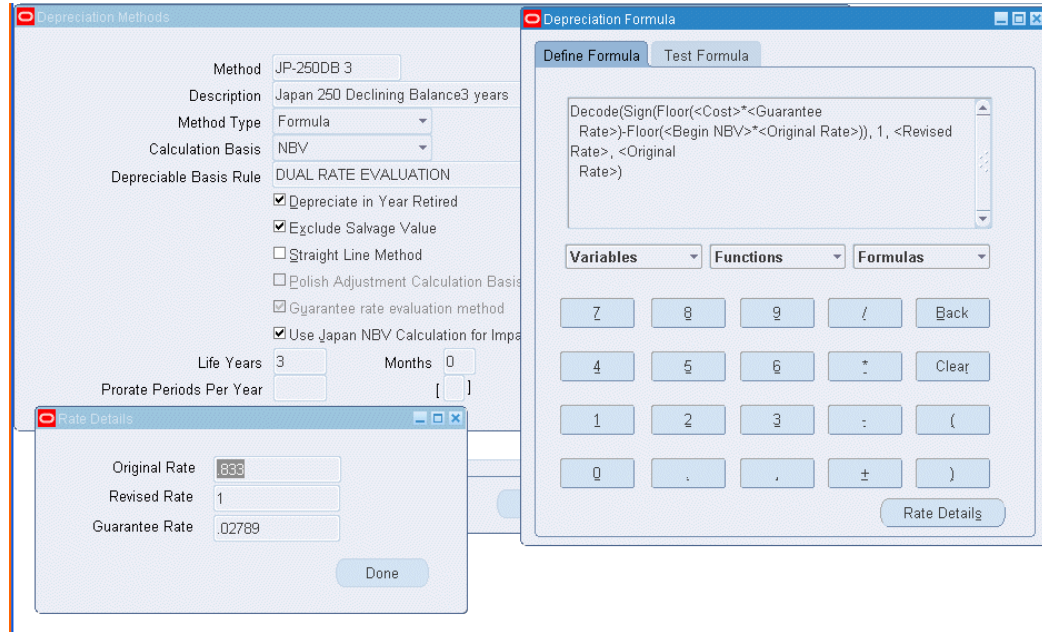
The following are available windows, window tabs, and menu items that support Japan Tax Reforms feature:

- Rate Details Window, page 9-145
- Extended Depreciation Menu Option, page 9-146
- Find Eligible Assets Window, page 9-146
- Set Extended Depreciation Window, page 9-148
- What-If Analysis Window, page 9-151
- Books Window, page 9-152
- Mass Additions Window, page 9-153

### Rate Details Window

The Rate Details window is accessed through the Depreciation Methods window, page 9-65 and is only available when the Guarantee Rate Evaluation Method check box is selected on the Depreciation Methods window. This window was added in support of the new 250DB depreciation methods and is only available for Formula Based depreciation methods. The window is used to capture the Original Rate, Revised Rate and Guarantee Rate of depreciation.

The Guarantee Rate Evaluation Method check box is applicable only for seeded methods and cannot be used for defining new depreciation rules.



## Extended Depreciation Menu Option

The system adds the Extended Depreciation menu option to the Depreciation menu if the FA: Japan 2007 Tax Reforms Features profile option, page B-8 is set to Yes. The Extended Depreciation menu provides access to the following:

- Find Eligible Assets Window, page 9-146
- Set Extended Depreciation Window, page 9-148

## Find Eligible Assets Window

In order to be eligible for extended depreciation, an asset should satisfy the following criteria:

- Acquired on or before 31st March 2007
- Fully reserved as of the date of inquiry

Use the Search By region of Find Eligible Assets window to search for assets eligible for extended depreciation. Navigate to the Depreciation Menu then to the Extended Depreciation menu option; the Find Eligible window is displayed.



Find Eligible Assets

Search By

Book  ... Category

Asset Type  Depreciation Method

Asset Number  -

Date in Service  - 31-MAR-2007

Period when fully reserved  -

Depreciation Limit Type

Limit Amount  -

Percent  % -  %

Extended Depreciation Decision Status  Decision not taken

Set Extended Depreciation Defaults

Avail Extended Depreciation

Clear Find

Enter in at least one search criteria for the assets.

The Date in Service is defaulted to a high range of March 31, 2007.

Extended Depreciation Decision Status - Default: Decision not taken.

- Decision not taken: This option results in query results that show all the eligible assets that are being evaluated for Extended depreciation for the first time.
- Decision deferred: This option results in the query results that show all assets for which the user has set the Extended Depreciation decision to Deferred.
- Decision to avail: This option results in the query results that show all assets for which the user has set the Extended Depreciation decision to Yes and excludes those assets which have finished availing extended depreciation.
- Decision to not avail. This option results in query results that show all assets for which the user has set the Extended depreciation decision to No.

The Set Extended Depreciation Defaults region of Find Eligible Assets window provides access to Avail Extended Depreciation field. Use the Avail Extended Depreciation field to indicate the Extended Depreciation status to default for the assets being retrieved using the query parameters in the Search By region. Using the Set Extended Depreciation Defaults is optional.

- If the Avail Extended Depreciation field is set to Yes, all assets retrieved in the Set Extended Depreciation window, page 9-148 will have a default status of Yes in the

Avail Extended Depreciation field. The first eligible period for extended depreciation will be defaulted in the First Period field for each asset.

- If the Avail Extended Depreciation field is set to No, all assets retrieved in the Set Extended Depreciation window will have a default status of No in the Avail Extended Depreciation field. In this case, the first eligible period will not be defaulted in the First Period field for any asset.
- If the Avail Extended Depreciation field is set to Defer, all assets retrieved in the Set Extended Depreciation window will have a default status of Defer in the Avail Extended Depreciation field. In this case, the first eligible period will not be defaulted for any asset.
- If you accept the default value (null) for the Avail Extended Depreciation field, assets retrieved in the Set Extended Depreciation window will not have any default status. In this case, you need to manually choose the value for the Avail Extended Depreciation field in the Set Extended Depreciation window. Additionally, you will need to manually choose the first period from when the extended depreciation is to be availed.

In order to access the Find Eligible Assets window, set the FA: Japan 2007 Tax Reforms Features profile option, page B-8 to Yes.

### **Set Extended Depreciation Window**

The Set Extended Depreciation window displays the results of the query executed using the parameters in the Find Eligible Assets window, page 9-146.

Use this window to record the decision of whether or not a particular asset should be available for extended depreciation

| Asset Number  | Description    | Accumulated Depreciation |        | Net Book Value |       | Avail Extended Depreciation | First Period |
|---------------|----------------|--------------------------|--------|----------------|-------|-----------------------------|--------------|
|               |                |                          |        |                |       |                             |              |
| AK20100413302 | 002 OLD STL FR | 000000                   | 950000 | 20000          | Yes   | Apr-10                      |              |
| AK20100413303 | 003 OLD STL FR | 000000                   | 950000 | 30000          | No    | Apr-10                      |              |
| AK20100413304 | 004 OLD STL FR | 000000                   | 950000 | 50000          | Defer | Apr-10                      |              |
| AK20100413305 | 005 OLD STL FR | 000000                   | 950000 | 50000          | Yes   | Apr-10                      |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |
|               |                |                          |        |                |       |                             |              |

Submit Cancel

For every asset, set the Avail Extended Depreciation field to:

- Yes
- No
- Defer Decision

For more information about the Avail Extended Depreciation field, see Find Eligible Assets Window, page 9-146.

[illegible]

Once you have indicated the extended depreciation decision for the assets, click the Submit button to launch the process of changing the depreciation method and depreciation limit for those assets.

The concurrent program launched, executes the following processes:

- For all assets for which the Avail Extended Depreciation is set to Yes:
  - Depreciation method is changed to the JP-STL Extended Depreciation method (JP-STL EXTND).
  - Internal Extended Depreciation flag is set to Yes.
  - Final depreciable limit is set to the value specified by the user in the Set Extended Depreciation window.
  - First period from when the extended depreciation is to be expensed is stored on the asset record.
  - Asset cost to be used as the basis for calculation of depreciation is set as: (Cost - Accumulated Depreciation - Final Depreciable limit).
- Where the first period of depreciation is the first period of the current fiscal year, the catch-up depreciation, if any, is calculated and expensed in the current period.
- For all assets where the Avail Extended Depreciation is set to No or Defer Decision, the internal Extended Depreciation flag is set accordingly.

- The normal depreciation program picks up the assets selected for extended depreciation based on the First Period specified for individual assets.

In order to access the Set Extended Depreciation Window, set the FA: Japan 2007 Tax Reforms Features profile option, page B-8 to Yes.

## What-If Analysis Window

In accordance with the Japan Tax Reforms 2007, Oracle Assets now supports calculation of What-if Projections Analysis for JP-250DB and JP-STL-EXTND depreciation methods. Also, you can use the What-If analysis for assets that are in Extended Depreciation using the JP-STL EXTND method.

In order to use the What-If Analysis for JP-250DB and JP-STL EXTND depreciation methods, set the FA: Japan 2007 Tax Reforms Features profile option, page B-8 to Yes.

By setting the FA: Japan 2007 Tax Reforms Features profile option to Yes, the system adds the following to the What-If Analysis window:

- Calculate Extended Depreciation check box: Select the check box to indicate that extended depreciation calculations should be made in the current What-If run.
- First Period field: Select the first period from which projections of extended depreciation is to be calculated for a single or group of assets. This field is enabled if the Calculate Extended Depreciation box is checked. Periods that are displayed in the First Period are first periods of the fiscal year for which extended depreciation should start for the assets selected.

## Books Window - Japan Asset Additional Info Tab

The Japan Asset Additional Info tab enables users to provide additional information when migrating individual assets that are being depreciated with JP-250DB or JP-STL-EXTND depreciation method into Oracle Assets through the Books window, page 2-22.

The screenshot shows the 'Books' window with the 'Japan Asset Additional Info' tab selected. The window is divided into several sections:

- Asset Information:** Asset Number (LISJP-3), Book (LISJP), Reference Number, and Comments.
- Financial Information:** Current Cost (10,000), Original Cost (1), Salvage Value Type (Amount), Salvage Value (0), Recoverable Cost (10,000), Net Book Value (4,584), YTD Depreciation (5,416), Accumulated Depreciation (5,416), Salvage Value Percent (%), Revaluation Ceiling, and Revaluation Reserve (0).
- Depreciation:** Method (JP-STL 4YR), Basic Rate (25 %), Adjusted Rate (25 %), Bonus Rule, Depreciation Limit (Type, Limit Amount, Percent), and a checkbox for 'Depreciate'.
- Other Fields:** Date in Service (25-FEB-2006), Prorate Convention (MONTHLY), Prorate Date (01-FEB-2006), Amortization Start Date, Amortize Adjustment (checkbox), and Ceiling.

Buttons at the bottom include 'Unplanned Depreciation', 'Done', and 'Cancel'.

The Japan Asset Additional Info tab includes following fields:

- NBV at the Time of Switch
- Period When Fully Reserved
- Earlier Depreciation Limit
- Limit Amount
- Percent
- First Period of Extended Depreciation
- Earlier Depreciation Method
- Life Years
- Months

## Mass Additions Window - Japan Asset Additional Info Tab

The Japan Asset Additional Info tab enables users to provide additional information while migrating an individual asset that is being depreciated with JP-250DB or JP-STL-EXTND depreciation method into Oracle Assets through Mass Additions Window. The Japan Asset Additional Info tab includes following fields:

- NBV at the Time of Switch
- Period When Fully Reserved
- Earlier Depreciation Limit
- Limit Amount
- Percent
- First Period of Extended Depreciation
- Earlier Depreciation Method
- Life Years
- Months

## Japanese Impairments

Though Japan is one of the countries that have not fully adopted IFRS, Japan has incorporated various principals of IFRS to increase visibility and transparency of reporting one of which being Asset Impairment. Oracle Assets now addresses the requirements of impairments for Japan depreciation methods in addition to International Accounting Standards (IAS36). The Oracle Assets Impairments functionality addresses the following business requirements for Asset Impairments for Japan:

- Asset Impairments, page 9-154
- Non-Depreciating Assets Impairments, page 9-154
- Impairment of Assets Beyond Asset's Deprecation Limits, page 9-154
- Japan Depreciation Methods Impairment Loss Calculations, page 9-154
- Post Impairment Depreciation Calculations, page 9-155
- Accounting, page 9-155

## Asset Impairments

For all Japanese depreciation method assets, users are now able to perform impairments on individual assets or as a group of assets within a Cash Generating Unit. Users can assign assets to a Cash Generating Unit within Asset Workbench or through the WedADI Impairment Worksheet. This includes assets being depreciated using guarantee rate depreciation methods such as JP-250DB or JP-STL-EXTND.

## Non-Depreciating Assets Impairments

Japanese companies are allowed to impair non-depreciating assets such as Land, Construction in Process, and idle assets. Assets using the Japan depreciation methods, which are fully reserved or have the depreciation flag set to No, can now be included in the Impairment process.

## Impairment of Assets Beyond Asset's Deprecation Limits

In Japan, depreciation limits are legislated by the tax regulation and are set to 95% of the asset cost for assets with a date place in service (DPIS) before March 31, 2007. Most Japanese companies use the same depreciation limit for accounting purposes and depreciation is calculated up to the depreciation limit. While depreciation is limited to the depreciation limit, assets may be impaired beyond the depreciation limits. For assets using the Japan depreciation methods, are not longer prevented from impairing asset which have reached their depreciation limits.

## Japan Depreciation Methods Impairment Loss Calculations

The formula for calculating net book value varies with the Japan depreciation method.

The calculations are as follows:

### Net book Value

For assets acquired prior to March 31, 2007 and are being depreciated using the seeded depreciation methods of JP-STL XXYYR, JP-DB XXYYR, and JP-STL-EXTND, the net book value for the impairment calculation, the salvage value is **not** considered in the calculation.

The net book value is calculated as follows when:

- $NBVC_{Current} = Cost - Cost\ Adjustment + Revaluations - Accumulated\ Depreciation$  (including current period depreciation) - Accumulated Impairment - Retirements

When performing impairments on assets using the Japanese depreciation method of JP-250DB, the salvage value is considered in the net book value calculation and is as follows:

- The net book value is calculated as follows when deriving the impairment loss account:



$$\text{NBVCurrent} = \text{Cost} - \text{Cost Adjustment} + \text{Revaluations} - \text{Accumulated Depreciation (including current period depreciation)} - \text{Accumulated Impairment} - \text{Retirements} - \text{Salvage Value}$$

## Post Impairment Depreciation Calculations

After the impairment has been posted to the asset, the depreciation components are recalculated as detailed below for the various depreciation methods.

### Depreciable Basis

Once the impairment has been posted to the asset, the asset's depreciable basis after impairment is calculated:

- JP-DB, JP-250DB

Depreciable Basis = Net Book Value

- JP-STL

Depreciable Basis = Net Book Value - Salvage Value

- JP-STL-EXTND

Depreciable Basis = Net Book Value - Depreciation Limit (Memorandum Price)

### Guarantee Rate Recalculation

For the JP-250DB depreciation method only, the guarantee rate will not change or be recalculated after the impairment posting. The rate will be recalculated at the beginning of the fiscal year as if the impairment had not taken place.

## Accounting

Impairment losses are accounted for in the organization's general ledger and are reported on the income statement. The journals for recording of impairment loss, additions, depreciation, reclassification, adjustments and retirements for the Japanese depreciation methods is the same as non-Japanese depreciation methods and is addressed using the standard Oracle Assets journal process.

## Revaluations

Based on asset impairment requirements in accordance with Japanese Accounting Principles, revaluation or reversal of impairments are currently not allowed or supported for assets using the Japan depreciation methods.

## Application Setup

In order to perform impairments on asset's using the Japan depreciation methods, ensure that the FA: Japan 2007 Tax Reforms Features profile option is set to Yes. Then,

follow the setup steps as detailed in the Application Setup for Asset Impairments section of Oracle Assets User Guide.

## Processing Impairments

For details on how to create, post, and manage asset impairments, see the Asset Maintenance: Asset Impairment Business Process section of Oracle Assets User Guide.

## Asset Impairment Examples

Below details the processing events and accounting for impairing asset's depreciated using the various Japan depreciation methods.

- Guarantee Rate Evaluation Method (JP-250DB): NBV Basis, page 9-156
  - Using a Revised Rate (Normal Depreciation < Guarantee Amount) with Switch, page 9-156
- Japanese Straight Line (JP-STL), page 9-159
  - Salvage Value 10% and Depreciation Limit 95%, DPIS before March 31, 2007, page 9-159
  - No Salvage Value or Depreciation Limit, DPIS After April 1, 2007, page 9-163
- Japanese Extended Depreciation Method (JP-STL-EXTND), page 9-166
  - Impairment at the End of Fiscal Year, page 9-166
- Fully Reserved Assets, page 9-169
- Non-Depreciating Assets, page 9-172

### Guarantee Rate Evaluation Method (JP-250DB): NBV Basis

#### Using a Revised Rate (Normal Depreciation < Guarantee Amount) With Switch

On April 1, 2007, an asset was recorded into Oracle Assets with the following details:

##### ***Current Asset Data***

| Asset Item | Asset Information |
|------------|-------------------|
| Cost       | 1,000,000 Yen     |

| <b>Asset Item</b>           | <b>Asset Information</b>       |
|-----------------------------|--------------------------------|
| DPIS                        | 01-Apr-2007                    |
| Salvage Value               | 0                              |
| Limit                       | 1 Yen                          |
| Guarantee Rate/Amount       | 0.05111                        |
| Guarantee Amount            | (1,000,000 * .05111) or 51,110 |
| Original Rate               | 31.3%                          |
| Revised Rate                | .334                           |
| Depreciation Method Details | JP-250DB 8                     |
| Method Type                 | Formula                        |
| Depreciation Basis          | NBV                            |
| Depreciation Basis Rule     | Dual Rate Evaluation           |
| Depreciate in Year Retired  | No                             |
| Excluding Salvage Value     | No                             |
| Straight Line Method        | No                             |
| Guarantee Rate Evaluation   | Yes                            |
| Impairment Loss             | 150,000                        |
| Impairment Date             | 31-Mar-2010                    |
| FA: Annual Rounding         | Yes                            |

Fiscal Year: April – March

On March 31, 2010, a professional evaluation was performed on the asset and an impairment loss was recorded on the asset.

The effect of the impairment is illustrated in the following table:

| Period  | Cost      | Depreciation Expense | Accumulated Depreciation Expense | Asset CNBV (End of Period) | Asset NNBV     | Depreciable Basis | Impairment Loss | Accumulated Impairment |
|---------|-----------|----------------------|----------------------------------|----------------------------|----------------|-------------------|-----------------|------------------------|
| 2008FY1 | 1,000,000 | 313,000              | 313,000                          | 687,000                    |                | 1,000,000         |                 |                        |
| 2009FY  |           | 215,031              | 528,031                          | 471,969                    |                | 687,000           |                 |                        |
| 2010FY  |           | 147,726              | 675,757                          | 324,243                    |                | 471,969           |                 |                        |
|         |           | <b>Impairment</b>    |                                  |                            | <b>174,243</b> |                   | <b>150,000</b>  |                        |
| 2011FY  |           | 54,438               | 730,295                          | 119,705                    |                | 174,243           |                 | 150,000                |
|         |           | <b>Switch</b>        |                                  |                            |                |                   |                 |                        |
| 2012FY  |           | 39,981               | 770,276                          | 79,724                     |                | 119,705           |                 | 150,000                |
| 2013FY  |           | 39,981               | 810,257                          | 39,743                     |                | 119,705           |                 | 150,000                |
| 2014FY  |           | 39,742               | 849,999                          | 1                          |                | 1                 |                 | 150,000                |
| 2015FY  |           | 0                    | 849,999                          | 1                          |                | 1                 |                 | 150,000                |

When determining the impairment loss, the current period's (March 2010) is included in the CNBV calculation.

Impairment loss calculations are as follows:

Current Net Book Value (CNBV) = Cost + Cost Adjustment - Current Period  
Depreciation - Accumulated Depreciation - Accumulated Impairments - Retirements

$$324,243 = 1,000,000 - 12,305 - 663,452 - 0 - 0$$

Impairment Loss = 150,000

New Net Book Value = CNBV - Impairment Loss

$$174,243 = 324,243 - 150,000$$

Depreciable Basis = New Net Book Value

$$\text{Depreciable Basis} = 174,243$$

Since this impairment happen at the end of the fiscal year and depreciation for the

current period is included in the impairment loss calculation, the depreciation expense is not recalculated until the next period.

Depreciation Expense for next fiscal year:

Depreciation Expense = (Depreciable Basis \* Deprecation Rate)

**Note:** Depreciation Rate Revision: Original Rate or Revised Rate only happens at the beginning of the next fiscal year of the impairment period. The guarantee amount calculation is always based on the formula: Cost \* Guarantee Rate. There is no rate change before or after the impairment.

Determine if rate revision:

Depreciable Basis \* Original Rate = > Guarantee Amount (51,110)...Use Original Rate (0.313)

$174,243 * 0.313 = 54,538 > 51,110 \dots 54,538$

#### Accounting Entries:

The following accounting entries are generated to record the impairment loss:

| Account Description    | Debit   | Credit  |
|------------------------|---------|---------|
| Impairment Expense     | 150,000 |         |
| Accumulated Impairment |         | 150,000 |

At the end of the month, the following accounting entry is booked to record the depreciation expense for March 2010:

| Account Description      | Debit    | Credit |
|--------------------------|----------|--------|
| Depreciation Expense     | 12,305 * |        |
| Accumulated Depreciation |          | 12,305 |

\* Since the current month depreciation is considered in the CNBV calculation, depreciation is not recalculated until the following month.

## Japanese Straight Line (JP-STL)

### Salvage Value 10% and Depreciation Limit 95%, DPIS before March 31, 2007

On April 1, 2007, an asset was recorded into Oracle Assets with the following details:

**Current Asset Data**

| <b>Asset Item</b>           | <b>Asset Information</b> |
|-----------------------------|--------------------------|
| Cost                        | 1,000,000 Yen            |
| DPIS                        | 01-Apr-2005              |
| Salvage Value               | 10%, 100,000             |
| Limit                       | 95%, 50,000              |
| Months                      | -                        |
| Adjusted Rate               | 12.5%                    |
| Guarantee Rate              | -                        |
| Guarantee Amount            | -                        |
| Original Rate               | -                        |
| Revised Rate                | -                        |
| Depreciation Method Details | JP-STL 8YR               |
| Method Type                 | Flat                     |
| Depreciation Basis          | Cost                     |
| Depreciation Basis Rule     | FLAT RATE EXTENSION      |
| Depreciate in Year Retired  | Yes                      |
| Excluding Salvage Value     | No                       |
| Straight Line Method        | No                       |
| Guarantee Rate Evaluation   | No                       |
| Impairment Loss             | 300,000                  |

| <b>Asset Item</b>              | <b>Asset Information</b> |
|--------------------------------|--------------------------|
| Impairment Date                | 31-Mar-2010              |
| Salvage Value after Impairment | Asset NNVB * 10%         |
| FA: Annual Rounding            | Yes                      |

Fiscal Year: April – March

On March 31, 2010, a profession evaluation was performed on the asset and an impairment loss was recorded on the asset.

The effect of the impairment is illustrated in the following table:

| <b>Period</b> | <b>Cost</b>       | <b>Depreciation Expense</b> | <b>Accumulated Depreciation Expense</b> | <b>Asset CNBV (End of Period)</b> | <b>Asset NNVB</b> | <b>Depreciable Basis</b> | <b>Impairment Loss</b> | <b>Accumulated Impairment</b> |
|---------------|-------------------|-----------------------------|-----------------------------------------|-----------------------------------|-------------------|--------------------------|------------------------|-------------------------------|
| 2006FY        | 1,000,000         | 112,500                     | 112,500                                 | 887,500                           |                   | 900,000                  |                        |                               |
| 2007FY        |                   | 112,500                     | 225,000                                 | 775,000                           |                   | 900,000                  |                        |                               |
| 2008FY        |                   | 112,500                     | 337,500                                 | 662,500                           |                   | 900,000                  |                        |                               |
| 2009FY        |                   | 112,500                     | 450,000                                 | 550,000                           |                   | 900,000                  |                        |                               |
| 2010FY        |                   | 112,500                     | 562,500                                 | 437,500                           |                   | 900,000                  |                        |                               |
|               | <b>Impairment</b> |                             |                                         |                                   | <b>137,500</b>    |                          | <b>300,000</b>         |                               |
| 2011FY        |                   | 15,468                      | 577,968                                 | 122,032                           |                   | 123,750                  |                        | 300,000                       |
| 2012FY        |                   | 15,468                      | 593,436                                 | 106,564                           |                   | 123,750                  |                        | 300,000                       |
| 2013FY        |                   | 15,468                      | 608,904                                 | 91,096                            |                   | 123,750                  |                        | 300,000                       |
| 2014FY        |                   | 15,468                      | 624,372                                 | 75,628                            |                   | 123,750                  |                        | 300,000                       |

| Period | Cost | Depreciation Expense | Accumulated Depreciation Expense | Asset CNBV (End of Period) | Asset NNBV | Depreciable Basis | Impairment Loss | Accumulated Impairment |
|--------|------|----------------------|----------------------------------|----------------------------|------------|-------------------|-----------------|------------------------|
| 2015FY |      | 15,468               | 639,840                          | 60,160                     |            | 123,750           |                 | 300,000                |
| 2016FY |      | 10,160               | 650,000                          | 50,000                     |            | 123,750           |                 | 300,000                |

When determining the impairment loss, the current period's (March 2010) is included in the CNBV calculation.

Impairment loss calculations are as follows:

Current Net Book Value (CNBV) = Cost + Cost Adjustment - Current Period Depreciation - Accumulated Depreciation - Accumulated Impairments - Retirements

$$437,500 = 1,000,000 - 9,375 - 553,125 - 0 - 0$$

Impairment Loss = 300,000

New Net Book Value = CNBV - Impairment Loss

$$137,500 = 437,500 - 300,000$$

Depreciable Basis = New Net Book Value

$$\text{Depreciable Basis (Before Salvage Value Adjustment)} = 137,500 - 100,000 = 37,500$$

$$\text{Depreciable Basis (After Salvage Value Adjustment)} = 137,500 - (137,500 * 10\%) = 123,750$$

Since this impairment happen at the end of the fiscal year and depreciation for the current period is included in the impairment loss calculation, the depreciation expense is not recalculated until the next period.

Depreciation Expense for next fiscal year:

$$\text{Depreciation Expense} = (\text{Depreciable Basis} * 12.5\%) = 15,468$$

#### Accounting Entries:

The following accounting entries are generated to record the impairment loss:

| Account Description     | Debit   | Credit  |
|-------------------------|---------|---------|
| Impairment Loss Expense | 300,000 |         |
| Accumulated Impairment  |         | 300,000 |



At the end of the month, the following accounting entry is booked to record the depreciation expense for March 2010:

| Account Description      | Debit   | Credit |
|--------------------------|---------|--------|
| Depreciation Expense     | 9,375 * |        |
| Accumulated Depreciation |         | 9,375  |

\* Since the current month depreciation is considered in the CNBV calculation, depreciation is not recalculated until the following month.

#### No Salvage Value or Depreciation Limit, DPIS After April 1, 2007

On April 1, 2007, an asset was recorded into Oracle Assets with the following details:

##### **Current Asset Data**

| Asset Item                  | Asset Information |
|-----------------------------|-------------------|
| Cost                        | 1,000,000 Yen     |
| DPIS                        | 01-Apr-2007       |
| Salvage Value               | 0                 |
| Limit                       | 1 Yen             |
| Months                      |                   |
| Adjusted Rate               | 12.5%             |
| Guarantee Rate              | -                 |
| Guarantee Amount            | -                 |
| Original Rate               | -                 |
| Revised Rate                | -                 |
| Depreciation Method Details | JP-STL 8YR        |

| <b>Asset Item</b>          | <b>Asset Information</b> |
|----------------------------|--------------------------|
| Method Type                | Flat                     |
| Depreciation Basis         | Cost                     |
| Depreciation Basis Rule    | FLAT RATE EXTENSION      |
| Depreciate in Year Retired | Yes                      |
| Excluding Salvage Value    | No                       |
| Straight Line Method       | No                       |
| Guarantee Rate Evaluation  | No                       |
| Impairment Loss            | 300,000                  |
| Impairment Date            | 31-Mar-2010              |
| FA: Annual Rounding        | Yes                      |

Fiscal Year: April – Mar

On March 31, 2010, a profession evaluation was performed on the asset and an impairment loss was recorded on the asset.

The effect of the impairment is illustrated in the following table:

| <b>Period</b> | <b>Cost</b> | <b>Depreciation Expense</b> | <b>Accumulated Depreciation Expense</b> | <b>Asset CNBV (End of Period)</b> | <b>Asset NNBV</b> | <b>Depreciable Basis</b> | <b>Impairment Loss</b> | <b>Accumulated Impairment</b> |
|---------------|-------------|-----------------------------|-----------------------------------------|-----------------------------------|-------------------|--------------------------|------------------------|-------------------------------|
| 2008FY        |             | 125,000                     | 125,000                                 | 875,000                           |                   | 1,000,000                |                        |                               |
| 2009FY        |             | 125,000                     | 250,000                                 | 750,000                           |                   | 1,000,000                |                        |                               |
| 2010FY        |             | 125,000                     | 375,000                                 | 625,000                           |                   | 1,000,000                |                        |                               |

| Period | Cost       | Depreciation Expense | Accumulated Depreciation Expense | Asset CNBV (End of Period) | Asset NNBV | Depreciable Basis | Impairment Loss | Accumulated Impairment |
|--------|------------|----------------------|----------------------------------|----------------------------|------------|-------------------|-----------------|------------------------|
|        | Impairment |                      |                                  |                            | 325,000    |                   | 300,000         |                        |
| 2011FY |            | 40,625               | 415,625                          | 284,375                    |            | 325,000           |                 | 300,000                |
| 2012FY |            | 40,625               | 456,250                          | 243,750                    |            | 325,000           |                 | 300,000                |
| 2013FY |            | 40,625               | 496,875                          | 203,125                    |            | 325,000           |                 | 300,000                |
| 2014FY |            | 40,625               | 537,500                          | 162,500                    |            | 325,000           |                 | 300,000                |
| 2015FY |            | 40,625               | 578,125                          | 121,875                    |            | 325,000           |                 | 300,000                |
| 2016FY |            | 40,625               | 618,750                          | 81,250                     |            | 325,000           |                 | 300,000                |
| 2017FY |            | 40,625               | 659,375                          | 40,625                     |            | 325,000           |                 | 300,000                |
| 2018FY |            | 40,625               | 699,999                          | 1                          |            | 325,000           |                 | 300,000                |

When determining the impairment loss, the current period's (March 2010) is included in the CNBV calculation.

Impairment loss calculations are as follows:

Current Net Book Value (CNBV) = Cost + Cost Adjustment - Current Period  
Depreciation - Accumulated Depreciation - Accumulated Impairments - Retirements

$$625,000 = 1,000,000 - 7,812 - 367,188 - 0 - 0$$

Impairment Loss = 300,000

New Net Book Value = CNBV - Impairment Loss

$$325,000 = 625,000 - 300,000$$

Depreciable Basis = New Net Book Value

$$\text{Depreciable Basis} = 325,000$$

Since this impairment happen at the end of the fiscal year and depreciation for the current period is included in the impairment loss calculation, the depreciation expense is not recalculated until the next period.

Depreciation Expense for next fiscal year:

Depreciation Expense = (325,000 \* 0.125) = 40,625

**Accounting Entries:**

The following accounting entries are generated to record the impairment loss:

| Account Description     | Debit   | Credit  |
|-------------------------|---------|---------|
| Impairment Loss Expense | 300,000 |         |
| Accumulated Impairment  |         | 300,000 |

At the end of the month, the following accounting entry is booked to record the depreciation expense for March 2010:

| Account Description      | Debit   | Credit |
|--------------------------|---------|--------|
| Depreciation Expense     | 7,812 * |        |
| Accumulated Depreciation |         | 7,812  |

\* Since the current month depreciation is considered in the CNBV calculation, depreciation is not recalculated until the following month.

**Japanese Extended Depreciation Method (JP-STL-EXTND) - Impairment at the End of Fiscal Year**

Prior depreciation method JP-STL 8YR, date place in service before April 1, 2007, Depreciation limit reached, converted to extended depreciation on April 1, 2007.

On April 1, 2006, an asset was recorded into Oracle Assets with the following details:

**Current Asset Data**

| Asset Item    | Asset Information |
|---------------|-------------------|
| Cost          | 1,000,000 Yen     |
| DPIS          | 01-Apr-1995       |
| Salvage Value | 10%, 100,000      |
| Limit         | 95%, 50,000       |

| Asset Item                  | Asset Information         |
|-----------------------------|---------------------------|
| Extended                    | JP-STL 8YR =>JP-STL-EXTND |
| Adjusted Rate               | 12.5%                     |
| Guarantee Rate              | -                         |
| Guarantee Amount            | -                         |
| Original Rate               | -                         |
| Revised Rate                | -                         |
| Depreciation Method Details | JP-STL-EXTND              |
| Method Type                 | Calculated                |
| Depreciation Basis          | Cost                      |
| Depreciation Basis Rule     | -                         |
| Depreciate in Year Retired  | Yes                       |
| Excluding Salvage Value     | Yes                       |
| Straight Line Method        | Yes                       |
| Guarantee Rate Evaluation   | No                        |
| Impairment Loss             | 30,000                    |
| Impairment Date             | 31-Mar-2008               |
| Depreciation Limit          | 1 Yen                     |
| FA: Annual Rounding         | Yes                       |

Fiscal Year: April – March

The asset has reached its depreciation limit and is no longer depreciating. The asset's current net book value is 50,000. As a result of the 2007 tax reform, the asset's depreciation method was changed on April 1, 2007 and the remaining value is being

depreciated using the Extended Straight Line Depreciation method. Then on March 31, 2008, a professional evaluation was performed on the asset and an impairment loss was recorded on the asset.

The effect of the impairment is illustrated in the following table:

| Period | Cost                    | Depreciation Expense | Accumulated Depreciation Expense | Asset CNBV (End of Period) | Asset NNBV | Depreciable Basis | Impairment Loss | Accumulated Impairment |
|--------|-------------------------|----------------------|----------------------------------|----------------------------|------------|-------------------|-----------------|------------------------|
| 2007FY | 1,000,000               | 0                    | 950,000                          | 50,000                     |            | 900,000           |                 |                        |
|        | Extend STL Depreciation |                      |                                  |                            |            |                   |                 |                        |
| 2008FY |                         | 9,999                | 959,999                          | 40,001                     |            | 49,999            |                 |                        |
|        | Impairment              |                      |                                  |                            | 10,001     |                   | 30,000          |                        |
| 2009FY |                         | 2,500                | 962,499                          | 7,501                      |            | 10,000            |                 | 30,000                 |
| 2010FY |                         | 2,500                | 964,999                          | 5,001                      |            | 10,000            |                 | 30,000                 |
| 2011FY |                         | 2,500                | 967,499                          | 2,501                      |            | 10,000            |                 | 30,000                 |
| 2012FY |                         | 2,500                | 969,999                          | 1                          |            | 10,000            |                 | 30,000                 |

When determining the impairment loss, the current period's (March 2010) is included in the CNBV calculation.

Impairment loss calculations are as follows:

Current Net Book Value (CNBV) = Cost + Cost Adjustment - Current Period Depreciation - Accumulated Depreciation - Accumulated Impairments - Retirements

$$40,001 = 1,000,000 - 833 - 959,166 - 0 - 0$$

$$\text{Impairment Loss} = 30,000$$

New Net Book Value = CNBV - Impairment Loss

$$10,001 = 40,001 - 30,000$$

Depreciable Basis = New Net Book Value

Depreciable Basis = 10,001 - 1 (Memorandum Price) = 10,000

Since this impairment happen at the end of the fiscal year and depreciation for the current period is included in the impairment loss calculation, the depreciation expense is not recalculated until the next period.

Depreciation Expense for next fiscal year:

Depreciation Expense = (10,000 / 4) = 2,500

#### Accounting Entries:

The following accounting entries are generated to record the impairment loss:

| Account Description     | Debit  | Credit |
|-------------------------|--------|--------|
| Impairment Loss Expense | 30,000 |        |
| Accumulated Impairment  |        | 30,000 |

At the end of the month, the following accounting entry is booked to record the depreciation expense for March 2010:

| Account Description      | Debit | Credit |
|--------------------------|-------|--------|
| Depreciation Expense     | 833 * |        |
| Accumulated Depreciation |       | 833    |

\* Since the current month depreciation is considered in the CNBV calculation, depreciation is not recalculated until the following month.

### Fully Reserved Assets

Below details the processing events and accounting for impairment an asset after it has been fully reserved.

On April 1, 2000, an asset was recorded into Oracle Assets with the following details:

#### Current Asset Data

| Asset Item | Asset Information |
|------------|-------------------|
| Cost       | 1,000,000 Yen     |

| <b>Asset Item</b>           | <b>Asset Information</b> |
|-----------------------------|--------------------------|
| DPIS                        | 01-Apr-2000              |
| Salvage Value               | 10%, 100,000             |
| Limit                       | 95%, 50,000              |
| Months                      | JP-STL 5YR               |
| Adjusted Rate               | 20%                      |
| Guarantee Rate              | -                        |
| Guarantee Amount            | -                        |
| Original Rate               | -                        |
| Revised Rate                | -                        |
| Depreciation Method Details | JP-STL 5YR               |
| Method Type                 | Flat                     |
| Depreciation Basis          | Cost                     |
| Depreciation Basis Rule     | Flat Rate Extension      |
| Depreciate in Year Retired  | Yes                      |
| Excluding Salvage Value     | No                       |
| Straight Line Method        | No                       |
| Guarantee Rate Evaluation   | No                       |
| Impairment Loss             | 50,000                   |
| Impairment Date             | 31-Mar-2010              |
| Depreciation Limit          | 50,000 Yen               |



| Asset Item          | Asset Information |
|---------------------|-------------------|
| FA: Annual Rounding | Yes               |

Fiscal Year: April – Mar

As of March 2005, the asset has reached its depreciation limit and is no longer depreciating. The asset's current net book value is 50,000. Then on March 31, 2010, a professional evaluation was performed on the asset and a 50,000 impairment loss was recorded on the asset.

The effect of the impairment is illustrated in the following table:

| Period  | Cost      | Depreciation Expense | Accumulated Depreciation Expense | Asset CNBV (End of Period) | Asset NNBV | Depreciable Basis | Impairment Loss | Accumulated Impairment |
|---------|-----------|----------------------|----------------------------------|----------------------------|------------|-------------------|-----------------|------------------------|
| 2010-Q1 | 1,000,000 | 0                    | 950,000                          |                            |            | 900,000           |                 |                        |
| 2010-Q2 |           | 0                    | 950,000                          |                            |            |                   |                 |                        |
| 2010-Q3 |           | 0                    | 950,000                          |                            |            |                   |                 |                        |
| 2010-Q4 |           | 0                    | 950,000                          | 50,000                     |            |                   |                 |                        |
|         |           | <b>Impairment</b>    |                                  |                            | <b>0</b>   |                   | <b>50,000</b>   |                        |
| 2010-Q1 |           | 0                    | 950,000                          | 0                          |            | 0                 |                 | 50,000                 |

Impairment loss calculations are as follows:

Current Net Book Value (CNBV) = Cost + Cost Adjustment - Current Period Depreciation - Accumulated Depreciation - Accumulated Impairments - Retirements

$$50,000 = 1,000,000 - 0 - 950,000 - 0 - 0$$

$$\text{Impairment Loss} = 50,000$$

New Net Book Value = CNBV - Impairment Loss

$$0 = 50,000 - 50,000$$

Depreciable Basis = New Net Book Value

Depreciable Basis = 0

Since the asset had reached its depreciation limit and stopped depreciating, the current and future period depreciation expense is zero.

Depreciation Expense for next fiscal year:

Depreciation Expense = 0

#### Accounting Entries:

The following accounting entries are generated to record the impairment loss:

| Account Description     | Debit  | Credit |
|-------------------------|--------|--------|
| Impairment Loss Expense | 50,000 |        |
| Accumulated Impairment  |        | 50,000 |

At the end of the month, the following accounting entry is booked to record the depreciation expense for March 2010:

| Account Description      | Debit | Credit |
|--------------------------|-------|--------|
| Depreciation Expense     | 0 *   |        |
| Accumulated Depreciation |       | 0      |

\* Since the current month depreciation is considered in the CNBV calculation, depreciation is not recalculated until the following month.

### Non-Depreciating Assets

Below details the processing events and accounting for impairing non-depreciating assets (Depreciation Flag is set to No).

On April 1, 2000, an asset was recorded into Oracle Assets with the following details:

#### Current Asset Data

| Asset Item | Asset Information |
|------------|-------------------|
| Cost       | 1,000,000 Yen     |
| DPIS       | 01-Apr-2000       |

| <b>Asset Item</b>           | <b>Asset Information</b> |
|-----------------------------|--------------------------|
| Salvage Value               | 10%, 100,000             |
| Limit                       | 95%, 50,000              |
| Months                      | JP-STL 5YR               |
| Adjusted Rate               | 20%                      |
| Guarantee Rate              | -                        |
| Guarantee Amount            | -                        |
| Original Rate               | -                        |
| Revised Rate                | -                        |
| Depreciation Method Details | JP-STL 5YR               |
| Method Type                 | Flat                     |
| Depreciation Basis          | Cost                     |
| Depreciation Basis Rule     | Flat Rate Extension      |
| Depreciate in Year Retired  | Yes                      |
| Excluding Salvage Value     | No                       |
| Straight Line Method        | No                       |
| Guarantee Rate Evaluation   | No                       |
| Impairment Loss             | 50,000                   |
| Impairment Date             | 31-Mar-2010              |
| Depreciation Limit          | 50,000 Yen               |
| FA: Annual Rounding         | Yes                      |

Fiscal Year: April – Mar

As of March 2004, the asset has been depreciated by 800,000 and the depreciation flag is manually set to No and is no longer depreciating. The asset's current net book value is 200,000. Then on March 31, 2010, a professional evaluation was performed on the asset and a 100,000 impairment loss was recorded on the asset.

The effect of the impairment is illustrated in the following table:

| Period  | Cost      | Depreciation Expense | Accumulated Depreciation Expense | Asset CNBV (End of Period) | Asset NNBV | Depreciable Basis | Impairment Loss | Accumulated Impairment |
|---------|-----------|----------------------|----------------------------------|----------------------------|------------|-------------------|-----------------|------------------------|
| 2000FY  | 1,000,000 | 180,000              | 180,000                          |                            |            | 900,000           |                 |                        |
| 2001FY  |           | 180,000              | 360,000                          |                            |            | 900,000           |                 |                        |
| 2002FY  |           | 180,000              | 540,000                          |                            |            | 900,000           |                 |                        |
| 2003FY  |           | 180,000              | 720,000                          |                            |            | 900,000           |                 |                        |
| 2004FY  |           | 80,000               | 800,000                          | 200,000                    |            | 900,000           |                 |                        |
|         |           | <b>Impairment</b>    |                                  |                            | <b>0</b>   |                   | <b>100,000</b>  |                        |
| 2010-Q1 |           | 0                    | 800,000                          | 100,000                    |            | 100,000           |                 | 100,000                |

Impairment loss calculations are as follows:

Current Net Book Value (CNBV) = Cost + Cost Adjustment - Current Period Depreciation - Accumulated Depreciation - Accumulated Impairments - Retirements

$$200,000 = 1,000,000 - 0 - 800,000 - 0 - 0$$

Impairment Loss = 100,000

New Net Book Value = CNBV - Impairment Loss

$$100,000 = 200,000 - 100,000$$

Depreciable Basis = Net Book Value - Salvage Value

$$0 = 100,000 - 100,000$$

Adjusted cost is recalculated after the posting of the impairment as:

Adjusted Cost = New Net Book Value - Salvage Value

$$0 = 100,000 - 100,000$$

Since the asset had reached its depreciation limit and stopped depreciating, the current and future period depreciation expense is zero.

Depreciation Expense for next fiscal year:

Depreciation Expense = 0

**Accounting Entries:**

The following accounting entries are generated to record the impairment loss:

| Account Description     | Debit   | Credit  |
|-------------------------|---------|---------|
| Impairment Loss Expense | 100,000 |         |
| Accumulated Impairment  |         | 100,000 |

At the end of the month, the following accounting entry is booked to record the depreciation expense for March 2010:

| Account Description      | Debit | Credit |
|--------------------------|-------|--------|
| Depreciation Expense     | 0 *   |        |
| Accumulated Depreciation |       | 0      |

\* Since the current month depreciation is considered in the CNBV calculation, depreciation is not recalculated until the following month.

**Restarting Depreciation**

On April 1, 2011, it was decided that the depreciation on the asset was to be restarted. To restart depreciation on a non-depreciating asset, perform the following:

1. In Asset Workbench, change the depreciation attributes as follows:

| Attribute               | Value         |
|-------------------------|---------------|
| Depreciation Flag       | Yes           |
| Amortize Adjustment     | Yes           |
| Amortization Start Date | April 1, 2011 |

2. Set the Salvage Value equal to the Net Book Value after impairment multiply by

salvage rate.

| Attribute               | Value                  |
|-------------------------|------------------------|
| Salvage Value           | 10,000 (100,000 * 10%) |
| Amortize Adjustment     | Yes                    |
| Amortization Start Date | April 1, 2011          |

Adjusted Cost is calculated as:

Adjusted Cost = Net Book Value after impairment - Salvage Value

90,000 = 100,000 - 10,000

3. Create an adjustment to change the depreciation method to the new depreciation method to be used.

| Attribute               | Value                           |
|-------------------------|---------------------------------|
| Depreciation Method     | Change JP-STL 5YR => JP-STL-2YR |
| Amortize Adjustment     | Yes                             |
| Amortization Start Date | April 1, 2011                   |

After completing these steps, depreciation will be determined using the following:

| Attribute           | Value  |
|---------------------|--------|
| Adjusted Cost       | 90,000 |
| Adjusted Rate       | 50%    |
| Annual Depreciation | 45,000 |

4. After running depreciation for the period, the following entries will be generated to record the new depreciation expense:

| Account Description      | Debit  | Credit |
|--------------------------|--------|--------|
| Depreciation Expense     | 45,000 |        |
| Accumulated Depreciation |        | 45,000 |

## Setting Up Depreciation Ceilings

You can set up or review expense, cost, and investment tax credit (ITC) ceilings. You can associate either an expense ceiling or a cost ceiling with an asset category. If you are subject to United States tax law, you must set up depreciation ceilings for your luxury automobiles.

### To set up cost, expense, or investment tax credit ceilings:

1. Open the Asset Ceilings window.
2. Choose the type of ceiling you want to set up: Cost, Expense, or ITC.
3. Enter a Name and Description of the ceiling
4. Enter the Currency for which you are defining the depreciation expense ceiling.
5. Enter Start and End dates for which the ceiling is effective. If you leave the End Date field blank, the ceiling is effective indefinitely.
6. If you are defining a depreciation **Expense** ceiling, enter the fiscal year of life of the asset to which the ceiling applies.
7. Enter a Ceiling amount:
 

**Expense:** Enter the maximum annual depreciation allowance for each year of the asset life. Oracle Assets uses the ceiling from the last year you set up for each year thereafter.

**Cost:** Enter the maximum recoverable cost Oracle Assets can use to calculate depreciation expense.

**Investment Tax Credit:** Enter the maximum cost that Oracle Assets can use to calculate ITC.
8. Save your work.

## Related Topics

Depreciation Rules (Books), page 2-5

Tax Credits, page 7-29

Oracle Assets System Setup, page 9-2

Ceiling Listing, page 10-35

## Defining Investment Tax Credit Rates

You can set up and review your Investment Tax Credit (ITC) rates and recapture rates. Oracle Assets displays the rates in ascending order by year and life. Oracle Assets automatically recaptures a portion of the investment tax credit for assets with ITC that you retire before they are fully reserved. Once you set up your rates, you can claim ITC for an asset.

### To define ITC rates:

1. Open the Investment Tax Credit Rates window.
2. Enter the year the ITC rate is effective.  
You must set up ITC recapture rates for all tax years for which ITC recapture applies.
3. Enter the life for which this ITC rate applies.
4. Enter the ITC Amount Rate as a percentage. The ITC Basis for an asset is the lesser of its original cost and the ITC Ceiling, if one is used.
5. Enter the Basis Reduction Rate as a percentage. Oracle Assets uses the basis reduction rate to reduce the recoverable cost of the asset.
6. Save your work.

### To define ITC recapture rates:

1. Open the Investment Tax Credit Recapture Rates window.
2. Enter the Tax Year the recapture rate is effective.
3. Enter the Year and Month of life to which the recapture rate applies.
4. Enter the Year of Retirement to which the rate applies. If you retire an asset during this year of life, it is subject to this recapture rate.



5. Enter the recapture rate as a percentage. Oracle Assets uses this rate to determine the amount of investment tax credit to recapture upon retirement.
6. Save your work.

## Related Topics

Assigning Tax Credits, page 7-29

Tax Credits, page 7-29

Oracle Assets System Setup, page 9-2

Setting Up Depreciation (ITC) Ceilings, page 9-177

ITC Rates Listing, page 10-38

## Specifying Dates for Prorate Conventions

You can set up or review prorate and retirement conventions in the Prorate Conventions window.

You must initially set up all your prorate conventions from the convention period corresponding to the oldest date placed in service through the end of the current fiscal year. At the end of each fiscal year, Oracle Assets automatically sets up your prorate conventions for the next fiscal year.

### Prerequisites

- Set up your Oldest Date Placed in Service. See: Specifying System Controls., page 9-48
- Set up your fiscal years. See: Creating Fiscal Years., page 9-53
- Set up your depreciation and prorate calendars. See: Specifying Dates for Calendar Periods., page 9-53

### To specify dates for prorate conventions:

1. Open the Prorate Conventions window
2. Enter a Convention name and Description.
3. Enter the Fiscal Year Name for which you want to set up this convention.
4. Select the Depreciate When Placed in Service check box if you want to start taking depreciation in the accounting period that corresponds to the date placed in service, instead of the period that corresponds to the prorate date.

This option determines over how many periods to spread the annual depreciation amount. For assets that use a calculated (straight-line) method, Oracle Assets ignores this option and always starts taking depreciation in the accounting period that corresponds to the prorate date.

5. Enter date ranges and corresponding prorate dates for assets where the date placed in service is between the From Date and the To Date.

**Note:** Your convention must include every date in your fiscal year; otherwise, Oracle Assets cannot calculate depreciation properly.

6. Save your work.

## Related Topics

About Prorate and Retirement Conventions, page 9-180

Prorate Convention Listing, page 10-39

## About Prorate and Retirement Conventions

Oracle Assets uses the **prorate convention** to determine how much depreciation to take in the first and last year of an asset's life, based on when you place the asset in service. Since assets can be acquired at any time in a given period, there must be a convention for determining how much depreciation to take in each instance. The prorate convention and the date placed in service determine the prorate date.

**Note:** For assets to depreciate properly, prorate conventions must account for every date in the fiscal year.

Oracle Assets uses the prorate date to determine the prorate period in your prorate calendar. If you retire the asset before it is fully reserved, then Oracle Assets uses the prorate date from the retirement convention to determine how much depreciation to take in the asset's last year of life.

If you retire an asset before it is fully reserved, Oracle Assets uses the **retirement convention** to determine how much depreciation to take in the last year of life based on the retirement date.

**Important:** Remember that the prorate convention, retirement convention, and depreciation method work together to produce the depreciation amounts. You must set up depreciation rates for each prorate period.

## User-Defined Conventions

Oracle Assets allows you to create your own prorate conventions.

### Example 1

In this example, you create a prorate convention called Half-Quarter, in which you divide each quarter into two periods. This prorate convention requires you to create a total of eight prorate periods (two per quarter):

| Prorate Convention | Period                        | Prorate Date | # of Prorate Periods |
|--------------------|-------------------------------|--------------|----------------------|
| Half-Quarter       | 01-JAN-1998 to<br>15-FEB-1998 | 15-FEB-1998  | 8                    |
| Half-Quarter       | 16-FEB-1998 to<br>31-MAR-1998 | 31-MAR-1998  | 8                    |

### Example 2

In this example, you create a prorate convention called Following Half-Year, in which the prorate date is the first day of the following period:

| Prorate Convention  | Period                        | Prorate Date | # of Prorate Periods |
|---------------------|-------------------------------|--------------|----------------------|
| Following Half Year | 01-JAN-1998 to<br>30-JUN-1998 | 01-JUL-1998  | 2                    |
| Following Half Year | 01-JUL-1998 to<br>31-DEC-1998 | 01-JAN-1999  | 2                    |

### Example 3

In this example, you create another half-year prorate convention called Mid-Half-Year, in which the prorate date falls at the half-way point of the period:

| Prorate Convention | Period                        | Prorate Date | # of Prorate Periods |
|--------------------|-------------------------------|--------------|----------------------|
| Mid-Half Year      | 01-JAN-1998 to<br>30-JUN-1998 | 31-MAR-1998  | 2                    |

| Prorate Convention | Period                        | Prorate Date | # of Prorate Periods |
|--------------------|-------------------------------|--------------|----------------------|
| Mid-Half Year      | 01-JUL-1998 to<br>31-DEC-1998 | 30-SEP-1999  | 2                    |

## Prorate Convention Setup Examples

### Month-to-Month

Month-to-month is the most common prorate convention and calendar setup. In this scenario:

- The depreciation calendar and the prorate calendar are identical: a standard 12-month calendar with each period corresponding to a different month.
  - An asset with a date placed in service any time in a given month will have a full month of depreciation taken for that period.
1. You set up your depreciation calendar on the Asset Calendars window. You enter one depreciation period for each month as follows:

| Period                | Date            |
|-----------------------|-----------------|
| Depreciation Period 1 | 01-JAN - 31 JAN |
| Depreciation Period 2 | 01 FEB - 28 FEB |
| Depreciation Period 3 | 01 MAR - 31 MAR |
| Depreciation Period 4 | 01-APR - 30-APR |
| ...                   | ...             |

2. Next, you set up your prorate calendar. Since the prorate calendar and the depreciation calendar are the same, you can enter the same calendar name for both the depreciation calendar and the prorate calendar.
3. When adding an asset, choose the Current Month prorate convention on the Books window.

In this case, the prorate date is the last day of the period. For example:

| Period   | Period Dates    | Prorate Date |
|----------|-----------------|--------------|
| Period 1 | 01-JAN - 31 JAN | 31-JAN       |
| Period 2 | 01 FEB - 28 FEB | 28-FEB       |
| Period 3 | 01 MAR - 31 MAR | 31-MAR       |
| ...      | ...             | ...          |

## Mid-Month

When you use a mid-month prorate convention, half a month of depreciation is taken in the first and last periods of an asset's life. For a mid-month prorate convention, you need to set up a prorate calendar with semi-monthly periods.

1. Set up your depreciation calendar with monthly periods.
2. Set up a prorate calendar with 24 semi-monthly periods. For example:

| Period           | Date            |
|------------------|-----------------|
| Prorate Period 1 | 01-JAN - 15-JAN |
| Prorate Period 2 | 16-JAN - 31-JAN |
| Prorate Period 3 | 01-FEB - 15-FEB |
| Prorate Period 4 | 16-FEB - 28-FEB |
| ...              | ...             |

3. Set up a prorate convention called Mid-Month with 24 semi-monthly periods.

Select the Depreciate When Placed in Service check box if you want to start taking depreciation in the accounting period that corresponds to the date placed in service, instead of the period that corresponds to the prorate date. This option determines over how many periods to spread the annual depreciation amount. For straight-line depreciating assets, Oracle Assets always starts taking depreciation in the accounting period that corresponds to the prorate date.

4. When adding an asset, you want to override the default prorate convention for the

category and use the Mid-Month prorate convention you set up. On the Default Depreciation Rules region of the Asset Categories window, change the prorate convention to Mid-Month.

| Period   | Period Dates    | Prorate Date |
|----------|-----------------|--------------|
| Period   | Period Dates    | Prorate Date |
| Period 1 | 01-JAN - 15-JAN | 15-JAN       |
| Period 2 | 15-JAN - 31-JAN | 31-JAN       |
| Period 3 | 01-FEB - 15-FEB | 15-FEB       |
| Period 4 | 16-FEB - 28-FEB | 28-FEB       |
| Period 5 | 01-MAR - 15-MAR | 15-MAR       |
| ...      | ...             | ...          |

In this example, if an asset has a date placed in service in the first half of January (for example, 04-JAN-1998), an entire month of depreciation is taken for the period of addition. The depreciation is charged for the first prorate period, 01-JAN-1998 through 15-JAN-1998, as well as the second prorate period, 16-JAN-1998.

If the asset is retired in the first half of a depreciation period, no depreciation is taken for the last depreciation period of its life. That is, if the asset is retired one year later on 04-JAN-1999, no depreciation is taken during the depreciation period January 1999. If the asset is retired in the second half of the last depreciation period of the asset's life, half a month of depreciation is taken. For instance, if the asset is retired on 18-JAN-1998, depreciation is taken for the prorate period 01-JAN-1998 through 15-JAN-1998, but not for the prorate period 16-JAN-1998 through 31-JAN-1998.

If an asset is placed in service in the second half of January, for example, 18-JAN-1998, a half month of depreciation is taken in the period of addition (16-JAN-1998 through 31-JAN-1998).

If the asset is retired in the first half of a depreciation period, no depreciation is taken for the last depreciation period of its life. That is, if the asset is retired on 04-JAN-1999, no depreciation is taken for the depreciation period January 1999. If the asset is retired in the second half of the last depreciation period of the asset's life, a half a month of depreciation is taken. For instance, if the asset is retired on 18-JAN-1999, depreciation is taken for the prorate period 01-JAN-1999 through 15-JAN-1999, but not for the prorate period 16-JAN-1999 through 31-JAN-1999.

## Daily

If you need to depreciate on a daily basis, you need to set up daily depreciation and prorate calendars (365 periods).

1. Set up your daily depreciation calendar as follows:

| Period                | Date            |
|-----------------------|-----------------|
| Depreciation Period 1 | 01-JAN - 01 JAN |
| Depreciation Period 2 | 02-JAN - 02 JAN |
| Depreciation Period 3 | 03-JAN - 03 JAN |
| Depreciation Period 4 | 04-JAN - 04 JAN |
| ...                   | ...             |

2. Set up a daily prorate calendar.
3. On the Prorate Conventions window, set up a prorate convention called Daily with the same daily periods as the prorate calendar you set up.
4. When adding assets that should use this prorate convention, choose the Daily prorate convention on the Books window.

## Related Topics

Specifying Dates for Prorate Conventions, page 9-179

Oracle Assets System Setup, page 9-2

Depreciation Calculation, page 5-21

Specifying Dates for Calendar Periods, page 9-53

## Defining Price Indexes

You must set up your price indexes before you can assign them to an asset category and book in the Asset Categories window. You can use one price index for several asset categories in the same or different books. Or you can have a different price index for each asset category in each depreciation book.

The Revalued Asset Retirement Report uses your price indexes to determine the revalued asset cost. It then uses this cost to calculate gains and losses for your retired

assets. You can review all of the price indexes you defined by running the Price Index Listing.

If you want to actually revalue the cost of your assets in your books, you must revalue the asset or category.

### To define price indexes:

1. Open the Price Indexes window.
2. Enter the name of the Index you want to define.

**Tip:** The name you enter appears in list of values windows which allow no more than 40 spaces. You may want to limit your name to 40 characters.

3. Enter the index value as a percentage.
4. Enter the dates that this index value is effective. If you leave the To Date blank, the index is effective indefinitely.
5. Save your work.

### Related Topics

Setting Up Asset Categories, page 9-186

Revaluing Assets, page 3-29

Asset Management in a Highly Inflationary Economy (Revaluation), page 3-32

Oracle Assets System Setup, page 9-2

Revalued Asset Retirements Report, page 10-61

Price Index Listing, page 10-38

## Setting Up Asset Categories

Category information is common for a group of assets. Oracle Assets defaults these depreciation rules when you add an asset, to help you add assets quickly. If the default does not apply, you can override many of the defaults for an individual asset in the Asset Details or Books windows. You set up default values for each category in each book. The default depreciation rules that you set up for a category also depend upon the date placed in service ranges you specify.

### Prerequisites

- Set up your Category Flexfield. See: Setting Up the Asset Category Flexfield, page 9-



39.

- Set up your Account segment values and combinations. See: Defining Accounts, *Oracle General Ledger User Guide*.
- Set up your depreciation books. See: Defining Depreciation Books, page 9-60.
- Set up your QuickCode values. See: Entering QuickCodes, page 9-50.
- Set up your prorate conventions. See: Specifying Dates for Prorate Conventions, page 9-179.
- Set up your depreciation methods. See: Defining Additional Depreciation Methods, page 9-65.

### To set up an asset category:

1. Open the Asset Categories window.
2. Enter a Category name and Description to identify the asset category you want to set up.

**Tip:** The concatenated name you enter appears in fields which display 20 spaces. You may want to limit your name to 20 characters.

3. Check Enabled if you want to use this category.
4. Check Capitalize if you want to charge items in this category to an asset account when you pay for them and if you want to depreciate items in this category.
5. Check In Physical Inventory if you want assets in this category to be included in physical inventory comparisons.
6. Choose Lease, Leasehold Improvement, or Non-Lease from the Category Type poplist.

You can only enter lease information in the Asset Details window if you assign the asset to a Lease category type.

7. Choose Owned or Leased from the Ownership poplist.
8. Enter the Property Type and Class to which the assets in this category usually belong.

You set up your QuickCode values for Property Type in the QuickCodes window. If you have assets in the United States, enter 1245 for personal property and 1250

for real property.

9. Enter general ledger accounts for the category, page 9-188.
10. Enter general ledger accounts. See: Entering General Ledger Accounts for the Category, page 9-188.
11. Enter default depreciation rules, page 9-190 for each depreciation book for which the category is defined.
12. Enter default depreciation rules for each depreciation book for which the category is defined. See: Entering Default Depreciation Rules for a Category, page 9-190.
13. Save your work.

## Related Topics

Adding an Asset Accepting Defaults (QuickAdditions), page 2-18  
Adding an Asset Specifying Details (Detail Additions), page 2-20  
Adding an Asset Automatically from External Sources (Mass Additions), page 2-44  
Asset Setup Processes (Additions), page 2-16  
Asset Descriptive Details, page 2-2  
Oracle Assets System Setup, page 9-2

## Entering General Ledger Accounts for the Category

**Tip:** You may have to temporarily disable your cross-validation rules and allow dynamic insertion for the Account structure to be able to enter these accounts, since they may not be valid combinations.

**Important:** If you want to create journal entries using other segments in addition to the natural account from the combination you enter in the Asset Categories window, you must modify the default Account Generator values to fill in those segments from the category.

### To enter general ledger accounts for a category:

1. In the Asset Categories window, enter the Book for which you want to set up this asset category.
2. Enter the Asset Cost account for this category and book.

Oracle Assets uses this account to reconcile asset costs to your general ledger. Oracle Assets creates journal entries for this account to reflect additions, retirements, cost changes, revaluations, transfers, reclassifications, and capitalizations.

3. Enter the Asset Clearing account for this category and book.

For manual asset additions and cost adjustments, Oracle Assets uses this account to reconcile your payables system and Oracle Assets.

For mass additions, it uses the complete Account combination that comes over with a mass addition line to reconcile the asset addition or cost adjustment with your payables system.

4. Enter the general ledger Depreciation Expense Segment to which you charge depreciation for assets in this category and book. This is the default value for the account segment of the depreciation expense account in the Assignment window.
5. If you have set up bonus rates, enter the Bonus Expense account. If you do not enter a value in this field, it defaults to the Depreciation Expense account.
6. Enter the Accumulated Depreciation account for this category and book. This account is the contra-account for the asset cost account for this category.
7. If you have set up bonus rates, enter the Bonus Reserve account. If you do not enter a value in this field, it defaults to the Accumulated Depreciation account.
8. Enter the Revaluation Reserve account for this category and book. This account is used for the change in net book value due to revaluation, if you revalue accumulated depreciation.
9. Enter the Revaluation Amortization account for this category and book. This account is used to amortize the revaluation reserve over the remaining life of the asset after you revalue it, if you amortize revaluation reserve.
10. Enter the CIP Cost account for this category and book. This account is used to reconcile CIP asset costs to your general ledger.
11. Enter the CIP Clearing account for this category and book if you entered a CIP Cost account.
12. Enter default depreciation rules, page 9-190 for each depreciation book for which the category is defined.
13. Enter default depreciation rules for each depreciation book for which the category is defined. See: Entering Default Depreciation Rules for a Category, page 9-190.

## Related Topics

Asset Accounting, page 6-4

Overview of the Mass Additions Process, page 2-28

Oracle Assets System Setup, page 9-2

## Entering Default Depreciation Rules for a Category

### To enter default depreciation rules for a category:

1. In the Default Depreciation Rules window, enter the date Placed in Service range for which these category defaults are effective. When you add an asset, the depreciation rules default according to the date placed in service of the asset, the category, and the book.

You can specify as many ranges of default depreciation rules as you wish. If you leave the end date blank, Oracle Assets uses that set of depreciation rules indefinitely. To add a new range of valid depreciation rules, terminate your current record by adding an end date, then choose Edit, New Record from the menu to add the new record.

2. Check Depreciate if you normally depreciate assets in this book and category.

**Note:** Oracle Assets does not depreciate EXPENSED assets, regardless of the default value you enter in this field.

3. Enter the depreciation Method that you normally use for assets in this book and category:
  - If you enter a **life-based** method, you must enter the asset Life in Years and Months. The method you enter must have the same number of periods as the prorate calendar for this book.
  - If you enter a **flat-rate** method, you must enter default values for the Basic Rate and Adjusted Rate that you normally use to depreciate assets in this book and category. If you are defining this category for a tax book, you also can enter a Bonus Rule.
  - If you enter a **units of production** method, you must enter the unit of measure (UOM) and production Capacity that you normally use to depreciate assets in this book and category. If you are defining this category a tax book, enter the UOM and capacity you entered for the corporate book.
4. Enter the bonus rule that you normally use for assets in this book and category. You can use bonus rules for corporate books and tax books, using all depreciation

methods except UOM.

5. Enter the Prorate Convention and Retirement Convention that you normally assign to assets in this book and category.
6. If you chose Use Default Percent from the Salvage Value poplist in the Book Controls window for this book, you can enter a Default Salvage Value percentage for this category, book, and range of dates placed in service. See: Entering Accounting Rules for a Book, page 9-62 and Defaulting Asset Salvage Value as a Percentage of Cost, page 5-74.

For example, if you want the salvage value to default to 10% of the cost, enter 10 in this field. When you perform transactions affecting asset cost, Oracle Assets uses this default percentage to calculate the salvage value according to the following formula:

$$\text{Salvage Value} = \text{Cost} * \text{Default Percentage}$$

7. If you are defining this category for a tax book, optionally enter either a depreciation expense or cost ceiling.
8. Enter a Price Index if you want to run reports that use the revalued asset cost to calculate gains and losses.
9. Enter a default subcomponent life Rule you want to use to determine the default life of the subcomponent asset based on the life of the parent asset.

Choose one of the following rules:

**None** (Leave field blank): There is no connection between the life of the subcomponent asset and the parent asset life. Oracle Assets defaults the subcomponent asset life from the asset category.

**Same End Date** (Without specifying a minimum life): The subcomponent asset becomes fully depreciated on the same day as the parent asset or at the end of the category default life, whichever is sooner. The default subcomponent asset life is based on the end of the parent asset life and the category default life. If the parent asset is fully reserved, Oracle Assets gives the subcomponent asset a default life of one month.

**Same End Date** (Specifying a minimum life): The subcomponent asset becomes fully depreciated on the same day as the parent asset, unless the parent asset life is shorter than the minimum life you specify. The subcomponent asset's life is determined based on the end of the parent asset's life, the category default life, and the minimum life. If the parent asset's remaining life and the category default life are both less than the minimum life you enter, Oracle Assets uses the minimum life for the subcomponent asset. Otherwise, it uses the lesser of the parent asset's remaining life and the category default life.

**Same Life:** The subcomponent asset uses the same life as the parent asset. It

depreciates for the same total number of periods. If the subcomponent asset is acquired after the parent asset, it depreciates beyond the end date of the parent asset life.

10. If you choose Same End Date for the subcomponent life rule, you also can specify a minimum life for the subcomponent asset.

If the parent asset's remaining life and the category default life are both less than the minimum life you enter, Oracle Assets uses the minimum life for the subcomponent asset. Otherwise, it uses the lesser of the parent asset's remaining life and the category default life.

11. Check Straight Line for Retirements if you are setting up an asset category with a 1250 property class in a tax book. Oracle Assets uses a straight-line depreciation method in determining the gain or loss resulting from the retirement of 1250 (real) property.

If you check Straight Line For Retirements, enter the straight-line depreciation Method and Life you want to use for the Gain From Disposition of 1250 Property Report. This is the default method for your asset in the Retirements window and in the tax book if you use mass copy.

12. Check the Use Depreciation Limit check box if you want to depreciate an asset beyond its useful life. You can enter the default depreciation limit as a percentage or an amount. See: *Depreciating Assets Beyond the Useful Life*, page 5-77.

13. Enter the minimum time you must hold an asset for Oracle Assets to report it as a capital gain when you retire it.

If you want Oracle Assets to report a capital gain for all assets in this category when you retire them, enter zero. If you want to report a capital gain for assets which you have held for at least one year, such as for United States federal tax form 4797, enter one in the Years field and zero in the Months field. If you need a different capital gains threshold for different dates placed in service, such as for United States federal tax form 4797, set up the asset category several times for the different date placed in service ranges.

14. If you are defining this category for a tax book, indicate whether assets in this category are eligible for Investment Tax Credit (ITC), and whether assets in this category Use ITC Ceilings.

15. Check the Mass Property Eligible check box if you want to make assets added to this category eligible for mass property treatment.

16. In the Group Asset field, you can enter the group asset to which all assets added to this category will be assigned. If you enter a group asset number in this field, all capitalized and CIP assets using this category will be automatically assigned to the group asset entered.

17. Save your work.

## Related Topics

Oracle Assets System Setup, page 9-2  
Defining Depreciation Books, page 9-60  
Defining Additional Depreciation Methods, page 9-65  
Defining Units of Measure, *Oracle Inventory User Guide*  
Defining Depreciation Bonus Rules, page 9-75  
Defining Price Indexes, page 9-185  
Setting Up Depreciation Ceilings, page 9-177  
Depreciation Rules (Books), page 2-5  
Prorate and Retirement Conventions, page 9-180  
Parent Asset Transactions Report, page 10-81  
Form 4797 Reports, page 10-57  
Asset Category Listing, page 10-34

## Defining Distribution Sets

Use this window to define default distribution sets. Then, when you add a new asset using the Detail Additions or Mass Additions process, you can choose a predefined distribution set from a poplist in the Assignments window to quickly assign the appropriate distributions to a new asset.

You can define a distribution set to allocate percentages of asset units to different depreciation expense accounts, locations, and employees. You can define one or more distributions in a set. You can also change the distribution information for a distribution set at any time.

**Important:** If you change the distribution information for a distribution set, note that it does not affect assets already assigned to that distribution set.

### To define a distribution set:

1. Navigate to the Distribution Sets window.
2. Enter a unique Name and a Description of the Distribution Set you want to define.
3. Enter the corporate Book for the distribution set.

**Note:** You cannot assign distribution sets to assets in tax or budget books.

4. Optionally enter the date placed in service range this distribution set is effective. You can leave the to date blank if you want the distribution set to be effective indefinitely.

5. For each distribution in the set, enter the Units Percent, Depreciation Expense Account, and Location. Optionally enter the Employee Name or Number.

**Units Percent:** Enter the percentage of the asset you want to assign to this distribution. You can enter 100% for one distribution, or break up the total percentage into several distributions. The total percentage for the set must equal 100%.

6. Save your work.

## Related Topics

Adding an Asset Specifying Details (Detail Additions), page 2-20

Reviewing Mass Addition Lines, page 2-45

## Lease Analysis

Oracle Assets allows you to test leased assets in accordance with generally accepted accounting principles to determine whether to capitalize and depreciate your leased assets.

**Note:** The Financial Accounting Standards Board (FASB) has defined certain criteria used to determine whether a lease qualifies for capitalization. Many other countries use similar test criteria.

In addition, Oracle Assets lets you analyze alternate leasing strategies so you can structure your leases to best meet your business requirements.

## Lease Capitalization Test

Many countries require that a leased asset be capitalized and depreciated if any one of the following four criteria is met:

- The ownership of the asset transfers to the lessee at the end of the lease (Test 1)
- A bargain purchase option exists (Test 2)



- The term of the lease is more than 75% of the economic life of the leased asset (Test 3)
- The present value of the minimum lease payments exceeds 90% of the fair market value of the asset at lease inception (Test 4)

When you set up a lease, you can enter information that Oracle Assets uses to automatically calculate the present value of the payment schedule, and to determine if any of the tests listed above are met. If your lease meets one of the four tests, Oracle Assets defaults the lease type to Capitalized, and the asset cost to the lesser of the fair value or the present value of the payment schedule for any assets assigned to the lease.

## Payment Schedules

You can define and calculate the present value of a payment schedule. Oracle Assets can accommodate all types of lease payment structures and lease payment types. These include normal annuities, balloon payments, bargain purchase options, bargain renewal options, and guaranteed residual values, penalties, skipped payments, and overlapping payments.

## Amortization Schedules

You can create amortization schedules that allocate capital lease payments between principal and interest based on the effective interest rate implicit in the lease contract.

## Operating Leases

Oracle Assets tracks your payments under operating leases, or leases which do not meet any of the criteria, for informational purposes. You can use this information to create a schedule of future minimum payments under operating leases, information that may require disclosure in the footnotes of your financial statements.

## Lease Evaluation

Oracle Assets allows you to evaluate alternate leasing strategies by manipulating variables such as the periodic lease payment, balloon payments, payment dates, and the fair value of the asset.

## Example 1: Set Up Lease

Coastal Landscapes is entering a five year equipment lease with Marine Technologies on March 1, 1993. The fair value of the equipment is \$100,000. The lessee's incremental borrowing rate is 12%. The minimum lease payments consist of monthly payments of \$1,900 of which three payments are due at lease inception. The first regular payment is due on April 1, 1996. There is no bargain purchase option, and the title does not transfer to Coastal Landscapes at the end of the lease. The economic life of the asset is six years.

Before you add any of the assets to the lease, enter the following information in the Lease Details window to set up the lease:

---

|                         |                     |
|-------------------------|---------------------|
| Lease Number            | 325                 |
| Description             | Equipment Lease     |
| Lessor                  | Marine Technologies |
| Payment Schedule        | Marine Lease        |
| Currency                | USD                 |
| Transfer of Ownership   | No                  |
| Bargain Purchase Option | No                  |
| Lease Type              | Capitalized         |
| Lease Term              | 60                  |
| Asset Life              | 72                  |
| Fair Value              | 100,000             |

---

**Note:** You can choose a predefined payment schedule in the Lease Details window to attach to your lease.

If you have not already defined the lease's payment schedule, choose the Payment Schedule button from the Lease Details window to enter the payment schedule information for this asset and calculate the present value of the payment schedule. Enter the following Payment Schedule information:

---

|                        |              |
|------------------------|--------------|
| Payment Schedule       | Marine Lease |
| Currency               | USD          |
| Present Value          | -            |
| Lease (inception) Date | 3/1/93       |

---

|                       |         |
|-----------------------|---------|
| Interest Rate         | .12     |
| Compounding Frequency | Monthly |

## Lease Payments

| Start Date | Payment Amount | Number | Payment Type | End Date |
|------------|----------------|--------|--------------|----------|
| 3/1/93     | \$5,700        | 1      |              |          |
| 4/1/93     | \$1,900        | 57     | Annuity      | 12/1/97  |

You can now choose the Calculate button to determine the present value of the payment schedule. The present value in this example is \$87,945.53. Since \$87,945.53 is less than \$100,000 (fair value), it is also the cost to capitalize if one of the four tests is met.

Oracle Assets updates your lease information after calculation as follows:

|                        |              |
|------------------------|--------------|
| Payment Schedule       | Marine Lease |
| Present Value          | 87,945.53    |
| Lease (inception) Date | 3/1/93       |
| Interest Rate          | .12          |

## Lease Payments

| Start Date | Payment Amount | Number | Period  | End Date |
|------------|----------------|--------|---------|----------|
| 3/1/93     | \$5,700        | 1      |         |          |
| 4/1/93     | \$5,700        | 57     | Monthly | 12/1/97  |

Once you calculate the present value, you can create an amortization schedule by choosing the View Amortization button on the Lease Payments window. In this example, the present value of the payment schedule is \$87,945.53. The total amount to

be paid under the lease is \$114,000. The difference of \$26,054.47 represents interest expense that must be recognized over the life of the lease. This example is illustrated below:

| Start Date    | Payment  | Interest (12%<br>yr.) Portion of<br>Payment | Reduction of<br>Principal | Lease<br>Obligation |
|---------------|----------|---------------------------------------------|---------------------------|---------------------|
|               |          | (a)                                         | (b)                       | (c)                 |
| 3/1/93        |          |                                             |                           | 87,945.53           |
| 3/1/93        | 5,700.00 | 0                                           | 5,700.00                  | 82,245.53           |
| 4/1/93        | 1,900.00 | 822.46                                      | 1,077.54                  | 81,167.99           |
| 5/1/93        | 1,900.00 | 811.68                                      | 1,088.32                  | 80,079.67           |
| ...           | ...      | ...                                         | ...                       | ...                 |
| 11/1/97       | 1,900.00 | 37.44                                       | 1,862.56                  | 1,881.19            |
| 12/1/97       | 1,900.00 | 18.81                                       | 1,900.00                  | 0                   |
| <b>Total:</b> | 114,000  | 26,054.47                                   | 87,945.53                 | 0                   |

(a) The interest rate per period (in this example, 12%/12=1%) multiplied by the prior period lease obligation, except for the 3/1/93 payment; since no time has elapsed, no interest has accrued.

(b) The Payment amount less (a).

(c) Prior period amount (c) less current period amount (b).

When you save the payment schedule, Oracle Assets automatically returns to the Lease Details window, where you can attach the schedule you just defined to your lease.

**Note:** To attach the payment schedule to the lease, you must also save the amortization schedule.

Note that Oracle Assets defaults the Present Value field in the Lease Details window from the attached payment schedule. The 90% test has not been met. The lease still qualifies for capitalization, however, as the economic life test was met. The cost to capitalize is \$87,945.53, since this is the lesser of the present value of the payment schedule or the fair value. When you attach this lease to an asset, the Books window displays the cost to capitalize as the default value for current cost of the leased asset.

You can change this value if necessary.

## Example 2: Set Up Payment Schedule

Fremont Corporation has entered a lease agreement dated January 1, 1990. The term of the lease is five years, requiring equal rental payments of \$20,000 at the beginning of each year. The equipment has a fair value of \$100,000 and an economic life of ten years. The lease contains a bargain purchase option for \$5,000. The lessee's incremental borrowing rate is 10%.

You would enter the following information in the Lease Payments window:

|                        |            |
|------------------------|------------|
| Payment Schedule       | Schedule 1 |
| Present Value          |            |
| Lease (inception) Date | 1/1/90     |
| Interest Rate          | .10        |
| Compounding Frequency  | Annually   |

## Lease Payments

| Start Date | Payment Amount | Number | Payment Type | End Date |
|------------|----------------|--------|--------------|----------|
| 1/1/90     | \$20,000       | 5      | Annuity      | 1/1/94   |
| 1/1/95     | \$5,000        | 1      |              |          |

The present value of the payment schedule is \$86,501.92.

## Example 3: Analyze Lease to Maximize Use of Existing Funds

CDI Technology has set aside \$18,000 to finance the lease of chip manufacturing equipment. CDI wants to lease the equipment for four years. The money is currently deposited in an account that earns 10% interest compounded semi-annually. CDI wants the lease to commence immediately, with the first payment due six months from today (1/1/90). What is the maximum amount that CDI can pay in semi-annual lease payments over the next four years without exhausting the fund until the last payment?

You would enter the following information in the Lease Payments window:

|                        |               |
|------------------------|---------------|
| Payment Schedule       | Chip costs    |
| Currency               | USD           |
| Present Value          | \$18,000      |
| Lease (inception) Date | 1/1/90        |
| Interest Rate          | .10           |
| Compounding Frequency  | Semi-annually |

### Lease Payment:

| Start Date | Payment Amount | Number | Payment Type | End Date |
|------------|----------------|--------|--------------|----------|
| 7/1/90     | 2,784.99       | 8      | Annuity      | 1/1/94   |

Once Oracle Assets calculates the present value, you can create an amortization schedule for the projection by choosing the View Amortization button on the Lease Payments window. In this example, the present value of the payment schedule is \$18,000. The total amount to be paid under the lease is \$22,279.22. The difference of \$4,279.92 represents interest expense that must be recognized over the life of the lease. This example is illustrated below:

| Start Date | Payment  | Interest (10% yr.) Portion of Payment | Reduction of Principal | Lease Obligation |
|------------|----------|---------------------------------------|------------------------|------------------|
|            |          | (a)                                   | (b)                    | (c)              |
| 1/1/90     |          |                                       |                        | 18,000.00        |
| 7/1/90     | 2,784.99 | 900.00                                | 1,884.99               | 16,115.01        |
| 1/1/91     | 2,784.99 | 805.75                                | 1,979.24               | 14,135.77        |
| 7/1/91     | 2,784.99 | 706.79                                | 2,078.20               | 12,057.57        |

| Start Date    | Payment   | Interest (10%<br>yr.) Portion of<br>Payment | Reduction of<br>Principal | Lease<br>Obligation |
|---------------|-----------|---------------------------------------------|---------------------------|---------------------|
| 1/1/92        | 2,784.99  | 602.88                                      | 2,182.11                  | 9,875.46            |
| 7/1/92        | 2,784.99  | 493.77                                      | 2,291.22                  | 7,584.24            |
| 1/1/93        | 2,784.99  | 379.21                                      | 2,405.78                  | 5,178.46            |
| 7/1/93        | 2,784.99  | 258.92                                      | 2,526.07                  | 2,652.39            |
| 1/1/94        | 2,784.99  | 132.60                                      | 2,652.39                  | 0                   |
| <b>Total:</b> | 22,279.92 | 4,279.92                                    | 18,000.00                 | 0                   |

(a) The interest rate per period (in this example,  $10\%/2=5\%$ ) multiplied by the prior period lease obligation, except for the 3/1/93 payment; since no time has elapsed, no interest has accrued.

(b) The Payment amount less (a).

(c) Prior period amount (c) less current period amount (b).

## Related Topics

Entering Leases, page 9-201

## Entering Leases

You can use the Lease Details window and the Lease Payments window to perform the following tasks:

- Enter a Lease
- Enter a Payment Schedule
- Create an Amortization Schedule

## Enter a Lease

Use the Lease Details window and Lease Payments window to define new leases. You cannot update or delete leases that are in use.

If you want Oracle Assets to test your lease to determine whether to capitalize and depreciate assets assigned to it, enter information in the Capitalization Test region of

the Lease Details window. If you have already defined a payment schedule for your lease, attach it to the lease in the Lease Details window. Otherwise, you can navigate to the Lease Payments window to define a payment schedule and to calculate the present value of your lease payments. Oracle Assets depreciates Capitalized leased assets and expenses Operating leased assets. Oracle Assets will capitalize and depreciate leased assets if any one of the following criteria is met:

- Test 1: The ownership of the asset transfers to the lessee at the end of the lease
- Test 2: A bargain purchase option exists
- Test 3: The term of the lease is more than 75% of the economic life of the leased asset
- Test 4: The present value of the minimum lease payments exceeds 90% of the fair market value of the asset at lease inception

When you add leased assets using the Detail Additions process, you can attach the assets to leases you have previously defined. You can assign multiple assets to the same lease.

## Create a Payment Schedule

Use the Lease Payments window to enter information Oracle Assets uses to calculate the present value of a given set of lease payments, or to analyze alternative leasing structures. After saving a payment schedule, you can attach it to a lease defined in the Lease Details window.

## Create an Amortization Schedule

You create amortization schedules to allocate capital lease payments between principal and interest based on the effective interest rate implicit in the lease contract.

### To define a lease:

1. Open the Lease Details window.
2. Enter the Lease Number and a Description.
3. Enter the Lessor.
4. Enter the Lessor Site, which is the location to which the payment will be sent. This field is required if you plan to export lease payments to Oracle Payables.
5. Choose a Lease Type of Capitalized or Operating. If you have already performed a capitalization test on this lease, you can use this field to manually override the test result displayed in the Test Determination field. Only capitalized leases can be set



up for automatic lease payment to Oracle Payables.

6. You can choose from a list of predefined Payment Schedules to attach to this lease, or leave this field blank and choose the Payment Schedule button to define a schedule for this lease. See: To define a payment schedule, page 9-204.

If, after the lease start date, you want to change existing lease payments, you must enter a new lease, or manually adjust the individual payment lines to change the existing lease.

7. Enter the payment account. This field is required if you plan to export lease payments to Oracle Payables.

You must enter a lessor site before you can enter a payment account. This is because the lessor site determines the operating unit, which in turn determines the account structure.

8. Optionally enter a payment term.

**Note:** We strongly recommend that you set up an immediate payment term in Oracle Payables, and that you apply the Immediate payment term to any leases that will use the Exporting Lease Payments feature in Oracle Assets. If this payment term is not provided, then Oracle Payables defaults to the payment term associated with the lessor site. This can cause the payments to be issued late by Oracle Payables. See: *Payment Terms., Oracle Payables User Guide*

9. Enter the Currency you are using for this lease.

10. If you want to test this lease for capitalization, enter the following information in the Capitalization Test region:

Check **Transfer of Ownership** if the lease transfers ownership of the asset to the lessee at the end of the lease.

Check **Bargain Purchase Option** if a bargain purchase option is included in this lease.

Enter the **Lease Term** and the **Asset Life** in months for the leased asset. The Criterion Met check box indicates whether the term of the lease exceeds 75% of the economic life of the leased asset.

Enter the **Fair Value** of the leased asset.

Optionally enter the **Present Value** of the leased asset if you have previously calculated it outside of Oracle Assets. Otherwise, Oracle Assets will automatically populate this field when you select a lease payment schedule for the lease. The Criterion Met check box indicates whether the present value of the minimum lease

payments exceeds 90% of the fair market value.

11. If you need to define a payment schedule for this lease, choose the Payment Schedule button. See: To define a payment schedule, page 9-204.

Oracle Assets displays the result of the capitalization test in the Test Determination field. If the lease qualifies for capitalization, Oracle Assets automatically populates the Cost to Capitalize field with the lesser of the fair value of the asset or the present value of the minimum lease payments. This amount also appears as the Current Cost for the asset in the Books window when you perform an asset addition.

12. Choose Done to save your work.

### To define a payment schedule:

1. If you are defining a new lease in the Lease Details window, choose the Payment Schedule button. Alternatively, open the Lease Payments window directly from the Navigator window.
2. Enter the date the lease begins. This date must coincide with the first day of the month.
3. Enter the Interest Rate. The interest rate is the lesser of the lessee's incremental borrowing rate or the rate implicit in the lease contract.
4. Enter the Currency you are using for this payment schedule.
5. Enter the Compounding Frequency you want to use. For annuity events, select monthly, quarterly, semi-annual, or annual payment periods.

If you change the Compounding Frequency, Oracle Assets automatically recalculates the End Date for each payment line, but does not change the Start Date.

6. Enter one or more payment lines for your payment schedule. You can enter any combination of lump sum lease payments and annuities (homogeneous series of lease payments).

**Start Date:** Enter the date of this payment. The payment date should be the first day of the month.

**Amount:** Enter the amount of the individual lease payment.

You can leave this field blank for one of the payment lines, and allow Oracle Assets to calculate the amount for you. If you leave this field blank, you must specify a present value for the payment schedule in the Present Value field.

**Number:** Enter the number of payments you want to make as part of this event.

**Payment Type:** Choose a payment type of Annuity, Balloon Payment, Bargain Purchase Option, or Bargain Renewal Option.

**End Date:** The Compounding Frequency, Start Date, and Number of payments you enter determine the end date.

7. After you have defined the payment schedule, choose the Calculate button. Oracle Assets calculates the present value of the payment lines you entered.

When you save the payment schedule and return to the Lease Details window, attach the payment schedule to the lease. Once you attach a payment schedule to a lease, you cannot change it.

8. Save your work.

#### **To create an amortization schedule:**

- Once you have calculated a lease payment schedule, choose the View Amortization button to create an amortization schedule for the lease. The difference between the present value of the minimum lease payments and the total amount to be paid under the lease represents the interest expense that must be recognized over the life of the asset.

## **Exporting Lease Payments to Oracle Payables**

Oracle Assets allows you to send lease payments automatically to Oracle Payables. You do this by selecting the lease payment lines to be sent to Oracle Payables in the Export Lease Payments to Payables window, then choosing Export to run the Export Lease Payments to Payables concurrent process. The Export Lease Payments to Payables process imports the lease payment data into the Oracle Payables interface tables AP\_INVOICES\_INTERFACE and AP\_INVOICE\_LINES\_INTERFACE.

You have the option to select all lease payment lines or only certain lease payment lines to be exported to Oracle Payables. For example, if you have paid the first two months and would like the final payment to be paid by another party, you can select only those lease payment lines that you want processed by Oracle Payables.

#### **To export lease payments to Oracle Payables:**

1. Choose Setup > Asset Systems > Leases > Lease Payments to Payables from the Navigator window.
2. Query the lease payments you want to export to Oracle Payables.
3. In the Export Lease Payments to Payables window, check the Export check box for each lease payment you want exported to Oracle Payables. When the Export check box is checked, the Status field updates to POST. If you uncheck an Export check box, the Status field resets to NEW. To check all lease payments, choose Select All from the Edit menu. If you have checked lease payments in error, you can choose

Deselect All from the Edit menu.

4. Verify the due date, payment amount, lease number, and lessor name.
5. Enter, verify, or change the lessor site. The lessor site is required to export lease payments to Oracle Payables.
6. Verify or change the invoice number. The invoice number is required to export lease payments to Oracle Payables.
7. Enter, verify, or change the payment account. The payment account is required to export lease payments to Oracle Payables.
8. Optionally enter or change the payment term.

**Note:** We strongly recommend that you set up an immediate payment term in Oracle Payables, and that you apply the Immediate payment term to any leases that will use the Exporting Lease Payments feature in Oracle Assets. If this payment term is not provided, then Oracle Payables defaults to the payment term associated with the lessor site. This can cause the payments to be issued late by Oracle Payables. See: *Payment Terms., Oracle Payables User Guide*

We strongly recommend that you set up an immediate payment term in Oracle Payables, and that you apply the Immediate payment term to any leases that will use the Exporting Lease Payments feature in Oracle Assets. If this payment term is not provided, then Oracle Payables defaults to the payment term associated with the lessor site. This can cause the payments to be issued late by Oracle Payables. See: *Payment Terms (Oracle Payables User Guide).*

9. Optionally choose View Schedule to view the amortization schedule.

**Note:** You cannot make changes to an amortization schedule from the Export Lease Payments to Payables window.

10. Optionally choose Save to save changes without exporting the lines to Oracle Payables.
11. When you are ready to send payment lines to Oracle Payables, choose Export to populate the Oracle Payables interface tables, AP\_INVOICES\_INTERFACE and AP\_INVOICE\_LINES\_INTERFACE.

## Related Topics

Lease Analysis, page 9-194

## Defining Asset Warranties

You can define and track descriptive information on manufacturer and vendor warranties in Oracle Assets. You define the warranty information in the Asset Warranties window. You can then assign assets to these previously defined warranties in the Asset Details window. You can assign any number of assets to the same warranty. If a warranty has any assets assigned to it, you cannot update or delete the warranty. You can attach the asset to a different warranty at any time.

### To define warranties in Oracle Assets:

1. Navigate to the Asset Warranties window.
2. Enter a unique warranty number and a description of the warranty.
3. Optionally enter the start and end dates. If you enter one date, you must also enter the other date. If you specify start and end dates, any asset you assign to this warranty must have a date placed in service that falls between the specified start and end dates.
4. Enter the currency code. The currency code of the warranty must be the same as that of the asset you are assigning to the warranty.
5. Enter a cost of \$0 or greater.
6. Check the Renewable check box if you want the warranty to be renewable. The Renewable check box is unchecked by default. If you do not specify an end date, the Renewable check box is disabled.
7. Optionally enter employee information.
8. Enter supplier information.
9. Save your work.

### To assign an asset to a previously defined warranty:

1. Navigate to the Find Assets window.
2. Query the asset you are assigning to the warranty.

3. In the Asset Details window, enter a previously defined warranty number or select a warranty number from the list of values.
4. Save your work.

## Overview of Asset Insurance

Oracle Assets provides a window and reports to help you manage insurance values and other insurance information for your assets. You can view and enter insurance information for an asset and assign more than one type of insurance to an asset. Asset insurance information includes insurance categories, current insurance value, and optional updates that affect the insurance value, such as additions or retirements.

## Calculation Methods

Oracle Assets uses three methods to calculate the insurance value of an asset:

- **Value as New** - This method calculates the base insurance value of the asset, based on acquisition/production costs. This value can be indexed annually to give a current insurance value. It can also incorporate the indexed value of transactions that affect the asset value.
- **Market Value** - This method calculates the current market value of the asset. Oracle Assets automatically calculates the current value from the net book value of the asset, incorporating indexation factors and the indexed value of any transactions that affect the asset value.
- **Manual Value** - This method allows you to manually enter an insurance value for an asset, usually in agreement with the insurer. With this calculation method you can also manually enter updates to the asset insurance value. Oracle Assets only updates the current insurance value automatically if you enter an optional maintenance date for the asset.

If an asset is partially retired, the insurance calculation process reduces the insurance value of the asset in the same proportion as the current cost is reduced for the partial retirement.

For certain types of assets, such as buildings, the Swiss business practice is that the insurance value may occasionally be reassessed by the insurance company, and manually redefined. Indexation of the insurance value can then recommence from this point. The manual update of an automatically calculated insurance value will only be allowed for these special Swiss assets, which must be flagged in the Asset Insurance window.

## Reports

Oracle Assets provides two reports for reviewing asset insurance information. The

Asset Insurance Data report lists all insurance policy data for an asset. The Asset Insurance Value report lists insurance values, current insurance amounts, and a calculation of the insurance coverage.

## Entering Asset Insurance Information

Use the Fixed Asset Insurance window to enter insurance information for your assets, such as insurance policy information and calculation methods. You can enter multiple insurance policies for an asset for different categories of insurance. Oracle Assets uses the insurance information that you enter here to calculate the current insurance value of the asset.

### Prerequisites

- Enter suppliers in Oracle Payables with a supplier type of Insurance Company.
- Set up Asset Price Indexes, if required.
- Set up Insurance Category QuickCodes, such as Fire, Storm, Theft. See: Fixed Asset Insurance Policy Lines Window Reference, page 9-213.
- Set up Hazard Class QuickCodes. See: Fixed Asset Insurance Policy Lines Window Reference, page 9-213.
- Set the profile option FA: Allow Swiss Special Assets to Yes if you are planning to enter Swiss special case assets, such as Swiss buildings.

### To enter insurance information for an asset:

1. Navigate to the Fixed Asset Insurance window.
2. Query the assets for which you want to enter insurance information.
3. In the Policy region, enter insurance information, such as Policy Number and Insurance Company.
4. Enter the Calculation Method to use for this asset insurance, either Value as New, Market Value, or Manual Value.
5. If the asset is a Swiss special-case asset, check the Special Swiss Asset check box.
6. In the Base Index Date field, enter the date that is used as the base date for indexation.
7. In the Insurance Index field, enter the name of the price index that is used to calculate the annual adjusted insurance value.
8. In the Base Insurance Value field, enter the base insurance value of the asset as

defined in the insurance policy

9. If you chose the Manual Value calculation method or if you asset is flagged as a Swiss special-case asset, enter the current insurance value. Otherwise, this field displays the current insurance value of the asset, calculated automatically.
10. In the Insured Amount field, enter the amount for which the asset is insured under that policy.

#### **To enter insurance policy information:**

1. From the Fixed Asset Insurance window, choose the Lines button to display insurance policy line information.
2. At the Fixed Asset Insurance Policy Lines window, enter insurance policy information, such as the insurance policy line number, the insurance category, and the hazard class.
3. Enter any additional comments in the Comments field.
4. Save your work.

#### **To enter insurance policy maintenance information:**

1. From the Fixed Asset Insurance window, choose the Maintenance button.
2. In the Fixed Asset Insurance Policy Maintenance window, update any information that needs to be changed.
3. Save your changes.

## **Fixed Asset Insurance Window Reference**

### **Assets Region**

**Asset Number.** Contains the asset number of the asset on which you queried.

**Description.** Contains the description of the asset on which you queried.

**Tag Number.** Contains the tag number of the asset on which you queried.

**Asset Key.** Contains the asset key of the asset on which you queried.

**Asset Book.** Contains the asset depreciation book of the asset on which you queried.

### **Policy Region**

**Policy Number.** Enter the insurance policy number.



**Insurance Company.** Enter a valid insurance company name. The list of values for this field will only display suppliers that have been set up in Oracle Payables with a supplier type of Insurance Company.

**Supplier Site.** Enter the supplier site for the insurance company.

**Address.** The company address for the supplier site displays automatically.

**Calculation Method.** Enter the method of calculation to use for this asset insurance:

- Value as New - the base insurance value, which can be indexed annually.
- Market Value - the current market value, calculated as the base insurance value less depreciation, which can be indexed annually.
- Manual Value - a value you enter manually. This calculation method allows you to update the Current Value field.

**Note:** If you enter a duplicate policy to cover another asset with the same policy number and insurance company as an existing insurance record, the Calculation Method automatically defaults to the method that was defined on the existing policy. The Calculation Method must be the same for all occurrences of the same insurance policy.

**Special Swiss Asset.** If the asset is a Swiss special-case asset, check the Special Swiss Asset check box. This field will not be enabled unless you have set the profile option FA: Allow Swiss Special Assets to Yes. See: User Profiles in Oracle Assets, page B-1.

If an asset is marked as a Swiss special asset, you will be able to update the Current Insurance Value, Insurance Index, and Base Index Date for the asset to reflect the reassessment of the insurance value by the insurance company.

The insurance company may provide a new series of indexation factors to be applied to the asset. You can record this by defining a new Price Index and then updating the Insurance Index field.

Record the new insurance value provided by the insurance company, by updating the Current Value field and recording the effective date for this new valuation in the Base Index Date field. If the Base Index Date is set to a date in the future, the insurance value will not be indexed again until that date is reached. The period up to this date represents a manual maintenance period for the asset. Any adjustments or retirements affecting the asset value during this period will not be incorporated into the new insurance value when the automatic insurance calculations begin again.

**Base Index Date.** Enter the date that is used as the base date for indexation. The Base Index Date must be one of the following:

- For new assets, enter the date the asset was placed in service.

- For assets purchased second-hand, enter the original date of construction of the asset.
- For the Manual Value calculation method, you can enter a maintenance date. This represents the date the optional indexation of the manual value begins.
- For updated Swiss assets, record the date on which automatic indexation of the insurance value will begin again. Until this date, you should maintain the insurance value manually

**Insurance Index.** Enter the name of the price index that is used to calculate the annual adjusted insurance value. If you want the Insurance Calculation process to automatically take account of cost adjustments, retirements, and so on, but you do not want indexation adjustment factors to be used, then enter a value in the Base Index Date field, but do not enter an Insurance Index.

**Base Insurance Value.** Enter the base insurance value of the asset as defined in the insurance policy. Enter one of the following:

- For new assets, Oracle Assets displays the current cost of the asset. For Value as New assets, you can overwrite this default with another value. For Current Market Value assets, the value is shown in this field but is disabled. The value is disabled because the Base Insurance Value is not used in this asset insurance calculation; instead, the insurance value is derived from the asset net book value. For Manual Value assets, the Base Insurance Value field is disabled because the Base Insurance Value is not used; instead, you can manually enter a Current Value.
- For assets purchased second-hand, enter the original construction cost of the asset.

**Current Value.** This field displays the current insurance value of the asset, calculated automatically, unless you chose the Manual Value calculation method or your asset is flagged as a Swiss special-case asset.

The value displayed depends upon the calculation method:

- For Value as New, the value displayed is the indexed base insurance value. This value will also be updated to account for transactions, such as adjustments or retirements, that affect the asset value.
- For Market Value, the value displayed is the indexed net book value of the asset (original cost less depreciation). This value will also be updated to account for transactions, such as adjustments or retirements, that affect the asset value.
- For Manual Value, the value displayed can be updated. If you enter a maintenance date for the asset in the Base Index Date field, indexation of the manual value begins with this date, and then follows the Value as New calculation method.
- For Swiss Assets with a calculation method of Value as New, the calculated value will be the same as for all other assets. For Swiss Assets with a calculation method

of Current Market Value, the Current Value will calculate the insurance value following the Value as New calculation method and adjust this value using the fraction Asset Remaining Life / Asset Total Life. Also note that the calculated Current Value for Swiss Assets can be manually updated.

**Insured Amount.** Enter the amount for which the asset is insured under that policy. The information in this field is for reference only and is not used in the Oracle Assets calculations.

**Last Indexation Date.** This field displays the end date of the closed depreciation period for which the indexation process was last run.

## Buttons

**Maintenance.** Use the Maintenance button to launch the Fixed Asset Insurance Policy Maintenance window.

**Lines.** Use the Lines button to launch the Fixed Asset Insurance Policy Lines window

## Related Topics

Overview of Asset Insurance, page 9-208

Entering Asset Insurance Information, page 9-209

## Fixed Asset Insurance Policy Lines Window Reference

**Line.** Enter the insurance policy line number for the category of insurance covered by the policy. The combination of policy number and policy line number must be unique. You cannot enter duplicate line numbers on the same policy, even if there are multiple occurrences of the same policy to cover a number of assets.

**Insurance Category.** Enter the insurance category in the Insurance Category field. Note that an asset can only be insured once for each category of insurance, even if it is covered by multiple insurance policies. You must have already defined your insurance category lookup values for the lookup type FA\_INS\_CATEGORY (Application Developer: Application > Validation > QuickCodes > Special).

**Hazard Class.** Enter the hazard class assigned to this policy line. You must have already defined your hazard class lookup values for the lookup type FA\_INS\_HAZARD (Application Developer: Application > Validation > QuickCodes > Special).

**Comments.** Enter any additional comments in the Comments field.

## Related Topics

Overview of Asset Insurance, page 9-208

Entering Asset Insurance Information, page 9-209

## Fixed Asset Insurance Policy Maintenance Window Reference

Use the Fixed Asset Insurance Policy Maintenance window to update the information for an insurance policy that covers more than one asset. The Fixed Asset Insurance Policy Maintenance window applies the policy information changes to all the assets covered by that policy.

**Policy Number.** This field defaults to the policy number for the current policy record. You can update the Insurance Company and Supplier Site for this policy. You can also update the Calculation Method, as long as the automatic calculation routine has not yet been run for any assets covered by this policy.

**Insurance Company.** This field displays the current insurance company for the policy number. In this window, you can update the Insurance Company.

**Supplier Site.** This field displays the current supplier site for the policy number. In this window, you can update the Supplier Site for this policy.

**Calculation Method.** This field displays the current calculation method for the policy number. From this window, you can update the Calculation Method, as long as the automatic calculation routine has not yet been run for any assets covered by this policy.

### Related Topics

Overview of Asset Insurance, page 9-208

Entering Asset Insurance Information, page 9-209

## Calculating Asset Insurance

Use the Insurance Calculation Routine program to automatically update the current insurance values of your assets. The Insurance Calculation Routine program takes into account indexation factors or transactions that affect the asset value, such as cost adjustments and retirements.

Normally, you should run the Insurance Calculation Routine program on a yearly basis to update all your asset insurance values.

If you run the program part way through a year, the calculation process will run up to the end of the last closed period in that year (i.e. the last period for which depreciation has been run). You can then run the process again later in the year, when it will incorporate any new cost adjustments, retirements, or reinstatements since the last run date, and it will also use a new indexation factor if the factor has changed since the last run date.

The Insurance Calculation Routine program does not produce any output. When the program finishes, the program updates the insurance values for all selected assets. You can review the new insurance values in the Asset Insurance window or by running the Asset Insurance Values report. See: Insurance Value Detail Report, page 10-37

### Prerequisites

- Set up insurance policy details using the Asset Insurance window. See: Overview of Asset Insurance, page 9-208.
- Run depreciation for at least one period of the year for which you are running the process. See: Running Depreciation, page 5-2
- Set up indexation factors for the year for which you are running the process. If you do not define an index factor for that year, the process will use the latest available index factor. See: Defining Price Indexes, page 9-185.

### **To run the Insurance Calculation Routine program:**

1. Navigate to Assets > Insurance > Insurance Calculation Routine to open the Submit Request window.

See: Submitting a Request, *Oracle Applications User's Guide*

2. In the Parameters window, enter the depreciation book.
3. Enter the fiscal year for the report.

If you run the process for a year where all the depreciation periods are not yet closed, the process will run up to the end of the last closed period within the year. Before running the insurance calculation process, you must run depreciation for at least one period in this year. You cannot run the process for years prior to the current open year.

4. Optionally enter the insurance company.  
If you do not enter a value, the report includes assets insured by all insurance companies. The list of values for this field will display suppliers that have been set up in Oracle Payables with a supplier type of Insurance Company.
5. Optionally enter an asset number range.

## **Reviewing Asset Insurance Information**

Oracle Assets provides two reports to help you monitor your insurance information.

### **Insurance Data Report**

Use the Insurance Data report to review insurance details for assets and to verify that the assignments for insurance records are correct. The Insurance Data report prints all insurance details for the selected assets.

### **Insurance Value Detail Report**

Use the Insurance Value Detail Report to review calculations of insurance coverage for selected assets. The Insurance Value Detail Report prints all insurance amounts for the

selected assets and displays totals at Balancing Segment level, Insurance Calculation Method level, Insurance Company level, and Insurance Policy Number level. The insurance coverage calculation indicates the differences between insured amounts and current insurance values.

## **Related Topics**

Calculating Asset Insurance, page 9-214

Insurance Data Report, page 10-37

Insurance Value Detail Report, page 10-37

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## Standard Reports and Listings

This chapter covers the following topics:

- Running Standard Reports and Listings
- Variable Format Reports
- Financial Reports Using XML Publisher
- Using Reports to Reconcile to the General Ledger
- Common Report Parameters
- Common Report Headings
- Budget Reports
- CIP Reports
- Asset Listings
- Maintenance Reports
- Setup Data Listings
- Depreciation Reports
- Accounting Reports
- Responsibility Reports
- Tax Reports
- Transaction History Report
- Additions Reports
- Mass Additions Reports
- Adjustments Reports
- Transfers Reports
- Reclassification Reports
- Retirements Reports

- Mass Transaction Reports
- Country-Specific Reports

## Running Standard Reports and Listings

Use Oracle Assets standard reports and listings to keep track of your assets, and to reconcile Oracle Assets to your general ledger.

Oracle Assets standard reports and listings include both standard fixed format reports and standard variable format reports. You run standard reports and listings from Oracle Assets or from the Application Desktop Integrator (ADI) Request Center.

- Oracle Assets standard reports show the balancing segment and the cost center from the distribution line, and the natural account from the asset category or book. The reports show these values even if you modify the Account Generator process or the Subledger Accounting Account Derivation Rules to create journal entries using different segment values.
- Many Oracle Assets reports show the correct information for a period only if that period is closed.
- When you run reports for assets using bonus rules, the bonus depreciation is included in the depreciation expense column and the bonus reserve is included in the accumulated depreciation column.

## Running Standard Fixed Format Reports and Listings from Oracle Assets

You can run a single report, or submit a request set to submit several reports as a group.

### To run a standard report, listing, or request set:

1. Open the Submit Requests window.
2. Choose whether to run a request or request set, then choose the request or request set you want to run.
3. Enter the request parameters.
4. Choose Submit to submit your request.
5. Review the status of your request.

For information on running variable format reports, see: Variable Format Reports, page



## Related Topics

Using Reports to Reconcile to the General Ledger, page 10-9

Defining Request Sets, *Oracle Applications User's Guide*

Submitting a Request, *Oracle Applications User's Guide*

Common Report Parameters, page 10-19

Request Center (*Oracle Applications Desktop Integrator User's Guide*)

## Variable Format Reports

Many of the Oracle Assets reports are available as variable format reports, which means you can view and manipulate the report data in the desktop application of your choice. For example, you can download the information into Microsoft Excel and sort, analyze, and manipulate the report data using familiar spreadsheet features. You can also format the report as an HTML file and place it on your Web server or directly into the database for general access.

To create a variable format report, an attribute set that contains formatting instructions is applied to Oracle Assets report data. You also have a variety of options to publish your report.

In Oracle Applications, attribute sets are defined using the RXi Report Administration Tool. In Applications Desktop Integrator, you can apply ADI defined attribute sets to format and publish your report from the Request Center.

Each Oracle Assets variable format report has two submission options:

- One-Step - You generate, apply an attribute set, and publish your report, all in one step.

**Note:** In the list of values on the Submit Request window, for reports you run using the one-step process, the title of the report is followed by RXi. For example, Mass Additions Report: RXi.

- Two-Step - You can generate your report and note the concurrent request ID. Use this ID to apply an attribute set in:

ADI - apply an ADI defined attribute set using the Request Center to publish your report.

Oracle Applications - apply an attribute set defined by the RXi Report Administration Tool. Concurrent processing applies the attribute set to your generated report. Additional parameters are applied to publish your report.

**Note:** In the list of values on the Submit Request window, for reports you run using the two-step process, the title of the report is preceded by RX-only. For example, RX-only: Mass Additions Report.

### To generate and publish a variable format report using the one-step process:

1. Navigate to the Submit Request window and select the variable format report you want to run (report title is followed by RXi).
2. Enter the parameters in the Parameters window.
3. Choose OK.
4. Submit your request.

Your one-step report will be published automatically.

**Note:** Two concurrent request IDs are created: one initial ID to generate your report and a second ID to apply formatting and to publish your report.

### To generate and publish a variable format report using the two-step process:

1. Navigate to the Submit Request window and select the variable format report you want to run (report title is preceded by RX-only).
2. Enter the parameters in the Parameters window.
3. Choose OK.
4. Submit your request. Note the concurrent request ID for your request.
5. Navigate to the Submit Request window and select Publish RXi Report.  
The Parameters window appears.
6. Enter the Request ID.
7. Specify the Attribute Set you want to apply to your report.
8. Specify the Output Format: Text, HTML, CSV, or Tab Delimited.

Your report will be published as specified.

## To publish a variable format report in ADI using the two-step process:

1. Navigate to the Submit Request window and select the variable format report you want to run (report title is preceded by RX-only).
2. Complete the remaining parameters and submit your request.
3. Note the Concurrent Request ID for your report.
4. Launch the Request Center and log onto the database where your generated report is stored.
5. Select the report with your Request ID from the list under the Completed tab.
6. From the Request Center toolbar, choose the Publishing button.  
The Report Submission and Publishing window appears.
7. Apply an ADI defined attribute set and complete the remaining fields in the Report Submission and Publishing window.
8. Choose OK to publish your report.

## Related Topics

*Oracle Applications Desktop Integrator User's Guide*

*Oracle Financials RXi Report Administration Tool User's Guide*

## Comparing Variable Format and Fixed Format Reports

Many of the fixed format and variable format reports contain the same information.

The following table lists the standard variable format reports available in Oracle Assets and the corresponding standard fixed format reports. Note that many of the variable format reports include functionality of two or more fixed format reports.

| Variable Format Report                    | Corresponding Fixed Format Reports              |
|-------------------------------------------|-------------------------------------------------|
| Accumulated Depreciation Balance Report   | Reserve Detail Report<br>Reserve Summary Report |
| Additions by Date Place in Service Report | Annual Additions Report                         |
| Additions by Period Report                | Asset Additions Report                          |

| <b>Variable Format Report</b>       | <b>Corresponding Fixed Format Reports</b>                                                                                                                                                                                                                                                                            |
|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Additions by Responsibility Reports | Asset Additions Responsibility Report                                                                                                                                                                                                                                                                                |
| Asset Cost Balance Report           | Cost Detail Report<br>Cost Summary Report                                                                                                                                                                                                                                                                            |
| Asset Listing by Period Report      | None                                                                                                                                                                                                                                                                                                                 |
| Capitalizations Report              | CIP Capitalization Report                                                                                                                                                                                                                                                                                            |
| CIP Cost Balance Report             | CIP Detail Report<br>CIP Summary Report                                                                                                                                                                                                                                                                              |
| Cost Adjustments Report             | Cost Adjustments by Source Report<br>Cost Adjustments Report<br>Financial Adjustments Report<br>Parent Asset Transactions Report                                                                                                                                                                                     |
| Cost Clearing Reconciliation Report | Cost Clearing Reconciliation Report                                                                                                                                                                                                                                                                                  |
| Fixed Assets Book Report            | None                                                                                                                                                                                                                                                                                                                 |
| Hypothetical What-if Report         | None                                                                                                                                                                                                                                                                                                                 |
| Mass Additions Report               | Delete Mass Additions Preview Report<br>Mass Additions Delete Report<br>Mass Additions Create Report<br>Mass Additions Invoice Merge Report<br>Mass Additions Invoice Split Report<br>Mass Additions Posting Report<br>Mass Additions Purge Report<br>Mass Additions Status Report<br>Unposted Mass Additions Report |
| Mass Reclassification Review Report | None                                                                                                                                                                                                                                                                                                                 |

| <b>Variable Format Report</b>            | <b>Corresponding Fixed Format Reports</b>                                                               |
|------------------------------------------|---------------------------------------------------------------------------------------------------------|
| Physical Inventory Comparison Report     | None                                                                                                    |
| Physical Inventory Missing Assets Report | None                                                                                                    |
| Property Tax Report                      | Property Tax Report                                                                                     |
| Reclassifications Report                 | Asset Reclassification Report<br>Asset Reclassification Reconciliation Report                           |
| Reserve Ledger Report                    | Journal Entry Reserve Ledger Report                                                                     |
| Retirements Report                       | Asset Retirements by Cost Center Report<br>Asset Retirements Report<br>Reinstated Assets Report         |
| Revaluation Reserve Balance Report       | Revaluation Reserve Detail Report<br>Revaluation Reserve Summary Report                                 |
| Transfers Report                         | Asset Transfers Report<br>Asset Transfer Reconciliation Report<br>Asset Disposals Responsibility Report |
| What-If Depreciation Analysis Report     | None                                                                                                    |

## Related Topics

*Oracle Applications Desktop Integrator User's Guide*

*Oracle Financials Rxi Report Administration Tool User's Guide*

## Financial Reports Using XML Publisher

You can generate major asset transaction reports with XML Publisher. XML stands for eXtensible Markup Language. You can design and control how the report outputs will be presented in separate template files. When reports are run, XML Publisher merges your designed template files with the report data to create published documents in PDF that can support colors, images, font styles, headers and footers, and other formatting.

You can create new report templates, or modify existing templates to view your report

output.

The following Assets reports can be run using XML Publisher:

- Create Accounting - Assets
- Transfer Journal Entries to GL - Assets
- Journal Entry Reserve Ledger Report
- Asset Additions Report
- Asset Transfers Report
- Asset Retirements Report
- Transaction History Report
- Asset Reclassification Report
- Mass Additions Create Report
- Mass Additions Posting Report
- Cost Adjustments Report
- Cost Detail Report
- Cost Summary Report
- Reserve Detail Report
- Reserve Summary Report
- Mass Revaluation Preview Report
- Revaluation Reserve Detail Report
- Revaluation Reserve Summary Report
- CIP Capitalization Report
- CIP Detail Report
- CIP Summary Report

## **Run Assets Reports with XML Publisher**

To generate Assets reports with XML Publisher you need to set the output format of the

report to XML. Whenever you run this report it will, by default, be published in XML Publisher.

To set output format to XML, navigate to System Administrator > Concurrent > Program > Define

For information on defining output, see Defining Concurrent Programs and Reports, *Oracle Applications System Administrator's Guide - Configuration*.

## Customizing Report Templates Using XML Publisher

You can design your own XML Publisher report template for major Assets transaction reports. For detailed information on designing report templates in XML Publisher, see Designing the Template Layout and Creating the Template, *Oracle XML Publisher User's Guide*.

For information on generating your customized XML Publisher report, see To Generate Your Customized Report, *Oracle XML Publisher User's Guide*.

## Using Reports to Reconcile to the General Ledger

You can use reports to reconcile journal entries to your general ledger accounts. This section illustrates the relationships among Oracle Assets accounting reports.

You can use reports to reconcile journal entries to your general ledger accounts. The following sections illustrate the relationships among Oracle Assets accounting reports:

- Reconciling Journal Entries to General Ledger Accounts, page 10-9
- Reconciling Asset Cost Accounts, page 10-10
- Reconciling CIP Cost Accounts, page 10-11
- Reconciling Reserve Accounts, page 10-13
- Reconciling Depreciation Expense Accounts, page 10-15
- Tracking and Reconciling Mass Additions, page 10-16

## Reconciling Journal Entries to General Ledger Accounts

Use the Unposted Journals Report in Oracle General Ledger, to match GL batch totals with the asset batch totals found in the Subledger Accounting Account Analysis report.

### Related Topics

Unposted Journals Report, *Oracle General Ledger User Guide*

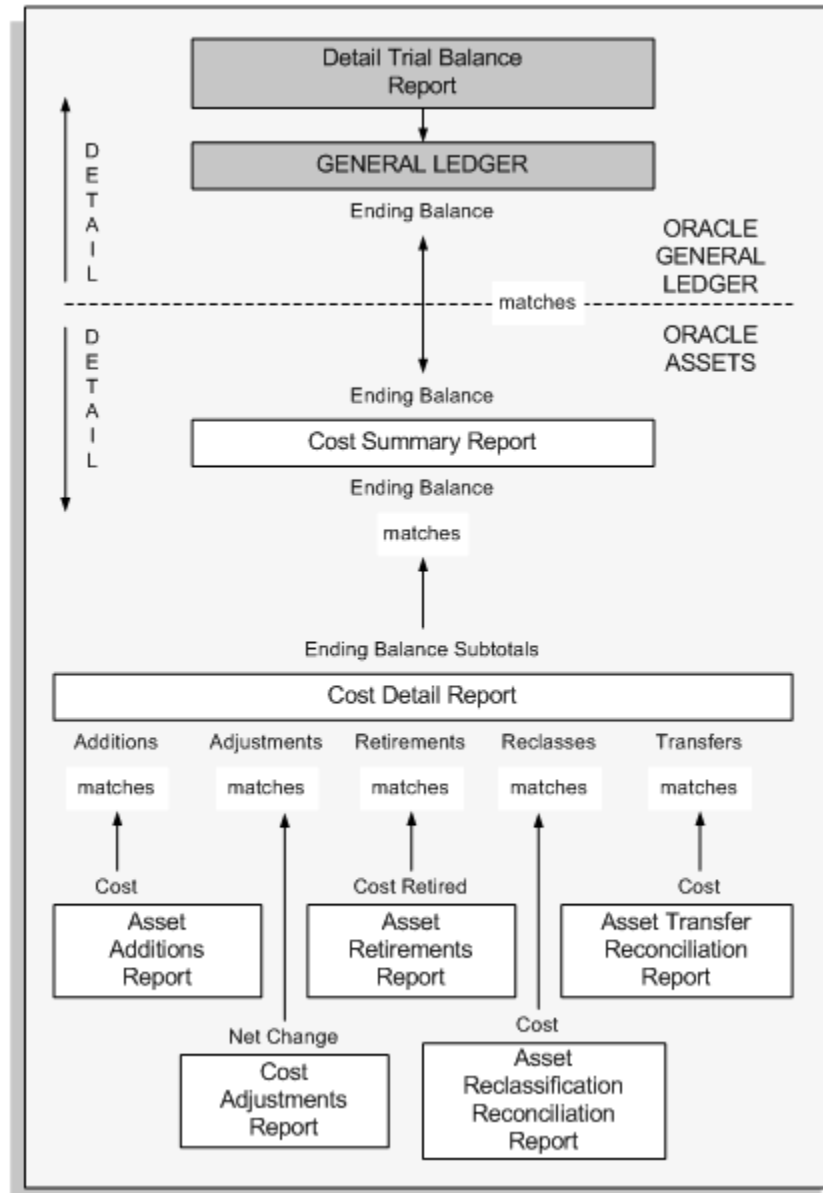
Account Analysis Report, *Oracle Subledger Accounting Implementation Guide*

## Reconciling Asset Cost Accounts

### Steps to reconcile asset cost accounts:

1. In Oracle General Ledger, match the ending balances in the Detail Trial Balance report with the ending balances in the ledger Subledger Accounting Account Analysis report.
2. Match the general ledger ending balances with those of the Cost Summary Report.
3. Match the ending balances of the Cost Summary Report with those of the Cost Detail Report.  
  
Match the individual source amounts of the Cost Detail Report to the detail reports in the next steps.
4. Match additions to cost in the Asset Additions report.
5. Match adjustments to net change in the Cost Adjustment Report.
6. Match retirements to cost retired in the Asset Retirements Report.
7. Match reclasses to cost in the Asset Reclassification Reconciliation Report.
8. Match transfers to cost in the Asset Transfer Reconciliation Report.





## Related Topics

Cost Summary and Detail Reports, page 10-44

## Reconciling CIP Cost Accounts

### Steps to reconcile CIP cost accounts:

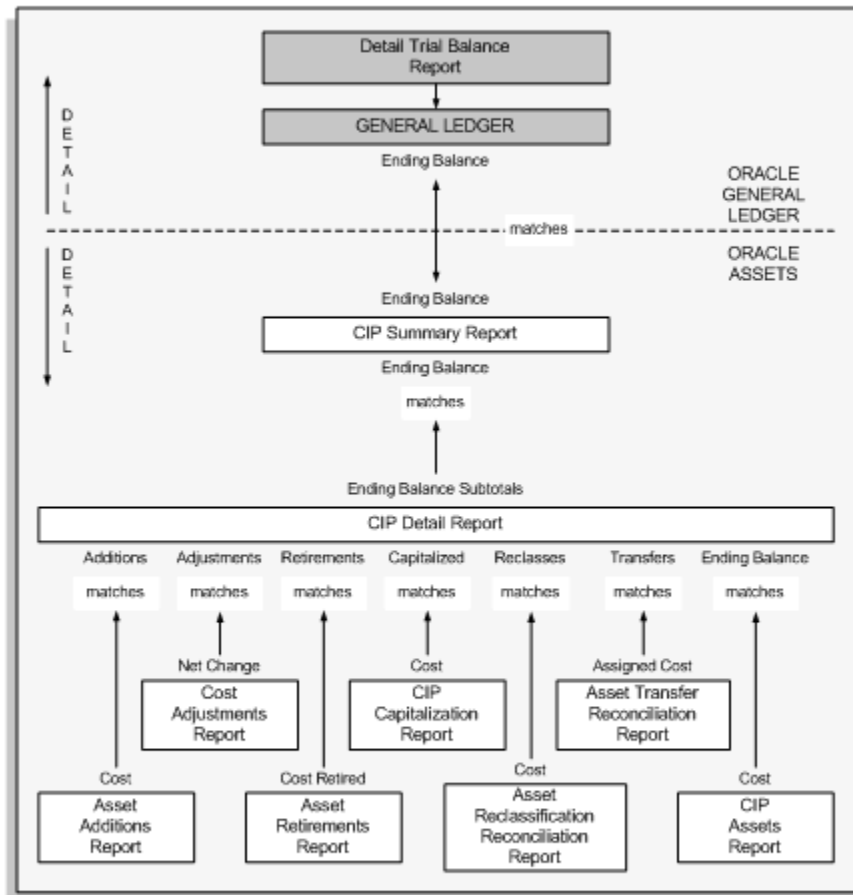
1. In Oracle General Ledger, match the ending balances in the Detail Trial Balance Report with the ending balances in the Subledger Accounting Account Analysis

report..

2. Match the general ledger ending balances with those of the CIP Summary Report.
3. Match the ending balances of the CIP Summary Report with those of the CIP Detail Report.

Match the individual source amounts of the CIP Detail Report to the detail reports in the next steps.

4. Match additions to CIP cost in the Asset Additions report.
5. Match adjustments to CIP net change in the Cost Adjustment Report.
6. Match retirements to CIP cost retired in the Asset Retirements Report.
7. Match capitalized to CIP cost in the CIP Capitalization Report.
8. Match reclasses to CIP cost in the Asset Reclassification Reconciliation Report.
9. Match transfers to CIP cost in the Asset Transfer Reconciliation Report.
10. Match ending balances to CIP cost in the CIP Asset Report.



## Related Topics

CIP Summary and Detail Reports, page 10-44

CIP Reports, page 10-24

## Reconciling Reserve Accounts

### Steps to reconcile reserve accounts:

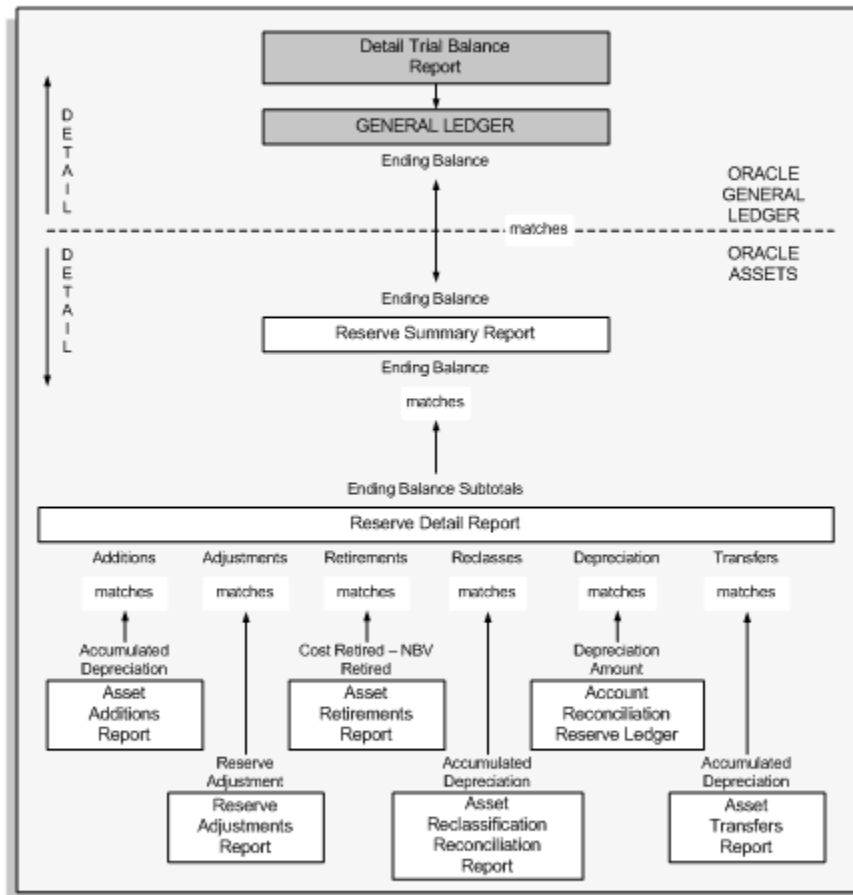
1. In Oracle General Ledger, match the ending balances in the Detail Trial Balance

Report with the ending balances in the Subledger Accounting Account Analysis Report.

2. Match the general ledger ending balances with those of the Reserve Summary Report.
3. Match the ending balances of the Reserve Summary Report with those of the Reserve Detail Report.

Match the individual source amounts of the Reserve Detail Report to the detail reports in the next steps.

4. Match additions to accumulated depreciation in the Asset Additions report.
5. Match adjustments to reserve adjustment in the Reserve Adjustments Report.
6. Match retirements to cost retired and NBV retired in the Asset Retirements Report.
7. Match reclasses to accumulated depreciation in the Asset Reclassification Reconciliation Report.
8. Match depreciation to depreciation amounts in the Account Reconciliation Reserve Ledger report.
9. Match transfers to accumulated depreciation in the Asset Transfer Reconciliation Report.



## Related Topics

Account Analysis Report, *Oracle Subledger Accounting Implementation Guide*

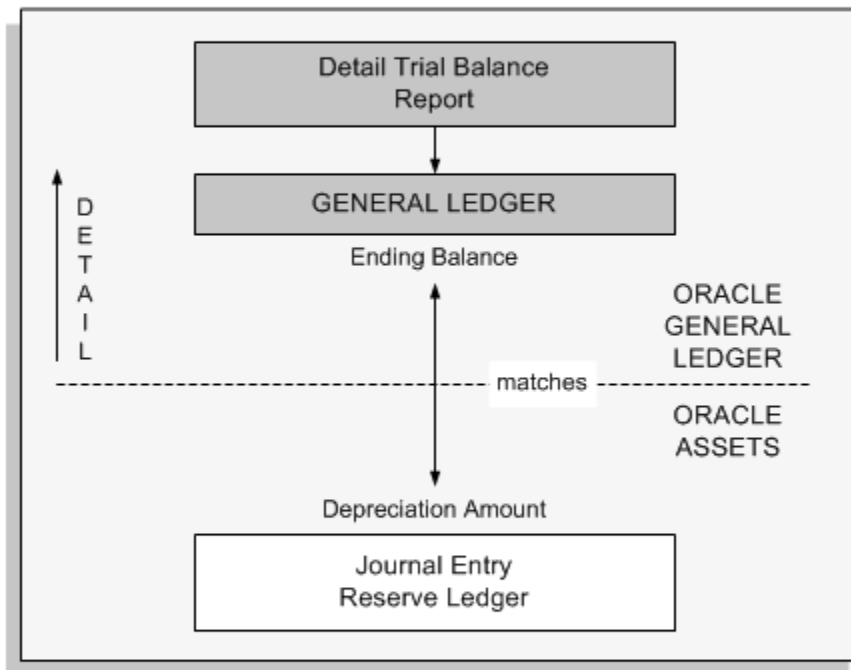
Reserve Summary and Detail Reports, page 10-49

## Reconciling Depreciation Expense Accounts

In Oracle General Ledger, use the Detail Trial Balance Report to match with the ending balances for the Subledger Accounting Account Analysis Report.

Use the Journal Entry Reserve Ledger report to match the depreciation balances with

the ending GL depreciation balances.



## Related Topics

Account Analysis Report, *Oracle Subledger Accounting Implementation Guide*

Journal Entry Reserve Ledger Report, page 10-48

## Tracking and Reconciling Mass Additions

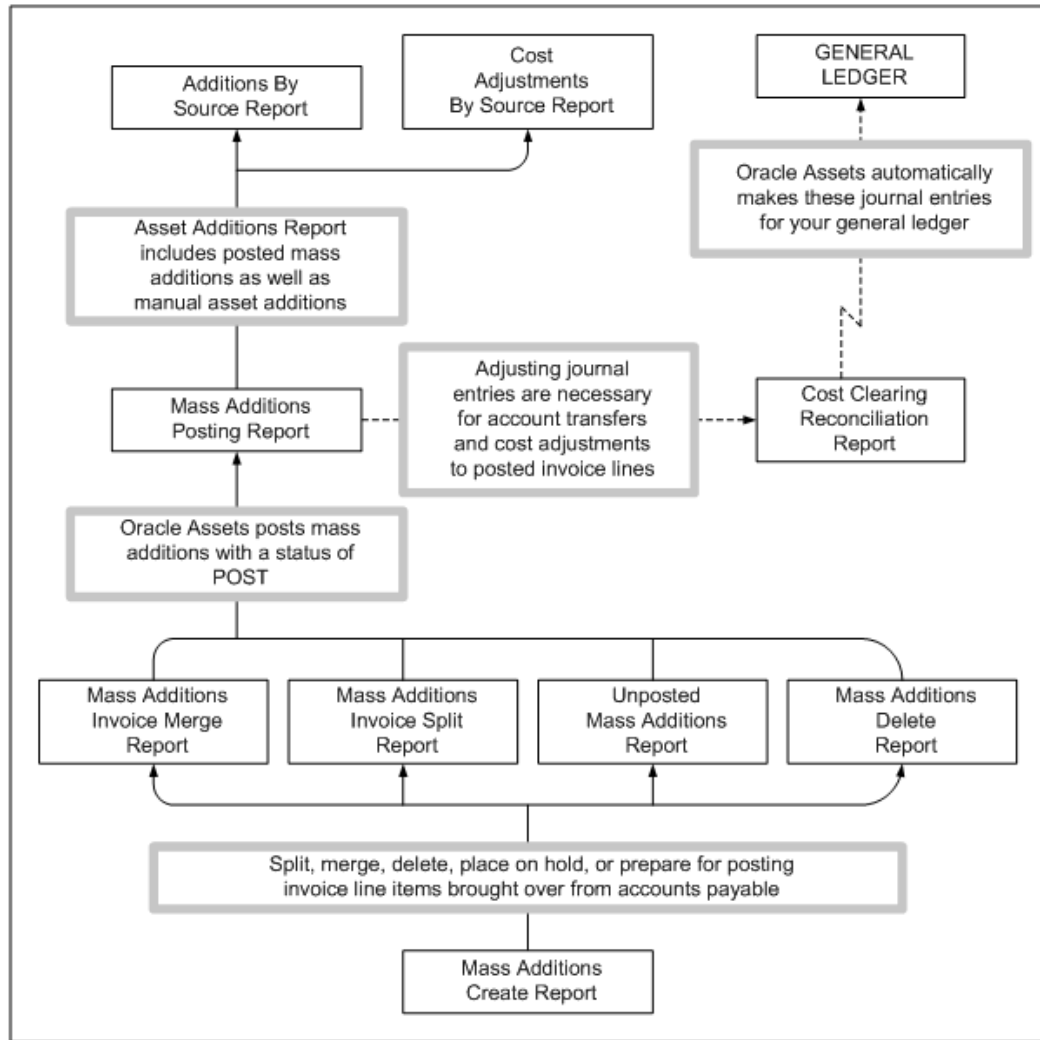
You can use reports to track your mass additions from the time you bring them over from your accounts payable system to the time you post them into Oracle Assets:

**Steps to reconcile Mass Additions:**

1. Match asset journal amounts found in your general ledger with those in the Cost Clearing Reconciliation Report Oracle Assets automatically makes these journal entries for your general ledger.
2. Match amounts in the Cost Clearing Reconciliation Report with those in the Mass Additions Posting Report. Adjusting journal entries are necessary for account transfers and cost adjustments to posted invoice lines.
3. Match amounts in Mass Additions Posting Report with those of the Mass Additions Invoice Merge Report, Mass Additions Invoice Split Report, Unposted Mass Additions Report and Mass Additions Delete Report. Oracle Assets posts mass additions with a status of post.

You can also match amounts in the Mass Additions Posting Report with those in Additions by Source Report and Cost Adjustments By Source Report. The Asset Additions Report includes posted mass additions as well as manual asset additions.

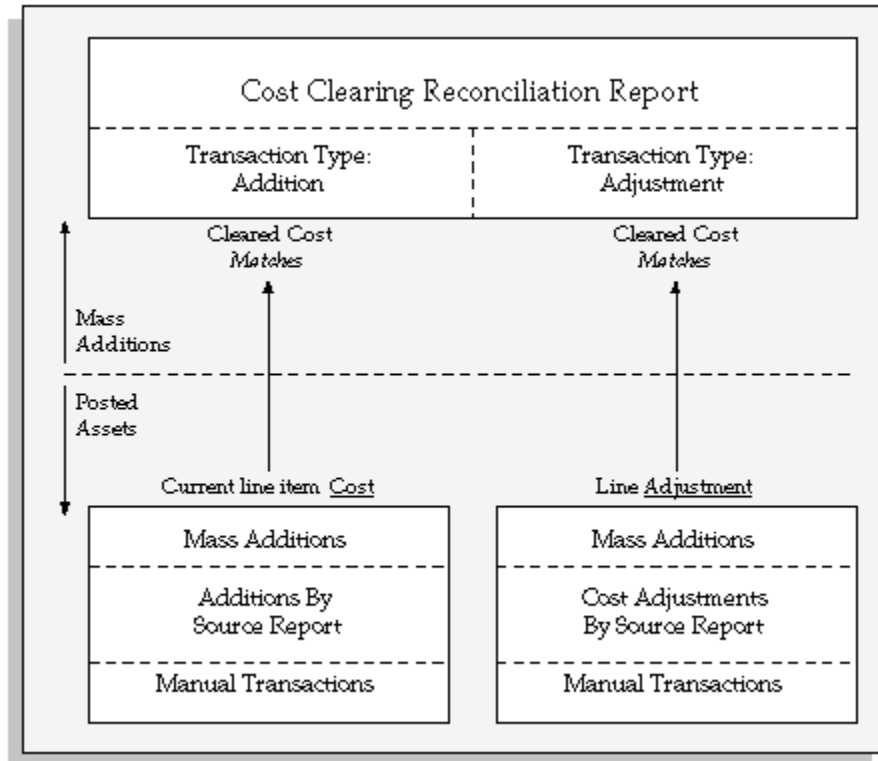
4. Match amounts in the Mass Additions Invoice Merge Report, Mass Additions Invoice Split Report, Unposted Mass Additions Report and Mass Additions Delete Report with amounts in the Mass Additions Create Report. Split, merge, delete, place on hold, or prepare for posting invoice line items brought over from accounts payable.



Use the Cost Clearing Reconciliation Report to match additions with those found in the Additions By Source Report.

Use the Cost Clearing Reconciliation Report to match adjustments with those found in the Cost Adjustment By Source Report.





## Related Topics

Overview of the Mass Additions Process, page 2-28

## Common Report Parameters

The following are report parameters common to many Oracle Assets reports:

**Book/ACE Book/AMT Book/Budget Book/Federal Book/Tax Book** Enter the depreciation book for which you want to run the report.

**Fiscal Year** Enter the fiscal year for which you want to run the report.

**Fiscal Year Name** Enter the fiscal year name for which you want to run the report.

**From/To Account** Enter the account range for which you want to run the report.

**From/To Asset Number** Enter the asset number range for which you want to run the report.

**Note:** Oracle Assets sorts asset numbers alphanumerically. Since an asset number can include characters and numbers, the report selects assets based on how the asset numbers compare alphanumerically, not numerically, to the range you selected. For example, this type of

comparison places the asset number 100 between 1 and 5.

The lowest and highest values in a range depend on your operating system. The lowest value is either the character A or the number 0. If the lowest value is character A, then the highest value is the number 9. If the lowest value is the number 0, then the highest value is the character Z. You must determine which combination is correct for your computer system.

**From/To Cost Center** Enter the cost center range for which you want to run the report.

**From/To Date Placed In Service** Enter the date placed in service range for which you want to run the report.

**From/To Period** Enter the period range for which you want to run the report. For accounting reports, you must have run depreciation for this period.

**Period** Enter the period for which you want to run this report. For accounting reports, you must have run depreciation for the period.

## Related Topics

Running Standard Reports and Listings, page 10-2

## Common Report Headings

The following are report headings common to many Oracle Assets reports:

**Basis Reduction Amount:** ITC Basis X Basis Reduction Rate

**Comments:** Some Mass Additions reports print the comments you entered in the Prepare Mass Additions window.

**Company:** The balancing segment to which you assigned these assets. Assets that you share among different companies are included in several lines of the report.

**Cost:** The current cost of the asset.

**Cost Retired:** Total cost retired.

**Date Retired:** The date the retirement actually occurred, not the date you entered the transaction into Oracle Assets.

**Depreciation Amount:** The depreciation taken for the period you selected.

**Depreciation Reserve:** The total depreciation calculated for the asset (as of the accounting period you selected, if you entered a Period as a parameter for this report). Also known as accumulated depreciation.

**Expense Account:** The depreciation expense account number of the asset.

**Fiscal Year:** The fiscal year you placed the asset in service, if you placed the asset in

service during the fiscal year you requested. For assets placed in service in years prior to the fiscal year you selected, the Form and Adjusted Form 4562 reports print "Previous".

**From/To Date:** The date range effective.

**Gain/Loss:** The gain or loss realized upon retirement. Oracle Assets prorates the gain or loss according to the number of units disposed from the cost center, location, and employee.

Gain/Loss = Proceeds of Sale - Cost of Removal - Net Book Value Retired - Revaluation Reserve Retired

**In Physical Inventory:** If this is set to yes for a particular asset, it indicates that the asset is set up to be included in physical inventory (the In Physical Inventory check box is checked).

**Invoice Number:** The invoice number your accounts payable department used to pay for the asset. If you created this asset from Oracle Payables using Mass Additions, Oracle Assets prints the invoice number.

**ITC Basis:** The lesser of the current cost or the applicable ITC ceiling for the asset.

**ITC Amount:** ITC Basis X ITC Rate

**Life: Years and Months:** The life in years and months (for assets using life-based methods). For assets using flat-rate depreciation methods, the report prints the adjusted rate plus the bonus rate as a percentage.

**Mass Transaction Number:** Unique reference number of the revaluation definition.

**Net Book Value Retired:** The asset's net book value at retirement.

Net Book Value = Recoverable Cost - Accumulated Depreciation

**Original Cost:** Fraction of the cost assigned to this balancing segment when you added, mass copied, or capitalized the asset. Includes any adjustments before you depreciated the asset for the first time.

**Owner:** Name of the employee who is responsible for the asset.

**Payables Batch Name:** Invoice batch name that originated the mass addition.

**Period Name:** The period to which the depreciation expense or production amount applies.

**Period Number:** The number of the period. All periods within a calendar are numbered sequentially. The first period of the fiscal year is number 1.

**Proceeds of Sale:** Amount for which you sold the asset.

**Transaction Number:** The reference number that uniquely identifies this transaction.

**Vendor Name:** The name of the vendor whose invoice originated the asset or mass addition

## Related Topics

Running Standard Reports and Listings, page 10-2

## Budget Reports

Use the budget reports to review your capital budgets.

Budget Report, page 10-22

Budget-To-Actual Report, page 10-22

Capital Spending Report, page 10-23

## Budget Report

Use this report to review the annual capital budget by category for each of your cost centers. The report is sorted by company, cost center, and category. It prints totals for each category, cost center, and company.

You must enter a budget Book when you request this report.

## Selected Headings

**Cost:** The budget amount assigned for the period.

## Related Topics

Budget-To-Actual Report, page 10-22

Capital Spending Report, page 10-23

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Budget-To-Actual Report

This report shows the difference between your budgeted purchases and actual asset purchases. It also separately lists categories to which you have added assets during the period, but for which you have not allocated a budget amount.

The report is sorted by addition type, company, and cost center. It prints totals for each cost center, company, and addition type.

You must enter a Budget Book and Corporate Period when you request this report.

## Selected Headings

**Type:** *Budgeted*, for additions to cost centers and categories with budget amounts, or *Non-Budgeted*, for additions without budget amounts.

**Period/Quarter/Year-To-Date Budget:** The budget amount for additions in this major category for the period, quarter, and year, if any.

**Period/Quarter/Year-To-Date Actual:** The total current cost of the assets you purchased in this major category placed in service for the period, quarter, and year.

**Period/Quarter/Year-To-Date Variance (%):** The percentage difference between your purchases and your budget for this period, quarter, and year, if you entered budget amounts. A negative number indicates that your purchases are more than your budget.

## Related Topics

Budget Report, page 10-22

Capital Spending Report, page 10-23

## Capital Spending Report

This report compares the cost of your additions before the date you specify with the cost for the whole fiscal year. For actual additions, the report lists the original cost of assets placed in service during the whole fiscal year thus far, and compares it to the cost of assets placed in service before the date you specify. For budgeted additions, the report lists the cost of budget amounts for the whole fiscal year, and compares it to the budget amounts for periods that end before the date you specify. Notice that since the report compares the asset cost when you originally add an asset, it does not reflect any adjustments entered after the period you added the asset.

**Important:** To list budgeted additions for each depreciation method, you must enter budget information for the full category flexfield combination. If you only enter major category budget information or do not enter any budget information, you can run this report without comparing a budget book.

The report also shows what percentage of your budgeted amount the actual additions for the fiscal year represent. The report sorts by and prints totals for each depreciation method and balancing segment.

For the United States, you can use this report to determine the percentage of asset cost added in the final quarter of your fiscal year. For the Mid-Quarter Convention Rule, if that percentage is greater than 40% of the total asset cost added in that year, all assets must use the mid-quarter convention. Use the Mass Changes window to change the prorate convention of the assets if necessary.

You must enter a Budget Book, Tax Book and Cut-Off Date when you request this report. Enter a date range start date as the cut-off date to compare the cost of assets added before this date to the cost of all additions for the fiscal year. Enter the last day in the third quarter as the cut-off date to determine the percentage of asset cost added in your final quarter.

## Selected Headings

**Depreciation Method:** The tax book depreciation method.

**Actual Additions: Cost:** The original cost of the assets added in the whole fiscal year.

**Actual Additions Before Date Range: Cost:** The original cost of the assets added in the fiscal year before the date you requested.

**Actual Additions Before Date Range: Percent of Actual:** The original cost of assets placed in service before the date you specified as a percentage of the cost for the whole fiscal year.

**Budgeted Additions: Cost:** The budgeted additions for the whole fiscal year.

**Budgeted Additions Before Date Range: Cost:** The cost of budgeted additions in the fiscal year before the date you requested.

**Budgeted Additions Before Date Range: Percent of Budget:** The cost of budget assets placed in service during the date range as a percentage of the cost budgeted for the fiscal year.

**Additions to Budget (%):** The percentage of actual additions for the fiscal year compared to the total budgeted additions.

## Related Topics

Capital Budgeting, page 8-1

Changing Financial and Depreciation Information (Mass Changes), page 3-7

Budget Report, page 10-22

Budget-To-Actual Report, page 10-22

Common Report Headings, page 10-20

## CIP Reports

Use the CIP reports to view your CIP assets. To review CIP account information, see CIP Detail and Summary Reports, page 10-44.

Capitalizations Report, page 10-24

CIP Assets Report, page 10-25

CIP Capitalization Report, page 10-25

## Capitalizations Report

This report shows the CIP assets that you capitalized during a range of accounting periods

The Cost column on this report matches the Capitalizations column on the CIP Detail

and CIP Cost Balance Report.

You must enter a Book and From/To Period range when you request this report.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## CIP Assets Report

This report shows all the invoice line items and manually entered source line items for your CIP assets. Use this report to review your CIP assets at the end of each accounting period.

The report is sorted by balancing segment, CIP cost account, cost center, and asset number. For assets with multiple invoice lines, the report sorts by supplier number, invoice number, and invoice line number. The report prints totals for each asset if the asset has multiple source lines, and for each cost center, account, and balancing segment as well.

This report provides supporting detail for the CIP Detail Report.

You must enter a Book and Period when you request this report.

### Selected Headings

**Cost:** The Cost column on this report matches the Ending Balance column on the CIP Detail Report.

### Related Topics

CIP Capitalization Report, page 10-25

CIP Summary and Detail Reports, page 10-44

Common Report Parameters, page 10-19

## CIP Capitalization Report

This report shows the CIP assets that you capitalized during a range of accounting periods. The report is sorted by balancing segment, CIP cost account, cost center, and asset cost account. It prints totals for asset cost account, cost center, CIP cost account, and balancing segment.

The Cost column on this report matches the Capitalizations column on the CIP Detail Report.

You must enter a Book and From/To Period range when you request this report.

### Selected Headings

**Date Placed in Service:** The date you capitalized the CIP asset. Oracle Assets calculates

depreciation using this date and the prorate convention.

**Reverse Capitalization:** An asterisk (\*) denotes a reverse capitalized asset.

**Depreciation Method:** The default method assigned to the asset category of the Capitalized CIP Asset.

## Related Topics

CIP Assets Report, page 10-25

CIP Summary and Detail Reports, page 10-44

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Asset Listings

Use the asset listings to review assets and asset information. For example, you can review all the assets in an asset category, or all the leased assets you have entered for a book.

## Fixed Assets Book Report

This report allows you to print asset information, cost information, and depreciation information, as of a specified period, for a specified asset book, balancing segment, asset account, cost center, and asset type. Use this information to prepare corporate tax returns.

You can also report by minor category.

You must enter a book and period when you request this report. You can optionally enter the balancing segment, account, cost center, category information, and property type.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3

## Selected Headings

**Units:** The number of units.

**Depreciation Method:** The depreciation method used for the asset.

**Date of Acquisition:** The date the asset was acquired.

**NBV at Beginning of Fiscal Year:** The net book value of the asset as of the beginning of the fiscal year.

**YTD Depreciation:** The year to date depreciation for the asset as of the month for which



the report was run.

## Asset Description Listing

Use this listing to review the descriptions assigned to your assets. This helps you standardize your asset descriptions by helping you ensure that similar assets have similar descriptions.

## Asset Inventory Report

Use this report to ensure an accurate asset inventory. You can send it to each of your managers periodically to show them the assets under their control. Your managers can use the report as a turnaround document to inform your fixed asset manager of additions, transfers, retirements, and other changes. You can have your managers sign the report to provide you and your auditors with confirmation that your asset inventory is accurate.

The report is sorted by, and prints totals for the balancing segment, cost center, owner, and location.

You must enter a Book when you request this report. Optionally enter a From/To Cost Center range and a From/To Date Placed In Serviceto range to limit the report output.

## Selected Headings

**Initials:** Space for your cost center managers to approve the report.

**Net Book Value:** The net book value of the asset as of the last time you ran depreciation.

**New:** "New" appears if you added this asset within the range of dates you selected.

**<Flag>:**

- **E:** Expensed item
- **C:** Construction-in-process asset

## Asset Listing by Period

This report lists assets according to status. Use this report to track assets for a specific period for internal management purposes and tax reporting purposes. You can list assets and cost information (and where applicable, depreciation information) for these assets, as of a specified period for a specified asset book, balancing segment, and cost center.

You can also report by minor category.

You must enter a book, period, and attribute set when you request this report. You can optionally enter the balancing segment, account, cost center, category information,

property type, net book value, and whether to list only assets that are fully reserved.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

### Selected Headings

**Depreciation Reserve:** The year to date depreciation for the asset as of the month for which the report was run.

**NBV at Period End:** The net book value of the asset as of the period for which the report was run.

### Asset Register Report

Use this report to get a snapshot of any asset. The report shows a line with asset information for the corporate book you specify and for each associated tax book. It provides information that is current as of the day you request the report. It does not provide historical information. The report is sorted by asset number.

You must enter a Book and From/To Asset Number range when you request this report.

**Note:** You should run depreciation before running this report to ensure all of the current period adjustments are reflected in the report output.

### Selected Headings

**Parent Asset Number/Description:** Parent asset information appears if this asset is a subcomponent of another asset.

**Property Class:** 1245 (personal) or 1250 (real)

**Purchase Order Number:** The purchase order number that your purchasing department used to approve the purchase of this asset.

**Prorate Date:** The date the depreciation program uses to determine how much depreciation to take during the first and last years of the asset's life.

**Months of Depreciation in First Year:** The number of months of depreciation allowed for the asset in its first year of life according to the prorate convention.

**Depreciate:** Indicates whether you enabled the Depreciate flag in the Books window.

**Depreciate When Placed In Service:** Yes if Oracle Assets begins depreciating the asset on the date you placed the asset in service, or No if it begins depreciating on the prorate date. This is determined by the prorate convention.

**Adjusted Rate (%):** The adjusted rate (for assets using flat-rate methods). The basic rate and the adjusting rate determine the adjusted rate. The adjusted rate is used to calculate annual depreciation expense for flat-rate methods.

Adjusted Rate = Basic Rate X (1 + Adjusting Rate)

**Depreciate in Last Year:** Indicates whether the asset depreciates in the year you retire it. This is determined by the depreciation method.

**Period Reserved:** The depreciation period in which the asset became fully reserved.

**Period Retired:** The depreciation period in which the asset was fully retired.

**Revaluation Reserve:** The change in net book value that occurred due to revaluing the depreciation reserve. If you do not revalue depreciation reserve, Oracle Assets prints the depreciation reserve when you revalued the asset.

**Ceiling Name/Ceiling Type:** The name and type (depreciation cost, depreciation expense, or investment tax credit) of ceiling that you entered for the asset.

**Rate Adjustment Factor:** The depreciation rate adjustment factor resulting from any amortized adjustments or revaluations. The depreciation program uses this number to calculate depreciation for assets with amortized adjustments or revaluations.

**Cost:** It reflects any cost adjustments and revaluations.

**Recoverable Cost:** The portion of the current cost which may be depreciated. The recoverable cost is defined as:

Recoverable Cost = Current Cost - Salvage Value - ITC Basis Reduction Amount

**Depreciable Basis:** The depreciable basis that the depreciation program uses to calculate depreciation. The depreciable basis updates when you adjust financial information, revalue the asset, or enter retirements. It is also updated for assets in your tax book when you assign investment tax credits.

**Net Book Value:** The recoverable cost less the depreciation reserve.

**Year-To-Date Depreciation:** The fiscal year-to-date depreciation calculated through the last depreciation period.

## Related Topics

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Asset Tag Listing

Use this listing to review the tag numbers assigned to your assets.

## Assets by Category Report

Use the Assets by Category Report to find and review all the assets in an asset category. The assets are sorted by balancing segment and category in this report. The report prints the total cost for each category and balancing segment.

You must enter a Book when you request this report. If you do not enter an Asset

Category, all categories appear on this report.

**Note:** This report does not display fully retired assets.

## Assets Not Assigned To Any Books Listing and Assets Not Assigned To Any Cost Centers Listing

If you want to calculate depreciation for assets, you must add them to a depreciation book using the Books window, and assign them to the appropriate depreciation expense accounts using the Assignments window.

Use the Assets Not Assigned To Any **Books** Listing to find assets that you have not assigned to any depreciation books. The listing is sorted by asset number.

Use the Assets Not Assigned To Any **Cost Centers** Listing to find assets that you did not assign to any cost centers. The listing is sorted by book and asset number.

### Related Topics

Entering Financial Information, page 2-22

Assigning an Asset, page 2-26

## Diminishing Value Report

This report shows all assets using a diminishing value depreciation method, a flat-rate method that uses the net book value as the calculation basis. This report is sorted by balancing segment, asset account, and asset number. It prints totals for each asset account and balancing segment.

You must enter a BookandPeriod when you request this report.

### Selected Headings

**Rate (%):** The adjusted rate you assigned to your asset as a percentage.

**Cost:** The asset cost, or zero if you retired the asset during the fiscal year; the asset appears on this report until the end of the fiscal year.

**Previous Years Depreciation:** The cumulative depreciation for the asset for all prior fiscal years, or zero if you added the asset during this fiscal year.

**Opening Net Book Value:** The net book value at the beginning of the current fiscal year, or zero if you added the asset during the fiscal year. The net book value updates if you perform an amortized adjustment or revaluation.

**Year-To-Date Depreciation:** As of the accounting period you select.

**Closing Net Book Value:** The net book value at the end of the current fiscal year, or zero if you retired the asset during the fiscal year; the asset appears on this report until the end of the fiscal year.

## Related Topics

Defining Additional (Flat-Rate) Depreciation Methods, page 9-65

Common Report Parameters, page 10-19

## Expensed Property Report

Use this report to find all your expensed assets. When you added these assets to Oracle Assets, you classified the assets under non-capitalized asset categories. The report is sorted by balancing segment, asset category, and asset number. It prints the current total cost for each category and balancing segment.

You must enter a Book when you request this report.

## Fully Reserved Assets Report

Use this report to find the assets that became fully depreciated in a range of accounting periods. The report is sorted by period, balancing segment, asset account, and asset number. It prints totals for each asset account, balancing segment, and period.

The report prints a line for each of the periods the asset is fully reserved which fall in the period range you requested. If you adjust a fully reserved asset, the report only shows the asset in the period you adjusted it if it again becomes fully reserved. If you run the report for a range of periods an asset may appear more than once on the report.

You must enter a Book and From/To Period range when you request this report.

## Selected Headings

**Depreciation Amount:** The depreciation taken in the period the asset became fully reserved.

**Year-To-Date Depreciation:** The depreciation taken during the current fiscal year.

## Related Topics

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Leased Assets Report

Use this report to find all your leased assets. This report is sorted by balancing segment, asset category, and lease number. It prints totals for each category and balancing segment.

You must enter a Book when you request this report.

## Related Topics

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Non-Depreciating Property Report

Use this report to locate property that is not depreciating. For these assets, you unchecked the Depreciate check box in the Books window. The report is sorted by, and prints the total cost for each balancing segment, asset type, and asset category.

You must enter a Book when you request this report.

## Related Topics

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Parent Asset Report

Use the Parent Asset Report to review the parent-subcomponent relationships among your assets. You associate a parent with a subcomponent in the Asset Details window by entering a parent asset number for the subcomponent asset. Oracle Assets sorts the report by parent asset number.

You must enter a Book and From/To Asset Number range when you request this report.

## Related Topics

Adding an Asset Specifying Details (Detail Additions), page 2-20

Common Report Parameters, page 10-19

## Physical Inventory Comparison Report

Use the Physical Inventory Comparison Report to display the results of the Physical Inventory Comparison. The report shows discrepancies between the physical inventory data and the Oracle Assets production data, highlighting differences in the location and the number of units. The information in this report is the same as the information you receive when you choose Submit in the Physical Inventory Comparison window. You can run this report for the entire physical inventory, or specify only certain locations or categories.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Selected Headings

**Inventory Name:** The name of the physical inventory from which you ran this report.

**Status:** Indicates the status of the asset after the comparison. If the asset has a status of NEW, it indicates the asset has not been compared.

**Unit Adjustment:** Indicates whether you need to adjust the number of units listed for the asset. If there is no value in this field, the entry has not been compared.

**Location Adjustment:** Indicates whether you need to change the location of the asset. If the value is NULL, the entry has not been compared.

## Related Topics

Physical Inventory, page 3-123

## Physical Inventory Missing Assets Report

This report lists all the assets in your Oracle Assets production system that have not been accounted for during physical inventory. Assets are listed on this report when all of the following conditions are true:

- The asset is listed in your production system, but could not be found during the physical inventory process.
- The In Physical Inventory check box is checked.
- The date the asset was placed in service is before the start of the physical inventory.

You must enter the name of the physical inventory for which you want to run this report.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Selected Headings

**Inventory Name:** The name of the physical inventory from which you ran this report.

## Related Topics

Physical Inventory, page 3-123

## Maintenance Reports

Use the maintenance reports to view maintenance schedules, warranty, cost, and supplier information for groups of assets.

## Asset Maintenance Report

Use this listing to view assets' maintenance schedules, warranty information, and cost and supplier information.

You must enter a book when you request this report. Optional parameters you can enter are the event name, maintenance date ranges, asset number ranges, date-placed-in-service ranges, and asset category.

### Selected Headings

**Event:** The name of the maintenance event, for example, Service or Inspection.

**Cost:** The cost of the maintenance event.

**Maintenance Date:** The date the maintenance event took place.

**Supplier:** The name of the supplier who performs the maintenance event.

**Warranty Number:** The unique warranty number assigned to the warranty when it was defined in Oracle Assets.

**Maintenance Contact:** The name of the person responsible for the maintenance task.

## Asset Maintenance Report (Variable Format)

Use this listing to view assets' maintenance schedules, warranty information, and cost and supplier information.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Setup Data Listings

Use the setup data listings to view your Oracle Assets setup information. For example, you can review all the asset categories or prorate conventions you have set up.

### Asset Category Listing

Use this listing to review all your asset categories. This report prints the following default information for each category:

- Asset, reserve, and expense accounts
- Depreciation method and life (or adjusted rate plus the bonus rate for flat-rate methods)
- Prorate convention



- Price index name, if any

You must enter a Book when you request this report.

### **Selected Headings**

**Use Ceilings:** Yes if you use depreciation ceilings or investment tax credit ceilings for the asset category.

### **Related Topics**

Setting Up Asset Categories, page 9-186

## **Bonus Depreciation Rule Listing**

Use this listing to review the bonus rules you have set up. Bonus rules specify additional depreciation to take in the early years of an asset's life.

### **Selected Headings**

**From/To Year:** The fiscal year range during which the bonus rule is effective.

**Bonus Rate:** The rate allowed for an asset. For example, if you are using a flat-rate depreciation method of 20%, and you allow a 10% bonus rate for 1994 to 1995 and a bonus rate of 15% for 1996, Oracle Assets calculates your depreciation expense as 30% of the cost for 1994 and 1995, and 25% for 1996.

### **Related Topics**

Defining Bonus Depreciation Rules, page 9-75

## **Calendar Listing**

Use this listing to review your calendar periods by fiscal year. You must enter a Fiscal Year Name and Fiscal Year when you request this report.

### **Related Topics**

Specifying Dates for Calendar Periods, page 9-53

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## **Ceiling Listing**

Use this listing to review the depreciation expense, cost, and investment tax credit ceilings you have set up, sorted by ceiling type.

## Selected Headings

**Ceiling Type:** Depreciation Expense, Depreciation Cost, or Investment Tax Credit

**Start/End Date:** The date range the ceiling is effective.

**Year of Life:** For depreciation expense ceilings, Oracle Assets prints the year of the asset's life to which the ceiling applies.

**Ceiling Amount:** The ceiling amount allowed for an asset.

## Related Topics

Setting Up Depreciation Ceilings, page 9-177

## Database Index Listing

Use the Database Index Listing to examine indexes for each Oracle Assets table, sorted by table name and index name. The listing includes all predefined indexes and any new indexes you create.

## Selected Headings

**Created:** The date the index was created.

**Modified:** The date the index was last modified.

**Unique:** Yes if the column is unique within the table, or No otherwise.

**Column Name:** The columns associated with the index.

## Depreciation Rate Listing

Use this listing to review the rates for your life-based depreciation methods. This listing only includes depreciation methods which have 12 prorate periods. Notice that, for methods that use a calculation basis of Cost, the sum of each column must equal one. The listing is sorted by depreciation method and prints the total for each period.

You must enter the short name of the depreciation Method Code and the Life in months for which you want to run the report.

## Selected Headings

**Straight-Line Method:** Yes if this is a straight-line depreciation method.

**Depreciate in Year Retired:** Yes if it calculates depreciation in the year you retire an asset that uses this depreciation method.

**Year:** The year of life for which the depreciation rate applies.

**Month Placed in Service:** The annual depreciation rate that applies to the prorate period.

## Related Topics

Defining Additional Depreciation Methods, page 9-65

## Insurance Data Report

Use the Insurance Data Report to review insurance details for assets and to verify that the assignments for insurance records are correct. The Insurance Data Report prints all insurance details for the selected assets.

### Selected Headings

**Insurance Company:** The name of the insurance company.

**Policy Number:** The insurance policy number.

**Calculation Method:** The calculation method for this asset's insurance valuation.

**Insurance Base Value:** The base value of the asset.

## Related Topics

Overview of Asset Insurance, page 9-208

Calculating Asset Insurance, page 9-214

## Insurance Value Detail Report

Use the Insurance Value report to review calculations of insurance coverage for selected assets. The Insurance Value report prints all insurance amounts for the selected assets and displays totals at Balancing Segment level, Insurance Calculation Method level, Insurance Company level, and Insurance Policy Number level. The insurance coverage calculation indicates the differences between insured amounts and current insurance values.

### Selected Headings

**Policy Number:** The insurance policy number.

**Date Last Indexed:** The last indexation date for the asset within the reported year.

**Insurance Base Value:** The base value of the asset.

**Insurance Value:** The current calculated insurance value.

**Insurance Amount:** The current insured amount.

**Coverage:** The value of the current insurance coverage (insured amount less current insurance value).

## Related Topics

Overview of Asset Insurance, page 9-208

Calculating Asset Insurance, page 9-214

## ITC Rates Listing

Use this listing to review the Investment Tax Credit (ITC) rates and ITC recapture rates you have set up. The listing is sorted by tax year and life.

### Selected Headings

**Tax Year:** The tax year when the ITC rate becomes effective.

**ITC Rate:** The ITC rate that is valid for the asset life and tax year.

**Basis Reduction (%):** The basis reduction rate for the ITC rate. Oracle Assets reduces the recoverable cost of your asset by this rate.

**Year of Retirement:** The year of asset life for which the recapture rate applies. If you retire the asset in this year of life, Oracle Assets recaptures ITC using this recapture rate.

**Recapture Rate:** The recapture rate for the year of life that you retire an asset. Oracle Assets uses this rate to determine the amount of investment tax credit to recapture when you retire an asset.

## Related Topics

Defining Investment Tax Credit Rates, page 9-178

Common Report Headings, page 10-20

## Price Index Listing

Use this listing to review the price indexes you have set up. The Revalued Asset Retirement Report uses your price indexes to determine the revalued asset cost, which is used to calculate gains and losses for your retired assets.

### Selected Headings

**From/To Date:** The date range the index value is effective.

**Index Value (%):** The index value that applies to the date range as a percentage.

## Related Topics

Defining Price Indexes, page 9-185

Revalued Asset Retirements Report, page 10-61

## Prorate Convention Listing

Use this listing to review the prorate and retirement conventions you have set up. You must enter the Fiscal Year Name and Fiscal Year when you request this report.

### Selected Headings

**Depreciate When Acquired:** Yes if assets begin depreciating in the accounting period you place them in service under this convention. No if assets begin depreciating in the accounting period that corresponds to the prorate date instead.

**From/To Date:** The date placed in service range for which this prorate date applies.

**Prorate Date:** The date the depreciation program uses to determine how much depreciation to take in the first and last year of an asset's life.

### Related Topics

Specifying Dates for Prorate Conventions, page 9-179

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Depreciation Reports

Use the depreciation reports to review depreciation information for your assets.

### Related Topics

Assets Not Assigned to Any Books Listing and Assets Not Assigned to Any Cost Centers Listing, page 10-30

Diminishing Value Report, page 10-30

Expensed Property Report, page 10-31

Fully Reserved Assets Report, page 10-31

Non-Depreciating Property Report, page 10-32

Depreciation Projection Report, page 10-40

Hypothetical What-If Report, page 10-40

Hypothetical What-If Report (variable format), page 10-40

Unplanned Depreciation Report (variable format), page 10-41

What-If Depreciation Report, page 10-41

What-If Depreciation Report (variable format), page 10-42

## Depreciation Projection Report

Use this report to review projected depreciation expense for your assets for each book you request. The report is sorted by, and prints the total depreciation for each balancing segment, cost center, and expense account. You can request report detail at the Cost Center and/or Asset level.

Use the Depreciation Projections window to submit this report.

### Related Topics

Projecting Depreciation Expense, page 5-44

Common Report Headings, page 10-20

## Hypothetical What-if Report

Use the Hypothetical What-if Report to display and analyze the results of hypothetical what-if depreciation analysis. This report contains depreciation projection data based on depreciation parameters for hypothetical assets. This report is available for group and member asset amounts.

You must enter a category, date in service, and cost when you submit this report. You can optionally enter an accumulated depreciation amount.

**Note:** You must submit this report using the What-If Analysis window. You cannot submit this report using the Submit Request window.

### Related Topics

Forecasting Depreciation, page 5-46

## Hypothetical What-if Report (Variable Format)

Use the Hypothetical What-if Report to display and analyze the results of hypothetical what-if depreciation analysis. This report contains depreciation projection data based on depreciation parameters for hypothetical assets.

You must enter a category, date in service, and cost when you submit this report. You can optionally enter an accumulated depreciation amount.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

### Related Topics

Forecasting Depreciation, page 5-46

## Unplanned Depreciation Report

Use the Unplanned Depreciation report to print details of the unplanned depreciation you enter in the Unplanned Depreciation Entry window. This report lists all unplanned depreciation entries for a specific depreciation book, unplanned depreciation type, and depreciation period.

**Important:** You must manually adjust the life of the asset before you run the final depreciation formula for the current period. If you do not, the asset depreciates at the original amount. The formula for calculating the new life is printed at the end of the report.

If the resulting new life is the same as the original life, you still must change the life of the asset to calculate the expected future depreciation amount. Change the asset life to any other life, save the change, and requery the asset to change the life back to the original life. If you do not make a change to the asset life, the depreciation amount is the same as before you entered unplanned depreciation.

You must enter the depreciation book name. You can optionally enter the unplanned depreciation type, and period start and end dates.

### Selected Headings

**Period Effective:** The current depreciation period for the asset.

**Unplanned Depreciation Type:** The type of unplanned depreciation as specified in the Unplanned Depreciation Entry window. This column is left blank for unplanned depreciation entered before the asset begins to depreciate.

**Unplanned Depreciation Amount:** The amount by which the asset is depreciated. If the unplanned depreciation is entered after the asset begins to depreciate, this amount is followed by DR or CR to indicate positive or negative depreciation.

**Unplanned Depreciation Expense Account:** The Accounting Flexfield to which the unplanned depreciation is assigned. This column is left blank for unplanned depreciation entered before the asset begins to depreciate.

## What-if Depreciation Report

Use the What-if Depreciation Report to display and analyze the results of what-if depreciation analysis. This report contains depreciation data based on depreciation parameters you entered for analysis purposes. The report also lists depreciation projections for your current depreciation parameters so that you can use the report to compare your current depreciation projections with the what-if depreciation projections.

You must enter a book, start period, and number of periods when you submit this report.

**Note:** You must submit this report using the What-If Analysis window.  
You cannot submit this report using the Submit Request window.

## Selected Headings

**Current Convention:** The prorate convention currently set up in your production system for this asset.

**Current Cost:** The cost of the asset.

**Current Method:** The method currently set up in your production system for this asset.

**Current Salvage Value:** The salvage value currently set up in your production system for this asset.

**New Depreciation:** The hypothetical depreciation for this asset based on what-if parameters.

## Related Topics

Forecasting Depreciation, page 5-46

## What-if Depreciation Report (Variable Format)

Use the What-if Depreciation Report to display and analyze the results of what-if depreciation analysis. This report contains depreciation data based on depreciation parameters you entered for analysis purposes. The report also lists depreciation projections for your current depreciation parameters so that you can use the report to compare your current depreciation projections with the what-if depreciation projections.

You must enter a book, start period, and number of periods when you submit this report.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Related Topics

Forecasting Depreciation, page 5-46

What-if Depreciation Report, page 10-41

## Accounting Reports

Use the accounting reports to review accounting information for your assets, and to reconcile to the general ledger. Refer to the following additional accounting reports for



more information:

Asset Reclassification Reconciliation Report, page 10-84

Asset Retirements By Cost Center Report, page 10-85

Asset Transfer Reconciliation Report, page 10-82

## Account Reconciliation Reserve Ledger Report

Use this report to review how much depreciation Oracle Assets charged to a depreciation reserve account in an accounting period. The report is sorted by, and prints totals for each balancing segment, asset account, reserve account, and cost center. It is not necessary to close the period before running the report. You can run this report for the current open period, as long as you have run depreciation before running the report.

If you partially retire, reclassify, or transfer an asset, the report prints the asset's year-to-date depreciation as of the transaction date on a separate line and marks each line on the right side of the report. These lines show zero for cost and depreciation amount because Oracle Assets allocates depreciation expense only to the distribution lines which were active at the end of the report period.

You must enter a Book and Period when you request this report.

This report provides supporting detail for the Reserve Detail Report.

### Selected Headings

**Depreciation Amount:** This column matches the Depreciation Expense column on the Reserve Detail Report.

**Year-To-Date Depreciation:** The cost center fiscal year-to-date depreciation for the accounting period.

**Percent:** The percentage of the asset cost and depreciation allocated to the cost center.

**<Flag>:**

- **P:** partial retirement
- **F:** full retirement
- **N:** asset is not depreciating
- **T:** transfer, either to a new cost center, employee, or location

### Related Topics

Reconciling Reserve Accounts, page 10-13

Common Report Parameters, page 10-19

## Accumulated Depreciation Balance Report

Use the Accumulated Depreciation Balance Report to reconcile your reserve accounts to your general ledger.

You must enter a Book and From/To Period range when you request this report.

To reconcile with the general ledger, compare this report with the Account Analysis Report in General Ledger. This report can include group asset amounts.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Asset Cost Balance Report

Use the Asset Cost Balance Reports to reconcile your standalone and member asset cost accounts to your general ledger.

You must enter a Book and From/To Period range when you request these reports. This report can include member asset amounts.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## CIP Cost Balance Report

Use the CIP Cost Balance Reports to reconcile your CIP cost accounts to your general ledger.

You must enter a Book and From/To Period range when you request these reports. This report can include member asset amounts.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Cost and CIP Detail and Summary Reports

Use the **Cost Detail** and **Cost Summary** reports to reconcile your asset cost accounts to your general ledger. Use the **CIP Detail** and **CIP Summary** reports to reconcile your CIP cost accounts to your general ledger. To reconcile with Oracle General Ledger, compare the **Cost** or **CIP Summary** report with the Account Analysis Report.

The following reports provide supporting detail for both detail reports: Asset Additions Report, Cost Adjustments Report, Asset Retirements Report, Asset Reclassifications

Reconciliation Report, and the Asset Transfer Reconciliation Report. In addition, the CIP Capitalization Report and the CIP Assets Report provide supporting detail for the CIP Detail Report. If you retired any CIP assets during the periods you requested, the Retirements column on the CIP Detail Report matches the Cost Retired column on the Asset Retirements Report.

The **detail** reports are sorted by balancing segment, asset or CIP cost account, cost center, and asset number, and print totals for each asset or CIP cost center, account, and balancing segment. Both **summary** reports are sorted by, and print totals for each balancing segment and asset or CIP account.

You must enter a Book and From/To Period range when you request these reports.

**Note:** Before running these reports, you must first run the Create Accounting process.

## Selected Headings

All four reports show the beginning balance, additions, adjustments, retirements, capitalizations, reclassifications, transfers, and ending balance for each asset or CIP account and cost center:

**Beginning Balance:** The asset or CIP cost account balance for each asset as of the beginning of the period range you requested. The sum of this column on the Detail Report matches the Beginning Balance column on the Summary Report for this account and cost center.

**Additions:** This column on the Cost Detail Report matches the Cost column on the Asset Additions Report for capitalized assets.

**Adjustments:** This column on the Detail Report matches the Net Change column on the Cost Adjustments Report.

**Retirements:** This column on the Detail Report matches the sum of the Cost Retired column on the Asset Retirements Report.

**Revaluation (Cost Detail and Summary Reports):** The net change to the asset account resulting from asset revaluations made during the period range you requested.

**Capitalizations (CIP Detail and Summary Reports):** The change to the CIP cost account resulting from CIP asset capitalizations made during the period range you requested. This column on the CIP Detail Report matches the sum of the Cost column on the CIP Capitalization Report.

**Reclassifications:** This column on the Detail Report matches the Cost column on the Asset Reclassification Reconciliation Report.

**Transfers:** The net change to the asset or CIP cost account resulting from interaccount transfers that move cost from one general ledger number to another. This column on the Detail Report matches the Cost column on the Asset Transfer Reconciliations Report.

**Ending Balance:** This column on the CIP Detail Report matches the Cost column on the

CIP Assets Report. The sum of this column on the Detail Report matches the Ending Balance column on the Summary Report for this account.

**Out of Balance:** Oracle Assets compares an asset's actual ending balance with a calculated ending balance, and prints an asterisk (\*) in the column if they are different. If Oracle Assets finds any differences, your system is out of balance.

Calculated Ending Balance = Beginning Balance + Additions + Adjustments - Retirements + Capitalizations + Reclassifications + Transfers

## Related Topics

CIP Assets Report, page 10-25

CIP Capitalization Report, page 10-25

Account Analysis With Payables Detail Report, *Oracle General Ledger User Guide*

Reconciling Asset Cost Accounts, page 10-10

Reconciling CIP Cost Accounts, page 10-11

Common Report Parameters, page 10-19

## Cost Clearing Reconciliation Report

This report shows all assets you created or adjusted during an accounting period for which Oracle Assets creates journal entries to asset clearing accounts. Use this report to reconcile your clearing accounts between your general ledger and Oracle Assets. The report is sorted by, and prints totals for each transaction type, balancing segment, clearing account, cost center, and asset number.

You must enter a Book and Period when you request this report.

## Selected Headings

### Transaction Type:

- **(CIP) Additions** for (CIP) assets added during the accounting period
- **(CIP) Adjustments** for adjustments you made to (CIP) assets added before the accounting period

**Clearing Account:** The asset clearing account for your capitalized assets, or the CIP clearing account for your CIP assets.

**Cleared Cost:** The cleared cost of the asset for this cost center. This column is the amount posted to the cost center and clearing account. If asset costs are split among different cost centers, and if they clear to different clearing accounts, the asset may have lines on different pages of the report.

## Related Topics

Tracking and Reconciling Mass Additions, page 10-16

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Cost Clearing Reconciliation Report (Variable Format)

This report shows all assets you created or adjusted during an accounting period for which Oracle Assets creates journal entries to asset clearing accounts. Use this report to reconcile your clearing accounts between your general ledger and Oracle Assets.

You must enter a Book and Period when you request this report. This report can include member asset amounts.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Group Asset Report (Variable Format)

This report is designed to assist with the regulatory reporting requirement of Canada and India. You can use this report if you use group depreciation. When you run this report you can choose one of the three seeded attribute sets. These attribute sets are formatted to accommodate specific regulatory requirements. The attribute set and the regulatory requirement addressed are included in the list below:

Default: This attribute set is based on the Canadian 50% rule, and assists compliance with the Canadian capital cost allowance (CCA). Schedule 8

Group Summary: Summary for Half Year Rule: This attribute set provides group asset amounts. The output is based on the Indian 50% rule, and the Indian Income Tax Authorities regulatory requirement of summary depreciation reporting.

Group Detail: Detail for Half Year Rule: This attribute set provides group and member asset detail amounts, and is based on the Indian 50% rule. This report is for use by management.

You must enter an Attribute Set, Output Format, Book, Start Fiscal Year, and End Fiscal Year when you request these reports. This report is available with group and member asset amounts

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Journal Entry Reserve Ledger Report

Use this report to find out how much depreciation expense Oracle Assets charged to a depreciation expense account for any accounting period. The report lists all active (not yet retired) capitalized assets, as well as any assets that you have retired in the period's fiscal year. The report is sorted by balancing segment, expense and reserve accounts, and cost center. It prints totals for each cost center, account, and balancing segment.

If you partially retire, reclassify, or transfer an asset, the report prints the asset's year-to-date depreciation as of the transaction date on a separate line, and marks the line on the right side of the report. These lines show zero for cost and depreciation amount because Oracle Assets allocates depreciation expense only to the distribution lines which were active at the end of the report period.

You can reconcile depreciation expense with your general ledger using this report and the Account Analysis Report in Oracle General Ledger.

You must enter a Book, Currency, and Period when you request this report.

### Selected Headings

**Depreciation Amount:** This column matches the Debit or Credit column of the Account Analysis With Payables Detail Report in Oracle General Ledger.

**Year-To-Date Depreciation:** The cost center fiscal year-to-date depreciation for the accounting period you select.

**Percent:** The percentage of the asset cost and depreciation allocated to this general ledger account and cost center.

**<Flag>:**

- **P:** partial retirement
- **F:** full retirement
- **N:** asset is not depreciating
- **T:** transfer, either to a new cost center, employee, or location
- **R:** reclassification
- **B:** bonus depreciation amount for assets using bonus depreciation rules

### Related Topics

Account Analysis Report, *Oracle Subledger Accounting Implementation Guide*

Reconciling Depreciation Expense Accounts, page 10-15

Common Report Parameters, page 10-19

## Production History Report

Use this report to review the production amounts for your units of production assets each period. The report sorts by unit of measure, asset number, and the production start date. It prints the total production for each unit of measure.

You must enter a Book and Period when you request this report.

### Selected Headings

**Production Start/End Date:** The date range for which the production amount applies.

**<Flag>:** The report prints an asterisk (\*) if the production has not been used to calculate depreciation. For example, if you enter production for future periods for depreciation projections, the report marks the future production with an asterisk (\*).

### Related Topics

Entering Production Amounts, page 5-43

Uploading Production to Oracle Assets, page 5-43

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Reserve Detail and Summary Reports

Use the Reserve Detail and Summary reports to reconcile your reserve accounts to your general ledger. The **detail** report is sorted by balancing segment, depreciation reserve account, cost center, and asset number. It prints totals for cost center, account, and balancing segment. The **summary** report is sorted by, and prints totals for each balancing segment and depreciation reserve account.

The following reports provide supporting detail for the **detail** report: Asset Additions Report, Reserve Adjustments Report, Asset Retirements Report, Asset Reclassification Reconciliation Report, Account Reconciliation Reserve Ledger, and the Asset Transfers Report.

You must enter a Book and From/To Period range when you request these reports.

To reconcile with the general ledger, compare the **summary** report with the Account Analysis Report in General Ledger.

### Selected Headings

Both detail and summary reports show the beginning balance, transactions, and ending balance for each depreciation reserve account:

**Beginning Balance:** The sum of this column for the asset account on the detail report

matches the Beginning Balance column on the summary report.

**Additions:** The change to the depreciation reserve account resulting from asset additions that you entered with a reserve during the period range you requested. This column on the detail report matches the Depreciation Reserve column of the Asset Additions Report. The sum of this column for the asset account on the detail report matches the Additions column on the summary report.

**Depreciation:** The change to the depreciation reserve account resulting from depreciation expense calculated during the period range you requested. This column on the detail report matches the Depreciation Amount column of the Account Reconciliation Reserve Ledger. The sum of this column for the asset account on the detail report matches the Depreciation Expense column on the summary report.

**Adjustments:** The change to the depreciation reserve account resulting from tax reserve adjustments or revaluations performed during the period range you requested. These lines are marked on the right side of the report to distinguish tax adjustments from revaluations. For tax adjustments this column on the detail report matches the Reserve Adjustment column of the Reserve Adjustments Report. The sum of this column for the asset account on the detail report matches the Adjustments column on the summary report.

**Retirements:** This column on the detail report matches the difference between the Cost Retired and Net Book Value Retired columns of the Asset Retirements Report. The sum of this column for the asset account on the detail report matches the Retirements column on the summary report.

**Reclassifications:** This column on the detail report matches the Depreciation Reserve column of the Asset Reclassification Reconciliation Report. The sum of this column for the asset account on the detail report matches the Reclassifications column on the summary report.

**Transfers:** This column on the detail report matches the Depreciation Reserve column of the Asset Transfers Report. The sum of this column for the asset account on the detail report matches the Transfers column on the summary report.

**Ending Balance:** The sum of this column for the asset account on the detail report matches the Ending Balance column on the summary report.

**Out of Balance:** This report compares an asset's actual ending depreciation reserve balance with a calculated ending balance, and prints an asterisk (\*) in this column if they are different. If Oracle Assets finds any differences, your system is out of balance.

Calculated Ending Balance = Beginning Balance + Additions + Depreciation Expense + Adjustments - Retirements + Reclassifications + Transfers

**<Flag>:**

- **R:** revaluation adjustment
- **T:** tax reserve adjustment



- **B:** both tax and revaluation adjustments have been made on this asset

## Related Topics

Account Analysis Report, *Oracle Subledger Accounting Implementation Guide*

Reconciling Reserve Accounts, page 10-13

Common Report Parameters, page 10-19

## Reserve Ledger Report

Use this report to find out how much depreciation expense Oracle Assets charged to a depreciation expense account for any accounting period. The report lists all active (not yet retired) capitalized assets, as well as any assets that you have retired in the period's fiscal year.

You must enter a Book and Period when you request this report. This report can include group and member asset amounts.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Revaluation Reserve Balance Report

Use the Revaluation Reserve Balance Report to reconcile your asset revaluation reserve accounts to your general ledger.

You must enter the Book and From/To Period range when you request this report.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Revaluation Reserve Detail and Summary Reports

Use the Revaluation Reserve Detail and Summary reports to reconcile your asset revaluation reserve accounts to your general ledger. The **detail** report prints totals for cost center, revaluation reserve account, and balancing segment. The **summary** report prints totals for revaluation reserve account and balancing segment. Both reports are sorted by balancing segment, revaluation reserve account, and cost center.

You must enter the Book and From/To Period range when you request this report.

## Selected Headings

Both detail and summary reports show the beginning balance, transactions, and ending balance for each revaluation reserve account:

**Beginning Balance:** This column in the summary report matches the total of the Beginning Balance column on the detail report for this account and balancing segment.

**Additions:** Change to the revaluation reserve account resulting from asset additions made during the period range you requested. This amount represents any revaluation reserve you entered when adding the asset.

**Amortization:** Change to the revaluation reserve account resulting from amortization of the revaluation reserve for this asset during the period range you requested.

**Revaluations:** Change to the revaluation reserve account due to revaluation of the asset during the period range you requested.

**Out of Balance:** Oracle Assets compares the asset's actual ending balance at the end of the period range you requested with a calculated ending balance and prints an asterisk (\*) in this column if they are different.

Calculated Ending Balance = Beginning Balance + Additions + Amortization + Revaluations - Retirements + Reclassifications + Transfers

## Related Topics

Using Reports to Reconcile to the General Ledger, page 10-9

Common Report Parameters, page 10-19

## Responsibility Reports

Use the responsibility reports to view depreciation expense, asset additions, and asset removals by balancing segment and cost center. Refer to the following additional responsibility reports for more information:

Asset Additions By Cost Center Report, page 10-71

Asset Additions Responsibility Report, page 10-72

Asset Disposals Responsibility Report, page 10-82

## Responsibility Reserve Ledger Report

Use this report to find out how much depreciation expense Oracle Assets charged to a cost center in any depreciation period. The report is sorted by balancing segment, cost center, asset account, and asset number. It prints totals for each asset account, cost center, and balancing segment.

You must enter a Book and Period when you request this report. You can optionally enter a From/To Cost Center range to limit the output.

## Selected Headings

**Year-To-Date Depreciation:** The depreciation charged to the cost center during the current fiscal year as of the period you selected.

**Percent:** The percentage of the asset cost and depreciation allocated to the cost center and balancing segment.

**<Flag>:**

- **P** if you removed the asset through a partial retirement
- **F** if you removed the asset through a full retirement
- **N** if you do not depreciate the asset
- **T** if either you transferred the asset from the cost center, or you assigned a new employee or location to the asset

## Related Topics

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Tax Reports

Use the tax reports to review tax accounting information for your assets.

### Assets Update Report

Use this report to review the information that Oracle Assets compiled when you populated the ACE conversion table. You can also use it to review the information you have manually loaded into the ACE conversion table. If the Update Flag is Yes on this report, it prints the depreciation method, life, and prorate convention Oracle Assets will assign to your assets in the ACE book when you update the ACE book.

### Selected Headings

**Adjusted Cost:** The depreciable basis that the depreciation program uses to calculate depreciation. The depreciable basis is updated when you adjust financial information, revalue the asset, enter retirements, or assign investment tax credits.

**Rate Adjustment Factor:** The rate adjustment factor resulting from any amortized adjustments or revaluations. The depreciation program uses this number to calculate depreciation for assets with amortized adjustments or revaluations.

### ACE Depreciation Comparison Report

This report shows the difference in year-to-date depreciation between the federal, AMT, and ACE tax books through the period you specify. If an asset depreciates under an ACRS method, Oracle Assets lists the difference between the federal tax book and the ACE tax book as of the period you requested. If the asset depreciates under a MACRS

method, the report lists the difference between the AMT tax book and the ACE tax book as of the period you requested.

The report compares year-to-date depreciation for the books through the End Period you select. You also must enter an ACE, Federal, and AMT Book to run this report.

The report is sorted by balancing segment, federal book depreciation method, category, and asset number. It prints totals for each category, depreciation method, and balancing segment.

### **Selected Headings**

**Use Book:** The book used to calculate the difference in year-to-date depreciation.

**Difference:** The difference in year-to-date depreciation between the ACE tax book and the book printed in the Use Book column.

### **ACE Non-Depreciating Assets Exception Report**

Use this report to review the assets that Oracle Assets cannot update according to the ACE rules because you do not depreciate the asset in the federal tax book.

### **ACE Unrecognized Depreciation Method Code Exception Report**

Use this report to review the assets that Oracle Assets cannot update according to ACE rules because the ACE program cannot recognize the asset's depreciation method code in the federal tax book. It cannot recognize methods that do not begin with ACRS or MACRS. This report only shows assets placed in service before the end of fiscal 1989.

### **Related Topics**

Updating an ACE Book with Accumulated Depreciation, page 7-33

Adjusted Current Earnings (ACE), page 7-31

About the ACE Interface, page 7-36

### **Form and Adjusted Form 4562 -Depreciation and Amortization Report**

Use the **Form 4562 - Depreciation and Amortization Report** to review the depreciation taken for the fiscal year you specify.

Alternatively, use the **Adjusted Form 4562 - Depreciation and Amortization Report** to include the effects of any tax reserve adjustments you made for the fiscal year you specify.

Both reports are sorted by balancing segment, fiscal year added, depreciation method, asset category, and asset number. They print totals for each category, method, fiscal year added, and balancing segment.

To run a form 4562 report, you must enter a Book and Fiscal Year.

## Selected Headings

**Cost:** The fraction of the current cost assigned to this balancing segment.

**Annual Special Depreciation:** You can use this column to assist with the compliance reporting requirements of the Job Creation Act of 2002 and the Jobs and Growth Tax Relief Reconciliation Act of 2003.

This column displays the first year depreciation amount of each asset that meets all of the following criteria:

- The date placed in service of the asset must be in the same fiscal year as the report.
- No amortized adjustments have been performed on the asset.
- The special depreciation amount calculated is less than the amount reported in the Year-To-Date Depreciation column.
- For the Job Creation Act of 2002, this column displays the first-year depreciation deduction that is equal to 30 percent of the qualified asset's depreciable basis for any depreciation method containing 30B.
- For the Jobs and Growth Tax Relief Reconciliation Act of 2003, this column displays the first-year depreciation deduction that is equal to 50 percent of the qualified asset's depreciable basis for any depreciation method containing 50B.

## Related Topics

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Form and Adjusted Form 4626 - AMT Detail and Summary Reports

Use the **Form 4626 - AMT Detail and Summary Reports** to review the difference in year-to-date depreciation between any tax book and an alternative minimum tax (AMT) book through the period you select.

You also can run the Form 4626 reports on a corporate book and a tax book to show the difference in depreciation between the two books if both books use the same depreciation calendar.

Use the **Adjusted Form 4626 - AMT Detail or Summary Reports** to see the effects of reserve adjustments of the period you select if you adjusted the accumulated depreciation for the fiscal year.

When you request these reports, the Federal Book and AMT Book you choose to compare must use the same depreciation calendar. You also must enter the End Period for which you want to run the report. You can optionally enter an Asset Account range to limit output.

The **detail** reports are sorted by balancing segment, depreciation method, asset account, category, and asset number. They print totals for each category, asset account, method, and balancing segment.

The **summary** reports are sorted by balancing segment, depreciation method, asset account, and category. The reports show totals for each asset account, method, and balancing segment.

### Selected Headings

**Difference:** The difference between the year-to-date depreciation in your tax and AMT book as of the period you selected.

Difference = Tax Book Depreciation - AMT Book Depreciation

### Related Topics

Determine Adjusted Accumulated Depreciation, page 7-45

Adjusting Tax Book Accumulated Depreciation, page 7-58

Common Report Parameters, page 10-19

## Form 4684 - Casualties and Thefts Report

This report shows asset retirements which have the retirement type you request, and whether you held this asset as a long or short term asset. For reinstated assets, the report shows one line for the retirement, and one for the reinstatement.

You must enter a Book and From/To Period range when you request this report. Do not enter a Retirement Type if you want the report to show all retirement types.

The report is sorted by balancing segment, term, asset category, and asset number. It prints totals for each asset term and balancing segment.

You define retirement types in the QuickCodes window, and then associate a retirement type with an asset retirement in the Retirements window.

### Selected Headings

**Asset Term:**

- Long: for assets held more than one year
- Short: for assets held one year or less

**Cost:** The cost retired.

**<Flag>:** An asterisk (\*) indicates the asset has been reinstated.

### Related Topics

Entering QuickCodes, page 9-50

Retiring Assets, page 4-4

Common Report Parameters, page 10-19

## Form 4797 Reports

When you request a 4797 report, you must enter the Book and From/To Period range.

### Gain From Disposition of 1245/1250 Property Reports

These reports calculate gain or loss amounts for sales of 1245 or 1250 property held longer than the capital gain threshold you entered for the book in the Book Controls form. Personal property is section 1245 or 1250 business property under United States tax law.

To use the 1245 or 1250 report, complete Part III of the United States federal tax form 4797 - Sales of Business Property and enter a capital gain threshold of one year. If you need different capital gains thresholds for different dates placed in service, such as the six month threshold for assets placed in service before January 1, 1988 in the United States, set up your asset category for the different date placed in service ranges with different thresholds.

The reports only show assets that were sold, so assets without proceeds of sale do not appear. For items that were lost or stolen, run the Form 4684 - Casualties and Thefts Report.

The reports are sorted by balancing segment, into gains and losses, by asset account, and by asset number. The reports print totals for each asset account, for gains or losses, and for each balancing segment.

#### Selected Headings of the 1245 Report:

**Capital Gain:** The capital gain resulting from the sale of the asset as the amount by which the gain exceeds the depreciation reserve. Or zero if the gain does not exceed the depreciation reserve or if the sale results in a loss.

You can use this amount as your section 1231 gain for the form 4797.

**Ordinary Income:** The ordinary income resulting from the sale of the asset as the lesser of the gain amount or the depreciation reserve retired. Or zero if the sale results in a loss.

**Capital Loss:** The loss resulting from the sale as the loss amount. Or zero if the sale results in a gain.

#### Selected Headings of the 1250 Report:

**Gain Limitation:** The gain/loss amount, or zero if the sale results in a loss.

**Excess Depreciation:** For assets you held for more than a year, the excess depreciation is:

Revaluation Reserve Retired - STL Depreciation Amount

If you held the asset for less than one year, excess depreciation is the Depreciation Reserve Retired.

**Section 1231 Gain:** Gain Limitation - Ordinary Income + Recapture Gain

where:

$\text{Recapture Gain} = (\text{Reserve Retired} - \text{Excess Depreciation}) \times 20\%$

The report prints zero if the sale results in a loss.

**Ordinary Income:** The lesser of:

Gain Limitation + Recapture Gain

or:

Excess Depreciation + Recapture Gain

where:

$\text{Recapture Gain} = (\text{Reserve Retired} - \text{Excess Depreciation}) \times 20\%$

The report prints zero if the sale results in a loss.

**Section 1231 Loss:** The loss amount, or zero if the sale results in a gain.

## Ordinary Gains and Losses Report and Sales or Exchanges of Property Report

The **Ordinary Gains and Losses Report** calculates gain or loss amounts for sales of business property (both 1245 and 1250) held for **less time** than the capital gain threshold you entered for the book in the Book Controls form. The **Sales or Exchanges of Property Report** calculates amounts for sales held **longer** than the capital gain threshold you entered for the book in the Book Controls form.

Both reports are sorted by balancing segment (into gains and losses), by property class, asset account, and asset number. The reports print totals for each asset account, for each property class, for gains or losses, and for each balancing segment.

To use the Ordinary Gains and Losses Report, complete **Part II** (**Part I** for the Sales or Exchanges of Property Report) of the United States federal tax form 4797 - Sales of Business Property, enter a capital gain threshold of one year. If you need different capital gains thresholds for different dates placed in service, such as the six month threshold for assets placed in service before January 1, 1988 in the United States, you should set up your asset category for the different date placed in service ranges with different thresholds.

## Investment Tax Credit Report

This report shows the amount of investment tax credit (ITC) you can claim on the assets you add. The report is sorted by asset account and asset number. It prints totals for each asset account.

You must enter a tax Book when you request this report.



## Selected Headings

**Recoverable Cost:** Current Cost - Salvage Value - ITC Basis Reduction Amount

**<ITC Ceiling>:** An asterisk (\*) in this column indicates that the asset has an ITC ceiling. You can review the ceiling amount in the Ceilings form.

## Related Topics

Setting Up Depreciation Ceilings, page 9-177

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Mass Depreciation Adjustment Preview and Review Reports

The Mass Depreciation Adjustment **Preview** Report shows you the effect the adjustment you specified will have on the year-to-date depreciation for assets in your adjusted tax book. You must submit this report to preview the effect of a mass depreciation adjustment before you can perform it. If you modify the adjustment definition, you must rerun the preview report before you perform the mass depreciation adjustment. You can only run this report if the current open period in your adjusted book is the first period of the fiscal year. Submit the Mass Depreciation Adjustment **Review** Report to review the effect of a mass depreciation adjustment after you run it.

Oracle Assets sorts the reports by, and prints totals for the reserve account.

To submit the Preview report, choose Preview from the Mass Depreciation Adjustment form for an adjustment definition with status New or Updated. To submit the Review Report, choose Review from the Mass Depreciation Adjustment form for an adjustment definition with status Completed.

## Selected Headings

**Old /New Year-To-Date Depreciation:** Oracle Assets prints the year-to-date depreciation amount prior to and after the depreciation adjustment.

**Depreciation Adjustment:** The amount by which the year-to-date depreciation will be adjusted.

## Related Topics

Determine Adjusted Accumulated Depreciation, page 7-45

Adjusting Tax Book Accumulated Depreciation, page 7-58

## Property Tax Report

This report shows information for property tax forms. It lists the assets at a particular

location as of the cut-off date you specify. The report is sorted by balancing segment, location, asset account, year acquired, and asset number. It prints the total cost for each year acquired, asset account, location, and balancing segment.

You must enter a Book and End Date Acquired. To ensure all assets added for a period are included in the report, the End Date Acquired must be the date following the period close date.

To run this report, make sure the State segment of the Location flexfield is set to Independent. See: Location Flexfield, page 9-44 for additional requirements.

### Example: End Date Acquired

| Description        | Period / Date |
|--------------------|---------------|
| Period Asset Added | SEP-99        |
| Period Start Date  | 01-SEP-1999   |
| Period End Date    | 30-SEP-1999   |

Depreciation is run and the period closed on 18-OCT-1999. If the report is run with the End Date Acquired of 30-SEP-1999, it will not show the assets added in the period SEP-99. The report will show the assets added when run with an End Date Acquired of 19-OCT-1999. 19-OCT-1999 is one day greater than the period close date.

### Property Tax Report (Variable Format)

This report shows information for property tax forms. It lists the assets at a particular location as of the cut-off date you specify.

You must enter a Book and End Date Acquired. To ensure all assets added for a period are included in the report, the End Date Acquired must be the date following the period close date. See: Example: End Date Acquired page , page 10-60.

Optionally enter the State segment of the location flexfield to limit report output.

To run this report, make sure the State segment of the Location flexfield is set to Independent. See: Location Flexfield, page 9-44 for additional requirements.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

### Recoverable Cost Report

This report shows the recoverable cost for each asset in both the corporate book and a

tax book for a specific accounting period. Use this report to calculate deferred depreciation. The report is sorted by balancing segment and asset number. The report prints totals for each balancing segment.

You must enter a Tax Book and Period when you request this report.

### Selected Headings

<Flag>: An asterisk (\*) indicates one of the following:

- The corporate recoverable cost does not equal the cost minus the salvage value
- The tax recoverable cost is not equal to the cost minus the salvage value minus the basis reduction amount

### Related Topics

Determining Deferred Income Tax Liability, page 7-27

Tax Credits, page 7-29

### Reserve Adjustments Report

This report provides an audit trail of the adjustments you make to depreciation reserve. The report is sorted by, and prints the total reserve adjustment for each balancing segment, fiscal year, and reserve account.

You must enter a Book and From/To Period range when you request this report.

### Related Topics

Adjusting Tax Book Accumulated Depreciation, page 7-58

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

### Retired Assets Without Property Classes Report and Retired Assets Without Retirement Types Report

The Retired Assets Without **Property Classes** Report shows retired assets without a 1245 or 1250 property class.

The Retired Assets Without **Retirement Types** Report shows retired assets to which you did not assign retirement types.

Both reports are sorted by balancing segment and asset account.

### Revalued Asset Retirements Report

This report shows asset retirements revalued according to a price index. Use this report

to report gains and losses in accordance with Australian tax law. The report only selects assets placed in service after September 20, 1985. The report sorts your assets by balancing segment, asset account, and asset number and prints totals for each asset account and balancing segment.

If you want to actually revalue the cost of your assets in your books, use Mass Revaluation.

You must enter a Book and From/To Period range when you request this report.

## Selected Headings

**Actual Cost:** The retired cost of the asset before applying the price index. The actual cost does not include removal costs.

**Recoverable Cost:** The retired recoverable cost of the asset before applying the price index.

**Index Factor:** The index factor as the price index rate valid at the time of retirement divided by the index rate valid at the date placed in service.

In accordance with Australian tax law, if the ratio of price indexes is less than one, or if you held the asset for less than one year, the index factor defaults to one.

**Indexed Cost Base:** Indexed Cost Base = (Recoverable Cost X Index Factor) + Removal Cost

**Reduced Cost Base:** The greater of the proceeds of sale or reduced cost base:

Reduced Cost Base = Net Book Value + Removal Cost

However, the reduced cost base can never be greater than the actual cost plus the removal cost.

**Ordinary Income:** The lesser of depreciation reserve or ordinary income:

Ordinary Income = Proceeds of Sale - Removal Cost - Net Book Value

where

Net Book Value = Recoverable Cost - Depreciation Reserve

Or zero if the sale results in a loss.

**Gain/Loss:** The greater of zero or the capital gain or loss:

Capital Gain/Loss = Proceeds of Sale - Indexed Cost Base

or, if the proceeds of sale are less than the reduced cost base:

Capital Gain/Loss = Proceeds of Sale - Reduced Cost Base

## Related Topics

Asset Management in a Highly Inflationary Economy, page 3-32

Revaluing Assets, page 3-29

## Tax Additions Report

This report shows your asset additions and capitalizations for the period range you select. The report is sorted by balancing segment, fiscal year added, asset account, and asset number. It prints totals for asset account, fiscal year, and balancing segment.

You must enter a Book and From/To Period range when you request this report.

### Selected Headings

**Cost:** The cost you entered for the asset when you added or capitalized it. It does not include adjustments made after the period you added or capitalized the asset.

**Depreciation Reserve:** The accumulated depreciation entered when the asset was added, if any.

### Related Topics

Asset Additions Report, page 10-72

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Tax Preference Report

Use this report to compare the year-to-date depreciation between your federal and corporate books for a range of asset accounts. The report shows the difference in year-to-date depreciation between the tax book you specify and its associated corporate book through the period you select. If the corporate book year-to-date depreciation is greater than that of the tax book, the report prints zero in the Difference column.

The report compares tax depreciation as of the Tax Period you select with corporate depreciation as of the last corporate period ending before the end of this tax period. You must have run depreciation for the period in your tax book.

The report is sorted by balancing segment, tax depreciation method, asset account, category, and asset number. The report prints totals for category, asset account, depreciation method, and balancing segment.

You must enter a Book and Tax Period when you request this report. Optionally enter a From/To Account range to limit output.

## Tax Reserve Ledger Report

This report shows how much depreciation expense Oracle Assets calculated for the period you select. The report is sorted by balancing segment, fiscal year placed in service, asset account, and asset number. The report prints totals for asset account, year,

and balancing segment.

Oracle Assets automatically runs the Tax Reserve Ledger Report when you use the Run Depreciation form for a tax book. You can also submit this report from the Submit Requests form.

You must enter a Book, Currency, and Period when you submit this report.

### **Selected Headings**

**Year-To-Date Depreciation:** As of the accounting period you select.

### **Related Topics**

Using the Reports to Reconcile to the General Ledger, page 10-9

Running Depreciation, page 5-2

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## **Tax Retirements Report**

This report shows gain or loss and any ITC recapture for your asset retirements. The report is sorted by balancing segment, fiscal year placed in service, asset account, and asset number. The report prints totals for each year and balancing segment.

You must enter a Book and From/To Period range when you request this report.

### **Selected Headings**

**Net Book Value Retired:** Current Cost Retired - Depreciation Reserve Retired

### **Related Topics**

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## **Japanese Depreciable Assets Tax Reports**

If you do business in Japan, refer to your country-specific documentation for information on the Japanese Depreciable Assets Tax Summary Report, the Japanese Detail by Asset Type (Addition/All Assets) Report 132 Characters, the Japanese Detail by Asset Type (Addition/All Assets) Report 180 Characters, and the Japanese Detail by Asset Type (Decrease Assets) Report.

**Note:** To run this report, you need to assign both the major and minor category segment qualifiers when defining the Category flexfield.

See: Japanese Depreciable Assets Tax Reports, *Oracle Financials for Japan*.

## Transaction History Report

Use this report to review all the transactions that you performed on your assets for the Book and Asset Number range you choose. To get additional detail about any of the transactions, use the appropriate transaction reports. The report is sorted by asset number.

### Selected Headings

**Reference Number:** Uniquely identifies this transaction. This number appears on the transaction reports so that you can find additional detail about the transaction. You can also use the reference number to query the transaction in transaction or inquiry forms.

**Accounting Period:** The accounting period in which the transaction was effective. To get additional detail about any of the transactions, use this depreciation period when you request one of the transaction reports.

### Related Topics

Asset Additions Report, page 10-72

Asset Transfers Report, page 10-81

Asset Retirements Report, page 10-86

Transaction Types, page 10-65

Common Report Parameters, page 10-19

### Transaction Types

Transaction types and their description are described in the following table:

| TRANSACTION TYPE | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ADDITION         | <p>The Books window, the QuickAdditions window, and the Mass Additions Post program create this transaction type when you add an asset. The Books window also creates this transaction type if you make changes to an asset's financial information in the period you added it. Also, the Capitalize CIP Assets window creates this transaction type when you capitalize a CIP asset. If this transaction type appears without a TRANSFER IN, you did not set up the asset's general ledger depreciation expense account, location, and employee assignments.</p> |
| ADDITION/VOID    | <p>The Books window creates this transaction type when you make changes to an asset's financial information in the period you added it. The Mass Additions Post program creates this transaction type when you perform a cost adjustment by adding a mass addition line to an asset in the period you added it. Oracle Assets voids the original ADDITION by changing the transaction type to ADDITION/VOID and creating a new ADDITION transaction with the updated financial information.</p>                                                                   |
| ADJUSTMENT       | <p>The Books and Mass Change windows create this transaction type when you make changes to an asset's financial information after the period you added it. The Mass Copy program creates this transaction type when copying adjustment transactions into a tax book. The Mass Additions Post program creates this transaction type when you perform cost adjustments by adding mass additions lines to existing assets.</p>                                                                                                                                       |
| CIP ADDITION     | <p>The Books window, the QuickAdditions window, and the Mass Additions Post program create this transaction type when you add a CIP asset. The Mass Additions Post program creates this transaction type when you perform cost adjustments by adding mass additions lines to new CIP assets.</p>                                                                                                                                                                                                                                                                  |



| TRANSACTION TYPE   | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CIP ADDITIONS/VOID | <p>The Books window creates this transaction type when you make changes to an asset's financial information in the period you added it. The Mass Additions Post program creates this transaction type when you perform a cost adjustment by adding a mass addition line to an asset in the period you added it. Oracle Assets voids the original ADDITION by changing the transaction type to ADDITION/VOID and creating a new ADDITION transaction with the updated financial information.</p> |
| CIP ADJUSTMENT     | <p>The Sources window creates this transaction type when you change the cost of a CIP asset in a period after the period you added the asset. The Mass Additions Post program creates this transaction type when you perform a cost adjustment to a CIP asset after the period you added it by adding mass additions lines.</p>                                                                                                                                                                 |
| CIP REVERSE        | <p>The Capitalize CIP Assets form creates this transaction type when you reverse capitalize a CIP asset in the period you capitalized it.</p>                                                                                                                                                                                                                                                                                                                                                   |
| FULL RETIREMENT    | <p>The Retirements window creates this transaction type when you fully retire an asset. The Mass Copy program creates this transaction type when copying retirement transactions into a tax book.</p>                                                                                                                                                                                                                                                                                           |
| PARTIAL RETIREMENT | <p>The Retirements window creates this transaction type when you do a partial retirement by units or cost. The Mass Copy program creates this transaction type when copying retirement transactions into a tax book.</p>                                                                                                                                                                                                                                                                        |

| TRANSACTION TYPE   | DESCRIPTION                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| RECLASS            | The Asset Details window creates this transaction type when you change the category of an asset. The Mass Additions Post program creates this transaction type when you perform a cost adjustment by adding a mass addition line and change the asset category of the existing asset to the category you assigned to the mass addition.                                                                                                                                   |
| REINSTATEMENT      | The Retirements window creates this transaction type when you reinstate a retired asset. The Mass Copy program creates this transaction type when copying reinstatement transactions into a tax book.                                                                                                                                                                                                                                                                     |
| RESERVE ADJUSTMENT | The Tax Reserve Adjustments window creates this transaction type when you change an asset's depreciation reserve in a tax book.                                                                                                                                                                                                                                                                                                                                           |
| REVALUATION        | The Mass Revaluation program creates this transaction type when you revalue an asset.                                                                                                                                                                                                                                                                                                                                                                                     |
| TRANSFER           | The Assignments window and Mass Transfers program create this transaction type when you transfer an asset.                                                                                                                                                                                                                                                                                                                                                                |
| TRANSFER IN        | The Assignments window, the QuickAdditions window, and the Mass Additions Post program create this transaction type when you initially assign new assets to general ledger accounts, locations and employees.                                                                                                                                                                                                                                                             |
| TRANSFER IN/VOID   | The Assignments window creates this transaction type when you change general ledger accounts, locations, or employees in the period you added the asset. The Asset Details window also creates this transaction type when there is a change in the asset category in the period of addition. It voids the original TRANSFER IN by changing the transaction type to TRANSFER IN/VOID and creating a new TRANSFER IN transaction with the updated distribution information. |

| TRANSACTION TYPE | DESCRIPTION                                                                                                                   |
|------------------|-------------------------------------------------------------------------------------------------------------------------------|
| TRANSFER OUT     | The Assignments window creates this transaction type when you use it to complete a partial retirement by units.               |
| UNIT ADJUSTMENT  | The Assignments window creates this transaction type when you use it to complete a change in the number of units of an asset. |

### Related Topics

Transaction History Report, page 10-65  
 Asset Additions Report, page 10-72  
 Asset Transfers Report, page 10-81  
 Asset Retirements Report, page 10-86  
 Common Report Parameters, page 10-19

## Additions Reports

Use the additions reports to review asset additions to Oracle Assets. To review asset additions in a tax book, see the Tax Additions Report, page 10-63.

Additions By Date Placed in Service Report, page 10-69  
 Additions By Period Report, page 10-70  
 Additions By Responsibility Report, page 10-70  
 Additions By Source Report, page 10-70  
 Annual Additions Report, page 10-71  
 Asset Additions By Cost Center Report, page 10-71  
 Asset Additions Report, page 10-72  
 Asset Additions Responsibility Report, page 10-72  
 Conversion Assets Report, page 10-73  
 Tax Additions Report, page 10-63

### Additions by Date Placed in Service Report

This report mainly shows all assets placed in service in the date range you specify. You must enter the Book and From/To Date range when you submit the report.

If any of the assets have any related invoice lines, the report will also show the related Invoice lines. This information is not sorted.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Additions by Period Report

The report lists all the assets you added to Oracle Assets or capitalized during the specified accounting periods.

You must enter a Book and From/To Period when you request this report. This report can include member asset amounts.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Additions by Responsibility Report

This report shows assets that you added to your cost centers through additions and transfers in the accounting period you specify. The report shows the owner and location of each unit.

You must enter a Book and Period when you request this report. Optionally enter a From/To Cost Center range to limit output.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Additions by Source Report

This report shows all assets added during an accounting period range and the invoice lines associated with that asset. The report groups the assets by source: Mass Additions or Manual Transactions.

The report is sorted by source, balancing segment, asset type, asset account, cost center, and asset number. For assets with multiple invoice lines, the report sorts by supplier number, invoice number, and invoice line number. The report prints totals for each asset if the asset has multiple invoice lines, and for each cost center, asset account, asset type, balancing segment, and source.

You must enter a Book and From/To Period when you request this report.

The Current Invoice Cost column for the assets added using Mass Additions matches the Cost column for the addition transactions on the Mass Additions Posting Report. This report also provides supporting detail for the Asset Additions Report by showing

which line items were part of each addition transaction.

### Selected Headings

<Flag>: Additional information about your assets and source lines:

- **Asterisk (\*)**: For CIP assets, if the asset cost is not equal to the total of all the invoice line costs for that asset
- **M**: For invoice lines you manually added in the Sources window
- **A**: For invoice lines you adjusted in the period added
- **T**: For invoice lines you transferred in the period added
- **R**: For reinstated invoice lines

### Related Topics

Additions By Cost Center Report, page 10-71

Asset Additions Responsibility Report, page 10-72

Common Report Parameters, page 10-19

## Annual Additions Report

This report shows all assets placed in service in the date range you specify. The report is sorted by balancing segment, asset account, and asset number, and prints totals for each asset account and balancing segment. You must enter the Book and From/To Date range when you request this report.

### Related Topics

Asset Additions Report, page 10-72

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Asset Additions by Cost Center Report

Use this report to review the assets you added to Oracle Assets or capitalized during any depreciation period. The report is sorted by, and prints totals for each balancing segment, asset type, cost center, asset account, and expense account.

You must enter a Book and Period when you request this report. Optionally enter a From/To Cost Center range to limit output.

The Initial Cost and Initial Depreciation Reserve columns reflect the Cost and Depreciation Reserve of the asset in the period it was added to the system, respectively.

## Related Topics

Additions By Source Report, page 10-70

Asset Additions Responsibility Report, page 10-72

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Asset Additions Report

Use this report to reconcile asset cost to your general ledger asset accounts. The report lists all the assets you added to Oracle Assets or capitalized during the specified accounting periods. The report is sorted by, and prints totals for each balancing segment, asset type, asset account, cost center, and reserve account.

You must enter a Book and From/To Period when you request this report.

The Asset Additions By Source Report provides supporting detail for this report by showing the invoicing information associated with your asset additions.

For your asset cost accounts, this report provides supporting detail for the Cost Detail Report and the Reserve Detail Report. For your CIP cost accounts, this report provides supporting detail for the CIP Detail Report.

## Selected Headings

**Initial Cost:** This column matches the Additions column of the Cost Detail report for your capitalized assets, and the Additions column of the CIP Detail report for your CIP assets if the report is run for the period prior to capitalization. This column reflects the cost of the asset in the period it was added to the system.

**Initial Depreciation Reserve:** The amounts in this column match the Additions column of the Reserve Detail Report for your capitalized assets. This column reflects the depreciation reserve of the asset in the period it was added to the system.

## Related Topics

Tax Additions Report, page 10-63

Additions By Source Report, page 10-70

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Asset Additions Responsibility Report

This report shows assets that you added to your cost centers through additions, capitalizations, and transfers in the accounting period you specify. The report shows the owner and location of each unit. The report is sorted by balancing segment, cost center,

owner, location, and asset number. It prints totals for each cost center and balancing segment.

You must enter a Book and Period when you request this report. Optionally enter a From/To Cost Center range to limit output.

### **Selected Headings**

**Cost:** Prorated according to the number of units assigned to the cost center, location, and employee. The total cost is the cost you entered when you added the asset.

$\text{Assigned Cost} = \text{Total Cost} \times (\text{Units Assigned} / \text{Total Units})$

**Net Book Value:** Prorated according to the number of units assigned to the cost center, location, and employee.

$\text{Net Book Value} = (\text{Recoverable Cost} - \text{Depreciation Reserve}) \times (\text{Units Assigned} / \text{Total Units})$

**<Flag>:** "T" denotes that you added the asset to the cost center as a result of a transfer. Oracle Assets prints nothing in this column if you added the asset as a result of an addition.

### **Related Topics**

Additions By Source Report, page 10-70

Asset Additions By Cost Center Report, page 10-71

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## **Conversion Assets Report**

Use this report to review the assets you entered with a depreciation reserve. The report is sorted by balancing segment, asset type, and asset account. The report prints totals for each account, asset type, and balancing segment.

You must enter a Book and From/To Period range when you request this report.

### **Related Topics**

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## **Mass Additions Reports**

Use the mass additions reports to view mass addition lines created from external sources.

**Note:** The variable format version of the Mass Additions Report is a composite of all the other reports listed in this section.

Delete Mass Additions Preview Report, page 10-74

Mass Additions Delete Report, page 10-74

Mass Additions Create Report, page 10-75

Mass Additions Invoice Merge and Split Reports, page 10-76

Mass Additions Posting Report, page 10-76

Mass Additions Purge Report, page 10-77

Mass Additions Report, page 10-77

Mass Additions Status Report, page 10-77

Unposted Mass Additions Report, page 10-78

## Delete Mass Additions Preview Report

Use this report to review mass additions with a status of DELETE only and verify that you will delete the correct mass additions before you submit the Mass Additions Delete program. The report is sorted by, and prints the total cost for each book, source system, and supplier.

### Selected Headings

**Source System:** Source of the mass addition.

**Updated By:** Name of the last person who changed the invoice line that originated this mass addition.

### Related Topics

Mass Additions Delete Report, page 10-74

Deleting Mass Additions from Oracle Assets, page 2-54

Common Report Headings, page 10-20

## Mass Additions Delete Report

This report provides an audit trail of the deleted mass additions.

**Note:** To submit this report, choose Mass Additions:Delete Mass Additions from the menu and enter the Book for which you want to run this report.



## Related Topics

Delete Mass Additions Preview Report, page 10-74

Deleting Mass Addition Lines from Oracle Assets, page 2-54

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Mass Additions Create Report

Use this report to review mass additions created from invoice distribution lines in Oracle Payables for the Book you choose. The report provides you with a complete audit trail of the mass additions created by Oracle Payables. Oracle Assets sorts the report by, and prints the total cost in both the functional and foreign currency for each currency, company, asset account, and cost center.

Use the Mass Additions Create Report to review mass additions created from invoice distribution lines in Oracle Payables. The report provides you with a complete audit trail of the mass additions created by Oracle Payables. Oracle Assets sorts the report by currency, fund, asset account, and organization. Oracle Assets prints the total cost in both the functional and foreign currency for each organization, asset account, fund, and foreign currency.

This report lists mass additions created for both functional and foreign currency invoices. The mass addition line is created in the ledger currency only; however, the report lists the invoice in both the ledger currency and the foreign currency, if applicable. Since Oracle Assets only creates journal entries in the ledger currency, you can use this report to find and clear foreign currency mass additions in your general ledger.

This report prints automatically when you submit the Create Mass Additions for Oracle Assets program in Oracle Payables. You also can submit this report from the Submit Requests form; it shows the mass additions created by your last Create Mass Additions run.

## Selected Headings

**Accounting Date:** GL date you entered when you used the Create Mass Additions from Oracle Assets program.

**Asset Account:** Asset or CIP clearing account to which you assigned the invoice distribution line in your payables system.

**AP Company:** Balancing segment to which you assigned the invoice distribution line in your accounts payable system.

**AP Fund:** The fund to which you coded the invoice distribution line.

**Asset Description:** The invoice distribution line description becomes the asset description. If the mass addition is a discount line, the report prints 'DISCOUNT' as the

asset description.

**Cost:** Mass addition cost in the ledger currency.

## Related Topics

Create Mass Additions from Invoice Distribution Lines in Oracle Payables, page 2-36

Common Report Headings, page 10-20

## Mass Additions Invoice Merge and Split Reports

Use the Mass Additions Invoice **Merge** Report to review mass additions that you merged into a single asset.

Use the Mass Additions Invoice **Split** Report to review mass additions that you created by splitting multi-unit mass additions.

Both reports are sorted by asset number.

The Mass Additions Invoice Merge and Split reports do not include mass additions added to existing assets.

Any mass additions that you merged and then split only appear on the Mass Additions Invoice Split Report.

You must enter a Book and Period when you request these reports.

**Note:** These reports show only split/merge invoice lines that were posted by Post Mass Additions.

## Selected Headings

**Payable Account:** Asset account to which you charged the asset in your accounts payable system.

**Assets Account:** Asset account for the asset when you posted it to Oracle Assets.

**Payables Cost:** Asset cost you entered into Oracle Payables.

**Fixed Assets Cost:** Asset cost when you posted the asset to Oracle Assets.

## Related Topics

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Mass Additions Posting Report

For the Book you choose, this report gives you an audit trail of the assets that Oracle Assets created from your mass additions. The report sorts by transaction type and asset

number.

The report divides your mass additions by transaction type: Additions are mass additions that became assets; Adjustments are mass additions that you added to existing assets. Oracle Assets prints the total cost for each transaction type. It also prints the total number of mass addition lines posted in the batch.

Oracle Assets automatically runs the Mass Additions Posting Report when you create assets from mass additions using the Send Mass Additions to Oracle Assets program. You must enter a Book if you submit this report from the Submit Requests form.

## Related Topics

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Mass Additions Purge Report

This report provides a list of the purged mass additions. The report is sorted by mass addition number.

Oracle Assets automatically prints this report when you run the Purge Mass Additions program. If you run this report from the Submit Requests form, you must enter the mass additions post Batch Number for which you want to purge the audit trail.

## Mass Additions Report

Use this report to review your mass additions by status (queue name).

Enter the Book and optionally enter the Queue Name to limit report output. This report can include group and member asset amounts.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Mass Additions Status Report

Use this report to review your mass additions by status (queue name). This report is sorted by asset account, accounts payable batch name, and invoice number. It prints the total cost for each asset account.

You must enter the Book and Queue Name for which you want to run the report.

## Selected Headings

**Asset Account:** Asset cost account for your capitalized assets, or the CIP cost account for your CIP assets.

## Related Topics

Mass Additions Queues, page 2-29

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Unposted Mass Additions Report

Use this report to review mass additions that you have not yet posted. An unposted mass addition appears under the date that the invoice distribution line was posted to the general ledger. Oracle Assets sorts this report by period, asset account, and status. It prints the total cost for each asset account and period. You must enter the Book when you request this report.

### Selected Headings

**Period:** An unposted mass addition appears under the period which includes the date that the invoice distribution line was posted to the general ledger.

**Clearing Account:** Asset clearing account for your capitalized assets, or the CIP clearing account for your CIP assets.

**Status:** Queue name of the unposted mass addition.

## Adjustments Reports

Use the adjustments reports to review cost adjustments, financial adjustments, and parent asset transactions.

**Note:** The variable format version of the Cost Adjustments Report is a composite of all the other reports listed in this section.

## Related Topics

Cost Adjustments By Source Report, page 10-79

Cost Adjustments Report, page 10-79

Cost Adjustments Report (Variable Format), page 10-80

Financial Adjustments Report, page 10-80

Parent Asset Transaction Report, page 10-81

CIP Capitalization Report, page 10-25

Mass Change Preview and Review Reports, page 10-87

## Cost Adjustments by Source Report

This report shows all the cost adjustments you made in the Book and during an accounting Period range you choose. It groups them by asset type and source: Mass Additions or Manual Transactions.

The report is sorted by source, balancing segment, asset type, asset account, cost center, and asset number. For assets with multiple source lines, the report sorts by supplier number, invoice number, and invoice line number. The report prints totals for each asset if the asset has multiple source lines, and for each cost center, asset account, asset type, balancing segment, and source.

The Invoice Adjustment column for the Mass Additions matches the Cost column for the adjustment transactions on the Mass Additions Posting Report. This report also provides supporting detail for the Cost Adjustments Report by showing which line items were part of each adjustment transaction.

### Selected Headings

**Invoice Adjustment:** Adjustment amount for the line item.

**Asset Adjustment:** Total adjustment for the asset.

**<Flag>:** Additional information about your source lines:

- **M:** invoice line you manually added to an asset
- **A:** invoice line adjustment
- **T:** invoice line transfer
- **D:** invoice line deletion
- **R:** invoice line reinstatement
- **Asterisk (\*):** For CIP assets, if the total Invoice Adjustment does not equal the Asset Adjustment

### Related Topics

Cost Adjustments Report, page 10-79

Common Report Parameters, page 10-19

## Cost Adjustments Report

This report provides an audit trail of the cost adjustments that you made to your assets in the Book and during the accounting Period range you choose. It includes changes you made to the asset itself and changes you made to source lines. Oracle Assets sorts this report by balancing segment, asset type, asset cost account, cost center, and asset

number. It prints totals for each cost center, account, asset type, and balancing segment. This report can include member asset amounts.

For your asset cost accounts, this report provides supporting detail for the Cost Detail Report and the Reserve Detail Report. For your CIP cost accounts, this report provides supporting detail for the CIP Detail Report.

### Selected Headings

**Net Change:** The difference between the old cost and the new cost. This column matches the Adjustments column of the Cost Detail Report for your capitalized assets, and the Adjustments column of the CIP Detail Report for your CIP assets.

### Related Topics

Cost Adjustments By Source Report, page 10-79

## Cost Adjustments Report (Variable Format)

This report provides an audit trail of the cost adjustments that you made to your assets in the Book and during the accounting Period range you choose. It includes changes you made to the asset itself and changes you made to source lines.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Financial Adjustments Report

Use this report to find all the adjustments you made to the financial information for your assets for the Book and Period you choose. The report is sorted by asset number and by when the transaction was effective.

### Selected Headings

**Transaction Type:** Expensed or Amortized adjustment.

**From/To:** Two lines for each adjustment:

- The From line shows the financial information before the adjustment
- The To line shows the financial information that has changed and the effect on the cost

**Depreciate:** Indicates whether the asset depreciates.

### Related Topics

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Parent Asset Transactions Report

Use this report to review transactions on parent assets for the Book and Period you choose. The report is sorted by transaction type and transaction number.

### Related Topics

Parent Asset Report, page 10-32

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Transfers Reports

Use the transfers reports to review transfer transactions for your assets.

**Note:** The variable format version of the Transfers Report is a composite of all the other reports listed in this section.

Asset Transfers Report, page 10-81

Asset Transfer Reconciliation Report, page 10-82

Asset Disposals Responsibility Report, page 10-82

Mass Transfer Preview Report, page 10-88

Transfers Report, page 10-83

## Asset Transfers Report

Use this report to review asset transfers for the Book and Period you choose. For each transaction Oracle Assets lists the expense account, balancing segment, cost center, and location of the asset before and after the transfer. Oracle Assets sorts the report by asset number.

You can run this report for corporate books only. You cannot run this report for tax or budget books.

This report provides supporting detail for the Reserve Detail Report.

### Selected Headings

**From/To:** These lines describe where you transferred the asset from and to.

**Date of Transfer:** The date the transfer actually occurred, not the date you entered the transaction into Oracle Assets.

**Assigned Cost:** The fraction of asset cost allocated to this cost center.

**Depreciation Reserve:** The total depreciation charged to the cost center as of the transfer date.

**Units:** The number of units transferred.

## Related Topics

Asset Transfer Reconciliation Report, page 10-82

## Asset Transfer Reconciliation Report

Run this report to view the transfer transactions for a corporate book. This report shows the transfers you made during an accounting period that affect a general ledger account. It shows the transfers for the Book and From/To Period range you choose. Transfers between employees and transfers between locations do not appear on this report since the general ledger number does not change. Oracle Assets sorts this report by balancing segment, asset type, asset account, and cost center. It prints the total cost for each cost center, asset account, asset type, and balancing segment.

For your asset cost accounts, this report provides supporting detail for the Cost Detail Report. For your CIP cost accounts, this report provides supporting detail for the CIP Detail Report.

## Selected Headings

**Date:** Date the transfer actually occurred, not the date you entered the transaction into Oracle Assets.

**In/Out:** Indicates whether you transferred the asset **into** or **out of** the asset account. Transfers out of an account have a negative assigned cost.

**Cost:** The amounts in this column match the Interaccount Transfers column on the Cost Detail Report for your capitalized assets, and the Interaccount Transfers column on the CIP Detail report for your CIP assets.

## Related Topics

Asset Transfers Report, page 10-81

## Asset Disposals Responsibility Report

This report shows assets that you removed from your cost centers through retirements and transfers. It also shows the location of each unit. The report is sorted by, and prints totals for each balancing segment, cost center, and owner. You must enter a Book and Period when you request this report. Optionally enter a From/To Cost Center range to limit report output.



## Selected Headings

**Units:** Number of units disposed from this location, cost center, and employee.

**Cost Disposed:** Oracle Assets prorates the cost disposed according to the number of units disposed from the cost center, location, and employee.

$\text{Cost Disposed} = \text{Total Cost Disposed} \times (\text{Units Disposed} / \text{Total Units Disposed})$

**Net Book Value:** The net book value disposed prorated according to the number of units disposed from the cost center, location, and employee.

$\text{Net Book Value Disposed} = \text{Total Net Book Value Disposed} \times (\text{Units Disposed} / \text{Total Units Disposed})$

**Type:** Oracle Assets prints nothing in this column if you removed the asset as the result of a full retirement.

**T:** if you transferred the asset out of the cost center

**P:** if you removed the asset through a partial retirement

**\* (Asterisk):** if you reinstated the asset

## Related Topics

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Transfers Report

Use this report to review asset transfers for the Book and Period you choose. For each transaction Oracle Assets lists the expense account, balancing segment, cost center, and location of the asset before and after the transfer. This report can include group and member asset amounts.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Reclassification Reports

Use the reclassification reports to review reclassification transactions for your assets.

**Note:** The variable format version of the Reclassifications Report is a composite of all the other reports listed in this section.

Asset Reclassification Report, page 10-84

Asset Reclassification Reconciliation Report, page 10-84

## Asset Reclassification Report

Use this report to review the assets for which you changed the asset category. The report is sorted by balancing segment, asset account, and asset number. It prints totals for each asset account and balancing segment. You must enter a Book and From/To Period range when you request this report.

### Selected Headings

**From/To Asset Account:** Asset cost account or CIP cost account for the asset before and after reclassification.

**From/To Reserve Account:** Reserve account for the asset before and after reclassification.

**From/To Category:** Category of the asset before and after reclassification.

**Cost:** Cost transferred to the new asset account.

**Depreciation Reserve:** Accumulated depreciation transferred to the new reserve account.

### Related Topics

Asset Reclassification Reconciliation Report, page 10-84

Reclassifying an Asset to Another Category, page 3-2

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Asset Reclassification Reconciliation Report

Use this report to reconcile Oracle Assets to your general ledger asset accounts. The report is sorted by, and prints totals for each balancing segment, asset type, asset account, and cost center.

You must enter a Book and From/To Period range when you request this report.

When you submit the Create Accounting - Assets program, Oracle Assets creates adjusting journal entries for the appropriate asset cost and reserve accounts in your general ledger to reflect the reclassification.

For your asset cost accounts, this report provides supporting detail for the Cost Detail Report and the Reserve Detail Report. For your CIP cost accounts, this report provides supporting detail for the CIP Detail Report.

### Selected Headings

**In/Out:** Indicates whether you reclassified the asset **into** or **out of** the asset account.

**Cost:** The cost transferred to the new asset account. This column matches the Reclassifications column on the Cost Detail Report for capitalized assets, and the CIP Detail report for CIP assets.

**Depreciation Reserve:** The accumulated depreciation transferred to the new depreciation reserve account. This column matches the Reclassifications column on the Reserve Detail Report.

**From/To Category:** Category of the asset before and after reclassification.

## Related Topics

Asset Reclassification Report, page 10-84

Reclassifying an Asset to Another Category, page 3-2

Common Report Parameters, page 10-19

## Reclassifications Report

Use this report to review the assets for which you changed the asset category.

You must enter a Book and From/To Period range when you request this report.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Retirements Reports

Use the retirements reports to review retirement transactions for your assets. Refer to the following additional retirements reports for more information:

Asset Disposals Responsibility Report, page 10-82

Tax Retirements Report, page 10-64

Retired Assets Without Property Classes Report and Retired Assets Without Retirement Types Report, page 10-61

**Note:** The variable format version of the Retirements Report is a composite of all the other reports listed in this section.

## Asset Retirements by Cost Center Report

This report shows the asset retirements for each of your cost centers for the Book and during the Period you select. Optionally enter a Cost Center range to limit report output. The report is sorted by balancing segment, cost center, employee name, location, asset account, and asset number. It prints totals for each owner, cost center,

and balancing segment. An asterisk (\*) appears on the report for reinstated assets.

## Related Topics

Asset Retirements Report, page 10-86

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Asset Retirements Report

Use this report to review the assets you retired for the Book and accounting Period range you choose. The report is sorted by balancing segment, asset type, asset account, cost center, and asset number. It prints totals for each cost center, account, asset type, and balancing segment.

For your asset cost accounts, this report provides supporting detail for the Cost Detail Report and the Reserve Detail Report. For your CIP cost accounts, this report provides supporting detail for the CIP Detail Report. Retirements in the current period do not show up on this report until you use the Calculate Gains and Losses form to process retirements.

Use the Tax Retirements Report to review retirements in your tax books.

## Selected Headings

**Cost Retired:** This column matches the Retirements column on the Cost Detail Report.

**Net Book Value Retired:** The difference between Cost Retired and this column is the depreciation reserve retired, which matches the Retirements column of the Reserve Detail Report.

**Removal Cost:** Cost of removing the asset, if any.

**<Flag>:** An asterisk (\*) appears for reinstated assets.

## Related Topics

Asset Retirements By Cost Center Report, page 10-85

Tax Retirements Report, page 10-64

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Reinstated Assets Report

Use this report to review the retirements you reinstated for the Book and From/To Period range you choose. This report is sorted by balancing segment, asset type, asset account, cost center, and asset number. It prints totals for cost center, asset account, asset type, and balancing segment.

## Selected Headings

**Period Reinstated:** The depreciation period when you cancelled the retirement.

**ITC Recapture Reversed:** The amount of investment tax credit recapture from the retirement.

## Related Topics

About Retirements, page 4-1

Correcting Retirement Errors (Reinstatements), page 4-10

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Retirements Report

Use this report to review the assets you retired for the Book and accounting Period range you choose. This report can include member asset amounts.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Mass Transaction Reports

Use the mass transaction reports to review mass change, mass transfer, mass retirement, and mass revaluation transactions for your assets.

## Mass Change Preview and Review Reports

This Mass Change **Preview** Report shows you the effect the mass change criteria you specified will have on your assets. You must run this report to preview a mass change before you perform it. If you modify the Mass Change definition, you must rerun the preview report. Use the Mass Change **Review** Report to review the effect of mass changes on your assets after Oracle Assets performs them. Both reports are sorted by asset number.

Submit the Mass Change **Preview** Report from the Mass Change form by choosing the Preview button for a definition with status New or Updated. The Mass Change **Review** Report is automatically submitted when you perform your mass change. You can also run this report for any completed Mass Change by querying the definition and choosing the Review button.

**Important:** These reports are not valid when using Group Depreciation. If you are using Group Depreciation, you must use the RXi version of

the Mass Change Preview and Review Reports. See: Mass Change Preview and Review Reports (Variable Format), page 10-88

## Related Topics

Changing Financial and Depreciation Information, page 3-7

Depreciation Rules (Books), page 2-5

## Mass Change Preview and Review Reports (Variable Format)

The variable format versions of the Mass Change Preview and Mass Change Review Reports contain information similar to the standard versions. See: Mass Change Preview and Review Reports, page 10-87.

**Note:** This report is a standard variable format report. See: Variable Format Reports, page 10-3.

## Mass Transfers Preview Report

Use this report to preview the effect of your mass transfer definition before you perform it. It shows you the general ledger number, location, and employee your assets are assigned to before and after the Mass Transfer. This report is sorted by asset number, general ledger number, location, and employee number.

To submit the Mass Transfers Preview Report, choose the Preview button from the Mass Transfers form.

## Related Topics

Transferring Assets, page 3-14

Common Report Parameters, page 10-19

Common Report Headings, page 10-20

## Mass Retirements Report

Use the **Mass Retirements Report** to review the effect of a mass retirement to review the effect of a completed Mass Retirements process. If necessary, you can delete or make adjustments to an individual retirement transaction in the Retirements window before you calculate gains and losses, unless retiring by units then gains and losses are automatically calculated. You can also reinstate the mass retirement transaction in the Mass Retirements window. This report sorts by balancing segment, asset type, and asset account. It prints totals for each cost center, account, asset type, and balancing segment.

Oracle Assets automatically runs the Mass Retirements report when you choose the

Retire or Review button for a mass retirement transaction on the Mass Retirements window.

## Related Topics

About Retirements, page 4-1

Retiring Assets, page 4-4

Correcting Retirement Errors (Reinstatements), page 4-10

## Mass Revaluation Preview and Review Reports

Use the Mass Revaluation **Preview** Report to preview the effects of a mass revaluation before you perform it. You must run this report to preview the effect of a mass revaluation before you perform it. If you modify the revaluation definition, you must run this report again before you can run the revaluation. Use the Mass Revaluation **Review** Report to review the effect of a mass revaluation on your assets.

For assets revalued separately from their category, both reports print the revaluation rate used for the asset. For assets where you have chosen to override the default revaluation rules for the book, the reports print the rules you specified beneath the asset to which they apply. The rules which appear on this line are:

- Revaluation Rate for the category as a percentage
- Whether to Revalue Fully Reserved assets in this category
- Maximum Times you allow assets to be revalued as fully reserved in this category
- Life Extension Factor
- Life Extension Ceiling

Both reports print the Life, Revalued Cost, Depreciation Reserve, and Revaluation Reserve before and after the revaluation. Both reports are sorted by category and asset number. These reports can include group and member asset amounts.

You can submit the Mass Revaluation Preview Report from the Mass Revaluation form by choosing the **Preview** button for a revaluation definition with status New or Updated. You can submit the Mass Revaluation Review Report from the Mass Revaluation form by choosing the **Review** button for a revaluation definition with status Completed.

## Selected Headings

<Flag>: An asterisk (\*) appears if the new life for a fully reserved asset is not defined for the asset's depreciation method, and it did not create the life.

## Related Topics

Asset Management in a Highly Inflationary Economy (Revaluation), page 3-32

Revaluing Assets, page 3-29

Common Report Headings, page 10-20

## Mass Reclassification Preview and Review Reports

The Mass Reclassification **Preview** Report shows you the effect the mass reclassification criteria you specified will have on your assets. You must run this report to preview a mass reclassification before you perform it. If you modify the Mass Reclassification definition, you must rerun the preview report. Use the Mass Reclassification **Review** Report to review the effect of mass reclassifications on your assets after Oracle Assets performs them. Both reports are sorted by asset number.

Submit the Mass Reclassification Preview Report from the Mass Reclassification window by choosing the Preview button for a definition with status New, Updated, or Previewed. Submit the Mass Reclassification Review Report from the Mass Reclassification window by choosing the Review button after you have run mass reclassification.

**Note:** This report is a standard variable format report See: Variable Format Reports, page 10-3.

## Country-Specific Reports

Oracle Assets provides country-specific reports to meet the global reporting requirements.

The following reports are documented in regional Oracle Financials user guides:

- Australian Revalued Assets Sale Report
- Australian Assets Revaluation Report
- Fixed Assets Register Report
- Finnish Asset Summary Report
- Hungarian Asset Movement Schedule: Gross Changes Report
- Hungarian Accumulated Depreciation Movement Scheduled Report
- Hungarian Depreciation Analysis Report
- Statutory Asset Ledger Report



- Statutory Asset Cost Detail Report
- Statutory Asset Reserve Detail Report
- Argentine Exhibit of Fixed Assets Report
- Regional Fixed Assets Inflation Adjusted Asset Summary Report
- Statutory Asset Ledger Report
- Statutory Asset Cost Detail Report
- Statutory Asset Reserve Detail Report
- Fixed Assets Register Report
- Colombian Fixed Assets Inflation Adjusted Drill Down Report
- Colombian Fixed Assets Inflation Adjusted Account Drill Down Report
- Colombian Inflation Adjusted Fixed Assets Report
- Colombian Fixed Assets Technical Appraisal Additions Report
- Colombian Fixed Assets Technical Appraisal Revaluation Report
- Mexican Fixed Assets ISR Report
- Mexican Fixed Assets IMPAC Report
- Mexican Fixed Assets Fiscal Gain and Loss on Assets Retirement Report



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## Group Depreciation

This chapter covers the following topics:

- Group Depreciation
- Create Group and Member Assets
- Assigning Member Assets to a Group Asset
- Transactions: Adding Member Asset Cost
- Transactions: Member Asset Cost Adjustment
- Transactions: Group Adjustment
- Transactions: Group Reclassification
- Transactions: Retirements
- Member Asset Tracking
- Mass Property
- Energy Assets

### Group Depreciation

The Group Depreciation feature enables you to set up logical groupings of assets based on regulatory requirements and your own business needs. These logical groupings of assets are referred to as Group Assets. You can reduce data entry requirements by defining depreciation parameters for group assets rather than at the individual asset level. Group Depreciation also handles complex transactions for group assets and their member assets.

In many countries, local tax regulations require companies to depreciate assets in a composite or aggregate form, rather individually, for each asset. Group Depreciation addresses the requirements of depreciating assets in a composite or aggregate form.

Due to the large volume of assets in a major corporate enterprises, collections of similar assets are often pooled together to ease financial reporting. A group may contain many

individual assets that were placed in service in different years, but only one depreciation amount is maintained for the group. Depreciation is computed and stored at the group level, and is known as Group Depreciation.

Group Depreciation aids accommodating many of the composite or aggregate depreciation requirements imposed by the following global regulatory requirements:

- United States Telecomm (FCC) and Utility (FERC) compliance reporting.
- United Kingdom: Writing Down Allowance (WDA) compliance reporting.
- Canada Capital Cost Allowance (CCA) compliance reporting.
- Japanese group asset financial and compliance reporting.
- Indian group asset management and compliance reporting.

## Group Asset

A group asset is a collection of member assets. Member assets are individual assets that belong to a group asset. You can add member assets to a group asset, or delete member assets from a group asset. You can transfer member assets in or out of a group asset, as well as transfer member assets between group assets. The group asset cost is equal to the sum of all the member asset costs.

Group Asset Cost = Sum of all Member Asset Costs

Generally, the member asset cost is posted to General Ledger for the individual member asset, and the member asset accumulated depreciation is only maintained and reported at the group level. Group assets may contain member assets that were added in different years or accounting periods.

The asset type of the group is used only for group assets. The type of assets supported by each asset type is illustrated in the table below.

| Asset              | Asset Type                    |
|--------------------|-------------------------------|
| Group Asset        | Group                         |
| Individual Asset * | Capitalized, CIP or Expensed, |
| Member Asset       | Capitalized or CIP            |

\* Individual Asset refers to a standalone asset that does not belong to a group asset.

You can create a group asset using the Asset Workbench or Mass Additions. Creating group assets is very similar to creating individual assets; however, you must select an asset type of Group when creating a group asset.

## Create Group and Member Assets

**Note:** Bonus methods are not supported for Group and Member Assets.

### Set Up Group Assets in Book Controls

To set up group assets in the Book Controls window:

1. Navigate to the Book Controls window.
2. In the Class field, select Corporate. You can only create group assets in a corporate book.
3. Select the Accounting Rules tabbed region.
4. Allow Amortized Changes: This option does not affect group or member assets, or individual assets that previously belonged to a group asset. See: Defining Depreciation Books, page 9-60.
5. You must check the Allow Group Depreciation check box before creating group assets in the book.

If group assets are not allowed in the tax book, mass copy results in the following:

- If you allow group assets in the associated corporate book: The group asset will not be copied to the tax book. All member assets will be copied to the tax book as standalone assets.
- If you do not allow group assets in the associated corporate book: No group asset is allowed in either the corporate or tax books.

If group assets are allowed in a tax book, mass copy results in the following:

- If you allow group assets in the associated corporate book: The group and member assets will be copied to the tax book based on the mass copy options in the Tax Rule tabbed region.
- If you do not allow group assets in the associated corporate book: No group asset is allowed in either the corporate or tax books. In Oracle Assets, any asset must exist in the corporate book before being added to the tax book. A group asset is no exception to this rule. Therefore, a group asset must be allowed in the corporate book in order to be copied to the tax book.

**Note:** Mass Copy does not copy group reclassification

transactions that are performed when changing member assets' group assignment. Mass Copy does not copy any type of group adjustment, including group reserve transfer, group retirement adjustments, and group unplanned depreciation.

6. Optionally check the Allow CIP Members in Group Assets check box to enable adding CIP assets to group assets. If this check box is not checked, you will not be able to add a CIP asset to a group asset, even if you have set the default group asset on the Default Depreciation Rules window on the Categories form. If the Allow CIP Members in Group Assets check box is unchecked, the Allow CIP Depreciation in Group Assets check box is disabled.

Once the Allow CIP Members in Group Assets check box is checked and saved, you cannot uncheck it.

7. You must check the Allow CIP Depreciation in Group Assets check box to depreciate the CIP asset cost for member assets.
8. Optionally check the Allow Member Asset Tracking check box to enable member asset tracking for the depreciation book. Once the check box is checked and saved, you cannot uncheck it.
9. You must check the Allow Intercompany Member Asset Assignments check box if you want to allow member assets to have balancing segment values that are different than the balancing segment value of the group asset.

If the check box is unchecked for a particular depreciation book, you cannot set up member asset tracking for that book.

## Create Group Assets Using Detail Additions

### To create a group asset using Detail Additions:

1. Navigate to the Asset Workbench window.
2. Select the Additions button to create a new group asset.
3. In the Asset Number field, optionally enter a unique asset number for the group asset. If no value is entered, the system will automatically assign a numeric number using the asset number sequencing. Group assets use the same automatic number sequencing as individual assets.
4. In the Description field, enter a description for the group asset. This is a required field.

5. In the Asset Type field, select Group as the asset type when creating a group asset.
6. In the Category field, enter a category for the group asset. This is a required field.
7. In the Units field, accept the default value of 1, or enter the desired value. This is a required field.

**Note:** You cannot assign group or member assets as parent or child assets.

The Physical Inventory function is not supported for group assets, and you cannot check the Physical Inventory check box when the asset type is Group.

8. Select the Continue button to enter information in the Books window for the new group asset.

#### **To define financial information for a new group asset:**

1. In the Books window, enter information for the group asset.

**Note:** For group assets, some financial information, such as current cost, original cost, recoverable cost and net book value cannot be updated.

During the addition period, the group asset year to date depreciation expense and accumulated depreciation can be adjusted after assigning a member asset to the group asset.

2. In the Book field, enter the corporate book of the new group asset.

**Note:** You cannot update the Cost field for a group asset.

3. In the Salvage Value field, there are two options to calculate the salvage value for a group asset. You can select the following:

- Percentage: Enter a salvage value percentage for the group asset. The salvage value is calculated as a percentage of group asset cost, as shown in the example below:

Group Asset Salvage Value = Group Asset Cost \* Group Asset Salvage Value Percentage.

- Sum of Member Assets: The group asset salvage value is the total of all member asset salvage values. You can subsequently change the salvage value type.

4. In the YTD Depreciation field, enter the year to date depreciation for the group asset. You can only update this field during the addition period of the group asset and if at least one member asset has been assigned to the group asset.
5. In the Accumulated Depreciation field, enter the accumulated depreciation for the group asset. You can only update this field during the addition period of the group asset and if at least one member asset has been assigned.

**Note:** You cannot update the Revaluation Ceiling or Revaluation Reserve field for a group asset.

To continue adding your group asset using the Detail Additions process, you must do one of the following:

- Choose Continue to continue adding your asset. See: Assigning an Asset (Detail Additions Continued), page 2-26
- Optionally, enter or override depreciation information using the tabbed regions in the Books window. Instructions for adding this information are included in the following tasks.

#### **To enter or override depreciation information for a new group asset (optional):**

1. Select the Depreciation tabbed region
2. Check the Depreciate check box if this group asset is depreciable. If the Depreciate check box is not checked, depreciation will not be calculated for the group asset.
3. Check the Disable check box if this group asset is disabled. You can not assign member assets or perform transactions on this group asset after checking this check box. See: Disable Group Assets., page 11-15
4. In the Method field, optionally override the default value and enter the depreciation method and associated information.

The Units of Production method is not allowed for group or member assets.

**Note:** If the Over Depreciate field is set to Allow and Depreciate, you cannot choose the depreciation methods of Calculate, Table, Formula, or Flat-NBV. If the Over Depreciate field is set to Allow, you cannot choose the depreciation methods of Calculate and Table. See: Depreciation Override, page 5-4.

5. The date placed in service is defaulted to the current period for group assets. For group assets, you can only enter a prior period date placed in service while in the addition period. This date is used to determine the group depreciation start date.



This is a required field for group assets. You can only change the group asset date placed in service before the group asset begins depreciating.

6. The Prorate Convention field displays the defaulted value from the Default Depreciation Rules window.
7. The Prorate Date will display the depreciation start date of the group asset, which is the same as the date placed in service of the group asset.
8. The Type field has three options to calculate the depreciation limit for a group asset. These options include the following:

**Note:** You can use depreciation limits even if you select the Over Depreciate options of Allow or Allow and Depreciate

- Null: No depreciation limit is set up for the group asset.
  - Percentage: Enter a depreciation limit percentage for the group asset.
  - Sum of Member Assets: The group asset depreciation limit is the total of all member asset depreciation limits.
9. In the Over Depreciate field, you can specify if the group asset accumulated depreciation can exceed the group asset cost.

The three options available include the following:

- Do Not Allow: The group asset accumulated depreciation may not exceed the group asset recoverable cost. The system must check if the accumulated depreciation is greater than the recoverable cost whenever a transaction occurs that affects the group asset cost or accumulated depreciation, such as additions, adjustments, depreciation, retirements, and group reclassifications. Oracle Assets defaults this option.
- Allow: The group asset accumulated depreciation can exceed group asset cost, but depreciation will stop for the group asset when the accumulated depreciation is greater than the recoverable cost.
- Allow and Depreciate: The group asset accumulated depreciation may exceed the group asset recoverable cost, and depreciation will continue for the group assets until the group asset cost becomes zero.

You may still change the selection in subsequent period if the group asset accumulated depreciation is less than the total group asset recoverable cost at the time of change.

10. In the Super Group field, optionally enter a super group that you previously

defined. See: Transactions: Group Adjustments, page 11-35.

### To define retirement options for a group asset:

1. Select the Advanced Rulestabbed region.

**Important:** You can only update retirement rules information during the addition period of the group asset, and before assigning a member asset.

### Retirement Options Region

2. In the Recognize Gain and Loss field, there are two options available for member asset retirements, which include the following:
  - **Do Not Recognize:** The gain and loss is not recognized. This is the default value.
  - **Immediately When Retired:** The gain and loss is recognized at retirement. The retirement treatment for the member asset is defaulted from the group asset setup, found in the Retirement tabbed region.
3. Check the Recapture Excess Reservecheck box if you want to indicate that the accumulated depreciation of a group asset can exceed its recoverable cost (NBV less than 0) without triggering the recognition of a gain.
4. The Limit Net Proceeds to Cost check box is available if Recognize Gain and Loss is set to Do Not Recognize. If the check box is checked, the amount of proceeds (net of cost of removal) that may be added to accumulated depreciation is limited to the recoverable cost of the retiring member asset.
5. For the Terminal Gain and Loss field, you can choose from three options. The three options available include the following:
  - Recognize Immediately (default value)
  - Defer Recognition to End of Fiscal Year
  - Do Not Recognize

When the last member asset is retired in a group asset, and no additional assets are added into the group asset, the remaining group accumulated depreciation balance is defined as a terminal gain or loss.

### To set the tracking option method to Allocate Group Amount:

**Important:** You can only update member asset tracking options during the addition period of the group asset, and before assigning a member asset.

#### Tracking Options Region

1. In the Tracking Method field, select the Allocate Group Amount option if you want the system to allocate the calculated group depreciation amount to its member assets. The allocation is based on the depreciable basis of the member assets.
2. If you select Allocate to Fully Retired and Reserved Assets, the system will allocate the group depreciation amount to fully reserved or fully retired member assets.
3. If Reduce Excess is selected, the excess group depreciation amount will be reduced from the calculated group depreciation amount. This field is selected automatically, if the Allocate to Fully Retired and Reserved Assets check box is not checked.
4. If Distribute Excess is selected, the excess group depreciation amount will be distributed proportionally among other member assets in the group.

When the amount allocated to the member asset is greater than the depreciation limit of the member asset or the recoverable cost, the excess amount is calculated as the allocated amount over the greater of the following:

- The depreciation limit of the member asset.
- The recoverable cost of the member asset.

### To set the tracking method option to Calculate Member Asset Amount:

#### Tracking Options Region

1. In the Tracking Method field, selecting the Calculate Member Asset Amount option allows you to specify if depreciation is calculated at the member asset level. By selecting this option, the system will calculate depreciation for each member asset.
2. In the Depreciation By field, enter the member asset depreciation select how member asset depreciation will be calculated. The two rules available include the following:
  - Group Method
  - Member Method
3. If the Sum Member Asset Depreciation to Group check box is checked, group

depreciation is calculated as the sum of all member asset calculated depreciation. If this check box is not checked, group depreciation is calculated using the default group asset depreciation rules.

4. Select the Continue button to enter the group asset distribution information.

### To define reduction rates for group assets:

#### Reduction Rules Region

1. The Reduction Rate field is only available for group assets. Enter the percentage to use as the reduction rate. The reduction rate is applied when calculating the depreciable basis for the group assets, and is used to satisfy the 50 percent rule in Canada and India.

**Note:** The Reduction Rate field is enabled only if the depreciation method used has the following depreciable basis rules:

- Year End Balance with Positive Reduction Amount
- Year End Balance with Half Year Rule

See: Defining Depreciable Basis Rule, page 9-84.

2. Select Addition to apply the reduction rate to member asset addition transactions.
3. Select Adjustment to apply the reduction rate to member asset adjustment transactions.
4. Select Retirement to apply the reduction rate to member asset retirement transactions.

The reduction rate is setup as a default rate for the group asset. You may update the default reduction rate for the member asset when you perform a transaction on the member asset.

### To enter distribution information for a group asset:

1. In the Assignments window, enter distribution information for a group asset.
2. In the Units field, enter the number of units for the group asset.
3. In the Depreciation Expense field, enter a valid depreciation expense account for the group asset. This is a required field. No inter-company asset transfer is allowed for a group asset, unless Allow Intercompany Member Asset Assignment is enabled during book controls setup.

**Important:** For a group asset with multiple distribution lines, you can only specify different balancing segment values if you checked the Allow Intercompany Member Asset Assignments check box in the Book Controls window.

4. In the Location field, enter a location for the group asset. This is a required field.
5. Select the Done button to save the new group asset.

## Create Group Assets Using QuickAdditions

You can add a group asset via QuickAdditions. When assets are added via QuickAdditions, the depreciation rules are defaulted from the category default rules. After you have created the group asset, you can query and change any rule for the group asset on the Asset Workbench before the first member asset is added.

### To create a group asset using QuickAdditions:

1. Navigate to the Asset Workbench window.
2. Select the QuickAdditions button.
3. Enter a description for the group asset in the Description field.
4. Enter a category for the group asset in the Category field.
5. In the Asset Type field, select Group for asset type to create a group asset.
6. Enter the number of units for the group asset.
7. Enter a valid book name for the group asset.
8. The cost is zero for a group asset. No cost amounts are allowed for group assets. The group asset cost is derived from the sum of all member asset costs.
9. The date placed in service for the group asset is defaulted to the current period. You can enter a prior period date placed in service while in the addition period of the group asset. You cannot change the group asset date placed in service after depreciation has begun.
10. Check the Depreciate check box if this group asset is depreciable. If the Depreciate check box is not checked, depreciation will not be calculated for the group asset.
11. The Prorate Convention field displays the defaulted value from the Default Depreciation Rules window.

12. The Prorate Date will display the depreciation start date of the group asset, which is the same as the date placed in service of the group asset.
13. In the Depreciation Expense field, enter a valid expense account for the group asset. This is a required field.
14. Enter a location for the group asset. This is a required field.
15. Select the Done button to save the new group asset.

## Find a Group Asset in the Asset Workbench

In order to search for group, member, or individual assets, you can use the search criteria provided in the Asset Workbench. The steps to query an asset using the Asset Workbench are illustrated in the steps below.

### To find a group asset in the Asset Workbench:

1. Navigate to the Asset Workbench.  
  
In the Find Assets window, you can find assets by asset detail, book, assignment, source line, or lease information.
2. In the By Asset Detail region, you can find assets by descriptive information, for example:
  - In the Asset Number field, enter the group asset number.
  - In the Description field, enter the description of the group asset.
  - In the Asset Type field, select Group as the asset type to find group assets.

**Important:** Do not use the Group asset type when searching for member or individual assets.
3. In the By Book region, you can find assets by asset book information. For example, in the Group Asset field, enter the number of the group asset that is associated with a member asset.  
  

**Note:** Do not use the Group Asset field to search for a group asset. You can enter a group asset number in the Group Asset field to find all of the member assets that are associated with the group asset.
4. In the By Assignment region, you can find assets by accounting information. For example, in the Expense Account field, enter the account number of the asset.

5. In the By Source Line region, you can find assets by invoice information. For example, in the Invoice Number field, enter the invoice number of the asset.
6. In the By Lease region, you can find assets by lease information. For example, in the Lessor field, enter the name of the asset lessor.
7. Select the Find button to execute your search criteria.

## Group and Member Asset Rules

1. A group asset and the associated member assets must belong to the same corporate book.
2. The depreciation rules defined for the group asset generally supersede those of the associated member assets. Depreciation is generally calculated and stored for the group asset only.
3. The addition of a member asset will be treated as an amortized cost adjustment to the group asset.
4. Member asset transactions, such as additions, adjustments and group reclassifications, are treated as amortized adjustments. Expensed adjustments are not allowed for group assets.
5. The group asset date placed in service is used to determine when depreciation starts for the group asset. This date cannot be updated after depreciation has started for the group asset.
6. Member assets can be added with a date placed in service that is different than that of its group asset, but a member asset date placed in service may not be older than the date placed in service of the group asset.
7. If a member asset is added with a prior period date placed in service, the system will treat the member asset addition as an amortized cost adjustment to the group asset from the date placed in service of the member asset. Also, Oracle Assets automatically submits the Process Group Adjustments concurrent program to calculate the prior period depreciation expense for the group asset. You must acknowledge the message containing the request number of the program submission.
8. When you add a CIP member asset to a group asset, the CIP member asset cost is not added to the group asset until the CIP member asset is capitalized, with one important exception. The exception occurs when you check the Allow CIP Depreciation in the Group Assets check box on the Book Controls window. You may add the CIP member asset cost to the group asset by setting the Depreciate in Group option on the Source Lines window.

9. Unplanned depreciation is only available for member assets with the Member Asset Tracking option set up for the associated group asset.
10. Cost is stored and tracked at the member asset level and summarized to the group asset.
11. Accumulated depreciation is generally stored and tracked for the group asset only.
12. The asset cost is posted to General Ledger in the period the member asset is added. Depreciation expense is posted to General Ledger from the group asset only, even when member asset tracking is enabled.

## Disabling Group Assets

You can disable a group asset on the Books window of the Asset Workbench by checking the Disable check box on the Depreciation tabbed region of the Books window. Disabling a group asset for one book, does not affect its status in another book. For example, if you disable a group asset in the corporate book, this will not affect its enabled status in the tax book.

Before you can disable a group asset, all of its member assets must be fully retired or removed from the group asset via group reclassification. Also, the cost of a group asset must be zero before it can be disabled.

You can re-enable a disabled group asset at any time.

You can view disabled group assets on the View Financial Information window and the Asset Workbench by selecting the Show Disabled Groups check box on the Find Assets window.

## Restrictions

You need to consider the following restrictions when disabling group assets:

- You cannot perform any adjustment transactions on a disabled group asset and its member assets in the book in which the group has been disabled.
- No depreciation will be calculated for disabled group assets.
- You cannot add member assets to disabled group assets.
- Disabled group assets are excluded from the group asset list of values on the Asset Workbench, Mass Additions, Mass Change, and Mass Reclassifications windows.
- If you try to add an asset to a category in which a disabled group asset is set as the default group asset on the Default Depreciation Rules window on the Categories form, you need to first manually remove the category default. Otherwise, you will receive an error when trying to add an asset via the Asset Workbench or Mass Additions window.



## Disable Group Assets

### To disable a group asset:

1. Choose Asset:Asset Workbench from the Navigator window.
2. Find the group asset you want to disable.
3. Choose Books to open the Books window.
4. In the Book field, enter the book in which you want to disable the group asset.
5. Check the Disable check box on the Depreciation tabbed region to disable this group asset.
6. Choose Done to save this transaction.

### Re-enabling a Disabled Group Asset

You can re-enable a disabled group asset at any time. After you re-enable a group asset, all functional restrictions are restored. The group asset can be displayed on the Asset Workbench, Mass Additions and Mass Transactions forms. Oracle Assets calculates depreciation for the group asset going forward and you can perform transactions on the group asset and its member assets. You can also set the re-enabled group asset as the default group asset on the Default Depreciation Rules window on the Categories form.

### To re-enable a disabled group asset:

1. Choose Asset:Asset Workbench from the Navigator window.
2. Find the group asset you want to re-enable.
3. Choose Books to open the Books window.
4. In the Book field, enter the Book in which you want to re-enable the group asset.
5. Uncheck the Disable check box in the Depreciation tabbed region to re-enable this group asset.
6. Choose Done to save this transaction.

## Assigning Member Assets to a Group Asset

You can assign a member asset to a group asset using the following three options:

- You can use the Asset Workbench to assign an asset to a group asset.

- You can use an asset category that is assigned to a group asset.
- You can use Prepare Mass Addition to assign an asset to a group asset.

If you create an asset in the period of addition, you can assign the asset to a group asset by manually entering the group asset number in the Asset Workbench. The asset is added as a member asset of the group asset you manually specified.

**Note:** The Depreciate check box for a member asset has no impact on the group asset depreciation calculation. In General, the Depreciate check box for a member asset has no impact on the group asset depreciation calculation. However, if you have set up the Member Asset Tracking option to be Calculate Member Asset Amount for the group asset, the system will not calculate member asset depreciation when the Depreciate check box is not checked for the member asset.

### To enter group asset information for a member asset:

1. Detail Additions: Enter the group asset number under the Group Asset tabbed region in the Books window.  
  
QuickAdditions: Enter the group asset number in the Book region of the QuickAdditions window.  
  
Prepare Mass Additions: Enter the group asset number in the Mass Additions window.
2. If this member asset belongs to a group asset, the Group Asset field will display the group asset number. The group asset number can be numeric or character based.
3. The Description field is a display only field. When a valid group asset number is displayed, the group asset description will automatically display the description of the group asset.
4. The Reduction Rate field is enabled for the member asset whenever it is enabled for the group asset, and it defaults to the reduction rate setup of the group asset. However, you can override the default reduction rate for each transaction. The reduction rate is enabled on the Asset Workbench Books window in the Advanced Rules tabbed region. Refer to the group asset advanced rules for details on the reduction rate default setup. See: Define Advanced Rules, page 11-8.

### Assigning Group Assets via Category

After a group asset is created, you can enter the group asset number in the category default rules. All new assets for this category will be member assets of the group asset entered in the category. These member assets will inherit the group asset membership

as part of the default rules. You can change the group asset membership by using the Asset Workbench or Mass Change. See: Changing Financial and Depreciation Information, page 3-7.

## Transactions: Adding Member Asset Cost

When you add a member asset to a group asset, the cost of the member asset is added to the group asset cost as an amortized adjustment.

Group Asset Cost = Sum of all Member Asset Costs

## Current Period Member Asset Addition

### Example: Current Period Member Asset Addition

#### Asset Information

The following table contains asset setup information used in this example.

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Group Asset:     | Group A                 |
| Member Assets:   | Asset 1 Asset 2         |

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item           | Asset Setup Information                                                   |
|----------------------------|---------------------------------------------------------------------------|
| Depreciation Method:       | Flat Rate with Cost basis Depreciable Basis<br>Rule: Use Recoverable Cost |
| Depreciation Rate:         | 20%                                                                       |
| Group DPIS / Prorate Date: | 01-Jan-2000                                                               |
| Depreciation Calendar:     | Monthly                                                                   |

The following table contains asset setup information used in this example.

### Member Asset 1 Setup

| Asset Setup Item            | Asset Setup Information |
|-----------------------------|-------------------------|
| Cost Added:                 | 10,000                  |
| Date Added to Group Asset A | 01-Jan-2000             |
| Amortization Start Date:    | 01-Jan-2000             |

The following table contains asset setup information used in this example.

### Member Asset 2 Setup

| Asset Setup Item             | Asset Setup Information |
|------------------------------|-------------------------|
| Cost Added:                  | 20,000                  |
| Date Added to Group Asset A: | 01-Feb-2000             |
| Amortization Start Date:     | 01-Feb-2000             |

The table below contains the annual cost and calculated amounts for the group and member assets.

|                                  | Jan-2000 | Feb-2000 | Mar-2000 | Apr-2000 |
|----------------------------------|----------|----------|----------|----------|
| Asset 1                          | 10,000   | 10,000   | 20,000   | 10,000   |
| Asset 2                          |          | 20,000   | 20,000   | 20,000   |
| Group A Cost                     | 10,000   | 30,000   | 30,000   | 30,000   |
| Group A Depreciation Expense     | 166.67   | 500*     | 500      | 500      |
| Group A Accumulated Depreciation | 166.67   | 666.67   | 1,166.67 | 1,666.67 |

\* Group A Depreciation Expense in Feb-2000 = Group A Cost \* Annual Depreciation Rate / Periods per Year = 30,000 \* 20% / 12 = 500

The journal entries created in the addition period include the following:

In Jan-2000, journal entries for Asset 1:

| Account Description   | Debit     | Credit |
|-----------------------|-----------|--------|
| Asset 1 Cost          | 10,000.00 |        |
| Asset 1 Cost Clearing |           | 10,000 |

In Feb-2000, journal entries for Asset 2:

| Account Description   | Debit     | Credit |
|-----------------------|-----------|--------|
| Asset 2 Cost          | 20,000.00 |        |
| Asset 2 Cost Clearing |           | 20,000 |

If you checked the Allow Intercompany Member Asset Assignments check box for the book, and the balancing segment values are different for the group and member assets, the following journal entries are created.

In Jan-2000, the journal entries for Asset 1 are as follows:

| Account Description              | Debit     | Credit |
|----------------------------------|-----------|--------|
| Company 01 Asset 1 Cost          | 10,000.00 |        |
| Company 02 Asset 1 Cost Clearing |           | 10,000 |
| Company 02 Intercompany AR       | 10,000.00 |        |
| Company 01 Intercompany AP       |           | 10,000 |

## Prior Period Member Asset Addition

When you back date a member asset addition, it is treated as an amortized adjustment

to the group asset in a prior period. Included below is an example of a prior period member asset addition.

### Example: Prior Period Member Asset Addition

The following table contains asset setup information used in this example.

#### Asset Information

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Group Asset:     | Group A                 |
| Member Assets:   | Asset 1 Asset 2         |

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item           | Asset Setup Information                                                   |
|----------------------------|---------------------------------------------------------------------------|
| Depreciation Method:       | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost |
| Depreciation Rate:         | 30%                                                                       |
| Group DPIS / Prorate Date: | 01-Jan-2000                                                               |
| Depreciation Calendar:     | Monthly                                                                   |

Member assets added with prior period date placed in service

The following table contains asset setup information used in this example.

#### Member Asset 1 Setup

| Asset Setup Item            | Asset Setup Information |
|-----------------------------|-------------------------|
| Cost Added:                 | 10,000                  |
| Date Added to Group Asset A | 01-Jan-2000             |

| <b>Asset Setup Item</b>  | <b>Asset Setup Information</b> |
|--------------------------|--------------------------------|
| Amortization Start Date: | 01-Jan-2000                    |

The following table contains asset setup information used in this example.

#### **Member Asset 2 Setup**

| <b>Asset Setup Item</b>     | <b>Asset Setup Information</b> |
|-----------------------------|--------------------------------|
| Cost Added:                 | 20,000                         |
| Date Added to Group Asset A | 01-Mar-2000                    |
| Amortization Start Date:    | 01-Feb-2000                    |

The table below contains the annual cost and calculated amounts for the group and member assets.

|                                  | <b>Jan-2000</b> | <b>Feb-2000</b> | <b>Mar-2000</b> | <b>Apr-2000</b> |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Asset 1                          | 10,000          | 10,000          | 20,000          | 10,000          |
| Asset 2                          |                 |                 | 20,000          | 20,000          |
| Group A Cost                     | 10,000          | 30,000          | 30,000          | 30,000          |
| Group A Depreciation Expense     | 250             | 250             | 1,250*          | 750             |
| Group A Accumulated Depreciation | 250             | 500             | 1,750           | 2,500           |

\* Group A Depreciation Expense in Mar-2000

= Periodic Depreciation Expense in Mar-2000 + Catchup Expense For Asset 2 Through Feb-2000 =  $[30,000 * 30\% / 12] + [20,000 * 30\% / 12] = 1,250$

### Example: Multiple Member Asset Additions with Prior Period Date Placed in Service

The following table contains asset setup information used in this example.

#### Asset Information

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Group Asset:     | Group A                 |
| Member Assets:   | Asset 1 Asset 2         |

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item           | Asset Setup Information                                                   |
|----------------------------|---------------------------------------------------------------------------|
| Depreciation Method:       | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost |
| Depreciation Rate:         | 30%                                                                       |
| Group DPIS / Prorate Date: | 01-Jan-2000                                                               |
| Depreciation Calendar:     | Monthly                                                                   |

Member assets added with prior period date placed in service

The following table contains asset setup information used in this example.

#### Member Asset 1 Setup

| Asset Setup Item            | Asset Setup Information |
|-----------------------------|-------------------------|
| Cost Added:                 | 10,000                  |
| Date Added to Group Asset A | 01-Jan-2000             |
| Amortization Start Date:    | 01-Jan-2000             |

The following table contains asset setup information used in this example.



### Member Asset 2 Setup

| Asset Setup Item            | Asset Setup Information |
|-----------------------------|-------------------------|
| Cost Added:                 | 20,000                  |
| Date Added to Group Asset A | 01-May-2000             |
| Amortization Start Date:    | 01-Feb-2000             |

The following table contains asset setup information used in this example.

### Member Asset 3 Setup

| Asset Setup Item            | Asset Setup Information |
|-----------------------------|-------------------------|
| Cost Added:                 | 60,000                  |
| Date Added to Group Asset A | 01-Jul-2000             |
| Amortization Start Date:    | 01-Mar-2000             |

The table below contains the annual cost and calculated amounts for the group and member assets.

| Calendar Period | Cost   | Depreciation | Accumulated Depreciation |
|-----------------|--------|--------------|--------------------------|
| Jan-2000        | 10,000 | 250          | 250                      |
| Feb-2000        | 10,000 | 250          | 250                      |
| Mar-2000        | 10,000 | 250          | 250                      |
| Apr-2000        | 10,000 | 250          | 250                      |
| May-2000        | 30,000 | 2,250*       | 3,250                    |
| Jun-2000        | 30,000 | 750          | 4,000                    |

| Calendar Period | Cost   | Depreciation | Accumulated Depreciation |
|-----------------|--------|--------------|--------------------------|
| Jul-2000        | 90,000 | 8,250**      | 11,750                   |
| Aug-2000        | 90,000 | 2,250        | 14,000                   |

\* Group A Depreciation Expense in May-2000 = Periodic Depreciation Expense in May-2000 + Catchup Expense for Asset 2 Through Feb-2000 =  $[30,000 * 30\% / 12] + [30,000 * 30\% * 3 / 12 - (250 + 250 + 250)] = 2,250$

\*\* Group A Depreciation Expense in Jul-2000 = Periodic Depreciation Expense in Jul-2000 + Catch Up Expense For Asset 3 Through Mar-2000 =  $[90,000 * 30\% / 12] + [90,000 * 30\% * 4 / 12 - (250 + 250 + 1,750 + 750)] = 8,250$

## CIP Member Asset

You can add a CIP member asset to a group asset, but the CIP member asset cost is not added to the group asset cost until the CIP member asset is capitalized. An exception to this is explained in the following section.

### Example: CIP Member Asset Addition

The following table contains asset setup information used in this example.

#### Asset Information

| Asset Setup Item | Asset Setup Information                     |
|------------------|---------------------------------------------|
| Group Asset:     | Group A                                     |
| Member Assets:   | Asset 1 CIP Asset Asset 2 Capitalized Asset |

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item     | Asset Setup Information                                                   |
|----------------------|---------------------------------------------------------------------------|
| Depreciation Method: | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost |

| <b>Asset Setup Item</b>    | <b>Asset Setup Information</b> |
|----------------------------|--------------------------------|
| Depreciation Rate:         | 30%                            |
| Group DPIS / Prorate Date: | 01-Jan-2000                    |
| Depreciation Calendar:     | Monthly                        |

The following table contains asset setup information used in this example.

#### **Member Asset 1 Setup**

| <b>Asset Setup Item</b>     | <b>Asset Setup Information</b> |
|-----------------------------|--------------------------------|
| Cost Added:                 | 10,000                         |
| Date Added to Group Asset A | 01-Jan-2000                    |
| Date Place in Service:      | 01-Jan-2000                    |

The following table contains asset setup information used in this example.

#### **Member Asset 2 Setup**

| <b>Asset Setup Item</b>     | <b>Asset Setup Information</b> |
|-----------------------------|--------------------------------|
| Cost Added:                 | 20,000                         |
| Date Added to Group Asset A | 01-Mar-2000                    |
| Date Place in Service:      | 01-Mar-2000                    |

The table below contains the annual cost and calculated amounts for the group and member assets.

|         | <b>Jan-2000</b> | <b>Feb-2000</b> | <b>Mar-2000</b> | <b>Apr-2000</b> |
|---------|-----------------|-----------------|-----------------|-----------------|
| Asset 1 | 10,000          | 10,000          | 10,000          | 10,000          |

|                                  | Jan-2000 | Feb-2000 | Mar-2000 | Apr-2000 |
|----------------------------------|----------|----------|----------|----------|
| Asset 2                          |          |          | 20,000   | 20,000   |
| Group A Cost                     | 0        | 0        | 20,000   | 20,000   |
| Group A Depreciation Expense     | 0        | 0        | 500*     | 500      |
| Group A Accumulated Depreciation | 0        | 0        | 500      | 1,000    |

\* Group A Depreciation Expense for Mar-2000 = Group A Cost \* Annual Depreciation Rate / Periods per Year = 20,000 \* 30% / 12 = 500

## CIP Member Asset Depreciation

You can add CIP member assets to a group asset, but the costs of the CIP member assets will not be included in the group asset cost unless you enabled the Allow CIP Depreciation in Group Asset check box, found in the Book Controls window.

If the Allow CIP Depreciation in Group Asset check box is checked, you can elect to depreciate the CIP member asset cost when the CIP member asset is assigned to a group asset. This is accomplished by checking the Depreciate check box on the Source Line window of the CIP member asset. See: Source Lines, page 2-13.

### Example: CIP Member Asset Depreciation

The following table contains asset setup information used in this example.

#### Asset Information

| Asset Setup Item | Asset Setup Information                     |
|------------------|---------------------------------------------|
| Group Asset:     | Group A                                     |
| Member Assets:   | Asset 1 CIP Asset Asset 2 Capitalized Asset |

The following table contains asset setup information used in this example.

### Group Asset A Setup

| Asset Setup Item                       | Asset Setup Information                                                   |
|----------------------------------------|---------------------------------------------------------------------------|
| Depreciation Method:                   | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost |
| Depreciation Rate:                     | 30%                                                                       |
| Group DPIS / Prorate Date:             | 01-Jan-2000                                                               |
| Depreciation Calendar:                 | Monthly                                                                   |
| Allow CIP Depreciation in Group Asset: | Yes                                                                       |

The following table contains asset setup information used in this example.

### Member Asset 1 Setup

| Asset Setup Item               | Asset Setup Information |
|--------------------------------|-------------------------|
| Cost Added:                    | 10,000                  |
| Date Added to Group Asset A    | 01-Jan-2000             |
| Date Place in Service:         | 01-Jan-2000             |
| Depreciate in Group Check Box: | Checked: 01-Feb-2000    |

The following table contains asset setup information used in this example.

### Member Asset 2 Setup

| Asset Setup Item            | Asset Setup Information |
|-----------------------------|-------------------------|
| Cost Added:                 | 20,000                  |
| Date Added to Group Asset A | 01-Mar-2000             |
| Date Place in Service:      | 01-Mar-2000             |

The table below contains the annual cost and calculated amounts for the group and member assets.

|                                  | Jan-2000 | Feb-2000 | Mar-2000 | Apr-2000 |
|----------------------------------|----------|----------|----------|----------|
| Asset 1                          | 10,000   | 10,000   | 10,000   | 10,000   |
| Asset 2                          |          |          | 20,000   | 20,000   |
| Group A Cost                     | 0        | 10,000   | 20,000   | 20,000   |
| Group A Depreciation Expense     | 0        | 250*     | 500      | 500      |
| Group A Accumulated Depreciation | 0        | 250      | 750      | 1,250    |

\* Group A Depreciation Expense in Feb-2000 = Group A Cost \* Annual Depreciation Rate / Periods per Year = 30,000 \* 30% / 12 = 250

## Transactions: Member Asset Cost Adjustment

Adjusting the member asset costs will have an indirect impact on the associated group asset. Since the group asset cost is equal to the sum of all member asset costs, changing the cost of a member asset will result in changing the group asset cost. Changing the salvage value of a member asset may also affect the group asset when the Use Sum of Member Assets salvage value option is selected for the group asset.

When you perform a cost adjustment to a member asset, the cost of the member asset is updated for the adjustment amount. The cost adjustment is treated as an amortized adjustment to the group asset. The cost adjustment will be treated as a current period transaction for the member asset. You can enter a prior period amortization start date for the member asset cost adjustment. The amortization start date entered for the member asset is restricted to dates between the date placed in service of the member asset and the current period date.

If the salvage value is expressed as a percentage of cost, the salvage value will be changed proportionally during the cost adjustment. If the salvage value is expressed as an amount, it will not be affected by the cost adjustment.

## Example: Member Asset Cost Adjustment Calculations

The steps below explain the various calculations involved in a member asset cost

adjustment.

1. The group asset depreciable basis is increased or decreased by the sum of all the member asset cost adjustment amounts.
2. The adjustment is an amortized adjustment, and the adjustment amount is amortized evenly over the amortization period of the group asset.
3. The system calculates the periodic depreciation amount using the adjusted cost of the group asset.
4. The journal entries created are as follows:

| Account Description                  | Debit | Credit |
|--------------------------------------|-------|--------|
| Member Asset Cost                    | xxxx  |        |
| Member Asset Cost Clearing           |       | xxxx   |
| Group Asset Depreciation Expense     | xxxx  |        |
| Group Asset Accumulated Depreciation |       | xxxx   |

## Current Period Member Asset Cost Adjustment

### Example: Current Period Cost Adjustment - Flat Rate Method

The following table contains asset setup information used in this example.

#### Asset Information

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Group Asset:     | Group A                 |
| Member Assets:   | Asset 1 Asset 2         |

The following table contains asset setup information used in this example.

## Group Asset A Setup

| Asset Setup Item           | Asset Setup Information                                                   |
|----------------------------|---------------------------------------------------------------------------|
| Depreciation Method:       | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost |
| Depreciation Rate:         | 30%                                                                       |
| Group DPIS / Prorate Date: | 01-Jan-2000                                                               |
| Depreciation Calendar:     | Monthly                                                                   |

The following table contains asset setup information used in this example.

## Member Asset 1

| Asset Setup Item         | Asset Setup Information |
|--------------------------|-------------------------|
| Cost Adjustment:         | 10,000                  |
| Period Performed:        | Mar-2000                |
| Amortization Start Date: | 01-Mar-2000             |

The table below contains the annual cost and calculated amounts for the group and member assets.

|                              | Jan-2000 | Feb-2000 | Mar-2000 | Apr-2000 |
|------------------------------|----------|----------|----------|----------|
| Asset 1                      | 10,000   | 10,000   | 20,000   | 20,000   |
| Asset 2                      | 20,000   | 20,000   | 20,000   | 20,000   |
| Group A Cost                 | 30,000   | 30,000   | 40,000   | 40,000   |
| Group A Depreciation Expense | 750      | 750      | 1,000*   | 1,000    |



|                                        | Jan-2000 | Feb-2000 | Mar-2000 | Apr-2000 |
|----------------------------------------|----------|----------|----------|----------|
| Group A<br>Accumulated<br>Depreciation | 750      | 1,500    | 2,500    | 3,500    |

\* Group A Depreciation Expense in Mar-2000 = Group Asset Cost \* Annual Depreciation Rate / Periods per Year = 40,000 \* 30% / 12 = 1,000

#### Example: Current Period Cost Adjustment - Life Based Method

The following table contains asset setup information used in this example.

##### Asset Information

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Group Asset:     | Group A                 |
| Member Assets:   | Asset 1 Asset 2         |

The following table contains asset setup information used in this example.

##### Group Asset A Setup

| Asset Setup Item           | Asset Setup Information                    |
|----------------------------|--------------------------------------------|
| Depreciation Method:       | Straight Line with Cost Basis Life: 1 Year |
| Group DPIS / Prorate Date: | 01-Jan-2000                                |
| Depreciation Calendar:     | Monthly                                    |

The following table contains asset setup information used in this example.

##### Member Asset 1

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Cost Adjustment: | 10,000                  |

| <b>Asset Setup Item</b>  | <b>Asset Setup Information</b> |
|--------------------------|--------------------------------|
| Period Performed:        | Mar-2000                       |
| Amortization Start Date: | 01-Mar-2000                    |

The table below contains the annual cost and calculated amounts for the group and member assets.

|                                  | <b>Jan-2000</b> | <b>Feb-2000</b> | <b>Mar-2000</b> | <b>Apr-2000</b> |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|
| Asset 1                          | 10,000          | 10,000          | 20,000          | 20,000          |
| Asset 2                          | 20,000          | 20,000          | 20,000          | 20,000          |
| Group A Cost                     | 30,000          | 30,000          | 40,000          | 40,000          |
| Group A Depreciation             | 2,500           | 2,500           | 3,500           | 3,500           |
| Group A Accumulated Depreciation | 2,500           | 5,000           | 8,500           | 12,000          |

Group A Depreciation Expense in Mar-2000 = (Cost - Accumulated Depreciation) / Remaining Life = (40,000 - 5,000) / 10 = 3,500

The journal entries created are as follows:

1. Create Member Asset 1 cost adjustment journal entries in Mar-2000:

| <b>Account Description</b>   | <b>Debit</b> | <b>Credit</b> |
|------------------------------|--------------|---------------|
| Member Asset 1 Cost          | 10,000       |               |
| Member Asset 1 Cost Clearing |              | 10,000        |

2. Create group depreciation expense journal entries in Mar-2000:

| Account Description            | Debit | Credit |
|--------------------------------|-------|--------|
| Group Depreciation Expense     | 3,500 |        |
| Group Accumulated Depreciation |       | 3,500  |

## Prior Period Member Asset Cost Adjustment

When you back date a member asset cost adjustment, it is treated as a prior period amortized adjustment to the group asset. Multiple dated adjustments may occur when member asset cost adjustments are backdated to prior periods.

## Prior Period Member Asset Cost Adjustment - Flat Rate Method

### Example: Prior Period Cost Adjustment - Flat Rate Method

The following table contains asset setup information used in this example.

#### Asset Information

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Group Asset:     | Group A                 |
| Member Assets:   | Asset 1 Asset 2         |

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item     | Asset Setup Information                                                   |
|----------------------|---------------------------------------------------------------------------|
| Depreciation Method: | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost |
| Depreciation Rate:   | 30%                                                                       |

| Asset Setup Item           | Asset Setup Information |
|----------------------------|-------------------------|
| Group DPIS / Prorate Date: | 01-Jan-2000             |
| Depreciation Calendar:     | Monthly                 |

The following table contains asset setup information used in this example.

#### Member Asset 1

| Asset Setup Item         | Asset Setup Information |
|--------------------------|-------------------------|
| Cost Adjustment:         | 10,000                  |
| Period Performed:        | Mar-2000                |
| Amortization Start Date: | 01-Feb-2000             |

The table below contains the annual cost and calculated amounts for the group and member assets.

|                                  | Jan-2000 | Feb-2000 | Mar-2000 | Apr-2000 |
|----------------------------------|----------|----------|----------|----------|
| Asset 1                          | 10,000   | 10,000   | 20,000   | 20,000   |
| Asset 2                          | 20,000   | 20,000   | 20,000   | 20,000   |
| Group A Cost                     | 30,000   | 30,000   | 40,000   | 40,000   |
| Group A Depreciation             | 750      | 750      | 1,250    | 1,000    |
| Group A Accumulated Depreciation | 750      | 1,500    | 2,750    | 3,750    |

Group A Catchup Expense for Feb-2000 =  $40,000 * 30\% / 12 - 750 = 250$

Group A Depreciation Expense in Mar-2000 =  $40,000 * 30\% / 12 = 1,000$

The journal entries created for the group asset depreciation expense in Mar-2000 are as follows:

| Account Description        | Debit | Credit |
|----------------------------|-------|--------|
| Group Depreciation Expense | 1,250 |        |
| Member Asset Cost Clearing |       | 1,250  |

## Transactions: Group Adjustment

There are two types of group asset adjustments that directly impact a group asset, these include the following:

- **Changing the depreciation rules of the group asset:** The list of depreciation rules that can impact a group asset include the following:
  - Depreciate check box
  - Depreciation method
  - Salvage value rule
  - Depreciation limit
  - Super group rule
- **Group Asset Adjustment:** You can make adjustments directly to a group asset by changing the accumulated depreciation amount of the group asset.

## Adjustment for Changing Group Asset Depreciation Rules

You can change the depreciation method of a group asset in the Books window.

## Change Group Asset Depreciation Method

### Example: Depreciation Rate Changed with Flat Rate Method

#### Asset Information

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Group Asset:     | Group A                 |

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b> |
|-------------------------|--------------------------------|
| Member Assets:          | Asset 1 Asset 2                |

The following table contains asset setup information used in this example.

#### **Group Asset A Setup**

| <b>Asset Setup Item</b>    | <b>Asset Setup Information</b>                                                       |
|----------------------------|--------------------------------------------------------------------------------------|
| Group Asset:               | Group A                                                                              |
| Member Assets:             | Asset 1 (Cost: 10,000; dpis: 01-Jan-2000), Asset 2 (Cost: 20,000; dpis: 01-Jan-2000) |
| Depreciation Method:       | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost            |
| Depreciation Rate:         | 30%                                                                                  |
| Group DPIS / Prorate Date: | 01-Jan-2000                                                                          |
| Depreciation Calendar:     | Monthly                                                                              |

The following table contains asset setup information used in this example.

#### **Depreciation Rate Change for Group Asset A**

| <b>Asset Setup Item</b>     | <b>Asset Setup Information</b> |
|-----------------------------|--------------------------------|
| Original Depreciation Rate: | 30%                            |
| Depreciation Rate Change:   | 50%                            |
| Period Performed:           | Mar-2000                       |
| Amortization Start Date:    | 01-Mar-2000                    |

The table below contains the annual cost and calculated amounts for the group and member assets.

|                                  | Jan-2000 | Feb-2000 | Mar-2000 | Apr-2000 |
|----------------------------------|----------|----------|----------|----------|
| Asset 1                          | 10,000   | 10,000   | 10,000   | 10,000   |
| Asset 2                          | 20,000   | 20,000   | 20,000   | 20,000   |
| Group A Cost                     | 30,000   | 30,000   | 30,000   | 30,000   |
| Group A Depreciation             | 750      | 750      | 1,250    | 1,250    |
| Group A Accumulated Depreciation | 750      | 1,500    | 2,750    | 4,000    |

Group A Depreciation Expense in Mar-2000 = Group Asset Cost \* Annual Depreciation Rate / Periods per Year = 30,000 X 50% / 12 = 1,250

## Life Changed with Straight Line Method

### Example: Life Changed with Straight Line Method

The following table contains asset setup information used in this example.

#### Asset Information

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Group Asset:     | Group A                 |
| Member Assets:   | Asset 1 Asset 2         |

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Group Asset:     | Group A                 |

| <b>Asset Setup Item</b>    | <b>Asset Setup Information</b>                                                       |
|----------------------------|--------------------------------------------------------------------------------------|
| Member Assets:             | Asset 1 (cost: 10,000; dpis: 01-Jan-2000), Asset 2 (cost: 20,000; dpis: 01-Jan-2000) |
| Depreciation Method:       | Straight Line with Cost Basis Life: STL 3 years                                      |
| Group DPIS / Prorate Date: | 01-Jan-2000                                                                          |
| Depreciation Calendar:     | Monthly                                                                              |

The following table contains asset setup information used in this example.

#### **Depreciation Method Change for Group Asset A**

| <b>Asset Setup Item</b>                    | <b>Asset Setup Information</b>              |
|--------------------------------------------|---------------------------------------------|
| Original Depreciation Method:              | Straight Line with Cost Basis Life: 3 years |
| Depreciation Method Change / Date Changed: | Straight Line with Cost Basis Life: 5 years |
| Year Performed:                            | FY-2001                                     |
| Amortization Start Date:                   | 01-Jan-2001                                 |

The table below contains the annual cost and calculated amounts for the group and member assets.

|                      | <b>FY-2000</b> | <b>FY-2001</b> | <b>FY-2002</b> | <b>FY-2003</b> |
|----------------------|----------------|----------------|----------------|----------------|
| Asset 1              | 10,000         | 10,000         | 10,000         | 10,000         |
| Asset 2              | 20,000         | 20,000         | 20,000         | 20,000         |
| Group A Cost         | 30,000         | 30,000         | 30,000         | 30,000         |
| Group A Depreciation | 10,000         | 5,000          | 5,000          | 5,000          |



|                                        | <b>FY-2000</b> | <b>FY-2001</b> | <b>FY-2002</b> | <b>FY-2003</b> |
|----------------------------------------|----------------|----------------|----------------|----------------|
| Group A<br>Accumulated<br>Depreciation | 10,000         | 15,000         | 20,000         | 25,000         |

Group A Depreciation Expense in FY 2001 = (Cost - Accumulated Depreciation) /  
Remaining Life = (30,000 - 10,000) / 4 = 5,000

## Method Changed From Flat Rate to Straight Line

### Example: Method Changed From Flat Rate to Straight Line

The following table contains asset setup information used in this example.

#### Asset Information

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b> |
|-------------------------|--------------------------------|
| Group Asset:            | Group A                        |
| Member Assets:          | Asset 1 Asset 2                |

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| <b>Asset Setup Item</b>    | <b>Asset Setup Information</b>                                            |
|----------------------------|---------------------------------------------------------------------------|
| Depreciation Method:       | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost |
| Depreciation Rate:         | 20%                                                                       |
| Group DPIS / Prorate Date: | 01-Jan-2000                                                               |
| Depreciation Calendar:     | Monthly                                                                   |

The following table contains asset setup information used in this example.

**Member Asset 1 Setup**

| <b>Asset Setup Item</b>     | <b>Asset Setup Information</b> |
|-----------------------------|--------------------------------|
| Cost Added:                 | 10,000                         |
| Date Added to Group Asset A | 01-Jan-2000                    |
| Date Place in Service:      | 01-Jan-2000                    |

**Member Asset 2 Setup**

| <b>Asset Setup Item</b>     | <b>Asset Setup Information</b> |
|-----------------------------|--------------------------------|
| Cost Added:                 | 20,000                         |
| Date Added to Group Asset A | 01-Jan-2000                    |
| Date Place in Service:      | 01-Jan-2000                    |

The following table contains asset setup information used in this example.

**Depreciation Method Change for Group Asset A**

| <b>Asset Setup Item</b>       | <b>Asset Setup Information</b>                                                      |
|-------------------------------|-------------------------------------------------------------------------------------|
| Original Depreciation Method: | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost Rate: 20% |
| Depreciation Method Change    | Changed to Straight Line (STL) Life: 4 Year                                         |
| Year Performed:               | FY-2002                                                                             |
| Amortization Start Date:      | 01-Jan-2002                                                                         |

The table below contains the annual cost and calculated amounts for the group and member assets.

|                                  | FY-2000 | FY-2001 | FY-2002 | FY-2003 |
|----------------------------------|---------|---------|---------|---------|
| Asset 1                          | 10,000  | 10,000  | 10,000  | 10,000  |
| Asset 2                          | 20,000  | 20,000  | 20,000  | 20,000  |
| Group A Cost                     | 30,000  | 30,000  | 30,000  | 30,000  |
| Group A Depreciation             | 6,000   | 6,000   | 9,000   | 9,000   |
| Group A Accumulated Depreciation | 6,000   | 12,000  | 21,000  | 30,000  |

Group A Depreciation Expense in FY 2002 = (Cost - Accumulated Depreciation) / Remaining Life = (30,000 - 12,000) / 2 = 9,000

Group A four year life begins 01/01/2000, and becomes fully reserved at the end of 2003.

## Changing Group Asset Salvage Value

You can calculate the group asset salvage value by using the following methods:

- **Percentage:** You can enter a salvage value percentage for the group asset. The salvage value is calculated using the following formula:

Group Asset Salvage Value = Group Asset Salvage Value Percentage \* Aggregated Group Cost.

When you change the salvage value of any member asset, it has no effect on the group asset salvage value.

- **Sum of Member Asset:** The group asset salvage value is equal to the sum of all member asset salvage values.

Group Asset Salvage Value = Sum of all Member Asset Salvage Values

Changing the salvage value of a member asset will result in the group asset changing by the same amount.

### Example: Salvage Value Change of Group Asset A - Percentage

The following table contains asset setup information used in this example.

Group Asset Salvage Value = 5%

| Asset         | Date Placed in Service | Cost   | Salvage Value |
|---------------|------------------------|--------|---------------|
| Asset 1       | 01/01/2000             | 10,000 | 2,000         |
| Asset 2       | 01/01/2000             | 20,000 | 3,000         |
| Group Asset A | 01/01/2000             | 30,000 | 1,500         |

Group A Salvage Value = 5% X 30,000 = 1,500

The following table contains asset setup information used in this example.

**Changing Group A Salvage Value Percent**

| Asset Setup Item          | Asset Setup Information             |
|---------------------------|-------------------------------------|
| Salvage Value Percentage: | Change Group A Salvage Value to 10% |
| Period Performed:         | 01-Mar-2000                         |
| Amortization Date:        | 01-Mar-2000                         |
| Group A Salvage Value:    | 3,000                               |

**Example: Salvage Value Change of Member Asset 1 - Sum of Member Asset**

The following table contains asset setup information used in this example.

| Asset         | Date Placed in Service | Cost   | Salvage Value |
|---------------|------------------------|--------|---------------|
| Asset 1       | 01/01/2000             | 10,000 | 4,000         |
| Asset 2       | 01/01/2000             | 20,000 | 1,000         |
| Group Asset A | 01/01/2000             | 30,000 | 5,000         |

Group A Salvage Value = 4,000 + 1,000 = 5,000

The following table contains asset setup information used in this example.

### Changing Asset 1 Salvage Value Amount

| Asset Setup Item       | Asset Setup Information               |
|------------------------|---------------------------------------|
| Salvage Value:         | Change Asset 1 Salvage Value to 2,000 |
| Period Performed:      | 01-Mar-2000                           |
| Amortization Date:     | 01-Mar-2000                           |
| Group A Salvage Value: | 3,000                                 |

### Example: Salvage Value Change from Group Asset Percentage to Sum of Member Asset

The following table contains asset setup information used in this example.

#### Group Asset Salvage Value = 5%

| Asset         | Date Placed in Service | Cost   | Salvage Value |
|---------------|------------------------|--------|---------------|
| Asset 1       | 01/01/2000             | 10,000 | 2,000         |
| Asset 2       | 01/01/2000             | 20,000 | 1,000         |
| Group Asset A | 01/01/2000             | 30,000 | 1,500         |

Group A Salvage Value = 5% X 30,000 = 1,500

The following table contains asset setup information used in this example.

### Changing Group A Salvage Value Type

| Asset Setup Item   | Asset Setup Information                                   |
|--------------------|-----------------------------------------------------------|
| Salvage Value:     | Change Group A Salvage Value Type to Sum of Member Assets |
| Period Performed:  | 01-Mar-2000                                               |
| Amortization Date: | 01-Mar-2000                                               |

| Asset Setup Item       | Asset Setup Information |
|------------------------|-------------------------|
| Group A Salvage Value: | 3,000                   |

## Group Assets Adjustment

### Transfer Reserve

A transfer reserve allows you to move part of the accumulated depreciation from one group asset to another, and is treated as a current period amortized adjustment. When you select the **TransfersReserve** button, a dialog box prompts you to enter the transfer amount and the receiving group asset. When you enter these values and select the **Done** button, the following journals are created for the current period:

| Account Description                            | Debit | Credit |
|------------------------------------------------|-------|--------|
| Source Group Asset<br>Accumulated Depreciation | xxxx  |        |
| Target Group Asset<br>Accumulated Depreciation |       | xxxx   |

### Unplanned Depreciation

You can enter an unplanned depreciation amount for a group asset using the **Asset Workbench**. An unplanned depreciation adjustment is treated as a current period amortized adjustment. Unplanned depreciation is available if the group asset is depreciating with the **Flat Rate** depreciation method.

When you select the **Unplanned Depreciation** button, a dialog box prompts you to select a type and enter an amount. When you enter these values and select the **Done** button, the following journals are created:

| Account Description                     | Debit | Credit |
|-----------------------------------------|-------|--------|
| Group Asset Depreciation<br>Expense     | xxxx  |        |
| Group Asset Accumulated<br>Depreciation |       | xxxx   |

**Note:** Unplanned Depreciation is entered at the group asset level.

## Adjust Retirement

For project related assets, it may be more convenient to enter the cost of removal and proceeds of sale against the group, rather than apportioning the amounts to the individual member assets. Also, at the time of the individual asset retirements, the costs of removal and proceeds of sales are not always known. This requires entering the cost of removal and proceeds of sale directly to the group asset, independent of any retirement transactions.

**Note:** You cannot enter the cost of removal and proceeds of sale directly to a group asset in the period it was added.

To enter the cost of removal and proceeds of sale directly to the group asset, select the Adjust Retirement button. In the resulting dialog box, enter the cost of removal and proceeds of sale for the group asset, and select the Done button. The following journal entries are created:

| Account Description                  | Debit              | Credit            |
|--------------------------------------|--------------------|-------------------|
| Group Asset Accumulated Depreciation | <Cost of Removal>  |                   |
| Cost of Removal                      |                    | <Cost of Removal> |
| Proceeds of Sale                     | <Proceeds of Sale> |                   |
| Group Asset Accumulated Depreciation |                    | <Cost of Removal> |

## Reserve Adjustments

While in the first period of the asset's life, you may enter or adjust the group asset accumulated depreciation balance on the books window, after a member asset has been assigned to the group asset. However, no journal entries will result from this reserve adjustment. This functionality is intended, and provided to facilitate migration from legacy systems. If you have enabled the member asset tracking selection for the group asset, you cannot enter a or update the accumulated depreciation for the group asset.

## Super Groups

The Super Group function is designed to assist compliance with the telecommunication

industry regulations that specify classifying group assets together.

You can use the Super Group function to override depreciation rules, including the depreciation methods, depreciation rates, and depreciation limit, on a group asset. The depreciation expense of each group asset is tracked and stored individually.

## Set Up Super Groups

### To set up super groups in the Super Groups window:

1. Navigate to the Super Groups window.
2. In the Name field, enter a name for the super group.
3. In the Description field, enter a description for the super group.
4. Check the Enabled check box to enable the super group.
5. In the Book field, enter the name of the corporate or tax book of the super group.
6. In the Periods From fields, enter the range of periods in which the depreciation method and depreciation limit rules are effective. You can specify as many depreciation rule ranges of as you wish. If you do not enter an end date, Oracle Assets will use the entered set of depreciation rules indefinitely.

You can add a new range of valid depreciation rules by entering an end period for the current record, saving, and then enter a new range of valid depreciation rules.

7. Enter the depreciation method, basis, and adjusted rates. You can only enter a depreciation method that has a method type of Flat and a calculation basis of Cost.
8. Enter a depreciation limit percentage in the Depreciation Limit field. You can enter a positive or a negative depreciation limit.

You can assign a super group to a group asset in the Advanced Rules tabbed region of the Books window. You can only assign a super group to one group asset within an asset book. When you assign a super group to a group asset, the group asset depreciation expense is calculated using the depreciation method and rules specified for the super group. The group asset depreciation expense is calculated according to the following formula:

$$\text{Group Asset Depreciation} = \text{Group Asset Cost} * \text{Super Group Annual Depreciation Rate} / \text{Periods per Year}$$

The group asset depreciation amount is limited by the depreciation limit percentage that you entered during the setup of the super group.



## Transactions: Group Reclassification

A group reclassification occurs when you change the group membership of an asset using the Asset Workbench. The group asset membership is changed when you modify the group asset field, which is found in the Group Asset tabbed region in the Books window.

A group reclassification occur in the following scenarios:

- Add a standalone asset into a group asset
- Transfer a member asset from a source group asset to a target group asset (transfer between group assets)
- Remove a member asset from a group asset

Oracle Assets provides the following two ways to process a group reclassification:

- Asset Workbench
- Mass Change

All group reclassifications of member assets are treated as amortized adjustments to the group asset, and you cannot backdate the group reclassification prior to the last group reclassification date or the last retirement transaction you have performed on this asset.

To transfer a member asset between source group assets, both group assets must have member asset tracking enabled. You cannot transfer a member asset from a source group asset containing member asset without tracking enabled, to a destination group asset with member asset tracking enabled.

You must check the Allow Intercompany Member Asset Assignment check box on the Book Controls window to transfer a member asset between group assets with different balancing segment values.

## Transfer Types - Calculate and Enter

### Transfer Type - Calculate

When you use the Calculate transfer type, the system will calculate the group reclassification based on the group amortization start date entered. The date in the Group Amortization Start Date field is defaulted to the date placed in service of the member asset. You can update the group amortization start date to any date from the current period date to its date placed in service.

### Calculate Prior Period Group Amortization Start Date

When a prior period date is entered as the group amortization start date, the transaction is treated as a backdated group reclassification. This requires calculating the

depreciation expense for the prior periods, and making the appropriate adjustments to the source and destination group assets.

When you make a prior period group reclassification, the system subtracts the depreciation expense from the source group asset and adds a depreciation adjustment expense, or catchup expense, to the destination group asset. This ensures that the financial impact of having the member asset in the wrong group has been reversed.

The journal entries created are as follows:

| Account Description                        | Debit                            | Credit                           |
|--------------------------------------------|----------------------------------|----------------------------------|
| Source Group Accumulated Depreciation      | <Source Group Depreciation>      |                                  |
| Source Group Depreciation Expense          |                                  | <Source Group Depreciation>      |
| Destination Group Depreciation Expense     | <Destination Group Depreciation> |                                  |
| Destination Group Accumulated Depreciation |                                  | <Destination Group Depreciation> |

The destination group asset depreciation expense is calculated using the destination group asset depreciation method. The amount is added to the destination group asset accumulated depreciation balance. This type of transfer is treated as a back dated amortized adjustments for both the source and destination group assets.

### Example: Transfer Type Calculate - Between Groups

#### Asset Information

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item | Asset Setup Information                                                     |
|------------------|-----------------------------------------------------------------------------|
| Group Asset:     | Group A                                                                     |
| Member Assets:   | Asset 1 (Cost: 30,000; DPIS: Q3-2000) Asset 2 (Cost: 20,000; DPIS: Q3-2000) |

| <b>Asset Setup Item</b>    | <b>Asset Setup Information</b>                                            |
|----------------------------|---------------------------------------------------------------------------|
| Depreciation Method:       | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost |
| Depreciation Rate:         | 20%                                                                       |
| Group DPIS / Prorate Date: | 01-Jan-2000                                                               |
| Depreciation Calendar:     | Quarterly                                                                 |

The following table contains asset setup information used in this example.

#### **Group Asset B Setup**

| <b>Asset Setup Item</b>    | <b>Asset Setup Information</b>                                                 |
|----------------------------|--------------------------------------------------------------------------------|
| Group Asset:               | Group B                                                                        |
| Member Assets:             | Asset 3 (Cost: 50,000; DPIS: Q1-2000) Asset 4<br>(Cost: 30,000; DPIS: Q1-2000) |
| Depreciation Method:       | Straight Line 2 Years                                                          |
| Group DPIS / Prorate Date: | 01-Jan-2000                                                                    |
| Depreciation Calendar:     | Quarterly                                                                      |

The following table contains asset setup information used in this example.

#### **Group Reclassification**

| <b>Asset Setup Item</b>        | <b>Asset Setup Information</b>           |
|--------------------------------|------------------------------------------|
| Group Reclassification:        | Transfer Asset 1 from Group A to Group B |
| Period Performed:              | Q1-2001                                  |
| Group Amortization Start Date: | Q3-2000                                  |

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Transfer Type:   | Calculate               |

The table below contains the quarterly cost and calculated amounts for Group Asset A.

| Calendar Period | Cost   | Depreciation | Accumulated Depreciation |
|-----------------|--------|--------------|--------------------------|
| Q1-2000         | -      | -            | -                        |
| Q2-2000         | -      | -            | -                        |
| Q3-2000         | 50,000 | 2,500        | 2,500                    |
| Q4-2000         | 50,000 | 2,500        | 5,000                    |
| Q1-2001         | 20,000 | <2,000>      | 3,000                    |
| Q2-2001         | 20,000 | 1,000        | 4,000                    |
| Q3-2001         | 20,000 | 1,000        | 5,000                    |
| Q4-2001         | 20,000 | 1,000        | 6,000                    |

The table below contains the quarterly cost and calculated amounts for Group Asset B.

#### Group Asset B

| Calendar Period | Cost   | Depreciation | Accumulated Depreciation |
|-----------------|--------|--------------|--------------------------|
| Q1-2000         | 80,000 | 10,000       | 10,000                   |
| Q2-2000         | 80,000 | 10,000       | 20,000                   |
| Q3-2000         | 80,000 | 10,000       | 30,000                   |
| Q4-2000         | 80,000 | 10,000       | 40,000                   |

| Calendar Period | Cost    | Depreciation | Accumulated Depreciation |
|-----------------|---------|--------------|--------------------------|
| Q1-2001         | 110,000 | 25,000       | 65,000                   |
| Q2-2001         | 110,000 | 15,000       | 80,000                   |
| Q3-2001         | 110,000 | 15,000       | 95,000                   |
| Q4-2001         | 110,000 | 15,000       | 110,000                  |

In Q1-2001, depreciation is calculated as follows:

Group A

Periodic Depreciation + Catchup Expense Up to Q3-2000

$$= [(50,000 - 20,000) * 20\% / 4] + [(50,000 - 20,000) * 20\% / 4 * 2 - (2,500 + 2,500)] = <2,000>$$

Group B Periodic Depreciation + Catchup Expense up to Q3-2000

$$= [(110,000 - 20,000) / 6] + [(110,000 - 20,000) / 6 * 2 - (10,000 + 10,000)] = 25,000$$

The system creates journal entries in Q1-2001 as follows:

| Account Description              | Debit  | Credit |
|----------------------------------|--------|--------|
| Group A Accumulated Depreciation | 2,000  |        |
| Group A Depreciation Expense     |        | 2,000  |
| Group B Depreciation Expense     | 25,000 |        |
| Group B Accumulated Depreciation |        | 25,000 |

#### Add a Standalone Asset

When you add a standalone asset into a group asset, the system uses the group asset amortization start date to calculate any required catchup expenses. The catchup expense for a standalone asset is calculated using the depreciation method of the standalone asset. It is deducted from the standalone asset accumulated depreciation balance before it is added to a group asset. The remaining accumulated depreciation balance of the

standalone asset is added to the group asset when it becomes a member asset. Also, the cost of the member asset is added to the cost of the group asset.

The catchup depreciation expense is calculated using the group asset depreciation method. The catchup depreciation amount is added to the group asset accumulated depreciation balance in the current period of the transfer. This type of transfer is treated as a backdated amortized adjustment to the group asset.

The table below contains the annual cost and calculated amounts for the group and member assets.

### Example: Transfer Type Calculate - Add A Standalone Asset Into A Group Asset

The following table contains asset setup information used in this example.

#### Standalone Asset 1 Setup

| Asset Setup Item       | Asset Setup Information                                                          |
|------------------------|----------------------------------------------------------------------------------|
| Asset:                 | Asset 1 (Cost: 20,000; DPIS: Q3-2000)                                            |
| Depreciation Method:   | Flat Rate of 20% with Cost Basis Depreciable<br>Basis Rule: Use Recoverable Cost |
| Depreciation Calendar: | Quarterly                                                                        |

The following table contains asset setup information used in this example.

#### Group Asset B Setup

| Asset Setup Item       | Asset Setup Information                                                         |
|------------------------|---------------------------------------------------------------------------------|
| Group Asset:           | Group B                                                                         |
| Member Assets:         | Asset 3 (Cost: 50,000; DPIS: Q1-2000), Asset 4<br>(Cost: 30,000; DPIS: Q1-2000) |
| Depreciation Method:   | Straight Line 2 years                                                           |
| Depreciation Calendar: | Quarterly                                                                       |

The following table contains asset setup information used in this example.

### Group Reclassification

| Asset Setup Item              | Asset Setup Information |
|-------------------------------|-------------------------|
| Group Reclassification:       | Add Asset 1 to Group B  |
| Period Performed:             | Q1-2001                 |
| Group Amortization Start Date | Q4-2000                 |
| Transfer Type:                | Calculate               |

The table below contains the quarterly cost and calculated amounts for Asset 1.

### Member Asset 1

| Calendar Period | Cost   | Depreciation | Accumulated Depreciation |
|-----------------|--------|--------------|--------------------------|
| Q1-2000         | -      | -            | -                        |
| Q2-2000         | -      | -            | -                        |
| Q3-2000         | 20,000 | 1,000        | 1,000                    |
| Q4-2000         | 20,000 | 1,000        | 2,000                    |
| Q1-2001         | 20,000 | <1,000>      | 0                        |
| Q3-2001         | 20,000 | -            | 0                        |
| Q4-2001         | 20,000 | -            | 0                        |

The table below contains the quarterly cost and calculated amounts for Group Asset B.

### Group Asset B

| Calendar Period | Cost   | Depreciation | Accumulated Depreciation |
|-----------------|--------|--------------|--------------------------|
| Q1-2000         | 80,000 | 10,000       | 10,000                   |

| Calendar Period | Cost    | Depreciation | Accumulated Depreciation |
|-----------------|---------|--------------|--------------------------|
| Q2-2000         | 80,000  | 10,000       | 20,000                   |
| Q3-2000         | 80,000  | 10,000       | 30,000                   |
| Q4-2000         | 80,000  | 10,000       | 40,000                   |
| Q1-2001         | 100,000 | 17,600       | 58,600                   |
| Q2-2001         | 100,000 | 13,800       | 72,400                   |
| Q3-2001         | 100,000 | 13,800       | 86,200                   |
| Q4-2001         | 100,000 | 13,800       | 100,000                  |

In Q1-2001, Group Reclassification is calculated as follows:

Asset 1 Catch Up Expense =  $-20,000 * 20\% / 4 = <1,000>$

Asset 1 Accumulated Depreciation Transferred to Group B =  $2,000 - 1,000 = 1,000$

Group B Depreciation = Periodic Depreciation + Catchup Expense for Q4-2000 =  $[(100,000 - 30,000 - 1,000) / 5] + [(100,000 - 30,000 - 1,000) / 5 - 10,000] = 18,000$

The system creates journal entries in Q1-2001 as follows:

| Account Description              | Debit | Credit |
|----------------------------------|-------|--------|
| Asset 1 Accumulated Depreciation | 1,000 |        |
| Asset 1 Depreciation Expense     |       | 1,000  |

| Account Description              | Debit | Credit |
|----------------------------------|-------|--------|
| Asset 1 Accumulated Depreciation | 1,000 |        |
| Group B Accumulated Depreciation |       | 1,000  |



| <b>Account Description</b>       | <b>Debit</b> | <b>Credit</b> |
|----------------------------------|--------------|---------------|
| Group B Depreciation Expense     | 17,600       |               |
| Group B Accumulated Depreciation |              | 17,600        |

If Asset 1 and Group Asset B have different balancing segment values, and you enabled allow intercompany member asset assignments, Oracle Assets creates intercompany balancing journal entries for Q1-2001 as follows:

| <b>Account Description</b>                  | <b>Debit</b> | <b>Credit</b> |
|---------------------------------------------|--------------|---------------|
| Company 01 Asset 1 Accumulated Depreciation | 1,000        |               |
| Company 01 Asset 1 Depreciation Expense     |              | 1,000         |

| <b>Account Description</b>                  | <b>Debit</b> | <b>Credit</b> |
|---------------------------------------------|--------------|---------------|
| Company 01 Asset 1 Accumulated Depreciation | 1,000        |               |
| Company 02 Group B Accumulated Depreciation |              | 1,000         |

| <b>Account Description</b>                  | <b>Debit</b> | <b>Credit</b> |
|---------------------------------------------|--------------|---------------|
| Company 02 Group B Depreciation Expense     | 17,600       |               |
| Company 02 Group B Accumulated Depreciation |              | 17,600        |

| Account Description           | Debit | Credit |
|-------------------------------|-------|--------|
| Company 02 Intercompany<br>AR | 1,000 |        |
| Company 01 Intercompany<br>AP |       | 1,000  |

### Transfer a Member Asset out of a Group Asset

When you remove the group assignment of a member asset (removing the member asset from the group), the group amortization start date is generally defaulted to the date placed in service of the member asset. However, if the member asset has already performed a group reclassification, the group amortization start date will default to the last group reclassification amortization start date.

You cannot backdate a group reclassification transaction for a member asset before its last group reclassification amortization start date or its last retirement date.

All group reclassifications of member assets are treated as amortized adjustments to the member and the group asset. You cannot perform an expensed adjustment for a standalone asset if it was formerly a member asset, which experienced amortized adjustments while part of a group asset.

### Example: Transfer Type Calculate - Remove a Member Asset from Group Asset

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item       | Asset Setup Information                                                      |
|------------------------|------------------------------------------------------------------------------|
| Group Asset:           | Group A                                                                      |
| Member Assets:         | Asset 1 (cost: 20,000; dpis: Q1-2000), Asset 2 (cost: 30,000; dpis: Q3-2000) |
| Depreciation Method:   | Straight Line 2 years                                                        |
| Depreciation Calendar: | Quarterly                                                                    |

The following table contains asset setup information used in this example.

### Member Asset 2 Setup

| Asset Setup Item       | Asset Setup Information               |
|------------------------|---------------------------------------|
| Asset:                 | Asset 2 (cost: 20,000; dpis: Q3-2000) |
| Depreciation Method:   | Straight Line 3 years                 |
| Depreciation Calendar: | Quarterly                             |

The following table contains asset setup information used in this example.

### Group Reclassification

| Asset Setup Item               | Asset Setup Information                     |
|--------------------------------|---------------------------------------------|
| Group Reclassification:        | Remove Asset 2 from Group B                 |
| Period Performed:              | Q1-2001                                     |
| Group Amortization Start Date: | Q3-2000 (Restricted to the DPIS of Asset 2) |
| Transfer Type:                 | Calculate                                   |

The table below contains the quarterly cost and calculated amounts for Group Asset A.

### Group Asset A

| Calendar Period | Cost   | Depreciation | Accumulated Depreciation |
|-----------------|--------|--------------|--------------------------|
| Q1-2000         | 20,000 | 2,500        | 2,500                    |
| Q2-2000         | 20,000 | 2,500        | 5,000                    |
| Q3-2000         | 50,000 | 7,500        | 12,500                   |
| Q4-2000         | 50,000 | 7,500        | 20,000                   |
| Q1-2001         | 20,000 | <7,500>      | 12,500                   |

| Calendar Period | Cost   | Depreciation | Accumulated Depreciation |
|-----------------|--------|--------------|--------------------------|
| Q2-2001         | 20,000 | 2,500        | 15,000                   |
| Q3-2001         | 20,000 | 2,500        | 17,500                   |
| Q4-2001         | 20,000 | 2,500        | 20,000                   |

The table below contains the quarterly cost and calculated amounts for Asset 2.

#### Asset 2

| Calendar Period | Cost   | Depreciation | Accumulated Depreciation |
|-----------------|--------|--------------|--------------------------|
| Q1-2000         | -      | -            | -                        |
| Q2-2000         | -      | -            | -                        |
| Q3-2000         | 30,000 | -            | 0                        |
| Q4-2000         | 30,000 | -            | 0                        |
| Q1-2001         | 30,000 | 7,500        | 7,500                    |
| Q2-2001         | 30,000 | 2,500        | 10,000                   |
| Q3-2001         | 30,000 | 2,500        | 12,500                   |
| Q4-2001         | 30,000 | 2,500        | 15,000                   |

In Q1-2001, depreciation is calculated as follows:

Group A Depreciation = Periodic Depreciation + Catchup Expense for Q1-2000 =  
 $[(20,000 - 5,000) / 6] + [(20,000 - 5,000) / 6 * 2 - (7,500 + 7,500)] = <7,500>$

Asset 2 Depreciation =  $30,000 / 12 * 3 = 7,500$

The system creates journal entries in Q1-2001 as follows:

| Account Description              | Debit | Credit |
|----------------------------------|-------|--------|
| Group A Accumulated Depreciation | 7,500 |        |
| Group A Depreciation Expense     |       | 7,500  |

| Account Description              | Debit | Credit |
|----------------------------------|-------|--------|
| Asset 2 Depreciation Expense     | 7,500 |        |
| Asset 2 Accumulated Depreciation |       | 7,500  |

#### Calculate - Current Period Group Amortization Start Date

When the group amortization start date is in the current period, the transaction results in a current period transfer of accumulated depreciation. There is no need to adjust depreciation amounts that have already been taken for the member asset or the group asset. The transfer is processed in the current period by removing the calculated accumulated depreciation amount from the source group asset, and adding it to the accumulated depreciation balance of the destination group asset. The journal entries created are as follows:

Source

| Account Description            | Debit                       | Credit                      |
|--------------------------------|-----------------------------|-----------------------------|
| Group Accumulated Depreciation | <Source Group Depreciation> |                             |
| Group Depreciation Expense     |                             | <Source Group Depreciation> |

Destination

| Account Description            | Debit                            | Credit                           |
|--------------------------------|----------------------------------|----------------------------------|
| Group Depreciation Expense     | <Destination Group Depreciation> |                                  |
| Group Accumulated Depreciation |                                  | <Destination Group Depreciation> |

### Example: Transfer Type Calculate - Between Groups

The following table contains asset setup information used in this example.

#### Asset A Setup

| Asset Setup Item       | Asset Setup Information                                                       |
|------------------------|-------------------------------------------------------------------------------|
| Group Asset:           | Group A                                                                       |
| Member Assets:         | Asset 1 (cost: 20,000; dpis: Q1-2000) Asset 2 (cost: 20,000; dpis: Q1-2000)   |
| Depreciation Method:   | Flat Rate of 20% with Cost Basis Depreciable Basis Rule: Use Recoverable Cost |
| Depreciation Calendar: | Quarterly                                                                     |

The following table contains asset setup information used in this example.

#### Asset B Setup

| Asset Setup Item       | Asset Setup Information                                                      |
|------------------------|------------------------------------------------------------------------------|
| Group Asset:           | Group B                                                                      |
| Member Assets:         | Asset 3 (cost: 50,000; dpis: Q1-2000), Asset 4 (cost: 30,000; dpis: Q1-2000) |
| Depreciation Method:   | Straight Line 2 years                                                        |
| Depreciation Calendar: | Quarterly                                                                    |

The following table contains asset setup information used in this example.

#### Group Reclassification

| Asset Setup Item               | Asset Setup Information                  |
|--------------------------------|------------------------------------------|
| Group Reclassification:        | Transfer Asset 1 from Group A to Group B |
| Period Performed:              | Q1-2001                                  |
| Group Amortization Start Date: | Q1-2001                                  |
| Transfer Type:                 | Calculate                                |

The table below contains the quarterly cost and calculated amounts for Group Asset A.

#### Group Asset A

| Calendar Period | Cost   | Depreciation | Accumulated Depreciation |
|-----------------|--------|--------------|--------------------------|
| Q1-2000         | 40,000 | 2,000        | 2,000                    |
| Q2-2000         | 40,000 | 2,000        | 4,000                    |
| Q3-2000         | 40,000 | 2,000        | 6,000                    |
| Q4-2000         | 40,000 | 2,000        | 8,000                    |
| Q1-2001         | 20,000 | 1,000        | 5,000                    |
| Q2-2001         | 20,000 | 1,000        | 6,000                    |
| Q3-2001         | 20,000 | 1,000        | 7,000                    |
| Q4-2001         | 20,000 | 1,000        | 8,000                    |

The table below contains the quarterly cost and calculated amounts for Group Asset B.

#### Group Asset B

| Calendar Period | Cost    | Depreciation | Accumulated Depreciation |
|-----------------|---------|--------------|--------------------------|
| Q1-2000         | 80,000  | 10,000       | 10,000                   |
| Q2-2000         | 80,000  | 10,000       | 20,000                   |
| Q3-2000         | 80,000  | 10,000       | 30,000                   |
| Q4-2000         | 80,000  | 10,000       | 40,000                   |
| Q1-2001         | 100,000 | 14,000       | 58,000                   |
| Q2-2001         | 100,000 | 14,000       | 72,000                   |
| Q3-2001         | 100,000 | 14,000       | 86,000                   |
| Q4-2001         | 100,000 | 14,000       | 100,000                  |

In Q1-2001, Group Reclassification is calculated as follows:

Member Asset 1 Accumulated Depreciation Transferred Out =  $(40,000 - 20,000) * 20\% / 4 * 4 = 4,000$

Group Asset A Depreciation Expense =  $\text{New Cost} * \text{Annual Depreciation Rate} / \text{Periods per Year} = (40,000 - 20,000) * 20\% / 4 = 1,000$

Group Asset B Depreciation Expense =  $(\text{New Cost} - \text{Recalculated Accumulated Depreciation}) / \text{Remaining Life} = [(80,000 + 20,000) - 4,000 - 40,000] / 4 = 14,000$

The system creates journal entries in Q1-2001 as follows:

Group Reclassification:

| Account Description              | Debit | Credit |
|----------------------------------|-------|--------|
| Group A Accumulated Depreciation | 4,000 |        |
| Group B Depreciation Expense     |       | 4,000  |

Periodic Depreciation:



| Account Description              | Debit  | Credit |
|----------------------------------|--------|--------|
| Group A Depreciation Expense     | 1,000  |        |
| Group A Accumulated Depreciation |        | 1,000  |
| Group B Depreciation Expense     | 14,000 |        |
| Group B Accumulated Depreciation |        | 14,000 |

## Transfer Type - Enter

If you use a transfer type of Enter, you must manually enter the accumulated depreciation amount you wish to transfer. You may enter the transfer accumulated depreciation amount on the Depreciation Reserve field in the Group Asset tabbed region on the Books form.

You can optionally enter the Source Prior Year Reserve and Destination Prior Year Reserve amounts if the transfer type is Enter. These Prior Year Reserve amounts are used to calculate the depreciation expenses if you have a depreciation method with NBV as the calculation basis. However, they do not impact depreciation calculation if your depreciation method is Cost basis.

Transfers with a type of Enter can only include accumulated depreciation amounts, and are always treated as current period transfers. No adjustments are made to the depreciation expense already taken for the member or group asset. Oracle Assets simply transfers the accumulated depreciation amount you entered.

For example, a current period transfer is processed when the manually entered accumulated depreciation amount is removed from the source group asset and added to the destination group asset. The resulting journal entries are as follows:

| Account Description                        | Debit                      | Credit                    |
|--------------------------------------------|----------------------------|---------------------------|
| Source Group Accumulated Depreciation      | < Entered Transfer Amount> |                           |
| Destination Group Accumulated Depreciation |                            | <Entered Transfer Amount> |

## Validation / Restriction on Entered Reserve amount

- When removing a member asset out of a group, the entered reserve amount is limited to the recoverable cost of the member asset removed from the group.
- The member asset recoverable cost is calculated according to the following formula:  
Member Asset Recoverable Cost = Member Asset Cost - Member Asset Salvage Value
- When adding a standalone asset into a group, the Enter transfer type is disallowed.

## A. Example: Transfer Type Enter - Between Groups

The following table contains asset setup information used in this example.

### Asset A Setup

| Asset Setup Item       | Asset Setup Information                                                       |
|------------------------|-------------------------------------------------------------------------------|
| Group Asset:           | Group A                                                                       |
| Member Assets:         | Asset 1 (cost: 20,000; dpis: Q1-2000), Asset 2 (cost: 20,000; dpis: Q1-2000)  |
| Depreciation Method:   | Flat Rate of 20% with cost basis Depreciable Basis Rule: Use Recoverable Cost |
| Depreciation Calendar: | Quarterly                                                                     |

The following table contains asset setup information used in this example.

### Asset B Setup

| Asset Setup Item     | Asset Setup Information                                                       |
|----------------------|-------------------------------------------------------------------------------|
| Group Asset:         | Group B                                                                       |
| Member Assets:       | Asset 3 (cost: 50,000; dpis: Q1-2000), Asset 4 (cost: 30,000; dpis: Q1-2000)  |
| Depreciation Method: | Flat Rate of 50% with cost basis Depreciable Basis Rule: Use Recoverable Cost |

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b> |
|-------------------------|--------------------------------|
| Depreciation Calendar:  | Quarterly                      |

The following table contains asset setup information used in this example.

#### Group Reclassification

| <b>Asset Setup Item</b>   | <b>Asset Setup Information</b>           |
|---------------------------|------------------------------------------|
| Group Reclassification:   | Transfer Asset 1 from Group A to Group B |
| Period Performed:         | Q1-2001                                  |
| Transfer Type:            | Enter                                    |
| Accumulated Depreciation: | 2,000                                    |

The table below contains the quarterly cost and calculated amounts for Group Asset A.

#### Group Asset A

| <b>Calendar Period</b> | <b>Cost</b> | <b>Depreciation</b> | <b>Accumulated Depreciation</b> |
|------------------------|-------------|---------------------|---------------------------------|
| Q1-2000                | 40,000      | 2,000               | 2,000                           |
| Q2-2000                | 40,000      | 2,000               | 4,000                           |
| Q3-2000                | 40,000      | 2,000               | 6,000                           |
| Q4-2000                | 40,000      | 2,000               | 8,000                           |
| Q1-2001                | 20,000      | 1,000               | 7,000                           |
| Q2-2001                | 20,000      | 1,000               | 8,000                           |
| Q3-2001                | 20,000      | 1,000               | 9,000                           |
| Q4-2001                | 20,000      | 1,000               | 10,000                          |

The table below contains the quarterly cost and calculated amounts for Group Asset B.

**Group Asset B**

| <b>Calendar Period</b> | <b>Cost</b> | <b>Depreciation</b> | <b>Accumulated Depreciation</b> |
|------------------------|-------------|---------------------|---------------------------------|
| Q1-2000                | 80,000      | 10,000              | 10,000                          |
| Q2-2000                | 80,000      | 10,000              | 20,000                          |
| Q3-2000                | 80,000      | 10,000              | 30,000                          |
| Q4-2000                | 80,000      | 10,000              | 40,000                          |
| Q1-2001                | 100,000     | 12,500              | 54,500                          |
| Q2-2001                | 100,000     | 12,500              | 67,000                          |
| Q3-2001                | 100,000     | 12,500              | 79,500                          |
| Q4-2001                | 100,000     | 12,500              | 92,000                          |

In Q1-2001, depreciation is calculated as follows:

Group A =  $(40,000 - 20,000) \times 20\% / 4 = 1,000$

Group B =  $(80,000 + 20,000) * 50\% / 4 = 12,500$

The system creates journal entries in Q1-2001 as follows:

Group Reclassification:

| <b>Account Description</b>       | <b>Debit</b> | <b>Credit</b> |
|----------------------------------|--------------|---------------|
| Group A Accumulated Depreciation | 2,000        |               |
| Group B Accumulated Depreciation |              | 2,000         |

Periodic Depreciation:

| Account Description              | Debit | Credit |
|----------------------------------|-------|--------|
| Group A Depreciation Expense     | 1,000 |        |
| Group A Accumulated Depreciation |       | 1,000  |

| Account Description              | Debit  | Credit |
|----------------------------------|--------|--------|
| Group B Depreciation Expense     | 12,500 |        |
| Group B Accumulated Depreciation |        | 12,500 |

## B. Example: Transfer Type Enter - Remove a Member Asset from a Group Asset

The following table contains asset setup information used in this example.

### Asset A Setup

| Asset Setup Item       | Asset Setup Information                                                      |
|------------------------|------------------------------------------------------------------------------|
| Asset:                 | Group A                                                                      |
| Member Assets:         | Asset 1 (Cost: 20,000; DPIS: Q1-2000), Asset 2 (Cost: 40,000; DPIS: Q1-2000) |
| Depreciation Method:   | Straight Line 2 years                                                        |
| Depreciation Calendar: | Quarterly                                                                    |

The following table contains asset setup information used in this example.

### Asset 2 Setup

| Asset Setup Item       | Asset Setup Information |
|------------------------|-------------------------|
| Asset:                 | Asset 2                 |
| Depreciation Method:   | Straight Line 2 years   |
| Depreciation Calendar: | Quarterly               |

### Group Reclassification

**Note:** All group reclassifications of member assets are treated as amortized adjustments to the member and the group asset. You cannot perform an expensed adjustment to a standalone asset if it was formerly a member asset, which experienced amortized adjustments while part of a group asset.

The following table contains asset setup information used in this example.

### Group Reclassification

| Asset Setup Item               | Asset Setup Information                                                   |
|--------------------------------|---------------------------------------------------------------------------|
| Group Reclassification:        | Transfer Asset 2 from Group A to Group B                                  |
| Period Performed:              | Q1-2001                                                                   |
| Group Amortization Start Date: | Q1-2001                                                                   |
| Transfer Type:                 | Enter                                                                     |
| Accumulated Depreciation:      | 15,000 (This amount will be limited to Asset 2 Recoverable Cost = 40,000) |

The table below contains the quarterly cost and calculated amounts for Group Asset A.

### Group Asset A

| <b>Calendar Period</b> | <b>Cost</b> | <b>Depreciation</b> | <b>Accumulated Depreciation</b> |
|------------------------|-------------|---------------------|---------------------------------|
| Q1-2000                | 60,000      | 7,500               | 7,500                           |
| Q2-2000                | 60,000      | 7,500               | 15,000                          |
| Q3-2000                | 60,000      | 7,500               | 22,500                          |
| Q4-2000                | 60,000      | 7,500               | 30,000                          |
| Q1-2001                | 20,000      | 1,250               | 16,250                          |
| Q2-2001                | 20,000      | 1,250               | 17,500                          |
| Q3-2001                | 20,000      | 1,250               | 18,750                          |
| Q4-2001                | 20,000      | 1,250               | 20,000                          |

The table below contains the quarterly cost and calculated amounts for Group Asset 2.

**Member Asset 2**

| <b>Calendar Period</b> | <b>Cost</b> | <b>Depreciation</b> | <b>Accumulated Depreciation</b> |
|------------------------|-------------|---------------------|---------------------------------|
| Q1-2000                | 40,000      | -                   | -                               |
| Q2-2000                | 40,000      | -                   | -                               |
| Q3-2000                | 40,000      | -                   | 0                               |
| Q4-2000                | 40,000      | -                   | 0                               |
| Q1-2001                | 40,000      | 6,250               | 21,250                          |
| Q2-2001                | 40,000      | 6,250               | 27,500                          |
| Q3-2001                | 40,000      | 6,250               | 33,750                          |
| Q4-2001                | 40,000      | 6,250               | 40,000                          |

In Q1-2001, depreciation is calculated as follows:

Group Asset A = (New Cost - Recalculated Accumulated Depreciation) / Remaining Life  
= (60,000 - 40,000 - 30,000 + 15,000) / 4 = 1,250

Member Asset 2 = (40,000 - 15,000) / 4 = 6,250

The system creates journal entries in Q1-2001 as follows:

Group Reclassification:

| Account Description              | Debit  | Credit |
|----------------------------------|--------|--------|
| Group A Accumulated Depreciation | 15,000 |        |
| Asset 2 Accumulated Depreciation |        | 15,000 |

Periodic Depreciation:

| Account Description              | Debit | Credit |
|----------------------------------|-------|--------|
| Group A Depreciation Expense     | 1,250 |        |
| Group A Accumulated Depreciation |       | 1,250  |
| Asset 2 Depreciation Expense     | 6,250 |        |
| Asset 2 Accumulated Depreciation |       | 6,250  |

## Transactions: Retirements

You can use retirement rules to control how member asset retirement gain and loss is calculated. The retirement rules are set up for the group asset, and apply to all of the member assets assigned to the group asset. The group asset retirement rules cannot be changed after a member asset is assigned to the group asset.

Retirement transactions are performed at the member asset level only. When you retire a member asset, the member asset will inherit the retirement rules from the group asset. The two group asset retirement rule types include the following:



- Do Not Recognize Gain and Loss
- Recognize Gain and Loss at the time of retiring a member asset

You can only retire a member asset in the current period, and you cannot perform a prior period retirement of a member asset. The member asset retirement is based on the retirement date entered, and the retirement prorate date must be in the current period.

## Do Not Recognize Gain and Loss

When you retire a member asset using the Do Not Recognize Gain And Loss option, the gain and loss are not recognized at the time of the retirement. This type of retirement treatment is available for member assets only, and is not available for individual asset retirement.

For member asset retirements, the proceeds of sales for the retiring asset is added to the group accumulated depreciation, and the cost of removal is deducted from the group asset accumulated depreciation balance. The retired cost of the member asset is subtracted from the group accumulated depreciation balance. Also, the cost of the member asset is retired and deducted from the group asset cost, and the gain and loss are not recognized.

When you complete a member asset retirement using the Do Not recognize Gain and Loss retirement rule, Oracle Assets completes the retirement by automatically completing the following steps:

1. The retirement will result in the following system generated journal entries:

| Account Description                                 | Debit | Credit |
|-----------------------------------------------------|-------|--------|
| Book Level Proceeds of Sale (Proceeds)              | XX    |        |
| Group Accumulated Depreciation (Proceeds)           |       | XX     |
| Group Accumulated Depreciation (Retired Asset Cost) | XX    |        |
| Member Asset Cost (Retired Asset Cost)              |       | XX     |
| Group Accumulated Depreciation (Cost of Removal)    | XX    |        |

| Account Description                             | Debit | Credit |
|-------------------------------------------------|-------|--------|
| Book Level Cost of Removal<br>(Cost of Removal) |       | XX     |

2. The gain and loss is not recognized.
3. The retiring member asset salvage value will be subtracted from the group asset salvage value if the Use Sum of Member Asset option is enabled. Otherwise, the group asset salvage value will be recalculated using the new group asset cost and group salvage value percentage.

### Current Period Retirement: Do Not Recognize

When you retire a member asset, the recognize gain and loss treatment is defaulted from the group asset retirement rules setup.

### Example: Do Not Recognize Gain and Loss

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item       | Asset Setup Information                                                                                                                                      |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group Asset:           | Group A                                                                                                                                                      |
| Member Assets:         | Asset 1 (Cost = 10,000; DPIS = FY2000) Asset 2<br>(Cost = 20,000; DPIS = FY2000)                                                                             |
| Depreciation Method:   | Flat Rate with NBV Basis Depreciation Basis<br>Rule: Transaction Period Basis                                                                                |
| Depreciation Rate:     | 20%                                                                                                                                                          |
| Depreciation Calendar: | Yearly                                                                                                                                                       |
| Retirement Setup:      | Recognize Gain and Loss = Do Not Recognize<br>Recapture Excess Reserve = No Limit Proceeds<br>to Cost = No Terminal Gain and Loss =<br>Recognize Immediately |

The following table contains asset setup information used in this example.

## Retirement of Asset 1

### Retiring Asset 1 in Group A in Current Period

| Asset Setup Item  | Asset Setup Information    |
|-------------------|----------------------------|
| Retire Date:      | Retiring Asset 1 in FY2002 |
| Cost Retired:     | 10,000                     |
| Proceeds of Sale: | 6,000                      |
| Cost of Removal:  | 1,000                      |

The table below contains cost and calculated amounts for the group and member assets.

|                                  | FY-2000 | FY-2001 | FY-2002 | FY-2003 |
|----------------------------------|---------|---------|---------|---------|
| Asset 1                          | 10,000  | 10,000  | -       | -       |
| Asset 2                          | 20,000  | 20,000  | 20,000  | 20,000  |
| Group A Cost                     | 30,000  | 30,000  | 20,000  | 20,000  |
| Group A Depreciation             | 6,000   | 4,800   | 2,840   | 2,272   |
| Group A Accumulated Depreciation | 6,000   | 10,000  | 8,640   | 10,912  |
| Group A NBV                      | 24,000  | 19,200  | 11,360  | 9,088   |

FY 2002 Depreciable NBV Basis = Recoverable Cost - Accumulated Depreciation before Depreciation = 20,000 - (10,800 + 6,000 - 10,000 - 1,000) = 14,200

FY 2002 Depreciation = 14,200 \* 20% = 2,840

FY 2002 Accumulated Depreciation = FY2001 accumulated depreciation + proceeds - cost retired - cost of removal + FY2002 depreciation

= 10,800 + 6,000 - 10,000 - 1,000 + 2,840 = 8,640

The system creates the following retirement journal entries:

| <b>Account Description</b>     | <b>Debit</b> | <b>Credit</b> |
|--------------------------------|--------------|---------------|
| Proceeds of Sale               | 6,000        |               |
| Group Accumulated Depreciation |              | 6,000         |
| Group Accumulated Depreciation | 10,000       |               |
| Asset 1 Cost                   |              | 10,000        |
| Group Accumulated Depreciation | 1,000        |               |
| Cost of Removal                |              | 1,000         |

#### Intercompany Transactions

If the balancing segment value of the retired member asset is different than the balancing segment value of the group asset, the system creates journal entry balancing segment values to balance the journal entry batch posted to General Ledger. The journal entries created include the following:

| <b>Account Description</b>                | <b>Debit</b> | <b>Credit</b> |
|-------------------------------------------|--------------|---------------|
| Company 01 Proceeds of Sale               | 6,000        |               |
| Company 01 Group Accumulated Depreciation |              | 6,000         |

| <b>Account Description</b>                | <b>Debit</b> | <b>Credit</b> |
|-------------------------------------------|--------------|---------------|
| Company 01 Group Accumulated Depreciation | 10,000       |               |
| Company 02 Asset 1 Cost                   |              | 10,000        |

| Account Description                          | Debit | Credit |
|----------------------------------------------|-------|--------|
| Company 01 Group<br>Accumulated Depreciation | 1,000 |        |
| Company 01 Cost of Removal                   |       | 1,000  |

| Account Description           | Debit  | Credit |
|-------------------------------|--------|--------|
| Company 02 Intercompany<br>AR | 10,000 |        |
| Company 01 Intercompany<br>AP |        | 10,000 |

#### Limit Net Proceeds to Cost

When you select the Limit Net Proceeds to Cost option in the group asset Retirement tabbed region, all the member assets are subject to the group asset retirement rule. The Limit Proceeds to Cost option is available only if the Recognize Gain and Loss value is Do Not Recognize.

When the Limit Net Proceeds to Cost option is enabled, the member asset net proceeds amount is limited to the retiring member recoverable cost. The net proceeds (Proceeds of Sale \_ Cost of Removal) from the disposition are added to the group asset accumulated depreciation balance until it is equal to the recoverable cost of the retiring member asset. Any additional amounts are recognized as a gain. The gain is posted to the NBV Retired Gain account.

#### Example: Limit Net Proceeds to Cost: Do Not Recognize Gain and Loss

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item | Asset Setup Information                                                          |
|------------------|----------------------------------------------------------------------------------|
| Group Asset:     | Group A                                                                          |
| Member Assets:   | Asset 1 (Cost = 10,000; DPIS = FY2000) Asset 2<br>(Cost = 20,000; DPIS = FY2000) |

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b>                                                                                                                                |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Depreciation Method:    | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost                                                                                     |
| Depreciation Rate:      | 20%                                                                                                                                                           |
| Depreciation Calendar:  | Yearly                                                                                                                                                        |
| Retirement setup:       | Recognize Gain and Loss = Do Not Recognize<br>Recapture Excess Reserve = No Limit Proceeds<br>to Cost = Yes Terminal Gain and Loss =<br>Recognize Immediately |

The following table contains asset setup information used in this example.

#### Retirement of Asset 1

| <b>Asset Setup Item</b>  | <b>Asset Setup Information</b> |
|--------------------------|--------------------------------|
| Retire Date:             | Retiring Asset 1 in FY2002     |
| Cost Retired:            | 10,000                         |
| Gain / Loss recognition: | Do Not Recognize               |
| Proceeds of Sale:        | 30,000                         |
| Cost of Removal:         | 5,000                          |

The table below contains cost and calculated amounts for the group and member assets.

|              | <b>FY-2000</b> | <b>FY-2001</b> | <b>FY-2002</b> | <b>FY-2003</b> |
|--------------|----------------|----------------|----------------|----------------|
| Asset 1      | 10,000         | 10,000         | -              | -              |
| Asset 2      | 20,000         | 20,000         | 20,000         | 20,000         |
| Group A Cost | 30,000         | 30,000         | 20,000         | 20,000         |

|                                  | <b>FY-2000</b> | <b>FY-2001</b> | <b>FY-2002</b> | <b>FY-2003</b> |
|----------------------------------|----------------|----------------|----------------|----------------|
| Group A Depreciation             | 6,000          | 6,000          | 4,000          | 4,000          |
| Group A Accumulated Depreciation | 6,000          | 12,000         | 16,000         | 20,000         |

FY 2002 Depreciation = 20,000 \* 20% = 4,000

FY 2002 Accumulated Depreciation = 12,000 - 10,000 + 10,000 + 4,000 = 16,000

The system creates the following retirement journal entries:

| <b>Account Description</b>     | <b>Debit</b> | <b>Credit</b> |
|--------------------------------|--------------|---------------|
| Proceeds of Sale               | 30,000       |               |
| Cost of Removal                |              | 5,000         |
| Group Accumulated Depreciation |              | 10,000        |
| NBV Retired Gain               |              | 15,000        |
| Group Accumulated Depreciation | 10,000       |               |
| Asset 1 Cost                   |              | 10,000        |

### **Recapture Excess Reserve**

If the Recapture Excess Reserve option is selected on the group asset Retirement tabbed region, all the member assets are subject to the retirement rules selected for the group asset. The Recapture Excess Reserve option allows you to indicate if the excess of the group asset accumulated depreciation over its recoverable cost should be recaptured and recognized as a gain.

If the Recapture Excess Reserve option is selected, the proceeds from retirement can only be added to the group accumulated depreciation balance until it is equal to the group asset recoverable cost (Cost - Salvage Value); any additional amounts are recognized as a gain. The gain will be posted to the NBV Retired Gain account specified

in the Book Controls window.

**Note:** The Recapture Excess Reserve option is only available if the Over Depreciation field is set to Do Not Allow.

### Example: Recapture Excess Reserve: Do Not Recognize Gain and Loss

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item       | Asset Setup Information                                                                                                                                       |
|------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group Asset:           | Group A                                                                                                                                                       |
| Member Assets:         | Asset 1 (Cost = 10,000; DPIS = FY2000) Asset 2 (Cost = 20,000; DPIS = FY2000)                                                                                 |
| Depreciation Method:   | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost                                                                                     |
| Depreciation Rate:     | 20%                                                                                                                                                           |
| Depreciation Calendar: | Yearly                                                                                                                                                        |
| Retirement Setup:      | Recognize Gain and Loss = Do Not Recognize<br>Recapture Excess Reserve = Yes Limit<br>Proceeds to Cost = No Terminal Gain and Loss<br>= Recognize Immediately |

The following table contains asset setup information used in this example.

#### Retirement of Asset 1

| Asset Setup Item         | Asset Setup Information    |
|--------------------------|----------------------------|
| Retire Date:             | Retiring Asset 1 in FY2002 |
| Cost Retired:            | 10,000                     |
| Gain / Loss recognition: | Do Not Recognize           |



| <b>Asset Setup Item</b> | <b>Asset Setup Information</b> |
|-------------------------|--------------------------------|
| Proceeds of Sale:       | 30,000                         |
| Cost of Removal:        | 5,000                          |

The table below contains cost and calculated amounts for the group and member assets.

|                                  | <b>FY-2000</b> | <b>FY-2001</b> | <b>FY-2002</b> |
|----------------------------------|----------------|----------------|----------------|
| Asset 1                          | 10,000         | 10,000         | -              |
| Asset 2                          | 20,000         | 20,000         | 20,000         |
| Group A Cost                     | 30,000         | 30,000         | 20,000         |
| Group A Depreciation             | 6,000          | 6,000          | 0              |
| Group A Accumulated Depreciation | 6,000          | 12,000         | 20,000         |

FY 2002 Group A Accumulated Depreciation Before Recapture = 12,000 + 30,000 - 10,000 - 5,000 = 27,000

FY 2002 Group A NBV before Recapture = Group Cost - Group Accumulated Depreciation = 20,000 - 27,000 = <7,000>

Recapture = 7,000

Group A Accumulated Depreciation after Recapture = <7,000> + 7,000 = 0

| <b>Account Description</b>     | <b>Debit</b> | <b>Credit</b> |
|--------------------------------|--------------|---------------|
| Proceeds of Sale               | 30,000       |               |
| Group Accumulated Depreciation |              | 30,000        |
| Group Accumulated Depreciation | 10,000       |               |

| <b>Account Description</b>     | <b>Debit</b> | <b>Credit</b> |
|--------------------------------|--------------|---------------|
| Asset Cost 1                   |              | 10,000        |
| Group Accumulated Depreciation | 5,000        |               |
| Cost of Removal                |              | 5,000         |

The system creates journal entries for retirement as follows:

| <b>Account Description</b>     | <b>Debit</b> | <b>Credit</b> |
|--------------------------------|--------------|---------------|
| Group Accumulated Depreciation | 7,000        |               |
| NBV Retired Gain               |              | 7,000         |

## Recognize Gain and Loss Immediately When Retired

When you use the Recognize Gain and Loss Immediately When Retired Option, the gain and loss are recognized when the member asset is retired, and the cost and accumulated depreciation of the retiring member asset is removed from the group asset. The accumulated depreciation of the retiring member asset must be determined in order to calculate the gain or loss recognized. Included below are the major steps involved in immediately recognizing gains or losses for member asset retirements:

1. To recognize a loss, the system creates the following journal entries:

| <b>Account Description</b>     | <b>Debit</b>                              | <b>Credit</b>        |
|--------------------------------|-------------------------------------------|----------------------|
| Proceeds of Sale               | (Proceeds of Sale)                        |                      |
| Group Accumulated Depreciation | (Retiring Asset Accumulated Depreciation) |                      |
| NBV Retired Loss               | (Loss)                                    |                      |
| Asset Cost                     |                                           | Retiring Asset Cost) |

| Account Description | Debit | Credit            |
|---------------------|-------|-------------------|
| Cost of Removal     |       | (Cost of Removal) |

2. To recognize a gain, the system creates the following journal entries:

| Account Description            | Debit                                     | Credit               |
|--------------------------------|-------------------------------------------|----------------------|
| Proceeds of Sale               | (Proceeds of Sale)                        |                      |
| Group Accumulated Depreciation | (Retiring Asset Accumulated Depreciation) |                      |
| Asset Cost                     |                                           | Retiring Asset Cost) |
| Cost of Removal                |                                           | (Cost of Removal)    |
| NBV Retired Loss               |                                           | (Gain)               |

3. The cost, salvage value and accumulated depreciation of the retired member asset are removed from the group asset.

4. The gain and loss are recognized when the member asset is retired.

5. The system calculates accumulated depreciation for the retiring member asset as follows:

Retiring Member Asset Accumulated Depreciation = Member Asset Cost / (Group Asset Cost \* Group Asset Accumulated Depreciation)

6. Optionally, you can enter the accumulated depreciation retired for the retired member asset by using the asset Retirement window. The Retiring Reserve Amount field is enabled only if the Recognize Gain and Loss Immediately option is enabled. The accumulated depreciation amount you enter is used to calculate gain and loss on the retiring member asset.

The retiring accumulated depreciation amount is restricted to values between zero and the lesser of the following:

- The recoverable cost for the retiring member.
- The accumulated depreciation balance of the group asset, if member asset tracking is not enabled.

However, if member asset tracking is enabled, the amount is restricted to values between zero and the member asset accumulated depreciation.

## Current Period Retirement: Recognize Gain and Loss Immediately When Retired

### Example: Recognize Gain and Loss Immediately When Retired: Retiring Asset 1 in Group A

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item       | Asset Setup Information                                                                                                                                     |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group Asset:           | Group A                                                                                                                                                     |
| Member Assets:         | Asset 1 (Cost = 10,000; DPIS = FY2000) Asset 2 (Cost = 20,000; DPIS = FY2000)                                                                               |
| Depreciation Method:   | Flat Rate of with NBV Basis Depreciable Basis Rule: Use Transaction Period Basis                                                                            |
| Depreciation Rate:     | 20%                                                                                                                                                         |
| Depreciation Calendar: | Yearly                                                                                                                                                      |
| Retirement Setup:      | Recognize Gain and Loss = Immediately When Retired Recapture Excess Reserve = No Limit Proceeds to Cost = No Terminal Gain and Loss = Recognize Immediately |

The following table contains asset setup information used in this example.

#### Retirement of Asset 1

| Asset Setup Item         | Asset Setup Information    |
|--------------------------|----------------------------|
| Retire Date:             | Retiring Asset 1 in FY2002 |
| Cost Retired:            | 10,000                     |
| Proceeds of Sale:        | 6,000                      |
| Cost of Removal:         | 1,000                      |
| Retiring Reserve Amount: | Null                       |

The table below contains cost and calculated amounts for the group and member assets.

|                                  | <b>FY-2000</b> | <b>FY-2001</b> | <b>FY-2002</b> | <b>FY-2003</b> |
|----------------------------------|----------------|----------------|----------------|----------------|
| Asset 1                          | 10,000         | 10,000         | -              | -              |
| Asset 2                          | 20,000         | 20,000         | 20,000         | 20,000         |
| Group A Cost                     | 30,000         | 30,000         | 20,000         | 20,000         |
| Group A Depreciation             | 6,000          | 4,800          | 2,560          | 3,072          |
| Group A Accumulated Depreciation | 6,000          | 10,800         | 9,760          | 7,712          |
| Group A NBV                      | 24,000         | 19,200         | 10,240         | 12,288         |

Asset 1 Accumulated Depreciation at FY 2001 =  $10,000 / 30,000 * 10,800 = 3,600$

In FY2002, Group A is calculated as follows:

Depreciable Basis in FY 2002 =  $20,000 - (10,800 - 3,600) = 12,800$

Depreciation =  $12,800 * 20\% = 2,560$

Accumulated Depreciation = FY2001 Accumulated Depreciation - Asset 1 Accumulated Depreciation + FY2002 Depreciation =  $10,800 - 3,600 + 2,560 = 9,760$

The system creates journal entries for retiring Asset 1 as follows:

| <b>Account Description</b>       | <b>Debit</b> | <b>Credit</b> |
|----------------------------------|--------------|---------------|
| Proceeds of Sale                 | 6,000        |               |
| Group A Accumulated Depreciation | 3,600        |               |
| NBV Retired Loss                 | 1,400        |               |
| Asset 1 Cost                     |              | 10,000        |
| Cost of Removal                  |              | 1,000         |

### Intercompany Transaction

If the balancing segment value of the retired member asset is different than the balancing segment value of the group asset, the system creates journal entry balancing segment values to balance the journal entry batch posted to General Ledger. The journal entries created include the following:

| Account Description                            | Debit  | Credit |
|------------------------------------------------|--------|--------|
| Company 01 Proceeds of Sale                    | 6,000  |        |
| Company 01 Group A<br>Accumulated Depreciation | 3,600  |        |
| Company 01 NBV Retired<br>Loss                 | 1,400  |        |
| Company 02 Asset 1 Cost                        |        | 10,000 |
| Company 01 Cost of Removal                     |        | 1,000  |
| Company 02 Intercompany<br>AR                  | 10,000 |        |
| Company 01 Intercompany<br>AP                  |        | 10,000 |

### Enter Retiring Reserve Amount

You can optionally enter a retiring accumulated depreciation amount for the retiring member asset. This option is always treated as a current period retirement. The Retiring Reserve Amount field is available only if the Recognize Gain and Loss Immediately option is selected.

The accumulated depreciation amount you enter will be used to calculate the gain and loss for the retiring member asset. The entered retiring reserve amount is restricted to values ranging from zero to the adjusted cost of the retiring member asset.

### Example: Recognize Gain and Loss Immediately When Retired: Entered Retiring Reserve Amount

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b>                                                                                                                                    |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group Asset:            | Group A                                                                                                                                                           |
| Member Assets:          | Asset 1 (Cost = 10,000; DPIS = FY2000) Asset 2 (Cost = 20,000; DPIS = FY2000)                                                                                     |
| Depreciation Method:    | Flat Rate with NBV Basis Depreciable Basis<br>Rule: Use Transaction Period Basis                                                                                  |
| Depreciation Rate:      | 20%                                                                                                                                                               |
| Depreciation Calendar:  | Yearly                                                                                                                                                            |
| Retirement Setup:       | Recognize Gain and Loss = Immediately When Retired<br>Recapture Excess Reserve = No Limit<br>Proceeds to Cost = No Terminal Gain and Loss = Recognize Immediately |

The following table contains asset setup information used in this example.

#### Retirement of Asset 1

| <b>Asset Setup Item</b>  | <b>Asset Setup Information</b> |
|--------------------------|--------------------------------|
| Retire Date:             | Retiring Asset 1 in FY2002     |
| Cost Retired:            | 10,000                         |
| Proceeds of Sale:        | 6,000                          |
| Cost of Removal:         | 1,000                          |
| Retiring Reserve Amount: | 8,000                          |

The table below contains cost and calculated amounts for the group and member assets:

|         | <b>FY-2000</b> | <b>FY-2001</b> | <b>FY-2002</b> | <b>FY-2003</b> |
|---------|----------------|----------------|----------------|----------------|
| Asset 1 | 10,000         | 10,000         | -              | -              |

|                                  | <b>FY-2000</b> | <b>FY-2001</b> | <b>FY-2002</b> | <b>FY-2003</b> |
|----------------------------------|----------------|----------------|----------------|----------------|
| Asset 2                          | 20,000         | 20,000         | 20,000         | 20,000         |
| Group A Cost                     | 30,000         | 30,000         | 20,000         | 20,000         |
| Group A Depreciation             | 6,000          | 4,800          | 3,440          | 3,072          |
| Group A Accumulated Depreciation | 6,000          | 10,800         | 6,240          | 7,712          |
| Group A NBV                      | 24,000         | 19,200         | 13,760         | 12,288         |

**In FY2002:**

Group A Depreciable Basis in FY 2002 = 20,000 - (10,800 - 8,000) = 17,200

Depreciation = 17,200 \* 20% = 3,440

Accumulated Depreciation = FY2001 Accumulated Depreciation - Enter Accumulated Depreciation for Asset 1 + FY2002 Depreciation = 10,800 - 8,000 + 3,440 = 6,240

The system creates journal entries for the retiring Asset 1:

| <b>Account Description</b>       | <b>Debit</b> | <b>Credit</b> |
|----------------------------------|--------------|---------------|
| Proceeds of Sale                 | 6,000        |               |
| Group A Accumulated Depreciation | 8,000        |               |
| Asset Cost 1                     |              | 10,000        |
| Cost of Removal                  |              | 1,000         |
| NBV Retired Gain                 |              | 3,000         |

## Terminal Gain and Loss: Retiring the Last Asset in Group Asset

When the member asset being retired or transferred out is the last member asset in the group asset, and no additional asset will be added to the group asset, the remaining



accumulated depreciation balance in the group asset is treated as a terminal gain or loss. Terminal gain and loss can be recognized only when the group asset cost becomes zero, after the last member asset in the group asset has been retired. The Recognition of Terminal Gain and Loss option is set up in the group asset Retirement tabbed region.

The three methods available to recognize terminal gain and loss include the following:

1. Recognize Immediately
2. Defer Recognition to End of Fiscal Year
3. Do Not Recognize

### **Terminal Gain and Loss: Recognize Immediately**

When the Recognize Immediately method is used, the terminal gain and loss is recognized immediately in the period it occurs. The net book value of the group asset becomes zero upon recognition of terminal gain and loss.

### **Example: Terminal Gain and Loss: Recognize Immediately**

The following table contains asset setup information used in this example.

#### **Group Setup**

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b>                                                                                                                               |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group Asset:            | Group A                                                                                                                                                      |
| Member Assets:          | Asset 1                                                                                                                                                      |
| Depreciation Method:    | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost                                                                                    |
| Depreciation Rate:      | 10%                                                                                                                                                          |
| Depreciation Calendar:  | Quarterly                                                                                                                                                    |
| Retirement Setup:       | Recognize Gain and Loss = Do Not Recognize<br>Recapture Excess Reserve = No Limit Proceeds<br>to Cost = No Terminal Gain and Loss =<br>Recognize Immediately |

The following table contains asset setup information used in this example.

## Retirement of Asset 1

| Asset Setup Item           | Asset Setup Information   |
|----------------------------|---------------------------|
| Retire Date:               | Retiring Asset 2 in Q2-01 |
| Cost Retired:              | 10,000                    |
| Gain and Loss Recognition: | Do Not Recognize          |
| Terminal Gain and Loss:    | Recognize Immediately     |
| Proceeds of Sale:          | 8,000                     |
| Cost of Removal:           | 5,000                     |

## Accumulated Depreciation after Terminal Loss is Recognized

The table below contains cost and calculated amounts for the group and member assets.

|                                | Q4-00  | Q1-01  | Q2-01 | Q3-01 | Q4-01 |
|--------------------------------|--------|--------|-------|-------|-------|
| Asset 1                        | 10,000 | 10,000 | 0     | -     | -     |
| Group A Cost                   | 10,000 | 10,000 | 0     | 0     | 0     |
| Group Depreciation             | 250    | 250    | 0     | 0     | 0     |
| Group Accumulated Depreciation | 6,000  | 6,250  | 0     | 0     | 0     |

Group Accumulated Depreciation before Terminal Gain and Loss =  $6,250 + 8,000 - 10,000 - 5,000 = <750>$

Terminal Loss = 750

The system creates the following journal entries in Q2-01:

## Retirement

| Account Description            | Debit  | Credit |
|--------------------------------|--------|--------|
| Proceeds of Sale               | 8,000  |        |
| Group Accumulated Depreciation |        | 8,000  |
| Group Accumulated Depreciation | 10,000 |        |
| Asset Cost 1                   |        | 10,000 |
| Group Accumulated Depreciation | 5,000  |        |
| Cost of Removal                |        | 5,000  |

#### Terminal Loss

| Account Description            | Debit | Credit |
|--------------------------------|-------|--------|
| NBV Retired Gain               | 750   |        |
| Group Accumulated Depreciation |       | 750    |

#### Terminal Gain and Loss: Defer Recognition to End of Fiscal Year

When you select the Defer Recognition to End of Fiscal Year option, the terminal gain and loss is recognized in the last period of the current fiscal year. The system will store the terminal gain or loss amount with a pending status until it is recognized. If a member asset is added to the group asset before the end of the current fiscal year, which results in a non-zero group asset cost, the terminal gain or loss is no longer valid, and the terminal gain and loss is not recognized.

#### Example: Terminal Gain and Loss: Defer Recognition to End of Fiscal Year

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| <b>Asset Setup Item</b> | <b>Asset Setup Information</b>                                                                                                                                                 |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group Asset:            | Group A                                                                                                                                                                        |
| Member Assets:          | Asset 1                                                                                                                                                                        |
| Depreciation Method:    | Flat Rate with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost                                                                                                      |
| Depreciation Rate:      | 10%                                                                                                                                                                            |
| Depreciation Calendar:  | Quarterly                                                                                                                                                                      |
| Retirement Setup:       | Recognize Gain and Loss = Do Not Recognize<br>Recapture Excess Reserve = No Limit Proceeds<br>to Cost = No Terminal Gain and Loss = Defer<br>Recognition to End of Fiscal Year |

The following table contains asset setup information used in this example.

#### **Retirement of Asset 1**

| <b>Asset Setup Item</b>    | <b>Asset Setup Information</b>          |
|----------------------------|-----------------------------------------|
| Retire Date:               | Retiring Asset 1 in Q2-01               |
| Cost Retired:              | 10,000                                  |
| Gain and Loss Recognition: | Do Not Recognize                        |
| Terminal Gain and Loss:    | Defer Recognition to End of Fiscal Year |
| Proceeds of Sale:          | 18,000                                  |
| Cost of Removal:           | 5,000                                   |

The table below contains cost and calculated amounts for the group and member assets.

|                                | <b>Q4-00</b> | <b>Q1-01</b> | <b>Q2-01</b> | <b>Q3-01</b> | <b>Q4-01</b> |
|--------------------------------|--------------|--------------|--------------|--------------|--------------|
| Asset 1                        | 10,000       | 10,000       | 0            | -            | -            |
| Group A Cost                   | 10,000       | 10,000       | 0            | 0            | 0            |
| Group Depreciation             | 250          | 250          | 0            | 0            | 0            |
| Group Accumulated Depreciation | 6,000        | 6,250        | 9,250        | 9,250        | -            |

Group Accumulated Depreciation before Terminal Gain / Loss = 6,250 + 18,000 - 10,000 - 5,000 = 9,250

Terminal Gain = 9,250

The system creates the following journal entries:

#### In Q2-01 Retirement

| <b>Account Description</b>     | <b>Debit</b> | <b>Credit</b> |
|--------------------------------|--------------|---------------|
| Proceeds of Sale               | 18,000       |               |
| Group Accumulated Depreciation |              | 18,000        |
| Group Accumulated Depreciation | 10,000       |               |
| Asset Cost 1                   |              | 10,000        |
| Group Accumulated Depreciation | 5,000        |               |
| Cost of Removal                |              | 5,000         |

#### In Q4-01 Terminal Gain

| Account Description            | Debit | Credit |
|--------------------------------|-------|--------|
| NBV Retired Gain               | 9,250 |        |
| Group Accumulated Depreciation |       | 9,250  |

#### Terminal Gain and Loss: Do Not Recognize

Under this method, the terminal gain and loss will not be recognized, and the accumulated depreciation balance will remain in the group asset.

#### Example: Terminal Gain and Loss: Do Not Recognize

The following table contains asset setup information used in this example.

#### Group Asset A Setup

| Asset Setup Item       | Asset Setup Information                                                                                                                              |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group Asset:           | Group A                                                                                                                                              |
| Member Assets:         | Asset 1                                                                                                                                              |
| Depreciation Method:   | Flat Rate of with Cost Basis Depreciable Basis<br>Rule: Use Recoverable Cost                                                                         |
| Depreciation Rate:     | 10%                                                                                                                                                  |
| Depreciation Calendar: | Quarterly                                                                                                                                            |
| Retirement Setup:      | Recognize Gain and Loss = Do Not Recognize<br>Recapture Excess Reserve = No Limit Proceeds<br>to Cost = No Terminal Gain and Loss = Do Not Recognize |

The following table contains asset setup information used in this example.

#### Retirement of Asset 1

| Asset Setup Item         | Asset Setup Information   |
|--------------------------|---------------------------|
| Retire Date:             | Retiring Asset 1 in Q2-01 |
| Cost Retired:            | 10,000                    |
| Gain / Loss recognition: | Do Not Recognize          |
| Terminal Gain / Loss:    | Do Not Recognize          |
| Proceeds of Sale:        | 18,000                    |
| Cost of Removal:         | 5,000                     |

The table below contains cost and calculated amounts for the group and member assets.

|                                | Q4-00  | Q1-01  | Q2-01 | Q3-01 | Q4-01 |
|--------------------------------|--------|--------|-------|-------|-------|
| Asset 1                        | 10,000 | 10,000 | 0     | -     | -     |
| Group A Cost                   | 10,000 | 10,000 | 0     | 0     | 0     |
| Group Depreciation             | 250    | 250    | 0     | 0     | 0     |
| Group Accumulated Depreciation | 6,000  | 6,250  | 9,250 | 9,250 | 9,250 |

Group Accumulated Depreciation Before Terminal Gain and Loss = 6,250 + 18,000 - 10,000 - 5,000 = 9,250

Terminal Gain = 9,250

The system creates the following journal entries in Q2-01:

#### Retirement

| Account Description | Debit  | Credit |
|---------------------|--------|--------|
| Proceeds of Sale    | 18,000 |        |

| Account Description            | Debit  | Credit |
|--------------------------------|--------|--------|
| Group Accumulated Depreciation |        | 18,000 |
| Group Accumulated Depreciation | 10,000 |        |
| Asset Cost 1                   |        | 10,000 |
| Group Accumulated Depreciation | 5,000  |        |
| Cost of Removal                |        | 5,000  |

## Member Asset Tracking

The Member Asset Tracking feature allows you to define how depreciation is calculated and allocated for the group and member assets. You can define the options for member asset tracking when you add a group asset to Oracle Assets.

There are two ways to derive member asset depreciation expense, and include the following:

1. The group asset depreciation calculated is allocated to each member asset based on the ratio of the member asset depreciable basis to the total depreciable basis of all member assets.
2. Depreciation is calculated for each member asset using either the group asset or the member asset depreciation method.

Member asset tracking enables the tracking and storing of member asset amounts, and makes the member asset amounts available for reporting.

**Note:** Journal entries are made using the group asset level amounts only.

In addition to allocating depreciation expense, the Member Asset Tracking feature allocates other financial amounts to the member assets. Two examples of these transaction allocations include the following:

- The member asset's accumulated depreciation will be transferred when you perform a group reclassification by changing the member asset's group



assignment.

- When you perform a member asset retirement, and the retirement option is Recognize Gain and Loss Immediately, Oracle Assets will retire the accumulated depreciation stored at the member asset level.

**Note:** If you have set up the member asset tracking option for a group asset, you cannot enter a retirement adjustment directly to the group asset or transfer accumulated depreciation to or from the group asset.

## Tracking Depreciation of Member Assets

The member asset accumulated depreciation balance is stored and tracked in addition to the group accumulated depreciation balance.

There are two types of tracking methods available for member assets, Descriptions of both methods are included as follows:

1. Depreciation is calculated at the group level only, and the amount is allocated among the member assets in proportion to the depreciable basis of each member asset.
2. Calculate Member Asset Amount: Depreciation is computed for each member asset using either the group asset or member asset depreciation method. Optionally, the total member assets depreciation is summed and used as the depreciation for the group asset. If the member asset depreciation is not totaled and used as the depreciation for the group asset, the group asset depreciation is calculated using the group asset depreciation method only.

By setting up the member asset tracking rules, Oracle Assets can allocate the calculated group depreciation expense to its member assets or calculate the member asset depreciation expense separately. The depreciation calculated may be stored and tracked at both the member asset and the group asset levels. Only the group asset depreciation amount will be posted to General Ledger. However, when the tracking method is Calculate Member Asset Amount and the Sum Member Asset Depreciation to Group option is checked, the depreciation amount is posted from the member assets.

## Set Up Member Asset Tracking

To enable member asset tracking, you must select the tracking method in the Member Asset tabbed region on the Asset Workbench when you add a group asset.

If you need to track member level depreciation amounts, you should select either Allocate Group Amount or Calculate Member Asset Amount as the tracking method option. If you do not select either of these options, member asset tracking is not enabled.

**Note:** You cannot update the tracking method options of a group asset after the first member asset is assigned.

#### Tracking Method: Allocate Group Amount

When the tracking method is Allocate Group Amount, you can select the option Allocate to Fully Retired or Reserved Assets.

- **Allocate to Fully Retired or Reserved Assets:** When you select this option, the group asset depreciation amount is allocated to all the member assets, including the fully retired and reserved member assets.

If you do not select the Allocate to Fully Retired or Reserved Assets option, the group asset depreciation amount is not allocated to the fully retired and fully reserved member assets. Next, the system determines if the member asset will be fully reserved after the allocated amount is added. If the allocated amount will result in the member asset becoming fully reserved, the excess amount is subtracted from the group asset depreciation amount, or the excess amount is reallocated to the other member assets. The reallocation of excess amount to the other member assets is controlled by the following options:

- **Distribute Excess:** The excess amount is distributed to the other member assets that are not fully reserved.
- **Reduce Excess:** The excess amount is subtracted from the group asset depreciation amount.

**Note: Override the Member Level Amount:** You can override the allocated member asset depreciation amounts by using the Manual Override feature. However, you cannot override both the group and member asset depreciation amounts. If you override the member asset depreciation amounts, the system will replace the group asset depreciation amount with the sum of all the member asset depreciation amounts.

#### Allocate Group Depreciation Calculation to Member Assets

The following formula is used to allocate the group amount to the member assets.

Allocated Amount = Group Depreciation \* Depreciable Basis of all Member Assets / Depreciable Basis of Group Asset

#### Example: Allocation Logic

The following table contains asset setup information used in this example.

## Asset Information

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Group Asset:     | Group A                 |
| Member Assets:   | Asset 1 Asset 2 Asset 3 |

The following table contains asset setup information used in this example.

## Group Asset A Setup

| Asset Setup Item         | Asset Setup Information                                                          |
|--------------------------|----------------------------------------------------------------------------------|
| Depreciation Method:     | Flat Rate with NBV Basis Depreciable Basis<br>Rule: Use Transaction Period Basis |
| Depreciation Rate:       | 20%                                                                              |
| Group DPIS/Prorate Date: | 01-Jan-2000                                                                      |
| Depreciation Calendar:   | Quarterly                                                                        |

The following table contains asset setup information used in this example.

## Member Asset Tracking Setup

| Asset Setup Item                               | Asset Setup Information |
|------------------------------------------------|-------------------------|
| Tracking Method:                               | Allocate Group Amounts  |
| Allocate to Fully Retired and Reserved Assets: | No                      |
| Reduce Excess:                                 | Yes                     |

The table below contains cost and calculated amounts for the group and member assets.

| Asset       | Asset Cost | Accumulated Depreciation | NBV Depreciable Basis | Rate |
|-------------|------------|--------------------------|-----------------------|------|
| Group Asset | 35,000     | 7,000                    | 28,000                | 20%  |
| Asset 1     | 20,000     | 4,000                    | 16,000                | -    |
| Asset 2     | 10,000     | 2,000                    | 8,000                 | -    |
| Asset 3     | 5,000      | 1,000                    | 4,000                 | -    |

Group assets are composed of the three member assets listed below. The calendar is Quarterly.

Group Depreciation (This is calculated in the Depreciation Engine.)

Group Depreciation =  $28,000 * 20\% * 1/4 = 1,400$ .

1. Calculate Member Asset Depreciable Basis

Group Depreciable Basis = 28,000

Asset 1 = 16,000

Asset 2 = 8,000

Asset 3 = 4,000

2. Allocate Amount

Asset 1 Member Asset =  $1,400 * 16,000 / 28,000 = 800$

Asset 2 Member Asset =  $1,400 * 8,000 / 28,000 = 400$

Asset 3 Member Asset =  $1,400 - (800 + 400) = 200$

The table below contains the cost and calculated amounts for the group and member assets after the calculation and allocation of group depreciation to the member assets.

| Asset       | Asset Cost | Accumulated Depreciation | NBV Depreciable Basis | Rate |
|-------------|------------|--------------------------|-----------------------|------|
| Group Asset | 35,000     | 8,400                    | 28,000                | 20%  |
| Asset 1     | 20,000     | 4,800                    | 16,000                | -    |

| Asset   | Asset Cost | Accumulated Depreciation | NBV Depreciable Basis | Rate |
|---------|------------|--------------------------|-----------------------|------|
| Asset 2 | 10,000     | 2,400                    | 8,000                 | -    |
| Asset 3 | 5,000      | 1,200                    | 4,000                 | -    |

### Track Method: Calculate Member Asset Amounts

When you use the Calculate Member Asset Amount tracking method, depreciation is calculated for each member asset using either the group or the member asset's depreciation method. The sum of the member depreciation may not equal to the group asset depreciation. However, you may select to replace the group asset depreciation with the sum of the member depreciation.

### Depreciate Using Group or Member Methods

You may select to use the group asset or the member asset's depreciation method to calculate the member asset depreciation:

- Group Method: The depreciation method used to calculate the member level depreciation amounts are populated from the definition of the group asset.
- Member Method: The depreciation method used to calculate the member level depreciation amounts are populated from each definition of the members.

### Sum Member Asset Depreciation to Group Option

- Sum Member Asset Depreciation to Group: The system will replace the group asset depreciation amount with the sum of all the member level depreciation amounts. If you do not select this option, the group asset depreciation amount is calculated using the depreciation method of the group asset, which may result in the total of the member asset depreciation amounts not equalling the group asset depreciation amount.

**Note:** Override Member Level Amount: You can override the member level amount using Manual Override. When the Sum Up option is selected, you cannot specify the override amount for the group asset.

### Example: Calculate Member Asset Amounts

The following table contains asset setup information used in this example.

## Asset Information

| Asset Setup Item | Asset Setup Information |
|------------------|-------------------------|
| Group Asset:     | Group A                 |
| Member Assets:   | Asset 1 Asset 2 Asset 3 |

The following table contains asset setup information used in this example.

## Group Asset A Setup

| Asset Setup Item         | Asset Setup Information                                                          |
|--------------------------|----------------------------------------------------------------------------------|
| Depreciation Method:     | Flat Rate with NBV Basis Depreciable Basis<br>Rule: Use Transaction Period Basis |
| Depreciation Rate:       | 20%                                                                              |
| Group DPIS/Prorate Date: | 01-Jan-2000                                                                      |
| Depreciation Calendar:   | Quarterly                                                                        |

The following table contains asset setup information used in this example.

## Member Asset Tracking Setup

| Asset Setup Item                        | Asset Setup Information                                                          |
|-----------------------------------------|----------------------------------------------------------------------------------|
| Tracking Method:                        | Calculate Member Asset Amount                                                    |
| Depreciation Method all Members:        | Flat Rate with NBV Basis Depreciable Basis<br>Rule: Use Transaction Period Basis |
| Depreciation Rate:                      | Asset 1 20% Asset 2 30% Asset 3 15%                                              |
| Depreciate By:                          | Member Method                                                                    |
| Sum Member Asset Depreciation to Group: | No                                                                               |

The table below contains cost and calculated amounts for the group and member assets.

| Asset       | Asset Cost | Depreciable Basis | Accumulated Depreciation | Rate |
|-------------|------------|-------------------|--------------------------|------|
| Group Asset | 35,000     | 28,000            | 7,000                    | 20%  |
| Asset 1     | 20,000     | 18,000            | 2,000                    | 10%  |
| Asset 2     | 10,000     | 7,000             | 3,000                    | 30%  |
| Asset 2     | 5,000      | 4,250             | 750                      | 15%  |

Group Depreciation Amount =  $28,000 * 20\% * 1/4 = 1,400$

When you use this tracking method, the group depreciation amount is calculated using the depreciation method of the group asset. The depreciation expense amount of each member asset is calculated individually using the depreciation method of each member asset.

1. Calculate the depreciation expense amounts of the member assets

Asset 1: Depreciation =  $18,000 * 10\% * 1/4 = 450$

Asset 2; Depreciation =  $7,000 * 30\% * 1/4 = 525$

Asset 3; Depreciation =  $4,250 * 15\% * 1/4 = 159$

The table below contains the cost, calculated, and allocated amounts for the group and member assets.

| Asset       | Asset Cost | Depreciation Expense | Accumulated Depreciation | Rate |
|-------------|------------|----------------------|--------------------------|------|
| Group Asset | 35,000     | 1,400                | 8,400                    | 20%  |
| Asset 1     | 20,000     | 450                  | 2,450                    | 10%  |
| Asset 2     | 10,000     | 525                  | 3,525                    | 30%  |
| Asset 2     | 5,000      | 159                  | 909                      | 15%  |

## Group Depreciation Enabled Reports

The following RXi enabled reports support group depreciation reporting. If you are using group depreciation, you must use these reports to address your reporting requirements. Group and member asset amounts are available on most of these reports.

The exceptions are noted on the reports included below:

- Group Asset Report
- Asset Cost Balance Report\*
- Accumulated Depreciation Balance Report\*\*\*
- Reserve Ledger Report\*\*\*
- Retirements Report\*\*
- CIP Cost Balance Report\*
- Additions by Period Report\*
- Mass Additions Report
- Cost Adjustments Report\*
- Transfers Report
- What-if Depreciation Analysis
- Cost Clearing Reconciliation Report\*
- Mass Reclassification Preview Report
- Mass Reclassification Review Report
- Mass Change Preview Report
- Mass Change Review Report

\*The member cost amounts are used in this report. Group asset cost is not displayed to avoid potential user double counting of asset costs.

\*\*This report only displays retired member assets. Group assets do not appear on this report since group asset cannot be retired.

\*\*\*This report only displays group asset accumulated depreciation amounts. Member asset amounts do not appear on this report since only group asset amounts are maintained and posted to General Ledger.

## Group Depreciation Restrictions

- Revaluation: You cannot perform a revaluation to group or member assets. If a revaluation has been performed to a standalone asset, the asset cannot be assigned to a group asset.



- **Tax Reserve Adjustment:** Tax reserve adjustments are not currently supported for group or member assets. You cannot perform a tax reserve adjustment to a group or member asset. Also, if a tax reserve adjustment has been made to a standalone asset, the asset cannot be assigned to a group asset.
- **Mass Depreciation Adjustment:** Mass depreciation adjustments are not currently supported for group or member assets. You cannot perform a mass depreciation adjustment on a group or member asset. If a mass depreciation adjustment has been made to a standalone asset, the asset cannot be assigned to a group asset.
- **Units of Production Depreciation Method:** The Unit of Production depreciation method is not currently supported for group or member assets. You cannot assign a unit of production type depreciation method to a group or member asset.
- **Expense Adjustment:** Expense adjustment transactions are not currently allowed for group or member assets.
- **Short Fiscal Year:** Short fiscal year accounting is not currently supported for group or member assets.
- **Unplanned Depreciation:** The Unplanned Depreciation feature is not currently supported for a member asset unless you enabled the Member Asset Tracking option for the group asset.
- **Depreciation Ceiling:** Depreciation ceiling are not currently supported for group or member assets.
- **Amortize NBV over Remaining Life:** In general, amortizing NBV over the remaining asset life is not currently supported for group or member assets.
- **Budget Book:** Adding group assets to budget books is not supported.
- **Projection:** Depreciation projections are not currently supported for group assets.
- **Accumulated Current Earnings:** The Accumulated Current Earnings feature in Oracle Assets is not currently supported for a group or member assets.
- **Future Transactions:** Future adjustment and capitalization are not currently supported for group assets. However, future additions, adjustments, and capitalizations are supported for member assets. Also, you can create a future group asset, but you cannot change the defaulted group asset options.
- **Physical Inventory:** The Physical Inventory feature is not currently supported for group assets.

## Mass Property

The Mass Property feature provides the ability to treat similar assets placed into service with the same category, book, and fiscal year combination as a single asset. This single asset holds the total cost and units and is called a mass property asset.

Using the Mass Property feature can simplify tracking, reporting, analysis, and retirement of assets, since all like assets from a particular category, book, and fiscal year combination are stored as an individual asset. For some asset categories, there is no need to create and maintain an individual asset for every asset addition made. Instead, you can create one mass property asset for an asset category each fiscal year. As each new addition occurs, the costs and units are added to the previously created mass property asset. The total cost and units of the mass property asset are then more easily tracked.

Some of the benefits provided by the Mass Property feature include the following:

- Ease of analysis, reporting, and downstream processing of annual additions. One asset per fiscal year is easier to identify and process than a myriad of individual assets.
- Enables downstream average costing of partial unit-based retirements. Each retirement will be a fraction of the asset cost for the fiscal year in direct proportion to the number of units retired.

## Creating Mass Property Assets

Mass property assets are usually created automatically via Mass Additions, but they can also be created manually by using the Asset Workbench or QuickAdditions. If you choose to create mass property assets manually, be sure follow the naming convention described below, and set the date placed in service to the first day of the fiscal year. If you do not create mass property assets manually, then the first Mass Addition for a mass property eligible category in a given fiscal year will automatically result in a mass property asset.

### Prerequisites

- To create a mass property asset, you must first check the Mass Property Eligible check box in the Default Depreciation Rules window for the asset category and book combination that should use the mass property feature. See: Setting Up Asset Categories, page 9-186

The first asset added via Mass Additions to the mass property enabled category, book, and fiscal year combination becomes the mass property asset for the combination. This mass property asset is the first asset added with a date placed in service falling within the fiscal year of the combination. Oracle Assets processes the mass property asset as follows:

- The date placed in service is reset to the first day of the fiscal year. The original date placed in service (prior to resetting) is defaulted to the Amortization Start Date field, and is used to calculate the depreciation contribution of the initial mass property asset.
- The Asset Description is defaulted with a standard name composed of the following:  
MP + YYYY(fiscal year) + Asset Category Description
- The new asset number of the mass property asset is reflected in any external systems, such as Projects, that may have pre-specified a different asset number.

When subsequent mass additions are made to the category, book, and fiscal year combination, they are treated as cost and unit adjustments to the previously created mass property asset. Since subsequent asset additions are treated as cost adjustments, the date placed in service is not tracked, but it is used as the amortization start date of the addition.

**To enable the Mass Property feature for a category and book combination:**

1. Navigate to the Asset Categories window.
2. Query the required category.
3. Query the required book.
4. Select the Default Rules button.
5. Check the Mass Property Eligible check box.
6. Save your work.

**Manually Creating Additional Mass Property Assets**

Using the Asset Workbench or QuickAdditons, you can create additional mass property assets for a category, book, and fiscal year combination, in spite of the fact it already contains the first mass property asset.

Manually creating additional mass property assets may be needed to accommodate reclassification of specific asset additions, or to segregate certain additions made during the fiscal year in a separate mass property asset. For example, you may need to segregate additions related to an acquisition in the middle of the fiscal year, requiring two initially distinct pools, or mass property assets, to exist in the same category and fiscal year.

**Calculating Depreciation**

Depreciation for the mass property asset is calculated by summing the depreciation of

all the asset additions. The amortization start date is used to calculate depreciation of each individual asset addition. The amortization start date of each asset addition is defaulted from the original date placed in service of the individual asset addition.

### **Copying Mass Property Assets**

Copying from a corporate book to a tax book is not impacted by the Mass Property feature. If the source book has enabled Mass Property, the target book will receive the previously aggregated assets. Alternatively, if the source book did not have Mass Property enabled for a category, copying to a target book with Mass Property enabled will not cause aggregation to occur. The only purpose of having Mass Property enabled for a category and book combination is to allow different treatment of these categories in distinct corporate books.

## **Energy Assets**

### **Energy Assets Overview**

Oracle Assets addresses the financial and reporting requirements of the oil and gas industry through use of Energy Assets functionality. The oil and gas industry accounts and reports their asset information based on a hierarchy structure. Generally, a two level hierarchy structure is used where a field is a parent and the wells are child assets. All the asset information is captured at the lower level, which is then summarized to a higher level at which operations, queries and reporting are done. Operations include following:

- Depreciation calculation
- Overriding Oracle Assets-calculated depreciation
- Calculating gain and loss on retirement
- Transfer of costs and reserve
- Impairment

Oil and gas companies use unit-of-production and life-based methods with a Net Book Value depreciable basis. The assets in a hierarchy are transferred along with its reserve to another hierarchy. When an asset is transferred, the source asset hierarchy is decreased by the transferred amount(s), and the target asset hierarchy is increased by the transferred amount(s).

Energy Assets uses the following two methods to calculate energy depreciation:

- Energy Units of Production
- Energy Straight-Line

Energy depreciation calculation is based on a depreciation basis defined as Net Book Value (NBV) over the net remaining reserves for the Energy Units of Production method, or the net remaining life for the Energy Straight-Line method.

Apart from the regular depreciation expenses these companies also recognize impairment expense at the parent level.

## Hierarchy Structure

Oil and gas companies group assets together by properties, reservoirs, or fields for accumulating and depreciating capitalized costs. Oracle Energy Assets meets these requirements through an Asset Hierarchy structure.

## Global Group Depreciation

The asset hierarchy structure is supported using the global group depreciation feature of Energy Assets, which allows you to group, depreciate, and report assets at group level. The global group depreciation supports two levels of asset hierarchies, the group asset level and the member asset level.

In the global group depreciation structure of Oracle Assets, a group is a collection of member assets. The depreciation is calculated and reported at the group level. In addition, you can choose to allocate group depreciation to member assets. There is also an option available to calculate depreciation at the member asset level and then sum up the member depreciations to the group level.

Depreciation expense and accumulated depreciation balances can be tracked for both group and member assets. Essentially, there is a parent-child implied relationship between group and its members. Based on this relationship, you can model a field-to-well type of parent-child relationship using global group depreciation.

For more information on Global Group Depreciation, see Group Depreciation, page 11-1 .

## Auto Create Assets

Asset information is sent to a Mass Additions interface table from Oracle Payables, Joint Venture Accounting (JVA) and other external systems. Energy Assets automates the creation of assets from these lines based on predefined rules. The business process for auto creation of assets is as follows:

- Define Hierarchy
- Setup Quickcodes
- Interface Mass Addition Lines
- Mass Addition Process

## Define Hierarchy

In order to automate the asset creation process through the Prepare Mass Additions concurrent program, you need to establish a valid hierarchy relationship based on the asset ownership. The hierarchy is established through the following steps.

- Define Hierarchy Segment
- Define Hierarchy Structure

### Define Hierarchy Segment

In Energy Assets, the Asset Key Flexfield should contain a minimum of two segments that have to be designated as the Hierarchy and Project segments. The Hierarchy Segment contains values that are used to define group and member relationships. Generally, in the oil and gas industry, the hierarchy segment value will be the report center segment value of the accounting flexfield. To map the asset key segments for hierarchy and project segments, you should define the following two QuickCodes:

- ASSETKEY HIERARCHY MAPPING
- ASSETKEY PROJECT MAPPING

The hierarchy segment can be entered in the asset key flexfield either manually by you, or you can define the mapping segment of the hierarchy segment using the Energy Base application through a quick code called ASSETKEY HIERARCHY SOURCE. The Prepare Mass Addition concurrent program will populate the value based on the predefined mapping.

### Define Hierarchy Structure

You must define a value set to create a hierarchy structure based on which group and member will be created through the mass addition process.

To create a value set, navigate to Setup > Financials > Flexfields > Validation > Sets

Enter the group and member hierarchy segment value and description as the values of the value set. Select Enabled to enable hierarchy values, and select the Parent check box for all group hierarchy values. To define the range of child values to the group value, click Define Child Ranges.

Once all hierarchy relationships have been defined, click View Hierarchies in the Value Set window to view the defined relationships.

To enter hierarchy values, navigate to Setup > Financials > Flexfields > Validation > Values

### Set Up Quickcodes

In addition to the Quickcodes setup in prior steps, the following Quickcodes must be added to enable the Prepare Mass Addition concurrent program to auto create the

assets from the mass addition table.

- QuickCode: RULES TO PREPARE MASS ADDITIONS  
Meaning: Rules to Prepare Mass Additions  
Description: Rules to Prepare Mass Additions  
Lookup Codes: CUSTOM ENERGY
- QuickCode: VALUE FOR GROUP ASSET IN ASSET KEY PROJECT SEGMENT  
Meaning: Value for Group Asset in Asset Key Project Segment
- QuickCode: GROUP ASSET DEFINITION SEGMENT IN ASSET CATEGORY  
Meaning: Group Asset Definition Segment in Asset Category
- QuickCode: VALUE FOR GROUP ASSET IN ASSET CATEGORY  
Meaning: Value for Group Asset in Asset Category
- QuickCode: LOCATION MAPPING IN CLEARING ACCOUNT  
Meaning: Location segments mapping in Asset Clearing Account  
Description: You will define which segments of Asset Clearing Account (Payables CCID) will be used for location derivation.
- QuickCode: LOCATION SEGMENTx MAPPING TO CLEARING ACCOUNT  
Meaning: Mapping the segment x to segment x in the clearing account.
- QuickCode: CATEGORY MAPPING FOR CHART OF ACCOUNTS  
Meaning: Category Mapping for Chart of Accounts

To setup Quickcodes, navigate to Setup > Asset System > Quickcodes

## Interface Mass Addition Lines

You can interface mass addition lines from Oracle Payables or an external system. For information of interfacing mass addition lines, see Overview of the Mass Additions Process, page 2-28.

## Mass Additions Process

Energy Assets automates the preparation of mass addition lines and asset creation, through the Prepare Mass Additions concurrent program, to avoid manual intervention in the mass additions process. Upon the preparation of lines, Energy Assets either creates new assets or makes adjustments to existing assets by uniquely identifying the mass addition lines with asset key and category, and relating it to the hierarchy relationship.

The Prepare Mass Additions concurrent program performs the following tasks:

1. Prepare Mass Addition Lines
2. Create Assets

### **Prepare Mass Addition Lines**

The Prepare Mass Additions concurrent program uses lookup values and the basic information provided for specific mass addition lines to create the other asset information. The process supports specific energy business rules where an asset must be uniquely identified using the Asset Key and Category combination.

The Prepare Mass Additions program processes the lines in `fa_mass_additions` that have a queue status of NEW or ON HOLD. The process derives the asset key and clearing account combination from the feeder system.

The category is derived by matching the cost clearing account of the line with the cost clearing account defined for different categories. There must be a one-to-one mapping for the cost clearing account and the asset category. Upon deriving the Asset Key and Category, the Prepare Mass Additions process merges the cost of all mass addition lines having same Asset Key ID and Category ID, and derives the depreciation expense account from the asset category. The location is derived from the mapped segment of the Asset Clearing Account (Payables CCID).

If the Prepare Mass Additions program cannot derive the required information, it sets the queue status to ON HOLD, and you can review and make the necessary changes to the line.

### **Create Assets**

After the creation of mass addition lines, Prepare Mass Additions refers to the asset key and category of the lines, along with searching for the group asset ID.

If a group asset ID exists, Energy Assets validates the ID and determines whether any assets exist with the same asset key and category combination. When a matching asset is available, the mass addition line is marked as Cost Adjustment to that asset. If no matching asset is available, the mass addition line is marked as a new addition.

If a group asset ID does not exist, Energy Assets derives the group asset ID by first deriving the group asset key and category using QuickCode values and the hierarchy structure. Then Energy Assets checks whether any group asset exists for the derived asset key and category combination. If a valid group asset exists, the group asset ID is populated in the mass additions line.

When no group asset exists for the derived asset key and category combination, Energy Assets creates a group asset, using the information in the mass addition line.

After deriving the group asset ID, Energy Assets determines whether any asset exists with the same asset key and category combination. If a matching asset is available, the mass addition line is marked as Cost Adjustment to that asset. If no matching asset is available, the mass addition line is marked as a new addition.



## Depreciation

Energy Assets uses the following two methods to calculate energy depreciation:

- Energy Units of Production
- Energy Straight-Line

### Energy Units Of Production Depreciation

This section consists of the following topics:

- Energy Units Of Production Method Overview
- Energy Units Of Production Method Process
- Energy Units Of Production Method Conditions

#### Energy Units Of Production Method Overview

The Energy Assets Units of Production depreciation method applies when oil and gas companies have producing properties, such as fields, leases, and wells. Assets are generally structured into two hierarchy levels, where a field is a group asset and the wells are member assets. As the depreciation is calculated at the group asset level, the production or estimated production for these assets is also entered at the group level.

The group asset is marked to depreciate and the depreciation is booked from the group asset level only. Though the member assets are marked not to depreciate, the group asset depreciation can be rolled down to the associated member assets based on their depreciable basis. Depreciation expenses and accumulated depreciation can be tracked for both group and member assets.

The production capacity is entered at the group asset level and can be updated in the future. Production capacity information is processed by Energy Assets for the group asset each period prior to the depreciation run.

Oil and gas companies use the units of production depreciation method based on a depreciation rate defined as Current Period Production over Net Remaining Production Capacity with a NBV depreciable basis, as shown in the following formula:

$$\text{Net Book Value} \times (\text{Production for the Period} / \text{Net Remaining Production Capacity}) = \text{Current Period Depreciation Expense}$$
$$\text{Net Remaining Production Capacity} = \text{Total Capacity} - \text{Production used to date}$$

**Note:** The NBV is equal to the asset's Cost minus Salvage Value minus Depreciation Reserve.

## Energy Units Of Production Method Process

The Energy Units of Production business process consists of the following steps:

1. Define Depreciation Method
2. Enable the Method for Group Asset
3. Enter and Update Production

### Define Depreciation Method

To define the Energy Units of Production method, navigate to Setup > Depreciation > Methods.

The following table describes defining depreciation Method details.

#### *Energy Units of Production Depreciation Details*

| Field or Check box         | Description                         |
|----------------------------|-------------------------------------|
| Method                     | Enter a name for the method         |
| Description                | Enter the description of the method |
| Method Type                | Production                          |
| Calculation Basis          | NBV                                 |
| Depreciable Basis Rule     | Energy Period End Balance           |
| Depreciate in Year Retired | Select this check box               |
| Exclude Salvage Value      | Do not select this check box        |
| Straight Line Method       | Do not select this check box        |

### Enable the Method for Group Asset

To enable the units of production method for the group asset, check all the options in the Allow Group Depreciation region in the Accounting Rule tab of Book Controls window.

### Enter and Update Production

Before running depreciation for the period, the production for the period has to be entered at the group asset level. To enter the monthly production details of a group asset navigate to Production > Enter.

### Energy Units Of Production Method Conditions

The following conditions apply to the Energy Units of Production Depreciation Method.

- All transactions are current period amortizations for assets that are using the Units of Production method with NBV calculation basis; no backdating amortization date is allowed.
- No depreciation will be calculated when the net remaining production capacity (the production capacity minus life-to-date production) is zero.
- When depreciation is calculated at the group level, changing the Depreciation check box at the member level will not impact the group depreciation.
- Member asset addition is treated as a current period amortized cost
- CIP member assets can be assigned to the group asset. However, the CIP cost is not added to the group cost and will not be included in the depreciable basis.
- Group retirement adjustment and group reserve transfer is not supported for the Energy Units of Production and Energy Straight-Line depreciation methods.
- Reinstatement does not calculate missed depreciation expenses for the Energy Period End Balance depreciable basis rule.

### Energy Straight-Line Depreciation

This section consists of the following topics:

- Energy Straight-Line Depreciation Overview
- Define Energy Straight-Line Depreciation Method
- Energy Straight-Line Depreciation Conditions

### Energy Straight-Line Depreciation Overview

Oil and gas companies depreciate other assets such as pumps, office equipment, and other equipment using the Energy Straight-Line method. Oracle Assets calculates Energy Straight-Line depreciation at both the member and group levels. The formula for calculating depreciation using the Energy Straight-Line method is as follows:

$$\text{Net Book Value of the Asset} / \text{Remaining Life of the Asset} = \text{Depreciation}$$

**Note:** The Net Book Value is equal to the asset's Cost minus Salvage Value minus Accumulated Depreciation.

## Define Energy Straight-Line Depreciation Method

To define the Energy Straight-Line method, navigate to Setup > Depreciation > Methods.

The following table describes Energy Straight-Line Depreciation Details

### ***Energy Straight-Line Depreciation Details***

| Field or Check box         | Description                         |
|----------------------------|-------------------------------------|
| Method                     | Enter a Name for the method         |
| Description                | Enter the description of the method |
| Method Type                | Calculated                          |
| Calculation Basis          | Cost                                |
| Depreciable Basis Rule     | Energy Period End Balance           |
| Depreciate in Year Retired | Select this check box               |
| Exclude Salvage Value      | Do not select this check box        |
| Straight Line Method       | Select this check box               |

## Energy Straight-Line Depreciation Conditions

The following conditions apply to the Energy Straight-Line Depreciation Method.

- If you select Calculate Member Asset Amount and Sum Member Asset Depreciation to Group for the tracking method, you cannot perform any adjustments to the group assets.

## Impairment Expenses

Energy Assets enables you to enter an impairment expense on the group asset to write off asset cost as impairment incurred. You can enter an impairment expense as an unplanned depreciation for a group asset. When performing the unplanned depreciation you need to enter Type, Amount, and Expense Account. The unplanned depreciation amount is booked as a current period expense in addition to the calculated depreciation expense.

The unplanned depreciation type enables you to indicate the nature of the unplanned

depreciation performed. You can use the QuickCode to pre-seed an unplanned depreciation type for Impairment.

For more information on unplanned depreciation, see Unplanned Depreciation, page 5-58.

## Authority For Expenditures Reclass

### AFE Reclass Overview

Oil and gas companies use the Authority for Expenditures (AFE) application to support budgeting, approval, and tracking expenditures for their capital projects. An AFE is created for each drilling project to track and monitor the project activities, including cost estimates, project authorization, actual charges, and project status. Upon creation of an AFE, a unique number is assigned and all subsequent tracking happens based on this number.

The cost incurred during the course of a capital project is accounted and reported as Construction In Progress (CIP). At the completion of the project, these costs may either be capitalized or expensed based on the outcome of the project and in accordance with accounting policies.

Energy Assets provides an AFE Reclass process through the Post Transaction Interface concurrent program to capitalize or expense the CIP assets based on the status of the AFE.

### AFE Reclass Business Process

The Energy Assets AFE Reclass process consists of the following tasks:

- AFE Setup
- Interface Reclass Information
- AFE Reclass

### AFE Setup

You need to setup the hierarchy structure, hierarchy, and Project segment of the asset key flexfield and quick codes. For information on these setups, see Auto Create Assets., page 11-107

The following accounts must be set up in the Asset Category window when defining your asset categories.

**Alternate Asset Cost:** When an AFE is closed as a Dry Hole or capital abandonment, the AFE reclass process will transfer all CIP assets costs to this account.

**Write-off Expense:** When an AFE is closed as an Expense, it is updated in the interface table as retirement. The AFE reclass process will retire the CIP assets in the book by charging the NBV retired to this account.

**SLA Setups:** You can setup the Account Derivation Rules (ADR) to derive the account code combinations based on the transaction types. You can setup ADRs to derive the dry hole cost and write-off expense accounts. In order to derive the Alternate Cost Account, all cost ADRs (not just the one for Capitalization) must have the following conditions:

*If dryhole\_flag = Y, then use alternate cost account*

*Else = Use standard cost account*

For write-off expense accounts, you must modify the NBV Retired row to look at the retirement type code value, and conditionally use the write-off expense account instead of the standard NBV RETIRED, based on a lookup code.

### Interface AFE Reclass Information

The AFE application sends the reclass information to Energy Assets when an AFE is closed and is ready for capitalization. Energy Assets integrates with the AFE application through the interface table FA\_TRANSACTION\_INTERFACE to receive and store the reclass information.

The following table describes the FA\_TRANSACTION\_INTERFACE table.

**FA\_TRANSACTION\_INTERFACE Table**

| Column Name                   | Data Type    | Size | Null | FK To Table Column                  |
|-------------------------------|--------------|------|------|-------------------------------------|
| TRANSACTION_INTER<br>FACE_ID  | NUMBER       | 15   | X    |                                     |
| TRANSACTION_DATE              | DATE         |      |      |                                     |
| TRANSACTION_TYPE_<br>CODE     | VARCHA<br>R2 | 30   | X    |                                     |
| POSTING_STATUS                | VARCHA<br>R2 | 30   | X    |                                     |
| BOOK_TYPE_CODE                | VARCHA<br>R2 | 15   | X    | FA_BOOK_CONTROLS.BOOK_T<br>YPE_CODE |
| ASSET_KEY_PROJECT_<br>VALUE   | VARCHA<br>R2 | 30   | X    |                                     |
| ASSET_KEY_HIERARC<br>HY_VALUE | VARCHA<br>R2 | 30   | X    |                                     |

| Column Name                   | Data Type | Size | Null | FK To Table Column                 |
|-------------------------------|-----------|------|------|------------------------------------|
| ASSET_KEY_NEW_HIERARCHY_VALUE | NUMBER    | 30   | X    |                                    |
| REFERENCE_NUMBER              | NUMBER    | N/A  |      |                                    |
| COMMENTS                      | VARCHAR2  | 80   |      |                                    |
| CONCURRENT_REQUEST_ID         | NUMBER    | 15   |      | FND_CONCURRENT_REQUESTS.REQUEST_ID |
| CREATED_BY                    | NUMBER    | 15   | X    |                                    |
| CREATION_DATE                 | DATE      |      | X    |                                    |
| LAST_UPDATED_BY               | NUMBER    | 15   | X    |                                    |
| LAST_UPDATE_DATE              | DATE      |      | X    |                                    |
| LAST_UPDATE_LOGIN             | NUMBER    | 15   |      |                                    |

## AFE Reclass

The Post Transaction Interface Program performs the following two tasks:

- Reclass CIP Asset
- Report Center Changes

### Reclass CIP Asset

The AFE Reclass process is run at an asset book level. The process first selects the CIP assets that need to be capitalized or written off, then picks up the AFE Number from the interface table and matches it with the CIP assets in that asset book. The AFE Number is matched against the project segment value in the asset key flexfield of the asset. If a match is found, then the process will select these CIP assets for AFE reclassification.

Since the data in the interface table is not purged, the Post Transaction Interface Program runs a check on all records in the interface table every time the process is initiated.

The selected assets will be capitalized, written off, or charged to a Dry Hole account based on the status in which the AFE is closed. An AFE can be closed with one of the following statuses:

- Capitalize
- Dry Hole or Capital Abandonment
- Expense

#### **Capitalize**

When the project cost is proven to be a producing property, the action status is Capitalize and the CIP asset will be capitalized. The cost is moved from CIP cost account to capitalized cost account. The asset category remains the same even after the capitalization. The CIP asset is capitalized with a date place in service in the current period. The accounting entry will be:

DR--Asset Cost Account--xxx

CR--CIP Cost Account--xxx

The Asset Cost account is set up in the Asset Cost field of the Asset Categories window.

#### **Dry Hole or Capital Abandonment**

When the project is proven to be a dry hole, it is treated as a capital abandonment and the action status will be Dry Hole. The CIP cost will still be capitalized, however the capitalized cost is booked to a different cost account, labeled as Alternate Asset Cost.

On capitalization the asset category remains the same and with the current period date placed in service. The accounting entry will be:

DR-- Alternate Asset Cost Account-- xxx

CR--CIP Cost Account--xxx

#### **Expense**

When the project cost is proven to be nonproducing, the cost has to be written off as a current period expense and the action status will be Expense. The process will retire the CIP asset in the current period. The CIP cost will be expensed to a write off expense instead of the retired gain or loss account.

#### **Report Center Changes**

When the report center populated in the interface table is different from the report center of the CIP asset, the AFE Reclass process will first capitalize the asset and then make the report center changes. The report center changes will be performed only on the selected CIP assets to be capitalized. No report center changes will occur for retiring CIP assets.

Since the report center is used in the cost center segment of the accounting flexfield as well as the hierarchy segment of the Asset Key flexfield, the AFE process will first update the assets hierarchy segment with the new report center value. After updating the asset key, the AFE process performs an asset transfer to change the cost center segment of the capitalized assets.

As the assets are grouped under a hierarchy structure, the change of the report center will require an asset reclass if the new report center belongs to a different hierarchy. The AFE process checks for the hierarchy structure of the new report center on the



Hierarchy structure. If a match is found, it assigns the capitalized assets to that group asset. If the group asset does not exist, it automatically creates the group asset, and then assigns the capitalized asset to that group asset.

The following are the accounting entries which are created by this process:

***Capitalization CIP asset:***

| Debit or Credit | Description                            | Amount |
|-----------------|----------------------------------------|--------|
| DR              | Asset Cost Account (Old Report Center) | xxx    |
| CR              | CIP Cost Amount                        | xxx    |

***Report Center Change (Asset Transfer)***

| Debit or Credit | Description                            | Amount |
|-----------------|----------------------------------------|--------|
| DR              | Asset Cost Account (New Report Center) | xxx    |
| CR              | Asset Cost Account (Old Report Center) | xxx    |

or

***Capitalization CIP Assets***

| Debit or Credit | Description                                      | Amount |
|-----------------|--------------------------------------------------|--------|
| DR              | Alternate Asset Cost Account (Old Report Center) | xxx    |
| CR              | CIP Cost Account                                 | xxx    |

***Report Center Change (Asset Transfer )***

| <b>Debit or Credit</b> | <b>Description</b>                                  | <b>Amount</b> |
|------------------------|-----------------------------------------------------|---------------|
| DR                     | Alternate Asset Cost Account<br>(New Report Center) | xxx           |
| CR                     | Alternate Asset Cost Account<br>(Old Report Center) | xxx           |

---

## Online Inquiries

This chapter covers the following topics:

- Viewing Assets
- Viewing MRC Details for a Transaction
- Performing a Transaction History Inquiry
- Viewing Accounting Lines
- Drilling Down to Oracle Assets from Oracle General Ledger

### Viewing Assets

Use the Financial Information windows to view descriptive and financial information for an asset. You can review the transactions, depreciation, and cost history of the asset you select.

#### To view descriptive and financial information for an asset:

1. Choose Inquiry > Financial Information from the Navigator window.
2. In the Find Assets window, you can find assets by Asset, Detail, Book, Assignment, Source Line, or Lease. You can enter any number of search criteria into the fields.

**Find by Asset Detail:** Enter asset descriptive information, such as Asset Number, Description, Tag Number, Category, Serial Number, Asset Key, Warranty Number, Asset Type, or Group Asset as your search criteria.

**Note:** For best performance, query by asset number or tag number since they are unique values.

**Find by Book:** Enter book information as your search criteria.

**Find by Assignment:** Enter assignment information as your search

**Find by Lease:** Enter lease information as your search criteria.

- [illegible]

Choose the **Project Details** button to view detail project information about the asset. The Asset Line Details window includes the following project information for your asset: expenditure type, item date, employee, supplier, quantity, CIP cost, expenditure organization, non-labor resource, and non-labor organization.

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View Financial Information - 100079

| Book     | Cost      | Recoverable Cost | Net Book Value | YTD Depreciation | Accumulated Depreciation |
|----------|-----------|------------------|----------------|------------------|--------------------------|
| OPS CORP | 24,000.00 | 24,000.00        | 0.00           | 0.00             | 24,000.00                |
| OPS ACE  | 24,000.00 | 24,000.00        | 24,000.00      | 0.00             | 0.00                     |
| OPS AMT  | 24,000.00 | 24,000.00        | 24,000.00      | 0.00             | 0.00                     |

|                                                |             |                      |     |                        |      |
|------------------------------------------------|-------------|----------------------|-----|------------------------|------|
| Original Cost                                  | 24,000.00   | Method               | STL | Capacity               |      |
| Salvage Value                                  | 0.00        | Life Years           | 4   | Months                 | 0    |
| Date in Service                                | 01-JAN-1996 | Remaining Life Years | 0   | Months                 | 0    |
| Prorate Convention                             | MID-MONTH   | Life End Date        |     | YTD Production         |      |
| Prorate Date                                   | 01-JAN-1996 | Basic Rate           |     | LTD Production         |      |
| <input checked="" type="checkbox"/> Depreciate |             | Adjusted Rate        |     | Depr Ceiling           |      |
| <input type="checkbox"/> Investment Tax Credit |             | Bonus Rule           |     | Revaluation Ceiling    |      |
|                                                |             |                      |     | Revaluation Reserve    | 0.00 |
|                                                |             |                      |     | YTD Bonus Depreciation | 0.00 |
|                                                |             |                      |     | LTD Bonus Depreciation | 0.00 |

| Period | Total Amount | Depreciation Amount | Adjustment Amount | Bonus Depreciation Amount | Bonus Adjustment Amount | Revaluation Amortization |
|--------|--------------|---------------------|-------------------|---------------------------|-------------------------|--------------------------|
| Dec-99 | 500.00       | 500.00              | 0.00              | 0.00                      | 0.00                    | 0.00                     |
| Dec-96 | 500.00       | 500.00              | 0.00              | 0.00                      | 0.00                    | 0.00                     |
| Nov-96 | 500.00       | 500.00              | 0.00              | 0.00                      | 0.00                    | 0.00                     |
| Oct-96 | 500.00       | 500.00              | 0.00              | 0.00                      | 0.00                    | 0.00                     |
| Sep-96 | 500.00       | 500.00              | 0.00              | 0.00                      | 0.00                    | 0.00                     |
| Aug-96 | 500.00       | 500.00              | 0.00              | 0.00                      | 0.00                    | 0.00                     |

The View Financial Information window includes the asset you choose in the title, and lists, by depreciation book, financial information for the asset.

**Note:** You can also view financial information directly from the Asset Workbench by choosing the Financial Inquiry button on the Assets window. However, when you open the View Financial Information window from the Asset Workbench, the Transactions button does not appear and you cannot view transaction history.

The YTD Depreciation field totals depreciation expense and bonus depreciation expense. The Accumulated Depr field totals the accumulated depreciation expense and the bonus reserve. You can also track the bonus depreciation expense and the bonus reserve separately in the YTD Bonus Depr and LTD Bonus Depr fields.

The Depreciation tabbed region contains the depreciation history for this asset.

This tabbed region displays the depreciation expense and the bonus depreciation expense in the Depreciation Expense account, even if you have set up a specific Bonus Depreciation account.

View Financial Information - 100079

| Book     | Cost      | Recoverable Cost | Net Book Value | YTD Depreciation | Accumulated Depreciation |
|----------|-----------|------------------|----------------|------------------|--------------------------|
| OPS CORP | 24,000.00 | 24,000.00        | 0.00           | 0.00             | 24,000.00                |
| OPS ACE  | 24,000.00 | 24,000.00        | 24,000.00      | 0.00             | 0.00                     |
| OPS AMT  | 24,000.00 | 24,000.00        | 24,000.00      | 0.00             | 0.00                     |

|                                                |             |                      |     |                        |      |
|------------------------------------------------|-------------|----------------------|-----|------------------------|------|
| Original Cost                                  | 24,000.00   | Method               | STL | Capacity               |      |
| Salvage Value                                  | 0.00        | Life Years           | 4   | Months                 | 0    |
| Date in Service                                | 01-JAN-1996 | Remaining Life Years | 0   | Months                 | 0    |
| Prorate Convention                             | MID-MONTH   | Life End Date        |     | YTD Production         |      |
| Prorate Date                                   | 01-JAN-1996 | Basic Rate           | %   | LTD Production         |      |
| <input checked="" type="checkbox"/> Depreciate |             | Adjusted Rate        | %   | Depr Ceiling           |      |
| <input type="checkbox"/> Investment Tax Credit |             | Bonus Rule           |     | Revaluation Ceiling    |      |
|                                                |             |                      |     | Revaluation Reserve    | 0.00 |
|                                                |             |                      |     | YTD Bonus Depreciation | 0.00 |
|                                                |             |                      |     | LTD Bonus Depreciation | 0.00 |

| Reference Number | Transaction Type | Transaction Date | Periods Effective | Entered | Fiscal Year | Cost      |
|------------------|------------------|------------------|-------------------|---------|-------------|-----------|
| 124              | ADDITION         | 01-JAN-1996      | Jan-96            | Jan-96  | 1996        | 24,000.00 |

Transactions

The **Cost History** tabbed region contains the cost history of this asset.

If you change any information except cost for the asset in the period you added it, the **Cost History** tabbed region shows you the **ADDITION/VOID** transaction, not the **ADDITION** transaction.

Transaction History

| Reference Number | Transaction Type | Asset Number - Description | Periods Effective | Entered |
|------------------|------------------|----------------------------|-------------------|---------|
| 124              | ADDITION         | 100079 - STANDARD VEHICLE  | Jan-96            | Jan-96  |
| 125              | TRANSFER IN      | 100079 - STANDARD VEHICLE  | Jan-96            | Jan-96  |

Book: OPS CORP

☐ Amortized Adjustment

Comments:

Details

Choose **Transactions** to review transaction history of this asset in the Transaction History window. To view individual transaction details for this asset, check a transaction and choose **Details** to open the Transaction Detail window.

You can view the detail accounting lines for the transaction from the View Financial Information and Transaction History windows. The accounting lines are in the form of a balanced accounting entry (i.e., debits equal credits). You can also choose to view the detail accounting as t-accounts.

See: Viewing Accounting Lines, page 12-6

## Related Topics

Performing a Transaction History Inquiry, page 12-6

Adjusting Accounting Information, page 3-7

Changing Asset Details, page 3-1

Asset Descriptive Details, page 2-2

Depreciation Rules (Books), page 2-5

Assignments, page 2-11

Source Lines, page 2-13

## Viewing MRC Details for a Transaction

If you use Multiple Reporting Currencies (MRC) functionality, and if you are using a responsibility associated with your ledger currency, then you can use the View Currency Details window to see in a single window, transaction amounts in your ledger currency and in all the reporting currencies. If the transaction currency is different from your ledger currency then the amounts are also displayed in the transaction currency.

The window also displays currency conversion details such as the cost, recoverable cost, and the net book value.

For an asset the window displays:

- Cost information
- Depreciation information
- Revaluation information
- Salvage value information
- Bonus depreciation information

### To view MRC details:

To open the View Currency Details window, use a responsibility associated with your primary functional currency. Select a transaction in one of the following windows, then either choose the View Accounting option from the Tools menu.

1. From a responsibility associated with your primary functional currency, choose Inquiry-Financial Information from the menu.

2. Query an asset.
3. Choose the Books button to view financial information.
4. In the Financial Information window, choose View accounting.

## Related Topics

View Currency Details (*Multiple Reporting Currencies in Oracle Applications Guide or online help*)

## Performing a Transaction History Inquiry

Use the Transaction History windows to review all the transactions for any book, accounting period, transaction type, or range of assets.

### To perform a transaction history inquiry:

1. Choose Inquiry > Transaction History from the Navigator window.
2. In the Find Transactions window, enter search criteria for your inquiry. You must enter a Book and Reference Number or Asset Numbers to query a transaction history. You can optionally enter other search criteria, including Periods, Transaction Type, and Category.
3. Choose Find. You can see a summary of the transactions for the asset.
4. To view details, check an asset and then choose the Details button.

**Note:** You can view the detail accounting lines for the transaction in the form of a balanced accounting entry (i.e., debits equal credits). You can also choose to view the detail accounting as t-accounts.

See: Viewing Accounting Lines, page 12-6

## Related Topics

Viewing Assets, page 12-1

Adjusting Accounting Information, page 3-7

## Viewing Accounting Lines

When you query an asset in Oracle Assets, you can choose to view the detail accounting lines for the queried transaction in the form of a balanced accounting entry (i.e., debits



equal credits). You can also choose to view the detail accounting as t-accounts. Use these features to see how a transaction will affect the account balances in your general ledger.

### **To view accounting lines:**

1. Query the asset for which you want to view accounting lines.
2. Choose View Accounting from the Tools menu to view accounting information in Oracle Subledger Accounting.
3. (Optional) To view the accounting detail as t-accounts, choose the T-Accounts button.

### **To view accounting lines from the Transaction History window:**

1. Query the transaction history of the asset for which you want to view accounting lines.
2. Choose View Accounting from the Tools menu to view accounting information in Oracle Subledger Accounting.

**Note:** If the transaction you are viewing generated any catchup depreciation expense, the catchup depreciation expense does not appear on the View Transaction Accounting window. To view the depreciation expense, you need to query the financial information for the asset. See: Viewing Assets, page 12-1.

### **To view accounting events from the Transaction History window:**

1. Query the transaction history of the asset for which you want to view accounting events in Oracle Subledger Accounting.
2. Choose View Accounting Events from the Tools menu.

## **Viewing Accounting for Non-Upgraded Data**

### **To view accounting lines:**

1. If your transaction data has not been upgraded to Release 12, choose View Accounting from the Tools menu to view the transaction in the View Transaction Accounting window in Oracle Assets.
2. (Optional) If your organization uses Multiple Reporting Currencies, choose the

Alternate Currency button to view the accounting using an alternate currency. For example, if you are viewing the accounting in your ledger currency (e.g., BEF), you can switch to EUR (reporting currency).

From the poplist that appears after you choose the Alternate Currency button, choose the ledger whose transactions you want to view. The View Invoice Accounting window will change to reflect amounts in the appropriate currency for the chosen ledger.

3. (Optional) To view the accounting detail as t-accounts, choose the T-Accounts button.

#### To view accounting lines from the Transaction History window:

1. Query the transaction history of the asset for which you want to view accounting lines.
2. Choose View Accounting from the Tools menu.

**Note:** If the transaction you are viewing generated any catchup depreciation expense, the catchup depreciation expense does not appear on the View Transaction Accounting window. To view the depreciation expense, you need to query the financial information for the asset. See: Viewing Assets, page 12-1

#### View Accounting Windows

The first time you open the View Invoice Accounting window, the following information will be displayed for the detailed accounting lines:

|                  |                  |
|------------------|------------------|
| Transaction Type | Reference Number |
| Line Type        | Account          |
| Debit            | Credit           |

When you select a detailed accounting line, the system displays the following information at the bottom of the View Invoice Accounting window:

|                     |                  |
|---------------------|------------------|
| Account Description | Transaction Date |
| Accounting Date     | Comments         |

---

Transferred to GL

---

### Customizing the View Accounting Window

The View Invoice Accounting window is a *folder*. You can easily customize the information that is displayed in the window.

See: Customizing the Presentation of Data in a Folder, *Oracle Applications User's Guide*

When customizing the View Invoice Accounting window, you can hide the columns that normally appear in the window and you can choose to display any additional columns that are available.

Following is a list of all the hidden columns that you can choose to display:

---

|                          |                          |
|--------------------------|--------------------------|
| Account Description      | Currency Conversion Rate |
| Accounting Date          | Currency Conversion Type |
| Asset Book               | Currency                 |
| Asset Category           | Entered Debit            |
| Asset Description        | Entered Credit           |
| Asset Key                | Line Reference           |
| Asset Number             | Transaction Date         |
| Comments                 | Transferred to GL        |
| Currency Conversion Date |                          |

---

### Related Topics

Drilling Down to Oracle Assets from Oracle General Ledger, page 12-9

## Drilling Down to Oracle Assets from Oracle General Ledger

From General Ledger, you can drill down to subledger details from the Account Inquiry, Enter Journals, or View Journals windows for journals that have specific journal sources assigned to them. For example, if a journal source is Assets, you can drill down to the transaction details in Oracle Assets.

When you drill down from General Ledger, the Assets Transaction Accounting window will open. The first time you open this window, the following information will be displayed:

---

|                   |                  |
|-------------------|------------------|
| Transaction Type  | Reference Number |
| Transaction Date  | Asset Number     |
| Asset Description | Debit            |
| Credit            | Line Type        |

---

When you select a detailed accounting line, the system displays the following information at the bottom of the related window:

---

|                 |                |
|-----------------|----------------|
| Asset Book      | Asset Category |
| Accounting Date | Comments       |

---

When you drill down from General Ledger, the Assets Transaction Accounting window will open. When you select a detailed accounting line, the system displays additional information at the bottom of the related window.

## Customizing the Drilldown Windows

The drilldown window is a *folder*. You can easily customize the information that is displayed in the window.

See: Customizing the Presentation of Data in a Folder, *Oracle Applications User's Guide*

When customizing the drilldown window, you can hide the columns that normally appear in the window and you can choose to display any additional columns that are available.

Following is a list of all the hidden columns that you can choose to display:

---

|                     |                          |
|---------------------|--------------------------|
| Account             | Currency Conversion Date |
| Account Description | Currency Conversion Rate |
| Accounting Date     | Currency Conversion Type |

---

---

|                          |                   |
|--------------------------|-------------------|
| Asset Book               | Entered Debit     |
| Asset Category           | Entered Credit    |
| Asset Key                | Entered Currency  |
| Comments                 | Line Reference    |
| Comments                 | Transferred to GL |
| Currency Conversion Date |                   |

---

## Drilling Down Further

From the Assets Transaction Accounting window, you can drill down even further to view detail transactions or you can choose to view the underlying transaction accounting.

### To drill down to detail transactions or to view transaction accounting:

1. From the Assets Transaction Accounting window, select a detail accounting line.
2. Choose the Show Transaction button to view detail transactions.
3. Choose the Show Transaction Accounting button to view the transaction accounting.

## Related Topics

Viewing Accounting Lines, page 12-6



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## Oracle Assets Menu Paths

This appendix covers the following topics:

- Oracle Assets Navigation Paths

### Oracle Assets Navigation Paths

This table lists each Oracle Assets window and corresponding navigation path, although your system administrator may have customized your navigator.

The following are typical Oracle Assets navigation paths:

| Window Name                                                  | Navigators Path                                        |
|--------------------------------------------------------------|--------------------------------------------------------|
| Accounting Calendar, <i>Oracle General Ledger User Guide</i> | Setup > Financials > General Ledger > GLCalendar       |
| Add to Asset, page 2-45                                      | Mass Additions > Prepare Mass Additions > Add to Asset |
| Asset Categories, page 9-186                                 | Setup > Asset System > Asset Categories                |
| Asset Details, page 2-20                                     | Assets > Asset Workbench > Open                        |
| Asset Keys, page 9-50                                        | Setup > Asset System > Asset Keys                      |

---

|                                                                             |                                                                   |
|-----------------------------------------------------------------------------|-------------------------------------------------------------------|
| Assign Security Rules, <i>Oracle Applications Flexfields Guide</i>          | Setup > Financials > Flexfields > Descriptive > Security > Assign |
|                                                                             | Setup > Financials > Flexfields > Key > Security > Assign         |
|                                                                             | Setup > Financials > Flexfields > Validation > Security > Assign  |
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## Oracle Assets Profile Options and Profile Option Categories

This appendix covers the following topics:

- Profile Options and Profile Option Categories Overview
- Profile Option Category and Profile Options Descriptions

### Profile Options and Profile Option Categories Overview

During implementation, set a value for each Oracle Assets profile option to specify how Oracle Assets controls access to and processes data.

See: Setting User Profile Options, *Oracle Applications System Administrator's Guide - Maintenance*

Profile options are grouped into one or more profile option categories enabling you to view only the profile options that pertain to your application or function.

#### Oracle Assets Categories

- Account Generation
- Archive and Purge
- Concurrent Processing
- Debug
- Depreciation
- Desktop Integration
- Payables Integration
- Performance

- Security
- Setup

#### **Oracle Assets Profile Options**

- FA: Allow Swiss Special Assets
- FA: Annual Rounding
- FA: Archive Table Sizing Factor
- FA: Batch Size
- FA: Cache Sizing Factor
- FA: Custom Generate CCID
- FA: Default DPIS to Invoice Date
- FA: Deprn Single
- FA: Enable Depreciation Override
- FA: Generate Asset Level Account
- FA: Generate Book Level Accounts
- FA: Generate Category Level Accounts
- FA: Generate Depreciation Expense Accounts
- FA: Japan 2007 Tax Reforms Features
- FA: Mass Copy All Cost Adjustments
- FA: Maximum Projection Extent
- FA: Number of Parallel Requests
- FA: Print Debug
- FA: Print Timing Diagnostics
- FA: Security Profile
- FA: Tax Asset Type Category Segment for Japanese Depreciable Assets Tax Report
- FA: Use Threshold

- FA: Use Workflow Account Generation
- FADI: Create Asset Privileges
- FADI: Physical Inventory Privileges

## Profile Option Category and Profile Options Descriptions

This section describes profile options by category.

The tables in this section provide profile option information as follows:

- The Default column displays either the default profile option value in italics, or No Default if none exists.
- The User Access column indicates whether you can view or update the profile option.
- The System Administration: Site, Application, Responsibility, and User columns indicate at which levels the system administrator can update these profile options.

The key for each table is:

- Update: You can update the profile option.
- View Only: You can view the profile option but cannot change it.
- No Access: You cannot view or change the profile option.

## Account Generation Category

The table below lists the profile options that are used to generate accounts.

### *Account Generation*

| Profile Option                             | Default    | User Access | System Administration: Site | System Administration: Application | System Administration: Responsibility | System Administration: User |
|--------------------------------------------|------------|-------------|-----------------------------|------------------------------------|---------------------------------------|-----------------------------|
| FA: Custom Generate CCID                   | No         | No Access   | No Access                   | No Access                          | No Access                             | No Access                   |
| FA: Generate Depreciation Expense Accounts | No default | View Only   | No Access                   | Update                             | Update                                | View Only                   |

| Profile Option                       | Default    | User Access | System Administration: Site | System Administration: Application | System Administration: Responsibility | System Administration: User |
|--------------------------------------|------------|-------------|-----------------------------|------------------------------------|---------------------------------------|-----------------------------|
| FA: Generate Asset Level Account     | No default | View Only   | No Access                   | Update                             | View Only                             | View Only                   |
| FA:Generate Book Level Accounts      | No default | View Only   | No Access                   | Update                             | View Only                             | View Only                   |
| FA: Generate Category Level Accounts | No default | View Only   | No Access                   | Update                             | View Only                             | View Only                   |
| FA: Use Workflow Account Generation  | Yes        | View Only   | Update                      | Update                             | Update                                | No Access                   |

### FA: Custom Generate CCID

Indicates whether Oracle Assets should call Oracle Workflow or the stub package FA\_CUSTOM\_GEN\_CCID\_PKG when generating code combinations. You can customize the FA\_CUSTOM\_GEN\_CCID\_PKG stub package.

- **Yes:** Oracle Assets calls the stub package FA\_CUSTOM\_GEN\_CCID\_PKG when generating code combinations.
- **No:** Oracle Assets calls Oracle Workflow when generating code combinations.

### FA: Generate Expense Account

This profile option allows you to generate the depreciation expense account based on Workflow rules. When you set this profile option to Yes, Generate Accounts reads the profile option and generates the expense account using Workflow rules. If you do not set this profile option or you set it to No, Generate Accounts uses the expense account entered for an asset in the Assignments window.

### FA: Generate Asset Level Account

This profile option allows the Generate Accounts program to generate asset level accounts. When you set this profile option to Yes or do not set it, Generate Accounts reads the profile option and generates the asset level account using Workflow rules. If you set this profile option to No, Generate Accounts does not generate asset level



accounts. You should set this profile option to No only if Workflow has been customized so that one or more accounts for a single asset and distribution may change over time.

The default is Yes.

#### **FA: Generate Book Level Accounts**

This profile option allows the Generate Accounts program to generate book level accounts. When you set this profile option to Yes or do not set it, Generate Accounts reads the profile option and generates the book level account using Workflow rules. If you set this profile option to No, Generate Accounts does not generate book level accounts. You should set this profile option to No only if Workflow has been customized so that one or more accounts for a single asset and distribution may change over time.

The default is Yes.

#### **FA: Generate Category Level Accounts**

This profile option allows the Generate Accounts program to generate category level accounts. When you set this profile option to Yes or do not set it, Generate Accounts reads the profile option and generates the category level account using Workflow rules. If you set this profile option to No, Generate Accounts does not generate category level accounts. You should set this profile option to No only if Workflow has been customized so that one or more accounts for a single asset and distribution may change over time.

The default is Yes.

#### **FA: Use Workflow Account Generation**

This profile option controls whether the account generation rules set up in Oracle Workflow are used. If you set the value to Yes, then the account generation rules set up in Oracle Workflow are used. If you set the value to No, then the account derivation rule set up in Oracle Subledger Accounting is used.

### **Archive and Purge Category**

The table below lists the profile options related to the archive and purge function.

### ***Archive and Purge Category***

| <b>Profile Option</b>           | <b>Default</b> | <b>User Access</b> | <b>System Administration: Site</b> | <b>System Administration: Application</b> | <b>System Administration: Responsibility</b> | <b>System Administration: User</b> |
|---------------------------------|----------------|--------------------|------------------------------------|-------------------------------------------|----------------------------------------------|------------------------------------|
| FA: Archive Table Sizing Factor | 100 KB         | View Only          | No Access                          | Update                                    | Update                                       | No Access                          |

### **FA: Archive Table Sizing Factor**

Controls the space allotted for the temporary tables created when you archive and purge a book. The sizing factor specifies how many kilobytes of storage to reserve for the initial extent. The default value is 100 kilobytes. You can update this option if you are archiving a large number of records for a fiscal year.

This profile option is visible to the System Administrator and updatable at the application and responsibility levels. It is visible to, but not updatable by, the user.

The internal name for this profile option is FA\_ARCHIVE\_TABLE\_SIZE.

### **Concurrent Processing Category**

The table below lists the profile options related to concurrent processing.

### ***Concurrent Processing Category***

| <b>Profile Option</b>              | <b>Default</b> | <b>User Access</b> | <b>System Administration: Site</b> | <b>System Administration: Application</b> | <b>System Administration: Responsibility</b> | <b>System Administration: User</b> |
|------------------------------------|----------------|--------------------|------------------------------------|-------------------------------------------|----------------------------------------------|------------------------------------|
| FA: Mass Copy All Cost Adjustments | No             | View Only          | No Access                          | Update                                    | No Access                                    | No Access                          |
| FA: Number of Parallel Requests    | 1              | View Only          | No Access                          | Update                                    | Update                                       | No Access                          |

### **FA: Mass Copy All Cost Adjustments**

Controls whether or not cost adjustments are copied to the tax book in the event that there is a difference between the unvalued costs in the corporate book and the associated tax book. If you set this profile option to Yes, cost adjustments are copied

over regardless of whether the unrevalued costs are the same or different in the corporate book and the associated tax book. If you set this profile option to No, the Mass Copy program will not copy cost adjustments when the unrevalued costs in the corporate book and the associated tax book are different. The default is No.

This profile option can be set at the site or application level.

### FA: Number of Parallel Requests

Controls the number of requests you run in parallel for those Oracle Assets programs that can run in parallel. For example, use this profile option to run parallel depreciation processes. When you run the process, Oracle Assets spawns a parent process with several child processes. Note that the Parent ID number is identical to that of the Request ID in the View Concurrent Requests form.

Enter a number between 1 and 15 to specify the maximum number of parallel requests you want to allow. The parent process is not included in this number.

This profile option is visible to the System Administrator and updatable at the application and responsibility levels. It is visible to, but not updatable by, the user.

## Debug Category

The table below lists the profile options that control debugging and diagnostic features.

### Debug Category

| Profile Option  | Default | User Access | System Administration: Site | System Administration: Application | System Administration: Responsibility | System Administration: User |
|-----------------|---------|-------------|-----------------------------|------------------------------------|---------------------------------------|-----------------------------|
| FA: Print Debug | No      | No Access   | No Access                   | Update                             | Update                                | Update                      |

### FA: Print Debug

Indicates whether debug tracing messages are printed in concurrent program log files. This profile option is used by Support as a tool to identify a problem with the code.

- **Yes:** Enables printing of debug messages
- **No:** Disables printing of debug messages
- **(No Value):** Equivalent to No

This profile option is visible to the System Administrator and updatable at the application, responsibility, and user levels.

## Depreciation Category

The table below lists the profile options related to depreciation.

### *Depreciation Category*

| Profile Option                      | Default    | User Access | System Administration: Site | System Administration: Application | System Administration: Responsibility | System Administration: User |
|-------------------------------------|------------|-------------|-----------------------------|------------------------------------|---------------------------------------|-----------------------------|
| FA: Annual Rounding                 | Always     | View Only   | Update                      | No Access                          | No Access                             | No Access                   |
| FA: Deprn Single                    | No         | View Only   | No Access                   | No Access                          | No Access                             | No Access                   |
| FA: Enable Depreciation Override    | No default | View Only   | Update                      | Update                             | No Access                             | No Access                   |
| FA: Japan 2007 Tax Reforms Features | No         | No          | No                          | Update                             | No Access                             | No Access                   |
| FA: Use Threshold                   | No default | Update      | No Access                   | Update                             | Update                                | Update                      |

### FA: Annual Rounding

Controls whether or not annual rounding is performed for assets.

- **With Restrictions:** End of the year adjustments are performed for assets that have no adjustments, revaluations, retirements, transfers, or additions with accumulated depreciation in the current fiscal year. This is the default.
- **Always:** Annual rounding is performed at the end of the year, even if the assets have been added with accumulated depreciation, adjusted, revalued, reinstated, or transferred in the current fiscal year.
- **(No Value):** Equivalent to With Restrictions

### FA: Deprn Single

This profile option controls the caching buffer used when you run depreciation. You can set the buffer to either No (20) or Yes (1). The default is No.

If you set FA: Deprn Single to No, the cache is reset after every 20 assets. If you set FA: Deprn Single to Yes, the cache is reset after every asset.

- **Yes:** Cache is reset after every asset
- **No:** Cache is reset after every 20 assets
- **(No Value):** Equivalent to No

This profile option should always be set to No, unless assets failed previously when running depreciation. In this case, you should set it to Yes temporarily, and rerun depreciation for any set of 20 assets that failed depreciation. When the profile option is set to Yes, the log file provides information on each asset so that you can determine which asset failed. When these assets have depreciated successfully, you should reset the profile option to No. Running depreciation with the profile option set to Yes can slow performance considerably.

### **FA: Enable Depreciation Override**

This profile option controls whether you can override the depreciation amounts calculated by Oracle Assets.

- **Yes:** Enable Depreciation Override
- **No:** Disable Depreciation Override
- **(No Value):** Equivalent to No

This profile option is visible to the System Administrator and updatable at the site and application levels. It is visible to, but not updatable by the responsibility and user levels.

### **FA: Japan 2007 Tax Reforms Features**

To have access to Japan FY 2007 Tax reforms features, set this profile option to Yes.

The following features are available when you set this profile Yes:

- New rates are added to the existing JP-STL depreciation method records
- Guarantee Rate Evaluation Method check box for Formula based depreciation methods
- Dual Rate Evaluation depreciable basis rule
- JP-250DB depreciation method records

### **FA: Use Threshold**

Allows you to decide whether to depreciate assets using a depreciation threshold. This profile option accommodates specific Japanese business rules. In general, your system

should depreciate using the depreciation threshold. The default is Yes.

## Desktop Integration Category

The table below lists the profile options related to desktop integration

### *Desktop Integration Category*

| Profile Option                      | Default                       | User Access | System Administration: Site | System Administration: Application | System Administration: Responsibility | System Administration: User |
|-------------------------------------|-------------------------------|-------------|-----------------------------|------------------------------------|---------------------------------------|-----------------------------|
| FADI: Create Asset Privileges       | Entry, Upload, Submit         | View Only   | Update                      | Update                             | Update                                | Update                      |
| FADI: Physical Inventory Privileges | Entry, Upload, Submit, Adjust | View Only   | Update                      | Update                             | Update                                | Update                      |

### **FADI: Create Asset Privileges**

Allows you to use the Create Assets feature.

### **FADI: Physical Inventory Privileges**

Allows you to use the Physical Inventory feature.

## Payables Integration Category

The table below lists the profile options that assist with Oracle Payables integration.

### *Payables Integration Category*

| Profile Option                   | Default | User Access | System Administration: Site | System Administration: Application | System Administration: Responsibility | System Administration: User |
|----------------------------------|---------|-------------|-----------------------------|------------------------------------|---------------------------------------|-----------------------------|
| FA: Default DPIS to Invoice Date | No      | View Only   | Update                      | No Access                          | No Access                             | No Access                   |

## FA: Default DPIS to Invoice Date

Enables you to use the Future Transactions feature by allowing the default date-placed-in-service to be the invoice date, even when the invoice date is in a future accounting period. If you set this profile option to Yes, Oracle Assets defaults the date-placed-in-service to the invoice date for future transactions. If you set this profile option to No, Oracle Assets does not default the date-placed-in-service to the invoice dates, and you cannot use the Future Transactions feature.

The default is No.

## Performance Category

The table below lists performance-related profile options that.

### *Performance Category*

| Profile Option                | Default    | User Access | System Administration: Site | System Administration: Application | System Administration: Responsibility | System Administration: User |
|-------------------------------|------------|-------------|-----------------------------|------------------------------------|---------------------------------------|-----------------------------|
| FA: Batch Size                | 200        | Update      | Update                      | Update                             | Update                                | Update                      |
| FA: Cache Sizing Factor       | 25         | View Only   | No Access                   | Update                             | Update                                | No Access                   |
| FA: Maximum Projection Extent | No default | Update      | Update                      | Update                             | Update                                | Update                      |
| FA: Print Timing Diagnostics  | No Default | No Access   | No Access                   | Update                             | Update                                | Update                      |

## FA: Batch Size

The batch size used for bulk processing in mass processes.

## FA: Cache Sizing Factor

Controls the amount of database information retained in concurrent program for performance improvement. The range is 0 to 25, and the default value is 25; you do not need to update this option.

This profile option is visible to the System Administrator and updatable at the application and responsibility levels. It is visible to, but not updatable by, the user.

## FA: Maximum Projection Extent

### FA: Print Timing Diagnostics

Indicates whether timing diagnostic messages are printed in concurrent program log files. This profile option is used by Support as a tool to identify a problem with the code.

- **Yes:** Enables printing of timing information
- **No:** Disables printing of timing information
- **(No Value):** Equivalent to No

This profile option is visible to the System Administrator and updatable at the application, responsibility, and user levels.

## Security Category

The table below lists the profile options that you use to control security.

### *Security Category*

| Profile Option       | Default    | User Access | System Administration: Site | System Administration: Application | System Administration: Responsibility | System Administration: User |
|----------------------|------------|-------------|-----------------------------|------------------------------------|---------------------------------------|-----------------------------|
| FA: Security Profile | No default | No Access   | No Access                   | No Access                          | No Access                             | No Access                   |

### FA: Security Profile

Restricts access to the organizations defined in the security profile. This option is seeded at the site level with the view-all security profile created for the Startup Business Group.

## Setup Category

The table below lists the profile options that assist you in setting up Oracle Assets.



### Setup Category

| Profile Option                                                                | Default    | User Access | System Administration: Site | System Administration: Application | System Administration: Responsibility | System Administration: User |
|-------------------------------------------------------------------------------|------------|-------------|-----------------------------|------------------------------------|---------------------------------------|-----------------------------|
| FA: Allow Swiss Special Assets                                                | No default | View Only   | No Access                   | No Access                          | No Access                             | No Access                   |
| FA: Tax Asset Type Category Segment for Japanese Depreciable Asset Tax Report | No default | View Only   | Update                      | Update                             | No Access                             | No Access                   |

#### FA: Allow Swiss Special Assets

Controls whether you can use the Swiss insurance calculation method. If this profile option is set, when you add insurance details on the Fixed Asset Insurance window, you can check the Special Swiss Assets check box, which signifies that this asset will use the Swiss insurance calculation method.

#### FA: Tax Asset Type Category Segment for Japanese Depreciable Asset Tax Report

This profile option controls the category segment used for the tax asset type in the Japanese Depreciable Asset Tax Report. You are required to set up this profile option with the category segment number used for the tax asset type definition.



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## Oracle Assets Function Security

This appendix covers the following topics:

- Function Security in Oracle Assets

### Function Security in Oracle Assets

Use function security to control user access to Oracle Assets functions. By default, access to Oracle Assets functionality is NOT restricted; you must ask your system administrator to customize your responsibilities to restrict access. Your system administrator customizes each responsibility at your site by including or excluding registered functions and menus of functions for a responsibility in the Responsibilities form.

For example, your system administrator creates a Fixed Assets Clerk responsibility that allows asset additions in the QuickAdditions form, but does not allow retirements. When you sign on, select the Fixed Assets Clerk responsibility, and open the Asset Workbench, the QuickAdditions button appears, but the Retirements button is hidden.

The following examples are common results that enforcing function security may produce:

- Form or menu does not appear in the Navigator window

**Note:** Some forms and menus, when excluded from a responsibility, may affect more than one window or function. For example, if you exclude the Depreciation menu, you also exclude the Run Depreciation, Depreciation Projections, and Calculate Gains and Losses windows. Similarly, if you exclude the Tax Workbench, you also exclude the Investment Tax Credits and Reserve Adjustments windows.

- Button is hidden

**Note:** Some buttons access more than one window or function. For example, use the 'New' button to perform a detail addition (Asset Details, Books, and Assignments windows).

- Field is not updateable

Use function security to control any of the Oracle Assets functions included in the table below:

| User Function Name    | Restriction(s)                                                                                                                                                                                                                                                                                                                                    |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Assets:Open           | Change descriptive details in the Asset Details window.                                                                                                                                                                                                                                                                                           |
| Assets:New            | <p>Add assets using the Detail Additions process in the Asset Details, Books, and Assignments windows.</p> <p><b>NOTE:</b> You also can access these windows separately. So, if you allow detail additions (Assets:New) but not transfers (Assets:Assignments), you can access the Assignments window only when performing a detail addition.</p> |
| Assets:QuickAdditions | Add assets using the QuickAdditions process in the QuickAdditions window                                                                                                                                                                                                                                                                          |
| Assets:Assignments    | Perform transfers in the Assignments window                                                                                                                                                                                                                                                                                                       |
| Assets:Books          | Perform financial adjustments in any book in the Books window                                                                                                                                                                                                                                                                                     |
| Assets:Source Lines   | View and adjust source lines in the Source Lines window                                                                                                                                                                                                                                                                                           |
| Assets:Retirements    | Retire an asset in the Retirements window                                                                                                                                                                                                                                                                                                         |
| Assets:Reinstatements | Reinstate previous retirements, Undo Retirement, or Undo Reinstatement, depending on the status of the retirement transaction in the Retirements window                                                                                                                                                                                           |

| <b>User Function Name</b>     | <b>Restriction(s)</b>                                                                                                                                          |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Assets:Subcomponents          | View subcomponents in the Subcomponents window                                                                                                                 |
| Assets:Adjust Source Lines    | Transfer or partially transfer lines or amounts in the Source Lines window                                                                                     |
| Assets:Transfer Source Lines  | Transfer source lines between assets (Transfer To) in the Source Lines window                                                                                  |
| Assets:Manual Asset Numbers   | Enter an asset number in the Asset Number field of the Detail and QuickAdditions, and Mass Additions windows. This function enforces automatic asset numbering |
| Assets:Change Number          | Update asset number in the Asset Number field of the Asset Detail window                                                                                       |
| Assets:Change Description     | Update asset description in the Description field of the Asset Detail window                                                                                   |
| Assets:Reclassifications      | Perform reclassifications (change the category) in the Category field of the Asset Details window                                                              |
| Assets:Unit Adjustments       | Adjust units in the Units field of the Asset Details window                                                                                                    |
| Assets:Unplanned Depreciation | Enter unplanned depreciation for an asset in the Unplanned Depreciation window                                                                                 |
| Mass Additions>Delete All     | Change the status of all mass additions lines to DELETE.                                                                                                       |
| Mass Additions:Hold All       | Change the status of all mass additions lines to ON HOLD.                                                                                                      |
| Mass Additions:Post           | Change the status of all mass additions lines to POST.                                                                                                         |
| Mass Additions:Split          | Split and unsplit mass additions in the Mass Additions window                                                                                                  |

| User Function Name            | Restriction(s)                                                                                            |
|-------------------------------|-----------------------------------------------------------------------------------------------------------|
| Mass Additions:Add to Asset   | Add mass additions to existing assets or remove mass additions from an asset in the Mass Additions window |
| Mass Additions:Merge          | Merge or unmerge mass additions in the Mass Additions window                                              |
| Mass Additions:Open           | Prepare mass additions in the Prepare Mass Additions window                                               |
| Tax Workbench:Assign ITC      | Assign ITC to an asset in the Investment Tax Credits window                                               |
| Tax Workbench:Adjust Reserve  | Adjust tax book accumulated depreciation in the Reserve Adjustments window                                |
| Tax Workbench:Add to Tax Book | Add an asset to a tax book                                                                                |

## Related Topics

Overview of Function Security, *Oracle Applications System Administrator's Guide*

How Function Security Works, *Oracle Applications System Administrator's Guide*

Implementing Function Security, *Oracle Applications System Administrator's Guide*

Defining a New Menu Structure, *Oracle Applications System Administrator's Guide*

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## Setting Up Business Events in Oracle Assets

This appendix covers the following topics:

- Business Event System Seed Data for Oracle Assets

### Business Event System Seed Data for Oracle Assets

The Oracle Workflow Business Event System, introduced in Release 2.6, allows products to seed business events and event subscriptions. The seeded business events in Oracle Assets are listed below.

You can define subscriptions to seeded events that specify the processing to perform when these events occur.

#### Asset Addition Event

The Asset Addition Event refers to adding assets via quick additions, detail additions, mass additions, and the Additions API.

- Internal Name-oracle.apps.fa.addition.asset.add
- Generate Function-None
- Owner Name-Oracle Assets
- Owner Tag-OFA
- Customization Level-Limit

To use the Asset Addition business event, navigate to the Add Event Subscriptions form and enter the required information such as system, event filter, and rule function. You use the rule function to define the procedure to be called for this business event. In this procedure, you make references to the required parameters provided by the Asset

Addition Event. These parameters are:

- ASSET\_ID
- ASSET\_NUMBER
- BOOK\_TYPE\_CODE

The following table shows the subscription properties and values used in the Asset Addition Event:

| Subscription Property | Value                             |
|-----------------------|-----------------------------------|
| System                | <local system>                    |
| Event Filter          | oracle.apps.fa.addition.asset.add |
| Rule Data             | Key                               |
| Rule Function         | User-defined (custom procedure)   |

## Asset Retirement Event

The Asset Retirement Event refers to retiring assets via individual and mass retirements, mass external retirements, and the Retirement API.

- Internal Name-oracle.apps.fa.retirement.asset.retire
- Generate Function-None
- Owner Name-Oracle Assets
- Owner Tag-OFA
- Customization Level-Limit

To use the Asset Retirement business event, navigate to the Add Event Subscriptions form and enter the required information such as system, event filter, and rule function. You use the rule function to define the procedure to be called for this business event. In this procedure, you make references to the required parameters provided by the Asset Retirement Event. These parameters are:

- RETIREMENT\_ID
- ASSET\_ID



- ASSET\_NUMBER
- BOOK\_TYPE\_CODE

The following table shows the subscription properties and values used in the Asset Retirement Event:

| Subscription Property | Value                             |
|-----------------------|-----------------------------------|
| System                | <local system>                    |
| Event Filter          | oracle.apps.fa.addition.asset.add |
| Rule Data             | Key                               |
| Rule Function         | User-defined (custom procedure)   |

## Asset Transfer Event

The Asset Transfer Event refers to transferring assets via individual and mass transfers, mass external transfers, and the Transfer API.

- Internal Name-oracle.apps.fa.transfer.asset.transfer
- Generate Function-None
- Owner Name-Oracle Assets
- Owner Tag-OFA
- Customization Level-Limit

To use the Asset Transfer business event, navigate to the Add Event Subscriptions form and enter the required information such as system, event filter, and rule function. You use the rule function to define the procedure to be called for this business event. In this procedure, you make references to the required parameters provided by the Asset Transfer Event. These parameters are:

- ASSET\_ID
- BOOK\_TYPE\_CODE

The following table shows the subscription properties and values used in the Asset Transfer Event:

| Subscription Property | Value                             |
|-----------------------|-----------------------------------|
| System                | <local system>                    |
| Event Filter          | oracle.apps.fa.addition.asset.add |
| Rule Data             | Key                               |
| Rule Function         | User-defined (custom procedure)   |

## Related Topics

To View and Maintain Event Subscriptions, *Oracle Workflow Developer's Guide*.

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## Oracle Assets Report Extracts

### Oracle Assets Tax Accounting Card Extract

This extract displays data required for assets tax reporting. The Asset Tax Accounting Card is a front-end to the Asset Tax Accounting Card extract program. It uses a subset of the parameters supported by the program. In conjunction with the Asset Tax Accounting Card report template, it allows users to select all information about the Asset for the depreciation book and the category according to Tax Code of Russian Federation. The Asset Tax Accounting Card report is submitted via standard request submission (SRS) and is available only from Assets responsibilities.

#### Parameters

| Parameter Name          | Description             | Displayed | Required | Default Value | List of Values |
|-------------------------|-------------------------|-----------|----------|---------------|----------------|
| Asset Book              | Asset Book Name         | Y         | Y        | N             | Y              |
| Category Flex Structure | Category Flex Structure | N         | N        | Y             | Y              |
| Category                | Category to be reported | Y         | N        | N             | Y              |
| Asset Number            | Asset Number            | Y         | N        | N             | Y              |

## Data Output

The Asset Tax Accounting Card extract generates the following groups:

- MAIN\_COMMON\_INFO
- COMMON\_INFO
- ASSIGN\_LOC
- COST\_SOURCE
- HIST\_COST\_CHANGES
- ADJ\_COEFF\_USAGE\_DETAILS
- SUSPEND\_DEPRN\_DETAILS

### < MAIN\_COMMON\_INFO >

The following table describes data obtained by <Q\_COMMON\_INFORMATION>.

| XML Tag                                                                              | Description         |
|--------------------------------------------------------------------------------------|---------------------|
| <MAIN_ASSET_CATEGORY>Vehicle-Owned<br>Luxury-TA-1\ -2<br>years</MAIN_ASSET_CATEGORY> | Asset Main Category |
| <MAIN_ASSET_ID>108644</MAIN_ASSET_<br>ID>                                            | Asset Identifier    |
| <COMPANY_NAME>VISION<br>ENTERPRISES</COMPANY_NAME>                                   | Company Name        |
| <CURRENCY>RUR</CURRENCY>                                                             | Currency            |

### < COMMON\_INFO >

The following table describes data obtained by <Q\_COMMON\_INFORMATION>:

| XML Tag                                 | Description       |
|-----------------------------------------|-------------------|
| <ASSET_NAME>test<br>report</ASSET_NAME> | Asset Description |

| XML Tag                                                                        | Description                                    |
|--------------------------------------------------------------------------------|------------------------------------------------|
| <ASSET_NUMBER>MATEST2</ASSET_NUMBER>                                           | Asset Number                                   |
| <DATE_PLACED_IN_SERVICE>2003-06-30T00:00:00.000-07:00</DATE_PLACED_IN_SERVICE> | Date Placed in Service                         |
| <STATE_REGISTRATION_FILING_DATE>12-DEC-2005</STATE_REGISTRATION_FILING_DATE>   | State Registration Filing Date                 |
| <PRORATE_DATE>2003-07-01T00:00:00.000-07:00</PRORATE_DATE>                     | Prorate Date                                   |
| <USEFUL_LIFE_MONTHS>13</USEFUL_LIFE_MONTHS>                                    | Useful Life, Months                            |
| <ASSET_CATEGORY>Vehicle-Owned<br>Luxury-TA-1\ -2<br>years</ASSET_CATEGORY>     | Asset Category                                 |
| <DEPRECIATION_METHOD>NON_LIN_RU</DEPRECIATION_METHOD>                          | Depreciation Method                            |
| <RECOVERABLE_COST>0</RECOVERABLE_COST>                                         | Recoverable Cost                               |
| <MONTHLY_AMOUNT_OF_DEPRECIATION>2922.85</MONTHLY_AMOUNT_OF_DEPRECIATION>       | Depreciation Amount in Last Depreciated Period |
| <ACCUMULATED_DEPRECIATION>23382.85</ACCUMULATED_DEPRECIATION>                  | Accumulated Depreciation                       |
| <LAST_DEPRECIATION_PERIOD>08-03</LAST_DEPRECIATION_PERIOD>                     | Last Depreciation Period                       |

### < ASSIGN\_LOC >

The following table describes data obtained by <Q\_ASSIGNED\_LOCATIONS>:

| XML Tag                                                | Description           |
|--------------------------------------------------------|-----------------------|
| <LOCATION>Germany-NONE-Berlin-Manufacturing</LOCATION> | Location of the Asset |

| XML Tag                                                                          | Description                  |
|----------------------------------------------------------------------------------|------------------------------|
| <HOLDER_NAME>Aafjes, Mr. Bert<br>B</HOLDER_NAME>                                 | Employee Name                |
| <EXPENSE_ACCOUNT>0110.000.910200.0<br>000.00000.00000.0110</EXPENSE_ACCO<br>UNT> | Depreciation Expense Account |
| <UNITS>1</UNITS>                                                                 | Asset Units                  |

## <COST\_SOURCE>

The following table describes data obtained by < Q\_COST\_SOURCE >

| XML Tag                                                           | Description                  |
|-------------------------------------------------------------------|------------------------------|
| <INVOICE_NUMBER>INV140</INVOICE_NU<br>MBER>                       | Invoice Number               |
| <LINE_NUMBER>1000</LINE_NUMBER>                                   | Line Number                  |
| <INVOICE_DESCRIPTION>Invoice<br>Description</INVOICE_DESCRIPTION> | Invoice Description          |
| <ASSET_COST>0</ASSET_COST>                                        | Asset Cost from Invoice Line |
| <TAX_BOOK_COST>0</TAX_BOOK_COST>                                  | Tax Book Cost                |

## < HIST\_COST\_CHANGES >

The following table describes data obtained by < Q\_HISTORY\_COST\_CHANGES >

| XML Tag                                         | Description                                      |
|-------------------------------------------------|--------------------------------------------------|
| <REFERENCE_NUMBER>128792</REFERENCE_<br>NUMBER> | Reference Number for Cost Transaction<br>Changes |
| <TRANSACTION_TYPE>Добавление</TRANSACTION_TYPE> | Transaction Type for Cost Changes                |
| <PERIOD>06-03</PERIOD>                          | Effective Date for Cost Changes                  |

| XML Tag                  | Description |
|--------------------------|-------------|
| <REFERENCE>1</REFERENCE> | Reference   |
| <COST>0</COST>           | Asset Cost  |

### < ADJ\_COEFF\_USAGE\_DETAILS >

The following table describes data obtained by < Q\_ADJ\_COEFF\_USAGE\_DETAILS >

| XML Tag                                                          | Description                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <TRANSACTION_ID>128792</TRANSACTION_ID>                          | Transaction Identifier                                                                                                                                                                                                                                                                                                                                                                                 |
| <EVENT>Started</EVENT>                                           | Event Type for adjusting coefficient usage details. This is a derived value based on data from Descriptive Flexfield Adjusting Coefficient in FA_FLAT_RATES table. Possible values are N/A, Started, Stopped, and Changed. Each value depends on the result of comparing the adjusting coefficient value for the period in which the reports are run with the adjusting coefficient for the period -1. |
| <EVENT_DATE>12-DEC-2005</EVENT_DATE>                             | Data entered manually for adjusting coefficient usage details                                                                                                                                                                                                                                                                                                                                          |
| <ACCOUNTING_PERIOD_ACS>06-03</ACCOUNTING_PERIOD_ACS>             | Effective date for depreciation method changes                                                                                                                                                                                                                                                                                                                                                         |
| <REFERENCE_ACS>test</REFERENCE_ACS>                              | Data entered manually                                                                                                                                                                                                                                                                                                                                                                                  |
| <APPLICATION_OF_ADJ_COEFF_ACS>ttt</APPLICATION_OF_ADJ_COEFF_ACS> | Data entered manually                                                                                                                                                                                                                                                                                                                                                                                  |
| <METHOD>NON_LIN_RU</METHOD>                                      | Depreciation method assigned to each asset                                                                                                                                                                                                                                                                                                                                                             |
| <BASE_RATE_ACS>1.5555000000</BASE_RATE_ACS>                      | Base Rate %                                                                                                                                                                                                                                                                                                                                                                                            |
| <ADJUSTING_COEFF_ACS>0.3</ADJUSTING_COEFF_ACS>                   | Adjusting Coefficient is the value used to calculate Event Type.                                                                                                                                                                                                                                                                                                                                       |

## < SUSPEND\_DEPRN\_DETAILS >

The following table describes data obtained by < Q\_SUSPEND\_DEPRN\_DETAILS >

| XML Tag                                                  | Description                                                                                                                                                                                   |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <TYPE_OF_EVENT>Resuming</TYPE_OF_EVENT>                  | In Suspend Depreciation Details section, report shows different values if depreciation was stopped or reinitiated (for depreciation flag for each asset). For example, Suspending or Resuming |
| <DATE_STARTED_STOPPED>12-DEC-2005</DATE_STARTED_STOPPED> | Date Started/Stopped                                                                                                                                                                          |
| <FIRST_PERIOD>06-03</FIRST_PERIOD>                       | Effective Date for transaction                                                                                                                                                                |
| <REFERENCE_SD>test</REFERENCE_SD>                        | Reference                                                                                                                                                                                     |
| <SUSPEND_REASON>iii</SUSPEND_REASON>                     | Suspend Reason                                                                                                                                                                                |
| <TRANSACTION_ID>128794</TRANSACTION_ID>                  | Transaction Identifier                                                                                                                                                                        |

## Oracle Assets Reserve Ledger Extract

This extract is used to find out the depreciation expense charged by Oracle Assets to a depreciation expense account for any accounting period. It is a modification of the standard Journal Entry Reserve Ledger extract. The only difference is a new column - Net Book Value. This column is a difference between Cost and Depreciation Reserve amounts and is calculated at the Template level.

### Parameters

| Parameter Name | Description           | Displayed | Required | Default Value | List of Values |
|----------------|-----------------------|-----------|----------|---------------|----------------|
| P_BOOK         | Book                  | Y         | Y        | N             | Y              |
| P_CURRENCY     | Set of books currency | Y         | Y        | N             | Y              |



| Parameter Name | Description | Displayed | Required | Default Value | List of Values |
|----------------|-------------|-----------|----------|---------------|----------------|
| P_PERIOD       | Period      | Y         | Y        | N             | Y              |

## Data Output

The Reserve Ledger extract generates the following groups.

- G\_SETUP
- G\_DO\_INSERT
- G\_COMPANY
- G\_ACCOUNT
- G\_COSTCTR
- G\_REPORT

### < G\_SETUP >

The following table describes data obtained by < Q\_SETUP >.

| XML Tag                                                    | Description              |
|------------------------------------------------------------|--------------------------|
| <COMPANY_NAME>VISION<br>ENTERPRISE</COMPANY_NAME>          | Company Name             |
| <CATEGORY_FLEX_STRUCTURE>101</CATEGORY_FLEX_STRUCTURE>     | Category Flex Structure  |
| <LOCATION_FLEX_STRUCTURE>101</LOCATION_FLEX_STRUCTURE>     | Location Flex Structure  |
| <ASSET_KEY_FLEX_STRUCTURE>101</ASSET_KEY_FLEX_STRUCTURE>   | Asset Key Flex Structure |
| <BOOK>OPS CORP</BOOK>                                      | Asset Book               |
| <ACCOUNTING_FLEX_STRUCTURE>101</ACCOUNTING_FLEX_STRUCTURE> | Flex Structure           |
| <CURRENCY_CODE>USD</CURRENCY_CODE>                         | Currency Code            |

| XML Tag                                        | Description        |
|------------------------------------------------|--------------------|
| <PERIOD1>Jan-06</PERIOD1>                      | Period             |
| <A_PARTIAL_RETIREMENT>P</A_PARTIAL_RETIREMENT> | Partial Retirement |
| <A_FULL_RETIREMENT>F</A_PARTIAL_RETIREMENT>    | Full Retirement    |
| <A_TRANSFER_OUT>T</A_TRANSFER_OUT>             | Transfer Out       |
| <A_NON_DEPRECIATE>N</A_NON_DEPRECIATE>         | Non Depreciate     |
| <A_RECLASS>R</A_RECLASS>                       | Category Reclass   |
| <A_BONUS>B</A_BONUS>                           | Bonus              |

#### < G\_DO\_INSERT >

The following table describes data obtained by < Q\_DO\_INSERT >

| XML Tab                     | Description |
|-----------------------------|-------------|
| <C_DO_INSERT></C_DO_INSERT> | Source      |

#### < G\_COMPANY >

The following table describes data obtained by < Q\_REPORT >.

| XML Tab                                     | Description                      |
|---------------------------------------------|----------------------------------|
| <COMP_CODE>01</COMP_CODE>                   | Company Code                     |
| <CO_COST>133890353.66</CO_COST>             | Sum of Report Cost               |
| <D_CO_COST>1.3389035366000001E8</D_CO_COST> | Currency format for CO_COST      |
| <CO_DEPRN>554607.52</CO_DEPRN>              | Sum of Report Deprecation Amount |

| XML Tab                                                    | Description                                   |
|------------------------------------------------------------|-----------------------------------------------|
| <D_CO_DEPRN>554607.5200000004</D_CO_DEPRN>                 | Currency format for CO_DEPRN                  |
| <CO_YTD_DEPRN>554607.52</CO_YTD_DEPRN>                     | Sum of Report Year-To-Date Depreciation       |
| <D_CO_YTD_DEPRN>554607.5200000004</D_CO_YTD_DEPRN>         | Currency Format for Year-To-Date Depreciation |
| <CO_DEPRN_RESERVE>47098823.79</CO_DEPRN_RESERVE>           | Sum of Report Depreciation Reserve            |
| <D_CO_DEPRN_RESERVE>4.709882378999992E7</CO_DEPRN_RESERVE> | Currency Format for Depreciation Reserve      |

## < G\_ACCOUNT >

The following table describes data obtained by < Q\_Report >.

| XML Tab                                             | Description                                       |
|-----------------------------------------------------|---------------------------------------------------|
| <GL_ACCOUNT>7320</GL_ACCOUNT>                       | General Ledger Account                            |
| <RSV_ACCOUNT>1620</RSV_ACCOUNT>                     | Reserve Account                                   |
| <ACCT_COST>8500000</ACCT_COST>                      | Sum of Report Cost                                |
| <D_ACCT_COST>8500000.0</D_ACCT_COST>                | Currency Format for ACCT_COST                     |
| <ACCT_DEPRN>0</ACCT_DEPRN>                          | Sum of Report Deprecation Amount                  |
| <D_ACCT_DEPRN>0.0</D_ACCT_DEPRN>                    | Currency Format for D_ACCT_DEPRN                  |
| <ACCT_YTD_DEPRN>0</ACCT_YTD_DEPRN>                  | Sum of Report Year – To – Date Depreciation       |
| <D_ACCT_YTD_DEPRN>0.0</D_ACCT_YTD_DEPRN>            | Currency Format for Year – To – Date Depreciation |
| <ACCT_DEPRN_RESERVE>1188888.84</ACCT_DEPRN_RESERVE> | Sum of Report Depreciation Reserve                |

| XML Tab                                                 | Description                              |
|---------------------------------------------------------|------------------------------------------|
| <D_ACCT_DEPRN_RESERVE>1188888.84</D_ACCT_DEPRN_RESERVE> | Currency Format for Depreciation Reserve |

## < G\_COSTCTR >

The following table describes data obtained by < Q\_Report >.

| XML Tab                                            | Description                                       |
|----------------------------------------------------|---------------------------------------------------|
| <COST_CENTER>110</COST_CENTER>                     | Cost Center                                       |
| < CC_COST>325000</CC_COST>                         | Sum of Report Cost                                |
| <D_CC_COST>325000.0</D_CC_COST>                    | Currency Format for ACCT_COST                     |
| <CC_DEPRN>2275</CC_DEPRN>                          | Sum of Report Deprecation Amount                  |
| <D_CC_DEPRN>2275.0</D_CC_DEPRN>                    | Currency Format for D_ACCT_DEPRN                  |
| <C_YTD_DEPRN 2275</CC_YTD_DEPRN>                   | Sum of Report Year – To – Date Depreciation       |
| <D_CC_YTD_DEPRN>2275.0</D_CC_YTD_DEPRN>            | Currency Format for Year – To – Date Depreciation |
| <CC_DEPRN_RESERVE>234424.99</CC_DEPRN_RESERVE>     | Sum of Report Depreciation Reserve                |
| <D_CC_DEPRN_RESERVE>234424.99</D_CC_DEPRN_RESERVE> | Currency Format for Depreciation Reserve          |

## < G\_REPORT >

The following table describes data obtained by < Q\_Report >

| XML Tab                                                                                         | Description  |
|-------------------------------------------------------------------------------------------------|--------------|
| <ASSET_NUMBER>100625-CAPITALIZABLE SERVICES - CAPITALIZABLE NON-TAXABLE SERVICES</ASSET_NUMBER> | Asset Number |

| XML Tab                                                | Description                                       |
|--------------------------------------------------------|---------------------------------------------------|
| <START_DATE>1998-09-30T00:00:00.000-07:00</START_DATE> | Start Date                                        |
| <METHOD>STL</METHOD >                                  | Method                                            |
| <ADJ_RATE>10</ADJ_RATE>                                | Adjustment Rate                                   |
| <BONUS_RATE>0< /BONUS_RATE>                            | Bonus Rate                                        |
| <PROD>1000</PROD>                                      | Capacity                                          |
| <LIFE>120</LIFE>                                       | Life                                              |
| <D_LIFE>10.00</D_LIFE>                                 | Currency format for Life                          |
| <COST>3450</COST>                                      | Cost                                              |
| <DEPRN_AMOUNT>166.67</DEPRN_AMOUNT>                    | Deprecation Amount                                |
| <YTD_DEPRN>166.67</YTD_DEPRN>                          | Year – To – Date Depreciation                     |
| <DEPRN_RESERVE>11833.33</DEPRN_RESERVE>                | Depreciation Reserve                              |
| <PERCENT>100</PERCENT>                                 | Percent                                           |
| <T_TYPE>T</T_TYPE>                                     | Transaction Type                                  |
| <D_COST>20000.0</D_COST>                               | Currency format for cost                          |
| <D_DEPRN>166.67</D_DEPRN>                              | Currency format for Depreciation                  |
| <D_YTD_DEPRN >166.67</D_YTD_DEPRN>                     | Currency format for Year – To – Date Depreciation |
| <D_DEPRN_RESERVE>11833.33</D_DEPRN_RESERVE>            | Currency format for Depreciation Reserve          |

## Oracle Assets CIP Statistics Extract

This extract provides a list of Fixed Asset Transactions within a specific Period. Some of the amounts reported in this register are subject to complex calculations.

### Parameters

| Parameter Name                                                            | Description     | Displayed | Required | Default Value | List of Values |
|---------------------------------------------------------------------------|-----------------|-----------|----------|---------------|----------------|
| P_BOOK_NAME                                                               | Asset Book      | Y         | Y        | N             | Y              |
| P_FROM_PERIOD                                                             | Starting Period | Y         | Y        | N             | Y              |
| P_TO_PERIOD                                                               | Ending Period   | Y         | Y        | N             | Y              |
| <b>Note:</b><br>From Period and To Period has to be within a fiscal year. |                 |           |          |               |                |

### Data Output

The Assets CIP Statistics extract generates the following groups.

- G\_SETUP
- G\_SOURCE
- G\_COMPANY
- G\_ASSET\_TYPE
- G\_ACCOUNT
- G\_COST\_CENTER

- G\_ASSET G\_DETAIL

## < G\_SETUP >

The following table describes data obtained by < Q\_SETUP >.

| XML Tag                                                          | Description              |
|------------------------------------------------------------------|--------------------------|
| <COMPANY_NAME>VISION<br>ENTERPRISES</COMPANY_NAME>               | Company Name             |
| <BOOK>OPS CORP</BOOK>                                            | Asset Book               |
| <ACCOUNTING_FLEX_STRUCTURE>101</AC<br>COUNTING_FLEX_STRUCTURE>   | Account Flex Structure   |
| <DISTRIBUTION_SOURCE_BOOK>OPS<br>CORP</DISTRIBUTION_SOURCE_BOOK> | Distribution Source Book |
| <PRECISION>.00</PRECISION>                                       | Precision                |
| <CURRENCY_CODE>USD</CURRENCY_CODE>                               | Currency Code            |
| <PERIOD1>Jan-06</PERIOD1>                                        | From Period              |
| <PERIOD2>Jul-06</PERIOD2>                                        | To Period                |

## < G\_SOURCE >

The following table describes data obtained by <Q\_ASSET>.

| XML Tag                                 | Description |
|-----------------------------------------|-------------|
| <SOURCE>Manual<br>Transactions</SOURCE> | Source      |

## < G\_COMPANY >

The following table describes data obtained by < Q\_ASSET >.

| XML Tag                   | Description  |
|---------------------------|--------------|
| <COMP_CODE>01</COMP_CODE> | Company Code |

#### < G\_ASSET\_TYPE >

The following table describes data obtained by < Q\_ASSET >.

| XML Tag                                           | Description            |
|---------------------------------------------------|------------------------|
| <ASSET_TYPE_DESC>Group<br>Asset</ASSET_TYPE_DESC> | Asset Type Description |
| <ASSET_TYPE>Group<br>Asset</ASSET_TYPE>           | Asset Type             |

#### < G\_ACCOUNT >

The following table describes data obtained by < Q\_ASSET >.

| XML Tag                 | Description |
|-------------------------|-------------|
| <ACCOUNT>1540</ACCOUNT> | Account     |

#### < G\_COST\_CENTER >

The following table describes data obtained by < Q\_ASSET >.

| XML Tag                        | Description |
|--------------------------------|-------------|
| <COST_CENTER>110</COST_CENTER> | Cost Center |

#### < G\_ASSET >

The following table describes data obtained by < Q\_ASSET >.



| XML Tag                                   | Description  |
|-------------------------------------------|--------------|
| <ASSET_ORD>108272</ASSET_ORD>             | Asset Number |
| <ASSET>108272 - GRP File Cabinets</ASSET> | Asset        |

## < G\_DETAIL >

The following table describes data obtained by < Q\_ASSET >.

| XML Tag                                                            | Description      |
|--------------------------------------------------------------------|------------------|
| <ORD_BY>2</ORD_BY>                                                 | Order By         |
| <VEND_NUM>1013</VEND_NUM>                                          | Vendor Number    |
| <VEND_NAME>Advanced Network Devices</VEND_NAME>                    | Vendor Name      |
| <INV_NUM>8765/2006</INV_NUM>                                       | Invoice Number   |
| <LINE_NUM>1</LINE_NUM>                                             | Line Number      |
| <DESCRIPTION>Vehicle</DESCRIPTION>                                 | Description      |
| <ORIG_COST>4000</ORIG_COST>                                        | Original Cost    |
| <COST>100</COST>                                                   | Cost             |
| <INV_COST>4000</INV_COST>                                          | Invoice          |
| <FLAG>Y</FLAG>                                                     | Cost Flag        |
| <TRANSACTION_DATE>2006-07-31T00:00:00.000-07:00</TRANSACTION_DATE> | Transaction Date |
| <ADDITION_TYPE>LIZING</ADDITION_TYPE>                              | Addition Type    |
| <INDUSTRY_CODE>03</INDUSTRY_CODE>                                  | Industry Code    |

| XML Tag                                 | Description      |
|-----------------------------------------|------------------|
| <STATISTICAL_CODE>02</STATISTICAL_CODE> | Statistical Code |
| <TARIFF_NUMBER>78965432</TARIFF_NUMBER> | Tariff Number    |
| <ITEM_NUMBER>456345</ITEM_NUMBER>       | Item Number      |
| <RESERVE>00000</RESERVE>                | Reserve          |

## Oracle Assets Retirement Tax Register Extract

This extract shows information related to asset retirements, grouping data by gain or loss or identifying free retirements as part of legal requirements of various countries.

### Parameters

| Parameter Name                                                            | Description     | Displayed | Required | Default Value | List of Values |
|---------------------------------------------------------------------------|-----------------|-----------|----------|---------------|----------------|
| P_BOOK_NAME                                                               | Asset Book      | Y         | Y        | N             | Y              |
| P_FROM_PERIOD                                                             | Starting Period | Y         | Y        | N             | Y              |
| P_TO_PERIOD                                                               | Ending Period   | Y         | Y        | N             | Y              |
| <b>Note:</b><br>From Period and To Period has to be within a fiscal year. |                 |           |          |               |                |

## Data Output

The Asset Retirement Tax Register extract generates the following groups.

- GAIN
- LOSS
- FREE\_OF\_CHARGE

### < GAIN >

The following table describes data obtained by <Q\_GAIN>.

| XML Tag                                                     | Description            |
|-------------------------------------------------------------|------------------------|
| <G_ASSET_NAME>VISION<br>ENTERPRISES</G_ASSET_NAME>          | Asset Name             |
| <G_ASSET_ID>120</G_ASSET_ID>                                | Asset Identifier       |
| <G_LIFE_IN_MONTHS>10</G_LIFE_IN_MONTHS>                     | Life in months         |
| <LIFE_IN_MONTHS>10</LIFE_IN_MONTHS>                         | Life in months         |
| <TEST_LIFE_IN_MONTHS>10</TEST_LIFE_IN_MONTHS>               | Life in months         |
| <G_ASSET_NUMBER>101</G_ASSET_NUMBER>                        | Asset Number           |
| <G_DATE_PLACED_IN_SERVICE>Jan-06</G_DATE_PLACED_IN_SERVICE> | Date Placed in service |
| <G_RETIREMENT_DATE>Jul-06</G_RETIREMENT_DATE>               | Retirement Date        |
| <G_ACTUAL_LIFE>10</G_ACTUAL_LIFE>                           | Actual Life            |
| <G_PROCEEDS_OF_SALE>0</G_PROCEEDS_OF_SALE>                  | Proceeds of sale       |
| <G_COST_OF_REMOVAL>0</G_COST_OF_REMOVAL>                    | Cost Of Removal        |
| <G_NET_BOOK_VALUE>9984.12</G_NET_BOOK_VALUE>                | Net Book Value         |

| XML Tag                                         | Description      |
|-------------------------------------------------|------------------|
| <G_GAIN_AMOUNT>0</G_GAIN_AMOUNT>                | Gain Amount      |
| <G_LOSS_AMOUNT>9984.12</G_LOSS_AMOUNT>          | Loss Amount      |
| <G_WRITE_OFF_TIME>12.00</G_WRITE_OFF_TIME>      | Write Off Time   |
| <G_WRITE_OFF_AMOUNT>120.00</G_WRITE_OFF_AMOUNT> | Write Off Amount |

## < LOSS >

The following table describes data obtained by <Q\_LOSS>.

| XML Tag                                                     | Description            |
|-------------------------------------------------------------|------------------------|
| <L_ASSET_ID>120</L_ASSET_ID>                                | Asset Identifier       |
| <L_ASSET_NAME>VISION ENTERPRISES</L_ASSET_NAME>             | Asset Name             |
| <L_ASSET_NUMBER>101</L_ASSET_NUMBER>                        | Asset Number           |
| <L_DATE_PLACED_IN_SERVICE>Jan-06</L_DATE_PLACED_IN_SERVICE> | Date Placed in service |
| <L_RETIREMENT_DATE>Jul-06</L_RETIREMENT_DATE>               | Retirement Date        |
| <L_ACTUAL_LIFE>10</L_ACTUAL_LIFE>                           | Actual Life            |
| <L_PROCEEDS_OF_SALE>0</L_PROCEEDS_OF_SALE>                  | Proceeds of sale       |
| <L_COST_OF_REMOVAL>0</L_COST_OF_REMOVAL>                    | Cost Of Removal        |
| <L_NET_BOOK_VALUE>9984.12</L_NET_BOOK_VALUE>                | Net Book Value         |
| <L_GAIN_AMOUNT>0</L_GAIN_AMOUNT>                            | Gain Amount            |

| XML Tag                                         | Description      |
|-------------------------------------------------|------------------|
| <L_LOSS_AMOUNT>9984.12</L_LOSS_AMOUNT>          | Loss Amount      |
| <L_WRITE_OFF_TIME>12.00</L_WRITE_OFF_TIME>      | Write Off Time   |
| <L_WRITE_OFF_AMOUNT>120.00</L_WRITE_OFF_AMOUNT> | Write Off Amount |

### < FREE\_OF\_CHARGE >

The following table describes data obtained by <Q\_FREE\_OF\_CHARGE>.

| XML Tag                                                     | Description            |
|-------------------------------------------------------------|------------------------|
| <F_ASSET_NAME>VISION ENTERPRISES</F_ASSET_NAME>             | Asset Description      |
| <F_ASSET_ID>120</F_ASSET_ID>                                | Asset ID               |
| <F_ASSET_NUMBER>101</F_ASSET_NUMBER>                        | Asset Number           |
| <F_DATE_PLACED_IN_SERVICE>Jan-06</F_DATE_PLACED_IN_SERVICE> | Date Placed in Service |
| <F_RETIREMENT_DATE>Jul-06</F_RETIREMENT_DATE>               | Retirement Date        |
| <F_ACTUAL_LIFE>10</F_ACTUAL_LIFE>                           | Actual Life            |
| <F_PROCEEDS_OF_SALE>0</F_PROCEEDS_OF_SALE>                  | Proceeds of sale       |
| <F_COST_OF_REMOVAL>0</F_COST_OF_REMOVAL>                    | Cost Of Removal        |
| <F_NET_BOOK_VALUE>9984.12</F_NET_BOOK_VALUE>                | Net Book Value         |
| <F_GAIN_AMOUNT>0</F_GAIN_AMOUNT>                            | Gain Amount            |
| <F_LOSS_AMOUNT>9984.12</F_LOSS_AMOUNT>                      | Loss Amount            |

| XML Tag                                         | Description      |
|-------------------------------------------------|------------------|
| <F_WRITE_OFF_TIME>12.00</F_WRITE_OFF_TIME>      | Write Off Time   |
| <F_WRITE_OFF_AMOUNT>120.00</F_WRITE_OFF_AMOUNT> | Write Off Amount |

## Oracle Assets Tofes Yud Alef Extract

This extract satisfies the income tax reporting requirements for each period. It displays financial and descriptive information from each asset.

### Parameters

| Parameter Name                                                            | Description     | Displayed | Required | Default Value | List of Values |
|---------------------------------------------------------------------------|-----------------|-----------|----------|---------------|----------------|
| P_BOOK_NAME                                                               | Asset Book      | Y         | Y        | N             | Y              |
| P_LEDGER_ID                                                               | Ledger ID       | Y         | Y        | N             | Y              |
| P_LEGAL_ENTITY                                                            | Legal Entity ID | Y         | Y        | N             | Y              |
| P_BEGIN_PERIOD                                                            | Starting Period | Y         | Y        | N             | Y              |
| P_END_PERIOD                                                              | Ending Period   | Y         | Y        | N             | Y              |
| <b>Note:</b><br>From Period and To Period has to be within a fiscal year. |                 |           |          |               |                |

## Data Output

The Tofes Yud Alef-1342-Report (Israel) extract generates the following groups.

- G\_ASSET\_TOT
- G\_RETIRE\_TOT
- G\_RETIRE\_TOT\_SUB
- G\_SELFCOMPANY

### < G\_ASSET\_TOT >

The following table describes data obtained by < Q\_ASSET >.

| XML Tag                                                                                          | Description            |
|--------------------------------------------------------------------------------------------------|------------------------|
| <ASSET_NO>108070</ASSET_NO>                                                                      | Asset Number           |
| <ASSET_DESC>Toshiba Laptop</ASSET_DESC>                                                          | Asset Description      |
| <MAJOR_CATEGORY>Values have not been entered for one or more required segments.</MAJOR_CATEGORY> | Major Category         |
| <MINOR_CATEGORY>Values have not been entered for one or more required segments.</MINOR_CATEGORY> | Minor Category         |
| <PURCHASE_DATE>2005-11-21T00:00:00.000-08:00</PURCHASE_DATE>                                     | Purchase Date          |
| <DATE_PLACED_IN_SERVICE>2005-11-21T00:00:00.000-08:00</DATE_PLACED_IN_SERVICE>                   | Date Placed in Service |
| <ORG_ASSET_COST>2876</ORG_ASSET_COST>                                                            | Asset Cost             |
| <YTD_TRANS_AMOUNTS>0</YTD_TRANS_AMOUNTS>                                                         | Transaction Amount     |
| <DEPR_OFF_RATE>33.33</DEPR_OFF_RATE>                                                             | Depreciation Date      |

| XML Tag                                                                        | Description                                                        |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <DEPR_CLAIM_RATE>3.64849899194413576323908600210316459654E01</DEPR_CLAIM_RATE> | Depreciation Claim Rate                                            |
| <YTD_DEPR_AMT>639.11</YTD_DEPR_AMT>                                            | Year-to-date Depreciation Amount                                   |
| <ACCUM_DEPR_PRIOR_YR>0</ACCUM_DEPR_PRIOR_YR>                                   | Depreciation up to previous period that was selected to run report |

### < G\_RETIRE\_TOT >

The following table describes data obtained by < Q\_RETIRE >.

| XML Tag                                                                                          | Description            |
|--------------------------------------------------------------------------------------------------|------------------------|
| <ASSET_NO>108070</ASSET_NO>                                                                      | Asset Number           |
| <ASSET_DESC>Toshiba Laptop</ASSET_DESC>                                                          | Asset Description      |
| <MAJOR_CATEGORY>Values have not been entered for one or more required segments.</MAJOR_CATEGORY> | Major Category         |
| <MINOR_CATEGORY>Values have not been entered for one or more required segments.</MINOR_CATEGORY> | Minor Category         |
| <PURCHASE_DATE>2005-11-21T00:00:00.000-08:00</PURCHASE_DATE>                                     | Purchase Date          |
| <DATE_PLACED_IN_SERVICE>2005-11-21T00:00:00.000-08:00</DATE_PLACED_IN_SERVICE>                   | Date Placed In Service |
| <ORG_ASSET_COST>2876</ORG_ASSET_COST>                                                            | Asset Cost             |
| <YTD_TRANS_AMOUNTS>0</YTD_TRANS_AMOUNTS>                                                         | Transaction Amount     |
| <DEPR_OFF_RATE>33.33</DEPR_OFF_RATE>                                                             | Depreciation Rate      |



| XML Tag                                                                        | Description                                                        |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <DEPR_CLAIM_RATE>3.64849899194413576323908600210316459654E01</DEPR_CLAIM_RATE> | Depreciation Claim Rate                                            |
| <YTD_DEPR_AMT>639.11</YTD_DEPR_AMT>                                            | Year-to-Date Depreciation Amount                                   |
| <ACCUM_DEPR_PRIOR_YR>0</ACCUM_DEPR_PRIOR_YR>                                   | Depreciation up to previous period that was selected to run report |

### < G\_RETIRE\_TOT\_SUB >

The following table describes data obtained by < Q\_RETIRE >.

| XML Tag                                                                                | Description                                                    |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------|
| <ORG_ASSET_COST_SUB>2876</ORG_ASSET_COST_SUB>                                          | Asset Cost                                                     |
| <YTD_TRANS_AMOUNTS_SUBC>0</YTD_TRANS_AMOUNTS_SUBC>                                     | Transaction Amount                                             |
| <DEPR_OFF_RATE_SUB>33.33</DEPR_OFF_RATE_SUB>                                           | Depreciation Date                                              |
| <DEPR_CLAIM_RATE_SUB>3.64849899194413576323908600210316459654E01</DEPR_CLAIM_RATE_SUB> | Depreciation Claim Rate                                        |
| <YTD_DEPR_AMOUNT_SUB>639.11</YTD_DEPR_AMOUNT_SUB>                                      | Year to date depreciation Amount                               |
| <ACCUM_DEPR_PRIOR_YR_SUB>0</ACCUM_DEPR_PRIOR_YR_SUB>                                   | Depreciation up to previous period than selected to run report |

### < G\_RETIRE\_TOT\_SUB >

The following table describes data obtained by < Q\_RETIRE >.

| XML Tag                                                       | Description          |
|---------------------------------------------------------------|----------------------|
| <COMPANY_NAME>Vison Operations<br>(USA) </COMPANY_NAME>       | Company Name         |
| <CURRENCY_CODE>USD</CURRENCY_CODE>                            | Currency Code        |
| <ENTERPRISE_NAME>Vision<br>Operations</ENTERPRISE_NAME>       | Enterprise Name      |
| <TAXPAYER_ID>10</TAXPAYER_ID>                                 | Tax Payer Identifier |
| <TAX_OFFICER_NUMBER>100</TAX_OFFICER_NUMBER>                  | Tax Office Number    |
| <BOOK_TYPE_CODE>OPS<br>CORP</BOOK_TYPE_CODE>                  | Book Type Code       |
| <BOOK_TYPE_NAME>OPERATIONS<br>CORPORATE BOOK</BOOK_TYPE_NAME> | Boom Type Name       |
| <TAX_YEAR>2006</TAX_YEAR>                                     | Tax Year             |

## Oracle Assets Depreciation Summary Tax Extract

This extract lets you print a hard copy of the tax register. It displays all recoverable cost and depreciation amount of corresponding depreciation group, during the period assigned to the depreciation book.

Depreciation Summary Tax Extract contains 2 mandatory parameters - Asset Book and Period. Report will run based on the values passed for Asset Book and Period.

### Parameters

| Parameter Name | Description      | Displayed | Required | Default Value | List of Values |
|----------------|------------------|-----------|----------|---------------|----------------|
| Asset Book     | Asset Book Name  | Y         | Y        | N             | Y              |
| Period         | Period from Book | Y         | Y        | N             | Y              |

## Data Output

The Depreciation Summary Tax extract generates the following groups.

- DEPRN\_AMOUNT

### < DEPRN\_AMOUNT >

The following table describes data obtained by < Q\_DEPRN\_AMOUNT >:

| XML Tag                                      | Description                                             |
|----------------------------------------------|---------------------------------------------------------|
| <DEPRN_GROUP>Intangible Assets</DEPRN_GROUP> | Depreciation Group                                      |
| <RECOV_COST_TA>0</RECOV_COST_TA>             | Recoverable Cost/Tangible Assets                        |
| <RECOV_COST_ITA>5000</RECOV_COST_ITA>        | Recoverable Cost/Tangible Assets                        |
| <DEP_AMT_TA_PTD>0</DEP_AMT_TA_PTD>           | Depreciation Amount/Tangible Assets/During the Period   |
| <DEP_AMT_TA_YTD>0</DEP_AMT_TA_YTD>           | Depreciation Amount/Tangible Assets/During the Year     |
| <DEP_AMT_ITA_PTD>189.4</DEP_AMT_ITA_PTD>     | Depreciation Amount/Intangible Assets/During the Period |
| <DEP_AMT_ITA_YTD>568.2</DEP_AMT_ITA_YTD>     | Depreciation Amount/Intangible Assets/During the Year   |



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## Oracle Assets Common APIs

This appendix covers the following topics:

- Introduction
- Common Structures

### Introduction

Oracle Assets includes a set of APIs that you can use to automate many of the common Oracle Assets transactions. The APIs allow you to perform transactions in Oracle Assets without using the normal interface. You may want to use the Oracle Assets APIs if you have a custom interface or want to perform mass transactions.

This section is intended for users who are well-versed in PL/SQL and who are interested in using the APIs directly rather than using the forms-based Oracle Assets interface.

The Oracle Assets APIs also use common structures, which define the asset as a number of discrete parts that are fundamental to every asset, such as a descriptive part, a financial part, and a distribution part. The APIs use a message structure to deliver information as well as error messages in a compact package

This section contains information on the common shared framework used in the Oracle Assets APIs, and information on how to call them directly.

### Alternate Ledger Currency

If you have set up alternate ledger currency, when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

### Invoice Additions and Adjustments

For invoice additions and cost adjustments, Oracle Assets APIs will properly clear the

correct account and amount, even when multiple cost adjustments, each with a different clearing account, are added simultaneously to an asset.

## Related Topics

Common Structures, page F-2

## Common Structures

The common structures break an asset down into discrete parts. These different parts are often modified during different transactions that are performed on an asset. You use the set of common structures to collectively describe a particular asset. For example, the ASSET\_HDR\_REC\_TYPE contains an identifier that distinguishes the asset. The ASSET\_DESC\_REC\_TYPE contains fields that describe the asset, such as Asset Number, Tag Number, and Serial Number. The ASSET\_FIN\_REC\_TYPE contains financial information for the asset. The APIs use different structures depending on their functions.

The Oracle Assets APIs use the following 12 common structures:

- TRANS\_REC\_TYPE
- ASSET\_HDR\_REC\_TYPE
- ASSET\_DESC\_REC\_TYPE
- ASSET\_TYPE\_REC\_TYPE
- ASSET\_CAT\_REC\_TYPE
- ASSET\_HIERARCHY\_REC\_TYPE
- ASSET\_FIN\_REC\_TYPE (ASSET\_FIN\_TBL\_TYPE is a table of this record)
- ASSET\_DEPRN\_REC\_TYPE (ASSET\_DEPRN\_TBL\_TYPE is a table of this record)
- ASSET\_DIST\_REC\_TYPE (ASSET\_DIST\_TBL\_TYPE is a table of this record)
- INV\_TRANS\_REC\_TYPE
- INV\_REC\_TYPE (INV\_TBL\_TYPE is a table of this record)
- INV\_RATE\_REC\_TYPE (INV\_RATE\_TBL\_TYPE is a table of this record)

The Oracle Assets APIs use the following asset structures only for a few transactions:

- ASSET\_RETIRE\_REC\_TYPE

- ASSET\_RETIRE\_DET\_REC\_TYPE
- ASSET\_HR\_ATTR\_REC\_TYPE
- ASSET\_HR\_OPTIONS\_REC\_TYPE
- SUBCOMP\_REC\_TYPE
- PERIOD\_REC\_TYPE
- RECLASS\_OPTIONS\_REC\_TYPE
- GROUP\_RECLASS\_OPTIONS\_REC\_TYPE
- UNPLANNED\_DEPRN\_REC\_TYPE

The following structures are subsets of the previous asset structures:

- STANDARD\_WHO\_REC\_TYPE
- DESC\_FLEX\_REC\_TYPE

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code as shown in the following table.

| Argument                 | Type         | Description                                                                              |
|--------------------------|--------------|------------------------------------------------------------------------------------------|
| TRANSACTION_HEADER_ID    | NUMBER(15)   | Unique transaction identification number.                                                |
| TRANSACTION_TYPE_CODE    | VARCHAR2(20) | Identifies the type of the transaction.                                                  |
| TRANSACTION_DATE_ENTERED | DATE         | Date when the transaction occurred. For additions, it is date placed in service.         |
| TRANSACTION_NAME         | VARCHAR2(20) | Description of the transaction. This field is the Comments field in the Asset Workbench. |

| Argument                         | Type                      | Description                                                                                                                                                      |
|----------------------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SOURCE_TRANSACTION_<br>HEADER_ID | NUMBER(15)                | Transaction header identification number for corresponding transaction in the associated corporate book.                                                         |
| MASS_REFERENCE_ID                | NUMBER(15)                | Identifies the concurrent request that invokes the transaction if it is part of a mass transaction.                                                              |
| TRANSACTION_SUBTYPE              | VARCHAR2(9)               | Detail of the transaction type. For additions or adjustments, this is AMORTIZED or EXPENSED. For retirements and revaluations, it usually takes internal values. |
| TRANSACTION_KEY                  | VARCHAR2(1)               | General class of transaction.                                                                                                                                    |
| AMORTIZATION_START_D<br>ATE      | DATE                      | Amortization start date.                                                                                                                                         |
| DEPRN_OVERRIDE_FLAG              | VARCHAR2(1)               | Override Status (D - depreciation amount was overridden. B - bonus amount was overridden. A - depreciation and bonus amounts were overridden.                    |
| CALLING_INTERFACE                | VARCHAR2(30)              | Interface that calls the API. This field defaults to CUSTOM.                                                                                                     |
| DESC_FLEX                        | DESC_FLEX_REC_TYPE        | Descriptive flexfield segments.                                                                                                                                  |
| WHO_INFO                         | STANDARD_WHO_REC_<br>TYPE | Standard Who columns.                                                                                                                                            |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code as shown in the following



table.

| Argument           | Type         | Description                                                                                 |
|--------------------|--------------|---------------------------------------------------------------------------------------------|
| ASSET_ID           | NUMBER(15)   | Asset identification number.                                                                |
| BOOK_TYPE_CODE     | VARCHAR2(15) | Book name.                                                                                  |
| SET_OF_BOOKS_ID    | NUMBER(15)   | Ledger identification number.                                                               |
| PERIOD_OF_ADDITION | VARCHAR2(1)  | Identifies whether the transaction occurs during the period when adding the specific asset. |

### ASSET\_DESC\_REC\_TYPE Asset Structure

The ASSET\_DESC\_REC\_TYPE asset structure contains descriptive information about the asset, such as the tag number, serial number, and manufacturer name. The following table shows type and value information for each argument.

| Argument        | Type          | Value                                                        |
|-----------------|---------------|--------------------------------------------------------------|
| ASSET_NUMBER    | VARCHAR2(15)  | Defaults to the asset ID. Optional OUT parameter.            |
| DESCRIPTION     | VARCHAR2(80)  | Description of the asset.                                    |
| TAG_NUMBER      | VARCHAR2(15)  | Tag number of the asset.                                     |
| SERIAL_NUMBER   | VARCHAR2(35)  | Serial number of the asset.                                  |
| ASSET_KEY_CCID  | NUMBER(15)    | Identifies an asset key flexfield combination for the asset. |
| PARENT_ASSET_ID | NUMBER(15)    | Identifies a parent asset for subcomponents.                 |
| STATUS          | VARCHAR2(150) | Describes the status of the asset. (CRL Assets only)         |

| Argument                | Type         | Value                                                                                                                               |
|-------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------|
| MANUFACTURER_NAME       | VARCHAR2(30) | Name of the manufacturer.                                                                                                           |
| MODEL_NUMBER            | VARCHAR2(40) | Model number of the asset.                                                                                                          |
| WARRANTY_ID             | NUMBER(15)   | Warranty identification number.                                                                                                     |
| LEASE_ID                | NUMBER(15)   | Lease identification number.                                                                                                        |
| IN_USE_FLAG             | VARCHAR2(3)  | Indicates whether the asset is in use.<br><br>YES - In use (default).<br>NO - Not in use                                            |
| INVENTORIAL             | VARCHAR2(3)  | YES - Include in physical inventory.<br><br>NO - Do not include in physical inventory.<br><br>Defaults as per asset category values |
| PROPERTY_TYPE_CODE      | VARCHAR2(10) | Indicates the property type.<br><br>Defaults as per asset category values.                                                          |
| PROPERTY_1245_1250_CODE | VARCHAR2(4)  | 1245 - Personal.<br>1250 - Real.<br><br>Defaults as per asset category values.                                                      |
| OWNED_LEASED            | VARCHAR2(15) | OWNED - Owned (Default).<br>LEASED - Leased.<br><br>Defaults as per asset category values.                                          |
| NEW_USED                | VARCHAR2(4)  | NEW - New (Default).<br>USED - Used.                                                                                                |

| Argument         | Type               | Value                                                                                                                                                                                                                 |
|------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CURRENT_UNITS    | NUMBER             | Current number of units for the asset.                                                                                                                                                                                |
| LEASE_DESC_FLEX  | DESC_FLEX_REC_TYPE | Lease descriptive flexfield segments.                                                                                                                                                                                 |
| GLOBAL_DESC_FLEX | DESC_FLEX_REC_TYPE | Global descriptive flexfield segments.                                                                                                                                                                                |
| COMMITMENT       | VARCHAR2(150)      | Current financial burdens recorded against the asset, such as existing mortgages or pre-notices of mortgages.                                                                                                         |
| INVESTMENT_LAW   | VARCHAR2(150)      | <p>Incentives available to businesses, depending on the region and the nature of the investor's business.</p> <p>The current incentives are direct subsidy, interest subsidy, leasing subsidy, and tax exemption.</p> |

### ASSET\_TYPE\_REC\_TYPE Asset Structure

The ASSET\_TYPE\_REC\_TYPE asset structure contains information about the asset type: CIP, capitalized, or expensed. The following table shows type and descriptive information for each argument.

| Argument   | Type         | Description                                                          |
|------------|--------------|----------------------------------------------------------------------|
| ASSET_TYPE | VARCHAR2(15) | Indicates whether the asset is CIP, group, capitalized, or expensed. |

### ASSET\_CAT\_REC\_TYPE Asset Structure

The ASSET\_CAT\_REC\_TYPE asset structure contains information about the asset category, such as the category ID and the category descriptive flexfield. The following table shows type and descriptive information for each argument.

| Argument           | Type               | Description                                   |
|--------------------|--------------------|-----------------------------------------------|
| CATEGORY_ID        | NUMBER(15)         | Identifies the category the asset belongs to. |
| CATEGORY_DESC_FLEX | DESC_FLEX_REC_TYPE | Category descriptive flexfield segments.      |

### ASSET\_HIERARCHY\_REC\_TYPE Asset Structure

The ASSET\_HIERARCHY\_REC\_TYPE asset structure contains information about whether the asset belongs to an asset hierarchy. This asset structure applies only to CRL Assets. The following table shows type and descriptive information for the argument.

| Argument            | Type       | Description                                                 |
|---------------------|------------|-------------------------------------------------------------|
| PARENT_HIERARCHY_ID | NUMBER(15) | Identifies the hierarchy the asset belongs to. (CRL assets) |

### ASSET\_FIN\_REC\_TYPE Asset Structure

The ASSET\_FIN\_REC\_TYPE asset structure contains financial information for a given asset. The following table shows type and value information for each argument.

| Argument               | Type         | Value                                                                       |
|------------------------|--------------|-----------------------------------------------------------------------------|
| SET_OF_BOOKS_ID        | NUMBER(15)   | Ledger identification number.                                               |
| DATE_PLACED_IN_SERVICE | DATE         | Date the asset is placed in service.                                        |
| DEPRN_START_DATE       | DATE         | Date the asset starts to depreciate.                                        |
| DEPRN_METHOD_CODE      | VARCHAR2(12) | The name of the depreciation method. Defaults as per asset category values. |

| Argument                       | Type         | Value                                                                                                                                                                                  |
|--------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LIFE_IN_MONTHS                 | NUMBER(4)    | Life of the asset in total months. Defaults as per asset category values.                                                                                                              |
| RATE_ADJUSTMENT_FACT<br>OR     | NUMBER       | Percent of depreciation remaining after a revaluation or an amortized change or if there was no change.                                                                                |
| ADJUSTED_COST                  | NUMBER       | Recoverable cost subtracting the depreciation reserve. The value is reset when an amortized adjustment or revaluation is performed.                                                    |
| COST                           | NUMBER       | Current or change in cost of the asset.                                                                                                                                                |
| ORIGINAL_COST                  | NUMBER       | Original cost of the asset. Defaults to cost.                                                                                                                                          |
| SALVAGE_VALUE                  | NUMBER       | Asset salvage value. Defaults as per asset category values.                                                                                                                            |
| PRORATE_CONVENTION_<br>CODE    | VARCHAR2(10) | Depreciation prorate convention. Defaults as per asset category values.                                                                                                                |
| PRORATE_DATE                   | DATE         | Date for prorating the depreciation.                                                                                                                                                   |
| COST_CHANGE_FLAG               | VARCHAR2(3)  | Indicates that an adjustment is pending for the asset. The depreciation program recalculates the depreciation reserve from the date of acquiring the asset if this flag is set to YES. |
| ADJUSTMENT_REQUIRED_<br>STATUS | VARCHAR2(4)  | Indicates that the asset requires an adjustment to depreciation expense for a retroactive transaction.                                                                                 |

| Argument                | Type        | Value                                                                                                                                                                                          |
|-------------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CAPITALIZE_FLAG         | VARCHAR2(3) | Indicates whether the asset is a capitalized asset.                                                                                                                                            |
| RETIREMENT_PENDING_FLAG | VARCHAR2(3) | Indicates whether the asset has a retirement pending.                                                                                                                                          |
| DEPRECIATE_FLAG         | VARCHAR2(3) | Indicates whether the asset is depreciating.<br><br>YES - Asset is depreciating<br><br>NO - Asset is not depreciating                                                                          |
| ITC_AMOUNT_ID           | NUMBER(15)  | Identifies the ITC rate.                                                                                                                                                                       |
| ITC_AMOUNT              | NUMBER      | Amount of ITC.                                                                                                                                                                                 |
| RETIREMENT_ID           | NUMBER(15)  | Identifies the retirement transaction when retiring the asset.                                                                                                                                 |
| TAX_REQUEST_ID          | NUMBER(15)  | Concurrent request number for mass copy program.                                                                                                                                               |
| ITC_BASIS               | NUMBER      | Cost basis for calculating ITC.                                                                                                                                                                |
| BASIC_RATE              | NUMBER      | Defaults as per asset category values.                                                                                                                                                         |
| ADJUSTED_RATE           | NUMBER      | Defaults as per asset category values.                                                                                                                                                         |
| BONUS_RULE              | NUMBER      | Bonus rule for an asset.<br>Defaults as per asset category values. If a default value is defined, and you want the value to be NULL, you must pass<br>FND_API.G_MISS_CHAR to the Addition API. |

| Argument                      | Type         | Value                                                                                                                                                                                                                                     |
|-------------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CEILING_NAME                  | VARCHAR2(30) | Identifies a depreciation ceiling to be used in calculating depreciation. Defaults as per asset category values. If a default value is defined, and you want the value to be NULL, you must pass FND_API.G_MISS_CHAR to the Addition API. |
| PRODUCTION_CAPACITY           | NUMBER       | Capacity of a unit of production asset. Defaults as per asset category values.                                                                                                                                                            |
| RECOVERABLE_COST              | NUMBER       | Cost without salvage value, or depreciation ceiling, whichever is lower.                                                                                                                                                                  |
| ADJUSTED_CAPACITY             | NUMBER       | Capacity of a unit of production asset. The value is reset when amortizing capacity adjustment.                                                                                                                                           |
| FULLY_RSVD_REVALS_COUNTER     | NUMBER(5)    | Number of times the asset is revalued as fully reserved.                                                                                                                                                                                  |
| IDLED_FLAG                    | VARCHAR2(3)  | Reserved for future use.                                                                                                                                                                                                                  |
| PERIOD_COUNTER_CAPITALIZED    | NUMBER(15)   | Period of capitalizing the asset.                                                                                                                                                                                                         |
| PERIOD_COUNTER_FULLY_RESERVED | NUMBER(15)   | Period of reserving the asset.                                                                                                                                                                                                            |
| PERIOD_COUNTER_FULLY_RETIRED  | NUMBER(15)   | Period of retiring the asset.                                                                                                                                                                                                             |
| PRODUCTION_CAPACITY           | NUMBER       | Capacity of a units of production asset.                                                                                                                                                                                                  |

| Argument                     | Type         | Value                                                                                                                                                                                   |
|------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REVAL_AMORTIZATION_B<br>ASIS | NUMBER       | Revaluation reserve for calculating the amortization of revaluation reserve. Updated when the revaluing the asset or amortizing the adjustment.                                         |
| REVAL_CEILING                | NUMBER       | Upper limit for revaluing asset cost.                                                                                                                                                   |
| UNIT_OF_MEASURE              | VARCHAR2(25) | Unit of measure of a units of production asset. Defaults as per asset category values.                                                                                                  |
| UNREVALUED_COST              | NUMBER       | Cost without regard to any revaluation.                                                                                                                                                 |
| ANNUAL_DEPRN_ROUNDING_FLAG   | VARCHAR2(5)  | Indicates whether Oracle Assets should subtract year-to-date depreciation from the annual depreciation amount to obtain the depreciation amount for the last period of the fiscal year. |
| PERCENT_SALVAGE_VALUE        | NUMBER       | Salvage value percentage amount.                                                                                                                                                        |
| ALLOWED_DEPRN_LIMIT          | NUMBER       | The default depreciation limit as cost percentage.                                                                                                                                      |
| ALLOWED_DEPRN_LIMIT_AMOUNT   | NUMBER       | Depreciation limit amount.                                                                                                                                                              |
| PERIOD_COUNTER_LIFE_COMPLETE | NUMBER(15)   | The period of reserving the asset's useful life.                                                                                                                                        |
| ADJUSTED_RECOVERABLE_COST    | NUMBER       | Adjusted recoverable cost with special depreciation limits taken into account.                                                                                                          |
| ANNUAL_ROUNDING_FLAG         | VARCHAR2(5)  | Reserved for future use.                                                                                                                                                                |



| Argument               | Type        | Value                                                                                                                                                                   |
|------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EOFY_ADJ_COST          | NUMBER      | Adjusted cost at the end of the fiscal year.                                                                                                                            |
| EOFY_FORMULA_FACTOR    | NUMBER      | Formula factor at the end of the fiscal year.                                                                                                                           |
| SHORT_FISCAL_YEAR_FLAG | VARCHAR2(3) | Indicates if an asset is added in a short fiscal year.                                                                                                                  |
| CONVERSION_DATE        | DATE        | Date short tax year asset added to the acquiring company.                                                                                                               |
| ORIG_DEPRN_START_DATE  | DATE        | Date short tax year asset begin depreciating in the acquired company's books.                                                                                           |
| REMAINING_LIFE1        | NUMBER(4)   | Remaining life of the asset as on the conversion date, prorate date or fiscal year start date.                                                                          |
| REMAINING_LIFE2        | NUMBER(4)   | Remaining life of the asset as of the fiscal year start date.                                                                                                           |
| GROUP_ASSET_ID         | NUMBER(15)  | Group asset identification number. (CRL Asset). If a default value is defined, and you want the value to be NULL, you must pass FND_API.G_MISS_NUM to the Addition API. |
| OLD_ADJUSTED_COST      | NUMBER      | The old cost of a formula-based NBV-based asset before an adjustment.                                                                                                   |
| FORMULA_FACTOR         | NUMBER      | Factor for adjusting the depreciation rate for formula-based NBV-based assets.                                                                                          |

| Argument                  | Type          | Value                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GLOBAL_ATTRIBUTE1-20      | VARCHAR2(150) | Reserved for country specific functionality.                                                                                                                                                                                                                                                                                                                                          |
| GLOBAL_ATTRIBUTE_CATEGORY | VARCHAR2(30)  | Reserved for country specific functionality.                                                                                                                                                                                                                                                                                                                                          |
| DISABLED_FLAG             | VARCHAR2(1)   | <p>Indicates whether the group asset is disabled.</p> <p>Y - Group asset is disabled.</p> <p>N - Group asset is enabled.</p> <p>Defaults to N.</p>                                                                                                                                                                                                                                    |
| SALVAGE_TYPE              | VARCHAR2(30)  | <p>Indicates the way to determine salvage value.</p> <p>AMT - Manually enter the salvage value manually (Not available for group asset).</p> <p>PCT - PERCENT_SALVAGE_VALUE field determines the Salvage value.</p> <p>SUM - Salvage value is determined by sum of member asset's salvage value amount (available only for group asset).</p> <p>Defaults to PCT for group assets.</p> |

| Argument                   | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|----------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DEPRN_LIMIT_TYPE           | VARCHAR2(30) | <p>Indicates how depreciation limit is determined .</p> <p>AMT - Manually enter the depreciation limit amount manually (Not available for group asset).</p> <p>PCT -<br/>ALLOWED_DEPRN_LIMIT field determines the depreciation limit amount.</p> <p>SUM - Depreciation limit amount is determined using sum of member asset's depreciation limit amount (available only for group asset).</p> <p>NONE - Depreciation limit is not used.</p> <p>Defaults to PCT for group assets.</p> |
| OVER_DEPRECIATE_OPTIO<br>N | VARCHAR2(30) | <p>Indicates whether group asset should stop depreciating beyond its depreciation limit (recoverable cost if there is no depreciation limit defined).</p> <p>NO - Stop depreciating when the depreciation reserve reaches its depreciation limit.</p> <p>YES - Stop depreciating if depreciation reserve reaches its depreciation limit because of an increase in depreciation expense.</p> <p>DEPRN - Group asset will not stop depreciating.</p> <p>Defaults to NO.</p>            |
| SUPER_GROUP_ID             | NUMBER       | <p>Super group rule identification number.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Argument               | Type        | Value                                                                                                                                                                                                                                                                                           |
|------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REDUCTION_RATE         | NUMBER      | Relevant for depreciable basis rule that is assigned to a depreciation method which uses reduction rate.                                                                                                                                                                                        |
| REDUCE_ADDITION_FLAG   | VARCHAR2(1) | <p>Indicates whether reduction rate should be applied for member asset additions. This value is relevant for group assets only.</p> <p>Y - Reduction rate is used for member asset additions.</p> <p>N - Reduction rate is not used for member asset additions.</p> <p>Defaults to N.</p>       |
| REDUCE_ADJUSTMENT_FLAG | VARCHAR2(1) | <p>Indicates whether reduction rate should be applied for member asset adjustments. This value is relevant for group assets only.</p> <p>Y - Reduction rate is used for member asset adjustments.</p> <p>N - Reduction rate is not used for member asset adjustments.</p> <p>Defaults to N.</p> |
| REDUCE_RETIREMENT_FLAG | VARCHAR2(1) | <p>Indicates whether reduction rate should be applied for member asset retirements. This value is relevant only with group asset.</p> <p>Y - Reduction rate is used for member asset retirements.</p> <p>N - Reduction rate is not used for member asset retirements.</p> <p>Defaults to N.</p> |

| Argument               | Type         | Value                                                                                                                                                                                                                                                                                                                                                       |
|------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| RECOGNIZE_GAIN_LOSS    | VARCHAR2(30) | <p>Indicates whether a member asset retirement should result in recognizing gain and loss amount.</p> <p>YES - Recognize gain and loss amount.</p> <p>NO - Do not recognize gain and loss amount.</p> <p>Defaults to NO.</p>                                                                                                                                |
| RECAPTURE_RESERVE_FLAG | VARCHAR2(1)  | Defaults to N.                                                                                                                                                                                                                                                                                                                                              |
| LIMIT_PROCEEDS_FLAG    | VARCHAR2(1)  | Defaults to N.                                                                                                                                                                                                                                                                                                                                              |
| TERMINAL_GAIN_LOSS     | VARCHAR2(30) | <p>Indicates whether to recognize gain and loss when the last member asset in a group asset is retired out of the group.</p> <p>YES - Recognize gain and loss amount.</p> <p>NO - Not recognizing gain and loss amount</p> <p>END_OF_YEAR - Different recognition of gain and loss amount until the end of current fiscal year.</p> <p>Defaults to YES.</p> |

| Argument                 | Type         | Value                                                                                                                                                                                                                                                                                                                                          |
|--------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRACKING_METHOD          | VARCHAR2(30) | <p>Member assets tracking option value.</p> <p>ALLOCATE - Allocate group depreciation amount across it's member assets.</p> <p>CALCULATE - Uses member assets depreciation instead of group asset's depreciation.</p> <p>Defaults to null.</p>                                                                                                 |
| EXCESS_ALLOCATION_OPTION | VARCHAR2(30) | <p>Indicates whether excess from allocation of group depreciation expense across its member assets is reduced from group depreciation expense or reallocated to its member assets.</p> <p>DISTRIBUTE - Reallocate the excess depreciation expense to its member assets.</p> <p>REDUCE - Reduce the excess from group depreciation expense.</p> |

| Argument            | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DEPRECIATION_OPTION | VARCHAR2(30) | <p>Indicates whether member asset's depreciation expense is calculated using group or member asset depreciation information.</p> <p>GROUP - Use group asset depreciation information to calculate member asset depreciation expense.</p> <p>MEMBER - Use member asset depreciation information to calculate member asset depreciation expense.</p> <p>Defaults to GROUP if TRACKING_METHOD is CALCULATE, otherwise defaults to null.</p>                                 |
| MEMBER_ROLLUP_FLAG  | VARCHAR2(1)  | <p>Indicates whether group asset depreciation amount is sum of member asset depreciation amount. This value is relevant if TRACKING_METHOD is CALCULATE and the value is not Y if RECOGNIZE_GAIN_LOSS or TERMINAL_GAIN_LOSS is NO.</p> <p>Y - Sum member asset depreciation amount to group.</p> <p>N - Group depreciation amount is calculated using the group asset information.</p> <p>Defaults to N if TRACKING_METHOD is CALCULATE, otherwise defaults to null.</p> |

| Argument                       | Type        | Value                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ALLOCATE_TO_FULLY_RS<br>V_FLAG | VARCHAR2(1) | <p>Indicates whether to allocate group asset's depreciation amount to a reserved member asset.</p> <p>Y - Group depreciation expense is allocated to a reserved member assets.</p> <p>N - Group depreciation expense is not allocated to fully reserved member assets.</p> <p>Defaults to N if TRACKING_METHOD is ALLOCATE, otherwise defaults to null.</p> |

The following are relevant to group assets:

- DISABLED\_FLAG
- OVER\_DEPRECIATE\_OPTION
- SUPER\_GROUP\_ID
- REDUCE\_ADDITION\_FLAG
- REDUCE\_ADJUSTMENT\_FLAG
- REDUCE\_RETIREMENT\_FLAG
- RECOGNIZE\_GAIN\_LOSS
- RECAPTURE\_RESERVE\_FLAG
- LIMIT\_PROCEEDS\_FLAG
- TERMINAL\_GAIN\_LOSS
- TRACKING\_METHOD
- EXCESS\_ALLOCATION\_OPTION
- DEPRECIATION\_OPTION



- MEMBER\_ROLLUP\_FLAG
- ALLOCATE\_TO\_FULLY\_RSV\_FLAG

REDUCTION\_RATE is for group and member assets.

## ASSET\_DEPRN\_REC\_TYPE Asset Structure

The ASSET\_DEPRN\_REC\_TYPE asset structure contains depreciation information for a given asset. The following table shows type and descriptive information for each argument.

| Argument               | Type       | Description                                                 |
|------------------------|------------|-------------------------------------------------------------|
| SET_OF_BOOKS_ID        | NUMBER(15) | Ledger identification number.                               |
| DEPRN_AMOUNT           | NUMBER     | Depreciation expense for this depreciation period.          |
| YTD_DEPRN              | NUMBER     | Year-to-date depreciation expense.                          |
| DEPRN_RESERVE          | NUMBER     | Total depreciation since acquiring the asset.               |
| PRIOR_FY_EXPENSE       | NUMBER     | Depreciation expense of previous fiscal years.              |
| BONUS_DEPRN_AMOUNT     | NUMBER     | Bonus depreciation expense for this period.                 |
| BONUS_YTD_DEPRN        | NUMBER     | Bonus year-to-date depreciation expense.                    |
| BONUS_DEPRN_RESERVE    | NUMBER     | Total bonus depreciation since acquiring the asset.         |
| PRIOR_FY_BONUS_EXPENSE | NUMBER     | Bonus depreciation expense of previous fiscal years.        |
| REVAL_AMORTIZATION     | NUMBER     | Amount of revaluation reserve amortized during this period. |

| Argument                 | Type   | Description                                                                                                                                                                                                                                                              |
|--------------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REVAL_AMORTIZATION_BASIS | NUMBER | Revaluation reserve for calculating the amortization of revaluation reserve. The value is updated only when the asset is revalued or has an amortized adjustment.                                                                                                        |
| REVAL_DEPRN_EXPENSE      | NUMBER | Depreciation expense portion for revaluating the asset cost.                                                                                                                                                                                                             |
| REVAL_YTD_DEPRN          | NUMBER | Year-to-date depreciation expense for revaluation.                                                                                                                                                                                                                       |
| REVAL_DEPRN_RESERVE      | NUMBER | Period when an asset is revalued: The value is the change in net book value due to revaluation of asset cost, and sometimes the revaluation of depreciation reserve also. For other periods: the value is the revaluation reserve amount after running the depreciation. |
| PRODUCTION               | NUMBER | Current period production for a unit of production asset.                                                                                                                                                                                                                |
| YTD_PRODUCTION           | NUMBER | Year-to-date production for a unit of production asset.                                                                                                                                                                                                                  |
| LTD_PRODUCTION           | NUMBER | Life-to-date production for a unit of production asset.                                                                                                                                                                                                                  |

## ASSET\_DIST\_REC\_TYPE Asset Structure

The ASSET\_DIST\_REC\_TYPE asset structure contains information that represents a single source or destination distribution line. All the ASSET\_DIST\_REC\_TYPE records comprising a single transfer transaction are contained in the ASSET\_DIST\_TBL table. At least one source line and at least one destination line are required for each transfer transaction. The following table shows type and descriptive information for each argument.

| Argument          | Type       | Description                                                                                                                              |
|-------------------|------------|------------------------------------------------------------------------------------------------------------------------------------------|
| DISTRIBUTION_ID   | NUMBER(15) | Unique distribution identification number.                                                                                               |
| UNITS_ASSIGNED    | NUMBER     | Number of units assigned to the distribution.                                                                                            |
| TRANSACTION_UNITS | NUMBER     | Number of units involved in the transaction. Negative for the units transferred or retired. Positive for the units transferred or added. |
| ASSIGNED_TO       | NUMBER(15) | Employee identification number.                                                                                                          |
| EXPENSE_CCID      | NUMBER(15) | Depreciation expense account identification number.                                                                                      |
| LOCATION_CCID     | NUMBER(15) | Location flexfield identification number.                                                                                                |

## INV\_TRANS\_REC\_TYPE Invoice Structure

The INV\_TRANS\_REC\_TYPE invoice structure contains invoice transaction information for a given invoice. The following table shows type and descriptive information for each argument.

| Argument               | Type         | Description                                                                                                                                   |
|------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| INVOICE_TRANSACTION_ID | NUMBER(15)   | Unique identification number for the invoice transaction.                                                                                     |
| TRANSACTION_TYPE       | VARCHAR2(20) | Type of invoice transaction. (i.e., INVOICE ADDITION, INVOICE ADJUSTMENT, INVOICE DELETE, INVOICE REINSTATE, INVOICE TRANSFER, MASS ADDITION) |

## INV\_REC\_TYPE Invoice Structure

The INV\_REC\_TYPE invoice structure contains invoice information for a single invoice associated with an asset. The INV\_TBL\_TYPE is a table of INV\_REC\_TYPE records. These records contain all invoices that have been applied to the asset. The following table shows type and value information for each argument.

| Argument                     | Type         | Value                                                             |
|------------------------------|--------------|-------------------------------------------------------------------|
| ASSET_INVOICE_ID             | NUMBER(15)   | Asset invoice identification number.                              |
| FIXED_ASSETS_COST            | NUMBER       | Cost of asset in Oracle Assets.                                   |
| PO_VENDOR_ID                 | NUMBER(15)   | Supplier identification number.                                   |
| PO_NUMBER                    | VARCHAR2(20) | Purchase order number.                                            |
| INVOICE_NUMBER               | VARCHAR2(50) | Invoice number.                                                   |
| PAYABLES_BATCH_NAME          | VARCHAR2(50) | Payables batch name in the invoice                                |
| PAYABLES_CODE_COMBINATION_ID | NUMBER(15)   | Clearing account number which is posted in accounts payable.      |
| FEEDER_SYSTEM_NAME           | VARCHAR2(40) | Name of the feeder system that creates the FA_MASS_ADDITIONS row. |
| CREATE_BATCH_DATE            | DATE         | Mass additions batch date when creating this row.                 |
| CREATE_BATCH_ID              | NUMBER(15)   | Mass additions create request identification number for this row. |
| INVOICE_DATE                 | DATE         | Invoice date from accounts payable.                               |
| PAYABLES_COST                | NUMBER       | Invoice cost from accounts payable.                               |

| Argument                       | Type         | Value                                                                                                                                |
|--------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------|
| POST_BATCH_ID                  | NUMBER(15)   | Mass Additions Post request identification number for this row.                                                                      |
| INVOICE_ID                     | NUMBER(15)   | Invoice identification number.                                                                                                       |
| AP_DISTRIBUTION_LINE_NUMBER    | NUMBER(15)   | Distribution line identification number.                                                                                             |
| PAYABLES_UNITS                 | NUMBER       | Units from AP_INVOICE_DISTRIBUTIONS row.                                                                                             |
| DESCRIPTION                    | VARCHAR2(80) | Invoice line description.                                                                                                            |
| DELETED_FLAG                   | VARCHAR2(3)  | Indicates whether this row is deleted in the CIP Adjustments form. Defaults to NO, which it should be for all addition transactions. |
| SPLIT_MERGED_CODE              | VARCHAR2(3)  | Indicates if the invoice line is split or merged.                                                                                    |
| PARENT_MASS_ADDITION_ID        | VARCHAR2(15) | Parent mass addition identification number for the mass addition.                                                                    |
| UNREVALUED_COST                | NUMBER       | Cost without regard to any revaluations.                                                                                             |
| MERGED_CODE                    | VARCHAR2(3)  | Indicates if the mass addition is a merged parent or child.                                                                          |
| SPLIT_CODE                     | VARCHAR2(3)  | Indicates if the mass addition is a split parent or child.                                                                           |
| MERGED_PARENT_MASS_ADDITION_ID | NUMBER(15)   | Merged parent mass addition ID.                                                                                                      |
| SPLIT_PARENT_MASS_ADDITION_ID  | NUMBER(15)   | Split parent mass addition ID.                                                                                                       |

| <b>Argument</b>       | <b>Type</b>   | <b>Value</b>                                                                                                                                                                 |
|-----------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PROJECT_ASSET_LINE_ID | NUMBER(15)    | Identifier of the summarized asset cost line transferred from Oracle Projects to create this line.                                                                           |
| PROJECT_ID            | NUMBER(15)    | Identifier of the project from which the costs are collected, summarized, and transferred from Oracle Projects.                                                              |
| TASK_ID               | NUMBER(15)    | Identifier of the task from which costs are collected, summarized, and transferred from Oracle Projects. This column is populated only if the costs were summarized by task. |
| ATTRIBUTE1            | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE2            | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE3            | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE4            | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE5            | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE6            | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE7            | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE8            | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE9            | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE10           | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE11           | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE12           | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |

| Argument                 | Type          | Value                                                                                                                                                                                                                                                                    |
|--------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ATTRIBUTE13              | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                                                                                                                           |
| ATTRIBUTE14              | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                                                                                                                           |
| ATTRIBUTE15              | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                                                                                                                           |
| ATTRIBUTE_CATEGORY_CODE  | VARCHAR2(30)  | Descriptive flexfield structure defining column.                                                                                                                                                                                                                         |
| YTD_DEPRN                | NUMBER        | Year-to-date depreciation expense.                                                                                                                                                                                                                                       |
| DEPRN_RESERVE            | NUMBER        | Total depreciation taken since beginning of asset life.                                                                                                                                                                                                                  |
| BONUS_YTD_DEPRN          | NUMBER        | Bonus year-to-date depreciation expense.                                                                                                                                                                                                                                 |
| BONUS_DEPRN_RESERVE      | NUMBER        | Total bonus depreciation taken since acquiring the asset.                                                                                                                                                                                                                |
| REVAL_AMORTIZATION_BASIS | NUMBER        | Revaluation reserve for calculating the amortization of a revaluation reserve. This value is updated when revaluing the asset or amortizing the adjustment.                                                                                                              |
| REVAL_YTD_DEPRN          | NUMBER        | Year-to-date depreciation expense for revaluation.                                                                                                                                                                                                                       |
| REVAL_DEPRN_RESERVE      | NUMBER        | Period when an asset is revalued: The value is the change in net book value due to revaluation of asset cost, and sometimes the revaluation of depreciation reserve also. For other periods: the value is the revaluation reserve amount after running the depreciation. |

| Argument                | Type              | Value                                                                                                                                             |
|-------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| INVOICE_DISTRIBUTION_ID | VARCHAR2(1)       | Invoice distribution identifier.                                                                                                                  |
| INVOICE_LINE_NUMBER     | VARCHAR2(30)      | Invoice line number.                                                                                                                              |
| PO_DISTRIBUTION_ID      | VARCHAR2(30)      | Purchase order distribution identifier.                                                                                                           |
| INV_RATE_TBL            | INV_RATE_REC_TYPE | If using an alternate ledger currency, you may optionally provide either rates or converted amounts directly for each ledger through this member. |

## INV\_RATE\_REC\_TYPE Invoice Rate Structure

The INV\_RATE\_REC\_TYPE invoice structure contains rate information for an invoice. Each INV\_RATE\_REC\_TYPE record contains one conversion rate. The INV\_RATE\_TBL\_TYPE is a table of INV\_RATE\_REC\_TYPE records. This table is used by MRC reporting currencies to determine the conversion rates for an asset. The following table shows type and value information for each argument.

| Argument        | Type       | Value                                                                                                      |
|-----------------|------------|------------------------------------------------------------------------------------------------------------|
| SET_OF_BOOKS_ID | NUMBER(15) | Ledger identification number.                                                                              |
| EXCHANGE_RATE   | NUMBER     | Exchange rate for the currency (required if cost is not specified)                                         |
| COST            | Number     | Provide converted cost directly rather than an exchange rate (required if EXCHANGE_RATE is not specified). |

## ASSET\_RETIRE\_REC\_TYPE Asset Structure

The ASSET\_RETIRE\_REC\_TYPE asset structure contains the public retirement



information of a given asset when it is retired. The following table shows type and value information for each argument.

| Argument                      | Type         | Value                                                                            |
|-------------------------------|--------------|----------------------------------------------------------------------------------|
| RETIREMENT_ID                 | NUMBER(15)   | Retirement identification number. Optional OUT parameter.                        |
| RETIREMENT_PRORATE_CONVENTION | VARCHAR2(10) | Prorate convention of the retirement. For example, MID-MONTH.                    |
| DATE_RETIRED                  | DATE         | Date when retirement occurred. Default is current date.                          |
| UNITS_RETIRED                 | NUMBER       | Number of units retired. Either units_retired or cost_retired must be provided.  |
| COST_RETIRED                  | NUMBER       | Cost retired. Either units_retired or cost_retired must be provided.             |
| PROCEEDS_OF_SALE              | NUMBER       | Proceeds from the sale of the asset.                                             |
| COST_OF_REMOVAL               | NUMBER       | Cost of removing the asset.                                                      |
| RETIREMENT_TYPE_CODE          | VARCHAR2(15) | Retirement type.                                                                 |
| TRADE_IN_ASSET_ID             | NUMBER(15)   | Asset identification number of the new asset for which this asset was traded in. |
| SOLD_TO                       | VARCHAR2(30) | Name of the party to whom the asset was sold.                                    |
| REFERENCE_NUM                 | VARCHAR2(15) | Reference number.                                                                |

| Argument            | Type               | Value                                                                                       |
|---------------------|--------------------|---------------------------------------------------------------------------------------------|
| CALCULATE_GAIN_LOSS | VARCHAR2(1)        | Whether to run calculate gain/loss immediately. (Either FND_API.G_TRUE or FND_API.G_FALSE.) |
| DESC_FLEX           | DESC_FLEX_REC_TYPE | Retirement descriptive flexfield information.                                               |
| RESERVE_RETIRED     | NUMBER             | Reserve retired amount at the time of member asset retirement.                              |
| EOFY_RESERVE        | NUMBER             | Reserve deducted from the end of fiscal year reserve amount.                                |

## ASSET\_RETIRE\_DET\_REC\_TYPE Asset Structure

The ASSET\_RETIRE\_DET\_REC\_TYPE asset structure contains the detailed retirement information of a given asset that is used internally and is hidden from users. The following table shows type and descriptive information for each argument.

| Argument                  | Type         | Description                                                                 |
|---------------------------|--------------|-----------------------------------------------------------------------------|
| ASSET_ID                  | NUMBER(15)   | Asset identification number.                                                |
| BOOK_TYPE_CODE            | VARCHAR2(15) | Book name.                                                                  |
| TRANSACTION_HEADER_ID_IN  | NUMBER(15)   | Identification number of the asset transaction which created the row.       |
| TRANSACTION_HEADER_ID_OUT | NUMBER(15)   | Identification number of the asset transaction which made the row obsolete. |
| NBV_RETIRED               | NUMBER       | Net book value retired.                                                     |
| GAIN_LOSS_AMOUNT          | NUMBER       | Gain or loss from the retirement.                                           |

| Argument                   | Type         | Description                                                                     |
|----------------------------|--------------|---------------------------------------------------------------------------------|
| GAIN_LOSS_TYPE_CODE        | VARCHAR2(15) | Whether the retirement resulted in a gain or a loss.                            |
| ITC_RECAPTURED             | NUMBER       | Investment tax credit recaptured.                                               |
| ITC_RECAPTURE_ID           | NUMBER(15)   | Investment tax credit recapture identification number.                          |
| STL_METHOD_CODE            | VARCHAR2(12) | Straight line method for retirement reporting of 1250 property in a tax book.   |
| STL_LIFE_IN_MONTHS         | NUMBER(4)    | Straight line life for retirement.                                              |
| STL_DEPRN_AMOUNT           | NUMBER       | Straight line depreciation amount for reporting of 1250 property in a tax book. |
| REVAL_RESERVE_RETIRED      | NUMBER       | Revaluation reserve retired.                                                    |
| UNREVALUED_COST_RETIREMENT | NUMBER       | Cost retired without any regard to revaluations.                                |
| BONUS_RESERVE_RETIRED      | NUMBER       | Bonus reserve retired.                                                          |
| ROW_ID                     | NUMBER       | Row ID of retirement row.                                                       |

## ASSET\_HR\_ATTR\_REC\_TYPE Asset Structure

The ASSET\_HR\_ATTR\_REC\_TYPE asset structure contains the hierarchy attributes of a given asset. The following table shows type and descriptive information for each argument.

| <b>Argument</b> | <b>Type</b>  | <b>Description</b>                                                   |
|-----------------|--------------|----------------------------------------------------------------------|
| CATEGORY_ID     | NUMBER(15)   | Identifies category to which the hierarchy belongs. (CRL Assets)     |
| SERIAL_NUMBER   | VARCHAR2(35) | Serial number of the hierarchy. (CRL Assets)                         |
| LEASE_ID        | NUMBER(15)   | Lease identification number. (CRL Assets)                            |
| ASSET_KEY_CCID  | NUMBER(15)   | Identifies the asset key combination for the hierarchy. (CRL Assets) |
| DIST_SET_ID     | NUMER(15)    | Distribution set identification number. (CRL Assets)                 |
| LIFE_IN_MONTHS  | NUMBER(4)    | Life in total months. (CRL Assets)                                   |
| PRORATE_DATE    | DATE         | Date for prorating the depreciation. (CRL Assets)                    |

### **ASSET\_HR\_OPTIONS\_REC\_TYPE Asset Structure**

The ASSET\_HR\_OPTIONS\_REC\_TYPE asset structure contains any changes occurring in the hierarchy options during a transaction that is performed on a given asset. The following table shows type and descriptive information for each argument.

| Argument   | Type         | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EVENT_CODE | VARCHAR2(30) | <p>Event that creates the batch:</p> <p>CHANGE_NODE_PARENT - Change Parent of a Node in the Asset Hierarchy</p> <p>CHANGE_NODE_ATTRIBUTE - Change Attribute Value on Node in the Asset Hierarchy</p> <p>CHANGE_NODE_RULE_SET - Change Rule Set on a Node in an Asset Hierarchy</p> <p>CHANGE_ASSET_LEASE - Change Lease on an Asset</p> <p>CHANGE_ASSET_PARENT - Change Parent Of An Asset</p> <p>CHANGE_ASSET_CATEGORY - Change Asset Category on an Asset</p> <p>CHANGE_LEASE_LIFE_END_DATE - Change Life End Date on a Lease</p> <p>CHANGE_CATEGORY_LIFE - Change Life On Asset Category</p> <p>CHANGE_CATEGORY_LIFE_END_DATE - Change Life End Date On Asset Category</p> <p>CHANGE_CATEGORY_RULE_SET - Change Rule Set on Asset Category</p> |

| Argument              | Type         | Description                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| STATUS_CODE           | VARCHAR2(2)  | Batch status:<br><br>P - Pending<br><br>IP - In Process<br><br>PP - Partially Processed<br><br>CP - Completely Processed<br><br>R - Rejected                                                                                                                                                                                                                     |
| SOURCE_ENTITY_NAME    | VARCHAR2(30) | The type of the source entity:<br><br>NODE - Parent Node<br><br>ASSET - Asset<br><br>LEASE - Lease Number<br><br>CATEGORY - Asset Category                                                                                                                                                                                                                       |
| SOURCE_ENTITY_VALUE   | VARCHAR2(30) | The source entity value triggering the event.                                                                                                                                                                                                                                                                                                                    |
| SOURCE_ATTRIBUTE_NAME | VARCHAR2(30) | Name of the source attribute:<br><br>PARENT - Parent Node<br><br>CATEGORY - Asset Category<br><br>DISTRIBUTION - Distribution Set<br><br>SERIAL_NUMBER - Serial Number<br><br>LEASE_NUMBER - Lease Number<br><br>ASSET_KEY - Asset Key<br><br>RULE_SET - Rule Set<br><br>LEASE_END_DATE - Lease End Date<br><br>LIFE - Life<br><br>LIFE_END_DATE - Life End Date |

| Argument                | Type         | Description                                                                       |
|-------------------------|--------------|-----------------------------------------------------------------------------------|
| SOURCE_ATTRIBUTE_OLD_ID | VARCHAR2(30) | Identifier of the source attribute before triggering the event.                   |
| SOURCE_ATTRIBUTE_NEW_ID | VARCHAR2(30) | Identifier of the source attribute after triggering the event.                    |
| AMORTIZATION_START_DATE | DATE         | Date of Amortization.                                                             |
| AMORTIZE_FLAG           | VARCHAR2(3)  | Indicates whether to use Amortization Date:<br><br>Y- Amortize<br><br>N - Expense |
| DESCRIPTION             | VARCHAR2(50) | Description of the batch created.                                                 |
| REJECTION_CODE_REASON   | VARCHAR2(30) | Reason the batch was Rejected.                                                    |
| CONCURRENT_REQUEST_ID   | NUMBER       | Concurrent request ID of the run which created this record.                       |
| BATCH_ID                | NUMBER       | System generated identifier of a batch.                                           |

## SUBCOMP\_REC\_TYPE Subcomponent Structure

The SUBCOMP\_REC\_TYPE subcomponent structure contains any child assets belonging to a given asset. The following table shows type and descriptive information for each argument.

| Argument | Type       | Description                  |
|----------|------------|------------------------------|
| ASSET_ID | NUMBER(15) | Asset identification number. |

| Argument    | Type        | Description                                                              |
|-------------|-------------|--------------------------------------------------------------------------|
| PARENT_FLAG | VARCHAR2(1) | Indicates whether asset is a parent asset. (Defaults to FND_API.G_FALSE) |

## PERIOD\_REC\_TYPE Period Structure

The PERIOD\_REC\_TYPE period structure contains the depreciation period information of a given book. The following table shows type and descriptive information for each argument.

| Argument                   | Type         | Description                                                 |
|----------------------------|--------------|-------------------------------------------------------------|
| PERIOD_NAME                | VARCHAR2(15) | Depreciation period name.                                   |
| PERIOD_COUNTER             | NUMBER(15)   | Period counter of the depreciation calendar.                |
| PERIOD_OPEN_DATE           | DATE         | Start date of the depreciation period.                      |
| PERIOD_CLOSE_DATE          | DATE         | End date of the depreciation period.                        |
| CALENDAR_PERIOD_OPEN_DATE  | DATE         | Calendar period date when the period begins.                |
| CALENDAR_PERIOD_CLOSE_DATE | DATE         | End calendar period date.                                   |
| DEPRN_RUN                  | VARCHAR2(1)  | Indicates whether depreciation has been run for the period. |
| PERIOD_NUM                 | NUMBER(3)    | Period number in a fiscal year.                             |
| FISCAL_YEAR                | NUMBER(4)    | Fiscal year                                                 |
| FY_START_DATE              | DATE         | First day of the fiscal year.                               |



| Argument    | Type | Description                  |
|-------------|------|------------------------------|
| FY_END_DATE | DATE | Last day of the fiscal year. |

## RECLASS\_OPTIONS\_REC\_TYPE Reclassification Structure

The RECLASS\_OPTIONS\_REC\_TYPE reclassification structure contains reclass options that may be changed during a reclass transaction for a given asset. The following table shows type and descriptive information for each argument.

| Argument           | Type        | Description                                                                                                          |
|--------------------|-------------|----------------------------------------------------------------------------------------------------------------------|
| COPY_CAT_DESC_FLAG | VARCHAR2(3) | Indicates whether to copy the category descriptive flexfield information to the new category for the asset. (YES/NO) |
| COPY_CAT_DESC_FLAG | VARCHAR2(3) | Indicates whether to copy the category descriptive flexfield information to the new category for the asset. (YES/NO) |
| REDEFAULT_FLAG     | VARCHAR2(3) | Indicates whether to inherit the depreciation rules of the new category. (YES/NO)                                    |
| MASS_REQUEST_ID    | NUMBER(15)  | Concurrent request identification number.                                                                            |

## GROUP\_RECLASS\_OPTIONS\_REC\_TYPE Reclassification Structure

The GROUP\_RECLASS\_OPTIONS\_REC\_TYPE reclassification structure contains any group reclass options that may be changed during a transaction done on a group asset. The following table shows type and descriptive information for each argument.

| Argument           | Type         | Value                                                                                                                                                                                                                                                                                                                                          |
|--------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRANSFER_FLAG      | VARCHAR2(3)  | Option to transfer reserve or calculate catchup expense. (YES/NO) (CRL Assets)                                                                                                                                                                                                                                                                 |
| MANUAL_FLAG        | VARCHAR2(3)  | Indicates whether system should calculate the amount to transfer or whether a value will be provided. Available when choosing the transfer only option. (YES/NO) (CRL Assets)                                                                                                                                                                  |
| MANUAL_AMOUNT      | NUMBER       | When the manual_flag is YES, this is the amount that you intend to transfer. (CRL Assets)<br>The relationship between the flags is as follows during a group reclass: Group-unit or unit-group: transfer_flag = NO / manual_flag = NO.<br>Group-group: transfer_flag = NO / manual_flag = NO<br>Transfer_flag = YES / manual_flag = YES or NO. |
| GROUP_RECLASS_TYPE | VARCHAR2(30) | Indicates whether group reclass amounts information is provided by the user or calculated by the system.<br><br>CALC - System calculates amounts based on AMORTIZATION_START_DATE.<br><br>MANUAL - User needs to provide amounts                                                                                                               |
| RESERVE_AMOUNT     | NUMBER       | Reserve amount moved from source to destination.                                                                                                                                                                                                                                                                                               |

| Argument                 | Type   | Value                                                                                                                                                 |
|--------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| SOURCE_EOFY_RESERVE      | NUMBER | Reserve amount at the end of previous fiscal year moved from source. This is used to calculate the new depreciable basis for some of FLAT-NBV method. |
| DESTINATION_EOFY_RESERVE | NUMBER | Reserve amount at the end of previous fiscal year added to destination. This is used to calculate new depreciable basis for some of FLAT-NBV method.  |

### UNPLANNED\_DEPRN\_REC\_TYPE Structure

The UNPLANNED\_DEPRN\_REC\_TYPE structure contains unplanned depreciation information when this type of transaction is performed on a given asset. The following table shows type and descriptive information for each argument.

| Argument            | Type        | Description                                   |
|---------------------|-------------|-----------------------------------------------|
| CODE_COMBINATION_ID | NUMBER(15)  | Account allocated for unplanned depreciation. |
| UNPLANNED_AMOUNT    | NUMBER      | Amount allocated for unplanned depreciation.  |
| UNPLANNED_TYPE      | VARCHAR2(9) | Type of unplanned depreciation.               |

### STANDARD\_WHO\_REC\_TYPE Structure

The STANDARD\_WHO\_REC\_TYPE structure contains information about the user, such as who updated the transaction. The following table shows type and descriptive information for each argument.

| Argument          | Type       | Description                                                  |
|-------------------|------------|--------------------------------------------------------------|
| LAST_UPDATE_DATE  | DATE       | Standard Who column.<br>(Defaults to SYSDATE)                |
| LAST_UPDATED_BY   | NUMBER(15) | Standard Who column.<br>(Defaults to<br>FND_GLOBAL.USER_ID)  |
| CREATED_BY        | NUMBER(15) | Standard Who column.<br>(Defaults to<br>FND_GLOBAL.USER_ID)  |
| CREATION_DATE     | DATE       | Standard Who column.<br>(Defaults to SYSDATE)                |
| LAST_UPDATE_LOGIN | NUMBER(15) | Standard Who column.<br>(Defaults to<br>FND_GLOBAL.LOGIN_ID) |

## DESC\_FLEX\_REC\_TYPE Structure

The DESC\_FLEX\_REC\_TYPE structure contains descriptive flexfield information. The following table shows type and descriptive information for each argument.

| Argument   | Type          | Description                    |
|------------|---------------|--------------------------------|
| ATTRIBUTE1 | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE2 | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE3 | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE4 | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE5 | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE6 | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE7 | VARCHAR2(150) | Descriptive flexfield segment. |

| <b>Argument</b> | <b>Type</b>   | <b>Description</b>             |
|-----------------|---------------|--------------------------------|
| ATTRIBUTE8      | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE9      | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE10     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE11     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE12     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE13     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE14     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE15     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE16     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE17     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE18     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE19     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE20     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE21     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE22     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE23     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE24     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE25     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE26     | VARCHAR2(150) | Descriptive flexfield segment. |
| ATTRIBUTE27     | VARCHAR2(150) | Descriptive flexfield segment. |

| <b>Argument</b>             | <b>Type</b>   | <b>Description</b>                                                            |
|-----------------------------|---------------|-------------------------------------------------------------------------------|
| ATTRIBUTE28                 | VARCHAR2(150) | Descriptive flexfield segment.                                                |
| ATTRIBUTE29                 | VARCHAR2(150) | Descriptive flexfield segment.                                                |
| ATTRIBUTE30                 | VARCHAR2(150) | Descriptive flexfield segment.                                                |
| ATTRIBUTE_CATEGORY_<br>CODE | VARCHAR2(210) | Descriptive flexfield structure<br>defining column.                           |
| CONTEXT                     | VARCHAR2(210) | Structure defining column for<br>the asset category descriptive<br>flexfield. |

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# Oracle Assets Additions API

This appendix covers the following topics:

- Introduction
- Additions API Description
- Sample Script: Using the Additions API via Invoices
- Sample Script: Using the Additions API with No Invoices
- Sample Script: Using the Additions API via Invoices with Alternative Ledger Currency

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Additions API uses the FA\_ADDITION\_PUB.DO\_ADDITION procedure. You can use this API if you have a custom interface that makes it difficult to use with the existing asset additions interfaces in Oracle Assets.

Oracle Assets also allows you to add assets using any of the following methods:

- **QuickAdditions:** You use the QuickAdditions process to quickly enter ordinary assets when you must enter them manually. You can enter minimal information in the QuickAdditions window, and the remaining asset information defaults from the asset category, book, and the date placed in service.
- **Detail Additions:** You use the Detail Additions process to manually add complex assets which the QuickAdditions process does not handle, for example, assets that have a salvage value or assets with more than one assignments.
- **Mass Additions:** You use the Mass Additions process to add assets automatically from an external source. Create assets from one or more invoice distribution lines in Oracle Payables, CIP asset lines in Oracle Projects, asset information from another assets system, or information from any other feeder system using the interface.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## CIP Assets

If you have checked the Allow CIP Assets check box on the Book Controls window of a tax book, when you add CIP assets using the Additions API, the API automatically adds those CIP assets to that tax book at the same time that they are added to the corporate book.

## Passing Null Values

You must pass special values in order to null the values of BONUS\_RULE, CEILING\_NAME, or GROUP\_ASSET\_ID. If you pass a NULL value directly for these values, the API will automatically default to the value setup for the category. The following table shows the value that must be passed for the field value to be NULL.

| Field          | Value to Pass for NULL Field |
|----------------|------------------------------|
| BONUS_RULE     | FND_API.G_MISS_CHAR          |
| CEILING_NAME   | FND_API.G_MISS_CHAR          |
| GROUP_ASSET_ID | FND_API.G_MISS_NUM           |

## Related Topics

Additions API Description, page G-2

Sample Script: Using the Additions API via Invoices, page G-30

Sample Script: Using the Additions API with No Invoices, page G-33

## Additions API Description

The Additions API procedure is called: FA\_ADDITION\_PUB.DO\_ADDITION ().

The following table provides the arguments, types, value, and descriptions of the elements of the FA\_ADDITION\_PUB.DO\_ADDITION procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:



- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type        | Value                                                                                                                                                       | Description                                                              |
|--------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER      | Internal use only                                                                                                                                           | Version of the API in use.                                               |
| P_INIT_MSG_LIST    | VARCHAR2(1) | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default).                                      | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2(1) | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                       | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER      | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |

| Argument          | Type                                 | Value                                                                                                                                                      | Description                              |
|-------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| X_RETURN_STATUS   | VARCHAR2(1)                          | FND_API.G_RET_STS_SUCCESS - Addition successful.<br><br>FND_API.G_RET_STS_ERROR - Addition fails.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Unexpected error. | Determines the API success.              |
| X_MSG_COUNT       | NUMBER                               |                                                                                                                                                            | Number of messages on the message stack. |
| X_MSG_DATA        | VARCHAR2(1024)                       |                                                                                                                                                            | Message stack.                           |
| P_CALLING_FN      | VARCHAR2(30)                         |                                                                                                                                                            | Function that calls the API.             |
| PX_TRANS_REC      | FA_API_TYPES.<br>TRANS_REC_TYPE      |                                                                                                                                                            | Transaction description.                 |
| PX_DIST_TRANS_REC | FA_API_TYPES.<br>DIST_TRANS_REC_TYPE |                                                                                                                                                            | Transaction distribution description.    |
| PX_ASSET_HDR_REC  | FA_API_TYPES.<br>ASSET_HDR_REC_TYPE  |                                                                                                                                                            | Unique identifiers for the assets.       |
| PX_ASSET_DESC_REC | FA_API_TYPES.<br>ASSET_DESC_REC_TYPE |                                                                                                                                                            | Description of the asset.                |
| PX_ASSET_TYPE_REC | FA_API_TYPES.<br>ASSET_TYPE_REC_TYPE |                                                                                                                                                            | Asset type of the asset.                 |
| PX_ASSET_CAT_REC  | FA_API_TYPES.<br>ASSET_CAT_REC_TYPE  |                                                                                                                                                            | Category information of the asset.       |

| Argument               | Type                                      | Value | Description                            |
|------------------------|-------------------------------------------|-------|----------------------------------------|
| PX_ASSET_HIERARCHY_REC | FA_API_TYPES.<br>ASSET_HIERARCHY_REC_TYPE |       | Hierarchy information of the asset.    |
| PX_ASSET_FIN_REC       | FA_API_TYPES.<br>ASSET_FIN_REC_TYPE       |       | Financial information of the asset.    |
| PX_ASSET_DEPRN_REC     | FA_API_TYPES.<br>ASSET_DEPRN_REC_TYPE     |       | Depreciation information of the asset. |
| PX_ASSET_DIST_TBL      | FA_API_TYPES.<br>ASSET_DIST_TBL_TYPE      |       | Distribution information of the asset. |
| PX_INV_TBL             | FA_API_TYPES.<br>INV_TBL_TYPE             |       | Invoices for the asset.                |

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                 | Required / Optional | Type         | Value                                                                |
|--------------------------|---------------------|--------------|----------------------------------------------------------------------|
| TRANSACTION_HEADER_ID    | Internal use only   | NUMBER(15)   | Optional OUT parameter                                               |
| TRANSACTION_DATE_ENTERED | Optional            | DATE         | Defaults to the date placed in service.                              |
| TRANSACTION_NAME         | Optional            | VARCHAR2(20) | Description of the transaction.                                      |
| MASS_REFERENCE_ID        | Optional            | NUMBER(15)   | Identifies the concurrent request that invokes the mass transaction. |

| Argument                    | Required / Optional | Type                 | Value                                                                       |
|-----------------------------|---------------------|----------------------|-----------------------------------------------------------------------------|
| TRANSACTION_SU<br>BTYPE     | Optional            | VARCHAR2(9)          | AMORTIZED -<br>Amortize NBV<br>addition.<br><br>NULL - Regular<br>addition. |
| AMORTIZATION_ST<br>ART_DATE | Optional            | DATE                 | Amortization start<br>date                                                  |
| CALLING_INTERFA<br>CE       | Optional            | VARCHAR2(30)         | Defaults to CUSTOM                                                          |
| DESC_FLEX                   | Optional            | DESC_FLEX_REC        | Descriptive flexfield<br>segment                                            |
| WHO_INFO                    | Required            | STANDARD_<br>WHO_REC | Standard Who<br>columns                                                     |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional                                                                                                                                                                                                                                                                                                                                                                   | Type         | Value               |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------|
| ASSET_ID       | Internal use only for addition to Corporate book. Required for addition to tax book for asset already existing in Corporate book. For a tax addition, the TRANS_REC_TYPE and the ASSET_HDR_REC_TYPE attributes are needed. The values in structures such as ASSET_DESC_REC_TYPE, ASSET_FIN_REC_TYPE, ASSET_TYPE_REC_TYPE, ASSET_CAT_REC_TYPE, etc., defaults from the Corporate book. | NUMBER(15)   | IN / OUT parameter. |
| BOOK_TYPE_CODE | Required                                                                                                                                                                                                                                                                                                                                                                              | VARCHAR2(15) | Book name           |

## ASSET\_DESC\_REC\_TYPE Asset Structure

The ASSET\_DESC\_REC\_TYPE asset structure contains descriptive information about the asset, such as the tag number, serial number, and manufacturer name. The following table shows type and value information for each argument.

| Argument     | Required / Optional | Type         | Value                                         |
|--------------|---------------------|--------------|-----------------------------------------------|
| ASSET_NUMBER | Optional            | VARCHAR2(15) | Defaults to asset_id. Optional OUT parameter. |
| DESCRIPTION  | Required            | VARCHAR2(80) | Description of the asset.                     |

| <b>Argument</b>   | <b>Required / Optional</b> | <b>Type</b>   | <b>Value</b>                                                                             |
|-------------------|----------------------------|---------------|------------------------------------------------------------------------------------------|
| TAG_NUMBER        | Optional                   | VARCHAR2(15)  | Tag number of the asset.                                                                 |
| SERIAL_NUMBER     | Optional                   | VARCHAR2(35)  | Serial number of the asset.                                                              |
| ASSET_KEY_CCID    | Optional                   | NUMBER(15)    | Identifies an asset key flexfield combination for the asset.                             |
| PARENT_ASSET_ID   | Optional                   | NUMBER(15)    | Identifies a parent asset for subcomponents.                                             |
| STATUS            | Optional                   | VARCHAR2(150) | Describes the status of the asset. (CRL Assets only)                                     |
| MANUFACTURER_NAME | Optional                   | VARCHAR2(30)  | Name of the manufacturer.                                                                |
| MODEL_NUMBER      | Optional                   | VARCHAR2(40)  | Model number of the asset.                                                               |
| WARRANTY_ID       | Optional                   | NUMBER(15)    | Warranty identification number.                                                          |
| LEASE_ID          | Optional                   | NUMBER(15)    | Lease identification number.                                                             |
| IN_USE_FLAG       | Optional                   | VARCHAR2(3)   | Indicates if the asset is in use.<br><br>YES - In use (default).<br><br>NO - Not in use. |

| Argument                | Required / Optional | Type               | Value                                                                                                                       |
|-------------------------|---------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------|
| INVENTORIAL             | Optional            | VARCHAR2(3)        | Defaults to asset category.<br><br>YES - To include in physical inventory<br><br>NO - Do not include in physical inventory. |
| PROPERTY_TYPE_CODE      | Optional            | VARCHAR2(10)       | Indicates the property type. Defaults to asset category.                                                                    |
| PROPERTY_1245_1250_CODE | Optional            | VARCHAR2(4)        | 1245 - Personal<br><br>1250 - Real.<br><br>Defaults to asset category.                                                      |
| OWNED_LEASED            | Optional            | VARCHAR2(15)       | OWNED - Owned (Default).<br><br>LEASED - Leased<br><br>Defaults to asset category.                                          |
| NEW_USED                | Optional            | VARCHAR2(4)        | NEW - New (Default)<br><br>USED - Used                                                                                      |
| CURRENT_UNITS           | Required            | NUMBER             | Current number of units for the asset.                                                                                      |
| LEASE_DESC_FLEX         | Optional            | DESC_FLEX_REC_TYPE | Lease descriptive flexfield segments.                                                                                       |
| GLOBAL_DESC_FLEX        | Optional            | DESC_FLEX_REC_TYPE | Global descriptive flexfield segments.                                                                                      |

| Argument       | Required / Optional | Type          | Value                                                                                                                                                                                                   |
|----------------|---------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COMMITMENT     | Optional            | VARCHAR2(150) | Current financial burdens recorded against the asset, such as existing mortgages or pre-notices of mortgages.                                                                                           |
| INVESTMENT_LAW | Optional            | VARCHAR2(150) | Incentives available to businesses, depending on the region and the nature of the investor's business. The current incentives are direct subsidy, interest subsidy, leasing subsidy, and tax exemption. |

## ASSET\_TYPE\_REC\_TYPE Asset Structure

The ASSET\_TYPE\_REC\_TYPE asset structure contains information about the asset type: CIP, capitalized, or expensed. The following table shows type and value information for each argument.

| Argument   | Required / Optional | Type         | Value                                                                                                                          |
|------------|---------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------|
| ASSET_TYPE | Required            | VARCHAR2(15) | CAPITALIZED - Capitalized asset (default).<br><br>CIP - CIP asset<br><br>EXPENSED - Expensed asset<br><br>Group - Group asset. |

## ASSET\_CAT\_REC\_TYPE Asset Structure

The ASSET\_CAT\_REC\_TYPE asset structure contains information about the asset category, such as the category ID and the category descriptive flexfield. The following table shows type and value information for each argument.



| Argument           | Required / Optional | Type               | Value                                    |
|--------------------|---------------------|--------------------|------------------------------------------|
| CATEGORY_ID        | Required            | NUMBER(15)         | Category identifier.                     |
| CATEGORY_DESC_FLEX | Optional            | DESC_FLEX_REC_TYPE | Category descriptive flexfield segments. |

### ASSET\_HIERARCHY\_REC\_TYPE Asset Structure

The ASSET\_HIERARCHY\_REC\_TYPE asset structure contains information about whether the asset belongs to an asset hierarchy. This asset structure applies only to CRL Assets. The following table shows type and value information for each argument.

| Argument            | Required / Optional | Type       | Value                                                       |
|---------------------|---------------------|------------|-------------------------------------------------------------|
| PARENT_HIERARCHY_ID | Optional            | NUMBER(15) | Identifies the hierarchy the asset belongs to. (CRL assets) |

### ASSET\_FIN\_REC\_TYPE Asset Structure

The ASSET\_FIN\_REC\_TYPE asset structure contains financial information for a given asset. The following table shows type and value information for each argument.

| Argument               | Required / Optional | Type         | Value                                                                                                                              |
|------------------------|---------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------|
| DATE_PLACED_IN_SERVICE | Optional            | DATE         | Date the asset is placed in service. Defaults to the current period close date for corporate and corporate cost for tax additions. |
| DEPRN_METHOD_CODE      | Optional            | VARCHAR2(12) | The name of the depreciation method. Defaults as per asset category values.                                                        |

| Argument                | Required / Optional                      | Type         | Value                                                                                                                                                                 |
|-------------------------|------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| LIFE_IN_MONTHS          | Optional                                 | NUMBER(4)    | Life of the asset in total months. Defaults as per asset category values.                                                                                             |
| COST                    | Optional (if no invoices were populated) | NUMBER       | Current cost of the asset. Defaults to 0 for cost and corporate cost for tax additions                                                                                |
| ORIGINAL_COST           | Optional                                 | NUMBER       | Original cost of the asset. Defaults to cost.                                                                                                                         |
| SALVAGE_VALUE           | Optional                                 | NUMBER       | Asset salvage value. Defaults as per asset category values.                                                                                                           |
| PRORATE_CONVENTION_CODE | Optional                                 | VARCHAR2(10) | Depreciation prorate convention. Defaults as per asset category values.                                                                                               |
| DEPRECIATE_FLAG         | Optional                                 | VARCHAR2(3)  | Indicates whether the asset is depreciating.<br><br>YES - Asset is depreciating.<br><br>NO - Asset is not depreciating.<br><br>Defaults as per asset category values. |
| ITC_AMOUNT_ID           | Optional                                 | NUMBER(15)   | Identifies the ITC rate.                                                                                                                                              |
| BASIC_RATE              | Optional                                 | NUMBER       | Defaults as per asset category values.                                                                                                                                |
| ADJUSTED_RATE           | Optional                                 | NUMBER       | Defaults as per asset category values.                                                                                                                                |

| Argument            | Required / Optional | Type         | Value                                                                                                                                                                                                                                           |
|---------------------|---------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BONUS_RULE          | Optional            | NUMBER       | Bonus rule for an asset. Defaults as per asset category values. If a default value is defined, and you want the value to be NULL, you must pass FND_API.G_MISS_CHARACTER to the Addition API.                                                   |
| CEILING_NAME        | Optional            | VARCHAR2(30) | Identifies a depreciation ceiling to be used in calculating depreciation. Defaults as per asset category values.. If a default value is defined, and you want the value to be NULL, you must pass FND_API.G_MISS_CHARACTER to the Addition API. |
| PRODUCTION_CAPACITY | Optional            | NUMBER       | Capacity of a units of production asset. Defaults as per asset category values.                                                                                                                                                                 |
| UNIT_OF_MEASURE     | Optional            | VARCHAR2(25) | Unit of measure of a units of production asset. Defaults as per asset category values.                                                                                                                                                          |
| REVAL_CEILING       | Optional            | NUMBER       | Upper limit for revaluing asset cost.                                                                                                                                                                                                           |
| UNREVALUED_COST     | Optional            | NUMBER       | Cost without regard to any revaluation.                                                                                                                                                                                                         |

| Argument                  | Required / Optional | Type          | Value                                                                                                                                                      |
|---------------------------|---------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SHORT_FISCAL_YEAR_FLAG    | Optional            | VARCHAR2(3)   | YES - Asset is in a short fiscal year.<br><br>NO - Asset is not in a short fiscal year.                                                                    |
| CONVERSION_DATE           | Optional            | DATE          | Date short tax year asset added to the acquiring company.                                                                                                  |
| ORIG_DEPRN_START_DATE     | Optional            | DATE          | Date short tax year asset begin depreciating in the acquired company's books.                                                                              |
| GROUP_ASSET_ID            | Optional            | NUMBER(15)    | Group asset identification number. If a default value is defined, and you want the value to be NULL, you must pass FND_API.G_MISS_NUM to the Addition API. |
| GLOBAL_ATTRIBUTE1-20      | Optional            | VARCHAR2(150) | Reserved for country specific functionality.                                                                                                               |
| GLOBAL_ATTRIBUTE_CATEGORY | Optional            | VARCHAR2(30)  | Reserved for country specific functionality.                                                                                                               |
| DISABLED_FLAG             | Optional            | VARCHAR2(1)   | Indicates whether the group asset is disabled.<br><br>Y - Group asset is disabled.<br><br>N - Group asset is enabled.<br><br>Defaults to N.                |

| Argument     | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|--------------|---------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SALVAGE_TYPE | Optional            | VARCHAR2(30) | <p>Indicates the way to determine salvage value:</p> <p>AMT - Manually enter the salvage value manually (Not available for group asset).</p> <p>PCT - PERCENT_SALVAGE_VALUE field determines the Salvage value.</p> <p>SUM - Salvage value is determined by sum of member asset's salvage value amount (available only for group asset).</p> <p>Defaults to PCT for group assets. For non-group assets defaults to percent if percent default is defined in category, else defaults to AMT.</p> |

| Argument         | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------|---------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DEPRN_LIMIT_TYPE | Optional            | VARCHAR2(30) | <p>Indicates how depreciation limit is determined. Defaults as per asset category values.</p> <p>AMT - Manually enter the depreciation limit amount manually (Not available for group asset).</p> <p>PCT - ALLOWED_DEPRN_LIMIT field determines the depreciation limit amount.</p> <p>SUM - Depreciation limit amount is determined using sum of member asset's depreciation limit amount (available only for group asset).</p> <p>NONE - Depreciation limit is not used.</p> <p>Defaults to PCT for group assets.</p> |

| Argument               | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------|---------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OVER_DEPRECIATE_OPTION | Optional            | VARCHAR2(30) | <p>Indicates whether group asset should stop depreciating beyond its depreciation limit (recoverable cost if there is no depreciation limit defined).</p> <p>NO - Stop depreciating when the depreciation reserve reaches its depreciation limit.</p> <p>YES - Stop depreciating if depreciation reserve reaches its depreciation limit because of an increase in depreciation expense.</p> <p>DEPRN - Group asset will not stop depreciating.</p> <p>Defaults to NO.</p> |
| SUPER_GROUP_ID         | Optional            | NUMBER       | Super group rule identification number.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| REDUCTION_RATE         | Optional            | NUMBER       | Relevant for depreciable basis rule that is assigned to a depreciation method which uses reduction rate.                                                                                                                                                                                                                                                                                                                                                                  |

| Argument               | Required / Optional | Type        | Value                                                                                                                                                                                                                                                                                           |
|------------------------|---------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REDUCE_ADDITION_FLAG   | Optional            | VARCHAR2(1) | <p>Indicates whether reduction rate should be applied for member asset additions. This value is relevant for group assets only.</p> <p>Y - Reduction rate is used for member asset additions.</p> <p>N - Reduction rate is not used for member asset additions.</p> <p>Defaults to N.</p>       |
| REDUCE_ADJUSTMENT_FLAG | Optional            | VARCHAR2(1) | <p>Indicates whether reduction rate should be applied for member asset adjustments. This value is relevant for group assets only.</p> <p>Y - Reduction rate is used for member asset adjustments.</p> <p>N - Reduction rate is not used for member asset adjustments.</p> <p>Defaults to N.</p> |



| Argument               | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                           |
|------------------------|---------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REDUCE_RETIEMENT_FLAG  | Optional            | VARCHAR2(1)  | <p>Indicates whether reduction rate should be applied for member asset retirements. This value is relevant only with group asset.</p> <p>Y - Reduction rate is used for member asset retirements.</p> <p>N - Reduction rate is not used for member asset retirements.</p> <p>Defaults to N.</p> |
| RECOGNIZE_GAIN_LOSS    | Optional            | VARCHAR2(30) | <p>Indicates whether a member asset retirement should result in recognizing gain and loss amount.</p> <p>YES - Recognize gain and loss amount.</p> <p>NO - Do not recognize gain and loss amount.</p> <p>Defaults to NO.</p>                                                                    |
| RECAPTURE_RESERVE_FLAG | Optional            | VARCHAR2(1)  | Defaults to N.                                                                                                                                                                                                                                                                                  |
| LIMIT_PROCEEDS_FLAG    | Optional            | VARCHAR2(1)  | Defaults to N.                                                                                                                                                                                                                                                                                  |

| Argument           | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                       |
|--------------------|---------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TERMINAL_GAIN_LOSS | Optional            | VARCHAR2(30) | <p>Indicates whether to recognize gain and loss when the last member asset in a group asset is retired out of the group.</p> <p>YES - Recognize gain and loss amount.</p> <p>NO - Not recognizing gain and loss amount</p> <p>END_OF_YEAR - Different recognition of gain and loss amount until the end of current fiscal year.</p> <p>Defaults to YES.</p> |
| TRACKING_METHOD    | Optional            | VARCHAR2(30) | <p>Member assets tracking option value.</p> <p>ALLOCATE - Allocate group depreciation amount across it's member assets.</p> <p>CALCULATE - Uses member assets depreciation instead of group asset's depreciation.</p> <p>Defaults to null.</p>                                                                                                              |

| Argument                 | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------|---------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EXCESS_ALLOCATION_OPTION | Optional            | VARCHAR2(30) | <p>Indicates whether excess from allocation of group depreciation expense across its member assets is reduced from group depreciation expense or reallocated to its member assets.</p> <p>DISTRIBUTE - Reallocate the excess depreciation expense to its member assets.</p> <p>REDUCE - Reduce the excess from group depreciation expense.</p>                                                                                           |
| DEPRECIATION_OPTION      | Optional            | VARCHAR2(30) | <p>Indicates whether member asset's depreciation expense is calculated using group or member asset depreciation information.</p> <p>GROUP - Use group asset depreciation information to calculate member asset depreciation expense.</p> <p>MEMBER - Use member asset depreciation information to calculate member asset depreciation expense.</p> <p>Defaults to GROUP if TRACKING_METHOD is CALCULATE, otherwise defaults to null.</p> |

| Argument           | Required / Optional | Type        | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------|---------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MEMBER_ROLLUP_FLAG | Optional            | VARCHAR2(1) | <p>Indicates whether group asset depreciation amount is sum of member asset depreciation amount. This value is relevant if TRACKING_METHOD is CALCULATE and the value is not Y if RECOGNIZE_GAIN_LOSS or TERMINAL_GAIN_LOSS is NO.</p> <p>Y - Sum member asset depreciation amount to group.</p> <p>N - Group depreciation amount is calculated using the group asset information.</p> <p>Defaults to N if TRACKING_METHOD is CALCULATE, otherwise defaults to null.</p> |

| Argument                   | Required / Optional | Type        | Value                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------|---------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ALLOCATE_TO_FULLY_RSV_FLAG | Optional            | VARCHAR2(1) | <p>Indicates whether to allocate group asset's depreciation amount to a reserved member asset.</p> <p>Y - Group depreciation expense is allocated to a reserved member assets.</p> <p>N - Group depreciation expense is not allocated to fully reserved member assets.</p> <p>Defaults to N if TRACKING_METHOD is ALLOCATE, otherwise defaults to null.</p> |

The following are relevant to group assets:

- DISABLED\_FLAG
- OVER\_DEPRECIATE\_OPTION
- SUPER\_GROUP\_ID
- REDUCE\_ADDITION\_FLAG
- REDUCE\_ADJUSTMENT\_FLAG
- REDUCE\_RETIREMENT\_FLAG
- RECOGNIZE\_GAIN\_LOSS
- RECAPTURE\_RESERVE\_FLAG
- LIMIT\_PROCEEDS\_FLAG
- TERMINAL\_GAIN\_LOSS

- TRACKING\_METHOD
- EXCESS\_ALLOCATION\_OPTION
- DEPRECIATION\_OPTION
- MEMBER\_ROLLUP\_FLAG
- ALLOCATE\_TO\_FULLY\_RSV\_FLAG

REDUCTION\_RATE is for group and member assets.

## ASSET\_DEPRN\_REC\_TYPE Asset Structure

The ASSET\_DEPRN\_REC\_TYPE asset structure contains depreciation information for a given asset. The following table shows type and value information for each argument.

| Argument            | Required / Optional | Type   | Value                                                                                                                                                                                                                                                                    |
|---------------------|---------------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| YTD_DEPRN           | Optional            | NUMBER | Year-to-date depreciation expense.                                                                                                                                                                                                                                       |
| DEPRN_RESERVE       | Optional            | NUMBER | Total depreciation taken since the beginning of the asset's life.                                                                                                                                                                                                        |
| REVAL_DEPRN_RESERVE | Optional            | NUMBER | Period when an asset is revalued: The value is the change in net book value due to revaluation of asset cost, and sometimes the revaluation of depreciation reserve also. For other periods: the value is the revaluation reserve amount after running the depreciation. |

## ASSET\_DIST\_REC\_TYPE Asset Structure

The ASSET\_DIST\_REC\_TYPE asset structure contains information that represents a single source or destination distribution line. All the ASSET\_DIST\_REC\_TYPE records

comprising a single transfer transaction are contained in the ASSET\_DIST\_TBL\_TYPE table. At least one source line and at least one destination line are required for each transfer transaction. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type       | Value                                               |
|----------------|---------------------|------------|-----------------------------------------------------|
| UNITS_ASSIGNED | Required            | NUMBER     | Number of units assigned to the distribution.       |
| ASSIGNED_TO    | Optional            | NUMBER(15) | Employee identification number.                     |
| EXPENSE_CCID   | Required            | NUMBER(15) | Depreciation expense account identification number. |
| LOCATION_CCID  | Required            | NUMBER(15) | Location flexfield identification number.           |

## INV\_REC\_TYPE Invoice Structure

The INV\_REC\_TYPE invoice structure contains invoice information for a single invoice associated with an asset. The INV\_TBL\_TYPE is a table of INV\_REC\_TYPE records. These records contain all invoices that have been applied to the asset. The following table shows type and value information for each argument.

| Argument          | Required / Optional                     | Type         | Value                           |
|-------------------|-----------------------------------------|--------------|---------------------------------|
| FIXED_ASSETS_COST | Optional (when the record is populated) | NUMBER       | Cost of asset in Oracle Assets. |
| PO_VENDOR_ID      | Optional                                | NUMBER(15)   | Supplier identification number. |
| PO_NUMBER         | Optional                                | VARCHAR2(20) | Purchase order number.          |
| INVOICE_NUMBER    | Optional                                | VARCHAR2(50) | Invoice number.                 |

| <b>Argument</b>              | <b>Required / Optional</b> | <b>Type</b>  | <b>Value</b>                                                      |
|------------------------------|----------------------------|--------------|-------------------------------------------------------------------|
| PAYABLES_BATCH_NAME          | Optional                   | VARCHAR2(50) | Payables batch name in the invoice                                |
| PAYABLES_CODE_COMBINATION_ID | Optional                   | NUMBER(15)   | Clearing account number which is posted in accounts payable.      |
| FEEDER_SYSTEM_NAME           | Optional                   | VARCHAR2(40) | Name of the feeder system that creates the FA_MASS_ADDITIONS row. |
| CREATE_BATCH_DATE            | Optional                   | DATE         | Mass additions batch date when creating this row.                 |
| CREATE_BATCH_ID              | Optional                   | NUMBER(15)   | Mass additions create request identification number for this row. |
| INVOICE_DATE                 | Optional                   | DATE         | Invoice date from accounts payable.                               |
| PAYABLES_COST                | Optional                   | NUMBER       | Invoice cost from accounts payable.                               |
| POST_BATCH_ID                | Optional                   | NUMBER(15)   | Mass Additions Post request identification number for this row.   |
| INVOICE_ID                   | Optional                   | NUMBER(15)   | Invoice identification number.                                    |
| AP_DISTRIBUTION_LINE_NUMBER  | Optional                   | NUMBER(15)   | Distribution line identification number.                          |
| PAYABLES_UNITS               | Optional                   | NUMBER       | Units from AP_INVOICE_DISTRIBUTIONS row.                          |



| <b>Argument</b>       | <b>Required / Optional</b> | <b>Type</b>   | <b>Value</b>                                                                                                                                                                 |
|-----------------------|----------------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DESCRIPTION           | Optional                   | VARCHAR2(80)  | Invoice line description.                                                                                                                                                    |
| DELETED_FLAG          | Optional                   | VARCHAR2(3)   | Indicates whether this row is deleted in the CIP Adjustments form. Defaults to NO, which it should be for all addition transactions.                                         |
| PROJECT_ASSET_LINE_ID | Optional                   | NUMBER(15)    | Identifier of the summarized asset cost line transferred from Oracle Projects to create this line.                                                                           |
| PROJECT_ID            | Optional                   | NUMBER(15)    | Identifier of the project from which the costs are collected, summarized, and transferred from Oracle Projects.                                                              |
| TASK_ID               | Optional                   | NUMBER(15)    | Identifier of the task from which costs are collected, summarized, and transferred from Oracle Projects. This column is populated only if the costs were summarized by task. |
| ATTRIBUTE1            | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE2            | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE3            | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |

| <b>Argument</b>         | <b>Required / Optional</b> | <b>Type</b>   | <b>Value</b>                                     |
|-------------------------|----------------------------|---------------|--------------------------------------------------|
| ATTRIBUTE4              | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE5              | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE6              | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE7              | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE8              | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE9              | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE10             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE11             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE12             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE13             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE14             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE15             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE_CATEGORY_CODE | Optional                   | VARCHAR2(30)  | Descriptive flexfield structure defining column. |
| YTD_DEPRN               | Optional                   | NUMBER        | Year-to-date depreciation expense.               |

| Argument                 | Required / Optional | Type         | Value                                                                                                                                                                                                                                    |
|--------------------------|---------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DEPRN_RESERVE            | Optional            | NUMBER       | Total deprecation taken since beginning of asset life.                                                                                                                                                                                   |
| BONUS_YTD_DEPRN          | Optional            | NUMBER       | Bonus year-to-date depreciation expense.                                                                                                                                                                                                 |
| BONUS_DEPRN_RESERVE      | Optional            | NUMBER       | Total bonus depreciation taken since beginning of asset life.                                                                                                                                                                            |
| REVAL_AMORTIZATION_BASIS | Optional            | NUMBER       | Revaluation reserve for calculating the amortization of a revaluation reserve. This value is updated when the asset is revalued or has an amortized adjustment.                                                                          |
| REVAL_YTD_DEPRN          | Optional            | NUMBER       | Year-to-date depreciation expense due to revaluation.                                                                                                                                                                                    |
| REVAL_DEPRN_RESERVE      | Optional            | NUMBER       | For the period when the asset is revalued, it is change in net book value due to revaluation of asset cost and sometimes revaluation of depreciation reserve. For other periods it is revaluation reserve amount after depreciation run. |
| INVOICE_DISTRIBUTION_ID  | Optional            | VARCHAR2(1)  | Invoice distribution identifier.                                                                                                                                                                                                         |
| INVOICE_LINE_NUMBER      | Optional            | VARCHAR2(30) | Invoice line number.                                                                                                                                                                                                                     |

| Argument           | Required / Optional | Type              | Value                                                                                                                                             |
|--------------------|---------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| PO_DISTRIBUTION_ID | Optional            | VARCHAR2(30)      | Purchase order distribution identifier.                                                                                                           |
| INV_RATE_TBL       | Optional            | INV_RATE_REC_TYPE | If using an alternate ledger currency, you may optionally provide either rates or converted amounts directly for each ledger through this member. |

## INV\_RATE\_REC\_TYPE Invoice Rate Structure

The INV\_RATE\_REC\_TYPE invoice structure contains rate information for an invoice. Each INV\_RATE\_REC\_TYPE record contains one conversion rate. The INV\_RATE\_TBL\_TYPE is a table of INV\_RATE\_REC\_TYPE records. This table is used by alternative ledger currencies to determine the conversion rates for an asset. The following table shows type and value information for each argument.

| Argument        | Required / Optional                                   | Type       | Value                                                         |
|-----------------|-------------------------------------------------------|------------|---------------------------------------------------------------|
| SET_OF_BOOKS_ID | Required - When using alternative ledger currency.    | NUMBER(15) | Ledger identification number.                                 |
| EXCHANGE_RATE   | Optional (required if cost is not specified)          | NUMBER     | Exchange rate for the currency.                               |
| COST            | Optional (required if EXCHANGE_RATE is not specified) | Number     | Provide converted cost directly rather than an exchange rate. |

## Sample Script: Using the Additions API via Invoices

The following sample script shows how you can use the Additions API via invoices:

```

set serveroutput on

declare

    l_trans_rec                FA_API_TYPES.trans_rec_type;
    l_dist_trans_rec           FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec            FA_API_TYPES.asset_hdr_rec_type;
    l_asset_desc_rec           FA_API_TYPES.asset_desc_rec_type;
    l_asset_cat_rec            FA_API_TYPES.asset_cat_rec_type;
    l_asset_type_rec           FA_API_TYPES.asset_type_rec_type;
    l_asset_hierarchy_rec      FA_API_TYPES.asset_hierarchy_rec_type;
    l_asset_fin_rec            FA_API_TYPES.asset_fin_rec_type;
    l_asset_deprn_rec          FA_API_TYPES.asset_deprn_rec_type;
    l_asset_dist_rec           FA_API_TYPES.asset_dist_rec_type;
    l_asset_dist_tbl           FA_API_TYPES.asset_dist_tbl_type;
    l_inv_tbl                  FA_API_TYPES.inv_tbl_type;
    l_inv_rate_tbl             FA_API_TYPES.inv_rate_tbl_type;
    l_inv_rec                  FA_API_TYPES.inv_rec_type;

    l_return_status            VARCHAR2(1);
    l_mesg_count               number;
    l_mesg                     varchar2(4000);

begin

    dbms_output.enable(10000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- desc info
    l_asset_desc_rec.description                := '&description';

    -- cat info
    l_asset_cat_rec.category_id                := &category_id

    --type info
    l_asset_type_rec.asset_type                := '&ASSET_TYPE';

    -- invoice info
    l_inv_rec.fixed_assets_cost                := 2500;
    l_inv_rec.deleted_flag                    := 'NO';
    l_inv_rec.description                    :=
l_asset_desc_rec.description;
    l_inv_rec.unrevalued_cost                := 5555;
    l_inv_rec.create_batch_id                := 1000;
    l_inv_rec.payables_code_combination_id    := 13528;
    l_inv_rec.feeder_system_name              := 'ACK';
    l_inv_rec.payables_cost                  := 5555;
    l_inv_rec.payables_units                  := 1;
    l_inv_rec.po_vendor_id                   := 1;
    l_inv_rec.inv_indicator                   := 1;

    l_inv_tbl (1)                            := l_inv_rec;

    -- fin info
    l_asset_fin_rec.date_placed_in_service    := '&DPIS';
    l_asset_fin_rec.depreciate_flag           := 'YES';

    -- book / trans info
    l_asset_hdr_rec.book_type_code            := '&book';

```

```

-- distribution info
l_asset_dist_rec.units_assigned      := 1;
l_asset_dist_rec.expense_ccid        := &ccid
l_asset_dist_rec.location_ccid       := &location_id
l_asset_dist_rec.assigned_to         := null;
l_asset_dist_rec.transaction_units   :=
l_asset_dist_rec.units_assigned;
l_asset_dist_tbl(1)                  := l_asset_dist_rec;

-- call the api
fa_addition_pub.do_addition(
  -- std parameters
  p_api_version      => 1.0,
  p_init_msg_list    => FND_API.G_FALSE,
  p_commit           => FND_API.G_FALSE,
  p_validation_level => FND_API.G_VALID_LEVEL_FULL,
  p_calling_fn       => null,
  x_return_status    => l_return_status,
  x_msg_count        => l_mesg_count,
  x_msg_data         => l_mesg,
  -- api parameters
  px_trans_rec       => l_trans_rec,
  px_dist_trans_rec  => l_dist_trans_rec,
  px_asset_hdr_rec   => l_asset_hdr_rec,
  px_asset_desc_rec  => l_asset_desc_rec,
  px_asset_type_rec  => l_asset_type_rec,
  px_asset_cat_rec   => l_asset_cat_rec,
  px_asset_hierarchy_rec => l_asset_hierarchy_rec,
  px_asset_fin_rec   => l_asset_fin_rec,
  px_asset_deprn_rec => l_asset_deprn_rec,
  px_asset_dist_tbl  => l_asset_dist_tbl,
  px_inv_tbl         => l_inv_tbl
);

dbms_output.put_line(l_return_status);

--dump messages
l_mesg_count := fnd_msg_pub.count_msg;

if l_mesg_count > 0 then
  l_mesg := chr(10) || substr(fnd_msg_pub.get
                             (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                             1, 250);
  dbms_output.put_line(l_mesg);

  for i in 1..(l_mesg_count - 1) loop
    l_mesg :=
      substr(fnd_msg_pub.get
             (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

    dbms_output.put_line(l_mesg);
  end loop;

  fnd_msg_pub.delete_msg();
end if;

```

```

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
    dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
    dbms_output.put_line('ASSET_NUMBER' ||
l_asset_desc_rec.asset_number);
end if;

end;
/

```

## Sample Script: Using the Additions API with No Invoices

The following sample script shows how you can use the Additions API to test a manual change, when no invoice information is used:

```

set serveroutput on

declare

    l_trans_rec                FA_API_TYPES.trans_rec_type;
    l_dist_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec           FA_API_TYPES.asset_hdr_rec_type;
    l_asset_desc_rec          FA_API_TYPES.asset_desc_rec_type;
    l_asset_cat_rec           FA_API_TYPES.asset_cat_rec_type;
    l_asset_type_rec          FA_API_TYPES.asset_type_rec_type;
    l_asset_hierarchy_rec     FA_API_TYPES.asset_hierarchy_rec_type;
    l_asset_fin_rec           FA_API_TYPES.asset_fin_rec_type;
    l_asset_deprn_rec         FA_API_TYPES.asset_deprn_rec_type;
    l_asset_dist_rec          FA_API_TYPES.asset_dist_rec_type;
    l_asset_dist_tbl          FA_API_TYPES.asset_dist_tbl_type;
    l_inv_tbl                 FA_API_TYPES.inv_tbl_type;
    l_inv_rate_tbl            FA_API_TYPES.inv_rate_tbl_type;

    l_return_status           VARCHAR2(1);
    l_mesg_count              number;
    l_mesg                    varchar2(4000);

begin

    dbms_output.enable(10000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- desc info
    l_asset_desc_rec.description                := '&description';
    l_asset_desc_rec.asset_key_ccid             := null;

    -- cat info
    l_asset_cat_rec.category_id                 := &category_id

    --type info
    l_asset_type_rec.asset_type                 := '&asset_type';

    -- fin info
    l_asset_fin_rec.cost                       := &cost
    l_asset_fin_rec.date_placed_in_service     := '&DPIS';
    l_asset_fin_rec.depreciate_flag            := 'YES';

    -- deprn info
    l_asset_deprn_rec.ytd_deprn                := &ytd
    l_asset_deprn_rec.deprn_reserve            := &reserve
    l_asset_deprn_rec.bonus_ytd_deprn         := 0;
    l_asset_deprn_rec.bonus_deprn_reserve     := 0;

    -- book / trans info
    l_asset_hdr_rec.book_type_code             := '&book';

    -- distribution info
    l_asset_dist_rec.units_assigned            := 1;
    l_asset_dist_rec.expense_ccid              := &ccid
    l_asset_dist_rec.location_ccid             := &location_id
    l_asset_dist_rec.assigned_to               := null;
    l_asset_dist_rec.transaction_units         :=
l_asset_dist_rec.units_assigned;
    l_asset_dist_tbl(1)                       := l_asset_dist_rec;

```



```

-- call the api
fa_addition_pub.do_addition(
    -- std parameters
    p_api_version           => 1.0,
    p_init_msg_list         => FND_API.G_FALSE,
    p_commit                 => FND_API.G_FALSE,
    p_validation_level       => FND_API.G_VALID_LEVEL_FULL,
    p_calling_fn             => null,
    x_return_status         => l_return_status,
    x_msg_count              => l_mesg_count,
    x_msg_data               => l_mesg,
    -- api parameters
    px_trans_rec             => l_trans_rec,
    px_dist_trans_rec        => l_dist_trans_rec,
    px_asset_hdr_rec         => l_asset_hdr_rec,
    px_asset_desc_rec        => l_asset_desc_rec,
    px_asset_type_rec        => l_asset_type_rec,
    px_asset_cat_rec         => l_asset_cat_rec,
    px_asset_hierarchy_rec   => l_asset_hierarchy_rec,
    px_asset_fin_rec         => l_asset_fin_rec,
    px_asset_deprn_rec       => l_asset_deprn_rec,
    px_asset_dist_tbl        => l_asset_dist_tbl,
    px_inv_tbl               => l_inv_tbl
);

--dump messages
l_mesg_count := fnd_msg_pub.count_msg;

if l_mesg_count > 0 then

    l_mesg := chr(10) || substr(fnd_msg_pub.get
                                (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                1, 250);
    dbms_output.put_line(l_mesg);

    for i in 1..(l_mesg_count - 1) loop
        l_mesg :=
            substr(fnd_msg_pub.get
                    (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
    dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
    dbms_output.put_line('ASSET_NUMBER' ||
l_asset_desc_rec.asset_number);
end if;

```

```
end;  
/
```

## Sample Script: Using the Additions API via Invoices with Alternative Ledger Currency

```
set serveroutput on

declare

    l_trans_rec                FA_API_TYPES.trans_rec_type;
    l_dist_trans_rec           FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec            FA_API_TYPES.asset_hdr_rec_type;
    l_asset_desc_rec           FA_API_TYPES.asset_desc_rec_type;
    l_asset_cat_rec            FA_API_TYPES.asset_cat_rec_type;
    l_asset_type_rec           FA_API_TYPES.asset_type_rec_type;
    l_asset_hierarchy_rec      FA_API_TYPES.asset_hierarchy_rec_type;
    l_asset_fin_rec            FA_API_TYPES.asset_fin_rec_type;
    l_asset_deprn_rec          FA_API_TYPES.asset_deprn_rec_type;
    l_asset_dist_rec           FA_API_TYPES.asset_dist_rec_type;
    l_asset_dist_tbl           FA_API_TYPES.asset_dist_tbl_type;
    l_inv_tbl                  FA_API_TYPES.inv_tbl_type;
    l_inv_rate_tbl             FA_API_TYPES.inv_rate_tbl_type;
    l_inv_rec                  FA_API_TYPES.inv_rec_type;

    l_return_status            VARCHAR2(1);
    l_mesg_count               number;
    l_mesg                     varchar2(4000);

begin

    dbms_output.enable(10000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- desc info
    l_asset_desc_rec.description                := '&description';

    -- cat info
    l_asset_cat_rec.category_id                 := &category_id

    --type info
    l_asset_type_rec.asset_type                 := '&ASSET_TYPE';

    -- invoice info
    l_inv_rec.fixed_assets_cost                 := 2500;
    l_inv_rec.deleted_flag                     := 'NO';
    l_inv_rec.description                      :=
l_asset_desc_rec.description;
    l_inv_rec.unrevalued_cost                   := 5555;
    l_inv_rec.create_batch_id                  := 1000;
    l_inv_rec.payables_code_combination_id     := 13528;
    l_inv_rec.feeder_system_name               := 'ACK';
    l_inv_rec.payables_cost                    := 5555;
    l_inv_rec.payables_units                   := 1;
    l_inv_rec.po_vendor_id                    := 1;
    l_inv_rec.inv_indicator                    := 1;

    l_inv_tbl (1)                             := l_inv_rec;

    -- rate info
```

```

l_inv_rec.inv_rate_tbl(1).set_of_books_id := 102;
l_inv_rec.inv_rate_tbl(1).exchange_rate  := 2;
l_inv_rec.inv_rate_tbl(1).cost           := 2001;

-- fin info
l_asset_fin_rec.date_placed_in_service    := '&DPIS';
l_asset_fin_rec.depreciate_flag           := 'YES';

-- book / trans info
l_asset_hdr_rec.book_type_code             := '&book';

-- distribution info
l_asset_dist_rec.units_assigned            := 1;
l_asset_dist_rec.expense_ccid              := &ccid
l_asset_dist_rec.location_ccid             := &location_id
l_asset_dist_rec.assigned_to               := null;
l_asset_dist_rec.transaction_units         :=
l_asset_dist_rec.units_assigned;
l_asset_dist_tbl(1)                       := l_asset_dist_rec;

-- call the api
fa_addition_pub.do_addition(
  -- std parameters
  p_api_version          => 1.0,
  p_init_msg_list        => FND_API.G_FALSE,
  p_commit               => FND_API.G_FALSE,
  p_validation_level     => FND_API.G_VALID_LEVEL_FULL,
  p_calling_fn           => null,
  x_return_status        => l_return_status,
  x_msg_count            => l_mesg_count,
  x_msg_data             => l_mesg,
  -- api parameters
  px_trans_rec           => l_trans_rec,
  px_dist_trans_rec      => l_dist_trans_rec,
  px_asset_hdr_rec       => l_asset_hdr_rec,
  px_asset_desc_rec      => l_asset_desc_rec,
  px_asset_type_rec      => l_asset_type_rec,
  px_asset_cat_rec       => l_asset_cat_rec,
  px_asset_hierarchy_rec => l_asset_hierarchy_rec,
  px_asset_fin_rec       => l_asset_fin_rec,
  px_asset_deprn_rec     => l_asset_deprn_rec,
  px_asset_dist_tbl      => l_asset_dist_tbl,
  px_inv_tbl             => l_inv_tbl
);

dbms_output.put_line(l_return_status);

--dump messages
l_mesg_count := fnd_msg_pub.count_msg;

if l_mesg_count > 0 then
  l_mesg := chr(10) || substr(fnd_msg_pub.get
                             (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                             1, 250);
  dbms_output.put_line(l_mesg);

  for i in 1..(l_mesg_count - 1) loop
    l_mesg :=

```

```

substr(fnd_msg_pub.get
                                (fnd_msg_pub.G_NEXT,
                                fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
    dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
    dbms_output.put_line('ASSET_NUMBER' ||
l_asset_desc_rec.asset_number);
    end if;

end;
/

```



---

# Oracle Assets Adjustments API

This appendix covers the following topics:

- Introduction
- Adjustments API Description
- Adjustment API Usage
- Sample Script: Using the Adjustment API without Invoice Information
- Sample Script: Using the Adjustment API with Invoice Information
- Sample Script: Using the Adjustment API with Invoice Information with Alternative Ledger Currency

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Adjustments API uses the FA\_ADJUSTMENT\_PUB.DO\_ADJUSTMENT procedure. Use this API if you have a custom interface that makes it difficult to use with the existing Oracle Assets interfaces for adjusting assets.

The Adjustments API allows you to automatically adjust the asset to the corporate book, as well as to the dependent tax books.

Oracle Assets also allows you to adjust assets using the following methods: You can adjust assets using the Asset Workbench (using the Source Lines and Books windows), Mass Additions, Mass Change, Mass Copy, and Tax Upload Interface user interfaces.

- **Mass Additions:** Use the Mass Additions process to make cost adjustments to existing assets.
- **Mass Change:** Use the Mass Change process to change financial information for existing assets.
- **Mass Copy:** Use the Mass Copy process to add existing assets to tax books.

- **Cost Adjustments:** Use the Future Transaction Interface to adjust cost and financial information.
- **Tax Upload Interface:** Use the Tax Upload Interface process to change asset information in the tax books.
- **Asset Workbench:** Use the Asset Workbench to make changes to individual assets.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the primary and reporting currencies.

## CIP Assets

If you have checked the Allow CIP Assets check box on the Book Controls window of a tax book, when you add CIP assets using the Additions API, the API automatically adds those CIP assets to that tax book at the same time that they are added to the corporate book.

## Passing Null Values

You must pass special values in order to null the values of BONUS\_RULE, CEILING\_NAME, or GROUP\_ASSET\_ID. If you pass a NULL value directly for these values, the API will automatically default to the value setup for the category. The following table shows the value that must be passed for the field value to be NULL.

| Field          | Value to Pass for NULL Field |
|----------------|------------------------------|
| BONUS_RULE     | FND_API.G_MISS_CHAR          |
| CEILING_NAME   | FND_API.G_MISS_CHAR          |
| GROUP_ASSET_ID | FND_API.G_MISS_NUM           |

## Related Topics

Adjustments API Description, page H-3

Sample Script: Using the Adjustment API without Invoice Information, page H-35

Sample Script: Using the Adjustment API with Invoice Information, page H-37



## Adjustments API Description

You call the FA\_ADJUSTMENT\_PUB.DO\_ADJUSTMENT () API to perform adjustment transactions. The following table provides the arguments, types, value, and descriptions of the elements in the FA\_ADJUSTMENT\_PUB.DO\_ADJUSTMENT procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument         | Type     | Value                                                                                                                                                       | Description                                                              |
|------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION    | NUMBER   | Internal use only                                                                                                                                           | Version of the API in use.                                               |
| P_INIT_MSG_LIST  | VARCHAR2 | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default).                                      | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT         | VARCHAR2 | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default).                                                      | Commits the transaction.                                                 |
| P_VALIDATION_LVL | NUMBER   | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |
| P_CALLING_FN     | VARCHAR2 |                                                                                                                                                             | Function that calls the API                                              |

| Argument                    | Type                                    | Value                                                                                                                       | Description                                              |
|-----------------------------|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| X_RETURN_STAT<br>US         | VARCHAR2                                | FND_API.<br>G_RET_STS_SUCCE<br>S - Transaction is<br>successful.<br><br>FND_API.G_RET_ST<br>S_ERROR -<br>Transaction fails. | Determines the API success.                              |
| X_MSG_COUNT                 | NUMBER                                  |                                                                                                                             | Number of messages on the<br>message stack.              |
| X_MSG_DATA                  | FA_API_TYPES.<br>MSG_REC_TYPE           |                                                                                                                             | Message stack.                                           |
| PX_TRANS_REC                | FA_API_TYPES.<br>TRANS_REC_TY<br>PE     |                                                                                                                             | Transaction description.                                 |
| PX_ASSET_HDR_R<br>EC        | FA_API_TYPES.<br>ASSET_HDR_RE<br>C_TYPE |                                                                                                                             | Unique identifiers for the<br>assets.                    |
| P_ASSET_FIN_REC<br>_ADJ     | FA_API_TYPES.<br>ASSET_FIN_REC<br>_TYPE |                                                                                                                             | Financial change<br>information of the asset<br>(delta). |
| X_ASSET_FIN_REC<br>_NEW     | FA_API_TYPES.<br>ASSET_FIN_REC<br>_TYPE |                                                                                                                             | New financial information<br>for the asset.              |
| X_ASSET_FIN_MR<br>C_TBL_NEW | FA_API_TYPES.<br>ASSET_FIN_TBL          |                                                                                                                             | Table of new financial<br>information for the asset.     |
| PX_INV_TRANS_R<br>EC        | FA_API_TYPES.I<br>NV_TRANS_RE<br>C_TYPE |                                                                                                                             | Describes the invoice<br>transaction, if applicable.     |
| PX_INV_REC                  | FA_API_TYPES.I<br>NV_TBL                |                                                                                                                             | Invoices table controlling<br>the transaction (delta).   |

| Argument                        | Type                                                        | Value | Description                                                                                  |
|---------------------------------|-------------------------------------------------------------|-------|----------------------------------------------------------------------------------------------|
| P_ASSET_DEPRN_<br>REC_ADJ       | FA_API_TYPES.<br>ASSET_DEPRN_<br>REC_TYPE                   |       | Depreciation change<br>information for the asset<br>(delta).                                 |
| PX_ASSET_DEPRN_<br>_REC_NEW     | FA_API_TYPES.<br>ASSET_DEPRN_<br>REC_TYPE                   |       | New depreciation<br>information for the asset.                                               |
| PX_ASSET_DEPRN_<br>_MRC_TBL_NEW | FA_API_TYPES.<br>ASSET_DEPRN_<br>TBL                        |       | New financial information<br>table for the asset.                                            |
| P_GROUP_RECLA<br>SS_OPTIONS_REC | FA_API_<br>TYPES.GROUP_<br>RECLASS_<br>OPTIONS_REC_<br>TYPE |       | Information for changing<br>the group members<br>assignments in and out of a<br>group asset. |

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                     | Required / Optional | Type | Value                                                                                                                                                                                                                                       |
|------------------------------|---------------------|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRANSACTION_DA<br>TE_ENTERED | Optional            | DATE | Previous or current<br>date. Defaults to the<br>end date or<br>AMORTIZATION_ST<br>ART_DATE when<br>AMORTIZATION<br>START_DATE is<br>specified. You can<br>populate either value,<br>but<br>AMORTIZATION_ST<br>ART_DATE takes<br>precedence. |

| Argument                     | Required / Optional | Type             | Value                                                                                                                                                                               |
|------------------------------|---------------------|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SOURCE_TRANSACTION_HEADER_ID | Optional            | NUMBER(15)       | Defaults to source THID when using autocopy or CIP-IN-TAX.                                                                                                                          |
| MASS_REFERENCE_ID            | Optional            | NUMBER(15)       | Defaults to CONC_REQUEST_ID .                                                                                                                                                       |
| TRANSACTION_SUBTYPE          | Optional            | VARCHAR2(9)      | AMORTIZED or EXPENSED. Defaults to EXPENSED.                                                                                                                                        |
| AMORTIZATION_START_DATE      | Optional            | DATE             | Previous or current date. Defaults to TRANSACTION_DATE_ENTERED when amortized adjustment is specified. You can populate either value, but AMORTIZATION_START_DATE takes precedence. |
| TRANSACTION_NAME             | Optional            | VARCHAR2(20)     | Description of the transaction. This field is Comments field in the Asset Workbench.                                                                                                |
| CALLING_INTERFACE            | Optional            | VARCHAR2(30)     | Interface that calls the API. This field defaults to CUSTOM.                                                                                                                        |
| DESC_FLEX                    | Optional            | DESC_FLEX_REC    | Descriptive flexfield segments.                                                                                                                                                     |
| WHO_INFO                     | Optional            | STANDARD_WHO_REC | Standard Who columns.                                                                                                                                                               |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for an asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value                        |
|----------------|---------------------|--------------|------------------------------|
| ASSET_ID       | Required            | NUMBER(15)   | Asset identification number. |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Book name.                   |

## ASSET\_FIN\_REC\_TYPE Asset Structure

The ASSET\_FIN\_REC\_TYPE asset structure contains financial information for a given asset. The following table shows type and value information for each argument.

| Argument               | Required / Optional                      | Type         | Value                                                                       |
|------------------------|------------------------------------------|--------------|-----------------------------------------------------------------------------|
| DATE_PLACED_IN_SERVICE | Optional                                 | DATE         | Date the asset is placed in service.                                        |
| DEPRN_METHOD_CODE      | Optional                                 | VARCHAR2(12) | The name of the depreciation method. Defaults as per asset category values. |
| LIFE_IN_MONTHS         | Optional                                 | NUMBER(4)    | Life of the asset in total months. Defaults as per asset category values.   |
| COST                   | Optional (if no invoices were populated) | NUMBER       | Current cost of the asset.                                                  |
| ORIGINAL_COST          | Optional                                 | NUMBER       | Original cost of the asset. Defaults to cost.                               |

| Argument                | Required / Optional | Type         | Value                                                                                                                                                                                         |
|-------------------------|---------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SALVAGE_VALUE           | Optional            | NUMBER       | Asset salvage value. Defaults as per asset category values.                                                                                                                                   |
| PRORATE_CONVENTION_CODE | Optional            | VARCHAR2(10) | Depreciation prorate convention. Defaults as per asset category values.                                                                                                                       |
| DEPRECIATE_FLAG         | Optional            | VARCHAR2(3)  | Indicates whether the asset is depreciating.<br><br>YES - Asset is depreciating<br><br>NO - Asset is not depreciating                                                                         |
| ITC_AMOUNT_ID           | Optional            | NUMBER(15)   | Identifies the ITC rate.                                                                                                                                                                      |
| BASIC_RATE              | Optional            | NUMBER       | Defaults as per asset category values.                                                                                                                                                        |
| ADJUSTED_RATE           | Optional            | NUMBER       | Defaults as per asset category values.                                                                                                                                                        |
| BONUS_RULE              | Optional            | NUMBER       | Bonus rule for an asset. Defaults as per asset category values. If a default value is defined, and you want the value to be NULL, you must pass FND_API.G_MISS_CHARACTER to the Addition API. |

| Argument               | Required / Optional | Type         | Value                                                                                                                                                                                                                                          |
|------------------------|---------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CEILING_NAME           | Optional            | VARCHAR2(30) | Identifies a depreciation ceiling to be used in calculating depreciation. Defaults as per asset category values. If a default value is defined, and you want the value to be NULL, you must pass FND_API.G_MISS_CHARACTER to the Addition API. |
| PRODUCTION_CAPACITY    | Optional            | NUMBER       | Capacity of a units of production asset. Defaults as per asset category values.                                                                                                                                                                |
| UNIT_OF_MEASURE        | Optional            | VARCHAR2(25) | Unit of measure of a units of production asset. Defaults as per asset category values.                                                                                                                                                         |
| REVAL_CEILING          | Optional            | NUMBER       | Upper limit for revaluing asset cost.                                                                                                                                                                                                          |
| UNREVALUED_COST        | Optional            | NUMBER       | Cost without regard to any revaluation.                                                                                                                                                                                                        |
| SHORT_FISCAL_YEAR_FLAG | Optional            | VARCHAR2(3)  | YES - Asset is in a short fiscal year.<br><br>NO - Asset is not in a short fiscal year.                                                                                                                                                        |
| CONVERSION_DATE        | Optional            | DATE         | Date short tax year asset added to the acquiring company.                                                                                                                                                                                      |

| Argument                      | Required / Optional | Type          | Value                                                                                                                                                                                               |
|-------------------------------|---------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ORIG_DEPRN_STAR<br>T_DATE     | Optional            | DATE          | Date short tax year<br>asset begin<br>depreciating in the<br>acquired company's<br>books.                                                                                                           |
| GROUP_ASSET_ID                | Optional            | NUMBER(15)    | Group asset<br>identification<br>number. (CRL Asset).<br>If a default value is<br>defined, and you<br>want the value to be<br>NULL, you must pass<br>FND_API.G_MISS_N<br>UM to the Addition<br>API. |
| GLOBAL_ATTRIBUT<br>E1-20      | Optional            | VARCHAR2(150) | Reserved for country<br>specific functionality.                                                                                                                                                     |
| GLOBAL_ATTRIBUT<br>E_CATEGORY | Optional            | VARCHAR2(30)  | Reserved for country<br>specific functionality.                                                                                                                                                     |
| DISABLED_FLAG                 | Optional            | VARCHAR2(1)   | Indicates whether the<br>group asset is<br>disabled.<br><br>Y - Group asset is<br>disabled.<br><br>N - Group asset is<br>enabled.<br><br>Defaults to N.                                             |



| Argument     | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                 |
|--------------|---------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| SALVAGE_TYPE | Optional            | VARCHAR2(30) | <p>Indicates the way to determine salvage value.</p> <p>AMT - Manually enter the salvage value manually (Not available for group asset).</p> <p>PCT - PERCENT_SALVAGE_VALUE field determines the Salvage value.</p> <p>SUM - Salvage value is determined by sum of member asset's salvage value amount (available only for group asset).</p> <p>Defaults to PCT for group assets.</p> |

| Argument         | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------|---------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DEPRN_LIMIT_TYPE | Optional            | VARCHAR2(30) | <p>Indicates how depreciation limit is determined .</p> <p>AMT - Manually enter the depreciation limit amount manually (Not available for group asset).</p> <p>PCT - ALLOWED_DEPRN_LIMIT field determines the depreciation limit amount.</p> <p>SUM - Depreciation limit amount is determined using sum of member asset's depreciation limit amount (available only for group asset).</p> <p>NONE - Depreciation limit is not used.</p> <p>Defaults to PCT for group assets.</p> |

| Argument               | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------|---------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OVER_DEPRECIATE_OPTION | Optional            | VARCHAR2(30) | <p>Indicates whether group asset should stop depreciating beyond its depreciation limit (recoverable cost if there is no depreciation limit defined).</p> <p>NO - Stop depreciating when the depreciation reserve reaches its depreciation limit.</p> <p>YES - Stop depreciating if depreciation reserve reaches its depreciation limit because of an increase in depreciation expense.</p> <p>DEPRN - Group asset will not stop depreciating.</p> <p>Defaults to NO.</p> |
| SUPER_GROUP_ID         | Optional            | NUMBER       | Super group rule identification number.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| REDUCTION_RATE         | Optional            | NUMBER       | Relevant for depreciable basis rule that is assigned to a depreciation method which uses reduction rate.                                                                                                                                                                                                                                                                                                                                                                  |

| Argument               | Required / Optional | Type        | Value                                                                                                                                                                                                                                                                                           |
|------------------------|---------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REDUCE_ADDITION_FLAG   | Optional            | VARCHAR2(1) | <p>Indicates whether reduction rate should be applied for member asset additions. This value is relevant for group assets only.</p> <p>Y - Reduction rate is used for member asset additions.</p> <p>N - Reduction rate is not used for member asset additions.</p> <p>Defaults to N.</p>       |
| REDUCE_ADJUSTMENT_FLAG | Optional            | VARCHAR2(1) | <p>Indicates whether reduction rate should be applied for member asset adjustments. This value is relevant for group assets only.</p> <p>Y - Reduction rate is used for member asset adjustments.</p> <p>N - Reduction rate is not used for member asset adjustments.</p> <p>Defaults to N.</p> |

| Argument               | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                           |
|------------------------|---------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REDUCE_RETIEMENT_FLAG  | Optional            | VARCHAR2(1)  | <p>Indicates whether reduction rate should be applied for member asset retirements. This value is relevant only with group asset.</p> <p>Y - Reduction rate is used for member asset retirements.</p> <p>N - Reduction rate is not used for member asset retirements.</p> <p>Defaults to N.</p> |
| RECOGNIZE_GAIN_LOSS    | Optional            | VARCHAR2(30) | <p>Indicates whether a member asset retirement should result in recognizing gain and loss amount.</p> <p>YES - Recognize gain and loss amount.</p> <p>NO - Do not recognize gain and loss amount.</p> <p>Defaults to NO.</p>                                                                    |
| RECAPTURE_RESERVE_FLAG | Optional            | VARCHAR2(1)  | Defaults to N.                                                                                                                                                                                                                                                                                  |
| LIMIT_PROCEEDS_FLAG    | Optional            | VARCHAR2(1)  | Defaults to N.                                                                                                                                                                                                                                                                                  |

| Argument           | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                       |
|--------------------|---------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TERMINAL_GAIN_LOSS | Optional            | VARCHAR2(30) | <p>Indicates whether to recognize gain and loss when the last member asset in a group asset is retired out of the group.</p> <p>YES - Recognize gain and loss amount.</p> <p>NO - Not recognizing gain and loss amount</p> <p>END_OF_YEAR - Different recognition of gain and loss amount until the end of current fiscal year.</p> <p>Defaults to YES.</p> |
| TRACKING_METHOD    | Optional            | VARCHAR2(30) | <p>Member assets tracking option value.</p> <p>ALLOCATE - Allocate group depreciation amount across it's member assets.</p> <p>CALCULATE - Uses member assets depreciation instead of group asset's depreciation.</p> <p>Defaults to null.</p>                                                                                                              |

| Argument                 | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------|---------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EXCESS_ALLOCATION_OPTION | Optional            | VARCHAR2(30) | <p>Indicates whether excess from allocation of group depreciation expense across its member assets is reduced from group depreciation expense or reallocated to its member assets.</p> <p>DISTRIBUTE - Reallocate the excess depreciation expense to its member assets.</p> <p>REDUCE - Reduce the excess from group depreciation expense.</p>                                                                                           |
| DEPRECIATION_OPTION      | Optional            | VARCHAR2(30) | <p>Indicates whether member asset's depreciation expense is calculated using group or member asset depreciation information.</p> <p>GROUP - Use group asset depreciation information to calculate member asset depreciation expense.</p> <p>MEMBER - Use member asset depreciation information to calculate member asset depreciation expense.</p> <p>Defaults to GROUP if TRACKING_METHOD is CALCULATE, otherwise defaults to null.</p> |

| Argument           | Required / Optional | Type        | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------|---------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MEMBER_ROLLUP_FLAG | Optional            | VARCHAR2(1) | <p>Indicates whether group asset depreciation amount is sum of member asset depreciation amount. This value is relevant if TRACKING_METHOD is CALCULATE and the value is not Y if RECOGNIZE_GAIN_LOSS or TERMINAL_GAIN_LOSS is NO.</p> <p>Y - Sum member asset depreciation amount to group.</p> <p>N - Group depreciation amount is calculated using the group asset information.</p> <p>Defaults to N if TRACKING_METHOD is CALCULATE, otherwise defaults to null.</p> |



| Argument                   | Required / Optional | Type        | Value                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------|---------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ALLOCATE_TO_FULLY_RSV_FLAG | Optional            | VARCHAR2(1) | <p>Indicates whether to allocate group asset's depreciation amount to a reserved member asset.</p> <p>Y - Group depreciation expense is allocated to a reserved member assets.</p> <p>N - Group depreciation expense is not allocated to fully reserved member assets.</p> <p>Defaults to N if TRACKING_METHOD is ALLOCATE, otherwise defaults to null.</p> |

The following are relevant to group assets:

- DISABLED\_FLAG
- OVER\_DEPRECIATE\_OPTION
- SUPER\_GROUP\_ID
- REDUCE\_ADDITION\_FLAG
- REDUCE\_ADJUSTMENT\_FLAG
- REDUCE\_RETIREMENT\_FLAG
- RECOGNIZE\_GAIN\_LOSS
- RECAPTURE\_RESERVE\_FLAG
- LIMIT\_PROCEEDS\_FLAG
- TERMINAL\_GAIN\_LOSS

- TRACKING\_METHOD
- EXCESS\_ALLOCATION\_OPTION
- DEPRECIATION\_OPTION
- MEMBER\_ROLLUP\_FLAG
- ALLOCATE\_TO\_FULLY\_RSV\_FLAG

REDUCTION\_RATE is for group and member assets.

## ASSET\_DEPRN\_REC\_TYPE Asset Structure

The ASSET\_DEPRN\_REC\_TYPE asset structure contains depreciation information for a given asset. The following table shows type and value information for each argument.

| Argument               | Required / Optional | Type   | Value                                                                 |
|------------------------|---------------------|--------|-----------------------------------------------------------------------|
| YTD_DEPRN              | Optional            | NUMBER | Year-to-date depreciation expense (delta).                            |
| DEPRN_RESERVE          | Optional            | NUMBER | Total depreciation taken since beginning of asset life (delta)        |
| PRIOR_FY_EXPENSE       | Optional            | NUMBER | Depreciation expense due to previous fiscal years (delta).            |
| BONUS_YTD_DEPRN        | Optional            | NUMBER | Bonus year-to-date depreciation expense (delta).                      |
| BONUS_DEPRN_RESERVE    | Optional            | NUMBER | Total bonus depreciation taken since beginning of asset life (delta). |
| PRIOR_FY_BONUS_EXPENSE | Optional            | NUMBER | Bonus depreciation expense due to prior fiscal years (delta).         |

| Argument                | Required / Optional | Type   | Value                                                                                                                                                                                                                                              |
|-------------------------|---------------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REVAL_YTD_DEPR<br>N     | Optional            | NUMBER | Year-to-date depreciation expense due to revaluation (delta).                                                                                                                                                                                      |
| REVAL_DEPRN_RES<br>ERVE | Optional            | NUMBER | For a period in which this asset was revalued: change in net book value due to revaluation of asset cost and sometimes also revaluation of depreciation reserve. For all other periods: revaluation reserve amount after depreciation run (delta). |

## INV\_TRANS\_REC\_TYPE Invoice Structure

The INV\_TRANS\_REC\_TYPE invoice structure contains invoice transaction information for a given invoice. The following table shows type and value information for each argument.

The invoice transaction and invoice data are passed in the invoice table. Invoice additions and mass additions are new lines (source) and must be left null. All other arguments are on existing lines and will require the SOURCE\_LINE\_ID value. Alternative Ledger Currency data should be passed into the rate table on new lines.

| Argument         | Required / Optional                                                                                  | Type         | Value                                                                                                                                              |
|------------------|------------------------------------------------------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| TRANSACTION_TYPE | Required when invoices are driving the adjustment transaction. Optional for non-invoice adjustments. | VARCHAR2(20) | Type of invoice transaction, such as INVOICE ADDITION, INVOICE ADJUSTMENT, INVOICE DELETE, INVOICE REINSTATE, INVOICE TRANSFER, and MASS ADDITION. |

## INV\_REC\_TYPE Invoice Structure

The INV\_REC\_TYPE invoice structure contains invoice information for a single invoice associated with an asset. The INV\_TBL is a table of INV\_REC\_TYPE records. These records contain all invoices that have been applied to the asset. The following table shows type and value information for each argument.

**Note:** The below arguments are required when altering existing invoices, not for adding new ones.

| Argument          | Required / Optional                                                                              | Type   | Value                              |
|-------------------|--------------------------------------------------------------------------------------------------|--------|------------------------------------|
| SOURCE_LINE_ID    | Required - when adjusting an existing invoice line, but not required for non-invoice adjustments | NUMBER | Source line identification number. |
| PO_VENDOR_ID      | Optional                                                                                         | NUMBER | Supplier identification number.    |
| FIXED_ASSETS_COST | Optional (only when the record is populated)                                                     | NUMBER | Cost of asset in Oracle Assets.    |

| Argument                     | Required / Optional | Type         | Value                                                                                  |
|------------------------------|---------------------|--------------|----------------------------------------------------------------------------------------|
| DELETED_FLAG                 | Optional            |              | Defaults to NO for most cases except when deleting an invoice when it defaults to YES. |
| PO_NUMBER                    | Optional            | NUMBER       | Purchase order number.                                                                 |
| INVOICE_NUMBER               | Optional            | VARCHAR2(50) | Invoice number.                                                                        |
| PAYABLES_BATCH_NAME          | Optional            | VARCHAR2(50) | Payables batch name in the invoice                                                     |
| PAYABLES_CODE_COMBINATION_ID | Optional            | NUMBER(15)   | Clearing account number which is posted in accounts payable.                           |
| FEEDER_SYSTEM_NAME           | Optional            | VARCHAR2(40) | Name of the feeder system that creates the FA_MASS_ADDITIONS row.                      |
| CREATE_BATCH_DATE            | Optional            | DATE         | Mass additions batch date when creating this row.                                      |
| CREATE_BATCH_ID              | Optional            | NUMBER(15)   | Mass additions create request identification number for this row.                      |
| INVOICE_DATE                 | Optional            | DATE         | Invoice date from accounts payable.                                                    |
| PAYABLES_COST                | Required            | NUMBER       | Invoice cost from accounts payable.                                                    |
| POST_BATCH_ID                | Optional            | NUMBER(15)   | Mass Additions Post request identification number for this row.                        |

| <b>Argument</b>                 | <b>Required / Optional</b> | <b>Type</b>  | <b>Value</b>                                                         |
|---------------------------------|----------------------------|--------------|----------------------------------------------------------------------|
| INVOICE_ID                      | Optional                   | NUMBER(15)   | Invoice date from accounts payable.                                  |
| AP_DISTRIBUTION_LINE_NUMBER     | Optional                   | NUMBER(15)   | Distribution line identification number.                             |
| PAYABLES_UNITS                  | Optional                   | NUMBER       | Units from AP_INVOICE_DISTRIBUTIONS row.                             |
| SPLIT_MERGED_CODE               | Optional                   | VARCHAR2(3)  | Indicates if the invoice line is split or merged.                    |
| DESCRIPTION                     | Optional                   | VARCHAR2(80) | Invoice line description.                                            |
| PARENT_MASS_ADDITIONS_ID        | Optional                   | VARCHAR2(15) | Parent mass addition identification number for the mass addition.    |
| UNREVALUED_COST                 | Optional                   | NUMBER       | Cost without revaluations.                                           |
| MERGED_CODE                     | Optional                   | VARCHAR2(3)  | Indicates if the mass addition is a merged parent or a merged child. |
| SPLIT_CODE                      | Optional                   | VARCHAR2(3)  | Indicates if the mass addition is a split parent or a split child.   |
| MERGED_PARENT_MASS_ADDITIONS_ID | Optional                   | NUMBER(15)   | Merged parent mass addition ID.                                      |
| SPLIT_PARENT_MASS_ADDITIONS_ID  | Optional                   | NUMBER(15)   | Split parent mass addition ID.                                       |

| <b>Argument</b>       | <b>Required / Optional</b> | <b>Type</b>   | <b>Value</b>                                                                                                                                                                 |
|-----------------------|----------------------------|---------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PROJECT_ASSET_LINE_ID | Optional                   | NUMBER(15)    | Identifier of the summarized asset cost line transferred from Oracle Projects to create this line.                                                                           |
| PROJECT_ID            | Optional                   | NUMBER(15)    | Identifier of the project from which the costs are collected, summarized, and transferred from Oracle Projects.                                                              |
| TASK_ID               | Optional                   | NUMBER(15)    | Identifier of the task from which costs are collected, summarized, and transferred from Oracle Projects. This column is populated only if the costs were summarized by task. |
| ATTRIBUTE1            | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE2            | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE3            | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE4            | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE5            | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE6            | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |
| ATTRIBUTE7            | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                                                                                                                               |

| <b>Argument</b>         | <b>Required / Optional</b> | <b>Type</b>   | <b>Value</b>                                                  |
|-------------------------|----------------------------|---------------|---------------------------------------------------------------|
| ATTRIBUTE8              | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                |
| ATTRIBUTE9              | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                |
| ATTRIBUTE10             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                |
| ATTRIBUTE11             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                |
| ATTRIBUTE12             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                |
| ATTRIBUTE13             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                |
| ATTRIBUTE14             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                |
| ATTRIBUTE15             | Optional                   | VARCHAR2(150) | Descriptive flexfield segment.                                |
| ATTRIBUTE_CATEGORY_CODE | Optional                   | VARCHAR2(30)  | Descriptive flexfield structure defining column.              |
| YTD_DEPRN               | Optional                   | NUMBER        | Year-to-date depreciation expense.                            |
| DEPRN_RESERVE           | Optional                   | NUMBER        | Total depreciation taken since beginning of asset life.       |
| BONUS_YTD_DEPRN         | Optional                   | NUMBER        | Bonus year-to-date depreciation expense.                      |
| BONUS_DEPRN_RESERVE     | Optional                   | NUMBER        | Total bonus depreciation taken since beginning of asset life. |



| Argument                 | Required / Optional | Type              | Value                                                                                                                                                                                                                                    |
|--------------------------|---------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REVAL_AMORTIZATION_BASIS | Optional            | NUMBER            | Revaluation reserve for calculating the amortization of revaluation reserve. This value is updated when the asset is revalued or has an amortized adjustment.                                                                            |
| REVAL_YTD_DEPRN          | Optional            | NUMBER            | Year-to-date depreciation expense due to revaluation.                                                                                                                                                                                    |
| REVAL_DEPRN_RESERVE      | Optional            | NUMBER            | For the period when the asset is revalued, it is change in net book value due to revaluation of asset cost and sometimes revaluation of depreciation reserve. For other periods it is revaluation reserve amount after depreciation run. |
| INVOICE_DISTRIBUTION_ID  | Optional            | VARCHAR2(1)       | Invoice distribution identifier.                                                                                                                                                                                                         |
| INVOICE_LINE_NUMBER      | Optional            | VARCHAR2(30)      | Invoice line number.                                                                                                                                                                                                                     |
| PO_DISTRIBUTION_ID       | Optional            | VARCHAR2(30)      | Purchase order distribution identifier.                                                                                                                                                                                                  |
| INV_RATE_TBL             | Optional            | INV_RATE_REC_TYPE | If using an alternate ledger currency, you may optionally provide either rates or converted amounts directly for each ledger through this member.                                                                                        |

## INV\_RATE\_REC\_TYPE Invoice Rate Structure

The INV\_RATE\_REC\_TYPE invoice structure contains rate information for an invoice. Each INV\_RATE\_REC\_TYPE record contains one conversion rate. The INV\_RATE\_TBL\_TYPE is a table of INV\_RATE\_REC\_TYPE records. This table is used by the alternative ledger currency to determine the conversion rates for an asset. The following table shows type and value information for each argument.

**Note:** In the case of alternative ledger currency, this table must be populated when performing invoice transactions involving a new invoice line, mass addition or invoice addition. For adjustments/transfers on the source asset, the amounts will be derived within the invoice engine. The rate table should not be populated in non-invoice scenarios as the rate will be derived based on the transaction date.

| Argument        | Required / Optional                                   | Type       | Value                                                         |
|-----------------|-------------------------------------------------------|------------|---------------------------------------------------------------|
| SET_OF_BOOKS_ID | Required - When using alternative ledger currency.    | NUMBER(15) | Ledger identification number.                                 |
| EXCHANGE_RATE   | Optional (required if cost is not specified)          | NUMBER     | Exchange rate for the currency.                               |
| COST            | Optional (required if EXCHANGE_RATE is not specified) | Number     | Provide converted cost directly rather than an exchange rate. |

## GROUP\_RECLASS\_OPTIONS\_REC\_TYPE Reclassification Structure

The GROUP\_RECLASS\_OPTIONS\_REC\_TYPE reclassification structure contains any group reclass options that may be changed during a transaction performed on a group asset. The following table shows type and value information for each argument.

| Argument      | Required / Optional | Type        | Value                                                                                                                                                                                                                                                                                                                                                |
|---------------|---------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TRANSFER_FLAG | Optional            | VARCHAR2(3) | Option to transfer reserve or calculate catchup expense. (YES/NO) (CRL Assets)                                                                                                                                                                                                                                                                       |
| MANUAL_FLAG   | Optional            | VARCHAR2(3) | Indicates whether system should calculate the amount to transfer or whether a value will be provided. Available when choosing the transfer only option. (YES/NO) (CRL Assets)                                                                                                                                                                        |
| MANUAL_AMOUNT | Optional            | NUMBER      | When the manual_flag is YES, this is the amount that you intend to transfer. (CRL Assets) The relationship between the flags is as follows during a group reclass:<br>Group-unit or unit-group:<br>transfer_flag = NO / manual_flag = NO.<br>Group-group:<br>transfer_flag = NO / manual_flag = NO<br>Transfer_flag = YES / manual_flag = YES or NO. |

| Argument                 | Required / Optional | Type         | Value                                                                                                                                                                                                                            |
|--------------------------|---------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GROUP_RECLASS_TY<br>PE   |                     | VARCHAR2(30) | Indicates whether group reclass amounts information is provided by the user or calculated by the system.<br><br>CALC - System calculates amounts based on AMORTIZATION_START_DATE.<br><br>MANUAL - User needs to provide amounts |
| RESERVE_AMOUNT           |                     | NUMBER       | Reserve amount moved from source to destination.                                                                                                                                                                                 |
| SOURCE_EOFY_RESERVE      |                     | NUMBER       | Reserve amount at the end of previous fiscal year moved from source. This is used to calculate the new depreciable basis for some of FLAT-NBV method.                                                                            |
| DESTINATION_EOFY_RESERVE |                     | NUMBER       | Reserve amount at the end of previous fiscal year added to destination. This is used to calculate new depreciable basis for some of FLAT-NBV method.                                                                             |

## Adjustment API Usage

The following section gives an overview of using the adjustment API in various scenarios including invoice and non-invoice scenarios as well as alternative ledger currency. The same principles apply for adjustments in the period of addition and those after depreciation has been run as well as for all three types of assets: capitalized, CIP,

and expensed.

The invoice transaction and invoice data are passed in the invoice table. Invoice additions and mass additions are new lines (source) and must be left null. All other arguments are on existing lines and will require the SOURCE\_LINE\_ID value. Alternative Ledger Currency data should be passed into the rate table on new lines.

**Important:** Do not use the Adjustment API directly to perform an invoice transfer. Instead, use the Public Invoice transfer API which is designed to handle both assets involved.

When calling the new adjustment API, there are four possible ways in which you would call it as shown below:

- Invoice used without alternative ledger currency enabled
- No invoice used and without alternative ledger currency enabled
- Invoice used with alternative ledger currency enabled
- No invoice used with alternative ledger currency enabled

If invoices are involved, either a new invoice or an adjustment / transfer to an existing invoice, then the API will use the information in the invoice table to calculate the change in the asset's financial information. Hence, there is no need to populate the FIN\_REC\_TYPE. On the other hand, if invoices are not involved, then the change in financial information is passed by directly populating the FIN\_REC\_TYPE.

In the case of alternative ledger currency, the INV\_RATE table must be populated when performing invoice transactions involving a new invoice line, mass addition or invoice addition. For adjustments/transfers on the source asset, the amounts will be derived within the invoice engine. The rate table should not be populated in non-invoice scenarios as the rate will be derived based on the transaction date.

**Note:** The new transaction APIs operate on the concept of delta/change. Thus, you must populate values in the structures that change for fin, deprn and invoice structures. This is crucial with the amount columns. If you are changing the cost from 50000 to 60000, the cost value in the structure will be 10000. The sign is important as the change results in a decrease in value and you should use the negative sign. Thus, a cost change from 60000 to 50000 would mean that cost would be populated with - 1000.

The adjustments API will treat null values as meaning no change. For non-incremental or amount columns which are being changed from a populated value to null, you must pass either FND\_API.G\_MISS\_NUM, G\_MISS\_DATE, or G\_MISS\_CHAR, depending on the data type, in order to tell the API to null out the current value. For example, if you are removing the short tax information in the period of addition.

## Cost Adjustments

In the case where invoices are involved as part of the transaction, the amounts in the fin and deprn structures should not be populated as the invoice engine will calculate the total change internally within the API.

**Note:** When populating structures, you only need to populate the values which are changing and populate financial amounts with the delta change only. You do not need to update the new total.

## Calling the Adjustment API without Invoice Information

This section details how to call the API without passing in any invoice related information. This would be used for manual cost changes as well as changes to values like the date placed in service or the depreciation method for the asset. The following are the structures that are available and include details regarding values. It also indicates if values are required.

### ASSET\_HDR\_REC\_TYPE

You must populate the ASSET\_ID AND BOOK\_TYPE\_CODE for the transaction. If the book is a corporate book, then the API will automatically process tax books in which the asset already exists and either CIP-in-tax (for CIP assets) or autocopy (for capitalized assets) are enabled. You should NOT populate SET\_OF\_BOOKS\_ID nor period of addition as these are internal values to be calculated by the API itself.

### TRANS\_REC\_TYPE

The TRANSACTION\_SUBTYPE will default to EXPENSED so you should populate the TRANSACTION\_SUBTYPE with AMORTIZED if you wish to instead amortize the adjustment. If TRANSACTION\_SUBTYPE is AMORTIZED, you may optionally provide an amortization start date otherwise the adjustment will be amortized from the open period. TRANSACTION\_TYPE\_CODE, TRANSACTION\_HEADER\_ID and TRANSACTION\_DATE\_ENTERED will be derived within the API as will any other needed values. For expensed adjustments, the transaction date will be the last day of the open period. For amortized adjustments, it will be the amortization start date.

### ASSET\_FIN\_REC\_TYPE

When performing an adjustment without any invoice information, you should populate only the fields that are changing in the ASSET\_FIN\_REC\_ADJ structure (such as COST, SALVAGE\_VALUE, PRORATE\_CONVENTION, etc). You should not populate system derived values such as RATE\_ADJUSTMENT\_FACTOR, ADJUSTED\_COST, RECOVERABLE\_COST, DEPRN\_START\_DATE, OR PRORATE\_DATE. All such fields will be calculated internally.

## ASSET\_DEPRN\_REC\_TYPE

When adjusting a capitalized asset in the period of addition, the DEPRN\_REC\_TYPE can be populated for manual transaction. If using invoices, the depreciation related columns in the INV\_REC\_TYPE should be populated instead. The fields which are available are the year-to-date / accumulates amounts (such as YTD\_DEPRN and DEPRN\_RESERVE) for core, bonus and revalue historical information.

## Related Topics

Sample Script: Using the Adjustment API without Invoice Information, page H-35

## Calling the Adjustment API with Invoice Information

This section details how to call the API when the adjustment will be initiated by an addition or change to invoice related information. In addition to those structures noted above, the following structures are now needed for such an adjustment. Additionally, the fin and deprn structure will not be populated in this mode since the API will calculate the total delta based on the sum of all invoices.

The invoice transaction and invoice data are passed in the invoice table. Invoice additions and mass additions are new lines (source) and must be left null. All other arguments are on existing lines and will require the SOURCE\_LINE\_ID value. Alternative Ledger Currency data should be passed into the rate table on new lines.

## INV\_TRANS\_REC\_TYPE

If you are using invoices, you must populate the TRANSACTION\_TYPE\_CODE. The INVOICE\_TRANSACTION\_ID should not be populated and will be derived within the API except in cases where the API is being called for the destination asset involved in a source line transfer.

## INV\_TBL\_TYPE (table of INV\_REC\_TYPE)

When using invoices in the adjustment, you should populate all desired column with values for new invoice lines, such as MASS ADDITION / INVOICE ADDITION. For adjustments involving existing invoices, including INVOICE ADJUSTMENTS, DELETES, REINSTATES and TRANSFERS. You only need to input the value change in FIXED\_ASSETS\_COST.

- For example, if a source line currently has \$250000 of cost and you are changing it to 200000, you would populate the INV\_REC with -50000.
- If you are deleting a line or reinstating a previously deleted line, you should only populate the DELETED\_FLAG with the associated value, and no other columns should be populated.
- For new lines, you should always leave the SOURCE\_LINE\_ID as null.

- For adjustments on existing source lines, each row in the invoice table should have the SOURCE\_LINE\_ID populated with the value of the line being altered.

### INV\_RATE\_TBL\_TYPE (table of INV\_RATE\_REC\_TYPE)

When sending new invoices in an alternative ledger currency-enabled corporate book, the exchange rates or cost should be provided in this table for each source line and for each associated reporting currency. The unique identifier for each row is the combination of the SET\_OF\_BOOKS\_ID and the INV\_INDICATOR. Therefore, you must populate the INV\_INDICATOR, THE SET\_OF\_BOOKS\_ID, and the EXCHANGE RATE for each row. The INV\_INDICATOR will allow rows in this table to be matched up with their respective rows in the INV\_TBL in the invoice engine. This table does not need to be populated when altering existing lines as the invoice engine will derive the correct exchange rate(s) from the existing row(s).

**Note:** In this table, you must enter values for either EXCHANGE\_RATE or COST depending on your choice.

### Related Topics

Sample Script: Using the Adjustment API with Invoice Information, page H-37

### Calling the Adjustment API for a Group Reclassification

This section details how to call the API when the adjustment will cause a group reclassification in a crl-enabled environment. In addition to those structures noted above, the following structure is now needed for such an adjustment.

**Note:** Note: You can combine the group reclassification with additional financial changes such as cost and can also use invoices in that transaction.

### GROUP\_RECLASS\_OPTIONS\_REC\_TYPE

This structure is only applicable to CRL-enabled environments using group depreciation. It must be populated when changing the assignment of an asset into or out of a group. The TRANSFER\_FLAG and MANUAL\_FLAG are both required in such a scenario and each will either contain YES or NO. When setting the MANUAL\_FLAG = YES, you must also provide the MANUAL\_AMOUNT.

When set to YES, the TRANSFER\_FLAG indicates that the group reclassification will be processed as a current period transaction and that only a reserve amount will be transferred, but that no depreciation will be caught up nor backed out on either the source or destination side. When set to NO, this flag indicates the group reclassification will be treated as a backdated correction and rather than transferring



reserve, depreciation expense will be backed in proportion to the cost of the asset being reclassified.

Specifying a manual amount is currently only permitted when using the TRANSFER option, since the amount signifies the amount of reserve to transfer and can not apply to catchup scenarios. When the MANUAL\_FLAG is set to NO, the system will calculate the amounts for either the expense or reserve depending on the value of the TRANSFER\_FLAG.

Group reclassifications combinations currently supported are illustrated in the table below:

| Old Group | New Group | TRANSFER_FLAG | MANUAL_FLAG |
|-----------|-----------|---------------|-------------|
| NONE      | A         | N             | No          |
| A         | B         | No            | No          |
| A         | B         | Yes           | Yes         |
| A         | B         | Yes           | No          |

## Sample Script: Using the Adjustment API without Invoice Information

The following example demonstrates the adjustment of an asset without any invoice information and with no reporting currency. In this particular example, we are increasing the cost by \$600000 (i.e. a current cost of 100000 and a new cost of 700000). It populates the needed structures and then calls the Adjustments API. Note that the only the delta cost is populated in the FIN\_REC\_TYPE as it is the only thing we are changing. All other values are derived internally within the API.

```

set serveroutput on

declare

    l_trans_rec            FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec        FA_API_TYPES.asset_hdr_rec_type;
    l_asset_fin_rec_adj     FA_API_TYPES.asset_fin_rec_type;
    l_asset_fin_rec_new     FA_API_TYPES.asset_fin_rec_type;
    l_asset_fin_mrc_tbl_new FA_API_TYPES.asset_fin_tbl_type;
    l_inv_trans_rec        FA_API_TYPES.inv_trans_rec_type;
    l_inv_tbl              FA_API_TYPES.inv_tbl_type;
    l_inv_rate_tbl         FA_API_TYPES.inv_rate_tbl_type;
    l_asset_deprn_rec_adj   FA_API_TYPES.asset_deprn_rec_type;
    l_asset_deprn_rec_new   FA_API_TYPES.asset_deprn_rec_type;
    l_asset_deprn_mrc_tbl_new FA_API_TYPES.asset_deprn_tbl_type;
    l_inv_rec              FA_API_TYPES.inv_rec_type;
    l_group_reclass_options_rec
FA_API_TYPES.group_reclass_options_rec_type;

    l_return_status        VARCHAR2(1);
    l_mesg_count           number;
    l_mesg                 varchar2(512);

begin

    dbms_output.enable(10000000);

    FA_SRVR_MSG.Init_Server_Message;
    -- asset header info
    l_asset_hdr_rec.asset_id      := &asset_id
    l_asset_hdr_rec.book_type_code := '&book';

    -- fin rec info
    l_asset_fin_rec_adj.cost      := &delta_cost

    FA_ADJUSTMENT_PUB.do_adjustment(
        -- std parameters
        p_api_version              => 1.0,
        p_init_msg_list            => FND_API.G_FALSE,
        p_commit                   => FND_API.G_FALSE,
        p_validation_level         => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn               => null,
        x_return_status            => l_return_status,
        x_msg_count                => l_mesg_count,
        x_msg_data                 => l_mesg,
        -- api parameters
        px_trans_rec               => l_trans_rec,
        px_asset_hdr_rec           => l_asset_hdr_rec,
        p_asset_fin_rec_adj        => l_asset_fin_rec_adj,
        x_asset_fin_rec_new        => l_asset_fin_rec_new,
        x_asset_fin_mrc_tbl_new    => l_asset_fin_mrc_tbl_new,
        px_inv_trans_rec           => l_inv_trans_rec,
        px_inv_tbl                 => l_inv_tbl,
        p_asset_deprn_rec_adj      => l_asset_deprn_rec_adj,
        x_asset_deprn_rec_new      => l_asset_deprn_rec_new,
        x_asset_deprn_mrc_tbl_new  => l_asset_deprn_mrc_tbl_new,
        p_group_reclass_options_rec => l_group_reclass_options_rec
    );

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

```

```

if l_mesg_count > 0 then

    l_mesg := chr(10) || substr(fnd_msg_pub.get
                                (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                1, 250);

    dbms_output.put_line(l_mesg);

    for i in 1..(l_mesg_count - 1) loop
        l_mesg :=
            substr(fnd_msg_pub.get
                    (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
    dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
end if;

end;
/

```

## Sample Script: Using the Adjustment API with Invoice Information

The following example simulates the adjustment of an asset via an invoice line with one associated reporting currency. It populates the needed structures and then calls the Adjustments API. In this case we are adding a new invoice line to the asset with the cost of the invoice being \$5000. Note that the financial structure remains null because as detailed previously in the document, the private invoice API will be responsible for calculating the total change in cost bases on the sum of all the invoice structures.

```

set serveroutput on

declare

    l_trans_rec                FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec            FA_API_TYPES.asset_hdr_rec_type;
    l_asset_fin_rec_adj         FA_API_TYPES.asset_fin_rec_type;
    l_asset_fin_rec_new         FA_API_TYPES.asset_fin_rec_type;
    l_asset_fin_mrc_tbl_new     FA_API_TYPES.asset_fin_tbl_type;
    l_inv_trans_rec            FA_API_TYPES.inv_trans_rec_type;
    l_inv_tbl                  FA_API_TYPES.inv_tbl_type;
    l_inv_rate_tbl             FA_API_TYPES.inv_rate_tbl_type;
    l_asset_deprn_rec_adj       FA_API_TYPES.asset_deprn_rec_type;
    l_asset_deprn_rec_new       FA_API_TYPES.asset_deprn_rec_type;
    l_asset_deprn_mrc_tbl_new   FA_API_TYPES.asset_deprn_tbl_type;
    l_inv_rec                  FA_API_TYPES.inv_rec_type;
    l_group_reclass_options_rec FA_API_TYPES.group_reclass_options_rec_type;

    l_return_status            VARCHAR2(1);
    l_mesg_count               number;
    l_mesg                    varchar2(512);

begin

    dbms_output.enable(10000000);

    FA_SRVR_MSG.Init_Server_Message;
    -- asset header info
    l_asset_hdr_rec.asset_id      := &asset_id
    l_asset_hdr_rec.book_type_code := '&book';

    -- invoice trans
    l_inv_trans_rec.transaction_type := 'INVOICE ADDITION';

    -- invoice info
    l_inv_rec.fixed_assets_cost      := 2500;
    l_inv_rec.deleted_flag           := 'NO';
    l_inv_rec.description            := 'test inv';
    l_inv_rec.unrevalued_cost        := 5555;
    l_inv_rec.create_batch_id        := 1000;
    l_inv_rec.payables_code_combination_id := 13528;
    l_inv_rec.feeder_system_name     := 'ACK';
    l_inv_rec.payables_cost          := 5555;
    l_inv_rec.payables_units         := 1;
    l_inv_rec.po_vendor_id           := 1;
    l_inv_rec.inv_indicator          := 1;

    l_inv_tbl (1)                  := l_inv_rec;

    FA_ADJUSTMENT_PUB.do_adjustment(
        -- std parameters
        p_api_version                => 1.0,
        p_init_msg_list              => FND_API.G_FALSE,
        p_commit                     => FND_API.G_FALSE,
        p_validation_level            => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn                 => null,
        x_return_status              => l_return_status,
        x_msg_count                  => l_mesg_count,
        x_msg_data                   => l_mesg,
        -- api parameters

```

```

px_trans_rec          => l_trans_rec,
    px_asset_hdr_rec   => l_asset_hdr_rec,
    p_asset_fin_rec_adj => l_asset_fin_rec_adj,
    x_asset_fin_rec_new => l_asset_fin_rec_new,
    x_asset_fin_mrc_tbl_new => l_asset_fin_mrc_tbl_new,
    px_inv_trans_rec   => l_inv_trans_rec,
    px_inv_tbl         => l_inv_tbl,
    p_asset_deprn_rec_adj => l_asset_deprn_rec_adj,
    x_asset_deprn_rec_new => l_asset_deprn_rec_new,
    x_asset_deprn_mrc_tbl_new => l_asset_deprn_mrc_tbl_new,
    p_group_reclass_options_rec => l_group_reclass_options_rec
);

--dump messages
l_mesg_count := fnd_msg_pub.count_msg;

if l_mesg_count > 0 then

    l_mesg := chr(10) || substr(fnd_msg_pub.get
                                (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                1, 250);

    dbms_output.put_line(l_mesg);

    for i in 1..(l_mesg_count - 1) loop
        l_mesg :=
            substr(fnd_msg_pub.get
                    (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
    dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
end if;

end;
/

For MRC

```

```

set serveroutput on

declare

    l_trans_rec                FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec            FA_API_TYPES.asset_hdr_rec_type;
    l_asset_fin_rec_adj         FA_API_TYPES.asset_fin_rec_type;
    l_asset_fin_rec_new         FA_API_TYPES.asset_fin_rec_type;
    l_asset_fin_mrc_tbl_new     FA_API_TYPES.asset_fin_tbl_type;
    l_inv_trans_rec            FA_API_TYPES.inv_trans_rec_type;
    l_inv_tbl                  FA_API_TYPES.inv_tbl_type;
    l_inv_rate_tbl             FA_API_TYPES.inv_rate_tbl_type;
    l_asset_deprn_rec_adj       FA_API_TYPES.asset_deprn_rec_type;
    l_asset_deprn_rec_new       FA_API_TYPES.asset_deprn_rec_type;
    l_asset_deprn_mrc_tbl_new   FA_API_TYPES.asset_deprn_tbl_type;
    l_inv_rec                   FA_API_TYPES.inv_rec_type;
    l_group_reclass_options_rec FA_API_TYPES.group_reclass_options_rec_type;

    l_return_status            VARCHAR2(1);
    l_mesg_count                number;
    l_mesg                      varchar2(512);

begin

    dbms_output.enable(10000000);

    FA_SRVR_MSG.Init_Server_Message;
    -- asset header info
    l_asset_hdr_rec.asset_id      := &asset_id
    l_asset_hdr_rec.book_type_code := '&book';

    -- invoice trans
    l_inv_trans_rec.transaction_type := 'INVOICE ADDITION';

    -- invoice info
    l_inv_rec.fixed_assets_cost      := 2500;
    l_inv_rec.deleted_flag           := 'NO';
    l_inv_rec.description            := 'test inv';
    l_inv_rec.unrevalued_cost        := 5555;
    l_inv_rec.create_batch_id        := 1000;
    l_inv_rec.payables_code_combination_id := 13528;
    l_inv_rec.feeder_system_name     := 'ACK';
    l_inv_rec.payables_cost          := 5555;
    l_inv_rec.payables_units         := 1;
    l_inv_rec.po_vendor_id           := 1;
    l_inv_rec.inv_indicator          := 1;

    l_inv_tbl(1)                    := l_inv_rec;

    -- rate info
    l_inv_rec.inv_rate_tbl(1).set_of_books_id := 102;
    l_inv_rec.inv_rate_tbl(1).exchange_rate  := 2;
    l_inv_rec.inv_rate_tbl(1).cost           := 2001;

    FA_ADJUSTMENT_PUB.do_adjustment(
        -- std parameters
        p_api_version      => 1.0,
        p_init_msg_list    => FND_API.G_FALSE,
        p_commit            => FND_API.G_FALSE,
        p_validation_level  => FND_API.G_VALID_LEVEL_FULL,

```

```

p_calling_fn          => null,
    x_return_status    => l_return_status,
    x_msg_count        => l_mesg_count,
    x_msg_data        => l_mesg,
    -- api parameters
    px_trans_rec       => l_trans_rec,
    px_asset_hdr_rec   => l_asset_hdr_rec,
    p_asset_fin_rec_adj => l_asset_fin_rec_adj,
    x_asset_fin_rec_new => l_asset_fin_rec_new,
    x_asset_fin_mrc_tbl_new => l_asset_fin_mrc_tbl_new,
    px_inv_trans_rec   => l_inv_trans_rec,
    px_inv_tbl         => l_inv_tbl,
    p_asset_deprn_rec_adj => l_asset_deprn_rec_adj,
    x_asset_deprn_rec_new => l_asset_deprn_rec_new,
    x_asset_deprn_mrc_tbl_new => l_asset_deprn_mrc_tbl_new,
    p_group_reclass_options_rec => l_group_reclass_options_rec
);

--dump messages
l_mesg_count := fnd_msg_pub.count_msg;

if l_mesg_count > 0 then

    l_mesg := chr(10) || substr(fnd_msg_pub.get
                                (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                1, 250);

    dbms_output.put_line(l_mesg);

    for i in 1..(l_mesg_count - 1) loop
        l_mesg :=
            substr(fnd_msg_pub.get
                    (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
    dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
end if;

end;
/

```

## Sample Script: Using the Adjustment API with Invoice Information with Alternative Ledger Currency

The following example simulates the adjustment of an asset via an invoice line with one

associated reporting currency. It populates the needed structures and then calls the Adjustments API. In this case we are adding a new invoice line to the asset with the cost of the invoice being \$5000. Note that the financial structure remains null because as detailed previously in the document, the private invoice API will be responsible for calculating the total change in cost bases on the sum of all the invoice structures.



```

set serveroutput on

declare

    l_trans_rec                FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec            FA_API_TYPES.asset_hdr_rec_type;
    l_asset_fin_rec_adj         FA_API_TYPES.asset_fin_rec_type;
    l_asset_fin_rec_new         FA_API_TYPES.asset_fin_rec_type;
    l_asset_fin_mrc_tbl_new     FA_API_TYPES.asset_fin_tbl_type;
    l_inv_trans_rec            FA_API_TYPES.inv_trans_rec_type;
    l_inv_tbl                  FA_API_TYPES.inv_tbl_type;
    l_inv_rate_tbl             FA_API_TYPES.inv_rate_tbl_type;
    l_asset_deprn_rec_adj       FA_API_TYPES.asset_deprn_rec_type;
    l_asset_deprn_rec_new       FA_API_TYPES.asset_deprn_rec_type;
    l_asset_deprn_mrc_tbl_new   FA_API_TYPES.asset_deprn_tbl_type;
    l_inv_rec                   FA_API_TYPES.inv_rec_type;
    l_group_reclass_options_rec FA_API_TYPES.group_reclass_options_rec_type;

    l_return_status            VARCHAR2(1);
    l_mesg_count               number;
    l_mesg                     varchar2(512);

begin

    dbms_output.enable(10000000);

    FA_SRVR_MSG.Init_Server_Message;
    -- asset header info
    l_asset_hdr_rec.asset_id      := &asset_id
    l_asset_hdr_rec.book_type_code := '&book';

    -- invoice trans
    l_inv_trans_rec.transaction_type := 'INVOICE ADDITION';

    -- invoice info
    l_inv_rec.fixed_assets_cost      := 2500;
    l_inv_rec.deleted_flag           := 'NO';
    l_inv_rec.description            := 'test inv';
    l_inv_rec.unrevalued_cost        := 5555;
    l_inv_rec.create_batch_id        := 1000;
    l_inv_rec.payables_code_combination_id := 13528;
    l_inv_rec.feeder_system_name     := 'ACK';
    l_inv_rec.payables_cost          := 5555;
    l_inv_rec.payables_units         := 1;
    l_inv_rec.po_vendor_id           := 1;
    l_inv_rec.inv_indicator          := 1;

    l_inv_tbl(1)                    := l_inv_rec;

    -- rate info
    l_inv_rec.inv_rate_tbl(1).set_of_books_id := 102;
    l_inv_rec.inv_rate_tbl(1).exchange_rate   := 2;
    l_inv_rec.inv_rate_tbl(1).cost            := 2001;

    FA_ADJUSTMENT_PUB.do_adjustment(
        -- std parameters
        p_api_version      => 1.0,
        p_init_msg_list    => FND_API.G_FALSE,
        p_commit            => FND_API.G_FALSE,
        p_validation_level  => FND_API.G_VALID_LEVEL_FULL,

```

```

p_calling_fn          => null,
    x_return_status    => l_return_status,
    x_msg_count        => l_mesg_count,
    x_msg_data         => l_mesg,
    -- api parameters
    px_trans_rec       => l_trans_rec,
    px_asset_hdr_rec   => l_asset_hdr_rec,
    p_asset_fin_rec_adj => l_asset_fin_rec_adj,
    x_asset_fin_rec_new => l_asset_fin_rec_new,
    x_asset_fin_mrc_tbl_new => l_asset_fin_mrc_tbl_new,
    px_inv_trans_rec   => l_inv_trans_rec,
    px_inv_tbl         => l_inv_tbl,
    p_asset_deprn_rec_adj => l_asset_deprn_rec_adj,
    x_asset_deprn_rec_new => l_asset_deprn_rec_new,
    x_asset_deprn_mrc_tbl_new => l_asset_deprn_mrc_tbl_new,
    p_group_reclass_options_rec => l_group_reclass_options_rec
);

--dump messages
l_mesg_count := fnd_msg_pub.count_msg;

if l_mesg_count > 0 then

    l_mesg := chr(10) || substr(fnd_msg_pub.get
                                (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                1, 250);
    dbms_output.put_line(l_mesg);

    for i in 1..(l_mesg_count - 1) loop
        l_mesg :=
            substr(fnd_msg_pub.get
                    (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
    dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
end if;

end;
/

```



---

# Oracle Assets Asset Description API

This appendix covers the following topics:

- Introduction
- Asset Description API Definition
- Sample Script: Using the Asset Description API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Asset Description API uses the `FA_ASSET_DESC_PUB.UPDATE_DESC()` procedure. You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. You can also update descriptions using the Asset Workbench.

## Alternate Ledger Currency

If you have set up alternate ledger currency, when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Related Topics

Asset Description API Definition, page I-1

Sample Script: Using the Asset Description API, page I-7

## Asset Description API Definition

The ASSET Description API procedure is called:  
`FA_ASSET_DESC_PUB.UPDATE_DESC()`. The following table provides the arguments,

types, value, and descriptions of the elements of the  
FA\_ASSET\_DESC\_PUB.UPDATE\_DESC() procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type        | Value                                                                                                                                                                                                            | Description                                                                       |
|--------------------|-------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER      | Internal use only                                                                                                                                                                                                | Version of the API in use.                                                        |
| P_INIT_MSG_LIST    | VARCHAR2(1) | FND_API.G_TRUE -<br>Initialize the message<br>stack<br>FND_API.G_FALSE -<br>Do not initialize the<br>message stack<br>(Default)                                                                                  | Determines whether<br>the messages stack<br>should be initialized<br>and cleared. |
| P_COMMIT           | VARCHAR2(1) | FND_API.G_TRUE -<br>Commit<br>automatically.<br><br>FND_API.G_FALSE -<br>Do not commit<br>automatically<br>(Default)                                                                                             | Commits the<br>transaction.                                                       |
| P_VALIDATION_LEVEL | NUMBER      | FND_API.G_VALID_<br>LEVEL_NONE -<br>Lowest level of<br>validation possible<br>for a transaction<br>FND_API.G_VALID_<br>LEVEL_FULL -<br>Highest level of<br>validation possible<br>for a transaction<br>(Default) | Check on whether the<br>API should validate<br>the asset.                         |

| Argument              | Type                                 | Value                                                                                                                                                     | Description                               |
|-----------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|
| X_RETURN_STATUS       | VARCHAR2(1)                          | FND_API.G_RET_STS_SUCCESS - Transaction was a success<br>FND_API.G_RET_STS_ERROR - Transaction failed<br>FND_API.G_RET_STS_UNEXP_ERROR - Unexpected error | Determines whether the API is successful. |
| X_MSG_COUNT           | NUMBER                               |                                                                                                                                                           | Number of messages on the message stack.  |
| X_MSG_DATA            | VARCHAR2(1024)                       |                                                                                                                                                           | Message stack.                            |
| P_CALLING_FN          | VARCHAR2(30)                         |                                                                                                                                                           | Function calling the API                  |
| PX_TRANS_REC          | FA_API_TYPES.<br>TRANS_REC_TYPE      |                                                                                                                                                           | Describes the transaction taking place.   |
| PX_ASSET_HDR_REC      | FA_API_TYPES.<br>ASSET_HDR_REC_TYPE  |                                                                                                                                                           | Unique identifiers for the assets.        |
| PX_ASSET_DESC_REC_NEW | FA_API_TYPES.<br>ASSET_DESC_REC_TYPE |                                                                                                                                                           | Description of the asset.                 |
| PX_ASSET_CAT_REC_NEW  | FA_API_TYPES.<br>ASSET_CAT_REC_TYPE  |                                                                                                                                                           | Category information of the asset.        |

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument | Required / Optional | Type                  | Value               |
|----------|---------------------|-----------------------|---------------------|
| WHO_INFO | Required            | STANDARD_who_rec_type | Standard Who Column |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value                        |
|----------------|---------------------|--------------|------------------------------|
| ASSET_ID       | Required            | NUMBER(15)   | OUT parameter                |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Populate the book type code. |

## ASSET\_DESC\_REC\_TYPE Asset Structure

The ASSET\_DESC\_REC\_TYPE asset structure contains descriptive information about the asset, such as the tag number, serial number, and manufacturer name. The following table shows type and value information for each argument.

| Argument      | Required / Optional | Type         | Value                                                    |
|---------------|---------------------|--------------|----------------------------------------------------------|
| ASSET_NUMBER  | Optional            | VARCHAR2(15) | Defaults to the asset ID.<br><br>Optional OUT parameter. |
| DESCRIPTION   | Required            | VARCHAR2(80) | Description of the asset.                                |
| TAG_NUMBER    | Optional            | VARCHAR2(15) | User assigned tag number of asset.                       |
| SERIAL_NUMBER | Optional            | VARCHAR2(35) | Serial number of the asset.                              |

| Argument                | Required / Optional | Type         | Value                                                                                                                       |
|-------------------------|---------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------|
| ASSET_KEY_CCID          | Optional            | NUMBER(15)   | Identifies an asset key flexfield combination for the asset.                                                                |
| PARENT_ASSET_ID         | Optional            | NUMBER(15)   | Identifies a parent asset for subcomponents.                                                                                |
| MANUFACTURER_NAME       | Optional            | VARCHAR2(30) | Name of manufacturer.                                                                                                       |
| MODEL_NUMBER            | Optional            | VARCHAR2(40) | Model number of the asset.                                                                                                  |
| WARRANTY_ID             | Optional            | NUMBER(15)   | Warranty identification number.                                                                                             |
| LEASE_ID                | Optional            | NUMBER(15)   | Lease identification number.                                                                                                |
| IN_USE_FLAG             | Optional            | VARCHAR2(3)  | YES - In use (default)<br>NO - Not in use                                                                                   |
| INVENTORIAL             | Optional            | VARCHAR2(3)  | Defaults to asset category.<br><br>YES - To include in physical inventory<br><br>NO - Do not include in physical inventory. |
| PROPERTY_TYPE_CODE      | Optional            | VARCHAR2(10) | Defaults to asset category.                                                                                                 |
| PROPERTY_1245_1250_CODE | Optional            | VARCHAR2(4)  | 1245 - Personal<br>1250 - Real<br><br>Defaults to asset category.                                                           |

| Argument         | Required / Optional | Type               | Value                                                                                                                                                                                                   |
|------------------|---------------------|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OWNED_LEASED     | Optional            | VARCHAR2(15)       | OWNED - Owned (Default)<br><br>LEASED - Leased<br><br>Defaults to asset category.                                                                                                                       |
| NEW_USED         | Optional            | VARCHAR2(4)        | NEW - New (Default)<br><br>USED - Used                                                                                                                                                                  |
| LEASE_DESC_FLEX  | Optional            | DESC_FLEX_REC_TYPE | Lease descriptive flexfield segments.                                                                                                                                                                   |
| GLOBAL_DESC_FLEX | Optional            | DESC_FLEX_REC_TYPE | Global descriptive flexfield segments.                                                                                                                                                                  |
| COMMITMENT       | Optional            | VARCHAR2(150)      | Current financial burdens recorded against the asset, such as existing mortgages or pre-notices of mortgages.                                                                                           |
| INVESTMENT_LAW   | Optional            | VARCHAR2(150)      | Incentives available to businesses, depending on the region and the nature of the investor's business. The current incentives are direct subsidy, interest subsidy, leasing subsidy, and tax exemption. |

## ASSET\_CAT\_REC\_TYPE Asset Structure

The ASSET\_CAT\_REC\_TYPE asset structure contains information about the asset category, such as the category ID and the category descriptive flexfield. The following table shows type and value information for each argument.



| Argument           | Required / Optional | Type               | Description                              |
|--------------------|---------------------|--------------------|------------------------------------------|
| CATEGORY_DESC_FLEX | Required            | DESC_FLEX_REC_TYPE | Category descriptive flexfield segments. |

## Sample Script: Using the Asset Description API

The following sample script shows how you can use the Asset Description API.

```

set serveroutput on;

declare

    l_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec      FA_API_TYPES.asset_hdr_rec_type;
    l_asset_desc_rec     FA_API_TYPES.asset_desc_rec_type;
    l_asset_cat_rec      FA_API_TYPES.asset_cat_rec_type;

    l_return_status      VARCHAR2(1);
    l_mesg_count         number;
    l_mesg               varchar2(512);

begin

    dbms_output.enable(10000000);

    FA_SRVR_MSG.Init_Server_Message;

    l_asset_hdr_rec.asset_id      := &asset_id
    l_asset_desc_rec.description  := '&description';
    l_asset_desc_rec.serial_number := '&serial_number';

    FA_ASSET_DESC_PUB.update_desc(
        -- std parameters
        p_api_version          => 1.0,
        p_init_msg_list        => FND_API.G_FALSE,
        p_commit                => FND_API.G_FALSE,
        p_validation_level     => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn           => null,
        x_return_status         => l_return_status,
        x_msg_count             => l_mesg_count,
        x_msg_data              => l_mesg,
        -- api parameters
        px_trans_rec            => l_trans_rec,
        px_asset_hdr_rec        => l_asset_hdr_rec,
        px_asset_desc_rec_new   => l_asset_desc_rec,
        px_asset_cat_rec_new    => l_asset_cat_rec);

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

            dbms_output.put_line(l_mesg);
        end loop;

        fnd_msg_pub.delete_msg();
    end if;
end;

```

```

end if;

    if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
        dbms_output.put_line('FAILURE');
    else
        dbms_output.put_line('SUCCESS');
        dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
    end if;

end;
/

```



---

# Oracle Assets CIP Capitalization and Reversal API

This appendix covers the following topics:

- Introduction
- CIP Capitalization API Description
- CIP Reversal API Description
- Standard Types Used For Capitalizations and Reversals
- Sample Script: Using the CIP Capitalization API
- Sample Script: Using the CIP Reversal API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The CIP API uses the `FA_CIP_PUB.DO_CAPITALIZATION ()` procedure to capitalize, and the `FA_CIP_PUB.DO_REVERSE ()` to reverse capitalize. You can use this API if you have a custom interface that makes it difficult to use with the existing Oracle Assets interfaces for adjusting assets.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Related Topics

CIP Capitalization API Description, page J-2

CIP Reversal API Description, page J-4

Sample Script: Using the CIP Capitalization API, page J-19

Sample Script: Using the CIP Reversal API, page J-21

## CIP Capitalization API Description

The CIP Capitalization API procedure is called: `FA_CIP_PUB.DO_CAPITALIZATION()`.

The following table provides the arguments, types, value, and descriptions of the elements of the `FA_CIP_PUB.DO_CAPITALIZATION()` procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument        | Type     | Value                                                                                                                  | Description                                                              |
|-----------------|----------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION   | NUMBER   | Internal use only                                                                                                      | Basic information about the API.                                         |
| P_INIT_MSG_LIST | VARCHAR2 | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default). | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT        | VARCHAR2 | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                  | Commits the transaction.                                                 |

| Argument           | Type                            | Value                                                                                                                                                                                   | Description                                                    |
|--------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| P_VALIDATION_LEVEL | NUMBER                          | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default).                             | Asset validation by the API.                                   |
| P_CALLING_FN       | VARCHAR2                        |                                                                                                                                                                                         | Function that calls the API                                    |
| X_RETURN_STATUS    | VARCHAR2                        | FND_API.G_RET_STS_SUCCESS - Indicates a success.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines the API success.                                    |
| X_MSG_COUNT        | NUMBER                          |                                                                                                                                                                                         | Number of messages on the message stack.                       |
| X_MSG_DATA         | FA_API_TYPES.MSG_REC_TYPE       |                                                                                                                                                                                         | The API part that stores messages which is passed to the user. |
| PX_TRANS_REC       | FA_API_TYPES.TRANS_REC_TYPE     |                                                                                                                                                                                         | Describes the transaction taking place.                        |
| PX_ASSET_HDR_REC   | FA_API_TYPES.ASSET_HDR_REC_TYPE |                                                                                                                                                                                         | Unique identifiers for the assets.                             |
| FX_ASSET_FIN_REC   | FA_API_TYPES.ASSET_FIN_REC_TYPE |                                                                                                                                                                                         | Financial information for the transaction                      |

## CIP Reversal API Description

The CIP Reversal API procedure is called: FA\_CIP\_PUB.DO\_REVERSE ().

The following table provides the arguments, types, value, and descriptions of the elements of the FA\_CIP\_PUB.DO\_REVERSE () procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type     | Value                                                                                                                                                       | Description                                                              |
|--------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER   | Internal use only                                                                                                                                           | Basic information about the API.                                         |
| P_INIT_MSG_LIST    | VARCHAR2 | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default).                                      | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2 | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                       | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER   | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |



| Argument         | Type                            | Value                                                                                                                                                      | Description                                                    |
|------------------|---------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|
| P_CALLING_FN     | VARCHAR2                        |                                                                                                                                                            | Function that calls the API                                    |
| X_RETURN_STATUS  | VARCHAR2                        | FND_API.G_RET_STS_SUCCESS - Addition successful.<br><br>FND_API.G_RET_STS_ERROR - Addition fails.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Unexpected error. | Determines the API success.                                    |
| X_MSG_COUNT      | NUMBER                          |                                                                                                                                                            | Number of messages on the message stack.                       |
| X_MSG_DATA       | FA_API_TYPES.MSG_REC_TYPE       |                                                                                                                                                            | The API part that stores messages which is passed to the user. |
| PX_TRANS_REC     | FA_API_TYPES.TRANS_REC_TYPE     |                                                                                                                                                            | Describes the transaction taking place.                        |
| PX_ASSET_HDR_REC | FA_API_TYPES.ASSET_HDR_REC_TYPE |                                                                                                                                                            | Unique identifiers for the assets.                             |
| FX_ASSET_FIN_REC | FA_API_TYPES.ASSET_FIN_REC_TYPE |                                                                                                                                                            | Financial information for the transaction                      |

## Standard Types Used For Capitalizations and Reversals

One of the key benefits of this API is the use of structures instead of lists of scalar parameter types. Using structures instead of scalar parameter types makes it easier for calling interfaces to pass only the information required for the adjustment transaction, and no more.

Attention: Columns that you do not enter directly, and are derived internally, can still be accessed. For example, if you wish to know the TRANSACTION\_HEADER\_ID

(reference number) for the transaction, you can example or copy the contents of PX\_TRANS\_REC.TRANSACTION\_HEADER\_ID.

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                     | Required / Optional | Type                  | Value                                                         |
|------------------------------|---------------------|-----------------------|---------------------------------------------------------------|
| SOURCE_TRANSACTION_HEADER_ID | Optional            | NUMBER(15)            | Defaults to the source THID when using autocopy or CIP-IN-TAX |
| MASS_REFERENCE_ID            | Optional            | NUMBER(15)            | Defaults to CONC_REQUEST_ID                                   |
| TRANSACTION_NAME             | Optional            | VARCHAR2(20)          | Transaction description.                                      |
| CALLING_INTERFACE            | Optional            | VARCHAR2(30)          | Defaults to CUSTOM                                            |
| DESC_FLEX                    | Optional            | DESC_FLEX_REC_TYPE    | Descriptive flexfield segment                                 |
| WHO_INFO                     | Optional            | STANDARD_WHO_REC_TYPE | Standard Who columns                                          |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument | Required / Optional | Type       | Value          |
|----------|---------------------|------------|----------------|
| ASSET_ID | Required            | NUMBER(15) | OUT parameter. |

| Argument       | Required / Optional | Type         | Value                        |
|----------------|---------------------|--------------|------------------------------|
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Populate the book type code. |

## ASSET\_FIN\_REC\_TYPE Asset Structure

The ASSET\_FIN\_REC\_TYPE asset structure contains financial information for a given asset. The following table shows type and value information for each argument.

| Argument                | Required / Optional                      | Type         | Value                                                                           |
|-------------------------|------------------------------------------|--------------|---------------------------------------------------------------------------------|
| DATE_PLACED_IN_SERVICE  | Required (if no invoices were populated) | DATE         | Date the asset is placed in service.                                            |
| DEPRN_METHOD_CODE       | Optional                                 | VARCHAR2(12) | The name of the depreciation method. Defaults as per the asset category values. |
| LIFE_IN_MONTHS          | Optional                                 | NUMBER(4)    | Life of the asset in total months. Defaults as per the asset category values.   |
| COST                    | Required (if no invoices were populated) | NUMBER       | Current cost of the asset.                                                      |
| ORIGINAL_COST           | Optional                                 | NUMBER       | Original cost of the asset. Defaults to cost.                                   |
| SALVAGE_VALUE           | Optional                                 | NUMBER       | Asset salvage value. Defaults as per the asset category values.                 |
| PRORATE_CONVENTION_CODE | Optional                                 | VARCHAR2(10) | Depreciation prorate convention. Defaults as per the asset category values.     |

| Argument        | Required / Optional | Type         | Value                                                                                                                                                                                                                                          |
|-----------------|---------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DEPRECIATE_FLAG | Required            | VARCHAR2(3)  | Indicates whether the asset is depreciating.<br><br>YES - Asset is depreciating<br><br>NO - Asset is not depreciating                                                                                                                          |
| ITC_AMOUNT_ID   | Optional            | NUMBER(15)   | Identifies the ITC rate.                                                                                                                                                                                                                       |
| BASIC_RATE      | Optional            | NUMBER       | Defaults as per the asset category values.                                                                                                                                                                                                     |
| ADJUSTED_RATE   | Optional            | NUMBER       | Defaults as per the asset category values.                                                                                                                                                                                                     |
| BONUS_RULE      | Optional            | NUMBER       | Bonus rule for an asset. Defaults as per the asset category values. If a default value is defined, and you want the value to be NULL, you must pass FND_API.G_MISS_C HAR to the Addition API.                                                  |
| CEILING_NAME    | Optional            | VARCHAR2(30) | Identifies a depreciation ceiling to be used in calculating depreciation. Defaults as per the asset category values. If a default value is defined, and you want the value to be NULL, you must pass FND_API.G_MISS_C HAR to the Addition API. |

| Argument                | Required / Optional | Type         | Value                                                                                                                                                                                               |
|-------------------------|---------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PRODUCTION_CAP<br>ACITY | Optional            | NUMBER       | Capacity of a units of<br>production asset.<br>Defaults as per the<br>asset category values.                                                                                                        |
| UNIT_OF_MEASURE         | Optional            | VARCHAR2(25) | Unit of measure of a<br>units of production<br>asset. Defaults as per<br>the asset category<br>values.                                                                                              |
| REVAL_CEILING           | Optional            | NUMBER       | Upper limit for<br>revaluing asset cost.                                                                                                                                                            |
| UNREVALUED_COST         | Optional            | NUMBER       | Cost without regard<br>to any revaluation.                                                                                                                                                          |
| SHORT_FISCAL_YEAR_FLAG  | Optional            | VARCHAR2(3)  | YES - Asset is in a<br>short fiscal year.<br><br>NO - Asset is not in a<br>short fiscal year.                                                                                                       |
| CONVERSION_DATE         | Optional            | DATE         | Date short tax year<br>asset added to the<br>acquiring company.                                                                                                                                     |
| ORIG_DEPRN_START_DATE   | Optional            | DATE         | Date short tax year<br>asset begin<br>depreciating in the<br>acquired company's<br>books.                                                                                                           |
| GROUP_ASSET_ID          | Optional            | NUMBER(15)   | Group asset<br>identification<br>number. (CRL Asset).<br>If a default value is<br>defined, and you<br>want the value to be<br>NULL, you must pass<br>FND_API.G_MISS_N<br>UM to the Addition<br>API. |

| Argument                  | Required / Optional | Type          | Value                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------|---------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| GLOBAL_ATTRIBUTE1-20      | Optional            | VARCHAR2(150) | Reserved for country specific functionality.                                                                                                                                                                                                                                                                                                                                          |
| GLOBAL_ATTRIBUTE_CATEGORY | Optional            | VARCHAR2(30)  | Reserved for country specific functionality.                                                                                                                                                                                                                                                                                                                                          |
| DISABLED_FLAG             | Optional            | VARCHAR2(1)   | <p>Indicates whether the group asset is disabled.</p> <p>Y - Group asset is disabled.</p> <p>N - Group asset is enabled.</p> <p>Defaults to N.</p>                                                                                                                                                                                                                                    |
| SALVAGE_TYPE              | Optional            | VARCHAR2(30)  | <p>Indicates the way to determine salvage value.</p> <p>AMT - Manually enter the salvage value manually (Not available for group asset).</p> <p>PCT - PERCENT_SALVAGE_VALUE field determines the Salvage value.</p> <p>SUM - Salvage value is determined by sum of member asset's salvage value amount (available only for group asset).</p> <p>Defaults to PCT for group assets.</p> |

| Argument         | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------|---------------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DEPRN_LIMIT_TYPE | Optional            | VARCHAR2(30) | <p>Indicates how depreciation limit is determined .</p> <p>AMT - Manually enter the depreciation limit amount manually (Not available for group asset).</p> <p>PCT - ALLOWED_DEPRN_LIMIT field determines the depreciation limit amount.</p> <p>SUM - Depreciation limit amount is determined using sum of member asset's depreciation limit amount (available only for group asset).</p> <p>NONE - Depreciation limit is not used.</p> <p>Defaults to PCT for group assets.</p> |

| Argument               | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|------------------------|---------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| OVER_DEPRECIATE_OPTION | Optional            | VARCHAR2(30) | <p>Indicates whether group asset should stop depreciating beyond its depreciation limit (recoverable cost if there is no depreciation limit defined).</p> <p>NO - Stop depreciating when the depreciation reserve reaches its depreciation limit.</p> <p>YES - Stop depreciating if depreciation reserve reaches its depreciation limit because of an increase in depreciation expense.</p> <p>DEPRN - Group asset will not stop depreciating.</p> <p>Defaults to NO.</p> |
| SUPER_GROUP_ID         | Optional            | NUMBER       | Super group rule identification number.                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| REDUCTION_RATE         | Optional            | NUMBER       | Relevant for depreciable basis rule that is assigned to a depreciation method which uses reduction rate.                                                                                                                                                                                                                                                                                                                                                                  |



| Argument               | Required / Optional | Type        | Value                                                                                                                                                                                                                                                                                           |
|------------------------|---------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REDUCE_ADDITION_FLAG   | Optional            | VARCHAR2(1) | <p>Indicates whether reduction rate should be applied for member asset additions. This value is relevant for group assets only.</p> <p>Y - Reduction rate is used for member asset additions.</p> <p>N - Reduction rate is not used for member asset additions.</p> <p>Defaults to N.</p>       |
| REDUCE_ADJUSTMENT_FLAG | Optional            | VARCHAR2(1) | <p>Indicates whether reduction rate should be applied for member asset adjustments. This value is relevant for group assets only.</p> <p>Y - Reduction rate is used for member asset adjustments.</p> <p>N - Reduction rate is not used for member asset adjustments.</p> <p>Defaults to N.</p> |

| Argument               | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                           |
|------------------------|---------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REDUCE_RETIEMENT_FLAG  | Optional            | VARCHAR2(1)  | <p>Indicates whether reduction rate should be applied for member asset retirements. This value is relevant only with group asset.</p> <p>Y - Reduction rate is used for member asset retirements.</p> <p>N - Reduction rate is not used for member asset retirements.</p> <p>Defaults to N.</p> |
| RECOGNIZE_GAIN_LOSS    | Optional            | VARCHAR2(30) | <p>Indicates whether a member asset retirement should result in recognizing gain and loss amount.</p> <p>YES - Recognize gain and loss amount.</p> <p>NO - Do not recognize gain and loss amount.</p> <p>Defaults to NO.</p>                                                                    |
| RECAPTURE_RESERVE_FLAG | Optional            | VARCHAR2(1)  | <p>Defaults to N.</p>                                                                                                                                                                                                                                                                           |
| LIMIT_PROCEEDS_FLAG    | Optional            | VARCHAR2(1)  | <p>Defaults to N.</p>                                                                                                                                                                                                                                                                           |

| Argument           | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                       |
|--------------------|---------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TERMINAL_GAIN_LOSS | Optional            | VARCHAR2(30) | <p>Indicates whether to recognize gain and loss when the last member asset in a group asset is retired out of the group.</p> <p>YES - Recognize gain and loss amount.</p> <p>NO - Not recognizing gain and loss amount</p> <p>END_OF_YEAR - Different recognition of gain and loss amount until the end of current fiscal year.</p> <p>Defaults to YES.</p> |
| TRACKING_METHOD    | Optional            | VARCHAR2(30) | <p>Member assets tracking option value.</p> <p>ALLOCATE - Allocate group depreciation amount across it's member assets.</p> <p>CALCULATE - Uses member assets depreciation instead of group asset's depreciation.</p> <p>Defaults to null.</p>                                                                                                              |

| Argument                 | Required / Optional | Type         | Value                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------------|---------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EXCESS_ALLOCATION_OPTION | Optional            | VARCHAR2(30) | <p>Indicates whether excess from allocation of group depreciation expense across its member assets is reduced from group depreciation expense or reallocated to its member assets.</p> <p>DISTRIBUTE - Reallocate the excess depreciation expense to its member assets.</p> <p>REDUCE - Reduce the excess from group depreciation expense.</p>                                                                                           |
| DEPRECIATION_OPTION      | Optional            | VARCHAR2(30) | <p>Indicates whether member asset's depreciation expense is calculated using group or member asset depreciation information.</p> <p>GROUP - Use group asset depreciation information to calculate member asset depreciation expense.</p> <p>MEMBER - Use member asset depreciation information to calculate member asset depreciation expense.</p> <p>Defaults to GROUP if TRACKING_METHOD is CALCULATE, otherwise defaults to null.</p> |

| Argument           | Required / Optional | Type        | Value                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|--------------------|---------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| MEMBER_ROLLUP_FLAG | Optional            | VARCHAR2(1) | <p>Indicates whether group asset depreciation amount is sum of member asset depreciation amount. This value is relevant if TRACKING_METHOD is CALCULATE and the value is not Y if RECOGNIZE_GAIN_LOSS or TERMINAL_GAIN_LOSS is NO.</p> <p>Y - Sum member asset depreciation amount to group.</p> <p>N - Group depreciation amount is calculated using the group asset information.</p> <p>Defaults to N if TRACKING_METHOD is CALCULATE, otherwise defaults to null.</p> |

| Argument                   | Required / Optional | Type        | Value                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------|---------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ALLOCATE_TO_FULLY_RSV_FLAG | Optional            | VARCHAR2(1) | <p>Indicates whether to allocate group asset's depreciation amount to a reserved member asset.</p> <p>Y - Group depreciation expense is allocated to a reserved member assets.</p> <p>N - Group depreciation expense is not allocated to fully reserved member assets.</p> <p>Defaults to N if TRACKING_METHOD is ALLOCATE, otherwise defaults to null.</p> |

The following are relevant to group assets:

- DISABLED\_FLAG
- OVER\_DEPRECIATE\_OPTION
- SUPER\_GROUP\_ID
- REDUCE\_ADDITION\_FLAG
- REDUCE\_ADJUSTMENT\_FLAG
- REDUCE\_RETIREMENT\_FLAG
- RECOGNIZE\_GAIN\_LOSS
- RECAPTURE\_RESERVE\_FLAG
- LIMIT\_PROCEEDS\_FLAG
- TERMINAL\_GAIN\_LOSS

- TRACKING\_METHOD
- EXCESS\_ALLOCATION\_OPTION
- DEPRECIATION\_OPTION
- MEMBER\_ROLLUP\_FLAG
- ALLOCATE\_TO\_FULLY\_RSV\_FLAG

REDUCTION\_RATE is for group and member assets.

## **Sample Script: Using the CIP Capitalization API**

The following example demonstrates the capitalization of a CIP asset. It populates the needed structures and then calls the CIP Capitalization API.

```

set serveroutput on

declare

    l_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec      FA_API_TYPES.asset_hdr_rec_type;
    l_asset_fin_rec      FA_API_TYPES.asset_fin_rec_type;

    l_return_status      VARCHAR2(1);
    l_mesg_count         number;
    l_mesg               varchar2(512);

begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- asset header info
    l_asset_hdr_rec.asset_id      := &asset_id

    -- fin info
    l_asset_fin_rec.date_placed_in_service := '&dpis';

    FA_CIP_PUB.do_capitalization(
        -- std parameters
        p_api_version          => 1.0,
        p_init_msg_list        => FND_API.G_FALSE,
        p_commit               => FND_API.G_FALSE,
        p_validation_level     => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn           => NULL,
        x_return_status        => l_return_status,
        x_msg_count            => l_mesg_count,
        x_msg_data             => l_mesg,
        -- api parameters
        px_trans_rec           => l_trans_rec,
        px_asset_hdr_rec       => l_asset_hdr_rec,
        px_asset_fin_rec       => l_asset_fin_rec
    );

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

            dbms_output.put_line(l_mesg);
        end loop;
    end if;
end;

```



```

fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
end if;

end;
/

```

## Sample Script: Using the CIP Reversal API

The following example demonstrates reversing the capitalization of a CIP asset. It populates the needed structures and then calls the CIP Reversal API.

```

set serveroutput on

declare

    l_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec      FA_API_TYPES.asset_hdr_rec_type;
    l_asset_fin_rec      FA_API_TYPES.asset_fin_rec_type;

    l_return_status      VARCHAR2(1);
    l_mesg_count         number;
    l_mesg               varchar2(4000);

begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- asset header info
    l_asset_hdr_rec.asset_id      := &asset_id

    FA_CIP_PUB.do_reverse(
        -- std parameters
        p_api_version              => 1.0,
        p_init_msg_list            => FND_API.G_FALSE,
        p_commit                   => FND_API.G_FALSE,
        p_validation_level         => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn               => null,
        x_return_status            => l_return_status,
        x_msg_count                => l_mesg_count,
        x_msg_data                 => l_mesg,
        -- api parameters
        px_trans_rec               => l_trans_rec,
        px_asset_hdr_rec           => l_asset_hdr_rec,
        px_asset_fin_rec           => l_asset_fin_rec
    );

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                   1, 250);
        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

            dbms_output.put_line(l_mesg);
        end loop;

        fnd_msg_pub.delete_msg();

    end if;

```

```
if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
end if;

end;
/
```



---

# Oracle Assets Common Invoice Transfer API

This appendix covers the following topics:

- Introduction
- Common Invoice Transfer API Description
- Sample Script: Using the Invoice Transfer API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Common Invoice Transfer API allows you to transfer source lines, streamline the code and prevent code duplication.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## CIP Assets

If you have checked the Allow CIP Assets check box on the Book Controls window of a tax book, when you add CIP assets using the Additions API, the API automatically adds those CIP assets to that tax book at the same time that they are added to the corporate book.

## Related Topics

Common Invoice Transfer API Description, page K-2

Sample Script: Using the Invoice Transfer API, page K-6

## Common Invoice Transfer API Description

The Common Invoice Transfer API procedure is called the FA\_INV\_XFR\_PUB.DO\_TRANSFER () procedure. The following table provides the arguments, types, value, and descriptions of the elements of the FA\_INV\_XFR\_PUB.DO\_TRANSFER () procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type        | Value                                                                                                                                                       | Description                                                              |
|--------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER      | Internal use only                                                                                                                                           | Version of the API in use.                                               |
| P_INIT_MSG_LIST    | VARCHAR2(1) | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default)                                       | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2(1) | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                       | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER      | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |

| Argument              | Type                            | Value                                                                                                                                                                                   | Description                              |
|-----------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| X_RETURN_STATUS       | VARCHAR2(1)                     | FND_API.G_RET_STS_SUCCESS - Indicates a success.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines the API success.              |
| X_MSG_COUNT           | NUMBER                          |                                                                                                                                                                                         | Number of messages on the message stack. |
| X_MSG_DATA            | VARCHAR2(1024)                  |                                                                                                                                                                                         | Message stack.                           |
| P_CALLING_FN          | VARCHAR2(30)                    |                                                                                                                                                                                         | Function that calls the API              |
| PX_SRC_TRANS_REC      | FA_API_TYPES.TRAN_REC_TYPE      |                                                                                                                                                                                         | Describes the transaction taking place.  |
| PX_SRC_ASSET_HDR_REC  | FA_API_TYPES.ASSET_HDR_REC_TYPE |                                                                                                                                                                                         | Unique identifiers of the assets.        |
| PX_DEST_TRANS_REC     | FA_API_TYPES.TRAN_REC_TYPE      |                                                                                                                                                                                         | Describes the transaction taking place.  |
| PX_DEST_ASSET_HDR_REC | FA_API_TYPES.ASSET_HDR_REC_TYPE |                                                                                                                                                                                         | Unique identifiers for the assets.       |
| P_INV_TBL             | FA_API_TYPES.INV_TBL_TYPE       |                                                                                                                                                                                         | Invoices for the asset.                  |

## TRANS\_REC Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                 | Required / Optional | Type                  | Value                                                                                               |
|--------------------------|---------------------|-----------------------|-----------------------------------------------------------------------------------------------------|
| TRANSACTION_HEADER_ID    | Internal use only   | NUMBER(15)            | Optional OUT parameter                                                                              |
| TRANSACTION_DATE_ENTERED | Optional            | DATE                  | Must be similar to the date placed in service, which it defaults to.                                |
| TRANSACTION_NAME         | Optional            | VARCHAR2(20)          | Description of the transaction. This field is the Comments field in the Asset Workbench.            |
| MASS_REFERENCE_ID        | Optional            | NUMBER(15)            | Identifies the concurrent request that invokes the transaction if it is part of a mass transaction. |
| TRANSACTION_SUBTYPE      | Optional            | VARCHAR2(9)           | Additional information about the transaction type.                                                  |
| AMORTIZATION_START_DATE  | Optional            | DATE                  | Amortization start date.                                                                            |
| CALLING_INTERFACE        | Optional            | VARCHAR2(30)          | Defaults to CUSTOM                                                                                  |
| DESC_FLEX                | Optional            | DESC_FLEX_REC_TYPE    | Descriptive flexfield segments.                                                                     |
| WHO_INFO                 | Required            | STANDARD_WHO_REC_TYPE | Standard Who columns.                                                                               |

## INV\_REC Invoice Structure

The INV\_REC invoice structure contains invoice information for a single invoice associated with an asset. The INV\_TBL is a table of INV\_REC\_TYPE records. These records contain all invoices that have been applied to the asset. The following table shows type and descriptive information for each argument.



| Argument          | Required / Optional | Type       | Value                                                                                                                           |
|-------------------|---------------------|------------|---------------------------------------------------------------------------------------------------------------------------------|
| FIXED_ASSETS_COST | Required            | NUMBER     | Cost of asset in Oracle Assets.                                                                                                 |
| SOURCE_LINE_ID    | Required            | NUMBER(15) | This is the delta amount for each line you wish to transfer. It must be between 0 and the current cost of the line in question. |

## Sample Script: Using the Invoice Transfer API

```
set serveroutput on

declare

    -- source
    l_src_trans_rec          FA_API_TYPES.trans_rec_type;
    l_src_asset_hdr_rec      FA_API_TYPES.asset_hdr_rec_type;
    l_inv_tbl                FA_API_TYPES.inv_tbl_type;
    l_inv_rec                FA_API_TYPES.inv_rec_type;

    -- destination
    l_dest_trans_rec         FA_API_TYPES.trans_rec_type;
    l_dest_asset_hdr_rec     FA_API_TYPES.asset_hdr_rec_type;

    l_return_status          varchar2(1);
    l_mesg_count             number;
    l_mesg                   varchar2(4000);

begin

    dbms_output.enable(10000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- get source / destination info
    l_src_asset_hdr_rec.book_type_code      := '&book';
    l_dest_asset_hdr_rec.book_type_code     :=
l_src_asset_hdr_rec.book_type_code;
    l_src_asset_hdr_rec.asset_id            := &source_asset_id
    l_dest_asset_hdr_rec.asset_id           := &destination_asset_id

    -- get transaction info
    l_src_trans_rec.transaction_subtype     :=
'&src_transaction_subtype';
    l_dest_trans_rec.transaction_subtype    :=
'&dest_transaction_subtype';
    l_src_trans_rec.transaction_date_entered :=
'&src_transaction_date';
    l_dest_trans_rec.transaction_date_entered :=
'&dest_transaction_date';

    -- invoice info - source
    l_inv_rec.source_line_id                := &source_line_id
    l_inv_rec.fixed_assets_cost              :=
&delta_cost_to_transfer

    -- set up the table for source
    l_inv_tbl (1)                          := l_inv_rec;

    -- call for source
    FA_INV_XFR_PUB.do_transfer(
        -- std parameters
        p_api_version          => 1.0,
        p_init_msg_list        => FND_API.G_FALSE,
        p_commit                => FND_API.G_FALSE,
        p_validation_level      => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn            => NULL,
```

```

x_return_status      => l_return_status,
    x_msg_count      => l_mesg_count,
    x_msg_data       => l_mesg,
    -- api parameters
    px_src_trans_rec  => l_src_trans_rec,
    px_src_asset_hdr_rec => l_src_asset_hdr_rec,
    px_dest_trans_rec  => l_dest_trans_rec,
    px_dest_asset_hdr_rec => l_dest_asset_hdr_rec,
    p_inv_tbl         => l_inv_tbl
);

--dump messages
l_mesg_count := fnd_msg_pub.count_msg;

if l_mesg_count > 0 then

    l_mesg := chr(10) || substr(fnd_msg_pub.get
                                (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                1, 250);

    dbms_output.put_line(l_mesg);

    for i in 1..(l_mesg_count - 1) loop
        l_mesg :=
            substr(fnd_msg_pub.get
                    (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then

    rollback;
    dbms_output.put_line('FAILURE');

else

    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID_SRC' ||
to_char(l_src_trans_rec.transaction_header_id));
    dbms_output.put_line('THID_DEST' ||
to_char(l_dest_trans_rec.transaction_header_id));

    end if;

end;
/

```



---

# Oracle Assets Deletion API

This appendix covers the following topics:

- Introduction
- Deletion API Description
- Sample Script: Using the Deletion API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. You can use this API to automatically delete the asset not only from the corporate book, but also from dependent tax books.

**Note:** You can delete assets only when you are adding and their accounts are not yet processed in subledger accounting.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Related Topics

Deletion API Description, page L-1

Sample Script: Using the Deletion API, page L-3

## Deletion API Description

The following table provides the arguments, types, value, and descriptions of the

elements of the FA\_DELETION\_PUB.do\_delete procedure, which is the Deletion API procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type         | Value                                                                                                                                                       | Description                                                              |
|--------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER       | Internal use only                                                                                                                                           | Version of the API in use.                                               |
| P_INIT_MESG_LIST   | VARCHAR2(1)  | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default)                                       | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2(1)  | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                       | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER       | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |
| P_CALLING_FN       | VARCHAR2(30) |                                                                                                                                                             | Function calling the API                                                 |

| Argument         | Type                                | Value                                                                                                                                                                                   | Description                              |
|------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| X_RETURN_STATUS  | VARCHAR2(1)                         | FND_API.G_RET_STS_SUCCESS - Indicates a success.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines the API success.              |
| X_MSG_COUNT      | NUMBER                              |                                                                                                                                                                                         | Number of messages on the message stack. |
| X_MSG_DATA       | VARCHAR2(1024)                      |                                                                                                                                                                                         | Message stack.                           |
| PX_ASSET_HDR_REC | FA_API_TYPES.<br>ASSET_HDR_REC_TYPE |                                                                                                                                                                                         | Unique identifiers for the assets.       |

## ASSET\_HDR\_REC Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value          |
|----------------|---------------------|--------------|----------------|
| ASSET_ID       | Required            | NUMBER(15)   | OUT parameter. |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Book name.     |

## Sample Script: Using the Deletion API

The following sample script shows how you can use the Asset Deletion API.

```

set serveroutput on

declare

    l_asset_hdr_rec          FA_API_TYPES.asset_hdr_rec_type;

    l_return_status          VARCHAR2(1);
    l_mesg_count             number := 0;
    l_mesg_len               number;
    l_mesg                   varchar2(4000);

begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- asset header info
    l_asset_hdr_rec.asset_id      := &asset_id
    l_asset_hdr_rec.book_type_code := '&book';

    FA_DELETION_PUB.do_delete
    (p_api_version              => 1.0,
     p_init_msg_list            => FND_API.G_FALSE,
     p_commit                   => FND_API.G_FALSE,
     p_validation_level         => FND_API.G_VALID_LEVEL_FULL,
     x_return_status            => l_return_status,
     x_msg_count                => l_mesg_count,
     x_msg_data                 => l_mesg,
     p_calling_fn               => null,
     px_asset_hdr_rec           => l_asset_hdr_rec
    );

    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
                                   fnd_api.G_FALSE),
                                   1, 250);
        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
                      fnd_api.G_FALSE), 1, 250);

            dbms_output.put_line(l_mesg);
        end loop;

        fnd_msg_pub.delete_msg();

    end if;

    if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
        dbms_output.put_line('FAILURE');
    end if;

```



```
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
    dbms_output.put_line('BOOK: ' || l_asset_hdr_rec.book_type_code);
    end if;

end;
/
```



---

# Oracle Assets Invoice Description API

This appendix covers the following topics:

- Introduction
- Invoice Description API Definition
- Sample Script: Using the Invoice Description API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Invoice Description API uses the `FA_ASSET_DESC_PUB.UPDATE_INVOICE_DESC()` procedure. You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. You can also update invoice descriptions using the Asset Workbench.

## Alternate Ledger Currency

If you have set up alternate ledger currency, when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Updating Values

When populating structures, you only need to populate the values that are changing. Also, you do not need to pass the values that are not changing.

**Important:** For columns which are being changed from a populated value to NULL. For example, if you are removing the `PO_NUMBER`, you must pass either `FND_API.G_MISS_NUM`, `G_MISS_DATE`, or `G_MISS_CHAR` depending on the data type. This tells the API to null out the current value. Remember, the API will treat null values as

meaning no change.

## Related Topics

Invoice Description API Definition, page M-2

Sample Script: Using the Invoice Description API, page M-6

## Invoice Description API Definition

The Invoice Description API procedure is called:

FA\_ASSET\_DESC\_PUB.UPDATE\_INVOICE\_DESC(). The following table provides the arguments, types, value, and descriptions of the elements of the FA\_ASSET\_DESC\_PUB.UPDATE\_INVOICE\_DESC() procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument        | Type        | Value                                                                                                                  | Description                                                              |
|-----------------|-------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION   | NUMBER      | Internal use only                                                                                                      | Version of the API in use.                                               |
| P_INIT_MSG_LIST | VARCHAR2(1) | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default). | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT        | VARCHAR2(1) | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                  | Commits the transaction.                                                 |

| Argument           | Type                                | Value                                                                                                                                                                                          | Description                              |
|--------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| P_VALIDATION_LEVEL | NUMBER                              | <p>FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.</p> <p>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default).</p>                             | Asset validation by the API.             |
| X_RETURN_STATUS    | VARCHAR2(1)                         | <p>FND_API.G_RET_STS_SUCCESS - Indicates a success.</p> <p>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.</p> <p>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error.</p> | Determines the API success.              |
| X_MSG_COUNT        | NUMBER                              |                                                                                                                                                                                                | Number of messages on the message stack. |
| X_MSG_DATA         | VARCHAR2(1024)                      |                                                                                                                                                                                                | Message stack.                           |
| P_CALLING_FN       | VARCHAR2(30)                        |                                                                                                                                                                                                | Function that calls the API              |
| PX_TRANS_REC       | FA_API_TYPES.<br>TRANS_REC_TYPE     |                                                                                                                                                                                                | Describes the transaction taking place.  |
| PX_ASSET_HDR_REC   | FA_API_TYPES.<br>ASSET_HDR_REC_TYPE |                                                                                                                                                                                                | Unique identifiers for the assets.       |
| PX_INV_TBL_NEW     | FA_API_TYPES.<br>INV_TBL_TYPE       |                                                                                                                                                                                                | Invoices for the asset.                  |

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument | Required / Optional | Type             | Value                |
|----------|---------------------|------------------|----------------------|
| WHO_INFO | Required            | STANDARD_WHO_REC | Standard Who Column. |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value                        |
|----------------|---------------------|--------------|------------------------------|
| ASSET_ID       | Required            | NUMBER(15)   | OUT parameter                |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Populate the book type code. |

## INV\_REC\_TYPE Invoice Structure

The INV\_REC\_TYPE invoice structure contains invoice information for a single invoice associated with an asset. The INV\_TBL\_NEW is a table of INV\_REC\_TYPE records. These records contain all invoices that have been applied to the asset. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value                              |
|----------------|---------------------|--------------|------------------------------------|
| SOURCE_LINE_ID | Required            | NUMBER(15)   | Source line identification number. |
| INVOICE_NUMBER | Optional            | VARCHAR2(50) | Invoice number                     |

| Argument                        | Required / Optional | Type         | Value                                                                                                                                                                                                |
|---------------------------------|---------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| AP_DISTRIBUTION_<br>LINE_NUMBER | Optional            | NUMBER(15)   | Distribution line<br>identification                                                                                                                                                                  |
| DESCRIPTION                     | Optional            | VARCHAR2(80) | Invoice line<br>description.                                                                                                                                                                         |
| PO_VENDOR_ID                    | Optional            | NUMBER(15)   | Supplier<br>identification<br>number.                                                                                                                                                                |
| PO_NUMBER                       | Optional            | VARCHAR2(20) | Purchase order<br>number.                                                                                                                                                                            |
| PAYABLES_BATCH_<br>NAME         | Optional            | VARCHAR2(50) | Payables batch name<br>in the invoice                                                                                                                                                                |
| PROJECT_ASSET_LI<br>NE_ID       | Optional            | NUMBER(15)   | Identifier of the<br>summarized asset<br>cost line transferred<br>from Oracle Projects<br>to create this line.                                                                                       |
| PROJECT_ID                      | Optional            | NUMBER(15)   | Identifier of the<br>project from which<br>the costs are<br>collected,<br>summarized, and<br>transferred from<br>Oracle Projects.                                                                    |
| TASK_ID                         | Optional            | NUMBER(15)   | Identifier of the task<br>from which costs are<br>collected,<br>summarized, and<br>transferred from<br>Oracle Projects. This<br>column is populated<br>only if the costs were<br>summarized by task. |
| MATERIAL_INDICA<br>TOR          | Optional            | VARCHAR2(1)  | CRL Assets only                                                                                                                                                                                      |

| Argument                | Required / Optional | Type          | Value                                            |
|-------------------------|---------------------|---------------|--------------------------------------------------|
| ATTRIBUTE1-15           | Optional            | VARCHAR2(150) | Descriptive flexfield segment.                   |
| ATTRIBUTE_CATEGORY_CODE | Optional            | VARCHAR2(30)  | Descriptive flexfield structure defining column. |
| INVOICE_DISTRIBUTION_ID | Optional            | VARCHAR2(1)   | Invoice distribution identifier                  |
| INVOICE_LINE_NUMBER     | Optional            | VARCHAR2(30)  | Invoice line number                              |
| PO_DISTRIBUTION_ID      | Optional            | VARCHAR2(30)  | Purchase order distribution identifier.          |

## Sample Script: Using the Invoice Description API

The following sample script shows how you can use the Invoice Description API.



```

set serveroutput on;

declare

    l_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec      FA_API_TYPES.asset_hdr_rec_type;
    l_inv_rec            FA_API_TYPES.inv_rec_type;
    l_inv_tbl            FA_API_TYPES.inv_tbl_type;

    l_return_status      VARCHAR2(1);
    l_mesg_count         number;
    l_mesg               varchar2(512);

begin

    dbms_output.enable(10000000);

    FA_SRVR_MSG.Init_Server_Message;

    l_asset_hdr_rec.asset_id      := &asset_id

    -- For asset w/ multiple invoices, will need to loop
    l_inv_rec.source_line_id := &source_line_id
    l_inv_rec.description    := '&description';
    l_inv_rec.po_number      := '&po_number';

    l_inv_tbl(1)              := l_inv_rec;

    FA_ASSET_DESC_PUB.update_invoice_desc(
        -- std parameters
        p_api_version          => 1.0,
        p_init_msg_list        => FND_API.G_FALSE,
        p_commit               => FND_API.G_FALSE,
        p_validation_level     => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn           => null,
        x_return_status        => l_return_status,
        x_msg_count            => l_mesg_count,
        x_msg_data             => l_mesg,
        -- api parameters
        px_trans_rec           => l_trans_rec,
        px_asset_hdr_rec       => l_asset_hdr_rec,
        px_inv_tbl_new         => l_inv_tbl);

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                   1, 250);
        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);
            dbms_output.put_line(l_mesg);
        end loop;
    end if;
end;

```

```

end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
end if;

end;
/

```

---

# Oracle Assets Reclass API

This appendix covers the following topics:

- Introduction
- Reclass API Description
- Sample Script: Using the Reclass API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Reclass API uses the FA\_RECLASS\_PUB.DO\_RECLASS() procedure. You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets.

Oracle Assets also allows you to reclassify assets using any of the following methods:

- **Asset Workbench:** You can use the Asset Workbench to manually reclassify individual assets.
- **Mass Change:** You can use the Mass Change process to reclassifying groups of assets selected by one or more ranges.

## Major Features

The Reclass API provides the following functionality:

### Tax Book

The Reclass API automatically reclassifies assets in all the tax books that are associated with the corporate book where the reclassification originated.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Related Topics

Reclass API Description, page N-2

Sample Script: Using the Reclass API, page N-6

## Reclass API Description

The Reclass API procedure is called: FA\_RECLASS\_PUB.DO\_RECLASS(). The following table provides the arguments, types, value, and descriptions of the elements of the FA\_RECLASS\_PUB.DO\_RECLASS() procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument        | Type        | Value                                                                                                                        | Description                                                              |
|-----------------|-------------|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION   | NUMBER      | Internal use only                                                                                                            | Version of the API in use.                                               |
| P_INIT_MSG_LIST | VARCHAR2(1) | FND_API.G_TRUE -<br>Initialize the message stack.<br><br>FND_API.G_FALSE -<br>Do not initialize the message stack (Default). | Determines whether the messages stack should be initialized and cleared. |

| Argument           | Type                            | Value                                                                                                                                                                                   | Description                              |
|--------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| P_COMMIT           | VARCHAR2(1)                     | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                                                   | Commits the transaction.                 |
| P_VALIDATION_LEVEL | NUMBER                          | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default).                             | Asset validation by the API.             |
| P_CALLING_FN       | VARCHAR2(30)                    |                                                                                                                                                                                         | Function calling the API                 |
| X_RETURN_STATUS    | VARCHAR2(1)                     | FND_API.G_RET_STS_SUCCESS - Indicates a success.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines the API success.              |
| X_MSG_COUNT        | NUMBER                          |                                                                                                                                                                                         | Number of messages on the message stack. |
| X_MSG_DATA         | VARCHAR2(1024)                  |                                                                                                                                                                                         | Message stack.                           |
| PX_TRANS_REC       | FA_API_TYPES.<br>TRANS_REC_TYPE |                                                                                                                                                                                         | Describes the transaction taking place.  |

| Argument             | Type                                          | Value | Description                        |
|----------------------|-----------------------------------------------|-------|------------------------------------|
| PX_ASSET_HDR_REC     | FA_API_TYPES.<br>ASSET_HDR_<br>REC_TYPE       |       | Unique identifiers for the assets. |
| PX_ASSET_CAT_REC_NEW | FA_API_TYPES.<br>ASSET_CAT_REC_<br>TYPE       |       | Category information of the asset. |
| P_RECLASS_OPT_REC    | FA_API_TYPES.<br>RECLASS_OPTIONS<br>_REC_TYPE |       |                                    |

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                 | Required / Optional | Type        | Value                                                                                                                                     |
|--------------------------|---------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------|
| TRANSACTION_HEADER_ID    | Internal use only   | NUMBER(15)  | Optional OUT parameter                                                                                                                    |
| TRANSACTION_DATE_ENTERED | Optional            | DATE        | Must be the same as the date placed in service, which it defaults to.                                                                     |
| TRANSACTION_SUBTYPE      | Optional            | VARCHAR2(9) | The values are AMORTIZED or EXPENSED. If null, the value is EXPENSED. If the amortization_start_date is provided, the value is AMORTIZED. |
| AMORTIZATION_START_DATE  | Optional            | DATE        | Defaulted to current open period.                                                                                                         |

| Argument              | Required / Optional | Type                      | Value                  |
|-----------------------|---------------------|---------------------------|------------------------|
| CALLING_INTERFA<br>CE | Optional            | VARCHAR2(30)              | Defaults to CUSTOM.    |
| WHO_INFO              | Required            | STANDARD_<br>WHO_REC_TYPE | Standard Who<br>column |

### ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value                                                          |
|----------------|---------------------|--------------|----------------------------------------------------------------|
| ASSET_ID       | Required            | NUMBER(15)   | Asset identification<br>number.                                |
| BOOK_TYPE_CODE | Optional            | VARCHAR2(15) | Defaults to the<br>corporate book the<br>asset is attached to. |

### ASSET\_CAT\_REC\_NEW\_TYPE Asset Structure

The ASSET\_CAT\_REC\_NEW\_TYPE asset structure contains information about the asset category, such as the category ID and the category descriptive flexfield. The following table shows type and value information for each argument.

| Argument               | Required / Optional | Type                   | Value                                            |
|------------------------|---------------------|------------------------|--------------------------------------------------|
| CATEGORY_ID            | Required            | NUMBER(15)             | The category ID the<br>asset is reclassified to. |
| CATEGORY_DESC_F<br>LEX | Optional            | DESC_FLEX_<br>REC_TYPE | Category descriptive<br>flexfield segments.      |

### RECLASS\_OPTIONS\_REC\_TYPE Reclassification Structure

The RECLASS\_OPTIONS\_REC\_TYPE reclassification structure contains reclass options

that may be changed during a reclass transaction for a given asset. The following table shows type and value information for each argument.

| Argument               | Required / Optional | Type        | Value                                                                                                                       |
|------------------------|---------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------|
| REDEFAULT_FLAG         | Optional            | VARCHAR2(3) | Indicates the depreciation rules of the new category must be inherited. (YES/NO)                                            |
| COPY_CAT_DESC_F<br>LAG | Optional            | VARCHAR2(3) | Indicates whether the category descriptive flexfield information must be copied to the new category for the asset. (YES/NO) |

## Sample Script: Using the Reclass API

The following is a test script that shows how to call the FA\_RECLASS\_PUB.do\_reclass. It spools the output to a file called reclass.lst in the directory it is run from.



```

set serveroutput on;

declare

    l_trans_rec                FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec            FA_API_TYPES.asset_hdr_rec_type;
    l_asset_cat_rec_new        FA_API_TYPES.asset_cat_rec_type;
    l_recl_opt_rec             FA_API_TYPES.reclass_options_rec_type;

    l_return_status            VARCHAR2(1);
    l_mesg_count               number;
    l_mesg                     varchar2(512);

begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    l_asset_hdr_rec.asset_id      := &asset_id
    l_asset_cat_rec_new.category_id := &new_category_id
    l_recl_opt_rec.copy_cat_desc_flag :=
UPPER(substr('&copy_category_desc_YES_NO',1,3));
    l_recl_opt_rec.redefault_flag :=
UPPER(substr('&redefault_deprn_rules_YES_NO',1,3));

    FA_RECLASS_PUB.do_reclass (
        -- std parameters
        p_api_version            => 1.0,
        p_init_msg_list          => FND_API.G_FALSE,
        p_commit                 => FND_API.G_FALSE,
        p_validation_level       => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn             => NULL,
        x_return_status          => l_return_status,
        x_msg_count              => l_mesg_count,
        x_msg_data               => l_mesg,
        -- api parameters
        px_trans_rec             => l_trans_rec,
        px_asset_hdr_rec         => l_asset_hdr_rec,
        px_asset_cat_rec_new     => l_asset_cat_rec_new,
        p_recl_opt_rec           => l_recl_opt_rec );

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                   1, 250);
        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);
            dbms_output.put_line(l_mesg);
        end loop;
    end if;
end;

```

```

end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
end if;

end;
/

```

---

# Oracle Assets Reserve Transfer API

This appendix covers the following topics:

- Introduction
- Reserve Transfer API Description
- Sample Script: Using the Reserve Transfer API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. Reserve transfer allows you to move part of the accumulated depreciation from one group asset to another, and is treated as a current period amortized adjustment. You can reserve transfer of a group asset to another group asset only through the user interface.

## Alternate Ledger Currency

If you have set up alternate ledger currency, when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Related Topics

Reserve Transfer API Description, page O-1

Sample Script: Using the Reserve Transfer API, page O-6

## Reserve Transfer API Description

The Reserve Transfer API procedure is called the `FA_RESERVE_TRANSFER_PUB.DO_RESERVE_TRANSFER ()` procedure. The

following table provides the arguments, types, value, and descriptions of the elements of the FA\_RESERVE\_TRANSFER\_PUB.DO\_RESERVE\_TRANSFER () procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type        | Value                                                                                                                                                       | Description                                                              |
|--------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER      | Internal use only                                                                                                                                           | Version of the API in use.                                               |
| P_INIT_MESG_LIST   | VARCHAR2(1) | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default).                                      | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2(1) | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                       | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER      | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |

| Argument          | Type                              | Value                                                                                                                                                                                   | Description                              |
|-------------------|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| X_RETURN_STATUS   | VARCHAR2(1)                       | FND_API.G_RET_STS_SUCCESS - Indicates a success.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines the API success.              |
| X_MSG_COUNT       | NUMBER                            |                                                                                                                                                                                         | Number of messages on the message stack. |
| X_MSG_DATA        | VARCHAR2(1024)                    |                                                                                                                                                                                         | Message stack.                           |
| P_CALLING_FN      | VARCHAR2(30)                      |                                                                                                                                                                                         | Function that calls the API.             |
| P_SRC_ASSET_ID    | NUMBER                            |                                                                                                                                                                                         | Source asset ID.                         |
| P_DEST_ASSET_ID   | NUMBER                            |                                                                                                                                                                                         | Destination asset ID.                    |
| P_BOOK_TYPE_CODE  | VARCHAR2(15)                      |                                                                                                                                                                                         | Book type code.                          |
| P_AMOUNT          | NUMBER                            |                                                                                                                                                                                         | Asset amount.                            |
| PX_SRC_TRANS_REC  | FA_API_TYPES.TRANSACTION_REC_TYPE |                                                                                                                                                                                         | Asset source transaction record.         |
| PX_DEST_TRANS_REC | FA_API_TYPES.TRANSACTION_REC_TYPE |                                                                                                                                                                                         | Asset destination transaction record.    |

## ASSET\_SRC\_TRANS\_REC Transaction Structure

The ASSET\_SRC\_TRANS\_REC transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                 | Required / Optional | Type                     | Value                                                                                               |
|--------------------------|---------------------|--------------------------|-----------------------------------------------------------------------------------------------------|
| TRANSACTION_HEADER_ID    | Internal use only   | NUMBER(15)               | Optional OUT parameter                                                                              |
| TRANSACTION_DATE_ENTERED | Optional            | DATE                     | Defaults to the date placed in service.                                                             |
| TRANSACTION_NAME         | Optional            | VARCHAR2(20)             | Description of the transaction. This field is the Comments field in the Asset Workbench.            |
| MASS_REFERENCE_ID        | Optional            | NUMBER(15)               | Identifies the concurrent request that invokes the transaction if it is part of a mass transaction. |
| TRANSACTION_SUBTYPE      | Optional            | VARCHAR2(9)              | Additional information about the transaction type.                                                  |
| AMORTIZATION_START_DATE  | Optional            | DATE                     | Amortization start date.                                                                            |
| CALLING_INTERFACE        | Optional            | VARCHAR2(30)             | Interface that calls the API. This field defaults to CUSTOM.                                        |
| DESC_FLEX                | Optional            | DESC_FLEX_RECORD_TYPE    | Descriptive flexfield segments.                                                                     |
| WHO_INFO                 | Required            | STANDARD_WHO_RECORD_TYPE | Standard Who columns.                                                                               |

## ASSET\_DEST\_TRANS\_REC Transaction Structure

The ASSET\_DEST\_TRANS\_REC transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                 | Required / Optional | Type                  | Value                                                                                               |
|--------------------------|---------------------|-----------------------|-----------------------------------------------------------------------------------------------------|
| TRANSACTION_HEADER_ID    | Internal use only   | NUMBER(15)            | Optional OUT parameter                                                                              |
| TRANSACTION_DATE_ENTERED | Optional            | DATE                  | Defaults to the date placed in service.                                                             |
| TRANSACTION_NAME         | Optional            | VARCHAR2(20)          | Description of the transaction. This field is the Comments field in the Asset Workbench.            |
| MASS_REFERENCE_ID        | Optional            | NUMBER(15)            | Identifies the concurrent request that invokes the transaction if it is part of a mass transaction. |
| TRANSACTION_SUBTYPE      | Optional            | VARCHAR2(9)           | Additional information about the transaction type.                                                  |
| AMORTIZATION_START_DATE  | Optional            | DATE                  | Amortization start date.                                                                            |
| CALLING_INTERFACE        | Optional            | VARCHAR2(30)          | Interface that calls the API. This field defaults to CUSTOM.                                        |
| DESC_FLEX                | Optional            | DESC_FLEX_REC_TYPE    | Descriptive flexfield segments.                                                                     |
| WHO_INFO                 | Required            | STANDARD_WHO_REC_TYPE | Standard Who columns.                                                                               |

## Sample Script: Using the Reserve Transfer API

```
set serveroutput on

declare

    l_book_type_code          varchar2(15);
    l_src_asset_id            number;
    l_dest_asset_id           number;
    l_amount                  number;
    l_src_trans_rec           FA_API_TYPES.trans_rec_type;
    l_dest_trans_rec          FA_API_TYPES.trans_rec_type;

    l_return_status           VARCHAR2(1);
    l_mesg_count              number;
    l_mesg                    varchar2(4000);

begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- asset header info
    l_book_type_code          := '&book';
    l_src_asset_id            := &src_asset_id
    l_dest_asset_id           := &dest_asset_id
    l_amount                  := &amount

    -- call the api
    FA_RESERVE_TRANSFER_PUB.do_reserve_transfer(
        -- std parameters
        p_api_version          => 1.0,
        p_init_msg_list        => FND_API.G_FALSE,
        p_commit               => FND_API.G_FALSE,
        p_validation_level     => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn           => NULL,
        x_return_status        => l_return_status,
        x_msg_count             => l_mesg_count,
        x_msg_data             => l_mesg,
        -- api parameters
        p_src_asset_id         => l_src_asset_id,
        p_dest_asset_id        => l_dest_asset_id,
        p_book_type_code       => l_book_type_code,
        p_amount               => l_amount,
        px_src_trans_rec       => l_src_trans_rec,
        px_dest_trans_rec      => l_dest_trans_rec
    );

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
                                   fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);
    end if;
end;
```



```

for i in 1..(l_mesg_count - 1) loop
    l_mesg :=
        substr(fnd_msg_pub.get
            (fnd_msg_pub.G_NEXT,
            fnd_api.G_FALSE), 1, 250);

    dbms_output.put_line(l_mesg);
end loop;

fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('TRX_REFERENCE_ID ' ||
to_char(l_src_trans_rec.trx_reference_id));
    dbms_output.put_line('SRC_ASSET_ID ' || to_char(l_src_asset_id));
    dbms_output.put_line('DEST_ASSET_ID ' || to_char(l_dest_asset_id));
end if;

end;
/

```



---

# Oracle Assets Retirement Adjustment API

This appendix covers the following topics:

- Introduction
- Retirement Adjustment API Description
- Sample Script: Using the Retirement Adjustment API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Retirement Adjustment API allows you to enter the cost of removal and proceeds of sale directly to the group asset.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Related Topics

Retirement Adjustment API Description, page P-1

Sample Script: Using the Retirement Adjustment API, page P-6

## Retirement Adjustment API Description

The Retirement Adjustment API procedure is called:

FA\_RETIREMENT\_ADJUSTMENT\_PUB.DO\_RETIREMENT\_ADJUSTMENT().

The following table provides the arguments, types, value, and descriptions of the elements of the

FA\_RETIREMENT\_ADJUSTMENT\_PUB.DO\_RETIREMENT\_ADJUSTMENT()  
procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type         | Value                                                                                                                                                       | Description                                                              |
|--------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER       | Internal use only                                                                                                                                           | Version of the API in use.                                               |
| P_INIT_MSG_LIST    | VARCHAR2(1)  | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default).                                      | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2(1)  | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                       | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER       | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |
| P_CALLING_FN       | VARCHAR2(30) |                                                                                                                                                             | Function calling the API                                                 |

| Argument               | Type                                | Value                                                                                                                                                                                   | Description                              |
|------------------------|-------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| X_RETURN_STATUS        | VARCHAR2(1)                         | FND_API.G_RET_STS_SUCCESS - Indicates a success.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines the API success.              |
| X_MSG_COUNT            | NUMBER                              |                                                                                                                                                                                         | Number of messages on the message stack. |
| X_MSG_DATA             | VARCHAR2(1024)                      |                                                                                                                                                                                         | Message stack.                           |
| PX_TRANS_REC           | FA_API_TYPES.<br>TRANS_REC_TYPE     |                                                                                                                                                                                         | Describes the transaction taking place.  |
| PX_ASSET_HDR_REC       | FA_API_TYPES.<br>ASSET_HDR_REC_TYPE |                                                                                                                                                                                         | Unique identifiers for the assets.       |
| P_COST_OF_REMOVAL      | NUMBER (Defaults to NULL)           |                                                                                                                                                                                         |                                          |
| P_PROCEEDS             | NUMBER                              |                                                                                                                                                                                         |                                          |
| P_COST_OF_REMOVAL_CCID | NUMBER (Defaults to NULL)           |                                                                                                                                                                                         |                                          |
| P_PROCEEDS_CCID        | NUMBER (Defaults to NULL)           |                                                                                                                                                                                         |                                          |

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                 | Required / Optional | Type                  | Value                                                                                                                                       |
|--------------------------|---------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| WHO_INFO                 | Required            | STANDARD_WHO_REC_TYPE | Standard Who column.                                                                                                                        |
| TRANSACTION_HEADER_ID    | Internal use only   | NUMBER(15)            | Optional OUT parameter                                                                                                                      |
| TRANSACTION_DATE_ENTERED | Optional            | DATE                  | Defaults to the date placed in service.<br><br>Populate if you are performing a prior period retirement, else do nothing or set it to null. |
| TRANSACTION_NAME         | Optional            | VARCHAR2(20)          | Description of the transaction. This field is the Comments field in the Asset Workbench.                                                    |
| MASS_REFERENCE_ID        | Optional            | NUMBER(15)            | Identifies the concurrent request that invokes the transaction if it is part of a mass transaction.                                         |
| AMORTIZATION_START_DATE  | Optional            | DATE                  | Amortization start date.                                                                                                                    |
| CALLING_INTERFACE        | Optional            | VARCHAR2(30)          | Defaults to CUSTOM                                                                                                                          |
| DESC_FLEX                | Optional            | DESC_FLEX_REC_TYPE    | Descriptive flexfield segments.                                                                                                             |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value                        |
|----------------|---------------------|--------------|------------------------------|
| ASSET_ID       | Required            | NUMBER(15)   | Asset identification number. |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Book name.                   |

## Sample Script: Using the Retirement Adjustment API

```
set serveroutput on;

declare

    l_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec      FA_API_TYPES.asset_hdr_rec_type;
    l_cost_of_removal    number;
    l_proceeds_of_sale   number;

    l_return_status      varchar2(100);
    l_mesg_count         number:= 0;
    l_mesg               varchar2(4000);

begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- Asset Header Info
    l_asset_hdr_rec.book_type_code    := '&book';
    l_asset_hdr_rec.asset_id          := &asset_id

    -- Update values
    l_cost_of_removal                 := &cost_of_removal
    l_proceeds_of_sale                := &proceeds_of_sale

    FA_RETIREMENT_ADJUSTMENT_PUB.do_retirement_adjustment(
        -- std parameters
        p_api_version                 => 1.0,
        p_init_msg_list               => FND_API.G_FALSE,
        p_commit                      => FND_API.G_FALSE,
        p_validation_level            => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn                  => null,
        x_return_status               => l_return_status,
        x_msg_count                   => l_mesg_count,
        x_msg_data                    => l_mesg,
        -- api parameters
        px_trans_rec                  => l_trans_rec,
        px_asset_hdr_rec              => l_asset_hdr_rec,
        p_cost_of_removal             => l_cost_of_removal,
        p_proceeds                    => l_proceeds_of_sale);

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
                                   fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
```



```

(fnd_msg_pub.G_NEXT,
                                fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('TRANSACTION_HEADER_ID ' ||
to_char(l_trans_rec.transaction_header_id));
    dbms_output.put_line('BOOK_TYPE_CODE ' ||
l_asset_hdr_rec.book_type_code);
end if;

end;
/

```



---

# Oracle Assets Retirement Details API

This appendix covers the following topics:

- Introduction
- Retirement Details API Description
- Sample Script: Using the Retirement Details API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Retirement Details API allows you to change certain details of an existing retirement regardless of interface.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Passing Null Values

You must pass special values in order to null the values of BONUS\_RULE, CEILING\_NAME, or GROUP\_ASSET\_ID. If you pass a NULL value directly for these values, the API will automatically default to the value setup for the category. The following table shows the value that must be passed for the field value to be NULL.

| Field      | Value to Pass for NULL Field |
|------------|------------------------------|
| BONUS_RULE | FND_API.G_MISS_CHAR          |

| Field          | Value to Pass for NULL Field |
|----------------|------------------------------|
| CEILING_NAME   | FND_API.G_MISS_CHAR          |
| GROUP_ASSET_ID | FND_API.G_MISS_NUM           |

## Related Topics

Retirement Details API Description, page Q-2

Sample Script: Using the Retirement Details API, page Q-7

## Retirement Details API Description

The Retirement Details API procedure is called:

FA\_ASSET\_DESC\_PUB.UPDATE\_RETIREMENT\_DESC().

The following table provides the arguments, types, value, and descriptions of the elements of the FA\_ASSET\_DESC\_PUB.UPDATE\_RETIREMENT\_DESC() procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument        | Type        | Value                                                                                                                        | Description                                                              |
|-----------------|-------------|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION   | NUMBER      | Internal use only                                                                                                            | Version of the API in use.                                               |
| P_INIT_MSG_LIST | VARCHAR2(1) | FND_API.G_TRUE -<br>Initialize the message stack.<br><br>FND_API.G_FALSE -<br>Do not initialize the message stack (Default). | Determines whether the messages stack should be initialized and cleared. |

| Argument           | Type                            | Value                                                                                                                                                                                   | Description                              |
|--------------------|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| P_COMMIT           | VARCHAR2(1)                     | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                                                   | Commits the transaction.                 |
| P_VALIDATION_LEVEL | NUMBER                          | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default).                             | Asset validation by the API.             |
| X_RETURN_STATUS    | VARCHAR2(1)                     | FND_API.G_RET_STS_SUCCESS - Indicates a success.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines the API success.              |
| X_MSG_COUNT        | NUMBER                          |                                                                                                                                                                                         | Number of messages on the message stack. |
| X_MSG_DATA         | VARCHAR2(1024)                  |                                                                                                                                                                                         | Message stack.                           |
| P_CALLING_FN       | VARCHAR2(30)                    |                                                                                                                                                                                         | Function calling the API                 |
| PX_TRANS_REC       | FA_API_TYPES.<br>TRANS_REC_TYPE |                                                                                                                                                                                         | Describes the transaction taking place.  |

| Argument                | Type                               | Value | Description                        |
|-------------------------|------------------------------------|-------|------------------------------------|
| PX_ASSET_HDR_REC        | FA_API_TYPES.ASSET_HDR_REC_TYPE    |       | Unique identifiers for the assets. |
| PX_ASSET_RETIRE_REC_NEW | FA_API_TYPES.ASSET_RETIRE_REC_TYPE |       |                                    |

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                 | Required / Optional | Type         | Value                                                                                               |
|--------------------------|---------------------|--------------|-----------------------------------------------------------------------------------------------------|
| TRANSACTION_HEADER_ID    | Internal use only   | NUMBER(15)   | Optional OUT parameter                                                                              |
| TRANSACTION_DATE_ENTERED | Optional            | DATE         | Must be the same as the date placed in service, which it defaults to.                               |
| TRANSACTION_NAME         | Optional            | VARCHAR2(20) | Description of the transaction. This field is the Comments field in the Asset Workbench.            |
| MASS_REFERENCE_ID        | Optional            | NUMBER(15)   | Identifies the concurrent request that invokes the transaction if it is part of a mass transaction. |
| AMORTIZATION_START_DATE  | Optional            | DATE         | Amortization start date.                                                                            |
| CALLING_INTERFACE        | Optional            | VARCHAR2(30) | Defaults to CUSTOM                                                                                  |

| Argument  | Required / Optional | Type                  | Value                           |
|-----------|---------------------|-----------------------|---------------------------------|
| DESC_FLEX | Optional            | DESC_FLEX_REC_TYPE    | Descriptive flexfield segments. |
| WHO_INFO  | Required            | STANDARD_WHO_REC_TYPE | Standard Who column.            |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value                        |
|----------------|---------------------|--------------|------------------------------|
| ASSET_ID       | Required            | NUMBER(15)   | Asset identification number. |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Book name.                   |

## ASSET\_RETIRE\_REC\_TYPE Asset Structure

The ASSET\_RETIRE\_REC\_TYPE asset structure contains the public retirement information of a given asset when it is retired. The following table shows type and value information for each argument.

| Argument         | Required / Optional | Type       | Value                                                     |
|------------------|---------------------|------------|-----------------------------------------------------------|
| RETIREMENT_ID    | Required            | NUMBER(15) | Retirement identification number. Optional OUT parameter. |
| PROCEEDS_OF_SALE | Required            | NUMBER     | Proceeds from the sale of the asset.                      |
| COST_OF_REMOVAL  | Required            | NUMBER     | Cost of removing the asset.                               |

| Argument                      | Required / Optional | Type               | Value                                                                             |
|-------------------------------|---------------------|--------------------|-----------------------------------------------------------------------------------|
| RETIREMENT_TYPE_CODE          | Optional            | VARCHAR2(15)       | Retirement type.                                                                  |
| RETIREMENT_PRORATE_CONVENTION | Required            | VARCHAR2(10)       | Prorate format of the retirement. For example, MID - MONTH.                       |
| SOLD_TO                       | Optional            | VARCHAR2(30)       | Buyer of the asset.                                                               |
| TRADE_IN_ASSET_ID             | Optional            | NUMBER(15)         | Asset identification number of the new asset for which this asset was traded for. |
| REFERENCE_NUM                 | Optional            | VARCHAR2(15)       | Reference number.                                                                 |
| DESC_FLEX                     | Optional            | DESC_FLEX_REC_TYPE | Retirement descriptive flexfield information.                                     |
| STL_METHOD_CODE               | Optional            |                    |                                                                                   |
| STL_LIFE_IN_MONTHS            | Optional            |                    |                                                                                   |



## Sample Script: Using the Retirement Details API

```
set serveroutput on;

declare

    l_return_status          VARCHAR2(100);
    l_mesg_count             NUMBER:= 0;
    l_mesg                   VARCHAR2(4000);

    l_trans_rec              FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec          FA_API_TYPES.asset_hdr_rec_type;
    l_asset_retire_rec        FA_API_TYPES.asset_retire_rec_type;

begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- Retirement description info
    l_asset_retire_rec.retirement_id := &retirement_id

    l_asset_retire_rec.cost_of_removal := &cost_of_removal

    FA_ASSET_DESC_PUB.update_retirement_desc(
        p_api_version          => 1.0,
        p_init_msg_list        => FND_API.G_FALSE,
        p_commit               => FND_API.G_FALSE,
        p_validation_level     => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn           => null,
        x_return_status        => l_return_status,
        x_msg_count            => l_mesg_count,
        x_msg_data             => l_mesg,
        px_trans_rec           => l_trans_rec,
        px_asset_hdr_rec       => l_asset_hdr_rec,
        px_asset_retire_rec_new => l_asset_retire_rec);

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

            dbms_output.put_line(l_mesg);
        end loop;

        fnd_msg_pub.delete_msg();
    end if;
```

```

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('RETIREMENT_ID ' ||
to_char(l_asset_retire_rec.retirement_id));
    dbms_output.put_line('BOOK_TYPE_CODE ' ||
l_asset_hdr_rec.book_type_code);
end if;

end;
/

```

---

# Oracle Assets Retirements and Reinstatements API

This appendix covers the following topics:

- Introduction
- Module: FA\_RETIREMENT\_PUB.DO\_RETIREMENT ()
- Module: FA\_RETIREMENT\_PUB.UNDO\_RETIREMENT ()
- Module: FA\_RETIREMENT\_PUB.DO\_REINSTATEMENT ()
- Module: FA\_RETIREMENT\_PUB.UNDO\_REINSTATEMENT ()
- Sample Scripts for Retirement, Reinstatement and Undo Transaction

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Retirement/Reinstatement APIs uses the FA\_RETIREMENT\_PUB.DO\_RETIREMENT (), FA\_RETIREMENT\_PUB.UNDO\_RETIREMENT (), FA\_RETIREMENT\_PUB.DO\_REINSTATEMENT (), and FA\_RETIREMENT\_PUB.UNDO\_REINSTATEMENT () modules. You can use this API if you have a custom interface that makes it difficult to use with the existing asset retirement interfaces in Oracle Assets.

Oracle Assets also allows you to retire and reinstate assets using any of the following methods:

- **Asset Workbench:** You use the Asset Workbench and the Retirements process to retire and reinstate individual assets.
- **Mass Retirements:** You use the Mass Retirements process to retire and reinstate groups of assets selected by ranges.

- **Mass External Retirements:** You use the Mass External Retirements process to retire and reinstate groups of external assets selected by ranges.
- **Mass Copy:** Use the Mass Copy process to add existing assets to tax books.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## CIP Assets

If you have checked the Allow CIP Assets check box on the Book Controls window of a tax book, when you add CIP assets using the Additions API, the API automatically adds those CIP assets to that tax book at the same time that they are added to the corporate book.

## Module: FA\_RETIREMENT\_PUB.DO\_RETIREMENT ()

You call this API to perform retirement transactions, using the parameters for the API listed below.

## Related Topics

Retirement API Description, page R-2

Sample Script: Full Retirement, page R-19

## Retirement API Description

The Retirement API procedure is called: FA\_RETIREMENT\_PUB.DO\_RETIREMENT ().

The following table provides the arguments, types, value, and descriptions of the elements of the FA\_RETIREMENT\_PUB.DO\_RETIREMENT procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type         | Value                                                                                                                                                       | Description                                                              |
|--------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER       | Internal use only                                                                                                                                           | Version of the API in use.                                               |
| P_INIT_MSG_LIST    | VARCHAR2(1)  | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default).                                      | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2(1)  | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                       | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER       | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |
| P_CALLING_FN       | VARCHAR2(30) |                                                                                                                                                             | Function calling the API                                                 |

| Argument            | Type                                   | Value                                                                                                                                                                                                         | Description                                                                        |
|---------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| X_RETURN_STATUS     | VARCHAR2(1)                            | <p>FND_API.G_RET_STS_SUCCESS - Indicates a successful transaction.</p> <p>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.</p> <p>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error.</p> | Determines if the API is successful.                                               |
| X_MSG_COUNT         | NUMBER                                 |                                                                                                                                                                                                               | Number of messages on the message stack.                                           |
| X_MSG_DATA          | VARCHAR2(1024)                         |                                                                                                                                                                                                               | Message stack.                                                                     |
| PX_TRANS_REC        | FA_API_TYPES.<br>TRANS_REC_TYPE        |                                                                                                                                                                                                               | Describes the transaction taking place.                                            |
| PX_DIST_TRANS_REC   | FA_API_TYPES.<br>DIST_TRANS_REC_TYPE   |                                                                                                                                                                                                               | Unique identifiers of the asset being added.                                       |
| PX_ASSET_HDR_REC    | FA_API_TYPES.<br>ASSET_HDR_REC_TYPE    |                                                                                                                                                                                                               | Unique identifiers for the assets.                                                 |
| PX_ASSET_RETIRE_REC | FA_API_TYPES.<br>ASSET_RETIRE_REC_TYPE |                                                                                                                                                                                                               |                                                                                    |
| P_ASSET_DIST_TBL    | FA_API_TYPES.<br>ASSET_DIST_TBL_TYPE   |                                                                                                                                                                                                               | Distribution information of the asset. Required only for partial unit retirements. |
| P_SUBCOMP_TBL       | FA_API_TYPES.<br>SUBCOMP_TBL_TYPE      |                                                                                                                                                                                                               |                                                                                    |

| Argument  | Type                          | Value | Description             |
|-----------|-------------------------------|-------|-------------------------|
| P_INV_TBL | FA_API_TYPES.<br>INV_TBL_TYPE |       | Invoices for the asset. |

### TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                 | Required / Optional | Type                  | Value                                                                                               |
|--------------------------|---------------------|-----------------------|-----------------------------------------------------------------------------------------------------|
| TRANSACTION_HEADER_ID    | Internal use only   | NUMBER(15)            | Optional OUT parameter                                                                              |
| TRANSACTION_DATE_ENTERED | Optional            | DATE                  | Defaults to the date placed in service.                                                             |
| TRANSACTION_NAME         | Optional            | VARCHAR2(20)          | Description of the transaction. This field is the Comments field in the Asset Workbench.            |
| MASS_REFERENCE_ID        | Optional            | NUMBER(15)            | Identifies the concurrent request that invokes the transaction if it is part of a mass transaction. |
| CALLING_INTERFACE        | Optional            | VARCHAR2(30)          | Defaults to CUSTOM                                                                                  |
| WHO_INFO                 | Required            | STANDARD_WHO_REC_TYPE | Standard Who column.                                                                                |

### ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value                        |
|----------------|---------------------|--------------|------------------------------|
| ASSET_ID       | Required            | NUMBER(15)   | Asset identification number. |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Book name.                   |

### ASSET\_RETIRE\_REC\_TYPE Asset Structure

The ASSET\_RETIRE\_REC\_TYPE asset structure contains the public retirement information of a given asset when it is retired. The following table shows type and value information for each argument.

| Argument                      | Required / Optional    | Type         | Value                                                                           |
|-------------------------------|------------------------|--------------|---------------------------------------------------------------------------------|
| RETIREMENT_ID                 | Internal use only      | NUMBER(15)   | Retirement identification number. Optional OUT parameter.                       |
| RETIREMENT_PRORATE_CONVENTION | Required               | VARCHAR2(10) | Prorate format of the retirement. For example, MID - MONTH.                     |
| DATE_RETIRED                  | Optional               | DATE         | Date when retirement occurred. Default is current period.                       |
| UNITS_RETIRED                 | Conditionally Required | NUMBER       | Number of units retired. Either units_retired or cost_retired must be provided. |
| COST_RETIRED                  | Conditionally Required | NUMBER       | Cost retired. Either units_retired or cost_retired must be provided.            |
| PROCEEDS_OF_SALE              | Required               | NUMBER       | Proceeds from the sale of the asset.                                            |



| <b>Argument</b>      | <b>Required / Optional</b> | <b>Type</b>        | <b>Value</b>                                                                                                                                                                                                                                   |
|----------------------|----------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| COST_OF_REMOVAL      | Required                   | NUMBER             | Cost of removing the asset.                                                                                                                                                                                                                    |
| RETIREMENT_TYPE_CODE | Optional                   | VARCHAR2(15)       | Retirement type.                                                                                                                                                                                                                               |
| TRADE_IN_ASSET_ID    | Optional                   | NUMBER(15)         | Asset identification number of the new asset for which this asset was traded for.                                                                                                                                                              |
| SOLD_TO              | Optional                   | VARCHAR2(30)       | Buyer of the asset.                                                                                                                                                                                                                            |
| REFERENCE_NUM        | Optional                   | VARCHAR2(15)       | Reference number.                                                                                                                                                                                                                              |
| CALCULATE_GAIN_LOSS  | Optional                   | VARCHAR2(1)        | Immediate calculation of gain/loss. (Either FND_API.G_TRUE or FND_API.G_FALSE.)                                                                                                                                                                |
| DESC_FLEX            | Optional                   | DESC_FLEX_REC_TYPE | Retirement descriptive flexfield information.                                                                                                                                                                                                  |
| RESERVE_RETIRED      | Optional                   | NUMBER             | Reserve retired amount when retiring the member asset if the group asset does not have the CALCULATE tracking method, does not have Sum Member Asset Depreciation to Group option chosen, and if the Recognize Gain Loss option is set to YES. |

| Argument     | Required / Optional | Type   | Value                                                                                                                                         |
|--------------|---------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| EOFY_RESERVE | Optional            | NUMBER | Reserve deducted from the end of fiscal year reserve amount. This is used to calculate the new depreciable basis for some of FLAT-NBV method. |

### ASSET\_DIST\_REC\_TYPE Asset Structure

The ASSET\_DIST\_REC\_TYPE asset structure contains information that represents a single source or destination distribution line. All the ASSET\_DIST\_REC\_TYPE records comprising a single transfer transaction are contained in the ASSET\_DIST\_TBL table. At least one source line and at least one destination line are required for each transfer transaction. The following table shows type and value information for each argument.

| Argument                  | Required / Optional | Type          | Value                                                                                    |
|---------------------------|---------------------|---------------|------------------------------------------------------------------------------------------|
| DISTRIBUTION_ID           | Required            | NUMBER(15)    | Unique distribution identification number.                                               |
| TRANSACTION_UN<br>ITS     | Required            | NUMBER        | Number of units involved in the transaction.                                             |
| TRANSACTION_HE<br>ADER_ID | Internal use only.  | NUMBER(15)    | Optional OUT parameter                                                                   |
| TRANSACTION_NA<br>ME      | Optional            | VARCHAR2(20)  | Description of the transaction. This field is the Comments field in the Asset Workbench. |
| DESC_FLEX                 | Optional            | DESC_FLEX_REC | This structure must be optionally populated for a partial unit retirement                |

## Module: FA\_RETIREMENT\_PUB.UNDO\_RETIREMENT ()

You call this API to undo previous retirement transactions, using the parameters for the API listed below.

### Related Topics

Undo Retirement API Description, page R-9

Sample Script: Undo Retirement, page R-25

### Undo Retirement API Description

The Undo Retirement API procedure is called:  
FA\_RETIREMENT\_PUB.UNDO\_RETIREMENT ().

The following table provides the arguments, types, value, and descriptions of the elements of the FA\_RETIREMENT\_PUB.UNDO\_RETIREMENT procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument        | Type        | Value                                                                                                                  | Description                                                              |
|-----------------|-------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION   | NUMBER      | Internal use only                                                                                                      | Version of the API in use.                                               |
| P_INIT_MSG_LIST | VARCHAR2(1) | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default). | Determines whether the messages stack should be initialized and cleared. |

| Argument           | Type                            | Value                                                                                                                                                                                                  | Description                              |
|--------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| P_COMMIT           | VARCHAR2(1)                     | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                                                                  | Commits the transaction.                 |
| P_VALIDATION_LEVEL | NUMBER                          | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default).                                            | Asset validation by the API.             |
| P_CALLING_FN       | VARCHAR2(30)                    |                                                                                                                                                                                                        | Function calling the API                 |
| X_RETURN_STATUS    | VARCHAR2(1)                     | FND_API.G_RET_STS_SUCCESS - Indicates a successful transaction.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines if the API is successful.     |
| X_MSG_COUNT        | NUMBER                          |                                                                                                                                                                                                        | Number of messages on the message stack. |
| X_MSG_DATA         | VARCHAR2(1024)                  |                                                                                                                                                                                                        | Message stack.                           |
| PX_TRANS_REC       | FA_API_TYPES.<br>TRANS_REC_TYPE |                                                                                                                                                                                                        | Describes the transaction taking place.  |

| Argument            | Type                                       | Value | Description                        |
|---------------------|--------------------------------------------|-------|------------------------------------|
| PX_ASSET_HDR_REC    | FA_API_TYPES.<br>ASSET_HDR_REC_<br>TYPE    |       | Unique identifiers for the assets. |
| PX_ASSET_RETIRE_REC | FA_API_TYPES.<br>ASSET_RETIRE_<br>REC_TYPE |       |                                    |

### TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument | Required / Optional | Type                      | Value                |
|----------|---------------------|---------------------------|----------------------|
| WHO_INFO | Required            | STANDARD_<br>WHO_REC_TYPE | Standard Who column. |

### ASSET\_RETIRE\_REC\_TYPE Asset Structure

The ASSET\_RETIRE\_REC\_TYPE asset structure contains the public retirement information of a given asset when it is retired. The following table shows type and value information for each argument.

| Argument      | Required / Optional | Type       | Value                                                    |
|---------------|---------------------|------------|----------------------------------------------------------|
| RETIREMENT_ID | Required            | NUMBER(15) | Retirement identification number. Required IN parameter. |

## Module: FA\_RETIREMENT\_PUB.DO\_REINSTATEMENT ()

You call this API to perform reinstatement transactions, using the parameters for the API listed below.

## Related Topics

Reinstatement API Description, page R-12

Sample Script: Reinstatement, page R-23

## Reinstatement API Description

The Reinstatement API procedure is called:  
FA\_RETIREMENT\_PUB.DO\_REINSTATEMENT ().

The following table provides the arguments, types, value, and descriptions of the elements of the FA\_RETIREMENT\_PUB.DO\_REINSTATEMENT procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument        | Type        | Value                                                                                                                  | Description                                                              |
|-----------------|-------------|------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION   | NUMBER      | Internal use only                                                                                                      | Version of the API in use.                                               |
| P_INIT_MSG_LIST | VARCHAR2(1) | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default). | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT        | VARCHAR2(1) | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                  | Commits the transaction.                                                 |

| Argument            | Type                                   | Value                                                                                                                                                                                                         | Description                              |
|---------------------|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| P_VALIDATION_LEVEL  | NUMBER                                 | <p>FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.</p> <p>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default).</p>                                            | Asset validation by the API.             |
| P_CALLING_FN        | VARCHAR2(30)                           |                                                                                                                                                                                                               | Function calling the API                 |
| X_RETURN_STATUS     | VARCHAR2(1)                            | <p>FND_API.G_RET_STS_SUCCESS - Indicates a successful transaction.</p> <p>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.</p> <p>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error.</p> | Determines if the API is successful.     |
| X_MSG_COUNT         | NUMBER                                 |                                                                                                                                                                                                               | Number of messages on the message stack. |
| X_MSG_DATA          | VARCHAR2(1024)                         |                                                                                                                                                                                                               | Message stack.                           |
| PX_TRANS_REC        | FA_API_TYPES.<br>TRANS_REC_TYPE        |                                                                                                                                                                                                               | Describes the transaction taking place.  |
| PX_ASSET_HDR_REC    | FA_API_TYPES.<br>ASSET_HDR_REC_TYPE    |                                                                                                                                                                                                               | Unique identifiers for the assets.       |
| PX_ASSET_RETIRE_REC | FA_API_TYPES.<br>ASSET_RETIRE_REC_TYPE |                                                                                                                                                                                                               |                                          |

| Argument         | Type                                     | Value | Description                                                                               |
|------------------|------------------------------------------|-------|-------------------------------------------------------------------------------------------|
| P_ASSET_DIST_TBL | FA_API_TYPES.<br>ASSET_DIST_TBL_<br>TYPE |       | Distribution<br>information of the<br>asset. Required for<br>partial unit<br>retirements. |
| P_SUBCOMP_TBL    | FA_API_TYPES.<br>SUBCOMP_TBL_<br>TYPE    |       |                                                                                           |
| P_INV_TBL        | FA_API_TYPES.<br>INV_TBL_TYPE            |       | Invoices for the asset.                                                                   |

### TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument              | Required / Optional | Type                      | Value                                                                                                           |
|-----------------------|---------------------|---------------------------|-----------------------------------------------------------------------------------------------------------------|
| TRANSACTION_HEADER_ID | Internal use only   | NUMBER(15)                | Optional OUT<br>parameter                                                                                       |
| TRANSACTION_NAME      | Optional            | VARCHAR2(20)              | Description of the<br>transaction. This field<br>is the Comments field<br>in the Asset<br>Workbench.            |
| MASS_REFERENCE_ID     | Optional            | NUMBER(15)                | Identifies the<br>concurrent request<br>that invokes the<br>transaction if it is part<br>of a mass transaction. |
| CALLING_INTERFACE     | Optional            | VARCHAR2(30)              | Defaults to CUSTOM                                                                                              |
| WHO_INFO              | Required            | STANDARD_<br>WHO_REC_TYPE | Standard Who<br>column.                                                                                         |



| Argument  | Required / Optional | Type               | Value                           |
|-----------|---------------------|--------------------|---------------------------------|
| DESC_FLEX | Optional            | DESC_FLEX_REC_TYPE | Descriptive flexfield segments. |

### ASSET\_RETIRE\_REC\_TYPE Asset Structure

The ASSET\_RETIRE\_REC\_TYPE asset structure contains the public retirement information of a given asset when it is retired. The following table shows type and value information for each argument.

| Argument      | Required / Optional | Type       | Value                                                    |
|---------------|---------------------|------------|----------------------------------------------------------|
| RETIREMENT_ID | Required            | NUMBER(15) | Retirement identification number. Required IN parameter. |

## Module: FA\_RETIREMENT\_PUB.UNDO\_REINSTATEMENT ()

You call this API to undo previous reinstatement transactions, using the parameters for the API listed below.

### Related Topics

Undo Reinstatement API Description, page R-15

Sample Script: Undo Reinstatement, page R-27

### Undo Reinstatement API Description

The Undo Reinstatement API procedure is called:  
FA\_RETIREMENT\_PUB.UNDO\_REINSTATEMENT ().

The following table provides the arguments, types, value, and descriptions of the elements of the FA\_RETIREMENT\_PUB.UNDO\_REINSTATEMENT procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type         | Value                                                                                                                                                       | Description                                                              |
|--------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER       | Required                                                                                                                                                    | Version of the API in use.                                               |
| P_INIT_MSG_LIST    | VARCHAR2(1)  | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default).                                      | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2(1)  | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                       | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER       | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |
| P_CALLING_FN       | VARCHAR2(30) |                                                                                                                                                             | Function calling the API                                                 |

| Argument            | Type                                   | Value                                                                                                                                                                                                  | Description                              |
|---------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| X_RETURN_STATUS     | VARCHAR2(1)                            | FND_API.G_RET_STS_SUCCESS - Indicates a successful transaction.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines if the API is successful.     |
| X_MSG_COUNT         | NUMBER                                 |                                                                                                                                                                                                        | Number of messages on the message stack. |
| X_MSG_DATA          | VARCHAR2(1024)                         |                                                                                                                                                                                                        | Message stack.                           |
| PX_TRANS_REC        | FA_API_TYPES.<br>TRANS_REC_TYPE        |                                                                                                                                                                                                        | Describes the transaction taking place.  |
| PX_ASSET_HDR_REC    | FA_API_TYPES.<br>ASSET_HDR_REC_TYPE    |                                                                                                                                                                                                        | Unique identifiers for the assets.       |
| PX_ASSET_RETIRE_REC | FA_API_TYPES.<br>ASSET_RETIRE_REC_TYPE |                                                                                                                                                                                                        |                                          |

### TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument | Required / Optional | Type             | Value                |
|----------|---------------------|------------------|----------------------|
| WHO_INFO | Required            | STANDARD_WHO_REC | Standard Who column. |

## ASSET\_RETIRE\_REC\_TYPE Asset Structure

The ASSET\_RETIRE\_REC\_TYPE asset structure contains the public retirement information of a given asset when it is retired. The following table shows type and value information for each argument.

| Argument      | Required / Optional | Type       | Value                                                    |
|---------------|---------------------|------------|----------------------------------------------------------|
| RETIREMENT_ID | Required            | NUMBER(15) | Retirement identification number. Required IN parameter. |

## Sample Scripts for Retirement, Reinstatement and Undo Transaction

This section lists sample driver scripts as examples for the following retirement-related transaction types:

- Full retirement, page R-19
- Partial unit retirement, page R-20
- Reinstatement, page R-23
- Undo retirement, page R-25
- Undo reinstatement, page R-27

Retirement\_ID must be provided as a parameter for the following transactions:

- Reinstatement
- Undo retirement
- Undo reinstatement

## Sample Script: Full Retirement

```
set serveroutput on;

declare

    l_trans_rec                FA_API_TYPES.trans_rec_type;
    l_dist_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec           FA_API_TYPES.asset_hdr_rec_type;
    l_asset_retire_rec        FA_API_TYPES.asset_retire_rec_type;
    l_asset_dist_tbl          FA_API_TYPES.asset_dist_tbl_type;
    l_subcomp_tbl             FA_API_TYPES.subcomp_tbl_type;
    l_inv_tbl                 FA_API_TYPES.inv_tbl_type;

    l_return_status           VARCHAR2(1);
    l_mesg_count              number;
    l_mesg                    varchar2(4000);

begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- Get standard who info
    l_asset_hdr_rec.asset_id      := &asset_id
    l_asset_hdr_rec.book_type_code := '&book_type_code';

    l_asset_retire_rec.cost_retired      := &cost
    l_asset_retire_rec.calculate_gain_loss := FND_API.G_FALSE;

    FA_RETIREMENT_PUB.do_retirement(
        -- std parameters
        p_api_version      => 1.0,
        p_init_msg_list    => FND_API.G_FALSE,
        p_commit           => FND_API.G_FALSE,
        p_validation_level => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn       => NULL,
        x_return_status    => l_return_status,
        x_msg_count        => l_mesg_count,
        x_msg_data         => l_mesg,
        -- api parameters
        px_trans_rec       => l_trans_rec,
        px_dist_trans_rec  => l_dist_trans_rec,
        px_asset_hdr_rec   => l_asset_hdr_rec,
        px_asset_retire_rec => l_asset_retire_rec,
        p_asset_dist_tbl   => l_asset_dist_tbl,
        p_subcomp_tbl      => l_subcomp_tbl,
        p_inv_tbl          => l_inv_tbl
    );

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
                                   fnd_api.G_FALSE),
```

```

1, 250);
    dbms_output.put_line(l_mesg);

    for i in 1..(l_mesg_count - 1) loop
        l_mesg :=
            substr(fnd_msg_pub.get
                (fnd_msg_pub.G_NEXT,
                 fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
    rollback;
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('RETIREMENT_ID' ||
to_char(l_asset_retire_rec.retirement_id));
end if;

end;
/

```

## Sample Script: Partial Unit Retirement

Partial unit retirement transaction requires API users to provide the API with which distributions of the asset to retire.

```

set serveroutput on;

declare

    l_trans_rec                FA_API_TYPES.trans_rec_type;
    l_dist_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec           FA_API_TYPES.asset_hdr_rec_type;
    l_asset_retire_rec        FA_API_TYPES.asset_retire_rec_type;
    l_asset_dist_tbl          FA_API_TYPES.asset_dist_tbl_type;
    l_subcomp_tbl             FA_API_TYPES.subcomp_tbl_type;
    l_inv_tbl                 FA_API_TYPES.inv_tbl_type;

    l_return_status           varchar2(1);
    l_mesg_count              number;
    l_mesg                    varchar2(512);

begin

    dbms_output.enable(1000000);

    fa_srvr_msg.init_server_message;

    l_asset_hdr_rec.asset_id              := &asset_id
    l_asset_hdr_rec.book_type_code        := '&book';

    l_asset_retire_rec.units_retired      :=
&total_units_to_retire
    l_asset_retire_rec.calculate_gain_loss := FND_API.G_FALSE;

    l_asset_dist_tbl.delete;

    l_asset_dist_tbl(1).distribution_id   := &dist_id
    l_asset_dist_tbl(1).transaction_units := &units_to_retire
    l_asset_dist_tbl(1).units_assigned    := null;
    l_asset_dist_tbl(1).assigned_to       := null;
    l_asset_dist_tbl(1).expense_ccid      := null;
    l_asset_dist_tbl(1).location_ccid     := null;

    -- optionally load additional rows into dist table (2,3..)

    FA_RETIREMENT_PUB.do_retirement(
        -- std parameters
        p_api_version      => 1.0,
        p_init_msg_list    => FND_API.G_FALSE,
        p_commit           => FND_API.G_FALSE,
        p_validation_level => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn       => NULL,
        x_return_status     => l_return_status,
        x_msg_count        => l_mesg_count,
        x_msg_data         => l_mesg,
        -- api parameters
        px_trans_rec       => l_trans_rec,
        px_dist_trans_rec  => l_dist_trans_rec,
        px_asset_hdr_rec   => l_asset_hdr_rec,
        px_asset_retire_rec => l_asset_retire_rec,
        p_asset_dist_tbl   => l_asset_dist_tbl,
        p_subcomp_tbl      => l_subcomp_tbl,
        p_inv_tbl          => l_inv_tbl
    );

    --dump messages

```

```

l_mesg_count := fnd_msg_pub.count_msg;

if l_mesg_count > 0 then

    l_mesg := chr(10) || substr(fnd_msg_pub.get
                                (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                1, 250);

    dbms_output.put_line(l_mesg);

    for i in 1..(l_mesg_count - 1) loop
        l_mesg :=
            substr(fnd_msg_pub.get
                    (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('RETIREMENT_ID' ||
to_char(l_asset_retire_rec.retirement_id));
end if;

end;
/

```



## Sample Script: Reinstatement

```
set serveroutput on;

declare

    l_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec      FA_API_TYPES.asset_hdr_rec_type;
    l_asset_retire_rec   FA_API_TYPES.asset_retire_rec_type;
    l_asset_dist_tbl     FA_API_TYPES.asset_dist_tbl_type;
    l_subcomp_tbl        FA_API_TYPES.subcomp_tbl_type;
    l_inv_tbl            FA_API_TYPES.inv_tbl_type;

    l_count              number;

    l_return_status      varchar2(1);
    l_mesg_count         number;
    l_mesg               varchar2(512);

begin

    dbms_output.enable(1000000);

    fa_srvr_msg.init_server_message;

    l_asset_retire_rec.retirement_id      := &retirement_id
    l_asset_retire_rec.calculate_gain_loss := FND_API.G_FALSE;

    FA_RETIREMENT_PUB.do_reinstatement(
        -- std parameters
        p_api_version      => 1.0,
        p_init_msg_list    => FND_API.G_FALSE,
        p_commit           => FND_API.G_FALSE,
        p_validation_level  => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn       => NULL,
        x_return_status    => l_return_status,
        x_msg_count        => l_mesg_count,
        x_msg_data         => l_mesg,
        -- api parameters
        px_trans_rec       => l_trans_rec,
        px_asset_hdr_rec   => l_asset_hdr_rec,
        px_asset_retire_rec => l_asset_retire_rec,
        p_asset_dist_tbl   => l_asset_dist_tbl,
        p_subcomp_tbl      => l_subcomp_tbl,
        p_inv_tbl          => l_inv_tbl
    );

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
                                   fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
```

```

l_mesg :=
        substr(fnd_msg_pub.get
                (fnd_msg_pub.G_NEXT,
                 fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
end if;

end;
/

```

## Sample Script: Undo Retirement

```
set serveroutput on;

declare

    /* define local record types */
    l_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec       FA_API_TYPES.asset_hdr_rec_type;
    l_asset_retire_rec    FA_API_TYPES.asset_retire_rec_type;
    l_asset_dist_tbl      FA_API_TYPES.asset_dist_tbl_type;
    l_subcomp_tbl         FA_API_TYPES.subcomp_tbl_type;
    l_inv_tbl             FA_API_TYPES.inv_tbl_type;

    l_return_status       varchar2(1) := FND_API.G_FALSE;
    l_mesg_count          number := 0;
    l_mesg                varchar2(512);

begin

    dbms_output.enable(1000000);

    fa_srvr_msg.init_server_message;

    l_asset_retire_rec.retirement_id := &retirement_id

    FA_RETIREMENT_PUB.undo_retirement(
        -- std parameters
        p_api_version          => 1.0,
        p_init_msg_list        => FND_API.G_FALSE,
        p_commit               => FND_API.G_FALSE,
        p_validation_level     => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn           => null,
        x_return_status        => l_return_status,
        x_mesg_count           => l_mesg_count,
        x_mesg_data            => l_mesg,
        -- api parameters
        px_trans_rec           => l_trans_rec,
        px_asset_hdr_rec       => l_asset_hdr_rec,
        px_asset_retire_rec    => l_asset_retire_rec
    );

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

            dbms_output.put_line(l_mesg);
        end loop;
    end if;
end;
```

```

end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('RETIREMENT_ID' ||
to_char(l_asset_retire_rec.retirement_id));
end if;

end;
/

```

## Sample Script: Undo Reinstatement

```
set serveroutput on;

declare

    l_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec      FA_API_TYPES.asset_hdr_rec_type;
    l_asset_retire_rec   FA_API_TYPES.asset_retire_rec_type;
    l_asset_dist_tbl     FA_API_TYPES.asset_dist_tbl_type;
    l_subcomp_tbl        FA_API_TYPES.subcomp_tbl_type;
    l_inv_tbl            FA_API_TYPES.inv_tbl_type;

    l_return_status      varchar2(1) := FND_API.G_FALSE;
    l_mesg_count         number := 0;
    l_mesg               varchar2(512);

begin

    dbms_output.enable(1000000);

    fa_srvr_msg.init_server_message;

    l_asset_retire_rec.retirement_id := &retirement_id

    FA_RETIREMENT_PUB.undo_reinstatement(
        -- std parameters
        p_api_version          => 1.0,
        p_init_msg_list        => FND_API.G_FALSE,
        p_commit               => FND_API.G_FALSE,
        p_validation_level     => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn           => null,
        x_return_status        => l_return_status,
        x_mesg_count           => l_mesg_count,
        x_mesg_data            => l_mesg,
        -- api parameters
        px_trans_rec           => l_trans_rec,
        px_asset_hdr_rec       => l_asset_hdr_rec,
        px_asset_retire_rec    => l_asset_retire_rec
    );

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

            dbms_output.put_line(l_mesg);
        end loop;
    end if;
end;
```

```

end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('RETIREMENT_ID' ||
to_char(l_asset_retire_rec.retirement_id));
end if;

end;
/

```

---

# Oracle Assets Revaluations API

This appendix covers the following topics:

- Introduction
- Revaluations API Description
- Sample Script: Using the Revaluation API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. You can use the Revaluations API to revalue an asset may arise due to various reasons such as fixing or correcting data-entry errors or as part of maintenance of an asset. The Revaluations API allows you to adjust the value of CIP as well as capitalized assets in a highly inflationary economy.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Related Topics

Revaluations API Description, page S-1

Sample Script: Using the Revaluation API, page S-6

## Revaluations API Description

The Revaluations API procedure is called: `FA_REVALUATION_PUB.DO_REVAL ()`.

The following table provides the arguments, types, value, and descriptions of the

elements of the FA\_REVALUATION\_PUB.DO\_REVAL () procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type        | Value                                                                                                                                                       | Description                                                              |
|--------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER      | Internal use only                                                                                                                                           | Version of the API in use.                                               |
| P_INIT_MSG_LIST    | VARCHAR2(1) | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default).                                      | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2(1) | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                       | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER      | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |



| Argument                | Type                                | Value                                                                                                                                                                                                  | Description                              |
|-------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| X_RETURN_STATUS         | VARCHAR2(1)                         | FND_API.G_RET_STS_SUCCESS - Indicates a successful transaction.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines if the API is successful.     |
| X_MSG_COUNT             | NUMBER                              |                                                                                                                                                                                                        | Number of messages on the message stack. |
| X_MSG_DATA              | VARCHAR2(1024)                      |                                                                                                                                                                                                        | Message stack.                           |
| P_CALLING_FN            | VARCHAR2(30)                        |                                                                                                                                                                                                        | Function calling the API                 |
| PX_TRANS_REC            | FA_API_TYPES.<br>TRANS_REC_TYPE     |                                                                                                                                                                                                        | Describes the transaction taking place.  |
| PX_ASSET_HDR_REC        | FA_API_TYPES.<br>ASSET_HDR_REC_TYPE |                                                                                                                                                                                                        | Unique identifiers for the assets.       |
| PX_ASSET_RETIRE_REC_NEW | FA_API_TYPES.ASSET_RETIRE_REC_TYPE  |                                                                                                                                                                                                        |                                          |

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                 | Required / Optional | Type                     | Value                                                                                                                           |
|--------------------------|---------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| TRANSACTION_HEADER_ID    | Internal use only   | NUMBER(15)               | Optional OUT parameter                                                                                                          |
| TRANSACTION_DATE_ENTERED | Optional            | DATE                     | Populate if you are doing a previous period unit adjustment, else do nothing or set it to null. Defaults to the current period. |
| TRANSACTION_NAME         | Optional            | VARCHAR2(20)             | Description of the transaction. This field is the Comments field in the Asset Workbench.                                        |
| MASS_REFERENCE_ID        | Optional            | NUMBER(15)               | Identifies the concurrent request that invokes the transaction if it is part of a mass transaction.                             |
| AMORTIZATION_START_DATE  | Optional            | DATE                     | Amortization start date.                                                                                                        |
| CALLING_INTERFACE        | Optional            | VARCHAR2(30)             | Defaults to CUSTOM                                                                                                              |
| DESC_FLEX                | Optional            | DESC_FLEX_RECORD_TYPE    | Descriptive flexfield segments.                                                                                                 |
| WHO_INFO                 | Required            | STANDARD_WHO_RECORD_TYPE | Standard Who columns.                                                                                                           |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value                        |
|----------------|---------------------|--------------|------------------------------|
| ASSET_ID       | Required            | NUMBER(15)   | Asset identification number. |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Book name.                   |

## ASSET\_REVAL\_OPTIONS\_REC Revaluation Structure

The ASSET\_REVAL\_OPTIONS\_REC revaluation structure contains revaluation information for a given asset. The following table shows type and value information for each argument.

| Argument               | Required / Optional | Type | Value          |
|------------------------|---------------------|------|----------------|
| REVAL_PERCENT          | Required            |      |                |
| RUN_MODE               | Required            |      | Preview or Run |
| OVERRIDE_DEFAULTS_FLAG | Optional            |      | Yes or No      |
| REVAL_FULLY_RSVD_FLAG  | Optional            |      | Yes or No      |
| LIFE_EXTENSION_FACTOR  | Optional            |      |                |
| LIFE_EXTENSION_CILING  | Optional            |      |                |
| MAX_FULLY_RSVD_REVALS  | Optional            |      |                |

## Sample Script: Using the Revaluation API

```
set serveroutput on

declare

    l_trans_rec          FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec      FA_API_TYPES.asset_hdr_rec_type;
    l_reval_options_rec  FA_API_TYPES.reval_options_rec_type;

    l_return_status      VARCHAR2(1);
    l_mesg_count         number;
    l_mesg               varchar2(4000);

begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- asset header info
    l_asset_hdr_rec.asset_id      := &asset_id
    l_asset_hdr_rec.book_type_code := '&book';

    -- reval info
    l_reval_options_rec.reval_percent := &reval_percent
    l_reval_options_rec.run_mode     := '&run_mode';

    FA_REVALUATION_PUB.do_reval(
        -- std parameters
        p_api_version          => 1.0,
        p_init_msg_list        => FND_API.G_FALSE,
        p_commit               => FND_API.G_FALSE,
        p_validation_level     => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn           => null,
        x_return_status        => l_return_status,
        x_msg_count            => l_mesg_count,
        x_msg_data             => l_mesg,
        -- api parameters
        px_trans_rec           => l_trans_rec,
        px_asset_hdr_rec       => l_asset_hdr_rec,
        p_reval_options_rec    => l_reval_options_rec
    );

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
                                   fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
```

```

fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
    dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
    end if;

end;
/

```



---

# Oracle Assets Rollback Depreciation API

This appendix covers the following topics:

- Introduction
- Rollback Depreciation API Description
- Sample Script: Using the Depreciation Rollback API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Rollback Depreciation API restores assets to their state prior to running depreciation. The Rollback Depreciation API is called internally when there is a need to rollback depreciation if you have outstanding adjustments or transaction that you need to process for a period for which depreciation has run. However, in some cases you can manually rollback or rerun a depreciation due to a direct change in the embedded formula. Additionally, Subledger Accounting inter-product dependencies insure a need to for tighter integration during rollback of depreciation and the overhead in event processing and accounting impacts due to a blind rollback are expensive and should be avoided if possible.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Related Topics

Rollback Depreciation API Description, page T-2

Sample Script: Using the Depreciation Rollback API, page T-4

## Rollback Depreciation API Description

The Rollback Depreciation API procedure is called the FA\_DEPRN\_ROLLBACK\_PUB.DO\_ROLLBACK () procedure. The following table provides the arguments, types, value, and descriptions of the elements of the FA\_DEPRN\_ROLLBACK\_PUB.DO\_ROLLBACK () procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type        | Value                                                                                                                                                       | Description                                                              |
|--------------------|-------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER      | Internal use only                                                                                                                                           | Version of the API in use.                                               |
| P_INIT_MESG_LIST   | VARCHAR2(1) | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default).                                      | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2(1) | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                       | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER      | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |



| Argument         | Type                            | Value                                                                                                                                                                                                  | Description                              |
|------------------|---------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| X_RETURN_STATUS  | VARCHAR2(1)                     | FND_API.G_RET_STS_SUCCESS - Indicates a successful transaction.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines if the API is successful.     |
| X_MSG_COUNT      | NUMBER                          |                                                                                                                                                                                                        | Number of messages on the message stack. |
| X_MSG_DATA       | VARCHAR2(1024)                  |                                                                                                                                                                                                        | Message stack.                           |
| P_CALLING_FN     | VARCHAR2(30)                    |                                                                                                                                                                                                        | Function calling the API                 |
| P_CALLING_FN     | VARCHAR2(30)                    |                                                                                                                                                                                                        | Function calling the API                 |
| PX_ASSET_HDR_REC | FA_API_TYPES.ASSET_HDR_REC_TYPE |                                                                                                                                                                                                        | Unique identifiers for the assets.       |

## ASSET\_HDR\_REC Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value                  |
|----------------|---------------------|--------------|------------------------|
| ASSET_ID       | Required            | NUMBER(15)   | Optional OUT parameter |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Book name.             |

## **Sample Script: Using the Depreciation Rollback API**

```

set serveroutput on

declare

    l_asset_hdr_rec          fa_api_types.asset_hdr_rec_type;

    l_return_status          VARCHAR2(1);
    l_mesg_count             number;
    l_mesg                   varchar2(4000);

begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    -- asset header info
    l_asset_hdr_rec.asset_id      := &asset_id
    l_asset_hdr_rec.book_type_code := '&book';

    --call the api
    FA_DEPRN_ROLLBACK_PUB.do_rollback
        (p_api_version          => 1.0,
         p_init_msg_list        => FND_API.G_FALSE,
         p_commit               => FND_API.G_FALSE,
         p_validation_level     => FND_API.G_VALID_LEVEL_FULL,
         p_calling_fn           => null,
         x_return_status        => l_return_status,
         x_msg_count            => l_mesg_count,
         x_msg_data             => l_mesg,
         px_asset_hdr_rec       => l_asset_hdr_rec);

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

            dbms_output.put_line(l_mesg);
        end loop;

        fnd_msg_pub.delete_msg();

    end if;

    if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
        dbms_output.put_line('FAILURE');
    else
        dbms_output.put_line('SUCCESS');
    end if;

```

```
end;  
/
```

---

# Oracle Assets Tax Reserve Adjustment API

This appendix covers the following topics:

- Introduction
- Tax Reserve Adjustment API Description
- Sample Script: Using the Tax Reserve Adjustment API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. You can use the Tax Reserve Adjustment API interfaces for adjusting attributes of a single asset. Oracle Assets also allows you to adjust assets using any of the following methods:

- **Manual Adjustments:** You use the Reserve Adjustment form in the Tax Workbench to adjust individual assets.
- **Mass Depreciations Adjustments:** You use the Mass Depreciations Adjustments program to adjust groups of assets selected by ranges.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Related Topics

Tax Reserve Adjustment API Description, page U-2

Sample Script: Using the Tax Reserve Adjustment API, page U-6

## Tax Reserve Adjustment API Description

The Tax Reserve Adjustment API procedure is called:  
FA\_TAX\_RSV\_ADJ\_PUB.DO\_TAX\_RSV\_ADJ ().

The following table provides the arguments, types, value, and descriptions of the elements of the FA\_TAX\_RSV\_ADJ\_PUB.DO\_TAX\_RSV\_ADJ () procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument        | Type        | Value                                                                                                                        | Description                                                              |
|-----------------|-------------|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION   | NUMBER      | Internal use only                                                                                                            | Version of the API in use.                                               |
| P_INIT_MSG_LIST | VARCHAR2(1) | FND_API.G_TRUE -<br>Initialize the message stack.<br><br>FND_API.G_FALSE -<br>Do not initialize the message stack (Default). | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT        | VARCHAR2(1) | FND_API.G_TRUE -<br>Commit automatically.<br><br>FND_API.G_FALSE -<br>Do not commit automatically (Default)                  | Commits the transaction.                                                 |

| Argument                | Type                                    | Value                                                                                                                                                                                                         | Description                              |
|-------------------------|-----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| P_VALIDATION_LEVEL      | NUMBER                                  | <p>FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.</p> <p>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default).</p>                                            | Asset validation by the API.             |
| X_RETURN_STATUS         | VARCHAR2(1)                             | <p>FND_API.G_RET_STS_SUCCESS - Indicates a successful transaction.</p> <p>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.</p> <p>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error.</p> | Determines if the API is successful.     |
| X_MSG_COUNT             | NUMBER                                  |                                                                                                                                                                                                               | Number of messages on the message stack. |
| X_MSG_DATA              | VARCHAR2(1024)                          |                                                                                                                                                                                                               | Message stack.                           |
| P_CALLING_FN            | VARCHAR2(30)                            |                                                                                                                                                                                                               | Function calling the API                 |
| PX_TRANS_REC            | FA_API_TYPES.<br>TRANS_REC_TYPE         |                                                                                                                                                                                                               | Describes the transaction taking place.  |
| PX_ASSET_HDR_REC        | FA_API_TYPES.<br>ASSET_HDR_REC_TYPE     |                                                                                                                                                                                                               | Unique identifiers for the assets.       |
| P_ASSET_TAX_RSV_ADJ_REC | FA_API_TYPES.ASSET_TAX_RSV_ADJ_REC_TYPE |                                                                                                                                                                                                               |                                          |

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument              | Required / Optional | Type                  | Value                                                                                               |
|-----------------------|---------------------|-----------------------|-----------------------------------------------------------------------------------------------------|
| TRANSACTION_HEADER_ID | Internal use only   | NUMBER(15)            | Optional OUT parameter                                                                              |
| TRANSACTION_NAME      | Optional            | VARCHAR2(20)          | Description of the transaction. This field is the Comments field in the Asset Workbench.            |
| MASS_REFERENCE_ID     | Optional            | NUMBER(15)            | Identifies the concurrent request that invokes the transaction if it is part of a mass transaction. |
| CALLING_INTERFACE     | Optional            | VARCHAR2(30)          | Defaults to CUSTOM                                                                                  |
| DESC_FLEX             | Optional            | DESC_FLEX_REC_TYPE    | Descriptive flexfield segments.                                                                     |
| WHO_INFO              | Required            | STANDARD_WHO_REC_TYPE | Standard Who column.                                                                                |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument | Required / Optional | Type       | Value                        |
|----------|---------------------|------------|------------------------------|
| ASSET_ID | Required            | NUMBER(15) | Asset identification number. |



| Argument       | Required / Optional | Type         | Value      |
|----------------|---------------------|--------------|------------|
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Book name. |

## ASSET\_TAX\_RSV\_ADJ\_REC Adjustment Structure

The ASSET\_TAX\_RSV\_ADJ\_REC adjustment structure contains information for which an asset given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument               | Required / Optional | Type      | Value                                                  |
|------------------------|---------------------|-----------|--------------------------------------------------------|
| FISCAL_YEAR            | Required            | NUMBER(4) | Fiscal year for which reserve adjustment is required.  |
| ADJUSTED_YTD_DE<br>PRN | Required            | Date      | Delta reserve amount for which adjustment is required. |

## Sample Script: Using the Tax Reserve Adjustment API

```
set serveroutput on size 999999

declare

    l_TRANS_REC                FA_API_TYPES.TRANS_REC_TYPE;
    l_ASSET_HDR_REC            FA_API_TYPES.ASSET_HDR_REC_TYPE;
    l_ASSET_TAX_RSV_ADJ_REC    FA_API_TYPES.ASSET_TAX_RSV_ADJ_REC_TYPE;

    l_return_status            VARCHAR2(1);
    l_mesg_count               number;
    l_mesg                     varchar2(4000);

Begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    l_TRANS_REC.TRANSACTION_TYPE_CODE      := 'TAX';
    l_TRANS_REC.TRANSACTION_DATE_ENTERED   := sysdate;
    l_ASSET_HDR_REC.ASSET_ID                := &asset_id
    l_ASSET_HDR_REC.BOOK_TYPE_CODE          := '&book_type';
    l_ASSET_TAX_RSV_ADJ_REC.FISCAL_YEAR     := &fiscal_year
    l_ASSET_TAX_RSV_ADJ_REC.adjusted_ytd_deprn := &delta_reserve

    FA_TAX_RSV_ADJ_PUB.do_tax_rsv_adj(
        -- std parameters
        p_api_version            => 1.0,
        p_init_msg_list          => FND_API.G_FALSE,
        p_commit                 => FND_API.G_FALSE,
        p_validation_level       => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn             => NULL,
        x_return_status          => l_return_status,
        x_msg_count              => l_mesg_count,
        x_msg_data               => l_mesg,
        -- api parameters
        PX_TRANS_REC             => l_TRANS_REC,
        PX_ASSET_HDR_REC         => l_ASSET_HDR_REC,
        P_ASSET_TAX_RSV_ADJ_REC => l_ASSET_TAX_RSV_ADJ_REC);

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);
```

```

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
                          to_char(l_TRANS_REC.TRANSACTION_HEADER_ID));
end if;

End;
/

```



---

# Oracle Assets Transfers API

This appendix covers the following topics:

- Introduction
- Transfers API Description
- Transfer API Usage
- Sample Script: Using the Transfer API to Transfer Units

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Transfer API uses the FA\_TRANSFER\_PUB.DO\_TRANSFER procedure. You can use this API if you have a custom interface that makes it difficult to use with the existing asset transfer interfaces in Oracle Assets.

Oracle Assets also allows you to transfer assets using any of the following methods:

- **Asset Workbench:** You use the Asset Workbench process to manually transfer individual assets.
- **Mass Transfer:** You use the Mass Transfer process to transfer groups of assets selected by ranges.

## Major Features

The Transfer API provides the following functionality:

### Tax Book

The Transfer API automatically transfers assets in all the tax books that are associated with the corporate book where the transfer transaction originated.

## Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Related Topics

Transfer API Description, page V-2

Sample Script: Using the Transfer API to Transfer Units, page V-6

## Transfers API Description

The Transfer API procedure is called: FA\_TRANSFER\_PUB.DO\_TRANSFER ().

The following table provides the arguments, types, value, and descriptions of the elements of the FA\_TRANSFER\_PUB.DO\_TRANSFER procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument        | Type        | Value                                                                                                                        | Description                                                              |
|-----------------|-------------|------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION   | NUMBER      | Internal use only                                                                                                            | Version of the API in use.                                               |
| P_INIT_MSG_LIST | VARCHAR2(1) | FND_API.G_TRUE -<br>Initialize the message stack.<br><br>FND_API.G_FALSE -<br>Do not initialize the message stack (Default). | Determines whether the messages stack should be initialized and cleared. |

| Argument           | Type           | Value                                                                                                                                                                  | Description                                                                                       |
|--------------------|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| P_COMMIT           | VARCHAR2(1)    | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                                  | Commits the transaction.                                                                          |
| P_VALIDATION_LEVEL | NUMBER         | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default).            | Asset validation by the API.                                                                      |
| P_CALLING_FN       | VARCHAR2(30)   |                                                                                                                                                                        | Function calling the API                                                                          |
| X_RETURN_STATUS    | VARCHAR2(1)    | FND_API.G_RET_STS_SUCCESS - Indicates a successful transfer.<br><br>FND_API.G_RET_STS_ERROR - transfer failed.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Unexpected error | Determines if the API is successful.                                                              |
| X_MSG_COUNT        | NUMBER         |                                                                                                                                                                        | Number of messages on the message stack. Returns number of messages added onto the message stack. |
| X_MSG_DATA         | VARCHAR2(1024) |                                                                                                                                                                        | Message stack. Returns top most message on the message stack.                                     |

| Argument              | Type                                    | Value | Description                                                                           |
|-----------------------|-----------------------------------------|-------|---------------------------------------------------------------------------------------|
| PX_TRANS_REC          | FA_API_TYPES.<br>TRANS_REC_TYPE         |       | Describes the transaction taking place. Transaction information provided by the user. |
| PX_ASSET_HDR_REC<br>C | FA_API_TYPES.<br>ASSET_HDR_REC_<br>TYPE |       | Asset information provided by user. Unique identifiers for the assets.                |
| PX_ASSET_DIST_TB<br>L | FA_API_TYPES.<br>ASSET_DIST_TBL         |       | Distribution information of the asset.                                                |

## Transfer API Usage

This section details how to call the API and how to populate parameter structures required by the API. Sample scripts are also included at the end of this document to show you how this can be called in PL/SQL.

There are three structures that need to be populated before calling the API.

### TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                 | Required / Optional | Type | Value                                                                                                                         |
|--------------------------|---------------------|------|-------------------------------------------------------------------------------------------------------------------------------|
| TRANSACTION_DATE_ENTERED | Optional            | DATE | Populate if you are doing a previous period transfer, otherwise do nothing or set it to null. Defaults to the current period. |



| Argument              | Required / Optional | Type                  | Value                                                                                    |
|-----------------------|---------------------|-----------------------|------------------------------------------------------------------------------------------|
| TRANSACTION_NAME      | Optional            | VARCHAR2(20)          | Description of the transaction. This field is the Comments field in the Asset Workbench. |
| DESC_FLEX             | Optional            | DESC_FLEX_REC_TYPE    | Descriptive flexfield segments.                                                          |
| WHO_INFO              | Required            | STANDARD_WHO_REC_TYPE | Standard Who columns.                                                                    |
| CALLING_INTERFACE     | Optional            | VARCHAR2(30)          | Defaults to CUSTOM                                                                       |
| TRANSACTION_HEADER_ID | Internal use only   | NUMBER(15)            | Optional OUT parameter                                                                   |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value        |
|----------------|---------------------|--------------|--------------|
| ASSET_ID       | Required            | NUMBER(15)   | The asset ID |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Book name    |

## ASSET\_DIST\_REC\_TYPE Asset Structure

The ASSET\_DIST\_REC\_TYPE asset structure contains information that represents a single source or destination distribution line. All the ASSET\_DIST\_REC\_TYPE records comprising a single transfer transaction are contained in the ASSET\_DIST\_TBL table. At least one source line and at least one destination line are required for each transfer transaction. The following table shows type and value information for each argument.

| Argument          | Required / Optional                         | Type       | Value                                               |
|-------------------|---------------------------------------------|------------|-----------------------------------------------------|
| DISTRIBUTION_ID   | Required if row is source distribution      | NUMBER(15) | Unique distribution identification number.          |
| TRANSACTION_UNITS | Required                                    | NUMBER     | Number of units involved in the transaction.        |
| ASSIGNED_TO       | Optional                                    | NUMBER(15) | Employee identification number.                     |
| EXPENSE_CCID      | Required if row is destination distribution | NUMBER(15) | Depreciation expense account identification number. |
| LOCATION_CCID     | Required if row is destination distribution | NUMBER(15) | Location flexfield identification number.           |

## Sample Script: Using the Transfer API to Transfer Units

The following example shows how to use Transfer API for transfer transaction. The example shows transfer of two units from an existing distribution of two new distributions, each having one unit.

```

set serveroutput on;

declare

    l_trans_rec                fa_api_types.trans_rec_type;
    l_asset_hdr_rec            fa_api_types.asset_hdr_rec_type;
    l_asset_dist_tbl           fa_api_types.asset_dist_tbl_type;

    l_return_status            VARCHAR2(1);
    l_mesg_count               number;
    l_mesg                     varchar2(512);

begin

    dbms_output.enable(1000000);

    fa_srvr_msg.init_server_message;

    -- fill in asset information
    l_asset_hdr_rec.asset_id      := &asset_id

    -- fill in distribution data for existing distribution lines
    -- affected by this transfer txn. Note: You need to fill in
    -- only affected distribution lines.
    --
    -- For source distribution, you must fill in either existing
    -- distribution id or 2 columns(expense_ccid,location_ccid) or
    -- 3-tuple columns(assigned_to,expense_ccid, and location_ccid)
    -- depending on the makeup of the particular distribution
    -- of the asset.

    l_asset_dist_tbl(1).transaction_units := &trx_units

    -- Source
    -- Option A - known dist id
    l_asset_dist_tbl(1).distribution_id    := &existing_dist_id

    -- or
    -- Option B - known dist attributes
    l_asset_dist_tbl(1).assigned_to        := &existing_assigned_to
    l_asset_dist_tbl(1).expense_ccid       := &existing_expense_ccid
    l_asset_dist_tbl(1).location_ccid      := &existing_location_id

    -- Destination
    -- fill in dist info for one or more destination distribution (start
with 2..(3,4,...))
    l_asset_dist_tbl(2).transaction_units := &trx_units2
    l_asset_dist_tbl(2).assigned_to        := &new_assigned_to
    l_asset_dist_tbl(2).expense_ccid       := &new_expense_ccid
    l_asset_dist_tbl(2).location_ccid      := &new_location_id

    FA_TRANSFER_PUB.do_transfer(
        -- std parameters
        p_api_version      => 1.0,
        p_init_msg_list    => FND_API.G_FALSE,
        p_commit           => FND_API.G_FALSE,
        p_validation_level => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn       => NULL,
        x_return_status     => l_return_status,
        x_msg_count        => l_mesg_count,

```

```

x_msg_data      => l_mesg,
    -- api parameters
    px_trans_rec      => l_trans_rec,
    px_asset_hdr_rec  => l_asset_hdr_rec,
    px_asset_dist_tbl => l_asset_dist_tbl);

--dump messages
l_mesg_count := fnd_msg_pub.count_msg;

if l_mesg_count > 0 then

    l_mesg := chr(10) || substr(fnd_msg_pub.get
                                (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                1, 250);
    dbms_output.put_line(l_mesg);

    for i in 1..(l_mesg_count - 1) loop
        l_mesg :=
            substr(fnd_msg_pub.get
                    (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
end if;

end;
/

```

---

# Oracle Assets Unit Adjustments API

This appendix covers the following topics:

- Introduction
- Shared Framework
- Unit Adjustment API Description
- Sample Script: Using the Unit Adjustment API

## Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Unit Adjustment API uses the `FA_UNIT_ADJ_PUB.DO_UNIT_ADJUSTMENT()` procedure. You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets.

## Major Features

The Unit Adjustment API provides the following functionality:

### Tax Book

The Unit Adjustment API automatically adjusts assets in all the tax books that are associated with the corporate book where the unit adjustment transaction originated.

### Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

## Related Topics

Unit Adjustment API Description, page W-2

Sample Script: Using the Unit Adjustment API, page W-7

## Shared Framework

All transaction APIs use a basic shared framework to simplify the understanding of how the APIs work and to minimize redundancy in coding. In Unit Adjustment API, the common structures used include the following:

- TRANS\_REC\_TYPE
- ASSET\_HDR\_REC\_TYPE
- ASSET\_DIST\_TBL\_TYPE (table of ASSET\_DIST\_REC\_TYPE)

See Common Structures, page F-2 for description of shared framework and definition of structures listed above.

## Unit Adjustment API Description

You must call the FA\_UNIT\_ADJ\_PUB.DO\_UNIT\_ADJUSTMENT () API to perform adjustment transactions. The following table provides the arguments, types, value, and descriptions of the elements in the FA\_UNIT\_ADJ\_PUB.DO\_UNIT\_ADJUSTMENT procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument      | Type   | Value             | Description                |
|---------------|--------|-------------------|----------------------------|
| P_API_VERSION | NUMBER | Internal use only | Version of the API in use. |

| Argument           | Type     | Value                                                                                                                                                                                                         | Description                                                              |
|--------------------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_INIT_MSG_LIST    | VARCHAR2 | <p>FND_API.G_TRUE - Initialize the message stack.</p> <p>FND_API.G_FALSE - Do not initialize the message stack (Default).</p>                                                                                 | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2 | <p>FND_API.G_TRUE - Commit automatically.</p> <p>FND_API.G_FALSE - Do not commit automatically (Default)</p>                                                                                                  | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER   | <p>FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.</p> <p>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default).</p>                                            | Asset validation by the API.                                             |
| P_CALLING_FN       | VARCHAR2 |                                                                                                                                                                                                               | Function calling the API                                                 |
| X_RETURN_STATUS    | VARCHAR2 | <p>FND_API.G_RET_STS_SUCCESS - Indicates a successful transaction.</p> <p>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.</p> <p>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error.</p> | Determines if the API is successful.                                     |

| Argument          | Type                             | Value | Description                                                        |
|-------------------|----------------------------------|-------|--------------------------------------------------------------------|
| X_MSG_COUNT       | NUMBER                           |       | Number of messages on the message stack.                           |
| X_MSG_DATA        | FA_API_TYPES.MSG_REC_TYPE        |       | The part of the API that stores messages to be passed to the user. |
| PX_TRANS_REC      | FA_API_TYPES.TRANS_REC_TYPE      |       | Describes the transaction taking place.                            |
| PX_ASSET_HDR_REC  | FA_API_TYPES.ASSET_HDR_REC_TYPE  |       | Unique identifiers for the assets.                                 |
| PX_ASSET_DIST_TBL | FA_API_TYPES.ASSET_DIST_TBL_TYPE |       | Distribution information of the asset.                             |

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                 | Required / Optional | Type          | Value                                                                                                                     |
|--------------------------|---------------------|---------------|---------------------------------------------------------------------------------------------------------------------------|
| TRANSACTION_DATE_ENTERED | Optional            | DATE          | Populate if you are doing previous period unit adjustment, else do nothing or set it to null. Defaults to current period. |
| TRANSACTION_NAME         | Optional            | VARCHAR2(20)  | Enter comments for this transaction.                                                                                      |
| DESC_FLEX                | Optional            | DESC_FLEX_REC | Enter descriptive flexfield information.                                                                                  |



| Argument              | Required / Optional | Type                  | Value                                                                                                                                                                                                 |
|-----------------------|---------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WHO_INFO              | Optional            | STANDARD_WHO_REC_TYPE | Defaults to the following values:<br><br>LAST_UPDATE_DATE - SYSDATE<br><br>LAST_UPDATED_BY - FND_GLOBAL.USER_ID<br><br>CREATED_BY - FND_GLOBAL.USER_ID<br><br>LAST_UPDATE_LOGIN - FND_GLOBAL.LOGIN_ID |
| CALLING_INTERFACE     | Optional            | VARCHAR2(30)          | Enter the interface name that calls the API. Defaults to CUSTOM.                                                                                                                                      |
| TRANSACTION_HEADER_ID | Optional            | NUMBER(15)            |                                                                                                                                                                                                       |

### ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value           |
|----------------|---------------------|--------------|-----------------|
| ASSET_ID       | Required            | NUMBER(15)   | Asset ID.       |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Book type code. |

### ASSET\_DIST\_REC\_TYPE Asset Structure

The ASSET\_DIST\_REC\_TYPE asset structure contains information that represents a

single source or destination distribution line. All the ASSET\_DIST\_REC\_TYPE records comprising a single unit adjustment transaction are contained in the ASSET\_DIST\_TBL table. At least one source line and at least one destination line are required for each unit adjustment transaction. The following table shows type and value information for each argument.

| Argument          | Required / Optional | Type       | Value                                               |
|-------------------|---------------------|------------|-----------------------------------------------------|
| DISTRIBUTION_ID   |                     | NUMBER(15) | Unique distribution identification number.          |
| TRANSACTION_UNITS |                     | NUMBER     | Number of units involved in the transaction.        |
| ASSIGNED_TO       |                     | NUMBER(15) | Employee identification number.                     |
| EXPENSE_CCID      |                     | NUMBER(15) | Depreciation expense account identification number. |
| LOCATION_CCID     |                     | NUMBER(15) | Location flexfield identification number.           |

## Example 1

The asset has one unit with one distribution line. You now want to adjust to a total of two units, and assign the new unit to a new distribution line. To accomplish this, you need to populate the distribution lines as illustrated in the table below:

| Argument          | Row 1 |
|-------------------|-------|
| DISTRIBUTION_ID   |       |
| TRANSACTION_UNITS | 1     |
| ASSIGNED_TO       | 20    |

| Argument      | Row 1 |
|---------------|-------|
| EXPENSE_CCID  | 1234  |
| LOCATION_CCID | 7777  |

The table above shows one new unit being created with new distribution information. Also, DISTRIBUTION\_ID, ASSIGNED\_TO, EXPENSE\_CCID, and LOCATION\_ID should all have valid IDs.

## Example 2

The asset has a total of two units and two distribution lines, one unit in each distribution line. For this example, you want to increase total units to four, by adding one unit to each existing line. To accomplish this, you need to populate the distribution lines as illustrated in the table below:

| Argument          | Row 1 | Row 2 |
|-------------------|-------|-------|
| DISTRIBUTION_ID   | 1111  | 2222  |
| TRANSACTION_UNITS | 1     | 1     |
| ASSIGNED_TO       |       |       |
| EXPENSE_CCID      |       |       |
| LOCATION_CCID     |       |       |

The table above shows one unit being added to distribution #1111 and one unit to distribution #2222.

## Sample Script: Using the Unit Adjustment API

The following example shows how to call public Unit Adjustment API for unit adjustment transaction. This example increases total units from two to four, and distributes the two new units to existing distributions.

```

set serveroutput on;

declare

    l_trans_rec                fa_api_types.trans_rec_type;
    l_asset_hdr_rec            fa_api_types.asset_hdr_rec_type;
    l_asset_dist_tbl           fa_api_types.asset_dist_tbl_type;

    l_return_status            VARCHAR2(1);
    l_mesg_count               number;
    l_mesg                     varchar2(512);

begin

    dbms_output.enable(1000000);

    fa_srvr_msg.init_server_message;

    -- fill in asset information
    l_asset_hdr_rec.asset_id    := &asset_id

    -- fill in distribution data for existing distribution lines
    -- affected by this unit adj txn. Note: You need to fill in
    -- only affected distribution lines.
    --
    -- For source distribution, you must fill in either existing
    -- distribution id or 2 columns(expense_ccid,location_ccid) or
    -- 3-tuple columns(assigned_to,expense_ccid, and location_ccid)
    -- depending on the makeup of the particular distribution
    -- of the asset.
    --
    -- NOTE: you can add to existing, subtract from existing,
    -- add new, or a combination of these

    -- Option 1 - Impacts to existing distributions

    l_asset_dist_tbl(1).transaction_units := &trx_units

    -- Option 1a - known dist id
    l_asset_dist_tbl(1).distribution_id   := &existing_dist_id

    -- or

    -- Option 1b - Existing distribution - known dist attributes
    l_asset_dist_tbl(1).assigned_to       := &existing_assigned_to
    l_asset_dist_tbl(1).expense_ccid      := &existing_expense_ccid
    l_asset_dist_tbl(1).location_ccid     := &existing_location_id

    -- and/or

    -- Option 2 - Completely new Distributions

    -- fill in dist info for one or more destination distribution
    (start with 2..(3,4,...))
    l_asset_dist_tbl(2).transaction_units := &trx_units2
    l_asset_dist_tbl(2).assigned_to       := &new_assigned_to
    l_asset_dist_tbl(2).expense_ccid      := &new_expense_ccid
    l_asset_dist_tbl(2).location_ccid     := &new_location_id

```

```

FA_UNIT_ADJ_PUB.do_unit_adjustment(
    -- std parameters
    p_api_version      => 1.0,
    p_init_msg_list    => FND_API.G_FALSE,
    p_commit           => FND_API.G_FALSE,
    p_validation_level => FND_API.G_VALID_LEVEL_FULL,
    p_calling_fn       => NULL,
    x_return_status    => l_return_status,
    x_msg_count        => l_mesg_count,
    x_msg_data         => l_mesg,
    -- api parameters
    px_trans_rec       => l_trans_rec,
    px_asset_hdr_rec   => l_asset_hdr_rec,
    px_asset_dist_tbl  => l_asset_dist_tbl);

--dump messages
l_mesg_count := fnd_msg_pub.count_msg;

if l_mesg_count > 0 then

    l_mesg := chr(10) || substr(fnd_msg_pub.get
                                (fnd_msg_pub.G_FIRST,
fnd_api.G_FALSE),
                                1, 250);
    dbms_output.put_line(l_mesg);

    for i in 1..(l_mesg_count - 1) loop
        l_mesg :=
            substr(fnd_msg_pub.get
                    (fnd_msg_pub.G_NEXT,
fnd_api.G_FALSE), 1, 250);

        dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
end if;

end;
/

```



---

## Oracle Assets Unplanned Depreciation API

This appendix covers the following topics:

- Introduction
- Unplanned Depreciation API Description
- Sample Script: Using the Unplanned Deprecation API

### Introduction

You can use this API if you have a custom interface that makes it difficult to use with the existing interfaces in Oracle Assets. The Unplanned Depreciation API uses the `FA_UNPLANNED_PUB.DO_UNPLANNED ()` procedure. You can use this API if you have a custom interface that makes it difficult to use with the existing Oracle Assets interfaces for adjusting assets.

### Alternate Ledger Currency

If you have set up alternate ledger currency , when you add or modify assets using an Oracle Assets API, the API copies the transactions to the reporting currencies automatically. Invoice rounding issues are avoided by using the API to drive the alternate ledger currency accounting for both the ledger and reporting currencies.

### Related Topics

Unplanned Depreciation API Description, page X-1

Sample Script: Using the Unplanned Depreciation API, page X-5

### Unplanned Depreciation API Description

The Unplanned Depreciation API procedure is called:  
`FA_UNPLANNED_PUB.DO_UNPLANNED ()`.

The following table provides the arguments, types, value, and descriptions of the elements of the FA\_UNPLANNED\_PUB.DO\_UNPLANNED () procedure.

Each argument has a prefix of P, X, or PX. These prefixes mean the following:

- P - indicates an In argument
- X - indicates an Out argument
- PX - indicates an argument that is both In and Out

| Argument           | Type     | Value                                                                                                                                                       | Description                                                              |
|--------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| P_API_VERSION      | NUMBER   | Internal use only                                                                                                                                           | Basic information about the API.                                         |
| P_INIT_MSG_LIST    | VARCHAR2 | FND_API.G_TRUE - Initialize the message stack.<br><br>FND_API.G_FALSE - Do not initialize the message stack (Default).                                      | Determines whether the messages stack should be initialized and cleared. |
| P_COMMIT           | VARCHAR2 | FND_API.G_TRUE - Commit automatically.<br><br>FND_API.G_FALSE - Do not commit automatically (Default)                                                       | Commits the transaction.                                                 |
| P_VALIDATION_LEVEL | NUMBER   | FND_API.G_VALID_LEVEL_NONE - Low level validation for a transaction.<br><br>FND_API.G_VALID_LEVEL_FULL - High level validation for a transaction (Default). | Asset validation by the API.                                             |
| P_CALLING_FN       | VARCHAR2 |                                                                                                                                                             | Function calling the API                                                 |



| Argument              | Type                                  | Value                                                                                                                                                                                                  | Description                                                        |
|-----------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| X_RETURN_STATUS       | VARCHAR2                              | FND_API.G_RET_STS_SUCCESS - Indicates a successful transaction.<br><br>FND_API.G_RET_STS_ERROR - Indicates a failed transaction.<br><br>FND_API.G_RET_STS_UNEXP_ERROR - Indicates an unexpected error. | Determines if the API is successful.                               |
| X_MSG_COUNT           | NUMBER                                |                                                                                                                                                                                                        |                                                                    |
| X_MSG_DATA            | FA_API_TYPES.MSG_REC_TYPE             |                                                                                                                                                                                                        | The part of the API that stores messages to be passed to the user. |
| PX_TRANS_REC          | FA_API_TYPES.TRANS_REC_TYPE           |                                                                                                                                                                                                        | Describes the transaction taking place.                            |
| PX_ASSET_HDR_REC      | FA_API_TYPES.ASSET_HDR_REC_TYPE       |                                                                                                                                                                                                        | Unique identifiers for the assets.                                 |
| P_UNPLANNED_DEPRN_REC | FA_API_TYPES.UNPLANNED_DEPRN_REC_TYPE |                                                                                                                                                                                                        | Unplanned information for the transaction                          |

## TRANS\_REC\_TYPE Transaction Structure

The TRANS\_REC\_TYPE transaction structure contains information about the transaction, such as the transaction header ID and the transaction type code. The following table shows type and value information for each argument.

| Argument                     | Required / Optional | Type                  | Value                                                                                    |
|------------------------------|---------------------|-----------------------|------------------------------------------------------------------------------------------|
| SOURCE_TRANSACTION_HEADER_ID | Optional            | NUMBER(15)            | Defaults to source THID when using autocopy or CIP-IN-TAX                                |
| MASS_REFERENCE_ID            | Optional            | NUMBER(15)            | Defaults to CONC_REQUEST_ID                                                              |
| TRANSACTION_SUBTYPE          | Optional            | VARCHAR2(9)           | AMORTIZED or EXPENSED (default).                                                         |
| TRANSACTION_NAME             | Optional            | VARCHAR2(20)          | Description of the transaction. This field is the Comments field in the Asset Workbench. |
| CALLING_INTERFACE            | Optional            | VARCHAR2(30)          | Interface that calls the API. This field defaults to CUSTOM.                             |
| DESC_FLEX                    | Optional            | DESC_FLEX_REC_TYPE    | Descriptive flexfield segments.                                                          |
| WHO_INFO                     | Optional            | STANDARD_WHO_REC_TYPE | Standard Who columns.                                                                    |

## ASSET\_HDR\_REC\_TYPE Asset Structure

The ASSET\_HDR\_REC\_TYPE asset structure contains unique identification information for a given asset, such as the asset ID and book type code. The following table shows type and value information for each argument.

| Argument       | Required / Optional | Type         | Value                        |
|----------------|---------------------|--------------|------------------------------|
| ASSET_ID       | Required            | NUMBER(15)   | Asset identification number. |
| BOOK_TYPE_CODE | Required            | VARCHAR2(15) | Book name.                   |

## UNPLANNED\_DEPRN\_REC\_TYPE Asset Structure

The UNPLANNED\_DEPRN\_REC\_TYPE structure contains unplanned depreciation information when this type of transaction is performed on a given asset. The following table shows type and value information for each argument.

| Argument                | Required / Optional | Type        | Value                                               |
|-------------------------|---------------------|-------------|-----------------------------------------------------|
| CODE_COMBINATI<br>ON_ID | Optional            | NUMBER(15)  | Account allocated for<br>unplanned<br>depreciation. |
| UNPLANNED_AMO<br>UNT    | Required            | NUMBER      | Amount of<br>unplanned<br>depreciation.             |
| UNPLANNED_TYPE          | Optional            | VARCHAR2(9) | Type of unplanned<br>depreciation.                  |

## Sample Script: Using the Unplanned Deprecation API

The following example demonstrates the unplanned depreciation of an asset. In this particular example, we are inserting an unplanned amount of \$600,000, regardless of what the current reserve may be. It populates the needed structures and then calls the Unplanned Depreciation API.

```

set serveroutput on

declare

    l_trans_rec            FA_API_TYPES.trans_rec_type;
    l_asset_hdr_rec        FA_API_TYPES.asset_hdr_rec_type;
    l_unplanned_deprn_rec  FA_API_TYPES.unplanned_deprn_rec_type;

    l_return_status        VARCHAR2(1);
    l_mesg_count           number;
    l_mesg                 varchar2(4000);

begin

    dbms_output.enable(1000000);

    FA_SRVR_MSG.Init_Server_Message;

    l_asset_hdr_rec.asset_id            := &asset_id
    l_asset_hdr_rec.book_type_code      := '&book';

    l_unplanned_deprn_rec.code_combination_id := &ccid
    l_unplanned_deprn_rec.unplanned_amount   := &amt

    l_trans_rec.transaction_subtype      := '&trx_subtype';
    l_unplanned_deprn_rec.unplanned_type := '&unplanned_type';

    FA_UNPLANNED_PUB.do_unplanned(
        -- std parameters
        p_api_version            => 1.0,
        p_init_msg_list          => FND_API.G_FALSE,
        p_commit                  => FND_API.G_FALSE,
        p_validation_level       => FND_API.G_VALID_LEVEL_FULL,
        p_calling_fn             => null,
        x_return_status           => l_return_status,
        x_msg_count               => l_mesg_count,
        x_msg_data               => l_mesg,
        -- api parameters
        px_trans_rec              => l_trans_rec,
        px_asset_hdr_rec          => l_asset_hdr_rec,
        p_unplanned_deprn_rec     => l_unplanned_deprn_rec);

    --dump messages
    l_mesg_count := fnd_msg_pub.count_msg;

    if l_mesg_count > 0 then

        l_mesg := chr(10) || substr(fnd_msg_pub.get
                                   (fnd_msg_pub.G_FIRST,
                                   fnd_api.G_FALSE),
                                   1, 250);

        dbms_output.put_line(l_mesg);

        for i in 1..(l_mesg_count - 1) loop
            l_mesg :=
                substr(fnd_msg_pub.get
                      (fnd_msg_pub.G_NEXT,
                      fnd_api.G_FALSE), 1, 250);
        end loop;
    end if;
end;

```

```

dbms_output.put_line(l_mesg);
    end loop;

    fnd_msg_pub.delete_msg();

end if;

if (l_return_status <> FND_API.G_RET_STS_SUCCESS) then
    dbms_output.put_line('FAILURE');
else
    dbms_output.put_line('SUCCESS');
    dbms_output.put_line('THID' ||
to_char(l_trans_rec.transaction_header_id));
    dbms_output.put_line('ASSET_ID' ||
to_char(l_asset_hdr_rec.asset_id));
    end if;

end;
/

```



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