

Multiple Reporting Currencies in Oracle[®] Applications

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Multiple Reporting Currencies in Oracle Applications Release 11

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Preface

Welcome to Release 11 of *Multiple Reporting Currencies in Oracle Applications*.

This user's guide includes the information you need to use Multiple Reporting Currencies effectively. It contains detailed information about the following:

- Overview and reference information
- Multiple Reporting Currencies functions and features
- Multiple Reporting Currencies system setup
- Specific tasks you can accomplish using Multiple Reporting Currencies
- Multiple Reporting Currencies implementation suggestions

This preface explains how this user's guide is organized and introduces other sources of information that can help you.

About This User's Guide

This guide is the primary source of information about the Oracle Multiple Reporting Currencies (MRC) feature. It contains overviews as well as task and reference information. This guide includes the following chapters:

- Chapter 1 provides an overview of MRC, a list of the Oracle applications that support MRC, the business reasons for using MRC, and a list of MRC features.
- Chapter 2 contains a checklist for setting up MRC, details on each setup step, and currency conversion rules.
- Chapter 3 describes transaction processing in General Ledger and all subledgers that support MRC.
- Chapter 4 describes special considerations for each product that supports MRC.
- Chapter 5 describes important issues to consider before implementing MRC.
- Finally, Appendix A includes information on the predefined MRC reporting responsibilities provided as examples of how to set up reporting responsibilities in your system.

This user's guide is available online

All Oracle Applications user's guides are available online, in both HTML and Adobe Acrobat format. (Most other Oracle Applications documentation is available in Adobe Acrobat format.)

The paper and online versions of this manual have identical content; use whichever format is most convenient.

The HTML version of this book is optimized for on-screen reading, and lets you follow hypertext links for easy access to books across our entire library; you can also search for words and phrases if your national language is supported by Oracle's Information Navigator. The HTML documentation is available from the Oracle Applications toolbar, or from a URL provided by your system administrator. Note that the HTML documentation is translated into over twenty languages.

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printouts look just like pages from an Oracle Applications hardcopy manual.

Note: There may be additional material that was not available when this user's guide was printed. To learn if there is a documentation update for this product, look at the main menu on this product's HTML help.

Assumptions

This guide assumes you have a working knowledge of the principles and customary practices of your business area. If you have never used Multiple Reporting Currencies, we suggest you attend one or more of the Multiple Reporting Currencies training classes available through Oracle Education. (See Other Information Sources for more information about Multiple Reporting Currencies and Oracle training.)

This guide also assumes that you are familiar with the Oracle Applications graphical user interface. To learn more about the Oracle Applications graphical user interface, read the *Oracle Applications User's Guide*.

Do Not Use Database Tools to Modify Oracle Applications Data

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 like SQL*Plus to modify Oracle Applications data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle Applications tables are interrelated, any change you make using an Oracle Applications form can update many tables at once. But when you modify Oracle Applications data using anything other than Oracle Applications forms, 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 Applications.

When you use Oracle Applications forms to modify your data, Oracle Applications automatically checks that your changes are valid. Oracle Applications also keeps track of who changes information. But, 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.

Consequently, we STRONGLY RECOMMEND that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle Applications tables, unless we tell you to do so in our manuals.

Other Information Sources

You can choose from many sources of information, including documentation, training, and support services, to increase your knowledge and understanding of Multiple Reporting Currencies.

Most Oracle Applications documentation is available in Adobe Acrobat format on the *Oracle Applications Documentation Library* CD. We supply this CD with every software shipment.

If this manual refers you to other Oracle Applications documentation, use only the Release 11 versions of those manuals unless we specify otherwise.

Oracle Applications User's Guide

This guide explains how to navigate, enter data, query, run reports, and introduces other basic features of the graphical user interface (GUI) available with this release of Multiple Reporting Currencies. This guide also includes information on setting user profiles, as well as running and reviewing reports and concurrent requests.

You can also access this user's guide online by choosing "Getting Started with Oracle Applications" from any Oracle Applications help file.

Related User's Guides

Multiple Reporting Currencies shares business and setup information with other Oracle Applications products. Therefore, you may want to refer to other user's guides when you set up and use Multiple Reporting Currencies.

If you do not have the hardcopy versions of these manuals, you can read them by choosing Library from the Help menu, or by reading

from the Oracle Applications Document Library CD, or by using a web browser with a URL that your system administrator provides.

Oracle General Ledger User's Guide

Use this manual when you define primary and reporting sets of books, rate type, and currencies, and when you need to enter daily rates.

Oracle Cash Management User's Guide

This manual explains how you can reconcile your payments and receipts with your bank statements.

Oracle Purchasing User's Guide

If you plan to use MRC with Oracle Purchasing, refer to this user's guide for general information about Oracle Purchasing.

Oracle Payables User's Guide

If you plan to use MRC with Oracle Payables, refer to this user's guide for general information about Oracle Payables.

Oracle Receivables User's Guide

If you plan to use MRC with Oracle Receivables, refer to this user's guide for general information about Oracle Receivables.

Oracle Projects User's Guide

If you plan to use MRC with Oracle Projects, refer to this user's guide for general information about Oracle Projects.

Oracle Assets User's Guide

If you plan to use MRC with Oracle Assets, refer to this user's guide for general information about Oracle Assets.

Country-Specific Manuals

Use these manuals to meet statutory requirements and common business practices in your country or region. Look for a User's Guide appropriate to your country; for example, see the *Oracle Financials for the Czech Republic User's Guide* for more information about using this software in the Czech Republic.

Multiple Organizations in Oracle Applications

If you use the Oracle Applications Multiple Organization Support feature to use multiple operating units in a single installation of Oracle Applications, use this guide to learn about setting up and using the Multiple Organization Support feature.

Oracle Applications Global Accounting Engine User's Guide

Use this manual if you plan to process Payables and Receivable transactions using the Global Accounting Engine.

Installation and System Administration

Oracle Applications Installation Manual

This manual and the accompanying release notes provide information you need to successfully install Oracle Financials, Oracle Public Sector Financials, Oracle Manufacturing, or Oracle Human Resources in your specific hardware and operating system software environment.

Oracle Applications Upgrade Manual

This manual explains how to prepare your Oracle Applications products for an upgrade. It also contains information on finishing the upgrade procedure for each product. Refer to this manual and the *Oracle Applications Installation Manual* when you plan to upgrade your products.

Oracle Applications System Administrator's Guide

This manual provides planning and reference information for the Oracle Applications System Administrator. It contains information on how to define security, customize menus and online help, and manage processing.

Oracle Applications Product Update Notes

This book contains a summary of each new feature we added since Release 10.7, as well as information about database changes and seed data changes that may affect your operations or any custom reports you have written. If you are upgrading from Release 10.6 or earlier, you also need to read Oracle Applications Product Update Notes Release 10.7.

Other Information

Training

Oracle Education offers a complete set of training courses to help you and your staff master Oracle Applications. We can help you develop a training plan that provides thorough training for both your project team and your end users. We will work with you to organize courses appropriate to your job or area of responsibility.

Training professionals can show you how to plan your training throughout the implementation process so that the right amount of information is delivered to key people when they need it the most. You can attend courses at any one of our many Educational Centers, or you can arrange for our trainers to teach at your facility. In addition, we can tailor standard courses or develop custom courses to meet your needs.

Support

From on-site support to central support, our team of experienced professionals provides the help and information you need to keep Multiple Reporting Currencies working for you. This team includes your Technical Representative, Account Manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle server, and your hardware and software environment.

About Oracle

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Thank You

Thank you for using Oracle Multiple Reporting Currencies and this guide.

We value your comments and feedback. At the end of this manual is a Reader's Comment Form you can use to explain what you like or dislike about Multiple Reporting Currencies or this user's guide. Mail your comments to the following address or call us directly at (650) 506-7000.

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Or, send electronic mail to **appsdoc@us.oracle.com**.

CHAPTER

1

Overview

Overview of Multiple Reporting Currencies

The Multiple Reporting Currencies (MRC) feature allows you to report and maintain accounting records at the transaction level, in more than one functional currency. You do this by defining one or more reporting sets of books, in addition to your primary set of books. In your reporting sets of books, you maintain records in a functional currency other than your primary functional currency. You can set up multiple reporting sets of books and associate them with a primary set of books.

Your primary functional currency is the currency you use to record transactions and maintain your accounting data within Oracle Applications. The functional currency is generally the currency in which you transact most of your business and the one you use for legal reporting.

A reporting functional currency is a currency other than your primary functional currency for which you need to report accounting data. You must define a set of books for each of your reporting functional currencies.

When you enter transactions in Oracle Applications, they are converted, as needed, into your primary functional currency and each of your reporting functional currencies. You log into a reporting responsibility to inquire and report on transactions and account balances in your reporting functional currencies. For more information, see MRC Features: page 1 – 3.

Oracle Applications Support for MRC

The following Oracle Applications support Multiple Reporting Currencies:

- General Ledger
- Payables
- Purchasing
- Receivables
- Cash Management
- Projects
- Assets
- Cost Management

Note: Cost Management amounts are converted to a specified reporting currency when you request a report. The converted amounts, however, are not stored in the Cost Management subledger. For more information, see Cost Management: page 4 – 12.

When to Use MRC

MRC is specifically intended for use by organizations that must regularly and routinely report their transactions and financial results in multiple currencies, other than their primary functional currency. If you only need to report balances in a currency other than your primary functional currency, the General Ledger Translation feature is probably sufficient.

Note: MRC is not intended as a replacement for General Ledger's translation feature.

Typically, you should consider using MRC when:

- You operate in a country whose unstable currency makes it unsuitable for managing your business. As a result, you need to manage your business in a more stable currency and still be able to report your transactions and account balances in the unstable local currency.
- Your company is multinational, and you need to report financial information in a common functional currency other than that of the transaction or your primary functional currency.
- You operate in a country that is part of the European Monetary Union (EMU), and you want to concurrently report in Euro in preparation for the pan-European currency.

MRC Features

Reporting Sets of Books

In Oracle Applications you record day-to-day business transactions in your organization's *primary* set of books or post transactions to the primary set of books from your subledgers. From the primary set of books, you can report your account balances in your primary functional currency.

To use MRC, you must define additional sets of books, called *reporting* sets of books, and associate them with a primary set of books. When defining a reporting set of books, you specify your reporting functional currency as the set of book's functional currency. This is the currency in which you want to inquire and report your transactions and account balances.

For example, assume your business is located in Canada. You use a primary set of books whose functional currency is Canadian Dollars (CAD), but you also need to inquire and report on your transactions and balances in U.S. Dollars (USD), since this is the functional currency of your parent organization. You define a reporting set of books with a functional currency of USD, then you associate this reporting set of books with your primary set of books.

Note: The full range of General Ledger functionality is available from a reporting set of books. You can post journals, revalue and translate balances, perform consolidations, query account balances, submit standard General Ledger reports, and define custom financial reports.

Transaction-Level Conversion

When you enter transactions in Oracle Applications that support MRC, they are converted, as needed, into your primary functional currency and each of your reporting functional currencies, as follows:

- **Primary functional currency transactions:** All transactions denominated in your primary functional currency are recorded in this currency. The transactions are also converted automatically to each of your reporting functional currencies.
- **Foreign currency transactions:** Transactions denominated in a foreign currency are converted automatically to your primary set of books' functional currency and to each of your reporting functional currencies.

Additional Information: For more information about how amounts are converted, see:

MRC Conversion Business Rules: page 2 – 22

Overview of Multi-Currency Accounting
(*Oracle General Ledger User's Guide*)

Subledger Transactions

When you enter transactions into the subledgers of Oracle Applications that support MRC, the transactions are converted to your reporting functional currencies at the time of original entry. The primary functional currency amounts and their associated reporting currency amounts are stored together in your subledgers. You must post subledger transactions to General Ledger in both the primary set of books and in each reporting set of books.

Note: Since conversion occurs when the transactions are entered, your reporting currency amounts are always synchronized with your primary currency amounts.

General Ledger Journals

Journal entries that originate in General Ledger, such as manual journals, recurring journals, and MassAllocations, as well as journals that you import from sources other than Oracle Applications' subledgers, are converted to your reporting functional currencies when you post the journals in General Ledger in your primary set of books.

The converted journals are then copied from your primary set of books to each of the associated reporting sets of books. The converted journals must be posted separately in each reporting set of books.

Note: The balances in your reporting sets of books will not be synchronized with the balances in the associated primary set of books until you:

- Post your subledger transactions to General Ledger from both your primary and associated reporting sets of books
- Post all journals in your primary set of books
- Post the converted journals in each of the associated reporting sets of books

Inquiry and Reporting in Multiple Currencies

Oracle Subledgers

When you enter transactions into the subledgers of Oracle Applications that support MRC, the transactions are converted to your reporting functional currencies at the time of original entry. As a result, your reporting currency information is immediately available for inquiry and reporting in the subledgers. Each inquiry or report that normally displays information in the primary functional currency can also be displayed in any of the associated reporting currencies. To do so, you log into a reporting responsibility, then view and report transactions in the reporting currencies associated with that responsibility.

You must post subledger transactions to General Ledger in both the primary set of books and in each reporting set of books. After you have posted the transactions, you can log into a General Ledger reporting responsibility, post the newly created journals, then report on

the journals and the account balances of the associated reporting set of books.

Oracle General Ledger

For General Ledger journals, you must complete the posting process in both your primary set of books and each associated reporting set of books before you can report on the updated balances. Note that separate balances are updated for each set of books.

Note: Before you can report on your updated balances, you must also post your subledger transactions to General Ledger from both your primary and associated reporting sets of books, and post the newly created journals in both your primary and associated reporting sets of books.

Each General Ledger report or inquiry that normally displays information in the primary functional currency can also be displayed in any of the associated reporting currencies. To inquire or report on the account balances of a reporting set of books, you log into the associated General Ledger reporting responsibility.

When you inquire on account balances in a reporting set of books, you can drill down to the subledger details (in your reporting functional currency) using General Ledger's standard drilldown features.

See: Drilling Down to Journal Detail
Drilling Down to Oracle Payables Detail
Drilling Down to Oracle Receivables Detail
(*Oracle General Ledger User's Guide*)

For reconciliation purposes, you can use the Financial Statement Generator (FSG) to create a custom comparison report that lists balances from your primary and reporting sets of books in separate columns. Use this report as the basis for reconciling your primary and reporting sets of books.

See: Overview of the Financial Statement Generator
(*Oracle General Ledger User's Guide*)

Euro Support

MRC allows Oracle Applications to support organizations that are transitioning from their national currency to the Euro:

- ☐ **Transition Period:** If you currently use Oracle Applications, you can continue to maintain your current set of books in your national currency and use MRC to begin reporting transactions

and financial results in the Euro. If you are implementing Oracle Applications for the first time, you can set up your primary set of books using Euro as the functional currency and use MRC to report transactions and financial results in your national currency.

- ❑ **Currency Conversion:** MRC observes the fixed-rate relationships you defined between the Euro and EMU currencies, as well as the effective starting dates of those relationships, when converting transaction amounts to or from the Euro or EMU currencies. When converting amounts from your primary functional currency to your reporting functional currencies, MRC fully complies with the conversion guidelines established by the European Commission.

CHAPTER

2

Setup

Setting Up MRC

The following table provides a summary of the steps you must follow to set up MRC in your applications. These steps are described in more detail in the next section.

Note: You must install MRC before you can begin the setup steps in this section. See: *Oracle Applications Installation Manual* for information about installing MRC.

	Step Description	Window Name (Responsibility)
<input type="checkbox"/>	Step 1 – Enable or define primary set of books: page 2 – 4	Set of Books (General Ledger)
<input type="checkbox"/>	Step 2 – Enable and/or define reporting currencies: page 2 – 4	Currencies (General Ledger)
<input type="checkbox"/>	Step 3 – Define reporting sets of books: page 2 – 5	Set of Books (General Ledger)
<input type="checkbox"/>	Step 4 – Assign reporting sets of books to primary set of books: page 2 – 7	Assign Reporting Sets of Books (General Ledger)
<input type="checkbox"/>	Step 5 – Define conversion options for each application: page 2 – 9	Conversion Options (General Ledger)
<input type="checkbox"/>	Step 6 – Define General Ledger conversion rules: page 2 – 14	GL Conversion Rules (General Ledger)
<input type="checkbox"/>	Step 7 – Define reporting responsibilities: page 2 – 19	Responsibilities (System Administrator)
<input type="checkbox"/>	Step 8 – Assign reporting sets of books to reporting responsibilities: page 2 – 21	System Profile Values (System Administrator)

Table 2 – 1 (Page 1 of 1) MRC Setup Steps

Note: Daily rates are used to convert your primary set of book's transactions to the appropriate reporting currencies. If

you do not currently maintain daily rates, you must do so when you implement MRC.

See: Entering Daily Rates
(*Oracle General Ledger User's Guide*)

MRC Conversion Business Rules: page 2 – 22

MRC Setup Steps

Step 1 – Enable or Define Primary Set of Books

If you currently use Oracle Applications, you must enable your set of books as the MRC primary set of books. If you are installing Oracle Applications for the first time, you must define your primary set of books.

Note: Your primary set of books is where you record your day-to-day business transactions in Oracle Applications. The primary set of books uses a specific chart of accounts, accounting calendar, and functional currency. For MRC purposes, the functional currency is always the primary functional currency.

For each set of books you use with MRC, you need to specify whether it is a primary or reporting set of books. This is done on the Set of Books window, using the Reporting Currency Options alternative region.

See: Defining Sets of Books
(*Oracle General Ledger User's Guide*)

Step 2 – Enable and/or Define Reporting Currencies

To use MRC, you may need to enable and/or define additional currencies if the currency you want to use for a reporting set of books is not already enabled or does not appear in the list of predefined currencies. In addition, you need to enable and/or define any currencies you expect to use to enter transactions.

See: Defining Currencies
(*Oracle General Ledger User's Guide*)

Definitions

Throughout this guide, we refer to currencies in one of three contexts — primary functional currency, reporting functional currency, and transaction currency. Each is explained below:

Primary Functional Currency: the currency you use to record transactions and maintain your accounting data within Oracle Applications. The primary functional currency is generally the currency

in which you transact most of your business and the one you use for legal reporting.

Reporting Functional Currency: a currency other than your primary functional currency for which you need to report accounting data. For example, as of January 1, 1999, the new pan-European currency, the Euro, will become effective. If you need to report in the Euro currency, you will need a reporting set of books with the Euro as the functional currency. Therefore, you need to enable the EUR currency.

Transaction Currency: the currency in which a transaction originates. For example, if you are a Canadian organization and you trade with organizations located in Japan, you must enable the Japanese Yen if you will be issuing purchase orders, generating invoices, paying bills, and receiving payments in Yen.

Step 3 – Define Reporting Sets of Books

To use MRC, you must define reporting sets of books and associate them with your primary set of books.

Note: A reporting set of books is a financial reporting entity that is associated with a primary set of books. The reporting set of books has the same chart of accounts and accounting calendar as the primary set of books, but usually has a different functional currency.

For example, assume that your company headquarters is located in Australia and that its primary functional currency is Australian Dollars (AUD). Assume also that you have one subsidiary each in Canada and Germany, both of which maintain a primary set of books in its local functional currency — Canadian Dollars (CAD) for the Canadian subsidiary and Deutsche Marks (DEM) or the Euro (EUR) for the German subsidiary. Each subsidiary should maintain a reporting set of books in AUD, so it can analyze and report transactions using the parent's functional currency.

For each reporting set of books you define, you need to specify it as a reporting set of books on the Set of Books window, using the Reporting Currency Options alternative region.

See: Defining Sets of Books
(*Oracle General Ledger User's Guide*)

Other Considerations

- ☐ If your primary set of books is defined as an average balances consolidation set of books, any associated reporting sets of books must also be defined as average balances consolidation sets of books.
- ☐ If you use combined basis accounting with Oracle Payables, you will have two Payables sets of books (primary and secondary). One will be for accrual basis accounting and the other will be for cash basis accounting. If you want to report Payables transactions in your reporting currencies for each accounting basis, you must define a reporting set of books for each.

Other Set of Books Options

Some set of books options, such as the chart of accounts and accounting calendar, must be the same in both your primary and reporting sets of books. For other set of books options, we specifically recommend or do not recommend that they be the same in both your primary and reporting sets of books. For still other set of books options, you set them in each reporting set of books depending on what features you want available in that reporting set of books.

The following table summarizes the set of books options and provides guidance for setting them in your reporting sets of books.

Set of Books Option	Recommended Setting in Reporting Sets of Books
Functional Currency	Different from primary set of books unless you have a specific reason for using the same functional currency in both sets of books (see Note below)
Allow Suspense Reporting	Same as primary set of books.
Balance Intercompany Journals	Same as primary set of books.
Enable Average Balances	Same as primary set of books only if you want to inquire and report average balance transactions in your reporting currency.
Enable Journal Approval	Same as primary set of books only if you want journals created directly in your reporting set of books to be processed through your organization's approval hierarchy.

Table 2 – 2 (Page 1 of 2) Other Set of Books Options

Set of Books Option	Recommended Setting in Reporting Sets of Books
Enable Journal Entry Tax	Same as primary set of books. If it is not the same, you will not be able to view tax details when you inquire on journals in your reporting set of books.
Accounts	Same as primary set of books.
Average Balance Options: Consolidation Set of Books	Must be the same as primary set of books.
Enable Budgetary Control	You cannot enable for reporting sets of books.
Require Budget Journals	Same as primary set of books if you want to require that budget journals be used to enter budget amounts in your reporting set of books.

Table 2 – 2 (Page 2 of 2) Other Set of Books Options

Note: In some circumstances, you may want to use the same functional currency for both your primary and reporting sets of books. For example, for financial or currency management. You can apply different revaluation options in the primary and reporting sets of books, providing different financial information for each set of books.

Step 4 – Assign Reporting Sets of Books to Primary Set of Books

Use the Assign Reporting Sets of Books window to assign each reporting set of books to its related primary set of books. Note the following rules:

- ☐ You can assign up to eight reporting sets of books to a single primary set of books. Most organizations will find no need to assign more than three.

Caution: If you need to assign more than three reporting sets of books to a primary set of books, be aware that each additional assignment will have an incremental impact on your system's performance and disk space consumption.

- ☐ You can assign the same reporting set of books to more than one primary set of books, provided they all have the same calendar and chart of accounts. You might want to do this if you need to consolidate transactions from multiple primary sets of books (with the same or different functional currencies) into the same reporting currency. For more information, see MRC Implementation Considerations: page 5 – 2.

- ☐ You cannot assign a primary set of books to another primary set of books, or to a reporting set of books.
- ☐ If you use combined basis accounting in Oracle Payables, you only need to assign the related reporting set of books to your Payables primary set of books in this step. The relationship for the Payables secondary set of books will be made in the next step when you define the Payables conversion options.

Assign Reporting Sets of Books

Primary Set of Books: **Vision Operations (USA)**

Currency: **USD**

Chart of Accounts: **Operations Accounting Flex**

Calendar: **Accounting**

Reporting Set of Books	Functional Currency
Vision Operations (BEF Report)	BEF
Vision Operations (EUR Report)	EUR

Conversion Options

► **To assign a reporting set of books to a primary set of books:**

1. Navigate to the Assign Reporting Set of Books window.
2. Select your primary set of books from the list of values. The set of books' functional Currency, Chart of Accounts, and accounting Calendar will be displayed.

Note: Only those sets of books that have been defined as a primary set of books will be included in the list of values.
3. From the list of values in the Reporting Set of Books region, select the reporting set of books that you want to assign to the primary set of books. The reporting set of books' functional currency will be displayed.

Note: Only those sets of books that have been defined as a reporting set of books will be included in the list of values.

4. Choose the Conversion Options button to define conversion options for each combination of Oracle Application and operating unit for which you want to convert transactions to your reporting functional currency for this reporting set of books. See: Define Conversion Options for Each Application: page 2 – 9.
5. Save your work.
6. Repeat the previous three steps for each reporting set of books you want to assign to the primary set of books.

Step 5 – Define Conversion Options for Each Application

For each reporting set of books assignment you make, you must define conversion options for each combination of Oracle Application and operating unit for which you want to convert transactions to your reporting functional currencies. You can set conversion options for these applications:

- General Ledger
- Assets
- Payables
- Receivables
- Projects
- Purchasing

Note: When you use Oracle Applications' Multiple Organizations feature with Payables, Receivables, Purchasing, or Projects, you need to define your MRC conversion options at the operating unit level. For more information about operating units, see *Multiple Organizations in Oracle Applications*.

For Assets, you define conversion options at the Asset Book level. For General Ledger, you define conversion options at the application level only.

Conversion options you can set include the reporting conversion type, the action to take when a conversion rate cannot be found, and the range of effective dates for which transactions should be converted to reporting currencies. Also, you need to set some application specific options, such as

- **Oracle Assets:** specify the Asset Book (depreciation book).
- **Oracle Payables:** optionally specify the AP Reporting Secondary Book if you use combined basis accounting.
- **General Ledger:** specify GL Conversion Rules, which control journal conversion at the journal source and category level.

Conversion Options - Vision Operations, Operations BEF

Primary
Set of Books: Vision Operations (USA)
Currency: USD

Reporting
Set of Books: Vision Operations (BEF R)
Currency: BEF

Operating Units/Books

Application	Operating Unit	Asset Book	AP Reporting Secondary Book	
Oracle General Ledger				<input type="checkbox"/>
Oracle Assets		HCORP		<input type="checkbox"/>
Oracle Payables	Vision Operations			<input type="checkbox"/>
Oracle Receivables	Vision Operations			<input type="checkbox"/>
Oracle Purchasing	Vision Operations			<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

GL Conversion Rules

► **To assign conversion options to Oracle Applications:**

1. From the Assign Reporting Set of Books window, choose the Conversion Options button. The Conversion Options window will appear, displaying your primary and reporting set of books information.
2. Select Operating Units/Books from the poplist.
3. In the region below the poplist, select the application for which you want to define conversion options.
4. Enter your operating units/books information.
See: Operating Units/Books Information: page 2 – 11
5. Choose Conversion Options from the poplist. The Conversion Options alternative region will appear.

Application	Reporting Conversion Type	No Rate Action	From	To	Effective Dates
Oracle General Ledger	Reporting	Use Last Rate	01.JAN.1999		
Oracle Assets	Reporting	Use Last Rate	01.JAN.1999		
Oracle Payables	Reporting	Use Last Rate	01.JAN.1999		
Oracle Receivables	Reporting	Use Last Rate	01.JAN.1999		
Oracle Purchasing	Reporting	Use Last Rate	01.JAN.1999		

6. Enter your conversion options.

See: Conversion Options: page 2 – 12

7. Save your work.

Operating Units/Books Information

Operating Unit: For Payables, Receivables, Purchasing, or Projects, specify the operating unit for which your conversion options apply. This allows you to define different conversion options for each operating unit. Also, if you don't want an operating unit's transactions converted to your reporting currencies, you can choose to omit that operating unit when you define the conversion options for the related application.

Asset Book: For Assets, specify the asset depreciation book for which your conversion options apply. The asset depreciation book can be either a corporate book or a tax book. You can associate multiple asset depreciation books to a reporting set of books.

Note: The asset depreciation book you specify must be linked to your primary set of books.

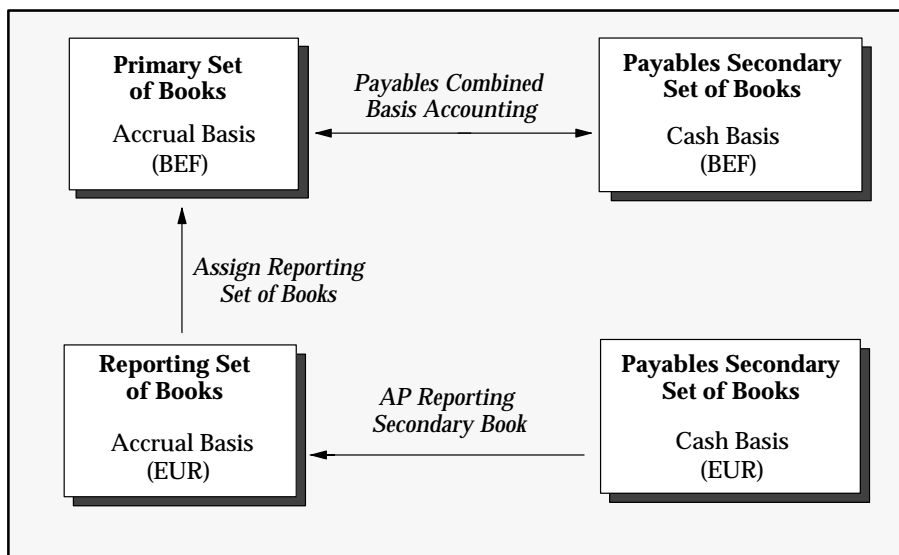
AP Reporting Secondary Book: For Payables, enter the AP Reporting Secondary Book if you use combined basis accounting and want your Payables secondary set of books transactions to be converted to your reporting currencies.

The diagram below illustrates the relationship between the AP primary and secondary books, and their related reporting sets of books. In the

diagram, the Payables primary set of books is used for accrual basis accounting and the Payables secondary set of books is used for cash basis accounting.

Figure 2 – 1

Relationship of Payables Books to Reporting Sets of Books



Conversion Options

Reporting Conversion Type: The conversion rate type MRC uses to retrieve exchange rates for converting transactions to your reporting currency. This differs from the conversion rate type you specify when you enter a transaction. Oracle Applications use the transaction conversion rate type to retrieve exchange rates for converting entered amounts from the transaction currency to your primary functional currency (alternatively, you can specify your own rate).

You must enter a Reporting Conversion Type when defining conversion options for your subledger applications, such as Payables and Receivables.

Note: For General Ledger, the reporting conversion type is set for specific combinations of journal source/category on the GL Conversion Rules window. See: Step 6 – Define General Ledger Conversion Rules: page 2 – 14

For the reporting conversion type, you can specify your own conversion rate type or choose one of the predefined rate types. To specify your own, you must first define it in General Ledger.

See: **Defining Conversion Rate Types**
(*Oracle General Ledger User's Guide*)

No Rate Action: Determines the action MRC should take if it cannot find a rate for converting transactions to your reporting functional currency, for the reporting conversion type as of the conversion date.

Note: For General Ledger, the No Rate Action field is set for specific combinations of journal source/category on the GL Conversion Rules window. See: **Define General Ledger Conversion Rules:** page 2 – 14

You can select one of two options:

- **Report Error:** If MRC cannot find an exchange rate for converting to the reporting functional currency, you will receive an error when you try to save the transaction.
- **Use Last Rate:** If MRC cannot find an exchange rate for converting to the reporting functional currency, it retrieves the most recently entered exchange rate. If MRC cannot find a stored exchange rate, you will receive an error when you try to save the transaction.

Note: If you do not enter a value for the No Rate Action field, it defaults to Use Last Rate.

Additional Information: When searching for the exchange rate, MRC will only look backwards the number of days specified in the profile option, MRC: Maximum Days to Roll Forward Conversion Rate. If you have not specified an entry for the profile option, MRC will search back as far as the first entered exchange rate.

Effective Dates — From/To: The range of effective dates for which you want to convert transactions to your reporting functional currency for the specified:

- Application and operating unit for Receivables, Payables, Purchasing, and Projects
- Application and Asset Book for Assets
- Application only for General Ledger

You must enter a From date, which is the first date for which MRC will convert transactions.

Note: If you specify a To date for Assets or Projects, the Application will immediately stop converting transactions to your reporting currencies. This happens regardless of the To date you specify, even if it is a future date.

For more information about choosing dates, see: Implementation Considerations: page 5 – 2.

Changing Conversion Options

You cannot delete conversion options once you save them. You can, however, change some of them, depending on the application to which they apply:

- ☐ **All applications:** You can change the effective dates any time. Note that the changes are effective immediately, but that they apply only to new transactions. The change has no effect on previously entered transactions.

Caution: We strongly recommend you do not change effective dates once you begin using MRC. Changing the effective dates may result in inconsistent transaction amounts and balances in your reporting sets of books.

- ☐ **All applications except General Ledger:** You can change the Reporting Conversion Type and the No Rate Action values any time. Note that the changes are effective immediately, but that they apply only to new transactions. The change has no effect on previously entered transactions.

- ☐ **Payables:** You can change the AP Reporting Secondary Book. The change is effective immediately, but applies only to new transactions. The change has no effect on previously entered transactions.

Caution: We strongly recommend you do not change the AP Reporting Secondary Book once you begin using MRC. Changing the AP Reporting Secondary Book may result in inconsistent transaction amounts and balances in your AP Reporting Secondary Book.

Step 6 – Define General Ledger Conversion Rules

When you use MRC with General Ledger, you need to define conversion rules in addition to the effective dates you specify for General Ledger's

conversion options in the previous step. Conversion rules control journal conversion at the journal source/category level.

You can define conversion rules for all predefined journal sources except these:

- **Revaluation, Move/Merge, and Move/Merge Reversal** — MRC will not convert journals that have these journal sources. Instead, you need to run each of these processes in both your primary and reporting sets of books.
- **Receivables, Assets, Projects, AX Payables, and AX Receivables** — MRC converts transactions from these sources directly in the subledgers and stores the related reporting currency amounts in those subledgers.

Note that GL Conversion Rules for the Payables and Purchasing journal sources are applied only to encumbrance journals. MRC will not convert actual journals that have these journal sources assigned.

See: Special Considerations for General Ledger: page 4 – 2

Convert	Source	Category	Reporting Conversion Type	No Rate Action	
<input checked="" type="checkbox"/>	Spreadsheet	Adjustment	Reporting	Use Last Rate	<input checked="" 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"/>

► **To assign conversion rules to General Ledger:**

1. From the Conversion Options window, select the Oracle General Ledger entry from the region below the poplist, then choose the GL Conversion Rules button.
2. Mark the Convert check box if you want journals with the specified journal source and category to be converted to your reporting currency. Leave the check box unmarked if you do not want journals with the specified journal source and category to be converted.

3. Enter the journal source and category for which you want to set conversion rules.

Note: You can enter a specific journal source or category or enter Other to select a source or category other than those you have specifically defined.

See: Defining Journal Sources
Defining Journal Categories
(*Oracle General Ledger User's Guide*)

4. Select the Reporting Conversion Type and No Rate Action to use when converting journals with the specified journal source and category.

See: Conversion Options: page 2 – 12

5. Save your work.

Journal Source/Category Combinations

MRC uses the journal source and category combinations you define in your GL conversion rules to determine if a journal should be converted.

When you post journals in your General Ledger primary set of books, MRC notes each journal's source and category as it is posted. MRC then searches your defined conversion rules for a matching source and category combination. MRC searches the conversion rules in the following order, regardless of the order you entered the rules on the GL Conversion Rules window:

Search Order	Journal Source	Journal Category
1	Specific source	Specific category
2	Specific source	Other
3	Other	Specific category
4	Other	Other

Table 2 – 3 (Page 1 of 1)

If MRC finds a matching source/category combination, it notes the reporting currency type and checks to see if transactions with the identified source/category combination are to be converted. If they are to be converted, MRC converts the journal amount to the reporting currency and creates the converted journal in the reporting set of books.

Otherwise, the journal is not converted and the next journal in the posting batch is processed.

Note: If MRC cannot find a matching source/category combination, or if you have not defined any GL conversion rules, the journal will not be converted.

Below are three examples that illustrate how journals are converted based on different conversion rules.

Example Assumptions

	Journal Source	Journal Category
Journal #1	Manual	Adjustment
Journal #2	Consolidation	Consolidation
Journal #3	Manufacturing	Freight
Journal #4	Spreadsheet	Adjustment
Journal #5	Manufacturing	Labor Cost

Example 1

The following six conversion rules are defined:

Source	Category	Convert	Result
Manual	Adjustment	Yes	Journal #1 is converted, using the defined conversion options for this combination.
Consolidation	Consolidation	No	Journal #2 is NOT converted.
Other	Freight	Yes	Journal #3 is converted, using the defined conversion options for this combination. (i.e., All journals with category Freight are converted).
Spreadsheet	Reclass	Yes	No journals in the example match this combination. (All journals with source Spreadsheet and Category Reclass are converted, using the defined conversion options for this combination.)

Source	Category	Convert	Result
Spreadsheet	Other	No	Journal #4 is NOT converted. (i.e., All journals with source Spreadsheet (except those with category Reclass) are NOT converted.)
Other	Other	Yes	Journal #5 is converted, using the defined conversion options for this combination.

Example 2

The following three conversion rules are defined:

Source	Category	Convert	Result
Manufacturing	Freight	No	Journal #3 is NOT converted. (i.e., All journals with source Manufacturing and category Freight are NOT converted.)
Manufacturing	Other	Yes	Journal #5 is converted. (i.e., All journals with source Manufacturing are converted, except those with category Freight.)
Other	Other	Yes	Journals #1, 2, and 4 are converted, using the defined conversion options for this combination.

Example 3

The following two conversion rules are defined:

Source	Category	Convert	Result
Manufacturing	Freight	No	Journal #3 is NOT converted. (i.e., All journals with source Manufacturing and category Freight are NOT converted.)
Manufacturing	Other	Yes	Journal #5 is converted. (i.e., All journals with source Manufacturing are converted, except those with category Freight.)

Note: In this example, Journals #1, 2, and 4 are NOT converted, since there is no conversion rule defined with a source of Other and a category of Other.

Changing Conversion Rules

You can delete General Ledger conversion rules at any time. You can also change a conversion rule as needed. For example, for any journal source/category combination, you can change the Convert option, Reporting Conversion Type, and No Rate Action value. Note that the changes are effective immediately, but that they apply only to new journals. The change has no effect on previously entered journals.

Step 7 – Define Reporting Responsibilities

You or your system administrator must define your organization's MRC reporting responsibilities before anyone uses MRC. The purpose of these reporting responsibilities is to provide the appropriate level of access your users need to perform their inquiry and reporting activities in your reporting currencies.

A responsibility is a level of authority in Oracle Applications that lets users access only those Oracle Applications functions and data appropriate to their role in an organization. Each responsibility allows access to a specific application or applications, a set of books, a restricted list of windows, a restricted list of functions, and reports in a specific application.

Notes:

- ☐ This step is generally performed by a system administrator.
- ☐ The responsibilities you define in this step should be used for inquiry and reporting purposes only. Day-to-day activities, such as creating purchase orders or invoices, should be performed using your standard subledger responsibilities.
- ☐ This step applies only to your Oracle Applications subledgers and not to General Ledger. For example, you may need to define a Payables reporting responsibility and a Purchasing reporting responsibility.
- ☐ Oracle provides predefined MRC responsibilities as examples you can use to set up your organization's reporting responsibilities.

Responsibilities Window

Use the Responsibilities window to define your MRC reporting responsibilities. The steps to define responsibilities are described in the *Oracle Applications System Administrator's Guide*.

See: Responsibilities Window
(*Oracle General Ledger User's Guide*)

When you define your reporting responsibilities, follow the guidelines below for completing the fields on the Responsibilities window:

Data Group Name: Select the name of the data group you defined earlier when you installed MRC.

See: *Oracle Applications System Installation Manual*

Menu: Enter the name of the MRC menu for the product for which you are defining the reporting responsibility. To use the related predefined MRC menu, select the MRC menu for your product from the list of responsibilities. Pre-defined MRC menus are in the format *<product code>_MRC_NAVIGATOR_GUI*.

Most of the predefined product-specific MRC menus allow users to access only the product's inquiry functions and windows. For some products, other functions and windows are also accessible. For example, Assets users can run depreciation in both the primary and reporting sets of books. For more information on product-specific differences in the predefined menus, see: Menus: page A – 2.

Caution: We strongly recommend that you use the predefined product-specific MRC menus provided by Oracle, rather than creating a custom menu. If you choose to create a custom menu, we suggest that you start by making a copy of the related predefined menu, then make any custom changes to the copy.

Your custom menu should not allow users to access any windows or functions that are not already included in the predefined MRC menu. Any other windows or functions you add to your custom menu will not function properly when accessed by users.

Request Group Name: Enter the name of the MRC request group for which you are defining the reporting responsibility. To use the related predefined MRC request group, select the request group from the list of values. Pre-defined MRC request groups are in the format MRC Programs *<product code>*.

The predefined MRC request groups allow users to access only those reports and programs that are appropriate to run when using an MRC reporting responsibility.

To use a custom request group, enter the name you gave to that request group when you defined it.

Caution: We strongly recommend that you use the predefined MRC request groups provided by Oracle, rather than creating a custom request group. If you choose to create a custom request group, we suggest that you start by making a copy of the related predefined request group, then make any custom changes to the copy.

Your custom request group should not allow users to access any programs that are not already included in the predefined MRC request group. Any other programs you add to your custom request group will not function correctly when accessed by users. You can include any report in your custom request group, however, those reports which are not already included in the predefined request group will not display reporting currency amounts.

Step 8 – Assign Reporting Sets of Books to Reporting Responsibilities

You or your system administrator must assign a reporting set of books to each of the reporting responsibilities defined in the previous step. This ensures that anyone using the reporting responsibility has access to the correct subledger reporting currency amounts.

Note: This step is generally performed by a system administrator.

To create the association between a reporting responsibility and a reporting set of books, set the following two profile options to the reporting set of books name at the responsibility level for each of your reporting responsibilities:

GL: Set of Books Name

MRC: Reporting Set of Books

See: Overview of Setting User Profiles
(*Oracle General Ledger User's Guide*)

MRC Conversion Business Rules

When you enter transactions in Oracle Applications that support MRC, they are converted, as needed, into your primary functional currency and each of your reporting functional currencies, as follows:

- **Primary functional currency transactions:** All transactions denominated in your primary functional currency are recorded in this currency. MRC converts the transactions automatically to each of your reporting currencies.
- **Foreign currency transactions:** Transactions denominated in a foreign currency are converted automatically to your primary set of books' functional currency. MRC converts the transactions to each of your reporting currencies.

MRC generally converts from the transaction currency to your reporting currencies. In some cases, MRC converts from the primary functional currency to your reporting currency. We discuss the reporting currency conversion rules in the next section.

Reporting Currency Conversion Rules

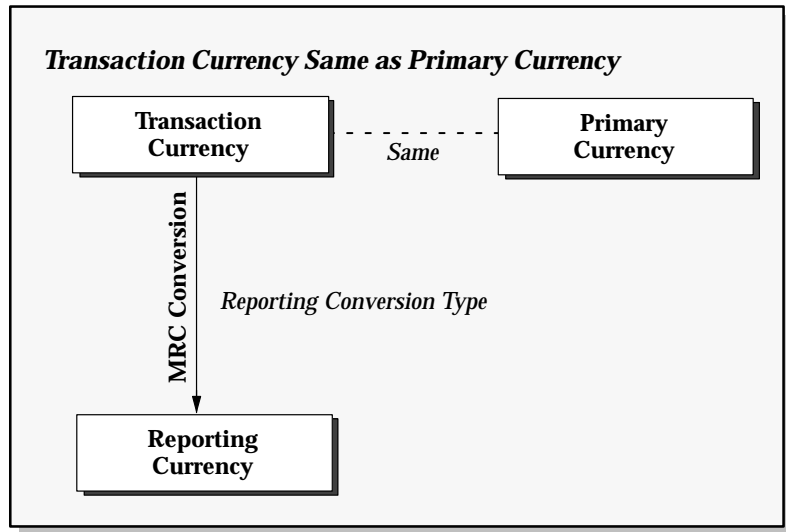
Reporting currency conversion rules differ depending on whether the exchange rate relationship between a transaction and reporting currency is variable or fixed. When there is a variable relationship, the exchange rate between the two currencies fluctuates. When there is a fixed relationship, the exchange rate between the two currencies remains constant, having been fixed at a specific point in time.

Note: As of January 1, 1999, the national currencies of countries who are members of the European Monetary Union (EMU) will become another denomination of the Euro, the pan-European currency. Fixed exchange rates will be used between the Euro and each EMU currency.

Variable Exchange Rate Relationships

Transaction Currency Same as Primary Currency

The following diagram illustrates the conversion business rules that apply when the transaction currency is the same as the primary currency and a variable rate relationship exists between the transaction and reporting currencies:



When the transaction and primary currencies are the same, no conversion is needed to your primary currency. When MRC converts the transaction to your reporting currency, it uses the appropriate reporting conversion type you specified for the application and operating unit that originated the transaction.

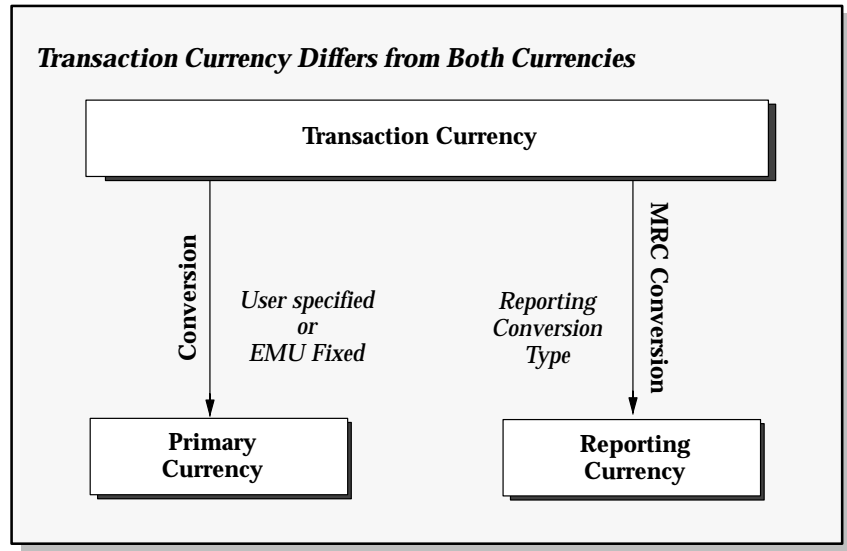
See:

Step 5 – Define Conversion Options for Each Application: page 2 – 9

Step 6 – Define General Ledger Conversion Rules: page 2 – 14

Transaction Currency Differs from Primary and Reporting Currency

The following diagram illustrates the conversion business rules that apply when the transaction currency differs from both the primary and reporting currency, and a variable rate relationship exists between the transaction and reporting currencies:



Your application converts the transaction to your primary currency using a conversion rate type you specify, or the rate type EMU Fixed when both of your currencies are either an EMU currency or the Euro. For example, EMU to EMU, EMU to Euro, or Euro to EMU.

MRC converts the transaction to your reporting currency using the appropriate reporting conversion type you specified for the application and operating unit that originated the transaction.

Note: The only exception to the case above is when you specify your own transaction-to-primary currency conversion rate. This case is explained in the next diagram.

Example 1

You receive an invoice for 1,000.00 Australian dollars (AUD) from an Australian supplier. Your organization uses spot rates to account for the invoice in your primary set of books, which is maintained in Canadian dollars (CAD). You use corporate exchange rates to convert amounts to U.S. dollars (USD) for reporting purposes.

Summary of related information:

Transaction currency: AUD

Primary currency: CAD

Reporting Currency: USD

Spot exchange rate (AUD to CAD): 0.9181

Corporate exchange rate (AUD to USD): 0.6409

This is how the invoice will be converted:

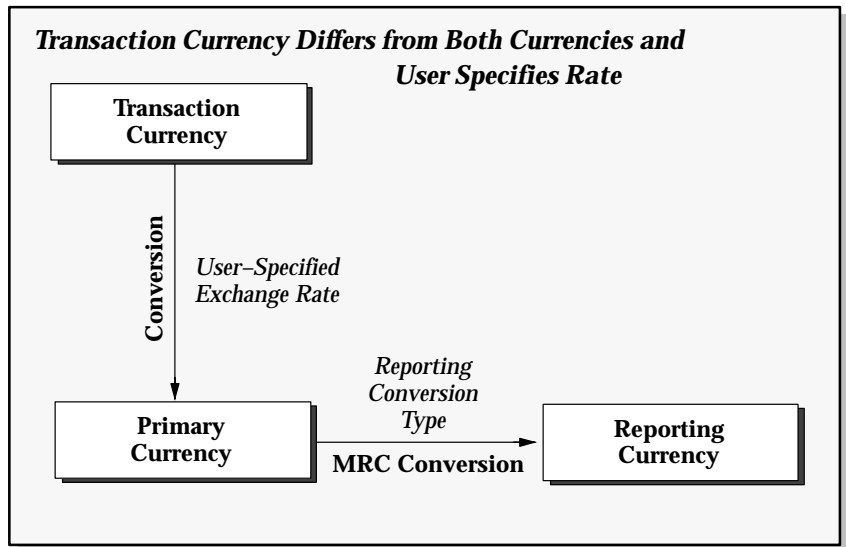
Transaction amount: 1,000.00 AUD

Primary amount: 918.10 CAD
($0.9181 * 1,000.00 \text{ AUD}$)

Reporting amount: 640.90 USD
($0.6409 * 1,000.00 \text{ AUD}$)

Transaction Currency Differs from Primary and Reporting Currency and You Specify the Conversion Exchange Rate

The following diagram illustrates the conversion business rules that apply when the transaction currency is different from both the primary currency and the reporting currency, a variable rate relationship exists between the transaction and reporting currencies, and you specify a transaction-to-primary currency conversion rate when you enter the transaction:



Your application converts the transaction to your primary currency using the rate you specify. The conversion rate type will be User in both your primary and reporting set of books.

MRC converts the converted primary currency transaction to your reporting currency using the appropriate reporting conversion type you specified for the application and operating unit that originated the transaction.

Example 2

You receive an invoice for 1,000.00 Australian dollars (AUD) from an Australian supplier. Your contract with the supplier was originally negotiated using prices in Canadian dollars. The exchange rate used at the time of the agreement was 0.8950 (1 Australian dollar = 0.8950 Canadian dollars). This is also the rate specified on the invoice. Your organization uses corporate exchange rates to convert amounts to U.S. dollars for reporting purposes.

Summary of related information:

Transaction currency: AUD

Primary currency: CAD

Reporting Currency: USD

User-specified rate (AUD to CAD): 0.8950

Corporate exchange rate (CAD to USD): 0.6974

This is how the invoice will be converted:

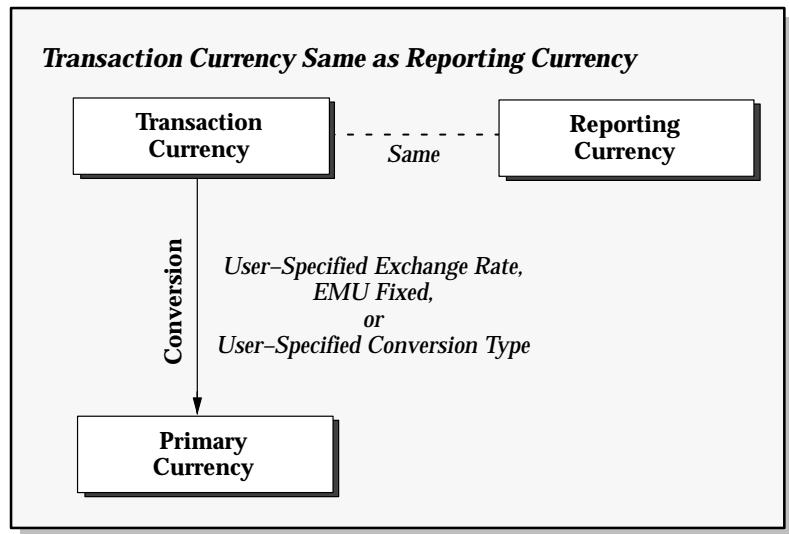
Transaction amount: 1,000.00 AUD

Primary amount: 895.00 CAD
(0.8950 * 1,000.00 AUD)

Reporting amount: 624.17 USD
(0.6974 * 895.00 CAD)

Transaction Currency Same as Reporting Currency

The following diagram illustrates the conversion business rules that apply when the transaction currency is the same as the reporting currency:



When the transaction and reporting currencies are the same, no conversion is needed to your reporting currency. MRC uses the transaction amount as the reporting currency amount.

Your application converts the transaction to your primary currency using one of these conversion rate types:

User-specified: the conversion rate type you specified

EMU Fixed: when both of the currencies are either an EMU currency or the Euro

User: when you specify a transaction-to-primary currency conversion rate.

Fixed Conversion Rate Relationships

When both your transaction and reporting currency is the Euro or an EMU currency, MRC uses the conversion rate type EMU Fixed when it converts your transaction amount to your reporting currency, unless the transaction and reporting currency are the same. In this case, no conversion is necessary.

MRC converts transaction amounts in full compliance with European Commission guidelines that require using the fixed exchange rate between the Euro and each EMU currency.

Example

In February 1999, after the transition period to the Euro begins, you receive an invoice for 1,000 Belgian francs (BEF). Your primary set of books is still maintained in your national currency units (Belgian francs), and you are preparing to convert your operations and financial accounting to the Euro. For this reason, you have created a reporting set of books with a reporting functional currency of Euro and assigned it to your primary set of books.

Summary of related information:

Transaction currency (EMU): BEF

Primary currency (EMU): BEF

Reporting Currency: EUR

Fixed conversion factor (EUR to BEF): 40.7048

This is how the invoice will be converted:

Transaction amount: 1,000 BEF

Reporting amount: 24.57 EUR

(1000 BEF \div 40.7048)

See Also

Assign Reporting Sets of Books: page 2 – 7

Defining Conversion Rate Types
Overview of Multi-Currency Accounting
(*Oracle General Ledger User's Guide*)

Conversion Rounding

MRC rounds converted and accounted amounts using the same rounding rules used throughout Oracle Applications products. MRC also considers several factors that are a part of all the currencies predefined in Oracle Applications, including:

- **Currency Precision:** the number of digits to the right of the decimal point used in regular currency transactions.
- **Extended Precision:** the number of digits to the right of the decimal point used in calculations for the currency.
- **Minimum Accountable Unit:** the smallest denomination used in the currency. Note that this might not correspond to the precision.

Note: Oracle Applications predefines all currencies specified in ISO (International Standards Organization) Standard #4217.

See Also

Defining Currencies
(*Oracle General Ledger User's Guide*)

CHAPTER

3

Transaction Processing

Transaction Processing

This chapter describes transaction processing in General Ledger and all subledgers that support MRC. The chapter also describes how MRC operates in single-application installation, multiple-application installation, and Multiple Organization installation environments.

Before processing subledger transactions or General Ledger journals in an MRC environment, make sure the following prerequisites have been met:

Prerequisites

- ☐ Ensure that you have completed the MRC setup steps. See: Setup Procedures: page 2 – 2.
- ☐ Ensure that you have completed the MRC implementation steps. See: MRC Implementation Considerations: page 5 – 2.
- ☐ Ensure that you have entered all necessary daily rates. See: Entering Daily Rates (*Oracle General Ledger User's Guide*).

General Ledger Journal Processing with MRC

This section describes General Ledger journal processing with MRC for the following:

- Manual journals you enter on the Enter Journals window
- Unposted journals from a non-Oracle feeder system
- Unposted journals from an Oracle subledger that does not support MRC
- Recurring journals and MassAllocations

► **To process journals in General Ledger:**

1. From your primary set of books, enter, generate, or import journals.
2. Post the journals in the primary set of books.

The posting process:

- Updates the account balances in both the transaction currency and the primary functional currency.

- Converts the journals to reporting currencies according to the General Ledger conversion rules.
 - Creates unposted journals in each associated reporting set of books.
3. Post the journals created in Step 2 in each associated reporting set of books.

The posting process updates the account balances in both the transaction currency and the reporting functional currency.

You can report and inquire on journal entries and account balances in both your primary and reporting sets of books.

For reconciliation purposes, you can use the Financial Statement Generator (FSG) to create a custom comparison report that lists balances from your primary and reporting sets of books in separate columns. Use this report as the basis for reconciling your primary and reporting sets of books.

See Also

Entering Journals (*Oracle General Ledger User's Guide*)

Importing Journals (*Oracle General Ledger User's Guide*)

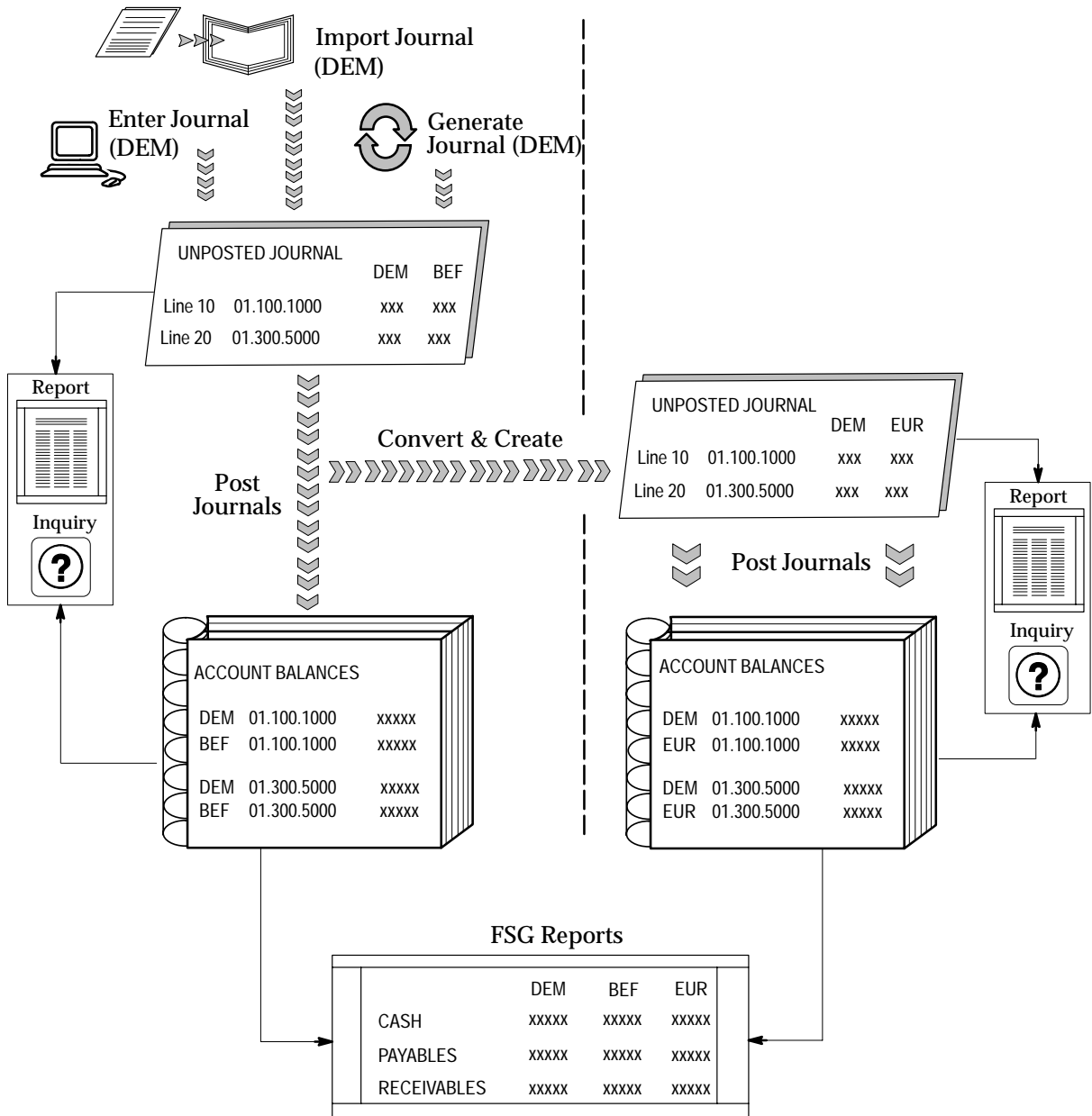
Generating Recurring Journal Batches (*Oracle General Ledger User's Guide*)

Generating MassAllocation Journals (*Oracle General Ledger User's Guide*)

General Ledger Journal Processing with MRC

Primary Responsibility/
Set of Books (BEF)

Reporting Responsibility/
Set of Books (Euro)



Processing Transactions in Assets

This section describes the flow of transactions from Assets to General Ledger in an MRC environment.

► **To process transactions in Assets:**

1. Enter transactions in your primary responsibility.
Entered transaction amounts are converted to each associated reporting currency according to the defined conversion options.
2. If you have pending retirements/reinstatements, calculate gains and losses in your primary responsibility.
Gain and loss amounts are converted to each associated reporting currency according to the defined conversion options.
3. From each reporting responsibility, run depreciation for the associated asset depreciation book.
4. Once you have successfully run depreciation from all reporting responsibilities, run depreciation from your primary responsibility.
5. In Assets, run the Create Journal Entries process from your primary responsibility to create journal entries in General Ledger.
6. In General Ledger, post the journals in your primary set of books.
The posting process updates the account balances in the primary functional currency.
7. For each reporting set of books, repeat Steps 5 and 6.
The posting process updates the account balances in the reporting functional currencies.

You can report and inquire on journal entries and account balances in both your primary and reporting sets of books.

From each associated reporting responsibility, you can view and report on the transactions you entered or created in Steps 1 through 3 in the corresponding reporting functional currency.

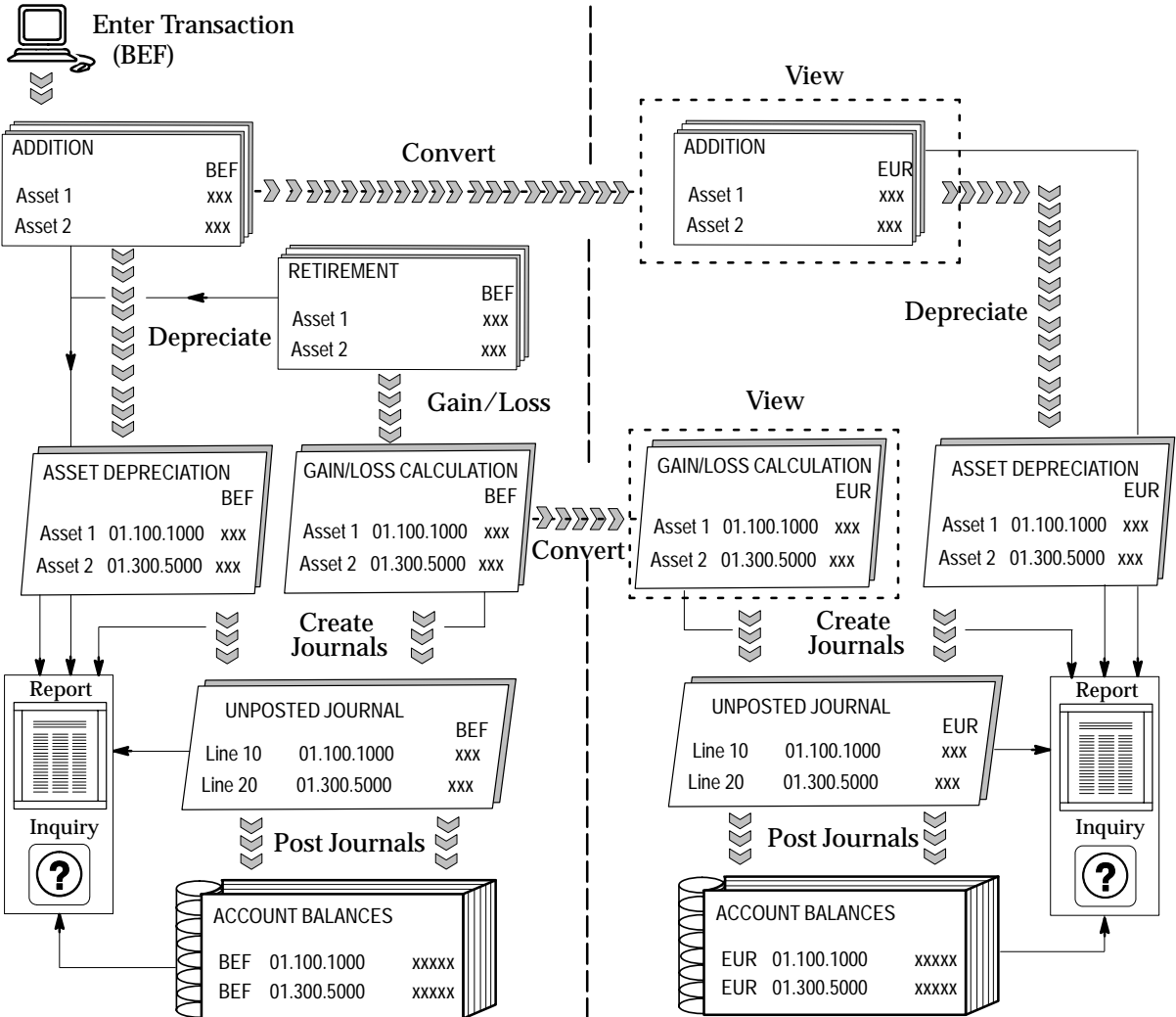
See Also

Oracle Assets User's Guide

Assets Transaction Processing with MRC

**Primary Responsibility /
Set of Books (BEF)**

**Reporting Responsibility /
Set of Books (Euro)**



Processing Transactions in Payables and Receivables

This section describes the flow of transactions from Payables and Receivables to General Ledger in an MRC environment.

► **To process transactions in Payables and Receivables:**

1. Enter transactions in your primary responsibility.

When you save the transactions, the entered transaction amounts are converted to the primary functional currency.

Entered transaction amounts are converted to each associated reporting currency according to the defined conversion options.

2. From the primary responsibility, transfer the transactions to General Ledger by running the following programs:

For Payables, run the Payables Transfer to General Ledger program.

For Receivables, run the GL Interface program.

3. After you complete the Journal Import process from your primary General Ledger responsibility, post the imported journals in your primary set of books.

The posting process updates the account balances in both the transaction currency and the primary functional currency.

4. For each reporting set of books, repeat Steps 2 and 3.

The posting process updates the account balances in both the transaction currency and the reporting functional currency.

You can report and inquire on journal entries and account balances in both your primary and reporting sets of books.

From each associated reporting responsibility, you can view and report on the transactions you entered in Step 1 in both the transaction currency and the corresponding reporting functional currency.

See Also

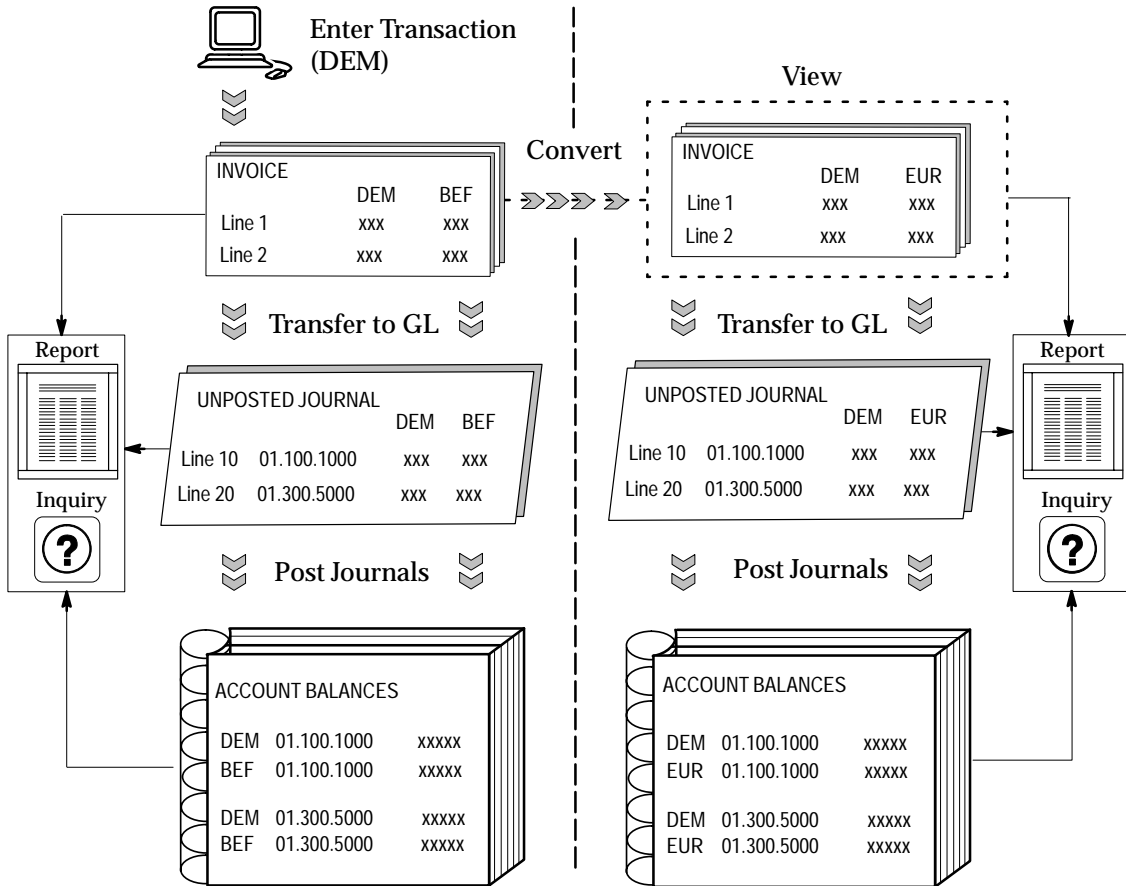
Oracle Payables User's Guide

Oracle Receivables User's Guide

Payables and Receivables Transaction Processing with MRC

**Primary Responsibility/
Set of Books (BEF)**

**Reporting Responsibility/
Set of Books (Euro)**



Processing Transactions in Purchasing

This section describes the flow of transactions from Purchasing to General Ledger in an MRC environment.

► **To process transactions in Purchasing:**

1. Enter transactions in your primary responsibility.
When you save the transactions, the entered transaction amounts are converted to the primary functional currency.
Entered transaction amounts are converted to each associated reporting currency according to the defined conversion options.
2. When you commit the receipt transactions, the GL interface tables are loaded automatically in the primary and reporting sets of books.
3. After you have committed the receipt transactions and the interface tables have been loaded, run the Journal Import process from your primary General Ledger responsibility.
4. Post the imported journals in your primary set of books.
The posting process updates the account balances in both the transaction currency and the primary functional currency.
5. For each reporting set of books, repeat Steps 3 and 4.
The posting process updates the account balances in both the transaction currency and the reporting functional currency.

You can report and inquire on journal entries and account balances in both your primary and reporting sets of books.

From each associated reporting responsibility, you can report on the transactions you entered or created in Step 1 in both the transaction currency and the corresponding reporting functional currency.

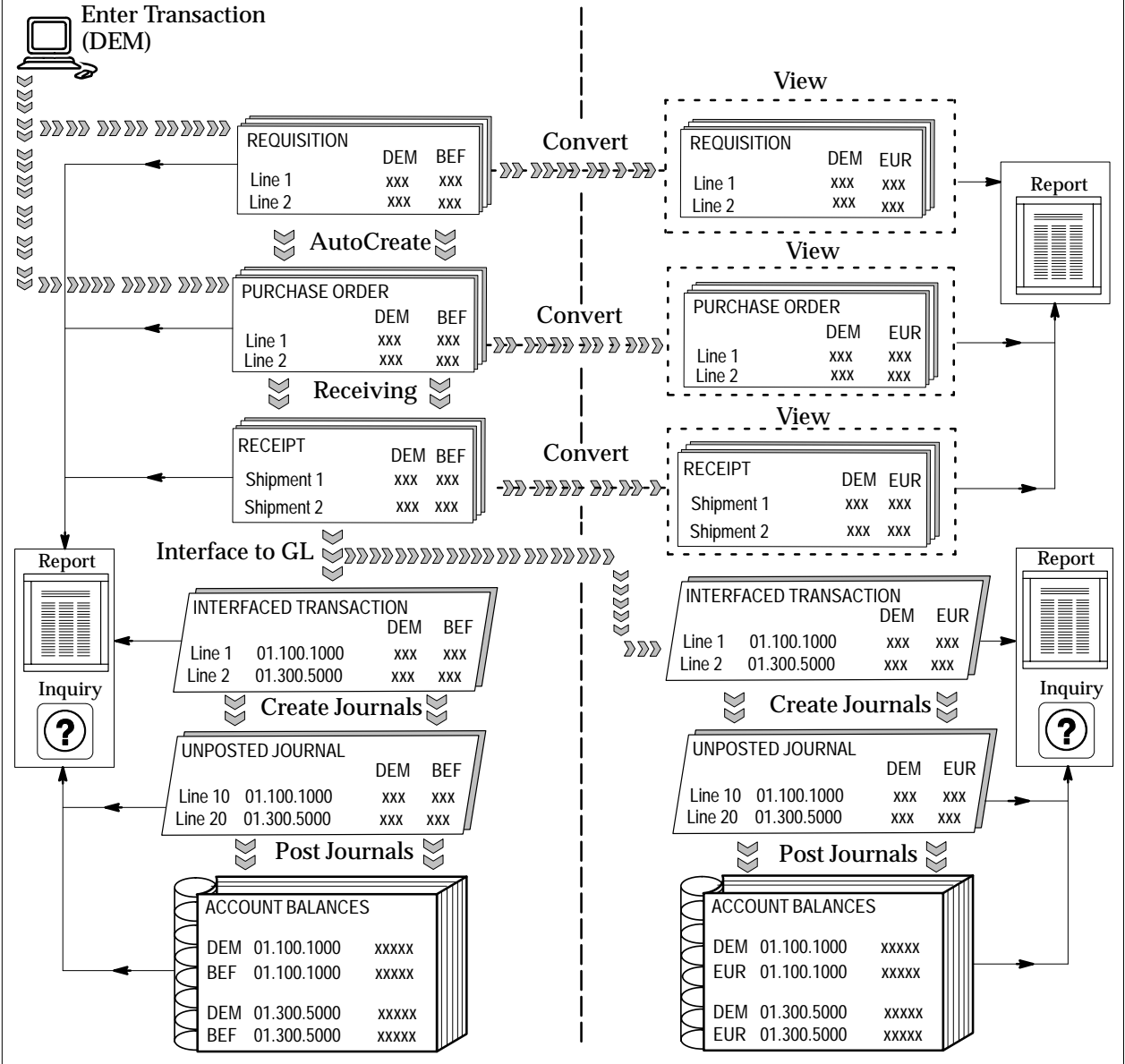
See Also

Oracle Purchasing User's Guide

Purchasing Transaction Processing with MRC

Primary Responsibility/
Set of Books (BEF)

Reporting Responsibility/
Set of Books (Euro)



Processing Transactions in Project Costing

This section describes the flow of transactions from Project Costing to General Ledger in an MRC environment. It also describes the flow of transactions from Project Billing to Payables and Receivables.

► **To process transactions in Project Costing:**

1. Enter transactions in your primary responsibility.
Entered transaction amounts are converted to each associated reporting currency according to the defined conversion options.
2. Cost transactions by running the costing processes in the primary responsibility.
Costed transaction amounts are converted to each associated reporting currency according to the defined conversion options.
3. From the primary responsibility, transfer the transactions to General Ledger by running the following programs:
Interface Labor Costs to General Ledger
Interface Total Burdened Cost to General Ledger
Interface Usage Costs to General Ledger
4. Run the Journal Import program.
This program creates unposted journals.
5. In your primary responsibility, post the journals to General Ledger.
The posting process updates the account balances in the primary functional currency.
6. Run the tieback processes for each interface to General Ledger process.
7. For each reporting set of books, repeat Steps 3 through 6.
The posting process updates the account balances in the reporting functional currency.

You can report and inquire on journal entries and account balances in both your primary and reporting sets of books.

From each associated reporting responsibility, you can view and report the transactions you entered or created in Steps 1 and 2 in the reporting functional currency.

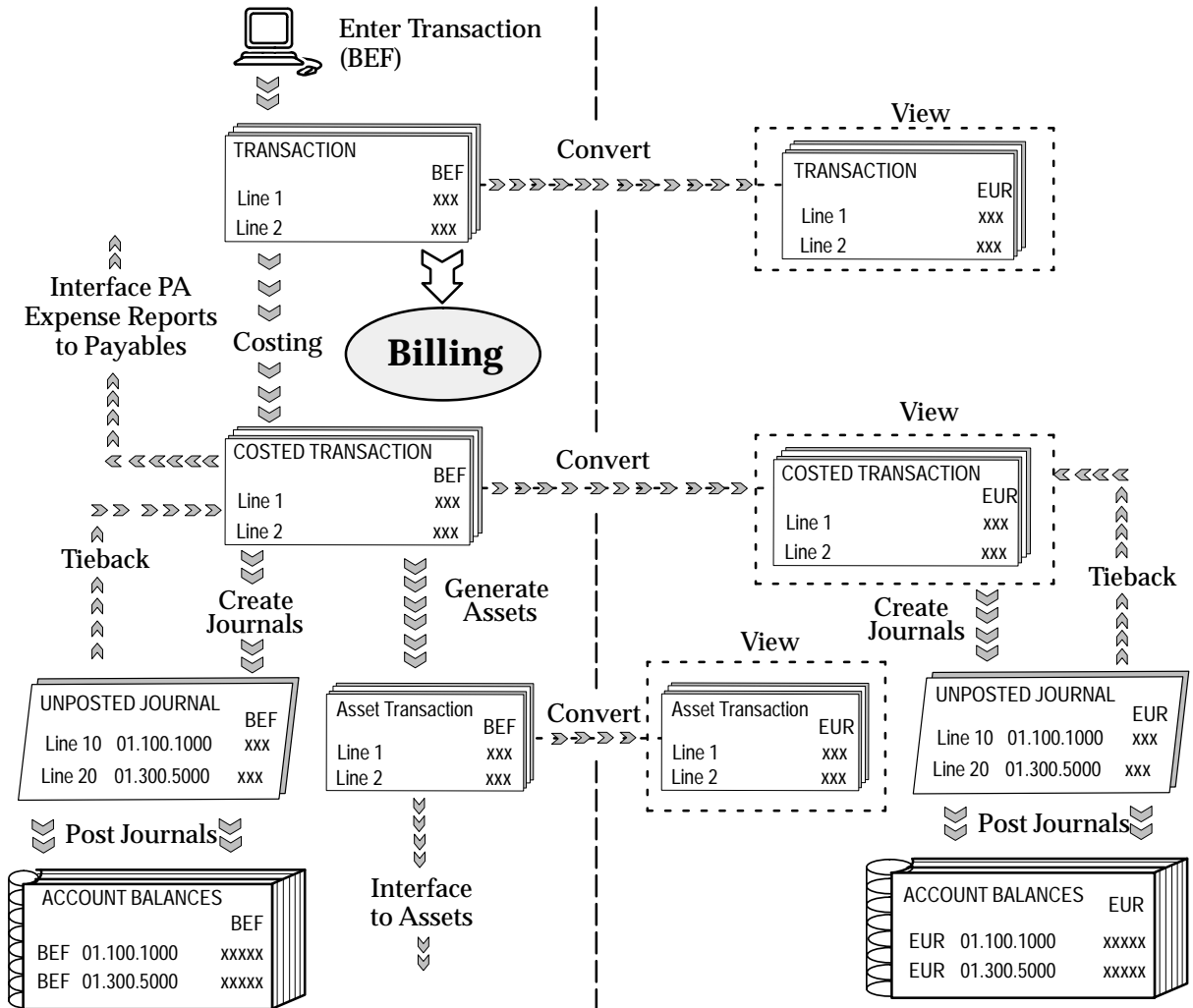
See Also

Oracle Projects User's Guide

Project Costing Transaction Processing with MRC

Primary Responsibility/Set of Books (BEF)

Reporting Responsibility/Set of Books (Euro)



Note: The process named "Create Journals" above represents both the Interfaces to GL process and the Journal Import process.

Note: In both the primary and reporting responsibilities you can query data and run reports for all transactions shown above.

Processing Transactions in Project Billing

This section describes the flow of transactions from Project Billing to General Ledger in an MRC environment.

Prerequisites

- ☐ Ensure that the Project Costing processing has already taken place. Refer to Processing Transactions in Project Costing: page 3 – 11.

► To process transactions in Project Billing:

1. Generate invoices in your primary responsibility.
Generated transaction amounts are converted to each associated reporting currency according to the defined conversion options.
2. Generate revenue.
3. From the primary responsibility, transfer the revenue transactions to General Ledger by running the Interface Revenue to General Ledger program.
4. Run the Journal Import program.
This program creates unposted journals.
5. In your primary responsibility, post the journals to General Ledger.
The posting process updates the account balances in the primary functional currency.
6. Run the Tieback Revenues from GL process.
7. For each reporting set of books, repeat Steps 3 through 6.
The posting process updates the account balances in the reporting functional currency.

You can report and inquire on journal entries and account balances in both your primary and reporting sets of books.

From each associated reporting responsibility, you can view the transactions you entered or created in Steps 1 and 2 in the reporting functional currency.

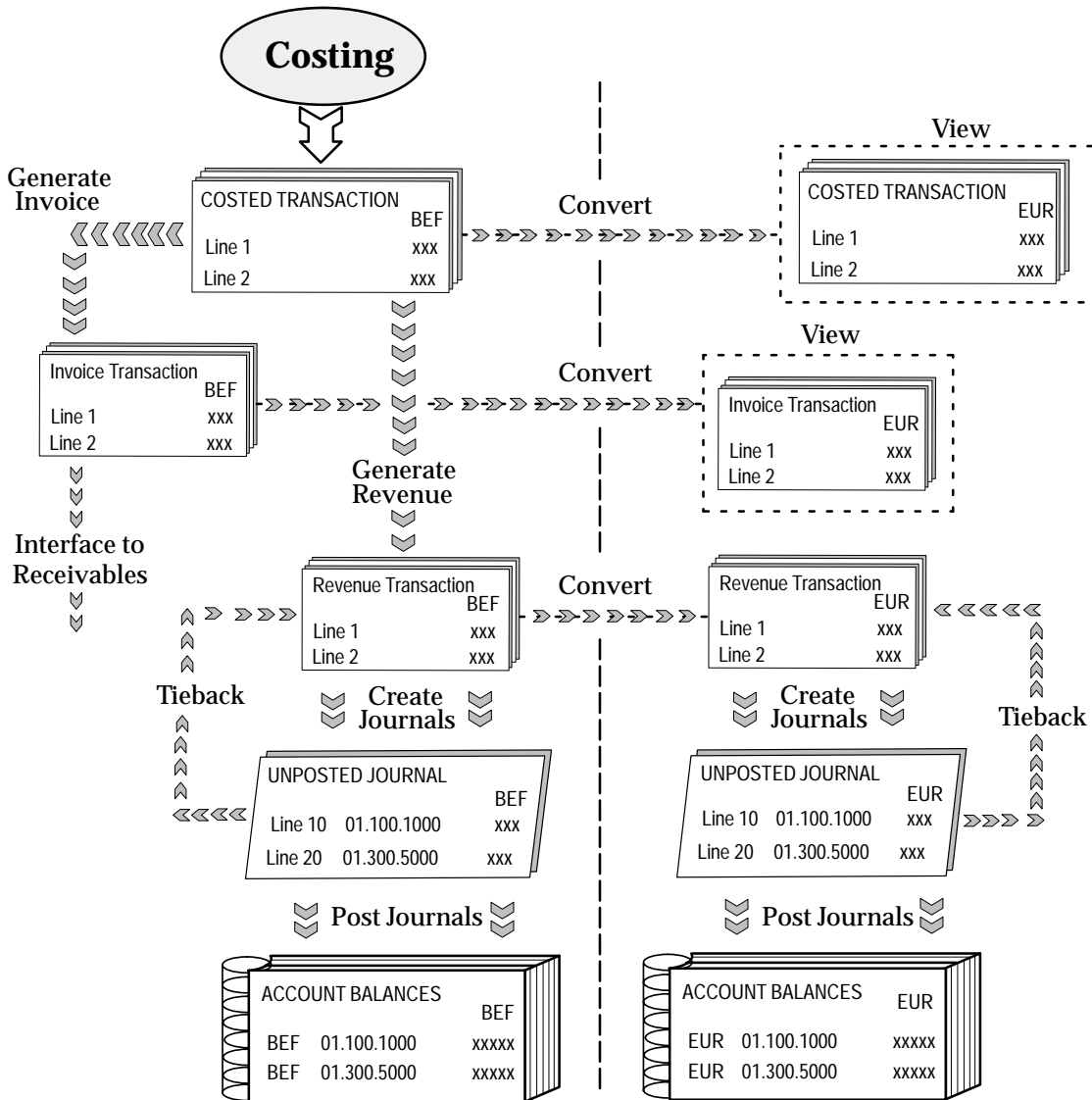
See Also

Oracle Projects User's Guide

Project Billing Transaction Processing with MRC

Primary Responsibility/Set of Books (BEF)

Reporting Responsibility/Set of Books (Euro)



Note: The process named "Create Journals" above represents both the Interfaces to GL process and the Journals Import process.

Note: In both the primary and reporting responsibilities you can query data and run reports for all transactions shown above.

Global Accounting Engine Payables and Receivables Transaction Processing with MRC

Global Accounting Engine Payables and Receivables transaction processing with MRC follows the same basic steps for standard Payables and Receivables transaction processing. However, when you transfer your Payables and Receivables transactions to General Ledger from your primary responsibility using the Submit Posting Manager window, you can choose to automate submission of the following three consecutive processes by enabling the corresponding options:

1. Transfer to GL
2. Journal Import
3. Post Journals

You can enable any or none of the above options. When you enable an option, you need to ensure the options for all preceding processes are also enabled. For example, you can choose to automate submission of the Transfer to GL and Journal Import processes, but you cannot choose Transfer to GL and Post Journals without choosing Journal Import.

When you enable any of the above process options, MRC also submits that same process for each associated reporting set of books. If you choose not to enable a process option, you need to submit that process manually in both the primary and each associated reporting sets of books.

See Also

Oracle Accounting Engine User's Guide

Multiple Product Installation Groups and Multiple Organization Architecture

MRC supports Oracle Applications in these types of installations:

- **Single Product Installation Group:** Oracle Applications has been installed once.
- **Single Product Installation Group Using Multiple Organization Architecture:** Oracle Applications has been installed once, with some subledger applications using the

Multiple Organization Architecture introduced with Release 10.7. This feature allows you to use multiple operating units in your subledgers with one General Ledger set of books.

For example, if your business is located in Canada, and you have operations in the U.S. and Australia, you can set up an operating unit for Payables for each location.

- **Multiple Product Installation Groups:** Oracle Applications' products have been installed in multiple product groups. In this installation case, certain subledger Applications, such as Payables and Receivables, are installed multiple times and associated with one General Ledger installation.

For example, if your business is located in Canada, and you have operations in the U.S. and Australia, you have Payables installed and set up for each location. However, you post transactions from all of these Payables installations to a single General Ledger installation.

Transaction Processing

The information and diagrams presented in the first portion of this chapter describe transaction processing in a single product installation group for Oracle Applications that support MRC. The descriptions for Payables, Receivables, Purchasing, and Projects are also applicable to the other two types of installations. The related description and diagram applies to each:

- Operating unit of a product in a single product installation group using Multiple Organization Architecture
- Installation of a product in a multiple product installation group

See Also

Multiple Organizations in Oracle Applications

Oracle Applications Installation Manual

CHAPTER

4

Product-Specific Considerations

Special Considerations for General Ledger

This section discusses special considerations for using MRC with General Ledger. We have grouped these considerations into three areas:

- ❑ **Primary versus Reporting Responsibilities:** Discusses considerations for using primary and reporting responsibilities.
- ❑ **Performing Standard General Ledger Activities:** Discusses how some standard General Ledger activities require new steps or additional information when MRC is enabled. Also notes which activities must be performed in both your primary and reporting sets of books.
- ❑ **Completing MRC-related Activities in the Correct Order:** Discusses the increased importance of completing certain General Ledger activities in the correct order.

Primary versus Reporting Responsibilities

When you log into General Ledger using your reporting responsibility, you can perform all of the same activities you can perform when you are logged in using your primary responsibility. The only exception is when you log in using the predefined General Ledger EURO User responsibility, which only provides Euro reporting capabilities.

You should be cautious about performing any activity other than reporting when you are logged in using a reporting responsibility. This is especially true of entering or importing new journals into your reporting set of books, since MRC only converts and replicates journals from your primary set of books to your reporting sets of books — not the other way around.

Caution: Entering new journals or changing existing journals in a reporting set of books can make it very difficult to reconcile the reporting set of books to the associated primary set of books.

Generally, you would consider entering new journals or changing an existing journal in a reporting set of books when you need to change the converted amounts for some reason. Another reason might be that you need to adjust the balances in a reporting set of books because the jurisdiction in which you report those reporting currency amounts follows different accounting rules than those you use in your primary set of books.

Performing Standard General Ledger Activities

Some standard General Ledger activities require new steps or additional information when MRC is enabled. Also, certain activities must be performed in both your primary and reporting sets of books.

Opening Periods

You must open and close accounting periods in your primary set of books and in each of your reporting sets of books separately.

See: Opening and Closing Accounting Periods
(*Oracle General Ledger User's Guide*)

Entering and Posting Journals

MRC automatically generates unposted converted journals in your reporting sets of books when you post the original journals in your primary set of books. These unposted journals must be posted to update the related account balances.

Note: When you import journals from non-Oracle feeder systems or Oracle applications that do not support MRC, General Ledger creates converted journals in your reporting sets of books when you post the imported journal batch in your primary set of books.

See: Creating Journal Batches
Importing Journals
Posting Journal Batches
(*Oracle General Ledger User's Guide*)

Reversing Journals

You cannot reverse converted journals directly in your reporting sets of books. Instead, when you reverse the original journal in your primary set of books, MRC automatically reverses the corresponding entries in your reporting sets of books. The reversal process is slightly different, depending upon whether the original entry is reversed before or after being posted in your primary set of books:

Reverse after posting: When you reverse a journal in your primary set of books, MRC automatically creates a reversing journal in each of your reporting sets of books, using the same amounts as the original converted journal.

Reverse before posting: When you post the original journal in your primary set of books, MRC automatically converts it and creates two

unposted journals in each reporting set of books — one for the converted original journal and one (using the same converted amounts) for the reversing journal.

You must post reversing journals in both your primary and reporting sets of books to update your balances.

Note: If you enter a journal directly in your reporting set of books, you can only reverse it in your reporting set of books.

See: Defining Reverse Journal Entries
(*Oracle General Ledger User's Guide*)

Approving Journals

As discussed earlier in this chapter (see: Primary versus Reporting Responsibilities: page 4 – 2), you should generally exercise caution over entering or importing new journals in a reporting set of books. As a result, you may wish to use General Ledger's Journal Approval feature to ensure that a reporting set of books' journals are processed through your organization's approval hierarchy.

You can enable Journal Approval separately in your primary and reporting sets of books. Journals are approved as noted in the table below:

Journal Approval in		
Primary SOB	Reporting SOB	Approval Processing
Enabled	Enabled	<p>Journal entered and approved in primary SOB: Approval required based on Journal Approval settings in primary SOB. Approval status carried over to corresponding converted journal in reporting SOB. Separate approval not needed in reporting SOB.</p> <p>Journal entered directly in reporting SOB: Approval required based on Journal Approval settings in reporting SOB. No approval needed in primary SOB.</p>
Not Enabled	Enabled	<p>Journal entered in primary SOB: Associated converted journal in reporting SOB not required to be approved, regardless of Journal Approval settings in reporting SOB. Approval status set to N/A.</p> <p>Journal entered directly in reporting SOB: Approval required based on Journal Approval settings in reporting SOB. No approval needed in primary SOB.</p>
Enabled	Not Enabled	<p>Journal entered and approved in primary SOB: Approval required based on Journal Approval settings in primary SOB. Not applicable to reporting SOB.</p> <p>Journal entered directly in reporting SOB: No approval needed in primary or reporting SOB.</p>

Table 4 – 1 (Page 1 of 1) Journal Approval Processing

Document Numbers

When you enter a journal in your primary set of books, the document number assigned to the journal is determined by the primary set of books and the converted journal in the reporting set of books is assigned the same document number. However, if you enter a journal in the reporting set of books, the document number assigned to the journal is determined by the reporting set of books.

See: Entering Journals
Document Sequences
(Oracle General Ledger User's Guide)

Entering Budgets

MRC does not convert budget amounts or budget journals from your primary set of books to your reporting set of books. If you need to report budget amounts in your reporting currencies, you can choose from two methods for each reporting currency:

Maintain Translated Budget Amounts in Primary Set of Books: In this case, you translate the budget amounts in your primary set of books to your reporting currency and maintain the converted amounts in the primary set of books. You can then create FSG reports using these translated budget amounts. For example, a budget variance report can take the translated budget amounts from the primary set of books and the reporting currency actual amounts from the related reporting set of books.

Maintain Budget Amounts in Reporting Set of Books: In this case, you maintain reporting currency budget amounts in your reporting set of books and report both budget and actual amounts from there. To use this method, you must duplicate the budget organization and setup information from your primary set of books in your reporting set of books. You must also enter your reporting currency budget amounts in the reporting sets of books, using one of these methods:

- Translate the budget amounts in your primary set of books to your reporting currency, then use the Global Consolidation System to consolidate the translated amounts to your reporting set of books.
- Import the reporting currency budget amounts.
- Manually enter the reporting currency budget amounts.

See: Overview of Budgeting
Importing Journals
Global Consolidation System
(*Oracle General Ledger User's Guide*)

Encumbrances and Budgetary Control

For General Ledger, MRC automatically creates converted encumbrance journals in your reporting sets of books when you post the associated encumbrance journal in your primary set of books.

Note: Encumbrance journals are created in your reporting sets of books as functional encumbrance journals.

For Payables and Purchasing, you run the Create Journals program in General Ledger to create unposted encumbrance journals for your funds-reserved transactions. When you post these encumbrance journals in General Ledger in your primary set of books, MRC creates converted encumbrance journals in your reporting sets of books.

To use MRC with encumbrance accounting and/or budgetary control for Payables and Purchasing:

- Enable budgetary control in General Ledger for your primary set of books, then perform the standard setup tasks in General Ledger, Payables, and Purchasing.

Note: You cannot enable budgetary control in a reporting set of books.

- Define GL Conversion Rules for the Payables and Purchasing journal sources.

Note: GL Conversion Rules for the Payables and Purchasing journal sources are applied only to encumbrance journals. MRC will not convert actual journals that have these journal sources assigned.

See: Entering Encumbrances
Using Budgetary Control and Online Funds Checking
Setting Up Budgetary Control
Setting Up Budgetary Control in Purchasing and Payables
(*Oracle General Ledger User's Guide*)

Define General Ledger Conversion Rules: page 2 – 14

Revaluation

You must run revaluation in your primary set of books and in each of your reporting sets of books.

See: Revaluing Balances
(*Oracle General Ledger User's Guide*)

Translation and Consolidation

See: Translation versus MRC: page 5 – 9

Mass Maintenance

You must run Move/Merge and Move/Merge reversal in your primary set of books and in each of your reporting sets of books.

See: Mass Maintenance
(*Oracle General Ledger User's Guide*)

Completing MRC-Related Activities in the Correct Order

There are multiple dependencies between a reporting set of books and the primary set of books to which it is assigned. Therefore, it is important that you complete your period-begin tasks, day-to-day accounting tasks, and period-closing tasks in the correct order. Some guidelines are presented below.

Period-Begin Tasks

Open the accounting period in both your primary and reporting sets of books before you create journals for the period. MRC will only generate converted journals in your reporting set of books if the period is open or future-enterable.

Day-to-Day Tasks

Enter the daily exchange rates to convert your journals to each of your reporting currencies.

Period-End Tasks

You need to be sure to complete the following period-end tasks:

- Finish entering all regular and adjusting journals for the period in your primary set of books.
- If you use Oracle feeder systems, such as Receivables and Payables, you must run the subledger application's post to General Ledger process in both your primary and reporting sets of books.

See: Special Considerations for Oracle Subledgers: page 4 – 9

- Post all unposted journals in your primary set of books.
- Post all unposted journals in your reporting sets of books.
- Run Revaluation in both your primary and reporting sets of books. Post the resulting revaluation batches in each set of books.
- As needed, translate balances in both your primary and reporting sets of books.
- Generate needed reports from both your primary and reporting sets of books.
- Close your accounting period in both your primary and reporting sets of books.

Special Considerations for Oracle Subledgers

This section discusses special considerations for using MRC with the subledgers that support MRC. This section covers the following topics:

- ❑ **Performing Standard Subledger Activities:** Discusses how some standard processes require new steps or additional information when MRC is enabled. Also notes which activities must be performed in both your primary and reporting sets of books.
- ❑ **Completing MRC-related Activities in the Correct Order:** Discusses the increased importance of completing certain processes in the correct order.

Assets

Running Depreciation

You must run depreciation separately for each reporting responsibility associated with an asset depreciation book. You must do this before running depreciation for your asset depreciation book in the primary responsibility.

Before running depreciation in your reporting responsibilities, ensure that you have no pending retirements/reinstatements. If you have pending retirements/reinstatements, run Calculate Gains and Losses in your primary responsibility. You cannot calculate gains and losses in a reporting responsibility. When you calculate gains and losses from your primary responsibility, the resulting gains and losses are automatically converted to each of the associated reporting functional currencies.

Mass Additions

While logged into a primary responsibility, if you are 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. This also applies if you are loading the FA_MASS_ADDITIONS table from Payables and Receivables environments that are not MRC-enabled. 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 set of books associated with the corporate book into which the assets will be added.

Payables

Opening and Closing Periods

If you are using MRC with Payables, you must open and close periods in your primary set of books only. MRC automatically opens and closes periods in all of the associated reporting sets of books. You cannot close a period until you have posted all outstanding transactions to General Ledger in both your primary and associated reporting sets of books.

AutoRate

The AutoRate option allows you to postpone the specification of an exchange rate until the time of invoice approval. AutoRate is not supported for the reporting sets of books. Consequently, all General Ledger daily rates necessary for converting to the reporting currencies must already be defined in General Ledger at the time of invoice entry.

Note: The Required Exchange Rate Entry option in the Currency alternate region of Payables Options only applies to the primary set of books.

See: AutoRate Program (*Oracle Payables User's Guide*)

Automatic Offsets

If you enable Automatic Offsets, Payables automatically balances invoice and payment distributions that cross balancing segments by creating offsetting entries for each balancing entry. However, these offsetting entries are not created in the reporting sets of books.

See: Automatic Offsets (*Oracle Payables User's Guide*)

Receivables

Opening and Closing Periods

If you are using MRC with Receivables, you must open and close periods in your primary set of books only. MRC automatically opens and closes periods in all of the associated reporting sets of books. You cannot close a period until you have posted all outstanding transactions to General Ledger in both your primary and associated reporting sets of books.

Purchasing

Inquiry Windows

When you log into Purchasing using a reporting responsibility, there are currently no inquiry windows that display reporting currency amounts.

Projects

Opening and Closing Periods

If you are using MRC with Projects, you must open and close periods in your primary set of books only. MRC automatically opens and closes periods in all of the associated reporting sets of books. You cannot close a period until you have posted all outstanding transactions to General Ledger in both your primary and associated reporting sets of books.

Interfaces to General Ledger

You must run each of the following processes in both your primary and reporting sets of books:

- Interface Usage and Miscellaneous Costs to General Ledger
- Interface Total Burdened Cost to General Ledger
- Interface Revenue to General Ledger
- Interface Labor Costs to General Ledger

You must run each process, along with the Journal Import program and the associated Tieback process, in your primary set of books before you can run the same set of processes in your reporting sets of books. If you attempt to run any of the interface processes in your reporting set of books when you have not completed all steps for that interface process in the primary set of books, you will get an error.

See: Processes (*Oracle Projects User's Guide*)

Interfaces to Subledgers

When you run interfaces to Receivables, Payables, or Assets, you can run these processes only in your primary set of books.

MRC Amounts in the External System

When you implement MRC, this option appears only in the Transaction Sources window for your primary set of books. Checking this option indicates that transaction amounts in your primary currency and each associated reporting currency are provided by an external system. Otherwise, Projects calculates reporting currency amounts based on the General Ledger daily rates. If you enable this option, you must populate the PA_MC_TXN_INTERFACE_ALL table with the currency conversion rates and converted amounts for all transactions originating from that transaction source.

Project Budgets

MRC does not convert project budget amounts to your reporting currencies.

Cost Management

Reporting

Unlike other subledgers that support MRC, Cost Management does not convert transactions to your reporting currencies at entry time. Cost Management does not store reporting currency amounts in the system. You have the option to run several reports in which reporting currency amounts will be calculated. To run these reports in a reporting currency, you enter the reporting currency for the Currency parameter and an exchange rate between the primary and the reporting currencies for the Exchange Rate parameter.

The following reports allow you to run them in any reporting currencies in addition to your primary currency:

- Material Account Distribution Detail Report
- All Inventories Value Report
- Elemental Inventory Value Report
- Elemental Cost Report
- Inventory Value Report
- Intransit Value Report
- Subinventory Account Value Report
- WIP Account Distribution Report

- WIP Account Summary Report
- WIP Value Report
- Receiving Value Report
- Margin Analysis Report in R10
- Elemental Cost Report
- Margin Analysis Report
- Inventory Subledger Report

CHAPTER

5

Implementation Considerations

Implementation Considerations

This chapter discusses important issues you should consider before you implement MRC for your organization, including:

- ❑ **Type of Installation:** Different issues arise when you implement MRC for a new Oracle Applications installation versus enabling MRC after upgrading from an earlier version of Oracle Applications.
- ❑ **MRC Starting Dates:** Determine appropriate dates to use for initializing account balances in your reporting sets of books and for entering back-dated subledger transactions.
- ❑ **Initializing Account Balances in Reporting Sets of Books:** Initialize the beginning account balances in your reporting sets of books. You must also choose an initializing method.
- ❑ **Translation versus MRC:** Discusses the differences between General Ledger's Translation feature and MRC.

Type of Installation

The initial release of MRC supports two specific types of installation:

- ❑ **Fresh Install:** New customers who install Oracle Applications for the first time and enable MRC.

Note: For Oracle subledger applications that support MRC, you must enable MRC before entering any transactions in the subledgers. There is no such restriction for General Ledger.

- ❑ **Upgrade Scenario 1:** Existing customers who upgrade from an earlier release of Oracle Applications, then enable MRC.

For Oracle subledger applications that support MRC, you must enable MRC in:

- A new set of books or
- A new operating unit in an existing set of books

before entering any transactions in the subledgers. There is no such restriction for General Ledger.

Following the initial release of MRC, a planned patch will support a second upgrade scenario:

- ❑ **Upgrade Scenario 2:** Existing customers who upgrade from an earlier release of Oracle Applications, then enable MRC for an existing set of books or operating unit when there are open transactions in subledgers that support MRC.

Note: An open transaction is a subledger transaction whose accounting lifecycle has not been completed. For example, a receivables invoice for which you have not received payment from the customer, a payables invoice which you have not paid, or a project that has an open status.

Following the patch, a planned maintenance release for MRC will support a third upgrade scenario:

- ❑ **Upgrade Scenario 3:** Existing customers who upgrade from an earlier release of Oracle Applications, enable MRC, and want to convert historical transaction amounts in their subledgers to their reporting currencies.

Notes

- ❑ For both Fresh Install and Upgrade Scenario 1, if you enter transactions in a subledger before enabling MRC, there will be open transactions when MRC is enabled. Any subsequent entries related to the open transactions (e.g., credit memos, receipts, payments, or project expenditure adjustments) that occur after MRC is enabled will not be converted to reporting currencies and may cause an error condition.

To avoid this situation, you must install the planned patch when it becomes available, then convert the open transactions to your reporting currencies.

- ❑ If you are an existing customer upgrading from an earlier release of Oracle Applications and you have no open transactions in subledgers that support MRC, you can enable MRC for those subledgers without creating a new set of books or operating unit.



Warning: Do not reopen closed transactions if you have enabled MRC without creating a new set of books or operating unit.

MRC Starting Dates

Attention: The information in this section applies only to the Fresh Install and Upgrade Scenario 1 installation types.

You need to determine appropriate dates for two important MRC starting dates:

- ☐ **Logical Effective Date:** The date on which you initialize the account balances in your reporting sets of books.
- ☐ **From Date:** The first date for which MRC will start converting transactions to your reporting functional currency. You enter the from date on the Conversion Options window.

Note: In determining which transactions or journals to convert, MRC compares the from date to the:

- Transaction or journal date for Payables, Receivables, and General Ledger
- Entered date for Purchasing, Assets, and Projects

When the from date precedes or is the same as the date being compared, MRC converts the transaction or journal.

Choosing a Logical Effective Date

Choosing a logical effective date is basically a business decision you must make for your organization. This decision is based primarily on your determination of when you want to start inquiring and reporting on transactions and balances in your reporting currencies.

We recommend that you choose a logical effective date that falls on the first day of your first MRC period. In addition:

- Your first MRC period should be one for which you have not entered any transactions.
- Your first MRC period should be the first period of a quarter to ensure that the quarter-to-date reporting currency balances for the quarter in which you enable MRC are correct.
- If you use average balance processing and need to report average balances in your reporting sets of books, choose a logical effective date that is the first day of a fiscal year. This ensures that your period-average-to-date, quarter-average-to-date, and year-average-to-date reporting currency balances will be correct.

Choosing a From Date

Choosing an appropriate from date differs depending on the application for which you are setting the date. The considerations are the same for General Ledger, Payables, Receivables, and Purchasing. For Assets and Projects, the from date is determined automatically.

General Ledger, Payables, Receivables, and Purchasing

When setting the from date, you should choose a date that precedes the logical effective date and which is early enough to allow you to enter back-dated subledger transactions without adversely affecting the account balances in your reporting sets of books. We recommend that you choose a date that precedes the date of the first transaction in each application/operating unit (application only for General Ledger).

Note: Back-dated subledger transactions are those whose transaction dates precede the logical effective date.

If the from date is not sufficiently early, any back-dated transaction whose accounting date precedes the from date will not be converted by MRC to your reporting currencies.

The figure below illustrates why choosing an appropriate from date is important. The example shows how the accounts receivable balance in your reporting set of books is affected by your choice of from dates. The example assumes that you've chosen June 1st as your logical effective date and that you use General Ledger's Translation and Consolidation features to initialize the beginning balances in your reporting set of books. The section titled June Activity & Balances shows transaction and balance activity for June, and a subsequent period-end posting from Receivables to General Ledger.

Finally, the example introduces a back-dated transaction and illustrates how the General Ledger balances are affected when the from date precedes or follows the date of the transaction. In the example, notice that when the date of the back-dated transaction precedes the from date, the beginning balance in the reporting set of books is not updated as it should be.

Logical Effective Date: 6/1

Use Translation/Consolidation to Initialize Reporting Set of Books Balances

Receivables Balance 5/31
in Primary Set of Books

10,000

Conversion
Rate 5/31

1.50

Beginning Balance in
Reporting Set of Books

15,000

June Activity & Balances

A/R Subledger Transactions			General Ledger Activity		
Date	Primary Curr	Converted Amount	Date	Primary SOB	Reporting SOB
6/5	2,000	3,010	6/1 Balance	10,000	15,000
6/12	1,500	2,265	6/15 Journal	(11,000)	(16,610)
6/20	2,500	3,810			
6/30	3,000	4,470			
	-----	-----			
Post to GL	9,000	13,555	6/30 A/R Post	9,000	13,555
	-----	-----			
			6/30 Balance	8,000	11,945
				-----	-----

Back-Dated A/R Transaction

Date: 5/5

Amount:

3,000 (primary curr)
4,600 (reporting curr)

From Date: 5/15

Primary SOB	Reporting SOB
----------------	------------------

Adjusted GL Balance 6/1

13,000

15,000

Adjusted GL Balance 6/30

11,000

11,945

INCORRECT

From Date: 5/1

Primary SOB	Reporting SOB
----------------	------------------

13,000

19,600

11,000

16,545

CORRECT



Warning: Do not inquire or report on reporting currency balances from your subledgers for dates that fall in the intervening period between the from date and the logical effective date. Since the beginning balances in your reporting set of books will not yet be initialized, the reporting currency account balances will not be correct for this intervening period. However, the reporting currency amounts of any back-dated transactions that occur during the intervening period will be correct.

Assets

For Oracle Assets, the from date is set automatically at the time you assign the Assets conversion options on the Assign Reporting Set of Books window. MRC sets the from date to the Oldest Date Placed in Service value that you've entered in the Assets' System Controls

window. You cannot update the from date.

Projects

For Oracle Projects, the from date is set automatically at the time you assign the Projects' conversion options on the Assign Reporting Set of Books window. MRC sets the from date to the system date at the time you assign the conversion options. You cannot update the from date.

Initializing Account Balances in Reporting Sets of Books

You must initialize the beginning balances in your reporting sets of books before you can inquire and report on account balances in your reporting currencies. The steps in this section explain how to initialize your account balances. Throughout these steps we use the following terms:

- **First MRC Period:** The first accounting period for which you want to be able to report transactions and balances in your reporting currencies. You must enable MRC and initialize your reporting sets of books' beginning account balances before the first MRC period.
- **Initial Period:** The accounting period preceding the first MRC period.

Note: During the process of initializing account balances in your reporting sets of books, you should not post any new journals.

Step 1 Post in the Primary Set of Books

We recommend that you post all outstanding transactions in your primary set of books at the end of the initial period. This includes posting:

- (For Upgrade Scenarios 2 and 3) All subledger transactions to General Ledger.
 - Caution:** Do not enter any new transactions in subledgers that support MRC until you complete setting up MRC.
- All journals in General Ledger.

Posting all outstanding transactions and journals ensures that the ending account balances in your primary set of books are up to date.

Step 2 Close the Initial Period in Primary Set of Books

In General Ledger, close the initial period in your primary set of books to ensure that new transactions will not update the account balances.

Step 3 Open the Initial Period in Reporting Sets of Books

Before you initialize account balances in the next step, make sure you have opened the initial period in General Ledger in your reporting sets of books.

Step 4 Initialize Balances

You can use several methods to initialize the balances in your reporting sets of books:

- ☐ **Translation & Consolidation:** Translate the balances in your primary set of books then consolidate them into your reporting sets of books.
- ☐ **Import Beginning Balances:** Use General Ledger's Journal Import feature to import your beginning balances from an external source.
- ☐ **Manual Journals:** Use General Ledger's Enter Journals window to manually enter your beginning balances.

If you decide to use the translation and consolidation method to initialize your reporting sets of books' account balances, complete the three steps below for each reporting set of books:

1. Translate Balances.

Run General Ledger's Translation feature to convert balances from your primary functional currency to the appropriate reporting functional currency.



Suggestion: For convenience, you can translate your balances to all of your reporting currencies at the same time.

See: Translating Balances

(Oracle General Ledger User's Guide).

2. Consolidate to Reporting Set of Books.

Use General Ledger's Global Consolidation System to consolidate the translated balances from your primary set of books to your reporting set of books.

See: Global Consolidation System

(Oracle General Ledger User's Guide).

3. Post Consolidation Journals in your reporting set of books.

Posting the consolidation journals updates the balances in your reporting set of books.

See: Global Consolidation System
(*Oracle General Ledger User's Guide*).

Step 5 Close the Initial Period in Reporting Sets of Books

Close the initial period in your reporting sets of books. This is necessary before the initial period's ending balances can be used to create the beginning balances of your first MRC period.

Step 6 Opening the First MRC Period

For General Ledger, open the first MRC period in both your primary and reporting sets of books. This will automatically create your beginning account balances for the first MRC period.

In your subledgers that support MRC, open the first MRC period only in your primary set of books. The same period will be opened automatically in your reporting sets of books.

Translation versus MRC

General Ledger's translation feature is used to translate amounts from your functional currency to another currency at the account balances level. MRC converts amounts from your transaction currency to a reporting currency at the transactions level.

MRC is specifically intended for use by organizations that must regularly and routinely report their financial results in multiple currencies. MRC is not intended as a replacement for General Ledger's Translation feature. For example, an organization with a once-a-year need to translate their financial statements to their parent company's currency for consolidation purposes, but no other foreign currency reporting needs, should use General Ledger's standard translation feature instead of MRC.

Another benefit of MRC over General Ledger's Translation feature is that with MRC you can inquire and report on transaction amounts in your reporting currencies directly from your subledgers. Translation only applies to General Ledger — it cannot be used to translate transaction amounts in your subledgers.

If you use MRC and have properly initialized your reporting set of book's balances, you can report directly from your reporting set of books without running Translation. This is because the actual transaction amounts in your reporting sets of books have already been converted from your primary set of book's functional currency. As a result, the account balances of your reporting set of books are automatically maintained in your reporting currency.

For example, to consolidate a subsidiary that maintains a reporting set of books using your parent company's functional currency, you might simply consolidate the reporting set of books to your parent set of books, rather than translating, then consolidating the subsidiary's primary set of books.

Usually, when you compare the results of using amounts from your reporting set of books rather than translated primary set of book's amounts, there will be rounding differences in your accounts. Many of these differences arise because a reporting set of book's transaction amounts are converted using daily rates. Translation, however, uses period or historical rates to translate account balances.

Before you use your reporting set of book's amounts in lieu of translating your primary set of book's amounts, you need to understand and carefully consider:

- How MRC works.
- The country-specific accounting rules and regulations that govern your parent and subsidiary companies.

Note About Budget Balances

If you use MRC and need to report budget amounts in your reporting currency, you will need to translate the budget amounts in your primary set of books to your reporting currency.

For example, after translating budget amounts to your reporting currency, you can use FSG to create a budget variance report with three columns:

- Translated budget amounts. Your FSG column set can draw these amounts directly from your primary set of books.
- Reporting currency actual amounts. Your FSG column set can draw these amounts from your reporting set of books.
- The variance between budget and actual, expressed in your reporting currency.

See Also

Translating Balances
Performing Multi-Company Accounting
(Oracle General Ledger User's Guide)

APPENDIX

A

MRC Reporting Responsibilities

This appendix describes the predefined MRC reporting responsibilities for each product that supports MRC.

Predefined Reporting Responsibilities

Oracle provides predefined MRC reporting responsibilities for each product that supports MRC as examples of how to set up reporting responsibilities using the predefined menus and requests groups. The predefined reporting responsibilities are in the format MRC <product> Manager.

Product	Responsibilities	Menus	Request Groups
Assets	MRC Assets Manager	FA_MRC_NAVIGATOR_GUI	MRC Programs FA
Payables	MRC Payables Manager	AP_MRC_NAVIGATOR_GUI	MRC Programs AP
Receivables	MRC Receivables Manager	AR_MRC_NAVIGATOR_GUI	MRC Programs AR
Purchasing	MRC Purchasing Manager	PO_MRC_NAVIGATOR_GUI	MRC Programs PO
Projects	MRC Projects Billing Manager MRC Projects Costing Manager	PA_MRC_NAVIGATOR_GUI (PB) PA_MRC_NAVIGATOR_GUI (PC)	MRC Programs PA Billing MRC Programs PA Costing

Table 5 – 1 (Page 1 of 1)

Note: There are two predefined General Ledger responsibilities intended for Euro reporting purposes. These predefined responsibilities are General Ledger EURO User and General Ledger EURO Super User. There are function and menu exclusion rules associated with these responsibilities. There are no predefined General Ledger menus or request groups for these responsibilities.

See: Define Responsibilities: page 2 – 19

Menus

The predefined MRC menus allow you to access only those windows that are appropriate to use when using a reporting responsibility. Pre-defined MRC menus are in the format <product code>_MRC_NAVIGATOR_GUI.

For a list of the MRC menus by product, see: Table 5 – 1.

Assets

The following table shows the windows available in Assets when using the FA_MRC_NAVIGATOR_GUI menu:

Navigator Entry	Windows
Inquiry	Financial Information Inquiry Transaction History Inquiry
Depreciation	Run Depreciation Projections
Journals	Standard Deferred
Other	Requests <ul style="list-style-type: none">• Run• View• Set Profile Concurrent Change Organization

Table 5 – 2 (Page 1 of 1)

Payables

The following table shows the windows available in Payables when using the AP_MRC_NAVIGATOR_GUI menu:

Navigator Entry	Windows
Invoices	Invoice Batches Invoice Invoice Distributions Invoice Overview Withheld Amounts
Payments	Payment Batches Payments Payment Overview Withheld Amounts
Other	Requests <ul style="list-style-type: none">• Run• View• Set Profile Concurrent Change Organization

Table 5 – 3 (Page 1 of 1)

Receivables

The following table shows the windows available in Receivables when using the AR_MRC_NAVIGATOR_GUI menu:

Navigator Entry	Windows
Transactions	Batches Summary Transactions Transactions Summary
Receipts	Batches Summary Receipts Receipts Summary Remittances Remittances Summary Lockbox Transmission
Collections	Scheduler Customer Calls Customer Accounts Account Overview Aging Correspondence Account Details Transaction Overview
Interfaces	General Ledger
Control	Requests <ul style="list-style-type: none">• Run• View• Set Profile Options Concurrent

Table 5 – 4 (Page 1 of 1)

Purchasing

The following table shows the windows available in Purchasing when using the PO_MRC_NAVIGATOR_GUI menu.

Note: In Purchasing, there are currently no inquiry windows that display reporting currency amounts.

Navigator Entry	Windows
Other	Requests Run <ul style="list-style-type: none">• View• Set Profile Concurrent Change Organization

Table 5 – 5 (Page 1 of 1)

Projects

The following table shows the windows available in Project Billing when using the PA_MRC_NAVIGATOR_GUI (PB) menu:

Navigator Entry	Windows
Expenditures	Expenditure Review <ul style="list-style-type: none">• Supervisor• All Expenditure Inquiry <ul style="list-style-type: none">• Project• All
Capital Projects	Capital Projects

Table 5 – 6 (Page 1 of 2)

Navigator Entry	Windows
Billing	Events <ul style="list-style-type: none"> • Project • All Invoice Review Revenue Review
Other	Requests <ul style="list-style-type: none"> • Run • View • Set Profile Concurrent

Table 5 – 6 (Page 2 of 2)

The following table shows the windows available in Project Costing when using the PA_MRC_NAVIGATOR_GUI (PC) menu:

Navigator Entry	Windows
Expenditures	Expenditure Review <ul style="list-style-type: none"> • Supervisor • All Expenditure Inquiry <ul style="list-style-type: none"> • Project • All
Capital Projects	Capital Projects
Other	Requests <ul style="list-style-type: none"> • Run • View • Set Profile Concurrent

Table 5 – 7 (Page 1 of 1)

Request Groups

The predefined MRC request groups allow you to access only those reports and programs that are appropriate to run when using a reporting responsibility. Pre-defined MRC request groups are in the format MRC Programs <*product code*>.

For a list of the MRC request groups by product, see: Table 5 – 1.

Assets

The following reports are available in the MRC Programs FA request group:

- Account Drill Down Report
- Account Reconciliation Reserve Ledger Report
- Additions by Source Report
- Asset Additions Report
- Asset Retirements Reports
- Asset Transfer Reconciliation Report
- Asset Transfers Report
- CIP Assets Report
- CIP Capitalization Report
- CIP Detail Report
- CIP Summary Report
- Cost Adjustments by Source Report
- Cost Adjustments Report
- Cost Clearing Reconciliation Report
- Cost Detail Report
- Cost Summary Report
- Depreciation Projection Report
- Drill Down Report
- Fully Reserved Assets Reports
- Journal Entry Reserve Ledger Report
- Mass Change Review Report
- Mass Depreciation Adjustment Review Report

- Mass Retirements Report
- Reinstated Assets Report
- Reserve Adjustments Report
- Reserve Detail Report
- Reserve Summary Report
- Responsibility Reserve Ledger Report
- Revaluation Reserve Detail Report
- Revaluation Reserve Summary Report
- Revalued Asset Retirements Report
- Tax Additions Report
- Tax Reserve Ledger Report
- Tax Retirements Report
- Transaction History Report

Payables

The following reports are available in the MRC Programs AP request group:

- Accounts Payable Trial Balance Report
- Posted Invoice Register
- Posted Payment Register
- Posting Hold Report
- Transaction Reconciliation Report
- Journal with GL Details Report

The following program is available in the MRC Programs AP request group:

- Payables Transfer to General Ledger Program

Receivables

The following reports are available in the MRC Programs AR request group:

- Account Status Report

- Adjustment Approval Report
- Adjustment Register
- Aging 4 Buckets Report
- Aging – 7 Buckets By Account Report
- Aging – 7 Buckets By Amount Report
- Aging – 7 Buckets By Collector Report
- Aging – 7 Buckets By Salesperson Report
- Aging – 7 Buckets Report
- Applied Receipts Register
- AutoCash Rules
- Bad Debt Provision Report
- Bank Risk Report
- Commitment Balance Report
- Cross Currency Exchange Gain/Loss Report
- Customer Credit Snapshot
- Disputed Invoice Report
- Invoice Exception Report
- Invoices Posted To Suspense
- Journal Entries Report
- Key Indicators Report-Summary
- Projected Gains and Losses Report
- Receipt Analysis – Days Late
- Receipt Journal Report
- Receipt Register
- Reversed Receipts Report
- Sales Journal By Customer
- Sales Journal by GL Account Report
- Tax Only: Open Invoices Report
- Transaction Register
- Unapplied Receipts Register

- VAT Reconciliation Report
- VAT Register

Purchasing

The following reports are available in the MRC Programs PO request group:

- Receiving Exceptions Report
- Savings Analysis Report (by Buyer)
- Purchase Order Distribution Detail Report
- Vendor Purchase Summary Report
- Purchasing Activity Register
- Uninvoiced Receipts Report
- Invoice Price Variance Report
- Purchase Summary Report by Category
- Accrual Reconciliation Report
- Savings Analysis Report (by Category)
- Receipt Accruals – Period-End
- Receiving Value Report
- Accrual Write Off Report
- Receiving Account Distribution Report

Projects

The following reports are available in the MRC Programs PA Billing request group:

- AUD: Missing Timecards
- AUD: Work Breakdown Structure
- AUD: Project Configuration
- AUD: Task Details
- AUD: Pre-Approved Expenditures Entry Audit
- AUD: Project Expenditures Adjustment Activity
- AUD: Time Card Entry

- AUD: Expense Report Entry
- AUD: Project Sub-ledger Summary
- AUD: Project Sub-ledger: Detail by Project
- AUD: Project Sub-ledger: Detail by Expenditure Types
- AUD: Cost Audit
- AUD: Revenue Audit
- MGT: Expenditure Detail
- MGT: Expenditure Summary
- MGT: Employee Activity by Organization
- MGT: Transfer Activity Report
- FLW: Invoice Flow Detail
- FLW: Invoice Flow Summary

The following reports are available in the MRC Programs PA Costing request group:

- AUD: Missing Timecards
- AUD: Work Breakdown Structure
- AUD: Project Configuration
- AUD: Task Details
- AUD: Pre-Approved Expenditures Entry Audit
- AUD: Project Expenditures Adjustment Activity
- AUD: Time Card Entry
- AUD: Expense Report Entry
- AUD: Project Sub-ledger Summary
- AUD: Project Sub-ledger: Detail by Project
- AUD: Project Sub-ledger: Detail by Expenditure Types
- AUD: Cost Audit
- MGT: Expenditure Detail
- MGT: Expenditure Summary
- MGT: Employee Activity by Organization
- MGT: Transfer Activity Report

Glossary

account hierarchy An Oracle Financials feature you use to perform summary level funds checking. An account hierarchy lets Purchasing and Multiple Reporting Currencies quickly determine the summary accounts into which your detail accounts roll up.

Account segment One of up to 30 different sections of your Accounting Flexfield, which together make up your general ledger account code. Each segment is separated from the other segments by a symbol you choose (such as -, /, or \). Each segment typically represents an element of your business structure, such as Company, Cost Center or Account.

Account segment value A series of characters and a description that define a unique value for a particular value set.

account structure See *Accounting Flexfield structure*.

accounting calendar The calendar that defines your accounting periods and fiscal years in Oracle General Ledger. You define accounting calendars using the Accounting Calendar window. Oracle Financial Analyzer will automatically create a Time dimension using your accounting calendar.

Accounting Flexfield The code you use to identify a general ledger account in an Oracle Financials application. Each Accounting Flexfield segment value corresponds to a summary or rollup account within your chart of accounts.

Accounting Flexfield structure The account structure you define to fit the specific needs of your organization. You choose the number of segments, as well as the length, name, and order of each segment in your Accounting Flexfield structure.

Accounting Flexfield value set A group of values and attributes of the values. For example, the value length and value type that you assign to your account segment to identify a particular element of your business, such as Company, Division, Region, or Product.

ad hoc Concerned with or formed for a particular purpose. For example, ad hoc tax codes or an ad hoc database query.

aggregate balance The sum of the end-of-day balances for a range of days. There are three types of aggregate balances: period-to-date (PTD), quarter-to-date (QTD), and year-to-date (YTD). All three are stored in the General Ledger database for every calendar day.

allocation entry A recurring journal entry you use to allocate revenues or costs.

alternative region An alternative region is one of a collection of regions that occupy the same space in a window where only one region can be displayed at any time. You identify an alternative region by a poplist icon that displays the region title, which sits on top of a horizontal line that spans the region.

archive table Multiple Reporting Currencies copies your account balances from the Balances Table (GL_BALANCES) to your Archive Table (GL_ARCHIVE_BALANCES). Multiple Reporting Currencies copies your journal details from the Journal Entry tables (GL_JE_BATCHES, GL_JE_HEADERS, and GL_JE_LINES) to your archive tables (GL_ARCHIVE_BATCHES, GL_ARCHIVE_HEADERS, and GL_ARCHIVE_LINES).

archive tablespace The tablespace where your archive table is stored. A tablespace is the area in which an Oracle7 database is divided to hold tables.

attribute An Oracle Financial Analyzer database object that links or relates the values of two dimensions. For example, you might define an attribute that relates the Sales District dimension to the Region dimension so that you can select data for sales districts according to region.

AutoCopy – budget organizations A feature that automatically creates a new budget organization by copying account assignments from an existing budget organization.

AutoCopy – budgets A feature that automatically creates a new budget by copying all of the data from an existing budget. Budget AutoCopy copies budget amounts only from open budget years.

AutoOffset A feature that automatically determines the offset (or credit) entry for your allocation entry. AutoOffset automatically calculates the net of all previous journal lines in your allocation entry, reverses the sign, and generates the contra amount.

AutoReduction An Oracle Applications feature in the list window that allows you to shorten a list so that you must scan only a subset of values before choosing a final value. Just as AutoReduction incrementally reduces a list of values as you enter additional character(s), pressing [Backspace] incrementally expands a list.

AutoSelection A feature in the list window that allows you to choose a valid value from the list with a single keystroke. When you display the list window, you can type the first character of the choice you want in the window. If only one choice begins with the character you enter, AutoSelection selects the choice, closes the list window, and enters the value in the appropriate field.

AutoSkip A feature specific to flexfields where Oracle Applications automatically moves your cursor to the next segment as soon as you enter a valid value into a current flexfield segment. You can turn this feature on or off with the user profile option Flexfields:AutoSkip.

average balance The amount computed by dividing an aggregate balance by the number of calendar days in the related range.

average exchange rate An exchange rate that is the average rate for an entire accounting period. General Ledger automatically translates revenue and expense account balances using period-average rates in accordance with FASB 52 (U.S.). And, for companies in highly inflationary economies, General Ledger uses average exchange rates to translate your non-historical revenue and expense accounts in accordance with FASB 8 (U.S.). Also known as **period-average exchange rate**.

back-value transactions Transactions whose effective date is prior to the current accounting date. Also known as *value-dated transactions*.

balances table A General Ledger database table that stores your account balances, called GL_BALANCES.

balancing segment An Accounting Flexfield segment that you define so that General Ledger automatically balances all journal entries for each value of this segment. For example, if your company segment is a balancing segment, General Ledger ensures that, within every journal entry, the total debits to company 01 equal the total credits to company 01.

bank statement A report sent from a bank to a customer showing all transaction activity for a bank account for a specific period of time. Bank statements report beginning balance, deposits made, checks cleared, bank charges, credits, and ending balance. Enclosed with the bank statement are cancelled checks, debit memos, and credit memos. Large institutional banking customers usually receive electronic bank statements as well as the paper versions.

block Every Oracle Applications window (except root and modal windows) consists of one or more blocks. A block contains information pertaining to a specific business entity. Generally, the first or only block in a window assumes the name of the window. Otherwise, a block name appears across the top of the block with a horizontal line marking the beginning of the block.

budget Estimated cost, revenue, labor hours or other quantities for a project or task. Each budget may optionally be categorized by resource. Different budget types may be set up to classify budgets for different purposes. In addition, different versions can exist for each user-defined budget type: current, original, revised original, and historical versions. The current version of a budget is the most recently baselined version. .

budget formula A mathematical expression used to calculate budget amounts based on actual results, other budget amounts and statistics. With budget formulas, you can automatically create budgets using complex equations, calculations and allocations.

budget hierarchy A group of budgets linked at different levels such that the budgeting authority of a lower-level budget is controlled by an upper-level budget.

budget interface table An Oracle General Ledger database table that stores information needed for budget upload.

budget organization An entity (department, cost center, division or other group) responsible for entering and maintaining budget data. You define budget organizations for your company, then assign the appropriate accounts to each budget organization.

budget rules A variety of shorthand techniques you can use to speed manual budget entry. With budget rules you can divide a total amount evenly among budget periods, repeat a given amount in each budget period or enter budget amounts derived from your account balances.

budget upload The ability to transfer budget information from a spreadsheet to Multiple Reporting Currencies. For example, with the spreadsheet interface you can upload budget information from your spreadsheet to Multiple Reporting Currencies.

budgetary account An account segment value (such as 6110) that is assigned one of the two budgetary account types. You use budgetary accounts to record the movement of funds through the budget process from appropriation to expended appropriation.

Budgetary Account An account that contains a budgetary account.

budgetary account type Either of the two account types Budgetary DR and Budgetary CR.

budgetary control An Oracle Financials feature you use to control actual and anticipated expenditures against a budget. When budgetary control is enabled, you can check funds online for transactions, and you can reserve funds for transactions by creating encumbrances. Oracle Financials automatically calculates funds available (budget less encumbrances less actual expenditures) when you attempt to reserve funds for a transaction. Oracle Financials notifies you online if funds available are insufficient for your transaction.

business day Days on which financial institutions conduct business. In General Ledger, you choose which days of the calendar year are defined as business days. You can include or exclude weekends and holidays as needed.

business entity A person, place, or thing that is tracked by your business. For example, a business entity can be an account, a customer, or a part.

business group The highest level of organization and the largest grouping of employees across which a company can report. A business group can correspond to an entire company, or to a specific division within the company.

button You choose a button to initiate a predefined action. Buttons do not store values. A button is usually labeled with text to describe its action or it can be an icon whose image illustrates its action.

child segment value A detail-level segment value that is part of a parent segment value. See also *parent segment value*.

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

chart of accounts structure A classification of account segment values that assigns a particular range of values a common characteristic. For example, 1000 to 1999 might be the range of segment values for assets in the account segment of your accounting flexfield.

check box You can indicate an on/off or yes/no state for a value by checking or unchecking its check box. One or more check boxes can be checked since each check box is independent of other check boxes.

child request A concurrent request submitted by another concurrent request (a parent request.) For example, each of the reports and/or programs in a report set are child requests of that report set.

column set A Financial Statement Generator report component you build within Multiple Reporting Currencies by defining all of the columns in a report. You control the format and content of each column, including column headings, spacing and size, calculations, units of measure, and precision. A typical column set includes a header column for headings and subheadings, currency assignments, amount types, and calculation columns totals. You can also define a column set with each column representing a different company to enhance consolidation reporting.

combination block A combination block displays the fields of a record in both multi-record (summary) and single-record (detail) formats. Each format appears in its own separate window that you can easily navigate between.

combination of segment values A combination of segment values uniquely describes the information stored in a field made up of segments. A different combination of segment values results when you change the value of one or more segments. When you alter the combination of segment values, you alter the description of the information stored in the field.

combination query See *Existing Combinations*.

commitment An encumbrance you record when you complete a purchase requisition.

concurrent manager A unique facility that manages many time-consuming, non-interactive tasks within Oracle Applications for you, so you do not have to wait for their completion. When you submit a request in Oracle Applications that does not require your interaction, such as releasing shipments or running a report, the Concurrent Manager does the work for you, enabling you to complete multiple tasks simultaneously.

concurrent process A non-interactive task that you request Oracle Applications to complete. Each time you submit a non-interactive task, you create a new concurrent process. A concurrent process runs simultaneously with other concurrent processes (and other interactive activities on your computer) to help you complete multiple tasks at once.

concurrent queue A list of concurrent requests awaiting completion by a concurrent manager. Each concurrent manager has a queue of requests waiting to be run. If your system administrator sets up your Oracle Application to have simultaneous queuing, your request can wait to run in more than one queue.

concurrent request A request to Oracle Applications to complete a non-interactive task for you. You issue a request whenever you submit a non-interactive task, such as releasing a shipment, posting a journal entry, or running a report. Once you submit a request, Oracle Applications automatically takes over for you, completing your request without further involvement from you or interruption of your work.

consolidation A General Ledger feature that allows you to combine the results of multiple companies, even if they are in different sets of books with different currencies, calendars, and charts of account. The Consolidated Billing Invoice program lets you print a single, monthly invoice that includes all of your customer's transactions for the period. This lets you send one consolidated billing invoice instead of a separate invoice for each transaction.

consolidation set of books A set of books that has average balance processing enabled and that is defined as a consolidation set of books. A consolidation set of books must be used to consolidate average balances using the balances consolidation method.

consumption tax An indirect tax imposed on transfer of goods and services at each stage of their supply. The difference between output tax (tax collected for revenue earned from the transfer) and the input tax (tax paid on expense paid on the transfer) will be the tax liability to the government. This tax is, in concept, value added tax (VAT).

content set A report component you build within General Ledger that defines the information in each report and the printing sequence of your reports. For example, you can define a departmental content set that prints one report for each department.

context field value A response to your context field prompt. Your response is composed of a series of characters and a description. The response and description together provide a unique value for your context prompt, such as 1500, Journal Batch ID, or 2000, Budget Formula Batch ID. The context field value determines which additional descriptive flexfield segments appear.

context response See *context field value*.

context segment value A response to your context-sensitive segment. The response is composed of a series of characters and a description. The response and description together provide a unique value for your context-sensitive segment, such as Redwood Shores, Oracle Corporation Headquarters, or Minneapolis, Merrill Aviation's Hub.

context-sensitive segment A descriptive flexfield segment that appears in a second pop-up window when you enter a response to your context field prompt. For each context response, you can define multiple context segments, and you control the sequence of the context segments in the second pop-up window. Each context-sensitive segment typically prompts you for one item of information related to your context response.

conversion A process that converts foreign currency transactions to your functional currency. See also *foreign currency conversion*.

corporate exchange rate An exchange rate you can optionally use to perform foreign currency conversion. The corporate exchange rate is usually a standard market rate determined by senior financial management for use throughout the organization. You define this rate in Oracle General Ledger.

cross-validation rules Rules that define valid combinations of segment values a user can enter in an account. Cross-validation rules restrict users from entering invalid combinations of account segment values.

Cumulative Translation Adjustment A balance sheet account included in stockholder's equity in which Multiple Reporting Currencies records net translation adjustments in accordance with FASB 52 (U.S.). You specify the account you want to use for Cumulative Translation Adjustment when you define each set of books in the Set of Books window.

current dimension The Oracle Financial Analyzer dimension from which you are selecting values. The current dimension is the one you specified in the Dimension box of the Selector window. Choices you make and actions you take in lower-level windows ultimately affect this dimension by selecting values from it to include in a report, graph, or worksheet.

current object The Oracle Financial Analyzer object upon which the next specified action takes place. Generally, the current object is the one most recently selected. However, if you use a highlight a group of objects, such as data cells in a column, the first object in the group is the current object.

current record indicator Multi-record blocks often display a current record indicator to the left of each record. A current record indicator is a one character field that when filled in, identifies a record as being currently selected.

DBA library If an Oracle Financial Analyzer database object belongs to a DBA library, it means that the object was created by an administrator and cannot be modified by a user.

database table A basic data storage structure in a relational database management system. A table consists of one or more units of information (rows), each of which contains the same kind of values (columns). Your application's programs and windows access the information in the tables for you.

dependent segment An account segment in which the available values depend on values entered in a previous segment, called the independent segment. For example, the dependent segment Sub–Account 0001 might mean Bank of Alaska when combined with the independent segment Account 1100, Cash, but the same Sub–Account 0001 might mean Building #3 when combined with Account 1700, Fixed Assets.

descriptive flexfield A field that your organization can extend to capture extra information not otherwise tracked by Oracle Applications. A descriptive flexfield appears in your window as a single character, unnamed field. Your organization can customize this field to capture additional information unique to your business.

detail budget A budget whose authority is controlled by another budget.

dimension An Oracle Financial Analyzer database object used to organize and index the data stored in a variable. Dimensions answer the following questions about data: "What?" "When?" and "Where?" For example, a variable called Units Sold might be associated with the dimensions Product, Month, and District. In this case, Units Sold describes the number of products sold during specific months within specific districts.

dimension label A text label that displays the name of the Oracle Financial Analyzer dimension associated with an element of a report, graph, or worksheet. For example, the data markers in a graph's legend contain dimension labels that show what data each data marker represents. Dimension labels can be short, meaning they display the object name of a dimension, or user–specified, meaning they display a label that you typed using the Dimension Labels option on the Graph, Report, or Worksheet menus.

dimension values Elements that make up an Oracle Financial Analyzer dimension. For example, the dimension values of the Product dimension might include Tents, Canoes, Racquets, and Sportswear.

display group A range of rows or columns in your row set or column set for which you want to control the display in your report. You assign a display group to a display set where you specify whether you want to display or hide your rows or columns.

display set A Financial Statement Generator report component you build within Multiple Reporting Currencies to control the display of ranges of rows and columns in a report, without reformatting the report or losing header information. You can define a display set that works for reports with specific row and column sets. Alternatively, you can define a generic display set that works for any report.

document sequence number A number that is manually or automatically assigned to your documents to provide an audit trail. For example, you can choose to sequentially number invoices in Receivables or journal entries in General Ledger. See also *voucher number*.

dynamic insertion An Accounting Flexfields feature that allows you to enter and define new combinations of segment values directly in a flexfield pop-up window. The new combination must satisfy any cross-validation rules before it is accepted. Your organization can decide if an Accounting Flexfield supports dynamic insertion. If an account does not support dynamic insertion, you can only enter new combinations of segment values using the Define Accounts windowA feature specific to key flexfields that allows you to enter and define new combinations of segment values directly into a flexfield pop-up window. The new combination must satisfy any cross-validation rules, before your flexfield accepts the new combination. Your organization can decide if a key flexfield supports dynamic insertion. If a flexfield does not support dynamic insertion, you can only enter new combinations of segment values using a combinations form (a form specifically used for creating and maintaining code combinations).

effective date The date a transaction affects the balances in the general ledger. This does not have to be the same as the posting date. Also known as the *value date*.

encumbrance See *encumbrance journal entry*.

encumbrance accounting An Oracle Financials feature you use to create encumbrances automatically for requisitions, purchase orders, and invoices. The budgetary control feature uses encumbrance accounting to reserve funds for budgets. If you enable encumbrance accounting only, you can create encumbrances automatically or manually; however, you cannot check funds online and Oracle Financials does not verify available funds for your transaction. See also *budgetary control*.

encumbrance journal entry A journal entry you create online that increases or relieves your encumbrances. Encumbrance entries can include encumbrances of any type. You can enter manual encumbrance entries, define encumbrance allocations, or use Journal Import to import encumbrance entries from other financial systems.

encumbrance type An encumbrance category that allows you to track your anticipated expenditures according to your purchase approval process and to more accurately control your planned expenditures. Examples of encumbrance types are commitments (requisition encumbrances) and obligations (purchase order encumbrances).

end-of-day balance The actual balance of a general ledger account at the end of a day. This balance includes all transactions whose effective date precedes or is the same as the calendar day.

exchange rate A rate that represents the amount of one currency that you can exchange for another at a particular point in time. Oracle Applications use the daily, periodic, and historical exchange rates you maintain to perform foreign currency conversion, revaluation, and translation.

exchange rate type A specification of the source of an exchange rate. For example, a user exchange rate or a corporate exchange rate. See also *corporate exchange rate*, *spot exchange rate*.

Existing Combinations A feature specific to key flexfields in data entry mode that allows you to enter query criteria in the flexfield to bring up a list of matching predefined combinations of segment values to select from.

export A utility that enables you to copy data from an Oracle7 table to a file in your current directory. The export utility is part of the Oracle7 Relational Database Management System.

export file The file the export utility creates in your directory. Export files must have the extension .dmp. It is wise to name the export file so it identifies the data in the table. For example, if you are saving fiscal year 1994 for your Fremont set of books, you might call your export file FY94FR.dmp.

factor Data upon which you perform some mathematical operation. Fixed amounts, statistical account balances, account balances, and report rows and columns are all data types you can use in formulas.

FASB 52 (U.S.) See *SFAS 52*.

FASB 8 (U.S.) See *SFAS 8*.

feeder program A custom program you write to transfer your transaction information from an original system into Oracle Application interface tables. The type of feeder program you write depends on the environment from which you are importing data.

financial data item An Oracle Financial Analyzer database object that is made up of either a variable, or a variable and a formula. For example, a financial data item called "Actuals" would be a variable, while a financial data item called "Actuals Variance" would be made up of a variable (Actuals) and a formula that calculates a variance.

field A position on a window that you use to enter, view, update, or delete information. A field prompt describes each field by telling you what kind of information appears in the field, or alternatively, what kind of information you should enter in the field.

Financial Statement Generator A powerful and flexible tool you can use to build your own custom reports without programming. You can define reports online with complete control over the rows, columns and contents of your report.

fiscal year Any yearly accounting period without regard to its relationship to a calendar year.

fixed rate currencies Currencies with fixed exchange rates. For example, the Euro and currencies of countries in the European Monetary Union (EMU).

FlexBudgeting A feature that uses budget formulas and statistics to create a flexible budget. For example, a manufacturing organization may want to maintain a flexible budget based on actual units of production to eliminate volume variances during an analysis of actual versus budgeted operating results.

flexfield An Oracle Applications field made up of segments. Each segment has an assigned name and a set of valid values. Oracle Applications uses flexfields to capture information about your organization. There are two types of flexfields: key flexfields and descriptive flexfields.

folder A flexible entry and display window in which you can choose the fields you want to see and where each appears in the window.

foreign currency A currency that you define for your set of books for recording and conducting accounting transactions in a currency other than your functional currency. See also *exchange rate, functional currency*.

foreign currency conversion A process that converts a foreign currency journal entry into your functional currency. Multiple Reporting Currencies automatically converts currency whenever you enter a journal entry in a currency other than your functional currency. Multiple Reporting Currencies multiplies the daily exchange rate you define or the exchange rate you enter to convert amounts for your functional currency. You can view the results of foreign currency conversion in the Enter Journals window. See also *foreign exchange gain or loss*.

foreign currency exchange gain or loss The difference in your functional currency between the invoiced amount and the payment amount when applying a receipt to an invoice. A realized gain exists if the receipt amount in your functional currency exceeds the invoice amount; a loss exists if the invoice amount in your functional currency exceeds the amount of the payment. Such gains and losses arise from fluctuations in exchange rates of the receipt currency between the invoice date and the payment date. See also *realized gain or loss, unrealized gain or loss*.

foreign currency journal entry A journal entry in which you record transactions in a foreign currency. Multiple Reporting Currencies automatically converts foreign currency amounts into your functional currency using an exchange rate you specify. See also *foreign currency, functional currency*.

foreign currency revaluation A process that allows you to revalue assets and liabilities denominated in a foreign currency using a period-end (usually a balance sheet date) exchange rate. Multiple Reporting Currencies automatically revalues your foreign assets and liabilities using the period-end exchange rate you specify. Revaluation gains and losses result from fluctuations in an exchange rate between a transaction date and a balance sheet date. Multiple Reporting Currencies automatically creates a journal entry in accordance with FASB 52 (U.S.) to adjust your unrealized gain/loss account when you run revaluation.

foreign currency translation A process that allows you to restate your functional currency account balances into a reporting currency. Multiple Reporting Currencies multiplies the average, periodic, or historical rate you define by your functional currency account balances to perform foreign currency translation. Multiple Reporting Currencies translates foreign currency in accordance with FASB 52 (U.S.). Multiple Reporting Currencies also remeasures foreign currencies for companies in highly inflationary economies, in accordance with FASB 8 (U.S.).

form A logical collection of fields, regions, and blocks that appear on a single screen. Oracle Applications forms look just like the paper forms you use to run your business. All you need to do to enter data is type onto the form. See *window*.

formula entry A recurring journal entry that uses formulas to calculate journal entry lines. Instead of specifying amounts, as you would for a standard entry, you use formulas, and Multiple Reporting Currencies calculates the amounts for you. For example, you might use recurring journal entries to do complex allocations or accruals that are computed using statistics or multiple accounts.

function security An Oracle Applications feature that lets you control user access to certain functions and windows. By default, access to functionality is *not* restricted; your system administrator customizes each responsibility at your site by including or excluding functions and menus in the Responsibilities window.

functional currency The principal currency you use to record transactions and maintain accounting data within Multiple Reporting Currencies. The functional currency is usually the currency in which you perform most of your business transactions. You specify the functional currency for each set of books in the Set of Books window.

funding budget A budget against which accounting transactions are checked for available funds when budgetary control is enabled for your set of books.

funds available The difference between the amount you are authorized to spend and the amount of your expenditures plus commitments. You can track funds availability at different authority levels using the Online Funds Available inquiry window, or you can create custom reports with the Multiple Reporting Currencies Financial Statement Generator.

funds checking The process of certifying funds available. You can check funds when you enter actual, budget, or encumbrance journals. When you check funds, Oracle Financials compares the amount of your transaction against your funds available and notifies you online whether funds are available for your transaction. Oracle Financials does not reserve funds for your transaction when you check funds.

funds reservation The process of reserving funds available. You can reserve funds when you enter actual, budget, or encumbrance journals. When you reserve funds, Oracle Financials compares the amount of your transaction against your funds available and notifies you online whether funds are available for your transaction.

historical exchange rate A weighted-average rate for transactions that occur at different times. Multiple Reporting Currencies uses historical rates to translate owner's equity accounts in accordance with FASB 52 (U.S.). For companies in highly inflationary economies, Multiple Reporting Currencies uses historical rates to remeasure specific historical account balances, according to FASB 8.

HP Notation Mathematical logic upon which EasyCalc is based. HP Notation is used by Hewlett-Packard calculators. HP Notation emphasizes straightforward, logical entry of data, and de-emphasizes complicated parenthetical arrangements of data.

import A utility that enables you to bring data from an export file into an Oracle7 table. The import utility is part of the Oracle7 Relational Database Management System. This utility is used to restore archived data.

import journal entry A journal entry from a non-Oracle application, such as accounts payable, accounts receivable, and fixed assets. You use Journal Import to import these journal entries from your feeder systems.

integer data type Any Oracle Financial Analyzer variables with an integer data type containing whole numbers with values between -2.14 billion and +2.14 billion.

intercompany journal entry A journal entry that records transactions between affiliates. General Ledger keeps your accounting records in balance for each company by automatically creating offsetting entries to an intercompany account you define.

Item Validation Organization The organization that contains your master list of items. You define this organization by setting the OE: Item Validation Organization profile option. See also *organization*.

journal details tables Journal details are stored in the database tables GL_JE_BATCHES, GL_JE_HEADERS, and GL_JE_LINES.

journal entry A debit or credit to a general ledger account. See also *manual journal entry*.

journal entry category A category in which Multiple Reporting Currencies describes the purpose or type of journal entry. Standard journal entry categories include accruals, payments, and vouchers.

journal entry source The source by which Multiple Reporting Currencies identifies and differentiates the origin of journal entries. Standard journal entry sources include payables, payroll, personnel, and receivables.

Journal Import A General Ledger program that creates journal entries from transaction data stored in the General Ledger GL_INTERFACE table. Journal entries are created and stored in GL_JE_BATCHES, GL_JE_HEADERS, and GL_JE_LINES.

jurisdiction code An abbreviated address that is specific to a Tax Supplier and more accurate than a simple five digit zip code.

key flexfield An Oracle Applications feature you use to build custom fields in which you can enter and display information relating to your business. The General Ledger Accounting Flexfield is a key flexfield. An intelligent key that uniquely identifies an application entity. Each key flexfield segment has a name you assign, and a set of valid values you specify. Each value has a meaning you also specify. You use this Oracle Applications feature to build custom fields used for entering and displaying information relating to your business. The Accounting Flexfield in your Oracle General Ledger application is an example of a key flexfield used to uniquely identify a general ledger account.

lamp A one-word message that Oracle Applications displays in the message line of any window to notify you that a particular feature is available for a particular field. A single word message that appears on the message line to indicate whether a function such as <Insert> or <List> is available for the current field.

listing An organized display of Oracle Applications information, similar to a report, but usually showing setup data as opposed to transaction data.

manual journal entry A journal entry you enter at a computer terminal. Manual journal entries can include regular, statistical, intercompany and foreign currency entries.

Many-to-Many attribute In Oracle Financial Analyzer, a relationship between one or more values of one base dimension with one or more values of a second base dimension. For example, if you have a Many-to-Many attribute definition where the first base dimension is Organization and the second base dimension is Line Item, then a single organization can be related to several line items, and a single line item can be related to several organizations.

MassAllocations A single journal entry formula that allocates revenues and expenses across a group of cost centers, departments, divisions, and so on. For example, you might want to allocate your employee benefit costs to each of your departments based on headcount in each department.

MassBudgeting A feature that allows you to build a complete budget using simple formulas based on actual results, other budget amounts, and statistics. For example, you may want to draft next year's budget using last year's actual results plus 10 percent or some other growth factor. With MassBudgeting, you can apply one rule to a range of accounts.

master budget A budget that controls the authority of other budgets.

master-detail relationship A master-detail relationship is an association between two blocks—a master block and its detail block. When two blocks are linked by a master-detail relationship, the detail block displays only those records that are associated with the current (master) record in the master block, and querying between the two blocks is always coordinated. Master and detail blocks can often appear in the same window or they can each appear in separate windows.

message distribution A line at the bottom of the toolbar that displays helpful hints, warning messages, and basic data entry errors. On the same line, ZOOM, PICK, EDIT, and HELP lamps appear, to let you know when Zoom, QuickPick, Edit, and online help features are available.

message line A line on the bottom of a window that displays helpful hints or warning messages when you encounter an error.

meta data Data you enter in Oracle General Ledger to represent structures in Oracle Financial Analyzer. Meta data consists of the dimensions, segment range sets, hierarchies, financial data items, and financial data sets you define in Oracle General Ledger. When you load financial data from Oracle General Ledger, Oracle Financial Analyzer creates dimensions, dimension values, hierarchies, and variables based on the meta data.

model A set of interrelated equations for calculating data in Oracle Financial Analyzer.

multi-org See *multiple organizations*.

multiple organizations The ability to define multiple organizations and the relationships among them within a single installation of Oracle Applications. These organizations can be sets of books, business groups, legal entities, operating units, or inventory organizations.

Multiple Reporting Currencies An Oracle General Ledger feature that allows you to report in your functional currency and in one or more foreign currencies.

natural account segment In Oracle General Ledger, the segment that determines whether an account is an asset, liability, owners' equity, revenue, or expense account. When you define your chart of accounts, you must define one segment as the natural account segment. Each value for this segment is assigned one of the five account types.

nesting The act of grouping calculations to express the sequence of routines in a formula. Traditional mathematical nesting uses parenthesis and brackets. Multiple Reporting Currencies EasyCalc uses a straightforward and logical nesting method that eliminates the need for parenthetical expressions.

net allocation Allocation in which you post the net of all allocations to an allocated-out account.

obligation An encumbrance you record when you turn a requisition into a purchase order.

One-to-Many attribute A relationship in Oracle Financial Analyzer where one or more values of a base dimension are related to a single value of an aggregate dimension. For example, if you have a One-to-Many attribute definition where the base dimension is Organization and the aggregate dimension is Level, each organization can be related to only a single level.

operator A mathematical symbol you use to indicate the mathematical operation in your calculation.

option group An option group is a set of option buttons. You can choose only one option button in an option group at a time, and the option group takes on that button's value after you choose it. An option button or option group is also referred to as a radio button or radio group, respectively.

organization A business unit such as a company, division, or department. Organization can refer to a complete company, or to divisions within a company. Typically, you define an organization or a similar term as part of your account when you implement Oracle Financials. See also business group.

parameter See *report parameter*.

parent request A concurrent request that submits other concurrent requests (child requests). For example, a report set is a parent request that submits reports and/or programs (child requests).

parent segment value An account segment value that references a number of other segment values, called child segment values. Multiple Reporting Currencies uses parent segment values for creating summary accounts, for reporting on summary balances, and in MassAllocations and MassBudgeting. You can create parent segment values for independent segments, but not for dependent segments. Oracle Financial Analyzer uses parent and child segment values to create hierarchies. See also *child segment value*.

period type You use accounting period types to define your accounting calendar.

period-average exchange rate See *average exchange rate*.

period average-to-date The average of the end-of-day balances for a related range of days within a period.

period-end exchange rate The daily exchange rate on the last day of an accounting period. Multiple Reporting Currencies automatically translates asset and liability account balances using period-end rates, in accordance with FASB 52 (U.S.). When you run revaluation for a period, Multiple Reporting Currencies automatically uses the inverse of your period-end rate to revalue your foreign currency denominated assets and liabilities in accordance with FASB 52 (U.S.). For companies in highly inflationary economies, Multiple Reporting Currencies uses period-end rates to remeasure the balances of asset and liability accounts according to FASB 8 (U.S.).

personal library If an Oracle Financial Analyzer database object belongs to a personal library, it means that the object was created by the workstation user and can be modified.

planned purchase order A type of purchase order you issue before you order delivery of goods and services for specific dates and locations. You usually enter a planned purchase order to specify items you want to order and when you want the items delivered. You later enter a shipment release against the planned purchase order to order the items.

pop-up window An additional window that appears on an Oracle Applications form when your cursor enters a particular field.

posting date The date a journal transaction is actually posted to the general ledger.

poplist A poplist lets you choose a single value from a predefined list. To choose a value, press your left mouse button while on the poplist icon to display the list of choices, then drag your mouse through the list to the desired value. Release your mouse button to choose the value you highlight and display it in the poplist field. A poplist is also sometimes known as a list.

profile option A set of changeable options that affect the way your applications run. In general, profile options can be set at one or more of the following levels: site, application, responsibility, and user. Refer to the Profile Option appendix in the *Oracle General Ledger User's Guide* for more information.

project segment To set up your account, you define the individual segments of your general ledger account code. You can define a project segment to enter your project identifier. You define all key attributes of the segment, including field length, position of the segment within your account, prompt, type of characters (numeric or alphanumeric), and default value (optional).

project segment value The identifier (project name, number, or code) you use to designate each project. After you define a project segment in your account, you set up a project in Multiple Reporting Currencies by simply defining a project segment value. For example, you could define a project name (ALPHA), a project number (583), or a project code (D890).

proprietary account An account segment value (such as 3500) assigned one of the five proprietary account types. The five types include Asset, Liability, Owner's Equity, Revenue, and Expense.

Proprietary account An account that contains a proprietary account.

proprietary account type Any of the five account types: Asset, Liability, Owner's Equity, Revenue, and Expense.

proprietary funds A fund type that uses accounting and reporting techniques similar to commercial enterprises. Examples of proprietary funds include internal service funds, such as a central motor pool or central public works facility, and enterprise funds.

purchase order (PO) A document used to buy and request delivery of goods or services from a supplier.

purchase order encumbrance A transaction representing a legally binding purchase. Purchasing subtracts purchase order encumbrances from funds available when you approve a purchase order. If you cancel a purchase order, Purchasing creates appropriate reversing encumbrances entries in your general ledger. Also known as **obligation, encumbrance** or **lien**.

quarter average-to-date The average of the end-of-day balances for a related range of days within a quarter.

query A search for applications information that you initiate using an Oracle Applications window.

realized gain or loss The actual gain or loss in value that results from holding an asset or liability over time. Realized gains and losses are shown separately on the Income Statement. See also *unrealized gain or loss*, *foreign currency exchange gain or loss*.

record A record is one occurrence of data stored in all the fields of a block. A record is also referred to as a row or a transaction, since one record corresponds to one row of data in a database table or one database transaction.

recurring formula See *recurring journal entry*.

recurring journal entry A journal entry you define once; then, at your request, General Ledger repeats the journal entry for you each accounting period. You use recurring journal entries to define automatic consolidating and eliminating entries. Also known as **recurring formula**.

region A collection of logically-related fields set apart from other fields by a dashed line that spans a block. Regions help to organize a block so that it is easier to understand.

report An organized display of Oracle Applications information. A report can be viewed online or sent to a printer. The content of information in a report can range from a summary to a complete listing of values. A combination of at least a row set and column set, and optionally a content set, display group, row order, and runtime options, such as currency and override segment name, that you can define and name. When you request financial statements, you can enter this name, and Multiple Reporting Currencies automatically enters the report components and runtime options for you. You simply specify the accounting period. Multiple Reporting Currencies automatically enters the rest.

report component An element of a Financial Statement Generator report that defines the format and content of your report. Report components include row sets, column sets, content sets, row orders, and display sets. You can group report components together in different ways to create custom reports.

report headings A descriptive section found at the top of each report giving general information about the contents of the report.

report option See *report parameter*.

report parameter Options that let you sort, format, select, and summarize the information in your reports.

report security group A feature that helps your system administrator control your access to reports and programs. Your system administrator defines a report security group which consists of a group of reports and/or programs and assigns a report security group to each responsibility that has access to run reports using Standard Report Submission. When you submit reports using Standard Report Submission, you can only choose from those reports and programs in the report security group assigned to your responsibility.

report set A group of reports that you submit at the same time to run as one transaction. A report set allows you to submit the same set of reports regularly without having to specify each report individually. For example, you can define a report set that prints all of your regular month-end management reports.

reporting currency The currency you use for financial reporting. If your reporting currency is not the same as your functional currency, you can use foreign currency translation to restate your account balances in your reporting currency.

reporting hierarchies Summary relationships within an account segment that let you group detailed values of that segment to prepare summary reports. You define summary (parent) values that reference the detailed (children) values of that segment.

requisition encumbrance A transaction representing an intent to purchase goods and services as indicated by the completion and approval of a requisition. Purchasing subtracts requisition encumbrances from funds available when you reserve funds for a requisition. If you cancel a requisition, Purchasing creates appropriate reversing entries in your general ledger. Also known as **commitment, pre-encumbrance** or **pre-lien**.

Reserve for Encumbrance A portion of fund balance you use to record anticipated expenditures. In Oracle Financials, you define your Reserve for Encumbrance account when you define your set of books. Oracle Financials uses your Reserve for Encumbrance account to create offsets for unbalanced encumbrance entries you create in Purchasing, Payables, and General Ledger.

Reserve for Encumbrance account The account you use to record your encumbrance liability. You define a Reserve for Encumbrance account when you define your set of books. When you create encumbrances automatically in Purchasing or Multiple Reporting Currencies, General Ledger automatically creates a balancing entry to your Reserve for Encumbrance account as you post your encumbrance journal entries. General Ledger overwrites the balancing segment for your Reserve for Encumbrance account, so you automatically create the reserve for encumbrance journal entry to the correct company.

responsibility A level of authority in an application. Each responsibility lets you access a specific set of Oracle Applications windows, menus, reports, and data to fulfill your role in an organization. Several users can share the same responsibility, and a single user can have multiple responsibilities. A level of authority within Multiple Reporting Currencies. Each responsibility provides a user with access to a menu and a set of books. You can assign one or more responsibilities to each user. Responsibilities let you control security in Multiple Reporting Currencies.

responsibility report A financial statement containing information organized by management responsibility. For example, a responsibility report for a cost center contains information for that specific cost center, a responsibility report for a division manager contains information for all organizational units within that division, and so on. A manager typically receives reports for the organizational unit(s) (such as cost center, department, division, group, and so on) for which he or she is responsible.

revaluation See *foreign currency revaluation*.

revaluation gain/loss account An income statement account you specify in which Multiple Reporting Currencies records net revaluation gains and losses, in accordance with FASB 52 (U.S.). You specify the account you want to use for unrealized revaluation gains and losses in the Run Revaluation window. You can change your revaluation gain/loss account as often as you want. When you run revaluation, Multiple Reporting Currencies creates a batch of revaluation journal entries that adjust your revaluation gain/loss account. Multiple Reporting Currencies also marks the journal entries for reversal in the next accounting period.

revaluation journal entry A journal entry that is automatically created when you run revaluation for a range of accounts denominated in a foreign currency. Multiple Reporting Currencies creates a batch of revaluation journal entries when the exchange rate used for conversion on your transaction date differs from the exchange rate on your balance sheet date. Multiple Reporting Currencies creates a journal entry to adjust an income statement gain and loss account for exchange rate fluctuations, in accordance with FASB 52 (U.S.).

revaluation status report A report that summarizes the results of your revaluation. Multiple Reporting Currencies automatically generates this report whenever you revalue foreign asset and liability account balances for an accounting period in your calendar. You can review this report to identify accounts that were revalued in Multiple Reporting Currencies and journal batches and entries that were created because of the revaluation.

reversing journal entry A journal entry General Ledger creates by reversing an existing journal entry. You can reverse any journal entry and post it to any open accounting period.

rollup group A collection of parent segment values for a given segment. You use rollup groups to define summary accounts based on parents in the group. You can use letters as well as numbers to name your rollup groups.

root node A parent segment value in Oracle General Ledger that is the topmost node of a hierarchy. When you define a hierarchy using the Hierarchy window, you specify a root node for each segment. Oracle Financial Analyzer creates a hierarchy by starting at the root node and drilling down through all of the parent and child segment values. See also *parent segment value*.

root window The root window displays the main menu bar and tool bar for every session of Oracle Applications. In Microsoft Windows, the root window is titled "Oracle Applications" and contains all the Oracle Applications windows you run. In the Motif environment, the root window is titled "Toolbar" because it displays just the toolbar and main menu bar.

row One occurrence of the information displayed in the fields of a block. A block may show only one row of information at a time, or it may display several rows of information at once, depending on its layout. The term "row" is synonymous with the term "record".

row order A report component that you use to modify the order of detail rows and account segments in your report. You can rank your rows in ascending or descending order based on the amounts in a particular column and/or by sorting your account segments either by segment value or segment value description. You also specify display options, depending on the row ranking method you choose. For example, if you want to review Total Sales in descending order by product, you can rank your rows in descending order by the Total Sales column and rearrange your segments so that product appears first on your report.

row set A Financial Statement Generator report component that you build within Multiple Reporting Currencies by defining all of the lines in your report. For each row, you control the format and content, including line descriptions, indentations, spacing, page breaks, calculations, units of measure, precision and so on. A typical row set includes row labels, accounts and calculation rows for totals. For example, you might define a standard income statement row set or a standard balance sheet row set.

rule numbers A sequential step in a calculation. You use rule numbers to specify the order in which you want Multiple Reporting Currencies to process the factors you use in your budget and actual formulas.

segments The building blocks of your chart of accounts in Oracle General Ledger. Each account is comprised of multiple segments. Users choose which segments will make up their accounts; commonly-used segments include company, cost center, and product.

segment values The possible values for each segment of the account. For example, the Cost Center segment could have the values 100, which might represent Finance, and 200, which might represent Marketing.

selection tools A set of tools in Oracle Financial Analyzer that provide shortcut methods for selecting the values that you want to work with in a report, graph, or worksheet.

sales tax A tax collected by a tax authority on purchases of goods and services. The supplier of the good or service collects sales taxes from its customers (tax is usually included in the invoice amount) and remits them to a tax authority. Tax is usually charged as a percentage of the price of the good or service. The percentage rate usually varies by authority and sometimes by category of product. Sales taxes are expenses to the buyer of goods and services.

sales tax structure The collection of taxing bodies that you will use to determine your tax authority. 'State.County.City' is an example of a Sales Tax Structure. Multiple Reporting Currencies adds together the tax rates for all of these components to determine a customer's total tax liability for

scrollable region A region whose contents are not entirely visible in a window. A scrollable region contains a horizontal or vertical scroll bar so that you can scroll horizontally or vertically to view additional fields hidden in the region.

segment A single sub-field within a flexfield. You define the structure and meaning of individual segments when customizing a flexfield.

set of books A financial reporting entity that uses a particular chart of accounts, functional currency and accounting calendar. You must define at least one set of books for each business location.

SFAS 52 (U.S.) Statement of Financial

Accounting Standards number 52, issued by the Financial Accounting Standards Board (FASB), which dictates accounting and reporting standards for translating foreign currency transactions in the United States. Multiple Reporting Currencies translates and revaluates such transactions according to SFAS 52 (U.S.) standards. Usually, SFAS 52 (U.S.) mandates the use of a period-end exchange rate to translate asset and liability accounts, and an average exchange rate to translate revenue and expense accounts. Foreign currency denominated assets and liabilities are revalued using a period-end rate on each balance sheet date, to reflect the period-end exchange rate in accordance with SFAS 52 (U.S.). You specify the account used for revaluation gains and losses in the Run Revaluation window. You maintain the rates used for translation and revaluation in the Define Period Rates and Define Historical Rates forms. SFAS 52 (U.S.) also mandates that you post any out-of-balance amounts arising from translation to a Cumulative Translation Adjustment account included in stockholders equity. You define the Cumulative Translation Adjustment account in the Set of Books window.

SFAS 8 (U.S.) Statement of Financial

Accounting Standards number 8, issued by the Financial Accounting Standards Board (FASB), which mandates that you use a historical exchange rate for all accounts based on past purchase exchanges, and that you use a current exchange rate for all accounts based on current purchase, current sale, and future exchanges. Multiple Reporting Currencies remeasures specific account balances using historical rates you specify for companies in highly inflationary economies according to the standards of SFAS 8 (U.S.). SFAS 8 (U.S.) also mandates that you record any out-of-balance amounts arising from translation to an income/expense account included in your income statement.

shortdecimal data type Oracle Financial Analyzer variables with a shortdecimal data type contain decimal numbers with up to 7 significant digits.

shortinteger data type Oracle Financial Analyzer variables with a shortinteger data type contain whole numbers with values between -32768 and +32768.

shorthand flexfield entry A quick way to enter key flexfield data using shorthand aliases (names) that represent valid flexfield combinations or patterns of valid segment values. Your organization can specify flexfields that will use shorthand flexfield entry and define shorthand aliases for these flexfields that represent complete or partial sets of key flexfield segment values.

shorthand window A single-segment customizable field that appears in a pop-up window when you enter a key flexfield. The shorthand flexfield pop-up window only appears if you enable shorthand entry for that particular key flexfield.

sign-on An Oracle Applications username and password that allows you to gain access to Oracle Applications. Each sign-on is assigned one or more responsibilities.

skeleton entry A recurring journal entry the amounts of which change each accounting period. You simply define a recurring journal entry without amounts, then enter the appropriate amounts each accounting period. For example, you might define a skeleton entry to record depreciation in the same accounts every month, but with different amounts due to additions and retirements.

spot exchange rate A daily exchange rate you use to perform foreign currency conversions. The spot exchange rate is usually a quoted market rate that applies to the immediate delivery of one currency for another.

spreadsheet interface A program that uploads your actual or budget data from a spreadsheet into Multiple Reporting Currencies. Letters are based on the **dunning levels** of past due debit items. This method lets you send dunning letters based on the number of days since the last letter was sent, rather than the number of days items are past due. For each dunning letter, you specify the minimum number of days that must pass before Receivables can increment an item's dunning level and include this item in the next letter that you send.

standard balance The usual and customary period-to-date, quarter-to-date, or year-to-date balance for an account. The standard balance is the sum of an account's opening balance, plus all activity for a specified period, quarter, or year. Unlike an average balance, no additional computations are needed to arrive at the standard balance.

standard entry A recurring journal entry whose amount is the same each accounting period. For example, you might define a standard entry for fixed accruals, such as rent, interest, and audit fees.

Standard Request Submission A standard interface in Oracle Applications in which you run and monitor your application's reports and other processes.

STAT The statistical currency Oracle General Ledger uses for maintaining statistical balances. If you enter a statistical transaction using the STAT currency, Oracle General Ledger will not convert your transaction amounts.

statistical journal entry A journal entry in which you enter nonfinancial information such as headcount, production units, and sales units.

statistics Accounting information (other than currency amounts) you use to manage your business operations. With Multiple Reporting Currencies, you can maintain budget and actual statistics and use these statistics with budget rules and formulas.

status line A status line appearing below the message line of a root window that displays status information about the current window or field. A status line can contain the following: ^ or v symbols indicate previous records before or additional records following the current record in the current block; **Enter Query** indicates that the current block is in Enter Query mode, so you can specify search criteria for a query; **Count** indicates how many records were retrieved or displayed by a query (this number increases with each new record you access but does not decrease when you return to a prior record); the **<Insert>** indicator or *lamp* informs you that the current window is in insert character mode; and the **<List>** lamp appears when a list of values is available for the current field.

step-down allocation An allocation upon which you run another allocation. For example, you might allocate parent company overhead to operating companies based on revenues. You can then use a step-down allocation to allocate overhead to cost centers within the operating companies based on headcount.

structure A structure is a specific combination of segments for a key flexfield. If you add or remove segments, or rearrange the order of segments in a key flexfield, you get a different structure.

summary account An account whose balance represents the sum of other account balances. You can use summary accounts for faster reporting and inquiry as well as in formulas and allocations.

tablespace The area in which an Oracle database is divided to hold tables.

tax authority A governmental entity that collects taxes on goods and services purchased by a customer from a supplier. In some countries, there are many authorities (e.g. state, local and federal governments in the US), while in others there may be only one. Each authority may charge a different tax rate. Within Multiple Reporting Currencies, tax authority consists of all components of your tax structure. For example: California.San Mateo.Redwood Shores for State.County.City. Multiple Reporting Currencies adds together the tax rates for all of these locations to determine a customer's total tax liability for an .

tax codes Codes to which you assign sales tax or value-added tax rates. Oracle Receivables lets you choose state codes as the tax code when you define sales tax rates for the United States. (Receivables QuickCode)

tax engine A collection of programs, user defined system parameters, and hierarchical flows used by Multiple Reporting Currencies to calculate tax.

tax exempt A customer, business purpose, or item to which tax charges do not apply.

Tax Identification Number In the United States, the number used to identify 1099 suppliers. If a 1099 supplier is an individual, the Tax Identification Number is the supplier's social security number. If a 1099 supplier is a corporation, the Tax Identification Number is also known as the Federal Identification Number.

tax location A specific tax location within your tax authority. For example 'Redwood Shores' is a tax location in the Tax Authority California.San Mateo.Redwood Shores.

tax type A feature you use to indicate the type of tax charged by a tax authority when you define a tax name. Multiple Reporting Currencies uses the tax type during invoice entry to determine the financial impact of the tax. When you enter a tax of type Sales, Multiple Reporting Currencies creates a separate invoice distribution line for the tax amount. When you enter a tax of type Use, Multiple Reporting Currencies does not create the invoice distribution line.

template A pattern that Multiple Reporting Currencies uses to create and maintain summary accounts. For each template you specify, Multiple Reporting Currencies automatically creates the appropriate summary accounts.

Time dimension An Oracle Financial Analyzer dimension whose values represent time periods. A time period can be a month, quarter, or year. The length of the Time dimension's values is determined by the Width option on the Maintain Dimension window.

toolbar The toolbar is a collection of iconic buttons that each perform a specific action when you choose it. Each toolbar button replicates a commonly-used menu item. Depending on the context of the current field or window, a toolbar button can be enabled or disabled. You can display a hint for an enabled toolbar button on the message line by holding your mouse steadily over the button. The toolbar generally appears below the main menu bar in the root window.

translation See *revaluation. foreign currency translation*.

unrealized gain or loss The measured change in value of an asset or liability over time. Payables provides a report (the Unrealized Gain and Loss Report) that you can submit from the standard report submission form at any time to review your unrealized gains and losses. See also *realized gain or loss*.

use tax A tax that you pay directly to a tax authority instead of to the supplier. Suppliers do not include use tax on their invoices. You sometimes owe use tax for goods or services you purchased outside of, but consumed (used) within the territory of a tax authority. Use taxes are liabilities to the buyer of goods and services. You can define a tax name for use taxes. When you enter a use tax name on an invoice, Multiple Reporting Currencies does not create an invoice distribution or general ledger journal entry for the tax.

user profile A set of changeable options that affect the way your applications run. You can change the value of a user profile option at any time. See *profile option*.

value Data you enter in a parameter. A value can be a date, a name, or a code, depending on the parameter.

value set A group of values and related attributes you assign to an account segment or to a descriptive flexfield segment. Values in each value set have the same maximum length, validation type, alphanumeric option, and so on.

value added tax (VAT) A tax on the supply of goods and services paid for by the consumer, but collected at each stage of the production and distribution chain. The collection and payment of value added tax amounts is usually reported to tax authorities on a quarterly basis and is not included in the revenue or expense of a company. With Multiple Reporting Currencies, you control the tax names on which you report and the reference information you want to record. You can also request period-to-date value added tax reports.

variable An Oracle Financial Analyzer database object that holds raw data. Data can be numerical, such as sales or expense data, or textual, such as descriptive labels for products.

variable text Variable text is used when dialog boxes or their components are unlabeled or have labels that change dynamically based on their current context. The wording of variable text does not exactly match what you see on your screen.

voucher number A number used as a record of a business transaction. A voucher number may be used to review invoice information, in which case it serves as a unique reference to a single invoice.

weighted-average exchange rate An exchange rate that Multiple Reporting Currencies automatically calculates by multiplying journal amounts for an account by the translation rate that applies to each journal amount. You choose whether the rate that applies to each journal amount is based on the inverse of the daily conversation rate or on an exception rate you enter manually. Multiple Reporting Currencies uses the weighted-average rate, instead of the period-end, average, or historical rates, to translate balances for accounts assigned a weighted-average rate type.

window A box around a set of related information on your screen. Many windows can appear on your screen simultaneously and can overlap or appear adjacent to each other. Windows can also appear embedded in other windows. You can move a window to a different location on your screen.

window title A window title at the top of each window indicates the name of the window, and occasionally, context information pertinent to the content of the window. The context information, contained in parenthesis, can include the organization, set of books, or business group that the window contents is associated with.

year average-to-date The average of the end-of-day balances for a related range of days within a year.

Zoom A forms feature that is obsolete in GUI versions of Oracle Applications.

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