Oracle® Financials for Australia

User Guide

Release 11*i*

ORACLE®

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Oracle Financials for Australia User Guide, Release 11*i*

Part No. A81220-01

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Preface

Welcome to Release 11*i* of the *Oracle® Financials for Australia User Guide.*

This user guide includes information to help you effectively work with Oracle Financials for Australia and contains detailed information about the following:

- Overview and reference information

- Specific tasks that you can accomplish with Oracle Financials for Australia

- How to use Oracle Financials for Australia windows

- Oracle Financials for Australia programs, reports, and listings

- Oracle Financials for Australia functions and features

This preface explains how this user guide is organized and introduces other sources of information that can help you use Oracle Financials for Australia.

About this Country-Specific User Guide

This user guide documents country-specific functionality developed for use within your country and supplements our core Financials user guides. This user guide also includes tips about using core functionality to meet your country's legal and business requirements, as well as task and reference information. The following chapters are included:

- Chapter 1 describes Oracle Inventory functionality developed for Australia, including item searching, associating subinventories and locations, the Australian Inventory Imprest Count Sheet, and the Australian Inventory Internal Charges report.

- Chapter 2 describes Oracle Purchasing functionality developed for Australia, including import requisitions and defining automatic accounting.

- Chapter 3 describes Oracle Payables features that were developed for Australia, including maintaining tax certificates and exceptions and AutoSelect and build payments.

- Chapter 4 describes Oracle Assets features that were developed for Australia, including balancing charges, setting capital gains tax information, the Australian Taxation Retirements Report for Depreciable Assets, the Australian Assets Capital Gains Tax report, the Australian Assets Allocated Balancing Charges report, the Australian Assets Balancing Charge Audit report, the Australian Assets Calculated Balancing Charges report, the Australian Tax Retirements report, the Australian Tax Depreciation Schedule report, the Australian Assets Revaluation report, and the Australian Revalued Asset Sales report

- Chapter 5 describes how Oracle Assets features support the Australian tax legislation as it pertains to balancing charges and CGT.

- Chapter 6 describes the Asset Revaluation report and the Revalued Asset Sales report.

- Appendix A describes how to navigate to each window in Oracle Financials for Australia.

- Appendix B describes the profile options that you must set for Oracle Financials for Australia.

Audience for this Guide

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

- The principles and customary practices of your business area.

- Oracle Financials for Australia.

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

- The Oracle Applications graphical user interface.

To learn more about the Oracle Applications graphical user interface, read the *Oracle Applications User Guide.*

See Other Information Sources for more information about Oracle Applications product information.

Other Information Sources

You can choose from other sources of information, including online documentation, training, and support services, to increase your knowledge and understanding of Oracle Financials for Australia.

If this user guide refers you to other Oracle Applications documentation, use only the Release 11*i* versions of those guides unless we specify otherwise.

Online Documentation

All Oracle Applications documentation is available online (HTML and PDF). The technical reference guides are available in paper format only. Note that the HTML documentation is translated into over twenty languages.

The HTML version of this guide is optimized for onscreen reading, and you can use it to follow hypertext links for easy access to other HTML guides in the library. When you have an HTML window open, you can use the features on the left side of the window to navigate freely throughout all Oracle Applications documentation.

- You can use the Search feature to search by words or phrases.

- You can use the expandable menu to search for topics in the menu structure we provide. The Library option on the menu expands to show all Oracle Applications HTML documentation.

You can view HTML help in the following ways:

- From an application window, use the help icon or the help menu to open a new Web browser and display help about that window.

- Use the documentation CD.

- Use a URL provided by your system administrator.

Your HTML help may contain information that was not available when this guide was printed.

Related User Guides

This user guide documents country-specific functionality developed in addition to our Oracle Financials core products. Because our country-specific functionality is used in association with our core Financials products and shares functional and setup information with other Oracle Applications, you should consult other related user guides when you set up and use Oracle Financials for Australia.

You can read the guides online by choosing Library from the expandable menu on your HTML help window, by reading from the Oracle Applications Document

Library CD included in your media pack, or by using a Web browser with a URL that your system administrator provides.

If you require printed guides, you can purchase them from the Oracle store at http://oraclestore.oracle.com.

Oracle Applications User Guide

This guide explains how to navigate the system, enter data, and query information, and introduces other basic features of the GUI available with this release of Oracle Financials for Australia (and any other Oracle Applications product).

You can also access this user guide online by choosing "Getting Started and Using Oracle Applications" from the Oracle Applications help system.

Oracle Financials Common Country Features User Guide

This manual describes functionality developed to meet specific legal and business requirements that are common to several countries in a given region. Consult this user guide along with your country-specific user guide and your financial product's manual to effectively use Oracle Financials in your country.

Oracle Financials Country-Specific User Guides

These manuals document functionality developed to meet legal and business requirements in countries that you do business in. Look for a user guide that is appropriate to your country; for example, see the Oracle Financials for the Czech Republic User Guide for more information about using this software in the Czech Republic.

Oracle Financials RXi Reports Administration Tool User Guide

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

Oracle General Ledger User Guide

Use this manual when you plan and define your chart of accounts, accounting period types and accounting calendar, functional currency, and set of books. It also describes how to define journal entry sources and categories so that you can create journal entries for your general ledger. If you use multiple currencies, use this manual when you define additional rate types and enter daily rates. This manual also includes complete information on implementing budgetary control.

Oracle Purchasing User Guide

Use this manual to read about entering and managing the purchase orders that you match to invoices.

Oracle Payables User Guide

This manual describes how accounts payable transactions are created and entered into Oracle Payables. This manual also contains detailed setup information for Oracle Payables. Use this manual to learn how to implement flexible address formats for different countries. You can use flexible address formats in the suppliers, customers, banks, invoices, and payments windows in both Oracle Payables and Oracle Receivables.

Oracle Receivables User Guide

Use this manual to learn how to implement flexible address formats for different countries. You can use flexible address formats in the suppliers, customers, banks, invoices, and payments windows in both Oracle Payables and Oracle Receivables. This manual also explains how to set up your system, create transactions, and run reports in Oracle Receivables.

Oracle Assets User Guide

Use this manual to add assets and cost adjustments directly into Oracle Assets from invoice information.

Oracle Projects User Guide

Use this manual to learn how to enter expense reports in Projects that you import into Payables to create invoices. You can also use this manual to see how to create Project information in Projects which you can then record for an invoice or invoice distribution.

Oracle Cash Management User Guide

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

Using Oracle HRMS - The Fundamentals

This user guide explains how to setup and use enterprise modeling, organization management, and cost analysis. It also includes information about defining payrolls.

Oracle Workflow Guide

This manual explains how to define new workflow business processes as well as customize existing Oracle Applications-embedded workflow processes. You also use this guide to complete the setup steps necessary for any Oracle Applications product that includes workflow-enabled processes.

Oracle Financials Open Interfaces Guide

This guide contains a brief summary of each Oracle Financial Applications open interface.

Oracle Applications Character Mode to GUI Menu Path Changes

This is a quick reference guide for experienced Oracle Applications end users migrating from character mode to a graphical user interface (GUI). This guide lists each character mode form and describes which GUI windows or functions replace it.

Multiple Reporting Currencies in Oracle Applications

If you use Multiple Reporting Currencies feature to report and maintain accounting records in more than one currency, use this manual before implementing Oracle Financials for Australia. The manual details additional steps and setup considerations for implementing Oracle Financials for Australia with this feature.

Multiple Organizations in Oracle Applications

If you use the Oracle Applications Multiple Organization Support feature to use multiple sets of books for one Oracle Financials installation, use this guide to learn about setting up and using Oracle Financials with this feature.

There are special considerations for using Multiple Organizations in Europe with document sequences, legal entity reporting, and drill-down from General Ledger. Consult the Multiple Organizations in Oracle Applications guide for more information about using Multiple Organizations in Europe.

Oracle Applications Flexfields Guide

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

Oracle Alert User Guide

Use this guide to define periodic and event alerts that monitor the status of your
Oracle Applications data.

Oracle Applications Implementation Wizard User Guide

If you are implementing more than one Oracle product, you can use the Oracle
Applications Implementation Wizard to coordinate your setup activities. This guide
describes how to use the wizard.

Oracle Applications Developer's Guide

This guide contains the coding standards followed by Oracle Applications
development. It describes the Oracle Application Object Library components
needed to implement the Oracle Applications user interface described in the *Oracle
Applications User Interface Standard*s. It also provides information to help you build
your custom Oracle Developer forms so that they integrate with Oracle
Applications.

Oracle Applications User Interface Standards

This guide contains the user interface (UI) standards followed by Oracle
Applications development. It describes the UI for the Oracle Applications products
and how to apply this UI to the design of an application built by using Oracle
Forms.

Installation and System Administration

Installing Oracle Applications

This guide provides instructions for managing the installation of Oracle Applications products. In Release 11*i*, much of the installation process is handled using Oracle One–Hour Install, which minimizes the time it takes to install Oracle Applications and the Oracle 8*i* Server technology stack by automating many of the required steps. This guide contains instructions for using Oracle One–Hour Install and lists the tasks you need to perform to finish your installation. You should use this guide in conjunction with individual product user guides and implementation guides.

Oracle Financials Country-Specific Installation Supplement

Use this manual to learn about general country information, such as responsibilities and report security groups, as well as any post-install steps required by some countries or the Global Accounting Engine.

Upgrading Oracle Applications

Refer to this guide if you are upgrading your Oracle Applications Release 10.7 or Release 11.0 products to Release 11*i*. This guide describes the upgrade process in general and lists database upgrade and product–specific upgrade tasks. You must be at either Release 10.7 (NCA, SmartClient, or character mode) or Release 11.0 to upgrade to Release 11*i*. You cannot upgrade to Release 11*i* directly from releases prior to 10.7.

Oracle Applications Product Update Notes

Use this guide as a reference if you are responsible for upgrading an installation of Oracle Applications. It provides a history of the changes to individual Oracle Applications products between Release 11.0 and Release 11*i*. It includes new features and enhancements and changes made to database objects, profile options, and seed data for this interval.

Oracle Applications System Administrator's Guide

This guide 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 Global Financial Applications Technical Reference Manual

The *Oracle Global Financial Applications Technical Reference Manual* contains database diagrams and a detailed description of regional and related applications database tables, forms, reports, and programs. This information helps you convert data from your existing applications, integrate Oracle Financials with non-Oracle applications, and write custom reports for Oracle Financials.

You can order a technical reference manual for any product you have licensed. Technical reference manuals are available in paper format only.

Training and Support

Training

We offer 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. We also offer Net classes, where training is delivered over the Internet, and many multimedia–based courses on CD. 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 Oracle Financials for Australia 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.

Do Not Use Database Tools to Modify Oracle Applications Data

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 guides.

Oracle provides powerful tools you can use to create, store, change, retrieve, and maintain information in an Oracle database. But if you use Oracle tools such as SQL*Plus to modify Oracle 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 might 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.

About Oracle

Oracle Corporation develops and markets an integrated line of software products for database management, applications development, decision support and office automation, as well as Oracle Applications. Oracle Applications provides the E–business Suite, a fully integrated suite of more than 70 software modules for financial management, Internet procurement, business intelligence, supply chain management, manufacturing, project systems, human resources and sales and service management.

Oracle products are available for mainframes, minicomputers, personal computers, network computers, and personal digital assistants, enabling organizations to integrate different computers, different operating systems, different networks, and even different database management systems, into a single, unified computing and information resource.

Oracle is the world's leading supplier of software for information management, and the world's second largest software company. Oracle offers its database, tools, and application products, along with related consulting, education and support services, in over 145 countries around the world.

Thank You

Thank you for using Oracle Financials for Australia and this user guide.

We value your comments and feedback. Please use the Reader's Comment Form to explain what you like or dislike about Oracle Financials or this user guide. Mail your comments to the following address or call us directly at (650) 506-7000.

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1

Oracle Inventory

This chapter overviews Oracle Inventory functionality developed for Australia, including:

- Item searching

- Associating subinventories and locations

- Australian Inventory Imprest Count Sheet

- Australian Inventory Internal Charges report

Item Search

Purchase Details Region

Contract

You can search for items based on the contract. The contract is entered in the Supplier Quote field in the Quotations Window.

Associate Subinventories and Locations

Use the Australian Subinventory and Location Associations window to associate
subinventories with specific deliver-to locations. This association is used in Enter
Replenishment Counts to default the deliver-to location for a subinventory. The
association is also used in the FlexBuilder rules for determining the distribution for
a requisition.

The relationship between deliver-to locations and subinventories is one to one, and
unique. That is, a deliver-to location can be associated with one subinventory, and a
subinventory may be associated with only one deliver-to location. Only the
subinventories of the inventory organization to which the deliver-to location is
attached (in the Define Locations window) are eligible for association.
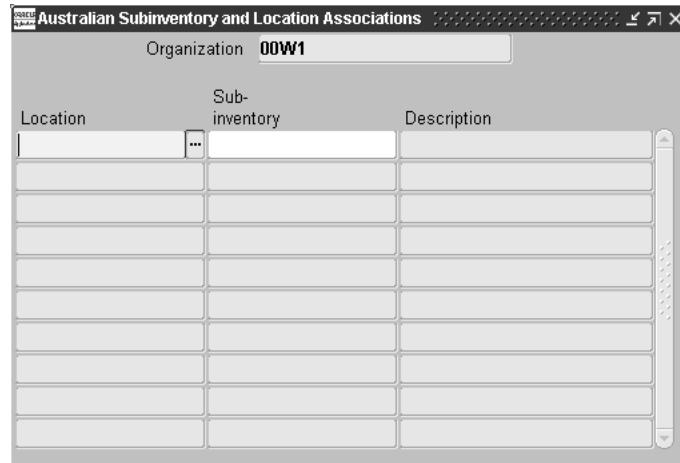
Australian Inventory Imprest Count Sheet

```
Date 14-JUN-00                                                                           Page 1
                                          Imprest Count Sheet Report
Subinventory All to All
Category Set                    Inventory Organization GHG    Good Health Group
Category All to All             Subinventory ICU              Intensive Care Unit
Item All to All
                                                             Min   Max  Primary
Item             Item Description                             Qty   Qty  Uom     Count 1|Count 2|Count 3|Count 4
---------------  ------------------------------------------- -----  ----- ------  -------|-------|-------|-------
A18947           Sentinel Multimedia                           1     2    EA   _____|_____|_____|_____
CB1000           Surgical thing                               10   1999   EA   _____|_____|_____|_____
```

The Australian Inventory Imprest Count Sheet report lists all items assigned to a non-tracked subinventory (imprest location). Its purpose is to allow replenishment counts to be made at an imprest location in the absence of the barcode replenishment facility. Multiple counts may be entered on the report, allowing it to be used on multiple occasions without the need for reprinting every time a new count is required.

Use the Standard Request Submission windows to submit the Australian Inventory Imprest Count Sheet report.

> **See also:** Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Organization
Enter the organization that you want to report on.

Subinventory Low
Enter the first subinventory that you want to report on.

Subinventory High
Enter the last subinventory that you want to report on.

Category Set
Enter the category set that you want to report on.

Category Low
Enter the first category that you want to report on.

Category High
Enter the last category that you want to report on.

Item Low
Enter the first item that you want to report on.

Item Low
Enter the last item that you want to report on.

Column Headings

In this column...	Oracle Inventory prints...
Item	The item number
Description	The item description
Min Qty	The minimum quantity, where defined
Max Qty	The maximum quantity, where defined
Primary UOM	The primary unit of measure for the item
<Counts>	Four columns to allow replenishment counts to be entered against items

Australian Inventory Internal Charges Report

```
                               INTERNAL CHARGE REPORT

Account Range : 01-0000-0100-000-000 to 01-9000-9999-000-000
Cost Ctr Range : All to All
Item Range : All to All                                          Date Executed : 11-MAY-01
Category Set : Purchasing                                        Page : 1
Category Range : All to All
Date Range : 11-MAY-01 to 11-MAY-01

Accounting Flexfield
-----------------------------------------------------------------------------------------------------
Transaction Pick  Item    Item                UOM       Qty       Unit        Total       Break
Date        Slip  Description                           Rec'd     Cost        Cost        Total
-----------------------------------------------------------------------------------------------------
01-1000-3010-000-000 : Materials Management
27-SEP-00   2835  M0002   Cork Tile           Carton    100       $5.00       $500.00
27-SEP-00   2835  M0002   Cork Tile           Carton    10        %5.00       $50.00
                                                                                        ----------
                                                                                         $550.00

01-1000-3110-000-000 : Materials Management
27-SEP-00   2835  M0001   Bucket of Axminster  EACH     10        $6.50       $65.00
                                                                                        ----------
                                                                                          $65.00

01-9000-7050-000-000 : Materials Management
27-SEP-00         M0001   Bucket of Axminster  EACH     10        $6.50       $65.00
27-SEP-00         M0001   Bucket of Axminster  EACH     -10       $6.50       -$65.00
27-SEP-00   2835  M0001   Bucket of Axminster  EACH     -10       $6.50       -$65.00
27-SEP-00         M0002   Cork Tile           Carton    100       $5.00       $500.00
27-SEP-00   2835  M0002   Cork Tile           Carton    -10       $5.00       -$50.00
27-SEP-00   2835  M0002   Cork Tile           Carton    -100      $5.00       -$500.00
27-SEP-00         M0002   Cork Tile           Carton    -100      $5.00       -$500.00
27-SEP-00         M0002   Cork Tile           Carton    10        $5.00       $50.00
27-SEP-00         M0002   Cork Tile           Carton    -10       $5.00       -$50.00
                                                                                        ---------
                                                                                         $615.00
                                                                                        ---------
                                                                                           $0.00

                          *** END OF REPORT ***
```

The Australian Inventory Internal Charges report lists all stock accounting transactions incurred during a selected period, enabling:

- Customers to report on their stock expenditure

- Management to review expenditure for selected customers, periods and items

- Reconciliation between stock issues and returns against the General Ledger

These internal charges include stock transactions processed directly using the Inventory Account Transaction window as well as those processed by means of the Oracle Inventory Order Cycle against internal sales orders.

Use the Standard Request Submission windows to submit the Australian Inventory Internal Charges report.

> **See also:** Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Start Date
Enter the earliest date that you want to report on.

End Date
Enter the latest date that you want to report on.

Account Low
Enter the first account that you want to report on.

Account High
Enter the last account that you want to report on.

Item Low
Enter the first item that you want to report on.

Item High
Enter the last item that you want to report on.

Category Set
Enter the category set that you want to report on.

Category Low
Enter the first category that you want to report on.

Category High
Enter the last category that you want to report on.

Column Headings

In this column...	Oracle Inventory prints...
Accounting Flexfield	The accounting flexfield. Oracle Inventory sorts the Internal Charge report in account order and prints the accounting flexfield at the start of each block of transactions charged to that account. The cost center name is also displayed next to this.
Transaction Date	The date of the accounting transaction.
Pick Slip	The pick slip number under which the issue transaction took place. This applies to internal sales order issues only.
Item Description	The description of the item in the transaction.
Item	The item number of the item in the transaction.
UOM	The primary unit of measure of the item in the transaction.
Qty Rec'd	The quantity received in the primary unit of measure.
Unit Cost	The unit cost of the item in the primary unit of measure.
Total Cost	The total transaction cost charged against the nominated account.
Break Total	A sub-total of all transactions charged against the nominated account, as well as a grand total of all transaction charges against the selected account range.

2

Oracle Purchasing

This chapter overviews Oracle Purchasing functionality developed for Australia, including:

- Import requisitions
- Defining automatic accounting

Import Requisitions

Import Requisitions creates two requisition types:

- Purchase Requisitions
- Internal Requisitions

Internal requisitions are produced in unit of issue and purchase requisitions are produced in unit of purchase.

Prerequisites

Before you can define requisition types, you must:

- Set the profile option JA: Australian Materials Management at the responsibility level. See Profile Options on page B-1 for more information about setting profile options for Oracle Financials for Australia.

> **See also:** Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

Purchase Requisitions

If the requisition type is *Purchase*, Oracle Purchasing checks for a valid AutoSource rule. The number one ranked supplier and the lowest sequence numbered document for that supplier are used as the quotation.

The unit of measure on the quotation line becomes the unit of measure on the supplier-sourced requisition line. The quantity is converted to this unit of measure and rounded to the nearest integer.

Pricing Rules

1. If a single valid shipment line exists for the quotation line, the price will be taken from the shipment line.

2. If there are multiple valid shipment lines for the quotation line, the price will be taken from the shipment line that has a quantity closest to the order quantity.

3. If there are no valid shipment lines the price will be taken from the quotation line.

4. If there is no price on the quotation line, the price will be 0.

A valid shipment line must have:

- The same unit of measure as the quotation line

- Today's date fall between its effective start date and its effective end date

If there is no valid AutoSource rule, the unit of measure on the requisition line is the primary unit of measure and the price is the list price for the item.

Example

The four pricing rules are demonstrated in this example. Follow each of the four products through the pricing process.

- Rule 1 is demonstrated using product S1000

- Rule 2 is demonstrated using product S2000

- Rule 3 is demonstrated using product S3000

- Rule 4 is demonstrated using product S4000

Requisition Line

Item	Unit of Measure	Quantity	System Date
S1000	Each	100	1.JAN.00
S2000	Each	200	1.JAN.00
S3000	Each	300	1.JAN.00
S4000	Each	400	1.JAN.00

Quotation

Item	Unit of Purchase	Price
S1000	Box 10	00

Qty	Unit of Purchase	Price	Effective
10	Box 10	80	1.JAN.00 - 1.DEC.00
1	Box 100	75	1.JAN.00 - 1.DEC.00

S2000	Box 10	00	

5	Box 10	80	1.JAN.00 - 1.DEC.00
10	Box 10	50	1.AUG.00 - 1.DEC.00
20	Box 10	40	1.JAN.00 - 1.DEC.00

S3000	Box 10	100	

1	Box 100	50	1.JAN.00 - 1.DEC.00
2	Box 100	30	1.AUG.00 - 1.DEC.00

S4000	Box 10	-	

Result Requisition Lines

Item	Unit of Measure	Quantity	Price
S1000	Box 10	10	80
S2000	Box 10	20	40
S3000	Box 10	30	100
S4000	Box 10	10	0

Internal Requisitions

If the requisition type is *Internal*, Oracle Applications retrieves the unit of issue for the item in the source organization on the requisition line. If no unit of issue exists, the primary unit of measure is used. The quantity ordered and unit price are converted to the new unit of measure.

Internal Requisition Accounting

Imported requisitions use AutoAccounting to determine the account combinations for internal requisitions with a delivery type of *Inventory.* Each segment of the account is derived from the subinventory replenishment account, the item replenishment account, or a constant.

For example, if your accounting structure is:

Company — Cost Center — Account

you may decide that your AutoAccounting definition is:

Company	01
Cost Center	MTL_SECONDARY_INVENTORIES
Account	MTL_SYSTEM_ITEMS

This definition says that the replenishment account is generated using *01* for the Company value, the Cost Center value is taken from the destination subinventory, and the Account value is taken from the item.

Suppose you have an item X1000, with a replenishment expense account of 01-000-3100. If you order item X1000 to be delivered to WARD-1 with a replenishment expense account of 01-200-5000, then AutoAccounting will generate an account combination of 01-200-3100 on the requisition line. If AutoAccounting cannot generate an account, then the default is the AP accrual account defined in Oracle Inventory.

> **Note:** To achieve consistent accounting between internal requisitions that are imported and internal requisitions that are entered via Enter Requisitions, the FlexBuilder rules for Enter Requisitions must be set up to reflect the AutoAccounting rules that you have set up.

Define Automatic Accounting

Use the Australian Automatic Accounting window to define how Import Requisitions generate your account numbers for internal requisitions with a delivery type of *Inventory.*

Prerequisites

Before you can define automatic accounting, you must:

- Set the profile option JA: Australian Auto Accounting at the responsibility level. See Profile Options on page B-1 for more information about setting profile options for Oracle Financials for Australia.

    See also: Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*
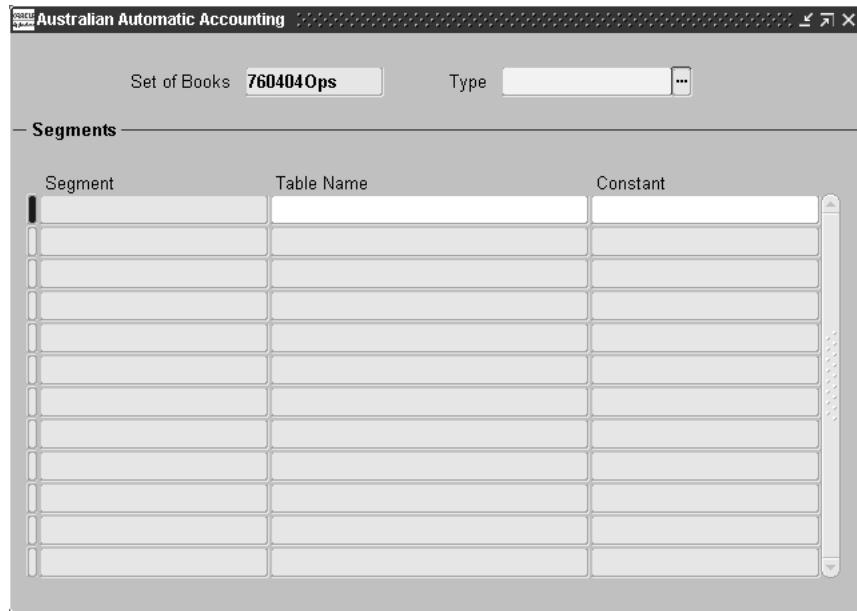
To define Automatic Accounting:

1. Navigate to the Australian Automatic Accounting window.

2. Enter the name of the set of books for which you wish to create your automatic account numbers in the Set of Books field.

3. Enter *Replenishment Expense* as the account type in the Type field.

4. In the Segments region, Oracle Subinventory Replenishment automatically defaults each segment name in the Segment field. Select the name of the table that you want to use to automatically default the segment value in the Table Name field. If you want to use a constant value for this particular segment, leave the Table field blank. You can choose:

   - MTL_SYSTEM_ITEMS to make AutoAccounting use the item replenishment expense account

   - MTL_SECONDARY_INVENTORIES to make AutoAccounting use the subinventory replenishment expense account

5. If you have entered a table name in the previous field, leave the Constant field blank. If you want to always use the same value for this segment, regardless of the user or item, enter the value in the Constant field.

3

Oracle Payables

This chapter overviews Oracle Payables functionality developed for Australia, including:

- Maintaining tax certificates and exceptions
- AutoSelect and build payments

Maintain Tax Certificates and Exceptions

Use the Withholding Tax Certificates and Exceptions window to enter and maintain tax certificates and exceptions for individual suppliers.

Certificates Region

Certificate (Number and Type)

The certificate number must begin with *R, E,* or *V* and should be unique for a supplier. The first letter of the Certificate Number automatically determines the entry for the Certificate Type:

First Character	Certificate Type
R	Reporting
E	Exemption
V	Variation

Certificate Effective Dates

Only one certificate can be valid at any given time for each supplier.

You must complete the *To* column of the effective dates for the old certificate before entering a new certificate for a supplier.

AutoSelect and Build Payments

Rate Determination

The rate of withholding tax to be applied to an invoice is determined provisionally at the time of invoice entry and finally at the time of payment according to these rules:

- If the supplier is the holder of a reporting exemption certificate, no tax is deducted and no elective higher rate can be specified.

- If the supplier has no tax file number, withholding tax is deducted at the current *PENALTY* rate and no elective higher rate can be accepted.

- If there is a current supplier-elected payment variation rate, withholding tax is deducted at this rate. This is done after checking that this supplier-elected rate is higher than the valid certificate or *STANDARD* rate. If the elected variation rate is not higher, then the valid certificate or *STANDARD* rate is used.

- If there is a current exemption or variation certificate for the supplier, withholding tax is deducted at the rate defined on the certificate.

- In all other cases, tax is deducted at the current *STANDARD* rate.

Tax Authority Payment Rounding

The final payment made to the tax authority is truncated to whole dollars and the withholding tax and invoice payment amounts are proportionally adjusted so that the amounts balance.

4

Oracle Assets

This chapter overviews Oracle Assets functionality developed for Australia, including:

- Balancing charges

- Setting capital gains tax information

- Australian Taxation Retirements Report for Depreciable Assets

- Australian Assets Capital Gains Tax report

- Australian Assets Allocated Balancing Charges report

- Australian Assets Balancing Charge Audit report

- Australian Assets Calculated Balancing Charges report

- Australian Tax Retirements report

- Australian Tax Depreciation Schedule report

- Australian Assets Revaluation report

- Australian Revalued Asset Sales report

Oracle Assets Windows

Oracle Assets for Australia provides these windows:

- Asset Details
- Balancing Charge
- Enable Balancing Charges
- Mass Allocate Balancing Charges

Setting Up Balancing Charges

Before you can use balancing charges functionality, you must first enable balancing charges for the required set of books.

Prerequisites

Before you can set up balancing charges, you must:

■ Set the profile option JA: Australian Balancing Charges at the responsibility level. See Profile Options on page B-1 for more information about setting profile options for Oracle Financials for Australia.

> **See also:** Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

Enable Balancing Charges
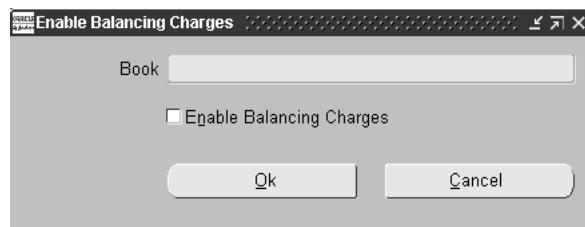
To enable balancing charges:

1. Navigate to the Enable Balancing Charges window.

2. Select the set of books from the list of values in the Book field.

3. Check the Enable Balancing Charges check box to enable balancing charges.

4. Click on Ok to save changes.

Allocating Balancing Charges

Use the Balancing Charge window to allocate balancing charges. Select the retired asset that sources the balancing charge, and then select the destination asset.

To allocate balancing charges:

1. Navigate to the Balancing Charge window.

2. Select the set of books for the allocation from the pull-down list in the Book field.

3. Modify the Retired Since field to limit the range of retired assets between the current date and up to two years prior.

4. Query or find an asset.

   The details of the source asset and all of its prior allocations are retrieved from the database.

5. In a blank asset line in the Allocations region of the window, enter the asset number or select the number from the list of values.

6. In the Amount Applied field, make changes, as needed.

7. Save your work.

To adjust a prior balancing charge allocation:

1. Navigate to the Balancing Charge window.

2. Select the set of books for the allocation from the pull-down list in the Book field.

3. Modify the Retired Since field to limit the range of retired assets between the current date and up to two years prior.

4. Query or find an asset.

   The details of the source asset and all of its prior allocations are retrieved from the database.

5. From a blank asset line in the Allocations region of the window, either enter the asset number or select the number from the list of values.

6. In the Amount Applied field, make your change.

7. Save your work.

Creating Mass Balancing Charges

Use the Mass Allocate Balancing Charges window to import balancing charge information from external systems and indicate the set of books that the balancing charges apply to. All the data that you want to import must have been placed in the Balancing Charge Interface table in the required format.

The asset balancing charge information in the interface table is used to update the asset cost in the set of books. At the next depreciation run, the depreciation for the affected assets is recalculated based on the reduced cost.

Prerequisites

Before using the Mass Allocate Balancing Charges window, you must enable balancing charges for the required set of books. For more information, see Setting Up Balancing Charges on page 4-3.
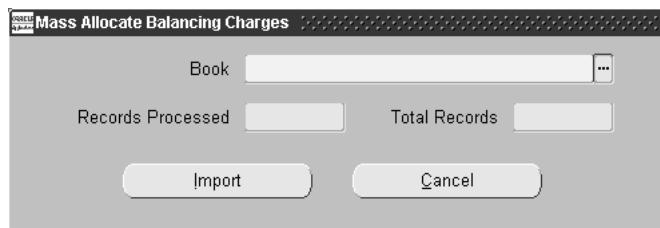
To import balancing charge information:

1. Navigate to the Mass Allocate Balancing Charges window.

2. In the Book field, enter the set of books that you want to apply the balancing charges to.

   Oracle Assets records the balancing charge information and updates the cost of your assets in the set of books.

3. Press the Import button.

   The Records Processed field shows the number of records successfully processed, and the Total Records field shows the total number of records processed.

Setting Capital Gains Tax Information

Use the Capital Gains Tax alternate name region in the Asset Details window to set capital gains tax information.
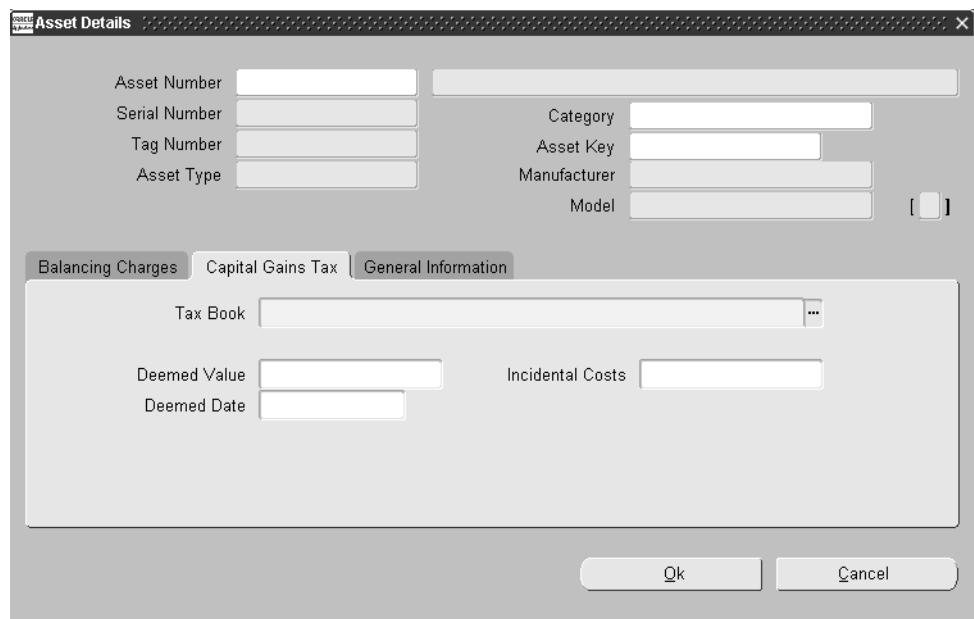
To set capital gains tax information:

1. Navigate to the Asset Details window.

2. Query or find an asset.

3. Navigate to the Capital Gains Tax alternate name region.

4. In the Tax Book field, select the appropriate set of books.

5. Enter the Deemed value, Deemed Date, and Incidental Costs, as needed.

6. Press the Ok button to save your changes.

Viewing Balancing Charge Details
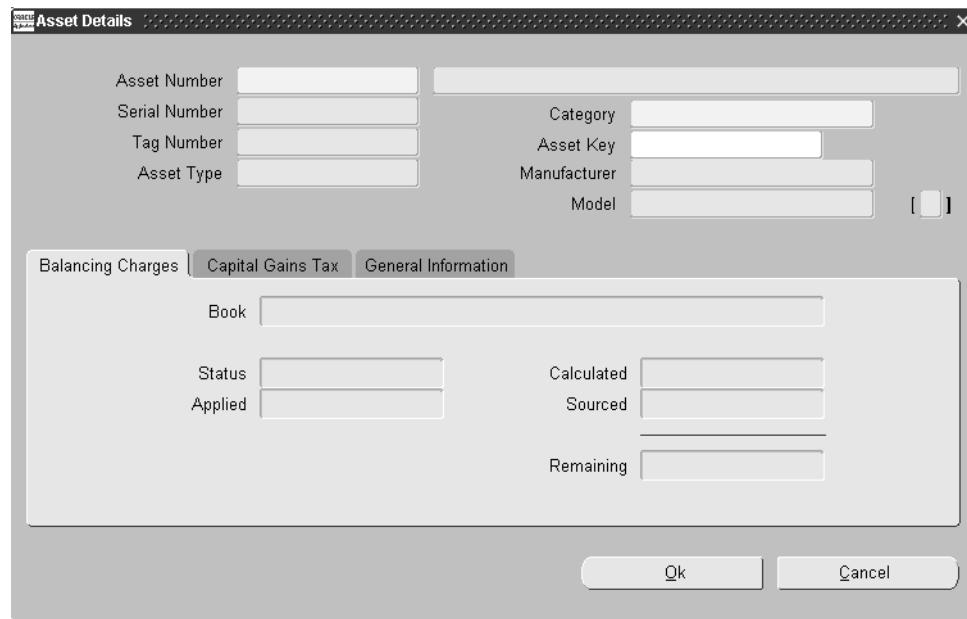
To view the balancing charge information about an asset:

1. Navigate to the Asset Details window.

2. Query or find an asset.

3. Navigate to the Balancing Charges alternate name region.

4. In the Book field, select the appropriate set of books.

5. View the details.

Oracle Assets Reports

Oracle Assets for Australia provides these reports:

Australian Taxation Retirements Report for Depreciable Assets
This report shows all retirements for depreciable assets.

Australian Assets Capital Gains Tax Report
This report shows the application of capital gains tax to all asset retirements in the tax year. It shows capital gains and capital losses that accrued during a tax year for all assets. It also shows assets that are not affected by capital gains tax.

Australian Assets Allocated Balancing Charges Report
This report shows balancing charges applied against assets.

Australian Assets Balancing Charge Audit Report
This report provides an audit listing of adjustments made to an asset's cost as a result of balancing charges applied.

Australian Assets Calculated Balancing Charges Report
This report shows balancing charges that were calculated on an asset's retirement.

Australian Tax Retirements Report
This report shows retirements for all assets.

Australian Tax Depreciation Schedule Report
This report shows tax depreciation in the old Australian Taxation Office depreciation schedule 32 layout.

Australian Assets Revaluation Report
This report shows the split of the revaluation movement between the reserve account and the profit and loss account, based on previous movements.

Australian Revalued Asset Sales Report
This report shows sales of revalued assets over a period of time, as well as the revaluation balance for an asset class or all asset classes.

Australian Taxation Retirements Report for Depreciable Assets

```
GLOBAL COMPUTERS, INC.              Tax Retirement Report for Depreciable Assets              Report Date: 08-Jul-01 11:20:02 AM
Book : GLOBAL TAX1                            Period : Q1-00 to Q4-00                                      Page : 1
                                             Category : ALL-ALL
                                             Sorted by : Asset Number

                            Depreciation Date      Date                    Total Tax Net Tax    Net Proceeds   Assessable  Balancing              Gain Over
Asset No. - Description Category Method  Rate Acquired Retired    Tax Value Allowance Value        of Sale  (Deductible) Charges               Tax Cost
------------------------- ---------- ------ -------- --------- --------- --------- --------- --------------- ------------ --------- ---------------
104 - Mahogany Desk FURNITURE  MACRS 20.00% 23-JUL-99 30-JUN-00  2,500.00  2,500.00     0.00   1,000,000.00    2,500.00      0.00      997,500.00
1165 - ARTWORK NEW YORK TI-PORTABL MACRS 20.00% 26-JAN-00 30-SEP-00 10,000.00 4,000.00 6,000.00  99,999,990.00    4,000.00  4,000.00  99,989,990.00
                                                                ========== ========= ========= =============== ============ ========= ===============
                                                                 12,500.00  6,500.00  6,000.00 100,999,990.00    6,500.00  4,000.00 100,987,490.00

                                                                                             Total Assessable    6,500.00
                                                                                             Total Deductible        0.00
                                                                                                               -------------
                                                                                             Net Assets/Deduct   6,500.00
```

Use the Australian Taxation Retirements Report for Depreciable Assets to show all retirements for depreciable assets and include Division 10D Buildings and Improvements.

Use the Standard Request Submission windows to submit the Australian Taxation Retirements Report for Depreciable Assets.

> **See also:** Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Name
Choose the tax depreciation book required.

Start Period Name
Choose first period.

End Period Name
Choose last period.

Category
Choose one, or leave blank for all asset categories.

Order By

- **Asset Number** - The report is sorted by asset number, then by date retired.

- **Category** -The report is sorted by category, asset number, then by date retired.

- **Category Summary** - This report shows a summary line for each category only.

> **Note:** *Date Retired* is not available with this report.

Report Headings

In this heading...	Oracle Assets prints...
<Company Name>	The company name
<Report Title>	Tax Retirement Report for Depreciable Assets
Report Date	The date and the time that the report is run
Book	The tax depreciation book used for the report
Period	The period used for the report
Page	The page number
Category	The asset category used for the report
Sorted By	The sort option used for the report

Column Headings

In this column...	Oracle Assets prints...
Asset No.	The asset's identification number.
Description	The description of the asset.
Category	The asset category.
Depreciation Method	The method used to depreciate the asset.
Depreciation Rate	The rate used to depreciate the asset. This rate is derived in the case of life based methods.
Date Acquired	The date the asset was placed in service.
Date Retired	The date the asset was disposed or retired.
Tax Value	The asset's tax depreciable value.
Total Tax Allowance	The tax depreciation claimed to date, or in the case of Division 10D assets, the capital allowance claimed to date.
Net Tax Value	The tax depreciated or written down value of the asset at retirement.
Net Proceeds of Sale	The net disposal proceeds, which is the proceeds of sale less the cost of removal.
Assessable (Deductible)	The assessable gain or the deductible loss that is to be recognized for this tax year. Assessable income is calculated as the proceeds of sale, less the net tax value, less the gain in excess of the asset's tax value if the proceeds of sale are more than the asset's net tax value. Division 10D buildings are excluded since they cannot have an assessable gain. The deductible loss is calculated as the proceeds of sale, less the net tax value if the proceeds of sale are less than the asset's net tax value. Division 10D buildings can only have a deductible loss if they have a retirement type of SCRAP/DEMOL.
Balancing Charges	The amount of an otherwise assessable gain, which has been applied against another asset as a balancing charge and, therefore, is not assessable.
Gain Over Tax Cost	The proceeds of sale, less the asset's tax value if the proceeds of sale exceed the asset's tax value.

Australian Assets Capital Gains Tax Report

```
GLOBAL COMPUTERS, INC.                              Capital Gains Tax Report                    Report Date: 09-Jul-01 11:36:33 AM
Book: GLOBAL TAX1                                   Period : FEB-00 to OCT-00                            Page : 1
                                                    Category : ALL-ALL
                                                    Sorted by : Date Retired

Asset No. - Description        Deemed    Deemed Value Incidental   Index       Indexed     Reduced      <- Capital Gain/Loss --> Non CGT
Category                        Date        Proceeds    Costs      Factor     Cost Base  Cost Base (10D)  Indexed   Not Indexed   Gain
-----------------------------  --------  ------------- ---------- -------   ------------ ------------- ---------- -------------- --------
FABCT0002 - MAHOGONY DES    Buy: 28-Feb-00 1,000,000.00    0.00    1.000   1,000,000.00      0.00         0.00          0.00     0.00
JAAUFA-DEP REAL             Sell: 30-Apr-00     9,934.00
FABCT0003 - TRAILER         Buy: 28-Feb-00   100,000.00    0.00    1.000     100,000.00      0.00         0.00          0.00     0.00
JAAUFA-DEP REAL             Sell: 30-Apr-00        10.00
FABCT0004 - SOUTHERN STAND  Buy: 28-Feb-00 1,000,000.00    0.00    1.000   1,000,000.00      0.00         0.00   8,999,998.00     0.00
JAAUFA-DEP REAL             Sell: 30-Apr-00 9,999,998.00
FABCT0003 - TRAILER TYPE B  Buy: 28-Feb-00   899,999.00    0.00    1.000     899,999.00      0.00         0.00          0.00     0.00
JAAUFA-DEP REAL             Sell: 31-Jul-00        0.00
1000049 - BALANCING CHARGE S Buy: 31-Mar-00    1,000.00   12.00    1.000       1,012.00      0.00         0.00     23,888.00     0.00
JAAUFA-DEP REAL             Sell: 31-May-00    24,900.00
1000050 - BALANCING CHARGE D Buy: 31-Mar-00      950.00  500.00    1.000       1,450.00      0.00         0.00        530.00     0.00
JAAUFA-DEP REAL             Sell: 31-May-00     1,980.00
                                           ============== ==========       ============== ================= ========== ============== ========
                                            3,001,949.00  512.00            3,002,461.00      0.00         0.00   9,024,416.00     0.00
                                           10,036,822.00
CGT SUMMARY
Total CGT Incidental Costs                      512.00
Total Non CGT Gains                               0.00

Total Indexed Capital Gains                                0.00
Total Non-Indexed Capital Gains                    9,024,416.00
                                                   ----------------
Total Capital Gains                                9,024,416.00

Total Capital Losses                                      0.00

Carried Forward Net Capital Losses             [              ]  Note: Carried forward losses and net capital gains/losses
                                               ----------------    from other sources are entered manually here.
Total Net Capital Losses                       [              ]
Net Capital Gains/(Losses) from other Sources  [              ]
                                               ----------------
Net Capital Gain/(Loss)                            9,024,416.00
```

Use the Australian Asset Capital Gains Tax report to show the application of capital gains tax to all asset retirements in the tax year. Capital gains and capital losses that accrued during a tax year for all assets are shown, as well as assets that are not affected by capital gains tax.

Use the Standard Request Submission windows to submit the Australian Assets Capital Gains Tax report.

> **See also:** Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Name
Choose the tax depreciation book required.

Start Period Name
Choose first period.

End Period Name
Choose last period.

Category
Choose one, or leave blank for all asset categories.

Order By

- **Asset Number** - The report is sorted by asset number, then by date retired.

- **Category** - The report is sorted by category, asset number, then by date retired.

> **Note:** *Date Retired* and *Category Summary* are not available with this report.

Report Headings

In this heading...	Oracle Assets prints...
<Company Name>	The company name
<Report Title>	Capital Gains Tax Report
Report Date	The date and the time that the report is run
Book	The tax depreciation book used for the report
Period	The period used for the report
Page	The page number
Category	The asset category used for the report
Sorted By	The sort option used for the report

Column Headings

In this column...	Oracle Assets prints...
Asset No.	The asset's identification number.
Description	The description of the asset.
Category	The asset category.
Deemed Date	The date the asset was acquired (or deemed acquired) and the date retired. If a deemed date was entered for the asset, then this date is shown as the date acquired; otherwise, the date the asset was placed in service is printed.
Deemed Value	The asset's tax depreciable value or deemed value. If a deemed value was entered for the asset, then this value is shown; otherwise, the current cost is printed.
Proceeds	The proceeds on the sale of the asset, less the cost of removal.
Incidental Costs	The incidental capital gains tax capital costs typically incurred at disposal.
Index Factor	The index factor, which Oracle Assets calculates by dividing quarterly index at date of retirement by quarterly index at acquisition or deemed date. If an index factor is not applicable per the CGT provisions, 1.00 is printed in this column.
Indexed Cost Base	The indexed cost base, which Oracle Assets calculates by multiplying the deemed value by the index factor, if a gain is made on disposal, plus incidental costs. Oracle Assets prints the deemed value if the proceeds do not exceed the deemed value.
Reduced Cost Base (10D)	If a loss is made on a DIV-10D building, Oracle Assets prints the deemed value reduced by the capital allowance taken at retirement. Otherwise, zero is shown.
Capital Gain/Loss Indexed	Capital gains subject to capital gains tax that involved indexing the cost base.
Capital Gain/Loss Not Indexed	Capital gains or losses subject to capital gains tax that did not involve indexing the cost base.
Non-CGT Gains	Non-CGT capital gains that are not subject to CGT from exempt assets or pre-CGT assets.

Australian Assets Allocated Balancing Charges Report

```
NL_LOC_ORG                              Allocated Balancing Charges Report                  Report Date: 13-Jun-2001 11:49:40
PM
Book: FABCT2                              Period : Aug-99 to May-00                          Page :    1
                                              Category : ALL-ALL
                                              Sorted by : Category

                              Original      Balancing       Current   Date      <------------------- Source Asset ------------------->
Asset No. - Description    Category         Cost      Charges          Cost   Effective  Asset No. - Description   Date Retired        Amount
-------------------------- ---------- ------------- --------------- -------------- --------- -------------------------- ------------ ---------------
BALCHRG2 - balancinf charge VEHICLE-OW    22,000.00     3,000.00     19,000.00 28-FEB-98  FABCT0004A - St Kilda Road   28-FEB-00         3,000.00
BALCHRG3 - balchrg3        VEHICLE-OW    30,000.00     2,500.00     27,500.00 31-MAY-98  FABCT0002A - St Kilda Road   28-FEB-00         2,500.00
FABCT0005A - St Kilda Road VEHICLE-OW   130,000.00     1,000.00    129,000.00 03-FEB-98  FABCT0003A - St Kilda Road   28-FEB-00         1,000.00
FABCT0006A - St Kilda Road VEHICLE-OW   140,000.00       200.00    139,800.00 03-FEB-98  FABCT0002A - St Kilda Road   28-FEB-00           200.00
FABCT0007A - St Kilda Road VEHICLE-OW   150,000.00     5,000.00    145,000.00 03-FEB-98  FABCT0003A - St Kilda Road   28-FEB-00         5,000.00
FACGT0004A - st kilda raod VEHICLE-OW    30,000.00     5,000.00     25,000.00 30-NOV-95  FABCT0004A - St Kilda Road   28-FEB-00         5,000.00
                                       ------------- --------------- --------------
                           VEHICLE-OW   502,000.00    16,700.00    485,300.00


                                       =============== =============== ===============
                                        502,000.00    16,700.00    485,300.00

Note: Date Effective is the date depreciation started for the asset.
```

Use the Australian Assets Allocated Balancing Charges report to show balancing charges applied against assets.

Use the Standard Request Submission windows to submit the Australian Assets Allocated Balancing Charges report.

> **See also:** Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Name
Choose tax depreciation book required.

Start Period Name
Choose first period.

End Period Name
Choose last period.

Category
Choose one, or leave blank for all asset categories.

Order By

- **Asset Number** - The report is sorted by asset number.

- **Category** - The report is sorted by category, then by asset number.

> **Note:** *Date Retired* and *Category Summary* are not available with this report.

Report Headings

In this heading...	Oracle Assets prints...
<Report Title>	Allocated Balancing Charges Report
Report Date	The date and the time that the report is run
Book	The tax depreciation book used for the report
Period	The period used for the report
Page	The page number
Category	The asset category used for the report
Sorted By	The sort option used for the report

Column Headings

In this column...	Oracle Assets prints...
Asset No.	The asset's identification number
Description	The asset's description
Category	The asset category
Original Cost	The asset's original acquisition cost
Balancing Charges	The total of balancing charges that were applied to the asset
Current Cost	The asset's current acquisition cost
Date Effective	The date the asset was placed in service
Source Asset No.	The asset number that the balancing charge was allocated from
Source Asset Description	The asset description that the balancing charge was allocated from
Source Asset Date Retired	The date of the source asset's retirement
Source Asset Amount	The amount of the balancing charge allocated from the source asset

Australian Assets Balancing Charge Audit Report

```
NL_LOC_ORG                              Balancing  Charge  Audit  Report        Report Date: 13-Jun-2001 11:49:40 PM
Book:  FABCT2                              Period : Aug-00  to May-01              Page :     1
                                           Category : ALL-ALL
                                           Sorted by : Transaction Date


Asset No. - Description         Category           Previous             Balancing        Adjusted  Transaction  Type
                                                       Cost               Charge             Cost  Date
------------------------------------------------------------------------------------------------------------------------

FABCT0006A - St Kilda Road       VEHICLE-OWNED     140,000.00               200.00      139,800.00  09-JAN-01   Allocation
FABCT0007A - St Kilda Road again VEHICLE-OWNED     150,000.00             1,000.00      149,000.00  09-JAN-01   Allocation
FABCT0005A - St Kilda Road       VEHICLE-OWNED     130,000.00                 9.99      129,990.01  11-JAN-01   Allocation
FABCT0007A - St Kilda Road again VEHICLE-OWNED     149,000.00              (994.34)     149,994.34  11-JAN-01   Adjustment
FABCT0007A - St Kilda Road again VEHICLE-OWNED     149,994.34                 2.34      149,992.00  05-FEB-01   Adjustment
FABCT0007A - St Kilda Road again VEHICLE-OWNED     149,992.00                 0.00      149,992.00  06-FEB-01   Adjustment
BALCHRG2 - balancinf charges 2   VEHICLE-OWNED      22,000.00            12,500.00        9,500.00  02-MAY-01   Allocation
BALCHRG2 - balancinf charges 2   VEHICLE-OWNED       9,500.00           (10,500.00)      20,000.00  02-MAY-01   Adjustment
BALCHRG2 - balancinf charges 2   VEHICLE-OWNED      20,000.00             1,000.00       19,000.00  02-MAY-01   Adjustment
BALCHRG3 - balchrg3              VEHICLE-OWNED      30,000.00             2,500.00       27,500.00  03-MAY-01   Allocation
FABCT0005A - St Kilda Road       VEHICLE-OWNED     129,990.01               990.01      129,000.00  03-MAY-01   Adjustment
FABCT0007A - St Kilda Road again VEHICLE-OWNED     149,992.00             4,992.00      145,000.00  03-MAY-01   Adjustment
FACGT0004A - st kilda raod        VEHICLE-OWNED      30,000.00             5,000.00       25,000.00  03-MAY-01   Allocation


                                               ================     ================   ===============

                                                  1,260,468.35            16,700.00     1,243,768.35
```

Use the Australian Assets Balancing Charge Audit report to provide an audit listing of adjustments made to an asset's cost as a result of balancing charges applied.

Use the Standard Request Submission windows to submit the Australian Assets Balancing Charge Audit report.

> **See also:**   Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Name
Choose tax depreciation book required.

Start Period Name
Choose first period.

End Period Name
Choose last period.

Category
Choose one, or leave blank for all asset categories.

Order By
- **Asset Number** - The report is sorted by asset number.
- **Category** - The report is sorted by category, then by asset number.

> **Note:** *Date Retired* and *Category Summary* are not available with this report.

Report Headings

In this heading...	Oracle Assets prints...
<Report Title>	Balancing Charge Audit Report
Report Date	The date and the time that the report is run
Book	The tax depreciation book used for the report
Period	The period used for the report
Page	The page number
Category	The asset category used for the report
Sorted By	The sort option used for the report

Column Headings

In this column...	Oracle Assets prints...
Asset No.	The asset's identification number
Description	The description of the asset
Category	The asset category
Previous Cost	The cost of the asset before the application of the balancing charge
Balancing Charge	The balancing charge applied to the asset
Adjusted Cost	The asset's adjusted cost after the application of the balancing charge
Transaction Date	The date of the balancing charge transaction
Transaction Type	The type of transaction that was performed on the asset

Australian Assets Calculated Balancing Charges Report

```
NL_LOC_ORG                              Calculated Balancing Charge Report        Report Date :  13-Jun-2001   11:49:40 PM
Book : FABCT2                                 Period :Aug-99 to May-00                               Page :      1
                                                Category : ALL-ALL
                                               Sorted by : Date Retired


   Partially Applied

                                   Asset        Date          Balance Charge  Balance Charge  Balance Charge
Asset No. - Description            Category      Retired         Calculated       Applied       Remaining
----------------------------       ------------  ----------    --------------  --------------  --------------
FABCT0002A - St Kilda Road         VEHICLE-OWNE  28-FEB-2000      24,166.66        2,700.00       21,466.66
FABCT0003A - St Kilda Road         VEHICLE-OWNE  28-FEB-2000      23,333.33        6,000.00       17,333.33
FABCT0004A - St Kilda Road         VEHICLE-OWNE  28-FEB-2000      12,500.00        8,000.00        4,500.00
                                                               --------------  --------------  --------------
                                                                 59,999.99       16,700.00       43,299.99


                                                               ==============  ==============  ==============
                                                                 59,999.99       16,700.00       43,299.99
```

Use the Australian Assets Calculated Balancing Charges report to print balancing charges that are calculated when an asset is retired.

Use the Standard Request Submission windows to submit the Australian Assets Calculated Balancing Charges report.

> **See also:** Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Name
Choose tax depreciation book required.

Start Period Name
Choose first period.

End Period Name
Choose last period.

Category
Choose one, or leave blank for all asset categories.

Order By
- **Asset Number** - The report is sorted by balancing charge status, then by asset number.
- **Category** - The report is sorted by category, then by asset number.

> **Note:** *Date Retired* and *Category Summary* are not available with this report.

Report Headings

In this heading...	Oracle Assets prints...
<Report Title>	Calculated Balancing Charge Report
Report Date	The date and the time that the report is run
Book	The tax depreciation book used for the report
Period	The period used for the report
Page	The page number
Category	The asset category used for the report
Sorted By	The sort option used for the report

Column Headings

In this column...	Oracle Assets prints...
Asset No.	The asset's identification number.
Description	The description of the asset.
Asset Category	The asset category.
Date Retired	The retirement or disposal date of an asset.
Balancing Charge Calculated	The balancing charge calculated on an asset's retirement.
Balancing Charge Applied	The balancing charge applied in full or in part against new assets.
Balancing Charge Remaining	The balancing charge remaining after allocation to other assets. A reinstated asset may have a negative remaining balance if a balancing charge was applied prior to the reinstatement, which resets the calculated balancing charge to zero.

Australian Tax Retirements Report

```
NL_LOC_ORG                                      Tax Retirement Report for All Assets                          Report Date : 13-Jun-2001 10:10:20 PM
Book : AUREVAL                                       Period :Aug-99 to Feb-00                                                      Page :     1
                                                   Category :BUILDING-OFFICE
                                                   Sorted by :Category


Asset No. - Description                     Balancing    Depreciable    Deprn LTD                          Assessable /     Unadjusted      Deductible /
Category   Acquired   Retired Original Cost Charges      Cost           Method   Rate   Net Tax Value Net Proceeds  Non-Assessable   Capital Gain    Non-Deductible
---------  ---------  ------- ------------- ----------   -------------  ------  ------  ------------- ------------  --------------   ------------    --------------
RVOO1 - St Kilda Ropad        5,197,500.00        0.00   5,197,500.00   5,197,500.00         0.00  6,000,000.00             0.00           0.00            0.00
BUILDING- 30-NOV-1995 28-FEB-2000                                      STL     3.3%                                         0.00

              ----------------  --------------  ----------------  ----------------  --------------- ----------------  ----------------- ------------------  -----------------
BUILDING-OFFICE               5,197,500.00        0.00   5,197,500.00   5,197,500.00         0.00  6,000,000.00             0.00           0.00            0.00
                                                                                                                           0.00

              ================  ==============  ================  ================  =============== ================  ================= ==================  =================
                              5,197,500.00        0.00   5,197,500.00   5,197,500.00         0.00  6,000,000.00             0.00           0.00            0.00
                                                                                                                           0.00


                                                                                       Deductible Loss      (L)           0.00
                                                                                       Non Deductible Loss (N)           0.00
```

Use the Australian Tax Retirements report to print retirements for all assets.

Use the Standard Request Submission windows to submit the Australian Tax Retirements Report.

> **See also:** Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Name
Choose tax depreciation book required.

Start Period Name
Choose first period.

End Period Name
Choose last period.

Category
Choose one, or leave blank for all asset categories.

Order By

- **Asset Number** - The report is sorted by asset number, then by date retired.

- **Date Retired** - The report is sorted by date retired, then by asset number.

- **Category** - The report is sorted by category, asset number, then by date retired.

> **Note:** *Category Summary* is not available with this report.

Report Headings

In this heading...	Oracle Assets prints...
<Report Title>	Tax Retirement Report for All Assets
Report Date	The date and the time that the report is run
Book	The tax depreciation book used for the report
Period	The period used for the report
Page	The page number
Category	The asset category used for the report
Sorted By	The sort option used for the report

Column Headings

In this column...	Oracle Assets prints...
Asset No.	The asset's identification number.
Description	The description of the asset.
Category	The asset category.
Acquired	The date the asset was placed in service.
Retired	The date the asset was retired.
Original Cost	The asset's original acquisition cost.
Balancing Charges	The total of the balancing charges applied to the asset.
Depreciable Cost	The tax depreciable value of the asset. This is the original cost, less balancing charges.
Deprn LTD	The life-to-date tax depreciation (the tax depreciation claimed to date).
Method	The method used to depreciate the asset.
Rate	The method of depreciation used for the asset.
Net Tax Value	The tax depreciated or written down value of the asset.
Net Proceeds	The retirement proceeds net of removal costs.
Assessable / Non-Assessable	The assessable gain that is recognized in this tax year. This is the amount of depreciation recouped on retirement, except in the case of Division 10D buildings, which cannot generate an assessable gain.
	The non-assessable income calculated on disposal. This is the capital allowance recouped on disposal of a Division 10D building.
Unadjusted Capital Gain	The amount of the gain above the tax depreciable value.
Deductible / Non-Deductible	The deductible or non-deductible loss that is to be recognized in the current tax year.

Australian Tax Depreciation Schedule Report

```
NL_LOC_ORG                                    Tax Depreciation Schedule                         Report Date :12-Jun-2001 08:54:52 PM
Book : AUREVAL                             Period : Jan-00 to Feb-00                                                   Page :       1
                                          Category :      ALL-ALL
                                          Sorted by :     Category


Category                  Balancing      Opening      <-------- Disposals ------->    Additions    <---- Depreciation ---->   Closing      Closing Cost
Asset No. - Description    Charges        WD Value     Date      Net Book Value        Cost / Date  Rate    Cost / DVM        WD Value     - Bal Chgs
------------------------   ---------   --------------  --------- ----------------   --------------- -----  --------------- --------------- ---------------
BUILDING-OFFICE               0.00      5,740,727.00  28-FEB-2000       0.00              0.00      3.33%     17,136.50       (51,409.50)         0.00
RVOO1 - St Kilda Ropad                                                                                          0.00
BUILDING-OFFICE               0.00      6,559,384.62                     0.00              0.00      3.33%     20,307.69      5,879,076.93   5,940,000.00
RV002 - Bourke Street                                                                                           0.00
BUILDING-OFFICE               0.00      4,100,519.28                     0.00              0.00      3.33%     12,240.36      3,675,778.92   3,712,500.00
RV003 - Beach Road                                                                                              0.00

                                     ---------------                ----------------  ---------------        --------------- --------------- ---------------
                              0.00     16,400,630.90                     0.00              0.00      Cost      49,684.55      9,503,446.35   9,652,500.00
                                                                                                    DVM          0.00
COMPUTER-NC                   0.00        771,458.33                     0.00              0.00     33.33%     33,541.67        657,416.66     724,500.00
RV010 - St Kilda Road                                                                                           0.00
COMPUTER-NC                   0.00        335,416.67  28-FEB-2000       0.00              0.00     33.33%     14,583.33       (29,166.66)         0.00
RV011 - St Kilda Road                                                                                           0.00
COMPUTER-NC                   0.00        134,166.67                     0.00              0.00     33.33%      5,833.33        114,333.34     126,000.00
RV012 - St Kilda Road                                                                                           0.00

                                     ---------------                ----------------  ---------------        --------------- --------------- ---------------
                              0.00      1,241,041.67                     0.00              0.00      Cost      53,958.33        742,583.34     850,500.00
                                                                                                    DVM          0.00
LAND-OCCUPIED                 0.00      1,930,555.57                     0.00              0.00      1.67%      2,777.78      1,927,777.79   2,000,000.00
RV020 - Foot Street                                                                                             0.00
LAND-OCCUPIED                 0.00      2,895,833.34                     0.00              0.00      1.67%      4,166.67      2,891,666.67   3,000,000.00
RV021 - Nepean Highway                                                                                          0.00

                                     ---------------                ----------------  ---------------        --------------- --------------- ---------------
                              0.00      4,826,388.91                     0.00              0.00      Cost       6,944.45      4,819,444.46   5,000,000.00
                                                                                                    DVM          0.00

                                     ================                ================  ================        =============== =============== ===============
                              0.00     22,468,061.48                     0.00              0.00      Cost     110,587.33     15,065,474.15  15,503,000.00
                                                                                                    DVM          0.00
                                                              Amount Claimed for Depreciation:      110,587.33
```

Use the Australian Tax Depreciation Schedule report to print tax depreciation in the old Australian Taxation Office depreciation schedule 32 layout.

Use the Standard Request Submission windows to submit the Australian Tax Depreciation Schedule report.

> **See also:** Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Book Name
Choose tax depreciation book required.

Start Period Name
Choose first period.

End Period Name
Choose last period.

Category
Choose one, or all asset categories.

Order By
- **Asset Number** - The report is sorted by asset number.

- **Category** - The report is sorted by category. This report shows all assets.

- **Category Summary** - This report shows a summary line for each category only.

> **Note:** *Date Retired* is not available with this report.

Report Headings

In this heading...	Oracle Assets prints...
<Report Title>	Tax Depreciation Schedule
Report Date	The date and the time that the report is run
Book	The tax depreciation book used for the report
Period	The period used for the report
Page	The page number
Category	The asset category used for the report
Sorted By	The sort option used for the report

Column Headings

In this column...	Oracle Assets prints...
Category	The asset category.
Asset No.	The asset's identification number.
Description	The description of the asset.
Balancing Charges	The sum of the balancing charge applied to this asset.
Opening WD Value	The tax depreciated (or written down) value at the start of the specified period range.
Disposal Date	The date the asset was retired.
Disposal Consideration	The retirement proceeds of sale, less removal costs.
Disposal Adjustment	The assessable gain or deductible loss on retirement. Assessable gain is depreciation recouped on disposal. Deductible loss is the depreciated value less the proceeds. Depreciable assets can have a deductible loss, but Division 10D buildings can only have a deductible loss if they have a retirement type of SCRAP/DEMOL.
Additions Cost	The acquisition cost if the asset was acquired in the current tax year.
Additions Date	The date placed in service if the asset was acquired in the current tax year.
Depreciable Value	The tax depreciable value adjusted for balancing charges applied.
Depreciation Rate	The tax depreciation rate applicable to the asset. This rate is derived for life-based assets.
Depreciation Cost	The tax depreciation calculated using the prime cost method.
Depreciation DVM	The tax depreciation calculated using the diminishing value method.
Closing WD Value	The tax depreciated (or written down) value at the end of the selected period range.
Closing Cost - Bal Chgs	The original asset tax acquisition cost adjusted for balancing charges applied.

Australian Assets Revaluation Report

```
                                                          Revaluation Report                                              Date:  13-JUN-01
                                                                                                                          Page:  1
Asset Book :                     AUREVAL
Category :                       ALL
MAS Transaction Number :         2581


Category   Asset          Original Cost                   Previous            Total                             New
           Number            +          Previous         Depreciation        Previous        Cost     Revaluat'n  Depreciationn  Revaluation    New Book        New
Revaluation        Descript'n  Adjusted Cost  Revaluations    Write Back          Value       Revaluation Percent   Write Back      Amount         Value           Value
---------- ----- ----------  --------------  -------------  ---------------  ---------------  ---------------  ---------- --------------  -------------  --------------  --------------
BUILDING-  RV002 Bourke       10,860,000.00  -2,745,254.31     114,745.69     8,000,000.00     800,000.00     10.00     733,333.31   1,533,333.31   8,800,000.00   -1,211,921.00
OFFICE           Street
           RV003 Beach Road    6,787,500.00  -1,718,330.54      69,169.46     5,000,000.00     500,000.00     10.00     291,666.65     791,666.65   5,500,000.00     -926,663.89
           RVOO1 St Kilda      9,502,500.00  -2,405,662.78      96,837.22     7,000,000.00     700,000.00     10.00     408,333.32   1,108,333.32   7,700,000.00   -1,297,329.46
                 Ropad

                                27,150,000.00  -6,869,247.63     280,752.37    20,000,000.00   2,000,000.00             1,433,333.28   3,433,333.28  22,000,000.00   -3,435,914.35

           Profit                                                                                                                     3,433,333.28
           Reserve                                                                                                                           0.00

           Totals              27,150,000.00  -6,869,247.63     280,752.37    20,000,000.00   2,000,000.00             1,433,333.28   3,433,333.28  22,000,000.00   -3,435,914.35
```

The Australian Assets Revaluation report helps you comply with the revaluation requirements of the Australian Accounting Standard AAS10, *Accounting for the Revaluation of Non-current Assets.*

This report enables you to determine the split of the revaluation movement between the reserve account and the profit and loss account, based on previous movements. This allows you to correctly post the transactions in the General Ledger.

Use the Standard Request Submission windows to submit the Australian Assets Revaluation report.

> **See also:** Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Transaction Number
Enter the unique reference number of the revaluation.

Asset Book
Enter the asset book you want to run the report for.

Category
Enter the asset category that you want to run the report for. Leave this field blank if you want all asset categories.

Report Headings

In this heading...	Oracle Assets prints...
<Report Title>	Revaluation Report
Date	The date that the report is run
Page	The page number
Asset Book	The asset book that you requested
Category	The asset category you requested or *ALL* if you left the Class parameter blank
MAS Transaction Number	The unique reference number of the revaluation you requested

Column Headings

In this column...	Oracle Assets prints...
Category	The asset category ID of the asset.
Asset Number	The asset number.
Descript'n	The asset description.
Original Cost + Adjusted Cost	The original cost of the asset plus any cost adjustments, excluding revaluations.
Previous Revaluations	The asset's revaluation reserve before revaluation.
Previous Depreciation Write Back	The asset's depreciation reserve before revaluation.
Total Previous Value	The asset's cost value before revaluation. Total Previous Value equals Original Cost + Adjusted Cost plus Previous Revaluation minus Previous Depreciation Write Back.
Cost Revaluation	The asset's revaluation amount for the current revaluation.
Revaluat'n Percent	The asset's revaluation rate expressed as a percentage.
New Depreciation Write Back	The asset's depreciation reserve after the revaluation.
Revaluation Amount	The revaluation amount charged to the revaluation reserve for this revaluation. Revaluation Amount equals Cost Revaluation plus New Depreciation Write Back. The total for each asset class is then split between the profit and reserve figure. The calculation of the split is based on previous movements of the revaluation reserve as defined in paragraphs 38 and 40 of AAS10.
New Book Value	The asset value after the revaluation.
New Value	The new revaluation reserve, which is Previous Revaluation plus Revaluation Amount.

Australian Revalued Asset Sales Report

```
NL_LOC_ORG                          Revalued Asset Sales Report            Report Date:  12-JUN-2001 20:06
                                                                           Page:                        1
           Asset Book:  AUREVAL
             Category:  ALL
           Start Date:  2000/01/01 00:00:00
          Finish Date:  2000/12/31 00:00:00

Category                      Asset    Description          Sale Date Asset                Total Prev
                              Number                                  Value                Reval
----------------------        -------  -------------------- --------- ----------           ----------
BUILDING-OFFICE                RVOO1 St Kilda Ropad         28-FEB-00 **********            -51,409.50
                                                                      **********            -51,409.50


                                     Revaluation Position at start date              0.00
                                     Asset Sales                               -51,409.50
                                     Adjusted Revaluation Position              51,409.50
                                     Revaluations during the period                  0.00
                                     Revaluation Position at end date           51,409.50

     Totals for
     Sub Category : BUILDING         Revaluation Position for Sub Category at start date   0.00
                                     Asset Sales                              -51,409.50
                                     Adjusted Revaluation Position             51,409.50
                                     Revaluations during the period                0.00
                                     Revaluation Position for Sub Category at end date  51,409.50
```

The Australian Revalued Asset Sales report shows sales of revalued assets over a period of time, as well as the revaluation balance for an asset class or all asset classes.

You can use this report to identify the net revaluation movement life-to-date for an asset class and the net position for the asset being sold at a specific point in time (point of sale of an asset). Adjustments to the revaluation reserve for that asset and its net class movement can then be recorded via journal entries.

Use the Standard Request Submission windows to submit the Australian Revalued Asset Sales report.

> **See also:**   Using Standard Request Submission, *Oracle Applications User Guide*

Report Parameters

Asset Book
Enter the asset book for which you want to run the report.

Category
Enter the asset category for which you want to run the report. Leave this field blank if you want all asset categories.

Start Date
Enter the start date for the asset sales. The start date should be at least the day after the last revaluation for the class. It may be any date since, but should be consecutive over multiple reports to ensure that all sales are reported.

Finish Date
Enter the finish date for the asset sales.

Report Headings

In this heading...	Oracle Assets prints...
<Report Title>	Revalued Asset Sales Report.
Report Date	The date and time that the report is run.
Page	The page number.
Asset Book	The asset book that you requested.
Category	The asset category you requested or *ALL* if you left the Class parameter blank.
Start Date	The start date of the asset sales you entered.
Finish Date	The finish date of the asset sales you entered.
Revaluation Position at Start Date	The total of net revaluation movement for all assets in the class as at the start date of the report.
Asset Sales	The Asset Sales revaluation reserve total value of all assets sold in the class for the date range.
Adjusted Revaluation Position	The adjusted revaluation position. This figure is Revaluation Position at the Start Date minus Asset Sales.
Revaluations During the Period	Any revaluations during the period for the class.
Revaluation Position at End Date	The total of the revaluation reserve for all assets in the class as at the end date. This figure is the sum of the Adjusted Revaluation Position and Revaluations During the Period.

Column Headings

In this column...	Oracle Assets prints...
Category	The asset category ID.
Asset Number	The asset number.
Description	The asset description.
Sale Date	The date the asset was sold.
Asset Value	The asset's value on its sale date.
Total Prev Reval	The total of the net revaluation movements for the asset on the sale date. This figure reflects the total of revaluation movement as at the previous revaluation.

5

Australian Taxation Functionality

This chapter overviews how Oracle Assets features support the Australian tax legislation as it pertains to balancing charges and CGT

Overview of Australian Taxation Functionality

This topical essay gives an overview of the Australian tax legislation pertaining to balancing charges and CGT.

The Oracle Assets Australian taxation functionality gives you a powerful, flexible and easy to use facility for improved control over the allocation of the proceeds of sale. This enhanced functionality will track proceeds through the tax books from the sale of an asset to the application of the surplus against new asset additions and, provides comprehensive reporting on balancing charge allocations and CGT liability. The functionality complies with the Australian tax legislation and accounting conventions.

Basic Business Needs

The Oracle Assets Australian taxation functionality provides you with the features you require to satisfy the following business needs on a monthly, periodic and annual basis:

- You can distribute the balancing charge to accurately account for net proceeds

- The balancing charge is allocated from the "gain" calculated by Oracle Assets according to your depreciation and pro rata conventions at the date of realization

- You can invoke routines to determine which balancing charges have and have not been applied

- Balancing charges may be applied fully against one asset addition or spread over a number of additions

- A history of transactions is available for reconciliation and substantiation

- Complete reporting of all balancing charge transactions is available as standard

- You can maintain a table of CGT Index rates

- You have control over the basis for CGT calculation to give you more accurate reporting of your tax liability

- You can satisfy the Australian Taxation Office substantiation requirements without having to manually track, analyze and investigate each transaction

Major Features

Balancing Charges

With Oracle Assets you can enter proceeds of sale and have the system calculate the gain or loss on the sale automatically. Certain gains on sale can be applied as balancing charges against a new asset.

You can apply a balancing charge to a new asset by selecting the unallocated gains on sale from one or more retired assets. On the application of a balancing charge a cross-reference is established between the retired asset and the new asset.

An audit trail report is available to provide details of all balancing charge allocations. You can print this report on an 'as required' basis to substantiate the balancing charge figures in your tax reports.

The balancing charges applied to new assets acquired in the financial year are shown on a new end of year retirement report.

CGT

Oracle Assets calculates the CGT liability when you retire an asset, taking into account the index rate applicable to the life of the asset.

You can enter a deemed value and date for the asset at the time of retirement and any incidental costs pertaining to that asset.

The CGT report shows the tax liability for all eligible assets retired in the year.

Definitions

Proceeds of Sale

The amount received from the sale of an asset as a gross amount prior to any deductions.

Profit on Sale (Gain)

The amount received from the sale of an asset as a net amount after deducting any amounts for pro rata depreciation, removal expenses and salvage value.

Cost

Asset's purchase or construction cost, customs duty, transportation costs to bring the asset to where it is to be installed, in-transit insurance and installation costs. [Taxation Ruling IT 2197]

Depreciated Value

Cost price less amounts for depreciation allowed or allowable. [Section 62 *Income Tax Assessment Act ("*ITAA*")*]

Consideration Receivable

The amount received from an insurance policy on loss or destruction, or the sale proceeds less expenses of sale upon selling of an asset, or market value at disposal date if a separate value cannot be ascribed to an asset - it was gifted, scrapped and so on. [Section 59(3) ITAA]

Plant or Articles

"Asset" and "depreciable asset" are used in this document to refer to what the ITAA refers to as "plant or articles". Plant or Articles are defined according to case law and are not defined in the ITAA except for specific items "included" in the definition of "plant" in Section 54(2) ITAA.

Allocation of Balancing Charges to New Assets

You can allocate all or a portion of the gain on the sale of an asset to a new asset within the year of purchase of the new asset.

This is achieved using the Balancing Charge window which is invoked for a selected new asset. You can retrieve the unallocated gains from one or more retired assets, select all or a portion of the unallocated amounts and, allocate that amount as a balancing charge against the selected new asset.

You may retrieve the unallocated amounts by asset ID, partial asset ID or by category. The selected assets are presented in the sequence of retirement, with the latest first.

To comply with the Australian tax rules you should allocate the balancing charges successively to:

- Units of property acquired as replacement assets during the year of income
- Other units of property acquired during the year of income

Unallocated amounts for retired assets are available for application as balancing charges up to the end of the financial year, two years after the year of retirement of the asset.

Australian Taxation Reporting

The Tax Retirement report for all assets shows information relating to the gain or loss on retirement by detailing both assessable and non-assessable amounts and unadjusted CGT. This report can be run selectively by category and period.

Balancing Charges

You can view unallocated asset gain amounts by running the Calculated Balancing Charge report. The report can be selected by category and shows all balancing charges calculated, their status and outstanding balances.

You should run the Australian Tax Depreciation Schedule on a regular basis and, as a requirement, at the end of the financial year. This report shows the details of all assets, including those acquired during the financial year, any balancing charges applied and the written down value of the assets at the end of the year. You should run this report after the end of year depreciation run.

The Balancing Charge Allocations report lists the details of balancing charge allocations made during the financial year. This report is printed in the sequence of asset number for all assets to which a balancing charge was allocated in the year and shows details of the amount applied and the retired assets from which it was applied. Totals of the balancing charges applied and of the effect on the financial year tax book for the current and previous years are provided.

The Taxation Retirement report for depreciable assets shows details of all assets retired in the defined period. For each asset, the report shows the amount of calculated balancing charge applied against replacement assets and the amount unapplied and, thus, assessable as income.

CGT

All asset retirements in a defined period can be listed on the Capital Gains Tax report which is designed to show the capital gains and capital losses which have accrued during a tax year. The report shows both CGT affected and non-CGT affected assets.

Relevant Australian Tax Legislation

The following text is designed to

- Concisely summarize Australian taxation legislation (ITAA) as it applies to the calculation and application of taxation balancing charges and in the calculation and application of the capital gains provisions of the Act

- Present examples which illustrate the operation of balancing charges and capital gains and which show the impact on the calculation of depreciation, gains and losses

Scope

This document is limited to specifying the required functionality in respect of the application of the balancing charge provisions of the Act [Section 59 ITAA] and the application of the capital gains provisions of the Act [Part IIIA ITAA]. This functionality assumes that this legislation applies only to "tax books" in Oracle assets and to a company which uses its assets completely for business use. Therefore, no personal use assets or assets which have a private use component are assumed to exist and are considered to be beyond the scope of this functional requirement.

The scope of this functional requirement also excludes:

- The operation of other sections of the Act such as Section 25 (General Income Provisions), Section 26AAA (Capital Profit on Sale of Property), Section 26AAB (Profit on Sale of Leased Vehicle), Section 57AF (Luxury Motor Vehicle Depreciation Cost Limit) and special depreciation and write-off provisions relating to primary producers and mining/exploration companies.

- Functionality providing for the carry forward of capital losses and the application of balancing charges against the tax depreciated values of existing assets. Not carrying forward capital losses recognizes that the CGT calculations may be subject to manual re-calculation and that the scope of CGT goes beyond the fixed asset register. Not providing for the application of balancing charges against existing assets recognizes that this functionality is rarely, if ever, used.

- Tax effect accounting issues arising from the calculation and application of balancing charges and capital gains or losses.

- Implications resulting from other non-taxation related fixed asset issues are also beyond the scope of this functional requirement.

- Mass additions in Oracle Assets. Mass additions operate by updating one set of books only (the "corporate" book). The "corporate" book which has been updated should then be copied to other sets of books as required, such as to a taxation book.

These assumptions help to simplify the application of this legislation in Oracle Assets and, therefore, help to keep Oracle Assets efficient, easy to use and to maintain.

Review of the Relevant Taxation Legislation

The taxation legislation pertaining to the calculation and application of balancing charges is summarized diagrammatically below.
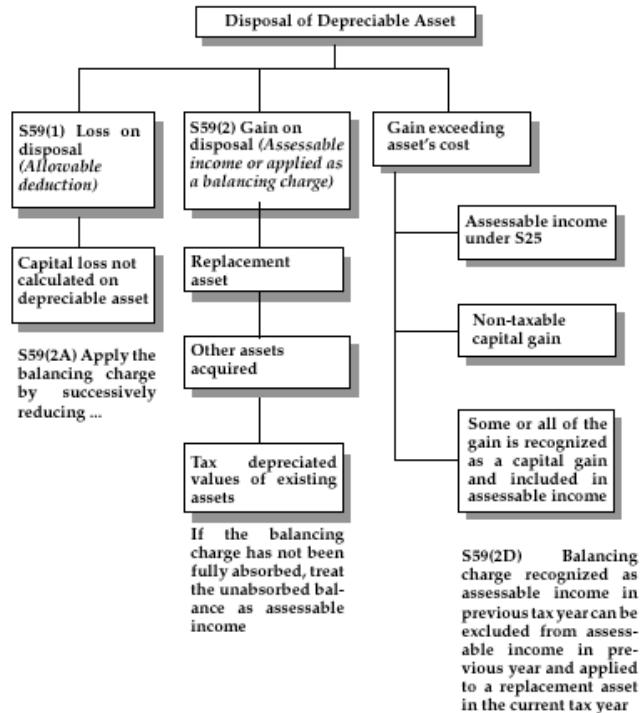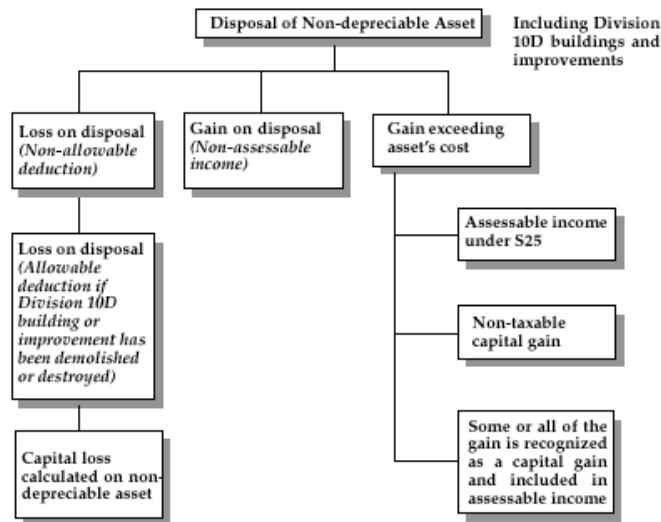
The major features in the operation of the CGT taxation provisions are summarized diagrammatically below.
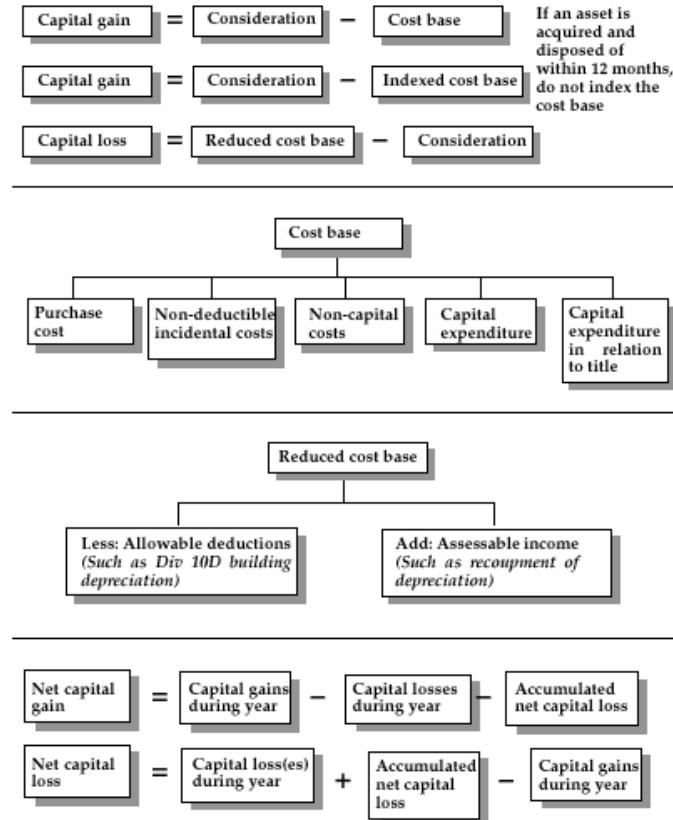
Balancing Charge

A deduction is available for depreciation on property which qualifies as "plant or articles" and which is used or installed ready for use during the income year for the purpose of producing assessable income. [Section 54(1) ITAA]

When an item of plant or articles (depreciable asset) is disposed of during an income year, its disposal may give rise to a balancing adjustment in that year in respect of depreciation [Section 59 ITAA]. The balancing adjustment may be:

- An allowable deduction (loss on disposal) in the year of income
- Included in assessable income (gain on disposal) in the year of income

No balancing adjustment may arise if the consideration receivable is equal to the asset's depreciated or written down value.

Balancing Adjustment Giving Rise to an Allowable Deduction (Loss on Disposal)

"Where any property of a tax-payer, in respect of which depreciation has been allowed or is allowable ... , is disposed of, lost or destroyed at any time in the year of income, the depreciated value of the property at that time, less the amount of any consideration receivable in respect of the disposal, loss or destruction, shall be an allowable deduction." [Section 59(1) ITAA]

That is, the depreciated value is ascertained and is compared with the amount of consideration receivable on disposal. If the depreciated value exceeds the amount of such consideration so that effectively insufficient depreciation has been allowed, a further deduction of the excess of the depreciated value over the consideration receivable is allowable. It is akin to claiming additional depreciation in the year of the disposal.

Example 1

A loss on disposal of a depreciable asset.

- Plant and equipment

- Depreciated using the prime cost method at 10% per annum

- Purchased 01/07/90

- Cost $20,000

- Disposed 30/06/93

- Selling price $12,000

- Accumulated depreciation $6,000 ($2,000 pa x 3 years)

- Written down value $14,000

Cost	$20,000
Accumulated depreciation	($6,000)
Depreciated value	$14,000
Selling price	$12,000
Allowable deduction	($2,000)

Balancing Adjustment Giving Rise to Assessable Income (Gain on Disposal)

"If that consideration exceeds the depreciated value, the excess, to the extent of the sum of the amounts allowed and allowable in assessments for income tax ... in respect of depreciation, shall, subject to the succeeding provisions of this section, be included in ..."the company's"... assessable income of that year." [Section 59(2) ITAA]

That is, if the consideration receivable exceeds the depreciated value so that an excessive amount of depreciation has been allowed, such excess (the "balancing charge") is assessable to the extent of the total amounts of depreciation allowed or allowable in the assessments. It is seen as a recoupment of depreciation previously claimed.

If the consideration receivable exceeds the original cost, the excess profit is not assessable as a balancing charge. The excess may be assessable as income under Section 25 ITAA (that is, a sale in the ordinary course of business or in a profit making scheme), or under part IIIA of the ITAA (CGT provisions) as a capital gain. Generally, a capital gain arises if:

■   The asset is disposed after 19 September 1985 and the consideration receivable exceeds the indexed cost base of the asset or,

■   The asset was disposed within 12 months of its acquisition, and the consideration receivable exceeds the unindexed cost base of the asset. [Sections 160ZA(4), S160ZK ITAA]

Example 2

A gain on disposal of a depreciable asset.

- Plant and equipment

- Depreciated using the prime cost method at 10% per annum

- Purchased 01/07/90

- Cost $20,000

- Disposed 30/06/93

- Selling price $18,000

- Accumulated depreciation $6,000 (three years)

- Written down value $14,000

Cost	$20,000
Accumulated depreciation	($6,000)
Depreciated value	$14,000
Selling price	$18,000
Assessable income	($4,000)

Example 3

A gain in excess of cost on disposal of a depreciable asset.

- Plant and equipment
- Depreciated using the prime cost method at 10% per annum
- Purchased 01/07/90
- Cost $20,000
- Disposed 30/06/93
- Selling price $23,000
- Accumulated depreciation $6,000 (three years)
- Written down value $14,000

Cost	$20,000
Accumulated depreciation	($6,000)
Depreciated value	$14,000
Selling price	$23,000
Gain on disposal	$9,000
Assessable income	$6,000
Gain in excess of cost	$3,000
Gain on disposal	$9,000

The gain on disposal is composed of two parts:

- Assessable income of $6,000 represents the recoupment of depreciation claimed to date. That is, the difference between the asset's original cost and its written down value. This amount is included in assessable income as per the previous example.

- A gain of $3,000 which is the difference between the asset's original cost and its selling price. This gain is not necessarily included in assessable income. The operation of the general income provisions of the ITAA and the CGT provisions will determine whether some, all or none of this gain is included in assessable income.

Alternative Treatment of the Balancing Charge (Balancing Adjustment Giving Rise to Assessable Income)

The balancing charge legislation only applies to assessable gains calculated under Section 59(2) ITAA. It does not apply to deductible losses calculated on the disposal of depreciable assets under Section 59(1) ITAA.

Section 59(2A) ITAA permits a tax-payer, in lieu of including the balancing charge in assessable income as per Section 59(2) ITAA, to successively reduce

- The cost of any unit of property acquired by the tax-payer during the income year to replace a unit of property disposed, lost or destroyed

- The cost of any other unit of property acquired by the tax-payer during the year of income

- The depreciated values, at the beginning of the year of income, of other units of property by such amounts as do not exceed, in the aggregate, the balancing charge

If the balancing charge is not fully absorbed in this manner the excess remaining is to be included in the tax-payer's assessable income of the year of income. [Section 59(2C) ITAA]

> **Attention:** Where the balancing charge or part thereof is to be applied against the depreciated values at the beginning of the income year of other units of property, there is no statutory direction as to which assets the balancing charge should be applied.

If an asset is not replaced in the year of its disposal, loss or destruction but it is replaced before the end of the third year (assuming that a request to apply the balancing charge was not made in the disposal year), then the amount included in assessable income in the previous years could be excluded from income in that year and, applied as a balancing charge against a replacement asset purchased in the second or third year". [Section 59(2D) ITAA]

Where a balancing charge has been applied pursuant to Sections 59(2A) or 59(2D) ITAA, the balancing charge is deemed to be depreciation which has been allowed against that asset; that is, for the purposes of future deductions for depreciation and for any balancing adjustment on the disposal, loss or destruction of the asset. [Section 59(2E) ITAA]

The following examples illustrate the application of balancing charge.

Example 4

A balancing charge applied to a replacement asset.

- Asset disposed on the 30/06/93

- Replacement asset acquired on the 31/12/93 for $20,000

- Asset depreciated using the prime cost method at 10% per annum

- Balancing charge applied per S59(2) $1,000

- Adjusted cost for purposes of calculating depreciation $19,000

- Depreciation for 6 months to 30/06/94 ($19,000 x 10% for six months) $950

- Written down value $18,050

Cost	$20,000
Balancing charge	($1,000)
Adjusted cost for depreciation	$19,000
Accumulated depreciation	($950)
Depreciated value	$18,050

Example 5

A balancing charge applied to existing assets where no replacement assets or other asset additions have been made.

- Asset disposed 30/06/93
- Existing asset depreciated using the prime cost method at 10% per annum
- Depreciated value of existing plant and equipment as at 30/06/93 was $20,000
- Balancing charge previously applied to existing asset per S59(2) $1,000
- Adjusted cost of existing asset for purposes of calculating depreciation $19,000
- Depreciation calculated for the year ended 30/06/94, $1,900 (one year)
- Depreciated or written down value $17,100

Depreciated value	$20,000
Balancing charge	($1,000)
Adjusted cost for depreciation	$19,000
Accumulated depreciation	($1,900)
Depreciated value	$17,100

Example 6

A balancing charge applied against an asset partially replacing the disposed asset and the balance to existing assets.

- Asset depreciated using the prime cost method at 10% per annum

- Asset destroyed on the 30/06/93

- Amount recovered from insurance was $8,000

- Partial replacement asset acquired on the 31/12/93 for $6,000

- Depreciated value of existing plant and equipment as at 30/06/93 was $20,000

The amount of depreciation for 30/06/94 would be calculated as follows:

	Replacement	Other Assets
Cost	$6,000	
Depreciated value		$20,000
Balancing charge	($6,000)	($2,000)
Adjusted cost for depreciation	---	$18,000
Depreciation to 30/06/94	---	($1,800)
Depreciated value	---	$16,200

Example 7

A disposal of a depreciable asset which has had a balancing charge applied to it.

- Plant and equipment

- Depreciated using the prime cost method at 10% per annum

- Purchased 01/07/90 as a replacement asset

- Cost $20,000

- Disposed 30/06/93

- Selling price $23,000

- Balancing charge previously applied per S59(2) $1,000

- Adjusted cost for purposes of calculating depreciation $19,000

- Accumulated depreciation $5,700 (three years)

- Written down value $13,300

Cost	$20,000
Balancing charge	($1,000)
Adjusted cost for depreciation	$19,000
Accumulated depreciation	($5,700)
Depreciated value	$13,300
Selling price	$23,000
Gain on disposal	$9,700
Assessable income	$6,700
Gain in excess of cost	$3,000
Gain on disposal	$9,700

The $1,000 balancing charge previously applied has been effectively included in the calculation of assessable income. Its effect on the calculation is as if the balancing charge was previously charged as depreciation (that is, accumulated depreciation). The effect is to make the assessable gain bigger at $6,700 with the balancing charge, instead of $6,000 if the balancing charge had not been applied [Section 59(2E) ITAA]

Example 8

A disposal of a depreciable asset which has had a balancing charge applied to it.

- Plant and equipment
- Depreciated using the prime cost method at 10% per annum
- Purchased 01/07/90 as a replacement asset
- Cost $20,000
- Disposed 30/06/93
- Selling price $12,000
- Balancing charge previously applied per S59(2) $1,000
- Adjusted cost for purposes of calculating depreciation $19,000
- Accumulated depreciation $5,700 (three years)
- Written down value $13,300

Cost	$20,000
Balancing charge	($1,000)
Adjusted cost for depreciation	$19,000
Accumulated depreciation	($5,700)
Depreciated value	$13,300
Selling price	$12,000
Allowable deduction	$1,300

The $1,000 balancing charge previously applied has been effectively included in the calculation of assessable income. Its effect on the calculation is as if the balancing charge was previously charged as depreciation (that is, accumulated depreciation). The effect is to make the allowable deduction smaller at $1,300 with the balancing charge, instead of $2,000 if the balancing charge had not been applied. [Section 59(2E) ITAA]

Balancing Charge For Buildings

Sections 124ZF to 124ZL (Division 10D Part III) ITAA permit a "depreciation-like" deduction or capital allowance for new buildings and improvements where the buildings are used for the purpose of producing assessable income or are used in research and development.

The deduction is not depreciation, and its operation is specified in another part of the Act. Therefore

- This capital allowance cannot be applied as a balancing charge.

- Assessable or deductible balancing adjustments cannot arise. Such adjustments would be of a non-assessable or of a non-deductible nature.

One exception to the above is that a deductible adjustment on buildings may arise if the asset has been demolished or destroyed prior to the disposal of the land under Section 124 ZK ITAA. The amount of the deduction is equal to the building's written down value, less the proceeds from insurance or salvage.

CGT

Provisions of Part IIIA ITAA (that is, the CGT provisions) provide for the inclusion in the assessable income of a tax-payer of any "net capital gain" which accrues to the tax-payer during the year. The capital gains and losses are deducted from any capital losses incurred during the year and with any net capital loss incurred in the immediately preceding year. Capital losses are not deductible, but are carried forward indefinitely until recouped by capital gains. [Section 160ZO(1) ITAA]

Calculating Capital Gains or Losses

In order to calculate a capital gain or loss:

- There must have been a disposal or deemed disposal of an asset [Section 160T ITAA]

- The asset must have been acquired or deemed to have been acquired on or after 20/09/85

- The asset's disposal must have occurred on or after 20/09/85

- The cost base, indexed cost base or the reduced cost base of the asset is used in the calculation [Section 160ZH ITAA]

The calculation of a capital gain or loss can be defined as follows:

- Capital Gain = Consideration – Cost Base or Indexed Cost Base

- Capital Loss = Reduced Cost Base – Consideration

The capital gain calculation uses the asset's indexed cost base if the asset is disposed 12 months or more after its acquisition. The capital gain calculation uses the asset's cost base if the asset is disposed of within 12 months of its acquisition. [Section 160Z(3) ITAA]

The *cost base* of an asset comprises not only the cost of the acquisition of the asset, the incidental costs of acquisition and disposal but also capital expenditure. The capital expenditure enhances the value of the asset and is reflected in the state of the asset at the time of its disposal, or is incurred in establishing, preserving or defending the tax-payer's title to, or right over the asset.

Specifically, the *cost base* of an asset is composed of a number of components. [Section 160ZH(1)) ITAA]

1. Purchase price of asset.

2. Incidental costs of the asset's acquisition and disposal. Incidental costs which have been or are allowable as a deduction are excluded.

3. Non-capital costs in respect of an asset (not being a personal use asset) acquired on or after 21/8/91.

4. Capital expenditure to enhance the asset's value.

5. Capital expenditure in establishing, preserving or defending the tax-payers title to or right over the asset.

The *indexed cost base* of the asset is each of the items 1,2,4 and 5 above, indexed as per Section 160ZJ ITAA plus item 3 above. (That is, item 3 is not indexed as part of the cost base). [Section 160ZH(2) ITAA]

Example 9

Indexing an asset's cost base.

- Asset is acquired on 20/09/85 for $10,000

- Asset is disposed on 25/09/91 for $22,000

The asset's cost base is indexed my multiplying it by the "indexation factor."

The "indexation factor" is:

> **Index number for the quarter of the year in which the asset was disposed**
>
> ---
>
> **Index number for the quarter of the year in which the liability to pay for the asset or the expenditure for the asset arose**

The indexed cost base of the asset would be:

$10,000 x indexation factor of (215.7/144.2) = $14,958

Asset's selling price	$22,000
Asset's indexed cost base	$14,958
Capital gain	$7,042

The *reduced cost base* of an asset is the sum of the "reduced amount" of each amount which falls in categories 1,2,4 and 5 of the asset's cost base (above). Items in category 3 are not taken into account in calculating the reduced cost base of the asset. [Section 160ZH(3) ITAA]

The *reduced amount* of any consideration, incidental costs or expenditure in relation to an asset is the aggregate of the following two amounts [Section 160ZK ITAA]:

- **Less:** The amount of the consideration and so on, reduced by any part that is allowed or is allowable (or would but for Section 61 ITAA be allowable) as a deduction in any year of income.

- **Add:** So much of any amount assessable as income resulting from recouped depreciation upon disposal of an asset. This includes the balancing charge applied to reduce the cost or depreciated value of a replacement asset or any other asset.

> **Attention:** A deemed value and a deemed date of acquisition may apply as a result of the operation of the CGT provisions. For example, Section 160ZZS ITAA, when a change in company ownership triggers a deemed sale of assets.

Example 10

Calculating the reduced cost base of an asset.

- Land purchased 15/07/86 for $400,000
- Building erected for $1,000,000
- Land and building sold for $1,200,000 after three years at a loss
- Capital allowance deductions over the three years [Section 124ZF to 124ZL ITAA] $120,000

Reduced cost base of land		$400,000
Reduced cost base of building		
▪ cost of building	$1,000,000	
▪ less Section 124ZF to ZK deductions	$120,000	$880,000
Reduced cost base of asset		$1,280,000

The capital loss incurred is $1,280,000 – $1,200,000 = $80,000.

Example 11

Calculating the reduced cost base of an asset.

- Plant and equipment

- Depreciated using the prime cost method at 10% per annum

- Purchased 01/07/90

- Cost $20,000

- Disposed 30/06/93

- Selling price $18,000

- Accumulated depreciation $6,000 (three years)

- Written down value $14,000

Cost	$20,000
Accumulated depreciation	($6,000)
Depreciated value	$14,000
Selling price	$18,000
Assessable income	$4,000

The reduced cost base of the asset is:

Cost	$20,000
Depreciation allowed	$6,000
	$14,000
Add: assessable income	$4,000
Reduced cost base	$18,000

Example 12

Calculating the reduced cost base of an asset.

- Plant and equipment

- Depreciated using the prime cost method at 10% per annum

- Purchased 01/07/90

- Cost $20,000

- Disposed 30/06/93

- Selling price $12,000

- Accumulated depreciation $6,000 (three years)

- Written down value $14,000

Cost	$20,000
Accumulated depreciation	($6,000)
Depreciated value	$14,000
Selling price	$12,000
Allowable deduction	$2,000

The reduced cost base of the asset is:

Cost	$20,000
Depreciation allowed	$6,000
	$14,000
Less: assessable income	$2,000
Reduced cost base	$12,000

In examples 11 and 12 the reduced cost base is equal to the consideration in respect of the disposal. As a result, neither a capital gain nor loss arises. These examples show that a depreciable asset cannot have a capital loss.

Land, Buildings and Improvements

Buildings and improvements can be deemed to be separate assets. Normally whatever is affixed or attached to the land forms part of the land. The exceptions to this are [Section 160P ITAA]:

■ Buildings constructed on land acquired pre-CGT are treated as separate assets to the land

■ "Material" improvements to an asset acquired pre-CGT

6

Australian Revaluation Requirements

This chapter overviews how the Asset Revaluation report and the Revalued Asset Sales report in Oracle Assets help you meet Australian legal requirements.

Australian Revaluation Requirements

This topical essay describes the two reports added to revaluation processing in Oracle Fixed Assets: the Asset Revaluation report and the Revalued Asset Sales report.

These reports will help Victorian government agencies comply with the revaluation requirements of the Australian Accounting Standard AAS10, *Accounting for the Revaluation of Non-current Assets.* Compliance with this standard will also provide for compliance with the revaluation requirements of the international accounting standard IAS16, *Accounting for Property, Plant and Equipment.*

These reports address compliance with two aspects of the accounting standard. The first aspect regards posting net revaluation movements within each asset class to either the Asset Revaluation Reserve or the Profit and Loss Statement, depending on the previous net movements and postings for that asset class. This requirement is defined in paragraphs 38 and 40 of the AAS10. The Oracle Fixed Assets revaluation process posts the net movement to one account. The revaluation report provides you with the split of the revaluation movement between the Reserve and the Profit and Loss Statement, enabling you to post adjusting journals to reflect the movement in compliance with AAS10.

The second aspect addressed by these reports is the treatment of the revalued assets on sale. AAS10 requires that the profit/loss on sale be based on the written down value of the asset and is silent on the required treatment for the revaluation reserve. The Victorian government states in its Accrual Accounting Manual, Chapter 8, Section 8.7, *Disposals of Revalued Assets:* "When revalued assets are sold, the revaluation reserve is reduced by the amounts held in reserve with respect to those assets. The revaluation increment with respect to assets that have been sold is transferred to Accumulated Surplus."

Basic Business Needs

The Oracle Assets Australian Revaluation reports provide you with the features you need to comply with paragraphs 38, 40, and 50 of AAS10. You can:

- Post adjusting journals to the ledger to reflect the net revaluation movements within each asset class to either the Asset Revaluation Reserve or the Profit and Loss Statement in compliance with AAS10.

- Identify at a point in time (point of sale of an asset) the net revaluation movement life-to-date for a class of assets and the net position for the asset being sold.

- Post adjustments to the revaluation reserve for an asset and its net class movement.

Overview of Current Revaluation Functionality

Oracle controls each revaluation and its associated parameters through default revaluation rules that you set up for each asset book. When you save a revaluation, Oracle Assets assigns it a mass transaction number, which can be used to control the processing of revaluation and to review the results of previous revaluations.

The current standard reporting is based on each revaluation. The standard application does not report life-to-date revaluation movements for an asset or asset class. The standard revaluation reports are the Mass Revaluation Preview report and the Mass Revaluation Review report (refer to the *Oracle Assets User Guide*).

For additional information about the standard functionality see:

- Asset Management in a Highly Inflationary Economy (Revaluation) in the *Oracle Assets User Guide*. This essay summarizes the revaluation functionality and discusses the use of revaluation functions and the choices available in the selection of parameters to structure each revaluation.

- Revaluing Assets in the *Oracle Assets User Guide*. This section describes the Mass Revaluation window and discusses how to use it.

Parameters Required to Comply with AAS10

To comply with the revaluation requirements of AAS10, Oracle suggests that you set the following asset book and revaluation parameters within Fixed Assets.

Asset Book Parameters

Set the following parameters to the suggested values to facilitate compliance with AAS10.

- The Asset Book must be set up to allow revaluations.

- Revalue Depreciation Reserve should be set to *No*.

- Amortize Revaluation Reserve should be set to *No*.

- Retire Revaluation Reserve should be set to *No*.

- Rules for revaluing fully depreciated (reserved) assets also need to be set at this level but can be overridden for each revaluation and for each individual asset in the revaluation.

Revaluation Parameters

You can override the rules for revaluing fully depreciated assets when you set up a particular revaluation.

When you set the percentage revaluation movement for an asset class or individual asset, the percentage should be based on the asset cost and the adjustment needed to move the asset cost to the new revalued amount.

Generation of the Revaluation Report

The Revaluation report is a cumulative listing of all revaluations of the assets in the specified book or class up to the current revaluation. The current revaluation is reported separately. Only previous revaluations that have been completed are included in the report. The separation of previous and current is required in order to determine the accounting treatment for the current revaluation.

The report is sorted by asset class and lists all assets in the class that were previously revalued or are being revalued in the current revaluation. Disposed assets are not included.

Generation of the Revalued Asset Sales Report

The Revalued Asset Sales report shows sales of revalued assets over a period of time and the revaluation balance for a single asset class or all asset classes.

The report lists all assets sold within the specified date range. It also provides a net revaluation position for the asset class at the start and end date of the period. This report facilitates the creation of manual journals in General Ledger to reflect the movement in the revaluation reserve due to the sale of assets.

A

Standard Navigation Paths

This appendix describes how to navigate to each window in Oracle Financials for Australia.

Standard Navigation Paths

Although your system administrator may have customized your navigator, typical navigation paths include the following:

Window Name	Navigation Path
Asset Details	Australian Assets: Australian Localizations > Asset Details
Australian Automatic Accounting	Australian Purchasing: Australian Localizations > AutoAccounting
Australian Subinventory and Location Associations	Australian Inventory: Australian Localizations > Subinventory Associations
Balancing Charge	Australian Assets: Australian Localizations > Allocate Balancing Charges
Enable Balancing Charges	Australian Assets: Australian Localizations > Enable Balancing Charges
Mass Allocate Balancing Charges	Australian Assets: Australian Localizations > Import Balancing Charges

B

Profile Options

This appendix lists the profile options that affect the operation of the Oracle Financials for Australia. This appendix includes a brief description of each profile option that you or your system administrator can set at the site, application, responsibility, or user levels.

Profile Options

During implementation, your system administrator sets a value for each user profile option to specify how Oracle Applications controls access to and processes data.

> **See also:** Overview of Setting User Profiles, *Oracle Applications System Administrator's Guide*

Profile Options Summary

This table indicates whether you can view or update profile options and at which System Administrator levels the profile options can be updated: at the user, responsibility, application, or site levels.

A *Required* profile option requires you to provide a value. An *Optional* profile option already provides a default value which you can change.

	User	System Administrator				Requirements	
Profile Options	**User**	**User**	**Resp**	**App**	**Site**	**Value Required?**	**Default Value Provided?**
JA: Australian Auto Accounting	-	Y	Y	Y	Y	Required	No Default
JA: Australian Materials Management	-	Y	Y	Y	Y	Required	No Default
JA: Australian Balancing Charges	-	Y	Y	Y	Y	Required	No Default
JA: Australian Withholding Tax	-	Y	Y	Y	Y	Required	No Default
	Y	**You can update the profile option**					
	-	**You can view the profile option but cannot change it**					
Key	**0**	**You cannot view or change the profile option value**					

Profile Options in Oracle Financials for Australia

This section lists the profile options in Oracle Financials for Australia that are referenced in this user guide.

JA: Australian Auto Accounting

Use the JA: Australian Auto Accounting profile option to enable auto accounting functionality to generate account numbers for internal requisitions in Oracle Purchasing for Australia.

JA: Australian Materials Management

Use the JA: Australian Materials Management profile option to create requisition types in Oracle Purchasing for Australia.

JA: Australian Balancing Charges

Use the JA: Australian Balancing Charges profile option to enable balancing charges functionality in Oracle Assets for Australia.

JA: Australian Withholding Tax

Use the JA: Australian Withholding Tax profile option to determine withholding tax on supplier invoices in Oracle Payables for Australia.

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