

Oracle® Financials for Colombia

User Guide

Release 11*i*

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Contributors: German Bertot, Sheila Bhaumik, Craig Borchardt, Kevan Davies, Phil Garvin, Janis Greenberg, Joe Gum, Parisa Hudson, Clara Jaecel, Matthew Kaminski, Linda Kline, Jason Liu, Robert MacIsaac, Karunakaran Uma Maheswari, Jack Martinez, Essan Ni, Jean Osborne, Ivan Pena, Kristin Penaskovic, Herman Poon, Susan Ramage, Abhijit Rele, Cesar Riano, Lina Velasquez, Dennis Verghese, Terrance Wampler, Mick Washbrooke, Isaac Williams, Amy Yang

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

Part No. A81222-02

Oracle Corporation welcomes your comments and suggestions on the quality and usefulness of this user guide. Your input is an important part of the information used for revision.

- Did you find any errors?
- Is the information clearly presented?
- Do you need more information? If so, where?
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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 for Colombia User Guide*.

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

- Overview and reference information
- Specific tasks that you can accomplish with Oracle Financials for Colombia
- How to use Oracle Financials for Colombia windows
- Oracle Financials for Colombia programs, reports, and listings
- Oracle Financials for Colombia functions and features

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

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 third party management in Oracle Financials for Colombia.
- Chapter 2 describes Oracle General Ledger for Colombia, including magnetic media reporting, setting up the unique chart of accounts, the Colombian General Ledger Daily Book report, the Colombian General Ledger Major Book report, and the Colombian General Ledger Inventory and Balances Book report.
- Chapter 3 describes Oracle Payables for Colombia, including Payables taxpayer ID validation, withholding treatment, entering documents, Invoice Gateway, and Colombian payment documents.
- Chapter 4 describes Oracle Inventory for Colombia, including inventory inflation adjustment and the Fiscal Kardex reports.
- Chapter 5 describes Oracle Receivables for Colombia, including Receivables taxpayer ID validation, income tax self-withholding and VAT, entering transactions, the Colombian Receivables Income Tax Self Withholding report, defining the VAT tax category, the Colombian Receivables Sales Fiscal Book report, and the Colombian Receivables Cash Receipt report.
- Chapter 6 describes Oracle Assets for Colombia, including inflation adjustment, and technical appraisal.
- Appendix A describes standard navigation paths in Oracle Financials for Colombia.
- Appendix B describes how to use globalization flexfields.
- Appendix C describes withholding tax examples to help you set up Oracle Payables for Colombia.

Audience for this Guide

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

- The principles and customary practices of your business area.
- Oracle Financials for Colombia.

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

- The Oracle Applications graphical user interface.

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

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

Other Information Sources

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

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

Online Documentation

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

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

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

You can view HTML help in the following ways:

- From an application window, use the help icon or the help menu to open a new Web browser and display help about that window.
- Use the documentation CD.
- Use a URL provided by your system administrator.

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

Related User Guides

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

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

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

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

Oracle Applications User Guide

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

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

Oracle Financials Common Country Features User Guide

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

Oracle Financials Country-Specific User Guides

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

Oracle Financials RXi Reports Administration Tool User Guide

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

Oracle General Ledger User Guide

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

Oracle Purchasing User Guide

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

Oracle Payables User Guide

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

Oracle Receivables User Guide

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

Oracle Assets User Guide

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

Oracle Projects User Guide

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

Oracle Cash Management User Guide

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

Using Oracle HRMS - The Fundamentals

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

Oracle Workflow Guide

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

Oracle Financials Open Interfaces Guide

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

Oracle Applications Character Mode to GUI Menu Path Changes

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

Multiple Reporting Currencies in Oracle Applications

If you use Multiple Reporting Currencies feature to report and maintain accounting records in more than one currency, use this manual before implementing Oracle Financials for Colombia. The manual details additional steps and setup considerations for implementing Oracle Financials for Colombia 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 Standards*. It also provides information to help you build your custom Oracle Developer forms so that they integrate with Oracle Applications.

Oracle Applications User Interface Standards

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

Installation and System Administration

Installing Oracle Applications

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

Oracle Financials Country-Specific Installation Supplement

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

Upgrading Oracle Applications

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

Oracle Applications Product Update Notes

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

Oracle Applications System Administrator's Guide

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

Oracle Global Financial Applications Technical Reference Manual

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

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

Training and Support

Training

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

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

Support

From on-site support to central support, our team of experienced professionals provides the help and information you need to keep Oracle Financials for Colombia 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.

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USA

Or send electronic mail to globedoc@us.oracle.com.

Third Party Management

This chapter describes third party management in Oracle Financials for Colombia.

Third Party Information

In Colombia, the tax authority (DIAN) uses an individual's or a company's taxpayer identification number to identify tax obligations on invoices. The taxpayer ID is called the *third party ID* and the management of transactions is called *third party management*.

For the natural accounts that require third party information, you must associate the customer, supplier, or bank third party information with transactions in General Ledger, Payables, Receivables, and Purchasing. Companies must submit reports to the DIAN that show natural account activity by third party ID.

Some large companies must also submit magnetic media (electronic files) at the end of each year. Magnetic media reports on third party natural account movements according to threshold levels assigned by the DIAN. For more information, see Magnetic Media Reporting on page 2-2.

Oracle Financials provides functionality to help you meet the Colombian third party management requirement:

- Maintain natural accounts that require third party information
- Enter the third party ID on all relevant transactions
- Maintain third party information
- Provide reports that show third party natural account activity
- Provide magnetic media reporting for companies that are required to submit electronic reports

Use of the Third Party ID

Use the third party ID for transactions in these applications:

- **Payables** – Use the supplier third party ID as the supplier number

Note: The third party management solution does not support the functionality in Purchasing-Payables integration regarding non-recoverable taxes.

- **Receivables** – Use the customer third party ID as the customer number
- **General Ledger** – Assign a third party ID to journal entries that require third party information

For miscellaneous transactions, assign the third party ID of your company's bank to all miscellaneous transactions that require third party information

Legal Entities

The third party ID for domestic companies and organizations, or legal entities, has a single validation digit between 0-9. Only one validation digit value is correct for any given third party ID. For example, the correct validation digit for the third party ID 123456789 is 6, or 123456789-6. Oracle Financials verifies that the validation digit is correct.

Foreign Entities

Foreign companies and individuals, or *foreign entities*, do not have a third party ID assigned by the DIAN. Companies must create an internal numbering scheme to assign to foreign entity transactions, according to these guidelines:

- Third party ID is between 9 and 14 numbers long, with no validation digit
- Foreign entities should have a unique number for your company's internal reporting purposes

Note: When you generate the magnetic media report, General Ledger assigns all foreign entities the third party ID 444444444.

Setting Up Oracle Financials for Third Party Management

This section explains the setup tasks in General Ledger, Oracle Payables, Oracle Receivables, and Oracle Purchasing to manage third party information.

Complete these setup steps to set up third party information for Oracle Financials:

General Ledger

- **Define journal sources** – Define journal sources to import postings into General Ledger
- **Define third party control accounts** – Define General Ledger natural accounts that require third party information

Payables

- **Define Financials Options** – Set Oracle Payables Financials options for third party information
- **Define Payables options** – Set Oracle Payables options for third party information

Receivables

- **Define Receivables options** – Set Oracle Receivables System options for third party information
- **Define banks** - Define third party information for banks

Purchasing

- **Define Purchasing options** – Set Oracle Purchasing options for third party information

Setting Up General Ledger

Complete these steps to set up General Ledger for third party information:

- Define journal sources
- Define natural accounts that require third party information

Defining Journal Sources

Use the Import Journal References option in the Journal Sources window to import postings into General Ledger from Oracle Payables, Oracle Receivables, Oracle Purchasing, and non-Oracle applications. The Import Journal References option lets General Ledger create third party balances.

Note: When you import data from non-Oracle applications, do not use a standard journal source. Use the Define Journal Sources window to define new journal sources for external data.

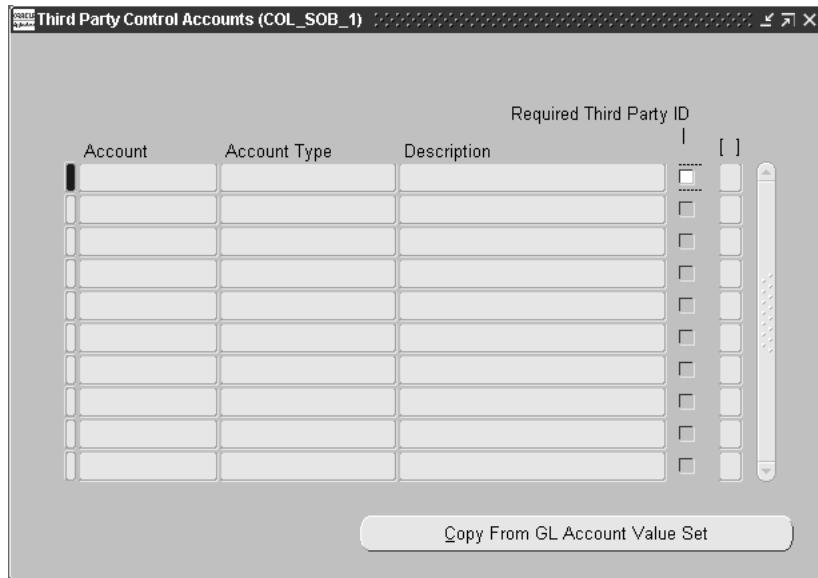
To define journal sources for third party management:

1. Navigate to the Journal Sources window.
2. Enter or query the journal sources that you want.
3. Check the Import Journal References check box next to each journal source.
4. Save your work.

Defining Third Party Control Accounts

Use the Third Party Control Accounts window to identify natural accounts that require third party information.

You must identify each natural account that requires third party information. General Ledger only refers to the natural accounts that you mark as third party reportable in the Third Party Control Accounts window when collecting third party transaction information for third party reports and magnetic media reporting.



To define third party control accounts:

1. Set up your chart of accounts.
2. Navigate to the Third Party Control Accounts window.
3. Click on the Copy From GL Account Value Set button to display the natural accounts in your chart of accounts. Only postable accounts are shown or copied in the Third Party Control Accounts window.
4. Check the Required Third Party ID check box next to each natural account that requires third party information.
5. Save your work.

See also: Overview of Setting Up, *Oracle General Ledger User Guide*

Setting Up Oracle Payables

Complete these steps to set up Oracle Payables for third party information:

- Define Financials options
- Define Payables options

Defining Financials Options

Use the Supplier Entry alternate name region in the Financials Options window to set Financials options for third party management.

Setting Financials options ensures that Oracle Payables does not automatically generate sequential supplier numbers. Oracle Payables uses the supplier third party ID as the supplier number.

Prerequisites

Before you can define Financials Options for third party management, you must set the Profile option JL: Copy Tax Identifier Number to Yes at the Responsibility level.

To define Financials Options for third party management:

1. Navigate to the Financials Options window.
2. Navigate to the Supplier Entry alternate name region.
3. Navigate to the Supplier Number region.
4. Enter *Manual* in the Entry field.
5. Save your work.

Defining Payables Options

Use the Accounting and Invoice Tax alternate name regions in the Payables Options window to set Payables options for third party management.

Setting options in the Accounting alternate name region lets Oracle Payables transfer postings to General Ledger in detail. Setting options in the Invoice Tax alternate name region lets Oracle Payables create a tax line for an invoice item line and assign the third party ID to the tax line.

To define Payables Options for third party management:

1. Navigate to the Payables Options window.
2. Navigate to the Transfer to GL alternate name region.
3. Set the Transfer to GL Interface to *In Detail*.
4. Navigate to the Invoice Tax alternate name region.
5. Check the Use Automatic Tax Calculation check box.
6. Set the Calculation Level to *Line*.

Setting this option lets you assign multiple third party IDs to each tax line on a single invoice.

7. Uncheck the Allow Calculation Level Override check box.
Setting this option ensures that Oracle Payables assigns the third party ID to the tax line.
8. Save your work.

See also: Setting Up Oracle Payables, *Oracle Payables User Guide*

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

Setting Up Oracle Receivables

Complete these steps to set up Oracle Receivables for third party information:

- Define Receivables System options
- Define Banks

Defining Receivables System Options

Use the Transactions and Customers alternate name region in the Receivables System Options window to set Receivables System options for third party management.

Setting Receivables System options lets Oracle Receivables use the customer third party ID as the customer number.

Prerequisites

Before you can define Receivables System Options for third party management, you must set the profile option JL: Copy Tax Identifier Number to Yes at the Responsibility level.

To define Receivables System Options for third party management:

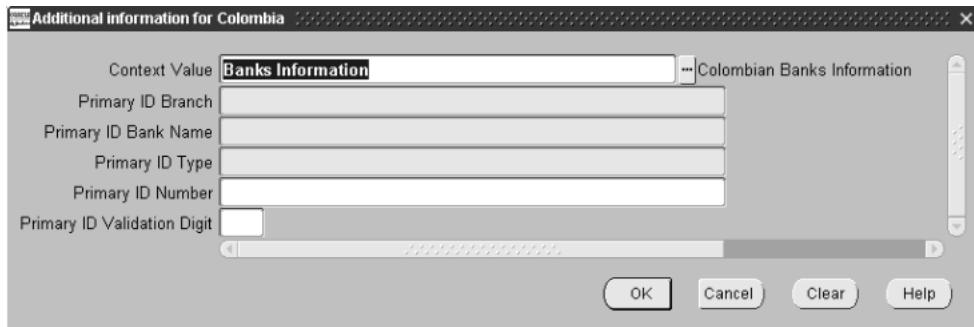
1. Navigate to the Receivables System Options window.
2. Navigate to the Transactions and Customers alternate name region.
3. Uncheck the Allow Payment of Unrelated Transactions check box.
Unchecking this check box prevents Oracle Receivables from applying the receipts of one customer to the invoices of another customer.
4. Navigate to the Customers region.
5. Uncheck the Automatic Customer Numbering check box.
Unchecking this check box prevents Oracle Receivables from using automatic customer numbering. Oracle Receivables uses the customer third party ID as the customer number.
6. Save your work.

Defining Banks

Use the globalization flexfield in the Banks window to enter third party information for your company's primary bank branch. For third party purposes, Oracle Receivables and Oracle Payables associate miscellaneous transactions with third party information for your company's bank.

You enter your bank's third party information in the main branch, or primary branch, location in the globalization flexfield in the Banks window. For all other branches, refer to the primary branch for third party information.

Note: Define third party information for your bank's primary branch before you define information for the other bank branches.



To enter third party information for banks:

1. Navigate to the Banks window.
2. Enter or query a bank.
3. Navigate to the globalization flexfield. For instructions, see *Using Globalization Flexfields* on page B-2.
4. In the Primary ID Branch field, enter *Yes* if the branch is the main bank branch. Enter *No* if it is not the main branch.
5. If you entered *No* in the Primary ID Branch field, enter the name of the bank's main branch in the Primary ID Bank Name field and leave the other fields blank.

Oracle Receivables refers all miscellaneous transactions entered at a bank branch to the bank's primary branch for third party information.

6. If you entered *Yes* in the Primary ID Branch field, leave the Primary ID Bank Name field blank and navigate to the Primary ID Type field.
7. In the Primary ID Type field, enter *Legal Entity* or *Foreign Entity*.
8. In the Primary ID Number field, enter the third party ID.
9. If the primary ID type is *Legal Entity*, enter the third party ID validation digit in the Primary ID Validation Digit field.
10. Press the OK button.
11. Repeat steps 2 to 10 for each bank branch.
12. Save your work.

See also: Overview of Setting Up, *Oracle Receivables User Guide*

Setting Up Oracle Purchasing

Use the Purchasing Options window to set Purchasing options for third party management. You must maintain a list of Payables accruals and expenses for each supplier third party ID.

Set the appropriate option in the Accruals alternate name region in the Purchasing Options window to let Oracle Purchasing transfer postings to General Ledger only when a receipt does not have an invoice (non-inventory items only). For inventory items, Oracle Purchasing transfers postings to General Ledger when the receipt is created.

Run the Receipt Accruals - Period End program at the end of the period. When you run the Receipt Accruals - Period End program, Oracle Purchasing transfers postings as an accrual to General Ledger. At the beginning of the next period, reverse the accrual in General Ledger.

Note: When you transfer the posting to General Ledger, run Journal Import in Detail mode.

To keep track of accruals that are not posted to General Ledger, run the Accrual Reconciliation report.

To define Purchasing Options for third party management:

1. Navigate to the Purchasing Options window.
2. Navigate to the Accruals alternate name region.
3. Enter *Period End* in the Accrue Expense Items field.
4. Save your work.

See also: Overview of Setting Up, Receipt Accruals - Period-End Process, *Oracle Purchasing User Guide*

See also: Overview of Setting Up, Receipt Accruals - Period-End Process, *Oracle Purchasing User Guide*

Entering Third Party Information

Enter third party information for the following:

- Suppliers
- Distribution lines (for invoices with multiple third party IDs)
- Customers
- Journal lines

You can review and update third party information in the Define Third Parties window, as well as enter new third party information.

Oracle Financials validates the third party ID according to these criteria:

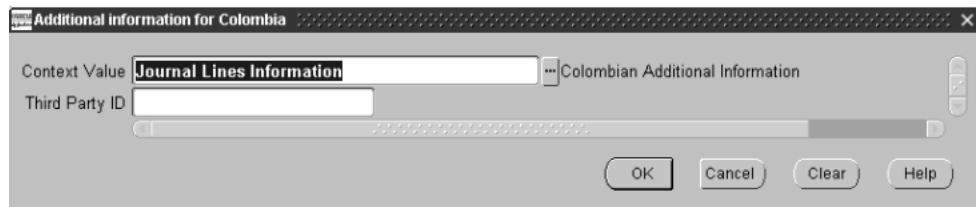
- Third party ID is unique
- Third party ID is a maximum of 14 digits
- If the identification type is *Legal Entity*, then:
 - Third party ID requires a single validation digit
 - Validation digit is correct

Entering Journal Line Third Party Information

Use the globalization flexfield in the Journals window to enter third party information at the journal line level. The globalization flexfield is available for journal lines with accounts that are third party reportable.

General Ledger provides a list of values with master third party information. If the list of values does not have the third party that you want, enter the new third party using the Define Third Parties window. For more information, see Maintaining Third Party Information on page 1-20.

If you generate journal entries using Mass Allocation or Recurring Journals, General Ledger does not assign a third party ID to journal lines. You need to manually enter the third party ID in the globalization flexfield for journal lines with accounts that are third party reportable.



To enter journal line third party information:

1. Navigate to the Journals window.
2. Query or enter a journal.
3. Enter a journal line.
4. If the account requires third party information, navigate to the globalization flexfield by navigating to the descriptive flexfield and pressing the Tab key.
5. In the Third Party ID field, enter the third party from the list of values.
6. Press the OK button.
7. Save your work.

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

Entering Supplier Third Party Information

Use the globalization flexfield in the Suppliers window to enter third party information at the supplier level. Oracle Payables assigns the third party ID as the supplier number after you enter third party information in the globalization flexfield.

For invoices with multiple third parties, you must manually enter the third party ID on each item line and tax line. See Entering Multiple Third Party Information for Invoices on page 1-17 for more information.



To enter supplier third party information:

1. Navigate to the Suppliers window.
2. Enter supplier information in the header region of the Supplier window.
3. In the Taxpayer ID field, enter the supplier's third party ID. Leave the Number field blank.
4. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.
5. In the Taxpayer ID Type field, enter the third party's identification type, such as *Foreign Entity*, *Individual*, or *Legal Entity*. The default is *Legal Entity*.
6. If the identification type is *Legal Entity*, enter the validation digit in the Taxpayer ID Validation Digit field. Otherwise leave the field blank.
7. Press the OK button.

Oracle Payables displays the third party ID with validation digit in the Number field.

8. Navigate to the Invoice Tax alternate name region.

(continued)

9. Specify the Calculation Level as *Line*.
10. Uncheck the Allow Calculation Level Override check box.

These settings in the Invoice Tax alternate name region let Oracle Payables separately calculate each tax line. You can associate multiple third parties with each tax line.
11. Navigate to the Receiving alternate name region.
12. Specify Invoice Matching of at least 3-Way for calculation of an accurate balance of receipt accruals.
13. Save your work.

See also: Entering Suppliers, *Oracle Payables User Guide*

Entering Multiple Third Party Information for Invoices

Use the globalization flexfield in the Distributions window to enter third party information for distribution lines. For invoices with multiple third parties, you must associate each item line and its corresponding tax line with the correct third party ID.

When you enter invoice distribution lines, by default Oracle Payables assigns the supplier third party ID in the invoice header to each distribution line.

To assign the correct third party ID to each item line and corresponding tax line:

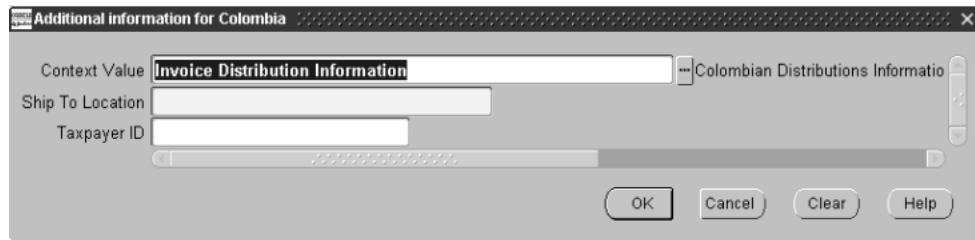
1. Enter the first item line.
2. Enter the appropriate third party ID in the globalization flexfield.
3. Repeat steps 1 and 2 for each item line.
4. Calculate the tax for the invoice.
5. Change the default third party assignment in the globalization flexfield on the tax line to the correct third party ID.
6. Repeat steps 4 to 5 for each item line.

Note: For invoices that use purchase order matching, Oracle Payables creates one tax line for all items with the same tax code. If there are multiple third party IDs associated with the items, you need to manually create additional tax lines and assign the correct amount and third party ID to each tax line.

Prerequisites

Before you can enter multiple third party information for invoices, you must:

- Define Financials options
- Define Payables options
- Define Suppliers



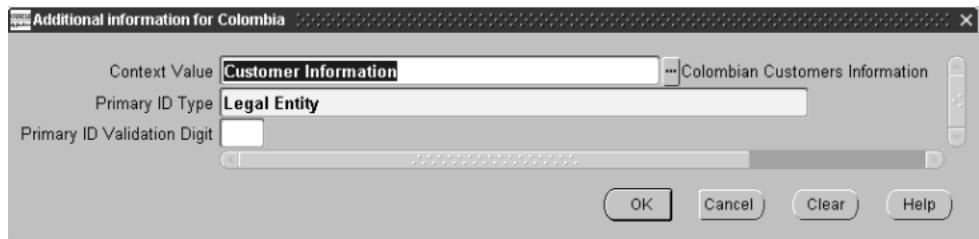
To enter multiple third party information for invoices:

1. Navigate to the Invoices window.
2. Query or enter the invoice that you want.
3. Navigate to the Distributions window by clicking the Distributions button.
4. Enter the first item line.
5. Navigate to the globalization flexfield. For instructions, see *Using Globalization Flexfields on page B-2*.
6. In the Taxpayer ID field, enter the correct third party for the item line.
7. Repeat steps 4 to 6 for each item.
8. Press the OK button.
Oracle Payables will calculate the tax at the approval moment.
9. Navigate to the tax line.
10. Navigate to the globalization flexfield.
11. In the Taxpayer ID field, enter the third party from the list of values that corresponds to the item line.
12. Press the OK button.
13. Repeat steps 4 to 12 for each item and tax line.
14. Save your work.

See also: Entering Invoices Overview, *Oracle Payables User Guide*

Entering Customer Third Party Information

Use the globalization flexfield in the Customers - Standard or Customers - Quick window to enter third party information at the customer level. Oracle Receivables assigns the third party ID as the customer number after you enter third party information in the globalization flexfield.



To enter customer third party information:

1. Navigate to the Customers - Standard window or the Customers - Quick window.
2. Enter customer information in the header region of the Customers window.
3. In the Taxpayer ID field, enter the customer's third party ID. Leave the Number field blank.
4. Navigate to the globalization flexfield. For instructions, see *Using Globalization Flexfields* on page B-2.
5. In the Primary ID Type field, enter the third party's identification type, such as *Foreign Entity*, *Individual*, or *Legal Entity*. The default is *Legal Entity*.
6. If the identification type is *Legal Entity*, enter the verifying digit in the Primary ID Validation Digit field. Otherwise leave the field blank.
7. Press the OK button.

Oracle Receivables displays the third party ID with validation digit in the Number field.

8. Save your work.

See also: Entering Customers, *Oracle Receivables User Guide*

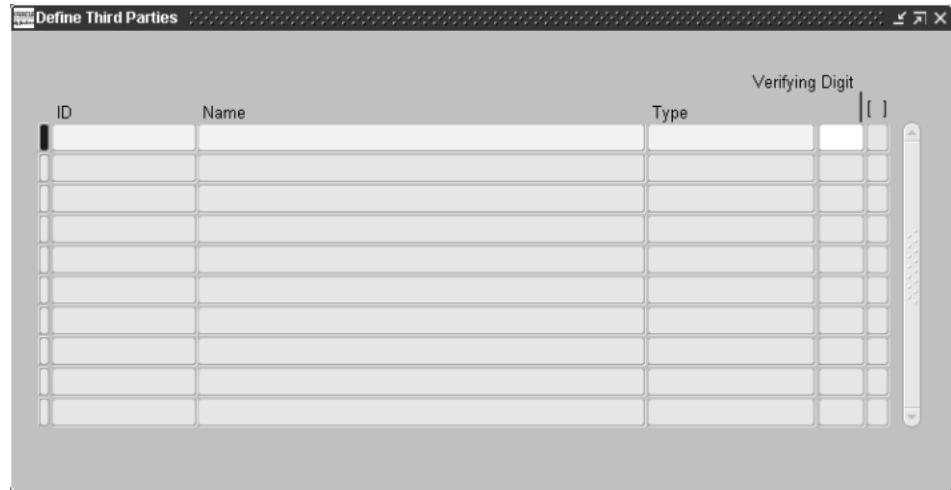
Maintaining Third Party Information

Use the Define Third Parties window to maintain master third party information. The master third party information holds all third party records.

When you run the Colombian Third Party Generate Balances program, General Ledger creates new third party information for all postings, including non-Oracle postings, and adds the records to the master third party information.

You can view third party information and modify incorrect information in the Define Third Parties window. If necessary, you can also enter new third party information.

Note: New third party information that you enter in the Define Third Parties window is not checked against new third party information that you enter in the Payables or Receivables globalization flexfield. If you enter the same third party information as the supplier or customer number, you must check that the information is consistent.



To maintain third party information:

1. Navigate to the Define Third Parties window.
2. Query the third parties that you want.
3. In the Name field, enter or update the name of a third party.
4. In the Type field, enter or update the third party's identification type, such as *Foreign Entity*, *Individual*, or *Legal Entity*.
5. In the ID field, enter or update the third party ID.
6. If the identification type is *Legal Entity*, enter the verifying digit in the Verifying Digit field.
7. If the identification type is *Foreign Entity*, change the default third party ID, 444444444, to a unique entry.
8. Save your work.

Loading Non-Oracle Application Transactions

You can load non-Oracle application transactions into third party tables by first loading the transactions into the GL Interface table and then importing the postings into General Ledger.

The Journal Import program does not verify third party information that you import from non-Oracle sources. General Ledger only validates third party information when you run the Colombian Third Party Generate Balances program. See Generating Third Party Balances on page 1-23 for more information.

Note: When you transfer the posting to General Ledger, run Journal Import in Detail mode.

To load non-Oracle data with third party information:

1. Define a new journal source for non-Oracle data.

Define the journal source according to the requirements for third party management. See Defining Journal Sources on page 1-5.

2. Load data into the GL Interface table, as described in the Oracle General Ledger User's Guide.

The reference columns in the GL interface table for third party information are:

- Reference 21 - Transaction Number
- Reference 22 - Third Party ID
- Reference 23 - Verifying Digit
- Reference 24 - Third Party Type
- Reference 25 - Third Party Name

3. Run the Journal Import program in Detail mode.

To run the Journal Import program in Detail mode, leave the Create Summary Journals check box unchecked so that General Ledger can create detailed postings.

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

Generating Third Party Balances

Use the Colombian Third Party Generate Balances program to update transactions that require third party information. You can run the Colombian Third Party Generate Balances program as often as you need to update account/third party balances. An *account/third party balance* refers to the balance for each third party ID for each natural account.

The Colombian Third Party Generate Balances program performs these operations:

- Validates third party information for all relevant transactions against master third party information
- Creates third party records for transactions with new third party information and adds the records to master third party information
- Generates an error report for unprocessed third party transactions and for transactions processed with default third party ID = 0

The Colombian Third Party Generate Balances program compares the third party information for each transaction to existing master third party records. When the program finds new third party information, it creates a new third party record. Whenever the program finds missing or incorrect third party information, the following processing occurs:

- General Ledger and non-Oracle transactions are processed and assigned third party = 0
- Payables, Receivables, and Purchasing transactions are not processed

See [Correcting Third Party Balances on page 1-25](#) for more information about correcting the processing of third party transactions.

To navigate to the Colombian Third Party Generate Balances program, use [Colombia General Ledger: Colombian Localization > Third Party Programs](#). Use the Standard Request Submission windows to submit the Colombian Third Party Generate Balances program or the Colombian Third Party Balances Error report.

See also: [Using Standard Request Submission, Oracle Applications User Guide](#)

Program Parameters

Enter the following parameters to specify the desired options:

Fiscal Period

Enter the fiscal period.

Journal Batch

Enter the journal batch that you want to use. If you do not enter a journal batch, the default is all journal batches.

Correcting Third Party Balances

Use the Colombian Third Party Reverse Balances program to reverse an incorrect run of the Colombian Third Party Generate Balances program.

The Colombian Third Party Generate Balances program generates an error report of all transactions without third party information or with third party information that does not match master third party information.

There are three types of error processing of third party information:

- General Ledger and non-Oracle transactions, as well as subledger transactions where the third party ID cannot be determined, are processed with default third party ID = 0
- Payables, Receivables, and Purchasing transactions are not processed where the supplier or customer third party information does not match master third party information
- Transactions are successfully processed for natural accounts incorrectly marked as third party reportable

You should review the error report each time you run the Colombian Third Party Generate Balances program.

There are different steps for correcting errors in third party processing, depending on the type of error. You only need to run the Colombian Third Party Reverse Balances program for General Ledger and non-Oracle transactions with incorrect master third party information, or for transactions that were successfully processed for natural accounts that are incorrectly marked as third party reportable.

To navigate to the Colombian Third Party Reverse Balances program, use Colombia General Ledger: Colombian Localization > Third Party Programs. Use the Standard Request Submission windows to submit the Colombian Third Party Reverse Balances program.

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

To correct General Ledger and non-Oracle transactions, where third party information is correct and master third party information is incorrect:

1. Run the Colombian Third Party Reverse Balances program.
2. Correct third party information in the Define Third Parties window. See Maintaining Third Party Information on page 1-20 for more information.
3. Re-run the Colombian Third Party Generate Balances program.

To correct General Ledger and non-Oracle transactions, where master third party information is correct and third party information is incorrect or missing:

1. Reverse the journal entry.
2. Re-enter the journal entry with the correct third party assignment.
3. Re-run the Colombian Third Party Generate Balances program.

To correct subledger transactions, where third party information is correct and master third party information is incorrect:

1. Correct the third party information in the Define Third Parties window.
2. Re-run the Colombian Third Party Generate Balances program.

To correct subledger transactions, where master third party information is correct and third party information is incorrect or missing:

1. Correct the third party information for the transaction in the Supplier, Customer, or Banks window.
2. Re-run the Colombian Third Party Generate Balances program.

To correct transactions for natural accounts incorrectly marked as third party reportable:

1. Run the Colombian Third Party Reverse Balances program.
2. Unmark the natural account as third party reportable in the Third Party Control Accounts window. See Defining Third Party Control Accounts on page 1-5 for more information.
3. Re-run the Colombian Third Party Generate Balances program

The natural accounts that you unmarked in step 2 are not included in the calculation of third party information.

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

Program Parameters

Process ID

Enter the Process ID for the program run to reverse. You can find the process ID on the error report of the program run that you want to reverse.

Colombian Account/Third Party Report

Oracle Colombia Ltda.	Account / Third Party Report	Report Date : 12-APR-2000 14:26		
Company Taxpayer ID: 800103052		Currency : COP		
		Page : 1 / 12		
Period From: NOV-99				
To: DEC-99				
Account From: 01-1-0000-0000-000-0000				
To: 01-999999-0000-0000-000-0000				
Account 130505 Local				
Journal Category Journal Number	Journal Name	Document Number GL Date	Debit	Credit
-----	-----	-----	-----	-----
Third Party ID : 444444030	EDP LTDA	Beginning Balance:	0.00	0.00
Debit Memos Adjustment	Debit Memos COP RecAdjust	dm100 18-NOV-99 18-NOV-99	1,160.00	1,160.00
		Period Total:	1,160.00	1,160.00
		Ending Balance:	0.00	0.00
		=====	=====	=====

Run the Colombian Account/Third Party report after you run the Colombian Third Party Generate Balances program.

The Colombian Account/Third Party report shows, for each account, all transactions per third party ID in the functional currency and the associated document numbers.

Use the Standard Request Submission windows to submit the Colombian Account/Third Party report.

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

Report Parameters

Starting Period

Enter the initial period that you want to report from.

Ending Period

Enter the last period that you want to report to.

Account From

Enter the initial accounting flexfield that you want to report from.

Account To

Enter the last accounting flexfield that you want to report to.

Report Headings

In this heading...	General Ledger prints...
<Company Name>	The company name
Company Taxpayer ID	The company taxpayer ID
Period From	The first period in the report
To	The last period in the report
Account From	The first accounting flexfield included in the report
To	The last accounting flexfield included in the report
Report Date	The date and time that you ran the report
Currency	The functional currency code
Page	The current and total page numbers of the report

Column Headings

In this column...	General Ledger prints...
Journal Category	The journal entry category
Journal Number	The General Ledger document sequence value
Journal Name	The journal entry name
Document Number	The document number associated to each transaction by account and third party ID
GL Date	The accounting date of the transaction
Debit	The debit amount in functional currency
Credit	The credit amount in functional currency

Row Headings

In this row...	General Ledger prints...
Account	The natural account and its description, and the movements for each third party ID
Third PartyID	The third party name and third party ID
Beginning Balance	The initial third party balance for the account
Period Total	The sum of transaction debits and transaction credits for the period ranges
Ending Balance	The final third party balance for the account

Colombian Third Party/Account Report

Oracle Colombia Ltda.	Third Party / Account Report	Report Date: 12-APR-2000 14:25				
Company Taxpayer ID: 800103052		Currency: COP				
Period From: NOV-99		Page: 1 / 14				
To: DEC-99						
Third Party From: 0						
To: 860054524						
Third Party ID : 444444010 ORACLE CARIBBEAN						
Journal Category	Journal Number	Journal Name	Document Number	GL Date	Debit	Credit
-----	-----	-----	-----	-----	-----	-----
Account: 130510	Foreign			Beginning Balance:	0.00	0.00
Sales Invoices		Sales Invoices COP	1082	18-NOV-99	116.00	
				Period Total:	116.00	0.00
				Ending Balance:	116.00	0.00
				=====	=====	=====

Run the Colombian Third Party/Account report after you run the Colombian Third Party Generate Balances program.

The Colombian Third Party/Account report shows, for each third party ID, all transactions per account in the functional currency and the associated document numbers.

Use the Standard Request Submission windows to submit the Colombian Third Party/Account report.

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

Report Parameters

Starting Period

Enter the first period that you want to report from.

Ending Period

Enter the last period that you want to report to.

Starting Third Party ID

Enter the first third party ID that you want to report from.

Ending Third Party ID

Enter the last third party ID that you want to report to.

Report Headings

In this heading...	General Ledger prints...
<Company Name>	The company name
Company Taxpayer ID	The company taxpayer ID
Period From	The first period in the report
To	The last period in the report
Third Party From	The first third party ID included in the report
To	The last third party ID included in the report
Report Date	The date and time that you ran the report
Currency	The currency code
Page	The current and total page numbers of the report

Column Headings

In this column...	General Ledger prints...
Journal Category	The journal entry category
Journal Number	The General Ledger document sequence value
Journal Name	The journal entry name
Document Number	The document number associated to each third party ID transaction and account
GL Date	The accounting date of transaction
Debit	The debit amount in functional currency
Credit	The credit amount in functional currency

Row Headings

In this row...	General Ledger prints...
Third Party ID	The third party ID, third party name, and the movements for each natural account
Account	The natural account and its description
Beginning Balance	The initial account balance for the third party ID
Period Total	The sum of transaction debits and credits for period ranges
Ending Balance	The end account balance for the third party ID

Oracle General Ledger

This chapter describes Oracle General Ledger for Colombia, including:

- Magnetic media reporting
- Setting up the unique chart of accounts
- Colombian General Ledger Daily Book report
- Colombian General Ledger Major Book report
- Colombian General Ledger Inventory and Balances Book report

Magnetic Media Reporting

The Colombian government requires large companies to submit magnetic media (electronic ASCII file) to the DIAN at the end of the year. The electronic file reports on third party information for all account movements (transaction totals and to-date balances) according to pre-defined categories.

Each year the Colombian government issues a resolution that defines the reporting categories, sub-categories, and threshold values to include in magnetic media.

A category is called a *literal*. Each literal has one or more *subliterals* that identify detailed information related to the literal. For each literal and subliteral, there are one or two *reported values* to include in the electronic file.

Oracle Financials provides functionality to help you meet the magnetic media requirement for Colombia:

- Set up the magnetic media information according to Colombian government resolution
- Enter literal and subliteral threshold values
- Generate literal and third party reports
- Generate the ASCII file to send to the DIAN

Literal and Subliteral Definition

The literals and subliterals defined by the Colombian government identify specific categories and sub-categories for reporting third party information. Each literal is assigned a two-digit code, and each subliteral a four-digit code (the two-digit literal plus a two-digit sub-code). The exact codes and descriptions can change each year.

For example, the 2000 resolution included the following literals and subliterals:

Literal	Subliteral	Description
75		Total or partial Payments
75	00	National or Foreign purchasing of movable assets and others payments
75	01	Salary Expenses
75	07	Purchasing of fixed assets
90		Credits
90	00	National Credits
90	01	Foreign Credits

Some literal and subliteral definitions refer specifically to foreign entities. The internal foreign third party IDs that your company uses to identify foreign entities are not used in the magnetic media report. Foreign entities are identified by the default foreign third party ID (44444444), and foreign third party values are summarized by literal and subliteral. The reported foreign entity name is the same for each literal and subliteral.

Companies are required to report third party values for each literal and subliteral that is greater than or equal to designated *threshold values*. Threshold values are assigned to both literals and report groupings.

Reported Values

Each subliteral can have one or two values to report, called *reported values*.

Depending on the subliteral, the reported value is either a transaction value or a to-date balance. For example, subliteral 7500 for 2000 (other payments) had two transaction reported values: Base Amount, and VAT Withholding Amount.

Each reported value is assigned a *movement type*. Movement types identify transaction totals and to-date balances. There are six movement types:

- Sum Transactions Debit
- Sum Transactions Credit
- Sum Transactions Debit-Credit
- Sum Transactions Credit-Debit
- Balances Debit-Credit
- Balances Credit-Debit

This table shows some of the reported values for literals and subliterals for the 2000 resolution:

Literal	Subliteral	Description	Reported Value	Value Description	Movement Type
75	00	Payments	1	Accumulated Amount	Sum Transactions (Debit - Credit)
75	00	Payments	2	Withholding VAT	Sum Transactions (Credit - Debit)
75	01	Payments	1	Accumulated Amount	Sum Transactions (Debits - Credits)
72	00	Payments	1	Withholding	Sum Transactions (Credit - Debit)
72	00	Payments	2	DeductibleVAT	Sum Transactions (Debit - Credit)
90	00	Credits	1	Total Amount	Balances (Debit - Credit)
87	00	Liabilities	1	Total Amount	Balances (Credit - Debit)

Report Groupings

Each combination of literal, subliteral, and reported value is called a *report grouping*. For example, the literal and subliteral 7500 for the 2000 resolution has two report groupings:

- Literal 75, subliteral 00, and reported value 1 (Accumulated Amount)
- Literal 75, subliteral 00, and reported value 2 (Deductible VAT)

You associate one or more ranges of existing accounting flexfield segments with each report grouping. The ranges populate the literal, subliteral, and reported values with transaction totals or to-date balances by third party.

You can assign more than one range of accounting flexfield segments to a reported value to make allowances for all possible code combinations. In this example, accounting flexfield segment ranges are assigned to the following report grouping: literal 75, subliteral 01, reported value 1 (Accumulated Amount).

Literal	Subliteral	Report Value	Start Account	End Account
75	01	1	01.0. <u>510503</u> .0.1	01.9. <u>510503</u> .9.1
75	01	1	01.0. <u>510503</u> .0.3	01.9. <u>510503</u> .9.5
75	01	1	01.0. <u>520503</u> .0.0	01.9. <u>520503</u> .9.9

Threshold Values

The magnetic media resolution by the Colombian government assigns *threshold values* to literals and report groupings. The threshold values designate the minimum amounts to report per third party ID for each report grouping and for each literal.

The rule for threshold values is:

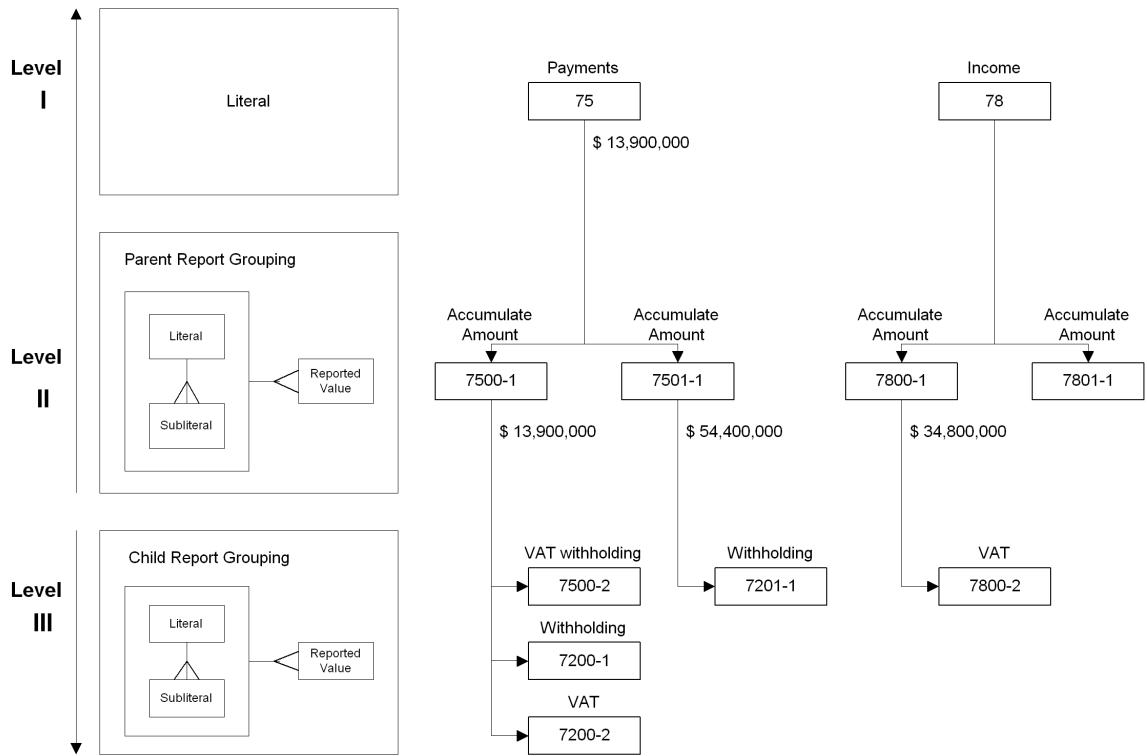
- If the sum of activity for any parent report grouping in a literal of a given third party ID at the highest level exceeds its associated threshold, all associated report groupings in the literal are reported.
- Children follow parents: for each report grouping that you must report, child report groupings are also reported.

General Ledger applies thresholds in this sequence:

1. **Parent Report Grouping threshold** – General Ledger reports on all parent report groupings greater than or equal to the report grouping threshold value.
2. **Literal threshold** – General Ledger adds together all parent report groupings that belong to a literal for each third party ID. If the sum that results meets or exceeds the literal threshold value, the program reports on each parent report grouping even if the value for each parent report grouping by itself is below its report grouping threshold value.
3. **Child Report Grouping level** – If a parent report grouping is reported, the children of the report grouping are also reported.

This sequence for applying thresholds means that if a parent report grouping is not reported at the parent report grouping threshold check, General Ledger may still report on the parent report grouping at the literal threshold check.

This diagram shows the hierarchy of threshold values and parent and child report groupings, using the threshold values for 2000:



The setup phase for magnetic media involves entering details for all literals, subliterals, report groupings, ranges of accounting flexfield segments, and threshold values.

You enter magnetic media setup information in the Literals window and Accounts window. See [Setting Up Magnetic Media Information](#) on page 2-8 for more information.

Setting Up Magnetic Media Information

Complete these setup tasks for magnetic media reporting:

1. Use the Literals window to define literals, literal threshold values, and subliterals.
2. Use the Literals window to define reported values for each subliteral, and threshold amounts for parent report groupings.
3. Use the Accounts window to assign accounting flexfield segment ranges to each report grouping.
4. Run the Colombian Magnetic Media Literal Configuration Verification Report to verify your magnetic media setup.

Prerequisites

Before you can define literals and subliterals, you must:

- Define a set of books
- Assign your set of books to a responsibility
- Define company information
- Assign the company to a responsibility

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

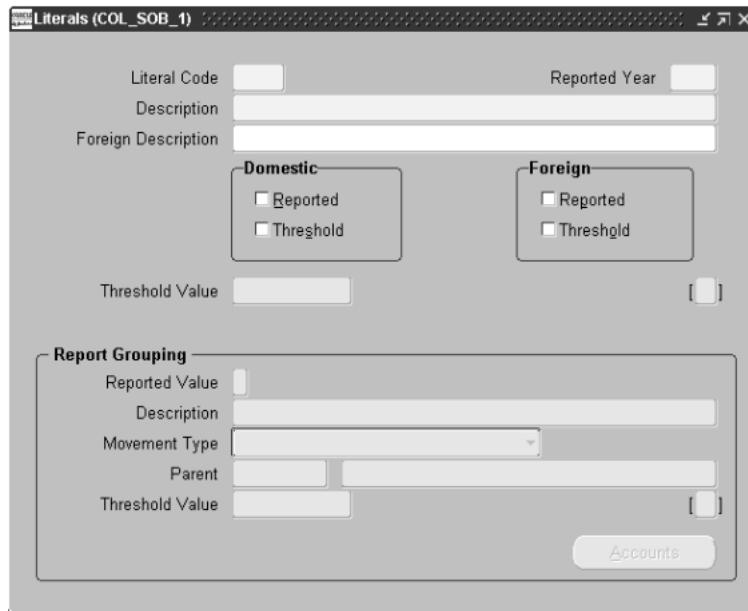
Defining Literals and Subliterals

Use the Literals window to define literals, subliterals, and report groupings. Use the Literal region in the Literals window to enter the literal or subliteral code, the literal and subliteral, domestic and foreign information, and the literal threshold value, if there is one. Use the Report Grouping region in the Literals window to define report groupings and enter report grouping threshold values.

You enter one or two reported values for each subliteral to create one or two report groupings. Define both parent report groupings and child report groupings. A parent report grouping can have an assigned threshold value. A child report grouping is always assigned to a parent report grouping. The format for a report grouping is *XXXX-Y*, where:

- *XXXX* is the subliteral code
- *Y* is the reported value

For each report grouping that you define, use the Accounts button in the Define Literals window to navigate to the Accounts window to assign accounting flexfield ranges to the report grouping. See [Assigning Ranges of Accounting Flexfield Segments on page 2-13](#) for more information.

**To define a literal:**

1. Navigate to the Literals window.
2. In the Literal Code field, enter the two-digit literal code.
3. In the Reported Year field, enter the current year.
4. For domestic or foreign literals, enter the description in the Description field. For foreign literals, enter the description as defined by the DIAN in the Foreign Description field.

Note: If you enter a description in the Foreign Description field, the Foreign Reported check box is checked automatically.

5. Check the appropriate Reported check boxes, if not already checked.
6. If you are reporting on third party transactions according to a threshold value for the literal, check the appropriate Threshold check box.

7. If the literal has a threshold value, enter the value in the Threshold Value field. If there is no threshold value, leave the field blank.

Note: Make sure that you have checked the appropriate Threshold check boxes.

8. Save your work.

To define a subliteral and report grouping:

1. Navigate to the Literals window.
2. In the Literal Code field, enter the four-digit subliteral code.

Note: Define the literal first before you define the corresponding subliterals.

3. In the Reported Year field, enter the current year.
4. For domestic or foreign subliterals, enter the description in the Description field. For foreign subliterals, enter the description as defined by the DIAN in the Foreign Description field.
5. Check the appropriate Reported check boxes, if not already checked.
6. If you are reporting on third party transactions according to a threshold value for the subliteral, check the appropriate Threshold check box.
7. Navigate to the Report Grouping region.
8. In the Reported Value field, enter the one-digit code (1 or 2) for the reported value for the report grouping.
9. In the Description field, enter the description of the reported value as defined by the DIAN.
10. In the Movement Type field, enter the movement type for the report grouping, such as *Sum Transactions Debit-Credit* or *Balances Debit-Credit*.
11. If the report grouping is a parent report grouping with threshold value, enter the threshold value in the Threshold Value field.

Note: If you enter a value in this field, leave the Parent field blank. You only use the Parent field for child report groupings.

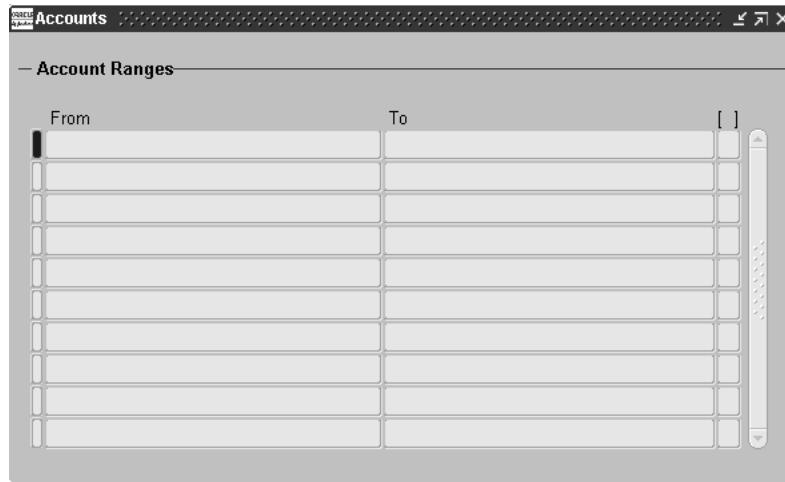
12. If the report grouping is a child report grouping, enter the parent report grouping in the Parent field.
13. Save your work.

Assigning Ranges of Accounting Flexfield Segments

Use the Accounts window to assign accounting flexfield segment ranges to each report grouping defined in the Literals window.

The accounting flexfield segment ranges in the Accounts window represent your chart of accounts. You can enter more than one range of accounting flexfield segments for a report grouping to allow for all possible code combinations.

Note: If you enter more than one range of accounting flexfield segments, the ranges must not overlap.



To assign ranges of accounting flexfield segments to a report grouping:

1. Navigate to the Literals window.
2. Query or define the subliteral that you want.
3. Navigate to the Report Grouping region.
4. Query or define the reported value that you want.
5. Navigate to the Accounts window by pressing the Accounts button.
6. Enter the start and end accounting flexfield segment ranges in the From and To fields. Enter all ranges that apply to the report grouping.

Note: The list of values for accounting flexfield segment ranges represents your chart of accounts.

7. Save your work.

Colombian Magnetic Media Literal Configuration Verification Report

Colombian Operations (COP)		Literals Configuration Verification Report				Report Date: 04-MAY-2001 18:44
Literal	Reported Value	Description	Threshold Value	Parent Movement Type	Account Start/Account End	Magnetic Media Status
72		Payments Total and Partial				Processed by Threshold
7200		Miscellaneous Expenses				Processed by Threshold
1		Miscellaneous Expenses - Total Amount	7500-1	Sum Transactions Debit - Credit	01-519500-0000-0000-000-0000 01-519999-9999-9999-999-9999	Processed by Threshold
75		Payments	3,200.00			
7500		Operational Expenses				New or Updated Literal
1		Operational Expenses - Base Amount	3,200.00	Sum Transactions Debit - Credit	01-510000-0000-0000-000-0000 01-516599-9999-9999-999-9999 01-520000-0000-0000-000-0000 01-529999-9999-9999-999-9999	
7501		2 Operational Expenses - VAT Deductible Non-Operational Expenses	7500-1	Sum Transactions Debit - Credit	01-240855-0000-0000-000-0000 01-240855-9999-9999-999-9999	
1		Non-Operational Expenses - Total Amount	3,200.00	Sum Transactions Debit - Credit	01-530000-0000-0000-000-0000 01-539999-9999-9999-999-9999	
2		test	100.00	Sum Transactions Debit - Credit		Processed by Threshold

The Colombian Magnetic Media Literal Configuration Verification report generates a listing of the magnetic media setup information. Run the report after you set up magnetic media information for the current year.

The Colombian Magnetic Media Literal Configuration Verification report shows literals, subliterals, descriptions, reported values, threshold values, parent/child relationships, movement types, ranges of accounting flexfield segments assigned to each report grouping, and magnetic media status for each literal and subliteral. Use the report to verify the completeness and accuracy of the magnetic media setup.

The magnetic media status indicates the processing level for each literal and subliteral. You can only run the Colombian Magnetic Media Generate File program to generate the magnetic media ASCII file when all literals and subliterals have the status of *Processed by Threshold* which means that the Colombian Magnetic Media Apply Thresholds program was run for all literals and subliterals.

To navigate to the Colombian Magnetic Media Literal Configuration Verification report, use Colombian General Ledger: Colombian Localization > Magnetic Media Programs. Use the Standard Request Submission windows to submit the Colombian Magnetic Media Literal Configuration Verification report.

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

Report Parameters

Report Year

Enter the year that you want to report.

Starting Literal Code

Enter the first literal or subliteral that you want to report from.

Ending Literal Code

Enter the last literal or subliteral that you want to report to.

Magnetic Media Status

Enter the magnetic media status to report for literals or subliterals. If you do not enter a value, the report includes all literals and subliterals within the specified range. Enter one of the following:

- **New or Updated Literal** – The literal or subliteral is either newly created or updated
- **Processed by Get Movements** – The Colombian Magnetic Media Get Movements program was run for the literal or subliteral
- **Processed by Threshold** – The Colombian Magnetic Media Apply Thresholds program was run for the literal or subliteral

Report Headings

In this heading...	General Ledger prints...
Reported Year	The reported year
Literal Start	The first literal or subliteral to report
End	The last literal or subliteral to report
Magnetic Media Status	The magnetic media status to report
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report

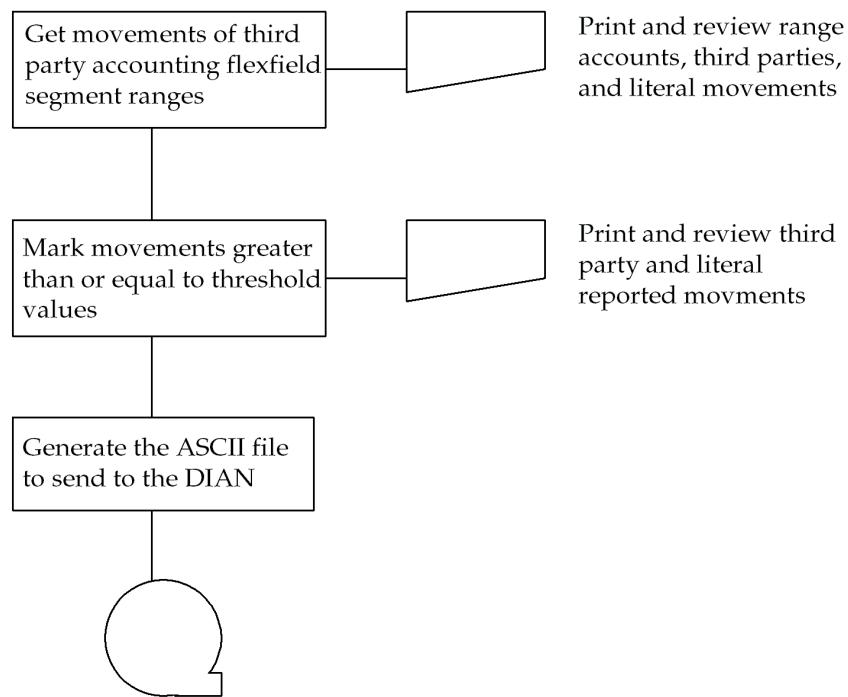
Column Headings

In this column...	General Ledger prints...
Literal	The literal or subliteral code
Reported Value	The subliteral reported value
Description	The literal, subliteral, or reported value description
Threshold Value	The literal or report grouping threshold value
Parent	The parent report grouping (child report groupings only)
Movement Type	The movement type for the report grouping
Account Start/Account End	The first and last accounting flexfield segment for the report grouping
Magnetic Media Status	The magnetic media status for each literal and subliteral

Generating the Magnetic Media File

After you set up and verify the completeness and accuracy of magnetic media information, you can generate the magnetic media file. Generating the electronic file involves accessing third party transaction information and organizing the information according to literal/subliteral definitions. The Colombian Magnetic Media Generate File program writes the information to the electronic file.

This diagram shows the steps involved in creating the magnetic media file:



Run the Literals, Accounts and Third Party Movements report after running the Colombian Magnetic Media Get Movements program. Run the Colombian Magnetic Media Literals and Third Party Movement report after you run the Colombian Magnetic Media Apply Thresholds program.

You can run the magnetic media file generation process as often as you need to produce an accurate report, as long as General Ledger is not permanently closed. When General Ledger is permanently closed, the next run of the magnetic media file generation process is the final run.

These are the programs and reports that manage magnetic media file generation:

- Colombian Magnetic Media Get Movements program, on page 2-20
- Colombian Magnetic Media Apply Thresholds program, on page 2-21
- Colombian Magnetic Media Generate File program, on page 2-22
- Colombian Magnetic Media Literal Configuration Verification report, on page 2-15
- Colombian Magnetic Media Literals, Accounts and Third Party Movement report, on page 2-23
- Colombian Magnetic Media Literals and Third Party Movement report, on page 2-26

Colombian Magnetic Media Get Movements Program

Use the Colombian Magnetic Media Get Movements program to collect literal and third party movement information for each literal, subliteral, and reported value, using the accounting flexfield segment ranges.

The Colombian Magnetic Media Get Movements program is the first program to run in the generation of the magnetic media file.

After you run the Colombian Magnetic Media Get Movements program, run and review the Literals, Accounts and Third Party Movements report. See Colombian Magnetic Media Literals, Accounts and Third Party Movement Report on page 2-23 for more information.

To navigate to the Colombian Magnetic Media Get Movements program, use Colombian General Ledger: Colombian Localization > Magnetic Media Programs. Use the Standard Request Submission windows to submit the Colombian Magnetic Media Get Movements program.

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

Program Parameters

Reported Year

Enter the year that you want to report.

Period Start

Enter the first fiscal period that you want to report from.

Period End

Enter the last fiscal period that you want to report to.

Literal Start

Enter the first literal or subliteral that you want to report from.

Literal End

Enter the last literal or subliteral that you want to report to.

Colombian Magnetic Media Apply Thresholds Program

Use the Colombian Magnetic Media Apply Thresholds program to collect literal and third party information to report.

Run the Colombian Magnetic Media Apply Thresholds program after you run the Colombian Magnetic Media Get Movements program and after you run and review the Literals, Accounts and Third Party Movements report.

You can only run the Colombian Magnetic Media Generate File program after you have run the Colombian Magnetic Media Apply Thresholds program for all literals and subliterals. You can use the Colombian Magnetic Media Literal Configuration Verification report to check the status of literals and subliterals. See Colombian Magnetic Media Literal Configuration Verification Report on page 2-15 for more information.

After you run the Colombian Magnetic Media Apply Thresholds program, run the Colombian Magnetic Media Literals and Third Party Movement report. See Colombian Magnetic Media Literals and Third Party Movement Report on page 2-26 for more information.

To navigate to the Colombian Magnetic Media Apply Thresholds program, use Colombian General Ledger: Colombian Localization > Magnetic Media Programs. Use the Standard Request Submission windows to submit the Colombian Magnetic Media Apply Thresholds program.

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

Program Parameters

Reported Year

Enter the year that you want to report.

Literal Start

Enter the first literal or subliteral that you want to report from.

Literal End

Enter the last literal or subliteral that you want to report to.

Colombian Magnetic Media Generate File Program

Use the Colombian Magnetic Media Generate File program to generate the ASCII file that you submit to the DIAN.

You must run the Colombian Magnetic Media Apply Thresholds program before you can run the Colombian Magnetic Media Generate File program. You should also run and review the Colombian Magnetic Media Literals and Third Party Movement report.

As specified by the Colombian government, the file has three registers:

- **Identification register** – Company information
- **Movement register** – Literal and third party movement information populated from Oracle Financials through the accounting flexfield segment ranges
- **Closed register** – Company address, area code, telephone number, and control totals

To navigate to the Colombian Magnetic Media Generate File program, use Colombian General Ledger: Colombian Localization > Magnetic Media Programs. Use the Standard Request Submission windows to submit the Colombian Magnetic Media Generate File program.

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

Program Parameters

Reported Year

Enter the year that you want to report.

Diskette or Tape Label

Enter the label to identify the tape or diskette that contains the magnetic media file.

Colombian Magnetic Media Literals, Accounts and Third Party Movement Report

Literals, Accounts, and Third Party Movements Report								Date : 04-MAY-2000 18:45:40
Oracle Colombia Ltda.								Page : 1 / 1
Company Taxpayer ID : 800103052 - Verifying Digit: 8								
Reported Year : 1999								
Literal Start : 72								
Literal End : 9000								
Literal	RV	Initial Account	End Account	Third Party ID	Type	Name	First Value	Second Value
8700	1	01-130000-0000-	01-130505-9999-	800016332	Legal Entity	Open Systems LTD	2,000.00	0.00
		0000-000-0000	9999-999-9999	860002433	Legal Entity	UNISYS DE COLOMBIA S.A.s	58,000.00	0.00
Total Range of Accounts:								
Total Subliterals:								
Total Report:								
60,000.00								
0.00								

The Colombian Magnetic Media Literals, Accounts and Third Party Movement report prints, for each literal and subliteral, accounts and third party transactions by report grouping. The report includes all literals and subliterals.

You can use the report to compare account totals with General Ledger account balances, and correct any discrepancies.

Run this report after you run the Colombian Magnetic Media Get Movements program.

The Colombian Magnetic Media Literals, Accounts and Third Party Movement report shows the literal or subliteral code, reported value, initial and end range of accounting flexfield segments, third party ID, third party name, and reported values.

To navigate to the Colombian Magnetic Media Literals, Accounts and Third Party Movement report, use Colombian General Ledger: Colombian Localization > Magnetic Media Programs. Use the Standard Request Submission windows to submit the Colombian Magnetic Media Literals, Accounts and Third Party Movement report.

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

Report Parameters

Reported Year

Enter the year that you want to report.

Literal Start

Enter the first literal or subliteral that you want to report from.

Literal End

Enter the last literal or subliteral that you want to report to.

Report Headings

In this heading...	General Ledger prints...
Company Taxpayer ID	Company Taxpayer ID
Reported Year	Reported year
Literal Start	First literal or subliteral to report
Literal End	Last literal or subliteral to report
Date	Date and time that you ran the report
Page	Current and total page numbers of the report

Column Headings

In this column...	General Ledger prints...
Literal	Subliteral code
RV	Reported value
Initial Account	First accounting flexfield segment for the report grouping
End Account	Last accounting flexfield segment for the report grouping
Third Party ID	Third party ID associated with the movement
Type	Third party identification type
Name	Third party name
First Value	First reported value
Second Value	Second reported value

Colombian Magnetic Media Literals and Third Party Movement Report

Literals and Third Party Movements Report						
Oracle Colombia Ltda.				Date: 04-MAY-2000 18:44:48		
Company Taxpayer ID : 800103052 - Verifying Digit : 8				Page: 1 / 1		
Reported Year : 1999						
Literal Start : 72						
Literal End : 9000						
Literal	Third Party ID	Type	Name		First Value	Second Value
7200	800069073	Legal Entity	ALFORRENT		1,000.00	0.00
				Total Subliteral:	1,000.00	0.00
7800	444444444 800016332 860002433	Foreign Entity Legal Entity Legal Entity	Foreign Description for 7800 Open Systems LTDA UNISYS DE COLOMBIA S.A.S		11,100.00 2,000.00 130,000.00	1,776.00 0.00 20,800.00
				Total Subliteral:	143,100.00	22,576.00
				Total Report:	144,100.00	22,576.00
Total Records : 4				Total of First and Second Values:	166,676.00	

The Colombian Magnetic Media Literals and Third Party Movement report prints third party and literal movements. Run the report after you run the Colombian Magnetic Media Apply Thresholds program.

The Colombian Magnetic Media Literals and Third Party Movement report shows literal and subliteral code, reported value, third party ID, third party name, first reported value, and second reported value.

To navigate to the Colombian Magnetic Media Literals and Third Party Movement report, use Colombian General Ledger: Colombian Localization > Magnetic Media Programs. Use the Standard Request Submission windows to submit the Colombian Magnetic Media Literals and Third Party Movement report.

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

Report Parameters

Reported Year

Enter the year that you want to report.

Literal Start

Enter the first literal or subliteral that you want to report from.

Literal End

Enter the last literal or subliteral that you want to report to.

Report Headings

In this heading...	General Ledger prints...
Company Taxpayer ID	Company Taxpayer ID
Reported Year	Reported year
Literal Start	First literal or subliteral to report
Literal End	Last literal or subliteral to report
Date	Date and time that you ran the report
Page	Current and total page numbers of the report

Column Headings

In this column...	General Ledger prints...
Literal	Subliteral code
Third Party ID	Third party ID associated with the movement
Third Party Type	Third party identification type
Name	Third party name
First Value	First reported value
Second Value	Second reported value

Row Headings

In this row...	General Ledger prints...
Total Subliteral	Sum of first reported values and sum of the second reported values for each subliteral
Total Report	Sum of first reported values and sum of the second reported values for the report
Total of First and Second Values	Sum of first and second reported values for the report
Total Records	Reported record count

Setting Up the Unique Chart of Accounts

In Colombia, companies are legally required to use a unique chart of accounts (Plan Unico de Cuentas or PUC) defined by the government. Different business sectors, such as the commercial, financial, or government sectors, have different unique charts of accounts.

The Colombian government defines four levels of accounts within the commercial Unique Chart of Accounts:

- **Level 1** - Accounts at the class level, identified by a one-digit account number. Accounts at this level represent account classes such as asset, liability, equity, revenue, or expense.
- **Level 2** - Accounts at the group level, identified by a two-digit account number. Accounts at this level represent groups of accounts within the classes.
- **Level 3** - Accounts at the account level, identified by a four-digit account number. Accounts at this level represent individual accounts within the groups.
- **Level 4** - Accounts at the sub-account level, identified by a six-digit or longer account number. Accounts at this level represent sub-accounts within the accounts. Level 4 is the maximum level of account detail required by law. You should allow posting only for accounts at this level.

For example, the commercial Unique Chart of Accounts uses these one-digit initial codes to identify the classes of accounts.

- **1** - Asset (Activo)
- **2** - Liability (Pasivo)
- **3** - Equity (Patrimonio)
- **4** - Revenue (Ingresos)
- **5** - Expense (Gastos)
- **6** - Sales Cost (Costos de Ventas)
- **7** - Operation Cost (Costos de Producción o de Operación)
- **8** - Debtors Account Order (Cuentas de Orden Deudoras)
- **9** - Creditors Accounts Order (Cuentas de Orden Acreedoras)

Other codes identify accounts at lower account levels.

Note: Oracle General Ledger for Colombia uses the number of digits in the account number to identify the level of the account. The Level field in the Segment Values window is not used for Colombian account levels.

To establish the legal hierarchy of account levels for your accounts, create parent-child relationships between accounts at different levels. Define level 4 accounts as children of level 3 accounts, level 3 accounts as children of level 2 accounts, and level 2 accounts as children of level 1 accounts.

You should set the Allow Posting segment qualifier to Yes for all accounts at level 4. General Ledger automatically maintains account balances for the accounts that allow posting.

Maintaining account balances for the higher-level accounts speeds the processing of reports on account activity at these levels, since General Ledger does not need to calculate the account balances when the report is generated. To maintain account balances for accounts at levels 1, 2, and 3, create summary accounts for these accounts. You can create summary accounts by defining a rollup group for each account level, assigning parent accounts to the appropriate rollup groups, and creating summary templates using the rollup groups.

In Colombia, companies must report account information according to the legal account levels. Companies must be able to list account information at each level of account detail.

In Oracle General Ledger for Colombia, a legal report at a particular account level shows detailed information for accounts at that level as well as totals for accounts at each higher level. For example, a report at level 3 shows detailed information for level 3 accounts as well as summary totals for level 2 accounts and level 1 accounts. For more information, see Colombian General Ledger Daily Book Report on page 2-34, Colombian General Ledger Major Book Report on page 2-38, and Colombian General Ledger Inventory and Balances Book Report on page 2-41.

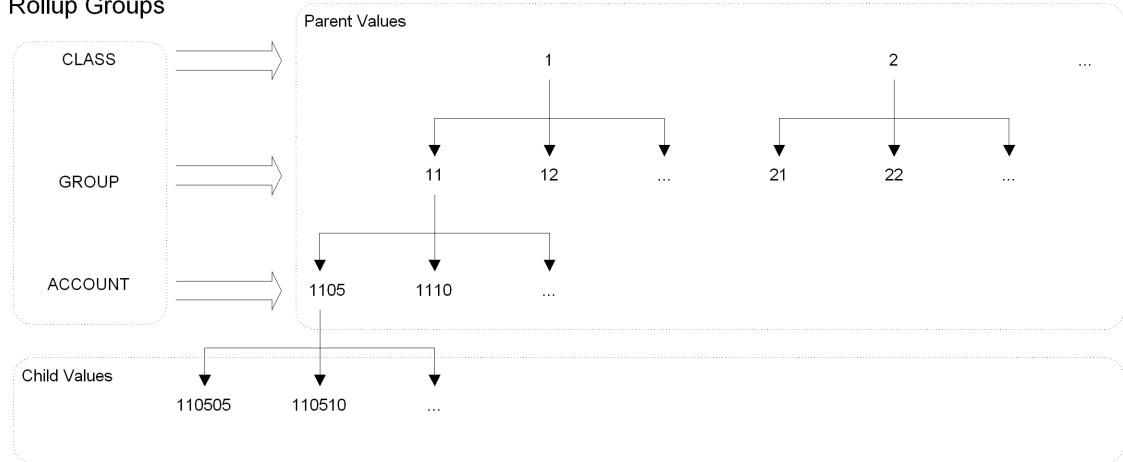
See also: Defining Summary Accounts, *Oracle General Ledger User Guide*

See also: Parent and Child Values and Rollup Groups, *Oracle General Ledger User Guide*

Example for Colombian legal account levels

Assume that a company needs to set up accounts using the commercial Unique Chart of Accounts with the four legal account levels.

Rollup Groups



The company defines segment values for the account segment of the accounting flexfield. This table lists some examples of accounts and shows whether the account is a parent value or a child value and which rollup group each parent value should belong to.

Account Number	Description	Parent/Child	Rollup Group
1	Asset	Parent	Class
11	Available	Parent	Group
1105	Cash	Parent	Account
110505	General Cash	Child	
1110	Banks	Parent	Account
111005	National Bank	Child	

The company also defines the child ranges for the parent accounts. This table shows some examples of the child ranges defined for parent accounts at the various account levels.

Account Number	Account Level	Child Range From	Child Range To	Included Values
1	1	11	11	Parent Values Only
		12	12	Parent Values Only
		13	13	Parent Values Only
		14	14	Parent Values Only
		15	15	Parent Values Only
		16	16	Parent Values Only
		17	17	Parent Values Only
		18	18	Parent Values Only
		19	19	Parent Values Only
		1105	1105	Parent Values Only
11	2	1110	1110	Parent Values Only
		1115	1115	Parent Values Only
		1120	1120	Parent Values Only
		1125	1125	Parent Values Only
		110500	110599	Child Values Only

The company defines these rollup groups for the three upper account levels:

Rollup Group Name	Account Level
Class	1
Group	2
Account	3

Note: The subaccount level, level 4, does not need a rollup group since General Ledger automatically maintains account balances for accounts that allow posting.

Finally, the company defines these summary templates to create summary accounts for the upper account levels. For this example, assume that the accounting flexfield consists of four segments, the first of which is the balancing segment and the second of which is the account segment.

Name	Template	Description
Class	D.CLASS.T.T	Level 1 Accounts
Group	D.GROUP.T.T	Level 2 Accounts
Account	D.ACCOUNT.T.T	Level 3 Accounts

The summary templates should use the rollup groups as the template values for the natural account segment. General Ledger uses these templates to create a summary account for each parent value assigned to the rollup groups. The balance of each summary account is the total of the balances of all the child accounts associated with the parent.

Colombian General Ledger Daily Book Report

Colombian Operations Inc.		Company Taxpayer ID: 800103054-2 Daily Book Report			Page: 1 / 1	
Period:	Aug-00					
Account	Description	Category	Date	Journal	Debit	Credit
1	Asset	Sales Invoices	08/08/2000		142,000,000.00	0.00
		Sales Invoices	12/08/2000		29,260,000.00	0.00
		Sales Invoices	15/08/2000		22,800,000.00	0.00
		Trade Receipts	10/08/2000		131,200,000.00	131,200,000.00
		Trade Receipts	20/08/2000		11,500,000.00	11,500,000.00
				Total: 1	336,760,000.00	142,700,000.00
2	Liability	Sales Invoices	12/08/2000		0.00	4,035,864.00
				Total: 2	0.00	4,035,864.00
4	Income	Sales Invoices	08/08/2000		0.00	142,000,000.00
		Sales Invoices	12/08/2000		0.00	25,224,136.00
		Sales Invoices	15/08/2000		0.00	22,800,000.00
				Total: 4	0.00	190,024,136.00
				Report Total:	336,760,000.00	336,760,000.00

*** End of Report - Daily Book ***

Use the Colombian General Ledger Daily Book report (Libro Diario) to list the daily account activity for your accounts in a given period. The Colombian General Ledger Daily Book report shows the individual transactions for each account, providing a clear audit trail from account balance to individual journal entry. The transactions are sorted by journal category and journal entry number. The Colombian General Ledger Daily Book report also shows the debit and credit totals for each account at each account level.

You can run the Colombian General Ledger Daily Book report for any of the four legal account levels. The level that you choose determines which accounts are detailed on the report. All accounts at or above the level that you choose appear on the report.

To meet Colombian legal requirements, the Colombian General Ledger Daily Book report must list journal entries numbered in a gapless sequence. You can use sequential numbering for your journal entries in Oracle General by creating a document sequence for the journal entries and assigning the sequence to your journal categories.

For legal reporting purposes, you should run the Colombian General Ledger Daily Book report only for closed periods. General Ledger lets you run the Colombian General Ledger Daily Book report for an open period as well to view account activity.

Use the Standard Request Submission windows to submit the Colombian General Ledger Daily Book report.

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

See also: Assigning Document Sequences, *Oracle General Ledger User Guide*

Prerequisites

Before you run the report, you must:

- Enter Colombian company information for your company. To meet Colombian legal requirements, the Colombian General Ledger Daily Book report must show your company information.

See also: Additional Company Information, *Oracle Financials Common Country Features User Guide*

- Set up a set of books with a functional currency of Colombian pesos. Companies are legally required to present the Colombian General Ledger Daily Book report in Colombian pesos. If the functional currency of your main set of books is not Colombian pesos, you must use the Multiple Reporting Currencies (MRC) feature in Oracle Applications to set up a reporting set of books with a functional currency of Colombian pesos, and run the Colombian General Ledger Daily Book report in this set of books.

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

- Create a document sequence for your journal entries and assign the sequence to your journal categories in order to number journal entries sequentially.

See also: Assigning Document Sequences, *Oracle General Ledger User Guide*

Report Parameters

Accounting Period

Enter the accounting period that you want to report on.

Note: For legal reporting purposes, you should run the Colombian General Ledger Daily Book report only for closed periods. General Ledger lets you run the Colombian General Ledger Daily Book report for an open period as well to view account activity.

Account Group Level

Enter the level of accounts that you want to include on the report. Valid values are 1, 2, 3, and 4.

Report Headings

In this heading...	General Ledger prints...
<Company Name>	Your company name
Period	The accounting period
Company Taxpayer ID	Your taxpayer ID
<Verifying Digit>	The verifying digit for your taxpayer ID
<Report Title>	Daily Book Report
Page	The current and total pages of the report

Column Headings

In this column...	General Ledger prints...
Account	The natural account segment of the accounting flexfield
Description	A description of the account.
Category	The journal category for the journal entry
Date	The journal entry date
Journal	The document sequence number for the journal entry
Debit	The debit amount
Credit	The credit amount

Row Headings

In this row...	General Ledger prints...
Total <Account>	The totals for each account at each level
Report Total	The totals for the report

Colombian General Ledger Major Book Report

Colombian Operations Inc.		Company Taxpayer ID: 800103054 - 2			Page: 1 / 1		
Period: Aug-00		Major Book Report					
Account	Description	Beginning Balance	Debit	Credit	Ending Balance		
1	Asset	0.00	336,760,000.00	142,700,000.00	194,060,000.00		
11	Current	0.00	142,700,000.00	0.00	142,700,000.00		
1105	Cash	0.00	112,700,000.00	0.00	112,700,000.00		
110505	General Cash	0.00	72,000,000.00	0.00	72,000,000.00		
110510	Other Cash	0.00	40,700,000.00	0.00	40,700,000.00		
1110	Banks	0.00	30,000,000.00	0.00	30,000,000.00		
111005	Local Currency	0.00	14,500,000.00	0.00	14,500,000.00		
111010	Foreign Currency	0.00	15,500,000.00	0.00	15,500,000.00		
13	Account Receivable	0.00	194,060,000.00	142,700,000.00	51,360,000.00		
1305	Customers	0.00	194,060,000.00	142,700,000.00	51,360,000.00		
130505	Customers - Local	0.00	194,060,000.00	142,700,000.00	51,360,000.00		
2	Liability	0.00	0.00	4,035,864.00	<4,035,864.00>		
24	Fiscal Obligations	0.00	0.00	4,035,864.00	<4,035,864.00>		
240810	VAT Payable - Services	0.00	0.00	4,035,864.00	<4,035,864.00>		
4	Income	0.00	0.00	190,024,136.00	<190,024,136.00>		
41	Operational Income	0.00	0.00	190,024,136.00	<190,024,136.00>		
4155	Rental Activities	0.00	0.00	190,024,136.00	<190,024,136.00>		
415535	Data Processing	0.00	0.00	190,024,136.00	<190,024,136.00>		
		Total: 336,760,000.00	336,760,000.00				
=====							
*** End of Report - Major Book Report ***							

Use the Colombian General Ledger Major Book report (Libro Mayor) to show the account activity for your accounts in a given period. The Colombian General Ledger Major Book report lists the beginning balance, total debits, total credits, and ending balance for each account.

You can run the Colombian General Ledger Major Book report for any of the four legal account levels. The level that you choose determines which accounts are detailed on the report. All accounts at or above the level that you choose appear on the report.

The total debits should be equal to the total credits, indicating that the transactions for the period are in balance. The debit and credit totals for the report equal the totals for any account level.

Use the Standard Request Submission windows to submit the Colombian General Ledger Major Book report.

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

Prerequisites

Before you run the report, you must:

- Enter Colombian company information for your company. To meet Colombian legal requirements, the Colombian General Ledger Major Book report must show your company information.

See also: Additional Company Information, *Oracle Financials Common Country Features User Guide*

- Set up a set of books with a functional currency of Colombian pesos. Companies are legally required to present the Colombian General Ledger Major Book report in Colombian pesos. If the functional currency of your main set of books is not Colombian pesos, you must use the Multiple Reporting Currencies (MRC) feature in Oracle Applications to set up a reporting set of books with a functional currency of Colombian pesos, and run the Colombian General Ledger Major Book report in this set of books.

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

Report Parameters

Accounting Period

Enter the accounting period that you want to report on.

Account Group Level

Enter the level of accounts that you want to include on the report. Valid values are 1, 2, 3, and 4.

Report Headings

In this heading...	General Ledger prints...
<Company Name>	Your company name
Period	The accounting period
Company Taxpayer ID	Your taxpayer ID
<Verifying Digit>	The verifying digit for your taxpayer ID
<Report Title>	Major Book Report
Page	The current and total pages of the report

Column Headings

In this column...	General Ledger prints...
Account	The natural account segment of the accounting flexfield
Description	A description of the account
Beginning Balance	The beginning balance for the account in this period
Debit	The amount of debit activity for the account in this period
Credit	The amount of credit activity for the account in this period
Ending Balance	The ending balance for the account in this period, calculated by adding the net of the debit and credit amounts to the beginning balance

Row Headings

In this row...	General Ledger prints...
Total	The debit and credit totals for all accounts on the report

Colombian General Ledger Inventory and Balances Book Report

Colombian Operations Inc.		
Company Taxpayer ID: 800103054-2		
Inventory and Balances Book Report		
Period: Aug-00		Page: 1 / 1
Account	Description	Ending Balance
1	Asset	194,060,000.00
11	Current	142,700,000.00
1105	Cash	112,700,000.00
110505	General Cash	72,000,000.00
110510	Other Cash	40,700,000.00
1110	Banks	30,000,000.00
111005	Local Currency	14,500,000.00
111010	Foreign Currency	15,500,000.00
13	Account Receivable	51,360,000.00
1305	Customers	51,360,000.00
130505	Customers - Local	51,360,000.00
2	Liability	<4,035,864.00>
24	Fiscal Obligations	<4,035,864.00>
240810	VAT Payable - Services	<4,035,864.00>

		Total: 190,024,136.00
=====		
*** End of Report - Inventory and Balances Book ***		

Use the Colombian General Ledger Inventory and Balances Book report (Libro de Inventario y Balances) to list the ending balances for your balance sheet accounts at the end of a given period. The Colombian General Ledger Inventory and Balances Book report includes only asset, liability, and equity accounts.

You can run the Colombian General Ledger Inventory and Balances Book report for any of the four legal account levels. The level that you choose determines which accounts are detailed on the report. All accounts at or above the level that you choose appear on the report.

Run the Colombian General Ledger Inventory and Balances Book report after you close your General Ledger accounting period. Use the Standard Request Submission windows to submit the Colombian General Ledger Inventory and Balances Book report.

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

Prerequisites

Before you run the report, you must:

- Enter Colombian company information for your company. To meet Colombian legal requirements, the Colombian General Ledger Inventory and Balances Book report must show your company information.

See also: Additional Company Information, *Oracle Financials Common Country Features User Guide*

- Set up a set of books with a functional currency of Colombian pesos. Companies are legally required to present the Colombian General Ledger Inventory and Balances Book report in Colombian pesos. If the functional currency of your main set of books is not Colombian pesos, you must use the Multiple Reporting Currencies (MRC) feature in Oracle Applications to set up a reporting set of books with a functional currency of Colombian pesos, and run the Colombian General Ledger Inventory and Balances Book report in this set of books.

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

Report Parameters

Accounting Period

Enter the accounting period that you want to report on. You can only choose periods with a status of *Closed* or *Permanently Closed*.

Account Group Level

Enter the level of accounts that you want to include on the report. Valid values are 1, 2, 3, and 4.

Report Headings

In this heading...	General Ledger prints...
<Company Name>	Your company name
Company Taxpayer ID	Your taxpayer ID
<Verifying Digit>	The verifying digit for your taxpayer ID
<Report Title>	Inventory and Balances Book Report
Period	The accounting period
Page	The current and total pages of the report

Column Headings

In this column...	General Ledger prints...
Account	The natural account segment of the accounting flexfield
Description	A description of the account
Ending Balance	The ending balance of the account

Row Headings

In this row...	General Ledger prints...
Total	The total for the report

Oracle Payables

This chapter describes Oracle Payables for Colombia, including:

- Payables taxpayer ID validation
- Withholding treatment
- Entering documents
- Invoice Gateway
- Colombian payment documents

Payables Taxpayer ID Validation

In Colombia, the government assigns a primary ID or taxpayer ID to domestic entities, such as individuals, companies and banks. Oracle Payables for Colombia validates the taxpayer information entered for a domestic or foreign supplier or bank information that you enter according to the criteria set by the Colombian government.

See also: Using the Customer Interface Program, *Oracle Financials Common Country Features User Guide*

Validating Your Supplier's Taxpayer ID

The taxpayer ID is validated when you enter taxpayer ID information in the Taxpayer ID, Primary ID Type, and Primary ID Validation Digit fields in the Suppliers window. Oracle Payables for Colombia copies the taxpayer ID to the Number field when the taxpayer ID is validated and the Number field is blank.

Oracle Payables for Colombia uses validation information to verify:

- The taxpayer ID does not exceed 14 digits
- The taxpayer ID is numeric
- The taxpayer ID is unique
- The taxpayer ID is identical for the same entity in the Suppliers, Banks, Customers, and Company Information windows
- The validation digit is correct for a legal entity's taxpayer ID

Prerequisites

Before you use the globalization flexfield in the Suppliers window, you must:

- Set the Supplier Number Entry Financials option to *Manual* in the Financials Options window
- Set the JL: Copy Tax Identifier Number profile option value to *Yes* at the responsibility level
- Set the JL: Extended AWT Calculation profile option to *Yes* at the responsibility level

See also: *Supplier Entry Financials Options, Oracle Payables User Guide*

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

Setup

You can change warning messages to appear as error messages by setting the JL: Tax ID Validation Failure profile option to *Error* at the Responsibility level. When the profile option is set to *Warning*, you can either continue entering more information in the Suppliers window without correcting the taxpayer ID or change the taxpayer ID. When the profile option is set to *Error*, you cannot save your work until you enter the correct taxpayer ID.

You will receive a warning or error message if:

- You entered a taxpayer ID for a domestic entity that is not identical for the same entity in the Suppliers, Banks, Customers, and Company Information windows
- You entered incorrect taxpayer ID information



To enter validation information for suppliers:

1. Navigate to the Suppliers window.
2. Enter a supplier name in the Supplier Name field.
3. Enter the supplier's number in the Number field, or leave the Number field blank so that Oracle Payables for Colombia can automatically copy the taxpayer ID that you enter in the Taxpayer ID field into this field.
4. Enter the taxpayer ID in the Taxpayer ID field. Do not include the hyphen and validation digit.
5. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.
6. Enter either *Individual*, *Legal Entity* or *Foreign Entity* for the supplier's identification type in the Taxpayer ID Type field. The default identification type is *Legal Entity*.

7. If you entered *Legal Entity* for the supplier's identification type, enter the taxpayer ID's validation digit in the Taxpayer ID Validation Digit field. The validation digit is the last number or character that follows a hyphen in the taxpayer ID, for example, 77689-9. The validation number can be any value from 0 to 9.
8. Press the OK button. The taxpayer ID is concatenated with its validation digit and copied into the Number field in the Suppliers window if the validation is successful and the Number field is blank.
9. Save your work or continue entering more supplier information.

See also: Entering Suppliers, *Oracle Payables User Guide*

Validating Your Bank's Taxpayer ID

The taxpayer ID information is captured in the Banks window for reporting on bank charges. You define your bank's taxpayer ID for only one bank branch. The taxpayer ID is validated when you enter taxpayer ID information in the Primary ID Branch, Primary ID Number, Primary ID Type, and Primary ID Validation Digit fields in the Banks window.

Oracle Payables for Colombia uses validation information to verify:

- The taxpayer ID does not exceed 14 digits
- The taxpayer ID is numeric
- The taxpayer ID is unique
- The taxpayer ID is identical for the same entity in the Suppliers, Banks, Customers, and Company Information windows
- The validation digit is correct for a legal entity's taxpayer ID

Prerequisites

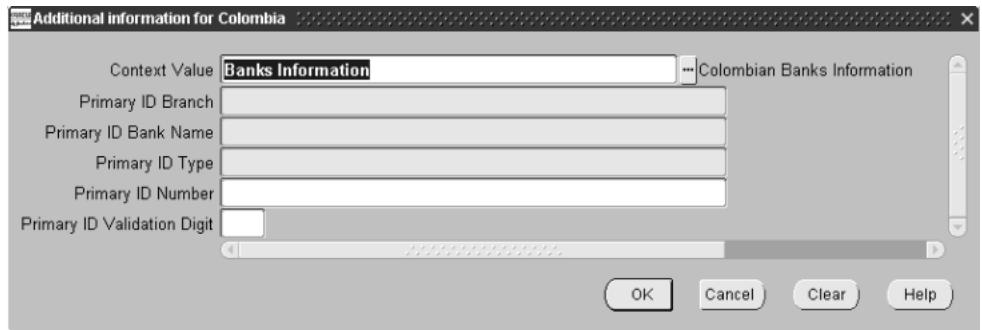
Set the JL: Copy Tax Identifier Number profile option value to *Yes* at the Responsibility level before you use the globalization flexfield in the Banks window.

Setup

You can change warning messages to appear as error messages by setting the JL: Tax ID Validation Failure profile option to *Error* at the Responsibility level. When the profile option is set to *Warning*, you can either continue entering more information in the Banks window without correcting the taxpayer ID or change the taxpayer ID. When the profile option is set to *Error*, you cannot save your work until you enter the correct taxpayer ID.

You will receive a warning or error message if:

- You entered a taxpayer ID for a domestic entity that is not identical for the same entity in the Suppliers, Banks, Customers, and Company Information windows
- You entered incorrect taxpayer ID information



To enter validation information for banks:

1. Navigate to the Banks window.
2. Enter a bank name in the Bank Name field.
3. Enter a bank branch name in the Bank Branch Name field.
4. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.
5. Enter *Yes* in the Primary ID Branch field if you want to identify the bank branch as primary. Enter *No* if you do not.

Note: The first bank branch that you enter must be identified as primary for the bank name to appear in the list of values. If you do not want the first bank branch that you enter to be primary, create a general bank branch with the tax information that you can temporarily use.

You cannot change a bank branch to non-primary if other bank branches in Oracle Applications reference the same bank branch.

6. Enter the bank branch name in the Primary ID Bank Name field. If your bank branch is not primary, choose the primary bank branch from the list of values.
7. Enter *Legal Entity* for a domestic bank or *Foreign Entity* for a foreign bank as the bank's identification type in the Primary ID Type field if your bank branch is primary. The default identification type is *Legal Entity*.

(continued)

8. Enter the bank's taxpayer ID in the Primary ID Number field if your bank branch is primary.
9. If you entered a Legal Entity identification type, enter the taxpayer ID's validation digit in the Primary ID Validation Digit field if your bank branch is primary.
10. Press the OK button.
11. Save your work or continue entering more bank information.

See also: Defining Banks, *Oracle Payables User Guide*

Withholding Tax Overview

In Colombia, customers who are withholding agents are responsible for withholding taxes from supplier invoices, credit memos, and debit memos when the supplier is subject to withholding and is not a withholding agent. The customer pays the supplier invoice net the withheld amount and issues a withholding certificate for the withheld amount. The customer pays the supplier invoice net the withheld amount as well as the tax withheld to the proper tax authority.

Several types of withholding tax can be levied on a single invoice line. The withholding tax types include:

- Income tax
- Industry and trade tax
- Remittance tax
- VAT
- Stamp tax

Each domestic invoice has one or more associated taxpayer ID (NIT). The taxpayer ID is used to help calculate and report withholding activity to tax authorities.

Oracle Payables for Colombia calculates withholding tax during the document approval process based on:

- If you are a withholding agent for each tax
- If the supplier is subject to withholding of each tax from you
- The concepts, or categories, associated with each invoice line
- The rate and minimum tax base amount established by the federal or local government for each concept

This section describes the features of each withholding tax and how to set up Oracle Payables for Colombia to calculate withholding tax as well as withholding certificates that show your withheld tax amounts for your supplier.

Note: Oracle Payables for Colombia does not support withholding on prepayments.

Withholding Tax and Calculation

This section describes the features and calculation method for each withholding tax type. These withholding taxes are:

- Income tax, on page 3-12
- VAT, on page 3-13
- Industry and trade tax, on page 3-14
- Remittance tax, on page 3-15
- Stamp tax, on page 3-17

Oracle Payables for Colombia lets you define applicable withholding taxes by setting up these features:

Set up this Oracle feature...	For this purpose...
Tax Types	Define the types of withholding taxes that apply and their attributes
Tax Codes	Define the concepts, rates, and specific attributes for withholding taxes
Cities	Define cities where withholding taxes are applicable
Company Withholding Applicability	Specify if you are a withholding agent for each tax type
Supplier Withholding Applicability	Associate each supplier with applicable tax types and tax codes

When you enter a document, Oracle Payables for Colombia assigns default withholding tax codes to each applicable document distribution line based on the information that you defined for your company and supplier. You can change or delete the default taxes for a document before the withholding amounts are calculated with some restrictions.

Oracle Payables for Colombia calculates withholding taxes on documents as part of the document approval process:

- Each distribution line is associated with tax codes that apply. Document distribution line amounts are summed up by tax code as well as taxpayer ID to create a taxable base amount.
- If the withholding tax code has an associated minimum taxable base amount, the withholding tax is calculated only when the taxable base amount for the tax code is greater than or equal to the minimum taxable base amount.
- Withholding tax is calculated based on tax code and tax type attributes for the withholding tax.
- If the withholding tax code or associated withholding type has a minimum withheld amount, the calculated amount is compared to the minimum withheld amount to determine if the withholding amount should be applied or not.

Income Tax Withholding

Income tax is a national tax that individuals and legal entities pay for income obtained during the year. In Colombia, the customer withholds income tax on behalf of the supplier and pays it directly to the proper tax authorities. Income tax withholding is applicable for domestic and foreign suppliers when you are an income tax withholding agent and the supplier is subject to income tax withholding from you.

The income tax withholding amount is calculated on the taxable base for each income concept within a document. The taxable base is established based on the sum of all distribution line amounts that are associated with the same tax code and taxpayer ID on a document. You define the income concept, the minimum amount, and the rate for each tax code.

Income tax withholding is calculated with this formula:

$$(\text{taxable base amount}) * (\text{tax code rate})$$

If a minimum taxable base amount is associated with an income concept, income tax withholding is only calculated for the income concept when the taxable base amount is greater than or equal to the minimum taxable base amount.

If a minimum withheld amount is associated with the concept at either tax code level or withholding type level, the calculated withholding amount must be greater than or equal to the minimum withheld amount for withholdings to apply.

Withholding distribution lines are created as part of the document approval process if they apply.

The income tax withholding certificate that you send to your supplier summarizes income tax withholding details.

VAT Withholding

Value Added Tax (VAT), a tax charged on the value added to goods or services at each stage of their supply, is withheld by the customer on behalf of the supplier. VAT withholding applies for domestic and foreign suppliers when you are a VAT withholding agent and the supplier is subject to VAT withholding from you.

The VAT withholding amount is calculated on the taxable base for each concept within a document. The taxable base is established based on the sum of all distribution line amounts that are associated with the same tax code and taxpayer ID on a document. You define the concept and the withholding rate for each tax code. Currently, no minimum taxable base amount is used for VAT withholding.

VAT withholding is calculated with this formula:

$$(taxable\ base\ amount) * (tax\ code\ rate)$$

If a minimum withheld amount is associated with the concept at either tax code level or withholding type level, the calculated withholding amount must be greater than or equal to the minimum withheld amount for withholdings to apply. Withholding distribution lines are created as part of the document approval process if they apply.

The VAT withholding certificate that you send to your supplier summarizes VAT withholding details.

Industry and Trade Tax Withholding

Industry and trade tax withholding is the withholding of industry and trade tax on behalf of the supplier. Industry and trade tax withholding applies for domestic and foreign suppliers when these conditions apply:

- The city associated with a document line levies this tax
- You are an industry and trade tax withholding agent for the city associated with the document line
- Your supplier is subject to industry and trade tax withholding from you for the city associated with the document line

The industry and trade tax withholding amount is calculated on the taxable base for each concept by city within a document. The taxable base is established based on the sum of all distribution line amounts that are associated with the same tax code and taxpayer ID on a document. Each city that levies industry and trade tax has its own industry and trade tax type with its own tax codes and associated rates within this tax type.

The industry and trade tax withholding is calculated using this formula:

*(taxable base amount) * (tax code rate)*

If a minimum taxable base amount is associated with a concept, industry and trade tax withholding is only calculated for the concept when the taxable base amount is greater than or equal to the minimum taxable base amount.

If a minimum withheld amount is associated with the concept at either tax code level or withholding type level, the calculated withholding amount must be greater than or equal to the minimum withheld amount for withholdings to apply.

Withholding distribution lines are created as part of the document approval process if they apply.

The industry and trade tax withholding certificate that you send to your supplier summarizes the industry and trade tax withholding details.

Remittance Tax Withholding

Remittance tax withholding is the withholding of remittance tax on behalf of a foreign supplier. Remittance tax withholding applies for foreign suppliers when you are a remittance tax withholding agent and the supplier is subject to remittance tax withholding from you.

The taxable base amount for remittance tax withholding is calculated with a specific formula that you define for each concept. See Remittance Tax Formulas on page 3-16 for examples. The taxable base is established based on the sum of all distribution line amounts that are associated with the same tax code and taxpayer ID on a document. You associate a concept with each tax code and you define the concept attributes that are used to determine which formula is used. In addition, you define the withholding rate for each tax code.

Currently, no minimum taxable base amount is used for remittance tax withholding.

If a minimum withheld amount is associated with the concept at either tax code level or withholding type level, the calculated withholding amount must be greater than or equal to the minimum withheld amount for withholdings to apply. Withholding distribution lines are created as part of the document approval process if they apply.

The remittance tax withholding certificate that you send to your supplier summarizes the remittance tax withholding details. The base amount printed on the certificate is the calculated amount before the tax code withholding rate is applied in each formula.

Remittance Tax Formulas

This table shows examples of formulas by concept and the withholding rates that the Colombian government currently assigns to the concepts.

Concept	Calculation Method	Withholding Rate
Interest, commissions, and professional fees	(Concept taxable base amount - ((Concept taxable base amount * Income Tax %) + VAT withholding + Industry and Trade withholding + Stamp tax)) * concept withholding rate.	7%
Technical services	(Concept taxable base amount - Stamp tax) * concept withholding rate	10%
Movies exploitation	((Concept taxable base amount - ((Concept taxable base amount * Income Tax %) + VAT withholding + Industry and Trade withholding + Stamp tax)) * special reduction percentage) * concept withholding rate	7%
Software exploitation	((Concept taxable base amount - ((Concept taxable base amount * Income Tax %) + VAT withholding + Industry and Trade withholding + Stamp tax)) * special reduction percentage) * concept withholding rate	7%
Other payments	(Concept taxable base amount - Stamp tax) * concept withholding rate	1%

Stamp Tax Withholding

Stamp tax withholding is the withholding of stamp tax on behalf of a supplier. Stamp tax withholding can apply for domestic or foreign suppliers when you are a stamp tax withholding agent and the supplier is subject to stamp tax withholding. If stamp tax applies to a contract, a customer and a supplier can negotiate who pays what percentage of the standard rate.

The stamp tax withholding amount is calculated on the taxable base. The taxable base is established based on the sum of all distribution line amounts that are associated with the same tax code and taxpayer ID on a document. Generally, a stamp tax withholding type has only one concept. You must define a different tax code for each distinct rate that must apply. You should not define a minimum taxable base amount or minimum withheld amount for stamp tax withholding.

Stamp tax withholding is calculated using this formula:

*(taxable base amount) * (tax code rate)*

Stamp tax withholding is calculated and stamp tax withholding distribution lines are created for document lines that apply when a document is approved.

The stamp tax withholding certificate that you send to your supplier summarizes the stamp tax withholding details.

Setting Up Withholding Tax

This section describes how to set up Oracle Payables for Colombia for withholding tax handling. Complete the setup steps in this order:

- 1 Enable extended automatic withholding tax calculation, on page 3-19
- 2 Define Payables options, on page 3-20
- 3 Define suppliers and supplier sites, on page 3-21
- 4 Define lookup codes, on page 3-24
- 5 Define locations, on page 3-26
- 6 Define tax withholding types, on page 3-29
- 7 Define tax codes and rates, on page 3-32
- 8 Define your withholding applicability, on page 3-36
- 9 Define your supplier's withholding applicability, on page 3-38

Enable Extended Automatic Withholding Tax Calculation

Enable extended automatic withholding tax calculation by setting the JG: Extended AWT Calculation profile option to *Yes* for your Oracle Payables responsibility. Use the System Profile Values window in the System Administrator responsibility to define the JG: Extended AWT Calculation profile option.

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

Define Payables Options

Use the Payables Options window to enable tax withholding and set control options and defaults that are used for withholding taxes.

To define Payables options for withholding taxes:

1. Navigate to the Payables Options window.
2. Navigate to the Withholding Tax alternate name region.
3. Check the Use Withholding Tax check box.
4. Choose At Invoice Approval Time in the Apply Withholding Tax region.
5. Check the Include Discount Amount check box in the Withholding Amount Basis region.
6. Choose the Never option in the Create Withholding Invoice region.
7. Save your work.

See also: Payables Options, *Oracle Payables User Guide*

Define Suppliers and Supplier Sites

Use the Suppliers window to define suppliers and tax authorities. Use the globalization flexfield in this window to define the taxpayer ID validation digit used to validate the taxpayer ID. See *Payables Taxpayer ID Validation* on page 3-2 for more information about how Oracle Payables for Colombia validates the taxpayer ID. The taxpayer ID is used for the withholding tax process and reporting purposes.

Use the globalization flexfield in the Supplier Sites window to define a legal address for a supplier. You can only define one site as a legal address site. The legal address is printed on withholding certificates that are created for a supplier.

Prerequisites

Before you use the globalization flexfield in the Suppliers window, you must:

- Set the Supplier Number Entry option to *Manual* in the Supplier - Entry alternate name region of the Financials Options window
- Set the JL: Copy Tax Identifier Number profile option value to *Yes* at the Responsibility level

See also: *Supplier Entry Financials Options, Oracle Payables User Guide*

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

To define suppliers:

1. Navigate to the Suppliers window.
2. Enter or query a supplier.

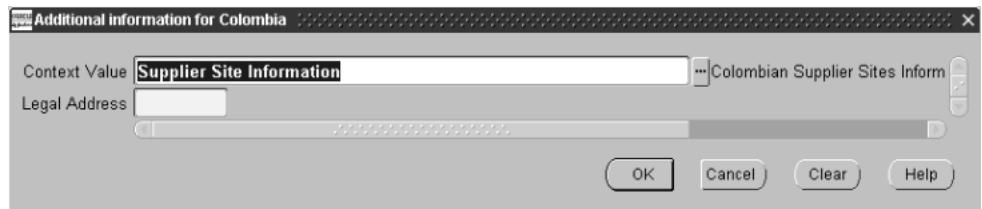
Note: Leave the Number field blank so that Oracle Payables for Colombia can automatically copy the taxpayer ID that you enter in the Taxpayer ID field into this field. If you enter a supplier's number in the Number field, Oracle Payables for Colombia does not overwrite the number with the taxpayer ID.

3. Enter the taxpayer ID without the hyphen or validation digit in the Taxpayer ID field. Enter a unique number for foreign entities.
4. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.



5. Enter either *Individual*, *Legal Entity*, or *Foreign Entity* for the supplier's identification type in the Taxpayer ID Type field. The default identification type is *Legal Entity*.
6. If you entered a Legal Entity identification type, enter the taxpayer ID validation digit in the Taxpayer ID Validation Digit field. Leave this field blank for an Individual or Foreign Entity identification type.
7. Press the OK button. The taxpayer ID and its validation digit are copied into the Number field in the Suppliers window if there are no errors.
8. If the supplier is a tax authority, navigate to the Classification alternate name region.
9. Enter *Tax Authority* in the Type field.
10. Navigate to the Sites alternate name region.

11. Select a site for the supplier's legal address and press the Open button.
The Supplier Sites window appears
12. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.



13. Enter Yes in the Legal Address field if you want the site address to appear on withholding certificates.
14. Press the OK button.
15. Save your work.

See also: Entering Suppliers, *Oracle Payables User Guide*

Define Lookup Codes

Use the Lookups window to define lookup codes for cities and tax authority categories. Lookup codes are codes that you create and associate with predefined lookup types. The lookup types determine specific transaction elements that run in Oracle Payables for Colombia. You can select lookup codes from the lists of values after you have defined the lookup codes.

Defining City Lookup Codes

Define lookup codes for cities that are associated with ship to locations, bill to locations, and payment cities. Use the city lookup codes when you define tax types, locations, and your withholding applicability.

To define city lookup codes:

1. Navigate to the Lookups window.
2. Enter or query *JLZZ_CITY* as the lookup type in the Type field.
3. Enter *Latin America Localizations* in the Application field.
4. Enter *City* in the Description field.
5. Enter a unique lookup code for the lookup type in the Code field.
6. Enter the city's name for the lookup code in the Meaning field.
7. Enter dates that you want the lookup code to be entered in the From and To fields. The default date in the From field is the current date.
8. Check the Enabled check box to enable the lookup code for data entry.
9. Repeat steps 5 to 8 for each lookup code that you define for the lookup type.
10. Save your work.

Defining Tax Authority Category Lookup Codes

Define lookup codes for tax authority categories that represent the concepts for each tax type. Use the tax authority category lookup codes to associate a category with each tax code when you define tax codes.

To define tax authority category lookup codes:

1. Navigate to the Lookups window.
2. Enter or query *JLCO_TAX_AUTHORITY_CATEGORY* as the lookup type in the Type field.
3. Enter *Latin America Localizations* in the Application field.
4. Enter *Colombian tax authority category* in the Description field.
5. Enter a unique lookup code for the lookup type in the Code field.
6. Enter a unique tax authority category, such as Services, for the lookup code in the Meaning field.
7. Enter a description of the tax authority category in the Description field.
8. Enter dates that you want the lookup code to be entered in the From and To fields. The default date in the From field is the current date.
9. Check the Enabled check box to enable the lookup code for data entry.
10. Repeat steps 5 to 9 for each lookup code that you define for the lookup type.
11. Save your work.

See also: Lookups, *Oracle Payables User Guide*

Define Locations

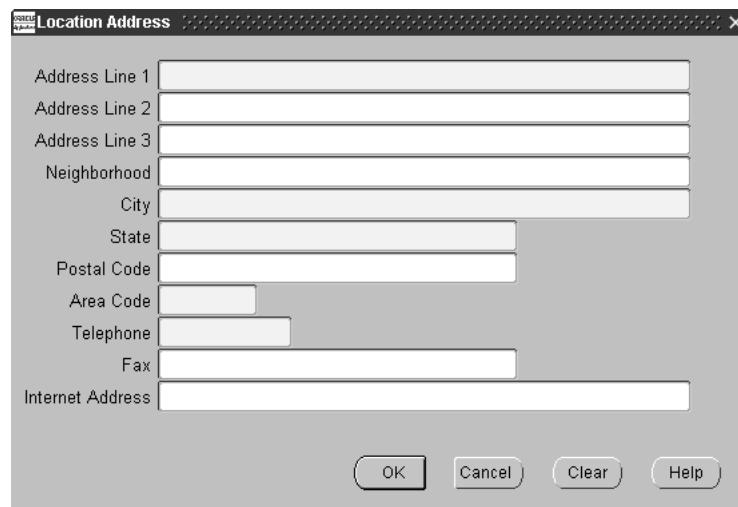
Use the Location Address flexfield in the Location window to define additional address information for your company's locations. The city that you specify for each location's address is used to determine the taxes that apply to each document.

For your company's primary location, use the globalization flexfield in the Location window to enter your company's taxpayer ID and validation digit. The taxpayer ID is used to report withholding activity to tax authorities. See *Payables Taxpayer ID Validation* on page 3-2 for more information about how Oracle Payables for Colombia validates the taxpayer ID.

To define locations:

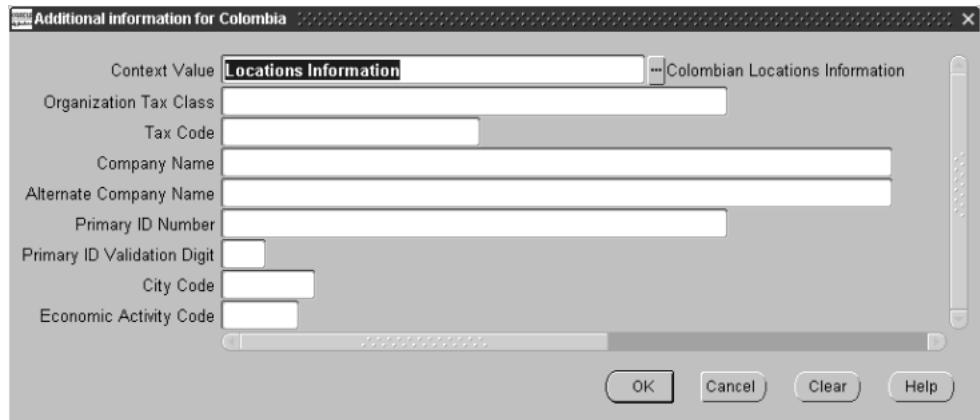
1. Navigate to the Location window.
2. Enter or query a location.
3. In the Address Details alternate name region, enter *Colombia* in the Address Style field.

The Location Address flexfield automatically appears.



4. Enter your street address in the Address Line 1, 2, and 3 fields.
5. Enter your neighborhood in the Neighborhood field.

6. Enter your city in the City field.
7. Enter your state in the State field.
8. Enter your postal code in the Postal Code field.
9. Enter your telephone area code in the Area Code field.
10. Enter your telephone number in the Telephone field.
11. Enter your fax number in the Fax field.
12. Enter your internet address in the Internet Address field.
13. Press the OK button.
14. Go to the Shipping Details alternate name region and enter the location name in the Ship-To Location field.
15. Save your work.
16. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.



17. Enter your organization class in the Organization Tax Class field. Leave the Tax Code field blank.
18. Enter the legal name of your company in the Company Name field.
19. Enter your alternate company name in the Alternate Company Name field.

(continued)

20. Enter your taxpayer ID in the Primary ID Number field.
21. Enter the taxpayer ID's validation digit in the Primary ID Validation Digit field.
22. Enter your city code in the City Code field.
23. Enter your economic activity code in the Economic Activity code field.
24. Press the OK button.
25. Save your work.

See also: Site Locations, *Using Oracle HRMS - The Fundamentals*

Define Tax Withholding Types

Use the Withholding Tax Types window to define tax withholding types and associated attributes, such as the jurisdiction type and tax authority. Tax withholding calculation is based on attributes that you define for the withholding tax type and tax code.

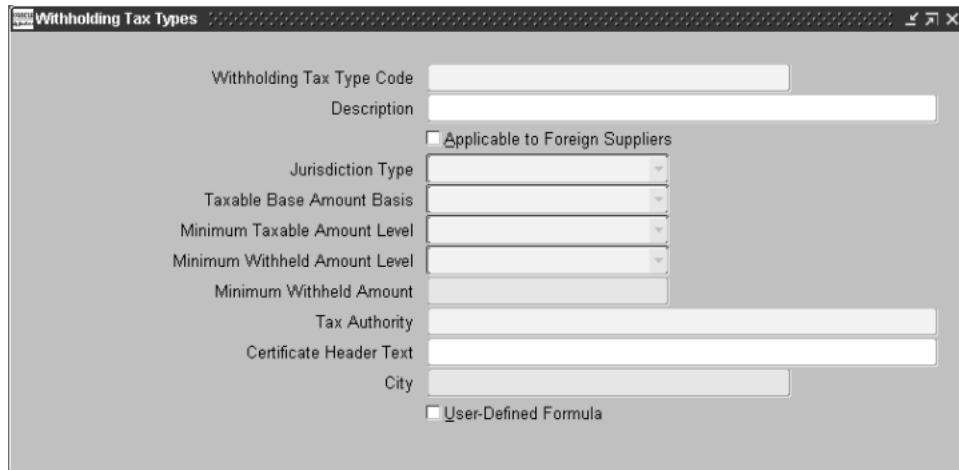
Prerequisites

Before you can use the Withholding Tax Types window, you must:

- Define Payables options
- Define tax authorities. Tax authorities are defined as suppliers with a Tax Authority classification

See also: Entering Suppliers, *Oracle Payables User Guide*

- Define lookup codes for Colombian cities



To define tax withholding types:

1. Navigate to the Withholding Tax Types window.
2. Enter or query a unique withholding tax type code, such as one of these examples, for the withholding tax in the Withholding Tax Type Code field. For industry and trade tax, a distinct withholding tax type is required for each city. You should include the city's name in your industry and trade tax codes.

Examples

For this tax withholding type...	Enter this tax code...
Income tax	INC
VAT	VAT
Industry and Trade/Cali	ITT_CALI
Remittance	REM
Stamp	STA

3. Enter a description for the tax withholding type in the Description field.
4. Check the Applicable to Foreign Suppliers check box if the tax withholding type applies to foreign suppliers.

5. Choose the jurisdiction type, either *Municipal* for industry and trade tax or *Federal* for the other withholding taxes in the Jurisdiction Type field.
6. Choose *Invoice* as the basis that the taxable base amount is calculated on in the Taxable Base Amount Basis field.
7. Choose whether the minimum taxable amount is handled by *Category* or is *Not Applicable* in the Minimum Taxable Amount Level field.
8. Choose whether a minimum withheld amount is compared to the withheld amount for either a *Withholding Type*, *Category*, or is *Not Applicable* in the Minimum Withheld Amount Level field.
9. Enter the minimum withheld amount in the Minimum Withheld Amount field if the minimum withheld amount is compared at withholding type level.
10. Enter the tax authority, such as DIAN, for the withholding tax type in the Tax Authority field.
11. Enter text that will appear as the header of the certificate for the withholding type, such as *Income Tax Withholding Certificate*, in the Certificate Header Text field.
12. Enter a Colombian city in the City field if the jurisdiction type is municipal.
13. Check the User-Defined Formula check box if the withholding tax type is remittance.
14. Save your work.

Define Tax Codes and Rates

Use the globalization flexfield in the Tax Codes window to define additional information for withholding tax codes, such as the withholding type and tax authority category.

You associate a withholding tax type with each tax code that you define. The withholding tax type generates default attributes for the tax code. In most cases, you can change the default attributes as required by the tax code definition.

You can associate a withholding tax type with more than one tax code. In general, you need to create a unique tax code within a withholding tax type whenever different rates or attributes apply.

For each tax code, you can choose any combination of item, freight, miscellaneous, and tax as the applicable document line type amounts used in the withholding tax calculation. You should not associate withholding tax codes, including VAT withholding tax codes, with tax line types. If you associate a user-defined formula with a withholding tax type, such as remittance tax, enter the income tax rate, special reduction rate, and withholding tax types that are used in the formula.

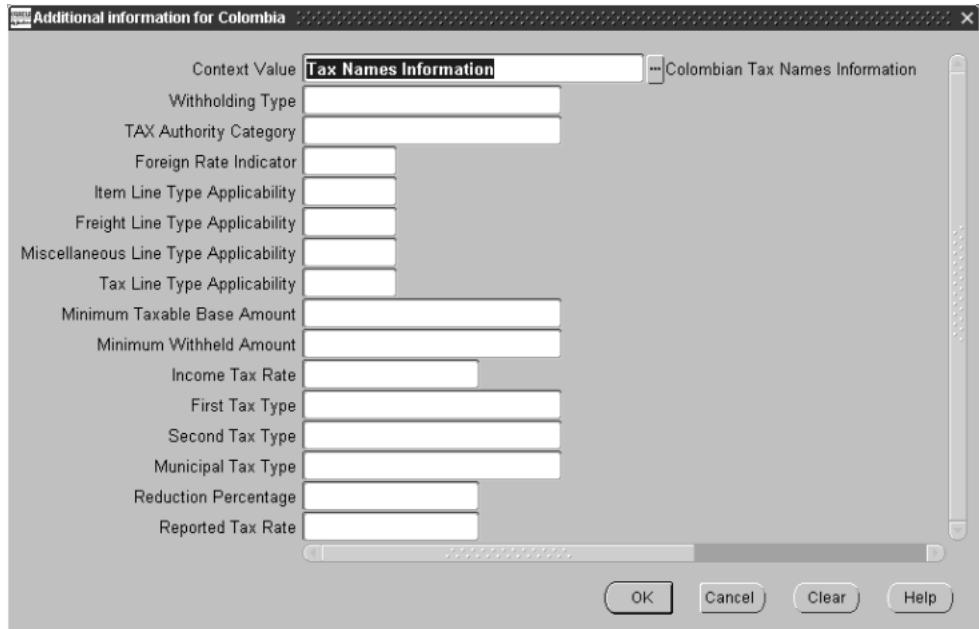
Note: If a VAT tax rate changes, create a new tax code for the new rate instead of changing the original rate so that your withholding certificate displays the correct historical tax information.

Prerequisites

Before you can use the Tax Codes window, you must:

- Define withholding tax types
- Define tax authority category lookup codes

See also: Tax Codes, *Oracle Payables User Guide*



To define additional information for withholding tax codes:

1. Navigate to the Tax Codes window.
2. Enter or select a tax code in the Tax Code field. You should indicate the withholding type and category in the tax code, such as INC_GOODS.
3. Enter *Withholding Tax* in the Tax Type field.
4. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.
5. Enter a withholding tax type to associate with the tax code in the Withholding Type field.
6. Enter a tax authority category that identifies the concept associated with the tax code in the Tax Authority Category field.
7. Enter *Yes* in the Foreign Rate Indicator field if the tax code applies to foreign suppliers. Enter *No* if the tax code only applies to domestic suppliers.

(continued)

8. Enter **Yes** in the Item Line Type Applicability field if the item line type forms part of the taxable base amount that can be used to calculate withholding taxes, otherwise enter **No**.
9. Enter **Yes** in the Freight Line Type Applicability field if the freight line type forms part of the taxable base amount that can be used to calculate withholding taxes, otherwise enter **No**.
10. Enter **Yes** in the Miscellaneous Line Type Applicability field if the miscellaneous line type forms part of the taxable base amount that can be used to calculate withholding taxes, otherwise enter **No**.
11. Enter **Yes** in the Tax Line Type Applicability field if the tax line type forms part of the taxable base amount that can be used to calculate withholding taxes, otherwise enter **No**.
12. Enter the minimum taxable base amount in the Minimum Taxable Base Amount field if a minimum taxable base amount is defined at category level by the withholding tax type associated with the tax code.
13. Enter the minimum withheld amount in the Minimum Withheld Amount field if a minimum withheld amount is defined at category level by the withholding tax type associated with the tax code.
14. Enter the income tax rate that is used in the formula in the Income Tax Rate field.
15. Enter the first federal withholding tax type that is used in the formula in the First Tax Type field.
16. Enter the second federal withholding tax type that is used in the formula in the Second Tax Type field, if applicable.
17. Enter **Yes** in the Municipal Tax Type field if all municipal withholding tax types are used in the formula. Enter **No** if municipal withholding tax types are not used in the formula.
18. Enter the percentage for special reductions that are used in a formula in the Reduction Percentage field.
19. For VAT withholding tax codes, enter the VAT withholding legal rate that is required to be printed on the withholding certificate in the Reported Tax Rate field.
20. Press the **OK** button.

- 21.** Press the Withholding Tax Details button.
The Withholding Tax Details window appears.
- 22.** Enter the tax authority in the Tax Authority field.
- 23.** Enter *Gross Amount* in the Amount Basis field.
- 24.** Enter *Invoice* in the Period Basis field.
- 25.** Uncheck the Create Tax Group check box.
- 26.** Save your work.

Define Your Withholding Applicability

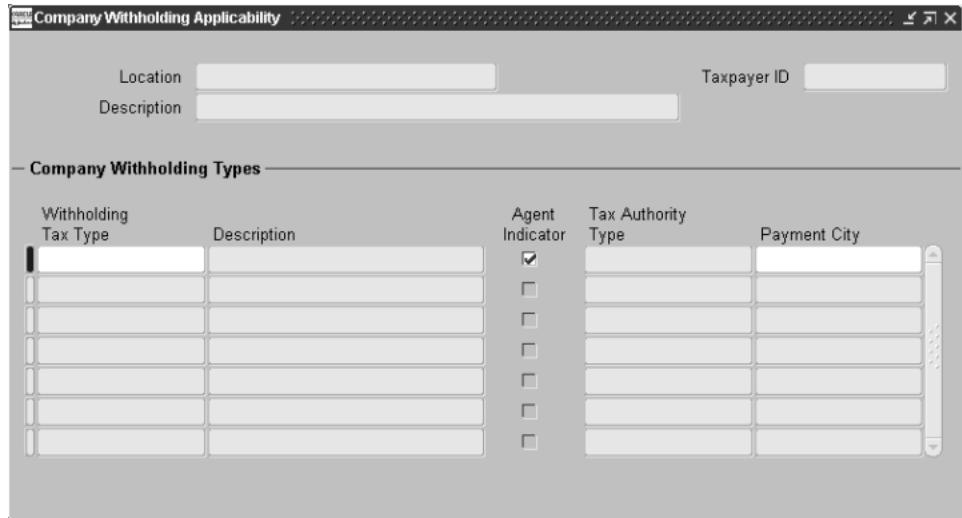
Use the Company Withholding Applicability window to set your withholding agent status for each withholding tax type. Before a tax code is associated with a distribution line, Oracle Payables for Colombia verifies that you are a withholding agent for that tax.

You need to define applicability only for your company's primary location. The same withholding applicability will apply to all locations within an organization.

Prerequisites

Before you can use the Company Withholding Applicability window, you must:

- Define locations
- Define withholding tax types

**To define your withholding applicability:**

1. Navigate to the Company Withholding Applicability window.
2. Enter your company's primary location that is associated with your organization in the Location field.
A description of the location appears in the Description field.
3. Enter a withholding tax type code in the Withholding Tax Type field.
A description of the withholding tax type appears in the Description field.
4. Check the Agent Indicator check box if you are a withholding agent for the withholding tax.
5. In the Payment City field, enter the city where the withholding tax is paid.
6. Save your work.
7. Repeat steps 3-5 for each withholding tax type.

Define Your Supplier's Withholding Applicability

Use the Supplier Withholding Applicability window to set your supplier's withholding applicability for each withholding tax type.

Use the Supplier Withholding Tax Codes window to enter tax codes that apply and indicate the primary tax code per withholding tax type. When you enter a document, Oracle Payables for Colombia assigns the supplier's primary withholding tax codes to each document distribution line that applies.

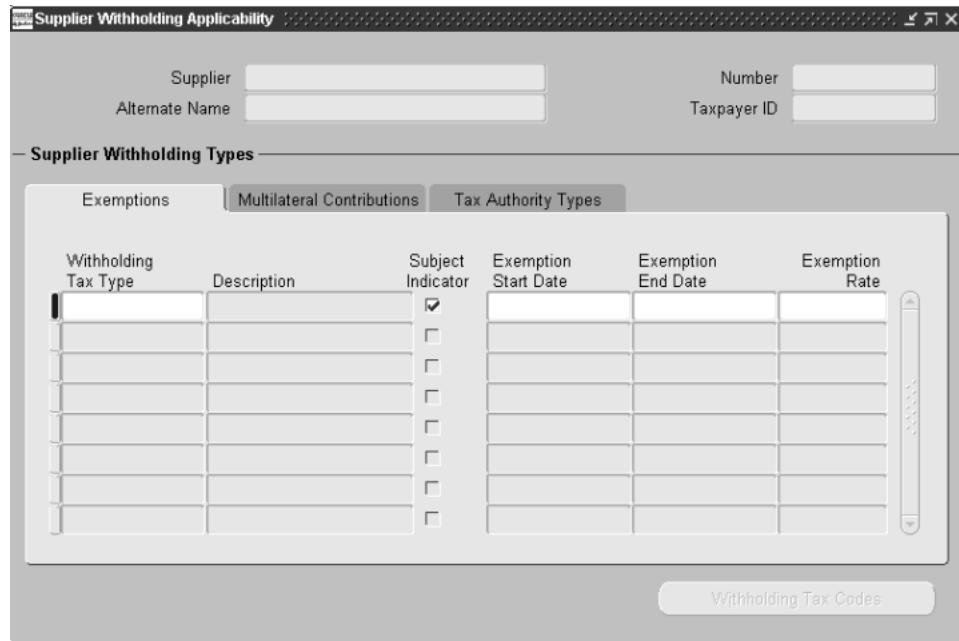
Prerequisites

Before you can use the Supplier Withholding Applicability window, you must:

- Define suppliers
- Define withholding tax types
- Define withholding tax codes

To define your supplier's withholding applicability:

1. Navigate to the Supplier Withholding Applicability window.

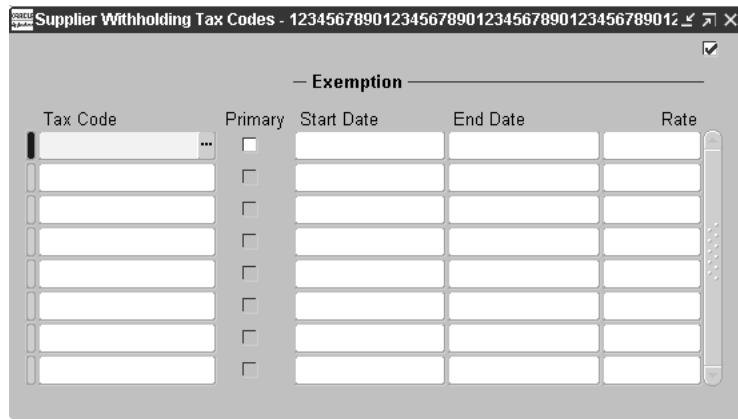


The screenshot shows the 'Supplier Withholding Applicability' window. At the top, there are fields for 'Supplier' and 'Number', and 'Alternate Name' and 'Taxpayer ID'. Below this, a section titled 'Supplier Withholding Types' contains three tabs: 'Exemptions' (selected), 'Multilateral Contributions', and 'Tax Authority Types'. The 'Exemptions' tab displays a table with columns: 'Withholding Tax Type', 'Description', 'Subject Indicator' (with a checked checkbox), 'Exemption Start Date', 'Exemption End Date', and 'Exemption Rate'. A 'Withholding Tax Codes' button is located at the bottom right of the table area.

2. Select your supplier's name in the Supplier field.
3. Select a withholding tax type and check the Subject Indicator check box for each withholding tax type the supplier is subject to from the customer.
4. Press the Withholding Tax Codes button.

The Supplier Withholding Tax Codes window appears.

(continued)



5. Enter one or more tax codes that apply to the supplier for each withholding tax type.
6. Check the Primary check box if the tax code is the primary tax code within a withholding tax type for the withholding tax. Within each withholding tax type, only one tax code can be the primary tax for each supplier.
7. Save your work.

Entering Documents

You can either manually enter documents by matching an invoice to a purchase order, or use Invoice Gateway.

The globalization flexfield in the Distributions window lets you enter or change a ship to location or taxpayer ID for each document distribution line before a document is approved. If an invoice is matched to a purchase order, the default ship to location is derived from the purchase order details. You can use the globalization flexfield to change the ship to location or associate a different taxpayer ID to distribution lines.

Oracle Payables for Colombia defaults withholding tax codes for each distribution line that applies based on your withholding tax setup information and the ship to location and taxpayer ID associated with each distribution line. Document distribution line amounts are summed up by tax code and taxpayer ID to create a taxable base amount for calculating withholding tax.

Before approving a document, you can:

- Enter the ship to location at the distribution line level. If a document is matched to a purchase order default, the ship to location is derived from the purchase order details but you can change the ship to location in the same way as for any other document.
- Enter a taxpayer ID at the distribution line level. If the taxpayer ID is left blank, the distribution line is automatically associated with the taxpayer ID from the header level.
- Change the ship to location or taxpayer ID. If you change the taxpayer ID or ship to location, you will receive a warning message that associated tax codes for the distribution line will return to the default value.
- Review the default withholding tax codes for each distribution line and, if necessary, change the tax code within a withholding tax type, or delete tax codes.



To enter or change a ship to location or taxpayer ID:

1. Navigate to the Invoices window.
2. Enter or query an invoice.
3. Press the Distributions button.
The Distributions window appears.
4. Select a distribution line, and view and update the standard distribution line information.
5. Navigate to the globalization flexfield. For instructions, see [Using Globalization Flexfields on page B-2](#).
6. Enter or change the supplier's ship to location in the Ship To Location field.
7. Enter or change the supplier's taxpayer ID in the Taxpayer ID field. Leave this field blank to automatically associate the distribution line with the taxpayer ID from the header level.
8. Press the OK button.
9. Save your work.

Invoice Gateway Overview

You can enter invoices in either the Invoice Gateway window or the Invoice Workbench. The Invoice Gateway window is the quickest way to enter most invoices. Use the Invoice Gateway window to enter a large number of invoices that do not require extensive online validation or extensive online defaulting of values.

Payables uses information you enter in the Invoice Gateway window to create invoices in Payables. When you enter invoice records in the Invoice Gateway window, you enter invoice header and line information. This invoice information is stored in the Payables Open Interface tables. Because Oracle Payables does not validate and default invoice values while you enter invoices, you can enter invoices more quickly in the Invoice Gateway than you can in the Invoice Workbench (the Invoice Workbench is the Invoices window and associated windows).

After you enter invoice records using the Invoice Gateway, you can submit a customized workflow program to automate your business processes for managing invoices. For example, you can customize the workflow program to validate the cost center on all invoices before you import them.

You submit the Payables Open Interface Import Program to validate the values that you entered, provide any default values, and create invoices with distributions and scheduled payments in the regular Payables invoice tables.

After invoices are imported, Payables provides a report that lists both the invoice records that were successfully imported, and any invoice records that could not be imported due to invalid or missing information. You can query rejected invoice records in the Invoice Gateway window and correct and resubmit the invoices for import.

When you successfully import invoice records, Payables creates regular invoices that you can view, modify, and approve in the Invoice Workbench. After approval, the invoices are ready for payment.

After you have successfully created invoices based on the information in the invoice records, you can purge invoice records from the Open Interface tables.

See also: *Invoice Gateway, Oracle Payables User Guide*

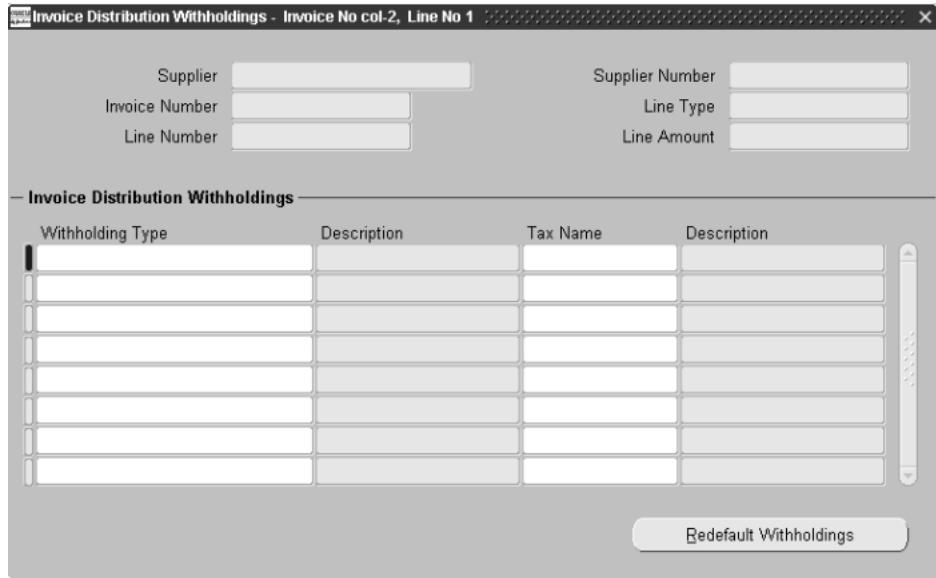
Viewing and Maintaining Withholding Tax Codes for Distribution Lines

Use the Invoice Distribution Withholdings window from the Tools menu to view and maintain withholding tax codes for distribution lines.

Oracle Payables for Colombia assigns the primary withholding tax codes to distribution lines that apply based on the supplier and tax code information that you set up in the Supplier Withholding Tax Codes window. Tax codes are associated with distribution lines when you manually enter documents, use Invoice Gateway, or match an invoice to a purchase order.

You can change withholding tax codes within a withholding tax type, such as VAT_GOODS to VAT_SERVICES, based on the withholding tax codes that are associated with the supplier before a document is approved. If a tax code is not associated with the supplier in the Supplier Withholding Applicability window, Oracle Payables for Colombia displays an error message, and you cannot make the change. See Define Your Supplier's Withholding Applicability on page 3-38 for more information. You can delete withholding tax codes for a distribution line before a document is approved.

Oracle Payables for Colombia does not support withholdings on prepayments. For prepayments, you must delete all the withholding tax lines to prevent withholding calculation.



To view and maintain withholding tax codes:

1. Navigate to the Invoices window.
2. Enter or query an invoice.
3. Press the Distributions button.

The Distributions window appears.

4. Select a distribution line, and view and update the standard distribution line information.
5. Save your work.
6. From the Tools menu, select Invoice Distribution Withholdings.

The Invoice Distribution Withholdings window appears with all of the primary withholding tax codes that apply to the distribution line.

7. Change or delete withholding tax codes in the Tax Name field. You can only change a tax code to a tax code that is associated with the same withholding type and supplier.

(continued)

8. Press the Redefault Withholdings button to repopulate the window with the default withholding tax codes if you do not want to save any changes.
9. Save your work.

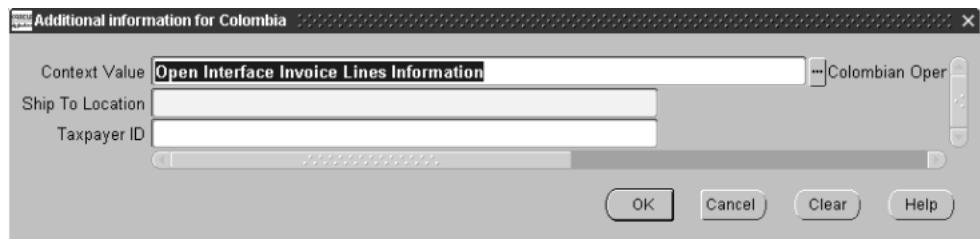
See also: Entering Invoices Overview, *Oracle Payables User Guide*

Entering Country-Specific Information in the Invoice Gateway Window

You must enter additional country-specific information when you record and pay invoices in Colombia. Oracle Payables captures this information in globalization flexfields on the Invoice Workbench and in the Invoice Gateway window. You can enter the same country-specific information in both windows. The Invoice Gateway window, however, lets you enter information more quickly for invoices that do not require extensive online validation or extensive online defaulting of values.

The Invoice Gateway window has one globalization flexfield in the invoice lines region. You can customize your Invoice Gateway folder forms to show or hide the globalization flexfield for Colombia.

Invoice Lines Region



To enter country-specific information in the invoice lines region of the Invoice Gateway window:

1. Navigate to the Invoice Gateway window and enter invoice header information in the header region.
2. In the invoice lines region, enter line information to record your invoice lines.
3. Click in the globalization flexfield to navigate to the flexfield window. For more information, see *Using Globalization Flexfields* on page B-2.
4. Enter or change the supplier's ship to location in the Ship To Location field.
5. Enter or change the supplier's taxpayer ID in the Taxpayer ID field. Leave this field blank to automatically associate the distribution line with the taxpayer ID from the header level.
6. Press the OK button to save your work and return to the Invoice Gateway window.

Payables Open Interface Tables

The Payables Open Interface tables store invoice information. The Payables Open Interface Import program builds Payables invoices based on invoice records in the Payables Open Interface tables. After the import program builds the invoices, you can view, modify, and approve the invoices in the Invoice Workbench.

The invoice information derives from Electronic Data Interchange (EDI) invoices from your suppliers, invoice records that you entered in the Invoice Gateway window, invoices that you loaded with Oracle SQL*Loader, and credit card transaction data.

Understanding the Payables Open Interface Tables

Use the Invoice Gateway window, Oracle e-Commerce Gateway, the Credit Card Invoice Interface Summary, or SQL*Loader to load invoice information into the AP_INVOICES_INTERFACE and AP_INVOICE_LINES_INTERFACE interface tables. The Payables Open Interface program validates each record that you select for import. If the record contains valid information, the program creates a Payables invoice with distributions and scheduled payments based on the invoice header and line information in the record.

Records in the AP_INVOICE_LINES_INTERFACE table create one or more invoice distributions. Note that one row may create more than one distribution. For example, if you enter a tax line in this table and prorate the tax line across three item lines, during the Open Interface Import process Oracle Payables creates three tax invoice distributions based on the single tax line in this table.

The interface tables include columns, which Oracle Payables uses to categorize and store specific invoice information. For example, invoice source information is stored in the SOURCE column within AP_INVOICES_INTERFACE.

Payables Open Interface TableAP_INVOICE_LINES_INTERFACE

This table lists the columns in the AP_INVOICE_LINES_INTERFACE Payables Open Interface table. The column descriptions indicate which columns are required values for importing invoices into Oracle Payables with Colombian features.

See also: Payables Open Interface Import, *Oracle Payables User Guide*

See also: Table Definitions, *Oracle Payables Applications Technical Reference Manual*

Column Name	Type
GLOBAL_ATTRIBUTE_CATEGORY	VARCHAR2(150)
GLOBAL_ATTRIBUTE1	VARCHAR2(150)
GLOBAL_ATTRIBUTE2	VARCHAR2(150)
GLOBAL_ATTRIBUTE3	VARCHAR2(150)
GLOBAL_ATTRIBUTE4	VARCHAR2(150)
GLOBAL_ATTRIBUTE5	VARCHAR2(150)
GLOBAL_ATTRIBUTE6	VARCHAR2(150)
GLOBAL_ATTRIBUTE7	VARCHAR2(150)
GLOBAL_ATTRIBUTE8	VARCHAR2(150)
GLOBAL_ATTRIBUTE9	VARCHAR2(150)
GLOBAL_ATTRIBUTE10	VARCHAR2(150)
GLOBAL_ATTRIBUTE11	VARCHAR2(150)
GLOBAL_ATTRIBUTE12	VARCHAR2(150)
GLOBAL_ATTRIBUTE13	VARCHAR2(150)
GLOBAL_ATTRIBUTE14	VARCHAR2(150)
GLOBAL_ATTRIBUTE15	VARCHAR2(150)
GLOBAL_ATTRIBUTE16	VARCHAR2(150)
GLOBAL_ATTRIBUTE17	VARCHAR2(150)

Column Name	Type
GLOBAL_ATTRIBUTE18	VARCHAR2(150)
GLOBAL_ATTRIBUTE19	VARCHAR2(150)
GLOBAL_ATTRIBUTE20	VARCHAR2(150)

Colombian Columns

GLOBAL_ATTRIBUTE_CATEGORY

Enter the context value JL.CO.APXIISIM.LINES_FOLDER to import Colombian descriptive flexfield information.

Required: Yes, if you want to import country-specific information

Validation: None

Destination: AP_INVOICE_DISTRIBUTIONS_ALL.GLOBAL_ATTRIBUTE_CATEGORY

GLOBAL_ATTRIBUTE2

Enter the supplier number.

Required: No

Validation: Valid values are user defined

Destination: AP_INVOICE_DISTRIBUTIONS_ALL.GLOBAL_ATTRIBUTE2

GLOBAL_ATTRIBUTE3

Enter the ship to location.

Required: Yes

Validation: Valid values are user defined

Destination: AP_INVOICE_DISTRIBUTIONS_ALL.GLOBAL_ATTRIBUTE3

How the Invoice Gateway Window Populates the Open Interface Tables

You may find this table helpful in understanding the Rejections Report. This table shows the column that is populated by each field in the Invoice Gateway globalization flexfield for Colombia.

Invoice Gateway field name - Invoice Lines region flexfield	Corresponding column in AP_ INVOICE_LINES_INTERFACE
Taxpayer ID	GLOBAL_ATTRIBUTE2
Ship To Location	GLOBAL_ATTRIBUTE3

Colombian Payables Withholding Certificate Report

Certificado de Retencion en la fuente de Renta Taxable Period From: 01-MAR-1999 To: 31-MAR-1999 City where the withholding was done: BOGOTA City where the withholding was paid: BOGOTA														
Company Information Name: Oracle Colombia Ltda. Address: Calle 100 No. 7A- 81 Piso 3 Address line 2 Address line 3 BOGOTA-2390 NIT Number: 800103052-8														
Supplier Information Name: Seguros Aurora Address: Calle 127 8-40 address line 2 address line 3 Bogota-1 NIT Number: 800036440-5														
Withholding Information <table border="1"> <thead> <tr> <th>Concept</th> <th>Total Amount</th> <th>Withholding Amount</th> </tr> </thead> <tbody> <tr> <td>Purchases</td> <td>22,222.00</td> <td>888.88</td> </tr> <tr> <td>Services</td> <td>1,413,500.00</td> <td>56,540.00</td> </tr> <tr> <td>Total:</td> <td>1,435,722.00</td> <td>57,428.88</td> </tr> </tbody> </table>			Concept	Total Amount	Withholding Amount	Purchases	22,222.00	888.88	Services	1,413,500.00	56,540.00	Total:	1,435,722.00	57,428.88
Concept	Total Amount	Withholding Amount												
Purchases	22,222.00	888.88												
Services	1,413,500.00	56,540.00												
Total:	1,435,722.00	57,428.88												
Date: 04-MAY-1999 Signature														

Use the Colombian Payables Withholding Certificate report to print supplier withholding certificates. For each withholding tax type, you provide withholding certificates for each supplier that you withheld taxes for. The certificates are normally printed annually to cover all withholdings for a tax year; however, you can print this report for any supplier for any period.

The withholding certificate has the same general format for each of the withholding tax types, including the taxable period, company information, supplier information, city where the tax was withheld, and the city where the withholding tax was paid. Withholding information includes the taxable base amount and withheld amount for each concept.

The VAT withholding certificate includes additional information for each concept, such as the VAT amount and the reported tax rate for the tax code.

Use the Standard Request Submission windows to submit the Colombian Payables Withholding Certificate report.

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

Report Parameters

Start Date

Enter the starting date of the taxable period that you want a certificate for.

End Date

Enter the ending date of the taxable period that you want a certificate for.

Withholding Tax Type

Enter the tax withholding type or leave this field blank for all tax withholding types.

Supplier Name

Enter the supplier's name if you want to generate certificates for one supplier. This option overrides any supplier range entries.

Supplier Name Range From

Enter the starting supplier's name if you want certificates for a range of suppliers.

Supplier Name Range To

Enter the ending supplier's name if you want certificates for a range of suppliers.

Supplier Number Range From

Enter the starting supplier's number if you want certificates for a range of suppliers.

Supplier Number Range To

Enter the ending supplier's number if you want certificates for a range of suppliers.

Report Headings

In this heading...	Oracle Payables prints...
<Certificate Name>	The name of the certificate that you defined as certificate header text for the tax withholding type
Taxable Period From	The starting withholding date of the taxable period that you entered
To	The ending withholding date of the taxable period that you entered
City where the withholding was done	The city associated with the supplier's bill to location
City where the withholding was paid	The payment city associated with the tax withholding type
Name	Your company name
Address	Your company address
NIT Number	Your company taxpayer ID
Name	Your supplier name
Address	Your supplier legal site address
NIT Number	Your supplier taxpayer ID
Date	The current date
Signature	A space for a signature

Column Headings

In this column...	Oracle Payables prints...
Concept	The concept name (tax authority category for the tax code)
Total Amount	The total taxable base amount for all withholdings within the concept for a supplier within the taxable period range. For remittance tax, this is the total calculated base amount.
VAT Amount (VAT Withholding Certificate)	The total VAT amount associated with the concept taxable base amount
Concept Rate (VAT Withholding Certificate)	The concept percentage rate for VAT, the reported tax rate for the tax code
Withholding Amount	The total withheld amount within the concept for a supplier within the specified taxable period range

Colombian Payables Withholding Report

Oracle Colombia	Withholding Tax Report	Date 04-MAY-2000	
Page 1			
Withholding Tax Type: INC		Income Tax Withholding	
Period From: MAY-00		Start Flexfield: 00-000000-0000-0000-0000	
To: MAY-00		End Flexfield: 99-999999-9999-9999-9999-9999	
Flexfield: 01-236525-0000-0000-000-0000		Colombian Company-Services-N-A	
NIT Number:	800036440-5	Supplier Name: Seguros Aurora	
Document Number	Accounting Date	Taxable Base Amount	Withholding Amount
-----	-----	-----	-----
may-1	01-MAY-2000	100,000.00	4,000.00
may-16	02-MAY-2000	5,000.00	200.00
may-29	03-MAY-2000	(1,000.00)	(40.00)
may-35	04-MAY-2000	(6,200,000.00)	(248,000.00)
may-41	07-MAY-2000	90,000,000.00	3,600,000.00
-----		-----	-----
Supplier Total		83,904,000.00	3,356,160.00
-----		-----	-----
Flexfield Total		83,904,000.00	3,356,160.00
-----		-----	-----
Withholding Tax Type Total		83,904,000.00	3,356,160.00

The Colombian Payables Withholding report is an internal report that details tax withholding information for a taxable period which you can use for audit purposes. You can report on any tax withholding type. The report shows the document number, withholding accounting date, taxable base amount, and withholding amount by tax withholding type, accounting flexfield, and supplier. The VAT Withholding Tax details also include the VAT amount. Totals for the supplier, accounting flexfield, and tax withholding type are calculated.

Use the Standard Request Submission windows to submit the Colombian Payables Withholding report.

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

Report Parameters

Period From

Enter the starting withholding period for the range that you want to report from. Leave this field blank for the current withholding period.

Period To

Enter the ending withholding period for the range that you want to report to.

Taxpayer ID From

Enter the starting supplier's taxpayer ID for the range that you want to report from. Leave this field blank for the first taxpayer ID.

Taxpayer ID To

Enter the ending supplier's taxpayer ID for the range that you want to report to. Leave this field blank for the last taxpayer ID.

Withholding Type From

Enter the starting withholding type for the range that you want to report from. Leave this field blank for the first withholding type.

Withholding Type To

Enter the ending withholding type for the range that you want to report to. Leave this field blank for the last withholding type.

Flexfield From

Enter the starting accounting flexfield for the range that you want to report from. Leave this field blank for the first accounting flexfield.

Flexfield To

Enter the ending accounting flexfield for the range that you want to report to. Leave this field blank for the last accounting flexfield.

Report Headings

In this heading...	Oracle Payables prints...
Withholding Tax Type	The withholding type that you entered
Period From	The starting withholding period that you entered
To	The ending withholding period that you entered
Start Flexfield	The starting accounting flexfield that you entered
End Flexfield	The ending accounting flexfield that you entered
Flexfield	The accounting flexfield for the withholding distribution line details
NIT Number	The supplier taxpayer ID
Supplier Name	The supplier name

Column Headings

In this column...	Oracle Payables prints...
Document Number	The document number
Accounting Date	The withholding accounting date for the withholding distribution
Taxable Base Amount	The taxable base amount for the withholding distribution
VAT Amount (VAT withholdings)	The VAT amount associated with the taxable base amount
Withholding Amount	The amount withheld for the withholding distribution

Row Headings

In this row...	Oracle Payables prints...
Supplier Total	The totals for the supplier within an accounting flexfield and withholding type
Flexfield Total	The totals for the accounting flexfield within a withholding type
Withholding Tax Type Total	The sum of the totals for the withholding type

Colombian Payment Documents

Use the Colombian check formats to produce checks according to Colombian legal requirements for invoices in a payment batch. In Colombia, the bank superintendent has established two common check formats. You can use the Colombian Payables Check Format 1 to create the smaller check format and the Colombian Payables Check Format 2 to create the larger check format.

In Colombia, when you send a check to a supplier, you must also send the supplier a remittance advice that shows details about the documents that are included in the payment. For example, the remittance advice shows any invoices and credit memos included in the payment, together with details on withholding taxes. The remittance advice displays transaction amounts in both the transaction currency and your functional currency. You can use the JL Remittance Advice Colombia program to create the Colombian remittance advice.

Creating Colombian Payment Documents

To use a Colombian check format and remittance advice format, define a new Colombian payment format for your payments. You can use the Payment Formats window to define a new payment format.

Choose the Colombian check format that you want as the Format Payments program for the payment format. Choose the JL Remittance Advice Colombia program as the Separate Remittance program for the payment format. To print the remittance advice immediately following the check, select *After Document* in the Remittance region.

You can then define a Colombian payment document for an internal bank account with your Colombian payment format and pay invoices with the Colombian payment document.

Use the Colombian Payment Document program to print a legal payment document. The payment document is composed of the physical payment document, or check, and a remittance advice. Use the Print Now option in the Actions window to run the Colombian Payment Document program. You can navigate to the Actions window from the Actions button in the Payments window or the Payment Batches window.

See also: Payment Formats, *Oracle Payables User Guide*

See also: Defining Banks, *Oracle Payables User Guide*

See also: Printing Payment Batch Checks, *Oracle Payables User Guide*

Colombian Payables Check Format 1

The Colombian Payables Check Format 1 generates checks that are 162 millimeters wide by 71 millimeters long. Each check shows the date of the payment, the amount of the payment in numbers and in words, and the name of the supplier or beneficiary being paid. All text on the Colombian Payables Check Format 1 is printed in Spanish.

Check Headings

In this heading...	Oracle Payables prints...
Date	The date the check was issued
Amount	The check amount in numbers
Beneficiary	The name of the beneficiary
Amount	The check amount in words, in Spanish

Colombian Payables Check Format 2

The Colombian Payables Check Format 2 generates checks that are 185 millimeters wide by 80 millimeters long. Each check shows the date of the payment, the amount of the payment in numbers and in words, and the name of the supplier or beneficiary being paid. All text on the Colombian Payables Check Format 2 is printed in Spanish.

Check Headings

In this heading...	Oracle Payables prints...
Date	The date the check was issued
Amount	The check amount in numbers
Beneficiary	The name of the beneficiary
Amount	The check amount in words, in Spanish

Remittance Advice

Remittance Advice			Page: 1 / 1	
Payment Reference: 342 - Check2 - 23				
Company Information			Payment Information	
-----			-----	
Oracle Colombia Ltda. Calle 100 No. 7A- 81 Piso 3 Address line 2 Address line 3 BOG - 2390 NIT: 8001030528			Date: 06-APR-2000 Check Number: 23 Currency: COP	
Supplier Information				
-----			Beneficiary: Seguros Aurora	
Seguros Aurora Calle 127 8-40 address line 2 address line 3 Bogota - 1				
NIT: 8000364405				
Transaction Number	Transaction Category	Transaction Date	Transaction Currency (COP)	Functional Currency (COP)

!2000	STANDARD	03-FEB-2000	116,000.00 (4,000.00) (500.00) (3,920.00) (500.00) (8,000.00)	116,000.00 (4,000.00) (500.00) (3,920.00) (500.00) (8,000.00)
	INC_SERVICES			
	ITT_BOQ_SERV			
	REM1_INTEREST			
	STA_GEN1			
	VAT_SERV_DOM			
	Payment			99,080.00
Total Amount Paid:			99,080.00	

The remittance advice shows details about the documents that are included in the payment. The details show all the deductions information including withholding taxes and discounts. Oracle Payables displays the amounts in both the transaction currency and the functional currency.

Note: Withholding tax details are only included on the remittance advice for the first payment that you make on an invoice.

Report Headings

In this heading...	Oracle Payables prints...
<Title>	Remittance Advice
Page	The page number
Payment Reference	The bank account number, payment document name, and check number
Company Information	Your company name and address
NIT	Your taxpayer ID
Payment Information	Details about the payment, including the date, check number, and currency
Date	The payment date of the check
Check Number	The check number
Currency	The payment currency
Supplier Information	The supplier name and address
NIT	The supplier taxpayer ID
Beneficiary	The beneficiary name

Column Headings

In this column...	Oracle Payables prints...
Transaction Number	The document number.
Transaction Category	<p>The transaction category of the amount being listed. Transaction categories include:</p> <ul style="list-style-type: none">■ The transaction type, such as <i>Standard</i> or <i>Credit Memo</i>, for the total transaction amount.■ The withholding tax codes for withholding amounts, if this is the first payment for the invoice.■ <i>Discount taken</i> for the discount amount.■ <i>Payment</i> for the amount paid on the invoice with this check.
Transaction Date	The transaction date.
Transaction Currency	The currency code for the transaction currency and the amount in the transaction currency.
Functional Currency	The currency code for your functional currency and the amount in your functional currency.
Total Amount Paid	The check amount in the transaction currency.

4

Oracle Inventory

This chapter describes Oracle Inventory for Colombia, including:

- Inventory inflation adjustment
- Fiscal Kardex reports

Inflation Adjustment for Inventory

Colombia law requires that you report the inflationary effects on your inventory in your financial statements. To meet this requirement, you must periodically adjust your inventory for inflation.

This requirement is similar to the inflation adjustment requirement for fixed assets. See Inflation Adjustment Overview on page 6-2 for more information.

The Departamento Administrativo Nacional de Estadística (DANE), the National Statistics Department of Colombia, issues an inflation adjustment index, the Porcentaje De Ajuste Del Ano Gravable (PAAG) during the first five days of the month. This index, given as a percentage, corresponds to the previous month's variation of the General Consumer Price Index which you must apply to the value of all purchased inventory.

Oracle Inventory Inflation Adjustment helps you meet inflation adjustment requirements.

To meet the legal requirements for inventory inflation adjustment, you must store, track, and report:

- The inflation adjustment index
- The initial inflation adjustment (Beginning Total Inflation) amount per unit at the beginning of each period
- The initial on-hand quantity (Beginning Quantity) of each item at the beginning of each period
- The initial adjusted unit cost of each item at the beginning of each period which is calculated by adding the initial inflation adjustment per unit to the unit cost per item
- The period-end on-hand quantity (Final Quantity) of each item at the end of each period
- The period-end unit cost of each item (Final Unit Cost) at the end of each period
- The final balance inflation (Final Total Inflation) at period-end

Inflation Adjustment for Inventory requires these conditions:

- You must use an Average Costing method; Periodic Costing and Standard Costing are not supported
- You have transaction distributions that are costed

See also: Defining Costing Information, *Oracle Inventory User Guide*

See also: Overview of Inventory Transactions, *Oracle Inventory User Guide*

This solution does not adjust open Work in Process (WIP) jobs; closed WIP jobs are adjusted upon receipt into inventory.

Inventory Inflation Adjustment Setup Steps

You must complete these one-time setup steps:

- 1 Define a price index, on page 4-5
- 2 Assign the Inflation Index, on page 4-6
- 3 Define item category set and categories, on page 4-7
- 4 Assign the item category set and categories, on page 4-8
- 5 Assign the name of the category set and categories, on page 4-9
- 6 Define Inflation Adjustment GL accounts, on page 4-10
- 7 Assign Inventory Inflation Adjustment accounts to items, on page 4-11
- 8 Load your historical data, on page 4-13

Define a Price Index

Define a price index to store the government-supplied inflation adjustment index.

To define a price index:

1. Navigate to the Price Indexes window.
2. Enter the name of the Price Index in the index field. For example, PAAG for Porcentaje De Ajuste Del Ano Gravable.
3. Save your work.

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

Assign the Inflation Index

Assign the price index defined in the previous step to the Colombia Manufacturing responsibility.

To assign the price index:

1. Navigate to the Find System Profile Values window.
2. Check the Responsibility checkbox.
3. Enter *Colombia Manufacturing* in the Responsibility field.
4. Enter *Price Index for Inflation Adjustment* in the Profile field.
5. Choose find.

The System Profile Values window appears.

6. In the corresponding responsibility field, enter PAAG if you defined PAAG as the Price Index for Porcentaje De Ajuste Del Ano Gravable.
7. Save your work.

Define Item Category Set and Categories

You can define new item category sets and categories to identify inflation adjustment items in Oracle Inventory. Category sets provide the flexibility to designate specific inventory or non-monetary items that require inflation adjustments.

For example, you might create a category set for the non-monetary asset Office Furniture, which could include categories such as desks, chairs, and filing cabinets.

You can skip this step if you have already set up the category sets and categories that you need to identify inflation adjustment items.

See also: Defining Categories, *Oracle Inventory User Guide*

See also: Defining Category Sets, *Oracle Inventory User Guide*

Assign the Item Category Set and Categories

The item category set and categories defined in the previous step are assigned at the site level.

You can skip this step if you want to apply the inflation adjustment to all inventory items.

This list indicates the effects of all combinations of category and category set assignments.

Category Set	Category	Inflation Adjustment Applied To
Not assigned	Not assigned	All
Assigned	Not assigned	Items with matched category set
Not assigned	Assigned	Items with matched category
Assigned	Assigned	Items with both matched

To assign item category set and category:

1. Navigate to the Find System Profile Values window.
2. Check the Site checkbox.
3. Query for Item Category Set for Inflation Adjustment in the profile field.
The System Profile Values window appears.
4. In the Site field, select the name of the item category set that you defined from the list of values.
5. Query for Item Category for Inflation Adjustment in the profile field.
6. In the Site field, select the name of the category that you defined from the list of values.
7. Save your work.

Assign the Name of the Category Set and Categories

Use the Inventory setup window to assign the names of the category set and categories used to store the inflation adjustment index to the Colombia Manufacturing Responsibility.

Define Inflation Adjustment GL Accounts

For each organization, you must define the accounts that are used to track inflation adjustments.

To define the GL accounts that track the inflation adjustment:

1. Navigate to the GL Accounts window.
2. Enter an account for each of these inventory inflation adjustment accounts. Although these descriptions are optional, using these descriptions simplifies assigning accounts to your items.
 - **Inflation Adjustment Account** - An asset account used to accrue inflation adjustments for inventory items.
 - **Monetary Correction Account** - A revenue account that is the offsetting account for the Inventory Inflation Adjustment Account and is treated as income in financial statements.
 - **Sales Cost Account** - An expense account that is debited when the Inflation Adjustment Portion that corresponds to Material Issues is retired.
3. Select an effective From Date, but leave the To Date field blank.
4. Check the *Enabled* checkbox to activate the account. If you entered an Effective Date range, the account is only enabled within that date range.
5. Check the Allow Posting checkbox if you need to allow posting.
6. Check the Allow Budgeting checkbox if you need to allow budgeting.

You also set Allow Posting and Allow Budgeting attributes for the individual segment values; however, the Allow Posting and Allow Budgeting attributes for the accounts do not override the attributes for the individual segment values. For example, if you allow posting to an account with a segment value that does not allow posting, you cannot post to that account.

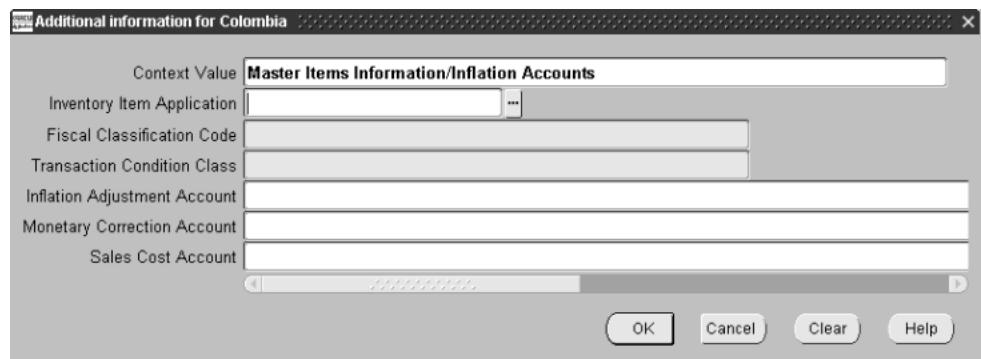
Note: You cannot set Allow Posting for the Net Income account that is specified for a set of books with average balance processing enabled.

7. Save your work.

See also: Defining Accounts, *Oracle General Ledger User Guide*

Assign Inventory Inflation Adjustment Accounts to Items

Use the globalization flexfield in the Organization Items window to assign the inventory inflation accounts defined in the previous step to each inventory item.



To assign the inventory inflation accounts:

1. Navigate to the Organization Items window.
2. Select an item from the list of values.
3. Navigate to the globalization flexfield. For instructions, see [Using Globalization Flexfields on page B-2](#).
4. In the Inflation Adjustment Account field, enter the corresponding account number.
5. In the Monetary Correction Account field, enter the corresponding account number.

(continued)

6. In the Sales Cost Account field, enter the corresponding account number.
7. Save your work.

Note: The Inventory Item Application, Fiscal Classification Code, and Transaction Condition Class fields are not used for inventory inflation adjustment. These fields are used for the Latin Tax Engine in Oracle Receivables for Colombia. For more information, see Assign Tax Condition Classes and Fiscal Classifications to Items on page 5-44.

See also: Defining Items, *Oracle Inventory User Guide*

Load the Historical Data

You must load historical data to establish a baseline for inventory inflation adjustment calculations by creating and running a SQL script to execute the create_historical_cost API.

If a problem occurs while creating historical data, you can delete and reload the data. Deleting historical data is done using a SQL script to execute the delete_all_historical_costs API.

To load historical data:

1. Create a SQL script to load the create_historical_cost API.
2. Load the create_historical_cost API from the public package CST_MGD_INFL_ADJUSTMENT_PUB.
3. Execute the create_historical_cost API using the SQL script and these parameters.

Create_historical_cost

Parameter	Usage	Type	Description
p_api_version_number	Input	NUMBER	Colombian Mfg Version must be 1.0.
p_init_msg_list	Input	VARCHAR2	Initializes the message stack.
x_return_status	Output	VARCHAR2	Returns the program execution status.
x_msg_count	Output	NUMBER	Returns the number of messages in message stack.
p_historical_cost_rec	Input	Inflation_Adjustment_Rec_Type	A record that holds historical cost data per item and is defined in the CST_MGD_INFL_ADJUSTMENT_PUB package.

To delete historical data:

1. Create a SQL script to load the delete_all_historical_costs API .
2. Load the delete_all_historical_costs API from the public package CST_MGD_INFL_ADJUSTMENT_PUB.
3. Execute the delete_all_historical_costs API using the SQL script and these parameters.

Delete_all_historical_costs

Parameter	Usage	Type	Description
p_api_version_number	Input	NUMBER	Colombian Mfg Version. must be 1.0
p_init_msg_list	Input	VARCHAR2	Initializes the message stack.
x_return_status	Output	VARCHAR2	Returns the program execution status.
x_msg_count	Output	NUMBER	Returns the number of messages in message stack.

Inventory Inflation Adjustment Processing

You must periodically perform these steps:

- 1 Enter the inflation adjustment index value for the current period, on page 4-16
- 2 Close the accounting period, on page 4-17
- 3 Run the inflation adjustment processor, on page 4-18
- 4 Print the Kardex Reports, on page 4-19
- 5 Review calculations in the Kardex Reports, on page 4-20
- 6 Transfer the adjustment transactions to General Ledger, on page 4-21

Enter the Inflation Adjustment Index Value for the Current Period

You must enter a value for the Price Index defined to store the inflation adjustment index value issued by DANE.

To enter the Inflation Adjustment Index Value:

1. Navigate to the Price Indexes window.
2. Select the name of the Price Index (such as PAAG) from the list of values.
3. Enter the inflation adjustment index value for the current period as a percentage (for example, enter 20 for 20%) in the Value % field.
4. Enter the From Date and To Date that this index is effective for. The date range that you specify must be the same as the Inventory Accounting Period.
5. Save your work.

See also: Maintaining Accounting Periods, *Oracle Inventory User Guide*

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

Close the Accounting Period

In Oracle Cost Management, close the accounting period.

See also: Overview of Period Close, *Oracle Cost Management User Guide*

Run the Inflation Adjustment Processor

The Inflation Adjustment Processor calculates the ending inflation value by applying the inflation adjustment index to each inventory item. You must run this process for each organization that requires an inflation adjustment. See [Calculating the Inventory Inflation Adjustment on page 4-22](#) for more information about inflation adjustment calculations.

To run the Inflation Adjustment Processor:

1. Navigate to the Submit a New Request window.
2. Select *Inflation Adjustment Processor* from the list of values to display the Parameters window.
3. In the Organization field, select an organization from the list of values. You should only select organizations that must have their inventories revalued.
4. Select an accounting period from the list of values. You should only select closed accounting periods.
5. Choose OK.

Print the Kardex Reports

See Fiscal Kardex Reports on page 4-28 for more information about Fiscal Kardex reports. You can run these reports in any order.

Review Calculations in the Kardex Reports

Before you post the adjustment to General Ledger, review the Fiscal Kardex reports (Adjusted and Historical) to verify that the adjustment calculations are correct. See Fiscal Kardex Reports on page 4-28 for more information.

Transfer the Adjustment Transactions to General Ledger

Once the adjustments are calculated and are verified by the Fiscal Kardex reports, you must transfer adjustments to General Ledger in the period that follows the adjusted period before you can run the Inflation Adjustment Processor. For example, if you run the inflation adjustment processor for November on December 5, you must transfer the adjustments before the end of the month (December 31).

To transfer adjustments to the General Ledger:

1. Navigate to Submit a New Request window.
2. Select *Inflation Adjustment Transfer to GL* to display the Parameters window.
3. Select an organization from the list of values.
4. You should only select organizations that have had their inventory adjusted for inflation.
5. Select an accounting period from the list of values. You should only select closed accounting periods.
6. Choose OK.

Calculating the Inventory Inflation Adjustment

This section provides an example to illustrate the calculations that the Inventory Inflation Adjustment processor makes and the accounting entries that result.

As you follow the example, please note:

- The inflation index is applied in the calculation of the beginning inflation
- January 2000 is a setup month and consequently unaffected by the inflation index in this example
- The effects of transfers are not considered in this example or the formulas that are discussed

Inflation Adjustment Calculation Example

This example shows transactions, calculations, and journal entries for inflation adjustment performed on one organization between January 2000 and February 2000.

As required, the example uses an average costing organization.

See also: Overview of Average Costing, *Oracle Cost Management User Guide*

This example assumes that:

- The organization is new and contains no historical data
- The periodic inflation adjustment is supplied
- Inflation indexes are:
 - January 2000: 2% (known in February)
 - February 2000: 3% (known in March)

Transactions calculated for period January 2000

Date	Quantity		Unit Cost		Transaction Cost		Total Qty	Balance Value
	Rec.	Issue	Rec.	Issue	Rec.	Issue		
Beginning Quantity and Value						0	0	0
01/31	170	130			1700	1300	40	400.00
Final Totals	170	130			1700	1300	40	400.00

Inflation Adjustment Calculation For January 2000**Beginning**

Quantity	Balance Value	Prior Final Inflation	Beginning Inflation
0	0.00	0	0

Receipt Activity

Quantity	Value	Unit Adjustment
170	1700.00	0.00

Issue Activity

Quantity	Value	Unit Adjustment	Inflation Issue
130	1300.00	0.00	0.00

Final

Quantity	Balance Value	Final Inflation
40	400.00	0.00

Accounting entries for January 2000

01/30	Inflation Adjustment	0.00
	Monetary Correction	0.00
	For Inflation Revaluation	
01/30	Sales Cost	0.00
	Inflation Adjustment	0.00
	For Material Issues	

Transactions calculated for period February 2000

Date	Quantity		Unit Cost		Transaction Cost		Total Quantity	Balance Value
	Rec.	Issue	Rec.	Issue	Rec.	Issue		
Beginning Quantity and Value							40	400.00
02/03	20		10		200		60	600.00
02/05	200		10		2000		260	2600.00
02/06		40		10		400	220	2200.00
02/15	10		10		100		230	2300.00
02/20		20		10		200	210	2100.00
02/25		10		10		100	200	2000.00
Final Totals	230	70	--	--	2300	700	200	2000.00

Inflation Adjustment Calculation For February 2000 at .03 Inflation

Beginning			
Quantity	Balance Value	Prior Final Inflation	Beginning Inflation
40	400.00	0	12

Receipt Activity		
Quantity	Value	Unit Adjustment
230	2300.00	.04

Issue Activity			
Quantity	Value	Unit Adjustment	Inflation Issue
70	700.00	.04	3.11

Final		
Quantity	Balance Value	Final Inflation
200	2000.00	8.89

Accounting entries for February 2000

02/28	Inventory Inflation Adjustment	12.00
	Monetary Correction	12.00
	For Inflation Revaluation	
02/28	Sales Cost	3.11
	Inventory Inflation Adjustment	3.11
	For Material Issues	

Transaction Costing Calculations

- Monthly Beginning Values are derived from the final values of the previous month.
 - Jan-00 - Jan-00 is a setup month in this example. The Beginning Quantity equals 0; the Beginning Value equals 0.
 - Feb-00 - Beginning Quantity and Balance Value come from the final values for Jan-00.
- Receipt Quantities and Issues Quantities are the sums of the months' receipts and issues.

Jan-00 - Receipts: 170 Issues: 130

Feb-00 - Receipts: 230 Issues: 70

- Transaction cost for an individual transaction is the unit quantity times the unit cost. For a month, transaction cost is the sum of the values respectively for the month's receipts and issues.

Jan-00 - Receipts: 1700 Issues: 1300

Feb-00 - Receipts: 2300 Issues: 700

- Final Quantity = Beginning Quantity + Receipt Quantity - Issue Quantity
 - Jan-00 - $0.00 + 170 - 130 = 40$
 - Feb-00 - $40 + 230 - 70 = 200$
- Final Balance Value = Beginning Balance Value + Receipt Value - Issue Value
 - Jan-00 - $0.00 + 1700.00 - 1300.00 = 400.00$
 - Feb-00 - $400.00 + 2300.00 - 700.00 = 2000.00$

Inflation Costing Calculations

- Prior Final Inflation carries forward the previous month's Final Inflation. Beginning Inflation is a calculation that represents the inflation amount that must be distributed across the monthly transactions.

This is the calculation that uses the Inflation Index, and the resulting amount is posted to the General Ledger.

Beginning Inflation = (Prior Period Final Balance Value + Prior Period Final Inflation) * Inflation Index (current period) + Prior Period Final Inflation

- Jan-00 - Beginning Inflation is 0 because the Beginning Quantity and values are 0.

The formula for Jan-00 does not apply for this example because Jan-00 is a setup month.

- Feb-00 - Beginning Inflation = $(400.00 + 0.00) * 0.03 + 0.00 = 12.00$

- The Feb-00 calculation uses the inflation index of .03.

- Receipt Unit Adjustment represents the average inflation adjustment and, using the Beginning Inflation (see previous item), is calculated as:

Receipt Unit Adjustment = Beginning Inflation / (Beginning Quantity + Receipt Quantity)

- Jan-00 - $0.00 / (0 + 170) = 0.00$

- Feb-00 - $12.00 / (40 + 230) = .0444$ rounded to 0.04

- The Issue Unit Adjustment equals the Receipt Unit Adjustment.
- Inflation Issue represents the adjustment amount applied to issues. This amount is posted as a credit to General Ledger against the Beginning Inflation.

Note: The Receipt Unit Adjustment applies only to inventory transfers. Items received from external organizations (PO, RMA, and WIP) are not included in the calculation.

Inflation Issue = Issue Unit Adjustment * Issue Quantity

- Jan-00 - $0.00 \times 130 = 0.00$

- Feb-00 - $0.0444 \times 70 = 3.108$ rounded to 3.11

- Final Inflation = Beginning Inflation - Inflation Issue

- Jan-00 - $0.00 - 0.00 = 0.00$

- Feb-00 - $12.00 - 3.11 = 8.89$

Fiscal Kardex Reports

Historical

Dallas Manufacturing			Inventory Fiscal Kardex Report (USD)			Report Date: Mon Dec 4 17:35:0 2000								
			From 01-01-00 To 31-01-00			page: 2								
Item from: Sc5104 To: Sc5403														
Item: Sc55104 Speaker Beginning Quantity: 4.00 Beginning Unit Cost: 4.00 Beginning Total Cost: 16.00														
Uom: Ea Final Quantity: 4.00 Final Unit Cost: 4.00 Final Total Cost: 16.00														
Item: Sc54043 Plastic Stock Beginning Quantity: 4.00 Beginning Unit Cost: 4.00 Beginning Total Cost: 16.00														
Uom: Ea Final Quantity: 6.00 Final Unit Cost: 4.00 Final Total Cost: 24.00														
Date	Type	Beginning Inventory Quantity	Beginning Inventory Unit Cost	Beginning Inventory Total Cost	Transaction Quantity	Transaction Unit Cost	Transaction Total Cost	Final Inventory Quantity	Final Inventory Unit Cost	Final Inventory Total Cost				
05-JAN-00	Purchase Order Receipt	4.00	4.00	16.00	6.00	4.00	24.00	10.00	4.00	40.00				
07-JAN-00	Return to Supplier	10.00	4.00	40.00	-2.00	4.00	8.00	8.00	4.00	32.00				
08-JAN-00	Misc Receipt	8.00	4.00	32.00	2.00	4.00	8.00	10.00	4.00	40.00				
10-JAN-00	Inventory intransit receipt	10.00	4.00	40.00	5.00	7.00	35.00	15.00	5.00	75.00				

Adjusted

Dallas Manufacturing			Inventory Fiscal Kardex Report (USD)			Report Date: Mon Dec 4 17:21:45 2000								
			From 01-01-00 To 31-01-00			page: 2								
Item from: Sc5104 To: Sc54043														
Item: Sc55104 Speaker Beginning Quantity: 4.00 Beginning Unit Cost: 4.00 Beginning Total Cost: 16.00 Beginning Total Inflation: 4.00														
Uom: Ea Final Quantity: 4.00 Final Unit Cost: 4.00 Final Total Cost: 16.00 Final Total Inflation: 4.00														
Item: Sc54043 Plastic Stock Beginning Quantity: 4.00 Beginning Unit Cost: 4.00 Beginning Total Cost: 16.00 Beginning Total Inflation: 8.00														
Uom: Ea Final Quantity: 15.00 Final Unit Cost: 5.00 Final Total Cost: 75.00 Final Total Inflation: 12.00														
Date	Type	Beginning Inventory Quantity	Beginning Inventory Unit Cost	Beginning Inventory Total Cost	Transaction Quantity	Transaction Unit Cost	Transaction Total Cost	Final Inventory Quantity	Final Inventory Unit Cost	Final Inventory Total Cost				
				Total Inflation			Total Inflation			Total Inflation				
05-JAN-00	Purchase Order Receipt	4.00	4.00	16.00 8.00	6.00	4.00	24.00 0.00	10.00	4.00	40.00 8.00				
07-JAN-00	Return to Supplier	10.00	4.00	40.00 8.00	-2.00	4.00	8.00 -1.60	8.00	4.00	32.00 6.40				
08-JAN-00	Misc Receipt	8.00	4.00	32.00 6.40	2.00	4.00	8.00 1.60	10.00	4.00	40.00 8.00				
10-JAN-00	Inventory intransit receipt	10.00	4.00	40.00 8.00	5.00	7.00	35.00 4.00	15.00	5.00	75.00 12.00				

The Fiscal Kardex reports supplied with Inflation Adjustment for Inventory are designed to meet the statutory requirements of the Colombian government.

The reports list, by period and item, the initial and final costs, as well as all the transactions in the period. Items that have had no activity during the period are displayed without the transaction detail. There are two versions of the reports:

- Fiscal Kardex Report - Historical
- Fiscal Kardex Report - Adjusted

The reports are very similar. The Adjusted report has information specific to the beginning, final, and total inflation. The Adjusted report also adds figures in the top section for Beginning and Final Total inflation.

Inflation Adjustment for Inventory assumes that you use the average costing method and that inflation adjustment is periodically run. Inflation adjustment is calculated at the period level, where different types of transactions are grouped together in the calculation, rather than at each individual transaction level as for average costing calculation. Inflation adjustment for each individual transaction in the report is estimated and should not be interpreted as the exact inflation adjustment for the transaction, but rather as the average inflation adjustment.

Report Parameters

Organization Code

Select an Organization Code. You should only select organizations that have had their inventory adjusted for inflation.

From Date

Enter the date that you want to run the report from.

To Date

Enter the date that you want to run the report to.

From Item Code

Select the beginning item that you want the report to run from.

To Item Code

Select the ending item that you want the report to run to.

Column Headings

Historical

In this column...	Oracle Inventory prints...
Date	The transaction date
Type	The type of transaction generating the posting to General Ledger
Beginning Inventory - Quantity	The inventory quantity at the beginning of the period
Beginning Inventory - Unit Cost	The inventory unit cost at the beginning of the period
Beginning Inventory - Total Cost	The total cost of inventory at the beginning of the period
Transaction - Quantity	The number of units transacted
Transaction - Unit Cost	The unit cost at the time of transaction
Transaction - Total Cost	The total unit cost (Transaction Cost x Transaction Quantity)
Final Inventory - Quantity	The inventory quantity at the end of the period
Final Inventory - Unit Cost	The inventory cost at the end of the period
Final Inventory - Total Cost	The total cost of inventory at the end of the period

Adjusted

In this column...	Oracle Inventory prints...
Date	The transaction date
Type	The type of transaction generating the posting to General Ledger
Beginning Inventory - Quantity	The inventory quantity at the beginning of the period
Beginning Inventory - Unit Cost	The inventory unit cost at the beginning of the period
Beginning Inventory - Total Cost	The total cost of inventory at the beginning of the period
Beginning Inventory - Total Inflation	The total beginning inflation per unit
Transaction - Quantity	The number of units transacted
Transaction - Unit Cost	The unit cost at the time of transaction
Transaction - Total Cost	The total unit cost (Transaction Cost x Transaction Quantity)
Transaction - Total Inflation	The total inflation per unit cost
Final Inventory - Quantity	The inventory quantity at the end of the period
Final Inventory - Unit Cost	The unit cost of inventory at the end of the period
Final Inventory - Total Cost	The total cost of inventory at the end of the period
Final Inventory - Total Inflation	The total inflation cost at the end of the period

Oracle Receivables

This section describes Oracle Receivables for Colombia, including:

- Receivables taxpayer ID validation
- Income tax self-withholding and VAT
- Entering transactions
- Colombian Receivables Income Tax Self Withholding report
- Defining the VAT tax category
- Colombian Receivables Sales Fiscal Book report
- Colombian Receivables Cash Receipt report

Receivables Taxpayer ID Validation

In Colombia, the government assigns a primary ID or taxpayer ID to domestic entities, such as individuals, companies, and banks. Oracle Receivables for Colombia validates the taxpayer information that you enter for a domestic or foreign customer according to the criteria set by the Colombia government.

See also: Using the Customer Interface Program, *Oracle Financials Common Country Features User Guide*

Validating Your Customer's Taxpayer ID

The taxpayer ID is validated when you enter taxpayer ID information in the Taxpayer ID, Primary ID Type, and Primary ID Validation Digit fields in the Customers window. Oracle Receivables for Colombia copies the taxpayer ID to the Number field when the taxpayer ID is validated and the Number field is blank.

Oracle Receivables for Colombia uses validation information to verify:

- The taxpayer ID does not exceed 14 digits
- The taxpayer ID is numeric
- The taxpayer ID is unique
- The taxpayer ID is identical for the same entity in the Suppliers, Banks, Customers, and Company Information windows
- The validation digit is correct for a legal entity's taxpayer ID

Prerequisites

Before you use the globalization flexfield in the Customers window, you must:

- Uncheck the Automatic Customer Numbering check box in the System Options window
- Set the JL: Copy Tax Identifier Number profile option value to Yes at the Responsibility level

See also: Transactions and Customers System Options, *Oracle Receivables User Guide*

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

Setup

You can change warning messages to appear as error messages by setting the JL: Tax ID Validation Failure profile option to *Error* at the Responsibility level. When the profile option is set to *Warning*, you can either continue entering more information in the Customers window without correcting the taxpayer ID or change the taxpayer ID. When the profile option is set to *Error*, you cannot save your work until you enter the correct taxpayer ID.

You will receive a warning or error message if:

- You entered a taxpayer ID for a domestic entity that is not identical for the same entity in the Suppliers, Banks, Customers, and Company Information windows
- You entered incorrect taxpayer ID information



To enter validation information:

1. Navigate to the Customers - Standard window.
2. Enter a customer name in the Customer Name field.
3. Enter the customer's number in the Number field, or leave the Number field blank so that Oracle Receivables for Colombia can automatically copy the taxpayer ID that you enter in the Taxpayer ID field into this field.
4. Enter the taxpayer ID in the Taxpayer ID field. Do not include the hyphen and validation digit.
5. Navigate to the globalization flexfield. For instructions, see Using Globalization Flexfields on page B-2.
6. Enter either *Individual*, *Legal Entity*, or *Foreign Entity* for the supplier's identification type in the Primary ID Type field. The default identification type is *Legal Entity*.

7. If you entered *Legal Entity* for the customer's identification type, enter the taxpayer ID's validation digit in the Primary ID Validation Digit field. The validation digit is the last number or character that follows a hyphen in the taxpayer ID, for example, 77689-9. The validation number can be any value from 0 to 9.
8. Press the OK button. The taxpayer ID is concatenated with its validation digit and copied into the Number field in the Customers window if the validation is successful and the Number field is blank.
9. Save your work or continue entering more customer information.

See also: Entering Customers, *Oracle Receivables User Guide*

Income Tax Self-Withholding and VAT

Companies can obtain the right from the Departamento de Impuestos y Aduanas Nacionales (DIAN) to self-withhold income tax on a customer invoice as a prepayment for their own income tax. Companies accrue and account for the income tax per invoice and pay the self-withheld income tax to the government.

A company may, for example, prefer to remit self-withholding tax instead of having its customers withhold income tax on the company's behalf because this process involves collecting and reconciling a large amount of withholding income tax certificates before the income tax return due date.

Withholding Responsibility

The responsibility for withholding income tax on a sales invoice depends upon the withholding tax status of both you and your customer.

This matrix describes who is responsible for withholding income tax on a sales invoice.

	Customer is income tax withholding agent	Customer is not an income tax withholding agent
You are responsible for self-withholding income tax	You self-withhold income tax	No income tax is withheld
You are not responsible for self-withholding income tax	Customer withholds income tax	No income tax is withheld

Value Added Tax (VAT)

Value Added Tax (VAT) is imposed on the value added to goods or services at each stage of their supply. The VAT charged on a customer invoice is referred to as *output tax*. Any VAT paid on a company invoice is referred to as *input tax*. The formula to describe the VAT amount due each period is $Amount\ Due = Output\ Tax - Input\ Tax$.

Latin Tax Engine

If you are subject to income tax and a self-withholder of income tax, you must calculate and accrue for income tax self-withholding on certain sales invoices. Oracle Receivables for Colombia provides the *Latin tax engine* to support your income tax self-withholding requirements as well as your VAT requirements.

If you are required to self-withhold income tax, use the Latin Tax Engine to calculate income tax self-withholding. The Latin Tax Engine also calculates and accounts for VAT. If you are not required to self-withhold income tax, use the standard Receivables tax engine to handle VAT on your invoices.

See also: Setup Steps for Value Added Tax, *Oracle Receivables User Guide*

See also: Latin Tax Engine, *Oracle Financials Common Country Features User Guide*

Calculating Income Tax Self-Withholding and VAT

This section describes the values that Oracle Receivables uses to calculate income tax self-withholding and VAT.

Income Tax Self-Withholding

Oracle Receivables calculates income tax self-withholding according to these criteria:

- Your income tax self-withholding status
- Your customer's withholding responsibility
- Income concept

An *income concept* describes the nature of the sale. Professional Fees, Goods, and Services are examples of income concepts. Oracle Receivables calculates income tax on an invoice line according to the income concept for that invoice line. A single invoice can contain multiple income concepts.

The government establishes the minimum taxable base and the withholding rate for each income concept. In accordance with the Plan Unico de Cuentas (PUC), you must maintain designated accounts for the prepaid tax asset and the self-withholding liability.

Oracle Receivables calculates income tax self-withholding on a transaction when:

- You are an income tax self-withholder for the income concept
- Customer is an income tax withholding agent
- The sum of invoice lines with the same income concept is greater than or equal to the income concept minimum taxable base amount

Example 1 illustrates the income tax self-withholding calculation.

Example 1: Income Tax Self-Withholding

Income Concept	Income Tax Rate	Minimum Taxable Amount
Goods	3%	300
Services	4%	400
Professional Fees	10%	600

You issue this invoice:

line 1	Item A (Income Concept: Goods)	100
line 2	Item B (Income Concept: Goods)	1,000
line 3	Item C (Income Concept: Services)	2,000
line 4	Item D (Income Concept: Prof. Fees)	500
	Total Invoice	3,100

Oracle Receivables calculates income tax self-withholding this way:

Income Concept	Invoice Lines	Amount present on invoice	Income Tax Self-Withheld
Goods	1 and 2	1,100	33 (3% * 1100)
Services	3	2,000	80 (4% * 2000)
Professional Fees	4	500	0

There is no income tax self-withholding for the income concept Professional Fees, since the invoice line amount is less than the minimum taxable base.

VAT

Oracle Receivables calculates VAT according to these criteria:

- Your VAT regime
- Your customer's VAT status
- Fiscal classification of items sold

A company is registered with one of two VAT regimes: simplified or common. A *simplified regime* is a company with a sales volume below a certain threshold. These companies are not required to collect VAT. A *common regime* is a company required to charge and collect VAT.

For VAT purposes, a customer is considered either *national* or *foreign*. Sales to foreign customers are considered exempt from VAT and are taxed at a 0% VAT rate. Sales to national customers are charged VAT according to the items sold.

The three fiscal classifications for items sold are:

- *Excluded* - items that are not subject to VAT
- *Exempt* - items that are subject to VAT at a 0% rate
- *Taxable* - items that are subject to VAT at a rate greater than 0%

Example 2 illustrates a VAT and income tax self-withholding calculation.

Example 2: VAT and Income Tax Self-Withholding

Item	VAT		Income Tax Self-Withholding		
	Fiscal Classification	VAT Rate	Income Concept	Minimum Amount Taxable	Income Tax Rate
Item A	Taxable	16	Goods	300	3
Item B	Taxable	16	Goods	300	3
Item C	Exempt	0	Services	400	4
Item D	Excluded	Not applicable	Professional Fees	600	10

You issue the following invoice:

line 1	Item A	100
line 2	Item B	1,000
line 3	Item C	300
line 4	Item D	1,500
	Total Invoice	2,900

Oracle Receivables calculates VAT and income tax self-withholding as follows:

Line	VAT	Income Tax Self-Withheld
1	16 (100 * 16%)	0
2	160 (1,000 * 16%)	33 ((100 + 1,000) * 3%)
3	0 (300 * 0%)	0
4	Not Applicable	150 (1,500 * 10%)
Total	176	188

There is no income tax self-withholding for the income concept Services, since the invoice line amount is less than the minimum taxable base.

Setting Up for Income Tax Self-Withholding and VAT

This section describes the steps for setting up Oracle Receivables and the Latin Tax Engine to calculate income tax self-withholding and VAT. Use the setup checklist to help you complete the appropriate steps in the correct order.

Your Oracle Receivables for Colombia installation already includes some of the codes and values described in this section. The setup tasks in this chapter indicate whether the data included in the accompanying tables is included in your installation by the following notices:

- **This data is already included in your installation** - The data referred to is part of your installation
- **EXAMPLE ONLY This data is not included in your installation** - The data referred to is an example only and is not included in your installation

For setup tasks that refer to data that is already included in your installation, you can use the task as a guideline for modifying existing information or adding new information, if this is required.

Prerequisites

Before you can set up Oracle Receivables to calculate income tax self-withholding and VAT, you must set the profile option JL AR Tax: Use Related Transactions for Threshold Checking to Yes at System level.

Setup Checklist

Use this checklist to help you complete the appropriate setup steps for income tax self-withholding and VAT in the correct order.

- 1 Define System Options, on page 5-18
- 2 Define Tax Conditions, on page 5-20
- 3 Define Tax Condition Values, on page 5-21
- 4 Define Tax Categories, on page 5-23
- 5 Associate Tax Categories with Tax Conditions, on page 5-26
- 6 Define Tax Codes and Rates, on page 5-29
- 7 Define Tax Condition Classes for Organizations, on page 5-32
- 8 Assign Tax Condition Classes to Organization Locations, on page 5-33
- 9 Define Tax Condition Classes for Customers, on page 5-34
- 10 Assign Tax Condition Classes to Customers, on page 5-37
- 11 Define Tax Condition Classes for Transactions, on page 5-39
- 12 Define Fiscal Classifications, on page 5-42
- 13 Assign Tax Condition Classes and Fiscal Classifications to Items, on page 5-44
- 14 Assign Tax Condition Classes and Fiscal Classifications to Memo Lines, on page 5-46
- 15 Define Tax Group, on page 5-47
- 16 Assign Tax Group to Transaction Types, on page 5-51
- 17 Define Tax Rules, on page 5-52

Define System Options

Use the Oracle Receivables System Options window and the globalization flexfield to set system options to calculate income tax self-withholding and VAT.

Prerequisites

Before you can use the System Options window, you must:

- Define Company Information in the Companies window
- Define a Sales Tax Location Flexfield Structure, if necessary
- Set these options for Colombia:

Tax Option Field Name	Suggested Setting
Tax Method	Latin Tax Handling
Location Flexfield Structure	Location Flexfield Structure
Tax Rule Set	Colombia
Compound Taxes	No
Calculation Level	Line
Rounding Rule	Nearest
Precision	2
Transaction Type	Your default transaction type
Location Flexfield Classification	State or Province

Notes for setting Oracle Receivables system options:

1. In the Location Flexfield Structure field, enter a location flexfield structure.

Use one of the available location flexfield structures, or define your own location flexfield structure in the Key Flexfield Segments window. The name of the location flexfield structure that you define must contain either *State* or *Province* as one of the segments.

Note: You must define the segment *State* or the segment *Province* in English only, if you are going to use the Latin Tax Engine. The Latin Tax Engine only recognizes these values in English

2. In the Location Flexfield Classification field, enter *State* or *Province*, depending on the location flexfield structure that you entered in the Location Flexfield Structure field.
3. Uncheck the Compound Taxes check box.
4. Enter *Line* in the Calculation Level field to let Oracle Receivables calculate taxes separately for each line.

See also: Defining a Sales Tax Location Flexfield Structure, *Oracle Receivables User Guide*

See also: Defining Receivables System Options, *Oracle Receivables User Guide*

Define Tax Conditions

Use the Lookups window to create lookup codes for income tax self-withholding and VAT tax conditions. Tax conditions determine whether Oracle Receivables calculates income tax self-withholding and VAT on a specific transaction.

The tax conditions that you define describe the possible conditions of your company, your customers, and your transactions.

Define tax conditions for the following lookup types:

- ORGANIZATION_ATTRIBUTE
- CONTRIBUTOR_ATTRIBUTE
- TRANSACTION_ATTRIBUTE

After you define tax conditions, define the tax condition values for each tax condition. See Define Tax Condition Values on page 5-21 for more information.

Create these tax conditions for income tax self-withholding:

This data is already included in your installation

Lookup Type	Lookup Code	Description
ORGANIZATION_ATTRIBUTE	INCOME TAX SW STATUS	Company income tax self-withholding status
CONTRIBUTOR_ATTRIBUTE	INCOME TAX WH RESPONS	Customer income tax withholding responsibility
TRANSACTION_ATTRIBUTE	INCOME CONCEPT	Transaction income tax self-withholding concept

Create these tax conditions for VAT:

This data is already included in your installation

Lookup Type	Lookup Code	Description
ORGANIZATION_ATTRIBUTE	VAT REGIME	Company VAT Regime
CONTRIBUTOR_ATTRIBUTE	VAT STATUS	Customer VAT status
TRANSACTION_ATTRIBUTE	VAT QUALITY	Transaction VAT Quality

Define Tax Condition Values

Use the Lookups window to create lookup codes for tax condition values.

Tax condition values specify each of the possible values of a tax condition. For example, the possible values of the tax condition *income tax self-withholder (ITSW Status)* for an organization are Self-Withholder and Non-Self-Withholder.

Define tax conditions for the lookup type JLZZ_AR_TX_ATTR_VALUE.

After you define tax condition values for each tax condition, you can associate both the tax condition and tax condition values with Latin tax categories. See [Associate Tax Categories with Tax Conditions on page 5-26](#) for more information.

Create these following tax condition values for organizations, contributors, and transactions for income tax self-withholding:

This data is already included in your installation

Lookup Type	Org/Cont/Trx	Lookup Code	Description
JLZZ_AR_TX_ATTR_VALUE	Org	SELF WITHHOLDER	Income tax self-withholder
	Org	NON SELF WITHHOLDER	Income tax non-self-withholder
	Cont	WITHHOLDING AGENT	Income tax withholding agent
	Cont	NON WITHHOLDING AGENT	Not an income tax withholding agent
	Trx	GOODS	Income from sale of goods
	Trx	SERVICES	Income from sale of services
	Trx	COMMISSIONS	Income from commissions
	Trx	PROFESSIONAL FEES	Income from professional fees
	Trx	LEASINGS	Income from leases

Create the following tax condition values for organizations, contributors, and transactions for VAT:

This data is already included in your installation

Lookup Type	Org/Cont/Trx	Lookup Code	Description
JLZZ_AR_TX_ATTR_VALUE	Org	COMMON REGIME	Common regime
	Org	SIMPLIFIED REGIME	Simplified regime
	Cont	NATIONAL CUSTOMER	National customer
	Cont	FOREIGN CUSTOMER	Foreign customer
	Trx	TAXABLE	VAT taxable item (taxed or exempt)
	Trx	EXCLUDED	VAT excluded item

Define Tax Categories

Use the Lookups window to create lookup codes for tax categories for income tax self-withholding and VAT.

Use the Latin Tax Categories window, after you create the lookup codes, to define the income tax self-withholding and VAT tax categories.

Note: If you want the Latin Tax Engine to derive the tax code from a tax category, associate the tax code with a tax category after you define it in the Tax Codes and Rates window. See Define Tax Codes and Rates on page 5-29 for more information.

You create tax category lookup codes for income tax self-withholding for the following two tax accruals, in order to create a double-sided accounting entry (asset and liability):

- Income tax self-withholding prepaid (asset) (ITSW-A)
- Income tax self-withholding payable (liability) (ITSW-L)

You create one tax category lookup code for VAT (VAT).

Create these tax categories:

This data is already included in your installation

Lookup Type	Lookup Code	Description
JLZZ_AR_TX_CATEGORY	ITSW-A	Income tax self-withholder prepaid
	ITSW-L	Income tax self-withholder payable
	VAT	VAT

Use the Latin Tax Categories window to define income tax self-withholding and VAT tax categories, using the tax category lookup codes that you created in the Lookups window.

Define the two tax categories for income tax self-withholding:

This data is already included in your installation

Category	ITSW-A	ITSW-L
Effective From	01/01/90	01/01/90
Effective To	Default	Default
Threshold Check Level	Operation	Operation
Grouping Condition Type	Income Concept	Income Concept
Tax Code	None	None
Min. Tax Amount	None	None
Min. Taxable Base	None	None
Incl./Excl.?	Ex.	Ex.
Print Tax?	No	No
Desc.	Income tax self-withholding prepaid	Income tax self-withholding payable

Notes for defining tax categories for income tax self-withholding:

1. If necessary, enter effective dates for the tax categories. The tax category is effective within the stated date range.
2. Enter *Operation* in the Threshold Check Level field. An operation is an invoice and its related debit memos and/or credit memos.

Note: : Oracle Receivables updates the Grouping Condition Type field with the value *Income Concept* when you associate the tax categories with tax conditions. See Associate Tax Categories with Tax Conditions on page 5-26 for more information.

These two values let Oracle Receivables:

- Group transaction line amounts by income concept within related transactions (invoice, credit memos, debit memos)
- Check income concept transaction totals against threshold amounts

3. Uncheck the Inclusive Tax check box. Income tax self-withholding is not included in the price of an item.

4. Uncheck the Print check box. Income tax self-withholding lines are not printed on invoices.
5. Enter the default rate, minimum taxable base, and minimum tax amount in the Latin Tax Groups window, since these values depend on the income concept.

You enter these values in the Latin Tax Groups window when you assign each self-withholding tax category to a combination of organization, contributor, and transaction conditions. See [Define Tax Group](#) on page 5-47 for more information.

Define one tax category for VAT:

This data is already included in your installation

Category	VAT
Effective From	01/01/90
Effective To	Default
Threshold Check Level	Line
Grouping Condition Type	None
Min. Tax Amount	None
Min. Taxable Base	None
Incl./Excl.?	Ex.
Print Tax?	Yes
Desc.	Value Added Tax

Notes for defining a tax category for VAT:

1. Enter *Line* in the Threshold Check Level field. VAT is calculated at line level.
2. Leave the Grouping Condition Type field blank. There is no threshold check for VAT.
3. Uncheck the Inclusive Tax check box. VAT is not included in the price of an item.
4. Check the Print check box. VAT lines must print on invoices.
5. The default rate, minimum taxable base, and minimum tax amount do not apply to VAT.

Associate Tax Categories with Tax Conditions

Use the Associate Latin Tax Category with Conditions and Values window to associate income tax self-withholding and VAT tax categories with tax conditions, and designate one tax condition as the determining factor tax condition. Oracle Receivables uses determining factor tax conditions to determine the income tax self-withholding and VAT treatment to apply to transactions..

You define a determining factor tax condition for each combination of income tax self-withholding tax category and condition type and VAT tax category and condition type for organization, contributor, and transaction.

Define the following determining factor tax conditions for income tax self-withholding:

This data is already included in your installation

Tax Category	Condition Type	Condition Name	Mandatory in Class?	Determining Factor?	Grouping Attribute?	Condition Value
ITSW-A	Organization Condition	ITSW status	Yes	Yes	No	IT self-withholder or IT non self-withholder
ITSW-A	Contributor Condition	ITW Responsibility	Yes	Yes	No	IT withholding agent, or IT non withholding agent, or Default
ITSW-A	Transaction Condition	Income Concept	Yes	Yes	Yes	Goods, or Services, or Professional fees
ITSW-L	Organization Condition	ITSW status	Yes	Yes	No	IT self-withholder, or IT non self-withholder
ITSW-L	Contributor Condition	ITW Responsibility	Yes	Yes	No	IT withholding agent, or IT non withholding agent, or Default
ITSW-L	Transaction Condition	Income Concept	Yes	Yes	Yes	Goods, or Services, or Professional fees

Notes for associating tax categories with tax conditions for income tax self-withholding:

1. Check the Determining Factor check box for all tax categories and condition types.

There is one determining factor tax condition for each tax category per condition type.

2. Check the Mandatory in Class check box for all tax categories and condition types.

All determining factor tax conditions are mandatory in class.

3. Check the Grouping Attribute check box for transaction conditions only. When you save your work, Oracle Receivables updates the tax categories ITSW-A and ITSW-L with the grouping condition type *Income Concept*.

Checking this check box for transaction conditions lets Oracle Receivables group transaction line amounts by income concept to determine the amount to compare to the minimum taxable base.

Define the following determining factor tax conditions for VAT:

This data is already included in your installation

Tax Category	Condition Type	Condition Name	Mandatory in Class?	Determining Factor?	Grouping Attribute?	Condition Value
VAT	Organization Condition	VAT Regime	Yes	Yes	No	Common or Simplified
VAT	Contributor Condition	VAT Status	Yes	Yes	No	National or Foreign
VAT	Transaction Condition	VAT Quality	Yes	Yes	No	Excluded or Taxable

Notes for associating tax categories with tax conditions for VAT:

1. Check the Determining Factor check box for all tax categories and condition types.
There is one determining factor tax condition for each tax category per condition type.
2. Check the Mandatory in Class check box for all tax categories and condition types.
All determining factor tax conditions are mandatory in class.
3. Uncheck the Grouping Attribute check box for all condition types. There is no threshold check for VAT.

Define Tax Codes and Rates

Use the Tax Codes and Rates window to define tax codes for income concepts for income tax self-withholding tax categories, and for fiscal classifications for VAT tax categories.

If you want the Latin Tax Engine to derive a tax code from a tax category:

- Associate a tax code that you define here with a tax category in the Latin Tax Categories window. See Define Tax Categories on page 5-23 for more information.
- Define a tax rule that looks for the tax code in the tax category. See Define Tax Rules on page 5-52 for more information.

If you want the Latin tax engine to derive a VAT tax code from a fiscal classification:

- Associate a VAT tax code that you define here with a fiscal classification in the Latin Fiscal Classifications window. See Define Fiscal Classifications on page 5-42 for more information.
- Define a tax rule that looks for the VAT tax code in the fiscal classification. See Define Tax Rules on page 5-52 for more information.

Income tax self-withholding

Define two tax codes for each income concept, one for each of the two income tax self-withholding tax categories:

- ITSW-A (Asset tax category) – debit sign (Dr.)
- ITSW-L (Liability tax category) – credit sign (Cr.)

Note: Each tax code creates a tax line; the rate for both tax codes is the same to create a balanced double-sided entry. Income tax self-withholding is not reflected in invoice amounts.

You assign income tax self-withholding tax codes to the corresponding income concepts in the Latin Tax Groups window when you associate each self-withholding tax category with a combination of organization, contributor, and transaction conditions. See Define Tax Group on page 5-47 for more information.

The following chart provides a guideline for defining tax codes for income tax self-withholding. Actual rates and accounts depend on the prevailing legislation and on your company's chart of accounts.

EXAMPLE ONLY This data is not included in your installation

Tax Code	From	Tax Type	Tax Rate	Sign	Tax Category	Tax Account	Allow Exempt?	Adhoc	Inc. Tax?	Allow Inc. Over.?
Goods-Dr	01/01/90	VAT	3%	Dr.	ITSW-A	01-135505-10 04-0000-000-0 000	No	No	No	No
Goods	01/01/90	VAT	3%	Cr.	ITSW-L	01-236575-10 04-0000-000-0 000	No	No	No	No
Services-DR	01/01/90	VAT	4%	Dr.	ITSW-A	01-135505-10 03-0000-000-0 000	No	No	No	No
Services	01/01/90	VAT	4%	Cr.	ITSW-L	01-236575-10 03-0000-000-0 000	No	No	No	No
Prof-fees-Dr	01/01/90	VAT	10%	Dr.	ITSW-A	01-135505-10 01-0000-000-0 000	No	No	No	No
Prof-fees	01/01/90	VAT	10%	Cr.	ITSW-L	01-236575-10 01-0000-000-0 000	No	No	No	No

Notes for defining income tax self-withholding tax codes for income concepts:

1. Enter *VAT* in the Tax Type field, instead of *Sales Tax*, since income tax self-withholding rates do not depend on location.
2. Uncheck the Allow Exemptions check box. This field is not used by the Latin tax engine.
3. Uncheck the Adhoc check box. The tax rate cannot allow changes to the transaction entry.
4. Uncheck the Inclusive Tax and Allow Inclusive Override check boxes. Income tax self-withholding is not included in the price of an item.

VAT

Define one tax code for each tax rate. Define tax codes with the credit (Cr.) sign, because the tax codes correspond to VAT liabilities.

VAT tax rates vary according to the fiscal classification of an item. You assign VAT tax codes to corresponding fiscal classifications in the Latin Fiscal Classifications window. See Define Fiscal Classifications on page 5-42 for more information.

This chart is a guideline for defining tax codes for VAT. Actual rates and accounts depend on the prevailing legislation and on your company's chart of accounts.

EXAMPLE ONLY This data is not included in your installation

Tax Code	From	Tax Type	Tax Rate	Sign	Tax Category	Tax Account	Allow Exempt?	Adhoc	Inc. Tax?	Allow Inc. Over.?
VAT-0	01/01/90	VAT	0%	Cr.	VAT	01-240805-1010 -0000-000-0000	No	No	No	No
VAT-1	01/01/90	VAT	16%	Cr.	VAT	01-240805-1011 -0000-000-0000	No	No	No	No
VAT-2	01/01/90	VAT	20%	Cr.	VAT	01-240805-1012 -0000-000-0000	No	No	No	No
VAT-3	01/01/90	VAT	35%	Cr.	VAT	01-240805-1013 -0000-000-0000	No	No	No	No

Notes for defining VAT tax codes:

1. Enter VAT in the Tax Type field, instead of Sales Tax, since VAT rates do not depend on location.
2. Uncheck the Allow Exemptions check box. This field is not used by the Latin Tax Engine.
3. Uncheck the Adhoc check box. The tax rate cannot allow changes to the transaction entry.
4. Uncheck the Inclusive Tax and Allow Inclusive Override check boxes. VAT is not included in the price of an item.

See also: Tax Codes and Rates, *Oracle Receivables User Guide*

Define Tax Condition Classes for Organizations

Use the Latin Tax Condition Classes window to define a tax condition class for your organization to manage both income tax self-withholding and VAT handling.

You can define one tax condition class to contain all the values that determine the condition of each tax category for an organization: income tax self-withholding - asset (ITSW-A), income tax self-withholding - liability (ITSW-L), and VAT. Identify the organization for the tax condition class as both an income tax self-withholder and registered as a common regime.

After you create the tax condition class for both income tax self-withholding and VAT handling, assign it to your organization. See [Assign Tax Condition Classes to Organization Locations](#) on page 5-33 for more information.

Create these tax condition class for organizations:

This data is already included in your installation

Class Type	Class Code	Description	Tax Category	Condition Code	Value Code
Organization	IT Self-Withholder Common Regime	Income Tax Self-Withholder and Common Regime Organization	ITSW-A	ITSW status	IT self-withholder
			ITSW-L	ITSW status	IT self-withholder
			VAT	VAT regime	Common Regime

Notes for defining a tax condition class for organizations:

1. You previously defined the ITSW status and VAT regime tax conditions as determining factor tax conditions for the ITWS-A, ITSW-L, and VAT tax categories for an organization.
See [Associate Tax Categories with Tax Conditions](#) on page 5-26 for more information.
2. Assign a condition value for the determining factors within this tax condition class. The values that you enter are *IT self-withholder* and *Common Regime*, which is the expected behavior for an organization.
3. Enter *Organization* in the Class Type field and *Organization Condition* in the Condition Type field, so that you can assign this condition to organizations.

Assign Tax Condition Classes to Organization Locations

Use the globalization flexfield in the Locations window to assign the organization tax condition class to the current inventory organization location. The organization inherits the values for the determining tax conditions associated with each tax category contained in the tax condition class.

Assign the organization tax condition class to the organization location:

Location Name	Establishment Type
Inventory Organization Location	IT Self-Withholder - Common Regime

Assign Inventory Organization to Responsibility

After you assign the organization tax condition class to the current organization location, assign the inventory organization to a responsibility.

Use the System Profile Values window to choose your current inventory organization for the OM: Item Validation Organization profile option and for the responsibility that you are using. This associates your responsibility with the organization and the organization tax condition class.

See also: *System Profile Values Window, Oracle Applications System Administrator's Guide*

Define Tax Condition Classes for Customers

Use the Latin Tax Condition Classes window to define tax condition classes for contributors (customers) to manage both income tax self-withholding and VAT handling.

You need to define three tax condition classes to assign to customers:

Tax Condition	Income Tax Withholding Responsibility	VAT Status
National customers that are income tax withholding agents	IT withholding agent	National
National customers that are income tax non-withholding agents	IT non-withholding agent	National
Foreign customers, which are always income tax non-withholding agents	IT non-withholding agent	Foreign

Each tax condition class contains all the values that determine the condition of each tax category for a customer: income tax self-withholding – asset (ITSW-A), income tax self-withholding – liability (ITSW-L), and VAT.

After you create tax condition classes for customers for both income tax self-withholding and VAT handling, assign them to your customer addresses. See [Assign Tax Condition Classes to Customers](#) on page 5-34 for more information.

Create these tax condition classes for customers:

This data is already included in your installation

Case 1: National Customers that are Income Tax Withholding Agents

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Contributor	IT Withholding Agent - National	National customer that is an income tax withholding agent	ITSW-A	Contributor Condition	ITW Responsibility	IT withholding agent
			ITSW-L	Contributor Condition	ITW Responsibility	IT withholding agent
			VAT	Contributor Condition	VAT status	National

Case 2: National Customers that are Income Tax Non-Withholding Agents

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Contributor	IT Non Withholding Agent - National	National customer that is an income tax non withholding agent	ITSW-A	Contributor Condition	ITW Responsibility	IT non-withholding agent
			ITSW-L	Contributor Condition	ITW Responsibility	IT non-withholding agent
			VAT	Contributor Condition	VAT status	National

Case 3: Foreign Customers (Income Tax Non-Withholding Agents)

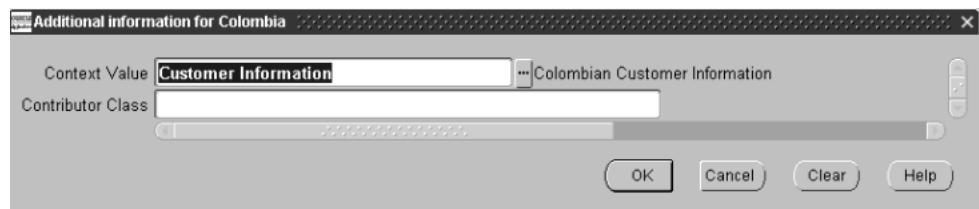
Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Contributor	IT Non-Withholding Agent - Foreign	Foreign customers, which are income tax non withholding agents	ITSW-A	Contributor Condition	ITW Responsibility	IT non-withholding agent
			ITSW-L	Contributor Condition	ITW Responsibility	IT non-withholding agent
			VAT	Contributor Condition	VAT status	Foreign

Notes for defining tax condition classes for customers:

1. You previously defined the ITW Responsibility and VAT status tax conditions as determining factor tax conditions for the ITWS-A, ITSW-L, and VAT tax categories for a contributor.
See Associate Tax Categories with Tax Conditions on page 5-26 for more information.
2. Assign a condition value for the determining factors within each tax condition class.
3. The values that you enter are *IT withholding agent* or *IT non-withholding agent* for ITWS-A and ITSW-L and *National* for VAT for national customers, and *IT non-withholding agent* for ITWS-A and ITSW-L and *Foreign* for VAT for foreign customers.
4. Enter *Contributor* in the Class Type field and *Contributor Condition* in the Condition Type field, so that you can assign these conditions to customers.

Assign Tax Condition Classes to Customers

Use the globalization flexfield in the Contributor Class field in the Customer Addresses window to assign a contributor tax condition class to each of your customer addresses. The customer address inherits the values for the determining tax conditions associated with each tax category contained in the tax condition class.



Assign contributor tax condition classes to your customers according to the following guideline:

Customer	Class
Customer A (National and IT withholding agent)	IT Withholding Agent - National
Customer B (National and IT non-withholding agent)	IT Non-Withholding Agent - National
Customer C (Foreign)	IT Non-Withholding Agent - Foreign

Assign Tax Condition Classes to Customer Address

After you assign the contributor tax condition classes to your customer addresses, use the Customer Site Profile window to copy the contributor tax condition class to each customer address. In this way, you can modify the contributor tax condition class values for each customer site.

You associate the tax condition class to customer addresses, because the Latin Tax Engine keeps this information at the customer address level. Since the income tax self-withholding and VAT treatments do not depend on the customer location, you can assign the same tax condition class to all customer addresses for a specific customer.

To assign tax condition classes to customer addresses:

1. Navigate to the Customer Site Profile window.
2. Query the customer and customer sites that you want.
3. Navigate to the Detail region. Oracle Receivables copies the contributor tax condition class values to each customer site.
4. If necessary, modify the values that you want for each customer site.
5. Save your work.
6. Repeat steps 2 to 5 for each customer and customer sites.

Define Tax Condition Classes for Transactions

Use the Latin Tax Condition Classes window to define tax condition classes for transactions to manage both income tax self-withholding and VAT handling.

You need to define excluded and taxable tax condition classes to assign to transactions for each combination of income concept and VAT quality.

This chart provides an example that you can apply to other income concepts:

Determining Tax Condition Case	Income Concept	VAT Quality
Excluded Service	Services	Excluded
Taxable Service	Services	Taxable
Excluded Good	Goods	Excluded
Taxable Good	Goods	Taxable
Taxable Good	Prof. Services	Taxable

Each tax condition class contains all the values that determine the condition of each tax category for a transaction: income tax self-withholding - asset (ITSW-A), income tax self-withholding - liability (ITSW-L), and VAT.

After you create tax condition classes for transactions for both income tax self-withholding and VAT handling, assign them to items and memo lines. See [Assign Tax Condition Classes and Fiscal Classifications to Items](#) on page 5-44 and [Assign Tax Condition Classes and Fiscal Classifications to Memo Lines](#) on page 5-46 for more information.

Create both excluded and taxable tax condition classes for transactions for each income concept according to the following examples:

EXAMPLE ONLY This data is not included in your installation

Excluded Service

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	Excluded Service	Service that is not subject to VAT	ITSW-A	Transaction Condition	Income Concept	Services
			ITSW-L	Transaction Condition	Income Concept	Services
			VAT	Transaction Condition	VAT Quality	Excluded

Taxable Service

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	Taxable Service	Service that is subject to VAT	ITSW-A	Transaction Condition	Income Concept	Services
			ITSW-L	Transaction Condition	Income Concept	Services
			VAT	Transaction Condition	VAT Quality	Taxable

Excluded Good

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	Excluded Good	Good that is not subject to VAT	ITSW-A	Transaction Condition	Income Concept	Goods
			ITSW-L	Transaction Condition	Income Concept	Goods
			VAT	Transaction Condition	VAT Quality	Excluded

Taxable Good

Class Type	Class Code	Description	Tax Category	Condition Type	Condition Code	Value Code
Transaction	Taxable Good	Good that is subject to VAT	ITSW-A	Transaction Condition	Income Concept	Goods
			ITSW-L	Transaction Condition	Income Concept	Goods
			VAT	Transaction Condition	VAT Quality	Taxable

Notes for defining tax condition classes for transactions:

1. You previously defined the Income Concept and VAT quality tax conditions as determining factor tax conditions for the ITWS-A, ITSW-L, and VAT tax categories for a transaction.
See Associate Tax Categories with Tax Conditions on page 5-26 for more information.
2. In the Value Code field, assign a condition value for the determining factors within each tax condition class.
3. Enter the same income concept for both ITWS-A and ITSW-L to create balanced entries. Enter *Excluded* for VAT for excluded tax condition classes, and *Taxable* for VAT for taxable tax condition classes.
4. Enter *Transaction* in the Class Type field and *Transaction Condition* in the Condition Type field.

Define Fiscal Classifications

Use the Latin Fiscal Classifications window to define fiscal classifications for VAT tax rates. You need to define fiscal classifications for both items (Goods) and memo lines (Services).

You associate fiscal classifications with the VAT tax codes that you defined in the Tax Codes and Rates window. Associate the VAT tax code with the corresponding tax rate for each fiscal classification. See Define Tax Codes and Rates on page 5-29 for more information.

Define fiscal classifications according to the following example. Actual assignments depend on the prevailing legislation.

Note: You do not need to assign a tax code to a fiscal classification code for excluded goods and services. The Latin Tax Engine does not look for the tax code for an excluded item or memo line if the tax group does not include excluded items and memo lines.

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Fiscal Classification Code	Description	Tax Category	From Date	Tax Code
Exempt	Exempt Sales	VAT	01/01/90	VAT-0
Excluded-G	Excluded Goods	VAT	01/01/90	N/A
Excluded-S	Excluded Services	VAT	01/01/90	N/A
Standard	Standard Items	VAT	01/01/90	VAT-1
Taxable-S	Taxable Service	VAT	01/01/90	VAT-1
Alcohol	Alcohol	VAT	01/01/90	VAT-2
Luxury	Luxury Items	VAT	01/01/90	VAT-3

Notes for defining fiscal classifications:

1. Define as many fiscal classifications as you need for all VAT tax codes (rates).
2. You can associate a VAT tax rate with more than one fiscal classification.
3. You attach fiscal classifications to items to determine the VAT tax rate for the item.
4. If you want the Latin tax engine to derive a VAT tax code from a fiscal classification, define a tax rule that looks for the VAT tax code in the fiscal classification. See Define Tax Rules on page 5-52 for more information.

Assign Tax Condition Classes and Fiscal Classifications to Items

Use the Master Items window to assign a primary inventory item application, transaction tax condition class, and fiscal classification to each item. The item inherits the values for all tax conditions associated with each tax category from the tax condition class.

Assign the inventory item application *AR* (Oracle Receivables) to each item.

Assign a Goods fiscal classification code to each item. The Latin Tax Engine uses the fiscal classification code to find the tax code to apply, if the rule assignment directs the Latin Tax Engine to take the tax code from the fiscal classification.

You need to assign a fiscal classification code of excluded to items with this VAT condition.

Note: The Inflation Adjustment Account, Monetary Correction Account, and Sales Cost Account fields are not used for the Latin Tax Engine. These fields are used for inventory inflation adjustment in Oracle Inventory for Colombia. For more information, see Assign Inventory Inflation Adjustment Accounts to Items on page 4-11.

Use this chart as a guideline for assigning combinations of items, fiscal classification codes, and condition classes. Actual fiscal classifications depend on the prevailing legislation.

Note: Use the income concept *Goods* for inventory items, because services or commissions are not stock items.

EXAMPLE ONLY This data is not included in your installation

Item	Fiscal Classification Code	Transaction Condition Class
Item 1 (Excluded)	Excluded-G	Excluded Good
Item 2 (Taxable item with a fiscal classification as Exempt)	Exempt	Taxable Good
Item 3 (Taxable item with the fiscal classification Standard)	Standard	Taxable Good
Item 4 (Taxable item with the fiscal classification Alcohol)	Alcohol	Taxable Good
Item 5 (Taxable item with the fiscal classification Luxury)	Luxury	Taxable Good

Assign Tax Condition Classes and Fiscal Classifications to Memo Lines

Use the Standard Memo Lines window to assign a transaction tax condition class and fiscal classification to each memo line. The memo line inherits the values for all tax conditions associated with each tax category from the tax condition class.

Assign a Service fiscal classification code to each memo line. The Latin Tax Engine uses the fiscal classification code to find the tax code to apply, if the rule assignment directs the Latin tax engine to take the tax code from the fiscal classification.

You need to assign a fiscal classification code of excluded to memo lines with this VAT condition.

Use this chart as a guideline for assigning combinations of memo lines, fiscal classification codes, and condition classes. Actual fiscal classifications depend on the prevailing legislation.

EXAMPLE ONLY This data is not included in your installation

Memo Line	Fiscal Classification Code	Transaction Condition Class
Consulting Services	Excluded-S	Excluded Service
Professional Fees	Exempt	Taxable Service
Architecture Fees	Taxable-S	Taxable Service
Professional Services	Taxable-S	Taxable Service
Professional Services-N.A.	Taxable-S	Taxable Service
Professional Services-S.A.	Excluded-S	Excluded Service
Professional Services-Colombia	Exempt	Taxable Service
Professional Services-U.S.	Taxable-S	Taxable Service
Packing Services	Taxable-S	Taxable Service
Shipping Services	Taxable-S	Taxable Service

Define Tax Group

Use the Latin Tax Groups window to define a tax group for income tax self-withholding and VAT. Create assignments in the tax group for each combination of organization, contributor, and transaction condition values subject to either income tax self-withholding or VAT.

After you create a tax group for income tax self-withholding and VAT, assign the tax group to each transaction type. See [Assign Tax Group to Transaction Types](#) on page 5-51 for more information.

The Latin Tax Engine determines which income tax self-withholding and VAT taxes to calculate for a specific transaction based on the combination of values for the organization, contributor, and transaction determining conditions. These sections contain guidelines for determining both income tax self-withholding and VAT. Use these guidelines when you create the tax group.

Note: These guidelines are not intended as a tax guide for Colombia. You should review the prevailing tax legislation before you set up Oracle Receivables to handle taxes.

Income Tax Self-Withholding

Income tax self-withholding for a specific income concept applies to a transaction when:

- Organization is an income tax self-withholder for the income concept
- Contributor is an income tax withholding agent
- Total amount for the income concept is greater than or equal to the threshold

You must include an assignment for each combination of:

- **Tax Category** - Income tax self-withholding asset/liability
- **Organization Condition Value** - Income tax self-withholder
- **Contributor Condition Value** - Income tax withholding agent
- **Transaction Condition Value** - Each income concept that the organization is an income tax self-withholder for

You can assign a tax code and a minimum taxable amount for each combination of values. The Latin Tax Engine uses this information to determine the tax rate and tax amount, when the transaction is greater than or equal to the minimum taxable amount.

VAT

VAT is charged on an issued invoice in the following cases:

Case 1

- Organization is registered as a common regime
- Contributor is a national customer
- Transaction is subject to VAT

In this case, the items are taxed according to their fiscal classifications.

Case 2

- Organization is registered as a common regime
- Contributor is a foreign customer
- Transaction is either subject to or excluded to VAT

In this case, the items are taxed with a 0% VAT rate.

You must include an assignment for the following combinations:

Combination 1

- **Tax Category** - VAT
- **Organization's Condition Value** - Common
- **Contributor's Condition Value** - National
- **Transaction's Condition Value** - Taxable

In this case, because the tax code comes from the item's fiscal classification, you do not need to assign a tax code to the combination within the tax group.

Combination 2

- **Tax Category** - VAT
- **Organization's Condition Value** - Common
- **Contributor's Condition Value** - Foreign
- **Transaction's Condition Value** - Either excluded or taxable

In this case, you must charge a 0% VAT rate to the items. Assign a 0% VAT tax code to the combination within the tax group. The Latin Tax Engine takes the tax code from the tax group.

Define a single tax group for all income tax self-withholding and VAT calculations in Colombia according to the following example. This example shows:

- Income tax self-withholding (asset and liability) for Goods and Services
- VAT for National and Foreign customers.

Note: There are two foreign entries to show both Foreign VAT taxable and Foreign VAT excluded.

Actual assignments depend on the prevailing legislation.

EXAMPLE ONLY This data is not included in your installation

Tax Group: CO_TAX **Description:** Colombian tax group

Tax Category	Contributor Value	Organization Value	Transaction Value	Effective From	Effective To	Tax Code	Min. Amount	Min. Taxable Basis
ITSW-A	IT withholding agent	IT self-withholder	Goods	01/01/90	Default	Goods-Dr	None	-300.000
ITSW-L	IT withholding agent	IT self-withholder	Goods	01/01/90	Default	Goods	None	300.000
ITSW-A	IT withholding agent	IT self-withholder	Services	01/01/90	Default	Services -Dr	None	-400.000
ITSW-L	IT withholding agent	IT self-withholder	Services	01/01/90	Default	Services	None	400.000
VAT	National	Common Regime	Taxable	01/01/90	Default	None	None	None
VAT	Foreign	Common Regime	Excluded	01/01/90	Default	VAT-0	None	None
VAT	Foreign	Common Regime	Taxable	01/01/90	Default	VAT-0	None	None

Notes for defining the tax group:

1. Create two assignments for each income concept that the organization is an income tax self-withholder for.
Assign the credit tax code to the liability tax category. Assign the debit tax code to the asset tax category.
2. The tax code that you enter in the Tax Code field for a tax category is used to derive the tax rate for a transaction only when the tax rule looks to the tax group for the tax rate (tax rule: Latin Tax Group).
See Define Tax Rules on page 5-52 or more information.
3. The minimum taxable amount is the same for both assignments. You must maintain the invoice amounts that are unaffected by the income tax self-withholding.
4. Minimum tax amounts are not used in Colombia for income tax self-withholding. Minimum taxable amounts and minimum tax amounts do not apply to VAT.

Assign Tax Group to Transaction Types

Use the Transaction Types window to assign the tax group that you defined for income tax self-withholding and VAT to each transaction type in the Tax Code field. Transactions created with transaction types inherit the tax group.

Assign the tax group to your transaction types according to this example:

EXAMPLE ONLY This data is not included in your installation

Transaction Type	Tax Code
Transaction Type 1	CO_<NAME>
Transaction Type 2	CO_<NAME>
Transaction Type 3	CO_<NAME>

Define Tax Rules

Use the 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 correct tax code to apply to a transaction. Define as many tax rules as you require.

For example, if you want the Latin Tax Engine to derive a tax code from a tax category, define a tax rule that looks for the tax code in the tax category.

Income Tax Self-Withholding

For income tax self-withholding, you need to define pairs of rules for both asset and liability, and for the two contributor condition values of withholding agent and non-withholding agent. Define tax rules for income tax self-withholding in the following combinations:

- For each of the two income self-withholding tax categories, ITSW-A and ITSW-L, define two tax rules for each contributor condition value (Withholding Agent and Non-Withholding Agent)
- For each of the four combinations of tax category (ITSW-A and ITSW-L) and contributor condition value (Withholding Agent and Non-Withholding Agent) define a set of tax rules for each transaction type
- For each set of combinations of tax category, contributor condition value, and transaction type, define as many tax rules as you require for your hierarchy of rules

This example shows the minimum number of income tax self-withholding tax rules to define for two transaction types and the first tax rule hierarchy (Latin Tax Group):

EXAMPLE ONLY This data is not included in your installation

Category	Value	Transaction Type	Rule Level	Priority	Rule
ITSW-A	Withholding Agent	Transaction Type 1	Rate	1	Latin Tax Group
ITSW-A	Non-Withholding Agent	Transaction Type 1	Rate	1	Latin Tax Group
ITSW-L	Withholding Agent	Transaction Type 1	Rate	1	Latin Tax Group
ITSW-L	Non-Withholding Agent	Transaction Type 1	Rate	1	Latin Tax Group
ITSW-A	Withholding Agent	Transaction Type 2	Rate	1	Latin Tax Group
ITSW-A	Non-Withholding Agent	Transaction Type 2	Rate	1	Latin Tax Group
ITSW-L	Withholding Agent	Transaction Type 2	Rate	1	Latin Tax Group
ITSW-L	Non-Withholding Agent	Transaction Type 2	Rate	1	Latin Tax Group

Notes for defining income tax self-withholding tax rules:

1. To define a default tax rule, enter *Default* in the Value field and the default transaction type in the Transaction Type field which instructs the Latin Tax Engine to use this rule as the default tax rule. The default transaction type corresponds to the transaction type that you entered in the Receivables System Options window.
2. Enter *Rate* in the Rule Level fields which instructs the Latin Tax Engine to retrieve the tax code for the rate.
3. Enter *1* in the Priority fields. There is only one rule assignment for each combination of values.
4. Enter the rule to use in the Rule fields.

Note: If you enter the rule *Latin Tax Group*, the Latin Tax Engine is instructed to take the tax code from the tax group. In this case, enter a tax code in the Tax Code field in the Latin Tax Groups window. See Define Tax Group on page 5-47 for more information.

VAT

For VAT, you must define a pair of tax rules for each transaction type for the two contributor condition values of national and foreign contributors.

Your tax rules for VAT should include Latin Tax Group, Fiscal Classification, and Customer Exception, if you want the Latin tax engine to consider exceptions for your contributors.

This example shows a hierarchy of two tax rules for the two contributor condition values and one transaction type:

EXAMPLE ONLY This data is not included in your installation

Category	Value	Transaction Type	Rule Level	Priority	Rule
VAT	National	Transaction Type 1	Rate	1	Latin Tax Group
VAT	National	Transaction Type 1	Rate	2	Fiscal Classification
VAT	Foreign	Transaction Type 1	Rate	1	Latin Tax Group
VAT	Foreign	Transaction Type 1	Rate	2	Fiscal Classification

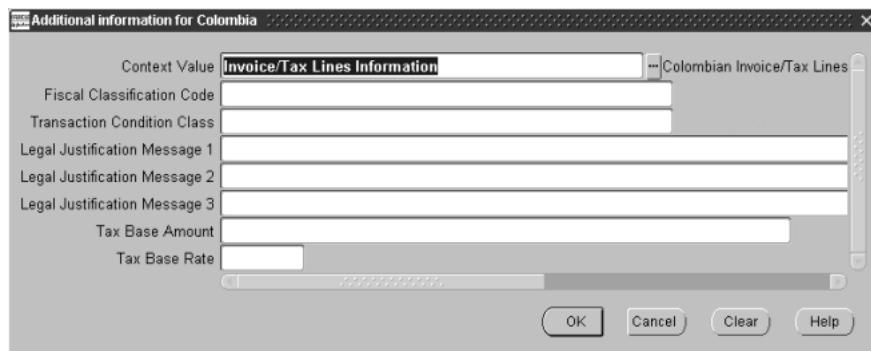
Notes for defining VAT tax rules:

1. To define a default tax rule, enter *Default* in the Value field and the default transaction type in the Transaction Type field which instructs the Latin Tax Engine to use this rule as the default tax rule. The default transaction type corresponds to the transaction type that you entered in the Receivables System Options window.
2. Enter *Rate* in the Rule Level fields which instructs the Latin Tax Engine to retrieve the tax code for the rate instead of the tax code for the base modifier.
3. Enter *1* in the first Priority field and *2* in the second Priority field.

Entering Transactions

Use the globalization flexfield in the Lines window to enter the fiscal classification code and transaction condition class for each invoice line. The Latin Tax Engine uses the fiscal classification code and transaction condition class to calculate income tax self-withholding and VAT for each invoice line.

When you open the globalization flexfield, the Latin Tax Engine populates the fields with the default fiscal classification code and transaction condition class. You can accept the defaults by pressing the OK button, or change the defaults with other valid values.



To enter a fiscal classification code and transaction condition class:

1. Navigate to the Transactions window.
2. Enter an invoice.

Oracle Receivables defaults the tax group from the transaction type.

3. Navigate to the Lines window by pressing the Line Items button.
4. Enter an invoice line.
5. Navigate to the More alternate name region.
6. Navigate to the globalization flexfield. For instructions, see [Using Globalization Flexfields on page B-2](#).
7. If necessary, enter a different fiscal classification code for the invoice line in the Fiscal Classification Code field.

(continued)

8. If necessary, enter a different transaction condition class for the invoice line in the Transaction Condition Class field.
9. Press the OK button.
10. Save your work.

Oracle Receivables calculates the associated tax rate and amount.

See also: Entering Transactions, *Oracle Receivables User Guide*

Self-Withholding Income Tax Example

This example shows how Oracle Receivables for Colombia calculates and accounts for income tax self-withholding on an invoice when a customer is responsible for withholding and your company is an income tax self-withholder.

Your company, ABC Services (NIT 123456789), sends this invoice to XYZ Customer (NIT 987654321) who purchased services and goods:

Item	Amount
Product A (Software)	2000
Service X (Consulting)	3000
Income tax on software	320
Income tax on consulting	480
Income tax total	880
Invoice Total	6380

Income tax self-withholding is calculated for each income concept with these parameters:

Income Concept	Percentage	Minimal Amount for Calculating Tax
Services	10%	2500
Goods	3%	1500

The invoice amounts for each income concept are compared with the minimum amount for calculating tax. Since the services amount of 3000.00 is greater than the minimum amount of 2500.00, for example, income tax self-withholding is calculated for services as follows:

Item	Amount
Sum of all services on invoice	3000
Self-withholding rate for services	10%
Self-withholding amount	300

Income tax self-withholding is calculated for goods as:

Item	Amount
Sum of all goods on invoice	2000
Self-withholding rate for goods	3%
Self-withholding amount	60

Oracle Receivables adds the self-withheld amount to a prepaid income tax asset account and adds the same amount to an income tax liability account.

Account	Debit	Credit	NIT
Revenue		5000	98765432
Accounts Receivable	5000		98765432
Income Tax Self-Withholding - Services (Asset)	300		98765432
Income Tax Self-Withholding - Services (Liability)		300	98765432
Income Tax Self-Withholding - Goods (Asset)	60		98765432
Income Tax Self-Withholding - Goods (Liability)		60	98765432

The customer can use Oracle Payables to account for the invoice payment:

Account	Debit	Credit	NIT
Accounts Payable		5000	98765432
Expense	5000		98765432

Colombian Receivables Income Tax Self Withholding Report

Colombian Operations Secondary			Income Tax Self-Withholding Report			Date: 31-AUG-2000 12:13:52	
			Period: AUGUST 2000			Page: 1 / 1	
			Prepaid Income Tax Self-withholding				
Tax Category: ITSW-A							
Flexfield From: 00-000000-0000-0000-0000-0000							
To: 99-999999-9999-9999-9999-9999							

Invoice Number	Transaction Number	Transaction Batch Source	Third Party Identifier	Customer Name	Date	Base Amount	Self-Withholding Amount
-----	-----	-----	-----	-----	-----	-----	-----
Tax Code: Goods-Dr	Income Tax Self-withholding - Goods			Tax Rate: (3.00)			
Account: 01-240805-0000-0000-000	Colombian Company-VAT Payable - Purchases-N/A-N/A-N/A-N/A						
Transaction Class: Credit Memo							
1 Transaction Batch Source: Credit Memos - Bogota	800002434	Unisys de Colombia	22-AUG-2000	<55,555.00>	1,667.00		
Total Transaction Batch Source: {Credit Memos - Bogota}				<55,555.00>	1,667.00		
Total Transaction Class: Credit Memo					<55,555.00>	1,667.00	
161 Transaction Class: Invoice	Credit Memo						
201 Transaction Batch Source: Invoices - Bogota	800002434	Unisys de Colombia	22-AUG-2000	10,000.00	<300.00>		
	800002434	Unisys de Colombia	22-AUG-2000	20,000.00	<600.00>		
Total Transaction Batch Source: Invoices - Bogota				30,000.00	<900.00>		
Total Transaction Class: Invoice					30,000.00	<900.00>	
Total Tax Code: Goods-Dr					<25,555.00>	767.00	
Report Totals: <25,555.00>						767.00	
**** End of Report ****							

If you use the Latin tax engine for income tax self-withholding, you can use the Colombian Receivables Income Tax Self Withholding report to list self-withholding tax details for a particular accounting period for audit purposes. The Colombian Receivables Income Tax Self Withholding report lists all the transactions during the period that were subject to income tax self-withholding and shows the taxable base amount and self-withheld amount for each transaction.

The Colombian Receivables Income Tax Self Withholding report includes only transactions whose transaction class is *Invoice*, *Debit Memo*, or *Credit Memo* and whose status is *Completed*.

To meet Colombian legal requirements, the Colombian Receivables Income Tax Self Withholding report must show all transaction amounts as the amounts were originally printed on the invoice. Adjustments do not appear on the report. If you need to make an adjustment to an invoice, you should create a credit memo against the original invoice and enter a new invoice with the correct amounts.

Oracle Receivables groups transactions by income concept on the Colombian Receivables Income Tax Self Withholding report. For each income concept, the report displays the name and description of the tax code associated with the concept, the accounting flexfield associated with the tax code, and the tax rate. You can choose which income concepts to include on the report by entering the corresponding accounting flexfield range in the report parameters.

Within each income concept, Oracle Receivables groups sales transactions by transaction class and prints the transaction classes in this order: Credit Memos, Debit Memos, Invoices. Within each transaction class, transactions are ordered by transaction batch source and transaction number.

The Colombian Receivables Income Tax Self Withholding report lets you determine the income tax that you self-withheld for an entire operation. An operation consists of several related transactions on which income tax self-withholding is calculated. For example, an operation can contain one or more credit memos associated with an invoice. In Colombia, withholding thresholds are compared to the total sales amount on an entire operation to determine the income tax self-withholding amount.

To provide a clear audit trail, the Colombian Receivables Income Tax Self Withholding report provides operation information at the transaction level. A unique operation is identified by the combination of transaction number and transaction batch source. Operation information at the transaction level lets you reference all transactions belonging to an operation to the original invoice.

Oracle Receivables provides the Colombian Receivables Income Tax Self Withholding report to show supporting information for your income tax self-withholding liability. In order to display liability information, you should choose the tax category that you use for income tax self-withholding liability when you submit the report.

Use the Standard Request Submission windows to submit the Colombian Receivables Income Tax Self Withholding report.

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

Prerequisites

Before you run the Colombian Receivables Income Tax Self Withholding report, you must:

- Enter third party ID information for your customers. To meet Colombian legal requirements, the Colombian Receivables Income Tax Self Withholding report must show your customer's third party ID. For more information, see *Third Party Management* on page 1-1.
- Set up the Latin tax engine for income tax self-withholding handling.

See also: *Latin Tax Engine, Oracle Financials Common Country Features User Guide*

Report Parameters

Period

Enter the accounting period that you want to report on.

Tax Category

Enter the tax category for income tax self-withholding liability.

Tax Account From

Enter the starting value of the accounting flexfield range corresponding to the income concepts you want to include on the report.

Tax Account To

Enter the ending value of the accounting flexfield range corresponding to the income concepts you want to include on the report.

Report Headings

In this heading...	Oracle Receivables prints...
<Set of Books>	The set of books name
Tax Category	The tax category name and description
Flexfield From	The starting value for the accounting flexfield range
To	The ending value for the accounting flexfield range
<Report Title>	Income Tax Self-Withholding Report
Period	The accounting period
Date	The date and time that you ran the report
Page	The current and total pages of the report

Column Headings

In this column...	Oracle Receivables prints...
Invoice Number	The transaction number.
Operation - Transaction Number	For credit memos only, the number of the credited transaction.
Operation - Transaction Batch Source	For credit memos only, the transaction batch source of the credited transaction.
Third Party Identifier	The customer's third party identifier.
Customer Name	The customer name.
Date	The transaction date.
Base Amount	The taxable base for income tax self-withholding. The taxable base is the sum of the extended amounts of all the transaction lines that correspond to the income concept associated with the tax code.
Self-Withholding Amount	The amount that was self-withheld for this income concept.

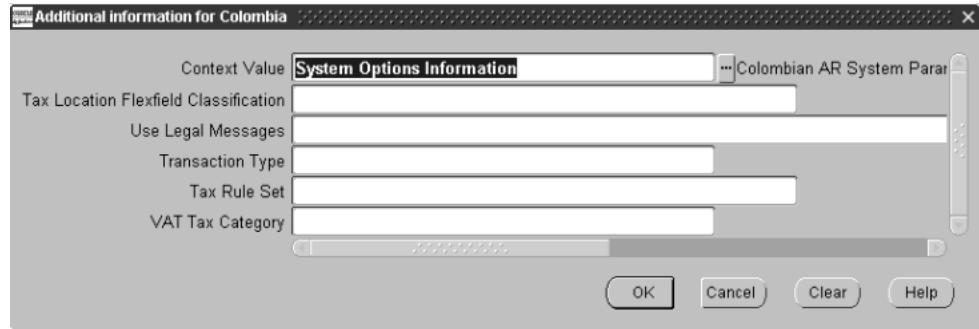
Row Headings

In this row...	Oracle Receivables prints...
Tax Code	The name and description of the tax code associated with the income concept
Tax Rate	The tax rate for the tax code
Account	The accounting flexfield and description associated with the tax code
Transaction Class	The transaction class
Transaction Batch Source	The transaction batch source
Total Transaction Batch Source	The transaction batch source name and the totals for the transaction batch source
Total Transaction Class	The transaction class name and the totals for the transaction class
Total Tax Code	The tax code name and the totals for the tax code
Report Totals	The totals for the report

Defining the VAT Tax Category

In Colombia, companies are required to report VAT information on the Colombian Receivables Sales Fiscal Book report. If you use the Latin Tax Engine, you must distinguish VAT tax lines in your transactions from income tax self-withholding tax lines. Only VAT lines should be included in the VAT amount on the Colombian Receivables Sales Fiscal Book report. To identify tax lines as VAT, you must define the VAT tax category. Use the globalization flexfield in the System Options window to define the VAT tax category.

Note: If you do not use the Latin Tax Engine, you do not need to define the VAT tax category. In this case, Oracle Receivables treats all tax lines as VAT lines and includes all the tax lines in the VAT amount on the Colombian Receivables Sales Fiscal Book report.

**To define the VAT tax category:**

1. Navigate to the System Options window.
2. Navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page B-2.
3. In the VAT Tax Category field, enter the Latin tax category that you set up in the Latin tax engine to identify your VAT tax lines.

Note: The remaining fields in the globalization flexfield are not used for the VAT tax category. These fields are used for the Latin Tax Engine.

4. Choose the OK button to save your work.

See also: Defining Receivables System Options, *Oracle Receivables User Guide*

See also: Latin Tax Engine, *Oracle Financials Common Country Features User Guide*

Colombian Receivables Sales Fiscal Book Report

Colombian Operations Secondary			Sales Fiscal Book Period: Aug-00		Report Date: 31-AUG-2000 12:09 Page: 1 / 1					
---- Transaction -----			Third Party ID	Extended Amount	VAT Amount	Total Amount				
Date	Number	Customer Name								
Transaction Class			: Credit Memo							
Transaction Batch Source			: Credit Memos - Bogota							
22-AUG-2000 1		Unisys de Colombia	800002434	<65,554.99>	1,367.00	<64,187.99>				
Total Transaction Batch Source			: Credit Memos - Bogota							
Transaction Batch Source			: Credit Memos - Cali							
22-AUG-2000 1		Unisys de Colombia	800002434	<555.48>	<89.00>	<644.48>				
Total Transaction Batch Source			: Credit Memos - Cali							
Total Transaction Class			: Credit Memo							
			<66,110.47>							
			1,278.00							
			<64,832.47>							
===== ===== ===== ===== ===== ===== =====										
**** End of Report ****										

In Colombia, companies are legally required to report sales transactions on the Colombian Receivables Sales Fiscal Book report. The Colombian Receivables Sales Fiscal Book report includes all completed credit memos, debit memos, and invoices for a given accounting period. For each transaction, the Colombian Receivables Sales Fiscal Book report shows the extended amount, the VAT amount, and the total amount.

Voided transactions are included on the Colombian Receivables Sales Fiscal Book report but do not affect the report amounts. Voided transactions are labeled *VOID* and always have an amount of zero.

If you use the Latin Tax Engine, you must identify the tax lines in your transactions that are VAT lines and should be included in the VAT amount on the Colombian Receivables Sales Fiscal Book report. To identify tax lines as VAT, you must define the VAT tax category. For more information, see Defining the VAT Tax Category on page 5-64.

If you do not use the Latin Tax Engine, Oracle Receivables treats all tax lines as VAT lines and includes all the tax lines in the VAT amount on the Colombian Receivables Sales Fiscal Book report.

The Colombian Receivables Sales Fiscal Book report includes only transactions whose transaction class is *Invoice*, *Debit Memo*, or *Credit Memo* and whose status is *Complete*.

To meet Colombian legal requirements, the Colombian Receivables Sales Fiscal Book report must show all transaction amounts as the amounts were originally printed on the invoice. Adjustments do not appear on the report. If you need to make an adjustment to an invoice, you should create a credit memo against the original invoice and enter a new invoice with the correct amounts.

Oracle Receivables groups sales transactions by transaction class and prints the transaction classes in this order: Credit Memos, Debit Memos, Invoices. Within each transaction class, transactions are ordered by transaction batch source and transaction number.

Use the Standard Request Submission windows to submit the Colombian Receivables Sales Fiscal Book report.

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

Prerequisites

Before you run the Colombian Receivables Sales Fiscal Book report, you must:

- Enter third party ID information for your customers. To meet Colombian legal requirements, the Colombian Receivables Sales Fiscal Book report must show your customer's third party ID. For more information, see Third Party Management on page 1-1.
- If you use the Latin Tax Engine, define the VAT tax category to identify VAT tax lines for the Colombian Receivables Sales Fiscal Book report. For more information, see Defining the VAT Tax Category on page 5-64.

Report Parameters

Period

Enter the accounting period that you want to report on.

Report Headings

In this heading...	Oracle Receivables prints...
<Set of Books>	The set of books name
<Report Title>	Sales Fiscal Report
Period	The accounting period
Report Date	The date and time that you ran the report
Page	The current and total pages of the report

Column Headings

In this column...	Oracle Receivables prints...
Transaction - Date	The transaction date
Transaction - Number	The transaction number
Customer Name	The customer name, or <i>VOID</i> for a void transaction
Third Party ID	The customer's third party identifier
Extended Amount	The total amount of the transaction lines, including freight and charge lines
VAT Amount	The total amount of the VAT lines
Total Amount	The total amount of all lines for the transaction, calculated by adding the extended amount and the VAT amount

Row Headings

In this row...	Oracle Receivables prints...
Transaction Class	The transaction class
Transaction Batch Source	The transaction batch source
Total Transaction Batch Source	The transaction batch source name and the totals for the transaction batch source
Total Transaction Class	The transaction class name and the totals for the transaction class
Totals	The totals for the report

Colombian Receivables Cash Receipt Report

CASH RECEIPT		Report Date: 31-AUG-2000 12:15	
		Page: 1 / 3	
Company Name: Colombian Operations Inc. Company Taxpayer ID: 800103054 Address: Calle 7 #56-77 Piso 3 Bogota Cundinamarca			
Customer: Oracle Colombia ltda Third Party ID: 800103052 Address: Calle 100 7A - 81 Piso 5 Bogota Cundinamarca Colombia		Receipt Number: 1001 Receipt Date: 14-AUG-2000 Payment Method: Cash Receipt Amount: 1,000.00 Currency: COP	
Transaction Number	Transaction Date	Applied Amount	
121 Unapplied	01-AUG-2000	92,800.00 0.00	
		Receipt Amount	92,800.00
		=====	

In Colombia, companies are legally required to issue a cash receipt document each time a payment is received. Use the Colombian Receivables Cash Receipt report to print cash receipts that you can send to your customers as a confirmation that payments were received for processing.

The Colombian Receivables Cash Receipt report shows information about the company issuing the report, the customer, and the receipt.

The receipt information includes the payment mode for the receipt. The payment mode is the mechanism that the customer used to make the payment, such as cash, check, credit card, debit card, or wire transfer. You can enter the payment mode for a payment method in the Printed Name field when you define the payment method in the Receipt Classes window. Oracle Receivables displays the printed name for the payment method of the receipt as the payment mode on the Colombian Receivables Cash Receipt report.

The Colombian Receivables Cash Receipt report also shows details about the application of the receipt. Oracle Receivables prints one line for each transaction to which the receipt was applied, as well as one line for on-account amounts and another line for unapplied amounts. The Colombian Receivables Cash Receipt report is ordered by receipt number and transaction number.

Oracle Receivables does not print the Colombian Receivables Cash Receipt report for miscellaneous or unidentified receipts, since customer information is not available for these receipts.

Use the Standard Request Submission windows to submit the Colombian Receivables Cash Receipt report.

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

Prerequisites

Before you run the Colombian Receivables Cash Receipt report, you must:

- Define payment methods for your receipts in the Payment Method region of the Receipt Classes window. In the Printed Name field, enter the payment mode associated with the payment method. Oracle Receivables prints the payment mode on the Colombian Receivables Cash Receipt report exactly as you enter the printed name in the Receipt Classes window. For this reason, you should enter the printed name exactly as you want the payment mode to appear on the report.

See also: *Payment Methods, Oracle Receivables User Guide*

- Require every receipt to be associated with a bill to address by checking the Require Billing Location for Receipts check box in the Miscellaneous alternate name region of the System Options window. To meet Colombian legal requirements, the Colombian Receivables Cash Receipt report must show the bill to address associated with the receipt.

See also: *Miscellaneous System Options, Oracle Receivables User Guide*

- Enter Colombian company information for your company. To meet Colombian legal requirements, the Colombian Receivables Cash Receipt report must show your company information.

See also: *Additional Company Information, Oracle Financials Common Country Features User Guide*

- Enter third party ID information for your customers. To meet Colombian legal requirements, the Colombian Receivables Cash Receipt report must show your customer's third party ID. For more information, see *Third Party Management* on page 1-1.

Report Parameters

Receipt Date From

Enter the starting value for the receipt date range that you want to include on the report.

Receipt Date To

Enter the ending value for the receipt date range that you want to include on the report.

Receipt Number From

Enter the starting value for the receipt number range that you want to include. Leave the Receipt Number From and To parameters blank to include all receipt numbers.

Receipt Number To

Enter the ending value for the receipt number range that you want to include. Leave the Receipt Number From and To parameters blank to include all receipt numbers.

Customer Name From

Enter the starting value for the customer name range that you want to include. Leave the Customer Name From and To parameters blank to include all customer names.

Customer Name To

Enter the ending value for the customer name range that you want to include. Leave the Customer Name From and To parameters blank to include all customer names.

Customer Number From

Enter the starting value for the customer number range that you want to include. Leave the Customer Number From and To parameters blank to include all customer numbers.

Customer Number To

Enter the ending value for the customer number range that you want to include. Leave the Customer Number From and To parameters blank to include all customer numbers.

Third Party ID From

Enter the starting value for the customer third party ID range that you want to include. Leave the Third Party ID From and To parameters blank to include all customer third party IDs.

Third Party ID To

Enter the ending value for the customer third party ID range that you want to include. Leave the Third Party ID From and To parameters blank to include all customer third party IDs.

Payment Method

Enter the payment method of the receipts that you want to include. Leave the Payment Method parameter blank to include all payment methods.

Payment Mode

Enter the payment mode of the receipts that you want to include. The payment mode of a receipt is the printed name you defined for the payment method of the receipt. Leave the Payment Mode parameter blank to include all payment modes.

Report Headings

In this heading...	Oracle Receivables prints...
<Report Title>	Cash Receipt
Report Date	The date and time that you ran the report
Page	The current and total pages of the report
Company Name	Your company name
Company Taxpayer ID	Your taxpayer ID
Address	Your address
Customer	The customer name
Third Party ID	The customer third party ID
Address	The customer bill to address associated with the receipt
Receipt Number	The receipt number
Receipt Date	The receipt date
Payment Method	The payment mode that you defined as the printed name for the payment method of the receipt
Receipt Amount	The receipt amount
Currency	The receipt currency

Column Headings

In this column...	Oracle Receivables prints...
Transaction Number	The transaction number to which the receipt was applied. Oracle Receivables prints <i>On Account</i> for on-account amounts and <i>Unapplied</i> for unapplied amounts.
Transaction Date	The transaction date. Oracle Receivables leaves this column blank for on-account and unapplied amounts.
Applied Amount	The amount applied to this transaction, or the on-account or unapplied amount.

Row Headings

In this row...	Oracle Receivables prints...
Receipt Amount	The total amount of the receipt, including applied, on-account, and unapplied amounts.

6

Oracle Assets

This chapter describes Oracle Assets for Colombia, including:

- Inflation adjustment
- Technical appraisal

Inflation Adjustment Overview

In Colombia, since 1992, companies must adjust the cost and accumulated depreciation amounts of their assets for inflation. The adjustments must be performed at the beginning of the depreciation period and must be recorded in fixed asset inflation adjustment accounts according to the Chart of Accounts defined by the Colombian government. In this Chart of Accounts, fixed asset inflation adjustment accounts are identified by codes of the form *15XX99*. The first two digits, *15*, represent fixed assets accounts; the next two digits represent the asset category; and the last two digits, *99*, represent inflation adjustment accounts.

The Colombian government requires companies to report historical amounts for their assets as well as inflation-adjusted amounts. To satisfy this requirement, choose the historical/adjusted option in Oracle Assets. The historical/adjusted option lets you maintain and report both historical amounts and inflation-adjusted amounts by using two separate depreciation books. Keep the historical amounts in a corporate book and the inflation-adjusted amounts in a tax book.

In Colombia, you can implement inflation adjustment in Oracle Assets without implementing inflation adjustment in General Ledger. The Colombian Chart of Accounts lets you maintain historical amounts and inflation adjustment amounts in different accounts within the same General Ledger set of books.

Transfer all your historical asset information to General Ledger from the historical depreciation book using the standard Create Journal Entries process. Then use the Colombian Fixed Assets Transfer to General Ledger process to transfer only inflation adjustment transactions from the adjusted depreciation book to General Ledger. For more information about transferring Oracle Assets information to General Ledger in Colombia, see Transferring Inflation Adjustment Journal Entries to General Ledger to General Ledger on page 6-37.

Note: You can implement Multiple Reporting Currencies (MRC) while using the historical/adjusted option in Oracle Assets by using the historical 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.

See also: Inflation Adjustment Overview, *Oracle Financials Common Country Features User Guide*

See also: Maintaining Both Historical and Inflation-Adjusted Amounts, *Oracle Financials Common Country Features User Guide*

Basic Business Needs

In addition to the inflation adjustment business needs described in the *Oracle Financials Common Country Features User Guide*, Oracle Assets for Colombia provides you with features to satisfy these basic business needs. You can:

- Record inflation adjustments, deferred depreciation, monetary corrections, and deferred monetary corrections in different accounts from the original asset accounts, according to the statutory Chart of Accounts in Colombia.
- Adjust deferred depreciation balances for inflation and amortize the adjustment along with the original balance.
- Transfer or retire inflation adjustment amounts together with the original amounts when assets are reclassified, transferred, retired, or reinstated.
- Report asset information, including inflation adjustments.

Major Features

In addition to the inflation adjustment features described in the *Oracle Financials Common Country Features User Guide*, Oracle Assets for Colombia provides these features:

Inflation Adjustment Accounts

You can record the inflation adjustments to cost and accumulated depreciation for your assets in separate accounts from the original accounts for these components. You define the inflation adjustment accounts at asset category level.

Journal Categories

You can specify journal categories at depreciation book level to identify inflation adjustment journal entries when the journal entries are posted in General Ledger.

Inflation Adjustment of CIP Assets

You must adjust the cost amounts for CIP assets for inflation according to the general rules for fixed assets. The offset of the inflation adjustment, however, is not credited to the regular monetary correction account but to a deferred monetary correction credit account. You can adjust your CIP assets for inflation regularly once each depreciation period.

Deferred Monetary Correction Credit

You can offset inflation adjustments to the cost of CIP assets by charging the deferred monetary correction credit account. After you capitalize a CIP asset, the balance of the deferred monetary correction credit account is amortized over the life of the asset.

Deferred Depreciation

You can adjust deferred depreciation balances for inflation and amortize the adjustment over the life of the asset along with the original balance.

Transfer of Inflation Adjustment Balances

You can use the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to transfer or retire the amounts in inflation adjustment accounts along with the original amounts when assets are reclassified, transferred, retired, or reinstated. This process complements the standard transfer of balances for standard Oracle Assets accounts.

Reports for Inflation Adjustment Information

You can run standard Oracle Assets reports to meet Colombian reporting requirements for the Major Book of Capitalized Assets with Inflation Adjustments, the Major Book of CIP Assets with Inflation Adjustments, and Assets Retired in a Period with Inflation Adjustment Information. You can also use these reports to show information for assets with deferred depreciation balances, deferred monetary correction credit balances, or deferred monetary correction charge balances.

Additionally, Oracle Assets for Colombia provides these special reports to show inflation adjustment information:

- Colombian Fixed Assets Inflation Adjusted Drill Down Report
- Colombian Fixed Assets Inflation Adjusted Account Drill Down Report
- Colombian Inflation Adjusted Fixed Assets Report

Purge Process

You can use the Colombian Fixed Asset Purging process to archive, delete, and recover obsolete information in the inflation adjustment tables following the guidelines established by the standard purging process.

Inflation Adjustment Setup

This section describes how to set up Oracle Assets for Colombia for the inflation adjustment process. Use this checklist to help you complete the appropriate steps.

- Enable Automatic Revaluation Rate Calculation

See also: Enable Automatic Revaluation Rate Calculation, *Oracle Financials Common Country Features User Guide*

- Define Price Indexes

See also: Define Price Indexes, *Oracle Financials Common Country Features User Guide*

- Define Journal Categories, on page 6-7
- Set Up Depreciation Books, on page 6-8
- Set Up Asset Categories, on page 6-13
- Define Inflation Start Dates

See also: Define Inflation Start Dates, *Oracle Financials Common Country Features User Guide*

- Set Up Assets in a Depreciation Book, on page 6-17

Define Journal Categories

You must define new journal categories in General Ledger for inflation adjustment. The journal categories help you identify the nature of inflation adjustment journal entries when you post the journal entries in General Ledger. Define journal categories for these kinds of journal entries:

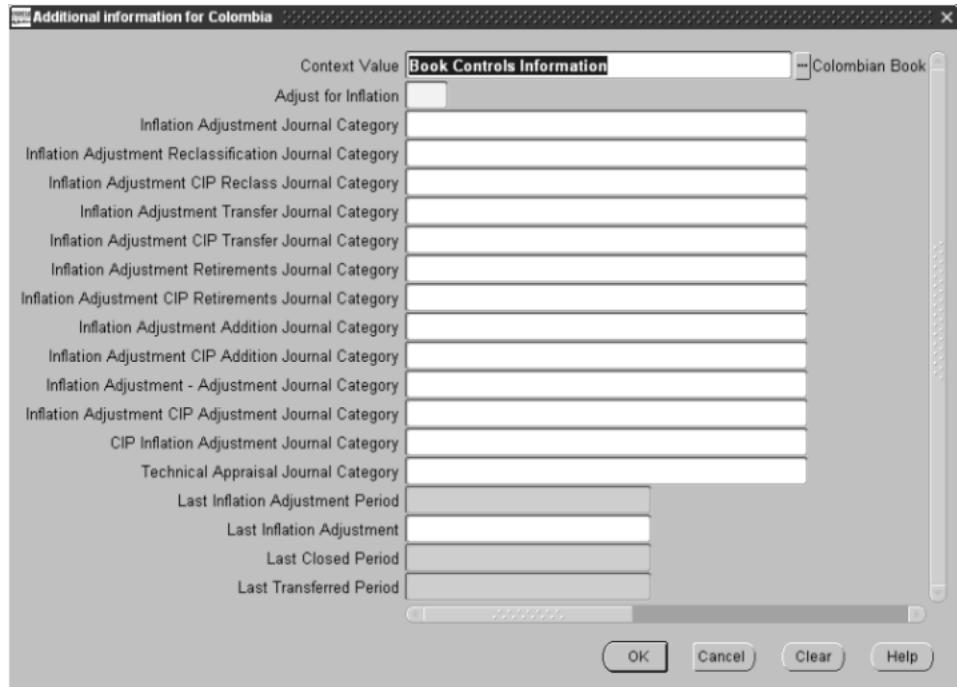
- Inflation adjustments
- Inflation adjustment reclassifications
- Inflation adjustment CIP reclassifications
- Inflation adjustment transfers
- Inflation adjustment CIP transfers
- Inflation adjustment retirements
- Inflation adjustment CIP retirements
- Inflation adjustment additions
- Inflation adjustment CIP additions
- Inflation adjustment cost adjustments
- Inflation adjustment CIP cost adjustments
- CIP inflation adjustments

See also: Defining Journal Categories, *Oracle General Ledger User Guide*

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.

Oracle Financials for Colombia also lets you use the globalization flexfield to define the journal categories that you want to use for your inflation adjustment journal entries when you transfer the journal entries to General Ledger. Select the General Ledger journal categories that you defined for inflation adjustment.



To set up depreciation books:

1. Navigate to the Book Controls window.
2. Enter a depreciation book.
3. Navigate to the globalization flexfield. For more information, see Using Globalization Flexfields on page B-2.
4. Enter *Yes* in the *Adjust for Inflation* field to enable inflation adjustment for assets in this depreciation book. Enter *No* to disable inflation adjustment for all assets in this book.
5. In the *Inflation Adjustment Journal Category* field, enter the journal category for your inflation adjustment journal entries.
6. In the *Inflation Adjustment Reclassification Journal Category* field, enter the journal category for your inflation adjustment reclassification journal entries.

(continued)

7. In the Inflation Adjustment CIP Reclass Journal Category field, enter the journal category for your inflation adjustment CIP reclassification journal entries.
8. In the Inflation Adjustment Transfer Journal Category field, enter the journal category for your inflation adjustment transfer journal entries.
9. In the Inflation Adjustment CIP Transfer Journal Category field, enter the journal category for your inflation adjustment CIP transfer journal entries.
10. In the Inflation Adjustment Retirements Journal Category field, enter the journal category for your inflation adjustment retirement journal entries.
11. In the Inflation Adjustment CIP Retirements Journal Category field, enter the journal category for your inflation adjustment CIP retirement journal entries.
12. In the Inflation Adjustment Addition Journal Category field, enter the journal category for your inflation adjustment addition journal entries.
13. In the Inflation Adjustment CIP Addition Journal Category field, enter the journal category for your inflation adjustment CIP addition journal entries.
14. In the Inflation Adjustment - Adjustment Journal Category field, enter the journal category for your inflation adjustment cost adjustment journal entries.
15. In the Inflation Adjustment CIP Adjustment Journal Category field, enter the journal category for your inflation adjustment CIP cost adjustment journal entries.
16. In the CIP Inflation Adjustment Journal Category field, enter the journal category for your CIP inflation adjustment journal entries.

After you perform inflation adjustment for this book, you can view information about the most recent inflation adjustment processes in the next four fields. Oracle Assets displays the period name for the most recent inflation adjustment in the Last Inflation Adjustment Period field, and the revaluation ID for the most recent inflation adjustment in the Last Inflation Adjustment field.

The period name for the most recent time you ran the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program appears in the Last Closed Period field. The period name for the most recent time you ran the Colombian Fixed Assets Transfer to General Ledger process appears in the Last Transferred Period field.

Note: The Technical Appraisal Journal Category field in the globalization flexfield is not used for inflation adjustment. This field is used for technical appraisal in Oracle Assets for Colombia. For more information, see Assign the Technical Appraisal Journal Category on page 6-59.

17. Press the OK button.
18. In the Book Controls window, navigate to the Calendar alternate name region.
19. In the GL Set of Books field, select the General Ledger set of books that you want to transfer this depreciation book's journal entries to.
20. Complete the Allow GL Posting check box according to your depreciation book's requirements.

If you are using the historical/adjusted option in Oracle Assets, check the Allow GL Posting check box for your historical book so that you can use the standard Create Journal Entries process to transfer asset information from the historical book to General Ledger. Do not check the Allow GL Posting check box for your adjusted book, since you use only the country-specific Colombian Fixed Assets Transfer to General Ledger process to transfer inflation adjustment transactions from the adjusted depreciation book to General Ledger. For more information, see Transferring Inflation Adjustment Journal Entries to General Ledger to General Ledger on page 6-37.

21. Navigate to the Accounting Rules alternate name region.
22. If you want to allow revaluation in this book, check the Allow Revaluation check box.
23. If you want to revalue accumulated depreciation, check the Revalue Accumulated Depreciation check box.

(continued)

24. If you want to revalue year-to-date depreciation, check the Revalue YTD Depreciation check box. In Colombia, you usually do not revalue year-to-date depreciation.
25. If you want to retire revaluation reserve, check the Retire Revaluation Reserve check box. In Colombia, you usually do not retire revaluation reserve.
26. If you want to amortize revaluation reserve, check the Amortize Revaluation Reserve check box. In Colombia, you usually do not amortize revaluation reserve.
27. If you want to revalue fully reserved assets, check the Revalue Fully Reserved Assets check box.

If you choose to revalue fully reserved assets, enter a life extension factor in the Life Extension Factor field. To maintain the current asset life without extending it, enter 1. You can also enter the maximum number of times an asset can be revalued as fully reserved in the Maximum Revaluations field and enter a life extension ceiling in the Life Extension Ceiling field.

28. Navigate to the Tax Rules region.
29. If you are defining a tax book and you want to include CIP assets in the tax book, check the Allow CIP Assets check box. You must include CIP assets in your adjusted tax book, if you are using the historical/adjusted option, so that you can adjust the CIP assets for inflation in the adjusted tax book.
30. Save your work.

See also: Defining Depreciation Books, *Oracle Assets User Guide*

See also: Asset Management in a Highly Inflationary Economy (Revaluation), *Oracle Assets User Guide*

See also: Construction-in-Process (CIP) Assets, *Oracle Assets 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 the inflation adjustment process uses to offset the inflation adjustments for assets in a category in a particular depreciation book.

Note: You must enter a revaluation reserve account in order to run the inflation adjustment process. After you run the inflation adjustment process, however, you can use the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to assign inflation adjustment and offset amounts to the correct accounts according to Colombian requirements.

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 the assets. 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.

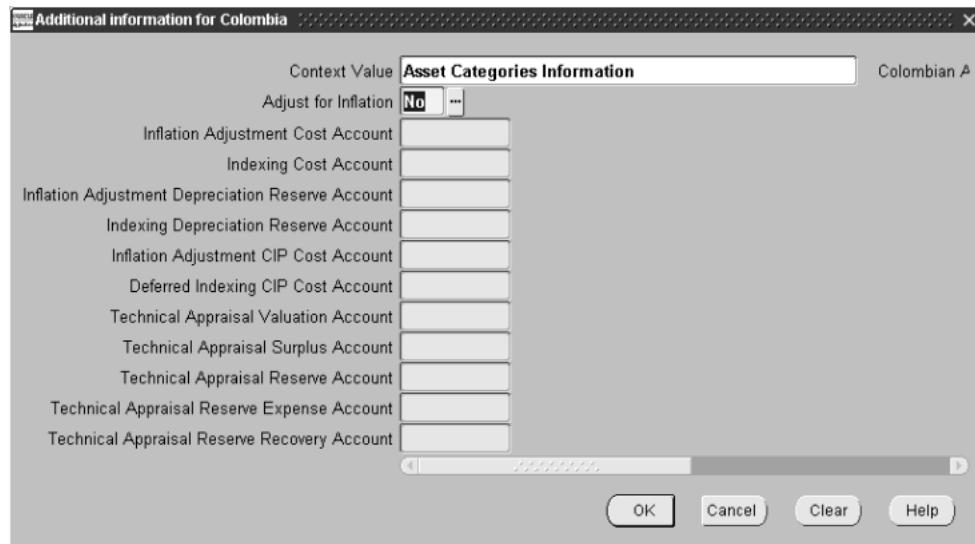
In this way, you can choose to adjust an asset category in one depreciation book while preventing the same asset category from being adjusted in another book. You can also choose to adjust some asset categories in a depreciation book for inflation while preventing other categories in the same book from being adjusted.

If inflation adjustment is disabled for an entire depreciation book, however, none of the asset categories in that book can be adjusted.

Oracle Financials for Colombia also lets you use the globalization flexfield in the Asset Categories window to define the natural accounts used to store the inflation adjustment and monetary correction amounts for your assets. The Account Generator derives the complete accounting flexfield combinations for your inflation adjustment journal entries by following the rules that you set up for the corresponding standard asset accounts, but replacing the natural account segment with the natural accounts that you enter for inflation adjustment.

For this inflation adjustment account...	The Account Generator follows the rules set up for this standard asset account...
Inflation Adjustment Cost	Asset Cost
Indexing Cost	Asset Cost
Inflation Adjustment Depreciation Reserve	Depreciation Reserve
Indexing Depreciation Reserve	Depreciation Reserve
Inflation Adjustment CIP Cost	Construction-In-Process Cost
Deferred Indexing CIP Cost	Construction-In-Process Cost

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.



To set up asset categories:

1. Navigate to the Asset Categories window.
2. Enter an asset category.
3. Navigate to the General Ledger Accounts region.

4. Enter a depreciation book in the Book field.
5. Enter a revaluation reserve account in the Revaluation Reserve field.
6. Navigate to the globalization flexfield. For more information, see [Using Globalization Flexfields on page B-2](#).
7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for assets in this asset category. Enter *No* to disable inflation adjustment for all assets in this category.

If inflation adjustment is enabled for this depreciation book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.

8. In the Inflation Adjustment Cost Account field, enter the natural account where you want to record the inflation adjustments to the cost of your capitalized assets.
9. In the Indexing Cost Account field, enter the natural account where you want to record the monetary corrections to the cost of your capitalized assets.
10. In the Inflation Adjustment Depreciation Reserve Account field, enter the natural account where you want to record the inflation adjustments to the accumulated depreciation of your capitalized assets.
11. In the Indexing Depreciation Reserve Account field, enter the natural account where you want to record the monetary corrections to the accumulated depreciation of your capitalized assets.
12. In the Inflation Adjustment CIP Cost Account field, enter the natural account where you want to record the inflation adjustments to the cost of your CIP assets.
13. In the Deferred Indexing CIP Cost Account field, enter the natural account where you want to record the deferred monetary correction credits to the cost of your CIP assets.

Note: The remaining fields in the globalization flexfield are not used for inflation adjustment. These fields are used for technical appraisal in Oracle Assets for Colombia. For more information, see [Define Technical Appraisal Accounts on page 6-61](#).

(continued)

14. Press the OK button.
15. In the Asset Categories window, press the Default Rules button.
The Default Depreciation Rules window appears.
16. In the Price Index field, enter the price index that you want to use to calculate the inflation rate for this asset category.
17. Enter appropriate information in the remaining fields.
18. Save your work.

See also: Setting Up Asset Categories, *Oracle Assets User Guide*

See also: Asset Management in a Highly Inflationary Economy (Revaluation), *Oracle Assets User Guide*

See also: Using the Account Generator in Oracle Assets, *Oracle Assets User Guide*

Set Up Assets in a Depreciation Book

Use the globalization flexfield in the Books window to enable or disable inflation adjustment for individual assets. You enable or disable inflation adjustment for an asset in a particular depreciation book.

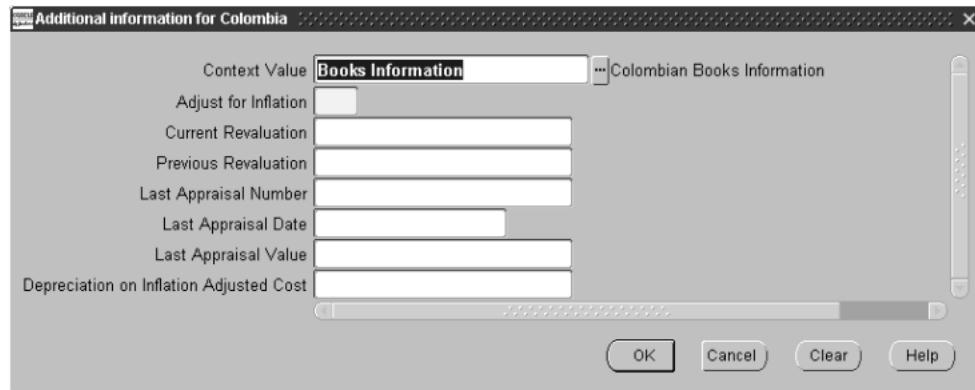
In this way, you can choose to adjust an asset in one depreciation book while preventing the same asset from being adjusted in another book. You can also choose to adjust some assets in a certain category in a depreciation book for inflation while preventing other assets in the same category and book 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.

You can also use the globalization flexfield to specify how to record depreciation amounts when you enter an asset that has already been adjusted for inflation. To meet Colombian legal requirements, you must record separately these components of the adjusted depreciation for an asset:

- Depreciation on the historical cost of the asset
- Depreciation on the inflation adjustments to the asset cost
- Inflation adjustments to the depreciation

If you enter an asset that has already been adjusted for inflation, you can enter the amount of existing depreciation for the asset that corresponds to inflation adjustments to the asset cost. Oracle Assets for Colombia uses this information to separate the total adjusted depreciation amount into the required components and record each component in the appropriate account.



To set up assets in a depreciation book:

1. Navigate to the Asset Workbench.
2. Enter or query an asset.
3. Navigate to the Books window.
4. Enter a depreciation book in the Book field.
5. Navigate to the Depreciation region.
6. Navigate to the globalization flexfield. For more information, see [Using Globalization Flexfields on page B-2](#).
7. Enter *Yes* in the Adjust for Inflation field to enable inflation adjustment for the asset. Enter *No* to disable inflation adjustment for the asset.

If inflation adjustment is enabled for this depreciation book and for this category in this book, the Adjust for Inflation field defaults to *Yes*. Otherwise, the Adjust for Inflation field defaults to *No*.

8. In the Depreciation on Inflation Adjusted Cost field, enter the amount of the existing depreciation for the asset that corresponds to inflation adjustments on the asset cost, if the asset has already been adjusted for inflation.

If the asset has never been adjusted for inflation, or if you disabled inflation adjustment for the asset, leave the Depreciation on Inflation Adjusted Cost field blank.

Note: The remaining fields in the globalization flexfield are not used for inflation adjustment. These fields are used for technical appraisal in Oracle Assets for Colombia. For more information, see Enter Initial Values for Technical Appraisals on page 6-64.

9. Press the OK button.
10. Save your work.

See also: Asset Setup Processes (Additions), *Oracle Assets User Guide*

See also: Set Up Assets in a Depreciation Book, *Oracle Financials Common Country Features User Guide*

Accounting for Deferred Depreciation Balances

Until 1991, the Colombian government allowed companies to use an accelerated depreciation method in which assets are entirely depreciated over three years for tax purposes. For accounting purposes, however, only the normal depreciation amounts are recognized as expenses during those three years.

The difference between the depreciation taken by the accelerated method and the depreciation taken by the normal method is recorded in the deferred depreciation account. After the third year, the balance of the deferred depreciation account must be amortized over the remaining life of the asset.

Since the Colombian government no longer allows companies to use deferred depreciation, you will not need to record any new deferred depreciation amounts. If you have an asset with a deferred depreciation balance from 1991 or earlier, however, you must continue to amortize the balance over the life of the asset. You must also adjust the deferred depreciation balance for inflation and amortize the adjustment amounts along with the original balance.

You can account for deferred depreciation balances in Oracle Assets for Colombia by creating child assets to represent these balances. You should define a special asset category for these child assets.

Setting Up a Deferred Depreciation Asset Category

If you have assets with balances in deferred depreciation accounts, you can create child assets to represent the deferred depreciation balances. You can define a separate asset category for the deferred depreciation child assets. Set the deferred depreciation asset category up to amortize the deferred balance over the life of the parent asset. You should enable inflation adjustment for this asset category as well.

See also: Setting Up Asset Categories, *Oracle Assets User Guide*

Adding Deferred Depreciation Balances as Child Assets

When you enter a new asset, check whether the asset has any balance in a deferred depreciation account. If the asset you are entering has a deferred depreciation balance, you can create a child asset to represent that balance.

You can use the Asset Workbench to create the child asset representing a deferred depreciation balance. Assign the child asset to the asset category that you defined for deferred depreciation. The child asset can belong to a different asset category than the parent asset. You should enable inflation adjustment for each child asset as well.

To ensure that the balance is amortized correctly, you must assign the child asset that represents a deferred depreciation balance the same depreciation method and remaining life as the parent asset.

See also: Asset Setup Processes (Additions), *Oracle Assets User Guide*

Accounting for Deferred Monetary Correction Credit Balances

When you adjust the cost amounts of CIP assets for inflation, you charge the deferred monetary correction credit account rather than the regular monetary correction account for capitalized assets. You can define the deferred monetary correction credit account for each asset category in the globalization flexfield in the Asset Categories window.

After you capitalize a CIP asset, the balance of the deferred monetary correction credit account is amortized over the life of the asset using a straight-line method.

You can account for deferred monetary correction credit balances in Oracle Assets for Colombia by creating child assets to represent these balances. You should define a special asset category for these child assets. You can create the child asset for a deferred monetary correction charge balance either when you begin construction on the parent CIP asset or when you capitalize the parent asset.

Setting Up a Deferred Monetary Correction Credit Asset Category

If you have assets with balances in deferred monetary correction credit accounts, you can create child assets to represent the deferred monetary correction credit balances. You can define a separate asset category for the deferred monetary correction credit child assets. Set the deferred monetary correction credit asset category up to amortize the deferred balance over the life of the parent asset.

See also: Setting Up Asset Categories, *Oracle Assets User Guide*

Adding Deferred Monetary Correction Credit Balances as Child Assets

When you enter a new capitalized asset, or when you capitalize a CIP asset, check whether the asset has any balance in a deferred monetary correction credit account. If the asset you are entering has a deferred monetary correction credit balance, you can create a child asset to represent that balance.

You can use the Asset Workbench to create the child asset representing a deferred monetary correction credit balance. Assign the child asset to the asset category that you defined for deferred monetary correction credit. The child asset can belong to a different asset category than the parent asset.

At the time of capitalization, the cost of the child asset that represents the deferred monetary correction credit balance should equal the difference between the cost of the parent asset in the historical book and in the adjusted book.

See also: Asset Setup Processes (Additions), *Oracle Assets User Guide*

Accounting for Deferred Monetary Correction Charge Balances

When you use your own company's resources to finance a CIP asset, you must adjust the portion of your own equity that is invested in the CIP asset for inflation. You offset the inflation adjustment by charging the deferred monetary correction charge account.

After you capitalize a CIP asset, the balance of the deferred monetary correction charge account is amortized over the life of the asset using a straight-line method.

You can account for deferred monetary correction charge balances in Oracle Assets for Colombia by creating child assets to represent these balances. You should define a special asset category for these child assets.

Setting Up a Deferred Monetary Correction Charge Asset Category

If you have assets with balances in deferred monetary correction charge accounts, you can create child assets to represent the deferred monetary correction charge balances. You can define a separate asset category for the deferred monetary correction charge child assets. Set the deferred monetary correction charge asset category up to amortize the deferred balance over the life of the parent asset.

For deferred monetary correction charge balances, you can choose to create the child assets as soon as you begin constructing the parent CIP asset. You can then make cost adjustments to the child asset to account for the effect of inflation.

Note: The effect of inflation on deferred monetary correction charge balances is calculated differently than ordinary inflation adjustments. For this reason, you should make manual cost adjustments to a deferred monetary correction charge child asset, rather than using the ordinary inflation adjustment process.

See also: Setting Up Asset Categories, *Oracle Assets User Guide*

Adding Deferred Monetary Correction Charge Balances as Child Assets

When you enter a new asset, or when you capitalize a CIP asset, check whether the asset has any balance in a deferred monetary correction charge account. If the asset you are entering has a deferred monetary correction charge balance, you can create a child asset to represent that balance.

You can use the Asset Workbench to create the child asset representing a deferred monetary correction charge balance. Assign the child asset to the asset category that you defined for deferred monetary correction charge. The child asset can belong to a different asset category than the parent asset.

You can create the child asset for a deferred monetary correction charge balance either when you begin construction on the parent CIP asset or when you capitalize the parent asset. If you choose to create the child assets as soon as you begin constructing the parent CIP asset, set up the deferred monetary correction charge asset category up with appropriate accounts to record the child assets.

This option allows you to clearly identify the contributions of each CIP asset to the balance of the deferred monetary correction charge account. When you capitalize the parent asset, you can capitalize the child asset as well and begin amortizing the deferred balance as usual.

See also: Asset Setup Processes (Additions), *Oracle Assets User Guide*

Adjusting Assets for Inflation

Complete these steps in your adjusted depreciation book to adjust your assets for inflation with Oracle Assets for Colombia. 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 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 to close the previous period, you do not need to run the Calculate Gains and Losses program again separately.

See also: Running the Calculate Gains and Losses Program, *Oracle Financials Common Country Features User Guide*

2. Run the Mass Revaluation process to revalue the cost and accumulated depreciation for your assets. For more information, see *Revaluing Assets* on page 6-29.
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.

See also: Performing Oracle Assets Procedures, *Oracle Financials Common Country Features User Guide*

4. Run depreciation in your adjusted book.

See also: Running Depreciation, *Oracle Financials Common Country Features User Guide*

5. Run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to create the correct journal entries recording the historical and adjustment amounts in the correct accounts. For more information, see Generating Inflation Adjustment Journal Entries on page 6-35.
6. Run the Colombian Fixed Assets Transfer to General Ledger process to transfer the journal entries created by Oracle Assets for Colombia to General Ledger. For more information, see Transferring Inflation Adjustment Journal Entries to General Ledger on page 6-37.
7. Run the Journal Import process to import the journal entries created by Oracle Assets for Colombia into General Ledger. For more information, see Running the Journal Import Process on page 6-39.
8. Run the Inflation Adjusted Asset Summary report to review the results of the inflation adjustments.

See also: Inflation Adjusted Asset Summary Report, *Oracle Financials Common Country Features User Guide*

9. Run standard and Colombian Oracle Assets reports showing inflation adjustment information. For more information, see Reporting Inflation Adjustment Information on page 6-40.
10. Run the Colombian Fixed Asset Purging process to archive, delete, and recover obsolete information in the inflation adjustment tables. For more information, see Archiving, Purging, and Restoring Inflation Adjustment Data on page 6-50.

Note: In Colombia, some of the steps for adjusting your assets for inflation are different from the steps for inflation adjustment in other countries. The differences are due to Colombian legal requirements.

For example, after you adjust your assets for inflation in Oracle Assets for Colombia, you must run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to generate the correct journal entries and run the Colombian Fixed Assets Transfer to General Ledger process to transfer these journal entries to General Ledger. Also, since the Colombian government abolished inflation adjustment for gain/loss accounts, you must not use the Oracle Assets Inflation Adjustment of Retired Assets process in Colombia.

See also: [Adjusting Assets for Inflation, *Oracle Financials Common Country Features User Guide*](#)

Revaluing Assets

Example for adjusting an asset for inflation

This example shows how inflation rates and adjustment amounts are calculated to adjust a capitalized asset for inflation in Colombia. Assume that the price index values for the given periods are as follows:

Period	Price Index Value
January	100.00
February	101.00
March	103.02

The inflation rates in this example are calculated with the maximum available precision. The inflation rates are based on this formula:

$$\begin{aligned}
 \text{Inflation Rate} &= (\text{Index Value for Current Period} / \\
 &\quad \text{Index Value for Previous Period}) - 1 \\
 \text{February Inflation Rate} &= (101.00 / 100.00) - 1 \\
 &= 0.01 \\
 \text{March Inflation Rate} &= (103.02 / 101.00) - 1 \\
 &= 0.02
 \end{aligned}$$

Assume that an asset is added in January with a cost of \$3,600.00 and a life of 2 years, or 24 periods. Assume also that the prorate convention for the asset is the Following Month convention and that there are no cost adjustments after the asset is added, other than the inflation adjustments.

In January, the asset is not adjusted for inflation, since an asset is not adjusted for inflation in the period when the asset is entered. Depreciation is run for the asset in January; however, according to the Following Month prorate convention, the depreciation amount in the first month is 0.

In February, the asset is adjusted for inflation. Since there is no accumulated depreciation for the asset yet, only the asset cost is adjusted. After the asset is adjusted for inflation in February, depreciation is run for the asset.¹

The inflation adjustment amount for cost in the current period is calculated on the current cost of the asset, including any cost adjustments made in the period before inflation adjustment is performed.

Note: If you want to adjust current period cost adjustment amounts for inflation, make the cost adjustments before you perform inflation adjustment for the current period. Otherwise, make the cost adjustments after you perform inflation adjustment for the current period.

The current cost for the asset is calculated as follows:

$$\begin{aligned} \text{Current Cost} &= \text{Beginning Cost} + \\ &\quad \text{Current Period Cost Adjustments} \\ \text{February Current Cost} &= 3,600.00 + 0 \\ &= 3,600.00 \end{aligned}$$

The current period cost inflation adjustment is calculated as follows:

$$\begin{aligned} \text{Cost Inflation Adjustment} &= \text{Current Cost} * \text{Inflation Rate} \\ \text{February Inflation Adjustment} &= 3,600.00 * 0.01 \\ &= 36.00 \end{aligned}$$

The total adjusted cost at the end of the period is calculated as follows:

$$\begin{aligned} \text{Adjusted Cost} &= \text{Current Cost} + \text{Inflation Adjustment} \\ \text{February Adjusted Cost} &= 3,600.00 + 36.00 \\ &= 3,636.00 \end{aligned}$$

Note: For calculation purposes, the total current cost and total adjusted cost of an asset consist of both historical amounts and inflation adjustment amounts, even though you record historical and inflation adjustment amounts in separate accounts.

The journal entry to record the inflation adjustments in February is:

Accounts	Debit	Credit
Inflation Adjustment of Cost	36.00	
Monetary Correction of Cost		36.00

The depreciation amount for the current period is calculated as follows:

$$\begin{aligned}
 \text{Depreciation} &= \text{Current Period Adjusted Cost} / \text{Asset Life} \\
 \text{February Depreciation} &= 3,636.00 / 24 \\
 &= 151.50
 \end{aligned}$$

In March, both the cost and the accumulated depreciation of the asset are adjusted for inflation. After the asset is adjusted for inflation in March, depreciation is run for the asset.

The current cost for the asset is calculated as follows:

$$\begin{aligned}
 \text{Current Cost} &= \text{Beginning Cost} + \text{Current Period Cost Adjustments} \\
 \text{March Current Cost} &= 3,636.00 + 0.00 \\
 &= 3,636.00
 \end{aligned}$$

The current period cost inflation adjustment is calculated as follows:

$$\begin{aligned}
 \text{Cost Inflation Adjustment} &= \text{Current Cost} * \text{Inflation Rate} \\
 \text{March Inflation Adjustment} &= 3,636.00 * 0.02 \\
 &= 72.72
 \end{aligned}$$

The total adjusted cost at the end of the period is calculated as follows:

$$\begin{aligned}
 \text{Adjusted Cost} &= \text{Current Cost} + \text{Inflation Adjustment} \\
 \text{March Adjusted Cost} &= 3,636.00 + 72.72 \\
 &= 3,708.72
 \end{aligned}$$

The inflation adjustment amount for accumulated depreciation in the current period is calculated on the current accumulated depreciation of the asset, before the asset is depreciated for the period.

The current period accumulated depreciation inflation adjustment is calculated as follows:

$$\begin{aligned} \text{Inflation Adjustment} &= \text{Current Accumulated Depreciation} * \text{Inflation Rate} \\ \text{March Inflation Adjustment} &= 151.50 * 0.02 \\ &= 3.03 \end{aligned}$$

The journal entries to record the inflation adjustments in March are:

Accounts	Debit	Credit
Inflation Adjustment of Cost	72.72	
Monetary Correction of Cost	72.72	
Monetary Correction of Accumulated Depreciation	3.03	
Inflation Adjustment of Accumulated Depreciation	3.03	

The depreciation amount for the current period is calculated as follows:

$$\begin{aligned} \text{Depreciation} &= \text{Current Period Adjusted Cost} / \text{Asset Life} \\ \text{March Depreciation} &= 3,708.72 / 24 \\ &= 154.53 \end{aligned}$$

The total adjusted accumulated depreciation at the end of the period is calculated as follows:

$$\begin{aligned} \text{Adjusted Accumulated} \\ \text{Depreciation} &= \text{Current Accumulated Depreciation} \\ &\quad + \text{Inflation Adjustment} \\ &\quad + \text{Current Period Depreciation} \\ \text{March Adjusted} \\ \text{Accumulated Depreciation} &= 151.50 + 3.03 + 154.53 \\ &= 309.06 \end{aligned}$$

Note: For calculation purposes, the total adjusted accumulated depreciation of an asset consists of both historical amounts and inflation adjustment amounts, even though you record historical and inflation adjustment amounts in separate accounts.

Example for adjusting a CIP asset for inflation

This example shows how inflation rates and adjustment amounts are calculated to adjust a CIP asset for inflation in Colombia.

When you build a CIP asset, you add the cost amounts resulting from invoice lines. The invoice line amounts added in the current period are never adjusted for inflation in the current period. The adjustment amount for the current period is calculated only on the asset's adjusted cost as of the beginning of the period.

Assume that the price index values for the given periods are as follows:

Period	Price Index Value
January	100.00
February	101.00
March	103.02

The inflation rates in this example are calculated with the maximum available precision. The inflation rates are based on this formula:

$$\text{Inflation Rate} = (\text{Index Value for Current Period} / \text{Index Value for Previous Period}) - 1$$

$$\begin{aligned} \text{February Inflation Rate} &= (101.00 / 100.00) - 1 \\ &= 0.01 \end{aligned}$$

$$\begin{aligned} \text{March Inflation Rate} &= (103.02 / 101.00) - 1 \\ &= 0.02 \end{aligned}$$

Assume that construction began on a CIP asset in December and that the invoice line amounts added each period are as follows:

Period	Invoice Line Amount
January	20,000.00
February	18,000.00
March	0.00

The current period cost inflation adjustment is calculated as follows:

$$\text{Inflation Adjustment} = \text{Beginning Cost} * \text{Inflation Rate}$$

The adjusted cost at the end of the period is calculated as follows:

$$\text{Adjusted Cost} = \text{Beginning Cost} + \text{Inflation Adjustment} + \text{Invoice Line Amounts}$$

$$\begin{aligned} \text{January Adjusted Cost} &= 0 + 0 + 20,000.00 \\ &= 20,000.00 \end{aligned}$$

$$\begin{aligned} \text{February Inflation Adjustment} &= 20,000.00 * 0.01 \\ &= 200.00 \end{aligned}$$

$$\begin{aligned} \text{February Adjusted Cost} &= 20,000.00 + 200.00 + 18,000.00 \\ &= 38,200.00 \end{aligned}$$

The journal entry to record the inflation adjustment in February is:

Accounts	Debit	Credit
Inflation Adjustment of Cost	200.00	
Deferred Monetary Correction Credit		200.00

$$\begin{aligned} \text{March Inflation Adjustment} &= 38,200.00 * 0.02 \\ &= 764.00 \end{aligned}$$

$$\begin{aligned} \text{March Adjusted Cost} &= 38,200.00 + 764.00 + 0.00 \\ &= 38,964.00 \end{aligned}$$

The journal entry to record the inflation adjustment in March is:

Accounts	Debit	Credit
Inflation Adjustment of Cost	764.00	
Deferred Monetary Correction Credit		764.00

Generating Inflation Adjustment Journal Entries

In Colombia, you must record historical amounts and adjustment amounts in separate accounts for the cost and accumulated depreciation components of your assets. The standard Mass Revaluation process, however, creates journal entries that record the adjustment amounts in the same accounts as the historical amounts. To generate the correct journal entries recording the historical amounts and the adjustment amounts in the correct accounts, you must run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program after you run the Mass Revaluation process.

The Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program also transfers or retires the amounts in inflation adjustment accounts when assets are reclassified, transferred, retired, or reinstated. This process complements the standard transfer of balances for standard Oracle Assets accounts.

You must run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program after you run depreciation. If you did not run depreciation yet for the current period in your adjusted depreciation book, you cannot run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program.

The Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program is also used for technical appraisal in Oracle Assets for Colombia. When you run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, Oracle Assets for Colombia generates both inflation adjustment and technical appraisal journal entries. You only need to run the process once each period. For more information, see [Transferring Technical Appraisal Account Balances](#) on page 6-84.

You can use the globalization flexfield in the Book Controls window to check whether the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program has been run for the latest period. The period name for the most recent time you ran the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program appears in the Last Closed Period field. For more information, see [Set Up Depreciation Books](#) on page 6-8.

The Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program prepares inflation adjustment and technical appraisal journal entries for transfer to General Ledger. After you run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, run the Colombian Fixed Assets Transfer to General Ledger process to transfer the journal entries created by Oracle Assets to General Ledger.

To submit the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, choose Journal Entries > Generate from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program.

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

Program Parameters

Book

Enter the depreciation book for which you want to generate Colombian inflation adjustment journal entries. You can only choose a depreciation book for which you have enabled inflation adjustment.

Transferring Inflation Adjustment Journal Entries to General Ledger

After you run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, run the Colombian Fixed Assets Transfer to General Ledger process to transfer the inflation adjustment journal entries created by Oracle Assets to General Ledger.

You must not run the standard Create Journal Entries process from your adjusted depreciation book. The Colombian Fixed Assets Transfer to General Ledger process replaces the standard Create Journal Entries process for the inflation adjustment journal entries. You should, however, run the standard Create Journal Entries process from your historical depreciation book to transfer historical asset information to General Ledger.

The Colombian Fixed Assets Transfer to General Ledger process is also used for technical appraisal in Oracle Assets for Colombia. When you run the Colombian Fixed Assets Transfer to General Ledger process, Oracle Assets for Colombia transfers both inflation adjustment and technical appraisal journal entries. You only need to run the process once each period. For more information, see *Transferring Technical Appraisal Journal Entries to General Ledger* on page 6-85.

You can use the globalization flexfield in the Book Controls window to check whether the Colombian Fixed Assets Transfer to General Ledger process has been run for the latest period. The period name for the most recent time you ran the Colombian Fixed Assets Transfer to General Ledger process appears in the Last Transferred Period field. For more information, see *Set Up Depreciation Books* on page 6-8.

The Colombian Fixed Assets Transfer to General Ledger process creates inflation adjustment and technical appraisal journal entries in the General Ledger interface table. Before you can see the journal entries, you must import the journal entries to General Ledger by running the Journal Import process. The Colombian Fixed Assets Transfer to General Ledger process creates the inflation adjustment journal entries with the journal source that you defined for your depreciation book in the Book Controls window and with the journal categories that you defined for your transactions in the globalization flexfield. For more information, see *Set Up Depreciation Books* on page 6-8.

To submit the Colombian Fixed Assets Transfer to General Ledger process, choose Journal Entries > Transfer to GL from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Transfer to General Ledger process.

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

See also: Defining Depreciation Books, *Oracle Assets User Guide*

Program Parameters

Book

Enter the depreciation book that you want to transfer journal entries from. You can only choose a depreciation book for which you have enabled inflation adjustment.

Running the Journal Import Process

The Colombian Fixed Assets Transfer to General Ledger process creates inflation adjustment journal entries in the General Ledger interface table. Before you can see the journal entries, you must import the journal entries to General Ledger by running the Journal Import process. The inflation adjustment journal entries are imported with the journal source that you defined for the depreciation book in the Book Controls window.

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

See also: Defining Depreciation Books, *Oracle Assets User Guide*

Reporting Inflation Adjustment Information

You can run standard Oracle Assets reports to show information about the assets that you adjust for inflation and to meet Colombian reporting requirements. Run the reports from your historical book when you want to show historical information and from your adjusted book when you want to show adjusted information.

To meet this Colombian requirement...	Run this standard Oracle Assets report...
Major Book of Capitalized Assets with Inflation Adjustments	Journal Entry Reserve Ledger Report or Tax Reserve Ledger Report
Major Book of CIP Assets with Inflation Adjustments	CIP Assets Report
Assets Retired in a Period with Inflation Adjustment Information	Asset Retirements Report

You can also use these reports to show information for assets with deferred depreciation balances, deferred monetary correction credit balances, or deferred monetary correction charge balances. To show this information, run the reports for the asset categories that contain the child assets representing deferred balances.

See also: [Journal Entry Reserve Ledger Report, Oracle Assets User Guide](#)

See also: [Tax Reserve Ledger Report, Oracle Assets User Guide](#)

See also: [CIP Assets Report, Oracle Assets User Guide](#)

See also: [Asset Retirements Report, Oracle Assets User Guide](#)

Oracle Assets for Colombia also provides special reports to show inflation adjustment information. For more information, see:

- [Colombian Fixed Assets Inflation Adjusted Drill Down Report on page 6-41](#)
- [Colombian Fixed Assets Inflation Adjusted Account Drill Down Report on page 6-44](#)
- [Colombian Inflation Adjusted Fixed Assets Report on page 6-47](#)

Colombian Fixed Assets Inflation Adjusted Drill Down Report

COLOMBIAN CORPORATION Colombian Fixed Assets Inflation Adjusted Drill Down Report				Report Date: 03-MAR-2000 09:20
Period: Jan-00				Page: 1 / 1
Book: COLB ADJ II				
Batch: Assets Depreciation Assets 806114: A				
Journal Entry Category: Depreciation				
Account Number	Line	Asset Number	Description	Debits Credits Transaction Number
01-159220-0000-1110-000-0000	1	COLB BEG II	PC	16.09 13030
			Line 1 Totals:	16.09
			Account Totals:	16.09
01-516020-0000-1110-000-0000	2	COLB BEG II	PC	16.09 13030
			Line 3 Totals:	16.09
			Account Totals:	16.09
			Batch Totals:	16.09 16.09
			Report Totals:	16.09 16.09
***** End of Report *****				

Use the Colombian Fixed Assets Inflation Adjusted Drill Down report to reconcile journal entries to your general ledger and to review activity for your general ledger accounts. The Colombian Fixed Assets Inflation Adjusted Drill Down report lists your journal entry lines and gives detailed information about the asset transactions for a particular journal entry batch.

The Colombian Fixed Assets Inflation Adjusted Drill Down report is sorted by journal entry batch name, journal entry category, account, journal entry line number, and asset number. The report shows the total debits and credits for each line, account number, and batch.

The Colombian Fixed Assets Inflation Adjusted Drill Down report is similar to the standard Oracle Assets Drill Down report, but the Colombian report shows the journal entries created by the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, which include the Colombian inflation adjustment accounts.

Use the Standard Request Submission windows to submit the Colombian Fixed Assets Inflation Adjusted Drill Down 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.

Batch Name

Enter the name of the batch that is being transferred to General Ledger. Leave this parameter blank to include all batches.

Line

Enter the journal entry line number that you want to report on. Leave this parameter blank to include all journal entry lines.

Report Headings

In this heading...	Oracle Assets prints...
<Organization Name>	The name of your organization
Book	The name of the inflation-adjusted depreciation book
Batch	The name of the journal entry batch
Journal Entry Category	The journal entry category
<Report Title>	Colombian Fixed Assets Inflation Adjusted Drill Down Report
Period	The period name
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report

Column Headings

In this column...	Oracle Assets prints...
Account Number	The accounting flexfield
Line	The journal entry line number
Asset Number	The asset number
Description	The asset description
Debits	The debit amounts of the transactions
Credits	The credit amounts of the transactions
Transaction Number	The transaction number of the source transaction

Row Headings

In this row...	Oracle Assets prints...
Line <Number> Totals	The debit and credit totals for the line
Account Totals	The debit and credit totals for the account
Batch Totals	The debit and credit totals for the batch
Report Totals	The debit and credit totals for the report

Colombian Fixed Assets Inflation Adjusted Account Drill Down Report

COLOMBIAN CORPORATION Colombian Fixed Assets Inflation Adjusted Account Drill Down Report Report Date: 03-MAR-2000 09:19			
Period: Jan-00 Page: 1 / 1			
Book: COLB ADJ II			
Account Number: 01-151299-0000-1110-000-0000			
Batch: Assets IA Addition Assets 806114: A			
Journal Entry Category: IA Addition			
Line Asset Number	Description	Debits	Transaction Credits Number
1 COLB BEG II	PC	53.33	13028
Line 1 Totals:		53.33	
Batch Totals:		53.33	
Account Number Totals:		53.33	
Report Totals:		53.33	
***** End of Report *****			

Use the Colombian Fixed Assets Inflation Adjusted Account Drill Down report to reconcile journal entries to your general ledger and to review activity for your general ledger accounts. The Colombian Fixed Assets Inflation Adjusted Account Drill Down report gives you detailed information about the asset transactions represented by a journal entry line.

The Colombian Fixed Assets Inflation Adjusted Account Drill Down report is sorted by account, journal entry batch name, journal entry category, journal entry line number, and asset number. The report shows the total debits and credits for each line, batch, and account number.

The Colombian Fixed Assets Inflation Adjusted Account Drill Down report is similar to the standard Oracle Assets Account Drill Down report, but the Colombian report shows the journal entries created by the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, which include the Colombian inflation adjustment accounts.

Use the Standard Request Submission windows to submit the Colombian Fixed Assets Inflation Adjusted Account Drill Down 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.

Account

Enter the accounting flexfield that you want to report on. Leave this parameter blank to include all accounts.

Batch

Enter the name of the batch that is being transferred to General Ledger. Leave this parameter blank to include all batches.

Line

Enter the journal entry line number that you want to report on. Leave this parameter blank to include all journal entry lines.

Report Headings

In this heading...	Oracle Assets prints...
<Organization Name>	The name of your organization
Book	The name of the inflation-adjusted depreciation book
Account Number	The accounting flexfield
Batch	The name of the journal entry batch
Journal Entry Category	The journal entry category
<Report Title>	Colombian Fixed Assets Inflation Adjusted Account Drill Down Report
Period	The period name
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report

Column Headings

In this column...	Oracle Assets prints...
Line	The journal entry line number
Asset Number	The asset number
Description	The asset description
Debits	The debit amounts of the transactions
Credits	The credit amounts of the transactions
Transaction Number	The transaction number of the source transaction

Row Headings

In this row...	Oracle Assets prints...
Line <Number> Totals	The debit and credit totals for the line
Batch Totals	The debit and credit totals for the batch
Account Number Totals	The debit and credit totals for the account
Report Totals	The debit and credit totals for the report

Colombian Inflation Adjusted Fixed Assets Report

COLOMBIAN CORPORATION		Colombian Inflation Adjusted Fixed Assets Report		Report Date: 03-MAR-2000 09:20
		Period: Jan-00		Page: 1 / 1
Book: COLB ADJ II				
Asset Category : COMPUTER.ADMINISTRATION				
Asset Number -	Transaction	Debit	Credit	Transaction
Description	Type	Account Number	Number	
COLB BEG II - PC	IA Addition	01-151299-0000-1110-000-0000 01-470515-0000-1110-000-0000 01-470545-0000-1110-000-0000 01-159299-0000-1110-000-0000	53.33 15.55 16.09 41,921.85 257.43	53.33 15.55 16.09 13030 13030
	Depreciation	01-516020-0000-1110-000-0000 01-159220-0000-1110-000-0000		386.16
	IA Retirement	01-159220-0000-1110-000-0000 01-422010-0000-0000-0000 01-151299-0000-1110-000-0000 01-159299-0000-1110-000-0000	41,921.85 257.43 386.16 41,793.12	
Asset COLB BEG II Totals :		42,264.25	42,264.25	
COLB PC II - PC	IA Addition	01-151299-0000-1170-000-0000 01-470515-0000-1170-000-0000	36.00	36.00
	Depreciation	01-516020-0000-1170-000-0000 01-159220-0000-1170-000-0000	1.50	1.50
Asset COLB PC II Totals :		37.50	37.50	
Report Totals :		42,301.75	42,301.75	
***** End Of Report *****				

Use the Colombian Inflation Adjusted Fixed Assets report to review detailed information about the asset transactions represented by a journal entry line. The Colombian Inflation Adjusted Fixed Assets report shows all the accounts affected by transactions transferred from Oracle Assets for Colombia to General Ledger, including inflation adjustment transactions.

The Colombian Inflation Adjusted Fixed Assets report is sorted by asset category, asset number, and transaction type. The report shows the total debits and credits for each asset as well as totals for all assets on the report.

Use the Standard Request Submission windows to submit the Colombian Inflation Adjusted Fixed Assets 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. You can only choose an asset category that belongs to the depreciation book you entered in the Book parameter.

Leave the Asset Category parameter blank to include all asset categories.

Asset Number

Enter the number of the asset that you want to report on. Leave this parameter blank to include all assets.

Report Headings

In this heading...	Oracle Assets prints...
<Organization Name>	The name of your organization
Book	The name of the tax depreciation book
Asset Category	The asset category
<Report Title>	Colombia Inflation Adjusted Fixed Assets Report
Period	The period name
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report

Column Headings

In this column...	Oracle Assets prints...
Asset Number - Description	The asset number and description
Transaction Type	The type of transaction that generated the transfer to General Ledger, identified by the name of the journal category you assigned to this type of transaction in the globalization flexfield of the Book Controls window
Account Number	The accounting flexfield
Debit	The debit amount of the transaction
Credit	The credit amount of the transaction
Transaction Number	The transaction number of the source transaction

Row Headings

In this row...	Oracle Assets prints...
Asset <Number> Totals	The debit and credit totals for the asset
Report Totals	The debit and credit totals for all assets on the report

Archiving, Purging, and Restoring Inflation Adjustment Data

Use the Colombian Fixed Asset Purging process to archive and purge inflation adjustment data in order to release disk space for current data. The Colombian Fixed Asset Purging process purges inflation adjustment data for the book and fiscal year you specify.

If you do not need to run reports for previous fiscal years, you can copy the data onto tape or any storage device, and then delete it from your system. If you later need these records online, you can restore them into Oracle Assets. In Colombia, companies are legally required to store inflation adjustment accounting information for at least twenty years before purging the information.

Archiving inflation adjustment information for a fiscal year and book copies the information for that year and book to an archive table.

Purging inflation adjustment information removes rows from the inflation adjustment table after the rows have been archived. You must purge fiscal years in chronological order. Before you purge a fiscal year, you must archive and purge all earlier fiscal years. You must also archive inflation adjustment information for a fiscal year before purging the information for that fiscal year.

You cannot purge periods in the current fiscal year. You cannot archive and purge the period prior to the current period. If your current period is the first period of a new fiscal year, you cannot purge the previous period.

Restoring inflation adjustment information for a fiscal year and book reloads the information for that fiscal year and book from a storage device into Oracle Assets. You can only restore the most recently purged fiscal year, so you must restore fiscal years in reverse chronological order.

To submit the Colombian Fixed Asset Purging process, choose Purge > Inflation Adjustments from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Asset Purging process.

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

Program Parameters

Book

Enter the depreciation book that you want to process.

Fiscal Year

Enter the fiscal year that you want to process.

Option

Enter the option that you want to perform. Valid values are:

- Archive
- Delete
- Restore

Performing the Archive, Purge, and Restore Procedure

There are several steps to archive, purge, and restore a fiscal year. Some of these steps you can do within Oracle Assets for Colombia. Others you should ask your Database Administrator to perform.

To archive and purge a fiscal year:

1. Archive and purge all earlier fiscal years.
2. Run the Colombian Fixed Asset Purging process with the Archive option (Fixed Assets Administrator).
3. Export temporary archive tables to a storage device (Database Administrator).
4. Run the Colombian Fixed Asset Purging process with the Delete option (Fixed Assets Administrator).
5. Drop temporary archive tables (Database Administrator).
6. Export current data from tables from which you purged (Database Administrator).
7. Drop tables from which you purged (Database Administrator).
8. Recreate tables from which you purged (Database Administrator).
9. Import current data into tables from which you purged (Database Administrator).
10. Verify tables and indexes (Database Administrator).

If you later need the inflation adjustment information online, you can restore the data.

To restore a fiscal year:

1. Restore all later fiscal years.
2. Import temporary archive tables from storage device (Database Administrator).
3. Run the Colombian Fixed Asset Purging process with the Restore option (Fixed Assets Administrator).

Archiving Data

When you run the Archive option, Oracle Assets for Colombia assigns a reference number to the archive. The Colombian Fixed Asset Purging process copies the inflation adjustment data to the temporary table JL_CO_FA_ADJUSTMENTS_<Archive_Number>.

You can export the temporary archive table onto tape or any storage device. If you need these records again, you can restore the records. You must archive records before you can purge them, and Oracle Assets for Colombia prevents you from running the Purge option if this table does not exist. You should not drop the table until after you have exported the table and run the Delete option.

The Colombian Fixed Asset Purging process archives rows from the table JL_CO_FA_ADJUSTMENTS. You can determine approximately how many rows the Colombian Fixed Asset Purging process will archive for a fiscal year using this SQL script:

```
select count(ADJ.ASSET_ID)
  from JL_CO_FA_ADJUSTMENTS ADJ,
       FA_DEPRN_PERIODS DP,
       FA_FISCAL_YEAR FY
 where
   FY.FISCAL_YEAR = Fiscal Year To Archive Or Delete and
   DP.CALENDAR_PERIOD_OPEN_DATE >= FY.START_DATE and
   DP.CALENDAR_PERIOD_CLOSE_DATE <= FY.END_DATE and
   ADJ.PEROD_COUNTER_CREATED = DP.PERIOD_COUNTER and
   ADJ.BOOK_TYPE_CODE = Depreciation Book To Archive Or Delete From;
```

Purging Data

Oracle Assets for Colombia prevents you from running the Delete option if the temporary archive table from the archive transaction does not exist. Since the archive number is part of the temporary table name, Oracle Assets for Colombia purges only the records that were archived during the archive you specify.

After you purge your database, contact your Database Administrator to export, drop, and recreate the tables from which you purged data. By recreating these objects, you can reduce the memory each object occupies in your tablespace and perhaps increase the performance of your system.

Restoring Data

To restore records that you have purged from Oracle Assets for Colombia, you must first import the tables from your archive and then perform the restoration. You do not need to archive the records before you purge the records again.

Since the archive number is part of the temporary table name, Oracle Assets for Colombia restores only the records that were archived during the archive you specify.

Controlling Your Archive

Use this table to determine the next possible action you can perform at different stages of the purging procedure.

Status	Definition	Possible Action
New	Newly created archive definition	Archive
Archived	Archive completed successfully	Delete
Purged	Purge completed successfully	Restore
Restored	Restoration completed successfully	Delete

Technical Appraisal Overview

In Colombia, corporations must appraise the value of their fixed assets at least once every three years in a process known as a technical appraisal.

During a technical appraisal, an appraiser uses specific accounting procedures to determine the market value of the company's fixed assets. The appraiser gives the appraisal information to the company either on a paper report or electronically on media such as a floppy disk, CD-ROM, and so on.

If the appraiser gives you a paper report, you must manually enter the appraisal information into Oracle Assets. If the appraiser gives you a flat file on a disk, you can import the appraisal information into Oracle Assets if the data is formatted correctly.

After the appraisal information is entered into Oracle Assets, the assets' appraisal value is compared to the assets' net book value, and you record the difference in General Ledger using special technical appraisal accounts.

Basic Business Needs

Oracle Assets lets you satisfy Colombian legal requirements for creating technical appraisals. You can:

- Create the accounts used to account for the differences between the asset net book value and the asset appraisal value.
- Calculate and account for technical appraisal revaluations.
- Transfer or retire technical appraisal account balances when assets are reclassified, transferred, retired, or reinstated.
- Verify appraisal data entered into Oracle Assets with the Colombian Fixed Assets Technical Appraisal Additions report.
- Review the asset revaluation at book and current period level for each asset with the Colombian Fixed Assets Technical Appraisal Revaluation report.
- Query the balance of prior and current revaluations online.
- Save, delete, or restore technical appraisal information.

Major Features

Journal Entry Category

You can specify a journal entry category at depreciation book level to identify technical appraisal journal entries when the journal entries are created in General Ledger.

Technical Appraisal Accounts

You can define the accounts required to post technical appraisal journal entries in General Ledger. You define technical appraisal accounts at asset category level.

Data Entry

You can enter technical appraisal data into Oracle Assets either manually in the Maintain Technical Appraisals window or automatically with the Colombian Fixed Assets Technical Appraisal Mass Load process.

Accounting

You can use the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to generate technical appraisal journal entries as well as inflation adjustment journal entries. The Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program creates journal entries for technical appraisal transactions and transfers or retires technical appraisal amounts along with the original amounts when assets are reclassified, transferred, or retired. This process complements the standard transfer of balances for standard Oracle Assets accounts.

Reports for Technical Appraisal

You can use these reports to show technical appraisal information:

- Colombian Fixed Assets Technical Appraisal Additions report
- Colombian Fixed Assets Technical Appraisal Revaluation report

Purge Process

You can use the Colombian Fixed Assets Technical Appraisal Purging program to archive, delete, and restore obsolete information in the technical appraisal tables.

Setting Up Technical Appraisal

This section describes how to set up Oracle Assets for Colombia to enable the technical appraisal process. Use this checklist to help you complete the appropriate steps in the correct order.

- 1 Define a Technical Appraisal Journal Category, on page 6-58
- 2 Assign the Technical Appraisal Journal Category, on page 6-59
- 3 Define Technical Appraisal Accounts, on page 6-61
- 4 Enter Initial Values for Technical Appraisals, on page 6-64

Define a Technical Appraisal Journal Category

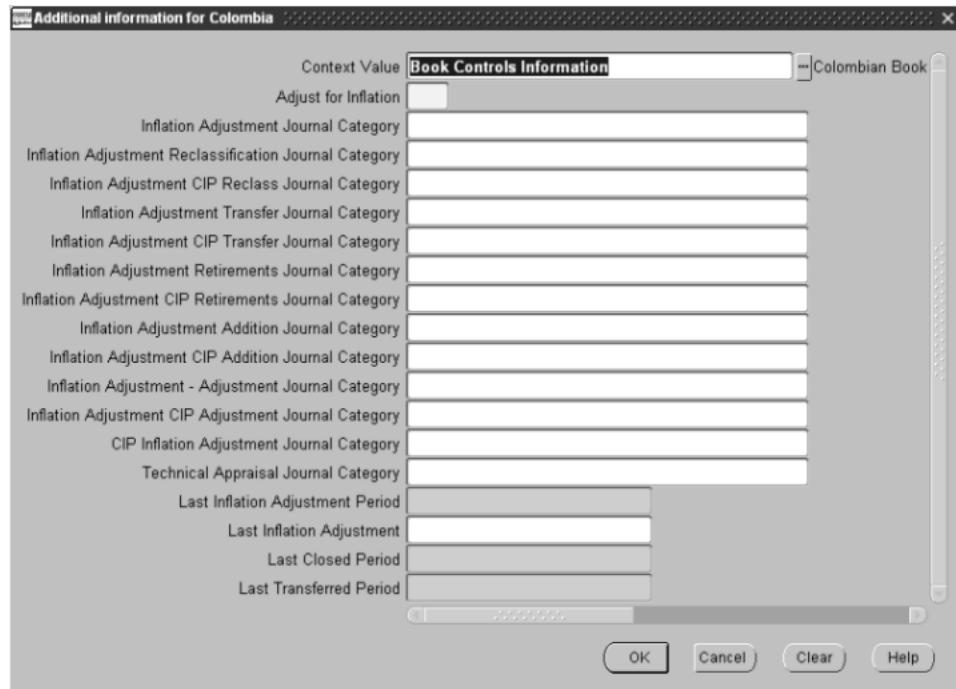
Define a new journal category in General Ledger for technical appraisal. The journal category helps you identify the nature of technical appraisal journal entries when you post the journal entries in General Ledger. After you define the technical appraisal journal category, you can assign the journal category to your depreciation books.

See also: Defining Journal Categories, *Oracle General Ledger User Guide*

Assign the Technical Appraisal Journal Category

Use the globalization flexfield in the Book Controls window to assign the journal category used to post technical appraisal transactions. You must assign a technical appraisal journal category to each of your depreciation books.

See also: Defining Depreciation Books, *Oracle Assets User Guide*



To assign the technical appraisal journal category:

1. Navigate to the Book Controls window.
2. Navigate to the globalization flexfield. For more information, see [Using Globalization Flexfields on page B-2](#).
3. From the list of values in the Technical Appraisal Journal Category field, select the journal category that you want to use for technical appraisals.
4. Press the OK button.
5. Save your work.

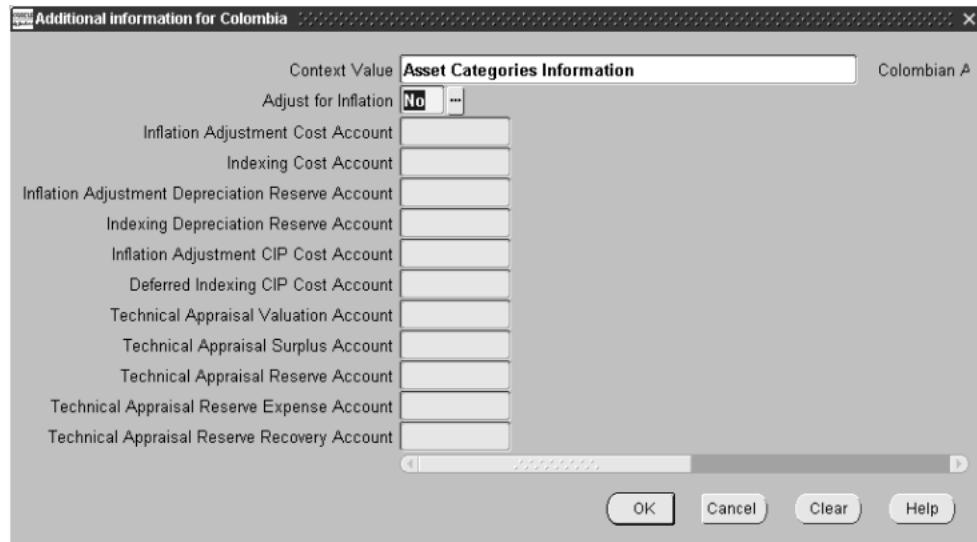
Note: The remaining fields in the globalization flexfield are not used for technical appraisal. These fields are used for inflation adjustment in Oracle Assets for Colombia. For more information, see [Set Up Depreciation Books on page 6-8](#).

Define Technical Appraisal Accounts

Use the globalization flexfield in the Asset Categories window to define your technical appraisal accounts. You must define these accounts to enable Oracle Assets to register the journal entries in General Ledger:

- Technical appraisal revaluation (asset)
- Technical appraisal surplus (equity)
- Technical appraisal reserve (asset)
- Technical appraisal reserve expense (expense)
- Technical appraisal reserve recovery (revenue)

In the globalization flexfield, enter the natural account that you want to use for each type of technical appraisal account. The Account Generator derives the complete accounting flexfield combinations for your technical appraisal journal entries by following the rules that you set up for the Asset Cost account, but replacing the natural account segment with the natural accounts that you entered for technical appraisal.



To define the new technical appraisal accounts:

1. Navigate to the Asset Categories window.
2. Navigate to the globalization flexfield. For more information, see [Using Globalization Flexfields on page B-2](#).
3. In the Technical Appraisal Valuation Account field, enter the natural account where you want to record technical appraisal revaluation amounts.
4. In the Technical Appraisal Surplus Account field, enter the natural account where you want to record technical appraisal surplus amounts.
5. In the Technical Appraisal Reserve Account field, enter the natural account where you want to record technical appraisal reserve amounts.
6. In the Technical Appraisal Reserve Expense Account field, enter the natural account where you want to record technical appraisal reserve expense amounts.
7. In the Technical Appraisal Reserve Recovery Account field, enter the natural account where you want to record technical appraisal reserve recovery amounts.

8. Press the OK button.
9. Save your work.

Note: The remaining fields in the globalization flexfield are not used for technical appraisal. These fields are used for inflation adjustment in Oracle Assets for Colombia. For more information, see Set Up Asset Categories on page 6-13.

See also: Setting Up Asset Categories, *Oracle Assets User Guide*

See also: Using the Account Generator in Oracle Assets, *Oracle Assets User Guide*

Enter Initial Values for Technical Appraisals

If you upgrade Oracle Assets from a previous release or migrate from another asset system, you must enter initial values for technical appraisal information for your assets, including the current revaluation, previous revaluation, last appraisal number, last appraisal date, and last appraisal value.

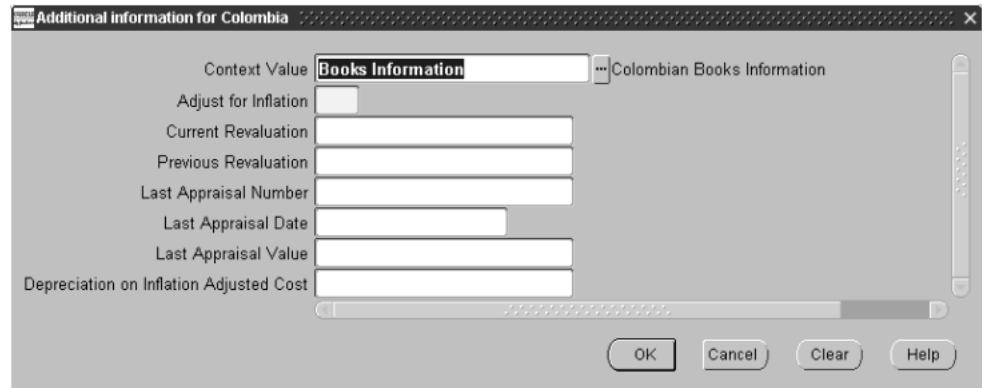
Use the globalization flexfield in the Books window on the Asset Workbench to enter these initial values. You can enter information in fields that are blank, but you cannot change existing appraisal information. If no initial technical appraisal information is available, leave the technical appraisal fields in the Colombian Books Information flexfield blank.

The initial values for technical appraisals are defined as follows:

- The current revaluation for an asset is the difference between the asset's inflation-adjusted net book value and the last appraisal value.
- The previous revaluation for an asset is the most recent appraisal revaluation before the current revaluation.
- The last appraisal number for an asset is the appraisal number of the most recent technical appraisal for the asset.
- The last appraisal date for an asset is the date of the most recent technical appraisal for the asset.
- The last appraisal value for an asset is the amount of the most recent technical appraisal provided for the asset by an appraiser.

You can also use the Colombian Books Information flexfield to review technical appraisal values for an asset after you enter or import the values.

See also: Asset Setup Processes (Additions), *Oracle Assets User Guide*



To define initial balances for technical appraisals:

1. Navigate to the Asset Workbench.
2. Query the asset that you want.
3. Navigate to the Books window.
4. In the Book field, query the depreciation book that you want.
5. Navigate to the Depreciation region.
6. Navigate to the globalization flexfield. For more information, see [Using Globalization Flexfields on page B-2](#).
7. Enter the current revaluation value in the Current Revaluation field.
8. Enter the previous revaluation value in the Previous Revaluation field.
9. Enter the number of the last appraisal in the Last Appraisal Number field.
10. Enter the date of the last appraisal in the Last Appraisal Date field.
11. Enter the last appraisal value in the Last Appraisal Value field.

(continued)

12. Press the OK button.

13. Save your work.

Note: The remaining fields in the Colombian Books Information flexfield are not used for technical appraisal. These fields are used for inflation adjustment in Oracle Assets for Colombia. For more information, see Set Up Assets in a Depreciation Book on page 6-17.

Using Colombian Fixed Assets Technical Appraisal Mass Load

Use the Colombian Fixed Assets Technical Appraisal Mass Load process to import technical appraisal information into your Oracle Financials database. Appraisers must submit their appraisal data on a disk, such as a floppy disk or CD-ROM, that contains a flat file in a special format. The Colombian Fixed Assets Technical Appraisal Mass Load process reads the source file data and adds this data to the database.

When the Colombian Fixed Assets Technical Appraisal Mass Load process finishes, Oracle Assets automatically runs the Colombian Fixed Assets Technical Appraisal Validation program. Then Oracle Assets automatically runs the Colombian Fixed Assets Technical Appraisal Additions report. For more information, see [Validating Appraisal Information on page 6-73](#) and [Colombian Fixed Assets Technical Appraisal Additions Report on page 6-91](#).

After you import technical appraisal information with the Colombian Fixed Assets Technical Appraisal Mass Load process, you can review the information in the Maintain Technical Appraisals window. For more information, see [Entering or Modifying Technical Appraisals on page 6-69](#).

To submit the Colombian Fixed Assets Technical Appraisal Mass Load process, choose Technical Appraisals > Upload from the Colombian Localization menu. After you submit the Colombian Fixed Assets Technical Appraisal Mass Load process, you must wait until your concurrent request finishes before you can resubmit the process. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Mass Load process.

See also: [Using Standard Request Submission, Oracle Applications User Guide](#)

Program Parameters

File Name

Enter the full path and file name of the source data (*.dat) flat file that contains the technical appraisal data that you want to import.

Source Data File and Control File

The source data file contains the technical appraisal data that you upload into your Oracle Financials database. Oracle provides a sample control (*.ctl) file that contains the structure that the source data must use. The pathname for the control file is \$JL_TOP/bin/jlcofamp.ctl. When you upload the data file into Oracle Assets, you specify the source data (*.dat) file..

The data file must have this format:

Header Record (First Record)

Field Positions	Type	Field Length (characters)	Description
001-011	Date	11	The appraisal date
012-015	Number	4	The fiscal year
016-030	Char	15	The currency code
031-090	Char	60	The appraiser name
091-150	Char	60	The first line of the appraiser address
151-210	Char	60	The second line of the appraiser address
211-225	Char	15	The appraiser phone number
226-245	Char	20	The appraiser city

Detail Records (Second Record through Last Record)

Field Positions	Type	Field Length (characters)	Description
001-015	Char	15	The asset number
016-035	Number	20	The appraisal value in this format: 9999999999999999.99

You can change the format that your source data uses by customizing the structure of the control file.

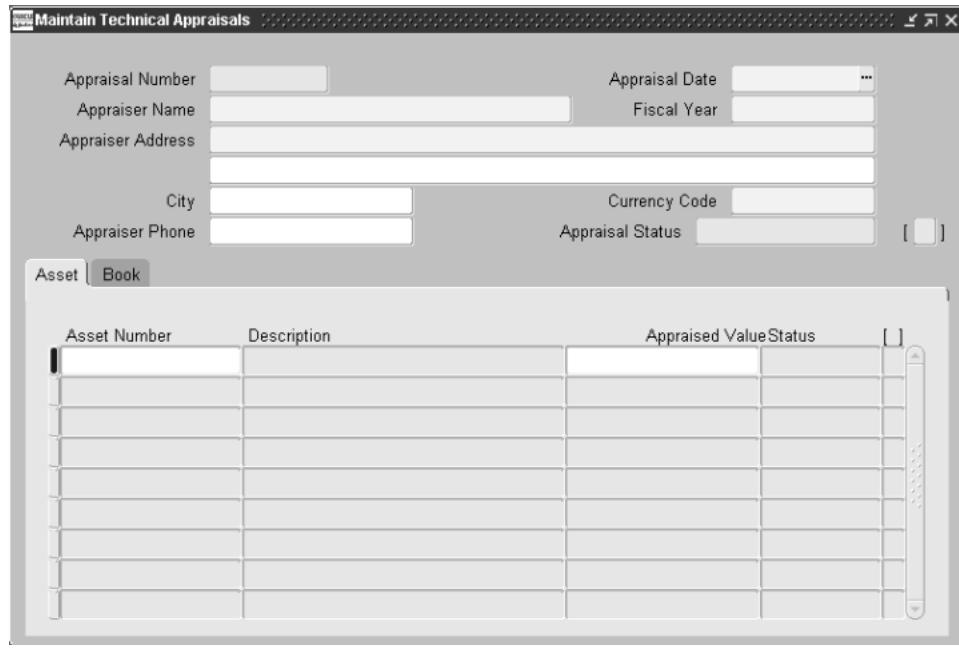
Entering or Modifying Technical Appraisals

To manually enter a new technical appraisal, or to query an existing technical appraisal that you want to modify, use the Maintain Technical Appraisals window. You can modify technical appraisal information only if the appraisal is not yet applied to a book.

An appraisal with a status of *Pending* is not yet validated, and you can modify the appraisal information if necessary. An appraisal with a status of *Processed* was already applied to a book, and you cannot change the appraisal information.

To enter appraisal information from an external source, such as a floppy disk or CD-ROM, use the Colombian Fixed Assets Technical Appraisal Mass Load process. For more information, see Using Colombian Fixed Assets Technical Appraisal Mass Load on page 6-67.

You can also use the Maintain Technical Appraisals window to review technical appraisal validation and revaluation information. After you run the Colombian Fixed Assets Technical Appraisal Validation program, you can review appraisal-level and asset-level statuses. After you run the Colombian Fixed Assets Technical Appraisal Revaluation program, you can review the date of the last revaluation for a particular depreciation book. For more information, see Validating Appraisal Information on page 6-73.



To manually enter a new technical appraisal:

1. Navigate to the Maintain Technical Appraisals window.
2. Enter the appraisal date in the Appraisal Date field.
3. Enter the appraiser name in the Appraiser Name field.
4. In the Fiscal Year field, enter the fiscal year when the appraisal is applied. You can only enter a year that is 1990 or later.
5. Enter the appraiser's address in the Appraiser Address and City fields.
6. Enter the currency code for the asset values in the Currency Code field.
7. Enter the appraiser's telephone number in the Appraiser Phone field.
8. Navigate to the Asset alternate name region.
9. Enter the asset number in the Asset Number field.

Oracle Assets displays the asset description in the Description field.

10. Enter the appraiser's value for the asset in the Appraised Value field. Enter *0* if the asset has no value. You cannot enter a negative value.

Oracle Assets automatically assigns the asset appraisal a status of *Verified* and displays the status in the Status field.

11. Repeat steps 8 and 9 for each asset in the appraisal that you want to enter.
12. Save your work.

Oracle Assets generates the appraisal number and displays the number in the Appraisal Number field at the top of the Maintain Technical Appraisals window.

To modify an existing technical appraisal:

1. Navigate to the Maintain Technical Appraisals window.
2. Query the appraisal that you want.

If the appraisal that you query has a status of *Pending*, the appraisal is not yet validated and you can modify the appraisal information.

3. Modify the appraisal information that you want to change. You can modify the information identifying the appraisal, as well as adding, modifying, or removing information for a particular asset within the appraisal

Note: After an appraisal is validated or is accounted for in any book, you cannot change the appraisal information.

4. Save your work.

To review technical appraisal revaluation information:

1. Navigate to the Maintain Technical Appraisals window.
2. Query the appraisal that you want.
3. Navigate to the Book alternate name region.

In the Book field, Oracle Assets displays the name of the depreciation book in which you have run the Colombian Fixed Assets Technical Appraisal Revaluation program for this appraisal.

In the Description field, Oracle Assets displays the description of the depreciation book.

In the Date Revalued field, Oracle Assets displays the date when you ran the Colombian Fixed Assets Technical Appraisal Revaluation program for this appraisal in this depreciation book.

Validating Appraisal Information

Use the Colombian Fixed Assets Technical Appraisal Validation program to validate imported appraisals that have not yet been validated or that have errors, such as an invalid currency or fiscal year. Oracle Assets runs the Colombian Fixed Assets Technical Appraisal Validation program automatically after you run the Colombian Fixed Assets Technical Appraisal Mass Load process. For more information, see [Using Colombian Fixed Assets Technical Appraisal Mass Load on page 6-67](#). You can also submit the Colombian Fixed Assets Technical Appraisal Validation program separately by choosing Technical Appraisals > Validate from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Validation program.

See also: [Using Standard Request Submission, Oracle Applications User Guide](#)

Program Parameters

Appraisal Number

Enter the number of the appraisal that you want to validate. Leave this parameter blank to validate all pending appraisals.

Reviewing Appraisal Statuses

After you run the Colombian Fixed Assets Technical Appraisal Validation program, use the Maintain Technical Appraisal window to review the appraisal status. The Maintain Technical Appraisal window displays appraisal statuses at both the appraisal level and asset level.

Appraisal-Level Statuses

- **Processed** - The appraisal was processed; the appraisal information cannot be modified.
- **Verified** - The appraisal was validated with no errors.
- **Error** - No record exists for an appraised asset.
- **Invalid fiscal year** - The appraisal has an invalid fiscal year.
- **Invalid currency code** - The appraisal has an invalid currency code.

Asset-Level Statuses

- **Asset number not found** - Oracle Assets did not find an asset with this asset number.
- **Negative appraised value** - A negative amount was entered for the appraisal value.
- **Verified** - The asset was appraised with no errors.

You must correct appraisals that have a status of *Error*, *Invalid fiscal year*, or *Invalid currency code*. After you correct any errors, run the Colombian Fixed Assets Technical Appraisal Validation program again. Validation is complete when the status of the appraisal is *Verified*.

Note: If you query an existing appraisal that is not yet validated, the status is *Pending* at both the appraisal level and asset level.

Accounting for Technical Appraisals

Use the Colombian Fixed Assets Technical Appraisal Revaluation program to compare the asset's current net book value to the appraisal value and record the difference, called the appraisal revaluation, in your technical appraisal accounts. The Colombian Fixed Assets Technical Appraisal Revaluation program calculates the appraisal revaluation and net revaluation for your assets and creates journal entries to record the technical appraisal transactions.

You can use the Maintain Technical Appraisals window to review the date of the last revaluation for a particular depreciation book. For more information, see Entering or Modifying Technical Appraisals on page 6-69.

To submit the Colombian Fixed Assets Technical Appraisal Revaluation program, choose Technical Appraisals > Revalue from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Revaluation program.

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

Program Parameters

Book

Enter the depreciation book that you want to use to account for the technical appraisals.

Appraisal Number

Enter the number of the appraisal that you want to process.

Accounting Logic

When an appraiser assigns an appraisal value to an asset, you must compare the asset's current net book value to the appraisal value and record the difference, called the appraisal revaluation, in your technical appraisal accounts. The appraisal revaluation is calculated based on this formula:

$$\text{Appraisal Revaluation} = \text{Appraisal Value} - \text{Inflation-Adjusted Net Book Value}$$

If the appraisal value is greater than or equal to the inflation-adjusted net book value, the asset is revalued. If the appraisal value is less than the inflation-adjusted net book value, the asset is devalued.

The net revaluation for an asset is the difference between the current appraisal revaluation and the previous appraisal revaluation. The net revaluation is calculated based on this formula:

$$\text{Net Revaluation} = \text{Current Appraisal Revaluation} - \text{Previous Appraisal Revaluation}$$

Oracle Assets creates journal entries to record the appraisal revaluation for an asset, using the natural accounts that you entered for the asset category that the asset belongs to. The Account Generator derives the complete accounting flexfield combinations for your technical appraisal journal entries by following the rules that you set up for the Asset Cost account, but replacing the natural account segment with the natural accounts that you entered for technical appraisal. For more information, see [Define Technical Appraisal Accounts on page 6-61](#).

Journal Entry Models

The journal entries to record the appraisal revaluation use different accounts depending on whether the current appraisal revaluation, previous appraisal revaluation, and net revaluation amounts are greater or less than zero.

This table shows models for journal entries when the different revaluation amounts are greater or less than zero. The journal entry models use these variables:

- **R** - The current appraisal revaluation
- **P** - The previous appraisal revaluation
- **N** - The net revaluation
- **R_p** - The inverse of the current appraisal revaluation if the current appraisal revaluation is less than zero ($R_p = -R$)
- **P_p** - The inverse of the previous appraisal revaluation if the previous appraisal revaluation is less than zero ($P_p = -P$)
- **N_p** - The inverse of the net revaluation if the net revaluation is less than zero ($N_p = -N$)

Current Appraisal Revaluation (R)	Previous Appraisal Revaluation (P)	Net Revaluation (N)	Journal Entry		
			Accounts	Debit	Credit
Current appraisal revaluation is greater than or equal to 0	Previous appraisal revaluation is greater than or equal to 0	Net revaluation is greater than or equal to 0	Technical Appraisal Revaluation Technical Appraisal Surplus	N	N
		Net revaluation is less than 0 (Np = - N)	Technical Appraisal Surplus Technical Appraisal Revaluation	Np	Np
	Previous appraisal revaluation is less than 0 (Pp = - P)		Technical Appraisal Revaluation Technical Appraisal Surplus Technical Appraisal Reserve Technical Appraisal Reserve Recovery	R Pp	R Pp
Current appraisal revaluation is less than 0 (Rp = - R)	Previous appraisal revaluation is greater than or equal to 0		Technical Appraisal Surplus Technical Appraisal Revaluation Technical Appraisal Reserve Expense Technical Appraisal Reserve	P Rp	P Rp
	Previous appraisal revaluation is less than 0	Net revaluation is greater than or equal to 0	Technical Appraisal Reserve Technical Appraisal Reserve Recovery	N	N
		Net revaluation is less than 0 (Np = - N)	Technical Appraisal Reserve Expense Technical Appraisal Reserve	Np	Np

Example for technical appraisal revaluation

This example shows the journal entries that are created for several different technical appraisals of an asset. Assume that the asset has never been appraised before and that the appraisal value and inflation-adjusted net book value at the time of each appraisal are:

Appraisal Number	Appraisal Value	Inflation-Adjusted Net Book Value
1	600	420
2	550	430
3	300	390
4	330	350
5	410	350

First appraisal:

The appraisal revaluation for the first appraisal is calculated:

$$\begin{aligned}
 \text{Appraisal Revaluation} &= \text{Appraisal Value} - \text{Inflation-Adjusted Net Book Value} \\
 &= 600 - 420 \\
 &= 180
 \end{aligned}$$

The net revaluation for the first appraisal is calculated:

$$\begin{aligned}
 \text{Net Revaluation} &= \text{Current Appraisal Revaluation} - \\
 &\quad \text{Previous Appraisal Revaluation} \\
 &= 180 - 0 \\
 &= 180
 \end{aligned}$$

The journal entry to record the first appraisal is:

Accounts	Debit	Credit
Technical Appraisal Revaluation	180.00	
Technical Appraisal Surplus		180.00

Second appraisal:

The appraisal revaluation for the second appraisal is calculated:

$$\begin{aligned} \text{Appraisal Revaluation} &= \text{Appraisal Value} - \text{Inflation-Adjusted Net Book Value} \\ &= 550 - 430 \\ &= 120 \end{aligned}$$

The net revaluation for the second appraisal is calculated:

$$\begin{aligned} \text{Net Revaluation} &= \text{Current Appraisal Revaluation} - \\ &\quad \text{Previous Appraisal Revaluation} \\ &= 120 - 180 \\ &= -60 \end{aligned}$$

The journal entry to record the second appraisal is:

Accounts	Debit	Credit
Technical Appraisal Surplus	60.00	
Technical Appraisal Revaluation		60.00

Third appraisal:

The appraisal revaluation for the third appraisal is calculated:

$$\begin{aligned} \text{Appraisal Revaluation} &= \text{Appraisal Value} - \text{Inflation-Adjusted Net Book Value} \\ &= 300 - 390 \\ &= -90 \end{aligned}$$

The net revaluation for the third appraisal is calculated:

$$\begin{aligned} \text{Net Revaluation} &= \text{Current Appraisal Revaluation} - \\ &\quad \text{Previous Appraisal Revaluation} \\ &= -90 - 120 \\ &= -210 \end{aligned}$$

The journal entry to record the third appraisal is:

Accounts	Debit	Credit
Technical Appraisal Surplus	120.00	
Technical Appraisal Revaluation	120.00	
Technical Appraisal Reserve Expense	90.00	
Technical Appraisal Reserve	90.00	

Fourth appraisal:

The appraisal revaluation for the fourth appraisal is calculated:

$$\begin{aligned} \text{Appraisal Revaluation} &= \text{Appraisal Value} - \text{Inflation-Adjusted Net Book Value} \\ &= 330 - 350 \\ &= -20 \end{aligned}$$

The net revaluation for the fourth appraisal is calculated:

$$\begin{aligned} \text{Net Revaluation} &= \text{Current Appraisal Revaluation} - \\ &\quad \text{Previous Appraisal Revaluation} \\ &= -20 - (-90) \\ &= 70 \end{aligned}$$

The journal entry to record the fourth appraisal is:

Accounts	Debit	Credit
Technical Appraisal Reserve	70.00	
Technical Appraisal Reserve Recovery		70.00

Fifth appraisal:

The appraisal revaluation for the fifth appraisal is calculated:

$$\begin{aligned}
 \text{Appraisal Revaluation} &= \text{Appraisal Value} - \text{Inflation-Adjusted Net Book Value} \\
 &= 410 - 350 \\
 &= 60
 \end{aligned}$$

The net revaluation for the fifth appraisal is calculated:

$$\begin{aligned}
 \text{Net Revaluation} &= \text{Current Appraisal Revaluation} - \\
 &\quad \text{Previous Appraisal Revaluation} \\
 &= 60 - (-20) \\
 &= 80
 \end{aligned}$$

The journal entry to record the fifth appraisal is:

Accounts	Debit	Credit
Technical Appraisal Reserve	20.00	
Technical Appraisal Reserve Recovery		20.00
Technical Appraisal Revaluation	60.00	
Technical Appraisal Surplus		60.00

Transferring Technical Appraisal Account Balances

Use the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program to transfer or retire technical appraisal account balances when an asset is reclassified, transferred, or retired.

The Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program is also used for inflation adjustment in Oracle Assets for Colombia. When you run the Colombian Fixed Assets Generate Inflation Adjustment Journal Entries program, Oracle Assets for Colombia generates both inflation adjustment and technical appraisal journal entries. You only need to run the process once each period.

For more information, see Generating Inflation Adjustment Journal Entries on page 6-35.

Transferring Technical Appraisal Journal Entries to General Ledger

Use the Colombian Fixed Assets Transfer to General Ledger process to transfer technical appraisal journal entries to General Ledger. You transfer journal entries separately for each depreciation book.

The Colombian Fixed Assets Transfer to General Ledger process is also used for inflation adjustment in Oracle Assets for Colombia. When you run the Colombian Fixed Assets Transfer to General Ledger process, Oracle Assets for Colombia transfers both inflation adjustment and technical appraisal journal entries. You only need to run the process once each period. Ensure that you complete any inflation adjustment and depreciation procedures before you transfer technical appraisal journal entries.

For more information, see Transferring Inflation Adjustment Journal Entries to General Ledger on page 6-37.

Archiving, Purging, and Restoring Technical Appraisals

Use the Colombian Fixed Assets Technical Appraisal Purging program to archive and purge technical appraisal information supplied by appraisers in order to release disk space for current data. The Colombian Fixed Assets Technical Appraisal Purging program purges technical appraisal data for the fiscal year you specify.

If you do not need to access technical appraisal data for previous fiscal years, you can copy the data onto tape or any storage device, and then delete it from your system. If you later need these records online, you can restore them into Oracle Assets.

Archiving technical appraisal information for a fiscal year copies technical appraisal information for that year to an archive table.

Purging technical appraisal information removes rows from technical appraisal tables after the rows have been archived. You can purge technical appraisal transaction information for previous fiscal years as well as for the current year. You must purge fiscal years in chronological order. Before you purge a fiscal year, you must archive and purge all earlier fiscal years. You must also archive technical appraisal information for a fiscal year before purging the information for that fiscal year.

Restoring technical appraisal information for a fiscal year reloads technical appraisal information for that fiscal year from a storage device into Oracle Assets. You can only restore the most recently purged fiscal year, so you must restore fiscal years in reverse chronological order.

To submit the Colombian Fixed Assets Technical Appraisal Purging program, choose Purge > Technical Appraisals from the Colombian Localization menu. Use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Purging program.

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

Program Parameters

Fiscal Year

Enter the fiscal year that you want to process.

Option

Enter the option that you want to perform. Valid values are:

- Archive
- Delete
- Restore

Delete Unprocessed Appraisals

Enter *Yes* or *No* to indicate if you want to delete unprocessed appraisals or not. The default is *No*.

Performing the Archive, Purge, and Restore Procedure

There are several steps to archive, purge, and restore a fiscal year. Some of these steps you can do within Oracle Assets for Colombia. Others you should ask your Database Administrator to perform.

To archive and purge a fiscal year:

1. Archive and purge all earlier fiscal years.
2. Run the Colombian Fixed Assets Technical Appraisal Purging program with the Archive option (Fixed Assets Administrator).
3. Export temporary archive tables to a storage device (Database Administrator).
4. Run the Colombian Fixed Assets Technical Appraisal Purging program with the Delete option (Fixed Assets Administrator).
5. Drop temporary archive tables (Database Administrator).
6. Export current data from tables from which you purged (Database Administrator).
7. Drop tables from which you purged (Database Administrator).
8. Recreate tables from which you purged (Database Administrator).
9. Import current data into tables from which you purged (Database Administrator).
10. Verify tables and indexes (Database Administrator).

If you later need the inflation adjustment information online, you can restore the data.

To restore a fiscal year:

1. Restore all later fiscal years.
2. Import temporary archive tables from storage device (Database Administrator).
3. Run the Colombian Fixed Assets Technical Appraisal Purging program with the Restore option (Fixed Assets Administrator).

Archiving Data

When you run the Archive option, Oracle Assets for Colombia assigns a reference number to the archive. The Colombian Fixed Assets Technical Appraisal Purging program copies the inflation adjustment data to two temporary tables:

- JL_CO_FA_APPRAISALS_<Archive_Number>
- JL_CO_FA_ASSET_APPRS_<Archive_Number>

You can export the temporary archive tables onto tape or any storage device. If you need these records again, you can restore the records. You must archive records before you can purge them, and Oracle Assets for Colombia prevents you from running the Purge option if these tables do not exist. You should not drop these tables until after you have exported the tables and run the Delete option.

The Colombian Fixed Assets Technical Appraisal Purging program archives rows from the tables JL_CO_FA_APPRAISALS and JL_CO_FA_ASSET_APPRS. You can determine approximately how many rows the Colombian Fixed Assets Technical Appraisal Purging program will archive for a fiscal year from the table JL_CO_FA_APPRAISALS by using this SQL script:

```
select count(APPRAISAL_ID)
  from JL_CO_FA_APPRAISALS
 where
  FISCAL_YEAR = Fiscal Year To Archive Or Delete;
```

You can determine approximately how many rows the Colombian Fixed Assets Technical Appraisal Purging program will archive for a fiscal year from the table JL_CO_FA_ASSET_APPRS by using this SQL script:

```
select count(ASS.ASSET_NUMBER)
  from JL_CO_FA_ASSET_APPRS ASS,
       JL_CO_FA_APPRAISALS APP
 where
  APP.FISCAL_YEAR = Fiscal Year To Archive Or Delete and
  ASS.APPRAISAL_ID = APP.APPRAISAL_ID;
```

Purging Data

Oracle Assets for Colombia prevents you from running the Delete option if the temporary archive table from the archive transaction does not exist. Since the archive number is part of the temporary table name, Oracle Assets for Colombia purges only the records that were archived during the archive you specify.

After you purge your database, contact your Database Administrator to export, drop, and recreate the tables from which you purged data. By recreating these objects, you can reduce the memory each object occupies in your tablespace and perhaps increase the performance of your system.

Restoring Data

To restore records that you have purged from Oracle Assets for Colombia, you must first import the tables from your archive and then perform the restoration. You do not need to archive the records before you purge the records again.

Since the archive number is part of the temporary table name, Oracle Assets for Colombia restores only the records that were archived during the archive you specify.

Controlling Your Archive

Use this table to determine the next possible action you can perform at different stages of the purging procedure.

Status	Definition	Possible Action
New	Newly created archive definition	Archive
Archived	Archive completed successfully	Delete
Purged	Purge completed successfully	Restore
Restored	Restoration completed successfully	Delete

Colombian Fixed Assets Technical Appraisal Additions Report

Colombian Corporation		Colombian Fixed Assets Technical Appraisal Additions Report	Report Date: 29-FEB-2000 19:04 Page: 1 of 1
Appraisal Number:	626		
Appraiser Name:	Appraisals Inc.		
Appraiser Address:	Las Condes 1980, , Bogota		
Appraisal Date:	29-FEB-2000		
Fiscal Year:	1999		
Currency Code:	COP		
Appraisal Status:	Verified		
Total Number of Assets for this Appraisal: 4			
Summary of Record Status:			
Number of Records with Status Asset Number Not Found:	0		
Number of Records with Status Pending:	0		
Number of Records with Status Negative Appraised Value:	0		
Number of Records with Status Verified:	4		
Asset Number	Description	Tag Number	Appraisal Value Asset Status
100071	LAND		90,000,000.00 Verified
100072	OFFICE BUILDING		250,000,000.00 Verified
100075	LEASED VEHICLE		2,500,000.00 Verified
100080	AIR CONDITION		7,500,000.00 Verified

			350,000,000.00
			=====
*** End of Report ***			

Use the Colombian Fixed Assets Technical Appraisal Additions report to verify the technical appraisal data that was added in Oracle Assets.

Oracle Assets runs the Colombian Fixed Assets Technical Appraisal Additions report automatically after you run the Colombian Fixed Assets Technical Appraisal Mass Load process. For more information, see [Using Colombian Fixed Assets Technical Appraisal Mass Load](#) on page 6-67.

You can also use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Additions report.

See also: [Using Standard Request Submission, Oracle Applications User Guide](#)

Report Parameters

Appraisal Number

Enter the appraisal identification number.

All Rows

Enter *Yes* to view all rows of the appraisal. Enter *No* to view only those rows with an error status. The default for this parameter is *Yes*.

Report Headings

In this heading...	Oracle Assets prints...
<Company Name>	The company name
<Report Title>	Colombian Fixed Assets Technical Appraisal Additions Report
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report
Appraisal Number	The appraisal identification number
Appraiser Name	The appraiser's name
Appraiser Address	The address, phone number, and city of the appraiser
Appraisal Date	The date that the appraisal was entered in Oracle Assets
Fiscal Year	The fiscal year in which the appraisal is applied
Currency Code	The currency code for values used in the appraisal
Appraisal Status	The appraisal status
Total Number of Assets for this Appraisal	The total number of assets included in the appraisal
<Section Title>	Summary of Record Status
Number of Records with Status Asset Number Not Found	The number of records with a status of <i>Asset Number Not Found</i>
Number of Records with Status Pending	The number of records with a status of <i>Pending</i>
Number of Records with Status Negative Appraised Value	The number of records with a status of <i>Negative Appraised Value</i>
Number of Records with Status Verified	The number of records with a status of <i>Verified</i>

Column Headings

In this column...	Oracle Assets prints...
Asset Number	The asset number
Description	The asset description
Tag Number	The asset tag number
Appraisal Value	The asset value calculated by the appraiser
Asset Status	The status of the appraisal for this asset

Colombian Fixed Assets Technical Appraisal Revaluation Report

Colombian Corporation Book: CO ADJUSTED		Colombian Fixed Assets Technical Appraisal Revaluation Report					Report Date: 29-FEB-2001 19:04
Asset Number / Description	Appraisal Number	Appraisal Date	Inflation	Adjusted Net Book Value	Appraisal Revaluation	Previous Revaluation	Net Revaluation
Asset Category : Computer.Administration							
102485 / Dell Optilex	624	03-FEB-2000	3,600.00	3,300.00	300.00	<620.00>	920.00
		Category Totals :	3,600.00	3,300.00	300.00	<620.00>	920.00
Asset Category : Vehicle.Owned Luxury							
102487 / Ford Mondeo	624	03-FEB-2000	19,023.00	17,415.33	1,607.67	<49.00>	1,656.67
		Category Totals :	19,023.00	17,415.33	1,607.67	<49.00>	1,656.67
		Report Totals :	22,623.00	20,715.33	1,907.67	<669.00>	2,576.67
***** End of Report *****							

Use the Colombian Fixed Assets Technical Appraisal Revaluation report to review the asset revaluation for assets in a particular depreciation book in the current period. The report shows subtotals at the asset category, revaluation account, balancing segment, and depreciation book levels.

Use the Standard Request Submission windows to submit the Colombian Fixed Assets Technical Appraisal Revaluation report.

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

Report Parameters

Book

Enter the depreciation book that you want to include on the report.

Category

Enter the asset category that you want to include on the report. Leave this parameter blank to include all asset categories.

Report Headings

In this heading...	Oracle Assets prints...
<Company Name>	The company name
Book	The depreciation book
Report Title	Colombian Fixed Assets Technical Appraisal Revaluation Report
Report Date	The date and time that you ran the report
Page	The current and total page numbers of the report
Asset Category	The asset category

Column Headings

In this column...	Oracle Assets prints...
Asset Number	The asset number
Description	The asset description
Appraisal Number	The identification number of the asset's last technical appraisal
Appraisal Date	The date of the asset's last technical appraisal
Appraisal Value	The value of the asset's last technical appraisal
Inflation Adjusted Net Book Value	The asset's net book value, including inflation adjustments
Appraisal Valuation	The asset's valuation originated by the last technical appraisal
Previous Valuation	The asset's valuation originated by the technical appraisal prior to the last technical appraisal
Net Valuation	The net valuation originated by the last technical appraisal

Row Headings

In this row...	Oracle Assets prints...
Asset Category	The asset category
Category <Name> Totals	The totals for the asset category
Report Totals	The totals for the report

A

Standard Navigation Paths

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

Standard Navigation Paths

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

Window Name	Navigation Path
Accounts	Colombian General Ledger: Colombian Localization > Setup > Define Literals > Accounts
Company Withholding Applicability	Colombian Payables: Colombian Localization > Setup > Withholding Taxes > Company Applicability
Customer Site Profile	Colombian Receivables: Colombian Localizations > Setup > Latin Tax > Customer Site Profile
Define Third Parties	Colombian General Ledger: Colombian Localization > Setup > Define Third Parties
Invoice Distribution Withholdings	Colombian Payables: Oracle Payables > Invoices > Entry > Invoices > Distributions > Tools > Invoice Distribution Withholding
Literals	Colombian General Ledger: Colombian Localization > Setup > Define Literals
Maintain Technical Appraisals	Colombian Assets: Colombian Localization > Technical Appraisals > Maintain
Supplier Withholding Applicability	Colombian Payables: Colombian Localization > Setup > Withholding Taxes > Supplier Applicability
Supplier Withholding Tax Codes	Colombian Payables: Colombian Localization > Setup > Withholding Taxes > Supplier Applicability > Withholding Tax Codes
Third Party Control Accounts	Colombian General Ledger: Colombian Localization > Setup > Control Accounts
Withholding Tax Types	Colombian Payables: Colombian Localization > Setup > Withholding Taxes > Withholding Tax Types

B

Using Globalization Flexfields

This appendix describes how to use globalization flexfields.

Using Globalization Flexfields

Oracle Financials for Colombia uses globalization flexfields that let you enter country-specific information in Oracle General Ledger, Oracle Payables, Oracle Inventory, Oracle Receivables, and Oracle Assets. 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 General Ledger

- Journals

Oracle Payables

- Banks
- Distributions
- Invoice Gateway
- Location
- Supplier Sites
- Suppliers
- Tax Codes

Oracle Inventory

- Organization Items

Oracle Receivables

- Banks
- Customer Addresses
- Customers - Standard
- Customers - Quick
- Lines
- System Options

Oracle Assets

- Asset Categories
- Asset Details
- Book Controls
- Books
- Mass Additions
- QuickAdditions

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 like this. Click in the globalization flexfield to display the flexfield window.

C

Examples of Withholding Tax Setup

This section provides withholding tax examples to help you set up Oracle Payables to comply with Colombian tax withholding requirements.

Setting Up Colombian Withholding Tax

Use this checklist to help you complete the appropriate steps to set up withholding tax for Colombia. For more information about setting up withholding tax in Colombia, see [Setting Up Withholding Tax](#) on page 3-18.

- 1 Define Payables Options, [on page C-3](#)
- 2 Define Cities, [on page C-4](#)
- 3 Define Locations, [on page C-5](#)
- 4 Define Tax Authority Categories, [on page C-7](#)
- 5 Define Tax Authorities, [on page C-8](#)
- 6 Define Withholding tax Types, [on page C-9](#)
- 7 Define Withholding Tax Codes, [on page C-11](#)
- 8 Company Withholding Applicability, [on page C-18](#)
- 9 Supplier Withholding Applicability, [on page C-19](#)

Define Payables Options

For Colombia withholding tax, you need to set the options in the Withholding Tax alternate name region in the Payables Options window. For more information, see Define Payables Options on page 3-20.

Define Cities

Set up all cities as required. For more information see Define Lookup Codes on page 3-24. This table includes examples of three cities:

Code	Meaning	Effective Date
CALI	Cali	01-DEC-2000
MED	Medellin	01-DEC-2000
BOG	Bogota	01-DEC-2000

Define Locations

Set up all locations as required. For more information see Define Locations on page 3-26. These tables include examples of a primary location and two other locations:

Primary Location:

In this field...	Enter these details...
Name	ORACLE COLOMBIA
Address Style	Colombia
Address Line 1	CALLE 100 7 A 81
Address Line 2	PISO 3
City	Bogota
State	Distrito Capital
Postal Code	2390
Site Check Boxes	Check all

Other Location 1:

In this field...	Enter these details...
Name	Sucursal #1
Address Style	Colombia
Address Line 1	Avenida 6 # 20 N 36
Address Line 2	Local 1
City	Cali
State	Valle del Cauca
Postal Code	2391
Site Check Boxes	Check all

Other Location 2:

In this field...	Enter these details...
Name	Sucursal # 2
Address Style	Colombia
Address Line 1	La Playa con Junin
Address Line 2	
City	Medellin
State	Antioquia
Postal Code	2392
Site Check Boxes	<input checked="" type="checkbox"/> Check all

Define Tax Authority Categories

Set up tax authority categories as required. For more information see Defining Tax Authority Category Lookup Codes on page 3-25. This table gives examples of nine categories:

Code	Meaning	Effective Date
101	Services	01-DEC-2000
102	Purchases	01-DEC-2000
103	Fees	01-DEC-2000
104	Interest, Commissions, Fees	01-DEC-2000
105	Technical Services	01-DEC-2000
106	Movies Exploitation	01-DEC-2000
107	Software Exploitation	01-DEC-2000
108	Other Payments	01-DEC-2000
109	General	01-DEC-2000

Define Tax Authorities

Create a distinct tax authority supplier for each jurisdiction.

For example: DIAN, TA Cali.

For more information see Define Suppliers and Supplier Sites on page 3-21.

Define Withholding Tax Types

Set up withholding types for Income tax, VAT, Remittance tax, Industry and Trade tax (for each city that levies tax) and Stamp tax. For more information see Define Tax Withholding Types on page 3-29 .

The attributes that are documented in these tables for each tax are intended to reflect the actual attributes except for the minimum withheld amount attribute which is set up for two of the taxes for example purposes.

In this field...	Enter these details...	Enter these details...	Enter these details...	Enter these details...
Code	INC	VAT	ITT_CALI	ITT_MED
Description	Income tax withholding	VAT withholding	ITT withholding - Cali	ITT withholding - Medellin
Applicable to Foreign Suppliers	Yes	Yes	Yes	Yes
Jurisdiction Type	Federal	Federal	Municipal	Municipal
Taxable Amount Basis	Invoice	Invoice	Invoice	Invoice
Minimum Taxable Base Amount Level	Category	Category	Category	Category
Minimum Withheld Amount Level	Not applicable	Not applicable	Not applicable	Type
Minimum Amount				50
Tax Authority	DIAN	DIAN	TA Cali	TA Medellin
Certificate Header	Certificado de Retención en la fuente de Renta	Certificado de Retención en la fuente de IVA	Certificado de Retención en la fuente de Impuesto de Industria y Comercio - Cali	Certificado de Retención en la fuente de Impuesto de Industria y Comercio - Medellin
City			Cali	Medellin
User-Defined Formula	No	No	No	No

Define Withholding Tax Types

In this field...	Enter these details...	Enter these details...	Enter these details...
Code	ITT_BOG	REM	STA
Description	ITT withholding - Bogota	Remittance tax withholding	Stamp tax withholding
Applicable to Foreign Suppliers	Yes	Yes	Yes
Jurisdiction Type	Municipal	Federal	Federal
Taxable Amount Basis	Invoice	Invoice	Invoice
Minimum Taxable Base Amount Level	Category	Not applicable	Not applicable
Minimum Withheld Amount Level	Category	Not applicable	Not applicable
Minimum Amount			
Tax Authority	TA Bogota	DIAN	DIAN
Certificate Header	Certificado de Retención en la fuente de Impuesto de Industria y Comercio - Bogota	Certificado de Retención en la fuente de Remesas	Certificado de Retención en la fuente de Timbre
City	Bogota		
User-Defined Formula	No	Yes	No

Define Withholding Tax Codes

Set up withholding names for the withholding tax types. For more information see Define Tax Codes and Rates on page 3-32.

The attributes that are set up in these tables for each tax code are intended to largely reflect the actual attributes.

Withholding Tax Code	Description	Period Basis	Rate
INC_SERV	Income - Services	Invoice	4
INC_PURCH	Income - Purchases	Invoice	4
INC_FEES	Income - Fees	Invoice	10
VAT_SERV_DOM	VAT - Services- Domestic	Invoice	8
VAT_PURCH_DOM	VAT - Purchases - Domestic	Invoice	8
VAT_SERV_FOR	VAT - Service-Foreign	Invoice	16
ITT_BOG_SERV	Industry and Trade - Bogota - Services	Invoice	1
ITT_BOG_PURCH	Industry and Trade - Bogota - Purchases	Invoice	5
ITT_MEDN_SERV	Industry and Trade - Medellin - Services	Invoice	2
ITT_MEDN_PURCH	Industry and Trade - Medellin - Purchases	Invoice	1
ITT_CALI_SERV	Industry and Trade - Cali - Services	Invoice	5
ITT_CALI_PURCH	Industry and Trade - Cali - Purchases	Invoice	10
REM_INTER	Remittance - Interest, Commissions, Fees	Invoice	7
REM_TECHN	Remittance - Technical Services	Invoice	10
REM_MOVIE	Remittance - Movies Exploitation	Invoice	7
REM_SOFTW	Remittance - Software Exploitation	Invoice	7
REM_OTHER	Remittance - Other Payments	Invoice	1
STA_0.50%	Stamp - 0.50%	Invoice	0.50

Define Withholding Tax Codes

In this field...	Enter this for INC_SERV...	Enter this for INC_PURCH...	Enter this for INC_FEES...
Withholding Type	INC	INC	INC
Tax Authority Category	Services	Purchases	Fees
Foreign Rate Indicator	Yes	Yes	Yes
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No
Minimum Taxable Base Amount	41	210	0
Minimum Withheld Amount			
Income Tax Rate			
First Tax Type			
Second Tax Type			
Municipal Tax Type			
Reduction Percentage			
Reported Tax Rate			

In this field...	Enter this for VAT_SERV_DOM...	Enter this for VAT_PURCH_DOM...	Enter this for VAT_SERV_FOR...
Withholding Type	VAT	VAT	VAT
Tax Authority Category	Services	Purchases	Services
Foreign Rate Indicator	No	No	Yes
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No
Minimum Taxable Base Amount	1810	260	0
Minimum Withheld Amount			
Income Tax Rate			
First Tax Type			
Second Tax Type			
Municipal Tax Type			
Reduction Percentage			
Reported Tax Rate	50%	50%	100%

Define Withholding Tax Codes

In this field...	Enter this for ITT_BOG_SERV...	Enter this for ITT_BOG_PURCH...	Enter this for ITT_MEDN_SERV...
Withholding Type	ITT_BOG	ITT_BOG	ITT_MED
Tax Authority Category	Services	Purchases	Services
Foreign Rate Indicator	Yes	Yes	Yes
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No
Minimum Taxable Base Amount	41	210	50
Minimum Withheld Amount	20	30	
Income Tax Rate			
First Tax Type			
Second Tax Type			
Municipal Tax Type			
Reduction Percentage			
Reported Tax Rate			

In this field...	Enter this for ITT_MEDN_PURCH...	Enter this for ITT_CALI_SERV...	Enter this for ITT_CALI_PURCH...
Withholding Type	ITT_MED	ITT_CALI	ITT_CALI
Tax Authority Category	Purchases	Services	Purchases
Foreign Rate Indicator	No	No	Yes
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Misc. Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	Yes	No
Minimum Taxable Base Amount	100	41	41
Minimum Withheld Amount			
Income Tax Rate			
First Tax Type			
Second Tax Type			
Municipal Tax Type			
Reduction Percentage			
Reported Tax Rate			

Define Withholding Tax Codes

In this field...	Enter this for REM_INTER...	Enter this for REM_TECHN...	Enter this for REM_MOVIE...
Withholding Type	REM	REM	REM
Tax Authority Category	Interest, Commissions, Fees	Technical Services	Movies Exploitation
Foreign Rate Indicator	Yes	Yes	Yes
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No
Minimum Taxable Base Amount			
Minimum Withheld Amount			
Income Tax Rate	35	0	35
First Tax Type	VAT	STA	VAT
Second Tax Type	STA		STA
Municipal Tax Type	Yes	No	Yes
Reduction Percentage	0	0	60
Reported Tax Rate			

In this field...	Enter this for REM_SOFTW...	Enter this for REM_OTHER...	Enter this for STA_0.50%...
Withholding Type	REM	REM	STA
Tax Authority Category	Software Exploitation	Other Payments	General
Foreign Rate Indicator	Yes	Yes	Yes
Item Line Type Applicability	Yes	Yes	Yes
Freight Line Type Applicability	Yes	Yes	Yes
Miscellaneous Line Type Applicability	Yes	Yes	Yes
Tax Line Type Applicability	No	No	No
Minimum Taxable Base Amount			
Minimum Withheld Amount			
Income Tax Rate	35	0	
First Tax Type	VAT	STA	
Second Tax Type	STA		
Municipal Tax Type	Yes	No	
Reduction Percentage	80	0	
Reported Tax Rate			

Company Withholding Applicability

Associate all withholding type codes that the company is a withholding agent for by using the primary location. For more information see Define Your Withholding Applicability on page 3-36. In this example the primary location is ORACLE COLOMBIA.

Associate the Withholding Types to the city where the payment is made.

Withholding Type Code	Withholding Agent Indicator	Payment City
INC	Yes	Bogota
VAT	Yes	Bogota
ITT_CALI	Yes	Cali
ITT_MED	Yes	Medellin
ITT_BOG	Yes	Bogota
REM	Yes	Bogota
STA	Yes	Bogota

Supplier Withholding Applicability

Associate the withholding types that each supplier is subject to the withholding tax from the buyer for. For more information see Define Your Supplier's Withholding Applicability on page 3-38. For this example, two suppliers are set up and the details are:

Supplier Number	Name	Taxpayer ID
800036440	Seguros Aurora	800036440
860512333	Servientrega	860512333

Withholding Tax Type	Seguros Aurora	Withholding Tax Type	Servientrega
INC	Yes	INC	Yes
VAT	Yes	VAT	Yes
ITT_CALI	Yes	ITT_CALI	Yes
ITT_MED	Yes	ITT_MED	
ITT_BOG	Yes	ITT_BOG	Yes
REM	Yes	REM	Yes
STA	Yes	STA	Yes

Associate Tax Codes within each Withholding Tax Type that applies.

Select the Primary tax code.

Seguros Aurora

Withholding Tax Code	Associate	Primary
INC_SERV	Yes	Yes
INC_PURCH	Yes	
INC_FEES	Yes	
VAT_SERV_DOM	Yes	Yes
VAT_PURCH_DOM	Yes	
VAT_SERV_FOR		
ITT_BOG_SERV	Yes	Yes
ITT_BOG_PURCH	Yes	
ITT_MEDN_SERV	Yes	Yes
ITT_MEDN_PURCH	Yes	
ITT_CALI_SERV	Yes	Yes
ITT_CALI_PURCH	Yes	
REM_INTER	Yes	Yes
REM_TECHN	Yes	
REM_MOVIE		
REM_SOFTW	Yes	
REM_OTHER		
STA_0.50%	Yes	Yes

Servientrega

Withholding Tax Code	Associate	Primary
INC_SERV		
INC_PURCH	Yes	Yes
INC_FEES		
VAT_SERV_DOM		
VAT_PURCH_DOM	Yes	Yes
VAT_SERV_FOR		
ITT_BOG_SERV		
ITT_BOG_PURCH	Yes	Yes
ITT_MEDN_SERV		
ITT_MEDN_PURCH		
ITT_CALI_SERV		
ITT_CALI_PURCH	Yes	Yes
REM_INTER		
REM_TECHN	Yes	Yes
REM_MOVIE		
REM_SOFTW	Yes	
REM_OTHER		
STA_0.50%		

Examples

Examples of two invoices are illustrated.

The first example has two ship to locations; the second example has a second supplier (taxpayer ID) associated with it.

The withholding calculation formulas are based on the withholding type and withholding name attributes. Please refer to the main section of the user documentation for further details.

Invoice 1: Supplier 800036440

Item line 1	10,000	Ship to location: ORACLE COLOMBIA
Item line 2	5,000	Ship to location: Sucursal #1
VAT	2,400	
Total	17,400	

Invoice 2: Supplier 800036440

Item line 1	5,000	Ship to location: Sucursal #1
Item line 2	20,000	Ship to location: Sucursal # 1 Taxpayer ID: 860512333
VAT	4,000	
Total	29,000	

Invoice Number	Line Number	Default Tax Codes	Final Tax Codes	Calculations
1	1	INC_SERV	INC_SERV	$10000 * 4\% = 400$
		VAT_SERV_DOM	VAT_SERV_DOM	$(10000 + 5000) * 8\% = 1200$
		ITT_BOG_SERV	ITT_BOG_SERV	$10000 * 1\% = 100$
		REM_INTER	REM_INTER	$(15000 - ((15000 * 0.35) + (1200+100+250+50))) * 7\% = 570.50$
		STA_0.50%	STA_0.50%	$10000 * 0.5\% = 50$
	2	INC_SERV *	INC_PURCH	$5000 * 4\% = 200$
2	1	VAT_SERV_DOM	VAT_SERV_DOM	
		ITT_CALI_SERV	ITT_CALI_SERV	$5000 * 5\% = 250$
		REM_INTER	REM_INTER	
		STA_0.50% **		
		INC_SERV	INC_SERV	$5000 * 4\% = 200$
	2	VAT_SERV_DOM	VAT_SERV_DOM	$5000 * 8\% = 400$
		ITT_CALI_SERV	ITT_CALI_SERV	$5000 * 5\% = 250$
		REM_INTER	REM_INTER	$(5000 - ((5000 * 0.35) + (400+250+25))) * 7\% = 180.25$
		STA_0.50%	STA_0.50%	$5000 * 0.5\% = 25$
		INC_PURCH	INC_PURCH	$20000 * 4\% = 800$
		VAT_PURCH_DOM	VAT_PURCH_DOM	$20000 * 8\% = 1600$
		ITT_CALI_PURCH	ITT_CALI_PURCH	$20000 * 10\% = 2000$
		REM_TECHN ***	REM_SOFTW	$((20000) - ((20000 * 0.35) + (1600 + 2000))) * 0.8 * 7\% = 526.40$

* Change the default tax code INC_SERV to INC_PURCH

** Delete default tax code STA_0.50%

*** Change default tax code REM_TECHN to REM_SOFTW

The withholding calculations are done as part of the invoice approval process. After this process, these two invoices have these distribution lines:

Invoice 1

Item	10,000.00
Item	5,000.00
VAT	2,400.00
INC_SERV	<400.00>
VAT_SERV_DOM	<1,200.00>
ITT_BOG_SERV	<100.00>
REM_INTER	<570.50>
STA_0.50%	<50.00>
INC_PURCH	<200.00>
ITT_CALI_SERV	<250.00>

Payment to the supplier 800036440 is $17,400 - 2,770.50 = 14,629.50$

Invoice 2

Item	20,000.00
Item	5,000.00
VAT	4,000.00
INC_SERV	<200.00> associated with 800036440
VAT_SERV_DOM	<400.00> associated with 800036440
ITT_CALI_SERV	<250.00> associated with 800036440
REM_INTER	<180.25> associated with 800036440
STA_0.50%	<25.00> associated with 800036440
INC_PURCH	<800.00> associated with 860512333
VAT_PURCH_DOM	<1,600.00> associated with 860512333
ITT_CALI_PURCH	<2,000.00> associated with 860512333
REM_SOFTW	<526.40> associated with 860512333

Payment to the supplier 800036440 is $29,000 - 5,981.65 = 23,018.35$

Glossary

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.

DANE

The Departamento Nacional de Estadística (DANE) is the National Statistics Department in Colombia.

DIAN

The Dirección de Impuestos y Aduanas Nacionales (DIAN) is the National Tax and Customs Department in Colombia. DIAN is the government entity that regulates tax and customs in Colombia.

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 Cost

The historical cost of an asset is the total value of all investments and expenditures required to place the asset in service, such as engineering, supervision, taxes, interest, and exchange difference adjustments. The historical cost increases with all additions, enhancements, and repairs that significantly increase the asset amount, quality, or life. Inflation adjustment amounts are not included in the historical cost.

Income Concept

For income tax purposes, the government categorizes all income-generating activities in major groups called income concepts. The calculation of income tax varies by income concept. It is possible for a company to generate income from different activities. For example, a company can both license software and offer consulting services. The government establishes self-withholding rates, minimum thresholds, and effective dates for each income concept.

Income Tax

Income tax is a national tax that individuals and legal entities pay for income obtained during the year.

Income Tax Self-Withholding

Some companies must account for a self-withholding as a prepayment for their own income tax. This amount is accrued per invoice and remitted to the government. The calculation of the amount self-withheld depends on the kind of goods or services billed. If a company is an income tax self-withholder, the company can print language on its invoices to prevent its customers from erroneously withholding income tax on behalf of the company.

Income Tax Withholding

Some customers must account for withholding as prepayment of the company's income tax. This amount is accrued per invoice and paid monthly to the government. The withheld amount reduces the payment to the company. Large companies are usually responsible for income tax withholding.

Index Values

An index value represents the price level for the period that the value applies to in relation to a fixed base level. Index values are used to calculate the correction factor that represents the inflation rate in the inflation adjustment process.

Industry and Trade Tax

Industry and Trade tax is a municipal tax. The rate depends on the economic activity, such as industrial, commercial, or service, as well as the location of the company.

Inflation Start Date

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.

Minimum Taxable Base Amount

The minimum taxable base amount is the minimum value that is compared to the taxable base amount to determine if withholdings should be calculated. If the sum of all the document distribution lines with the same concept and taxpayer ID meets or exceeds the minimum taxable base amount, withholding amounts are calculated.

Minimum Withheld Amount

The minimum withheld amount is the figure that is compared to the calculated withholdings to determine whether to proceed with the withholding. The figure can be held at either tax code level or withholding type level.

Monetary Correction Account

A monetary correction account, also known as a revaluation reserve account, is a gain or loss account used to offset inflation adjustments for your assets. The balance of this account shows the net gain or loss from inflation adjustment journal entries.

Net Book Value

The net book value is the value of an asset at the end of the period, after all inflation adjustment and revaluation amounts are added and accumulated depreciation is deducted. The inflation-adjusted net book value is equal to the inflation-adjusted recoverable cost minus the inflation-adjusted depreciation.

PAAG

The Porcentaje De Ajuste Del Ano Gravable (PAAG) is the inflation rate percentage listing used to find consumer price index values in Colombia. The PAAG percentage is published monthly by the National Statistics Department (DANE).

Price Index

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 particular period. The index values for other periods represent the cost levels for those periods as proportions of the base value. The difference between the index value for a certain period and the base value represents the inflation rate between that period and the base period.

The Consumer Price Index (CPI) measures the cost of goods and services bought by a typical consumer. The Producer Price Index (PPI) measures the cost of goods and services bought by companies. In Colombia, the Porcentaje De Ajuste Del Año Gravable (PAAG) is usually used to find consumer price index values, but other indexes, such as the indexes provided for real estate by the Colombian Construction Chamber, may be used where appropriate.

Reexpression Coefficient

The reexpression coefficient (revaluation rate or correction factor) is the factor used to adjust cost and accumulated amounts for inflation. Historical amounts are multiplied by the reexpression coefficient to calculate the inflation-adjusted amounts.

Remittance Tax

Remittance tax is a federal tax that is charged on documents such as invoices from foreign suppliers. The calculation method varies by concept.

Stamp Tax

A stamp tax is a federal tax applied to documents such as invoices. The customer and the supplier usually share the cost of the tax and negotiate who pays what percentage of the standard tax rate.

Taxable Base Amount

The taxable base amount is established based on the sum of all document distribution line amounts by tax code and taxpayer ID.

Taxpayer ID

The Numero de Identificación Tributaria (NIT), or taxpayer ID, is a tax identification number assigned to individuals and legal entities, such as societies, companies, and partnerships that are taxpayers registered in the Unique Tributary Register (Registro Unico Tributario) in the National Tax and Custom department (DIAN).

VAT

Value Added Tax (VAT) is a tax on the supply of goods and services paid and recovered at each stage of the production and distribution chain. The collection and payment of VAT amounts is usually reported quarterly and is not included in the revenue or expense of a company. VAT paid on a supplier invoice is referred to as input tax.

VAT Regime

VAT regime is a company attribute that is used to indicate how VAT should be calculated. In the common regime, VAT is charged on each issued invoice. In the simplified regime, VAT is calculated at the end of the year as a percentage of the total sales, which is not individually charged to any invoice. The VAT regime must be printed on every invoice in Colombia.

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