Oracle® Financials Common Country Features

User Guide

Release 11*i*

May, 2000

Part No. A81238-01

ORACLE®

Oracle Financials Common Country Features User Guide, Release 11*i*

Part No. A81238-01

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If you have problems with the software, please contact your local Oracle Support Services.

Preface

Welcome to Release 11*i* of the *Oracle® Financials Common Country Features User Guide*.

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

- Overview and reference information
- Specific tasks that you can accomplish with Oracle Financials Common Country Features
- How to use Oracle Financials Common Country Features windows
- Oracle Financials Common Country Features programs, reports, and listings
- Oracle Financials Common Country Features 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 Common Country Features.

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 General Ledger, including inflation adjustment for Latin America, General Ledger Entry Reconciliation for Oracle Financials for Europe, and special features in Oracle General Ledger for regional requirements.
- Chapter 2 describes Oracle Payables, including Subledger to General Ledger Audit reports for Oracle Financials for Europe and the Payables Credit Balance report.
- Chapter 3 describes Oracle Receivables, including the Regional Receivables Copy and Void Invoices process, Interest Invoice, Contra Charging, the Latin Tax Engine, the Customer Interface program, the Regional Invoice Format, and the Receipt Acknowledgment Letter.
- Chapter 4 describes Oracle Assets, including inflation adjustment and statutory reports.
- Chapter 5 describes how to use additional company information in Oracle Financials for Latin America.
- Appendix A describes how to navigate to each window in Oracle Financials for Europe and Latin America.
- Appendix B describes how to use globalization flexfields.
- Appendix C describes the profile options that you must set for Oracle Financials Common Country Features.
- Appendix D describes how to navigate to character mode forms and GUI windows.
- A Glossary provides definitions of terms specific to Oracle Financials Common Country Features that are used in this guide.

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 Common Country Features.

  If you have never used Oracle Financials Common Country Features, 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 Common Country Features.

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 Common Country Features.

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 Common Country Features (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 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 Common Country Features. The manual details additional steps and setup considerations for implementing Oracle Financials Common Country Features 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 Common Country Features 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 Common Country Features 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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Or send electronic mail to globedoc@us.oracle.com.

1

Oracle General Ledger

This chapter describes:

- Oracle General Ledger for Latin America, including inflation adjustment
- General Ledger Entry Reconciliation for Oracle Financials for Europe
- Special features in Oracle General Ledger for regional requirements

Inflation Adjustment Overview

Inflation is a general rise in the price of goods and services in an area over a certain time period. Rapid inflation can distort the amounts maintained in accounting records. In some countries, companies must prepare their financial reports to stockholders and government authorities in constant units of money, amounts that are not affected by inflation. The balances that have been distorted must be adjusted by applying indexes that measure the pace of inflation. The Consumer Price Index (CPI) is the most common approximate measure of inflation that compares the average price for different goods and services and the price increases for these goods and services over time.

Account balances that consist only of original journal entry line amounts and that have not been adjusted for inflation are called historical balances. Balances that have been adjusted for inflation and that consist of both original and inflation adjustment journal entry line amounts are called inflation-adjusted balances.

In some countries, such as Argentina, companies are legally required to report both historical balances and inflation-adjusted balances for non-monetary accounts, such as fixed assets and most expense and revenue accounts. In other countries, such as Chile, companies are only required to report inflation-adjusted balances for non-monetary accounts.

The inflation adjustment feature in General Ledger provides two different options to meet the inflation adjustment reporting requirements in Latin America:

- **Historical/adjusted option** – lets you maintain and report on both historical balances and inflation-adjusted balances by using two different sets of books. For more information, see Maintaining Both Historical and Inflation-Adjusted Balances on page 1-4.
- **Adjusted-only option** – lets you maintain and report on simply the inflation-adjusted balances by using one main set of books. For more information, see Maintaining Only Inflation-Adjusted Balances on page 1-6.

When you set up inflation adjustment, choose the option that satisfies your country's requirements. For more information, see your country-specific user guide.

Note: If you use the Multiple Reporting Currencies (MRC) feature, you should choose the historical / adjusted option in General Ledger and use the historical set of books as your MRC primary set of books. You must use a historical set of books as your MRC primary set of books to avoid including inflation adjustment amounts when MRC converts your transactions into another currency.

See also: Inflation Adjustment Overview, *Oracle Financials for Argentina User Guide*

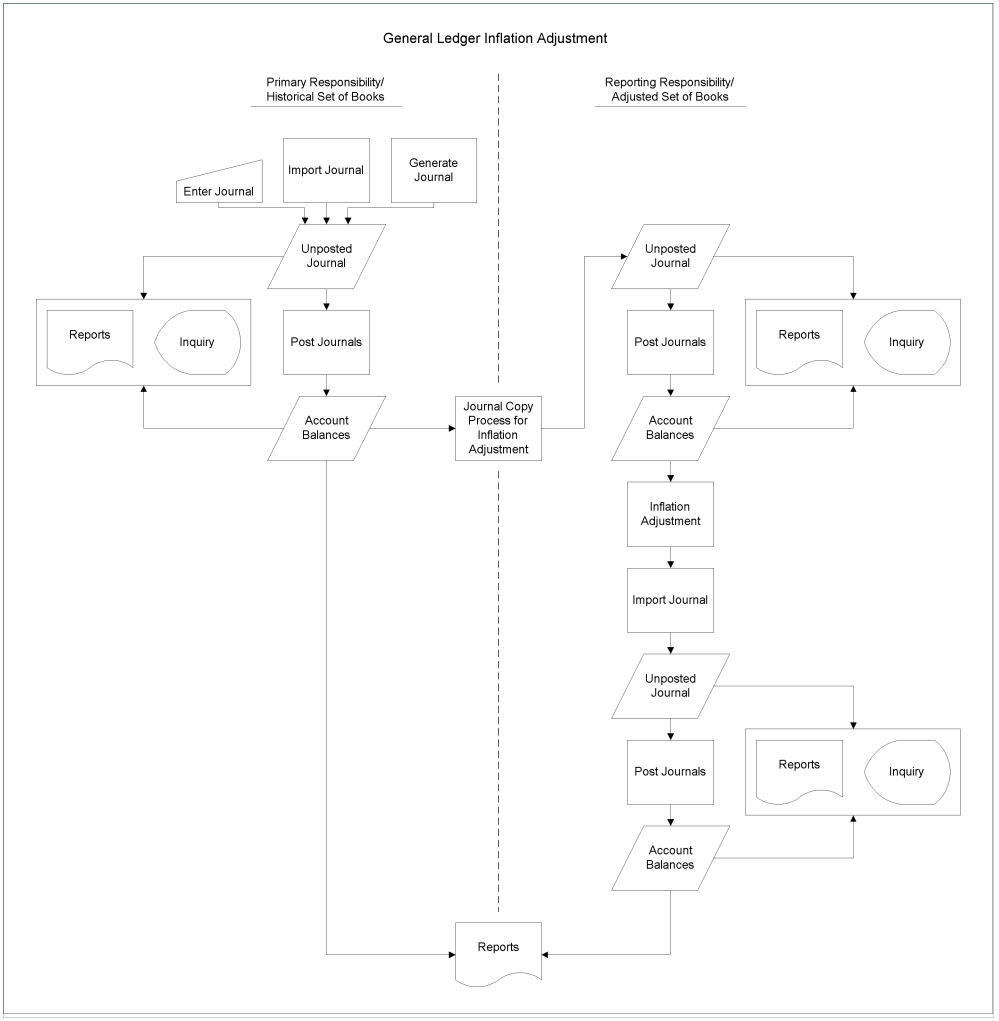
See also: Inflation Adjustment Overview, *Oracle Financials for Chile User Guide*

Basic Business Needs

Oracle General Ledger for Latin America provides you with features to satisfy these basic business needs. You can:

- Adjust your non-monetary account balances to reflect inflation during a specific time period.
- Define different price indexes by entering price index values and the periods that these values apply to.
- Choose which accounts to adjust by entering the accounting flexfield ranges that contain these accounts.
- Choose which Result of Exposure to Inflation (R.E.I.) accounts, also referred to as inflation adjustment gain / loss accounts, to charge with the adjustment amount for each inflation adjustment.
- Assign transactions to a date, called the inflation adjustment date, that is prior to the recording date.
- Create an inflation adjustment journal entry that reflects gain or loss due to inflation for each corrected account.
- Issue standard and Financial Statement Generator (FSG) reports for historical and adjusted balances.

Maintaining Both Historical and Inflation-Adjusted Balances



If you need to maintain both historical and inflation-adjusted balances, choose the historical/adjusted option in General Ledger. With the historical/adjusted option, you use two different sets of books to keep the historical balances separate from the inflation-adjusted balances.

To adjust General Ledger accounts for inflation with the historical/adjusted option:

1. Enter, generate, or import unposted journal entries in the historical set of books.
2. Post the journal entries in the historical set of books. The posting process updates the account balances in both the transaction currency and the functional currency, if the transaction currency is not the same as the functional currency.
3. Submit the Latin American General Ledger Journal Copy process from the historical set of books to copy the posted journal entries for the period to the adjusted set of books and import the copied journal entries into the adjusted set of books.
4. Post the imported journal entries in the adjusted set of books. The posting process updates the account balances in both the transaction currency and the functional currency, if the transaction currency is not the same as the functional currency.
5. Perform the inflation adjustment process.
6. Run the Journal Import process, either automatically or manually, to import the inflation adjustment journals into the adjusted set of books.
7. Post the imported journals in the adjusted set of books. The posting process updates the account balances in both the transaction currency and the functional currency, if the transaction currency is not the same as the functional currency.
8. Run standard or Financial Statement Generator (FSG) reports that list balances from your historical and adjusted set of books.

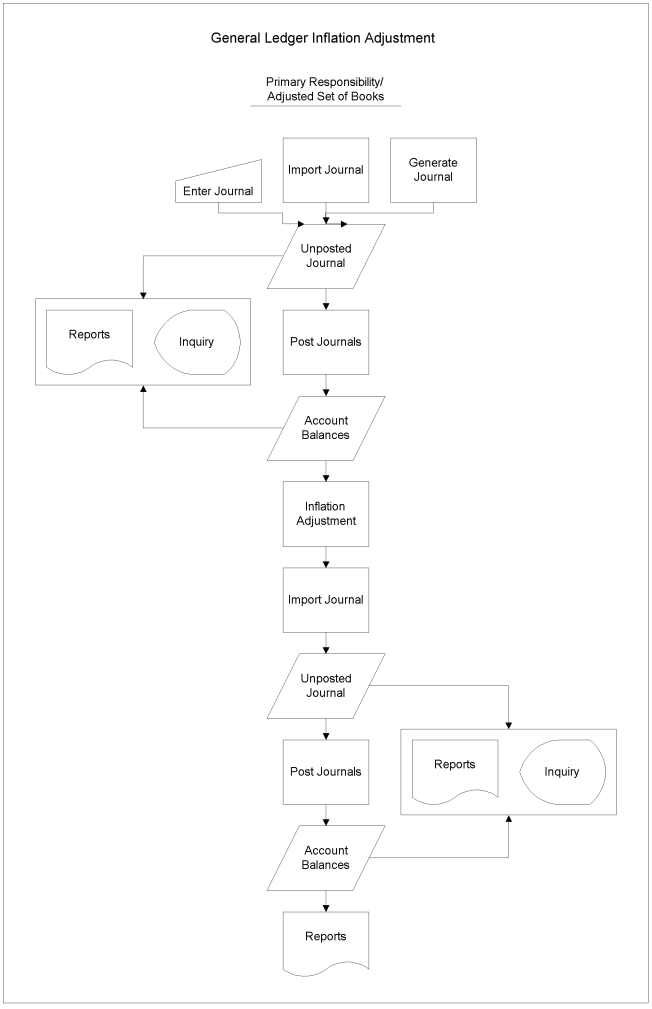
See also: Entering Journals, *Oracle General Ledger User Guide*

See also: Importing Journals, *Oracle General Ledger User Guide*

See also: Posting Journal Batches, *Oracle General Ledger User Guide*

See also: Overview of the Financial Statement Generator, *Oracle General Ledger User Guide*

Maintaining Only Inflation-Adjusted Balances



If you do not need to maintain historical balances, choose the adjusted-only option in General Ledger. With the adjusted-only option, you keep the inflation-adjusted balances in one main set of books.

To adjust General Ledger accounts for inflation with the adjusted-only option:

1. Enter, generate, or import unposted journals in your main set of books.
2. Post the journals in the main set of books. The posting process updates the account balances in both the transaction currency and the functional currency, if the transaction currency is not the same as the functional currency.
3. Perform the inflation adjustment process.
4. Run the Journal Import process, either automatically or manually, to import the inflation adjustment journals into the main set of books.
5. Post the imported journals in the main set of books. The posting process updates the account balances in both the transaction currency and the functional currency, if the transaction currency is not the same as the functional currency.
6. Create Financial Statement Generator (FSG) reports that list balances from your main set of books.

See also: Entering Journals, *Oracle General Ledger User Guide*

See also: Importing Journals, *Oracle General Ledger User Guide*

See also: Posting Journal Batches, *Oracle General Ledger User Guide*

See also: Overview of the Financial Statement Generator, *Oracle General Ledger User Guide*

Prerequisites

Before you can adjust your accounts for inflation, you must perform these prerequisite steps to prepare your set of books in Oracle General Ledger. Some prerequisite steps are required for both the adjusted-only option and the historical/adjusted option. Other prerequisite steps are only required for the historical/adjusted option. Use the table below to determine which steps you must perform for your option.

Prerequisite Steps	Adjusted-only	Historical/adjusted
Define the main set of books on page 1-9	X	X
Define the adjusted set of books on page 1-10		X
Enter transactions in the main set of books on page 1-11	X	X
Post journal entries in the main set of books on page 1-12	X	X
Run the Latin American General Ledger Journal Copy process on page 1-13		X
Post journal entries in the adjusted set of books on page 1-15		X

1. Defining the Main Set of Books

You must define a main set of books to record your transactions in. If you use the adjusted-only option, you record your transactions in the same set of books where you will run the inflation adjustment process.

> **Note:** If you use the Inflation Adjustment Date feature with the adjusted-only option, define your main set of books as an MRC primary set of books. To use the Inflation Adjustment Date feature, you must define the set of books where you will run the inflation adjustment process as an MRC primary set of books, even if you do not use the MRC feature in Oracle General Ledger. You can classify a set of books as primary in the Reporting Currency Options alternate name region in the Set of Books window. For more information, see Using the Inflation Adjustment Date on page 1-31.

If you use the historical/adjusted option, record your day-to-day business transactions in the historical set of books. Do not adjust for inflation in this set of books. Instead, copy these transactions to the adjusted set of books to adjust the balances for inflation.

See also: Defining Sets of Books, *Oracle General Ledger User Guide*

See also: Setting Up MRC, *Multiple Reporting Currencies in Oracle Applications*

2. Defining the Adjusted Set of Books

If you use the historical / adjusted option, you must define a separate, adjusted set of books to maintain inflation-adjusted balances for your non-monetary accounts. The adjusted set of books must have the same calendar, chart of accounts, and currency as the historical set of books. Copy your transactions from the historical set of books to the adjusted set of books, and perform inflation adjustment only in the adjusted set of books.

Note: If you use the Inflation Adjustment Date feature with the historical / adjusted option, define your adjusted set of books as an MRC primary set of books. To use the Inflation Adjustment Date feature, you must define the set of books where you will run the inflation adjustment process as an MRC primary set of books, even if you do not use the MRC feature in Oracle General Ledger. You can classify a set of books as primary in the Reporting Currency Options alternate name region in the Set of Books window. For more information, see Using the Inflation Adjustment Date on page 1-31.

See also: Defining Sets of Books, *Oracle General Ledger User Guide*

See also: Setting Up MRC, *Multiple Reporting Currencies in Oracle Applications*

3. Entering Transactions in the Main Set of Books

You must enter your daily transactions in your main set of books. If you use the adjusted-only option, enter your transactions in the same set of books that you will run the inflation adjustment process in.

If you use the historical/adjusted option, enter your transactions in the historical set of books. This set of books mirrors the historical operation of your business. All the reports and processes that you run against the historical set of books show your balances without the effect of inflation because you keep historical balances separate from the balances that are adjusted for inflation.

See also: Defining Sets of Books, *Oracle General Ledger User Guide*

4. Posting Journal Entries in the Main Set of Books

You must post journal entries in your main set of books. The posting process updates the account balances in both the transaction currency and the functional currency, if the transaction currency is not the same as the functional currency.

If you use the adjusted-only option, you must post your journal entries in the main set of books before adjusting your accounts for inflation so that the inflation adjustment process can calculate the adjustment amounts based on up-to-date account balances. The inflation adjustment process selects only journal entries with a *Posted* status to find the account balances.

If you use the historical / adjusted option, you must post your journal entries in the main set of books before you run the Latin American General Ledger Journal Copy process so that the Latin American General Ledger Journal Copy process can copy the entries to the adjusted set of books. The Latin American General Ledger Journal Copy process selects only journal entries with a *Posted* status.

> **See also:** Posting Journal Batches, *Oracle General Ledger User Guide*

5. Running the Latin American General Ledger Journal Copy Process

If you use the historical/adjusted option, you must run the Latin American General Ledger Journal Copy process to copy your journal entries from the historical set of books to the adjusted set of books. You must submit the Latin American General Ledger Journal Copy process from the historical set of books where you entered your transactions.

The Latin American General Ledger Journal Copy process selects only certain journal entries for copying to the adjusted set of books. Check that the journal entries that you want to copy have the following:

- A status of *Posted*. Unposted journal entries are not copied.
- A balance type of *Actual*. Budget and encumbrance journal entries are not copied.
- A source other than *Assets* or *Revaluation*. The Latin American General Ledger Journal Copy process does not copy journal entries that originate in Oracle Assets. Instead, you should perform inflation adjustment for Oracle Assets journal entries within the Assets subledger and transfer all your Assets journal entries directly from your adjusted depreciation book to your adjusted General Ledger set of books. For more information, see Inflation Adjustment Overview on page 1-2.

All journal entries that meet these three requirements are copied to the adjusted set of books. The journal entries are copied in both the transaction currency and the functional currency, if the transaction currency is not the same as the functional currency.

When you run the Latin American General Ledger Journal Copy process, you can enter the period that you want to copy journal entries for. You must run the Latin American General Ledger Journal Copy process at least once for each period. If you run the Latin American General Ledger Journal Copy process again for the same period, the process selects only posted transactions that were not previously copied.

The Latin American General Ledger Journal Copy process creates journal entries in the Oracle General Ledger interface table. As soon as General Ledger finishes copying journal entries, the Journal Import process runs automatically. When the Journal Import process is complete, you can see the journal entries in the adjusted set of books.

Note: If the date of a journal entry belongs to more than one period, the Journal Import process assigns the journal entry to the earliest period that includes the date. For example, assume that the date December 31 belongs both to the December period (period number 12) and the Adjusting period (period number 13). In this case, the Journal Import process assigns all journal entries dated December 31 to the December period. You can change the journal entry period when you review the journal entries before you run the posting process.

Oracle General Ledger for Latin America copies the journal entries with references to subledger information, such as invoice number for journal entries from Oracle Payables. The references let you drill down from a copied journal entry to the subledger where the journal entry was created, just as you can from the original journal entry.

Use the Standard Request Submission windows to submit the Latin American General Ledger Journal Copy process.

See also: Importing Journals, *Oracle General Ledger User Guide*

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

Program Parameters

To Book

Enter the adjusted set of books that you want to copy the journal entries to. You can only choose a set of books that has the same calendar, chart of accounts, and currency as the historical set of books from which you are submitting the Latin American General Ledger Journal Copy Process.

Period Name

Enter the period that you want to copy journal entries for.

6. Posting Journal Entries in the Adjusted Set of Books

If you use the historical/adjusted option, you must post the imported journal entries in the adjusted set of books. The posting process updates the account balances in the functional currency.

You must post the journal entries in the adjusted set of books before adjusting your accounts for inflation so that the inflation adjustment process can calculate the adjustment amounts based on up-to-date account balances. The inflation adjustment process selects only journal entries with a *Posted* status to find the account balances.

> **See also:** Posting Journal Batches, *Oracle General Ledger User Guide*

Setting Up Oracle General Ledger for Inflation Adjustment

This section describes how to set up Oracle General Ledger for the inflation adjustment process. Use this checklist to help you complete the appropriate steps in the correct order.

1 Define Inflation Ratio Precision on page 1-17

2 Define Inflation Adjustment Accounting Models on page 1-18

3 Define Price Indexes on page 1-21

1. Define Inflation Ratio Precision

In some countries, companies are legally required to calculate inflation rates with a certain precision. For example, in Chile, the inflation rate must be calculated with a precision of three decimal positions.

You can use the JL: Inflation Ratio Precision profile option to define the number of decimal positions for the precision of the inflation rate calculation. Oracle General Ledger rounds the rate to the number of decimal positions you choose. Use the System Profile Values window in the System Administrator responsibility to assign a value to the JL: Inflation Ratio Precision profile option.

You should only define a value for the inflation ratio precision if you are legally required to do so. If your country does not require a certain precision, do not enter a value for the JL: Inflation Ratio Precision profile option. Instead, leave this profile option blank to calculate the inflation rate with the greatest possible precision.

> **See also:** Overview of User Profiles, *Oracle Applications User Guide*

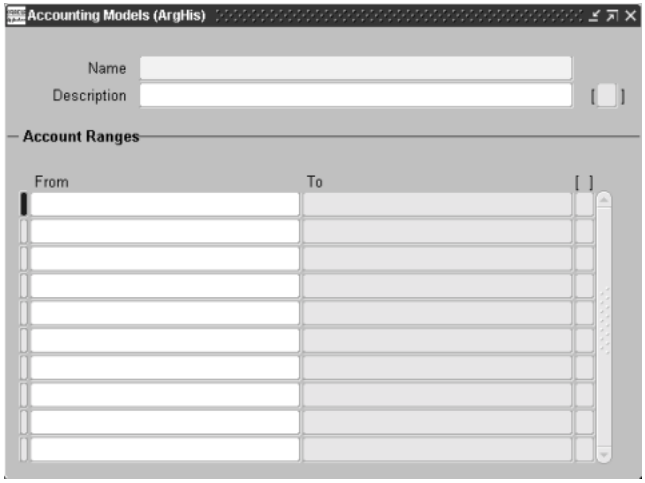
2. Define Inflation Adjustment Accounting Models

Define your accounting models in the Accounting Models window. An accounting model lets you select individual General Ledger accounts as well as account ranges, group those accounts into a set, and give a name to that set.

You can later use the sets that you define as accounting models to choose the accounts that you want to adjust when you run the inflation adjustment process. Defining appropriate accounting models saves you time in the future, because once an accounting model is defined for a particular group of accounts, you can reuse that accounting model whenever you want to work on that group of accounts.

For example, if you have 20 accounts numbered 1-20 and you want to adjust accounts 5-7, 9, and 12-14, you could group those accounts together as an accounting model. You can now work on these accounts with the new name that you gave this group in the accounting model, rather than working with each account individually.

Note: Although there are no rules for grouping accounts, you may want to define different accounting models for different kinds of accounts. For example, you can define one accounting model for all of your asset accounts and another accounting model for all of your liability accounts.



To define an inflation adjustment accounting model:

1. Navigate to the Accounting Models window.
2. Enter the accounting model name in the Name field.
3. Enter the accounting model description in the Description field.
4. In the Account Low field, enter the low segment values for the range of accounts that you want to assign to this accounting model.
5. In the Account High field, enter the high segment values for the range of accounts that you want to assign to this accounting model.

> **Note:** When you enter low and high segment values, you define the range you want for each segment separately from the other segments. The accounting model includes only those accounting flexfields whose segment values each fall within the range for that segment.

6. For example, suppose you enter the low segment values 91-000-4000 and the high segment values 92-000-5000. In this case, the accounting model includes only the accounting flexfields from 91-000-4000 through 91-000-5000 and from 92-000-4000 through 92-000-5000.

(continued)

7. Repeat steps 4 and 5 for each range of accounts that you want to assign to this accounting model.
8. Save your work.

3. Define Price Indexes

Define the price indexes that you want to use to adjust accounts for inflation in the Price Indexes window. A price index is a measure of the overall cost of goods and services bought by various entities. The base value of the index represents the cost level in a certain base period. The index value for each subsequent period represents the cost level for that period as a proportion of the base value. The difference between the base value and the index value for a certain period represents the inflation rate between the base period and that period.

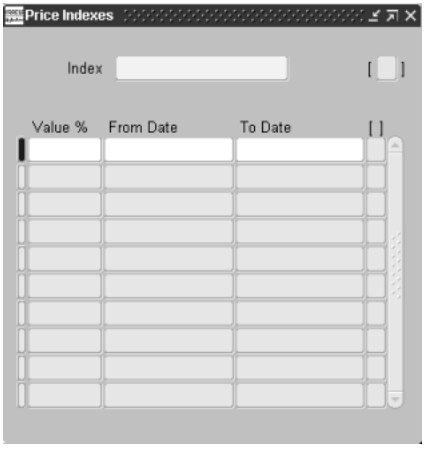
The index that you use depends on your company's business. Many organizations use either the Consumer Price Index (CPI) or the Producer Price Index (PPI)

When the government publishes the inflation measure, the measure is expressed as a price index value. For this reason, you must enter the measure for each month as an index value in the Value % field. Do not enter the inflation measure as a percentage. You must enter a new value each month when the government publishes the price index value for the month.

The Inflation Adjustment process uses the price index to select the appropriate index value for the period that you are adjusting.

See also: Defining Price Indexes, *Oracle Assets User Guide*

See also: Price Index Listing, *Oracle Assets User Guide*



To define a price index:

1. Navigate to the Price Indexes window.
2. Enter the index name that you want to define in the Index field.
3. Enter the price index value from the government in the Value % field.
4. In the From Date and To Date fields, enter the dates that this index value is effective for. If you leave the To Date field blank, the index value is effective indefinitely.
5. Save your work.

Adjusting Accounts for Inflation

After you set up Oracle General Ledger for inflation adjustment, and you enter and post all the journal entries that you want to adjust for inflation, you can adjust your accounts for inflation. Oracle General Ledger provides three methods for you to adjust your accounts for inflation: adjusting balances based on a price index, revaluing balances based on a direct foreign exchange rate, and revaluing balances based on a foreign exchange rate using a stable currency.

Each of these three methods satisfies a different set of business requirements. For example, the two methods for revaluing balances based on a foreign exchange rate satisfy the requirements for certain industries in Chile. When you adjust your accounts for inflation, choose the method that meets your business requirements.

For more information about adjusting balances based on a price index, see Submitting the Inflation Adjustment Process on page 1-24. For more information about revaluing balances based on a direct foreign exchange rate and revaluing balances based on a foreign exchange rate using a stable currency, see the *Oracle Financials for Chile User Guide*.

See also: Inflation Adjustment Overview, *Oracle Financials for Chile User Guide*

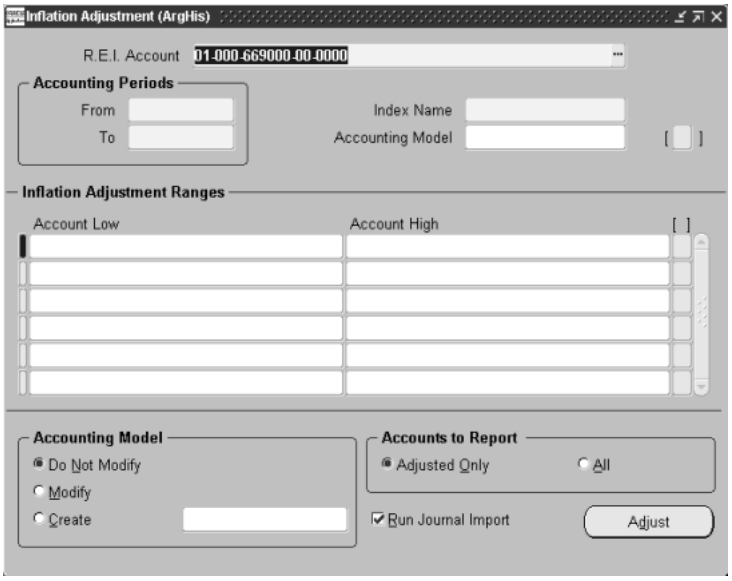
See also: Revaluing Balances Based on a Foreign Exchange Rate, *Oracle Financials for Chile User Guide*

Submitting the Inflation Adjustment Process

Use the Inflation Adjustment window to submit the inflation adjustment process. The Inflation Adjustment window lets you choose the accounts that you want to adjust. You can adjust any accounting model that you previously defined and specify the gain/loss account that you want to post the unrealized inflation adjustments to.

From the Inflation Adjustment window, Oracle General Ledger for Latin America initiates a concurrent process that calculates the inflation adjustments and creates an inflation adjustment journal entry for each balancing segment value in the account ranges that you specify.

You must enter the account ranges to adjust, the periods that you want to run the process for, the index name that you want to use, and the Result of Exposure to Inflation (R.E.I.) account. The Inflation Adjustment verification report is printed automatically as part of the inflation adjustment process. You can generate the report for all accounts or only those accounts that are adjusted for inflation. In addition, you can also choose to automatically import the adjustments to General Ledger with Run Journal Import.



To submit the inflation adjustment process:

1. Navigate to the Inflation Adjustment window.
2. Enter an R.E.I. account (inflation adjustment gain/loss account) in the R.E.I. Account field.
3. In the From and To fields in the Accounting Periods region, select the accounting periods that you want from the lists of values. The lists include only periods that are available for inflation adjustment.
4. In the Index Name field, select the index name that you want from the list of values.
5. Enter the accounting flexfield ranges that you want to adjust. You can enter an existing accounting model, enter an existing accounting model and modify it, enter new ranges, or create a new accounting model.

(continued)

For this task…	Follow these steps…
Enter an existing accounting model	Select an accounting model name from the list of values in the Accounting Model field. The list of values displays the accounting model names that you defined in the Accounting Models window. The ranges for that model are automatically displayed in the Account Low and Account High fields.
Modify an existing accounting model	1. Enter an accounting model name in the Accounting Model field. 2. To modify an existing accounting flexfield range, select the Account Low or the Account High field for the range and make your changes. You can modify any segment of the range. 3. To add new accounting flexfield ranges to the model, enter the new ranges in the Account Low and Account High fields. 4. Select *Modify* in the Accounting Model region to save the modifications.
Enter new accounting ranges	1. In the Account Low field, enter the low value for the range of accounts that you want to adjust. 2. In the Account High field, enter the high value for the range of accounts that you want to adjust. 3. Repeat steps 1 and 2 for each range of accounts that you want to adjust. **Note:** If you want to enter all new ranges, leave the Accounting Model field blank.
Create a new accounting model	1. To include accounting flexfield ranges from an existing accounting model in your new model, enter the existing model name in the Accounting Model field. If you want to enter all new ranges for your new model, leave the Accounting Model field blank. 2. Enter the new accounting flexfield ranges for the model in the Account Low and Account High fields. 3. To save the new model, select Create in the Accounting Model region and enter a new name for the model.

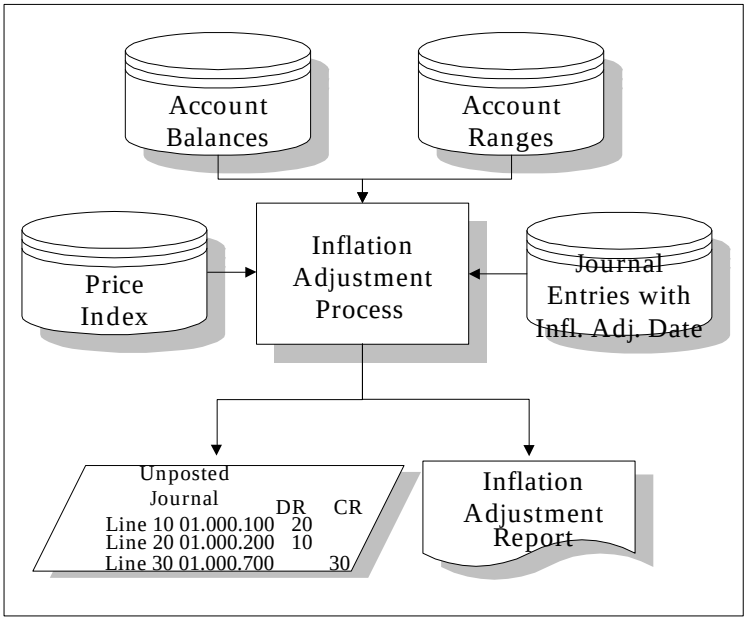
> **Note:** When you enter low and high segment values in the Account Low and Account High fields, you define the range you want for each segment separately from the other segments. The accounting flexfield range includes only those accounting flexfields whose segment values each fall within the range for that segment.

For example, suppose you enter the low segment values 91-000-4000 and the high segment values 92-000-5000. In this case, the accounting model includes only the accounting flexfields from 91-000-4000 through 91-000-5000 and from 92-000-4000 through 92-000-5000.

6. In the Accounts to Report region, select *Adjusted Only* to report only on adjusted accounts. Select *All* to report on all accounts in General Ledger. The option you select in this region only controls which accounts appear in the Latin American General Ledger Inflation Adjustment report; it does not affect which accounts are adjusted. Journal entries are created only for the accounts that you selected for adjustment.
7. Check the Run Journal Import check box if you want to automatically run the Journal Import process as soon as the inflation adjustment process is complete.
8. Press the Adjust button to submit the inflation adjustment process with the parameters you entered.

> **See also:** Importing Journals, *Oracle General Ledger User Guide*

This diagram shows the input and the output for the inflation adjustment process:



When you submit the inflation adjustment process, General Ledger performs these steps:

- Selects all of the accounts that fall within the account ranges that you specified.
- Calculates the inflation rate based on the price index values that you entered in the Price Indexes window.
- Applies the rate to the actual balance of the accounts to calculate the adjustment for each account.
- Creates journal entries with adjustment amounts that show the effect of inflation on your General Ledger accounts. The effective date of the journal entries is the last day of the last period adjusted, regardless of the number of periods adjusted. For example, if you have a monthly calendar and you adjust from January to March, only one journal entry, effective on March 31, is created.
- Generates the Inflation Adjustment verification report. You can review the results of the calculation with this report.

General Ledger creates journal entries such as these:

Accounts	Debit	Credit
Asset Account 1 (01.000.1000.000)	10	
Asset Account 2 (01.000.1100.000)	20	
Equity Account 3 (01.000.2300.000)		15
R.E.I. Account (01.000.7100.000)		15

The Result of Exposure to Inflation (R.E.I.) account is the accounting flexfield where General Ledger registers net gain or loss due to inflation. You must enter this account in the Inflation Adjustment window when you submit the inflation adjustment process for the first time. For subsequent submissions of the inflation adjustment process, the R.E.I. account defaults from your previous inflation adjustment request.

The inflation adjustment process automatically creates one journal entry for each balancing segment value that is adjusted. If your company segment is a balancing segment, one journal entry is created for each company processed.

General Ledger uses the R.E.I. account that you enter in the Inflation Adjustment window as a template. General Ledger derives the correct R.E.I. account for each journal entry by replacing the balancing segment with each balancing segment value in the account ranges that you specify.

Example for inflation adjustment

Assume that the balancing segment is the first segment of your accounting flexfield, and that you defined three valid values for the balancing segment *(01, 02, 03*). When you adjust the account ranges, 01.000.1000.000 / 03.000.1000.000 and 01.000.2000.000 / 03.000.2000.000 for inflation, you see these journal entries:

Accounts	Debit	Credit
Asset Account (01.000.1000.000)	10	
Equity Account (01.000.2000.000)		3
R.E.I. Account (01.000.7000.000)		7

Accounts	Debit	Credit
Asset Account (02.000.1000.000)	25	
Equity Account (02.000.2000.000)		13
R.E.I. Account (02.000.7000.000)		12

Accounts	Debit	Credit
Asset Account (03.000.1000.000)	19	
Equity Account (03.000.2000.000)		8
R.E.I. Account (03.000.7000.000)		11

Using the Inflation Adjustment Date

The Inflation Adjustment Date (Fecha Valor) feature lets you adjust a journal entry for a period that is before the effective date. For example, you can enter a journal entry for June and adjust the journal entry for a period that starts in January.

> **Note:** If you enter an inflation adjustment date that is after the journal entry effective date, Oracle General Ledger does not use that inflation adjustment date. Instead, the inflation adjustment is calculated based on the journal entry effective date.

To use the Inflation Adjustment Date feature, you must define the set of books where you will run the inflation adjustment process as an MRC primary set of books, even if you do not use the MRC feature in Oracle General Ledger books. You can classify a set of books as primary in the Reporting Currency Options alternate name region in the Set of Books window.

Use the Change Currency window to enter the inflation adjustment date. You can navigate to the Change Currency window by pressing the Change Currency button in the Journals window. Enter the inflation adjustment date in the To Date field.

Oracle General Ledger only adjusts the lines with accounting flexfield combinations that fall within the account ranges you specified when you submitted the inflation adjustment process.

For examples of how to use the inflation adjustment date in your country, see your country-specific user guide.

> **See also:** Entering Foreign Currency Journals, *Oracle General Ledger User Guide*
>
> **See also:** Setting Up MRC, *Multiple Reporting Currencies in Oracle Applications*
>
> **See also:** Using the Inflation Adjustment Date, *Oracle Financials for Argentina User Guide*
>
> **See also:** Using the Inflation Adjustment Date, *Oracle Financials for Chile User Guide*

Importing Journal Entries

Oracle General Ledger for Latin America creates inflation adjustment journal entries in the Oracle General Ledger interface table. Before you can see the journal entries, you must import the entries to Oracle General Ledger using one of these methods:

- Check the Run Journal Import check box in the Inflation Adjustment window. The journal import process automatically starts after the Latin American General Ledger Inflation Adjustment report is completed.
- Enter *Inflation* for the journal entry source in the Run Journal Import window to manually import journal entries.

Both automatically and manually imported journal entries are created with *Inflation* as their journal entry source. This source is seeded as part of Oracle General Ledger. You can use this source to identify inflation adjustment journal entries after they are created.

Once you have imported the journal entries to Oracle General Ledger, you can review the entries with the Inflation Adjustment verification report. For more information, see Latin American General Ledger Inflation Adjustment Report on page 1-34.

If an account that you wanted to include in the inflation adjustment process was not adjusted, check that:

- The account is within the account ranges that you specified as a parameter
- The account balance is not zero
- The account is not a summary account

Performing a What-If Analysis

Oracle General Ledger lets you do a what-if analysis to check the impact that running inflation adjustment with different price index values or account ranges has on your General Ledger.

You can submit the inflation adjustment process with one set of parameters and review the journal entries that are created with the Latin American General Ledger Inflation Adjustment report. Then you can delete the journal entries and resubmit the inflation adjustment process with different parameters.

Since Oracle General Ledger imports journal entries with a status of *Unposted*, you can delete journal entries and rerun the inflation adjustment process as many times as you want.

You should only post inflation adjustment journal entries once for each period. The inflation adjustment process does not track which periods are already adjusted. If you run the process and post inflation adjustment journal entries a second time for the same period, the adjustment is duplicated.

If you mistakenly post an inflation adjustment journal entry that you do not want, you can reverse the journal entry using the reverse feature in Oracle General Ledger.

> **See also:** Generating Reversing Journal Batches, *Oracle General Ledger User Guide*

Latin American General Ledger Inflation Adjustment Report

```
  Company Name: Argentina I.A.                   Inflation Adjustment Report                   Report Date: 17-FEB-1999    10:02
      Currency: ARS                              Period: OCT-98  To  OCT-98                           Page:      1 of      1

         Index: IPC
   REI Account: 91-000-669100-00-0000
      Group ID: 4120
                                                                           OCT-98
                                                    OCT-98                     To
                                                 Beginning                 OCT-98              Inflation
Accounting Flexfield                               Balance               Activity             Adjustment     Adjusted Balance
---------------------------------  ---------------------- ----------------------- ---------------------- ---------------------

91-110-400110-04-1511                       (2,500,000.00)           (500,000.00)           (500,000.00)       (3,500,000.00)

                                                                                  ---------------------- ---------------------
                                                         Natural Account Totals:           (500,000.00)       (3,500,000.00)

91-510-430100-02-5101                       (1,675,000.00)           (335,000.00)           (335,000.00)       (2,345,000.00)

                                                                                  ---------------------- ---------------------
                                                         Natural Account Totals:           (335,000.00)       (2,345,000.00)

91-211-500110-02-1511                        1,000,000.00             450,000.00             200,000.00         1,650,000.00

                                                                                  ---------------------- ---------------------
                                                         Natural Account Totals:            200,000.00         1,650,000.00

91-510-511000-02-5101                        1,250,000.00             250,000.00             250,000.00         1,750,000.00

                                                                                  ---------------------- ---------------------
                                                         Natural Account Totals:            250,000.00         1,750,000.00

91-510-530100-02-5101                       (1,000,000.00)          1,780,000.00             430,000.00         1,210,000.00  **

                                                                                  ---------------------- ---------------------
                                                         Natural Account Totals:            430,000.00         1,210,000.00

                                                                                  ---------------------- ---------------------
                                                       Balancing Segment Totals:             45,000.00       (1,235,000.00)

92-510-530100-02-5101                        1,500,000.00         (1,500,000.00)           (300,000.00)         (300,000.00) **

                                                                                  ---------------------- ---------------------
                                                         Natural Account Totals:           (300,000.00)         (300,000.00)

                                                                                  ---------------------- ---------------------
                                                       Balancing Segment Totals:           (300,000.00)         (300,000.00)

                                     *** End Of Report ***

-- Report Legend --
** At least one journal entry carries an Inflation Adjustment Date different from the journal entry effective date.
```

Use the Latin American General Ledger Inflation Adjustment report to review the inflation adjustments for the accounting flexfields that you specified in the Inflation Adjustment window. This report also creates the adjusted journal entries that are imported to Oracle General Ledger.

The Latin American General Ledger Inflation Adjustment report is automatically submitted when you press the Adjust button in the Inflation Adjustment window.

Report Headings

In this heading…	General Ledger prints…
Company Name	The set of books name.
Currency	The currency.
Period	The period range covered by the adjustment.
Report Date	The date that you submit the report.
Page	The page number.
Index	The price index that is used for the adjustment, such as the CPI.
R.E.I. Account	The inflation adjustment gain/loss account.
Group ID	The group ID that identifies the imported inflation adjustment journal entry in the General Ledger interface table.

Column Headings

In this column…	General Ledger prints…
Accounting Flexfield	The accounting flexfield that is adjusted for inflation.
<Start Period> Beginning Balance	The beginning balance in the first period of the period range of the adjustment.
<Start Period> To <End Period> Activity	The balance of existing transactions for the accounting flexfield during the period range of the adjustment.
Inflation Adjustment	The adjusted amount from the Inflation Adjustment process.

In this column…	General Ledger prints…
Adjusted Balance	The ending balance of the accounting flexfield after the adjustment. This is the sum of the values in the Beginning Balance, Activity, and Inflation Adjustment columns. Oracle General Ledger prints two asterisks (**) next to the adjusted balance if at least one journal entry contributing to the balance carries an Inflation Adjustment Date different from the journal entry effective date.
Natural Account Totals	The inflation adjustment and adjusted balance totals for the natural account.
Balancing Segment Totals	The inflation adjustment and adjusted balance totals for the balancing segment.

Overview of General Ledger Entry Reconciliation

General Ledger Entry Reconciliation lets you reconcile transactions in General Ledger accounts that should balance to zero, such as a VAT control account. You can enable reconciliation either for natural account segment values or for complete accounting code combinations.

With General Ledger Entry Reconciliation, you can selectively cross-reference transactions in General Ledger with each other by entering reconciliation reference information at journal line level. When the balance for a group of transactions is zero, you can mark the transactions as reconciled.

You can perform account reconciliation either automatically with the General Ledger Automatic Reconciliation report, or manually in the Reconciliation Lines window.

- Use automatic reconciliation to reconcile journal lines that have matching balancing segments, account segments, and reconciliation references, or optionally where the reconciliation reference is blank.
- Use manual reconciliation to reconcile journal lines with different code combinations (including different balancing segments or account segments) or different reconciliation references.

For both automatic and manual reconciliation, the balance for the journal lines that you want to reconcile must be zero.

The Reconciliation Lines window also lets you reverse a reconciliation to disassociate transactions that you previously reconciled with each other. You can reverse both automatic and manual reconciliations.

Setting Up General Ledger Entry Reconciliation

This section describes the steps for setting up General Ledger Entry Reconciliation. Use this checklist to help you complete the appropriate steps in the correct order.

1 Add the RECONCILIATION FLAG segment qualifier on page 1-39

2 Enable reconciliation for account segment values on page 1-40

3 Enable reconciliation for code combinations on page 1-42

1. Add the RECONCILIATION FLAG Segment Qualifier

Before you can use General Ledger Entry Reconciliation, you must first modify the accounting flexfield structure by adding the RECONCILIATION FLAG segment qualifier to the account segment. This is a manual post-install step.

You use the RECONCILIATION FLAG segment qualifier to enter the reconciliation setting for account segment values. For more information, see Step 2. Enable Reconciliation for Account Segment Values on page 1-40.

> **See also:** Adding the RECONCILIATION FLAG Segment Qualifier to the Accounting Flexfield, *Oracle Financials Country-Specific Installation Supplement*

2. Enable Reconciliation for Account Segment Values

Enable reconciliation for the natural accounts that should balance to zero. You can enable or disable reconciliation for an account segment value in the Segment Qualifiers window.

After you enable or disable reconciliation for an account segment value, all new code combinations created with that account segment value inherit that reconciliation setting. You can override the default reconciliation setting for a specific code combination, however, by enabling or disabling reconciliation at code combination level. For more information, see Step 3. Enable Reconciliation for Code Combinations on page 1-42.

Before you can update segment qualifiers for existing account segment values, you must unfreeze your Accounting Flexfield structure. If other flexfields have segments that share the same value set, you must unfreeze the structure for those flexfields as well. Then, after you have updated the segment qualifiers, you must refreeze the flexfield structures.

> **Note:** You only need to unfreeze your Accounting Flexfield structure if you are updating segment qualifiers for existing account segment values. If you are creating new account segment values, you do not need to unfreeze the Accounting Flexfield structure before you enter the segment values and qualifiers.

To unfreeze the accounting structure:

1. Navigate to the Key Flexfield Segments window.
2. Query your Accounting Flexfield structure.
3. Unfreeze the structure by unchecking the Freeze Flexfield Definition check box.
4. Save your work. A message appears to warn you that you have unfrozen the structure.
5. Press the OK button to acknowledge the warning message.

To enable or disable reconciliation for account segment values:

1. Navigate to the Segment Values window. The Find Key Flexfield Segment window appears on top of the Segment Values window.
2. In the Find Key Flexfield Segment window, query your Accounting Flexfield structure by entering the structure name in the Structure field and the account segment name in the Account field, and pressing the Find button.
3. Navigate to the Values region.
4. In the Values region, navigate to the Hierarchy, Qualifiers alternative region.
5. Navigate to the Qualifiers field for the account segment value that you want. The Segment Qualifiers window appears.
6. Select *Yes* from the list of values in the Reconciliation Flag field to enable reconciliation for this account segment value. Select *No* to disable reconciliation for this account segment value.
7. Press the OK button.
8. Repeat steps 5 through 7 for each account segment value that you want.
9. Save your work.

To freeze the accounting structure:

1. Navigate to the Key Flexfield Segments window.
2. Query your Accounting Flexfield structure.
3. Freeze the structure by checking the Freeze Flexfield Definition check box.
4. Save your work. A message appears to warn you that you have frozen the structure.
5. Press the OK button to acknowledge the warning message.

3. Enable Reconciliation for Code Combinations

You can enable or disable reconciliation for specific accounting code combinations using the Reconciliation Combinations flexfield in the GL Accounts window. In this way, you can override the default reconciliation setting inherited from the account segment value.

To enable or disable reconciliation for accounting code combinations:

1. Navigate to the GL Accounts window.
2. Query the accounts that you want.
3. Navigate to the descriptive flexfield for the first account. The Reconciliation Combinations flexfield appears, displaying the default reconciliation setting for this account in the Reconciliation Flag field.
4. Select *Yes* from the list of values in the Reconciliation Flag field to enable reconciliation for this code combination. Select *No* to disable reconciliation for this code combination.
5. Press the OK button.
6. Repeat steps 3 through 5 for each account.
7. Save your work.

Entering Reconciliation References

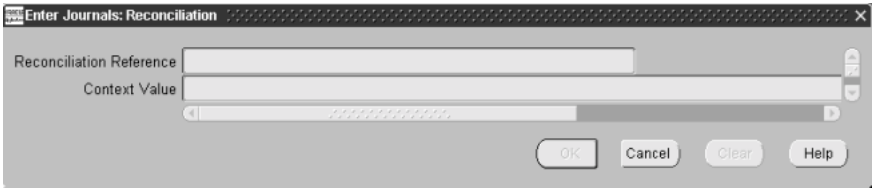
You can enter a reconciliation reference for a journal line with an account that has reconciliation enabled. Use the Enter Journals: Reconciliation flexfield in the Journals window to enter reconciliation references. Enter the same reconciliation reference for all the transactions that you want to group together in one reconciliation.

Oracle General Ledger uses the reconciliation references to determine which transactions to reconcile with each other when you perform automatic reconciliation with the General Ledger Automatic Reconciliation report. For more information, see General Ledger Automatic Reconciliation Report on page 1-50.

You can also use the reconciliation references to help you decide which transactions to reconcile with each other when you perform manual reconciliation in the Reconciliation Lines window. For more information, see Performing Manual Account Reconciliation on page 1-44.

To enter reconciliation references for journal lines:

1. Navigate to the Enter Journals window.
2. Query an existing journal and press the Review Journals button, or press the New Journals button to open a new journal. The Journals window appears.
3. Query or enter the journal lines that you want.
4. Navigate to the descriptive flexfield for the first journal line. The Enter Journals: Reconciliation flexfield appears.



5. Enter a reference in the Reconciliation Reference field.
6. Press the OK button.
7. Repeat steps 4 through 6 for each journal line that you want.
8. Save your work.

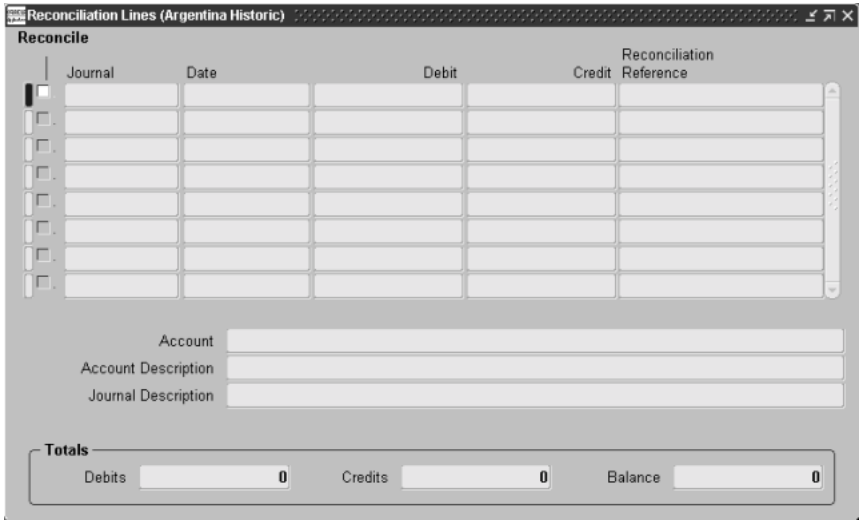
Performing Manual Account Reconciliation

Perform manual account reconciliation when you want to reconcile transactions with different balancing segments, account segments, or reconciliation references. Use the Reconciliation Lines window to perform manual account reconciliation.

In the Reconciliation Lines window, you can query the transactions that are available for reconciliation and select the transactions that you want to reconcile with each other. If the sum total of the selected transactions is equal to zero when you save the reconciliation, then General Ledger marks the journal lines as reconciled.

You can reconcile transactions either by the entered debit or credit amounts, or, if the transactions are in a currency other than your functional currency, by the accounted debit or credit amounts.

General Ledger assigns a unique ID to each reconciliation that you perform. You can use the reconciliation ID to query the reconciliation in the Reverse Reconciled Lines alternative region of the Find Reconciliation Lines window, or to identify the reconciliation on the General Ledger Reconciled Transactions report.



To perform a manual reconciliation:

1. Navigate to the Reconciliation Lines window. The Find Reconciliation Lines window appears on top of the Reconciliation Lines window.
2. In the Find Reconciliation Lines window, navigate to the Reconcile Journal Lines alternative region
3. In the Accounts region, query the accounts or account ranges that you want. General Ledger displays the account description for the current account in the Description field.

   Note: If you do not specify any accounts, General Ledger displays all accounts that have reconciliation enabled.

4. In the Currency field, enter the transaction currency that you want.
5. If you entered a currency other than your functional currency in the Currency field, select the currency type that you want from the pull-down list in the Currency Type field. You can select either *Functional* or *Foreign*. The currency type that you select determines the currency in which the transaction amounts are displayed.

(continued)

6. In the Primary Selection Criteria and Secondary Selection Criteria alternative regions, specify the criteria that you want to use to select the transactions to be displayed in the Reconciliation Lines window.

   You can enter either primary selection criteria only or both primary and secondary selection criteria. If you enter both primary and secondary selection criteria, then only those transactions that meet both sets of criteria are displayed in the Reconciliation Lines window.

   You can enter selection criteria in these fields:

   - **Accounting Period** - an accounting period or accounting period range
   - **Date** - a date or date range
   - **Journal Category** - a journal category or journal category range
   - **Journal Sequence Name** - a journal sequence name or journal sequence name range
   - **Journal Sequence Number** - a journal sequence number or journal sequence number range
   - **Journal Reference** - a journal reference or journal reference range

   Note: If you do not specify any selection criteria, the Reconciliation Lines window displays all transactions that are available for reconciliation.

7. Press the Find button. The Reconciliation Lines window displays the transactions that meet your selection criteria, including the journal, date, debit or credit amount, and reconciliation reference for each transaction. You can optionally update the reconciliation reference for a transaction in the Reconciliation Reference field.

   General Ledger also displays the account, account description, and journal description for the current transaction.

8. Select the transactions that you want to reconcile by checking the Reconcile check box for each transaction. In the Totals region, General Ledger displays the total debits, total credits, and total balance for the transactions you have selected.

9. When you have selected all the transactions that you want to include in this reconciliation, save your work.

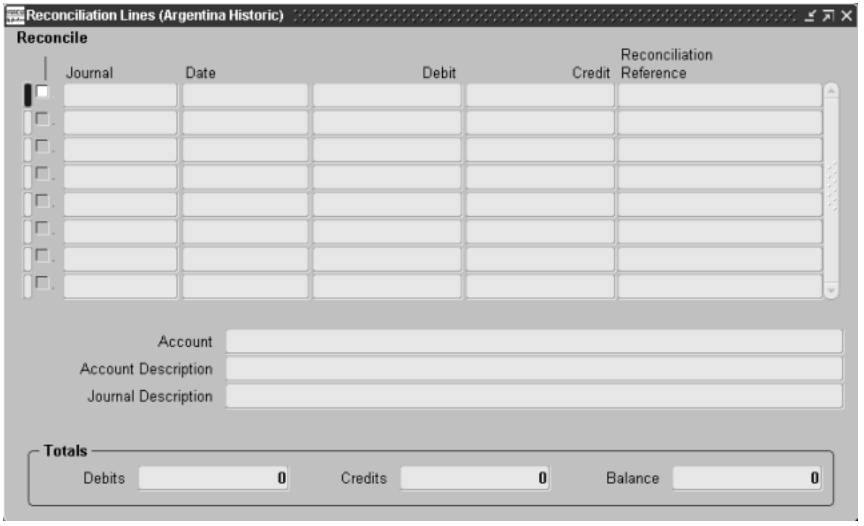
   If the sum total of the selected transactions is equal to zero, General Ledger marks the journal lines as reconciled and displays the reconciliation ID for this reconciliation.

   If the sum total of the selected transactions is not equal to zero, General Ledger displays an error message and prevents these transactions from being reconciled.

Performing Manual Account Reconciliation Reversal

Perform manual account reconciliation reversal to disassociate transactions that you previously reconciled with each other. Use the Reconciliation Lines window to perform manual account reconciliation reversal.

In the Reconciliation Lines window, you can query transactions that you previously reconciled and select the transactions that you want to disassociate from each other. If the sum total of the selected transactions is equal to zero when you save the reconciliation reversal, then General Ledger marks the journal lines as unreconciled. These transactions then become available for reconciliation again.



To perform a manual reconciliation reversal:

1. Navigate to the Reconciliation Lines window. The Find Reconciliation Lines window appears on top of the Reconciliation Lines window.
2. Navigate to the Reverse Reconciled Lines alternative region.

3. Enter values to select the reconciliations that you want to reverse. You can enter selection values in these fields:

   - **Reconciliation ID** - the reconciliation ID assigned by General Ledger
   - **Reconciliation Reference** - the reconciliation reference you entered in the Enter Journals: Reconciliation flexfield
   - **Reconciliation Date** - the date when you performed the reconciliation

   Note: You must enter a selection value in at least one of these fields.

4. Press the Find button. The Reconciliation Lines window displays the transactions for the reconciliations you selected, including the journal, date, debit or credit amount, and reconciliation reference for each transaction.

   General Ledger also displays the account, account description, and journal description for the current transaction.

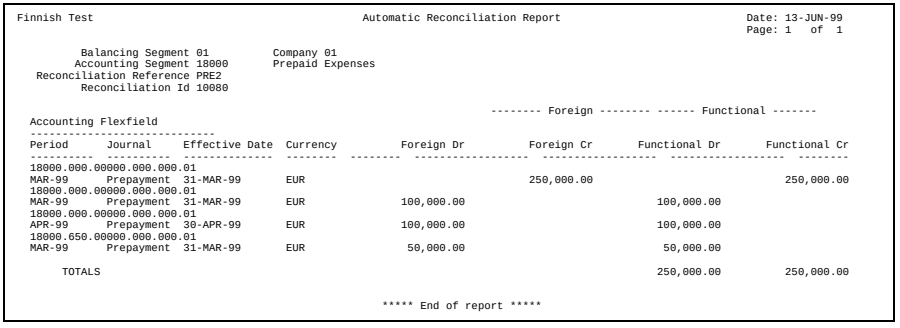
5. Select the transactions for which you want to reverse reconciliation by checking the Reverse check box for each transaction. In the Totals region, General Ledger displays the total debits, total credits, and total balance for the transactions you have selected.

6. When you have selected all the transactions that you want to include in this reconciliation reversal, save your work.

   If the sum total of the selected transactions is equal to zero, then General Ledger marks the journal lines as reversed.

   If the sum total of the selected transactions is not equal to zero, General Ledger displays an error message and prevents the reconciliations from being reversed.

General Ledger Automatic Reconciliation Report



Finnish Test — Automatic Reconciliation Report — Date: 13-JUN-99 — Page: 1 of 1

Balancing Segment 01 Company 01
Accounting Segment 18000 Prepaid Expenses
Reconciliation Reference PRE2
Reconciliation Id 10080

Accounting Flexfield	Period	Journal	Effective Date	Currency	Foreign Dr (Foreign)	Foreign Cr (Foreign)	Functional Dr (Functional)	Functional Cr (Functional)
18000.000.00000.000.000.01	MAR-99	Prepayment	31-MAR-99	EUR		250,000.00		250,000.00
18000.000.00000.000.000.01	MAR-99	Prepayment	31-MAR-99	EUR	100,000.00		100,000.00	
18000.000.00000.000.000.01	APR-99	Prepayment	30-APR-99	EUR	100,000.00		100,000.00	
18000.650.00000.000.000.01	MAR-99	Prepayment	31-MAR-99	EUR	50,000.00		50,000.00	
TOTALS							250,000.00	250,000.00

***** End of report *****

Use the General Ledger Automatic Reconciliation report for automatic reconciliation. You can print a preliminary report by entering *No* for the Update Reconciliations parameter. The preliminary report shows all the transactions within the parameters you select that are eligible for automatic reconciliation.

General Ledger can only perform automatic reconciliation for transactions that have:

- Matching balancing segments
- Matching account segments
- Matching reconciliation references if you enter *No* for the Null References parameter, or blank reconciliation references if you enter *Yes* for the Null References parameter

To perform the automatic reconciliation, enter *Yes* for the Update Reconciliations parameter when you submit the General Ledger Automatic Reconciliation report. General Ledger reconciles all the eligible transactions within the parameters you select and prints the report for the reconciliations that were performed.

Use the Standard Request Submission windows to submit the General Ledger Automatic Reconciliation report.

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

Report Parameters

Currency Code

Enter the currency code for the currency of the transactions that you want to include on the report. If you leave the Currency Code parameter blank, the report includes transactions in all currencies.

Period From

Enter the earliest accounting period for the transactions that you want to include on the report.

Leave the Period From parameter blank if you want to enter a date range in the Start Date and End Date parameters, or if you want to include transactions from all accounting periods and all dates on the report.

Period To

Enter the latest accounting period for the transactions that you want to include on the report. You can only enter a period in the Period To parameter if you enter a period in the Period From parameter.

Leave the Period To parameter blank if you want to enter a date range in the Start Date and End Date parameters, or if you want to include transactions from all accounting periods and all dates on the report.

> **Note:** If you enter an accounting period range in the Period From and Period To parameters, you should leave the Start Date and End Date parameters blank. If you leave the Period From, Period To, Start Date, and End Date parameters all blank, the report includes transactions from all accounting periods and all dates.

Start Date

Enter the earliest date for the transactions that you want to include on the report.

Leave the Start Date parameter blank if you want to enter an accounting period range in the Period From and Period To parameters, or if you want to include transactions from all accounting periods and all dates on the report.

(continued)

End Date
Enter the latest date for the transactions that you want to include on the report. You can only enter a date in the End Date parameter if you enter a date in the Start Date parameter.

Leave the End Date parameter blank if you want to enter an accounting period range in the Period From and Period To parameters, or if you want to include transactions from all accounting periods and all dates on the report.

> **Note:** If you enter a date range in the Start Date and End Date parameters, you should leave the Period From and Period To parameters blank. If you leave the Period From, Period To, Start Date, and End Date parameters all blank, the report includes transactions from all accounting periods and all dates.

Flexfield From/Low
Enter the first accounting flexfield in the accounting flexfield range that you want to include on the report.

Flexfield To/High
Enter the last accounting flexfield in the accounting flexfield range that you want to include on the report.

Null References
Enter *Yes* to reconcile only transactions with a blank reconciliation reference. Enter *No* to reconcile only transactions with matching reconciliation references values.

Update Reconciliations
Enter *No* to print the preliminary report only, without performing automatic reconciliation. Enter *Yes* to perform automatic reconciliation for all eligible transactions within the parameters you select and to print the report for the reconciliations that were performed.

Amount Type
Enter *Foreign* to reconcile transactions by the foreign currency amounts. Enter *Functional* to reconcile transactions by the functional currency amounts.

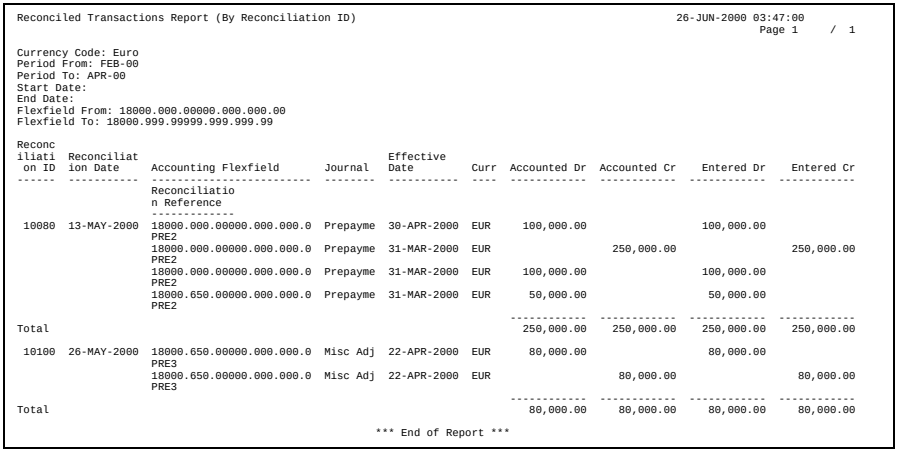
Report Headings

In this heading...	General Ledger prints...
<Set of Books>	The set of books name.
<Report Title>	*Automatic Reconciliation Report*. If you print the preliminary report only, without performing automatic reconciliation, General Ledger prints *Preliminary Report* as the subtitle.
Date	The report date.
Page	The page number.
Balancing Segment	The balancing segment value for the transactions printed on this page.
Accounting Segment	The account segment value for the transactions printed on this page.
Reconciliation Reference	The reconciliation reference for the transactions printed on this page.

Column Headings

In this column...	General Ledger prints...
Accounting Flexfield	The accounting flexfield combination for the transaction.
Period	The accounting period for the transaction.
Journal	The journal entry name for the transaction.
Effective Date	The effective date of the transaction.
Currency	The transaction currency.
Foreign Dr	The debit amount in the foreign currency, if the transaction is in a foreign currency.
Foreign Cr	The credit amount in the foreign currency, if the transaction is in a foreign currency.
Functional Dr	The debit amount in your functional currency.
Functional Cr	The credit amount in your functional currency.
TOTALS	The total debit and credit amounts in your functional currency.

General Ledger Reconciled Transactions Report



Reconciled Transactions Report (By Reconciliation ID) 26-JUN-2000 03:47:00
Page 1 / 1

Currency Code: Euro
Period From: FEB-00
Period To: APR-00
Start Date:
End Date:
Flexfield From: 18000.000.00000.000.000.00
Flexfield To: 18000.999.99999.999.999.99

Reconciliation ID	Reconciliation Date	Accounting Flexfield	Journal	Effective Date	Curr	Accounted Dr	Accounted Cr	Entered Dr	Entered Cr
		Reconciliation Reference							
10080	13-MAY-2000	18000.000.00000.000.000.0 PRE2	Prepayme	30-APR-2000	EUR	100,000.00		100,000.00	
		18000.000.00000.000.000.0 PRE2	Prepayme	31-MAR-2000	EUR		250,000.00		250,000.00
		18000.000.00000.000.000.0 PRE2	Prepayme	31-MAR-2000	EUR	100,000.00		100,000.00	
		18000.650.00000.000.000.0 PRE2	Prepayme	31-MAR-2000	EUR	50,000.00		50,000.00	
Total						250,000.00	250,000.00	250,000.00	250,000.00
10100	26-MAY-2000	18000.650.00000.000.000.0 PRE3	Misc Adj	22-APR-2000	EUR	80,000.00		80,000.00	
		18000.650.00000.000.000.0 PRE3	Misc Adj	22-APR-2000	EUR		80,000.00		80,000.00
Total						80,000.00	80,000.00	80,000.00	80,000.00

*** End of Report ***

Use the General Ledger Reconciled Transactions report to review details about the transactions that you have reconciled. The General Ledger Reconciled Transactions report shows transactions from both automatic and manual reconciliations.

The General Ledger Reconciled Transactions report is an RXi report.

> **See also:** Working with Attribute Sets, *Oracle Financials RXi Reports Administration Tool User Guide*

> **See also:** Using the RXi Reports Concurrent Program, *Oracle Financials RXi Reports Administration Tool User Guide*

Use the Standard Request Submission windows to submit the General Ledger Reconciled Transactions report.

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

Report Parameters

Attribute Set

Enter the attribute set that you want to use to generate the report:

- **Reconciliation ID** (default) - orders and groups the report by reconciliation ID
- **Accounting Flexfield** - sorts the report transactions by accounting flexfield

This parameter also controls the layout of the column headings.

Currency Code

Enter the currency code for the currency of the transactions that you want to include on the report. If you leave the Currency Code parameter blank, the report includes transactions in all currencies.

Period From

Enter the earliest accounting period for the transactions that you want to include on the report.

Leave the Period From parameter blank if you want to enter a date range in the Start Date and End Date parameters, or if you want to include transactions from all accounting periods and all dates on the report.

Period To

Enter the latest accounting period for the transactions that you want to include on the report. You can only enter a period in the Period To parameter if you enter a period in the Period From parameter.

Leave the Period To parameter blank if you want to enter a date range in the Start Date and End Date parameters, or if you want to include transactions from all accounting periods and all dates on the report.

Note: If you enter an accounting period range in the Period From and Period To parameters, you should leave the Start Date and End Date parameters blank. If you leave the Period From, Period To, Start Date, and End Date parameters all blank, the report includes transactions from all accounting periods and all dates.

(continued)

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

Leave the Start Date parameter blank if you want to enter an accounting period range in the Period From and Period To parameters, or if you want to include transactions from all accounting periods and all dates on the report.

End Date
Enter the latest date for the transactions that you want to include on the report. You can only enter a date in the End Date parameter if you enter a date in the Start Date parameter.

Leave the End Date parameter blank if you want to enter an accounting period range in the Period From and Period To parameters, or if you want to include transactions from all accounting periods and all dates on the report.

> **Note:** If you enter a date range in the Start Date and End Date parameters, you should leave the Period From and Period To parameters blank. If you leave the Period From, Period To, Start Date, and End Date parameters all blank, the report includes transactions from all accounting periods and all dates.

Flexfield From/Low
Enter the first accounting flexfield in the accounting flexfield range that you want to include on the report.

Flexfield To/High
Enter the last accounting flexfield in the accounting flexfield range that you want to include on the report.

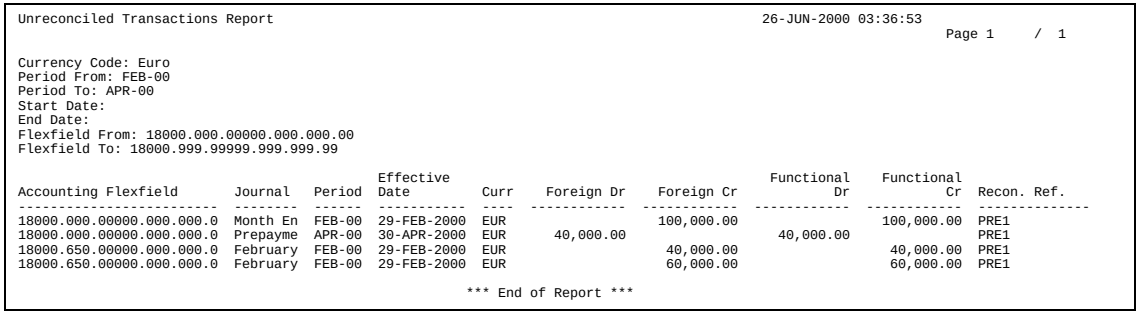
Report Headings

In this heading...	General Ledger prints...
<Set of Books>	The set of books name.
<Report Title>	*Reconciled Transactions Report*.
<Subtitle>	*By Accounting Flexfield*, if the report is sorted by accounting flexfield *By Reconciliation ID*, if the report is sorted by reconciliation ID
Date	The report date.
Page	The page number.
Accounting Flexfield	The accounting flexfield for the transactions on this page, if the report is sorted by accounting flexfield. Otherwise this report heading does not appear.
Reconciliation ID	The reconciliation ID for the transactions on this page, if the report is sorted by reconciliation ID. Otherwise this report heading does not appear.
Reconciliation Date	The date of the reconciliation for the transactions on this page, if the report is sorted by reconciliation ID. Otherwise this report heading does not appear.

Column Headings

In this column...	General Ledger prints...
Accounting Flexfield	The accounting flexfield combination for the transaction. This column appears only if the report is sorted by reconciliation ID.
Journal	The journal entry name for the transaction.
Effective Date	The effective date of the transaction.
Currency	The transaction currency.
Foreign Dr	The debit amount in the foreign currency, if the transaction is in a foreign currency.
Foreign Cr	The credit amount in the foreign currency, if the transaction is in a foreign currency.
Functional Dr	The debit amount in your functional currency.
Functional Cr	The credit amount in your functional currency.
Reconciliation Reference	The reconciliation reference for the transaction.
Reconciliation Date	The date of the reconciliation for the transaction. This column appears only if the report is sorted by accounting flexfield.
Reconciliation ID	The reconciliation ID for the transaction. This column appears only if the report is sorted by accounting flexfield.

General Ledger Unreconciled Transactions Report



Unreconciled Transactions Report 26-JUN-2000 03:36:53
Page 1 / 1

Currency Code: Euro
Period From: FEB-00
Period To: APR-00
Start Date:
End Date:
Flexfield From: 18000.000.00000.000.000.00
Flexfield To: 18000.999.99999.999.999.99

Accounting Flexfield	Journal	Period	Effective Date	Curr	Foreign Dr	Foreign Cr	Functional Dr	Functional Cr	Recon. Ref.
18000.000.00000.000.000.0	Month En	FEB-00	29-FEB-2000	EUR		100,000.00		100,000.00	PRE1
18000.000.00000.000.000.0	Prepayme	APR-00	30-APR-2000	EUR	40,000.00		40,000.00		PRE1
18000.650.00000.000.000.0	February	FEB-00	29-FEB-2000	EUR		40,000.00		40,000.00	PRE1
18000.650.00000.000.000.0	February	FEB-00	29-FEB-2000	EUR		60,000.00		60,000.00	PRE1

*** End of Report ***

Use the General Ledger Unreconciled Transactions report to list unreconciled transactions for accounts that have reconciliation enabled. You can use this information to help you decide whether to perform additional automatic or manual reconciliations for these accounts.

The General Ledger Unreconciled Transactions report is an RXi report.

> **See also:** Working with Attribute Sets, *Oracle Financials RXi Reports Administration Tool User Guide*

> **See also:** Using the RXi Reports Concurrent Program, *Oracle Financials RXi Reports Administration Tool User Guide*

Use the Standard Request Submission windows to submit the General Ledger Unreconciled Transactions report.

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

Report Parameters

Currency Code

Enter the currency code for the currency of the transactions that you want to include on the report. If you leave the Currency Code parameter blank, the report includes transactions in all currencies.

(continued)

Period From
Enter the earliest accounting period for the transactions that you want to include on the report.

Leave the Period From parameter blank if you want to enter a date range in the Start Date and End Date parameters, or if you want to include transactions from all accounting periods and all dates on the report.

Period To
Enter the latest accounting period for the transactions that you want to include on the report. You can only enter a period in the Period To parameter if you enter a period in the Period From parameter.

Leave the Period To parameter blank if you want to enter a date range in the Start Date and End Date parameters, or if you want to include transactions from all accounting periods and all dates on the report.

Note: If you enter an accounting period range in the Period From and Period To parameters, you should leave the Start Date and End Date parameters blank. If you leave the Period From, Period To, Start Date, and End Date parameters all blank, the report includes transactions from all accounting periods and all dates.

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

Leave the Start Date parameter blank if you want to enter an accounting period range in the Period From and Period To parameters, or if you want to include transactions from all accounting periods and all dates on the report.

End Date
Enter the latest date for the transactions that you want to include on the report. You can only enter a date in the End Date parameter if you enter a date in the Start Date parameter.

Leave the End Date parameter blank if you want to enter an accounting period range in the Period From and Period To parameters, or if you want to include transactions from all accounting periods and all dates on the report.

Note: If you enter a date range in the Start Date and End Date parameters, you should leave the Period From and Period To parameters blank. If you leave the Period From, Period To, Start Date, and End Date parameters all blank, the report includes transactions from all accounting periods and all dates.

Flexfield From/Low
Enter the first accounting flexfield in the accounting flexfield range that you want to include on the report.

Flexfield To/High
Enter the last accounting flexfield in the accounting flexfield range that you want to include on the report.

Report Headings

In this heading...	General Ledger prints...
<Set of Books>	The set of books name.
<Report Title>	*Unreconciled Transactions Report*.
Date	The report date.
Page	The page number.

Column Headings

In this column...	General Ledger prints...
Accounting Flexfield	The accounting flexfield for the transaction.
Journal	The journal entry name for the transaction.
Period	The accounting period for the transaction.
Effective Date	The effective date of the transaction.
Currency	The transaction currency.
Foreign Dr	The debit amount in the foreign currency, if the transaction is in a foreign currency.
Foreign Cr	The credit amount in the foreign currency, if the transaction is in a foreign currency.

In this column...	General Ledger prints...
Functional Dr	The debit amount in your functional currency.
Functional Cr	The credit amount in your functional currency.
Recon. Ref.	The reconciliation reference for the transaction.

Journal Allocation

Some countries require a greater level of detail for transaction reporting in certain accounts. To fulfill this requirement, Oracle General Ledger provides an allocation accounting structure that assigns required account segment values to one or more allocated accounts. The allocated accounts maintain parallel entries for transactions posted to General Ledger.

Depending on your needs, you can create either a one-to-one or one-to-many relationship between natural accounts and the allocation account structure. These two examples show an allocation accounting structure that illustrates these relationships.

The first example shows a one-to-one relationship between the account journal line and the allocated journal line:

	Account Segment	Debit	Credit
AP Invoice with 2 distribution lines:			
Line 1		100	
Line 2		150	
Accounting Entries			
Expense	6000	100	
Expense	6000	150	
Liability	5000		250
Allocation Accounting Entries			
Allocation	920060	100	
Allocation	920160	150	
Allocation Offset	906000		250

The second example shows a one-to-many relationship between the account journal line and several allocated journal lines:

	Account Segment	Debit	Credit
AP Invoice with 1 distribution line:			
Line 1		100	
Accounting Entries			
Expense	6000	100	
Liability			100
Allocation Accounting Entries			
Allocation	920060	25	
Allocation	920160	25	
Allocation	920170	40	
Allocation	920180	10	
Allocation Offset	906000		100

Note that the allocation accounting structure includes a contra account (allocation offset) to balance out the allocation journal.

Oracle General Ledger provides this functionality to fulfill the allocation accounting requirement:

- Define rules for creating allocated journals
- Create allocated journal entries based on defined rules
- Modify allocated journal entries
- Post journal entries directly to allocated accounts

Setting Up General Ledger for Journal Allocation

This section describes the tasks required for journal allocation:

- **Define journal source** – Define a journal source for allocated journals
- **Define journal category** – Define a journal category for allocated journals.
- **Define document sequences (optional)** – Define document sequences for allocated journals
- **Set up audit trail (optional)** – Set up an audit trail to document changes to journal allocation rules

Additional setup tasks:

- If you are allocating Budget journals:
  - Set up budget organization
  - Set up budgets
- If you are allocating Encumbrance journals:
  - Set up encumbrance types

After you perform the setup procedures that you want, define rule sets for allocated journals. See Defining Allocated Journals on page 1-70 for more information.

See also: setting Up, *Oracle General Ledger User Guide*

Defining Journal Sources

Use the Journal Sources window to define a journal source for allocated journals.

Use the *Import Journal References* option in the Journal Sources window to store reference information for imported journals. This option lets you determine the original journal for each allocated journal.

Defining Journal Categories

Use the Journal Categories window to define a journal category for allocated journals.

Defining Document Sequences

Use the Document Sequences window to define document sequences for allocated journals.

If your country requires document sequencing, you should create sequences for your allocated journal document sequences.

After you define document sequences, use the Sequence Assignments window to assign a document sequence to the journal category that you will use for allocated journals.

> **See also:** Defining a Document Sequence, *Oracle Applications System Administrator's Guide*

Setting Up an Audit Trail

Use the Audit Groups window to define an audit trail for rule sets for allocated journals.

An audit trail maintains a record of all changes to your rule sets for allocated journals. If you only want a record of the current rule set, you can run the Journal Allocation - Rule Set Listing to print the current rule sets. See Journal Allocation - Rule Set Listing on page 1-85 for more information.

To create an audit trail, set up an audit group for allocated journals that contains the tables to audit for changes to journal allocation rules.

You need to enter these tables in the User Table fields of the Audit Groups window:

- JG:JG_ZZ_TA_RULE_SETS
- JG:JG_ZZ_TA_CC_RANGES
- JG:JG_ZZ_TA_ACCOUNT_RANGES
- JG:JG_ZZ_TA_RULE_LINES

Note: Audit trail definitions do not take effect until you run the Audit Trail Update Tables report. If you later change audit trail definitions, you must run this report again.

See also: Overview of User and Data Auditing, *Oracle Applications System Administrator's Guide*

Defining Allocated Journals

Use the Define Journal Allocations window to define rule sets for allocated journals. You define allocated journal lines for all account values that require allocation entries.

You can define one rule set for each account type that requires journal allocation, or one rule set for all account types. When you choose an account type, Oracle General Ledger only displays the account ranges that refer to that account type.

The starting point for journal allocation is the cost center range. You define for each cost center, the account ranges to include in journal allocation and the destination allocation account values to use for each allocated journal line. Account ranges cannot overlap for the same cost center range; you cannot allocate the same account range twice for the same cost centers. If you do not use cost center ranges, define the account ranges to include in journal allocation and the destination allocation account values.

You also define the percentage amount that you want applied to each allocated journal line. For standard journal allocation, the total percentage amounts of all allocated journal lines must equal 100%. You can also create partial allocation entries that total less than 100% of the original accounting transaction, however, depending on your business requirements.

For each rule set that you create, choose the offset account at either the account level or the allocation level. Do not mix the level at which you define offset accounts within a rule set.

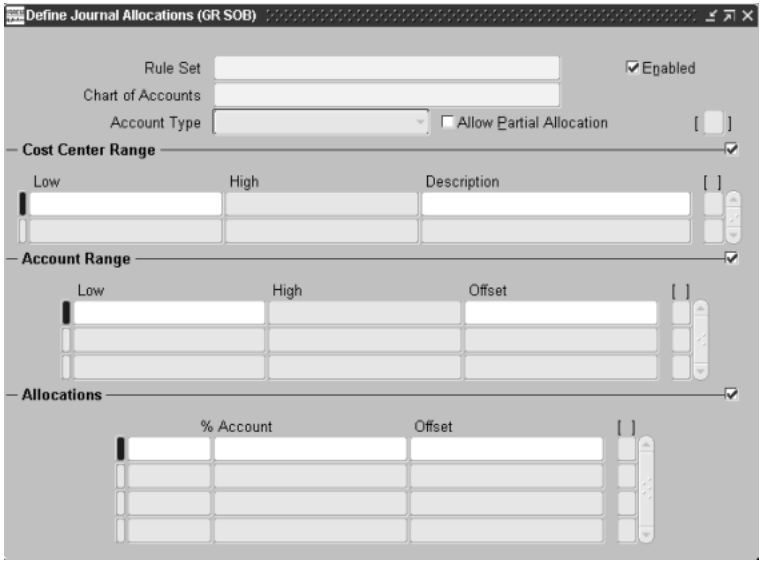
After you define your rule sets for journal allocation, run the Validate Allocation Rule Sets program to confirm the validity of the rule sets that you defined. See Validating Journal Allocations on page 1-74 for more information.

After you validate your rule sets, run the Allocate Journals program to create allocated journals. See Creating Journal Allocations on page 1-77 for more information.

Prerequisites

Before you can define allocated journals, you must:

- Define a set of books
- Assign your set of books to a responsibility



To define a rule set for allocated journals:

1. Navigate to the Define Journal Allocations window.
2. In the Rule Set field, enter a unique name for this set of journal allocation rules.
3. In the Chart of Accounts field, enter the chart of accounts structure that you want to use. The default value is the responsibility chart of accounts name within your set of books.
4. If you use an account type, enter the account type in the Account Type field, such as *Asset* or *Expense*, for this rule set.
5. If you are going to use partial allocation, check the Allow Partial Allocation check box.
6. If you use cost centers, navigate to the Cost Center Range region. Otherwise go to step 9.
7. In the Low and High fields, enter the first cost center range to process.

(continued)

8. In the Description field, you can optionally enter a unique description for this allocated journal.

   If you import allocated journals into General Ledger after journal allocation and if you enter *Yes* in the Headers by Cost Center Range? parameter in the Allocate Journals program, Journal Import uses the description in this field as a prefix to the standard journal header created by the import process. This description appears in the journal header.

9. Navigate to the Account Range region.

10. In the Low and High fields, enter the account ranges to process. This field only returns values for the account type that you specify.

    Note: Account ranges cannot overlap for the same cost center ranges.

11. In the Offset field, enter the offset account for these account ranges.

    If you enter the offset here, the Offset fields are disabled in the Allocations region.

12. Navigate to the Allocations region.

13. In the percentage (%) fields, enter the percentage amount to allocate to each destination account.

    The total of all percentages must equal 100, unless you checked the Allow Partial Allocation check box.

    Note: Partial allocation is enforced when you run the Allocate Journals program or the Validate Allocation Rule Sets program.

14. In the Account fields, enter the destination account value or values for allocated journal lines.

15. In the Offset field, enter the offset account for the allocated account values, if you did not enter the offset in the Account Range region.

16. Save your work.

17. Repeat steps 7 to 16 for each required cost center range for this rule set.

18. Repeat steps 2 to 18 for each rule set that you want to create.
19. Run the Journal Allocation - Rule Set Listing to review your rule sets.

    See Journal Allocation - Rule Set Listing on page 1-85 for more information.

Validating Journal Allocations

Use the Validate Allocation Rule Sets program to verify the completeness of your journal allocation definitions before actually creating physical journal allocations.

Run the Validate Allocation Rule Sets program under any of the following circumstances:

- After you define rules sets and before you create journal allocations
- Whenever you define a new rule set
- Whenever you add new cost centers or new accounts to the accounting structure

The Validate Allocation Rule Sets program validates the rule set against posted journal lines and produces an exception report of invalid or missing rule set definitions.

After you validate your rule set definitions, you can create physical journal allocations. See Creating Journal Allocations on page 1-77 for more information.

Use the Standard Request Submission windows to submit the Validate Allocation Rule Sets program.

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

Program Parameters

Enter these parameters to specify the desired program options:

Rule Set
Enter the rule set that you want to use for journal allocation.

Period
Enter the accounting period that you want. The Validate Allocation Rule Sets program only processes posted journals within this period.

Currency
Enter the journal currency code.

Amount Type

Enter the amount type to assign to allocated journal entries:

- **Entered** – Derives the allocated journal line amount from the entered journal line amount.
- **Accounted –** Derives the allocated journal line amount from the accounted journal line amount.

Balance Type

Enter the journal balance type:

- **Actual –** Derives the allocated journal lines based on Actuals journal lines.
- **Budget –** Derives the allocated journal lines based on Budget journal lines.
- **Encumbrance –** Derives the allocated journal line amount based on Encumbrance journal lines.

Budget Name/Encumbrance Type

Enter the budget name or encumbrance type, depending on whether you entered *Budget* or *Encumbrance* in the Balance Type field.

Balancing Segment Value

Enter the balancing segment value for allocated journal lines. The Validate Allocation Rule Sets program only processes journal lines containing this balancing segment value.

Destination Segment Method

Enter the segment method that you want to use for allocated journal line account code combinations. Choose one of the following:

- **Journal Account** – Derives all segments other than the account segment and balancing segment from the account code combination held against the original journal line. The account segment value is obtained from the destination account value defined in the journal allocation rule set.
- **Zero Filled –** Populates all segments other than the balancing and account segments with the shortest number of zeroes (0).

Error Handling

Enter *Warning* (default) as the error handling method that you want to use to validate the rule set. The available options are:

- **Error –**Validate Allocation Rule Sets program marks an error message against the journal line and aborts.
- **Warning –** Validate Allocation Rule Sets program marks a warning message against the journal line and continues processing.
- **Ignore –** Validate Allocation Rule Sets program ignores journal lines without journal allocation rules and continues processing.

> **Note:** You must enter *Warning* as the error handling method to use to mark all journal lines without allocation rules and to continue processing until the program prints the execution report.

Creating Journal Allocations

Use the Allocate Journals program to process posted accounting entries and create the new allocated journals. The Allocate Journals program creates allocated journals based on the rule sets that you defined in the Define Journal Allocations window.

The Allocate Journals program marks each journal line with a corresponding allocated journal line which prevents the program from reallocating the same journal lines in subsequent runs for the same period.

The Allocate Journals program loads the newly created allocated journals into the General Ledger Interface table. You can set the Allocate Journals program to run Journal Import after creating allocated journals. The Journal Import reads and validates the allocated journal entries, and creates new unposted journals in general ledger.

The Allocate Journals program produces an exception report of the journal lines without journal allocation rules or with invalid rule set definitions. Depending on your needs, you can set the Allocate Journals program to record errors and continue processing, to ignore any errors found, or to ignore any errors found and abort processing.

If you need to correct a rule set after you create the physical journal allocations, you can unallocate a previous journal allocation. You may also need to reverse or delete the imported journal. The Unallocate Journals program unmarks the journal lines marked by the Allocate Journals program. See Unallocating Journal Allocations on page 1-83 for more information.

Allocated journals must conform to other General Ledger settings and rules, such as cross-validation rules. Oracle General Ledger does not validate all journal rules when you run the Allocate Journals program, but instead during the Journal Import process. If the allocated journals violate any other journal rules, you need to find and correct the source of the error. See Correcting Journal Allocations on page 1-82 for more information.

You can run the Journal Allocation - Rule Set Listing to print a record of the current rule sets used to create allocated journals. See Journal Allocation - Rule Set Listing on page 1-85 for more information.

You can run the Allocate Journals program by choosing Run Allocate Journals from the Special menu in the Define Journal Allocations window, or as a standard request submission.

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

Prerequisites

Before you can create allocated journals, you must:

- Create journal allocation rule sets
- Post all period journals, including budget and encumbrance journals if applicable, to ensure that General Ledger is current before journal allocation

Program Parameters

Enter these parameters to specify the desired program options:

Rule Set

Enter the rule set that you want to use for journal allocation.

Period

Enter an open or future accounting period. The Allocate Journals program only processes posted journals within this period.

Currency

Enter the journal currency code.

Amount Type

Enter the amount type to assign to allocated journal entries:

- **Entered –** Derives the allocated journal line amount from the entered journal line amount.
- **Accounted –** Derives the allocated journal line amount from the accounted journal line amount.

Balance Type
Enter the journal balance type:

- **Actual –** Derives the allocated journal lines based on Actuals journal lines.
- **Budget –** Derives the allocated journal lines based on Budget journal lines.
- **Encumbrance –** Derives the allocated journal line amount based on Encumbrance journal lines.

Budget Name/Encumbrance Type
Enter the budget name or encumbrance type, depending on whether you entered *Budget* or *Encumbrance* in the Balance Type field.

Balancing Segment Value
Enter the balancing segment value for allocated journal lines. The Allocate Journals program only processes journal lines with this balancing segment value.

Destination Set of Books Name
Enter the set of books that you want to use to create allocated journals.

Destination Period
Enter an open period for allocated journals. You can enter the same open period that the allocated journal was created from, or any open period or future available period before or after.

Destination Source
Enter the journal source that you want to assign to allocated journals.

Destination Journal Category
Enter the journal category that you want to use for allocated journals. The Allocate Journals program assigns this journal category to each allocated journal.

(continued)

Destination Segment Method

Enter the segment method that you want to use for allocated journal line account code combinations. Choose one of the following:

- **Journal Account** – Derives all segments other than the account segment and balancing segment from the account code combination held against the original journal line. The account segment value is obtained from the destination account value defined in the journal allocation rule set.
- **Zero Filled –** Populates all segments other than the balancing and account segments with the shortest number of zeroes (0).

Headers by Cost Center Range?

Enter *Yes* if you want to create journal headers per cost center range.

> **Note:** If you entered a cost center range description in the Description field in the Define Journal Allocations window, the description is included in each journal header. Enter *No* to create the same journal header for all ranges.

Error Handling

Enter the error handling method to use to validate the rule set:

- **Error –**Validate Allocation Rule Sets program marks an error message against the journal line and aborts.
- **Warning –**Validate Allocation Rule Sets program marks a warning message against the journal line and continues processing.
- **Ignore –**Validate Allocation Rule Sets program ignores journal lines without journal allocation rules and continues processing.

> **Note:** If you have already validated your rule set with the Validate Allocation Rule Sets program, you can use the *Warning* or *Ignore* error handling methods.

Run Journal Import?
Enter *Yes* to run Journal Import after the Allocate Journals program creates physical journal allocations. Enter *No* to create physical journal allocations without running Journal Import.

Enter values in the following parameters if you entered *Yes* in the Run Journal Import? field.

Destination Summary Level
Enter the summary level that you want to use for Journal Import:

- **Detail** (default) – Journal Import transfers allocated journal lines in detail.
- **Summary –** Journal Import summarizes allocated journal transactions for the same account code combination, period, and currency into one debit and one credit line.

Import Descriptive Flexfields?
Choose whether to import descriptive flexfields along with your journal information.

> **Note:** You can only use this option if you entered *Detail* in the Destination Summary Level field.

Choose one of the following:

- **Yes - with Validation –** Journal Import imports descriptive flexfields with validation and generates all journals.
- **Yes - without Validation** – Journal Import imports descriptive flexfields without validation and generates all journals.
- **No –** Journal Import generates all journals without importing descriptive flexfields.

Post Errors to Suspense?
If you entered *Yes* in the Run Journal Import? Field, enter *Yes* or *No* to specify whether Journal Import should post erroneous journals to a suspense account.

> **Note:** You can only enter *Yes* if your destination set of books allows suspense posting.

Correcting Journal Allocations

After you run Journal Import for your allocated journals, you may find that Journal Import rejected data from journal allocation processing. In some cases, the allocated journals may violate the Oracle General Ledger cross-validation rules due to an error in the journal allocation rule set, or the cross-validation rules themselves may be in error.

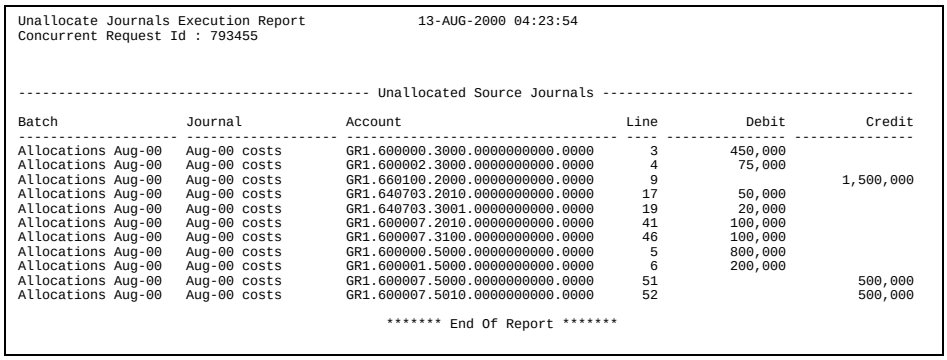
To correct journal allocations, use one of these procedures:

- If there are relatively few errors, use the Correct Journal Import Data window to correct the data.
- If allocated journals violate other rules, such as cross-validation rules, correct the source of the problem and run Journal Import again.
- If there are many errors in the journal import, due to an incorrect rule set, delete the erroneous data from the General Ledger interface tables, reverse the journal allocation, and correct the rule set in the Define Journal Allocations window. Validate your rule set and then re-run the Allocate Journals program.

See Unallocating Journal Allocations on page 1-83 for information about unallocating a journal allocation.

See also: Importing Journals, *Oracle General Ledger User Guide*

Unallocating Journal Allocations



Unallocate Journals Execution Report 13-AUG-2000 04:23:54
Concurrent Request Id : 793455

Unallocated Source Journals

Batch	Journal	Account	Line	Debit	Credit
Allocations Aug-00	Aug-00 costs	GR1.600000.3000.00000000000.0000	3	450,000	
Allocations Aug-00	Aug-00 costs	GR1.600002.3000.00000000000.0000	4	75,000	
Allocations Aug-00	Aug-00 costs	GR1.660100.2000.00000000000.0000	9		1,500,000
Allocations Aug-00	Aug-00 costs	GR1.640703.2010.00000000000.0000	17	50,000	
Allocations Aug-00	Aug-00 costs	GR1.640703.3001.00000000000.0000	19	20,000	
Allocations Aug-00	Aug-00 costs	GR1.600007.2010.00000000000.0000	41	100,000	
Allocations Aug-00	Aug-00 costs	GR1.600007.3100.00000000000.0000	46	100,000	
Allocations Aug-00	Aug-00 costs	GR1.600000.5000.00000000000.0000	5	800,000	
Allocations Aug-00	Aug-00 costs	GR1.600001.5000.00000000000.0000	6	200,000	
Allocations Aug-00	Aug-00 costs	GR1.600007.5000.00000000000.0000	51		500,000
Allocations Aug-00	Aug-00 costs	GR1.600007.5010.00000000000.0000	52		500,000

******* End Of Report *******

Use the Unallocate Journals program to unallocate a journal allocation. The Unallocate Journals program unmarks the journal lines used to create the allocated journal to include journal lines in a subsequent run of the Allocate Journals program.

> **Note:** After you run the Unallocate Journals program, run the Delete Journal Import program to delete allocated journal lines that are already loaded into the General Ledger interface tables.

You need to reverse a journal allocation if the Allocate Journals program produces several errors during processing. The Allocate Journals program exception report provides details of all unallocated journal lines and invalid rule definitions.

Use the Define Journal Allocations window to modify the rule set, then run the Validate Allocation Rule Sets program or the Allocate Journals program again.

You can also use the Journal Allocation - Rule Set Listing to review your rule sets before running the Allocate Journals program. See Journal Allocation - Rule Set Listing on page 1-85 for more information.

Use the Standard Request Submission windows to submit the Unallocate Journals program.

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

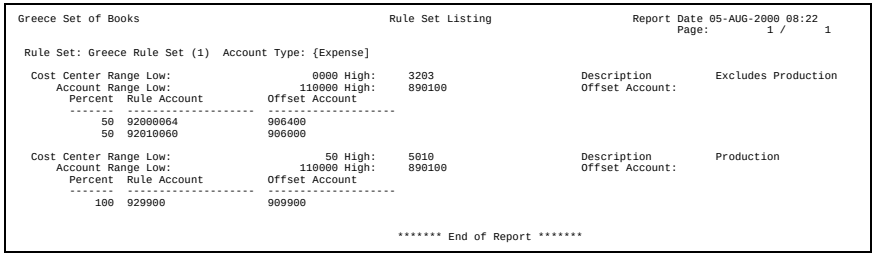
See also: Importing Journals, *Oracle General Ledger User Guide*

Program Parameters

Enter this parameter to specify the desired program options:

Concurrent Request ID
Enter the concurrent request ID of the last run of the Allocate Journals program. The concurrent request ID is part of your destination journal batch name.

Journal Allocation - Rule Set Listing



```
Greece Set of Books                                Rule Set Listing                    Report Date 05-AUG-2000 08:22
                                                                                                Page:          1 /      1

 Rule Set: Greece Rule Set (1)  Account Type: {Expense}

  Cost Center Range Low:                     0000 High:     3203                    Description          Excludes Production
      Account Range Low:                   110000 High:     890100                  Offset Account:
        Percent  Rule Account          Offset Account
        -------  --------------------  --------------------
             50  92000064              906400
             50  92010060              906000

  Cost Center Range Low:                     0050 High:     5010                    Description          Production
      Account Range Low:                   110000 High:     890100                  Offset Account:
        Percent  Rule Account          Offset Account
        -------  --------------------  --------------------
            100  929900                909900


                                                  ******* End of Report *******
```

Use the Journal Allocation - Rule Set Listing to review your rule sets for journal allocation. The Journal Allocation - Rule Set Listing prints a listing, for each rule set, of the natural accounts and their destination allocated journal accounts and offsets.

After you review your rule sets, you can use the Define Journal Allocations window to correct any rule set errors.

Use the Standard Request Submission windows to submit the Journal Allocation - Rule Set Listing.

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

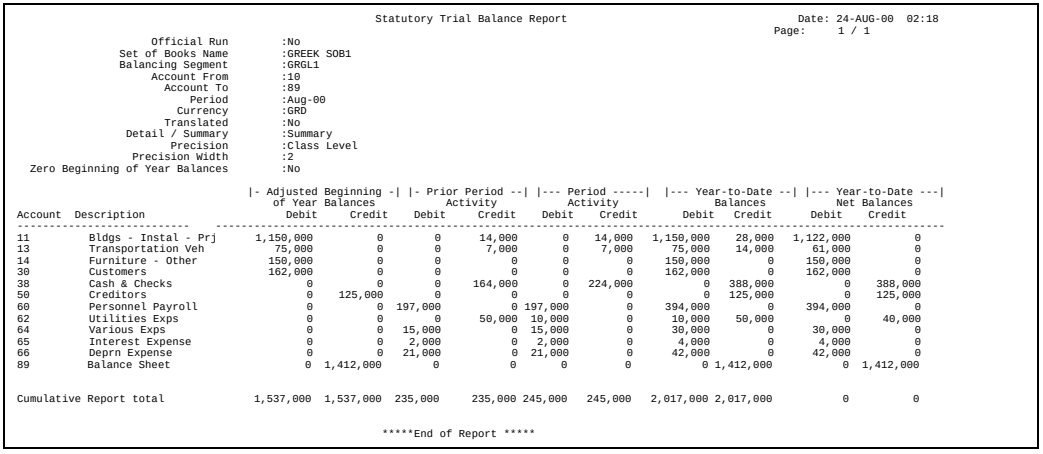
Report Parameters

Enter this parameter to specify the desired reporting options:

Rule Set

Enter the name of the rule set that you want to print for the report.

Statutory Trial Balance Report



Statutory Trial Balance Report

Date: 24-AUG-00 02:18
Page: 1 / 1

Official Run	:No
Set of Books Name	:GREEK SOB1
Balancing Segment	:GRGL1
Account From	:10
Account To	:89
Period	:Aug-00
Currency	:GRD
Translated	:No
Detail / Summary	:Summary
Precision	:Class Level
Precision Width	:2
Zero Beginning of Year Balances	:No

Account	Description	Adjusted Beginning of Year Balances Debit	Adjusted Beginning of Year Balances Credit	Prior Period Activity Debit	Prior Period Activity Credit	Period Activity Debit	Period Activity Credit	Year-to-Date Balances Debit	Year-to-Date Balances Credit	Year-to-Date Net Balances Debit	Year-to-Date Net Balances Credit
11	Bldgs - Instal - Prj	1,150,000	0	0	14,000	0	14,000	1,150,000	28,000	1,122,000	0
13	Transportation Veh	75,000	0	0	7,000	0	7,000	75,000	14,000	61,000	0
14	Furniture - Other	150,000	0	0	0	0	0	150,000	0	150,000	0
30	Customers	162,000	0	0	0	0	0	162,000	0	162,000	0
38	Cash & Checks	0	0	0	164,000	0	224,000	0	388,000	0	388,000
50	Creditors	0	125,000	0	0	0	0	0	125,000	0	125,000
60	Personnel Payroll	0	0	197,000	0	197,000	0	394,000	0	394,000	0
62	Utilities Exps	0	0	0	50,000	10,000	0	10,000	50,000	0	40,000
64	Various Exps	0	0	15,000	0	15,000	0	30,000	0	30,000	0
65	Interest Expense	0	0	2,000	0	2,000	0	4,000	0	4,000	0
66	Deprn Expense	0	0	21,000	0	21,000	0	42,000	0	42,000	0
89	Balance Sheet	0	1,412,000	0	0	0	0	0	1,412,000	0	1,412,000
Cumulative Report total		1,537,000	1,537,000	235,000	235,000	245,000	245,000	2,017,000	2,017,000	0	0

*****End of Report *****

Use the Statutory Trial Balance report to see detailed or summarized account data by account class hierarchy.

Some countries have a statutory account class hierarchy. The trial balances for these countries require summarized account balances and activity for one or more of the account classes. The Statutory Trial Balance report lets you report on detailed and/or summarized data at one or more of the account class hierarchy levels.

To use the Statutory Trial Balance report, you must have a fixed parent account structure. For example, if you have a three-level parent account structure with widths of two characters each (2 char/2 char/2 char), you cannot set up child values that are the same width as the parent. The reports summarize cost information for the fixed parent accounts that you define in Oracle General Ledger.

If you must print official versions of these reports for submission to the tax authorities, use paper with the required statutory headers.

> **See also:** Greek Statutory Headings Report, *Oracle Financials for Greece User Guide*

Use the Standard Request Submission windows to submit the Statutory Trial Balance report.

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

Report Parameters

Enter these parameters to specify the desired reporting options:

Official Run
Enter *Yes* if you are going to use paper with statutory header information. If you enter *No*, the report prints the standard header information.

Balancing Segment
Enter the balancing segment that you want to use for this report.

Account From
Enter the beginning account range that you want to use for this report.

Account To
Enter the ending account range that you want to use for this report.

Period
Enter the period that you want to use for this report.

Currency
Enter the currency that you want to use for this report.

Translated Balances?
Enter *Yes* or *No* to indicate whether you want to report on translated General Ledger balances.

> **Note:** To enter *Yes*, you must have already run the Translation program for the currency value that you entered in the Currency parameter for the required period. To run the Translation program, navigate to the Translate Balances window in Oracle General Ledger.

(continued)

Detail/Summary

Enter *Detail*, *Summary*, or *Both* to indicate the reporting level for this report.

- **Detail –** The Statutory Trial Balance report ignores Precision and Precision Width parameter values and prints only the natural account balances.
- **Summary –** The Statutory Trial Balance report prints the parent account balances at the level indicated by values that you entered in the Precision and Precision Width parameters.
- **Both –** The Statutory Trial Balance report prints both natural and parent account balances.

Precision

Enter *Class*, *Class and Sub-class*, or *Class, Sub-class, and Group* to indicate the summary level to use for this report.

The Precision indicates the summary level at which balances are reported on:

- **Class** – First summary level
- **Class and Sub-class** – First and second summary level
- **Class, Sub-Class, and Group** – First, second, and third summary level

Precision Width

Enter the precision width to use to report on the summary level that you entered.

The precision width indicates the number of account value digits to include at each summary or precision level. The number of digits reported is a combination of the values that you enter in the Precision and Precision Width parameters, and operates as a multiplier from the lowest precision width of 1. For a precision width of 2, the number of digits reported for each precision is twice that of precision width of 1; for precision width of 3, the number of digits reported is three times that of precision width 1. The maximum precision width is 8, because the accounting flexfield column width is 25 characters.

Example

Precision Width:	1	2	3	8
Digits per Precision				
Class:	1	2	3	8
Sub-class:	2	4	6	16
Group:	3	6	9	24

Zero Beginning of Year Balances

Enter *Yes* or *No* to indicate whether or not to zero the beginning of year balances.

> **Note:** Enter *Yes* up until you run the Year-End Closing journal. After you run the year-end closing journal, you can only enter *No*.

Report Headings

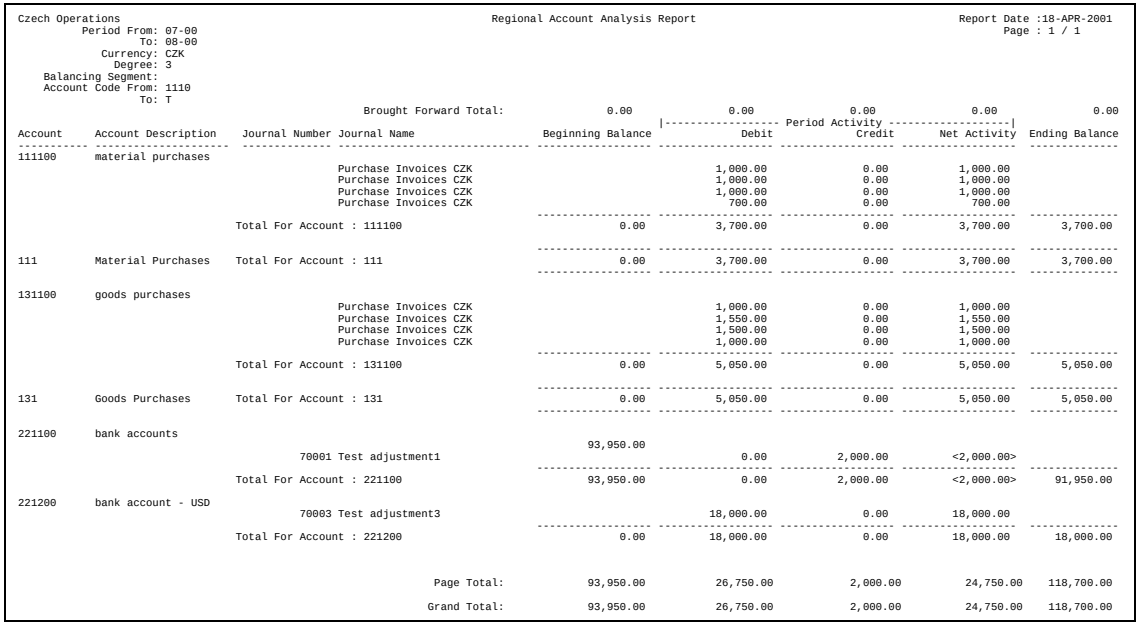
In this heading…	General Ledger prints…
Report Date	Date that the report was requested
Page Number	Page number

Column Headings

In this column…	General Ledger prints…
Account	Account or class level.
Description	Description of the account or class level.
Adjusted Beginning of Year Balances Debit	Sum of beginning year debit balance and debit activity for the beginning adjustment period, if any.
Adjusted Beginning of Year Balances Credit	Sum of beginning year credit balance and credit activity for the beginning adjustment period, if any.
Prior Period Activity Debit	Debit activity for prior periods in the fiscal year, excluding the beginning adjustment period.

In this column…	General Ledger prints…
Prior Period Activity Credit	Credit activity for prior periods in the fiscal year, excluding the beginning adjustment period.
Period Activity Debit	Debit activity for the current period.
Period Activity Credit	Credit activity for the current period.
Year-to-Date Balances Debit	Debit balance at the end of the current period.
Year-to-Date Balances Credit	Credit balance at the end of the current period.
Year-to-Date Net Balances Debit	Net debit balance at the end of the current period, if the net debit balance is greater than 0. Otherwise the report prints 0.
Year-to-Date Net Balances Credit	Net credit balance at the end of the current period, if the net credit balance is greater than 0. Otherwise the report prints 0.

Regional Account Analysis Report



Czech Operations — Regional Account Analysis Report — Report Date :18-APR-2001 — Page : 1 / 1

Period From: 07-00
To: 08-00
Currency: CZK
Degree: 3
Balancing Segment:
Account Code From: 1110
To: T

Account	Account Description	Journal Number	Journal Name	Beginning Balance	Period Activity: Debit	Period Activity: Credit	Period Activity: Net Activity	Ending Balance
			Brought Forward Total:	0.00	0.00	0.00	0.00	0.00
111100	material purchases							
			Purchase Invoices CZK		1,000.00	0.00	1,000.00	
			Purchase Invoices CZK		1,000.00	0.00	1,000.00	
			Purchase Invoices CZK		1,000.00	0.00	1,000.00	
			Purchase Invoices CZK		700.00	0.00	700.00	
		Total For Account : 111100		0.00	3,700.00	0.00	3,700.00	3,700.00
111	Material Purchases	Total For Account : 111		0.00	3,700.00	0.00	3,700.00	3,700.00
131100	goods purchases							
			Purchase Invoices CZK		1,000.00	0.00	1,000.00	
			Purchase Invoices CZK		1,550.00	0.00	1,550.00	
			Purchase Invoices CZK		1,500.00	0.00	1,500.00	
			Purchase Invoices CZK		1,000.00	0.00	1,000.00	
		Total For Account : 131100		0.00	5,050.00	0.00	5,050.00	5,050.00
131	Goods Purchases	Total For Account : 131		0.00	5,050.00	0.00	5,050.00	5,050.00
221100	bank accounts			93,950.00				
		70001	Test adjustment1		0.00	2,000.00	<2,000.00>	
		Total For Account : 221100		93,950.00	0.00	2,000.00	<2,000.00>	91,950.00
221200	bank account - USD							
		70003	Test adjustment3		18,000.00	0.00	18,000.00	
		Total For Account : 221200		0.00	18,000.00	0.00	18,000.00	18,000.00
			Page Total:	93,950.00	26,750.00	2,000.00	24,750.00	118,700.00
			Grand Total:	93,950.00	26,750.00	2,000.00	24,750.00	118,700.00

Use the Regional Account Analysis report to list all actual account balances and journal activity for a given period and account range. You can restrict the level of detail that the report prints by selecting the degree that the report summarizes to. For example, with a degree of 3, the Regional Account Analysis report will subtotal the account activity and balances by the first three characters of the natural account segment.

The Regional Account Analysis report can be run for any defined currency. The report is used for the Czech Republic and Turkey.

Use the Standard Request Submission windows to submit the Regional Account Analysis report.

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

Prerequisites

Before submitting the Regional Account Analysis report, you must complete these tasks:

- When you define accounting flexfield natural account segment values in the Segment Values window:
  - Define a segment value for each degree that you want to report. The segment value is used to report the account description.
  - Enter *No* for the Postable qualifier for each degree.
  - Define an account value for each degree. Otherwise, the report does not contain summary information for that degree.
- Post journals in General Ledger.

Report Parameters

Accounting Period From
Enter the first period that you want to report on.

Accounting Period To
Enter the last period that you want to report on.

Currency
Enter any currency that is defined in your system. If you select the functional currency for your set of books, the Regional Account Analysis report lists all foreign currency transactions in the functional currency, based on the conversion rate associated with the transaction.

Degree
Enter a value between 1 and 9 to indicate the level of detail that you want to report on. Only the selected degree level is summarized. For example, a degree of 4 subtotals amounts by only the first 4 digits of each account.

Balancing Segment
Enter the balancing segment that you want to report on. If you do not select a balancing segment, the Regional Account Analysis report lists all the balancing segments. Each balancing segment is printed on a new page.

Account Code From
Enter the lowest account that you want to report on.

Account Code To
Enter the highest account that you want to report on.

Report Headings

In this heading…	General Ledger prints…
<Set of Books>	The set of books name that the report is run for
<Report Title>	Regional Account Analysis Report
Report Date	The date that the report is run
Page	The current and total pages of the report
Period From	The period that you entered in the Accounting Period From parameter
To	The period that you entered in the Accounting Period To parameter
Currency	The currency that you entered in the Currency parameter
Degree	The degree that you entered in the Degree parameter
Balancing Segment	The balancing segment that you entered in the Balancing Segment parameter
Account Code From	The account code that you entered in the Account Code From parameter
To	The account code that you entered in the Account Code To parameter

Column Headings

In this column…	General Ledger prints…
Account	The account segment of the accounting flexfield for each of the journals and balances. In the row totals, this column also prints the account segments of accounting flexfields that serve as degree accounts.
Account Description	The description for each account segment and degree of account segment in the accounting flexfield.
Journal Number	The sequence number of each journal.
Journal Name	The journal name of each journal.
Beginning Balance	The net balance for each account from the beginning of the year.
Period Activity - Debit	The debit amount for each journal.
Period Activity - Credit	The credit amount for each journal.
Period Activity - Net Activity	The net of the debit amount less the credit amount for each journal.
Ending Balance	The net ending balance for each account.

Row Headings

In this row…	General Ledger prints…
Brought Forward Total	The beginning balance for these columns on each page: Beginning Balance Period Activity - Debit Period Activity - Credit Period Activity - Net Activity Ending Balance
Total for Account	The sum of all amount columns for the entries listed for each account value of the accounting flexfield natural segment. An account total is also printed for the degree of the account that the report was run for and any degree below. For instance, if degrees 1, 2, and 3 are defined and the report runs for degree 2, the report also shows a total for degree 3.
Total for Period	The sum of all amount columns for the period that you ran the report for.
Total for Balancing Segment	The sum of all amount columns for the balancing segment that you selected.
Page Total	The sum of the beginning balance, debit, credit, net activity, and ending balance in the current page.
Carry Forward Total	The sum of the page and brought forward totals on the current page. The carried forward total equals the brought forward total at the top of the next page.
Grand Total	The grand total for the report.

Tax Reconciliation by Taxable Account Report

U.S. Operations — Tax Reconciliation by Account — Report Date: 15-OCT-2001 11:30
Functional Currency: USD — Page: 1/1

Balancing Segment: 01 - US1
Tax Type: VAT

Account	Description	Tax Code	Tax Class
4111	Hardware Revenue	3% Output-Sales	Output

Source	Acct Date	Trans Num	Customer/Supplier	Line	Trans Date	Taxable Amount	Tax Amount	Gross Amount
AR	2001/10/2	10001	Customer A	1	2001/10/1	80,000	2,400	82,400
AR	2001/10/4	10010	Customer B	1	2001/10/2	140,000	4,200	144,200
AR	2001/10/10	10020	Customer C	1	2001/10/10	120,000	3,600	123,600
GL	2001/10/15	4005	Customer D	1	2001/10/15	3,000	90	3,090
Total 3% Output-Sales						343,000	10,290	353,290
Total Account 4111						343,000	10,290	353,290
8111	Material A			3% Input-Purchase	Input			
AP	2001/10/6	11385	Supplier A	1	2001/10/6	80,000	2,400	82,400
AP	2001/10/10	K2280	Supplier B	1	2001/10/10	100,000	3,000	103,000
AP	2001/10/12	GL-0909	Supplier C	1	2001/10/12	160,000	4,800	164,800
GL	2001/10/15	4010	Supplier D	1	2001/10/15	3,000	90	3,090
Total 3% Input-Purchase						343,000	10,290	353,290
Total Account 8111						343,000	10,290	353,290

U.S. Operations — Tax Reconciliation by Tax Code — Report Date: 15-OCT-2001 11:30
Functional Currency: USD — Page: 1/1

Balancing Segment: 01 - US1
Tax Type: VAT

Tax Code	Tax Class	Account	Description
3% Output-Sales	Output	4111	Hardware Revenue

Source	Acct Date	Trans Num	Customer/Supplier	Line	Trans Date	Taxable Amount	Tax Amount	Gross Amount
AR	2001/10/2	10001	Customer A	1	2001/10/1	80,000	2,400	82,400
AR	2001/10/4	10010	Customer B	1	2001/10/2	140,000	4,200	144,200
AR	2001/10/10	10020	Customer C	1	2001/10/10	120,000	3,600	123,600
GL	2001/10/15	4005	Customer D	1	2001/10/15	3,000	90	3,090
Total Account 4111						343,000	10,290	353,290
Total 3% Output-Sales						343,000	10,290	353,290
3% Input-Purchase	Input	8111	Material A					
AP	2001/10/6	11385	Supplier A	1	2001/10/6	80,000	2,400	82,400
AP	2001/10/10	K2280	Supplier B	1	2001/10/10	100,000	3,000	103,000
AP	2001/10/12	GL-0909	Supplier C	1	2001/10/12	160,000	4,800	164,800
GL	2001/10/15	4010	Supplier D	1	2001/10/15	3,000	90	3,090
Total Account 8111						343,000	10,290	353,290
Total 3% Input-Purchase						343,000	10,290	353,290

Use the Tax Reconciliation by Taxable Account report to report on taxable transactions in Payables, Receivables, and General Ledger. This report fulfills the legal reporting requirement for tax returns and tax audits for VAT accounting. The Tax Reconciliation by Taxable Account report lets you:

- Prepare a tax return from a single source
- Reconcile period-end taxable account balances to tax amounts

The Tax Reconciliation by Taxable Account report lets you report on all taxable transactions in a single report.

The report prints for each transaction:

- Transaction source - Payables, Receivables, or General Ledger
- Accounting date
- Transaction date
- Transaction number
- Customer / supplier name
- Taxable amount
- Tax amount

The report generates subtotals by taxable account and tax code.

The Tax Reconciliation by Taxable Account report uses the RXi reports administration tool to generate reports. The content and layout of the report is determined by the attribute set that you select. The Tax Reconciliation by Taxable Account report comes with two attribute sets:

- **By Account** - This attribute set orders transactions by taxable account and tax code. The report prints totals for each tax code within an account and for each account. The report name is *Tax Reconciliation by Account*.
- **By Tax Code** - This attribute set orders transactions by tax code and taxable account. The report prints totals for each account within a tax code and for each tax code. The report name is *Tax Reconciliation by Tax Code*.

Use the Standard Request Submission windows to run the Publish Tax Reconciliation report to extract data and produce the report.

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

> **See also:** Using the RXi Reports Concurrent Program, *Oracle Financials RXi Reports Administration Tool User Guide*

Report Parameters

Balancing Segment

Enter the balancing segment for the taxable line for this report.

Account Segment Range

Enter the account segment range for the taxable line for this report.

Currency
Enter the transaction currency for this report.

Account Date
Enter the accounting date range for this report.

Tax Type
Enter the tax type to use for this report.

Tax Class
Enter the tax class (*Input* or *Output*) for this report. If you do not enter a value, the report prints for both tax classes.

Tax Code
Enter the tax code for this report. If you do not enter a value, the report prints all tax codes for the tax class specified in the Tax Class parameter.

Attribute Set
Enter the attribute set to use for the content and layout of the report. The default attribute sets are *By Account* and *By Tax Code*.

Output Format
Enter *Text*, *HTML*, *CSV*, or *Tab Delimited*.

Report Headings

In this heading…	Oracle Financials prints…
Report Title	*Tax Reconciliation by Account* or *Tax Reconciliation by Tax Code*
Report Date	Report date in *DD-MON-YYYY* format
Functional Currency	Functional currency for the report
Page	Page number
Balancing Segment	Balancing segment value
Tax Type	Tax type for the report
Total	Subtotal by tax code
Total Account	Subtotal by taxable account segment value

Column Headings

In this column…	Oracle Financials prints…
Account	Account segment value for each taxable line
Description	Description of the account segment value
Tax Code	Tax code for each taxable line
Tax Class	Tax class of the tax code
Source	*AP*, *AR*, or *GL*
Acct Date	Accounting date, in *DD-MON- YYYY* format
Trans Num	Transaction number
Customer / Supplier	Customer or supplier name for the taxable transaction
Line	Line number of the taxable transaction
Trans Date	Transaction date, in *DD-MON- YYYY* format
Taxable Amount	Taxable amount of the transaction line
Tax Amount	Tax amount of the transaction line
Gross Amount	Total of the taxable amount and tax amount for the transaction line

2

Oracle Payables

This chapter describes Oracle Payables, including subledger balance reporting.

Subledger Balance Reporting for Oracle Payables

In some countries, companies are legally required to be able to report supplier account balances within the accounts payable subledger. You can use subledger balance reporting for Oracle Payables to meet this requirement.

Subledger balance reporting lets you derive the outstanding account balances for your suppliers from the transaction amounts in these accounts that are currently open, or unmatched. Balances against Accounting flexfields are not available online in the subledgers. The subledger balance programs and reports calculate and maintain these balances.

Use the Subledger Balance Maintenance for Payables Accounting Periods program to maintain the subledger balances and the Supplier Balances report sets to retrieve and print the subledger balances. You can review the account balances by supplier and supplier site.

Oracle Payables includes transactions from these kinds of accounting entries in the subledger account balances:

- Accounting entries made to Oracle Payables liability control accounts, such as entering invoices, entering adjustments, entering payments, and voiding payments
- Accounting entries made to Oracle Payables future payment control accounts, such as entering future payments and clearing future payments
- Accounting entries made to Oracle Payables prepayment control accounts, such as entering prepayments and applying approved prepayments

You can include both posted and unposted transactions in the subledger balances.

Subledger to General Ledger Reconciliation

You can also use subledger balance reporting to help you reconcile subledger transactions with General Ledger balances. Reviewing the subledger balances for your suppliers can help you identify possible reasons for any discrepancies, such as:

- Transaction amounts that were assigned to incorrect accounts, such as an invoice distribution amount assigned to a liability account
- Transactions that are not yet posted to General Ledger
- Transactions for which the posting process failed
- Journal batches that are not yet posted in General Ledger
- Journal lines that were altered or deleted

Maintaining Historical Subledger Balances for Oracle Payables

Use the Subledger Balance Maintenance for Payables Accounting Periods program to maintain the summary tables that the Supplier Balances reports are based on. You must run the Subledger Balance Maintenance for Payables Accounting Periods program when an accounting period is opened or closed in Oracle Payables.

Use the Standard Request Submission windows to submit the Subledger Balance Maintenance for Payables Accounting Periods program.

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

> **See also:** Create Historical Subledger Balances, *Oracle Financials Country-Specific Installation Supplement*

Report Parameters

Period From
Enter the earliest accounting period that requires maintenance.

Period To
Enter the latest accounting period that requires maintenance.

Open/Close
Enter the change in period status for the periods that require maintenance.

- **Close** - Close balance period or periods
- **Open** - Open balance period or periods

> **Note:** This program is normally run against closed accounting periods.

Supplier Balances Report Sets

Use the Supplier Balances report sets to review the account balances for your suppliers. You can choose from these Supplier Balances report sets:

- Supplier Balances Summary
- Supplier Balances Detail
- Supplier Balances Detail (180)

Each report set includes the Supplier Account Balance Maintenance program, which retrieves supplier balance information, as well as a report that displays that information at the level of detail that you choose. See Supplier Account Balance Maintenance Program on page 2-6 and Supplier Balances Reports on page 2-7 for more information.

Use the Standard Request Submission windows to submit the Supplier Balances report sets.

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

Supplier Account Balance Maintenance Program

The Supplier Account Balance Maintenance program retrieves the supplier balance information that Oracle Payables displays on the Supplier Balances reports. You run the Supplier Account Balance Maintenance program as part of the Supplier Balances report sets. For more information, see Supplier Balances Report Sets on page 2-5.

Program Parameters

Period From

Enter the earliest accounting period that you want to include on the report.

Period To

Enter the latest accounting period that you want to include on the report.

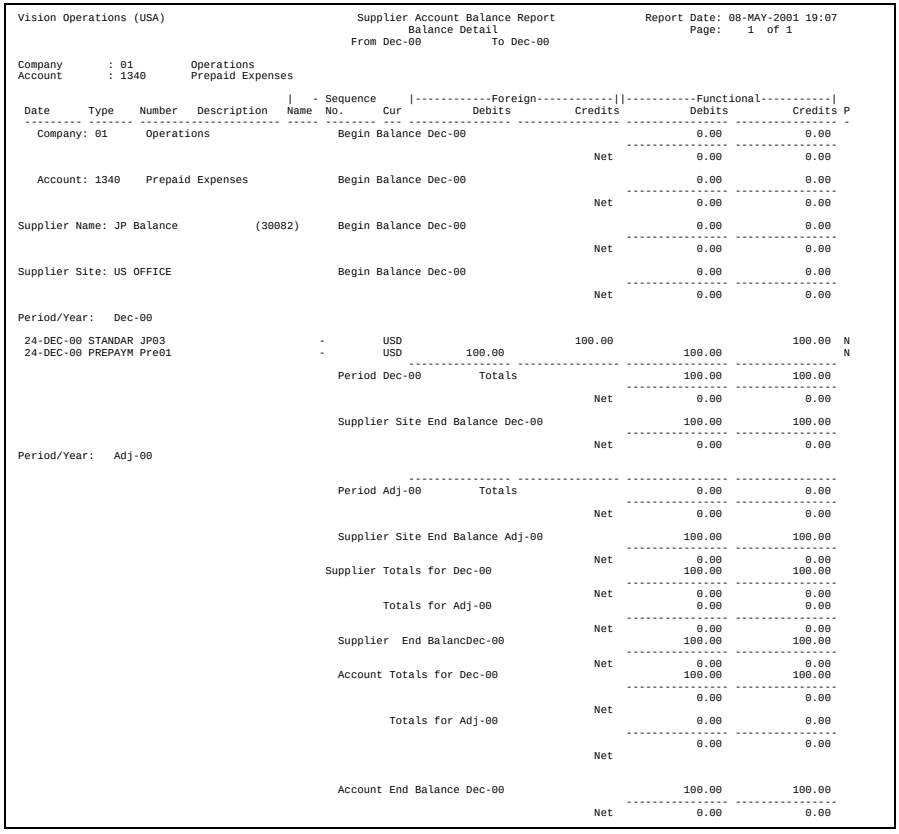
Posted To GL

Enter the posting status for the transactions that you want to include on the report. Valid values are:

- **All** - All transactions
- **Unposted** - Unposted transactions only
- **Posted** - Posted transactions only

Unposted transactions include invoices that are on hold and invoices that are not yet approved.

Supplier Balances Reports



Vision Operations (USA) — Supplier Account Balance Report — Report Date: 08-MAY-2001 19:07
Balance Detail — Page: 1 of 1
From Dec-00 To Dec-00

Company : 01 Operations
Account : 1340 Prepaid Expenses

Date	Type	Number	Description	Name	Sequence No.	Cur	Foreign Debits	Foreign Credits	Functional Debits	Functional Credits	P
Company: 01 Operations						Begin Balance Dec-00			0.00	0.00	
								Net	0.00	0.00	
Account: 1340 Prepaid Expenses						Begin Balance Dec-00			0.00	0.00	
								Net	0.00	0.00	
Supplier Name: JP Balance				(30082)		Begin Balance Dec-00			0.00	0.00	
								Net	0.00	0.00	
Supplier Site: US OFFICE						Begin Balance Dec-00			0.00	0.00	
								Net	0.00	0.00	
Period/Year: Dec-00											
24-DEC-00	STANDAR	JP03			-	USD		100.00		100.00	N
24-DEC-00	PREPAYM	Pre01			-	USD	100.00		100.00		N
						Period Dec-00 Totals			100.00	100.00	
								Net	0.00	0.00	
						Supplier Site End Balance Dec-00			100.00	100.00	
								Net	0.00	0.00	
Period/Year: Adj-00											
						Period Adj-00 Totals			0.00	0.00	
								Net	0.00	0.00	
						Supplier Site End Balance Adj-00			100.00	100.00	
								Net	0.00	0.00	
						Supplier Totals for Dec-00			100.00	100.00	
								Net	0.00	0.00	
						Totals for Adj-00			0.00	0.00	
								Net	0.00	0.00	
						Supplier End BalancDec-00			100.00	100.00	
								Net	0.00	0.00	
						Account Totals for Dec-00			100.00	100.00	
								Net	0.00	0.00	
						Totals for Adj-00			0.00	0.00	
								Net	0.00	0.00	
						Account End Balance Dec-00			100.00	100.00	
								Net	0.00	0.00	

Use the Supplier Balances reports to review the account balances for your suppliers for an accounting period range. Choose the appropriate report for the level of detail you want.

- **Supplier Balances Summary report** - Beginning and ending balances as well as a summary of period activity
- **Supplier Balances Detail report** - Beginning and ending balances as well as details about the transactions during the period

(continued)

- **Supplier Balances Detail report (180 characters)** - Beginning and ending balances, details about the transactions during the period, and running net debit and credit totals during the period

You can select one of the segments in your accounting flexfield as the pagebreak segment for the report. Oracle Payables begins printing the information for each pagebreak segment value on a new page.

The Supplier Balances Detail reports show the posting status of each transaction. Use the Posted to GL parameter for the Supplier Account Balance Maintenance program to select whether you want to include posted transactions only, unposted transactions only, or all transactions. For more information, see Supplier Account Balance Maintenance Program on page 2-6.

The Supplier Balances Detail reports also show totals for each supplier site, supplier, account, balancing segment, and pagebreak segment.

You run the Supplier Balances reports as part of the Supplier Balances report sets. For more information, see Supplier Balances Report Sets on page 2-5.

Report Parameters

Period From

The Period From parameter shows the earliest accounting period included on the report. This parameter is shared with the Supplier Account Balance Maintenance program and cannot be updated here.

Period To

The Period To parameter shows the latest accounting period included on the report. This parameter is shared with the Supplier Account Balance Maintenance program and cannot be updated here.

Pagebreak Segment

Select the accounting flexfield segment that you want to use as the pagebreak segment.

Pagebreak Segment Low

Enter the segment value at the beginning of the pagebreak segment range that you want to include on the report.

Pagebreak Segment High

Enter the segment value at the end of the pagebreak segment range that you want to include on the report.

Account From
Enter the account segment value at the beginning of the account segment range that you want to include on the report.

Account To
Enter the account segment value at the end of the account segment range that you want to include on the report.

Number/Name Range
Select whether you want to specify a supplier range by supplier number or supplier name. Valid values are:

- **Name** - Supplier Name
- **Number** - Supplier Number

Supplier Name From
If you are specifying a supplier range based on supplier name, enter the first supplier name for the range.

Supplier Name To
If you are specifying a supplier range based on supplier name, enter the last supplier name for the range.

Supplier Number From
If you are specifying a supplier range based on supplier number, enter the first supplier number for the range.

Supplier Number To
If you are specifying a supplier range based on supplier number, enter the last supplier number for the range.

Supplier Type
Enter the type of supplier that you want to include on the report. Valid values are:

- External
- Internal

Currency Code
Enter the currency code for the currency of the transactions that you want to include on the report. If you leave the Currency Code parameter blank, the report includes transactions in all currencies.

Posted To GL

The Posted To GL parameter shows the posting status for the transactions included on the report. Valid values are:

- **All** - All transactions
- **Unposted** - Unposted transactions only
- **Posted** - Posted transactions only

This parameter is shared with the Supplier Account Balance Maintenance program and cannot be updated here.

Sort By

Select whether you want to sort the report by supplier name or supplier number. Valid values are:

- **Name** - Supplier Name
- **Number** - Supplier Number

Summary

Select whether you want the report to show summary information or full detail on source transactions. Valid values are:

- **Yes** - Show summary information, such as invoice total
- **No** - Show detail information, such as distribution lines

Detail Report Headings

In this heading...	Oracle Payables prints...
<Set of Books>	The set of books name.
<Title>	Supplier Account Balance Report.
<Subtitle>	*Balance Detail*.
From <Period> To <Period>	The period range.
Report Date	The report date.
Page	The page number.
<Balancing Segment>	The balancing segment name, balancing segment value, and balancing segment description.
Account	The account segment value and description.

Detail Column Headings

In this column...	Oracle Payables prints...
Date	The accounting date of the transaction.
Type	The transaction type.
Number	The transaction number.
Description	A description of the transaction.
Sequence Name	The document sequence name associated with the transaction.
Sequence Num	The document sequence number for the transaction.
Curr	The currency code for the transaction.
Foreign Debit	The debit amount in the entered currency.
Foreign Credit	The credit amount in the entered currency.
Functional Debit	The debit amount in your functional currency.
Functional Credit	The credit amount in your functional currency.
Net / Totals Debit	The net debit amount. This column is included only on the 180-character-wide version of this report.
Net / Totals Credit	The net credit amount. This column is included only on the 180-character-wide version of this report.
P	A code to indicate the posting status of the transaction. ■ **P** - Posted ■ **N** - Unposted

Detail Row Headings

In this row...	Oracle Payables prints...
Account	The account number and account description.
Begin Balance	The period and beginning balance for the account.
Supplier Name	The supplier name.
Begin Balance	The period and beginning balance for the supplier.
Supplier Site	The supplier site.

In this row...	Oracle Payables prints...
Begin Balance	The period and beginning balance for the supplier site.
Period / Year	The period name and year.
Period Totals	The period name and totals for the period.
Supplier Site End Balance	The period and ending balance for the supplier site.
Supplier Totals for	The period and totals for the supplier.
Supplier End Balance	The period and ending balance for the supplier.
Account Totals for	The period and totals for the account.
Account End Balance	The period and ending balance for the account.
<Balancing Segment> Totals for	The balancing segment name, period, and totals for the balancing segment.
<Balancing Segment> End Balance	The balancing segment name, period, and ending balance for the balancing segment
All Pagebreak Seg Totals for	The period and totals for the pagebreak segment.
All Pagebreak Seg End Balance	The period and ending balance for the pagebreak segment.

Summary Report Headings

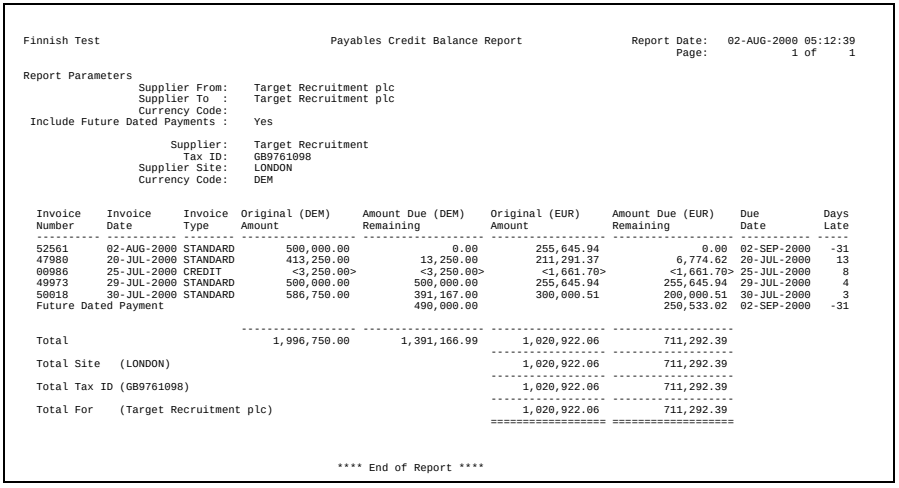
In this heading...	Oracle Payables prints...
<Set of Books>	The set of books name.
<Title>	Supplier Account Balance Report.
<Subtitle>	*Balance Summary.*
From <Period> To <Period>	The period range.
Report Date	The report date.
Page	The page number.
Currency	The currency code for the transactions on this page of the report.
<Balancing Segment>	The balancing segment name, balancing segment value, and balancing segment description.

In this heading...	Oracle Payables prints...
Account	The account segment value and description.

Summary Column Headings

In this column...	Oracle Payables prints...
Supplier Name	The supplier name.
Supplier Number	The supplier number.
Period	The accounting period for the transaction.
Begin Balance Debit	The debit balance for the account at the beginning of the period.
Begin Balance Credit	The credit balance for the account at the beginning of the period.
Period Activity Debit	The total amount debited to the account during the period.
Period Activity Credit	The total amount credited to the account during the period.
End Balance Debit	The debit balance at the end of the period.
End Balance Credit	The credit balance at the end of the period.
Net Balance	The net debit or credit balance at the end of the period.

Payables Credit Balance Report



```
Finnish Test                                  Payables Credit Balance Report                Report Date:   02-AUG-2000 05:12:39
                                                                                                   Page:             1 of     1

Report Parameters
                  Supplier From:    Target Recruitment plc
                  Supplier To  :    Target Recruitment plc
                  Currency Code:
 Include Future Dated Payments :    Yes

                       Supplier:    Target Recruitment
                         Tax ID:    GB9761098
                  Supplier Site:    LONDON
                  Currency Code:    DEM


  Invoice    Invoice     Invoice  Original (DEM)     Amount Due (DEM)    Original (EUR)     Amount Due (EUR)    Due          Days
  Number     Date        Type     Amount             Remaining           Amount             Remaining           Date         Late
  ---------- ----------- -------- ------------------ ------------------- ------------------ ------------------- ------------ -----
  52561      02-AUG-2000 STANDARD        500,000.00                0.00          255,645.94                0.00 02-SEP-2000   -31
  47980      20-JUL-2000 STANDARD        413,250.00           13,250.00          211,291.37            6,774.62 20-JUL-2000    13
  00986      25-JUL-2000 CREDIT           <3,250.00>          <3,250.00>          <1,661.70>          <1,661.70> 25-JUL-2000     8
  49973      29-JUL-2000 STANDARD        500,000.00          500,000.00          255,645.94          255,645.94 29-JUL-2000     4
  50018      30-JUL-2000 STANDARD        586,750.00          391,167.00          300,000.51          200,000.51 30-JUL-2000     3
  Future Dated Payment                                       490,000.00                              250,533.02 02-SEP-2000   -31

                                     ------------------ ------------------- ------------------ -------------------
  Total                                   1,996,750.00        1,391,166.99        1,020,922.06          711,292.39
                                     ------------------ ------------------- ------------------ -------------------
  Total Site   (LONDON)                                                           1,020,922.06          711,292.39
                                                                             ------------------ -------------------
  Total Tax ID (GB9761098)                                                     1,020,922.06          711,292.39
                                                                             ------------------ -------------------
  Total For    (Target Recruitment plc)                                        1,020,922.06          711,292.39
                                                                             ================== ===================


                                                 **** End of Report ****
```

Use the Payables Credit Balance report to decide which suppliers are candidates for contra charging. The Payables Credit Balance report lists suppliers with outstanding balances for a range that you select.

The report shows a supplier's gross outstanding balance by invoice, subtotaled by currency, site, Tax ID, and supplier name. You can run the Payables Credit Balance report against all currencies or for one particular currency code. This report displays the original invoice amount and the remaining amount in both the functional and invoice currency for all invoice types.

The Payables Credit Balance report lets you either include or exclude future dated payments from the supplier balance.

> **See also:** Calculating a Supplier or Supplier Site Balance, *Oracle Payables User Guide*

All approved invoices as of the current date are displayed in the report, regardless of whether you ran the Payables Accounting process and the invoices were transferred to General Ledger.

Use the Standard Request Submission windows to submit the Payables Credit Balance report.

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

Report Parameters

Supplier From

Enter the name of the supplier that you want to report on. This name specifies the start of the range if you want to report on a range of suppliers.

Supplier To

Enter the name of the supplier that you want to report on. This name specifies the end of the range if you want to report on a range of suppliers.

If you want to report on all suppliers, in the Supplier From field, select the first name from the list of values. In the Supplier To field, select the last name from the list of values.

If you want to report on a single supplier, you must enter the same name in the Supplier From and Supplier To parameters.

Currency Code

Enter the currency code for the transactions that you want to calculate the balance for. If you do not enter a currency code, the report shows the balance for each currency that transactions exist in for the supplier.

Include Outstanding Future Dated Payments

Enter *Yes* to include future dated payments from the supplier balance calculation. Unmatured future dated payments will be added back as positive amounts to the supplier liability. This addition cancels out the application of these payments to invoices for the calculation of open liabilities.

Enter *No* to exclude future dated payments, which are not shown separately on the report. These payments reduce the supplier balance the way all other payments do.

The default value for this parameter is derived from the JG: Contra - Include Future Dated Payments in Supplier Balance profile option.

Report Headings

In this heading...	Oracle Payables prints...
Supplier From	The start range of supplier names for the report
Supplier To	The end range of supplier names for the report
Include Outstanding Future Dated Payments	*Yes* or *No* indicating if future dated payments are included or not in the report
Supplier	The supplier's name
Tax ID	The supplier's tax identification number
Supplier Site	The name of the supplier site
Currency Code	The invoice currency code

Column Headings

In this column...	Oracle Payables prints...
Invoice Number	The invoice number of the transaction. Fully-paid invoices do not appear.
Invoice Date	The date of the invoice.
Invoice Type	The type of the invoice.
Original Amount	The original amount of this invoice in the entered currency. The currency code is shown in brackets.
Amount Due Remaining	The remaining amount due on this invoice in the entered currency. The currency code is shown in brackets.
Original Amount	The original amount of this invoice in the functional currency. The currency code is shown in brackets.
Amount Due Remaining	The remaining amount due for this invoice in the functional currency. The currency code is shown in brackets.
Due Date	The date that the invoice payment is or was due.
Days Late	The number of days that the payment of this invoice is overdue. A negative number indicates that the payment is not yet due.

Row Headings

In this heading...	Oracle Payables prints...
Future Dated Payments	The details of future dated payments that are not matured, if you entered *Yes* in the Include Outstanding Future Dated Payments parameter.
Total	The total of the original and the remaining amounts due in the entered and functional currency at the currency code level.
Total Site	The total of the original and the remaining amounts due in the functional currency at supplier site level. The site is shown in brackets.
Total Tax ID	The total of the original and the remaining amounts due in the functional currency at the Tax ID level. The Tax ID is shown in brackets.
Total For	The total of the original and the remaining amounts due in the functional currency at supplier level. The supplier name is shown in brackets.

3

Oracle Receivables

This chapter describes Oracle Receivables, including:

- Copy and Void Invoices
- Interest Invoice
- Contra Charging
- Latin Tax Engine
- Customer Interface Program
- Subledger Balance Reporting
- Regional Invoice Format
- Receipt Acknowledgment Letter

Copy and Void Invoices Overview

If you print invoices on pre-numbered forms, you must maintain a clear audit trail so that the transaction number for the invoice stored in Oracle Receivables always matches the pre-printed number on the invoice.

Sometimes incidents such as printing errors cause a mismatch between the invoice transaction number and the number on the pre-numbered form. For example, you might print three invoices numbered 1003, 1004, and 1005 on forms with matching pre-printed numbers, but then discover that these pre-numbered forms are damaged and not usable. You will need to reprint these invoices using the next available pre-numbered forms, numbered 1006, 1007, and 1008. After you reprint the invoices, however, the invoice transaction numbers stored in Oracle Receivables and the numbers on the pre-numbered forms no longer match.

To keep accurate audit information and to ensure that the transaction number stored for an invoice in Oracle Receivables matches the number on your pre-printed form, you can use the Regional Receivables Copy and Void Invoices process in Oracle Receivables. Regional Receivables Copy and Void Invoices lets you copy invoice information from the original invoice to a new invoice without manually recreating the invoice. In addition, Oracle Receivables voids the original transaction to ensure that the customer's Receivables balance and General Ledger information are accurate. To maintain a complete audit trail, you must save the original voided invoice forms and record the reason for voiding the original invoices as well as the new transaction number.

An invoice is eligible for copying and voiding if the invoice meets these conditions:

- The transaction class for the invoice is *Invoice.*
- The invoice does not have any activity against it, such as receipts or credit memos applied to the invoice.
- The invoice status is *Complete.*
- The invoice was not already transferred to General Ledger.

To copy and void one or more invoices:

1. Perform all required setup steps, including:
   - Defining the void transaction type
   - Enabling automatic transaction numbering for your transaction batch sources
   - Defining void reasons
   - Defining the program timeout time limit
2. Optionally run the Regional Receivables Copy and Void Invoices Preview report if you want to preview the expected results of the Regional Receivables Copy and Void Invoices process.
3. Run the Regional Receivables Copy and Void Invoices process.
4. Use the Regional Receivables Copy and Void Invoices report to review the results of the Regional Receivables Copy and Void Invoices process.

Setting Up Copy and Void Invoices

Before you run the Regional Receivables Copy and Void Invoices process, you must complete these setup steps. Use this checklist to help you complete the appropriate steps in the correct order.

1 Define a Void Transaction Type on page 3-5

2 Enable Automatic Transaction Numbering on page 3-7

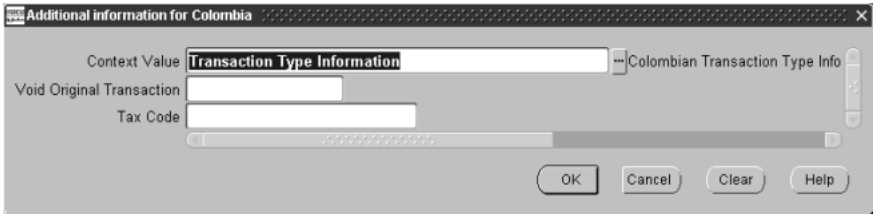
3 Define Void Reasons on page 3-8

4 Define the Program Timeout Time Limit on page 3-9

1. Define the Void Transaction Type

You must define the transaction type that you want to use for invoices voided by the Regional Receivables Copy and Void Invoices process. Use the globalization flexfield in the Transaction Types window to define your void transaction type. You must define only one transaction type as your void transaction type.

To ensure that transactions with this transaction type do not update your customer balances, you should disable the Open Receivables option for the void transaction type. To ensure that transactions with this transaction type are not posted to General Ledger, you should also disable the Post to GL option.



To define a void transaction type:

1. Navigate to the Transaction Types window.
2. Enter information to define the transaction type.
3. Select *Invoice* from the list of values in the Class field.
4. Ensure that the Open Receivables check box and the Post To GL check box are not checked.
5. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.
6. Enter *Yes* in the Void Original Transaction field.
7. Choose OK.
8. Save your work.

(continued)

Note: Your country's Oracle Receivables might include other fields in the globalization flexfield for features specific to your country. For more information, see your country-specific user guide.

See also: Transaction Types, *Oracle Receivables User Guide*

2. Enable Automatic Transaction Numbering

Enable automatic transaction numbering for the transaction batch sources that you use for invoices printed on pre-numbered forms. To enable automatic transaction numbering, check the Automatic Transaction Numbering check box when you define the transaction batch source in the Transaction Sources window.

See also: Transaction Batch Sources, *Oracle Receivables User Guide*

3. Define Void Reasons

Define the void reasons that you will use to explain why you voided an invoice. For example, you might need void reasons for incidents such as a printer jam or other printer problems.

Define void reasons with the lookup type code JLZZ_VOID_REASON. Use the Lookups window in the Application Developer responsibility to define your void reasons.

4. Define the Program Timeout Time Limit

You can use the JL: Copy and Void Invoice Program Timeout profile option to define the amount of time between the end of the copy process and the start of the void process. During this time Oracle Receivables runs the Recurring Invoice program, a process within the Regional Receivables Copy and Void Invoices process that creates an invoice identical to your selected invoice. The Copy and Void Invoices process submits the Recurring Invoice program as many times as the number of eligible invoices to be copied and voided.

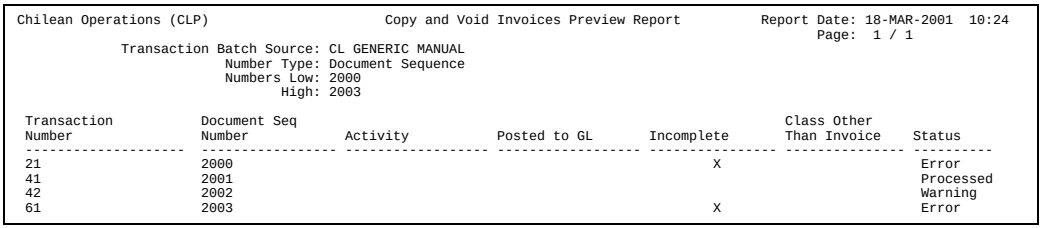
Use the System Profile Values window in the System Administrator responsibility to define the JL: Copy and Void Invoice Program Timeout profile option. The default value is 120 seconds.

> **Note:** If the Recurring Invoices program is not finished at the end of the time you define, the Regional Receivables Copy and Void Invoices process stops and Oracle Receivables assigns a copy status of *Warning* to all the invoices selected for the process. Your system administrator should determine the appropriate value for this profile option.

For more information, see Reviewing an Invoice Copy Status on page 3-19.

> **See also:** Overview of User Profiles, *Oracle Applications User Guide*

Regional Receivables Copy and Void Invoices Preview Report



```
Chilean Operations (CLP)                  Copy and Void Invoices Preview Report          Report Date: 18-MAR-2001  10:24
                                                                                                 Page:  1 / 1

            Transaction Batch Source: CL GENERIC MANUAL
                        Number Type: Document Sequence
                        Numbers Low: 2000
                               High: 2003

 Transaction          Document Seq                                                          Class Other
 Number               Number           Activity          Posted to GL       Incomplete     Than Invoice    Status
 -------------------- ---------------- ----------------- ------------------ -------------- --------------- ----------
 21                   2000                                                   X                              Error
 41                   2001                                                                                  Processed
 42                   2002                                                                                  Warning
 61                   2003                                                   X                              Error
```

You can optionally use the Regional Receivables Copy and Void Invoices Preview report to preview the outcome of the Regional Receivables Copy and Void Invoices process before you run the Regional Receivables Copy and Void Invoices process. This report shows a preview of the expected results of the Regional Receivables Copy and Void Invoices process. Use the Regional Receivables Copy and Void Invoices Preview report to help you correct any errors the process might encounter at system or individual transaction level. Running the Regional Receivables Copy and Void Invoices Preview report does not copy and void invoices.

You can specify which invoices you want to include in the preview by entering a transaction batch source, transaction type, and invoice number range. Identify the number range with either document sequence numbers or transaction numbers.

> **Note:** You can only specify a number range with document sequence numbers if you use sequential numbering for your transactions.

The Regional Receivables Copy and Void Invoices Preview report shows two types of information:

- **Oracle Receivables system setup errors** – If the setup is incorrect, the report displays instructions on how to correct the setup.
- **Errors for individual invoices** – If an invoice has an error that will prevent the Regional Receivables Copy and Void Invoices process from copying the invoice, the report displays the cause of the error.

After you correct any errors, run the Copy and Void Invoice process. For more information, see Running the Regional Receivables Copy and Void Invoices Process on page 3-14.

Use the Standard Request Submission windows to submit the Regional Receivables Copy and Void Invoices Preview report.

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

See also: Implementing Document Sequences, *Oracle Receivables User Guide*

Report Parameters

Transaction Batch Source

Enter the transaction batch source for the invoices that you want to include. You should only choose a transaction batch source for which you enabled automatic transaction numbering.

Transaction Type

Enter the transaction type for the invoices that you want to include. You can only choose transaction types with a class of *Invoice*.

Number Type

Enter the number type if you want to specify an invoice number range. You can choose one of these number types:

- **Document Sequence** – Select invoices for inclusion using a range of document sequence numbers. You can only choose *Document Sequence* if you use sequential numbering for your transactions.
- **Transaction** – Select invoices for inclusion using a range of transaction numbers.

Number Low

Enter the first number for the range of invoices that you want to include. If you choose the *Document Sequence* number type, you must enter document sequence numbers. If you choose the *Transaction* number type, you must enter transaction numbers.

Number High

Enter the last number for the range of invoices that you want to include. If you choose the *Document Sequence* number type, you must enter document sequence numbers. If you choose the *Transaction* number type, you must enter transaction numbers.

Report Headings

In this heading...	Oracle Receivables prints...
Company Name	Your company name
Title	Copy and Void Invoices Preview Report
Report Date	The date you ran the report
Page	The page number
Transaction Batch Source	The transaction batch source
Number Type	The number type
Numbers Low / High	The invoice number range

Column Headings

In this column…	Oracle Receivables prints…
Transaction Number	The transaction number
Document Seq Number	The document sequence number if you use document sequence numbering
Activity	*X* if the invoice has activity against it
Posted to GL	*X* if the transaction was already transferred to General Ledger
Incomplete	*X* if the invoice status is not *Complete*
Class Other Than Invoice	*X* if the transaction class is not *Invoice*

In this column…	Oracle Receivables prints…
Status	The copy status of the invoice. Possible statuses include: ■ **Processed** – The invoice was successfully copied and voided in a previous run of the Regional Receivables Copy and Void Invoices process. ■ **Error** – The invoice has an error that will prevent the invoice from being copied. ■ **Warning** – A timeout error occurred. ■ **Ignore** – The copy status was manually changed to prevent the invoice from being copied. ■ **Reprocess** – The copy status was manually changed to resubmit the invoice for the Regional Receivables Copy and Void Invoices process. ■ **Blank** – The invoice meets all the required conditions and is ready to be copied and voided.

Running the Regional Receivables Copy and Void Invoices Process

Use the Regional Receivables Copy and Void Invoices process to copy invoice information from original invoices to new invoices and void the original transactions.

If you want to preview the results of the Regional Receivables Copy and Void Invoices process before you run the process, run the Regional Receivables Copy and Void Invoices Preview report. For more information, see Regional Receivables Copy and Void Invoices Preview Report on page 3-10.

When you run the Regional Receivables Copy and Void Invoices process, you can specify which invoices you want to copy and void by entering a transaction batch source, transaction type, and invoice number range. You can identify the number range with either document sequence numbers or transaction numbers.

> **Note:** You can only specify a number range with document sequence numbers if you use sequential numbering for your transactions.

An invoice is only eligible for copying and voiding if the invoice meets these conditions:

- The transaction class for the invoice is *Invoice.*
- The invoice does not have any activity against it, such as receipts or credit memos applied to the invoice.
- The invoice status is *Complete.*
- The invoice was not already transferred to General Ledger.

After copying the invoices you specify to new invoices, Oracle Receivables assigns your void transaction type to the original invoices and updates the Comments field of the voided invoices with the void reason you select.

When the Regional Receivables Copy and Void Invoices process finishes, Oracle Receivables automatically generates the Regional Receivables Copy and Void Invoices report. For more information, see Regional Receivables Copy and Void Invoices Report on page 3-17.

Note: As part of the Regional Receivables Copy and Void Invoices process, Oracle Receivables runs the Recurring Invoice program during the time between the end of the copy process and the beginning of the void process. If the Recurring Invoices program is not finished at the end of the time limit you define in the JL: Copy and Void Invoices Program Timeout profile option, the Regional Receivables Copy and Void Invoices process stops and Oracle Receivables assigns a copy status of *Warning* to all the invoices selected for the process. For more information, see Step 4. Define the Program Timeout Time Limit on page 3-9 and Reviewing an Invoice Copy Status on page 3-19.

Use the Standard Request Submission windows to submit the Regional Receivables Copy and Void Invoices process.

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

See also: Implementing Document Sequences, *Oracle Receivables User Guide*

Program Parameters

Transaction Batch Source

Enter the transaction batch source for the invoices that you want to include. You should only choose a transaction batch source for which you enabled automatic transaction numbering.

Transaction Type

Enter the transaction type for the invoices that you want to include. You can only choose transaction types with a class of *Invoice*.

(continued)

Number Type

Enter the number type if you want to specify an invoice number range. You can choose one of these number types:

- **Document Sequence** – Select invoices for inclusion using a range of document sequence numbers. You can only select *Document Sequence* if you set up document sequence numbering for your transactions.
- **Transaction** – Select invoices for inclusion using a range of transaction numbers.

Number Low

Enter the first number for the range of invoices that you want to include. If you choose the *Document Sequence* number type, you must enter document sequence numbers. If you choose the *Transaction* number type, you must enter transaction numbers.

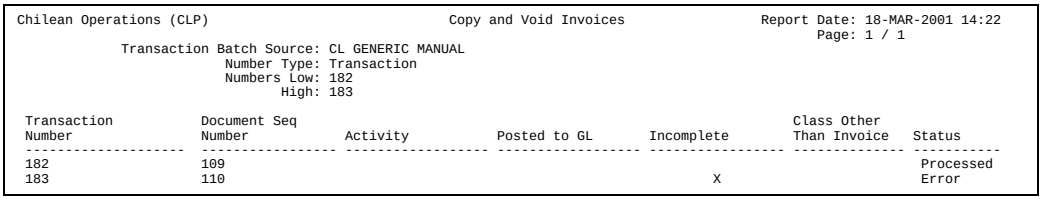
Number High

Enter the last number for the range of invoices that you want to include. If you choose the *Document Sequence* number type, you must enter document sequence numbers. If you choose the *Transaction* number type, you must enter transaction numbers.

Void Reason

Enter the void reason to explain why the invoices were voided.

Regional Receivables Copy and Void Invoices Report



```
Chilean Operations (CLP)                          Copy and Void Invoices                Report Date: 18-MAR-2001 14:22
                                                                                                Page: 1 / 1
            Transaction Batch Source: CL GENERIC MANUAL
                        Number Type: Transaction
                        Numbers Low: 182
                               High: 183

 Transaction          Document Seq
 Number               Number           Activity          Posted to GL       Incomplete       Class Other
                                                                                              Than Invoice   Status
 -------------------  ---------------- ----------------- ----------------- ---------------- -------------- -----------
 182                  109                                                                                  Processed
 183                  110                                                          X                       Error
```

Use the Regional Receivables Copy and Void Invoices report to review original invoice information after the Regional Receivables Copy and Void Invoices process is finished. The Regional Receivables Copy and Void Invoices report shows invoices that were successfully copied and voided, as well as invoices that were not successfully copied.

The Regional Receivables Copy and Void Invoices report shows two types of information:

- **Oracle Receivables system setup errors** – If the setup is incorrect, the Regional Receivables Copy and Void Invoices process stops and the report displays instructions on how to correct the setup.
- **Errors for individual invoices** – If an invoice was not successfully copied, the report displays the cause of the error.

Use the Regional Receivables Copy and Void Invoices report to help you correct any errors at system or individual transaction level. You can then resubmit the Regional Receivables Copy and Void Invoices process, if necessary.

Oracle Receivables generates the Regional Receivables Copy and Void Invoices report automatically when you run the Regional Receivables Copy and Void Invoices process. For more information, see Running the Regional Receivables Copy and Void Invoices Process on page 3-14.

Report Headings

In this heading...	Oracle Receivables prints...
Company Name	Your company name
Title	Copy and Void Invoices

In this heading...	Oracle Receivables prints...
Report Date	The date you ran the report
Page	The page number
Transaction Batch Source	The transaction batch source
Number Type	The number type
Numbers Low / High	The invoice number range

Column Headings

In this column…	Oracle Receivables prints…
Transaction Number	The transaction number
Document Seq Number	The document sequence number if you use document sequence numbering
Activity	*X* if the invoice has activity against it
Posted to GL	*X* if the transaction was already transferred to General Ledger
Incomplete	*X* if the invoice status is not *Complete*
Class Other Than Invoice	*X* if the transaction class is not *Invoice*
Status	The copy status of the invoice. Possible statuses include: ■ **Processed** – The invoice was successfully copied and voided. ■ **Error** – An error prevented the invoice from being copied. ■ **Warning** – A timeout error occurred. ■ **Ignore** – The copy status was manually changed to prevent the invoice from being copied. ■ **Reprocess** – The copy status was manually changed to resubmit the invoice for the Regional Receivables Copy and Void Invoices process.

Reviewing an Invoice Copy Status

After you run the Regional Receivables Copy and Void Invoices process, you can use the globalization flexfield in the Transactions window to review the copy status of an individual invoice and update the status, if necessary. Possible copy statuses include:

- **Processed** – The original invoice was successfully copied and voided. You cannot manually update this status.
- **Error** – The invoice did not meet one or more of the conditions to be eligible for the Regional Receivables Copy and Void Invoices process. If you resubmit the Regional Receivables Copy and Void Invoices process, Oracle Receivables will attempt to copy and void the invoice again. If the errors were corrected and the invoice is successfully copied, Oracle Receivables updates the copy status to *Processed*.
- **Warning** – A timeout error occurred before Oracle Receivables completed the Recurring Invoice program. Your system administrator should determine whether the invoice was successfully copied before the timeout error occurred.

  If the invoice was successfully copied, you should manually change the original invoice copy status to *Ignore* and the transaction type to *Void*. Update the Comments field with the new invoice transaction number and void reason.

  If the invoice was not successfully copied, you should manually change the status to *Reprocess*.
- **Ignore** – The copy status was manually changed from *Warning* to *Ignore*. The Regional Receivables Copy and Void Invoices process will not select this invoice for copying.
- **Reprocess** – The copy status was manually changed from *Warning* to *Reprocess*. If you resubmit the Regional Receivables Copy and Void Invoices process, the Recurring Invoice Program will select the invoice for copying.

For more information, see Step 4. Define the Program Timeout Time Limit on page 3-9.

To review the copy status for an invoice:

1. Navigate to the Transactions window.
2. Query the invoice that you want to review.
3. Navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page B-2.

4. Review the copy status of the invoice in the Copy Status field.
5. If necessary, change the copy status from *Warning* to *Ignore* or *Reprocess*.
6. Choose OK.
7. Save your work.

To determine whether an invoice with a *Warning* copy status was successfully copied, your system administrator should:

1. Review the log file of the Regional Receivables Copy and Void Invoices program to find the request number for the Recurring Invoice program.
2. Review the log file of the Recurring Invoice program. The log file of the Recurring Invoices program lists the original invoices that were copied and the new invoices that were created.
   - If the original invoice appears on the Recurring Invoices log file, then the invoice was successfully copied. Change the copy status of the invoice to *Ignore*.
   - If the original invoice does not appear on the Recurring Invoices log file, then the invoice was not successfully copied. Change the copy status of the invoice to *Reprocess*.

Overview of Interest Invoice

You can charge interest to customers who have overdue invoices or late payments by creating an interest invoice in Oracle Receivables. An interest invoice is a document that clearly explains which items the customer is being charged interest on. An interest invoice contains all relevant interest charges per customer site and currency.

Oracle Receivables can automatically create a separate invoice for each customer or customer site. You can set up Interest Invoice to calculate interest differently for each customer, such as daily or monthly, or to calculate interest charges in the same way for a group of customers.

You can initiate the Interest Invoice Creation Process at any time to create a batch of suggested interest invoices. The Interest Invoice Creation Process generates a report that lists all of the suggested interest invoices that Oracle Receivables automatically created when you ran the process. For more information, see The Interest Invoice Creation Process on page 3-45.

Use the Interest Invoice Batches window to review, modify, or cancel the suggested interest charges that Oracle Receivables automatically created. For more information, see Reviewing and Modifying Suggested Interest Invoices on page 3-49.

After you review the suggested interest invoices, submit the interest invoice batch to the AR Interface tables. AutoInvoice automatically creates the interest invoices in Oracle Receivables.

When the interest invoice batch is successfully created in Oracle Receivables, confirm the batch from the Interest Invoice Batches window to create the final interest invoice that you can send to your customers.

Setting Up Interest Invoice

This section describes how to set up Oracle Receivables for Interest Invoice. You must perform these setup steps before you can create any interest invoices.

> **See also:** European Post-Install Steps, *Oracle Financials Country-Specific Installation Supplement*

Prerequisites

Use the System Profile Values window in the System Administrator responsibility to set up these profile options before you use Interest Invoice:

- Set the *Tax: Allow Override of Customer Exemptions* profile option to *Yes* at the site level for Oracle Receivables.
- Set the *JGZZ:Interest Invoice* profile option to *Yes* for the particular responsibility that you want to use Interest Invoice for.

> **See also:** Overview of User Profiles, *Oracle Applications User Guide*

Setup Checklist

1. Defining AutoInvoice Territory Tuning Segment

You must define the AutoInvoice Territory Flexfield tuning segment for your interest invoices in the System Options window.

To define the AutoInvoice Territory Flexfield tuning segment for your interest invoices:

1. Navigate to the System Options window.
2. Navigate to the Trans and Customers alternate name region.
3. In the Tuning Segments region, in the Territory field, select the Territory Flexfield tuning segment that you want from the list of values.
4. Save your work.

2. Defining Unit of Measure

You must create a new unit of measure for the interest invoice line items. This unit of measure must have a code of *EA*.

To create a new unit of measure for the interest invoice line items:

1. Navigate to the Units of Measure window.

   The Organizations window appears.

2. Select the organization that will use this interest invoice line item.
3. In the Units of Measure window, in the Name field, enter an appropriate value such as *Interest Invoice.*
4. In the UOM field, enter *EA*.
5. In the Description field, enter an appropriate value such as *Each.*
6. In the Class field, select *Quantity* from the list of values.
7. Save your work.

See also: Unit of Measure Classes and Units of Measure, *Oracle Receivables User Guide*

3. Defining Line Order

You must define a Line Ordering Rule that AutoInvoice uses when it creates interest invoices. If you do not create a Line Ordering Rule, AutoInvoice will not know how to order your interest invoice lines.

To define a Line Ordering Rule for AutoInvoice:

1. Navigate to the AutoInvoice Line Ordering Rules window.
2. In the Name field, enter *Interest Invoice.*
3. In the Description field, enter *Interest Invoice*.
4. In the Start Date field, enter the starting date that you want to activate this Line Ordering Rule on.
5. Navigate to the Order By region.
6. In the Sequence field, enter *1*.
7. In the Transaction Attribute field, select *INTERFACE_LINE_ATTRIBUTE4* from the list of values.
8. In the Type field, select *Ascending* from the list of values.
9. Save your work.

> **See also:** AutoInvoice Line Ordering Rules, *Oracle Receivables User Guide*

4. Defining Grouping Rule

You must define a Grouping Rule for customers using Interest Invoice. The Grouping Rule is used by AutoInvoice to determine how to create your interest invoices.

To define a Grouping Rule for your interest invoices:

1. Navigate to the AutoInvoice Grouping Rules window.
2. In the Name field, enter *Interest Invoice.*
3. In the Description field, enter *Interest Invoice.*
4. In the Start Date field, enter the starting date that you want to activate this Grouping Rule on.
5. In the Line Ordering Rule field, select *Interest Invoice* from the list of values.
6. Navigate to the Transaction Class region.
7. In the Class field, select *Invoice* from the list of values.
8. Navigate to the Group By region.
9. In the Optional Grouping Characteristics field, select *INTERFACE_LINE_ ATTRIBUTE1* from the list of values.
10. On the next line, in the Optional Grouping Characteristics field, select *INTERFACE_LINE_ATTRIBUTE2* from the list of values.
11. Save your work.

> **See also:** Grouping Rules, *Oracle Receivables User Guide*

5. Defining Transaction Type

You must define a transaction type for your interest invoices. If you do not create a transaction type called *Interest Invoice*, you cannot create interest invoices in Oracle Receivables.

To define a transaction type for your interest invoices:

1. Navigate to the Transaction Types window.
2. In the Name field, enter *Interest Invoice.*
3. In the Description field, enter *Interest Invoice*.
4. In the Class field, select *Invoice* from the pull-down menu.
5. Check the Open Receivable check box.
6. Check the Post To GL check box.
7. In the Terms field, select the payment terms that you want to use from the list of values.
8. In the Printing Option field, select *Print* from the pull-down menu.
9. In the Transaction Status field, select *Open* from the pull-down menu.
10. In the Creation Sign field, select *Positive Sign* from the pull-down menu.
11. Uncheck the Natural Application Only check box.
12. Check the Allow Overapplication check box.
13. In the Receivable Account field, define the receivables account that you want to use for this transaction type by selecting the appropriate segment values from the list of values.
14. In the Revenue Account field, define the revenue account that you want to use for this transaction type by selecting the appropriate segment values from the list of values.
15. In the Credit Memo Type field, select *Credit Memo* from the list of values.
16. Save your work.

> **See also:** Transaction Types, *Oracle Receivables User Guide*

6. Defining Transaction Source

You must define a transaction source for interest invoice. If you do not create a transaction source for your interest invoices, you cannot create interest invoices in Oracle Receivables.

To define a transaction source for your interest invoices:

1. Navigate to the Transaction Sources window.
2. In the Name field, enter *Interest Invoice*.
3. In the Type field, select *Imported* from the pull-down menu.
4. Navigate to the Batch Source alternate name region.
5. In the Description field, enter *Interest Invoice*.
6. Check the Active check box.
7. In the Effective Dates field, enter the starting date that you want to activate this transaction source on.
8. Check the Automatic Transaction Numbering check box.
9. In the Last Number field, enter a number that is one less than the starting number that you want Oracle Receivables to use when automatically numbering Interest Invoice transactions.

   These transactions are included in batches that use this batch source. For example, to start numbering with 1000, enter 999 here.
10. In the Standard Transaction Type field, select *Interest Invoice* from the list of values.

To define your AutoInvoice options for your Interest Invoice transaction source:

1. Navigate to the AutoInvoice Options alternate name region.
2. In the Invalid Tax Rate field, enter *Correct*.
3. In the Invalid Line field, enter *Reject Invoice*.
4. In the GL Date in a Closed Period field, enter *Reject*.
5. In the Grouping Rule field, enter *Interest Invoice*.
6. Check the Allow Sales Credit check box.

To define your customer information for your Interest Invoice transaction source:

1. Navigate to the Customer Information alternate name region.
2. For Sold To Customer, select *Id*.
3. For Bill to Customer, select *Id*.
4. For Bill to Address, select *Id*.
5. For Bill to Contact, select *Id*.
6. For Ship to Customer, select *Id*.
7. For Ship to Address, select *Id*.
8. For Ship to Contact, select *Id*.
9. For Payment Method Rule, select *Id*.
10. For Customer Bank Account, select *Id*.

To define your accounting information for your Interest Invoice transaction source:

1. Navigate to the Accounting Information alternate name region.
2. For Invoicing Rule, select *Id*.
3. For Accounting Rule, select *Id*.
4. For Accounting Flexfield, select *Segment*.
5. Check the Derive Date check box.
6. For Payment Terms, select *Id*.
7. For Revenue Account Allocation, select *Percent*.

To define other information for your Interest Invoice transaction source:

1. Navigate to the Other Information alternate name region.
2. For Transaction Type, select *Id*.
3. For Memo Reason, select *Id*.
4. For Agreement, select *Id*.
5. For Memo Line Rule, select *Id*.
6. For Sales Territory, select *Segment*.

(continued)

7. For Inventory Item, select *Segment*.
8. For Unit of Measure, select *Id*.
9. For FOB Point, select *Code*.
10. For Freight Carrier, select *Code*.
11. For Related Document, select *Number*.

To define sales credit validation information for your Interest Invoice transaction source:

1. Navigate to the Sales Credit Validation alternate name region.
2. For Salesperson, select *Id*.
3. For Sales Credit Type, select *Id*.
4. For Sales Credit, select *Percent*.
5. Save your work.

> **See also:** Transaction Batch Sources, *Oracle Receivables User Guide*

7. Defining Standard Memo Lines

You must set up standard memo line information for Interest Invoice. Oracle Receivables uses this information to default information for your interest invoices.

To define standard memo line information for your interest invoices:

1. Navigate to the Standard Memo Lines window.
2. In the Name field, enter *Interest Invoice.*
3. In the Description field, enter *Interest Invoice*.
4. In the Type field, select *Line* from the pull-down menu.
5. In the Unit of Measure field, select *Interest Invoice* from the list of values.
6. In the Revenue Account field, define the revenue account that you want to use by selecting the appropriate segment values from the list of values.

   When you set up AutoAccounting, the revenue account for the interest invoice is derived from the value that you enter in this field if you selected Standard Lines for your Revenue Account.
7. In the Active Dates field, enter the starting date that you want to activate this standard memo line on.
8. Save your work.

See also: AutoAccounting, *Oracle Receivables User Guide*

See also: Standard Memo Lines, *Oracle Receivables User Guide*

8. Defining Standard Messages

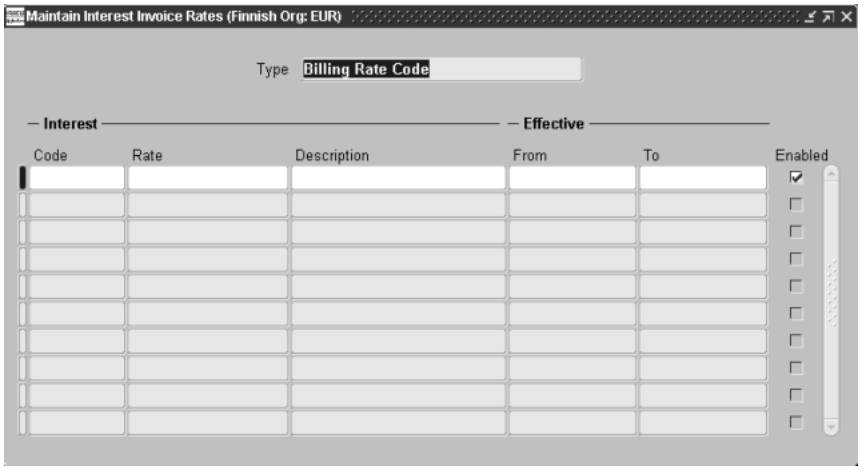
Use the Standard Messages window to define text messages that are printed on a customer's interest invoice report. You can later assign the message to a customer when you define the customer profile.

> **See also:** Standard Messages, *Oracle Receivables User Guide*

9. Defining Interest Invoice Interest Rates

You must define the interest rates that you want to use when you calculate interest on overdue invoices and late payments. Two types of interest calculation methods are available, daily or monthly, and you must set the interest rate for the method that you select.

You can calculate interest on a daily and/or monthly basis in Interest Invoice. See Setting Up a Customer Profile on page 3-35 for more information about which interest calculation method to use.



To define the interest rates and interest calculation methods for your interest invoices:

1. Navigate to the Maintain Interest Invoice Rates window.

   The Lookup Types window appears.

2. In the Lookup Types window, select either *JGZZ INT INV DAILY RATE* or *JGZZ INT INV MONTHLY RATE*.

   The Maintain Interest Invoice Rates window appears.

(continued)

3. In the Code field, enter a code name for the interest rate and interest calculation method that you are defining.

   You can define several different interest invoice rates by entering a different name for each rate in the Code column. For example, if you calculate interest daily and you use interest rates of 10%, 12%, and 13%, you can define a DAILY10 rate, a DAILY12 rate, and a DAILY13 rate.

4. In the Rate field, enter the interest rate for the interest calculation method that you selected.

   You can update the interest rate with a new interest rate in the Maintain Interest Invoice Rates window by selecting the daily or monthly interest calculation method, and querying the interest rate that you want to change.

5. In the Description field, enter a description for this interest rate that you assigned to the interest calculation method that you selected.

6. In the Effective From field, enter the start date that this interest rate will be active from.

7. You can define different rates corresponding to different periods for the same rate name. Use the Effective From and Effective To fields to define the periods that the different rates apply to.

8. In the Effective To date, you can optionally enter the date that this interest rate will be active to.

9. Check the Enabled check box.

10. Save your work.

Setting Up a Customer Profile

This section describes how to set up a customer's profile so that you can create interest invoices for a customer. You should be familiar with customer profile classes and customer profiles before you read this section.

> **See also:** Grouping Rules, *Oracle Receivables User Guide*

Setting Up a Customer for Interest Invoice

You must enter additional interest invoice information in a customer's profile before you can create interest invoices for a customer. The additional information that you enter determines how Oracle Receivables creates interest invoices for a customer.

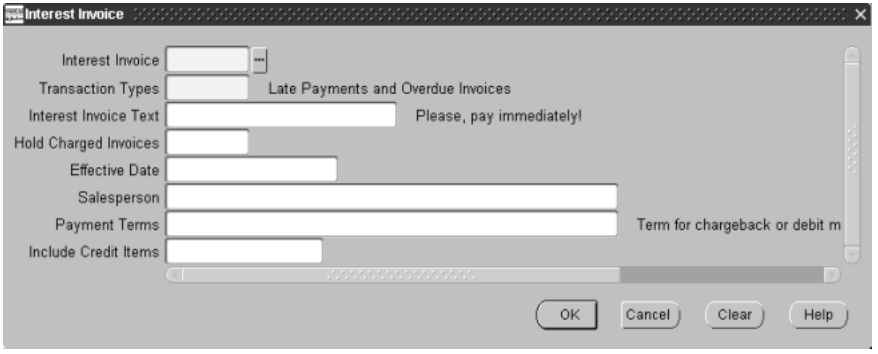
You can assign interest invoice information to a customer or customer site. If a customer site has a profile assigned to it, you must enter the interest invoice information against each customer site. If you set up profile information at the customer level only, you can enter interest invoice information at the customer level.

To enter additional interest invoice information at the customer level:

1. Navigate to the Customers - Standard window.
2. In the Customer Name field, enter or query the customer that you want to set up for Interest Invoice.
3. Navigate to the Profile: Document Printing alternate name region.
4. In the Profile: Document Printing alternate name region, navigate to the first descriptive flexfield.

   The Interest Invoice flexfield appears.

(continued)



Note: The flexfield appears only if you have set up your Interest Invoice profile.

5. In the Interest Invoice field, select *Yes* or *No* from the list of values.

   Select *Yes* if you want the customer or customer site to be liable for interest invoices. Select *No* if you do not want the customer or customer site to be liable for interest invoices. You can create interest invoices for the customer or customer site only if you set this field to *Yes*.

6. In the Transaction Types field, from the list of values, select the transaction type that you want Interest Invoice to calculate interest on.

   These transaction types produce the same interest charges. The transaction type that you select, however, determines when you can expect to receive interest payments from your customer. Valid values are:

   - **Late Payments and Overdue Invoices** - Interest Invoice calculates interest on any invoices that are overdue, and on any payments that were received late. If you select this transaction type, you will receive interest payments from your customer sooner than if you selected *Late Payments Only* because you charge interest both on the payments that you receive from your customer and on the outstanding balance of your customer's overdue invoices.
   - **Late Payments Only** - Interest Invoice calculates interest only on late payments. If you select this transaction type, you charge interest to your customer when you receive your customer's late payments.

- **Overdue Invoices Only** - Interest Invoice calculates interest only on overdue invoices. If you select this transaction type, you charge interest to your customer on the outstanding balance of your customer's overdue invoices. You do not have to wait to receive payments from the customer before you can charge interest on overdue invoices.

7. In the Interest Invoice Text field, from the list of values, select any messages that you want to print on your Interest Invoice report before you send the report to your customer. See Setting Up Interest Invoice on page 3-22 for more information about setting up Interest Invoice text.

8. In the Hold Charged Invoices field, select *No* from the list of values if you want an overdue invoice to appear on more than one interest invoice. Select *Yes* if you want an overdue invoice to appear on only one interest invoice.

   If you select *Yes,* an overdue invoice is not liable for any further interest invoice charges once you calculate interest on it. The default is *No.*

9. In the Effective Date field, enter the date when a customer becomes liable for interest invoices.

   Oracle Receivables does not include late payments or overdue invoices with a due date prior to the effective date when calculating interest.

10. In the Salesperson field, from the list of values, select the salesperson who you want to be credited with this customer's interest invoices. The list of values contains all active salespeople who are registered in Oracle Receivables.

    Note: The salesperson's name is truncated to 150 characters if it is longer than that.

11. In the Payment Terms field, from the list of values, select the payment term that you want to assign for all interest invoices that you generate against this customer.

    The default is the payment term that you set when you defined the Interest Invoice transaction type. See Step 5. Defining Transaction Type on page 3-27 for more information.

(continued)

12. In the Include Credit Items field, from the list of values, select *Yes* if you want to include credit items in the suggested interest invoices batches for this customer. Select *No* if you do not want to include credit items in the suggested interest invoices batch.

13. Press the OK button.

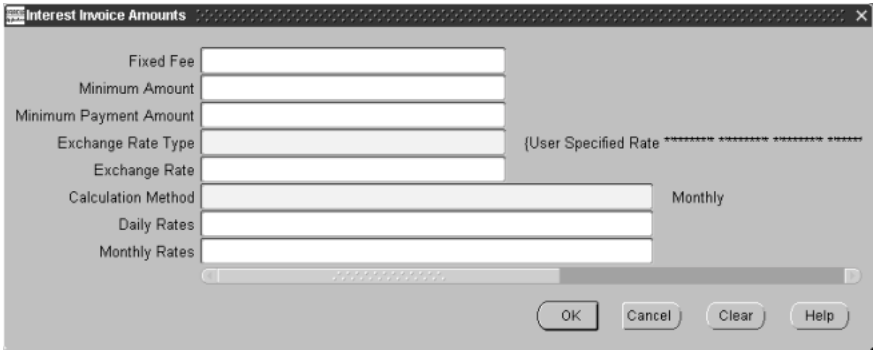
14. In the Profile: Document Printing alternate name region, in the Days In Period field, enter the number of days that you want to use when calculating interest for your customer. See Step 22 for an example.

15. Navigate to the Profile: Amounts alternate name region.

    You must define interest invoice information at the currency level to create interest invoices. If you do not define any interest invoice information against a currency, you cannot create interest invoices for that currency.

16. Navigate to the first descriptive flexfield.

    The Interest Invoice Amounts flexfield appears.



17. In the Fixed Fee field, enter a fee if you want to charge a fixed fee that is applied to each interest invoice that you create.

18. In the Minimum Amount field, enter the minimum balance that an interest invoice must reach before the invoice is created.

    You can set this field to a value to ensure that your company creates only cost-effective interest invoices.

19. In the Minimum Payment Amount field, enter the minimum amount that an overdue invoice or late payment must meet to be included in the calculation process for Interest Invoice.

This feature prevents Interest Invoice from charging interest on small invoices and payments.

20. In the Exchange Rate Type field, from the list of values, select the exchange rate type that the interest invoice defaults to.

21. In the Exchange Rate field, if the exchange rate type is *User*, enter the exchange rate that the interest invoice defaults to.

If the exchange rate type is not *User*, the exchange rate information is automatically set according to the exchange rates that you define in the Define Daily Rates window.

22. In the Calculation Method field, select the calculation method that you want Interest Invoice to use when calculating interest. Valid values are:

- **Daily** - Interest Invoice calculates interest for each day that the payment is late or invoice is overdue. The calculation method depends upon how many days that you entered in the Days In Period field in the Profile: Document Printing alternate name region.
- **Monthly** - Interest Invoice calculates interest for each month that the payment or invoice is late. The calculation method also depends upon the number that you entered in the Days In Period field in the Profile: Document Printing alternate name region.

For example, if you choose *Daily* as the calculation method and you define an interest rate of 12.5% for 365 days, an invoice for $1,000 that is 35 days late results in this interest calculation:

(12.5% / 365 days) x 35 days x $1,000
= (0.125 / 365) x 35 x 1,000
= $12.15

In another example, if you choose *Monthly* as the calculation method and you define an interest rate of 12.5% for 365 days, an invoice for $1,000 that is 60 days late results in this interest calculation:

(12.5% / 365 days) x 60 days x $1,000
= (0.125 / 365) x 60 x 1,000
= $20.54

(continued)

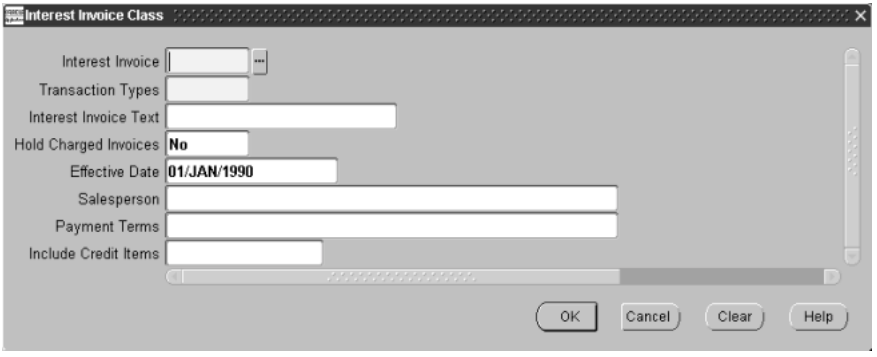
23. If you select the *Daily* calculation method, in the Daily Rates field, enter the lookup code that you defined when you assigned the interest rate to this calculation method. See Step 9. Defining Interest Invoice Interest Rates on page 3-33.
24. If you select the *Monthly* calculation method, in the Monthly Rates field, enter the lookup code that you defined when you assigned the interest rate to this calculation method. See Step 9. Defining Interest Invoice Interest Rates on page 3-33.
25. Press the OK button.
26. Save your work.

> **See also:** Entering Daily Rates, *Oracle General Ledger User Guide*

To enter additional interest invoice information at the customer profile class level:

1. Navigate to the Customer Profile Classes window.
2. In the Name field, enter or query the customer profile class that you want to set up for Interest Invoice.
3. Navigate to the Profile Class alternate name region.
4. In the Profile Class alternate name region, navigate to the first descriptive flexfield.

   The Interest Invoice Class flexfield appears.



Note: The flexfield appears only if you have set up your Interest Invoice profile.

5. In the Interest Invoice field, select *Yes* or *No* from the list of values.

   Select *Yes* if you want the customer or customer site to be liable for interest invoices. Select *No* if you do not want the customer or customer site to be liable for interest invoices. You can create interest invoices for the customer or customer site only if you set this field to *Yes*.

6. In the Transaction Types field, from the list of values, select the transaction type that you want Interest Invoice to calculate interest on.

   These transaction types produce the same interest charges. The transaction type that you select, however, determines when you can expect to receive interest payments from your customer. Valid values are:

   - **Late Payments and Overdue Invoices** - Interest Invoice calculates interest on any invoices that are overdue, and on any payments that were received late. If you select this transaction type, you will receive interest payments from your customer sooner than if you selected *Late Payments Only* because you charge interest both on the payments that you receive from your customer and on the outstanding balance of your customer's overdue invoices.
   - **Late Payments Only** - Interest Invoice calculates interest only on late payments. If you select this transaction type, you charge interest to your customer when you receive your customer's late payments.
   - **Overdue Invoices Only** - Interest Invoice calculates interest only on overdue invoices. If you select this transaction type, you charge interest to your customer on the outstanding balance of your customer's overdue invoices. You do not have to wait to receive payments from the customer before you can charge interest on overdue invoices.

7. In the Interest Invoice Text field, from the list of values, select any messages that you want to print on your Interest Invoice report before you send the report to your customer. See Setting Up Interest Invoice on page 3-22 for more information about setting up Interest Invoice text.

(continued)

8. In the Hold Charged Invoices field, select *No* from the list of values if you want an overdue invoice to appear on more than one interest invoice. Select *Yes* if you want an overdue invoice to appear on only one interest invoice.

   If you select *Yes*, an overdue invoice is not liable for any further interest invoice charges once you calculate interest on it. The default is *No*.

9. In the Effective Date field, enter the date when a customer becomes liable for interest invoices.

   Oracle Receivables does not include late payments or overdue invoices with a due date prior to the effective date when calculating interest.

10. In the Salesperson field, from the list of values, select the salesperson who you want to be credited with this customer's interest invoices. The list of values contains all active salespeople who are registered in Oracle Receivables.

    Note: The salesperson's name is truncated to 150 characters if it is longer than that.

11. In the Payment Terms field, from the list of values, select the payment term that you want to assign for all interest invoices that you generate against this customer.

    The default is the payment term that you set when you defined the Interest Invoice transaction type. See Step 5. Defining Transaction Type on page 3-27 for more information.

12. In the Include Credit Items field, from the list of values, select *Yes* if you want to include credit items in the suggested interest invoices batches for this customer. Select *No* if you do not want to include credit items in the suggested interest invoices batch.

13. Press the OK button.

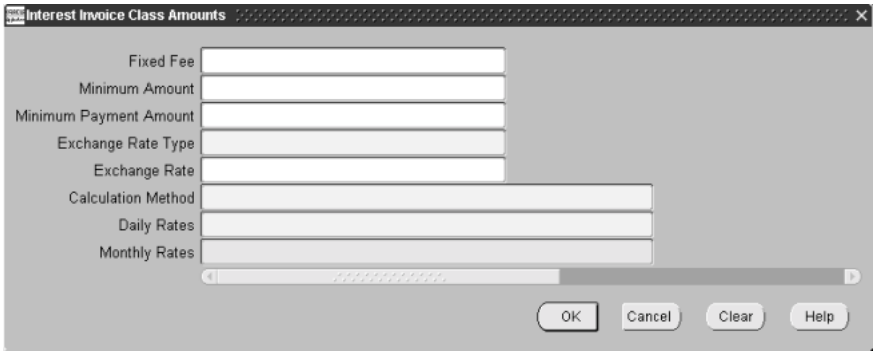
14. In the Profile Class alternate name region, in the Days In Period field, enter the number of days that you want to use when calculating interest for your customer. See Step 22 for an example.

15. Navigate to the Profile Class Amounts alternate name region.

    You must define interest invoice information at the currency level to create interest invoices. If you do not define any interest invoice information against a currency, you cannot create interest invoices for that currency.

16. Navigate to the first descriptive flexfield.

    The Interest Invoice Class Amounts flexfield appears.



17. In the Fixed Fee field, enter a fee if you want to charge a fixed fee that is applied to each interest invoice that you create.

18. In the Minimum Amount field, enter the minimum balance that an interest invoice must reach before the invoice is created.

    You can set this field to a value to ensure that your company creates only cost-effective interest invoices.

19. In the Minimum Payment Amount field, enter the minimum amount that an overdue invoice or late payment must meet to be included in the calculation process for Interest Invoice.

    This feature prevents Interest Invoice from charging interest on small invoices and payments.

20. In the Exchange Rate Type field, from the list of values, select the exchange rate type that the interest invoice defaults to.

21. In the Exchange Rate field, if the exchange rate type is *User*, enter the exchange rate that the interest invoice defaults to.

    If the exchange rate type is not *User*, the exchange rate information is automatically set according to the exchange rates that you define in the Define Daily Rates window.

(continued)

22. In the Calculation Method field, select the calculation method that you want Interest Invoice to use when calculating the interest. Valid values are:

    - **Daily** - Interest Invoice calculates interest for each day that the payment is late or invoice is overdue. The calculation method depends upon how many days that you entered in the Days In Period field in the Profile: Document Printing alternate name region.
    - **Monthly** - Interest Invoice calculates interest for each month that the payment or invoice is late. The calculation method also depends upon the number that you entered in the Days In Period field in the Profile: Document Printing alternate name region.

    For example, if you choose *Daily* as the calculation method and you define an interest rate of 12.5% for 365 days, an invoice for $1,000 that is 35 days late results in this interest calculation:

    (12.5% / 365 days) x 35 days x $1,000
    = (0.125 / 365) x 35 x 1,000
    = $12.15

    In another example, if you choose *Monthly* as the calculation method and you define an interest rate of 12.5% for 365 days, an invoice for $1,000 that is 60 days late results in this interest calculation:

    (12.5% / 365 days) x 60 days x $1,000
    = (0.125 / 365) x 60 x 1,000
    = $20.54

23. If you select the *Daily* calculation method, in the Daily Rates field, enter the lookup code that you defined when you assigned the interest rate to this calculation method. See Step 9. Defining Interest Invoice Interest Rates on page 3-33.

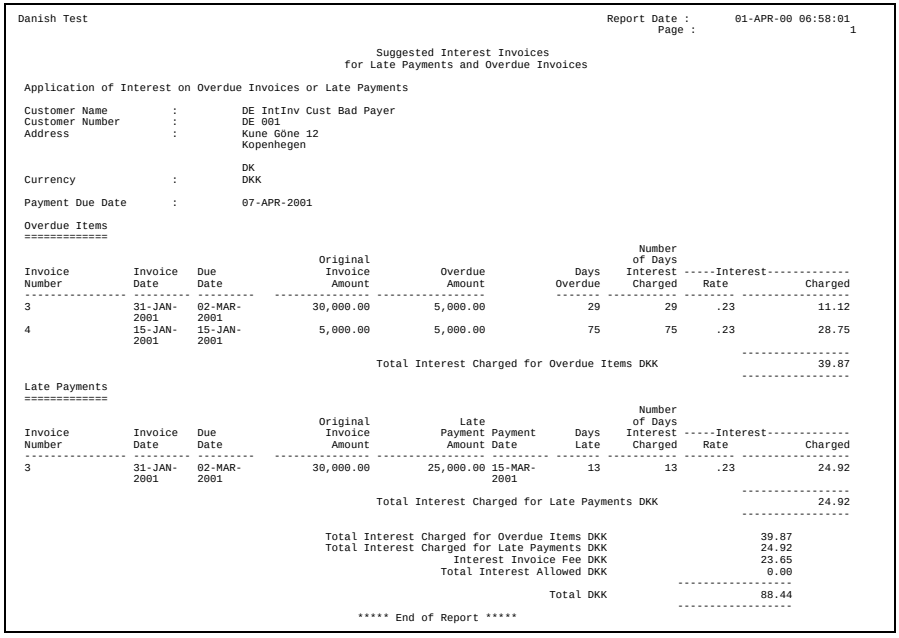
24. If you select the *Monthly* calculation method, in the Monthly Rates field, enter the lookup code that you defined when you assigned the interest rate to this calculation method. See Step 9. Defining Interest Invoice Interest Rates on page 3-33.

25. Press the OK button.

26. Save your work.

    See also: Entering Daily Rates, *Oracle General Ledger User Guide*

The Interest Invoice Creation Process



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Suggested Interest Invoices
for Late Payments and Overdue Invoices

Application of Interest on Overdue Invoices or Late Payments

Customer Name : DE IntInv Cust Bad Payer
Customer Number : DE 001
Address : Kune Gõne 12
Kopenhegen

DK
Currency : DKK

Payment Due Date : 07-APR-2001

Overdue Items

Invoice Number	Invoice Date	Due Date	Original Invoice Amount	Overdue Amount	Days Overdue	Number of Days Interest Charged	Interest Rate	Interest Charged
3	31-JAN-2001	02-MAR-2001	30,000.00	5,000.00	29	29	.23	11.12
4	15-JAN-2001	15-JAN-2001	5,000.00	5,000.00	75	75	.23	28.75
								39.87

Total Interest Charged for Overdue Items DKK 39.87

Late Payments

Invoice Number	Invoice Date	Due Date	Original Invoice Amount	Late Payment Amount	Payment Date	Days Late	Number of Days Interest Charged	Interest Rate	Interest Charged
3	31-JAN-2001	02-MAR-2001	30,000.00	25,000.00	15-MAR-2001	13	13	.23	24.92
									24.92

Total Interest Charged for Late Payments DKK 24.92

Total Interest Charged for Overdue Items DKK	39.87
Total Interest Charged for Late Payments DKK	24.92
Interest Invoice Fee DKK	23.65
Total Interest Allowed DKK	0.00
Total DKK	88.44

***** End of Report *****

You must run the Interest Invoice Creation Process to create a suggested interest invoices batch. The process generates a report which lists the suggested interest invoices that Oracle Receivables created for each customer site and currency. The interest invoice information that you defined for each customer's customer profile determines how the process calculates interest against overdue invoices and late payments.

When you run the Interest Invoice Creation Process to generate a suggested interest invoices batch, you can generate three different possible reports depending on the information that you want to calculate interest on:

- Late Payments and Overdue Invoices
- Late Payments Only
- Overdue Invoices Only

The report title is automatically determined based on how you set up Interest Invoice.

Use the Standard Request Submission windows to submit the Interest Invoice Creation Process.

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

Report Parameters

Batch Name
Enter a unique name for this interest invoice batch.

Customer Name From
Enter the customer range that you want to report from.

Customer Name To
Enter the customer range that you want to report to.

GL Date
Enter the General Ledger date that you want to appear on your interest invoices.

Calculate Interest To Date
Enter the date that you want to use to calculate the interest that is owed on late payments and overdue invoices.

Report Headings

In this column...	Oracle Receivables prints...
Customer Name	The customer's name of the suggested interest invoice.
Customer Number	The customer's number of the suggested interest invoice.
Address	The bill to address of the customer.
Currency	The currency of the suggested interest invoice.
Payment Due Date	The date that payment is due for this suggested interest invoice.

Column Headings for Late Payments and Overdue Invoices

This section of the report displays all the customer's overdue invoices and late payments, and shows how the interest was calculated for each interest invoice line.

In this column...	Oracle Receivables prints...
Invoice Number	The invoice number of the late or overdue invoice.
Invoice Date	The invoice date of the late or overdue invoice.
Due Date	The due date of the late or overdue invoice.
Original Invoice Amount	The amount of the original invoice. This number is used to calculate how much interest is charged for overdue invoices.
Overdue Amount	The amount on the invoice that is currently overdue.
Days Overdue	The number of days past the due date that the invoice payment is overdue.
Late Payment Amount	The amount of the late payment. This number is used to calculate how much interest is charged for late payments.
Payment Date	The date that the late payment was received.
Days Late	The number of days past the due date that a late payment was received.
Number of Days Interest Charged	The number of days interest that is actually charged for a late payment or overdue invoice. This figure may be different from the Days Overdue or Days Late columns, as you may have already charged your customer interest on some of the days that an invoice was overdue or a payment was late.
Interest Rate	The interest rate that is used to calculate the interest.
Interest Charged	The amount of interest charged for the overdue invoice or late payment.

Column Headings for Credit Items

This section of the report shows all the credit items that are taken into account when calculating interest on any overdue invoices or late payments. This section of the report only appears if you set up Interest Invoice to include credit items when calculating interest. See Setting Up a Customer Profile on page 3-35 for more information.

The transactions that a customer receives credit for are on-account payments, unapplied payments, and on-account credits.

In this column…	Oracle Receivables prints…
Type	The transaction type of the credit item
Original Amount	The amount of the credit item
Interest Rate	The interest rate that is used to calculate the interest
Interest Allowed	The amount of interest allowed for the credit item

Reviewing and Modifying Suggested Interest Invoices

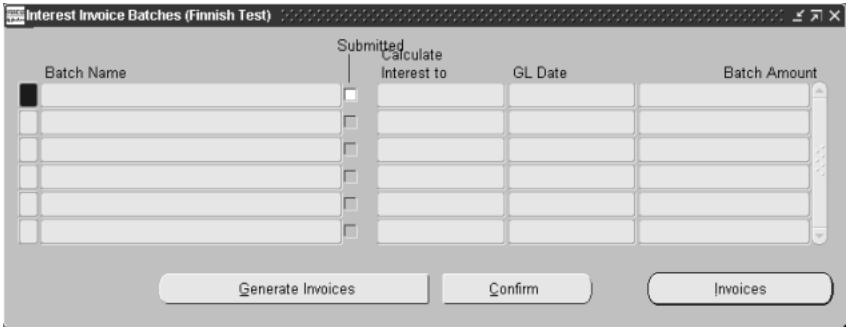
You can review and modify the suggested interest invoices batch that you created when you ran the Interest Invoice Creation Process.

Use the Interest Invoice Batches window to:

- Cancel the interest invoice batch
- Remove suggested interest invoices from the batch
- Remove suggested interest invoice lines from the batch
- Remove credit items from the batch
- Modify the exchange rate for foreign currency invoices
- Modify the exchange rate type for foreign currency invoices
- Modify the number of days interest is charged for overdue invoices and late payments
- Generate the suggested interest invoices into actual interest invoices that are ready for transfer to Oracle Receivables using AutoInvoice
- Confirm the batch details once the batch is successfully transferred into Oracle Receivables

To review and modify a suggested interest invoices batch:

1. Navigate to the Interest Invoice Batches window.



2. In the Batch Name field, query the batch name that you created.

(continued)

In the Calculate Interest to field, Oracle Receivables displays the date that you entered in the parameters for the Interest Invoice Creation Process.

In the GL Date field, Oracle Receivables displays the date that you entered in the parameters for the Interest Invoice Creation Process.

In the Batch Amount field, Oracle Receivables displays the amount of the suggested interest invoices batch that you created.

3. Press the Invoices button to display all the invoices that belong to the batch that you selected.

   The Interest Invoices alternate name region appears. This region displays:

   - Customers that interest invoices were created for
   - The amount of each suggested interest invoice, and the total of the suggested interest invoices batch
   - The currency that the invoice is in

   You can delete a suggested interest invoice by choosing Edit > Delete from the Special menu. When you delete a suggested interest invoice, all lines on that interest invoice are also deleted.

   Note: You cannot delete a suggested interest invoice if you have already generated interest invoices for the batch.

4. In the Type field, you can modify the exchange type that is used for the suggested interest invoice by updating the value from the list of values.
5. In the Rate field, you can modify the exchange rate that is used for the suggested interest invoice by updating the value.

   Note: You can only update the exchange rate if the rate type is *User*.

6. Press the Invoice Lines button to review the individual invoice lines that belong to the selected interest invoice.

   The Interest Invoice Lines alternate name region appears.

   Four types of invoice lines exist:

   - **Overdue Invoice** - an interest charge that is billed due to an overdue invoice
   - **Late Payment** - an interest charge that is billed due to a late payment
   - **Fixed Fee** - a fixed fee that is billed for creating the interest invoice
   - **Credit Item** - a credit line that results from an unapplied or on-account payment, or an on-account credit

   To delete an invoice line, select the invoice line that you want to delete and choose Edit > Delete from the Special menu. You automatically recalculate the totals that are displayed in the Interest Invoices alternate name region when you delete a suggested interest invoice line.

   Note: You cannot delete suggested interest invoice lines if you have already generated interest invoices for the batch.

7. In the Days Interest Charged field, you can modify the amount of interest that is charged for a particular line by changing the number of days that interest is charged. You automatically recalculate the totals that are displayed in the Interest Invoices alternate name region when you update the Days Interest Charged field.

8. Close the Interest Invoice Lines alternate name region and the Interest Invoices alternate name region after you make any adjustments and complete your review of the suggested interest invoices batch.

(continued)

9. In the Interest Invoice Batches window, press the Generate Invoices button to generate the interest invoices in Oracle Receivables.

   You must complete all necessary modifications to the suggested interest invoices batch before you press this button because you cannot make further modifications after you generate invoices.

   After you generate invoices, the Submitted check box is automatically checked and AutoInvoice automatically runs. Oracle Receivables prints the AutoInvoice report, which lists all of the interest invoices that are created in Oracle Receivables.

10. Click Confirm to confirm the batch after AutoInvoice completes and you have successfully created your interest invoices in Oracle Receivables.

    When you confirm a batch, you remove the Suggested Interest Invoices batch from Oracle Receivables. You should ensure that AutoInvoice has correctly processed your interest invoices by reviewing the AutoInvoice report before you confirm a batch.

    When you confirm a batch, Oracle Receivables reprints the Created Interest Invoices report.

    When you confirm a batch and generate a Created Interest Invoices report, you can actually generate three different possible reports depending on the type of interest invoices that you created:

    - Created Interest Invoices for Late Payments and Overdue Invoices
    - Created Interest Invoices for Late Payments Only
    - Created Interest Invoices for Overdue Invoices Only

    The report title is automatically determined based on how you set up Interest Invoice.

    You can query the interest invoice that you created by using the standard account or invoice inquiry windows. You can print the interest invoice by using the standard invoice print process.

    See also: Overview of AutoInvoice, *Oracle Receivables User Guide*

Contra Charging Overview

When you do business with a company that is both your supplier and your customer, you can apply your accounts payable to your accounts receivable for that company to determine the net balance that is owed.

You may want to withhold a payment or part of a payment to a company with an outstanding debt to you which is greater than the amount that you owe them. For example, you may owe a supplier $200 and the supplier, as your customer, may owe you $500. You can contra charge between Oracle Payables and Oracle Receivables to offset your supplier balance against your customer balance, as long as the customer and the supplier have the same name and VAT registration number. In this example, when you submit the contra transaction, you can create credit memos that reduce both balances by $200.

With Oracle Payables and Receivables, you can run the Payables and Receivables Credit Balance reports to decide which customers and suppliers are candidates for contra charging. You contra charge by manually matching the customer to the supplier and allocating an amount for contra charging in the Contra Charges window. When you submit your contra charge transaction, you automatically populate the Oracle Payables and Oracle Receivables Invoice Interface tables to create credit memos for the Contra transaction source.

After the invoice interface tables are populated, import your invoices with the Payables Invoice Import program in Oracle Payables, using the Contra transaction source. In Oracle Receivables, import your invoices with the AutoInvoice Import program, using the Contra transaction source.

Use the core Payables and Receivables functionality to post the imported credit memos to Oracle General Ledger.

Use the Contra Netting report to report on the netted contra charging transactions and to check that contra charging successfully completed in Oracle Payables and Receivables.

Prerequisites

Before you submit a contra charge transaction, you must:

- Define document sequences, and assign these sequences to contra document categories for Oracle Payables and Oracle Receivables.
- Set up the Payables Contra Source, the Receivables Contra Transaction Type, the Receivables Contra Transaction Source, and Receivables AutoAccounting. In addition, you can optionally set up a Receivables Contra Standard Memo Line.
- Ensure that these user profile options are set up for your responsibilities:
  - Tax: Allow Override of Tax Code set to *Yes*
  - Tax: Allow Override of Customer Exemption set to *Yes*
  - Sequential Numbering set to *Always Used* or *Partially Used*
  - JG: Contra - Include Future Dated Payments in Supplier Balance set to either Yes or No depending on how you want Contra to calculate your supplier balance amounts
  - JG: Contra - Include Receipts at Risk in Customer Balance set to either Yes or No depending on how you want Contra to calculate your customer balances
- Modify the Receivables Line Transaction Flexfield by adding a context for Contra Charging.
- Run the Payables and Receivables Credit Balance reports to review the customer and supplier balances for the contra charging transaction. See the Payables Credit Balance report on page 2-14 and the Receivables Credit Balance report on page 3-70 for more information.
- Optionally run the Contra Netting report to identify possible netting between customers and suppliers. See the Contra Netting Report on page 3-84 for more information.

Setting Up for Contra Charging

This section describes the steps that you should complete to set up contra charging within Oracle Payables and Receivables. This section is a prerequisite for performing contra charging between Oracle Payables and Receivables.

Setup Checklist

1 Define Document Categories on page 3-56

2 Define Payables Lookups on page 3-58

3 Define Transaction Types on page 3-59

4 Define Transaction Sources on page 3-61

5 Define Automatic Accounting on page 3-64

6 Define Descriptive Flexfield Segments on page 3-65

7 Define Standard Memo Lines (optional) on page 3-69

1. Define Document Categories

Use the Document Categories window to set up document categories for your contra invoices in both Oracle Payables and Receivables. You can use document sequence numbering with the invoices that are created through the Contra Charging Invoice Interface.

To create a document category for Oracle Payables:

1. Navigate to the Document Categories window.
2. In the Application field, select Oracle Payables from the list of values.
3. In the Code field, enter *Contra* for this document category.
4. In the Name field, enter *Contra* for this document category.
5. In the Description field, you may also enter a description for the category, such as *Oracle Payables Contra Invoices*.
6. In the Table Name field, select *AP_INVOICES_ALL* from the list of values.
7. Save your work.

To create a document category for Oracle Receivables:

1. Navigate to the Document Categories window.
2. In the Application field, select Oracle Receivables from the list of values.
3. In the Code field, enter *Contra* for this document category.
4. In the Name field, enter *Contra* for this document category.
5. In the Description field, you may also enter a description for the category, such as *Oracle Receivables Contra Invoices*.
6. In the Table Name field, select *RA_CUSTOMER_TRX_ALL* from the list of values.
7. Save your work.

Note: To use document sequencing, you must define sequences and assign these to the document categories that you have just created.

Enable document sequencing by setting the Sequential Numbering profile option to *Always Used* or *Partially Used* for your Payables and Receivables responsibilities.

See also: Voucher Numbers and Document Sequences, *Oracle Payables User Guide*

See also: Defining a Document Sequence, *Oracle Applications System Administrator's Guide*

See also: Assigning a Document Sequence, *Oracle Applications System Administrator's Guide*

2. Define Payables Lookups

Use the Oracle Payables Lookups window to create a new Payables lookup for contra charging. Oracle Payables displays this lookup in the list of values for fields that require this item. You can create as many lookups for each item as you need. You cannot change the type or name of a lookup once you enter it, but you can update the description and effective date at any time. If you enter an inactive date for a lookup, Oracle Payables does not display the lookup in any lists of values after the date that you enter.

To create a Payables lookup for contra charging:

1. Navigate to the Oracle Payables Lookups window.
2. In the Type field, query the SOURCE lookup type.
3. In the Code field, enter *CONTRA* as the code for this lookup.
4. In the Description field, enter a description, such as *Contra Invoices*.
5. Check the Enabled check box.
6. Save your work.

See also: Lookups, *Oracle Payables User Guide*

3. Define Transaction Types

Use the Transaction Types window to define the credit memo transaction type used in contra charging.

See also: Transaction Types, *Oracle Receivables User Guide*

Prerequisites

Before you use the Transaction Types window to set up your transaction types, you must:

- Define your key flexfield segments
- Define your key segment values

See also: Defining Key Flexfields, *Oracle Applications Flexfields Guide*

See also: Defining Segment Values, *Oracle Applications Flexfields Guide*

Contra Charging Setup - Transaction Type

To define the credit memo transaction type in Oracle Receivables:

1. Navigate to the Transaction Types window.
2. In the Name field, enter *Contra*.
3. In the Description field, enter a description, such as *Contra Transaction Type*.
4. In the Class field, select *Credit Memo* from the pull-down menu.
5. Check the Open Receivable check box.
6. Check the Post To GL check box.
7. In the Printing Option field, select *Print* from the pull-down menu.
8. In the Transaction Status field, select *Open* from the pull-down menu.
9. In the Creation Sign field, select *Any Sign* from the pull-down menu.
10. Uncheck the Natural Application Only check box.

(continued)

11. Check the Allow Overapplication check box.
12. In the Receivable Account field, enter the Receivables Accounting Flexfield combination.
13. In the Revenue Account field, enter the Accounting Flexfield used as a clearing account for contra transactions.
14. In the Start Date field, enter the date that you want to activate this transaction type on.
15. Save your work.

4. Define Transaction Sources

Use the Transaction Sources window to define your credit memo batch sources for contra charging.

> **See also:** Transaction Batch Sources, *Oracle Receivables User Guide*

Prerequisites

Before using the Transaction Sources window to define your receivables batch sources, you should define your receivables transaction types.

> **See also:** Transaction Types, *Oracle Receivables User Guide*

Transaction Sources Setup

To define your credit memo batch sources in Oracle Receivables:

1. Navigate to the Transaction Sources window.
2. In the Name field, enter *Contra*.
3. In the Type field, select *Imported* from the pull-down menu.
4. Select the Batch Source alternate name region.
5. In the Description field, enter a description such as *Contra Invoice Import*.
6. Check the Active check box.
7. In the Effective Dates field, enter the date that you want to activate this batch source on.
8. Check the Automatic Transaction Numbering check box.
9. In the Last Number field, enter a number that is one less than the starting number that you want Oracle Receivables to use when automatically numbering transactions that you create with this batch source.

   For example, to start numbering with 1000, enter 999 in this field.
10. In the Standard Transaction Type field, select a standard *Credit Memo* transaction type from the list of values.

To define your AutoInvoice options in Oracle Receivables:

1. Navigate to the AutoInvoice Options alternate name region.
2. In the Invalid Tax Rate field, select *Reject* from the list of values.
3. In the Invalid Line field, select *Reject Invoice* from the list of values.
4. In the GL Date in a Closed Period field, select *Reject* from the list of values.
5. Uncheck the Allow Sales Credit check box.

To define your customer information for your credit memo batch sources in Oracle Receivables:

1. Navigate to the Customer Information alternate name region.
2. For Sold To Customer, select *Value*.
3. For Bill to Customer, select *Value*.
4. For Bill to Address, select *Value*.
5. For Bill to Contact, select *Value*.
6. For Ship to Customer, select *None*.
7. For Ship to Address, select *None*.
8. For Ship to Contact, select *None*.
9. For Payment Method Rule, select *Value*.
10. For Customer Bank Account, select *Value*.

To define your accounting information for your credit memo batch sources in Oracle Receivables:

1. Navigate to the Accounting Information alternate name region.
2. For Invoicing Rule, select *Value*.
3. For Accounting Rule, select *Value*.
4. For Accounting Flexfield, select *ID*.
5. Check the Derive Date check box.
6. For Payment Terms, select *Value*.
7. For Revenue Account Allocation, select *Amount*.

To define other information for your credit memo batch sources in Oracle Receivables:

1. Navigate to the Other Information alternate name region.
2. For Transaction Type, select *Id.*
3. For Memo Reason, select *Value.*
4. For Agreement, select *Value.*
5. For Memo Line Rule, select *Value.*
6. For Sales Territory, select *Segment*.
7. For Inventory Item, select *Segment*.
8. For Unit of Measure, select *Value.*
9. For FOB Point, select *None.*
10. For Freight Carrier, select *None*.
11. For Related Document, select *None.*

To define sales credit validation information for your credit memo batch sources in Oracle Receivables:

1. Navigate to the Sales Credit Validation alternate name region.
2. For Salesperson, select *ID*.
3. For Sales Credit Type, select *Value.*
4. For Sales Credit, select *Amount*.
5. Save your work.

5. Define Automatic Accounting

Use the AutoAccounting window before you enter any transactions to define AutoAccounting rules for the Receivables account. You must specify how you want Oracle Receivables to determine the General Ledger accounts for your contra transactions.

AutoAccounting rules are not used for the Revenue account. If you specified a Contra Charging memo line, the Revenue account is derived from the memo line. Otherwise, the Revenue account is derived from the Contra transaction type. See Step 7. Define Standard Memo Lines (optional) on page 3-69 for more information.

> **See also:** AutoAccounting, *Oracle Receivables User Guide*

To define segments for the Receivables Type:

1. Navigate to the AutoAccounting window.
2. In the Type field, select *Receivable* from the list of values.

   In the Segment field, Oracle Receivables displays all segment names in your Accounting Flexfield structure. Segments are parts of your Accounting Flexfield, such as company, division, account, and sub-account.
3. In the Table Name field, from the list of values, select the table name that you want to use for the default values of each segment of your Accounting Flexfield.

   If you do not select a table name, you must select a value in the Constant field.
4. In the Constant field, select a value from the list of values if you did not select a table name for the segment.

Note: These segments are used for all transactions, not just contra charging.

> **See also:** Standard Memo Lines, *Oracle Receivables User Guide*

6. Define Descriptive Flexfield Segments

Use the Descriptive Flexfield Segments window to define your descriptive flexfield for contra charging.

To define your descriptive flexfield in Oracle Receivables:

1. Navigate to the Descriptive Flexfield Segments window.
2. In the Title field, query the Line Transaction Flexfield.

   The settings for the Line Transaction Flexfield appear.
3. Uncheck the Freeze Flexfield Definition check box.
4. Navigate to the Context Field Values region.
5. In the Code field, enter *Contra* as the code for the descriptive flexfield context value.

   The name automatically defaults to *Contra*.
6. In the Description field, enter a description for the contra charging descriptive flexfield, such as *Contra Invoice Import*.
7. Check the Enabled check box to enable the contra charging descriptive flexfield.
8. Save your work.

> **See also:** Defining Descriptive Flexfields, *Oracle Applications Flexfields Guide*

Defining Segments

To define your first segment in Oracle Receivables:

1. After you define the settings for your descriptive flexfield for contra charging, press the Segments button to navigate to the Segments Summary window.
2. Press the Open button to navigate to the Segments window.
3. In the Name field, enter *Transaction Date.*
4. In the Description field, enter *Transaction Date*.
5. Check the Enabled check box.

(continued)

6. In the Column field, select *INTERFACE_LINE_ATTRIBUTE1* from the list of values.
7. In the Number field, enter *1*.
8. Check the Displayed check box.
9. Navigate to the Validation region.
10. In the Value Set field, enter *GL_SRS_STANDARD_DATE*.

    The description of this value set (Standard Date Format) is automatically displayed in the description field.
11. Check the Required check box.
12. You may optionally accept the values that are automatically populated in the fields in the Sizes and Prompts regions.
13. Save your work.

To define your second segment in Oracle Receivables:

1. Close the Segments window after you save your first segment.
2. In the Segments Summary window, select the next record to define your second segment.
3. Press the Open button to navigate to the Segments window.

    Alternatively, after you save your first segment in the Segments window, press the Down Arrow key to define your second segment.
4. In the Name field, enter *Customer Name.*
5. In the Description field, enter *Customer Name.*
6. Check the Enabled check box.
7. In the Column field, select *INTERFACE_LINE_ATTRIBUTE2* from the list of values.
8. In the Number field, enter *2*.
9. Check the Displayed check box.
10. Navigate to the Validation region.
11. In the Value Set field, enter *JEDE_CUST_NAME_ID*.

    The description of this value set (Customer Name, returning Customer Name, returning Customer ID) is automatically displayed in the Description field.

12. Check the Required check box.
13. You may optionally accept the values that are automatically populated in the fields in the Sizes and Prompts regions.
14. Save your work.

To define your third segment in Oracle Receivables:

1. Close the Segments window after you save your second segment.
2. In the Segments Summary window, select the next record to define your third segment.
3. Press the Open button to navigate to the Segments window.

   Alternatively, after you save your second segment in the Segments window, press the Down Arrow key to define your third segment.
4. In the Name field, enter *Currency*.
5. In the Description field, enter *Currency*.
6. Check the Enabled check box.
7. In the Column field, select *INTERFACE_LINE_ATTRIBUTE3* from the list of values.
8. In the Number field, enter *3*.
9. Check the Displayed check box.
10. Navigate to the Validation region.
11. In the Value Set field, enter *GL_SRS_CURRENCIES*.

    The description of the value set (Based on fnd_currencies_stat_rep_gl named sql) is automatically displayed in the Description field.
12. Check the Required check box.
13. You may optionally accept the values that are automatically populated in the fields in the Sizes and Prompts regions.
14. Save your work.

Freezing the Flexfield Definition

When you have created your three segments, you must freeze the Flexfield Definition.

To freeze the Flexfield Definition in Oracle Receivables:

1. Navigate to the Descriptive Flexfield Segments window.
2. In the Title field, query the Line Transaction Flexfield.
3. The settings for the Line Transaction Flexfield appear.
4. Check the Freeze Flexfield Definition check box.
5. Press the Compile button.
6. Save your work.

7. Define Standard Memo Lines (optional)

If you optionally set up a Contra Charging memo line, the revenue account for contra charging is derived from this memo line. If you do not specify a memo line, the Contra Charging revenue account is derived from the *Contra* transaction type that you set up when you defined your credit memo transaction type. See Step 3. Define Transaction Types on page 3-59 for more information.

To set up a Contra Charging memo line for the Revenue Type:

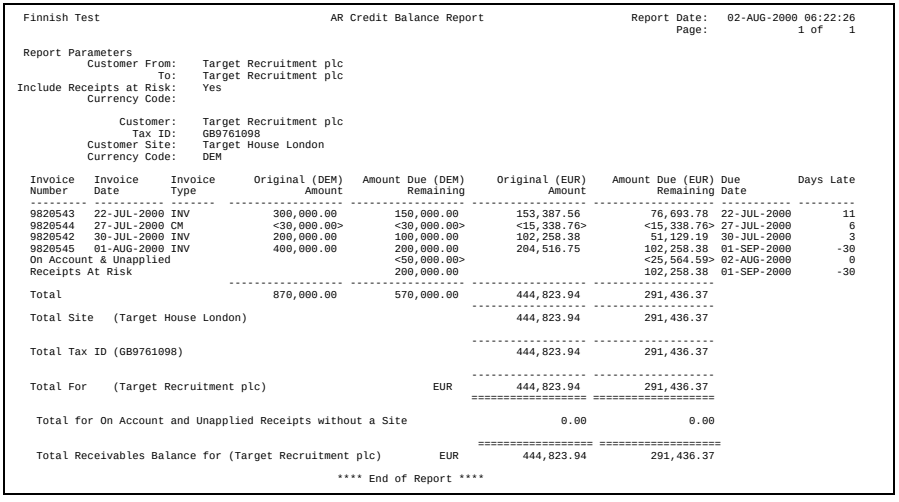
1. Navigate to the Standard Memo Lines window.
2. In the Name field, enter a name for this memo line, such as *Contra.*
3. In the Description field, enter a description for this memo line, such as *Contra Charging Line*.
4. In the Type field, select *Line* from the pull-down menu.
5. In the Revenue Account field, define the revenue account to be used as a clearing account for contra transactions. Define the revenue account by selecting the appropriate segment values from the list of values.
6. Save your work.

To associate the memo line with your Contra Charging transaction:

1. Navigate to the Contra Charges window.
2. In the Contra Charges window, create your contra charge transaction.
3. In the Memo Line field, select the memo line name from the list of values.
4. This memo line is used to derive the revenue account for this contra transaction.
5. Press the Submit Contra button to submit the concurrent request to populate the Payables Invoice Interface and the Receivables Invoice Interface tables.

   See Entering Contra Charging Transactions on page 3-76 for more information.

Receivables Credit Balance Report



```
Finnish Test                                AR Credit Balance Report                    Report Date:   02-AUG-2000 06:22:26
                                                                                              Page:              1 of    1

 Report Parameters
          Customer From:    Target Recruitment plc
                    To:    Target Recruitment plc
Include Receipts at Risk:    Yes
          Currency Code:

               Customer:    Target Recruitment plc
                 Tax ID:    GB9761098
          Customer Site:    Target House London
          Currency Code:    DEM

  Invoice    Invoice     Invoice      Original (DEM)   Amount Due (DEM)     Original (EUR)    Amount Due (EUR) Due         Days Late
  Number     Date        Type                 Amount          Remaining             Amount          Remaining Date
  ---------- ----------- -------  ---------------- ---------------- ----------------- ----------------- ----------- ---------
  9820543    22-JUL-2000 INV             300,000.00       150,000.00        153,387.56         76,693.78 22-JUL-2000        11
  9820544    27-JUL-2000 CM             <30,000.00>      <30,000.00>       <15,338.76>       <15,338.76> 27-JUL-2000         6
  9820542    30-JUL-2000 INV             200,000.00       100,000.00        102,258.38         51,129.19 30-JUL-2000         3
  9820545    01-AUG-2000 INV             400,000.00       200,000.00        204,516.75        102,258.38 01-SEP-2000       -30
  On Account & Unapplied                                 <50,000.00>                         <25,564.59> 02-AUG-2000         0
  Receipts At Risk                                       200,000.00                          102,258.38 01-SEP-2000       -30
                                    ---------------- ---------------- ----------------- -----------------
  Total                                   870,000.00       570,000.00        444,823.94        291,436.37
                                                     ---------------- ----------------- -----------------
  Total Site   (Target House London)                                          444,823.94        291,436.37

                                                                     ----------------- -----------------
  Total Tax ID (GB9761098)                                                    444,823.94        291,436.37

                                                                     ----------------- -----------------
  Total For    (Target Recruitment plc)                          EUR          444,823.94        291,436.37
                                                                     ================= =================

   Total for On Account and Unapplied Receipts without a Site                      0.00              0.00

                                                                      ================= =================
   Total Receivables Balance for (Target Recruitment plc)          EUR          444,823.94        291,436.37

                                          **** End of Report ****
```

Use the Receivables Credit Balance report to decide which customers are candidates for contra charging. The Receivables Credit Balance report lists customers with outstanding balances for a range that you select.

The report shows a customer's gross outstanding balance by transaction, subtotaled by currency, site, Tax ID, and customer name. You can run the Receivables Credit Balance report against all currencies or for one particular currency code. The report displays the original transaction amount and the remaining amount in both the functional and transaction currency for all transaction types.

All completed transactions as of the current date are displayed in the report, regardless of whether the transactions were transferred to General Ledger. Any applications of receipts, adjustments, credit memos, or chargebacks to the transaction, such as invoices, credit memos, debit memos, guarantees, deposits commitments, or chargebacks, are expressed as part of the outstanding transaction balance as shown by the Transaction Balance window.

See also: Viewing Transactions, *Oracle Receivables User Guide*

You can run the report either with or without receipts at risk (not risk-eliminated or cleared) in the customer balance.

The Receivables Credit Balance report shows any receipts entered as on-account or unapplied. The total of these receipts is deducted from the customer balance.

Use the Standard Request Submission windows to submit the Receivables Credit Balance report.

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

Prerequisites

Before you run the Receivables Credit Balance report, you should allocate all receipts to a bill to site.

Receipts that are not allocated to a bill to site are printed in a separate section of the report.

Report Parameters

Customer From
Enter the name of the customer that you want to report on.

Customer To
Enter the name of the customer that you want to report on.

If you want to report on all customers, in the Customer From field, select the first name from the list of values. In the Customer To field, select the last name from the list of values.

If you want to report on a single customer, you must enter the same name in the Customer From and Customer To parameters.

Currency Code
Enter the currency code for the transaction that you want to calculate the balance for. If you do not enter a currency code, the report shows the balance of each currency that transactions exist in for the customer.

(continued)

Include Receipts at Risk
Enter *Yes* to include receipts at risk (not risk-eliminated or cleared) in the customer balance calculation. These receipts will be added back as positive amounts to the customer balance due.

Enter *No* to exclude receipts at risk, which are not shown separately on the report. These receipts reduce the customer balance the way all other receipts do.

The default value for this parameter is derived from the JG: Contra - Include Receipts at Risk in Customer Balance profile option.

Report Headings

In this column...	Oracle Receivables prints...
Customer From / Customer To	The low and high range values of the customer selection criteria
Include Receipts at Risk	Yes or No to indicate if receipts at risk are reported separately in the balance calculation
Customer	The customer's name
Tax ID	The customer's tax identification number
Customer Site	The customer's bill to site
Currency Code	The currency of the reported transactions

Column Headings

In this column...	Oracle Receivables prints...
Invoice Number	The invoice number for this transaction. Only invoices with outstanding balances are printed.
Invoice Date	The date of the invoice.
Invoice Type	The type of the invoice.
Original Amount	The original amount of the transaction in the entered currency. The currency code for the entered currency is shown in brackets.
Amount Due Remaining	The remaining amount due of the transaction in the entered currency. The currency code for the entered currency is shown in brackets.

In this column...	Oracle Receivables prints...
Original Amount	The original amount of the transaction in the functional currency. The currency code for the functional currency is shown in brackets.
Amount Due Remaining	The remaining amount due of the transaction in the functional currency. The currency code for the functional currency is shown in brackets.
Due Date	The date that the transaction balance is due.
Days Late	The number of days that payment of this invoice is overdue. A negative number indicates that the payment is not yet due.

Row Headings

In this column...	Oracle Receivables prints...
Receipts at Risk	The details of the receipts that are not risk-eliminated or cleared, if you entered *Yes* in the Include Receipts at Risk parameter.
On-Account and Unapplied	The details of on-account and unapplied receipts allocated to a bill to site.
Total	The total of all original amounts and the amount due that remains in both the entered and the functional currency at currency code level.
Total Site	The total of all original amounts and the amount due that remains in only the functional currency at customer site level. The site is shown in brackets.
Total Tax ID	The total of all original amounts and the amount due that remains in the functional currency at the Tax ID level. The Tax ID is shown in brackets.
Total For	The total of all original amounts and the amount due that remains in the functional currency at customer level. The customer name is shown in brackets. This total excludes any Oracle Receivables receipts entered as *On-Account* or *Unapplied* that were not allocated to a bill to site.

On-Account and Unapplied Receipts Not Allocated to a Bill To Site

This part of the report shows details of all On-Account and Unapplied Receipts that are entered but not allocated to a bill to site.

Oracle Receivables deducts the total of these receipts in the functional currency from the previous balance for all sites to calculate a final balance.

Column Headings

In this column...	Oracle Receivables prints...
Currency	The currency that you entered for the receipt.
Name	The receipt's batch name.
Source	The receipt's batch source.
Original Amount	The original amount of the invoice in the entered currency. This column is not populated for receipts, which affect only invoice remaining amounts.
Amount Due Remaining	The remaining amount due for the transaction. The currency code for the entered currency is shown in brackets.
Original Amount Due	The original amount of the invoice in the functional currency. The currency code for the functional currency is shown in brackets. This column is not populated for receipts, which affect only remaining amounts.
Amount Due Remaining	The remaining amount in the functional currency. The currency code for the functional currency is shown in brackets.
Due Date	The receipt maturity date.

Row Headings

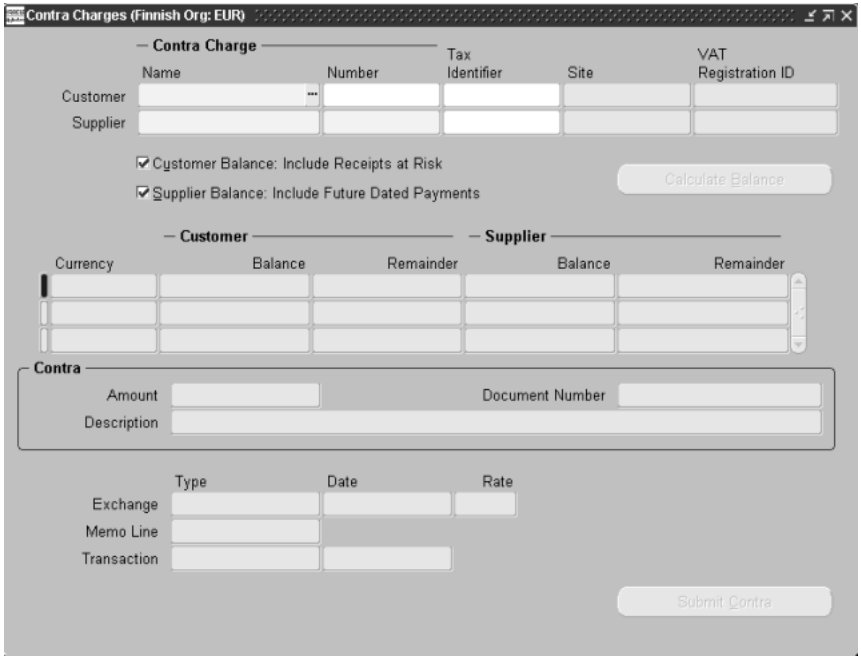
In this row…	Oracle Receivables prints…
Total for On-Account and Unapplied Receipts without a Site	The total in the functional currency for on-account and unapplied receipts that were not allocated to a bill to site.
Final Net Balance for Customer	The final net original amounts and amounts due that remain after deducting on-account and unapplied receipts that were not allocated to a bill to site, in the functional currency.

Entering Contra Charging Transactions

Use the Contra Charges window to create Oracle Payables and Oracle Receivables contra charging transactions. In this window, you create a contra charge to offset your outstanding balance with a supplier against your outstanding balance with a customer.

The Contra Charges window displays outstanding balance details in all applicable currencies for the customer and supplier that you select. The customer balance can either include or exclude receipts at risk, and the supplier balance can either include or exclude outstanding future dated payments. Because you can create only one contra charging transaction at a time, you can process a transaction in only one currency.

When you submit a contra charge, you submit a concurrent request to populate the invoice import interface tables in Oracle Payables and Oracle Receivables. You update the account balances when you run invoice import in Oracle Payables and Oracle Receivables and process the credit memos that result.



To submit a contra charge transaction:

1. Navigate to the Contra Charges window.
2. In the Customer Name field, select a customer with an outstanding balance from the list of values.
3. In the Customer Site field, select a bill to site from the list of values.
4. In the Supplier Name field, select the corresponding supplier with the same name and VAT registration ID.
5. In the Supplier Site field, select a pay site from the list of values.

   You must complete the customer and supplier site fields before outstanding balances are automatically queried and displayed in the Customer/Supplier region for each applicable currency.

(continued)

6. Check the Customer Balance: Include Receipts at Risk check box to include at-risk receipts in the customer balance calculation. Oracle Receivables subtracts all receipts from the original invoice amount to calculate the amounts due.

   Receipts are risk are then added back to the customer balance as positive amounts.

   If you exclude receipts at risk, all receipts are treated the same way and taken into account when you calculate the open customer balance.

   The Customer Balance: Include Receipts at Risk check box defaults to the value assigned in the JG: Contra - Include Receipts at Risk in Customer Balance profile option.

7. Check the Supplier Balance: Include Future Dated Payments check box to include outstanding future dated payments in the supplier balance calculation. Oracle Payables subtracts all payments from the original invoice amount to calculate open amounts. Unmatured future dated payments are then added back to the supplier balance as positive amounts.

   If you exclude future dated payments, all payments are treated the same way and taken into account when you calculate the open supplier balance.

   The Supplier: Balance: Include Future Dated Payments check box defaults to the value assigned in the JG: Contra - Include Future Dated Payments in Supplier Balance profile option.

8. Press the Calculate Balance button to generate the customer and supplier balances in all applicable currencies.

9. In the Customer / Supplier region where the outstanding balances are automatically displayed, select the currency that you will use to complete contra charging.

10. Navigate to the Contra region.

11. In the Amount field, enter the amount that you want to offset.

    Positive values reduce the customer's account with you and reduce your liability to the supplier. The value that you enter updates the Customer and Supplier Remainder fields.

12. In the Document Number field, enter the document number that is used to identify Receivables and Payables transactions.

13. In the Description field, enter a description for the contra charge.

14. In the Exchange Type field, enter the currency exchange type for the contra charge.

    If the transaction is in the functional currency, this field defaults to *User*.

15. In the Exchange Date field, enter the date of the currency exchange.

    If the transaction is in the functional currency, the Exchange Date field defaults to the current system date.

16. In the Exchange Rate field, enter the exchange rate for the currency of the transaction.

    The exchange rate that you enter for the selected currency should equal one unit of the functional currency. If an exchange rate exists in General Ledger, the Exchange Rate field is automatically populated. If the transaction is in the functional currency, this field defaults to *1*.

17. In the Memo Line field, from the list of values, select the memo line type that you want to use to create your Receivables contra transaction.

    You can optionally select a memo line type to create your Receivables contra transaction. See Step 7. Define Standard Memo Lines (optional) on page 3-69 for more information.

18. In the Transaction Type field, select the transaction type that you want to use to create your Receivables contra transaction.

19. In the Transaction Date field, enter the accounting date that appears on both the Receivables and Payables side of the contra charge. This date must be within an open or future accounting period. The default date is the last day of the current accounting period.

20. Press the Submit Contra button to submit the concurrent request to populate the Payables Invoice Interface and the Receivables Invoice Interface tables.

Using the Payables Invoice Import Program

After you enter your contra charge information, press the Submit Contra button to save your changes and submit the Payables Invoice Interface concurrent program. This program populates the Payables interface table with your contra information in preparation for generating credit memos in Oracle Payables.

After the Payables Invoice Interface has finished, run the Payables Invoice Import program to import your contra information and to create a Contra invoice type in Oracle Payables. Verify that the Payables Invoice Import program has successfully completed by reviewing the Payables Invoice Import report or the Payables Invoice Import Exceptions report.

After the Payables Invoice Import process has finished, navigate to the Invoice Workbench window to view your contra charge and verify that the charge is correct. Complete your Contra credit memo after you confirm that the charge is correct.

Use the Standard Request Submission windows to submit the Payables Invoice Import program after the Payables Invoice Interface has finished.

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

See also: Payables Invoice Import Program, *Oracle Payables User Guide*

See also: Payables Options, *Oracle Payables User Guide*

Program Parameters

Batch Name

Enter the name of the batch that you want to group your invoices in.

You can enter a batch name only if you checked the Use Batch Controls check box when you set up your Payables control options. The default is *N/A*.

Summarize Report

Select *Yes* or *No* from the list of values.

This option controls the level of detail in the Payables Invoice Import report.

Source

Select *Contra* from the list of values.

Using the AutoInvoice Import Program

After you enter your contra charge information, press the Submit Contra button to save your changes and submit the Receivables Invoice Interface concurrent program. This program populates the Receivables interface table with your contra information in preparation for generating credit memos in Oracle Receivables.

After the Receivables Invoice Interface has finished, run the AutoInvoice Import program to create a contra transaction batch in Oracle Receivables. AutoInvoice creates a transaction batch named Contra_*request id*. Verify that the AutoInvoice Import program has successfully completed by reviewing the AutoInvoice Execution report or the AutoInvoice Validation report.

After the Receivables Invoice Interface has finished, navigate to the Transaction Batches window to view your contra charge and verify that the charge is correct. Complete your Contra credit memo after you confirm that the charge is correct.

Use the Standard Request Submission windows to submit the AutoInvoice Import program after the Receivables Invoice Interface has finished.

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

> **See also:** Overview of AutoInvoice, *Oracle Receivables User Guide*

Program Parameters

Transaction Source
Select *Contra* from the list of values.

Default Date
Enter the date that you want to use as the transaction date for the created invoices.

Transaction Flexfield

When you navigate to the Transaction Flexfield field, the Line Transaction Flexfield window appears.

In the Context Value field, select *Contra* from the list of values.

In the Transaction Date field, enter the transaction date value that you entered in the Contra Charges window.

In the Customer Name field, enter the customer name value that you entered in the Contra Charges window.

In the Currency field, enter the currency value that you entered in the Contra Charges window.

Contra Netting Report

```
   Finnish Test                                        Contra Netting Report                                Report Date:   02-AUG-2000 06:31:51
                                                                                                                   Page:   1 of 3
   Report Parameters

       Supplier/Customer From : Target Recruitment
                           To : Target Recruitment  This report does not include any On Account or Unapplied cash that has not
                Currency Code : All                 been allocated to a Bill-to site.
                       Source : All
           Netting by Tax Id : Yes                  Run the Unapplied Receipts Register to check all receipts are included.
      Include Receipts at Risk : Yes
 Include Future Dated Payment : Yes


            Supplier/Customer : Target Recruitment plc
                       Tax Id : GB9761098
       Supplier/Customer Site : LONDON
                Currency Code : DEM

   Payables
   Invoice         Invoice      Document                  Transaction             Original        Amount Due          Original         Amount Due  Due       Days Past
   Number          Date         Reference    Source       Type                Amount (DEM)   Remaining (DEM)      Amount (EUR)    Remaining (EUR)  Date            Due
   --------------- ------------ ------------ ------------ -----------  -------------------- ------------------ ----------------- ------------------- -------- ---------
   00986           25-JUL-00    980079       Manual Invoic Credit Memo         <3,250.00>        <3,250.00>        <1,661.70>         <1,661.70> 25-JUL-2000        8
   47980           20-JUL-00    980076       Manual Invoic Standard            413,250.00         13,250.00        211,291.37           6,774.62  20-JUL-2000       13
   49973           29-JUL-00    980077       Manual Invoic Standard            500,000.00        500,000.00        255,645.94         255,645.94  29-JUL-2000        4
   50018           30-JUL-00    980075       Manual Invoic Standard            586,750.00        391,167.00        300,000.51         200,000.51  30-JUL-2000        3
   52561           02-AUG-00    980078       Manual Invoic Standard            500,000.00              0.00        255,645.94               0.00  02-SEP-2000      -31
   Future Dated Payments                                                                         490,000.00                           250,533.02  02-SEP-2000      -31
                                                                       -------------------- ------------------ ----------------- -------------------
   Total Payables                                                            1,996,750.00      1,391,167.00      1,020,922.06         711,292.39
                                                                       -------------------- ------------------
   Total Net for  : DEM                                                     <1,996,750.00>    <1,391,167.00>  "Net Amount is calculated as Receivables minus Payables"
                                                                                                              ----------------- -------------------
   Total Net Site : LONDON                                                                                       <1,020,922.06>       <711,292.39>


   Receivables
   Invoice         Invoice      Document                  Transaction             Original        Amount Due          Original         Amount Due  Due       Days Past
   Number          Date         Reference    Source       Type                Amount (DEM)   Remaining (DEM)      Amount (EUR)    Remaining (EUR)  Date            Due
   --------------- ------------ ------------ ------------ -----------  -------------------- ------------------ ----------------- ------------------- -------- ---------
   9820542         30-JUL-00    980018       {Kotimaan las Invoice             200,000.00        100,000.00        102,258.38          51,129.19  30-JUL-2000        3
   9820543         22-JUL-00    980019       {Kotimaan las Invoice             300,000.00        150,000.00        153,387.56          76,693.78  22-JUL-2000       11
   9820544         27-JUL-00                 {Kotimaan las Credit Memo         <30,000.00>       <30,000.00>       <15,338.76>        <15,338.76> 27-JUL-2000        6
   9820545         01-AUG-00    980020       {Kotimaan las Invoice             400,000.00        200,000.00        204,516.75         102,258.38  01-SEP-2000      -30
   On Account & Unapplied       17                                                               <50,000.00>                          <25,564.59> 02-AUG-2000        0
   Receipts at Risk                                                                              200,000.00                           102,258.38                     -30
                                                                       -------------------- ------------------ ----------------- -------------------
   Total Receivables                                                           870,000.00        570,000.00        444,823.94         291,436.37
                                                                       -------------------- ------------------
   Total Net for  : DEM                                                        870,000.00        570,000.00   "Net Amount is calculated as Receivables minus Payables"
                                                                                                              ----------------- -------------------
   Total Net Site : London                                                                                          444,823.94         291,436.37
                                                                                                              ----------------- -------------------
   Total Net Tax for Tax ID : GB9761098                                                                            <576,099.88>       <419,856.02>
                                                                                                               ----------------- -------------------
   Total for On Account & Unapplied Receipts without a Site                                                                0.00               0.00

                                                                                                               ----------------- -------------------
    Final Net Balance for Tax ID: GB9761098                                                                        <576,099.88>       <419,856.02>
```

Use the Contra Netting report to display the net balance in Oracle Receivables and Oracle Payables for any customers who are also your suppliers. This report groups balances as of the current date for Oracle Receivables and Oracle Payables. The final net balance is always the Oracle Receivables balance.

If you run the report with netting by Tax ID,. the Contra Netting report does not include receipts that are not allocated to a bill to site. The report prints a note to this effect. If you run the report with netting by supplier/customer, receipts that are not allocated to a bill to site are printed after the supplier/customer net balance.

Use the Standard Request Submission windows to submit the Contra Netting report.

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

Prerequisites

Before you can run the Contra Netting report, you must set up customer and supplier tax registration number at the bill to and pay site level.

See also: Entering Customers, *Oracle Receivables User Guide*

See also: Entering Suppliers, *Oracle Payables User Guide*

Report Parameters

Supplier/Customer From

Enter the name of the supplier or customer that you want to report on. If you want to report on a range of suppliers and customers, this name specifies the start of the range. The list of values includes all suppliers and customers, even those suppliers who are not customers and vice versa.

Supplier/Customer To

Enter the name of the supplier or customer that you want to report on. If you want to report on a range of suppliers and customers, this name specifies the end of the range. The list of values shows all suppliers and customers, even those suppliers who are not customers and vice versa.

If you want to report on all suppliers and customers, in the Supplier / Customer From field, select the first name from the list of values. In the Supplier / Customer To field, select the last name from the list of values.

Include Outstanding Future Dated Payments

Enter *Yes* to include future dated payments from the supplier balance calculation. Unmatured future dated payments will be added back as positive amounts to the supplier liability. This addition cancels out the application of these payments to invoices for the calculation of open liabilities.

Enter *No* to exclude future dated payments, which are not shown separately on the report. These payments reduce the supplier balance the way all other payments do.

The default value for this parameter is derived from the JG: Contra - Include Future Dated Payments in Supplier Balance profile option.

(continued)

Include Receipts at Risk
Enter *Yes* to include receipts at risk (not risk-eliminated or cleared) in the customer balance calculation. These receipts will be added back as positive amounts to the customer balance due.

Enter *No* to exclude receipts at risk, which are not shown separately on the report. These receipts reduce the customer balance the way all other receipts do.

The default value for this parameter is derived from the JG: Contra - Include Receipts at Risk in Customer Balance profile option.

Currency Code
Enter the currency code for the transactions that you want to use to calculate the balance. If you do not enter a currency code, the report shows the balance for each currency that transactions exist in for that supplier or customer.

Source
Enter the transaction source that you want to report on. The report can show the balance for all sources that transactions exist in for that supplier or customer.

Netting by Tax ID
Enter *Yes* if you want the report to print a net balance by tax registration number. If you enter *No*, the report shows the net balance for the Supplier / Customer and the report prints the details of unallocated on-account or unapplied receipts after the Supplier / Customer net balance and the resulting balance.

Report Headings

In this column...	Oracle Receivables prints...
Supplier / Customer From and To	The start and end of the range of supplier or customer names for the report.
Currency Code	The currency code for the report. If you do not enter a currency code the report prints all currencies.
Source	The sources of the transactions used to derive the information in the report. By default, all relevant transactions are used.
Netting by Tax ID	Whether the report is selected to net by Tax ID (*Yes*) or by Supplier / Customer name (*No*).
Supplier / Customer	The supplier / customer balances that are being reported.

In this column...	Oracle Receivables prints...
Supplier / Customer Site	The site that balances are reported for, if you are netting by supplier or customer site name.
Tax ID	The tax identification number from the supplier or customer site.
Supplier / Customer Site	The site that balances are reported for, if you are netting by supplier or customer site name.
Accounts Receivables / Payables	Whether the balances are from Oracle Receivables or Oracle Payables.

Column Headings

In this column...	Oracle Receivables prints...
Invoice Number	The transaction's invoice number, unless the invoice is fully paid. The invoice is for the supplier / customer, in the currency, and in the subledger being reported on.
Invoice Date	The date of the invoice.
Document Number	The invoice's document number.
Source	The source of the invoice.
Transaction Type	The transaction type of the invoice.
Original Amount	The original amount of this invoice in the entered currency. The currency code is shown in brackets.
Amount Due Remaining	The remaining amount due for this invoice in the entered currency. The currency code is shown in brackets.
Original Amount	The original amount of this invoice in the functional currency. The currency code is shown in brackets.
Amount Due Remaining	The remaining amount due for this invoice in the functional currency. The currency code is shown in brackets.
Due Date	The date that the invoice balance is or was due.
Days Past Due	The number of days that payment of this invoice is overdue. A negative number indicates that the payment is not yet due.

Row Headings

In this row...	Oracle Receivables prints...
Receipts at Risk	The details of receipts that are not risk-eliminated or cleared, if you entered *Yes* in the Include Receipts at Risk parameter.
On-Account / Unapplied	The details of on-account and unapplied receipts that are allocated to a bill to site.
Total Receivables	The total Receivables amount of all entered amounts and amounts due that remain both in the entered and the functional currency. The report prints separate rows for all on-account and unapplied receipts allocated to the bill to site.
Future Dated Payments	The details of future dated payments that are not matured, if you entered *Yes* in the Include Outstanding Future Dated Payments parameter.
Total Payables	The total Payables amount of all entered amounts and amounts due that remain both in the entered and the functional currency.
Total Net	The total amount of all entered amounts and amounts due that remain in the entered currency. The total net amount is calculated as receivables minus payables.
Total VAT on Site	The total amount of all entered amounts and amounts due that remain in the functional currency at site level, if Netting by Tax ID is set to *No*.
Total Net VAT on Site	The total net amount of all entered amounts and amounts due that remain in the functional currency at site level, if Netting by Tax ID is set to *No*.
Total Net Supplier / Customer	The total net receivables balance of all entered amounts and amounts due that remain in the functional currency at supplier / customer level, if Netting by Tax ID is set to *No*.
Total Net Site	The total of all entered amounts and amounts due that remain in the functional currency at site level, by Tax ID, if Netting by Tax ID is set to *Yes*.
Total Net Supplier / Customer Site	The total amount of all entered amounts and amounts due that remain in the functional currency at supplier / customer level by site and Tax ID, if Netting by Tax ID is set to *Yes*.

In this row...	Oracle Receivables prints...
Total Net Tax	The total amount of all entered amounts and amounts due that remain in the functional currency for each Tax ID, if Netting by Tax ID is set to *Yes*.

On-Account and Unapplied Receipts Not Allocated to a Bill To Site

This section of the Contra Netting report shows details of all on-account and Unapplied receipts that were entered but not allocated to a bill to site.

Oracle Receivables deducts the total of these on-account and Unapplied receipts in the functional currency from the previous balance for all sites to calculate the final balance.

Column Headings

In this column...	Oracle Receivables prints...
Currency	The currency of the receipt that you entered.
Name	The batch name of the receipt.
Source	The batch source of the receipt.
Original Amount Due (Foreign)	The original amount of the receipt in the currency that you entered.
Amount Due Remaining (Foreign)	The amount due of the receipt that remains in the currency that you entered.
Original Amount Due	The original amount of the receipt in the functional currency. The currency code for the functional currency is shown in brackets.
Amount Due Remaining	The amount due of the receipt that remains in the functional currency. The currency code for the functional currency is shown in brackets.

Row Headings

In this row…	Oracle Receivables prints…
Total for On-Account & Unapplied Receipts Without a Site	The total for on-account and unapplied receipts that are not allocated to a bill to site, in the functional currency.
Final Net Balance for Supplier / Customer	The final net original amounts and amounts due in the functional currency that remain after deducting on-account and unapplied receipts not allocated to a bill to site.

Latin American Tax Requirements

Accounts receivable tax calculation for Latin American countries must address these special requirements:

- There may be several federal or provincial taxes. Each federal or provincial tax may need to be accounted separately or printed separately. Each tax must be defined as a separate tax category.
- The method of calculation (both the basis and the rate used) can differ by tax type, by category, and by province
- More than one tax may apply to an invoice line

The way taxes are calculated can vary from one tax category to another. For example, the ICMS tax in Brazil is an *inclusive* tax and can, optionally, be compounded by the IPI tax. Several other options can vary by tax category, including minimum thresholds, tributary substitution, and the manner in which transaction amounts are aggregated before the comparison with thresholds is made.

In order to meet these requirements, Oracle Receivables makes use of the Latin Tax Engine to calculate taxes. The *Latin Tax Engine* is a collection of programs, user-defined system parameters, user-defined setup tables, and user-defined rules that determines the taxes and tax amounts to apply to each invoice line.

Based upon the setup rules and information provided, the Latin Tax Engine determines the tax categories that apply to each transaction line based on a combination of applicable values for organization (your company), contributor (your customer and customer location), and transaction. The Latin Tax Engine derives the tax codes and calculates the taxes for the applicable tax categories based upon the tax rules that you define for each tax category and combination of organization, contributor, and transaction.

See Latin Tax Engine Tax Calculation on page 3-100 for more information about the Latin Tax Engine tax calculation processes.

In order for the Latin Tax Engine to calculate taxes correctly, it is necessary to complete the Latin tax setup steps accurately and in the correct order. Your country-specific user guide provides step-by-step instructions for completing the setup. The information in this chapter is intended to provide an overview of how the Latin Tax Engine works, and provide reference information about each window that belongs to the Latin tax setup.

Depending upon your country requirements, your Oracle Receivables installation already includes some of the data required for Latin tax setup. If necessary, you can enter new information by referring to the information in this chapter and in your country-specific user guide. In addition, certain setup information, such as tax rates, are not included in your installation since this information depends upon the prevailing legislation in your country.

Latin Tax Engine Overview

The Oracle Receivables Latin Tax Engine provides a convenient solution to your tax requirements. The Latin Tax Engine:

- Calculates multiple taxes on an invoice line
- Calculates different tax rates based on characteristics of the company issuing the invoice, the ship to customer, and the transaction (item or memo line)
- Provides easy transaction entry for users with little or no knowledge of taxes and tax requirements

Oracle Receivables uses the Latin Tax Engine to calculate taxes according to this model:

- **Transaction WorkBench** – lets you enter transaction information, including customer address, transaction type, and invoice line information (tax group code and invoice line-level global descriptive field information). When you save your work or press the Tax button, the Global Tax Engine is called to calculate the tax.
- **Global Tax Engine** – retrieves the invoice and invoice line information and proceeds to calculate the tax for each invoice line. If you set the Tax Method to *Latin*, the Latin Tax Engine is called to calculate the tax for each applicable tax category of the tax group entered in the Tax Code field of the Tax window. This process is repeated for each transaction line.
- **Latin Tax Engine** – uses the information provided by the Global Tax Engine to calculate the tax for each tax category and pass the tax calculations to the Global Tax Engine.
- **Global Tax Engine** – passes the Latin Tax Engine's tax calculations back to the Transaction Workbench.
- **Transaction WorkBench** – displays the calculated taxes and writes back the tax and accounting information to the database.

To calculate the taxes that apply on each invoice line, the Latin Tax Engine uses this information:

- Taxes and tax rates
- Tax conditions and tax condition values for your organization, your customers, and items and memo lines
- Tax group associated with the invoice line
- Tax rules for determining the tax rate and base rate

Taxes, Tax Categories, and Tax Rates

You must define each tax that your company is authorized to levy as a *Latin tax category*. Define a separate tax category for each tax that is calculated separately, accounted separately, or reported separately.

For example, if the government has multiple reporting requirements for a certain tax that depends on the customer's situation or the nature of the transaction, you must create the corresponding number of tax categories for this one tax to report each tax separately.

Tax rates are the actual rates used to calculate individual taxes. Each tax rate is associated with a distinct tax code. Each tax code must be associated with a tax category. You can associate one tax category with multiple tax codes.

Tax Conditions and Tax Condition Values

You must define, for each tax category, characteristics that describe the:

- Inventory organization's authority or ability to levy this tax
- Ship to customer's eligibility in relation to this tax
- Taxability of each transaction for this tax

These characteristics are called *tax conditions* and *tax condition values*. You must separately define organization tax conditions and values, contributor tax conditions and values, and transaction tax conditions and values.

The tax condition defines the meaning of the characteristic. The tax condition values define all of the possible relationships to this characteristic. For example, if the calculation of a specific tax depends on whether or not the inventory organization is registered with the government, you can name the tax condition *Registration Status*, and the possible tax condition values *Registered* and *Not Registered*.

Once you define the tax conditions and tax condition values for all tax categories, you assign them to:

- Inventory organization
- Ship to address of each of your customers
- Items and memo lines

You assign tax conditions and tax condition values to an organization by grouping the values for each tax category and tax condition into an *organization tax condition class*. The organization tax condition class contains all tax conditions of all tax categories, and a specific tax condition value for each tax condition that applies to the inventory organization.

You assign tax conditions and tax condition values to a customer site by grouping the values for each tax category and tax condition into a *contributor tax condition class*. The contributor tax condition class contains all tax conditions of all tax categories, and a specific tax condition value for each tax condition that applies to the customer site.

Note: You assign contributor characteristics at the ship to address level, because each customer, and even individual sites for a given customer, can have a different tax eligibility. For example, local taxes may apply to one customer site only, and not to other ship to locations for the same customer.

You assign tax conditions and tax condition values to an item or memo line by grouping the values for each tax category and tax condition into a *transaction tax condition class*. The transaction tax condition class contains all tax conditions for all tax categories, and a specific tax condition value for each tax condition that applies to transactions.

Note: When you calculate taxes, Oracle Receivables defaults the transaction tax condition class for the item or memo line to the transaction line. You can enter a different transaction condition class for an individual transaction line.

Tax Group

When you enter transactions on an invoice, Oracle Receivables associates a *tax group* with each transaction line. The Latin Tax Engine uses the tax group to determine which taxes to generate for a specific transaction line.

The tax group contains one entry for every combination of tax category, organization characteristic, ship to customer characteristic, and transaction characteristic needed to generate the tax. A tax category can appear in the tax group more than once to satisfy the multiple combinations of characteristics that can generate a tax.

Tax Rules

Tax rules define, for each tax, the hierarchy of choices for the Latin Tax Engine to use to find the actual tax rate or base rate modifier to calculate a tax.

You define tax rules, with a hierarchy of choices, for each combination of:

- Ship to customer characteristic
- Transaction type
- Tax category

You can also define defaults for ship to customer characteristic and transaction type. There are currently sixteen different choices for finding the tax rate and seven choices for finding the base rate modifier.

When you enter a transaction, the Latin Tax Engine first determines the taxes to calculate on an invoice line based on the tax group. The Latin Tax Engine looks to the tax rules to determine the appropriate tax code and associated rate and / or base rate modifier for each tax.

When you enter a transaction line and save your work, the Latin Tax Engine calculates the tax for each tax category that applies in the tax group that you entered on the transaction line. For each tax category, the Latin Tax Engine searches the tax rules for a rule to use to find the tax code. If no more rules exist to search, the Latin Tax Engine searches for a default tax rule to find the tax code. If the Latin Tax Engine cannot find any method to obtain the tax code, the Latin Tax Engine stops with an error.

The Latin Tax Engine uses a similar process to find the base rate modifier for each tax. The difference is that the Latin Tax Engine does not stop with an error if the Latin Tax Engine does not find a base rate modifier.

For each combination, you can define one or more rules for where the Latin Tax Engine should look to find the tax rate or base rate modifier. The Latin Tax Engine will examine each rule, in the order that you defined them, until it finds one that matches the characteristics of the current transaction line. See How the Latin Tax Engine Calculates Taxes on page 3-179 for an example of how the Latin Tax Engine uses tax rules to calculate tax.

Once the Latin Tax Engine has found the tax rate and base rate modifier, it calculates the tax as follows:

Tax amount = Taxable base x base rate modifier x tax rate

Latin Tax Engine Tax Calculation

To calculate taxes on an invoice, Oracle Receivables uses the tax group that you enter on each invoice line. The tax group is a collection of tax categories for applicable combinations of organization, contributor, and transaction condition values. Optionally, each combination can have a tax code associated with it.

Depending on your country and business requirements, you can set up one tax group for all your tax calculations, or different tax groups for different combinations of organization / contributor / transaction values.

When you set up tax groups and the Latin Tax Engine, you assign the tax groups to transaction types. Oracle Receivables defaults the tax group to the invoice line from the transaction type associated with a transaction. See Setting Up the Latin Tax Engine on page 3-109 for more information about defining tax groups.

The Latin Tax Engine calculates taxes for each transaction line by using this processing:

- Determine the tax categories
- Determine the tax codes
- Determine the base rates
- Calculate the tax

After the Latin Tax Engine calculates the taxes, the Transaction WorkBench displays one or more tax lines for each invoice line.

The sections that follow describe the Latin Tax Engine tax calculation processes in more detail.

Determining Tax Categories

The Latin Tax Engine uses the tax group and the organization, contributor site, and transaction conditions and values to determine which tax categories apply to an invoice line.

The tax group contains combinations of tax categories and condition values for organization, contributor, and transaction. In your setup, you can assign a tax category to more than one organization / contributor / transaction combination in the tax group to account for all the circumstances under which a tax category applies to a transaction.

Your setup definitions for your organization, each contributor site, and each transaction indicates the conditions under which a particular tax category is applicable and not applicable. The Latin Tax Engine determines the tax categories that apply, by selecting the organization / contributor / transaction combinations in the tax group that match the organization, contributor site, and transaction definitions.

Determining Tax Codes

The Latin Tax Engine determines the tax codes and tax rates to apply to a transaction line for each tax category or categories derived from the tax group using the tax rule or rules for each tax category with a rule type of *Rate*.

> **Note:** If the taxable base is the line amount, the Latin Tax Engine only needs to find the tax code to calculate the tax. If the taxable base is a calculated base amount, the Latin Tax Engine also needs to find a base rate for the applicable tax categories to calculate the tax. See Determining Base Rates on page 3-104 for more information about how the Latin Tax Engine determines the base rate modifier.

The Latin Tax Engine uses Latin tax rules with a rule type of *Rate* for the applicable tax categories to find a tax code. The Latin Tax Engine derives the tax code in this sequence:

1. The Latin Tax Engine sets the current tax category based on the tax group associated with the transaction line.
2. The Latin Tax Engine looks for a rule with the first priority number.

   The rule's contributor determining factor tax condition value must match the current contributor value, and the rule's transaction type must match the transaction type for the current transaction.
3. If the Latin Tax Engine does not find a rule with matching parameters, the Latin Tax Engine searches for a rule with default parameters.

   The Latin Tax Engine looks for a default rule with these values:

   - Contributor determining-factor tax condition is *Default*
   - Transaction type is the default transaction type entered in the System Options window
4. If the Latin Tax Engine does not find a rule with matching parameters or a default rule, processing stops with an error.

5. If the Latin Tax Engine finds a rule, the Latin Tax Engine attempts to retrieve the tax code by accessing the rule data with the relevant parameters.

   For example, if the rule retrieved is *Ship from/Ship to Site*, the Latin Tax Engine attempts to retrieve the tax code by accessing a record in the Latin Locations window with the parameters:

   - Tax Category
   - Ship from State for the organization's current location
   - Ship to State (the ship to or bill to state for the customer)

6. If the Latin Tax Engine finds a tax code using the rule, the Latin Tax Engine stores the information for calculating the tax amount.
7. If the Latin Tax Engine does not find a tax code using the rule, it repeats steps 2 to 6 for each tax rule for the applicable tax category until it finds a tax code.
8. If there are more tax categories to process, the Latin Tax Engine repeats steps 1 to 8.
9. If there are no more tax categories to process, tax code processing is complete.

Determining Base Rates

The Latin Tax Engine determines the base rate modifier to apply to a transaction line for each tax category or categories derived from the tax group using the tax rule or rules for each tax category with a rule type of *Base*.

The Latin Tax Engine calculates tax after using the base rate modifier to derive the taxable base amount. See Calculating the Tax on page 3-106 for more information about how the Latin Tax Engine determines the taxable base amount.

The Latin Tax Engine uses Latin tax rules with a rule type of *Base* for the applicable tax categories to find a base rate modifier. The Latin Tax Engine derives the base rate modifier using this sequence:

1. The Latin Tax Engine sets the current tax category based on the tax group associated with the transaction line.
2. The Latin Tax Engine looks for a rule with the first priority number.

   The rule's contributor determining factor tax condition must match the current contributor value, and the rule's transaction type must match the transaction type of the current transaction.
3. If the Latin Tax Engine does not find a rule with matching parameters, the Latin Tax Engine searches for a rule with default parameters.

   The Latin Tax Engine looks for a default rule with these values:

   - Contributor determining-factor tax condition is *Default*
   - Transaction type is the default transaction type entered in the System Options window
4. If the Latin Tax Engine does not find a rule with matching parameters or a default rule, it calculates a base rate modifier of *1*.
5. If the Latin Tax Engine finds a rule, the Latin Tax Engine attempts to retrieve the base rate modifier by accessing the rule data with the relevant parameters.

   For example, if the rule retrieved is *Fiscal Classification Code*, the Latin Tax Engine attempts to retrieve the base rate by accessing a record in the Latin Fiscal Classification window with the parameters:

   - Tax Category
   - Fiscal Classification Code on the invoice line

6. If the Latin Tax Engine finds a base rate modifier using the rule, the Latin Tax Engine stores the information for calculating the taxable base amount.
7. If the Latin Tax Engine does not find a base rate modifier using the rule, it repeats steps 2 to 6 for each tax rule for the applicable tax category until it finds a base rate modifier or until no more rules exist.
8. If there are more tax categories to process, the Latin Tax Engine repeats steps 1 to 8.
9. If there are no more tax categories to process, base rate processing is complete.

Calculating the Tax

The Latin Tax Engine calculates the tax on an invoice line based on:

- Receivables System Option window settings
- Tax codes derived from the tax categories and Rate tax rules
- Base rate modifier, if applicable, derived from the tax categories and Base tax rules

Since certain transactions vary by invoice line, you must set up the Receivables System Options window to calculate tax on each invoice line. In particular, you must enter *Line* in the Calculation Level field. See Step 1. Define System Options on page 3-116 for more information about setting System Options.

Determining the taxable base

In some Latin American countries, the taxable base for certain taxes is different from the line amount because of one or more of these reasons:

- Base rate modifier is applied to the line amount
- Compounding tax amount is applied to the line amount
- Sum of line amounts for the transaction do not meet the threshold
- Sum of line amounts from current and prior related transactions, (such as credit memos or debit memos) do not meet the threshold.

> **Note:** Current and prior related transactions are also known as *Whole Operation*. See Step 5. Define Tax Categories on page 3-121 for more information.

- Sum of line amounts for the transaction, grouped by transaction condition value do not meet the threshold
- Sum of line amounts from prior related transactions, such as credit memos or debit memos grouped by transaction condition value do not meet the threshold

> **Note:** You associate related transactions in the Reference field in the Transactions window.

In these cases the Latin Tax Engine first calculates the taxable base amount and then calculates the tax. The Latin Tax Engine derives the taxable base amount and calculates the tax using this sequence:

1. Calculate the *line base amount* by:
   - Modifying the line amount by the base rate, if necessary
   - Compounding the line amount with another tax amount, if necessary
2. Determine the *applicable prior base* by keeping a running total of line base amounts:

Threshold Check Level	Grouping Condition Type	Grouping Condition	Description
Line	Line	Line	Current line base amount
Document	Document	Document	Sum of line base amounts of transaction lines of the current transaction
Operation	Document	Document	Sum of line base amounts of all current and prior related transactions
Document	Transaction Condition	Any transaction condition (for example, *Income Concept*)	Sum of line base amounts of all transaction lines of the current transaction that have the same tax condition value
Operation	Transaction Condition	Any transaction condition (for example, *Income Concept*)	Sum of line base amounts of all current and prior related transactions that have the same tax condition value

Minimum taxable base threshold checking

3. Compare the *applicable prior base* with the minimum threshold. If the applicable prior base is:
   - Greater than the minimum threshold, set *taxable base = line base amount*
   - Less than or equal to the minimum threshold, set *taxable base = line base amount + applicable prior base*
4. If necessary, set *taxable base for thresholds = line base amount + applicable prior base*

(continued)

Calculating the tax amount

5. Compare the taxable base for thresholds with the minimum threshold. If the taxable base for thresholds is:

   - Greater than the minimum threshold, set *tax amount = taxable base x tax rate*
   - Less than or equal to the minimum threshold, set *tax amount = 0*

Taxable amount threshold checking

6. Compare the tax amount with the minimum tax amount. If the tax amount is less than or equal to the minimum tax amount, set *tax amount = 0*.

Tributary substitution

7. For tax categories with tributary substitution, reduce the tax amount by the compounded tax.

Setting Up the Latin Tax Engine

This section provides an overview of all of the tasks and windows used to set up the Latin Tax Engine.

A certain number of tasks are mandatory for all countries, while some tasks apply to certain countries only. The Setup Checklist indicates the mandatory and optional tasks.

In many cases, your Oracle Receivables installation includes a certain amount of pre-defined data. You only need to perform the tasks related to this data if you need to add or modify information.

> **Note:** The task titles in this section refer only to setup for the Latin Tax Engine. Certain tasks, such as Define Customers and Define Items for example, require many other steps for a complete Oracle Receivables setup.

You should use this section in conjunction with your country-specific user guide. Along with a description of the specific tasks and windows that you need to set up the Latin Tax Engine in your country, your country-specific user guide contains this information:

- Description of country-specific tax requirements
- Description of country-specific globalization flexfields
- Prerequisite steps for setting up the Latin Tax Engine in your country
- Description of data already included in your Oracle Receivables installation

Setup Checklist

Step	Task	Mandatory	Optional
1	Define System Options on page 3-116	X	
2	Define Tax Conditions on page 3-118	X	
3	Define Tax Condition Values on page 3-119	X	
4	Define Legal Message Exception Codes on page 3-120	X	
5	Define Tax Categories on page 3-121	X	

Step	Task	Mandatory	Optional
6	Define Tax Codes and Rates on page 3-125	X	
7	Assign Default Tax Codes to Tax Categories on page 3-127		X
8	Define Latin Tax Category Details on page 3-128		X
9	Define Latin Tax Category Schedules on page 3-130		X
10	Associate Tax Categories with Tax Conditions and Values on page 3-133	X	
11	Define Tax Condition Classes for Organizations on page 3-138	X	
12	Assign Tax Condition Classes to Organizations on page 3-140	X	
13	Define Tax Condition Classes for Contributors on page 3-142	X	
14	Assign Tax Condition Classes to Contributors on page 3-144	X	
15	Define Customers on page 3-145		X
16	Define Customer Site (Bill To, Ship To) on page 3-146		X
17	Define Customer Site Tax Profiles on page 3-147	X	
18	Define Latin Locations on page 3-149		X
19	Define Tax Condition Classes for Transactions on page 3-151	X	
20	Define Fiscal Classifications on page 3-153	X	
21	Define Items on page 3-155	X	
22	Assign Tax Condition Classes and Fiscal Classifications to Items on page 3-156	X	
23	Define Memo Lines on page 3-157	X	
24	Assign Tax Condition Classes and Fiscal Classifications to Memo Lines on page 3-158	X	
25	Define Transaction Types on page 3-159	X	
26	Define Latin Tax Groups on page 3-160	X	
27	Assign Tax Group to Transaction Types on page 3-163	X	

Step	Task	Mandatory	Optional
28	Define Tax Exceptions by Fiscal Classification on page 3-164		X
29	Define Tax Exceptions by Items on page 3-166		X
30	Define Tax Exceptions by Customer Site on page 3-168		X
31	Define Tax Exceptions by Transaction Condition Value on page 3-170		X
32	Define Latin Tax Rules on page 3-172	X	
33	Define Legal Messages on page 3-175		X
34	Associate Legal Messages and Tax Rules on page 3-176		X

Setup Steps and Options

The windows and procedures that comprise the Receivables setup are designed to provide the Latin Tax Engine with information about taxes and rates, and about the requirements and dependencies of your company, your customers, and your transactions. The Latin Tax Engine uses this information to automatically calculate all the applicable taxes on each invoice line.

For the Latin Tax Engine to perform all the necessary processes correctly, it is important to enter complete and accurate setup information. The setup procedures can be organized into these general categories:

- Tax information, including tax categories and tax rates
- Tax conditions and values
- Information about organizations (your company), contributors (customers and customer sites), and transactions
- Tax exceptions
- Tax groups
- Tax rules
- Receivables settings: system options, legal messages, transaction types

Tax Information

A *tax category* contains information about each separate tax levied in your country. The tax category identifies the type of tax and minimum taxable base, minimum amount, and minimum percentage, if applicable.

Oracle Receivables holds tax rate information in tax codes. A *tax code* identifies one rate for a particular tax category. A tax category can have several tax rates. When you define a tax code, you must assign it a tax category.

Tax Conditions and Values

A *tax condition* describes the general relationship of an organization, contributor, or transaction to a specific tax. In this context, organization, contributor, and transaction are called *condition types*.

For example, you can name an organization tax condition for a VAT tax category as *VAT Status* or *Registered Status*. You define one or more tax conditions for organization, contributor, and transaction for each tax category.

Each tax condition has one or more *tax condition values*. The tax condition values describe the various relationships that an organization, contributor, and transaction can have to a tax condition. For example, the organization tax condition *VAT Status* could have the two tax condition values of *Registered* and *Not Registered*. A contributor or transaction tax condition could have more tax condition values, for example, *Registered*, *Not Registered*, *Exempt*, and *Excluded* for contributor; or *Goods*, *Services*, *Professional Fees*, and *Legal Fees* for transactions.

When you assign tax conditions to tax categories, you designate one tax condition for each condition type for each tax category as the *determining factor tax condition*. The Latin Tax Engine uses the determining factor tax condition as the primary condition for determining whether the tax applies to a transaction.

The number and kind of tax conditions and tax condition values that you must define depends upon the prevailing tax requirements in your country, city, and province.

You organize tax conditions and tax condition values into tax condition classes. You define separate tax condition classes for organizations, contributors, and transactions. A *tax condition class* contains a list of tax categories and related tax conditions and values. You assign the appropriate tax condition class to your organization, and to each of your customers and transactions (items and memo lines). The transaction tax condition class for an item or memo line is used as the default class for a transaction line. If necessary, you can change the default class for a specific transaction line.

The Latin Tax Engine uses tax condition classes (organization / contributor / transaction) to determine the taxes to calculate on a specific transaction line. For example, if VAT is one of your taxes and the tax conditions for your customer indicate that the customer is exempt from VAT, you can set up the Latin Tax Engine such that VAT is not calculated for this transaction line.

Organization, Contributor, Transaction Information

The information you enter for your organization, your customers, and items and memo lines provides the Latin Tax Engine with the background information for determining each applicable tax.

Enter the organization information for the location attached to the inventory organization. Assign a tax condition class to each ship to customer address, item, and memo line.

Tax Exceptions

You can define tax exceptions to a tax for particular classifications related to your customers or transactions. The types of tax exception are:

- Customer Site
- Transaction Condition Value
- Fiscal Classification
- Item

You can define tax exceptions for each of these classifications for each applicable tax category. For each tax exception / tax category combination, you assign the tax code to use in place of the standard tax code.

The Latin Tax Engine uses the tax code associated with the tax exception, when the tax rule is identified as a tax exception.

Tax Group

A *tax group* contains tax categories and, for each tax category, a combination of tax condition values for the organization, contributor, and transaction determining factor tax conditions. The Latin Tax Engine uses the tax group to determine the tax categories that apply to an invoice.

A tax group can contain the same tax category more than once, if the tax category applies to more than one combination of organization tax condition value, contributor tax condition value, and transaction tax condition value. The tax group must contain all determining factor tax conditions.

After you define a tax group, you assign the tax group to Receivables transaction types.

When you enter a transaction, the tax group associated with the transaction type is defaulted to the document. When the transaction is saved or the Tax button is pressed, the Latin Tax Engine uses the tax group to:

- Determine the tax categories that apply to each transaction line
- Look for the rules that apply to each transaction line
- Determine the taxes and rates, and calculate the tax

Tax Rules

Tax rules are the guidelines that the Latin Tax Engine uses to determine the tax code to apply to a transaction line. A *tax rule* is a combination of tax category, contributor condition value, and transaction type. For each combination, the name of the rule identifies where the Latin Tax Engine should look to find the tax code.

If there is more than one tax rule for the same combination of tax category, contributor condition value, and transaction type, each combination is assigned a different priority number. The Latin Tax Engine looks for the tax code according to the priority sequence.

If the Latin Tax Engine cannot find the tax code in the place identified by the first rule, the Latin Tax Engine tries the second rule, and so on, until it finds a tax code for the transaction line.

Receivables Settings

Enter the appropriate settings in Oracle Receivables to allow the Latin Tax Engine to calculate taxes on each transaction line.

The setup procedures in this user guide and in your country-specific user guide describe the required settings.

1. Define System Options

Use the Oracle Receivables System Options window to set system options to allow the Latin Tax Engine to calculate tax. Use the globalization flexfield in the Oracle Receivables System Options window to enter country-specific settings to calculate tax.

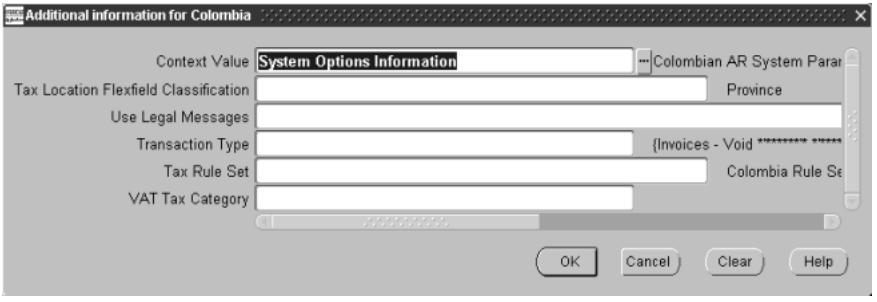
You can enter a default transaction type to use to calculate taxes. The Latin Tax Engine uses the default transaction type when it cannot find a tax rule for a transaction line.

You can enter a rule set to define the set of seeded data that you can see and use. Once you choose a rule set, you should not change it. If you change the rule set, you will not be able to see or use data that you created using the previous rule set. You will also not be allowed to change the rule set once you have entered transactions in the system.

See your country-specific user guide for more information about using the globalization flexfield in the Receivables System Options window.

Enter these system options settings for all countries:

- Enter *Latin Tax Handling* in the Tax Method field.
- Check the Inclusive Tax Used check box.
- Enter *Line* in the Calculation Level field.
- If you define the tax rule *System Options Tax Code* for a tax category, navigate to the Tax Defaults and Rules alternate name region and enter a tax code in the Tax Code field.



Use these guidelines for the globalization flexfield in the Receivables System Options window:

- In the Location Flexfield Classification field, enter the location flexfield classification that corresponds to your location flexfield structure.

  Note: The use of the Location Flexfield Classification field can vary depending on your country. Refer to your country-specific user guide for more information about using this field.

- Enter *Yes* or *No* in the Use Legal Messages field to indicate whether you will use legal messages.
- In the Transaction Type field, enter the transaction type that the Latin Tax Engine will use for the default tax rule. See Step 32. Define Latin Tax Rules on page 3-172 for more information.
- Enter the name of your country in the Tax Rule Set field.

  See also: Defining Receivables System Options, *Oracle Receivables User Guide*

2. Define Tax Conditions

Use the Lookups window to define lookup codes for tax conditions. The Latin Tax Engine uses tax conditions to determine the taxes to calculate on a specific transaction.

You define tax conditions for each tax category at the organization level for your company, at the contributor level for your customers, and at the transaction level for items and memo lines. Use the designated lookup types for your country for organization, contributor, and transaction to define the tax condition lookup codes.

The Latin Tax Engine uses tax conditions as deciding factors in determining the tax code and rate for each tax category and condition type. You must define at least one tax condition for each tax category / condition type (organization, contributor, transaction) combination.

If you define more than one tax condition for a tax category / condition type combination, you must designate one of these combinations as the determining factor tax condition. You designate the determining factor tax condition in the Associate Tax Categories and Tax Conditions window. See Step 10. Associate Tax Categories with Tax Conditions and Values on page 3-133 for more information.

One tax condition can apply to more than one combination. For example, a tax condition defined for the combination Organization-1 / TaxCategory-XYZ can apply to the Organization-1 / TaxCategory-ABC and / or Organization-2 / TaxCategory-XYZ combinations. You would only need to define this tax condition once.

After you define tax conditions, define tax condition values for each tax condition. See Step 3. Define Tax Condition Values on page 3-119 for more information.

Use these guidelines for defining tax condition lookup codes:

- Use the lookup type *ORGANIZATION_ATTRIBUTE* for organization tax conditions.
- Use the lookup type *CONTRIBUTOR_ATTRIBUTE* for contributor tax conditions.
- Use the lookup type *TRANSACTION_ATTRIBUTE* for transaction tax conditions.
- Enter the tax condition code in the Code field.
- Enter the meaning or use of the tax condition code in the Meaning field, and a description of the code in the Description field.

3. Define Tax Condition Values

Use the Lookups window to create lookup codes for tax condition values.

Tax condition values identify the possible values of each tax condition for organization, contributor, and transaction. You define each tax condition value only once, and you can associate it with any tax condition.

The number and kind of tax condition values depends upon the tax requirements of your country, your city, or your province. Examples of tax condition values are *Registered* and *Not Registered* for organizations; *Exempt*, *Taxable*, and *Non-Taxable* for contributors; and *Goods*, *Services*, *Tobacco*, and *Alcohol* for transactions.

After you define tax condition values for each tax condition, you can associate both the tax condition and tax condition values with tax categories. See Step 10. Associate Tax Categories with Tax Conditions and Values on page 3-133 for more information.

Use these guidelines for defining tax condition value lookup codes:

- Use the lookup type *JLZZ_AR_TX_ATTR_VALUE* for all lookup codes.
- Enter the tax condition value code in the Code field.
- Enter the meaning or use of the tax condition value code in the Meaning field, and a description of the code in the Description field.

4. Define Legal Message Exception Codes

Use the Lookups window to define lookup codes for legal message exceptions. You can select lookup codes from lists of values after you define them.

Legal message exception codes are used to define the type of exception that you can associate with a legal message. See Step 34. Associate Legal Messages and Tax Rules on page 3-176 for more information.

These legal message exception codes are already included in your installation:

Lookup Code	Meaning
BASE_AMOUNT_REDUCTION	Tax Base Amount Reduction
EXEMPTION	Tax Exemption
EXPORTS	Exports
IMMUNITY	Tax Immunity
NON_INCIDENCE	Non-Incidence

You can add as many legal message exception codes as you require. Use the lookup type *JLZZ_AR_TX_LEGAL_MESSAGE* to define a new legal message exception code.

See also: Lookups, *Oracle Payables User Guide*

5. Define Tax Categories

Use the Latin Tax Categories window to define information about each tax levied in your country, and in your city or province if applicable. You should create a different tax category in each of these cases:

- Tax is accounted separately
- Tax has different computation requirements
- Tax has different applicability requirements

You cannot delete a tax category once you enter and commit. To render a tax category inactive, use the Effective From and Effective To fields to set effective dates.

Enter all the tax rates that apply to this tax category. You must define a separate tax code in the Tax Codes and Rates window for each tax rate that you enter for a tax category. You can also enter a default tax code for a tax category. See Step 6. Define Tax Codes and Rates on page 3-125 for more information.

You can enter:

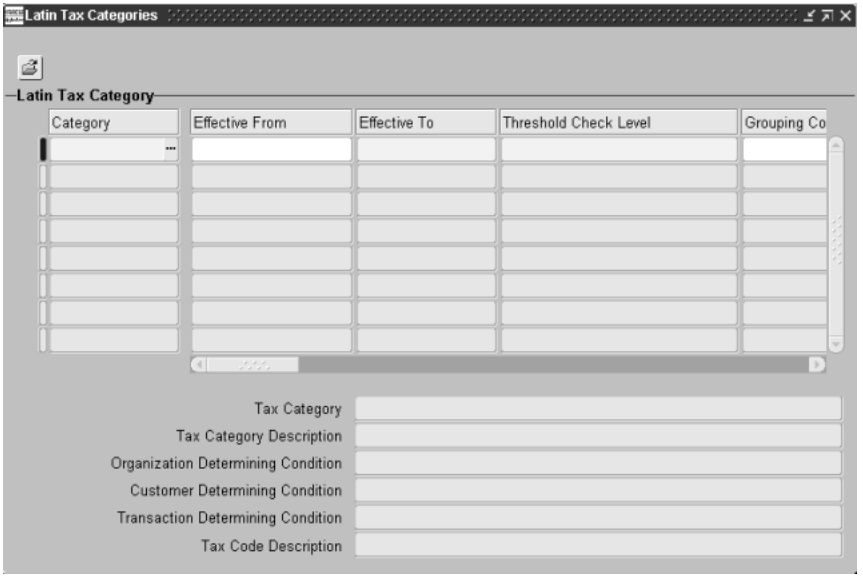
- **Minimum taxable base** if the tax is only levied when the tax basis is over a specified amount
- **Minimum tax amount** if the tax is only levied when the calculated tax amount is over a specified amount

If you enter a minimum taxable base or a minimum tax amount, you can also choose whether the threshold checking for the tax base or tax amount is performed by transaction line, invoice, or operation. If you have different values for minimum taxable base or minimum tax amount for different effective periods, you can enter these details in the Latin Tax Category Details window. See Step 8. Define Latin Tax Category Details on page 3-128 for more information.

If another tax is included in the base amount for the tax calculation, you can choose another tax category to be compounded with a tax category.

> **Note:** You must define tax categories before you can associate them with other tax categories.

If applicable, you can use tributary substitution to calculate the tax amount for a tax category.



Use these guidelines for defining a tax category:

1. In the Category field, select a tax category from the list of values.
2. In the Effective From and Effective To fields, enter the effective dates for the tax category.
3. In the Threshold Check Level field, enter:
   - **Line** – Consider the current invoice line for threshold checking
   - **Document** – Consider the current invoice for threshold checking
   - **Operation** – Consider the current invoice and its related debit memos, credit memos, and / or related invoices for threshold checking
4. In the Grouping Condition Type field, enter:
   - **Line** – Use the current invoice line amount as the base amount for threshold checking.
   - **Document** – Use the sum of all amounts of relevant lines (see table below) as the base amount for threshold checking. For use with the values Document or Operation in the Threshold Check Level field.

- **Transaction Condition** – Use the sum of all amounts of relevant lines (see table below) as the base amount for threshold checking. For use with the values Document or Operation in the Threshold Check Level field.

The value you enter in the Threshold Check Level field determines the value you can enter in the Grouping Condition Type field:

If the Threshold Check Level is…	In the Grouping Condition Type field, you can enter…	Lines considered for threshold checking
Line	Line	Current line only
Document	Document	All lines in the current document
Document	Transaction Condition	All lines in the current document that have the same transaction condition value for the selected transaction condition
Operation	Document	All lines in the current and related documents
Operation	Transaction Condition	All lines in the current and related documents that have the same transaction condition value for the selected transaction condition

5. In the Tax Code field, you can optionally enter a tax code to use with the tax category.

   Note: You must define tax codes before you can enter a value in this field.

6. In the Tax Authority Code field, enter the code for the tax authority responsible for this tax as you want the code to appear in your reports.
7. Enter values in the Min Amount, Min Taxable Base, and Minimum % fields, if applicable.
8. Check the Tributary Substitution check box, if the tax category uses tributary substitution.
9. Check the Inclusive Tax check box, if you want tax included in the price at invoice line level. Leave the check box unchecked if you do not.

(continued)

Note: You cannot change the Inclusive Tax setting after you associate the tax category with a tax code or a tax group.

10. Enter another tax category in the Tax Category To Compound Base field, if another tax is included in the base amount for the tax calculation.

Note: You must define the other tax category before you can enter it in this field.

11. Check the Mandatory in Class check box, if you want the tax category to appear in every tax condition class.

12. Check the Print check box, if you want the tax line printed. Leave the check box unchecked if you do not.

6. Define Tax Codes and Rates

Use the Tax Codes and Rates window to define and maintain tax codes, their associated tax rates, and effective dates. Use the globalization flexfield in the Tax Codes and Rates window to assign tax codes to tax categories and to maintain country-specific information for each tax code.

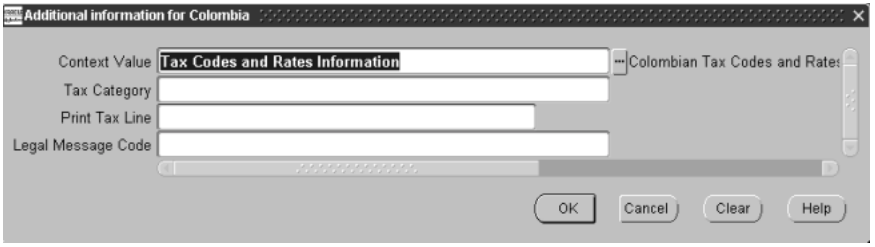
Define as many tax codes as you need for each type of tax. You must define at least one tax code for each tax rate that exists for a tax category. For example, if a VAT tax category has one tax rate for *Goods* and a different tax rate for *Services*, you would define a separate tax code for each of the two rates and assign them both to the VAT tax category.

When you assign a tax category to a tax code, Oracle Receivables defaults the Tax Inclusive and Print on Invoice values from the tax category. You can change the Print on Invoice value in the field, but you cannot change the Tax Inclusive value.

When you define tax rules to find tax codes, you must:

- Associate the tax code that you define here with the applicable source, such as tax categories or fiscal classifications
- Define a tax rule that looks for the tax code in the applicable source

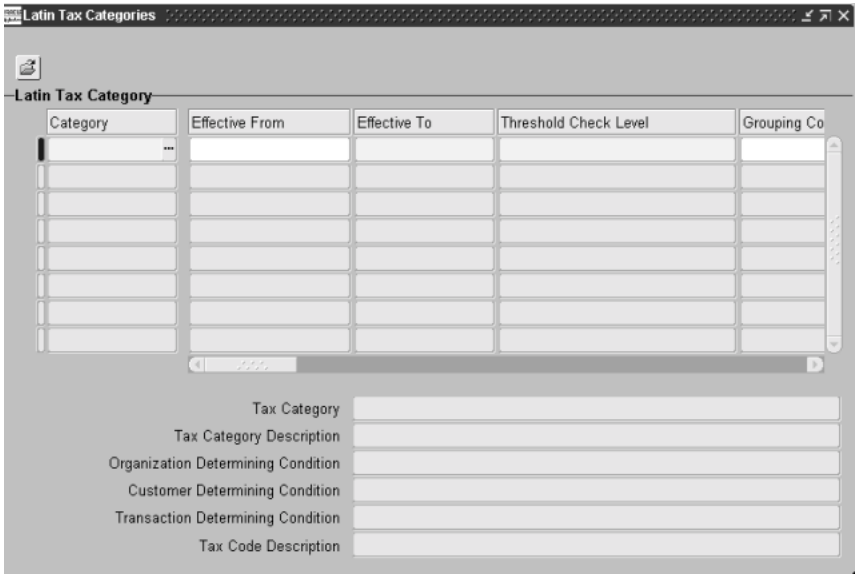
See Step 32. Define Latin Tax Rules on page 3-172 for more information.



Use these guidelines for the globalization flexfield in the Tax Codes and Rates window:

- In the Tax Category field, enter default tax category to associate the tax code with.
- In the Print Tax Line field, enter *Yes* if you want the tax line printed. Enter *No* if you do not.
- In the Legal Message Exception Code field, select an exception code from the list of values.

7. Assign Default Tax Codes to Tax Categories



Use the Latin Tax Categories window, after you define tax categories and tax codes and rates, to assign a default tax code to each tax category that you previously defined.

The Latin Tax Engine uses the default tax code associated with a tax category to calculate tax when the Rate tax rule for the tax category is *Tax Category.*

If you want to derive a tax code and rate from a tax category, you must also define a tax category tax rule. See Step 32. Define Latin Tax Rules on page 3-172 for more information.

8. Define Latin Tax Category Details

Use the Latin Tax Category Details window to enter the minimum amount, minimum taxable base, and minimum percentage for a tax category for an effective period. You can also use this window to assign a tax code to the tax category.

You only use the Latin Tax Category Details window for tax categories that have different values for minimum taxable base or minimum tax amount for different effective periods.

Before you can use the Latin Tax Category Details window, you must define tax categories and tax codes and rates. See Step 5. Define Tax Categories on page 3-121 and Step 6. Define Tax Codes and Rates on page 3-125 for more information.

Use these guidelines for using the Tax Category Details window:

1. In the Tax Category field, query or enter the tax category that you want.
2. Navigate to the Tax Category Details alternative name region.
3. Enter values for the Start Date and End Date fields.

Note: The values that you enter must be within the dates that you defined for the tax category.

4. In the Min Amount field, enter the minimum tax amount for this tax category.
5. In the Min Taxable Basis field, enter the minimum taxable base for this tax category.
6. In the Minimum % field, enter the minimum tax percentage for this tax category.
7. In the Tax Code field, enter the tax code to associate with this tax category.

9. Define Latin Tax Category Schedules

Use the Latin Tax Category Schedules window to assign schedules to applicable tax categories. A schedule describes the tax rates to apply to ranges of taxable amounts for a given tax category.

You only use the Latin Tax Category Schedules window for tax categories where the tax code changes because of:

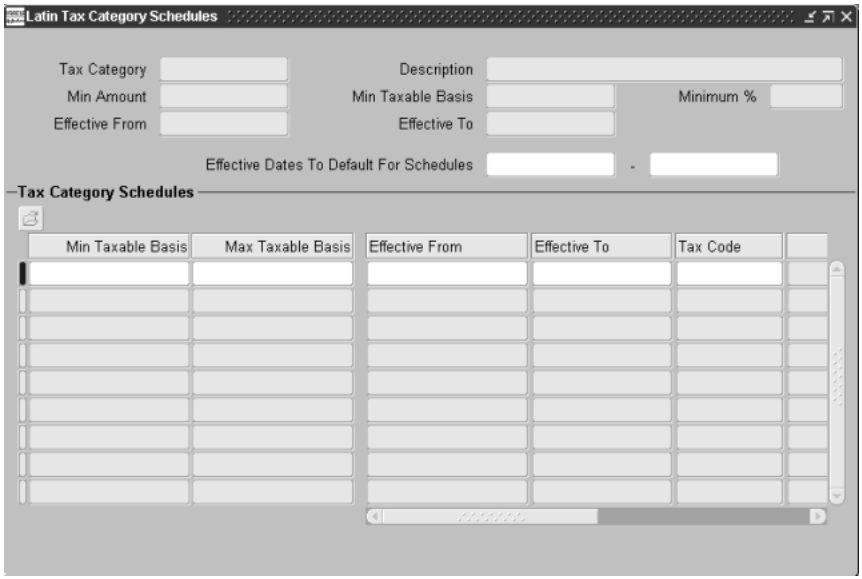
- Taxable base range

and / or

- Different effective periods

This feature normally applies to situations where the tax rate varies based on the amount being taxed (for example, an Income Tax schedule).

Before you can use the Latin Tax Category Schedules window, you must define tax categories and tax codes and rates. See Step 5. Define Tax Categories on page 3-121 and Step 6. Define Tax Codes and Rates on page 3-125 for more information.



Use these guidelines for using the Tax Category Schedules window:

1. In the Tax Category field, query or enter the tax category that you want.
2. Navigate to the Tax Category Schedules alternative name region.
3. Enter values in the Start Date and End Date fields.

> **Note:** The values that you enter must be within those of the tax category.

4. In the Min Taxable Basis field, enter the minimum taxable amount for this tax range.
5. In the Max Taxable Basis field, enter the maximum taxable amount for this tax range.
6. In the Effective From and Effective To fields, enter the applicable dates for this schedule.

(continued)

7. In the Tax Code field, enter the tax code to use for this tax range.
8. Repeat steps 2 to 5 for each tax range and date range that belongs to this schedule.

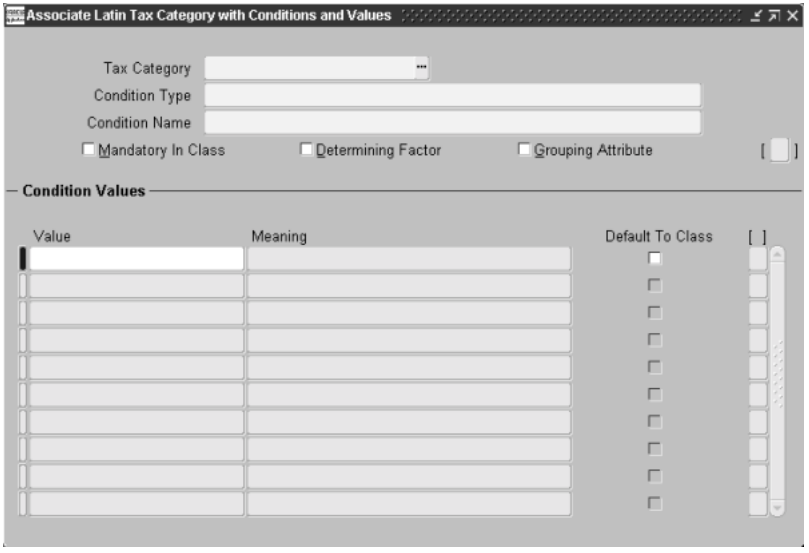
10. Associate Tax Categories with Tax Conditions and Values

Use the Associate Latin Tax Category with Conditions and Values window to associate tax categories with tax conditions and tax condition values. Define for each tax category the applicable tax condition for each condition type (organization, contributor, transaction). You define one tax condition for each tax category / condition type combination.

Every tax category / condition type combination must have one and only one determining factor tax condition. This condition is the deciding factor for the tax category / condition type combination that the Latin Tax Engine uses to determine the tax code to apply to a transaction. To define a tax condition as the determining factor tax condition, enter *Yes* in the Determining Factor field. If you enter *Yes* in the Determining Factor field, you must also enter *Yes* in the Mandatory in Class field.

> **Note:** You can define more than one tax condition for a tax category / condition type combination for situations where the tax line must be generated with an exempt or reduced rate. You can define a tax rule to direct the Latin Tax Engine to retrieve the tax code for the additional transaction condition value. See *Fixed Asset Transaction Condition* below for an example of assigning this type of tax condition and tax category / condition type combination.

The combinations of tax categories and tax conditions that you define in the Associate Latin Tax Category with Conditions and Values window are used as a basis for defining tax condition classes for each condition type. If you define a tax condition that you associate with a tax category and condition type for every tax condition class, enter *Yes* in the Mandatory in Class field.



Use these guidelines for associating tax categories with conditions and values:

1. In the Tax Category field, enter the tax category.
2. In the Condition Type field, enter *Organization Condition*, *Contributor Condition*, or *Transaction Condition*.
3. Check the Mandatory in Class check box.
4. Check the Determining Factor check box.
5. Uncheck the Grouping Attribute check box.
6. In the Value fields, enter the tax condition values that apply to this combination of tax category and tax condition.

Fixed Asset Transaction Condition

In this example, a buyer intends to use a certain quantity of a purchase item as a fixed asset rather than for resale. The fixed asset sale item therefore is to be taxed at a zero (exempt) rate for VAT Perception.

An electronics store purchases LaserJet printers both for resale and for use in the store (as a fixed asset).

Item	Qty	Intended Use	VAT Perception Rate
LaserJet printers	100	Resale	5%
LaserJet printers	10	Fixed asset	Exempt (0%)

The Tax Category setup is:

Transaction Class: *Printers-Resale*

Tax Category	Transaction Determining Condition	Tax Code	Tax Rate
…	…	…	…
VAT Perception	Applicable	VAT-P-5	5%
…			

The Tax Code setup is:

Tax Code	Tax Rate	Tax Category	Legal Message Exception Code
…	…	…	…
VAT-P-5	5%	VAT Perception	…
VAT-P-Exempt	0%	VAT Perception	
…	…	…	…

The Transaction Condition Class setup for resale items is:

Transaction Class: *Printers-Resale*

Tax Category	Condition	Condition Value	Determining Factor?
…	…	…	…
VAT Perception	Applicable	Yes	Yes
VAT Perception	Fixed Assets	No	No
…			

The Transaction Condition Class setup for fixed asset items is:

Transaction Class: Printers-Fixed Asset

Tax Category	Condition	Condition Value	Determining Factor?
…	…	…	…
VAT Perception	Applicable	Yes	Yes
VAT Perception	Fixed Assets	Yes	No
…			

The Tax Rule setup is:

Tax Category	Transaction Type	Contributor Condition Value	Base/ Rate	Priority	Rule
…	…	…	…	…	
VAT Perception	…	…	Rate	Yes	Exception by Transaction Condition Value
VAT Perception	…	…	Rate	Yes	Tax Category
…					

The Exception by Transaction Condition Value setup is:

Tax Category	Condition Name	Priority Number	Condition Value	Tax Rate Code
VAT Perception	Fixed Assets	1	Yes	VAT-P-Exempt

The invoice line entry is:

Inv. Line#	Item	Qty	Price	Transaction Class
1	LaserJet printers	100	100	Printers-Resale
2	LaserJet printers	10	100	Printers-Fixed Asset

This generates these tax lines:

Inv. Line#	Tax Line#	Tax Code	Tax Rate	Tax Amount	Notes
1	1	VAT-P-5	5.00	500.00	(1)
2	1	VAT-P-Exempt	0.00	0.00	(2)

(1) The first rule considered was *Exception by Transaction Condition Value*. For the Transaction Class of *Printers-Resale*, for VAT Perception, there is no record for the Condition *Fixed Assets* with a value *No*—which is what the class (*Printers-Resale)* contains. The next rule is the *Tax Category* rule, which yields the tax rate code of *VAT-P-5* and a rate of 5%.

(2) The first rule considered was *Exception by Transaction Condition Value*. For the Transaction Class of *Printers-Fixed Asset*, for VAT Perception, there is one record for the Condition *Fixed Assets* with a value *Yes*—which is what the class (*Printers-Fixed Asset)* contains. This yields the tax rate code of *VAT-P-Exempt* and a rate of 0%.

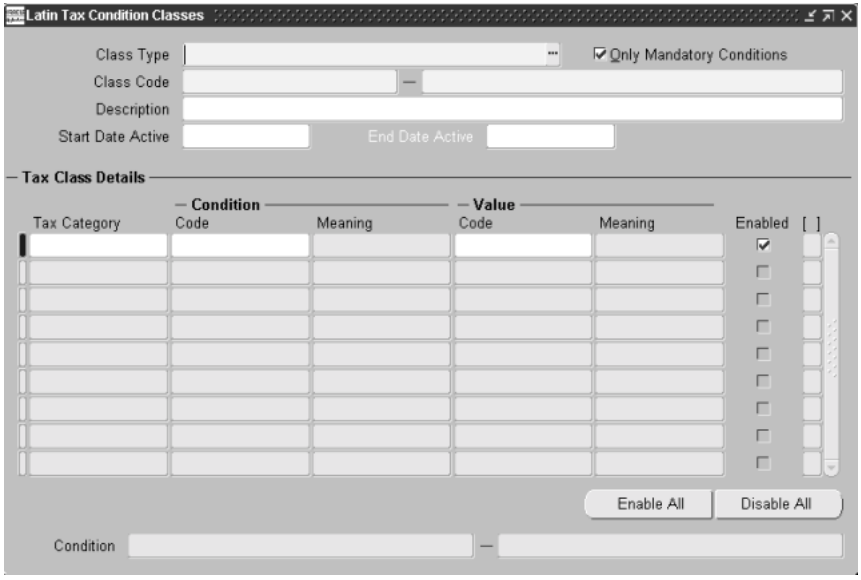
11. Define Tax Condition Classes for Organizations

Use the Latin Tax Condition Classes window to define organization tax condition classes for each tax category. An organization tax condition class defines the tax condition values for each tax category for the organizations that you have defined in Oracle Applications. If you have defined only one organization, or all organizations have identical defaults, you only need to define one organization tax condition class.

Each organization tax condition class must contain every tax category and all determining factor tax conditions defined for the tax category at the organization level. For each organization tax condition class, define only one tax condition value for each tax category / tax condition combination.

Each organization tax condition class must include every tax condition that was defined as Mandatory in Class and that was associated with the tax category at the organization level.

After you define organization tax condition classes, assign them to your organization. See Step 12. Assign Tax Condition Classes to Organizations on page 3-140 for more information.



To define tax condition classes for organizations:

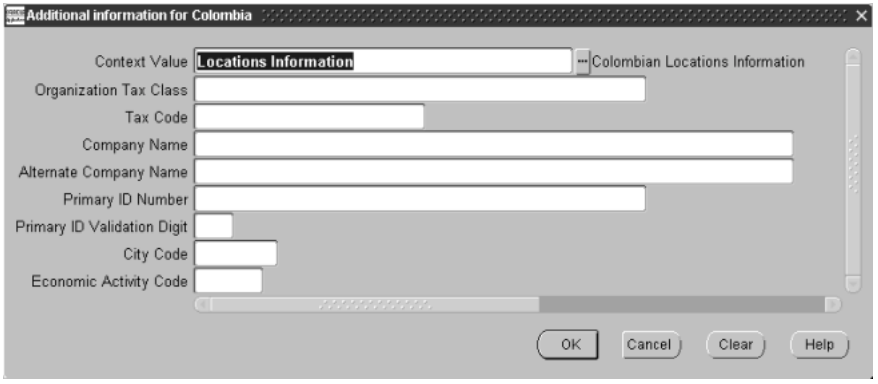
1. In the Class Type field, enter *Organization Class*.
2. Check the Only Mandatory Conditions check box.
3. In the Class Code field, enter the tax code to use with this tax condition class.
4. In the Tax Category fields, enter the tax categories that you want in this tax condition class.
5. In the Condition Code fields, enter the tax condition to associate with each tax category.
6. In the Value Code fields, enter the tax condition value to associate with each tax category / tax condition combination.
7. Check the Enabled check box for every tax category, tax condition, and tax condition value that you enter. If you want to omit one or more of these combinations from the tax condition class, uncheck the check box.

   You can use the Enable All and Disable All buttons to enable or disable all check boxes at once. You can enable or disable checkboxes individually, depending on your needs.

12. Assign Tax Condition Classes to Organizations

Use the globalization flexfield in the Location window to assign an organization tax condition class to each inventory organization defined in Oracle Applications.

The organization inherits the values for the determining factor tax conditions associated with each tax category contained in the organization tax condition class.



To assign tax condition classes to organizations:

1. In the Organization window, query the organization that you want.
2. Enter *Inventory Organization* in the Name field.
3. Check the Enabled check box.
4. Save your work.
5. In the Location window, query the inventory organization that you defined in the Organization window.
6. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.
7. In the Organization Class field in the globalization flexfield, enter the organization tax condition class.
8. Enter a tax code in the Tax Code field, if you define the tax rule *Organization Tax Code* for a tax category.

9. Press the OK button.
10. Save your work.

13. Define Tax Condition Classes for Contributors

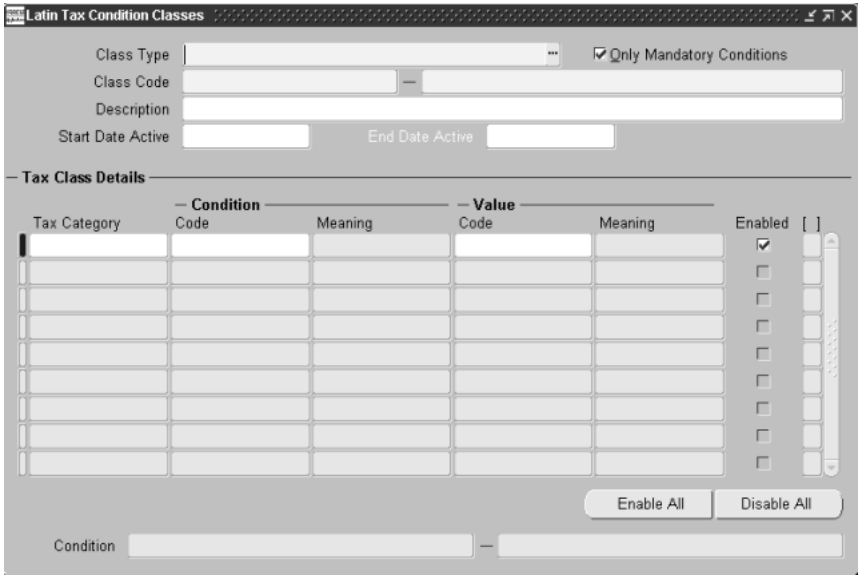
Use the Latin Tax Condition Classes window to define contributor (customer) tax condition classes for each tax category. A contributor tax condition class defines the tax condition values for each tax category for different customer types.

Each contributor tax condition class must contain every tax category and all determining factor tax conditions defined for the tax category at the contributor level. For each contributor tax condition class, define only one tax condition value for each tax category / tax condition combination.

Each contributor tax condition class must include every tax condition that was defined as Mandatory in Class and that was associated with the tax category at the contributor level.

Hint: You must define a contributor tax condition class for every valid combination of tax category / tax condition values for which you have a customer that matches the combination of values. To determine the number of contributor tax condition classes that you need to define, first draw up a list all of the possible combinations of tax codes / determining factor tax conditions / tax condition values. Review the list carefully, and if you have a customer that matches any row in the list, create a separate contributor tax condition class for that row.

After you define contributor tax condition classes, assign them to your customers. See Step 14. Assign Tax Condition Classes to Contributors on page 3-144 for more information.



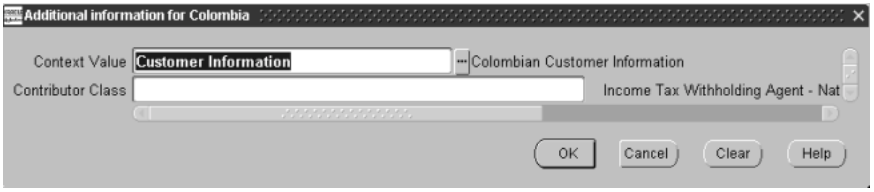
To define tax condition classes for contributors:

1. In the Class Type field, enter *Contributor Class*.
2. Check the Only Mandatory Conditions check box.
3. In the Class Code field, enter the tax code to use with this tax condition class.
4. In the Tax Category fields, enter the tax categories that you want in this tax condition class.
5. In the Condition Code fields, enter the tax condition to associate with each tax category.
6. In the Value Code fields, enter the tax condition value to associate with each tax category / tax condition combination.
7. Check the Enabled check box for every tax category, tax condition, and tax condition value that you enter. If you want to omit one or more of these combinations from the tax condition class, uncheck the check box.

14. Assign Tax Condition Classes to Contributors

Use the globalization flexfield in the Customer Addresses window to assign a contributor tax condition class to each customer address for each customer defined in Oracle Applications.

The customer inherits the values for the determining factor tax conditions associated with each tax category contained in the contributor tax condition class.



To assign tax condition classes to contributors:

1. Query the first customer that you want in the Customers window.
2. Navigate to the Customer Addresses window for this customer.
3. Query the first address for this customer, then navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.
4. In the Contributor Class field, enter the contributor tax condition class.
5. Repeat steps 1 to 4 for each customer and customer address.

15. Define Customers

Use the Customers - Standard window to enter a tax code for a customer, if you define the tax rule *Customer Tax Code* for a tax category.

The tax code and rule apply to a specific customer.

To enter a tax code for a customer:

1. Navigate to the Customers - Standard window.
2. Navigate to the Classifications alternate region.
3. In the Tax Code field, enter the tax code to use for the tax rule for this customer.
4. Save your work.

16. Define Customer Site (Bill To, Ship To)

Use the Business Purpose Detail window to enter a tax code for a customer address, if you define the tax rule *Bill To Site Tax Code* or *Ship To Site Tax Code* for a tax category.

The tax code and rule apply to a specific customer bill to site or ship to site.

To enter a tax code for a customer bill to or ship to site:

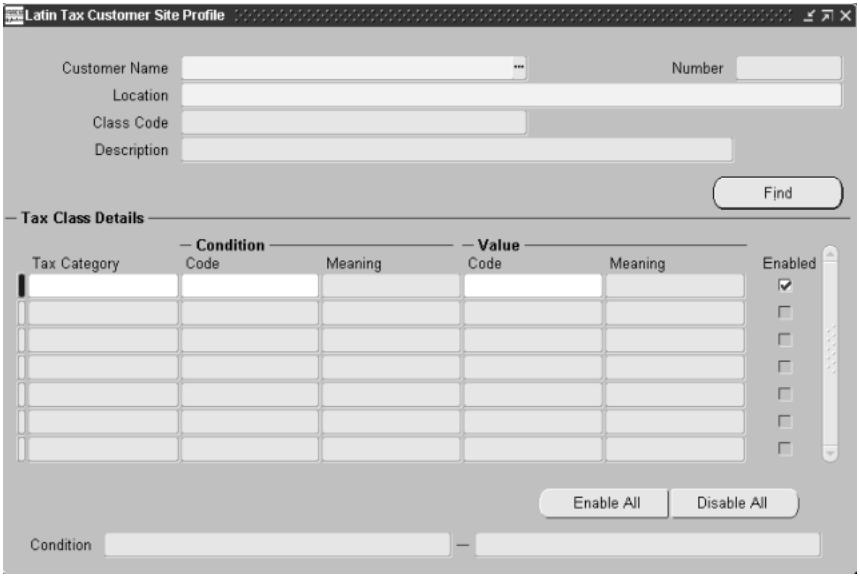
1. Navigate to the Customers - Standard window.
2. Navigate to the Customer Addresses window for a customer address.
3. Navigate to the Business Purpose Detail window by pressing the Open button.
4. In the Usage field, enter *Bill To* or *Ship To*.
5. In the Tax Code field, enter the tax code to use for the tax rule for this address.
6. Complete the rest of the window.
7. Save your work.

17. Define Customer Site Tax Profiles

Use the Latin Tax Customer Site Profile window to modify the tax condition values for a specific customer site.

In some cases, not all the tax categories or tax conditions and values in the contributor tax condition class that you assign to customer addresses apply to every customer site. The Latin Tax Customer Site Profile window lets you modify the tax categories, and conditions and values, for an individual customer site, without these changes affecting the other customer sites.

Use the Tax Class Details region of the Latin Tax Customer Site Profile window to make your changes to a customer site profile. You can change the tax condition values for one or more tax categories. You can also insert new tax categories and tax conditions, or delete existing tax conditions.



To modify the tax condition values for a customer site:

1. Query the customer name and site that you want.
2. Press the Find button to display the tax class details for this customer site.

(continued)

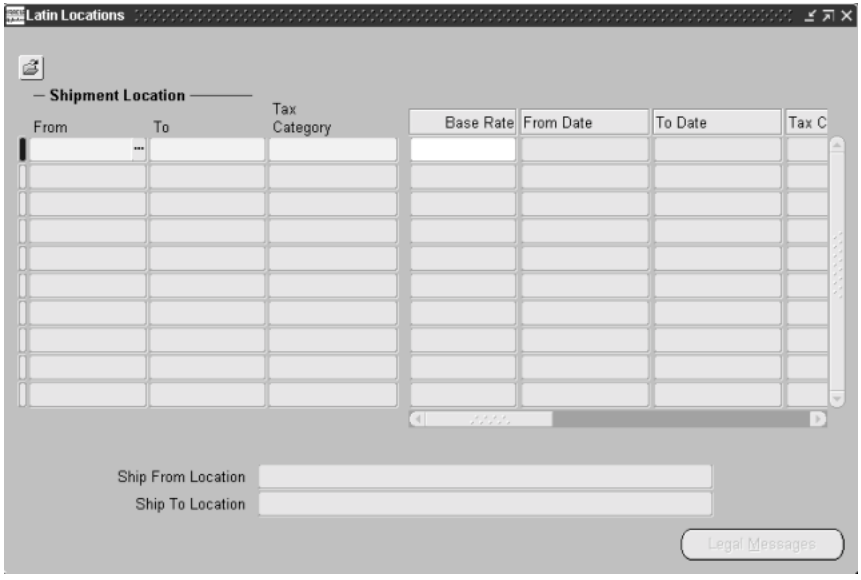
3. In the Tax Category field, enter a new tax category to apply to this customer site.
4. In the Condition Code field, enter a new tax condition to apply to this customer site.
5. In the Value Code field, enter a new tax condition value to apply to a tax condition.
6. Uncheck the Enabled check box to render inactive a tax condition and value.

   You can use the Enable All and Disable All buttons to enable or disable all check boxes at once. You can enable or disable checkboxes individually, depending on your needs.

18. Define Latin Locations

Use the Define Latin Locations window to enter a tax code for specific ship from / ship to combinations, if you define the tax rule *Ship From / Ship To Site Tax Code* for a tax category.

The tax code and rule apply to a specific ship from / ship to site combination.



To enter a tax code for a ship from/ship to combination:

1. In the Shipment Location From field, enter the ship from location.
2. In the Shipment Location To field, enter the ship to location.
3. In the Tax Category field, enter the tax category that applies to this ship from / ship to combination.
4. In the Base Rate field, enter the rate to apply to the taxable base.

   You only enter a value in this field for taxable base modifications. The Latin Tax Engine uses this value if the Base rule is *Ship From / Ship To Site Tax Code.*

(continued)

5. In the Tax Code field, enter the tax code to use for the tax rule for this ship from / ship to combination.
6. Save your work.

19. Define Tax Condition Classes for Transactions

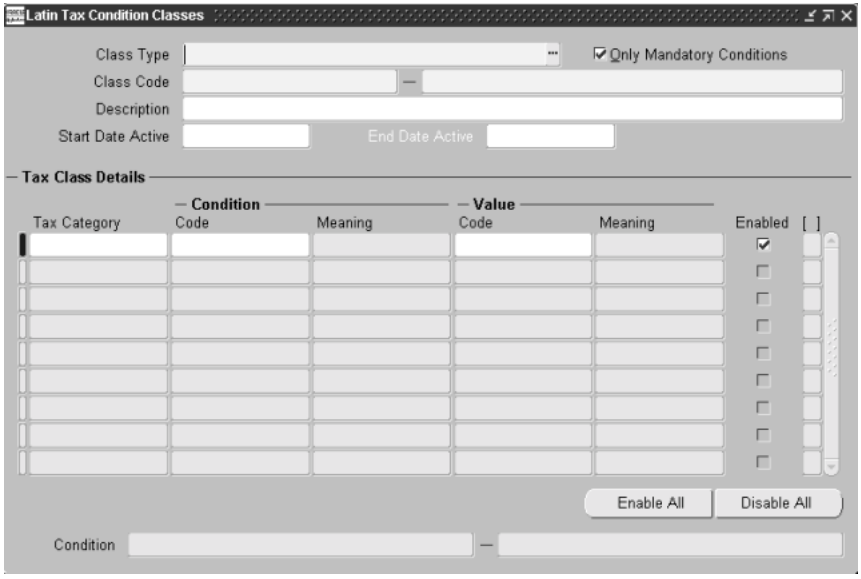
Use the Latin Tax Condition Classes window to define transaction tax condition classes for each tax category. A transaction tax condition class defines the tax condition values for each tax category for different items and memo lines.

Each transaction tax condition class must contain every tax category and all determining factor tax conditions defined for the tax category at the transaction level. For each transaction tax condition class, define only one tax condition value for each tax category / tax condition combination.

Each transaction tax condition class must include every tax condition that was defined as Mandatory in Class and that was associated with the tax category at the transaction level.

> **Hint:** You must define a transaction tax condition class for every valid combination of tax category / tax condition values for which you have an item or memo line that matches the combination of values. To determine the number of transaction tax condition classes that you need to define, first draw up a list all of the possible combinations of tax codes / determining factor tax conditions / tax condition values. Review the list carefully, and if you have a transaction that matches any row in the list, create a separate transaction tax condition class for that row.

After you define transaction tax condition classes, assign them to items and memo lines. See Step 22. Assign Tax Condition Classes and Fiscal Classifications to Items on page 3-156 and Step 24. Assign Tax Condition Classes and Fiscal Classifications to Memo Lines on page 3-158 for more information.



To define tax condition classes for transactions:

1. In the Class Type field, enter *Transaction Class*.
2. Check the Only Mandatory Conditions check box.
3. In the Class Code field, enter the tax code to use with this tax condition class.
4. In the Tax Category fields, enter the tax categories that you want in this tax condition class.
5. In the Condition Code fields, enter the tax condition to associate with each tax category.
6. In the Value Code fields, enter the tax condition value to associate with each tax category / tax condition combination.
7. Check the Enabled check box for every tax category, tax condition, and tax condition value that you enter. If you want to omit one or more of these combinations from the tax condition class, uncheck the check box.

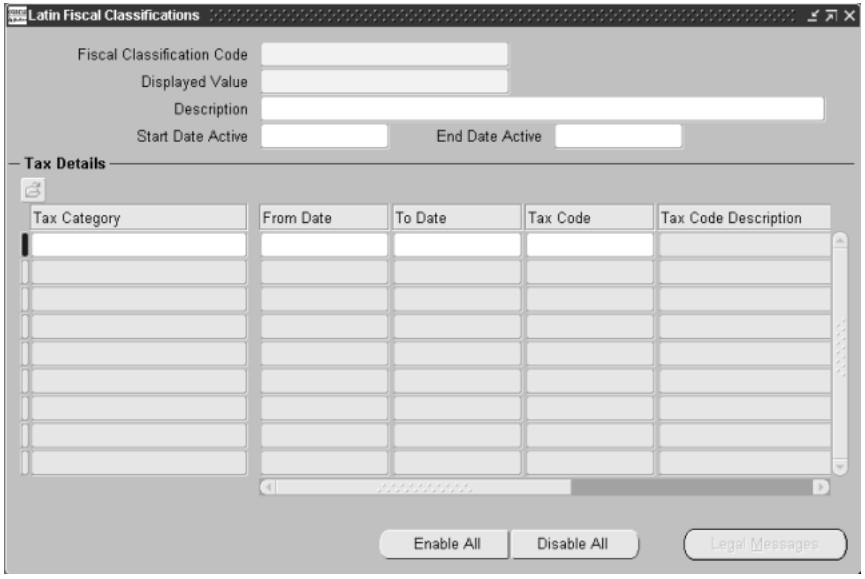
20. Define Fiscal Classifications

Use the Latin Fiscal Classifications window to define fiscal classifications and associate them with tax categories. You define fiscal classifications for both items and memo lines. You can also define special fiscal classification codes within items and memo lines, for example, alcohol, tobacco, consultancy, and catering.

You can assign a tax code to each tax category that you associate with a fiscal classification code. The Latin Tax Engine uses the tax code associated with a fiscal classification code to calculate tax when the Rate tax rule for the tax category is *Fiscal Classification Code.*

If your country uses base rates to calculate tax, you can optionally enter a value for the base rate modifier. The Latin Tax Engine uses the base rate modifier associated with a fiscal classification code to calculate tax when the Base tax rule for the tax category is *Fiscal Classification Code.*

If you want to derive a tax code and rate, or a base rate modifier, from a fiscal classification code, you must also define fiscal classification code tax rules. See Step 32. Define Latin Tax Rules on page 3-172 for more information.



To define fiscal classifications:

1. In the Fiscal Classification Code field, enter the fiscal classification code.
2. Check the Enabled check box to activate the code.

   You can use the Enable All and Disable All buttons to enable or disable all check boxes at once. You can enable or disable codes individually, depending on your needs.
3. In the Tax Category fields, enter the tax categories that apply to this fiscal classification.
4. In the From Date and To Date fields, enter the effective dates for this fiscal classification.
5. In the Tax Code fields, enter the tax code to associate with this fiscal classification.

21. Define Items

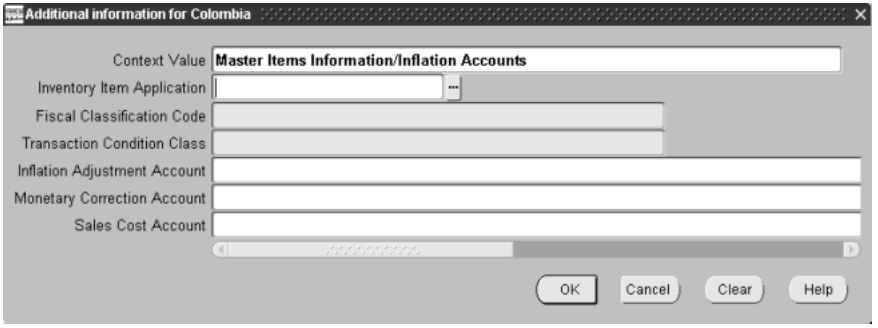
Use the Master Item window to enter a tax code for an item, if you define the tax rule *Item Tax Code* for a tax category.

The tax code and rule apply to a specific item.

To enter a tax code for an item:

1. Navigate to the Master Item window.
2. Navigate to the Invoicing alternate region.
3. In the Tax Code field, enter the tax code to use for the tax rule for this item.
4. Save your work.

22. Assign Tax Condition Classes and Fiscal Classifications to Items



Use the globalization flexfield in the Master Item window to assign a primary inventory item application, fiscal classification code, and transaction tax condition class to each item defined in Oracle Applications.

Select the inventory item application that you want to associate the item with most often.

If you use the item only in Receivables / Order Entry, select *AR*. The lists of values in the Fiscal Classification Code field and the Transaction Condition Class field display only the values you defined for Receivables.

If you use the item only in Purchasing, select *PO*. The lists of values in the Fiscal Classification Code field and the Transaction Condition Class field display only the values you defined for Purchasing.

If you use the item in both Receivables and Purchasing, select *INV*. The lists of values in the Fiscal Classification Code field and the Transaction Condition Class field display both the values you defined for Receivables and the values you defined for Purchasing. Select Receivables values in these fields if you use the item primarily in Receivables. Select Purchasing values if you use the item primarily in Purchasing.

The item inherits the values for the determining factor tax conditions associated with each tax category contained in the transaction tax condition class. Depending on your country tax requirements, you can also assign a fiscal classification code to an item.

23. Define Memo Lines

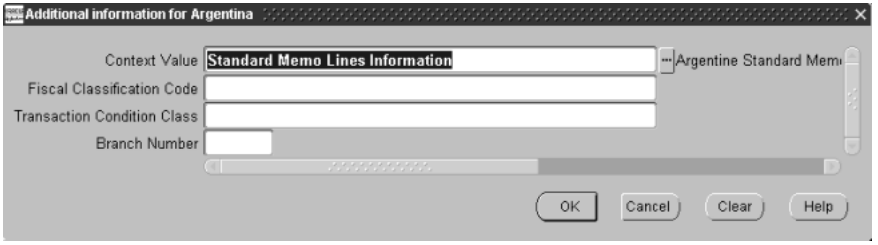
Use the Standard Memo Lines window to enter a tax code for a memo line, if you define the tax rule *Memo Line Tax Code* for a tax category.

The tax code and rule apply to a specific memo line.

To enter a tax code for a memo line:

1. In the Tax Code field, enter the tax code to use for the tax rule for this customer.
2. Save your work.

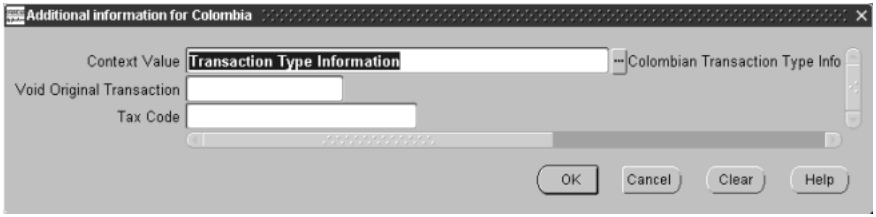
24. Assign Tax Condition Classes and Fiscal Classifications to Memo Lines



Use the globalization flexfield in the Standard Memo Lines window to assign a fiscal classification code and transaction tax condition class to each memo line defined in Oracle Applications.

The memo line inherits the values for the determining factor tax conditions associated with each tax category contained in the transaction tax condition class. Depending on your country tax requirements, you can also assign a fiscal classification code to a memo line.

25. Define Transaction Types



Use the Transaction Types window to define transaction types. Use the globalization flexfield in the Transaction Types window to enter country-specific options for your transaction types.

In order for the Latin Tax Engine to calculate taxes correctly, you must choose these settings in the Transaction Types window for your transaction types:

- Check the Tax Calculation check box
- Check the Allow Overapplication check box

By checking the Tax Calculation check box, Receivables cannot complete an invoice until each invoice line has a tax line. If the Latin Tax Engine cannot automatically generate a tax line, you can manually enter one as long as the profile option AR: Allow Manual Tax Lines is set to *Yes*.

You can enter a tax group or a tax code in the globalization flexfield in the Transaction Types window, if you want to default a tax group or tax code at the invoice line or sales order line whenever this transaction type is chosen.

26. Define Latin Tax Groups

Use the Latin Tax Groups window to define tax groups to use to calculate taxes on invoices.

A tax group contains related tax categories with combinations of organization tax conditions, contributor tax conditions, and transaction tax conditions for invoice lines. You can only include determining factor tax conditions in a tax group.

Defining a tax group

Depending on the tax requirements of your country, you can create one tax group only for all transactions, or more than one tax group for related transactions.

When you define a tax group, you must add a tax category for each combination of determining factor tax conditions and tax condition values. You may add the same tax category to a tax group more than once, if multiple tax conditions and values apply for the tax category.

> **Note:** The Latin Tax Engine does not calculate the tax category more than once for an invoice line, because each invoice line only has one combination of tax condition values.

You can assign a default tax code to each tax category in the tax group. The Latin Tax Engine only uses the default tax code on an invoice line when the applicable tax rule is *Tax Group*.

You can also assign effective dates, minimum taxable amount, and minimum tax amount to each tax category in the tax group.

After you create tax groups, assign them to each transaction type. See Step 27. Assign Tax Group to Transaction Types on page 3-163 for more information.

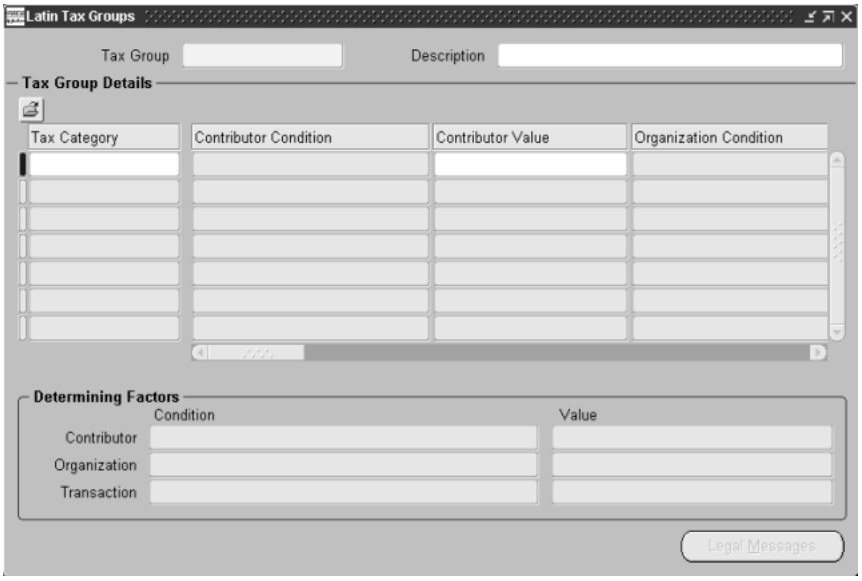
Using a tax group

The tax group is the starting point for calculating taxes using the Latin Tax Engine. You enter a tax group in the Tax Code field in the Lines window of the Transactions Work Bench. The Latin Tax Engine determines the tax category or categories to use to calculate tax on a transaction line, based on the combination of values for the organization, contributor, and transaction determining factor tax conditions.

Oracle Receivables generates a tax line for every tax category that the Latin Tax Engine applies to a transaction. If necessary, you can override taxes that are defaulted from the tax category.

These exceptions apply to overriding default taxes:

- You cannot override a tax category marked as Inclusive Tax.
- If you are using tributary substitution, you must enter a tax category to compound the base.



To define a tax group:

1. The Contributor Condition, Organization Condition, and Transaction Condition fields display the determining factor tax conditions for each tax category.

   Use the Contributor Value, Organization Value, and Transaction Value fields to modify the tax condition value for the tax condition.

2. Enter a tax code in the Tax Code field for a tax category, if you intend to define a rule to look for the tax code in the tax group.

3. Enter a value in the Base Rate field, if you want the Latin Tax Engine to modify the taxable base for a tax category.

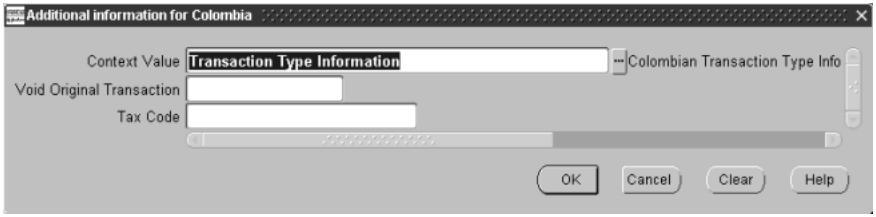
(continued)

4. Check the Tributary Substitution check box for tax categories that use tributary substitution.
5. Enter a tax category in the Tax Category to Compound Base field for a tax category, if you checked the Tributary Substitution check box or if you want the Latin Tax Engine to compound the line amount with another tax amount.
6. Enter values in the Minimum Amount, Minimum Taxable Base, and Minimum % fields, if applicable for the tax category.
7. Check the Inclusive Tax check box, if you want tax for a tax category included in the price at invoice line level. Leave the check box unchecked if you do not.

27. Assign Tax Group to Transaction Types

Use the globalization flexfield in the Transaction Types window to assign the tax group that you defined to each transaction type. Transactions created with transaction types inherit the tax group.

Check the Tax Calculation check box and the Allow Overapplication check box for each transaction type. This lets the Latin Tax Engine calculate and account taxes.



To assign the tax group to transaction types:

1. In the Transaction Types window, query or enter a transaction type.
2. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.
3. Enter *No* in the Void Original Transaction field.
4. In the Tax Code field, enter the tax group.
5. Press the OK button.
6. Repeat steps 2 to 6 for each transaction type.
7. Save your work.

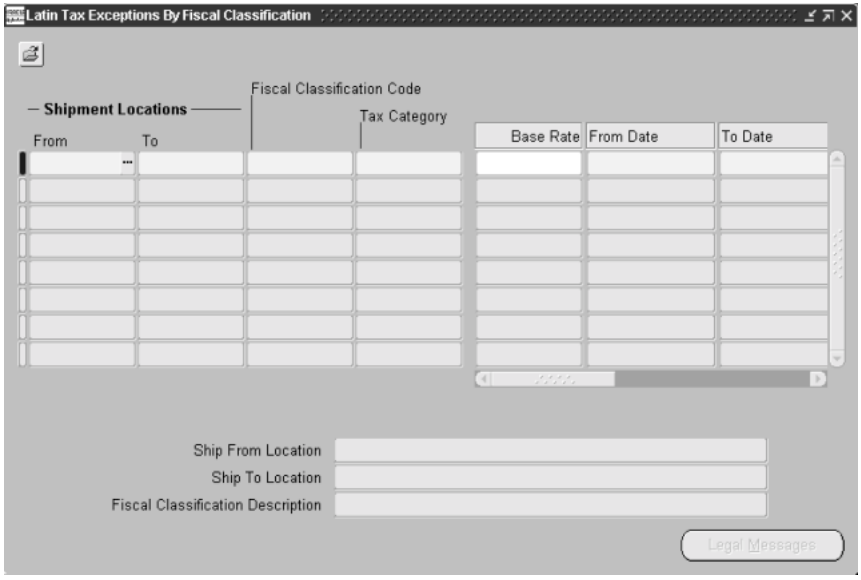
28. Define Tax Exceptions by Fiscal Classification

Use the Latin Tax Exceptions by Fiscal Classification window to define tax exceptions by fiscal classification code for combinations of ship from / ship to locations and tax categories. For each tax exception, you must enter a value for the base rate modifier, tax code, or both.

The Latin Tax Engine uses the tax code for a particular ship from / ship to location and tax category combination when the applicable Rate tax rule is defined as *Ship From/Ship To Site Exception by Fiscal Classification Tax Code*.

The Latin Tax Engine uses the base rate to modify the line amount for a particular ship from / ship to location and tax category combination when the applicable Base tax rule is defined as *Ship From/Ship To Site Exception by Fiscal Classification Tax Code*.

You must define a Latin tax rule for tax exceptions by fiscal classification. See Step 32. Define Latin Tax Rules on page 3-172 for more information.



To define tax exceptions by fiscal classification:

1. In the From and To fields, enter the ship from and ship to locations.
2. In the Fiscal Classification Code field, enter the fiscal classification for this exception.
3. In the Tax Category field, enter the tax category for this exception.
4. In the Base Rate field, enter the rate to apply to the taxable base.

   You only enter a value in this field for taxable base modifications. The Latin Tax Engine uses this value if the Base rule is *Tax Exceptions by Fiscal Classification*.
5. In the Tax Code field, enter the tax code to use for this exception.
6. In the From Date and To Date fields, enter the effective dates for this exception.

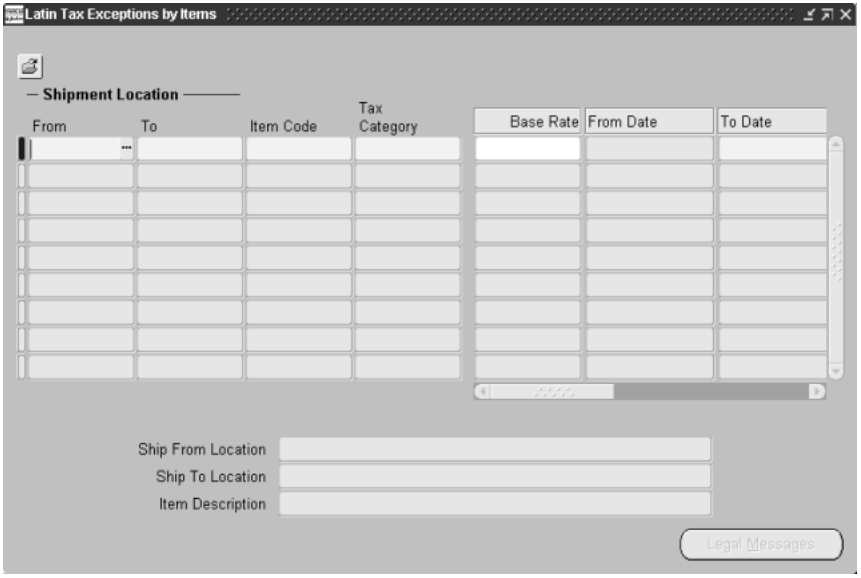
29. Define Tax Exceptions by Items

Use the Latin Tax Exceptions by Items window to define tax exceptions by item for combinations of ship from / ship to locations and tax categories. For each tax exception, you must enter a value for the base rate modifier, tax code, or both.

The Latin Tax Engine uses the tax code for a particular ship from / ship to location and tax category combination when the applicable Rate tax rule is defined as *Ship From/Ship To Site Exception by Item Tax Code*.

The Latin Tax Engine uses the base rate to modify the line amount for a particular ship from / ship to location and tax category combination when the applicable Base tax rule is defined as *Ship From/Ship To Site Exception by Item Tax Code*. You must define a Latin tax rule for tax exceptions by items.

See Step 32. Define Latin Tax Rules on page 3-172 for more information.



To define tax exceptions by items:

1. In the From and To fields, enter the ship from and ship to locations.
2. In the Item Code field, enter the item for this exception.
3. In the Tax Category field, enter the tax category for this exception.

4. In the Base Rate field, enter the rate to apply to the taxable base.

   You only enter a value in this field for taxable base modifications. The Latin Tax Engine uses this value if the Base rule is *Tax Exceptions by Items*.

5. In the Tax Code field, enter the tax code to use for this exception.

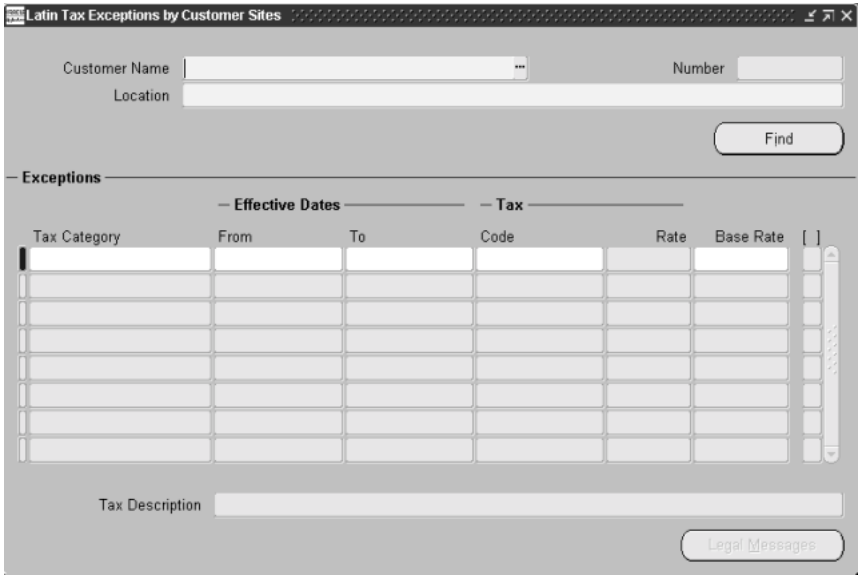
6. In the From Date and To Date fields, enter the effective dates for this exception.

30. Define Tax Exceptions by Customer Site

Use the Latin Tax Exceptions by Customer Sites window to define tax exceptions by customer site for combinations of customer site and tax categories.

You define tax exceptions by customer site when a customer is eligible for a tax deduction in a certain tax category and / or geographical location. For example, new customers that bring business into a country may receive tax deductions and are therefore classified as tax exceptions. Some tax exceptions apply to the customer, while other tax exceptions apply to certain customer sites only.

The Latin Tax Engine uses the tax code associated with a tax exception by customer site to calculate tax when the Rate tax rule for the tax category is *Tax Exception by Customer Site*. You must define a Latin tax rule for tax exceptions by customer site. See Step 32. Define Latin Tax Rules on page 3-172 for more information.



To define tax exceptions by customer site:

1. Query the customer and customer site that you want.
2. Press the Find button to display the tax exceptions for this customer and customer site.

3. In the From and To fields, enter the effective dates for the tax exception.
4. In the Tax Code field, enter a tax code if you want the Latin Tax Engine to find a tax code using the rule Tax Exception by Customer Site.
5. In the Base Rate field, enter the rate to apply to the taxable base.

   You only enter a value in this field for taxable base modifications. The Latin Tax Engine uses this value if the Base rule is *Tax Exceptions by Customer Site*.

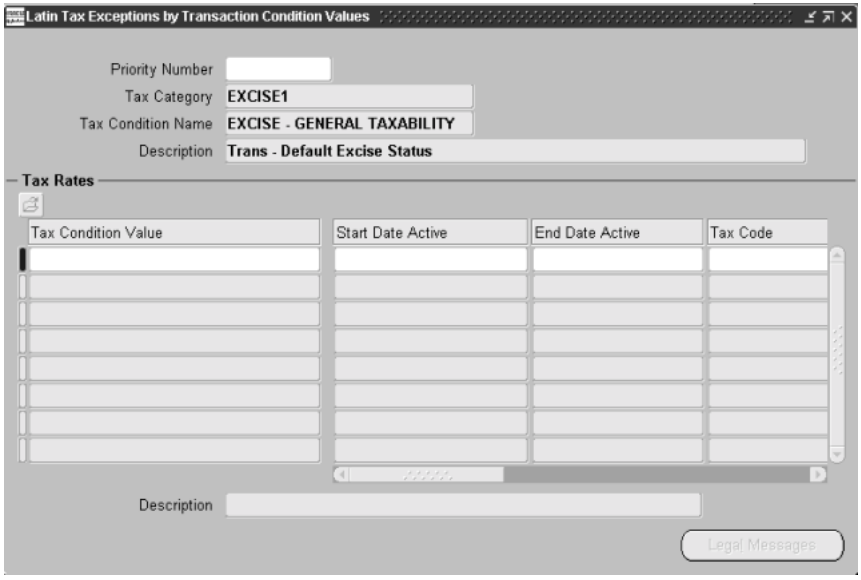
31. Define Tax Exceptions by Transaction Condition Value

Use the Latin Tax Exceptions by Transaction Condition Values window to define tax exceptions by transaction condition value for combinations of transaction condition values and tax categories.

Tax exceptions only apply to non-determining factor tax conditions. For example, if you have a tax condition for VAT on goods, you can define an exception for goods that are not normally subject to VAT.

You define tax exceptions for combinations of tax category and tax condition. You can designate one or more tax condition values belonging to the tax condition as tax exceptions, and assign a tax code to each tax condition value.

The Latin Tax Engine uses the tax code associated with a tax exception by transaction condition value to calculate tax when the Rate tax rule for the tax category is *Tax Exception by Transaction Condition Value*. You must define a Latin tax rule for tax exceptions by transaction condition value. See Step 32. Define Latin Tax Rules on page 3-172 for more information.



To define tax exceptions by transaction condition value:

1. Use the Priority Number field when more than one transaction condition exception applies to a single tax category.
2. In the Tax Category field, enter the tax category that you want.
3. In the Tax Condition Name field, enter the transaction tax condition to use as the exception.
4. In the Tax Condition Value fields, enter the transaction tax condition values to use as exceptions.

   If there is more than one transaction tax condition value exception, use the Priority Number field to number them.
5. In the Start Date Active and End Date Active fields, enter the effective dates for the tax exception.
6. In the Tax Code fields, enter the tax code to associate with the tax exception.

32. Define Latin Tax Rules

Use the Latin Tax Rules window to define one or more tax rules for each combination of tax category, contributor condition value, and transaction type. The Latin Tax Engine uses these rules to determine the tax rate or the base rate modifier to apply to a transaction.

The tax rules used to find the tax rate are:

- Bill To Site
- Customer Exception
- Customer
- Exception by Transaction Condition Value
- Fiscal Classification
- Item
- Tax Group
- Memo Line
- Organization
- Ship From / Ship To Site Exception by Item
- Ship From / Ship To Site (Location)
- Ship From / Ship To Site Exception by Fiscal Classification
- System Options
- Tax Category
- Tax Schedule
- Ship To Site

The tax rules used to find the base rate modifier are:

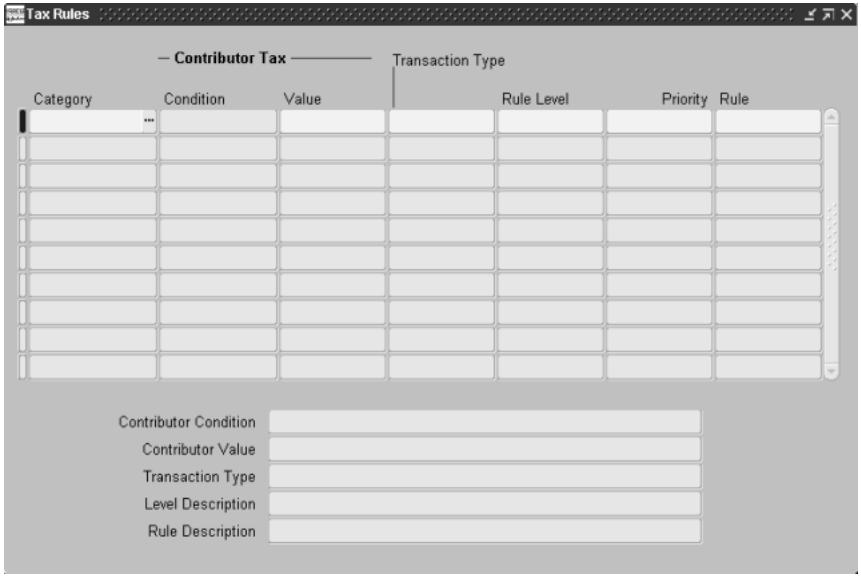
- Customer Exception
- Exception by Transaction Condition Value
- Fiscal Classification
- Tax Group
- Ship From / Ship To Site Exception by Item

- Ship From / Ship To Site
- Ship From / Ship To Site Exception by Fiscal Classification

You can define rules to calculate the taxable base and to calculate the tax. Taxable base rules are labeled *Base*; tax calculation rules are labeled *Rate*. Define as many rules as require.

For every tax rule that you use, make sure that you have entered a tax code for the tax category in the applicable window. For example, if you use the tax rule *Latin Tax Group*, enter a tax code for the tax category in the Latin Tax Groups window.

To define a default tax rule, enter *Default* in the Value field and the default transaction type in the Transaction Type field. The default transaction type corresponds to the transaction type that you entered in the Receivables System Options window.



To define tax rules:

1. If you defined exceptions for one or more tax categories, define exceptions as your first tax rules for the applicable tax categories.
2. In the Value field, enter the tax condition value to use.

(continued)

3. In the Transaction Type field, enter the type of transaction to which this rule applies.
4. In the Rule Level field, enter Rate to retrieve a tax code for the tax rate, or Base to retrieve a tax code for the base modifier.
5. In the Priority fields, enter two-digit values to indicate the hierarchy of tax rules, for example, *10*, *20*, *30*, and so on.
6. Enter the tax rule in the Rule field. Enter rules in the order that you want the Latin Tax Engine to use them.

33. Define Legal Messages

Use the Standard Messages window to enter your legal messages.

You enter a name for the legal message in the Name field, the type of message in the Type field, and the text of the message in the Message field.

After you define legal messages, you need to associate each message with a combination of tax rule, tax exception, and rule data.

See Step 34. Associate Legal Messages and Tax Rules on page 3-176 for more information.

See also: Standard Messages, *Oracle Receivables User Guide*

34. Associate Legal Messages and Tax Rules

Use the Associate Latin Tax Legal Messages window to associate legal messages with Latin tax rules. You associate a legal message, which you created in the Standard Messages window, with a combination of tax rule, tax exception, and rule data.

Legal messages are fiscal messages on invoices that explain the reason why a lower tax rate is applied to an invoice line for various exceptions. For example, if a customer is exempt from a certain tax that normally applies to the transaction, the Brazilian tax authority requires a note printed on the invoice to explain the reason for the exception. Similarly, an item that belongs to a fiscal classification may be charged a lower rate, and this transaction would also require a printed explanation.

You apply legal message exception codes to invoice lines to describe the exception. See Step 4. Define Legal Message Exception Codes on page 3-120 for more information. You can create as many legal messages as you want for each tax rule. You can create, however, only one legal message for each combination of tax rule, tax category, contributor type, transaction type, exception, and rule data.

The tax rule data that you associate with legal messages appears in the Legal Messages region based on the tax rule that you enter. This table describes the tax rules used to associate legal messages for a given business situation and indicates which window to use to associate legal messages.

Num	Rate/exemption for:	Use this tax rule:	Use Legal Messages window?	Use instead
1	Bill To Site	Bill To Site Tax Code	Yes	
2	Customer	Customer Tax Code	Yes	
3	Customer Exception	Customer Exception Tax Code	No	Latin Tax Exceptions by Customer Site
4	Exception by Transaction Condition Value	Exception by Transaction condition value Tax Code	No	Latin Tax Exceptions by Transaction Condition Values
5	Fiscal Classification Code	Fiscal Classification Code	No	Latin Fiscal Classifications
6	Item	Item Tax Code	No	
7	Latin Tax Group	Latin Tax Group Tax Code	No	Latin Tax Groups
8	Memo Line	Memo Line Tax Code	Yes	

Num	Rate/exemption for:	Use this tax rule:	Use Legal Messages window?	Use instead
9	Organization	Organization Tax Code	Yes	
10	Ship From / Ship To Site	Ship From / Ship To Site Tax Code	Yes	Latin Locations
11	Ship From / Ship To Site Exception By Item	Ship From / Ship To Site Exception By Item Tax Code	Yes	Latin Tax Exceptions By Item
12	Ship From / To Site Exception by Fiscal Classification	Ship From / To Site Exception by Fiscal Classification Tax Code	Yes	Latin Tax Exceptions by Fiscal Classification
13	Ship To Site	Ship To Site Tax Code	Yes	

Note: These windows contain their own navigation to the Legal Messages window using the Legal Messages button:

- Latin Tax Groups
- Latin Fiscal Classifications
- Latin Locations
- Latin Tax Exceptions by Customer Site
- Latin Tax Exceptions by Transaction Condition Values
- Latin Tax Exceptions by Item
- Latin Tax Exceptions by Fiscal Classification

Prerequisites

Before you can use the Associate Latin Tax Legal Messages window, you must:

- Define Tax Codes
- Define Tax Rules
- Define Legal Message Exception Codes
- Record Legal Messages as standard statement messages in Oracle Receivables (150 character maximum)

To associate a legal message to a tax rule:

1. In the Associate Latin Tax Legal Messages window, query the tax rule that you want to associate legal messages with.

   Depending on the tax rule that you choose, Oracle Receivables displays the region for the relevant rule data type in the Legal Messages region.

2. Enter an exception code in the Exception Name field.

   This code determines the tax exception that the legal message applies to.

3. Enter the rule data that you want in the Rule Data field.

4. Enter the legal message in the Message Name field.

5. Repeat steps 3 to 5 to associate other legal messages to this tax rule.

6. Repeat steps 2 to 6 for all legal messages and tax rules that you want to associate.

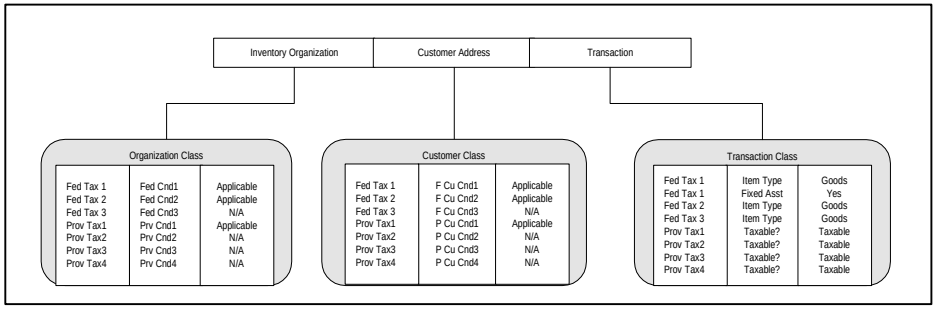
7. Save your work.

How the Latin Tax Engine Calculates Taxes

This section provides an example of how the Latin Tax Engine uses setup information and tax rules to calculate taxes on an invoice. The example includes setup data and tax rules, and applies this information to an invoice.

Tax Categories, Tax Conditions, and Values

This diagram shows an example of tax categories, tax conditions, tax condition values, and tax condition classes. Refer to this diagram while reading the example.



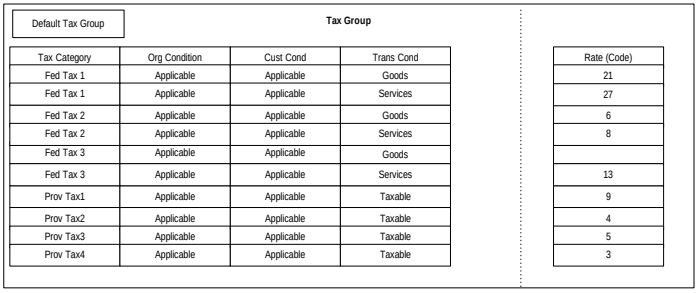
There are seven tax categories in this diagram, located in the left column of each tax condition class (Fed Tax 1 to Prov Tax 3).

There are twenty-two tax conditions in this diagram. Seven (one for each tax category) for both the organization and customer, and eight (Fed Tax 1 has two transaction conditions) for the transaction. The tax conditions appear in the center column of each tax condition class.

There are five different tax condition values in this diagram, located in the right column of each tax condition class. A value can apply to more than one tax condition.

Tax Group

This diagram shows an example of a tax group.



Tax Category	Org Condition	Cust Cond	Trans Cond	Rate (Code)
Fed Tax 1	Applicable	Applicable	Goods	21
Fed Tax 1	Applicable	Applicable	Services	27
Fed Tax 2	Applicable	Applicable	Goods	6
Fed Tax 2	Applicable	Applicable	Services	8
Fed Tax 3	Applicable	Applicable	Goods	
Fed Tax 3	Applicable	Applicable	Services	13
Prov Tax1	Applicable	Applicable	Taxable	9
Prov Tax2	Applicable	Applicable	Taxable	4
Prov Tax3	Applicable	Applicable	Taxable	5
Prov Tax4	Applicable	Applicable	Taxable	3

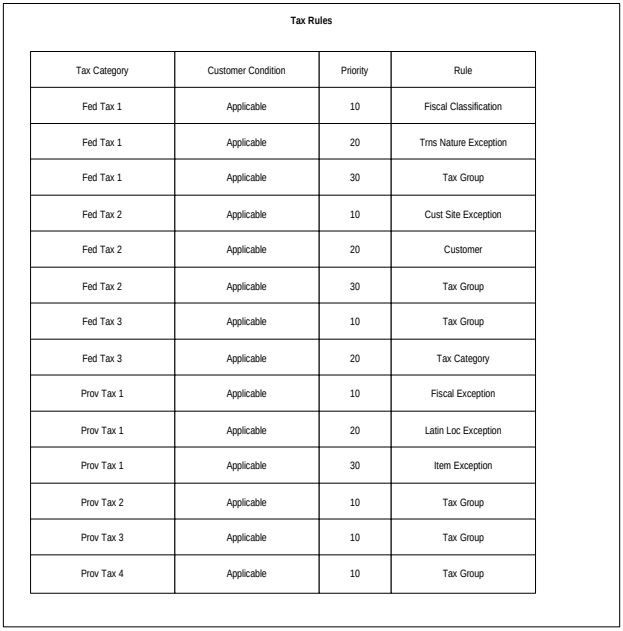
This tax group defines all of the combinations of tax category, organization tax condition and value, contributor tax condition and value, and transaction tax condition and value that requires taxes calculated.

For example, Fed Tax 1 is calculated on all transactions, where:

- Organization tax condition of *Fed Cnd1* has a value of *Applicable*
- Customer tax condition *F Cu Cnd1* has a value of *Applicable*
- Transaction tax condition *Item Type* has a value of *Goods* (entry 1) or *Services* (entry 2)

Tax Rules

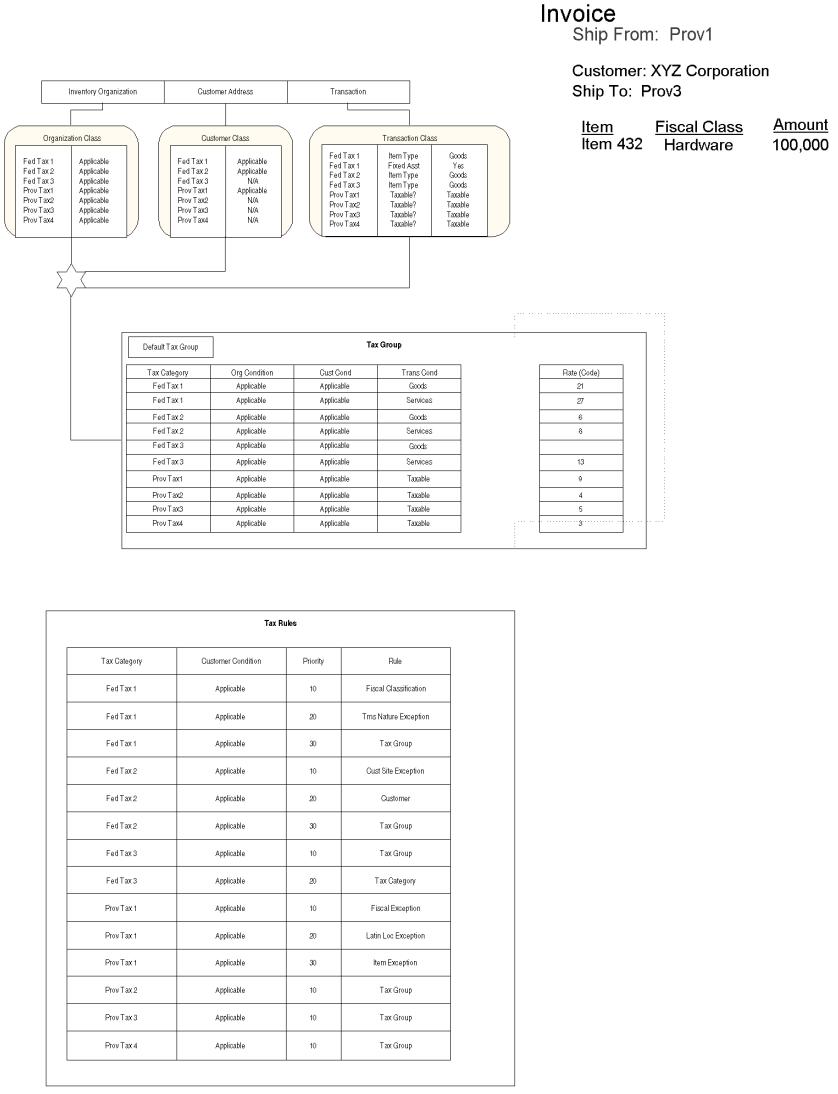
This diagram shows an example of tax rules:



The tax rules tell the Latin Tax Engine where to search for actual rates for each tax. In this example, for *Fed Tax 1*, the Latin Tax Engine first looks for a tax rate from the fiscal classification of the item, then from the transaction nature exception for the item, and finally from the tax group.

Example

This example shows an invoice and related information:

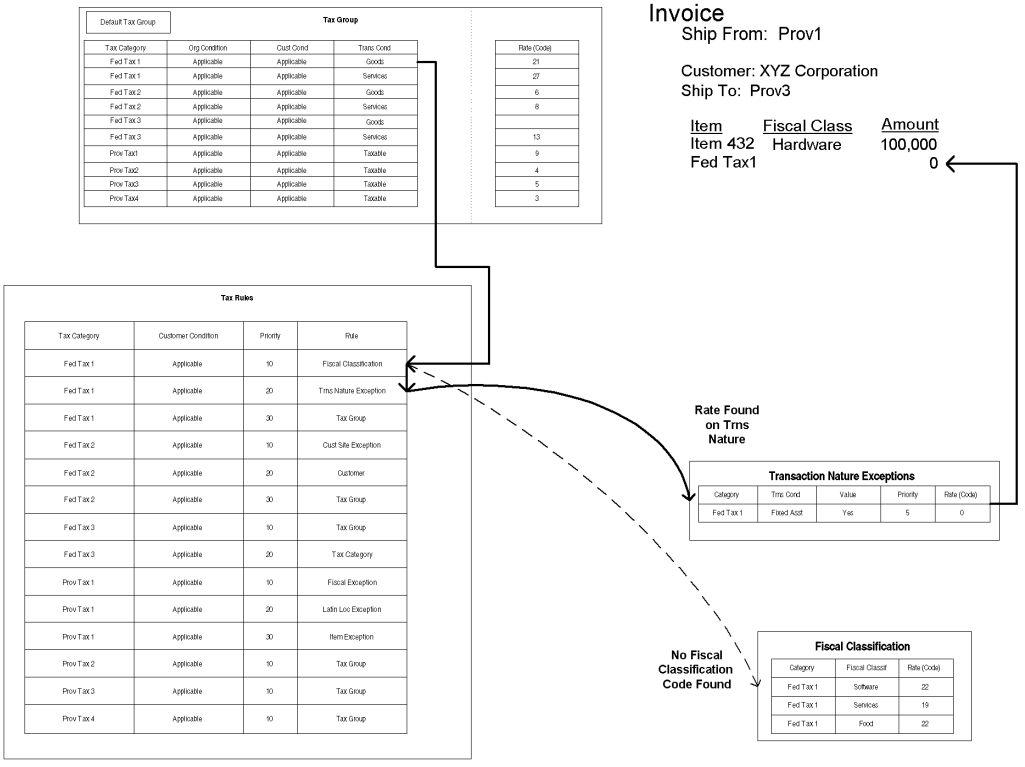


In this example, the Latin Tax Engine determines that there are four taxes to calculate by comparing the values of the organization tax condition class, customer tax condition class, and transaction tax condition class with the tax group. The four taxes to calculate are:

- Fed Tax 1
- Fed Tax 2
- Fed Tax 3
- Prov Tax 1

The Latin Tax Engine turns to the tax rules to determine how to calculate each tax.

Calculating Fed Tax 1

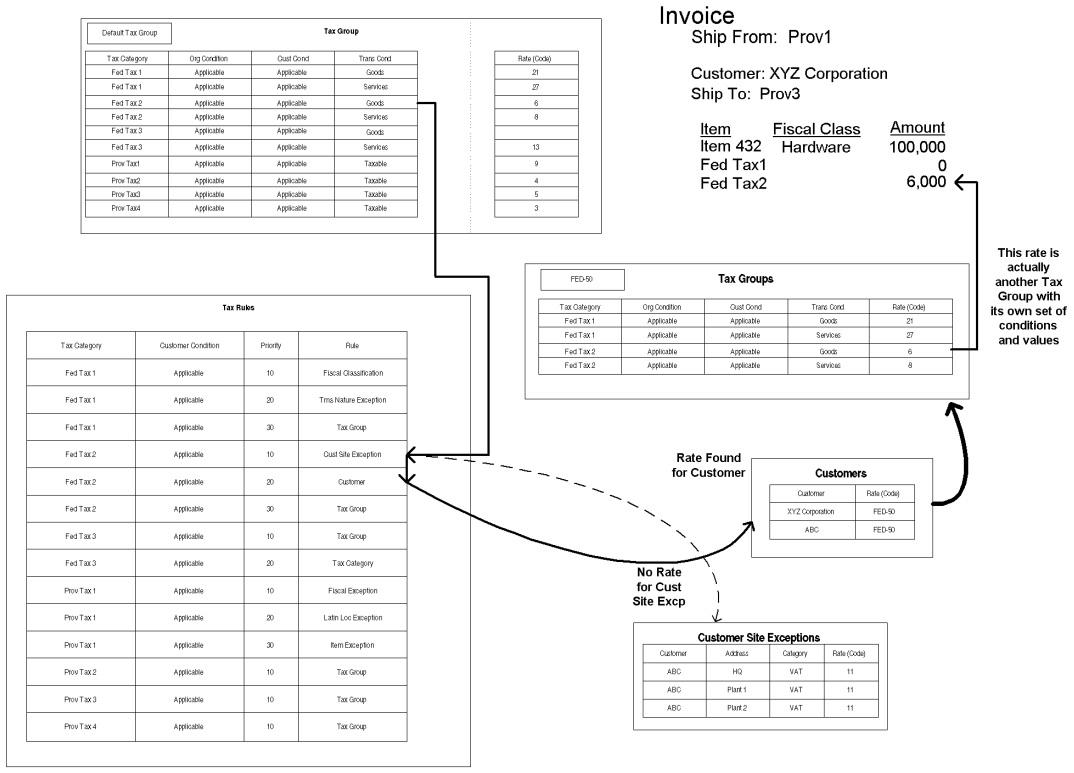


For Fed Tax 1, the Latin Tax Engine goes to the first tax rule, Fiscal Classification, and looks for a tax rate in the fiscal classification. The fiscal classification for Item 432 is *Hardware*. There is no tax rate for Fed Tax 1 for fiscal classification Hardware.

Note: The condition *Fixed Asset* is not a determining factor tax condition.

Once the tax rate is found, the Latin Tax Engine calculates the tax for this invoice line. The tax rate was zero, so the calculation (100,000 x 0) is zero.

Calculating Fed Tax 2

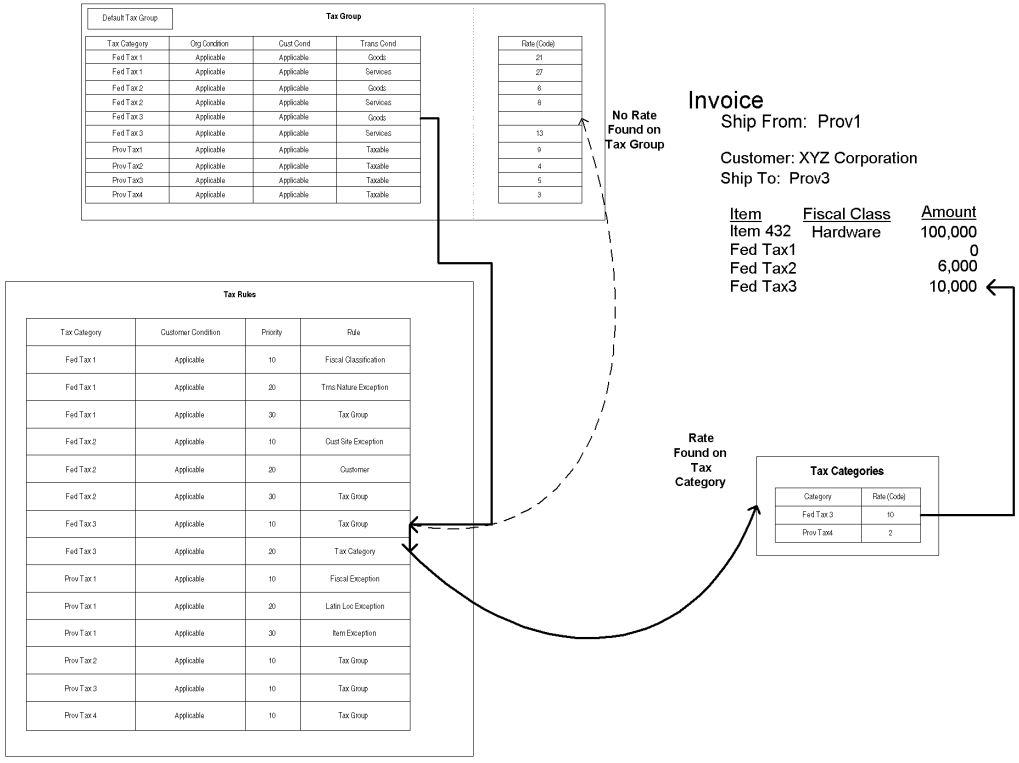


For Fed Tax 2, the Latin Tax Engine goes to the first tax rule, Customer Site Exception, and looks for a tax rate in customer site exceptions. There is no tax rate for this combination of customer address and tax category.

The Latin Tax Engine goes to the next tax rule, Customer, and looks for a tax rate for the customer. Since there is a second tax group for this customer, the Latin Tax Engine looks at the tax group attached to this customer and finds the appropriate rate for tax category Fed Tax 2.

Once the tax rate is found, the Latin Tax Engine calculates the tax for this invoice line. The tax rate found is 6%, so the calculation is 6,000 (100,000 x 6%).

Calculating Fed Tax 3

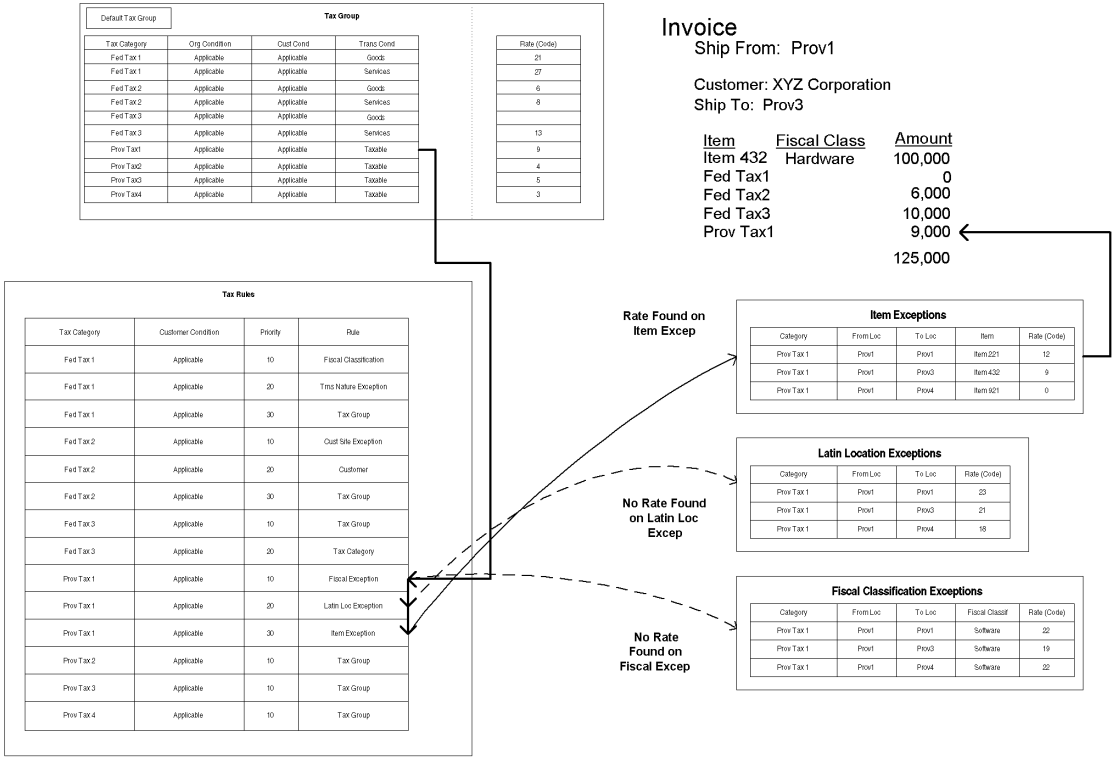


For Fed Tax 3, the Latin Tax Engine goes to the first tax rule, Tax Group, and looks for a tax rate in the tax group. There is no tax rate in the original tax group entry for Fed Tax 3.

The Latin Tax Engine goes to the next tax rule, Tax Category, and looks for a tax rate for the tax category and finds the tax rate.

Once the tax rate is found, the Latin Tax Engine calculates the tax for this invoice line. The tax rate found is 10%, so the tax calculated is 10,000 (100,000 x 10%).

Calculating Prov Tax 1



For Prov Tax 1, the Latin Tax Engine goes to the first tax rule, Fiscal Classification Exceptions, and looks for a tax rate in fiscal classification exceptions. There is no tax rate for fiscal classification exceptions.

The Latin Tax Engine goes to the next tax rule, Latin Location Exception, and looks for a tax rate in Latin location exceptions. There is no tax rate for Prov Tax 1 from Prov1 to Prov3.

The Latin Tax Engine goes to the next tax rule, Item Exceptions, and looks for a tax rate in the item exceptions and finds a tax rate.

Once the tax rate is found, the Latin Tax Engine calculates the tax for the invoice line. The tax rate found is 9%, so the tax calculated is 9,000 (100,000 x 9%).

As shown in the diagram, the total of the invoice including tax is 125,000.

Using the Customer Interface Program

Use the Customer Interface program to import and validate customer information from other systems into the Customer window for Argentina, Chile, and Colombia. The information that you enter in the globalization flexfields is used to validate the taxpayer ID for customers that you either enter or import using the Customer Interface program. Before you run the Customer Interface program, you must map your global attribute columns from the globalization flexfield to columns in the interface tables so that the Customer Interface program can properly validate your data file.

After you map your global attribute columns from the globalization flexfield to columns in the interface table, the GLOBAL_ATTRIBUTE_CATEGORY column information entered in the RA_CUSTOMERS_INTERFACE table is validated and populated into the GLOBAL_ATTRIBUTE_CATEGORY columns in the RA_CUSTOMERS table when you run the Customer Interface program.

For more information about using Taxpayer ID Validation, see your country-specific user guide for Chile, Colombia, or Argentina.

Mapping Globalization Flexfield Context Codes

Map these global flexfield context codes for your localization to the GLOBAL_ATTRIBUTE_CATEGORY column in the RA_CUSTOMERS_INTERFACE table. The Customer Interface program validates the global attribute columns for Chile, Colombia, and Argentina. If the global attribute category has a context code, the required global attribute columns for that country must have the correct data. Taxpayer ID validations are done only if the GLOBAL_ATTRIBUTE_CATEGORY column has the correct context code and the taxpayer ID is entered in the JGZZ_FISCAL_CODE field in the RA_CUSTOMER_INTERFACE table.

For this country…	Map this global flexfield context code…
Chile	JL.CL.ARXCUDCI.CUSTOMERS
Colombia	JL.CO.ARXCUDCI.CUSTOMERS
Argentina	JL.AR.ARXCUDCI.CUSTOMERS

Mapping Globalization Flexfield Segments

Map these global flexfield segments to global attribute columns in the RA_CUSTOMER_INTERFACE table. Valid values are shown with descriptions.

JL.CL.ARXCUDCI.CUSTOMERS (Chile)

Segment Name	Column	Required?	Valid Value
Primary ID Type	GLOBAL_ ATTRIBUTE10	Yes	DOMESTIC_ ORIGIN FOREIGN_ORIGIN
Primary ID Validation Digit	GLOBAL_ ATTRIBUTE12	This field is required only when GLOBAL_ ATTRIBUTE10 is DOMESTIC_ ORIGIN	Any single digit number between 0 and 9 or the character K

JL.CO.ARXCUDCI.CUSTOMERS (Colombia)

Segment Name	Column	Required?	Valid Value
Primary ID Type	GLOBAL_ ATTRIBUTE10	Yes	LEGAL_ENTITY INDIVIDUAL FOREIGN_ ENTITY
Primary ID Validation Digit	GLOBAL_ ATTRIBUTE12	This field is required only when GLOBAL_ ATTRIBUTE10 is LEGAL_ENTITY	Any single digit number between 0 and 9

JL.AR.ARXCUDCI.CUSTOMERS (Argentina)

Segment Name	Column	Required?	Valid Value
Origin	GLOBAL_ ATTRIBUTE9	Yes	DOMESTIC_ORIGIN FOREIGN_ORIGIN
Primary ID Type	GLOBAL_ ATTRIBUTE10	Yes	80, 82, 96 or any user-defined value fetched by the value set JLAR_TAXID_TYPE
Primary ID Validation Digit	GLOBAL_ ATTRIBUTE12	This field is required only when GLOBAL_ ATTRIBUTE10 is LEGAL_ ENTITY	Any single digit number between 0 and 9

See also: Customer Interface, *Oracle Receivables User Guide*

Taxpayer ID Validations

When taxpayer ID validations fail, error message codes are populated in the INTERFACE_STATUS field in the RA_CUSTOMERS_INTERFACE table. If the JL: Tax ID Validation Failure profile option is set to *Warning* for cross validation and algorithm failures, customer information is processed with warning messages, which are printed in the Customer Interface Transfer report.

Note: The Customer Interface program uses the WARNING_TEXT field in the RA_CUSTOMERS_INTERFACE table to populate warning messages for taxpayer ID validation failures.

Chile and Colombia use the JL: Copy Tax Identifier Number profile option at the Responsibility level to copy the taxpayer ID concatenated with the validation digit into the Customer Number field. The Automatic Customer Numbering check box in the System Options window must also be unchecked. See the country-specific descriptions for more information about taxpayer ID validations.

See also: Transactions and Customers System Options, *Oracle Receivables User Guide*

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

Subledger Balance Reporting for Oracle Receivables

In some countries, companies are legally required to be able to report customer account balances within the accounts receivables subledger. You can use subledger balance reporting for Oracle Receivables to meet this requirement.

Subledger balance reporting lets you derive the outstanding account balances for your customers from the transaction amounts in these accounts that are currently open, or unmatched. Balances against Accounting flexfields are not available online in the subledgers. The subledger balance programs and reports calculate and maintain these balances.

Use the Subledger Balance Maintenance for Receivables Accounting Periods program to maintain the subledger balances and the Customer Balances report sets to retrieve and print the subledger balances. You can review the account balances by customer and customer site.

Oracle Receivables includes transactions from these kinds of accounting entries in the subledger account balances:

- Accounting entries made to Oracle Receivables asset control accounts, such as entering invoices, entering debit memos, entering chargebacks, entering adjustments, entering receipts, entering credit memos, entering on account credits, and entering discounts
- Accounting entries made to Oracle Receivables deposit asset control accounts, such as entering commitments (deposits), entering receipts against commitments (deposits), and adjusting or crediting commitments (deposits)
- Accounting entries made to Oracle Receivables unbilled asset control accounts, such as entering invoices with bill in arrears rules, entering receipts against bill in arrears invoices, entering commitments (guarantees), and adjusting or crediting guarantees
- Accounting entries made to Oracle Receivables chargeback control accounts, such as entering chargebacks and entering receipts against chargebacks
- Accounting entries made to unapplied and on account receipt accounts, such as entering unapplied receipts and entering on account receipts

Note: Oracle Receivables does not maintain subledger balances for unidentified receipt accounts, since amounts in these accounts are not associated with customer and customer site information.

- Accounting entries made to other Receivables accounts pending the transfer of balances to the cash / bank accounts, including:
  - Accounting entries made to confirmation accounts, such as entering confirmed receipts, confirming receipts, and submitting receipts for remittance
  - Accounting entries made to remittance accounts, such as submitting receipts for remittance and clearing receipts that have been remitted
  - Accounting entries made to bank charges accounts, such as submitting receipts for remittance and clearing receipts that have been remitted

You can include both posted and unposted transactions in the subledger balances. Oracle Receivables can include unposted transactions that are not yet approved, not yet completed, or on hold. However, Oracle Receivables does not include invoices that were defined using invoicing rules if you have not run AutoRule for those invoices. These invoices cannot be included because the accounting distributions are not created until the invoices are processed by the AutoRule program.

Subledger to General Ledger Reconciliation

You can also use subledger balance reporting to help you reconcile subledger transactions with General Ledger balances. Reviewing the subledger balances for your customers can help you identify possible reasons for any discrepancies, such as:

- Transaction amounts that were assigned to incorrect accounts
- Transactions that are not yet posted to General Ledger
- Transactions for which the posting process failed
- Journal batches that are not yet posted in General Ledger
- Journal lines that were altered or deleted

Maintaining Historical Subledger Balances for Oracle Receivables

Use the Subledger Balance Maintenance for Receivables Accounting Periods program to maintain the summary tables that the Customer Balances reports are based on. You must run the Subledger Balance Maintenance for Receivables Accounting Periods program when an accounting period is opened or closed in Oracle Receivables.

Use the Standard Request Submission windows to submit the Subledger Balance Maintenance for Receivables Accounting Periods program.

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

> **See also:** Create Historical Subledger Balances, *Oracle Financials Country-Specific Installation Supplement*

Report Parameters

Period From
Enter the earliest accounting period that requires maintenance.

Period To
Enter the latest accounting period that requires maintenance.

Open/Close
Enter the change in period status for the periods that require maintenance.

- **Close** - Close balance period or periods
- **Open** - Open balance period or periods

> **Note:** This program is normally run against closed accounting periods.

Customer Balances Report Sets

Use the Customer Balances report sets to review the account balances for your customers. You can choose from these Customer Balances report sets:

- Customer Balances Summary
- Customer Balances Detail
- Customer Balances Detail (180)

Each report set includes the Customer Account Balance Maintenance program, which retrieves customer balance information, as well as a report that displays that information at the level of detail that you choose. For more information, see Customer Account Balance Maintenance Program on page 3-199 and Customer Balances Reports on page 3-200.

Use the Standard Request Submission windows to submit the Customer Balances report sets.

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

Customer Account Balance Maintenance Program

The Customer Account Balance Maintenance program retrieves the customer balance information that Oracle Receivables displays on the Customer Balances reports. You run the Customer Account Balance Maintenance program as part of the Customer Balances report sets. For more information, see Customer Balances Report Sets on page 3-198.

Program Parameters

Period From

Enter the earliest accounting period that you want to include on the report.

Period To

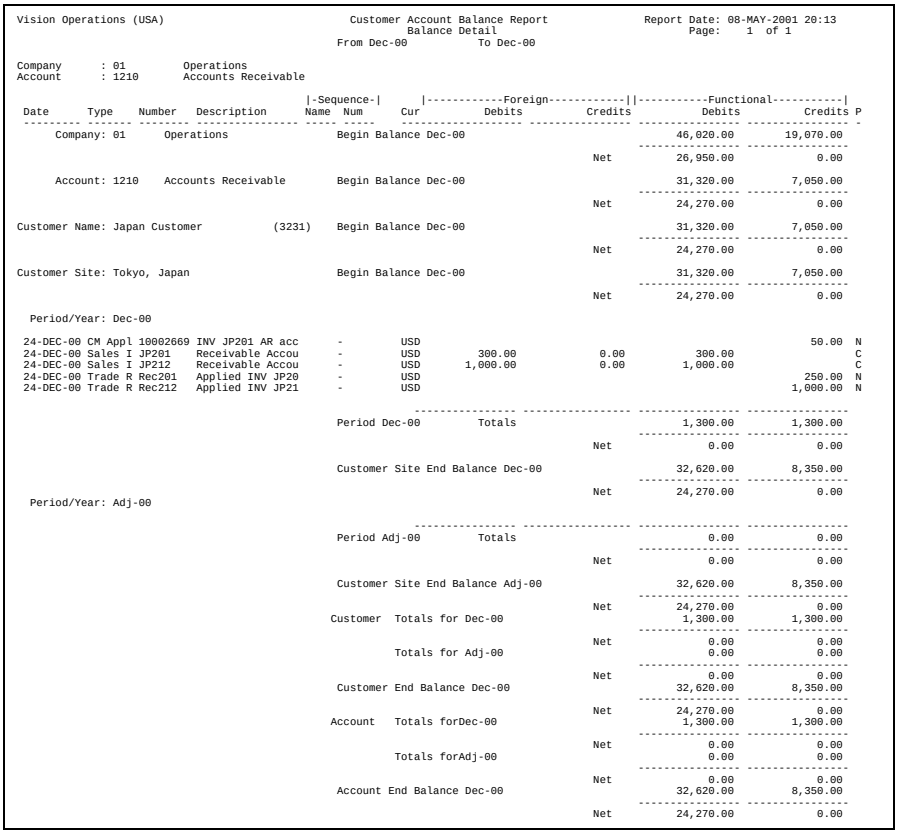
Enter the latest accounting period that you want to include on the report.

Posted To GL

Enter the posting status for the transactions that you want to include on the report. Valid values are:

- **All** - All transactions
- **Unposted** - Unposted transactions only
- **Posted** - Posted transactions only

Customer Balances Reports



Vision Operations (USA) — Customer Account Balance Report — Balance Detail — Report Date: 08-MAY-2001 20:13 — Page: 1 of 1

From Dec-00 To Dec-00

Company : 01 Operations
Account : 1210 Accounts Receivable

Date	Type	Number	Description	Sequence Name	Sequence Num	Foreign Cur	Foreign Debits	Foreign Credits	Functional Debits	Functional Credits	P
Company: 01 Operations				Begin Balance Dec-00					46,020.00	19,070.00	
								Net	26,950.00	0.00	
Account: 1210 Accounts Receivable				Begin Balance Dec-00					31,320.00	7,050.00	
								Net	24,270.00	0.00	
Customer Name: Japan Customer (3231)				Begin Balance Dec-00					31,320.00	7,050.00	
								Net	24,270.00	0.00	
Customer Site: Tokyo, Japan				Begin Balance Dec-00					31,320.00	7,050.00	
								Net	24,270.00	0.00	
Period/Year: Dec-00											
24-DEC-00	CM Appl	10002669	INV JP201 AR acc	-		USD				50.00	N
24-DEC-00	Sales I	JP201	Receivable Accou	-		USD	300.00	0.00	300.00		C
24-DEC-00	Sales I	JP212	Receivable Accou	-		USD	1,000.00	0.00	1,000.00		C
24-DEC-00	Trade R	Rec201	Applied INV JP20	-		USD				250.00	N
24-DEC-00	Trade R	Rec212	Applied INV JP21	-		USD				1,000.00	N
				Period Dec-00		Totals			1,300.00	1,300.00	
								Net	0.00	0.00	
				Customer Site End Balance Dec-00					32,620.00	8,350.00	
								Net	24,270.00	0.00	
Period/Year: Adj-00											
				Period Adj-00		Totals			0.00	0.00	
								Net	0.00	0.00	
				Customer Site End Balance Adj-00					32,620.00	8,350.00	
								Net	24,270.00	0.00	
				Customer Totals for Dec-00					1,300.00	1,300.00	
								Net	0.00	0.00	
				Totals for Adj-00					0.00	0.00	
								Net	0.00	0.00	
				Customer End Balance Dec-00					32,620.00	8,350.00	
								Net	24,270.00	0.00	
				Account Totals forDec-00					1,300.00	1,300.00	
								Net	0.00	0.00	
				Totals forAdj-00					0.00	0.00	
								Net	0.00	0.00	
				Account End Balance Dec-00					32,620.00	8,350.00	
								Net	24,270.00	0.00	

Use the Customer Balances reports to review the account balances for your customers for an accounting period range. Choose the appropriate report for the level of detail you want.

- **Customer Balances Summary report** - Beginning and ending balances as well as a summary of period activity
- **Customer Balances Detail report** - Beginning and ending balances as well as details about the transactions during the period

- **Customer Balances Detail report (180 characters)** - Beginning and ending balances, details about the transactions during the period, and running net debit and credit totals during the period

You can select one of the segments in your accounting flexfield as the pagebreak segment for the report. Oracle Payables begins printing the information for each pagebreak segment value on a new page.

The Customer Balances Detail reports show the posting status of each transaction. For unposted transactions, the posting status codes can also show whether the transaction is approved, incomplete, confirmed, remitted, waiting for approval, reversed, complete, or cleared. You can use these statuses to determine whether an unposted transaction is eligible for posting.

Oracle Receivables can create subledger balances including unposted transactions that are not yet approved, not yet completed, or on hold. However, Oracle Receivables does not include invoices that were defined using invoicing rules if you have not run AutoRule for those invoices. These invoices cannot be included because the accounting distributions are not created until the invoices are processed by the AutoRule program.

Use the Posted to GL parameter for the Customer Account Balance Maintenance program to select whether you want to include posted transactions only, unposted transactions only, or all transactions. For more information, see Customer Account Balance Maintenance Program on page 3-199.

The Customer Balances Detail reports also show totals for each customer site, customer, account, balancing segment, and pagebreak segment.

You run the Customer Balances reports as part of the Customer Balances report sets. For more information, see Customer Balances Report Sets on page 3-198.

Report Parameters

Period From

The Period From parameter shows the earliest accounting period included on the report. This parameter is shared with the Customer Account Balance Maintenance program and cannot be updated here.

Period To

The Period To parameter shows the latest accounting period included on the report. This parameter is shared with the Customer Account Balance Maintenance program and cannot be updated here.

(continued)

Pagebreak Segment
Select the accounting flexfield segment that you want to use as the pagebreak segment.

Pagebreak Segment Low
Enter the segment value at the beginning of the pagebreak segment range that you want to include on the report.

Pagebreak Segment High
Enter the segment value at the end of the pagebreak segment range that you want to include on the report.

Account From
Enter the account segment value at the beginning of the account segment range that you want to include on the report.

Account To
Enter the account segment value at the end of the account segment range that you want to include on the report.

Number/Name Range
Select whether you want to specify a customer range by customer number or customer name. Valid values are:

- **Name** - Customer Name
- **Number** - Customer Number

Customer Name From
If you are specifying a customer range based on customer name, enter the first customer name for the range.

Customer Name To
If you are specifying a customer range based on customer name, enter the last customer name for the range.

Customer Number From
If you are specifying a customer range based on customer number, enter the first customer number for the range.

Customer Number To
If you are specifying a customer range based on customer number, enter the last customer number for the range.

Customer Type

Enter the type of customer that you want to include on the report. Valid values are:

- External
- Internal

Currency Code

Enter the currency code for the currency of the transactions that you want to include on the report. If you leave the Currency Code parameter blank, the report includes transactions in all currencies.

Posted To GL

The Posted To GL parameter shows the posting status for the transactions included on the report. Valid values are:

- **All** - All transactions
- **Unposted** - Unposted transactions only
- **Posted** - Posted transactions only

This parameter is shared with the Customer Account Balance Maintenance program and cannot be updated here.

Sort By

Select whether you want to sort the report by customer name or customer number. Valid values are:

- **Name** - Customer Name
- **Number** - Customer Number

Detail Report Headings

In this heading...	Oracle Receivables prints...
<Set of Books>	The set of books name.
<Title>	Customer Account Balance Report.
<Subtitle>	*Balance Detail*.
From <Period> To <Period>	The period range.
Report Date	The report date.

In this heading...	Oracle Receivables prints...
Page	The page number.
<Balancing Segment>	The balancing segment name, balancing segment value, and balancing segment description.
Account	The account segment value and description.

Detail Column Headings

In this column...	Oracle Receivables prints...
Date	The accounting date of the transaction.
Type	The transaction type.
Number	The transaction number.
Description	A description of the transaction.
Sequence Name	The document sequence name associated with the transaction.
Sequence Num	The document sequence number for the transaction.
Curr	The currency code for the transaction.
Foreign Debits	The debit amount in the entered currency.
Foreign Credits	The credit amount in the entered currency.
Functional Debits	The debit amount in your functional currency.
Functional Credits	The credit amount in your functional currency.
Net / Totals Debits	The net debit amount. This column is included only on the 180-character-wide version of this report.
Net / Totals Credits	The net credit amount. This column is included only on the 180-character-wide version of this report.

In this column...	Oracle Receivables prints...
P	A code to indicate the posting status of the transaction. ■ Y - Posted ■ P - Approved ■ I - Incomplete ■ F - Confirmed ■ N - Unposted ■ R - Remitted ■ W - Waiting Approval ■ V - Reversed ■ C - Complete ■ L - Cleared

Detail Row Headings

In this row...	Oracle Receivables prints...
Account	The account number and account description.
Begin Balance	The period and beginning balance for the account.
Customer Name	The customer name.
Begin Balance	The period and beginning balance for the customer.
Customer Site	The customer site.
Begin Balance	The period and beginning balance for the customer site.
Period / Year	The period name and year.
Period Totals	The period name and totals for the period.
Customer Site End Balance	The period and ending balance for the customer site.
Customer Totals for	The period and totals for the customer.
Customer End Balance	The period and ending balance for the customer.
Account Totals for	The period and totals for the account.
Account End Balance	The period and ending balance for the account.

In this row...	Oracle Receivables prints...
<Balancing Segment> Totals for	The balancing segment name, period, and totals for the balancing segment.
<Balancing Segment> End Balance	The balancing segment name, period, and ending balance for the balancing segment
All Pagebreak Seg Totals for	The period and totals for the pagebreak segment.
All Pagebreak Seg End Balance	The period and ending balance for the pagebreak segment.

Summary Report Headings

In this column...	Oracle Receivables prints...
<Set of Books>	The set of books name.
<Title>	Customer Account Balance Report.
<Subtitle>	*Balance Summary.*
From <Period> To <Period>	The period range.
Report Date	The report date.
Page	The page number.
Currency	The currency code for the transactions on this page of the report.
<Balancing Segment>	The balancing segment name, balancing segment value, and balancing segment description.
Account	The account segment value and description.

Summary Column Headings

In this column...	Oracle Receivables prints...
Customer Name	The customer name.
Customer Number	The customer number.
Period	The accounting period for the transaction.
Begin Balance Debit	The debit balance for the account at the beginning of the period.
Begin Balance Credit	The credit balance for the account at the beginning of the period.
Period Activity Debit	The total amount debited to the account during the period.
Period Activity Credit	The total amount credited to the account during the period.
End Balance Debit	The debit balance at the end of the period.
End Balance Credit	The credit balance at the end of the period.
Net Balance	The net debit or credit balance at the end of the period.

Regional Invoice Format

```
        Bill To: Harford Metal Industries    Ship To: Harford Metal Industries          Remit To:
                 87 Burgh Heath Road                  87 Burgh Heath Road                         560 Oracle Parkway
                 EC2 4AJ London                       EC2 4AJ London                              Thames Valley Park
                 United Kingdom                       United Kingdom                              RG6 1RA  Reading
                                                                                                  United Kingdom

        VAT Num: LN98765                                                                 VAT Num: 458-000-000-01
 Purchase Order:                                                                     Company Num: 123-123-12-12

                                                         Duplicate                                        VAT Date: 08-NOV-1999
                                                                                                      Invoice Date: 08-NOV-1999

    Invoice Num: 10000                Invoice Type: PL Regional Invoice                                        Page   1 /   1
---------------------------------------------------------------------------------------------------------------------------------

Num  Description               Item Code  UOM   Unit price      Qty             Amount   VAT%            VAT              Total
---  ------------------------  ---------  ----  ----------    -----   ----------------   ----   ------------  -----------------


  1  Consulting Skills         STAT02     DAY     10,000.0       10         100,000.00  VAT 0           0.00         100,000.00
     Workshop
  2  Course materials                     Ea       4,000.0        2           8,000.00     10         800.00           8,800.00
                                                                     -----------------         -------------  -----------------
                                                                            108,000.00                800.00         108,800.00

                                                                                Amount   VAT%            VAT              Total
                                                                      ----------------   ----   ------------  -----------------
                                                      VAT by Rate:            8,000.00     10         800.00           8,800.00
                                                                            100,000.00  VAT 0           0.00         100,000.00
   Invoice Amount:     108,800.00
         In Words: one*zero*eight*eight*zero*zero*0/100*

    Payment Terms: 1/3 due 30/60/90 days


Due Date         Invoice Amount  Curr
-----------  ------------------  ----
08-DEC-1999           35,904.00  GBP
07-JAN-2000           35,904.00  GBP
06-FEB-2000           36,992.00  GBP

Remittance Bank                  Branch               Bank Num         Bank Account Num
---------------------            ------------         -------------    --------------------
Barclays Bank                    London               509              67802480


                                                      .............................            .............................
                                                      Issuer                                   Receiver

                                                      Comments:
```

For the Czech Republic, Hungary, and Poland, use the Regional Invoice Format to print all Receivable documents for a given document type, document number range, and customer name. To assist in packaging and delivering your billings, you can order your printed transactions by document number, customer name, or postal code.

Based on your responsibility, you may print either original or duplicate invoice documents.

Use the Standard Request Submission windows to submit the Regional Invoice Format.

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

Setting Up the Duplicate Profile Option

For the Czech Republic, Hungary, and Poland, set the JG: Duplicate profile option at the responsibility level. This profile option value populates the Duplicate parameter in the Regional Invoice Format. The parameter lets you print either original or duplicate Receivables documents based on the profile option setting for your responsibility.

- **Yes** - Enables the responsibility to print only duplicate Receivables documents with the Regional Invoice Format
- **No** - Enables the responsibility to print only original Receivables documents with the Regional Invoice Format

Prerequisites

Before running the Regional Invoice Format, you must complete these tasks:

Assign Statistical Codes to Items and Memo Lines

You can assign statistical codes, as determined by the Hungarian or Polish government, to inventory items and standard memo lines.

See also: Entering Item Information, *Oracle Financials for Hungary User Guide*

See also: Entering Item Information, *Oracle Financials for Poland User Guide*

See also: Defining Standard Memo Line Information, *Oracle Financials for Hungary User Guide*

See also: Defining Standard Memo Line Information, *Oracle Financials for Poland User Guide*

(continued)

Enter VAT Dates for Taxable Transactions

When you enter transactions in Oracle Receivables for the Czech Republic, Hungary, or Poland, use the globalization flexfield to enter the performance tax date for your taxable transactions.

> **See also:** Entering Transaction Information, *Oracle Financials for the Czech Republic User Guide*
>
> **See also:** Entering Transaction Information, *Oracle Financials for Hungary User Guide*
>
> **See also:** Entering Transaction Information, *Oracle Financials for Poland User Guide*

Define Transaction Types

When you define transaction types for the Czech Republic, Hungary, or Poland, ensure that your naming standards comply with official document types as printed on the invoice.

Report Parameters

Order By

Enter one of the following:

- **Customer** - The report is sorted by customer name.
- **Postal Code** - The report is sorted by postal code of customer address.
- **Transaction Number** - The report is sorted by document number.

The default is *Transaction Number.*

Batch (for the Czech Republic only)

Enter the batch number for the invoices you want to report on.

Document Type

Enter one of the active transaction types defined in Oracle Receivables.

Invoice Number Low

Enter the lowest invoice number that you want to print.

Invoice Number High

Enter the highest invoice number that you want to print.

Invoice Date Low
Enter the earliest invoice date that you want to print.

Invoice Date High
Enter the latest invoice date that you want to print.

Customer Name
Enter a specific customer name or leave this parameter blank for all customers.

Report Headings

In this heading…	Oracle Receivables prints…
Bill To	The billing site customer name, address, tax registration number, and purchase order number
Ship To	The shipping site address
Remit To	Your company's name, remittance address, tax registration number, and company number
VAT Date	The tax date of the invoice
Invoice Date	The invoice date
Invoice Num	The invoice number
Invoice Type	The name of the transaction type

Column Headings

In this column…	Oracle Receivables prints…
Num	The line number of the invoice.
Description	The line item description.
Item Code	The item statistical code associated with the line item. This column is not used in the Czech Republic.
UOM	The unit of measure for a given line.
Unit Price	The unit selling price of the line item.
Qty	The quantity billed of the item.
Amount	The net invoice line amount

In this column…	Oracle Receivables prints…
VAT%	The tax rate for any tax codes that do not have a zero rate. The report prints the tax name for any tax codes that have a zero rate.
VAT	The VAT amount for the invoice line.
Total	The total invoice line amount.
VAT by Rate Amount	The total net invoice amount for each tax rate.
VAT by Rate VAT%	The tax rate for any tax codes that do not have a zero rate. The report prints the tax name for any tax codes that have a zero rate.
VAT by Rate VAT	The total tax amount for each tax rate.
VAT by Rate Total Amount	The total invoice amount for each tax rate.
Invoice Amount	The total invoiced amount.
In Words	The total invoiced amount in words.
Payment Terms	The payment terms for the invoice
Due Date	The due date for the invoice.
Invoice Amount	The total invoiced amount.
Curr	The currency of the invoice.
Remittance Bank	The remittance bank name.
Branch	The remittance bank branch.
Bank Num	The remittance bank number.
Bank Account Num	The remittance bank account number.
Issuer	A line for the issuer's signature.
Receiver	A line for the receiver's signature.
Comments	Optional additional invoice information.

Receipt Acknowledgment Letter

```
Greek Globalization SA                                  GR Leop                                              Date: 12-OCT-2001
Fokionos Str                                            2 Marathon Str                                Letter Number: 2

23334 Athens                                            1002  ()
Greece                                                  Greece
Company's Tax ID:  15918265-1253108                     Customer's Tax ID:   3434343435

Dear Sir/Madam

We certify that according to the accounting books of your company, we have received the following net receipts from you for the
period from   02-JAN-1996 to 11-AUG-2001.

Receipt     Document                                                                  -------Document-----   -------Receipt-----
Number      Number       Date         Description                                          Amount Curr            Amount Curr
----------  -----------  -----------  ------------------------------------------------  -------------- -----  -------------- -----

8303        4604         11-OCT-1999  Regular Invoice                                         1,890  GRD             1,890  GRD
8303        Unapplied                                                                                             98,110  GRD
                                                                                                                 ----------
                   Total (Receipt 8303               )                                                          100,000  GRD

                                                                                                                 ----------
                          Total                                                                                   100,000  GRD

Sincerely,


Greek Globalization SA

Computer Printout
```

Greece

```
Global Computers                                        ACME                                                 Date: 28-SEP-2000
Rua Cidade de Liverpool                                 Rua Cidade de Manchester                      Letter Number: 1
No 16                                                   No 23

12345 Lisboa                                            14235 Lisboa
Portugal                                                Portugal
Telephone: 351 1 412 12 34
Fax:       351 1 412 12 35
Company's Tax ID:  15918265-1253108                     Customer's Tax ID:   3434343435

Receipt     Document                                                                 -------Document-----    --------Receipt-----
Number      Number       Date         Description                                         Amount Curr             Amount Curr
----------  -----------  -----------  ------------------------------------------------ -------------- -----  -------------- -----

4682        8302         28-SEP-1999  Regular Invoice                                  1.000$00  PTE          1.000$00  PTE
4682        Unapplied                                                                                          4.000$00  PTE
                                                                                                              ----------
                   Total (Receipt 4682               )                                                       5.000$00  PTE

                                                                                                              ----------
                          Total                                                                                5.000$00  PTE

      Total Amount Receipt Letter: CINCO MIL ESCUDOS ****************

James Scalzi

Computer Printout
```

Portugal

Use the Receipt Acknowledgment Letter report to confirm the receipt of any payment from a customer. Oracle Receivables produces a separate receipt acknowledgment for each receipt currency.

You can produce:

- A receipt acknowledgment on request
- A copy of receipt acknowledgment

You can match a receipt in a different currency to the invoice that the receipt is applied to when you manually enter a receipt.

Use the Standard Request Submission windows to submit the Receipt Acknowledgment Letter report.

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

Prerequisites

Before submitting the Receipt Acknowledgment Letter report, you must:

- Define appropriate receipt classes, such as one manual and one automatic class for clearing receipts.
- Define at least one Receipt Acknowledgment document category. You can have more than one category for receipt acknowledgments.

  > **See also:** Defining Document Categories, *Oracle Applications System Administrator's Guide*

- Define an appropriate document sequence and assign the sequence to the Receipt Acknowledgment document category.

  > **See also:** Set Up Accounting Sequence Numbering, *Oracle Financials for Greece User Guide*

  > **See also:** Defining a Document Sequence, *Oracle Applications System Administrator's Guide*

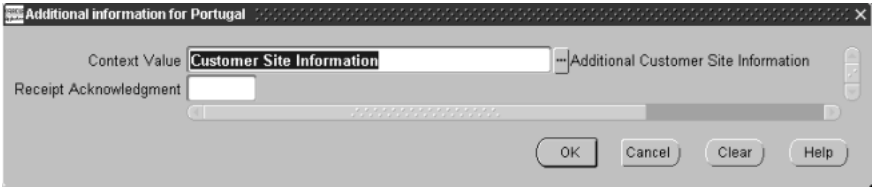
  > **See also:** Assigning a Document Sequence, *Oracle Applications System Administrator's Guide*

- Set up company address details, including tax office, location and number in location, and reporting entities.

- Enable receipt acknowledgment at the customer site level. For more information, see Enabling Receipt Acknowledgment for a Customer Site on page 3-216.
- Clear the receipts that you want to acknowledge. You must clear receipts before you can produce a receipt acknowledgment.
- If you want to reprint receipt acknowledgments, use the globalization flexfield off the Receipts window to find the receipt acknowledgment numbers that you enter in the report parameters. For more information, see Viewing Receipt Acknowledgment Information on page 3-217.

Enabling Receipt Acknowledgment for a Customer Site

When you enter customers in Oracle Receivables, use the globalization flexfield on the Customer Addresses window to enable receipt acknowledgment for a customer site.



To enable receipt acknowledgment for a customer site:

1. Navigate to the Customers window.
2. Query the customer that you want.
3. Navigate to the Addresses alternate name region.
4. Open the customer site that you want.

   The Customer Addresses window appears.
5. Navigate to the Business Purposes alternate name region.
6. Open the business purpose that you want.

   The Business Purpose Detail window appears.
7. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.
8. Enter *Yes* in the Receipt Acknowledgment field.
9. Press the OK button.

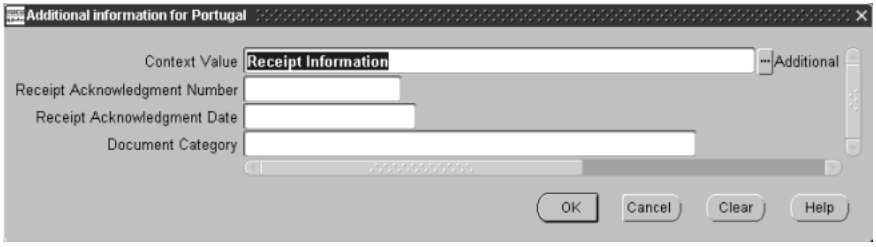
Viewing Receipt Acknowledgment Information

When you run the Receipt Acknowledgment Letter report, Oracle Receivables stores information about the receipt acknowledgment in the globalization flexfield. You can navigate to this flexfield window to view the receipt acknowledgment information for particular receipts.

You can use the globalization flexfield to find the receipt acknowledgment numbers already created. Use the receipt acknowledgment numbers to choose the receipt acknowledgments range that you want to reprint. For more information, see Report Parameters on page 3-218.

To view receipt acknowledgment information:

1. Navigate to the Receipts window.
2. Query the receipt that you want.
3. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.



Oracle Receivables displays:

- The sequenced receipt acknowledgment number in the Receipt Acknowledgment Number field. This number is automatically created when you run the Receipt Acknowledgment Letter report.
- The date that the receipt acknowledgment was created in the Receipt Acknowledgment Date field.
- The receipt acknowledgment document category in the Document Category field. The document category defaults from the payment method that you assigned to the receipt.

4. Press the OK button.

Report Parameters

Reprint
Enter *Yes* or *No* to indicate if you want to reprint the receipt acknowledgment. If you enter *Yes*, you must also enter numbers in the From and To Receipt Acknowledgment parameters. If you do not enter a receipt acknowledgment number range, the report runs, but an error log is produced.

If you enter *No*, leave the From and To Acknowledgment parameters blank. If you do enter a receipt acknowledgment number range, an error log is produced.

Document Category
Enter the document category that determines the sequence you want to use for numbering the Receipt Acknowledgment.

From Acknowledgment
If you want to reprint a receipt acknowledgment letter, enter the first receipt acknowledgment number that you want to print from.

To Acknowledgment
If you want to reprint a receipt acknowledgment letter, enter the last receipt acknowledgment number that you want to print to. The To Acknowledgment number must be equal to or greater than the From Acknowledgment number.

From Customer
If you want to create a new receipt acknowledgment letter, enter the first customer name that you want to print from.

If both From and To Customer are blank, the report contains all customers.

To Customer
If you want to create a new receipt acknowledgment letter, enter the last customer name that you want to print to. The To Customer value must not be less than the From Customer value.

If both From and To Customer are blank, the report prints acknowledgments for all customers.

From Receipt Date
If you want to create a new receipt acknowledgment letter, enter the first receipt date that you want to print from.

The dates available on the list of values are for cleared receipts only.

If both From and To Receipt Date are blank, all dates are printed.

To Receipt Date
If you want to create a new receipt acknowledgment letter, enter the last receipt date that you want to print to. The To Receipt Date must not be less than From Receipt Date.

The dates available on the list of values are for cleared receipts only.

If both From and To Receipt Date are blank, all dates are printed.

Signer (Portugal only)
Enter the name of the person who will sign the receipt acknowledgment letter.

Report Headings

In this heading…	Oracle Receivables prints…
<Name of Receiver>	The receiver's company name
<Receiver Address>	The receiver's address
Telephone (Portugal only)	The receiver's telephone number
Fax (Portugal only)	The receiver's fax number
Company's Tax ID	The receiver's taxpayer ID
<Customer Name>	The customer's name
<Customer Address>	The customer's address
Customer Tax ID	The customer's taxpayer ID
Date	The receipt date
Letter Number	The receipt acknowledgment letter sequence number

Column Headings

In this column…	Oracle Receivables prints…
Receipt Number	The receipt number that you entered
Document Number	The invoices matched to the customer payment received
Date	The date of the invoice matched to the payment received
Description	The transaction type description
Document Amount	The invoice amount matched to the payment received
Document Curr	The currency code of the invoice
Receipt Amount	The value of the payment received
Receipt Curr	The currency code of the receipt

Row Headings

In this heading…	Oracle Receivables prints…
<Letter Salutation> (Greece only)	Dear Sir / Madam We certify that according to the accounting books of your company, we have received the following net receipts from you for the period from <date from> to <date to>.
Total (Receipt <Receipt Number>)	The total amount of the payment that you received
Total	The total of the receipt acknowledgment
Total Amount Receipt Letter (Portugal only)	The receipt total in Portuguese words
<Signer> (Portugal only)	The name that you entered in the Signer parameter
<Letter Closing> (Greece only)	Sincerely, <Your company's name>
<Letter Source>	Computer Printout

4

Oracle Assets

This chapter describes Oracle Assets, including:

- Inflation Adjustment
- Statutory Reporting
- DACH Asset Summary Report
- DACH Depreciation Analysis Report

Inflation Adjustment Overview

Inflation is a general rise in the price of goods and services in an area over a certain time period. Rapid inflation can distort the amounts maintained in accounting records. In some countries, companies must prepare their financial reports to stockholders and government authorities in constant units of money, amounts that are not affected by inflation. The amounts that have been distorted must be adjusted by applying indexes that measure the pace of inflation.

Amounts that have not been adjusted for inflation are called historical amounts. Amounts that have been revalued to adjust for inflation are called inflation-adjusted amounts.

To adjust fixed assets for inflation, you must revalue these amounts:

- Cost
- Accumulated depreciation, also called depreciation reserve
- Year-to-date depreciation expense

> **Note:** In Colombia, you only revalue cost and accumulated depreciation. According to Colombian legal requirements, you do not need to adjust year-to-date depreciation expense for inflation.

You can use the Mass Revaluation feature in Oracle Assets to adjust these components of your assets for inflation. The Mass Revaluation process calculates the amount needed to bring each asset component up to its new, adjusted value. The adjustment amount becomes part of the total balance of the component.

For example, the adjusted cost of an asset consists of its historical cost plus the cost adjustment amount. The adjusted accumulated depreciation consists of the historical accumulated depreciation plus the accumulated depreciation adjustment amount. The net book value of the asset, which equals recoverable cost minus accumulated depreciation, changes as well. The adjusted net book value equals the adjusted recoverable cost minus the adjusted accumulated depreciation.

Since cost adjustment amounts become part of the total cost of the asset, the adjustment amounts are depreciated over the life of the asset along with the historical cost.

Inflation adjustments in Oracle Assets for Latin America are recorded in General Ledger by a journal entry showing the adjustment amount for each adjusted

account. A gain and loss account, called the Result of Exposure to Inflation (R.E.I.) account, offsets the adjustments.

In some countries, such as Argentina, Colombia, and Mexico, companies must separately maintain both historical and inflation-adjusted amounts for their fixed assets. In other countries, such as Chile, companies only need to maintain inflation-adjusted amounts. The inflation adjustment feature in Oracle Assets for Latin America provides two different options to meet the inflation adjustment requirements in these countries:

- **Historical/adjusted option** – lets you maintain and report both historical amounts and inflation-adjusted amounts by using two separate depreciation books. For more information, see Maintaining Both Historical and Inflation-Adjusted Amounts on page 4-7.
- **Adjusted-only option** – lets you maintain and report simply the inflation-adjusted amounts by using one main depreciation book. For more information, see Maintaining Only Inflation-Adjusted Amounts on page 4-10.

> **Note:** If you want to use the Multiple Reporting Currencies (MRC) feature in Oracle Assets, you should choose the historical / adjusted option, even if you are not legally required to report historical amounts. You need to use a historical depreciation book as your primary MRC book to avoid including inflation adjustment amounts when MRC converts your transactions to another currency.

When you set up inflation adjustment, choose the option that satisfies your country's legal requirements and your own business needs. For more information, see your country-specific user guide.

Basic Business Needs

Oracle Assets for Latin America provides you with features to satisfy these basic business needs. You can:

- Set up different price indexes.
- Assign a price index to each asset category.
- Indicate whether or not to allow inflation adjustment in each depreciation book.
- Indicate whether or not to allow inflation adjustment for each asset category.
- Indicate whether or not to adjust each asset for inflation.
- Specify the inflation start date for an asset
- Preview the results of the inflation adjustment process more than once for the same depreciation book and period, and check your results using different index values.
- Run the inflation adjustment process for any corporate or tax book.
- Ensure that new additions are not adjusted for inflation in the period they are entered.
- Transfer historical and adjusted journal entries to General Ledger.
- Capitalize the inflation adjustment cost of Construction in Process (CIP) assets.
- Depreciate the inflation adjustment to the cost of the assets.
- Print reports showing the results of the inflation adjustment process.
- Prepare tax reports.

Major Features

Use of Different Price Indexes

You can set up several price indexes and associate them with the asset categories that you want to adjust. You adjust assets in a category with the index values from the price index assigned to that category.

Enabling Inflation Adjustment

You can enable or disable inflation adjustment at the depreciation book, asset category, and individual asset levels. This feature allows you to keep different kinds of assets in the same depreciation book.

Inflation Start Date

You can enter a date to specify when inflation begins to impact an asset. The asset is adjusted for inflation from this date onward.

What-If Analysis

You can perform a what-if analysis with the Mass Revaluation Preview report to see what the results of the inflation adjustment would be using different index values.

Multiple Corporate and Tax Books

You can adjust any corporate or tax book that you define in Oracle Assets.

Automatic Inflation Adjustment Accounting

Except in Colombia, the Oracle Assets standard Create Journal Entries process creates the inflation adjustment journal entries, as well as the standard transaction journal entries such as additions, depreciation, and retirements. The Create Journal Entries process transfers the journal entries to the General Ledger set of books that is associated with the Oracle Assets depreciation book being adjusted.

See also: Generating Inflation Adjustment Journal Entries, *Oracle Financials for Colombia User Guide*

See also: Asset Accounting, *Oracle Assets User Guide*

Capitalization of Inflation-Adjusted CIP Assets

When a CIP asset is capitalized, the cost of the new asset consists of the cost amounts added to the asset through invoice lines and the inflation adjustment amounts. It is important to note, however, that the invoice lines themselves are not changed by the inflation adjustment.

Regional Fixed Assets Inflation Adjusted Asset Summary Report

If you maintain both historical and inflation-adjusted amounts for your assets, you can use the Regional Fixed Assets Inflation Adjusted Asset Summary report to compare the historical and inflation-adjusted amounts for cost, accumulated depreciation, and year-to-date depreciation expense.

Reports for Tax Calculation

In some countries, certain taxes are calculated based on inflation-adjusted amounts. These taxes include the Tax on Income in Argentina and the ISR and IMPAC taxes in Mexico. You can run the Exhibit of Fixed Assets report, the ISR report, and the IMPAC report to calculate and print the required information. Since you can run these reports for any corporate or tax book, you can calculate the tax amounts based on either your corporate asset values or your special tax asset values.

> **See also:** Exhibit of Fixed Assets Report, *Oracle Financials for Argentina User Guide*

> **See also:** Mexican ISR Report, Mexican IMPAC Report, *Oracle Financials for Mexico User Guide*

Maintaining Both Historical and Inflation-Adjusted Amounts

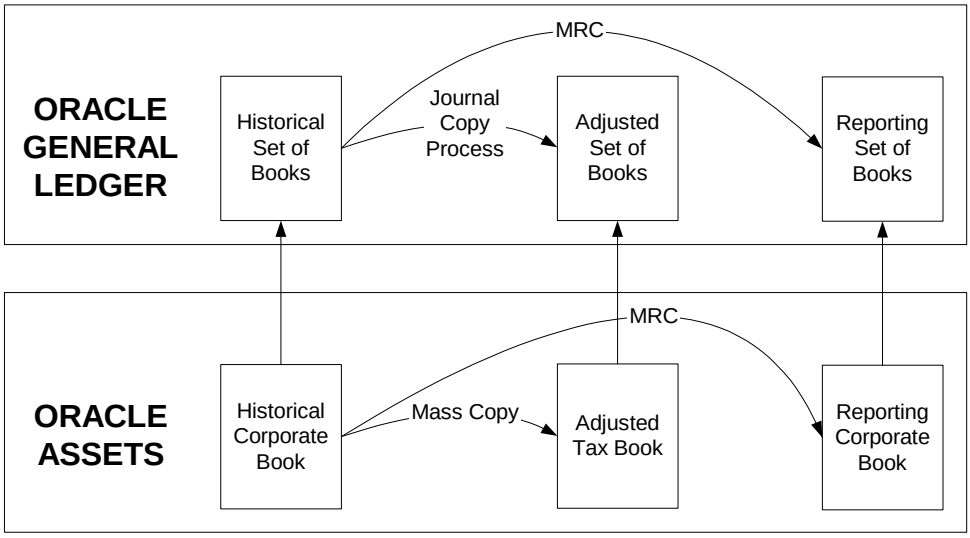
If you need to maintain both historical and inflation-adjusted amounts for your assets, or if you want to use the Multiple Reporting Currencies (MRC) feature in Oracle Assets, choose the historical / adjusted option in Oracle Assets. With the historical / adjusted option, you use two separate depreciation books to record the historical and inflation-adjusted amounts. Keep the historical amounts in a corporate book and the adjusted amounts in a tax book.

You can implement MRC while using the historical / adjusted option in Oracle Assets by using the historical depreciation book as your MRC primary book. You must not use the adjusted depreciation book as your MRC primary book because the inflation adjustment transactions must not be included when MRC converts your transactions to another currency. Using the historical book as your MRC primary book ensures that you maintain only the correct transactions in your MRC reporting book.

Before you set up your depreciation books in Oracle Assets, you must set up your sets of books in General Ledger. You can use the historical / adjusted option in Oracle Assets with either the historical / adjusted option or the adjusted-only option in General Ledger.

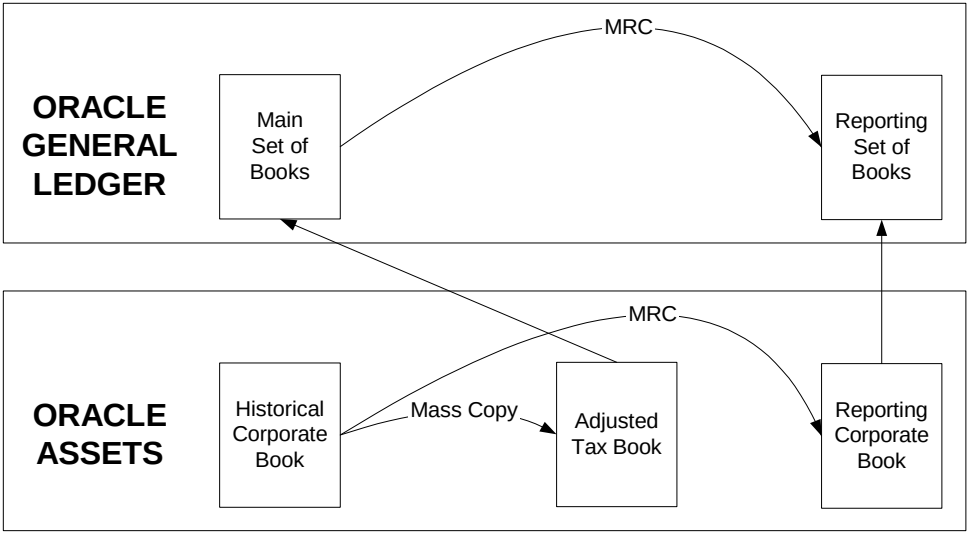
Using the historical/adjusted option in Oracle Assets with the historical/adjusted option in General Ledger

If you use the historical / adjusted option in both Oracle Assets and General Ledger, transfer the journal entries from the historical depreciation book to the historical General Ledger set of books, and transfer the journal entries from the adjusted depreciation book to the adjusted General Ledger set of books.



Using the historical/adjusted option in Oracle Assets with the adjusted-only option in General Ledger

If you use the historical / adjusted option in Oracle Assets and the adjusted-only option in General Ledger, transfer the journal entries from the adjusted depreciation book to your main General Ledger set of books.

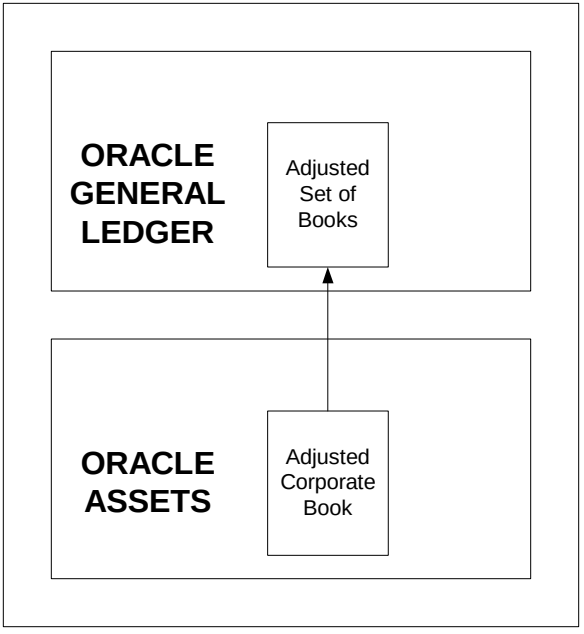


Maintaining Only Inflation-Adjusted Amounts

If you do not need to maintain historical amounts, and you do not use MRC in Oracle Assets, choose the adjusted-only option in Oracle Assets. With the adjusted-only option, you perform inflation adjustment in your corporate depreciation book. You should only choose this option if you do not expect to implement MRC at any time, because once your corporate book contains inflation adjustment transactions, you cannot use it as the MRC primary book.

Before you set up your depreciation books in Oracle Assets, you must set up your sets of books in General Ledger. If you use the adjusted-only option in Oracle Assets, you should also use the adjusted-only option in General Ledger.

If you use the adjusted-only option in both Oracle Assets and General Ledger, transfer the journal entries from the adjusted corporate depreciation book to your adjusted General Ledger set of books.



Prerequisites

Before you can adjust your assets for inflation, you must perform these prerequisite steps:

- Set up your set or sets of books in General Ledger. For more information about setting up inflation adjustment in General Ledger, see Prerequisites on page 1-8.
- Enter all the transactions for the current period in your corporate book.
- If you are using both a corporate depreciation book and a tax depreciation book, run Mass Copy at the end of the period to copy the transactions for your capitalized assets from the corporate book to the tax book.

  See also: Tax Book Maintenance, *Oracle Assets User Guide*

- Run depreciation in your adjusted depreciation book for the depreciation period in which you add an asset. You cannot adjust an asset for inflation in the period in which you enter the asset. The amount of the depreciation in the first period can be zero.

  After the first period, in a depreciation book that has inflation adjustment enabled, you cannot run depreciation for an asset without first adjusting the asset for inflation in the current period. For more information, see Running Depreciation on page 4-35.

- In some countries, assets must not be adjusted for inflation in their retirement period. In those countries, you should retire assets before you begin the inflation adjustment process.

  If your country requires assets to be adjusted for inflation in their retirement period, you should run the Mass Revaluation process to adjust your assets for inflation before you retire assets. For more information, see Retiring Assets on page 4-34.

(continued)

- If you are using both a corporate depreciation book and a tax depreciation book, synchronize the open periods in the corporate and tax books. When you enter information for a CIP asset in the corporate book, Oracle Assets copies the information to the tax book immediately, unlike information for capitalized assets which is not copied until you run the Mass Copy process. To copy the CIP information to the correct period in the tax book, you must ensure that the open period in the tax book corresponds to the open period in the corporate book.

  To help you ensure that your depreciation books are synchronized, Oracle Assets requires you to run depreciation in the tax book for the latest closed period in the corporate book before you can run depreciation again in the corporate book.

  See also: Construction-In-Process (CIP) Assets, *Oracle Assets User Guide*

Setting Up Oracle Assets for Inflation Adjustment

This section describes how to set up Oracle Assets for Latin America for the inflation adjustment process. Use this checklist to help you complete the appropriate steps.

- ❏ Enable Automatic Revaluation Rate Calculation on page 4-14
- ❏ Define Inflation Ratio Precision on page 4-15
- ❏ Define Price Indexes on page 4-16
- ❏ Set Up Depreciation Books on page 4-18
- ❏ Set Up Asset Categories on page 4-19
- ❏ Define Inflation Start Dates on page 4-21
- ❏ Set Up Assets in a Depreciation Book on page 4-23

Additionally, some countries require special country-specific setup steps. For more information, see your country-specific user guide.

> **See also:** Inflation Adjustment Setup, *Oracle Financials for Argentina User Guide*
>
> **See also:** Inflation Adjustment Setup, *Oracle Financials for Chile User Guide*
>
> **See also:** Inflation Adjustment Setup, *Oracle Financials for Colombia User Guide*
>
> **See also:** Inflation Adjustment Setup, *Oracle Financials for Mexico User Guide*

Enable Automatic Revaluation Rate Calculation

Oracle Assets uses the standard Mass Revaluation process to adjust your assets for inflation. Instead of using a revaluation rate that you enter in the Mass Revaluations window, however, Oracle Assets calculates the revaluation rate automatically from the price indexes that you define.

You must enable the automatic revaluation rate calculation process by setting the JL: Perform Inflation Adjustment profile option to *Yes* for your Oracle Assets responsibility. Use the System Profile Values window in the System Administrator responsibility to define the JL: Perform Inflation Adjustment profile option.

Note: If you do not enable automatic revaluation rate calculation, you can still use the Mass Revaluation process to adjust your assets for inflation. In this case, however, you must enter the revaluation rate and other asset information manually in the Mass Revaluations window.

See also: Overview of User Profiles, *Oracle Applications User Guide*

Define Inflation Ratio Precision

In some countries, companies are legally required to calculate inflation rates with a certain precision. For example, in Mexico, the inflation rate must be calculated with a precision of four decimal positions for tax purposes.

You can use the JL: Inflation Ratio Precision profile option to define the number of decimal positions for the precision of the inflation rate calculation. Oracle Assets truncates the rate at the number of decimal positions you choose. Use the System Profile Values window in the System Administrator responsibility to assign a value to the JL: Inflation Ratio Precision profile option.

You should only define a value for the inflation ratio precision if you are legally required to do so. If your country does not require a certain precision, do not enter a value for the JL: Inflation Ratio Precision profile option. Instead, leave this profile option blank to calculate the inflation rate with the greatest possible precision.

> **See also:** Overview of User Profiles, *Oracle Applications User Guide*

Define Price Indexes

Define the price indexes that you want to use to adjust your assets for inflation in the Price Indexes window. A price index is a measure of the overall cost of goods and services bought by various entities. The base value of the index represents the cost level in a certain base period. The index value for each subsequent period represents the cost level for that period as a proportion of the base value. The difference between the base value and the index value for a certain period represents the inflation rate between the base period and that period.

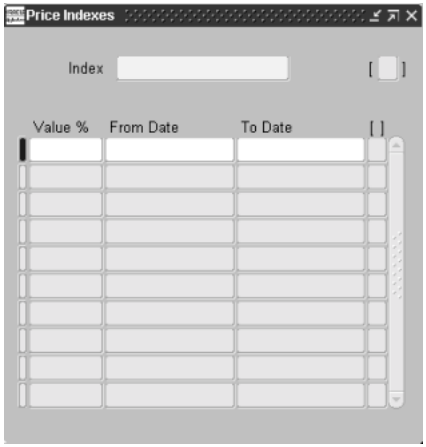
The index that you use depends on your company's business. Many organizations use either the Consumer Price Index (CPI) or the Producer Price Index (PPI).

When the government publishes the measure of inflation, the measure is expressed as a price index value. For this reason, you must enter the measure for each month as an index value in the Value % field. Do not enter the inflation measure as a percentage. You must enter a new value each month when the government publishes the price index value for the month.

The Mass Revaluation process uses the price index values to calculate the revaluation rate for the period that you are adjusting.

If the base value of a price index changes, the entire index must be re-expressed according to the new base, including previous periods.

> **See also:** Defining Price Indexes, Price Index Listing, *Oracle Assets User Guide*



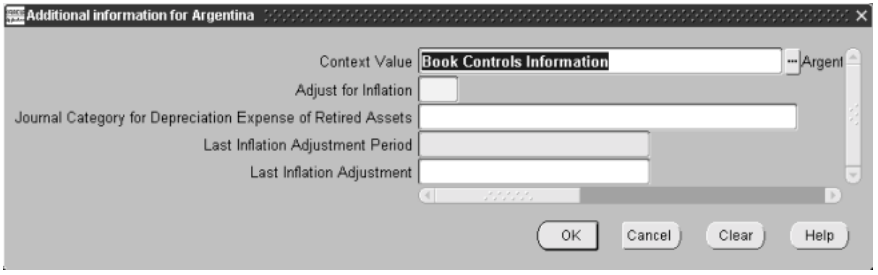
To define a price index:

1. Navigate to the Price Indexes window.
2. Enter the index name that you want to define in the Index field.
3. Enter the price index value for the inflation measure from the government in the Value % field.

   Note: You must enter the inflation measure for each period as an index value in the Value % field. Do not enter the inflation measure as a percentage.

4. In the From Date and To Date fields, enter the dates that this index value is effective for. If you leave the To Date field blank, the index value is effective indefinitely.
5. Save your work.

Set Up Depreciation Books



Use the Book Controls window and the globalization flexfield to set up your depreciation books for inflation adjustment. You can enable or disable inflation adjustment at depreciation book level. If you enable inflation adjustment for a depreciation book, you can choose to enable or disable inflation adjustment for individual asset categories and assets when you define them. If you disable inflation adjustment for a depreciation book, none of the assets in that book can be adjusted.

For more instructions on setting up depreciation books in your country, see your country-specific user guide.

See also: Set Up Depreciation Books, *Oracle Financials for Argentina User Guide*

See also: Set Up Depreciation Books, *Oracle Financials for Chile User Guide*

See also: Set Up Depreciation Books, *Oracle Financials for Colombia User Guide*

See also: Set Up Depreciation Books, *Oracle Financials for Mexico User Guide*

Set Up Asset Categories

Use the Asset Categories window with the globalization flexfield and the Default Depreciation Rules window to set up your asset categories for inflation adjustment. In the Asset Categories window, you can specify the revaluation reserve account that you want to use to offset the inflation adjustments for assets in a category in a particular depreciation book.

In the globalization flexfield, you can enable or disable inflation adjustment for the asset category in a particular depreciation book. If you enable inflation adjustment for an asset category in a book, you can choose to enable or disable inflation adjustment for individual assets when you define them. If you disable inflation adjustment for an asset category in a book, none of the assets in that category can be adjusted in that book.

In this way, you can choose to adjust an asset category in one depreciation book while preventing the same asset category from being adjusted in another book. You can also choose to adjust some asset categories in a depreciation book for inflation while preventing other categories in the same book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book, however, none of the asset categories in that book can be adjusted.

In the Default Depreciation Rules window, you can assign a price index to the asset category. The price index is used to calculate the inflation rate for all the assets in this asset category.

For more instructions on setting up asset categories in your country, see your country-specific user guide.

See also: Set Up Asset Categories, *Oracle Financials for Argentina User Guide*

See also: Set Up Asset Categories, *Oracle Financials for Chile User Guide*

See also: Set Up Asset Categories, *Oracle Financials for Colombia User Guide*

See also: Set Up Asset Categories, *Oracle Financials for Mexico User Guide*

Define Inflation Start Dates

The inflation start date for an asset specifies when inflation begins to impact an asset. The asset is adjusted for inflation from this date onward.

The inflation start date is generally the same date as the date placed in service. You can, however, define an inflation start date that is different than the date placed in service. For example, if you enter an asset that is already in service and that has already been adjusted for inflation, you can set the inflation start date to an appropriate date to begin calculating new inflation adjustments in Oracle Assets.

The inflation start date for an asset can be earlier than the period when you add the asset. The first time you adjust that asset for inflation, Oracle Assets calculates the inflation adjustment for the entire time from the inflation start date through the current period. After the first inflation adjustment, Oracle Assets calculates the adjustment amount for each period from the previous period to the current period.

> **Note:** You can define an inflation start date that is in a previous fiscal year. All inflation adjustments are recorded in the current fiscal year, however, even if the adjustments apply to a previous fiscal year.

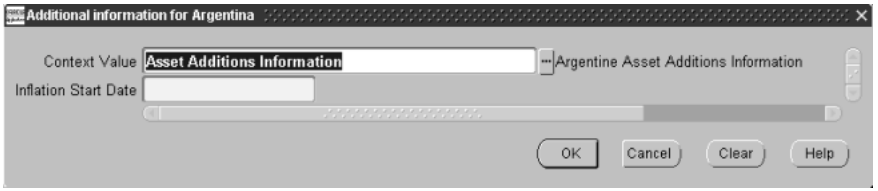
If you define an inflation start date that is later than the period when you add the asset, however, Oracle Assets does not use the inflation start date when you adjust the asset for inflation for the first time, in the period following the addition period. Instead, Oracle Assets calculates the first inflation adjustment only for the time from the addition period to the following period.

Oracle Assets only uses the inflation start date the first time you adjust an asset for inflation. If you change the inflation start date after you adjust the asset for the first time, you must enter a manual cost adjustment in your adjusted depreciation book to correct the inflation adjustment for the asset according to the new date.

Use the globalization flexfield to define the inflation start date for each of your assets. You can navigate to the globalization flexfield while using any of these windows:

- QuickAdditions
- Asset Details
- Mass Additions

The inflation start date is defined at asset level. This date remains the same for the asset in every depreciation book.

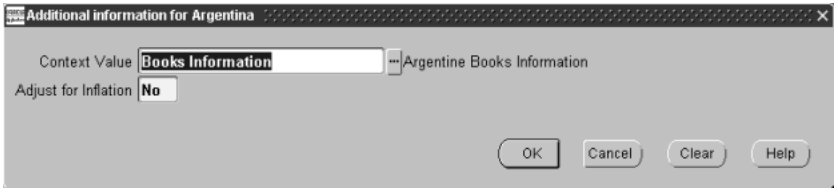


To define the inflation start date for an asset:

1. Navigate to the QuickAdditions window, the Asset Details window, or the Mass Additions window.
2. Enter information for the asset you want to add.
3. Navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page B-2.
4. Enter the inflation start date for the asset in the Inflation Start Date field.
5. Press the OK button.

See also: Asset Setup Processes (Additions), *Oracle Assets User Guide*

Set Up Assets in a Depreciation Book



Use the globalization flexfield on the Books window off the Asset Workbench to enable or disable inflation adjustment for individual assets. You enable or disable inflation adjustment for an asset in a particular depreciation book.

In this way, you can choose to adjust an asset in one depreciation book while preventing the same asset from being adjusted in another book. You can also choose to adjust some assets in a certain category in a depreciation book for inflation while preventing other assets in the same category and book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book or an entire category in a book, however, none of the assets in that book or category can be adjusted.

For more instructions on setting up assets in your country, see your country-specific user guide.

> **See also:** Set Up Assets in a Depreciation Book, *Oracle Financials for Argentina User Guide*
>
> **See also:** Set Up Assets in a Depreciation Book, *Oracle Financials for Chile User Guide*
>
> **See also:** Set Up Assets in a Depreciation Book, *Oracle Financials for Colombia User Guide*
>
> **See also:** Set Up Assets in a Depreciation Book, *Oracle Financials for Mexico User Guide*

Adjusting Assets for Inflation

Complete these steps to adjust your assets for inflation. You should adjust your assets for inflation regularly once each period. You can perform the Mass Revaluation process to create the inflation adjustments either at the beginning or at the end of the period.

To adjust assets for inflation:

1. Run the Calculate Gains and Losses program to ensure that accumulated depreciation for reinstated assets is correct.

   Note: Oracle Assets also runs the Calculate Gains and Losses program automatically as part of the depreciation process to close a period. If you run the Mass Revaluation process to adjust your assets at the beginning of the period, just after running depreciation, you do not need to run the Calculate Gains and Losses program again separately.

2. Run the Mass Revaluation process to revalue the cost, accumulated depreciation, and depreciation expense for your assets.
3. Perform standard Oracle Assets procedures, such as capitalizing CIP assets, at the end of the period. If your country requires assets to be adjusted for inflation in their retirement period, you should also retire assets at this point, after you run the Mass Revaluation process, but before you run depreciation.
4. Run depreciation in your adjusted book.
5. Run the standard Create Journal Entries process to transfer the journal entries created by Oracle Assets transactions to General Ledger.
6. Run the Latin American Fixed Assets Inflation Adjustment of Retired Assets program to adjust the depreciation expense amounts for assets that were retired during the current fiscal year.
7. Run the Journal Import process to import the inflation adjustment journal entries for retired assets' depreciation expense into General Ledger.
8. If you use the historical/adjusted option, run the Regional Fixed Assets Inflation Adjusted Asset Summary report to compare the historical and inflation-adjusted amounts for cost, accumulated depreciation, and year-to-date depreciation expense.

Note: In Colombia, some of the steps for adjusting your assets for inflation are different from the steps listed here. The differences are due to Colombian legal requirements.

For example, since the Colombian government abolished inflation adjustment for gain/loss accounts, you must not use the Latin American Fixed Assets Inflation Adjustment of Retired Assets program in Colombia.

For more information about the steps for adjusting your assets for inflation in Colombia, see your Colombian user guide.

See also: Adjusting Assets for Inflation, *Oracle Financials for Colombia User Guide*

Running the Calculate Gains and Losses Program

Before you run Mass Revaluation to adjust your assets for inflation, run the standard Calculate Gains and Losses program to correct the accumulated depreciation for reinstated assets. You can submit the Calculate Gains and Losses program from the Calculate Gains and Losses window.

> **See also:** Calculating Gains and Losses for Retirements, *Oracle Assets User Guide*

Revaluing Assets

Run the standard Oracle Assets Mass Revaluation process to revalue the cost, accumulated depreciation, and depreciation expense for your assets. You can run the Mass Revaluation process from the Mass Revaluations window.

The JL: Perform Inflation Adjustment profile option for your Oracle Assets responsibility must be set to *Yes* in order for Oracle Assets to calculate the revaluation rate automatically. For more information, see Enable Automatic Revaluation Rate Calculation on page 4-14.

If you set the JL: Perform Inflation Adjustment profile option to *Yes*, you do not need to enter a revaluation percentage rate in the Rate % field to adjust your assets for inflation. If you do enter a value in the Rate % field, the value is deleted when you run the Mass Revaluation process. Instead, Oracle Assets automatically calculates the revaluation rate for each asset using the index values from the price index assigned to the asset category.

You can use the JL: Inflation Ratio Precision profile option to define the number of decimal positions for the precision of the inflation rate calculation. Oracle Assets truncates the rate at the number of decimal positions you choose. For more information, see Define Inflation Ratio Precision on page 4-15.

Different countries use different formulas to calculate the inflation rate from the index values. Oracle Assets selects the formula for the inflation rate calculation according to the country that you defined in the JG: Country Code profile option. For more information, see the *Oracle Financials Country-Specific Installation Supplement*.

> **Note:** If you disable automatic revaluation rate calculation by setting the JL: Perform Inflation Adjustment profile option to *No*, you can still use the Mass Revaluation process to adjust your assets for inflation. In this case, however, you must enter the revaluation rate and other asset information manually in the Mass Revaluations window.

You can use the globalization flexfield in the Book Controls window to check whether the Mass Revaluation process has been run for the latest period. After you perform inflation adjustment for a book, the period name for the most recent time you ran the Mass Revaluation process appears in the Last Inflation Adjustment Period field, and the revaluation ID for the most recent time you ran the Mass

Revaluation process appears in the Last Inflation Adjustment field. For more information, see your country-specific user guide.

See also: Set Up Depreciation Books, *Oracle Financials for Argentina User Guide*

See also: Set Up Depreciation Books, *Oracle Financials for Chile User Guide*

See also: Set Up Depreciation Books, *Oracle Financials for Colombia User Guide*

See also: Set Up Depreciation Books, *Oracle Financials for Mexico User Guide*

Inflation Start Date

The inflation start date for an asset specifies when inflation begins to impact an asset. You can define an inflation start date for an asset that is earlier than the period when you add the asset.

The first time you adjust that asset for inflation, Oracle Assets calculates the inflation adjustment for the entire time from the inflation start date through the current period. After the first inflation adjustment, Oracle Assets calculates the adjustment amount for each period from the previous period to the current period.

If you define an inflation start date that is later than the period when you add the asset, however, Oracle Assets does not use the inflation start date when you adjust the asset for inflation for the first time, in the period following the addition period. Instead, Oracle Assets calculates the first inflation adjustment only for the time from the addition period to the following period.

Improvements

If you make an improvement to an asset that you enabled inflation adjustment for, you can create a child asset with the original asset as its parent and enter the cost adjustment for the improvement as the cost of the child asset. Enter the date of the improvement as the date placed in service and as the inflation start date, and enable inflation adjustment for the child asset.

If you are using both a historical and an adjusted depreciation book, create the child asset in the historical book. The Mass Copy process does not copy changes to asset cost if the cost in the corporate book is different from the cost in the tax book, but

entering the cost adjustment amount as a child asset lets you use the Mass Copy process to copy the child asset from the historical book to the adjusted book. You can then adjust the child asset for inflation as usual in the adjusted book.

Corrections

Oracle Assets also lets you change the cost of your assets directly if you need to make a correction other than a cost adjustment for an improvement.

If you are using both a historical and an adjusted depreciation book, you should correct the cost separately in each book. The Mass Copy process does not copy changes to asset cost if the cost in the corporate book is different from the cost in the tax book. Since the historical cost is usually different from the adjusted cost, Mass Copy does not copy cost corrections from the historical book to the adjusted book. Instead, you should make separate corrections in each depreciation book.

When you make a correction to the cost of an asset in a book where you enabled inflation adjustment for the asset, you must also include the effect of inflation on the amount of the correction. Calculate the inflation adjustment amount for the correction during the time from the date when the correction takes effect to the current period. Then add the inflation adjustment amount to the original correction amount to find the entire amount by which the asset cost must be changed.

If you make the correction after you perform inflation adjustment for the current period, you must calculate the inflation adjustment for the time from the date the correction takes effect up to and including the current period. If you make the correction before you perform inflation adjustment for the current period, you must calculate the inflation adjustment for the time from the date the correction takes effect up to but not including the current period.

Note: In Colombia, you must record historical cost amounts and inflation adjustment cost amounts in separate accounts for your assets. After you enter the entire amount of the change in the asset cost, create a manual journal entry to assign the original correction amount and the inflation adjustment amount to the appropriate accounts.

Reinstatements

If you reinstate a fully retired asset that you enabled inflation adjustment for, Oracle Assets reverses all the inflation adjustment transactions created for that asset by the Latin American Fixed Assets Inflation Adjustment of Retired Assets program. Then, the first time you adjust the asset for inflation after the reinstatement, Oracle Assets

calculates the inflation adjustment amounts for the entire time from the retirement date through the current period.

See also: Revaluing Assets, *Oracle Assets User Guide*

See also: Revaluing Assets, *Oracle Financials for Argentina User Guide*

See also: Revaluing Assets, *Oracle Financials for Chile User Guide*

See also: Revaluing Assets, *Oracle Financials for Colombia User Guide*

See also: Revaluing Assets, *Oracle Financials for Mexico User Guide*

Performing a What-If Analysis

Before you can perform the mass revaluation, you must run the Mass Revaluation Preview report to preview the effects of the revaluation. You can run the Mass Revaluation Preview report by pressing the Preview button in the Mass Revaluations window after you enter all the information for the Mass Revaluation process.

Since you can run the Mass Revaluation Preview report several times for the same depreciation book and period, you can do a what-if analysis with the report to check the impact that performing the mass revaluation with different index values has on your assets. You can enter new information in the Mass Revaluations window and rerun the Mass Revaluation Preview report as many times as you want.

When you are satisfied with the results of the Mass Revaluation Preview report, perform the revaluation by pressing the Run button in the Mass Revaluations window. You should only run the Mass Revaluation process once in each period for a depreciation book.

Note: If you submit the Mass Revaluation process again for the same period, Oracle Assets displays a message informing you that Mass Revaluation has already been run for that period. You can then decide whether or not to continue. If you run Mass Revaluation a second time for the same period, however, the adjustment is duplicated.

See also: Revaluing Assets, Mass Revaluation Preview and Review Reports, *Oracle Assets User Guide*

Performing Oracle Assets Procedures

Depending on your country's requirements, you should perform standard Oracle Assets procedures, such as capitalizing CIP assets and retiring assets, after you run Mass Revaluation to adjust your assets for inflation.

Capitalizing CIP Assets

You should perform capitalization for any CIP assets that are ready to be placed in service after you adjust these assets for inflation in the current period. Oracle Assets does not adjust a newly capitalized asset in the period in which the asset is capitalized. When you capitalize a CIP asset, you cannot adjust the asset for inflation until you run depreciation once for the asset.

To ensure that an asset is adjusted for inflation in all appropriate periods, you must not capitalize the asset until after you adjust the asset in the current period. The cost of the new asset should consist of all the inflation adjustment amounts in addition to the cost added to the asset through invoice lines.

> **See also:** Placing Construction-In-Process (CIP) Assets in Service, *Oracle Assets User Guide*

Retiring Assets

In some countries, assets must be adjusted for inflation in their retirement period. In those countries, you should retire assets at this point, after you run Mass Revaluation to adjust for inflation, but before you run depreciation.

See also: Retiring Assets, *Oracle Assets User Guide*

Running Depreciation

You should run the depreciation process for your assets after you adjust the assets for inflation, capitalize any CIP assets for the current period, and retire any assets for the current period. The depreciation amounts for a period should be calculated from the inflation-adjusted cost amounts rather than the original cost amounts. For this reason, if you enable inflation adjustment for a depreciation book, you must run Mass Revaluation to adjust the assets in that book for the current period before you can run depreciation for that book in that period in the Run Depreciation window.

Note: If you are using both a corporate depreciation book and a tax depreciation book, you must synchronize the open periods in the corporate and tax books to ensure that CIP information from the corporate book is copied to the correct period in the tax book. To help you ensure that your depreciation books are synchronized, Oracle Assets requires you to run depreciation in the tax book for the latest closed period in the corporate book before you can run depreciation again in the corporate book.

See also: Running Depreciation, *Oracle Assets User Guide*

See also: Construction-In-Process (CIP) Assets, *Oracle Assets User Guide*

Running the Create Journal Entries Process

After you run Mass Revaluation and complete other Oracle Assets procedures, run the standard Create Journal Entries process to create journal entries for Oracle Assets transactions and transfer the journal entries to General Ledger.

If you choose the historical / adjusted option in both Oracle Assets and General Ledger, you should transfer the journal entries from your historical depreciation book to your historical General Ledger set of books and the journal entries from your adjusted depreciation book to your adjusted General Ledger set of books. If you choose the historical / adjusted option in Oracle Assets and the adjusted-only option in General Ledger, you should transfer the journal entries from your adjusted depreciation book to your main General Ledger set of books. For more information, see Maintaining Both Historical and Inflation-Adjusted Amounts on page 4-7 and Maintaining Only Inflation-Adjusted Amounts on page 4-10.

Note: In Colombia, you should not run the standard Create Journal Entries process from your adjusted depreciation book. Instead, you should use the Colombian General Ledger Transfer process for the inflation adjustment journal entries from the adjusted depreciation book. For more information about adjusting your assets for inflation in Colombia, see your Colombian user guide.

See also: Transferring Inflation Adjustment Journal Entries to General Ledger, *Oracle Financials for Colombia User Guide*

Running the Latin American Fixed Assets Inflation Adjustment of Retired Assets Program

After you retire an asset, the depreciation expense amounts for that asset remain in the depreciation expense account until the end of the fiscal year. These depreciation expense amounts must be adjusted for inflation from the time the asset is retired through the end of the fiscal year.

Run the Latin American Fixed Assets Inflation Adjustment of Retired Assets program to adjust the depreciation expense amounts for assets that were retired during the current fiscal year. To submit the Latin American Fixed Assets Inflation Adjustment of Retired Assets program, choose Adjust Retirements from the <Country> Localization menu.

You should run the Latin American Fixed Assets Inflation Adjustment of Retired Assets program after you run depreciation. The process automatically selects the last closed period.

Note: Since the Colombian government abolished inflation adjustment for gain/loss accounts, you must not use the Latin American Fixed Assets Inflation Adjustment of Retired Assets program in Colombia.

See also: Adjusting Assets for Inflation, *Oracle Financials for Colombia User Guide*

Program Parameter

Book

Enter the depreciation book that you want to run the Latin American Fixed Assets Inflation Adjustment of Retired Assets program for.

Running the Journal Import Process

The Latin American Fixed Assets Inflation Adjustment of Retired Assets program creates inflation adjustment journal entries in the Oracle General Ledger interface table. Before you can see the journal entries, you must import them to Oracle General Ledger by running the Journal Import process.

See also: Importing Journals, *Oracle General Ledger User Guide*

Regional Fixed Assets Inflation Adjusted Asset Summary Report

Mexican Corporation — Regional Fixed Assets Inflation Adjusted Asset Summary — Report Date: 29-FEB-200 10:17
Period: JAN-00 — Page: 1 / 1

Book: MEX REV VI

Asset Number-Description	Cost: Historical	Cost: Period Inflation Adjustment	Cost: Inflation Adjusted	Accumulated Depreciation: Historical	Accumulated Depreciation: Period Inflation Adjustment	Accumulated Depreciation: Inflation Adjusted	YTD Depreciation: Historical	YTD Depreciation: Period Inflation Adjustment	YTD Depreciation: Inflation Adjusted
Category : MX BUILDING.MX BUILDINGS									
MX012-VI-OFFICE B	3,901,070	13,260	3,926,147	0	0	0	0	0	0
MX012-VI-OFFICE B	3,901,070	<2,446,764	3,926,147	0	0	0	0	0	0
Category MX BUILDING.MX BUILDINGS Totals :	7,802,140	<2,433,504	7,852,294	0	0	0	0	0	0
Category : MX FURNITURE AND FIXTURES.MX FURNITURES									
MX006-VI-FURNITUR	91,304	1,096	121,229	15,217	171	20,203	4,755	46	6,314
Category MX FURNITURE AND FIXTURES.MX FUR Totals :	91,304	1,096	121,229	15,217	171	20,203	4,755	46	6,314
Category : MX MACHINERY AND EQUIPMENT.MX MACHINERY									
MX001-VI-MACHINER	69,565,000	2,911,724	321,951,377	46,376,665	1,920,929	214,634,236	2,415,450	80,881	11,178,867
MX003-VI-MACHINER	1,729,130	34,546	3,819,798	468,307	9,116	1,034,526	60,040	960	132,631
MX004-VI-MACHINER	136,956	2,094	231,497	35,668	523	60,283	7,135	87	12,057
MX007-VI-MACHINER	1,834,782	19,517	2,158,047	127,418	1,220	149,864	63,710	542	74,932
MX009-VI-MACHINER	124,765	1,273	140,786	7,762	70	8,757	5,162	44	5,824
MX010-VI-MACHINER	11,625,850	110,409	12,208,044	322,940	2,300	339,112	322,940	2,300	339,112
MX011-VI-MACHINER	18,102,890	169,080	18,695,276	377,142	2,348	389,484	377,142	2,348	389,484
Category MX MACHINERY AND EQUIPMENT.MX MA Totals :	103,119,373	3,248,643	359,204,825	47,715,902	1,936,506	216,616,262	3,251,579	87,162	12,132,907
Category : MX VEHICLES.MX VEHICLES									
MX008-VI-AUTOMOBI	169,565	1,752	193,727	37,680	341	43,051	23,550	195	26,908
MX013-VI-AUTOMOBI	190,434	1,757	194,248	10,580	49	10,792	10,580	49	10,792
MX014-VI-AUTOMOBI	91,304	833	92,137	2,536	0	2,559	2,536	0	2,559
Category MX VEHICLES.MX VEHICLES Totals :	451,303	4,342	480,112	50,796	390	56,402	36,666	244	40,259
Report Totals :	111,464,120	820,577	367,658,460	47,781,915	1,937,067	216,692,867	3,293,000	87,452	12,179,480

*** End Of Report ***

If you use the historical / adjusted option, use the Regional Fixed Assets Inflation Adjusted Asset Summary report to compare the historical and inflation-adjusted amounts for your assets. The Regional Fixed Assets Inflation Adjusted Asset Summary report shows the inflation adjustment amounts that Oracle Assets calculated for the cost, accumulated depreciation, and depreciation expense of your assets in a given period. The report shows active capitalized and CIP assets for the period, as well as any assets that were retired during the fiscal year that the period belongs to.

The Regional Fixed Assets Inflation Adjusted Asset Summary report is sorted by asset category and asset number. Oracle Assets prints totals for each asset category.

Use the Standard Request Submission windows to submit the Regional Fixed Assets Inflation Adjusted Asset Summary report.

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

Report Parameters

Book
Enter the depreciation book that you want to report on. You can only choose a tax book for which you have enabled inflation adjustment.

Period
Enter the period that you want to report on.

Asset Category
Enter the asset category that you want to report on. Leave this parameter blank to report on all asset categories.

Assets
Enter the type of assets that you want to report on. Valid values are:

- **Capitalized** – Capitalized assets only
- **CIP** – CIP assets only
- **All –** Both capitalized and CIP assets

Report Headings

In this heading…	Oracle Assets prints…
Organization Name	The name of your organization
Book	The name of the tax depreciation book
Report Title	Inflation Adjusted Asset Summary Report
Period	The period name
Report Date	The date when you run the report
Page	The page number

Column Headings

In this column...	Oracle Assets prints...
Asset Number - Description	The number and description of the asset
Historical Cost	The historical cost of the asset

In this column...	Oracle Assets prints...
Period Inflation Adjustment to Cost	The inflation adjustment amount for cost in this period
Inflation Adjusted Cost	The adjusted cost, including the historical cost and all adjustment amounts to date
Historical Accumulated Depreciation	The accumulated depreciation corresponding to the asset's historical cost
Period Inflation Adjustment to Accumulated Depreciation	The inflation adjustment amount for accumulated depreciation in this period
Inflation Adjusted Accumulated Depreciation	The adjusted accumulated depreciation, including the historical depreciation and all adjustment amounts to date
Historical YTD Depreciation	The year-to-date depreciation expense corresponding to the asset's historical cost
Period Inflation Adjustment to YTD Depreciation	The inflation adjustment amount for year-to-date depreciation expense in this period
Inflation Adjusted YTD Depreciation	The adjusted year-to-date depreciation expense, including the historical year-to-date depreciation expense and the year-to-date adjustment amounts
Inflation Adjusted YTD Expense	The adjusted year-to-date depreciation expense, including the historical year-to-date depreciation expense and the year-to-date adjustment amounts

Row Headings

In this row...	Oracle Assets prints...
Category	The asset category name
Category <Name> Totals	The totals for the asset category
Report Totals	The totals for the report

Statutory Reports

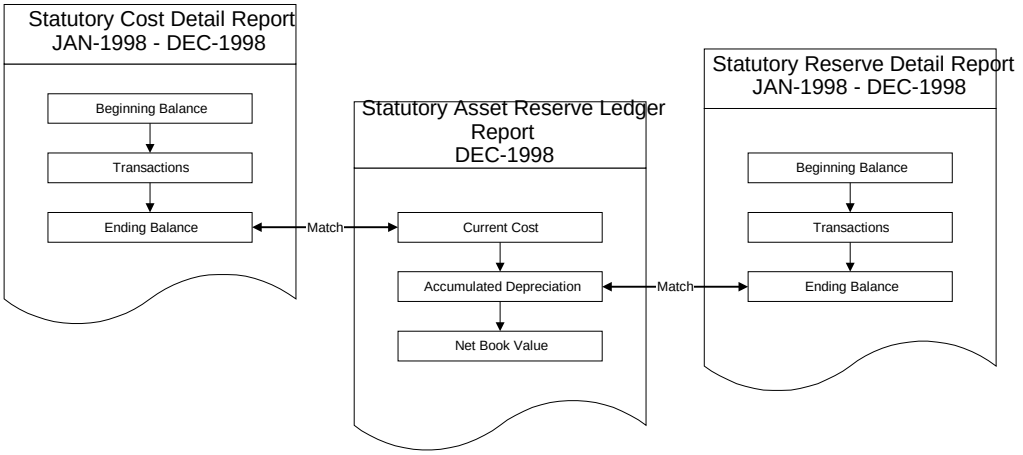
The tax authorities of certain countries require summary and detailed reports on fixed asset costs and accumulated depreciation. Oracle Assets provides statutory reports that help you meet this requirement:

- **Statutory Asset Cost Detail report** – provides information about period changes in fixed asset costs
- **Statutory Asset Reserve Detail report** – provides information about annual changes in fixed asset accumulated depreciation on all assets and optionally on parent accounts
- **Statutory Asset Ledger report** – provides summarized cost, accumulated depreciation, and net book value information for all assets and optionally on parent accounts

These three reports are designed to reconcile with each other to help you reconcile your fixed asset books with General Ledger account balances.

To reconcile the three reports, the Period that you specify for the Statutory Asset Ledger report must match the To Periods specified for the Statutory Asset Cost Detail and Statutory Asset Reserve Detail reports.

This figure shows how to reconcile the three reports:



To use the Statutory Asset reports precision feature, you must have a fixed parent account structure. You can also run the reports without printing parent totals.

For example, if you have a three-level parent account structure with widths of two characters each (2 char / 2 char / 2 char), do not set up child values that are the same width as the parent. The reports summarize cost information for the fixed parent accounts that you define in Oracle General Ledger.

If you are required to print official versions of these reports for submission to tax authorities, use paper that has the required statutory headers.

> **See also:** Greek Statutory Headings Report, *Oracle Financials for Greece User Guide*

Statutory Asset Ledger Report

```
Company:    GREEK ARG CORPARATE
                                                                                                      Report Date:    24-AUG-2000 08:14
                                                                                                             Page:               1 /     1
                                                                        Statutory Asset Ledger Report
Book:                 GR ARG
Period:               Apr-00
Set of Books:         ARG Corporate
Balancing Segment:    GR1


Asset                                        Asset       Account              Date Placed                                Accumulated        Net Book
Number      Asset Description                Account     Desc                 in Service          Current Cost                  Depr           Value Commitment       Investment Law
----------- ------------------------------ ----------- ------------------- ----------- ------------------ ------------------ ------------------ ------------ -------------
ARG0001     Mercedes Delivery Van            130200      Vans                 28-FEB-2000                   0                  0                  0 Fin. Loan 2136   Invest 1236a
ARG0002     Mercedes Sprinter Van            130200      Vans                 28-FEB-2000           1,050,000             65,625            984,375 None              None
ARG0004     Mercedes Sprinter Van            130200      Vans                 31-MAR-2000           1,000,000             75,000            925,000 Fin.Loan 2134    Interest Free
ARG0005     Mercedes Delux Van               130200      Vans                 30-APR-2000           9,000,000            156,250          8,843,750 Fin.Loan 2135    Interest Free
                                                                                       ------------------ ------------------ --------------
                                                     13 (Transportation Vehicles) Totals:          11,050,000            296,875         10,753,125


ARG0003      Dell Optiplex GX1                 140301       Personal Computers  31-MAR-2000           1,000,000             81,666            918,334
                                                                                      ------------------ ------------------ ------------------
                                                     14 (Furniture & Other Equipment)Totals:        1,000,000             81,666            918,334

                                                                              *** End of Report ***


                                                                               ------------------ ------------------ ------------------
                                        Page Totals for Account 14 (Furniture & Other Equipment):        1,000,000             81,666            918,334
                                                                      Cumulative Report Totals:         12,050,000            378,541         11,671,459
```

Use the Statutory Asset Ledger report to see summary asset information. The report provides summarized asset cost, accumulated depreciation, and net book value information for each asset, and optionally reports on all parent accounts.

Use the Standard Request Submission windows to submit the Statutory Asset Ledger report.

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

Report Parameters

Enter these parameters to specify the desired reporting options:

Official Run

Enter *Yes* to print the report on Official Statutory Report headed paper. Enter *No* to use normal report headings.

Book

Enter the Asset book that you want to use for this report.

Balancing Segment

Enter the balancing segment that you want to use for this report.

Period
Enter the period that you want to use for this report.

Parent Totals
Enter *Yes* to show parent account totals. Otherwise enter *No*.

Precision
If you entered *Yes* in the Parent Totals field, enter *Class*, *Class and Sub-class*, or *Class, Sub-class, and Group* to indicate the summary level to use for this report.

The Precision indicates the summary level that balances are reported on:

- **Class** – First summary level
- **Class and Sub-class** – First and second summary level
- **Class, Sub-Class, and Group** – First, second, and third summary level

Precision Width
If you entered *Yes* in the Parent Totals field, enter the precision width that you want to report on the summary level you entered.

The precision width indicates the number of account value digits to include at each summary or precision level. The number of digits reported is a combination of the values that you enter in the Precision and Precision Width parameters, and operates as a multiplier from the lowest precision width of 1. For a precision width of 2, the number of digits reported for each precision is twice that of precision width of 1; for precision width of 3, the number of digits reported is three times that of precision width 1. The maximum precision width is 8, because the accounting flexfield column width is 25 characters.

Example

Precision Width:	1	2	3	8
Digits per Precision				
Class:	1	2	3	8
Sub-class:	2	4	6	16
Group:	3	6	9	24

(continued)

Country
Enter your country code.

If your country uses global attributes for asset reporting, these two parameters contain a list of values for the country that you entered in the Country parameter. You enter global attributes for asset reporting in the globalization flexfield in the Asset Details window or the Quick Addition window.

1st Global Attribute
Enter the first global attribute that you want to include in the report.

2nd Global Attribute
Enter the second global attribute that you want to include in the report.

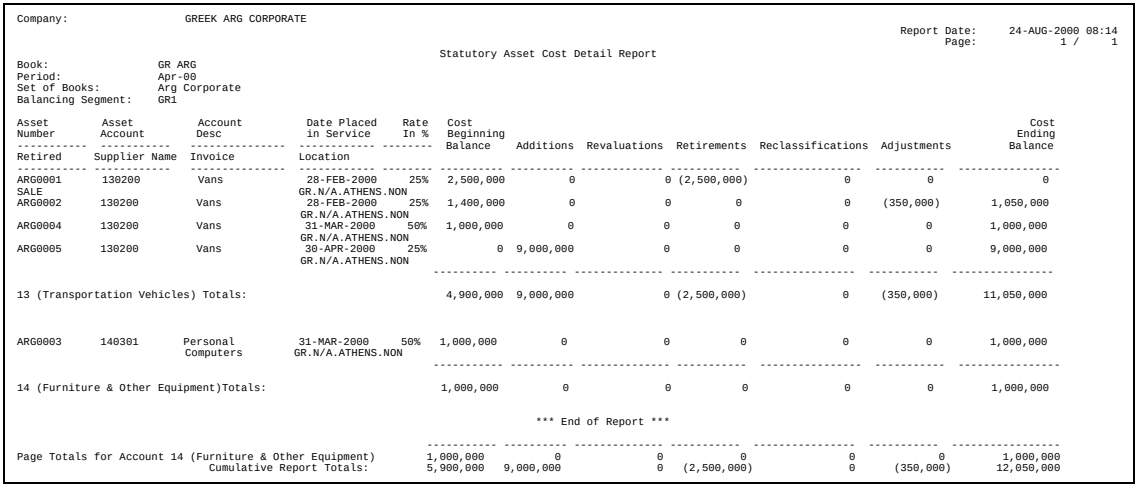
Report Headings

In this heading…	Oracle Assets prints…
Book	Depreciation book
Period	Periods included in this report
Set of Books	Set of books associated with the depreciation book
Balancing Segment	Balancing segment

Column Headings

In this column…	Oracle Assets prints…
Asset Number	Asset number
Asset Description	Asset description
Asset Account	Natural account segment of the asset cost account associated with the asset category and book
Account Desc	Asset cost account description
Date Placed in Service	Date placed in service of the asset
Current Cost	Asset cost as of the end of the specified period
Accumulated Depr	Accumulated depreciation as of the end of the specified period
Net Book Value	Asset net book value as of the end of the specified period
<Global Attribute Name>	First asset key segment parameter value
<Global Attribute Name>	Second asset key segment parameter value

Statutory Asset Cost Detail Report



Company: GREEK ARG CORPORATE

Report Date: 24-AUG-2000 08:14
Page: 1 / 1

Statutory Asset Cost Detail Report

Book: GR ARG
Period: Apr-00
Set of Books: Arg Corporate
Balancing Segment: GR1

Asset Number	Asset Account	Account Desc	Date Placed in Service	Rate In %	Cost Beginning Balance	Additions	Revaluations	Retirements	Reclassifications	Adjustments	Cost Ending Balance	Retired	Supplier Name	Invoice	Location
ARG0001	130200	Vans	28-FEB-2000	25%	2,500,000	0	0	(2,500,000)	0	0	0	SALE			GR.N/A.ATHENS.NON
ARG0002	130200	Vans	28-FEB-2000	25%	1,400,000	0	0	0	0	(350,000)	1,050,000				GR.N/A.ATHENS.NON
ARG0004	130200	Vans	31-MAR-2000	50%	1,000,000	0	0	0	0	0	1,000,000				GR.N/A.ATHENS.NON
ARG0005	130200	Vans	30-APR-2000	25%	0	9,000,000	0	0	0	0	9,000,000				GR.N/A.ATHENS.NON
13 (Transportation Vehicles) Totals:					4,900,000	9,000,000	0	(2,500,000)	0	(350,000)	11,050,000				
ARG0003	140301	Personal Computers	31-MAR-2000	50%	1,000,000	0	0	0	0	0	1,000,000				GR.N/A.ATHENS.NON
14 (Furniture & Other Equipment)Totals:					1,000,000	0	0	0	0	0	1,000,000				
*** End of Report ***															
Page Totals for Account 14 (Furniture & Other Equipment)					1,000,000	0	0	0	0	0	1,000,000				
Cumulative Report Totals:					5,900,000	9,000,000	0	(2,500,000)	0	(350,000)	12,050,000				

Use the Statutory Asset Cost Detail report to see period changes in fixed asset costs. The report provides additions, revaluations, retirements, reclassifications, cost adjustments, and ending balances on all fixed assets.

Use the Standard Request Submission windows to submit the Statutory Asset Cost Detail report.

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

See also: Running Standard Reports and Listings, *Oracle Assets User Guide*

Report Parameters

Enter these parameters to specify the desired reporting options:

Report Type

Enter *Statutory Asset Cost Detail Report* to run the Statutory Asset Cost Detail report.

Official Run

Enter *Yes* to print the report on Official Statutory Report headed paper. Enter *No* to use normal report headings.

Book

Enter the Asset book that you want to use for this report.

Balancing Segment

Enter the balancing segment that you want to use for this report.

From Period

Enter the first period range that you want to include in the report.

To Period

Enter the last period range that you want to include in the report.

Parent Totals

Enter *Yes* to show parent account totals. Otherwise enter *No*.

Precision

If you entered *Yes* in the Parent Totals field, enter *Class*, *Class and Sub-class*, or *Class, Sub-class, and Group* to indicate the summary level to use for this report.

The Precision indicates the summary level that balances are reported on:

- **Class** – First summary level
- **Class and Sub-class** – First and second summary level
- **Class, Sub-Class, and Group** – First, second, and third summary level

(continued)

Precision Width

If you entered *Yes* in the Parent Totals field, enter the precision width to use to report on the summary level that you entered.

The precision width indicates the number of account value digits to include at each summary or precision level. The number of digits reported is a combination of the values that you enter in the Precision and Precision Width parameters, and operates as a multiplier from the lowest precision width of 1. For a precision width of 2, the number of digits reported for each precision is twice that of precision width of 1; for precision width of 3, the number of digits reported is three times that of precision width 1. The maximum precision width is 8, because the accounting flexfield column width is 25 characters.

Example

Precision Width:	1	2	3	8
Digits per Precision				
Class:	1	2	3	8
Sub-class:	2	4	6	16
Group:	3	6	9	24

Asset Information

Enter *Short* to show one line per asset, or *Long* to show two lines per asset.

> **Note:** If you enter *Long*, the report only prints the column headings Supplier Name, Invoice Number, Location, and Retirement Reason.

Report Headings

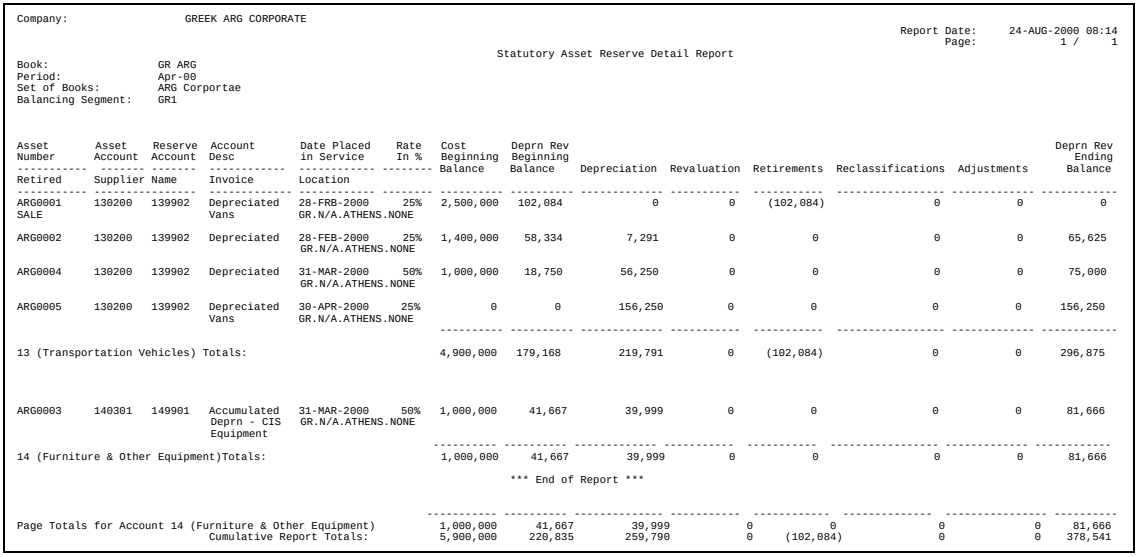
In this heading…	Oracle Assets prints…
Book	Depreciation book
Period Range	Periods included in this report
Set of Books	Set of books associated with the depreciation book
Balancing Segment	Balancing segment

Column Headings

Note: The Statutory Asset Cost Detail report only prints the column headings Supplier Name, Invoice Number, Location, and Retirement Reason if you entered *Long* in the Asset Info parameter.

In this column…	Oracle Assets prints…
Asset Number	Asset number
Asset Account	Natural account segment of the asset cost account
Account Desc	Description of the asset cost account
Date Placed in Service	Date placed in service of the asset
Rate in %	Asset depreciation rate
Retired	Retirement reason for the asset, if the asset was retired during the reported period
Supplier Name	Supplier for the asset associated with the Payables invoice
Invoice Number	Payables invoice numbers (if any) for the asset
Location	Active locations for the asset
Cost Beginning Balance	Asset cost at the start of the reported period
Additions	Addition cost of the asset
Revaluations	Changes in cost of the asset due to revaluations
Retirements	Total change in cost of the asset due to any full retirements, partial retirements, or reinstatements
Reclass.	Changes in cost of the asset due to reclassifications
Adjustments	Changes in cost of the asset due to adjustments
Cost Ending Balance	Asset cost at the end of the reported period

Statutory Asset Reserve Detail Report



Company: GREEK ARG CORPORATE

Report Date: 24-AUG-2000 08:14
Page: 1 / 1

Statutory Asset Reserve Detail Report

Book: GR ARG
Period: Apr-00
Set of Books: ARG Corportae
Balancing Segment: GR1

Asset Number	Asset Account	Reserve Account	Account Desc	Date Placed in Service	Rate In %	Cost Beginning Balance	Deprn Rev Beginning Balance	Depreciation	Revaluation	Retirements	Reclassifications	Adjustments	Deprn Rev Ending Balance
Retired	Supplier Name		Invoice	Location									
ARG0001	130200	139902	Depreciated	28-FRB-2000	25%	2,500,000	102,084	0	0	(102,084)	0	0	0
SALE			Vans	GR.N/A.ATHENS.NONE									
ARG0002	130200	139902	Depreciated	28-FEB-2000	25%	1,400,000	58,334	7,291	0	0	0	0	65,625
				GR.N/A.ATHENS.NONE									
ARG0004	130200	139902	Depreciated	31-MAR-2000	50%	1,000,000	18,750	56,250	0	0	0	0	75,000
				GR.N/A.ATHENS.NONE									
ARG0005	130200	139902	Depreciated	30-APR-2000	25%	0	0	156,250	0	0	0	0	156,250
			Vans	GR.N/A.ATHENS.NONE									
13 (Transportation Vehicles) Totals:						4,900,000	179,168	219,791	0	(102,084)	0	0	296,875
ARG0003	140301	149901	Accumulated Deprn - CIS Equipment	31-MAR-2000	50%	1,000,000	41,667	39,999	0	0	0	0	81,666
14 (Furniture & Other Equipment)Totals:						1,000,000	41,667	39,999	0	0	0	0	81,666

*** End of Report ***

Page Totals for Account 14 (Furniture & Other Equipment)	1,000,000	41,667	39,999	0	0	0	0	81,666
Cumulative Report Totals:	5,900,000	220,835	259,790	0	(102,084)	0	0	378,541

Use the Statutory Asset Reserve Detail report to see period changes in fixed asset accumulated depreciation between two periods. The report provides depreciation expenses, revaluations, retirements, reclassifications, reserve adjustments, and ending balances on all fixed assets.

Use the Standard Request Submission windows to submit the Statutory Asset Reserve Detail report.

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

See also: Running Standard Reports and Listings, *Oracle Assets User Guide*

Report Parameters

Enter these parameters to specify the desired reporting options:

Report Type

Enter *Statutory Asset Reserve Detail Report* to run the Statutory Asset Reserve Detail report.

Official Run

Enter *Yes* to print the report on Official Statutory Report headed paper. Enter *No* to use normal report headings.

Book

Enter the Asset book that you want to use for this report.

Balancing Segment

Enter the balancing segment that you want to use for this report.

From Period

Enter the first period range that you want to include in the report.

To Period

Enter the last period range that you want to include in the report.

Parent Totals

Enter *Yes* to show parent account totals. Otherwise enter *No*.

Precision

If you entered *Yes* in the Parent Totals field, enter *Class*, *Class and Sub-class*, or *Class, Sub-class, and Group* to indicate the summary level to use for this report.

The Precision indicates the summary level that balances are reported on:

- **Class** – First summary level
- **Class and Sub-class** – First and second summary level
- **Class, Sub-Class, and Group** – First, second, and third summary level

(continued)

Precision Width

If you entered *Yes* in the Parent Totals field, enter the precision width to use to report on the summary level that you entered.

The precision width indicates the number of account value digits to include at each summary or precision level. The number of digits reported is a combination of the values that you enter in the Precision and Precision Width parameters, and operates as a multiplier from the lowest precision width of 1. For a precision width of 2, the number of digits reported for each precision is twice that of precision width of 1; for precision width of 3, the number of digits reported is three times that of precision width 1. The maximum precision width is 8, because the accounting flexfield column width is 25 characters.

Example

Precision Width:	1	2	3	8
Digits per Precision				
Class:	1	2	3	8
Sub-class:	2	4	6	16
Group:	3	6	9	24

Asset Information

Enter *Short* to show one line per asset, or *Long* to show two lines per asset.

> **Note:** If you enter *Long*, the report only prints the column headings Supplier Name, Invoice Number, Location, and Retirement Reason.

Report Headings

In this heading…	Oracle Assets prints…
Book	Depreciation book
Period Range	Periods included in this report
Set of Books	Set of books associated with the depreciation book
Balancing Segment	Balancing segment

Column Headings

Note: The Statutory Asset Reserve Detail report only prints the column headings Supplier Name, Invoice Number, Location, and Retirement Reason if you entered *Long* in the Asset Info parameter.

In this column…	Oracle Assets prints…
Asset Number	Asset number
Asset Account	Natural account segment of the asset cost account
Reserve Account	Natural account segment of the reserve account
Account Desc	Description of the asset cost account
Date Placed in Service	Date placed in service of the asset
Rate in %	Asset depreciation rate
Retired	Retirement reason for the asset, if the asset was retired during the reported period
Supplier Name	Supplier for the asset associated with the Payables invoice
Invoice Number	Payables invoice numbers (if any) for the asset
Location	Active locations for the asset
Cost Beginning Balance	Original cost of the asset
Depr Rsv Beginning Balance	Asset depreciation reserve at the start of the reported period
Depreciation	Depreciation Expense of the asset
Revaluations	Changes in depreciation reserve of the asset due to revaluations
Retirements	Total change in depreciation reserve of the asset due to any full retirements, partial retirements, or reinstatements
Reclass.	Changes in depreciation reserve of the asset due to reclassifications

In this column…	Oracle Assets prints…
Adjustments	Changes in depreciation reserve of the asset due to adjustments
Depr Rsv Ending Balance	Asset depreciation reserve at the end of the reported period

DACH Asset Summary Report

GLOBAL COMPUTER, INC. — DACH Asset Summary Report — For JAN-00 To JUL-00 — The ending period is OPEN — Report Date : 01-AUG-2000 07:31:51 — Page : 1 of 1

Book : CORPORATE
Asset Type : CAPITALIZED
Category : BUILDING
Balancing Seg : 01

Asset Number	Original Cost	Additions to Cost	Retirements	Account Transfers	Appreciation	Accumulated Deprn	Deprn Expense	NBV End	NBV Begin
3265912	28,322.25	611,222.64	0.00	0.00	3,500.00	25,379.11	23,362.98	17,665.78	26,306.12
3278952	154,654.33	34,385.12	0.00	0.00	0.00	24,900.68	8,265.03	164,138.77	138,018.68
4358248	0.00	163,549.98	23,652.12	0.00	0.00	5,873.15	6,925.15	134,024.71	0.00
5362892	0.00	263,891.33	0.00	3,898.10	0.00	4,898.47	4,898.47	262,890.96	0.00
Balancing 01 :	182,976.58	1,073,049.07	23,652.12	3,898.10	3,500.00	61,051.41	43,451.63	1,178,720.22	164,324.80
Account 25180 :	182,976.58	1,073,049.07	23,652.12	3,898.10	3,500.00	61,051.41	43,451.63	1,178,720.22	164,324.80
BUILDING :	182,976.58	1,073,049.07	23,652.12	3,898.10	3,500.00	61,051.41	43,451.63	1,178,720.22	164,324.80
CAPITALIZED :	182,976.58	1,073,049.07	23,652.12	3,898.10	3,500.00	61,051.41	43,451.63	1,178,720.22	164,324.80
Report Total :	182,976.58	1,073,049.07	23,652.12	3,898.10	3,500.00	61,051.41	43,451.63	1,178,720.22	164,324.80

Use the DACH Asset Summary report to report the status of your fixed asset ledger to German, Austrian, or Swiss tax authorities. You can run the report annually or as often as needed, but only after you run depreciation for the period.

The report reconciles your fixed asset books with year-to-date General Ledger account balances and provides cost and depreciation information for the beginning of the fiscal year through the ending period that you select. For this time range, the report displays assets based on the date they are placed in service, not the date they are entered. Only books for which revaluation has not been run are supported.

The DACH Asset Summary report also includes transfers between balancing segments in the Account Transfers column so that you can transfer and share assets between balancing segments.

The report sorts assets by asset type, major category, cost account, and balancing segment.

Use the Standard Request Submission windows to submit the DACH Asset Summary report.

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

Appreciations and Special Depreciation

Use the Unplanned Depreciation feature to enter appreciation or any depreciation that is charged outside of the normal depreciation calculation. Set up the Unplanned Depreciation Type Lookups to distinguish the various reasons for additional depreciation, such as extraordinary depreciation and corrections. When you enter special depreciation on an asset in the Unplanned Depreciation window, choose the corresponding depreciation type in the Type field.

To enter appreciation on a debit asset, choose the *Appreciation* unplanned depreciation type in the Type field and enter a negative amount. For credit assets, enter a positive amount. The DACH Asset Summary report uses the value in the Type field to distinguish appreciation from other special types of depreciation and displays the appreciation amounts separately from depreciation amounts. If you enter appreciation but do not select *Appreciation* in the Type field, the report reduces the Depreciation Expense column amount as if you have entered a correction to depreciation.

There are several points to remember about reporting appreciations:

- Appreciations are reported only in the year that you select for the report. In following years, they are included in the Depreciation Reserve for the asset.
- Appreciations can never exceed the current cost of the asset.
- You must use the Reserve Adjustment window to enter appreciations and Going Concern Values after the close of the fiscal year. These appreciation amounts show up in the Depreciation Expense column, not in Appreciation.

See also: Unplanned Depreciation, *Oracle Assets User Guide*

Prerequisites

Before you run the DACH Asset Summary report:

- Specify Unplanned Depreciation Type Lookups in the Unplanned Depreciation window to distinguish special types of depreciation.
- Choose the *Appreciation* unplanned depreciation type and record a negative amount when you enter appreciation on a debit asset in the Unplanned Depreciation window.
- Check the Allow CIP Assets check box in your tax book.

Report Parameters

Asset Book
Enter the depreciation book that you want to report on. All active assets in the book are reported.

End Period
Choose the last accounting period that you want to report on. You will get depreciation and asset transactions information from the beginning of the fiscal year to the end of this period. You can choose an open period as well as a period in a prior fiscal year.

From Major Category
Choose the first major category segment value that you want to report on. The major category segments are alphanumerically sorted.

If you leave this parameter blank, all assets in the book that you selected are reported.

To Major Category
Choose the last major category segment value that you want to report on. The major category segments are alphanumerically sorted.

From Account
Choose the first asset or CIP cost account that you want to report on. Accounts are alphanumerically sorted.

If you leave this parameter blank, all assets in the book and categories that you selected are reported.

To Account
Choose the last asset or CIP cost account that you want to report on. Accounts are alphanumerically sorted.

Report Headings

In this heading...	Oracle Assets prints...
<Company Name>	The name of your company
<Report Title>	DACH Asset Summary Report
<Periods>	The first period of the fiscal year and the ending period that you selected

In this heading...	Oracle Assets prints...
<Period Status>	The ending period status, open or closed
Report Date	The date and time that you submitted the report
Page	The current page number and total number of pages
Book	The depreciation book that you selected
Asset Type	The asset type, capitalized or CIP
Category	The major category segment value
Account	The natural account segment
Balancing Segment	The balancing segment

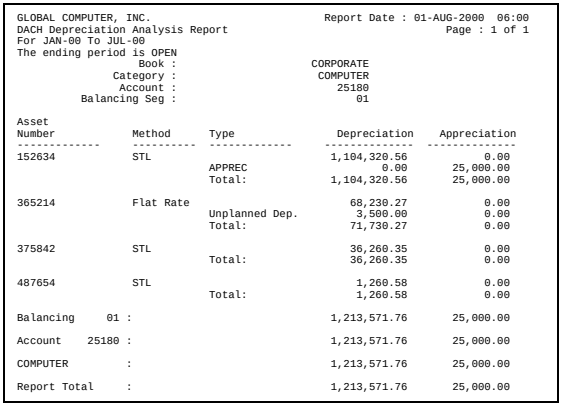
Column Headings

In this column...	Oracle Assets prints...
Asset Number	The asset number.
Original Cost	The cost of the asset at the beginning of your ending period's fiscal year.
Additions to Cost	The asset cost at the time of addition if the asset was placed in service between the beginning of the fiscal year and the end of your ending period.
Retirements	The total retired cost for retirement transactions.
Account Transfers	The sum of any cost that was transferred from one cost account to another or from one balancing segment to another.
Appreciation	The sum of appreciation amounts.
Accumulated Depreciation	The life-to-date depreciation, excluding any change in reserve due to appreciation. The beginning life-to-date depreciation includes any past appreciation amounts.
Depreciation Expense	The total depreciation expense. This value includes any type of unplanned depreciation but does not include any appreciation amounts.
NBV End	The net book value at the close of your ending period.
NBV Begin	The net book value at the beginning of the fiscal year.

Row Headings

In this row...	Oracle Assets prints...
<Balancing Segment>	The sum for the given balancing segment after all the assets for a particular balancing segment, cost account, and major category are printed
<Cost Account>	The sum for the given cost account after all the assets for a particular cost account and major category are printed
<Major Category>	The sum for the given major category after all the assets for a particular major category value are printed
Report Total	The grand totals

DACH Depreciation Analysis Report



GLOBAL COMPUTER, INC. Report Date : 01-AUG-2000 06:00
DACH Depreciation Analysis Report Page : 1 of 1
For JAN-00 To JUL-00
The ending period is OPEN
Book : CORPORATE
Category : COMPUTER
Account : 25180
Balancing Seg : 01

Asset Number	Method	Type	Depreciation	Appreciation
152634	STL		1,104,320.56	0.00
		APPREC	0.00	25,000.00
		Total:	1,104,320.56	25,000.00
365214	Flat Rate		68,230.27	0.00
		Unplanned Dep.	3,500.00	0.00
		Total:	71,730.27	0.00
375842	STL		36,260.35	0.00
		Total:	36,260.35	0.00
487654	STL		1,260.58	0.00
		Total:	1,260.58	0.00
Balancing 01 :			1,213,571.76	25,000.00
Account 25180 :			1,213,571.76	25,000.00
COMPUTER :			1,213,571.76	25,000.00
Report Total :			1,213,571.76	25,000.00

Use the DACH Depreciation Analysis report to confirm the status of your fixed asset ledger to German, Austrian, or Swiss tax authorities. You can run the report annually or as often needed.

The report reconciles your fixed asset books with General Ledger account balances. The DACH Depreciation Analysis report provides year-to-date effects on an accumulated depreciation account and displays detailed analysis of depreciation types for individual capitalized assets. For the beginning of the fiscal year through the ending period that you select, the report displays assets based on the date that the asset is placed in service, not the date that the asset is entered. Only books for which revaluation has not been run are supported

The DACH Depreciation Analysis report sorts assets by asset type, major category segment, cost account, and balancing segment.

Use the Standard Request Submission windows to submit the DACH Depreciation Analysis report.

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

Appreciations and Special Depreciation

Use the Unplanned Depreciation feature to enter appreciation or any depreciation that is charged outside of the normal depreciation calculation. Use the Unplanned Depreciation Type Lookups to distinguish between the various reasons for additional depreciation, such as extraordinary depreciation and corrections. When you enter special depreciation on an asset in the Unplanned Depreciation window, choose the corresponding depreciation type in the Type field.

To enter appreciation on a debit asset, choose the *Appreciation* unplanned depreciation type in the Type field and enter a negative amount. For credit assets, enter a positive amount. The DACH Depreciation Analysis report uses the value in the Type field to distinguish appreciation from other special types of depreciation and displays the appreciation amounts separately from depreciation amounts. If you enter appreciation but do not select *Appreciation* in the Type field, the report reduces the Depreciation column amount as if you have entered a correction to depreciation.

There are several points to remember about reporting appreciations:

- Appreciations are reported only in the year that you select for the report. In following years, they are included in the Depreciation Reserve for the asset.
- Appreciations can never exceed the current cost of the asset.
- You must use the Reserve Adjustment window to enter appreciations and Going Concern Values after the close of the fiscal year. These appreciation amounts show up in the Depreciation column, not in Appreciation.

See also: Unplanned Depreciation, *Oracle Assets User Guide*

Prerequisites

Before you run the DACH Depreciation Analysis report:

- Set up and assign names to non-standard depreciation methods in the Depreciation Methods window.
- Specify Unplanned Depreciation Type Lookups in the Unplanned Depreciation window to distinguish different types of special depreciation.
- Choose the *Appreciation* unplanned depreciation type and record a negative amount when you enter appreciation on a debit asset in the Unplanned Depreciation window.

(continued)

- Check the period range that you used to run the DACH Asset Summary report. You must run the DACH Depreciation Analysis report for the same range to reconcile the depreciation and appreciation columns with the corresponding totals for each asset in the DACH Asset Summary report.

Report Parameters

Asset Book
Enter the depreciation book that you want to report on. All active assets in the book are reported.

End Period
Choose the last accounting period that you want to report on. You will get year-to-date depreciation and depreciation amounts as of the end of this period. You can select an open period.

From Major Category
Choose the first major category segment value that you want to report on. The major category segments are alphanumerically sorted.

If you leave this parameter blank, all assets in the book that you selected are reported.

To Major Category
Choose the last major category segment value that you want to report on. The major category segments are alphanumerically sorted.

From Account
Choose the first asset or CIP cost account that you want to report on. Accounts are alphanumerically sorted.

If you leave this parameter blank, all assets in the book and categories that you selected are reported.

To Account
Choose the last asset or CIP cost account that you want to report on. Accounts are alphanumerically sorted.

Report Headings

In this column...	Oracle Assets prints...
<Company Name>	The name of your company
<Report Title>	DACH Depreciation Analysis Report
<Periods>	The first period of the fiscal year and the ending period that you selected
<Period Status>	The ending period status, open or closed
Report Date	The date and time that you submitted the report
Page	The current page number and total number of pages
Book	The depreciation book that you selected
Category	The major category segment value
Account	The natural account segment
Balancing Segment	The balancing segment

Column Headings

In this column...	Oracle Assets prints...
Asset Number	The asset number.
Method	The depreciation method and any unplanned depreciation from the period of addition.
Type	The unplanned depreciation type for depreciation or appreciation that you entered in the Unplanned Depreciation window.
Depreciation	The depreciation expense amounts, summarized by type. In the primary row - the year-to-date standard depreciation amount. In the subsequent rows - the unplanned depreciation amounts.
Appreciation	The total of all appreciation amounts.

Row Headings

In this column...	Oracle Assets prints...
<Balancing Segment>	The sum for the given balancing segment after all the assets for a particular balancing segment, cost account, and major category are printed
<Cost Account>	The sum for the given cost account after all the assets for a particular cost account and major category are printed
<Major Category>	The sum for the given major category after all the assets for a particular major category value are printed
Report Total	The grand totals

5

Additional Company Information

This chapter describes how to use additional company information in Oracle Financials.

Additional Company Information

In certain countries, for legal reporting and tax calculation purposes, you must record specific information about company legal entities.

- In Argentina, you must record company name and address information (street address, city, province/state, postal code, country), inception date (the date on which the company started), the company's VAT condition, federal tax payer ID number (CUIT), and the federal tax bureau office (DGI) code, which is the branch code of the tax authority in the jurisdiction in which the company operates.

  In Argentina, if the company has business sites in different provinces, each province can have a secondary ID number associated with it. If so, you must provide a province code, province name, and turnover tax ID for tax reporting purposes.

- In Chile, you must record company name and address information (city and region), the company's primary ID number, the name of the company's legal representative, the legal representative's ID number, and an inscription, which describes the type of business in which the company is involved.

- In Colombia, you must record company name and address information (street address, city, province/state, postal code, country), the city code (a 5-digit code of the Department and Municipality assigned by DIAN), an area code (a 5-digit code associated to the company address), a telephone number, the company's economic activity code, the company's primary ID number and validation digit, and the entity type, indicating whether the company is a legal, natural (a non-incorporated individual), or foreign entity.

- In Singapore, you must record company name and address information (street address, city, postal code, country) and telephone numbers.

  You can also optionally record name, title, and position of the GST tax registrant, bank code, bank account number, and tax filing period.

  You enter the GST registration number in the VAT Registration Number field in the Legal Accounting Entity alternative name region of the Organization window.

- In Taiwan, you must record company name and address information (city, street address, postal code, province, country), telephone and fax numbers, taxpayer ID, and name of the company owner.

  You enter the tax registration number in the VAT Registration Number field in the Legal Accounting Entity alternative name region of the Organization window.

- In Thailand, you must record company name and address information (street address, district, province, postal code, country) and telephone and fax numbers.

  You enter the taxpayer ID in the VAT Registration Number field in the Legal Accounting Entity alternative name region of the Organization window

You can use Oracle Financials to define additional company information to meet these legal requirements. You can define additional company information using any Oracle Financials module, such as Oracle HRMS, Oracle General Ledger, Oracle Payables, or Oracle Receivables.

Setting Up Additional Company Information

To record additional company information, you must perform these steps. Use this checklist to help you complete the appropriate steps in the correct order.

1 Set Profile Options on page 5-5

2 Set Up the Location on page 5-6

3 Define the Organization on page 5-20

4 Set Up Business Entity Relationships on page 5-21

Note: This step is only required for additional company information in Argentina.

5 Associate Company Information with Responsibilities on page 5-25

1. Set Profile Options

Use the System Profile Values window in the System Administrator responsibility to set profile options for additional company information.

If you do not use a security profile, set these profile options:

For this profile option...	Enter this value...
HR: User Type	■ HR User or ■ HR with Payroll User or ■ Payroll User
HR: Security Profile	Security Profile

Note: If you have installed Oracle Payroll and you use the HR security feature, set the HR: User Type profile option to either *HR with Payroll User* or *Payroll User.*

If you use a security profile, you do not need to set the HR: Security Profile option, since this option is seeded at the site level. The seeded security profile value is *Setup Business Group.*

See also: User Profiles, *Using Oracle HRMS - The Fundamentals*

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

2. Set Up the Location

Set up a location with additional company information required in your country.

Prerequisites

Before you can define the location, you must perform these prerequisite steps for your country.

Argentina

In Argentina, you must:

- Define lookup codes for the city with the lookup type code JLZZ_CITY, for the province with the lookup type code JLZZ_STATE_PROVINCE, and for the zone with the lookup type code JLZZ_ZONE. Use the Lookups window in the Application Developer responsibility to define lookup codes.
- Define your organization classes.

  See also: Organizations, *Oracle Receivables User Guide*

- Assign a branch number to each company location, if you use a point-of-sale branch numbering method.

  See also: Document Numbering Overview, *Oracle Financials for Argentina User Guide*

Chile

In Chile, you must define lookup codes for the city with the lookup type code JLZZ_CITY and for the region with the lookup type code JLZZ_STATE_PROVINCE. Use the Lookups window in the Application Developer responsibility to define lookup codes.

Colombia

In Colombia, you must define lookup codes for the city with the lookup type code JLZZ_CITY. Use the Lookups window in the Application Developer responsibility to define lookup codes.

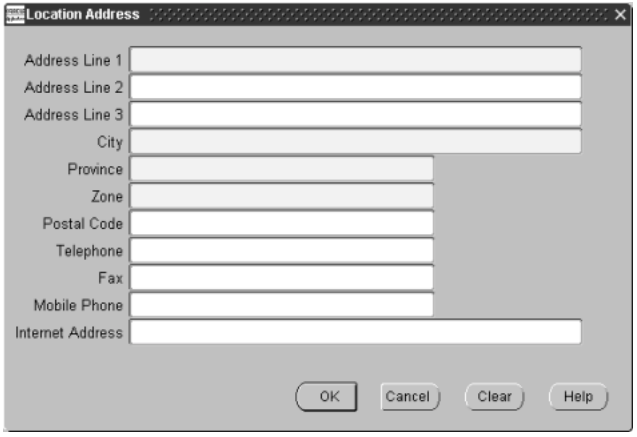
Defining the Location

Use the Location window and the globalization flexfield to define your company location according to the requirements for your country.

Argentina

To define the location in Argentina:

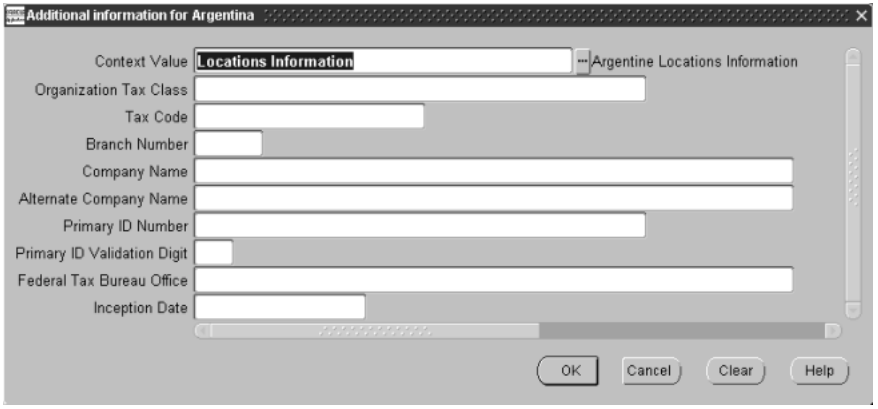
1. Navigate to the Location window.
2. Enter a location name in the Name field.
3. Select *Argentina* from the list of values in the Address Style field. The Location Address flexfield for Argentina appears.



4. Enter the street address for the company in the Address fields.
5. Enter the city in the City field.
6. Enter the province in the Province field.
7. Enter the zone in the Zone field. The zone is used for withholding tax purposes in Argentina.
8. Press the OK button.

(continued)

9. From the Location window, navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page B-2.



10. Enter the organization class in the Organization Class (Establishment Type) field.

11. Enter the tax code in the Tax Code field.

12. Enter the branch number in the Branch Number field.

> **Note:** The organization class, tax code, and branch number are used for tax treatment in Argentina and are required only for inventory locations. This information is not required for operating units.

13. Enter a company name in the Company Name field. Oracle Financials checks the company name that you enter to ensure that the name is unique for this country.

14. Enter the alternate company name, if any, in the Alternate Company Name field.

15. Enter the primary ID number in the Primary ID Number field.

> **Note:** If you enter a primary ID number, you must enter a value in the Company Name field.

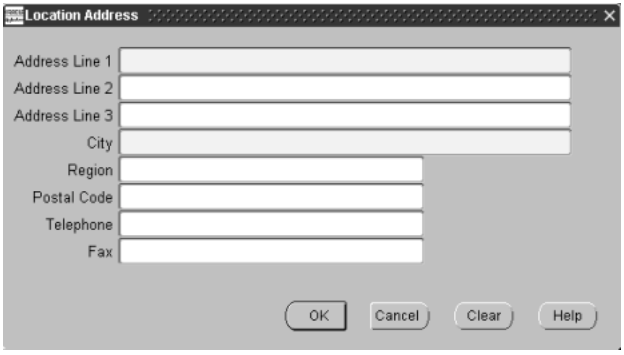
16. Enter the company's validation digit in the Primary ID Validation Digit field.
17. Enter the federal tax bureau office (DGI) code in the Federal Tax Bureau Office field.
18. Enter the company's inception date in the Inception Date field.
19. Press the OK button.
20. Save your work.

> **See also:** Withholding Tax in Argentina, *Oracle Financials for Argentina User Guide*

Chile

To define the location in Chile:

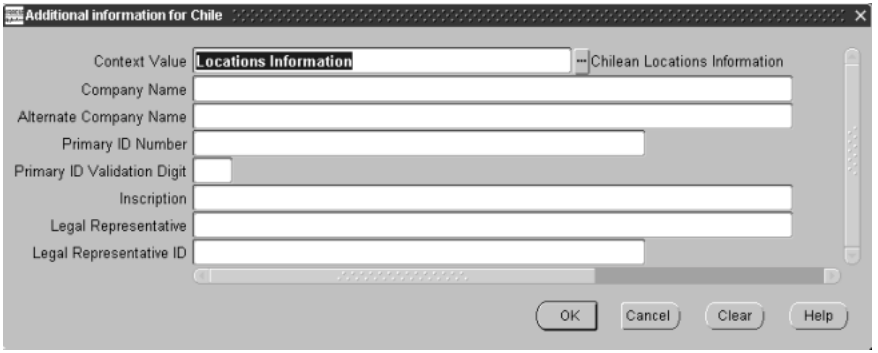
1. Navigate to the Location window.
2. Enter a location name in the Name field.
3. Select *Chile* from the list of values in the Address Style field. The Location Address flexfield for Chile appears.



4. Enter the street address for the company in the Address fields.
5. Enter the city in the City field
6. Press the OK button.

(continued)

7. From the Location window, navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page B-2.



8. Enter the company name in the Company Name field. Oracle Financials checks the company name that you enter to ensure that the name is unique for this country.
9. Enter the alternate company name, if any, in the Alternate Company Name field.
10. Enter the primary identification number in the Primary ID Number field.

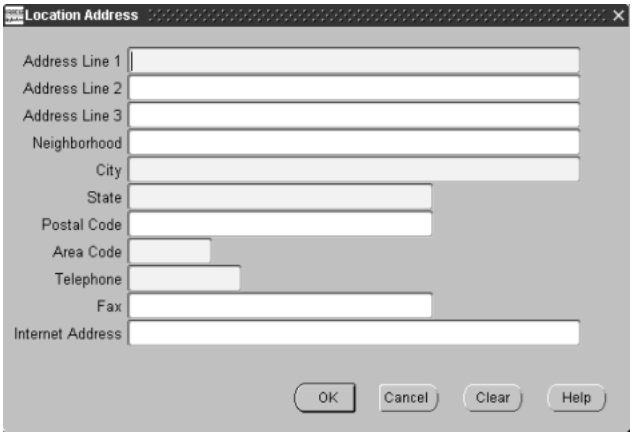
> **Note:** If you enter a primary ID number, you must enter a value in the Company Name field.

11. Enter the validation digit in the Primary ID Validation Digit field. Oracle Financials for Chile uses this digit to validate the tax identification number you entered.
12. Enter a brief description of the type of business in the Inscription field. This information is required for Chilean legal reports.
13. Enter the name of the company's legal representative in the Legal Representative field. This information is required for Chilean legal reports.
14. Enter the representative's identification number in the Legal Representative ID field. This information is required for Chilean legal reports.
15. Press the OK button.
16. Save your work.

Colombia

To define the location in Colombia:

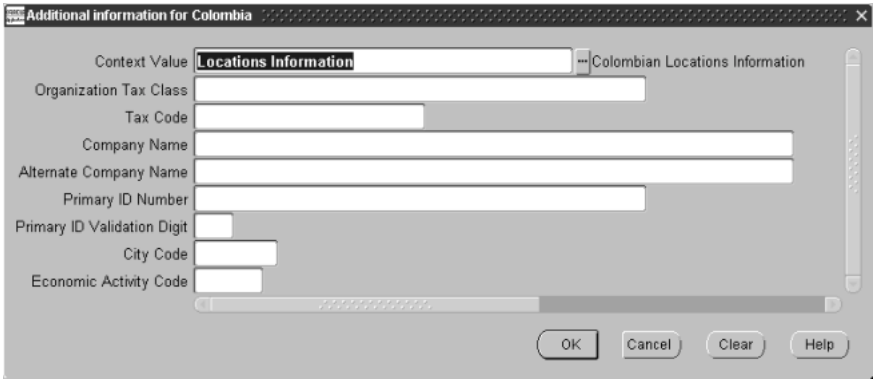
1. Navigate to the Location window.
2. Enter a location name in the Name field.
3. Select *Colombia* from the list of values in the Address Style field. The Location Address flexfield for Colombia appears.



4. Enter the street address for the company in the Address fields.
5. Enter the city in the City field.
6. Enter the state in the State field.
7. Enter the area code in the Area Code field.
8. Enter the company's telephone number in the Telephone field.
9. Press the OK button.

(continued)

10. From the Location window, navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page B-2.



11. Enter the organization class in the Organization Class (Establishment Type) field.
12. Enter the tax code in the Tax Code field.
13. Enter a company name in the Company Name field. Oracle Financials checks the company name that you enter to ensure that the name is unique for this country.
14. Enter the alternate company name, if any, in the Alternate Company Name field.
15. Enter the primary ID number in the Primary ID Number field.

> **Note:** If you enter a primary ID number, you must enter a value in the Company Name field.

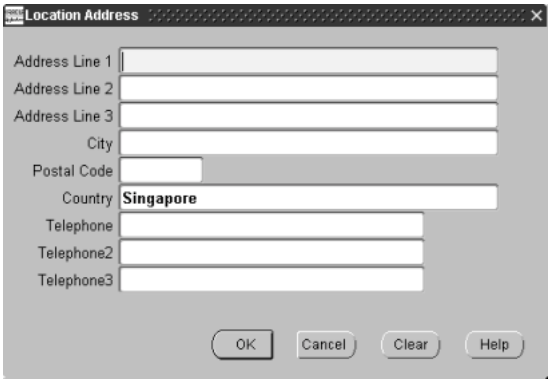
16. Enter the company's validation digit in the Primary ID Validation Digit field.
17. Enter the city code in the City Code field.
18. Enter the economic activity code in the Economic Activity Code field.
19. Press the OK button.
20. Save your work.

Singapore

In Singapore, you must first enter additional company information for a location, and then define this location as a legal entity and enter the GST registration number.

To define the location in Singapore:

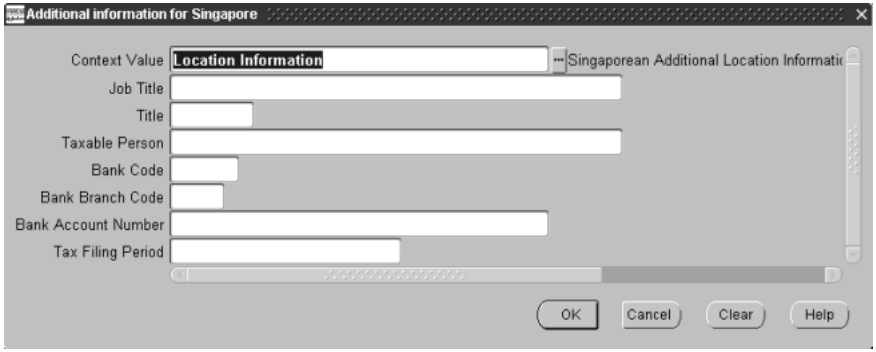
1. Navigate to the Location window.
2. Enter a location name in the Name field.
3. Select *Singapore* from the list of values in the Address Style field. The Location Address flexfield for Singapore appears.



4. Enter the street address for the company in the Address fields.
5. Enter the city in the City field.
6. Enter the postal code in the Postal Code field.
7. Enter the country in the Country field.
8. Enter company telephone numbers in the Telephone fields.
9. Press the OK button.

(continued)

10. From the Location window, navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page B-2.



11. Enter the title of the taxable person in the Title field.
12. Enter the name of the taxable person in the Taxable Person field.
13. Enter the job title of the taxable person in the Job Title field.
14. Enter the company bank code in the Bank Code field.
15. Enter the company bank account number in the Bank Account Number field.
16. Enter the company tax filing period by selecting the GL period type from the list of values in the Tax Filing Period field.
17. Press the OK button.
18. Save your work.

To define the location as a legal entity:

1. Navigate to the Organization window.

   The Find Organization window appears.
2. Select a legal entity from the list of values in the Name field.
3. Select a legal entity type from the list of values in the Type field.
4. Select the location that you defined above from the list of values in the Location field.

5. Select *GRE/Legal Entity* from the list of values in the Organization Classification field.
6. Press the Enabled radio button.
7. Press the New button.

   The Organization window appears with the information that you entered.
8. Navigate to the Organization Classification alternative region.
9. Select *GRE/Legal Entity*, then press the Others button.

   The Additional Organization Information dialog box appears.
10. Select *Legal Entity Accounting* from the list of values, then press the OK button.

    The descriptive flexfield appears.
11. Enter the GST registration number in the available field.
12. Press the OK button.
13. Save your work.

Taiwan

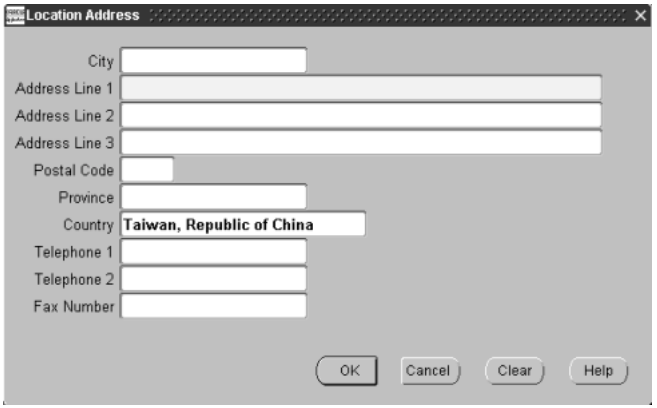
In Taiwan, you must first enter additional company information for a location, and then define this location as a legal entity and enter the tax registration number.

To define the location in Taiwan:

1. Navigate to the Location window.
2. Enter a location name in the Name field.

(continued)

3. Select *Taiwan* from the list of values in the Address Style field. The Location Address flexfield for Taiwan appears.



4. Enter the city in the City field.
5. Enter the street address for the company in the Address fields.
6. Enter the postal code in the Postal Code field.
7. Enter the province in the Province field.
8. Enter the country in the Country field.
9. Enter company telephone numbers in the Telephone fields.
10. Enter the company fax number in the Fax Number field.
11. Press the OK button.

    From the Location window, navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page B-2.

12. Enter the taxpayer ID in the Taxpayer ID field.

13. Enter the name of the company owner in the Taxable Person field.
14. Press the OK button.
15. Save your work.

To define the location as a legal entity:

1. Navigate to the Organization window.

   The Find Organization window appears.
2. Select a legal entity from the list of values in the Name field.
3. Select a legal entity type from the list of values in the Type field.
4. Select the location that you defined above from the list of values in the Location field.
5. Select *GRE/Legal Entity* from the list of values in the Organization Classification field.
6. Press the Enabled radio button.
7. Press the New button.

   The Organization window appears with the information that you entered.
8. Navigate to the Organization Classification alternative region.
9. Select *GRE/Legal Entity*, then press the Others button.

   The Additional Organization Information dialog box appears.
10. Select *Legal Entity Accounting* from the list of values, then press the OK button.

    The descriptive flexfield appears.
11. Enter the tax registration number in the available field.
12. Press the OK button.
13. Save your work.

Thailand

In Thailand, you must first enter location address information, and then define this location as a legal entity and enter the taxpayer ID.

To define the location in Thailand:

1. Navigate to the Location window.
2. Enter a location name in the Name field.
3. Select *Thailand* from the list of values in the Address Style field. The Location Address flexfield for Thailand appears.
4. Enter the street address for the company in the Address fields.
5. Enter the district in the District field.
6. Enter the province in the Province field.
7. Enter the postal code in the Postal Code field.
8. Enter the city in the City field.
9. Enter the country in the Country field.
10. Enter company telephone numbers in the Telephone field.
11. Enter the company fax number in the Fax Number field.
12. Press the OK button.
13. Save your work.

To define the location as a legal entity:

1. Navigate to the Organization window.

   The Find Organization window appears.
2. Select a legal entity from the list of values in the Name field.
3. Select a legal entity type from the list of values in the Type field.
4. Select the location that you defined above from the list of values in the Location field.
5. Select *GRE/Legal Entity* from the list of values in the Organization Classification field.
6. Press the Enabled radio button.

7. Press the New button.

   The Organization window appears with the information that you entered.

8. Navigate to the Organization Classification alternative region.

9. Select *GRE/Legal Entity*, then press the Others button.

   The Additional Organization Information dialog box appears.

10. Select *Legal Entity Accounting* from the list of values, then press the OK button.

    The descriptive flexfield appears.

11. Enter the taxpayer ID in the available field.

12. Press the OK button.

13. Save your work.

3. Define the Organization

Use the Organization window to define the organization as an operating unit. You define the organization as an operating unit regardless of whether you use multiple organizations (Multi-Org) or Multiple Sets of Books (MSOB). The organization must have a parent legal entity.

> **Note:** When defining an organization, you may either be defining a new organization, or revising an existing organization. If you are revising an existing organization and your organization uses Multi-Org, the organization that you use to store company information must be the same organization as the one used for data partitioning.

To define the organization:

1. Navigate to the Organization window.
2. Enter your company name in the Name field.
3. In the Location field, select the location in which your company information is defined.
4. Save your work.
5. Navigate to the Organization Classifications region.
6. Select *Operating Unit* from the list of values in the Name field.
7. Check the Enabled check box.
8. Save your work.
9. Press the Others button. The Additional Organization Information window appears.
10. Click the text field. The Operating Unit Information flexfield appears.
11. In the Legal Entity field, select the legal entity to which this organization belongs. The legal entity can be the same as the operating unit.
12. Press the OK button in the Operating Unit Information flexfield.
13. Press the OK button in the Additional Organization Information window.
14. Save your work.

4. Set Up Business Entity Relationships (Argentina only)

For Argentina only, if you are using one or more secondary numbers such as provincial tax identification numbers for tax identification purposes, you must set up business entity relationships by performing these steps:

- Define the issuing tax authority as a supplier with a type of *Tax Authority*.
- Define business entity relationships by associating business entities such as your company, your suppliers, and your customers with the secondary tax identification numbers.

Prerequisites

Before you set up your business entity relationships, you must perform these prerequisite steps.

- Define the business entities, including your location, suppliers, and customers.
- Assign taxpayer identification numbers to these business entities. For more information about taxpayer ID validation, see your country-specific user guide.

See also: Organization Management Overview, *Using Oracle HRMS - The Fundamentals*

See also: Suppliers, *Oracle Payables User Guide*

See also: Entering Customers, *Oracle Receivables User Guide*

Defining the Tax Authority

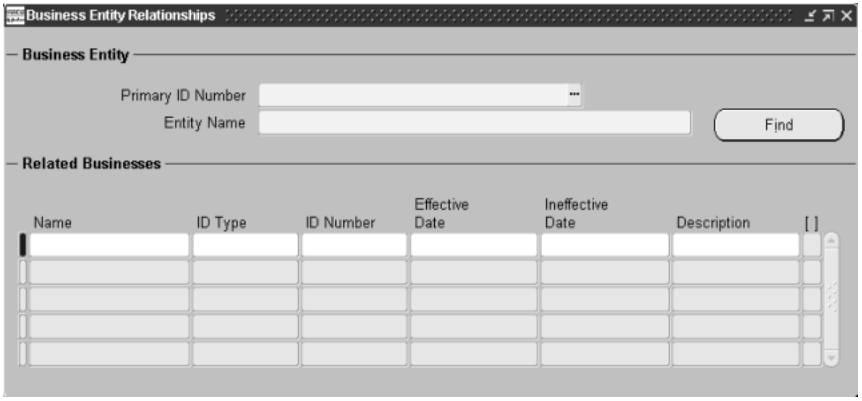
Define the tax authority that issued the secondary identification number as a supplier with a type of *Tax Authority*. Use the Suppliers window in the Payables responsibility to define a supplier. You can select a type in the Type field in the Classification alternate name region of the Suppliers window.

To prevent Oracle Payables from validating the taxpayer ID, leave the Taxpayer ID field blank.

See also: Suppliers, *Oracle Payables User Guide*

Defining Business Entity Relationships

To define a business entity relationship, associate a business entity with the tax authority that issued the secondary identification number. Use the Business Entity Relationships window to associate a business entity with a tax authority.



To define a business entity relationship:

1. Navigate to the Business Entity Relationship window.
2. Navigate to the Business Entity region.
3. In the Primary ID Number field, enter or query the primary ID for the business entity that you want. Do not include the validation digit. You can only enter a primary ID that already exists as a taxpayer ID for a location, a customer, or a supplier.

   The entity name appears in the Entity Name field.
4. Navigate to the Related Businesses region.
5. Select the tax authority from the list of values in the Name field.
6. Select the ID type from the list of values in the ID Type field.
7. Enter the secondary tax ID number in the ID Number field.
8. Enter a start date in the Effective Date field. This field defaults to the system date.

(continued)

9. Enter an end date in the Ineffective Date field.
10. Enter a description in the Description field.
11. Save your work.

5. Associate Company Information with Responsibilities

Associate your company information with your Oracle Financials responsibilities by setting an operating unit profile option. If you use multiple organizations (Multi-Org), set the MO: Operating Unit profile option. If you use multiple sets of books (MSOB), set the JG: Company Operating Unit profile option.

Set your operating unit profile option to the name of the organization associated with the location in which the company information is defined. Use the System Profile Values window in the System Administrator responsibility to set the profile option.

> **See also:** Overview of User Profiles, *Oracle Applications User Guide*

A

Standard Navigation Paths

This appendix describes how to navigate to each window in Oracle Financials for Asia/Pacific, Europe, and Latin America.

Standard Navigation Paths

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

Window Name	Navigation Path
Accounting Models	<Country> General Ledger: <Country> Localization > Setup > Accounting Models
Associate Latin Tax Category with Conditions and Values	<Country> Receivables: <Country> Localization > Setup > Latin Tax > Conditions and Values
Associate Latin Tax Legal Messages	<Country> Receivables: <Country> Localization > Setup > Tax > Latin Tax > Legal Messages
Business Entity Relationship	Argentine Receivables: Argentine Localization > Company Information > Business Relationships
Contra Charges	Oracle Receivables: <Country> Localizations > Contra Charging
Define Journal Allocations	<Country> General Ledger: Localization > Journal Allocations
Inflation Adjustment	<Country> General Ledger: <Country> Localization > Run Inflation Adjustment
Interest Invoice Batches	<Country> Oracle Receivables: <Country> Localizations > Maintain Batches
Latin Fiscal Classifications	<Country> Receivables: <Country> Localization > Setup > Latin Tax > Fiscal Classifications
Latin Locations	<Country> Receivables: <Country> Localization > Setup > Tax > Latin Tax > Locations
Latin Tax Categories	<Country> Receivables: <Country> Localization > Setup > Latin Tax > Categories
Latin Tax Category Details	<Country> Receivables: <Country> Localization > Setup > Tax > Latin Tax > Category Details

Latin Tax Category Schedules	<Country> Receivables: <Country> Localization > Setup > Tax > Latin Tax > Category Schedules
Latin Tax Condition Classes	<Country> Receivables: <Country> Localization > Setup > Latin Tax > Condition Classes
Latin Tax Customer Site Tax Profile	<Country> Receivables: <Country> Localization > Setup > Latin Tax > Tax Profiles
Latin Tax Exceptions by Customer Sites	<Country> Receivables: <Country> Localization > Setup > Tax > Latin Tax > Exceptions > Customer Site
Latin Tax Exceptions by Fiscal Classification	<Country> Receivables: <Country> Localization > Setup > Tax > Latin Tax > Exceptions > Fiscal Classification
Latin Tax Exceptions by Items	<Country> Receivables: <Country> Localization > Setup > Tax > Latin Tax > Exceptions > Item
Latin Tax Exceptions by Transaction Condition Values	<Country> Receivables: <Country> Localization > Setup > Tax > Latin Tax > Exceptions > Trans Condition Value
Latin Tax Groups	<Country> Receivables: <Country> Localization > Setup > Latin Tax > Groups
Latin Tax Rules	<Country> Receivables: <Country> Localization > Setup > Latin Tax > Rules
Location	<Country> Receivables: <Country> Localization > Company Information > Location
Maintain Interest Invoice Rates	<Country> Oracle Receivables: <Country> Localizations > Maintain Rates
Organization	<Country> Receivables: <Country> Localization > Company Information > Organization
Price Indexes	<Country> General Ledger: <Country> Localization > Inflation Adjustment > Price Indexes or Oracle Assets: Setup > Asset System > Price Indexes
Reconciliation Lines	<Country> General Ledger: <Country> Localization > Manual Reconciliation

If you have upgraded from a Character Mode version of Oracle Applications, see Character Mode to GUI Navigation Paths on page D-2 for a cross reference between character mode menu paths and Release 11*i* navigation paths.

B

Using Globalization Flexfields

This appendix describes how to use globalization flexfields.

Using Globalization Flexfields

Oracle Financials uses globalization flexfields that let you enter country-specific information in Oracle Receivables, Oracle Assets, and other Oracle Financials modules. Your system administrator should complete setup steps to enable globalization flexfields for your country-specific responsibilities.

> **See also:** Setting Up Globalization Flexfields, *Oracle Financials Country-Specific Installation Supplement*

There are globalization flexfields on these windows:

Oracle Receivables

- Customer Addresses
- Customers - Standard
- Master Item
- Receipts
- Standard Memo Lines
- System Options
- Tax Codes and Rates
- Transactions
- Transaction Types

Oracle Assets

- Asset Categories
- Asset Details
- Book Controls
- Books
- Mass Additions
- QuickAdditions

All Oracle Financials Modules

- Location

The globalization flexfield appears in the window after you complete all setup steps to enable globalization flexfields. The globalization flexfield is enclosed in round brackets. Click in the globalization flexfield to display the flexfield window.

C

Profile Options

This appendix lists the profile options that affect the operation of Oracle Financials Common Country Features. 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 Financials Common Country Features controls access to and processes data.

Note: To enable globalization flexfields within Oracle Financials Common Country Features, you must set the JG: Application, JG: Territory, and JG: Product profile options.

See also: Setting Up Globalization Flexfields, *Oracle Financials Country-Specific Installation Supplement*

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 levels your system administrator can update these profile options: 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?**
JG: Application	0		Y	Y	Y	Required	No Default
JG: Company Operating Unit	-		Y		Y	Required	No Default
JG: Contra - Include Future Dated Payments in Supplier Balance	0		Y	Y	Y	Required	No Default
JG: Contra - Include Receipts at Risk in Customer Balance	0		Y	Y	Y	Required	No Default
JG: Print Duplicate Invoices	-		Y			Required	No Default

Profile Options	User	System Administrator				Requirements	
	User	User	Resp	App	Site	Value Required?	Default Value Provided?
JG: Product	0		Y	Y	Y	Required	No Default
JG: Territory	0		Y	Y	Y	Required	No Default
JGZZ: Interest Invoice	Y		Y	Y	Y	Optional	No
JL: Copy and Void Invoice Program Timeout	-	-	Y	Y	Y	Optional	120 Seconds
JL: Copy Tax Identifier Number	-		Y			Required	No Default
JL: Inflation Ratio Precision	-		Y	Y	Y	Required	No Default
JL: Perform Inflation Adjustment	Y		Y	Y	Y	Required	No Default
JL: Tax ID Validation Failure	-		Y			Required	No Default
Key	Y	You can update the profile option					
	-	You can view the profile option but cannot change it					
	0	You cannot view or change the profile option value					

Country-Specific Profile Options

This section lists the profile options in Oracle Financials Common Country Features that are referenced in this user guide.

JG: Company Operating Unit

Associate your company information with your Oracle Financials responsibilities by setting the JG: Company Operating Unit profile option if you use multiple sets of books (MSOB). Set your operating unit profile option to the name of the organization associated with the location where company information is defined.

Use the System Profile Values window in the System Administrator responsibility to set the JG: Company Operating Unit profile option.

JG: Contra - Include Future Dated Payments in Supplier Balance

See Contra Charging Overview on page 3-53 for more information about this profile option.

JG: Contra - Include Receipts at Risk in Customer Balance

See Contra Charging Overview on page 3-53 for more information about this profile option.

JG: Print Duplicate Invoices

Set the JG: Print Duplicate Invoices profile option to Yes if you want to print only duplicate invoices (invoices which have already been printed once before). Set this profile option to No if you want to print only original invoices (invoices which have never been printed).

Use the System Profile Values window in the System Administrator responsibility to set the JG: Print Duplicate Invoices profile option at the Responsibility level.

JGZZ: Interest Invoice

Set the JGZZ:Interest Invoice profile option to Yes for the responsibility that you want to use Interest Invoice for.

Use the System Profile Values window in the System Administrator responsibility to define this profile option before you use Interest Invoice.

JL: Copy and Void Invoice Program Timeout

Use the JL: Copy and Void Invoice Program Timeout profile option to specify the amount of time between the end of the copy process and the start of the void process.

Use the System Profile Values window in the System Administrator responsibility to define the JL: Copy and Void Invoice Program Timeout profile option. The default value is 120 seconds.

JL: Copy Tax Identifier Number

Chile and Colombia use the JL: Copy Tax Identifier Number profile option at the Responsibility level to copy the taxpayer ID concatenated with the validation digit into the Customer Number field. You must also uncheck the Automatic Customer Numbering check box in the System Options window. See your country-specific user guide for more information about taxpayer ID validations.

Use the System Profile Values window in the System Administrator responsibility to define the JL: Copy Tax Identifier Number profile option.

JL: Inflation Ratio Precision

In some countries, companies are legally required to calculate inflation rates to a certain precision. Use the JL: Inflation Ratio Precision profile option to define the number of decimal positions for the precision of the inflation rate calculation. Oracle General Ledger and Oracle Assets round the rate to the number of decimal positions that you choose.

Use the System Profile Values window in the System Administrator responsibility to assign a value to the JL: Inflation Ratio Precision profile option.

Note: You should only define a value for the inflation ratio precision if you are legally required to calculate inflation rates to a certain precision. If your country does not require a certain precision, do not enter a value for the JL: Inflation Ratio Precision profile option. Instead, leave this profile option blank to calculate the inflation rate with the greatest possible precision.

JL: Perform Inflation Adjustment

Set the JL: Perform Inflation Adjustment profile option to Yes for your Oracle Assets responsibility to enable the automatic revaluation rate calculation process.

Use the System Profile Values window in the System Administrator responsibility to define the JL: Perform Inflation Adjustment profile option.

JL: Tax ID Validation Failure

When taxpayer ID validations fail, error message codes are populated in the INTERFACE_STATUS field in the RA_CUSTOMERS_INTERFACE table. If the JL: Tax ID Validation Failure profile option is set to Warning for cross validation and algorithm failures, customer information is processed with warning messages, which are printed in the Customer Interface Transfer report. Conversely, if the JL: Tax ID Validation Failure profile option is set to Error for cross validation and algorithm failures, customer information is not processed and an error message appears.

Use the System Profile Values window in the System Administrator responsibility to define the JL: Tax ID Validation Failure profile option.

Profile Options in Oracle Application Object Library

This section lists the profile options in Oracle Application Object Library that are referenced in this user guide.

> **See also:** Profile Options in Oracle Application Object Library, *Oracle Applications System Administrator's Guide*

MO: Operating Unit

Associate your company information with your Oracle Financials responsibilities by setting an operating unit profile option if you use multiple organizations (Multi-Org). Set your operating unit profile option to the name of the organization associated with the location where company information is defined.

Use the System Profile Values window in the System Administrator responsibility to set this profile option.

Sequential Numbering

Sequential Numbering assigns numbers to documents that you create in Oracle financial products.

Set the Sequential Numbering to Always Used or Partially Used at the Application Level for Oracle Receivables before you use Contra Charging.

Use the System Profile Values window in the System Administrator responsibility to define this profile option.

Profile Options in Oracle Receivables

This section lists the profile options in Oracle Receivables that are referenced in this user guide.

> **See also:** Overview of Receivables User Profile Options, *Oracle Receivables User Guide*

Tax: Allow Manual Tax Lines

This profile option determines whether users can enter manual tax lines in the Transactions windows in Receivables.

Tax: Allow Override of Customer Exemptions

Set the Tax: Allow Override of Customer Exemptions profile option to Yes at the site level for Oracle Receivables before you use Interest Invoice.

Use the System Profile Values window in the System Administrator responsibility to define this profile option.

Tax: Allow Override of Customer Exemptions

Set the Tax: Allow Override of Customer Exemptions to Yes at the Application Level for Oracle Receivables before you use Contra Charging.

Use the System Profile Values window in the System Administrator responsibility to define this profile option.

Tax: Allow Override of Tax Code

Set the Tax: Allow Override of Tax Code to Yes at the Application Level for Oracle Receivables before you use Contra Charging.

Use the System Profile Values window in the System Administrator responsibility to define this profile option.

Tax: Use Tax Vendor

Set the Tax: Use Tax Vendor to Yes at the Application Level for Oracle Receivables before you use Contra Charging.

Use the System Profile Values window in the System Administrator responsibility to define this profile option.

D

Character Mode to GUI Navigation Paths

This appendix describes how to navigate to character mode forms and GUI windows.

Character Mode to GUI Navigation Paths

This appendix maps Oracle Financials Common Country Features character mode menu paths and form names to GUI menu paths and windows or processes.

Character Mode Form and Menu Path	GUI Window or Process, and Navigation Path
<Country> Local General Ledger Define Accounting Flexfield Combination window \ Navigate Setup Account Combination	Oracle General Ledger GL Accounts window Navigator: Setup > Accounts > Combinations
<Country> Local General Ledger Enter Journals window \ Navigate Journals Enter	Oracle General Ledger Enter Journals window Navigator: Journals > Enter
<Country> Local General Ledger Manual Reconciliation Lines window \ Navigate Journal Reconcile	<Country> GL Localizations Reconciliation Lines window Navigator: General Ledger > Localizations > Reconciliation
<Country> Local Receivables Maintain Customer Profiles window \ Navigate Setup Customer Profile Maintain	Oracle Receivables Customers window Navigator: Customers > Standard
<Country> Local Receivables Define Customer Profile Class window \ Navigate Setup Customer Profile Class	Oracle Receivables Customer Profile Classes window Navigator: Customers > Profile Classes
<Country> Local Receivables Modify Interest Invoices window \ Navigate InterestInvoice Modify	<Country> AR Localizations Interest Invoice Batches window Navigator: Interest Invoice > Maintain Batches
German Local Receivables German Receivables window \ Navigate Memo Contra	<Country> AR Localizations Contra Charges window Navigator: Contra Charging > Contra Charging
<Country> Local Payables Defining EFT System Payment Formats window \ Navigate Setup Payments EFT	<Country> AP Localizations EFT System Information window Navigator: Payables Localizations > EFT System Formats
<Country> Local Payables Maintain EFT Payment Format Information window \ Navigate Setup Payment Formats	Oracle Payables Payments Formats window Navigator: Setup > Payment > Formats Choose *View EFT Details* from the Tools menu.
<Country> Local Payables Maintain Invoice EFT Information window \ Navigate Invoices Entry	Oracle Payables Invoice EFT Information window Navigator: Invoices > Entry > Invoices Choose View EFT Details from the Tools menu.

Character Mode Form and Menu Path	GUI Window or Process, and Navigation Path
<Country> Local Payables Maintain Payment Schedule EFT Information window \ Navigate Invoices Entry	Oracle Payables Scheduled Payment EFT Information window Navigator: Invoices > Entry > Invoices Query the invoice. Click the Scheduled Payments button. In the Scheduled Payments window, choose *View EFT Details* from the Tools menu.
<Country> Local Payables Maintain Vendor Site EFT Information window \ Navigate Vendor Entry	Oracle Payables Supplier Site EFT Information Navigator: Suppliers > Entry Query the supplier. Click the Sites button. In the Supplier Sites window, choose *View EFT Details* from the Tools menu.

Glossary

Accounting Model

An accounting model is a set of selected individual accounts and account ranges. You can assign a name to an accounting model. Once an accounting model is defined for a particular group of accounts, you can reuse that accounting model whenever you want to work on that group of accounts. Use your accounting models to choose the accounts that you want to adjust when you run the inflation adjustment process.

Although there are no rules for grouping accounts, you may want to define different accounting models for different kinds of accounts. For example, you can define one accounting model for all of your asset accounts and another accounting model for all of your liability accounts.

Constant Unit of Money

A constant unit of money represents the real value of money at the end of a period. Financial statements must be prepared using the constant unit of money. The constant unit of money is independent of any methods used to evaluate a company's assets.

End of Period's Unit of Money

The end of period's unit of money is the value that represents money's acquiring power as of period end.

Estimated Index Value

In some countries, if the index value for a period is not known, you can use an estimated index value. The inflation adjustment process operates the same way as when the exact index value is known.

Historical Balances

Historical balances are composed of journal entry line amounts expressed in the units of money that were current when the transactions took place. Historical balances are the opposite of inflation-adjusted balances.

Index

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