Multiple Reporting Currencies in Oracle® Applications

RELEASE 11*i*

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Multiple Reporting Currencies in Oracle® Applications, Release 11*i*

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Contents

Preface

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

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

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

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

Audience for This Guide

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

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

- The principles and customary practices of your business area
- Multiple Reporting Currencies (MRC)

  If you have never used MRC, we suggest you attend one or more of the MRC 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: page ix for more information about Oracle Applications product information.

How To Use This Guide

This guide contains the information you need to understand and use MRC. This preface explains how this user guide is organized and introduces other sources of information that can help you. This guide contains the following chapters:

- Chapter 1 provides an overview of MRC, a list of the Oracle applications that support MRC, the business reasons for using MRC, and a list of MRC features.
- Chapter 2 contains a checklist for setting up MRC, details on each setup step, and currency conversion rules.
- Chapter 3 describes transaction processing in General Ledger and all subledgers that support MRC.
- Chapter 4 describes special considerations for each product that supports MRC.
- Chapter 5 describes implementation procedures, as well as important issues to consider before implementing MRC.

  Note: There is no separate implementation manual for this product. All implementation information is included in this user guide.

- Finally, Appendix A includes information about the predefined MRC reporting responsibilities provided as examples of how to set up reporting responsibilities in your system.

Finding Out What's New

From the HTML help window for MRC, choose the section that describes new features or what's new from the expandable menu. This section describes:

- New features in 11*i*. This information is updated for each new release of MRC.
- Information about any features that were not yet available when this user guide was printed. For example, if your system administrator has installed software from a mini pack as an upgrade, this document describes the new features.

Other Information Sources

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

If this 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 manuals 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. Use:

- The Search feature to search by words or phrases.

- 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.

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

Related User Guides

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

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.

User Guides Related to All Products

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 MRC (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 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 the Oracle Applications development staff. It describes the Oracle Application Object Library components needed to implement the Oracle Applications user interface described in the *Oracle Applications User Interface Standards. I*t 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 the Oracle Applications development staff. 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.

User Guides Related to This Product

Oracle General Ledger User Guide

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

Oracle Payables User Guide

Use this guide for general information about Oracle Payables and using MRC with Payables.

Oracle Receivables User Guide

Use this guide for general information about Oracle Receivables and using MRC with Receivables.

Oracle Cash Management User Guide

Use this guide for general information about Oracle Cash Management and using MRC with Cash Management.

Oracle Assets User Guide

Use this guide for general information about Oracle Assets and using MRC with Assets.

Oracle Projects User Guide

Use this guide for general information about Oracle Projects and using MRC with Projects.

Oracle Purchasing User Guide

Use this guide for general information about Oracle Purchasing and using MRC with Purchasing.

Oracle Financials Global Accounting Engine User Guide

Use this guide for general information about Oracle Financials Global Accounting Engine and using MRC with Global Accounting Engine.

Oracle Financials Country–specific User Guides

These manuals document functionality developed to meet legal and business requirements in countries where you do business. 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.

Installation and System Administration Guides

Oracle Applications Concepts

This guide provides an introduction to the concepts, features, technology stack, architecture, and terminology for Oracle Applications Release 11*i*. It provides a useful first book to read before an installation of Oracle Applications. This guide also introduces the concepts behind, and major issues, for Applications–wide features such as Business Intelligence (BIS), languages and character sets, and self–service applications.

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 with individual product user guides and implementation guides.

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 before 10.7.

Using the AD Utilities

Use this guide to help you run the various AD utilities, such as AutoInstall, AutoPatch, AD Administration, AD Controller, Relink, and others. It contains how–to steps, screen shots, and other information that you need to run the AD utilities.

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 Technical Reference Manuals

Oracle technical reference manuals contain database diagrams and detailed descriptions of database tables, forms, reports, and programs for Oracle Applications. This information helps you convert data from

your existing applications, integrate Oracle Applications with non–Oracle applications, and write custom reports.

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 MRC working for you. This team includes your Technical Representative, Account Manager, and Oracle's large staff of consultants and support specialists with expertise in your business area, managing an Oracle server, and your hardware and software environment.

Do Not Use Database Tools to Modify Oracle Applications Data

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

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

risk destroying the integrity of your data and you lose the ability to audit changes to your data.

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

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

About Oracle

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

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

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

Your Feedback

Thank you for using MRC and this user guide.

We value your comments and feedback. This guide contains a Reader's Comment Form you can use to explain what you like or dislike about MRC or this user guide. Mail your comments to the following address or call us directly at (650) 506–7000.

Oracle Applications Documentation Manager
Oracle Corporation
500 Oracle Parkway
Redwood Shores, CA 94065
U.S.A.

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

CHAPTER

1 Overview

Overview of Multiple Reporting Currencies

Multiple Reporting Currencies (MRC) is a set of unique features imbedded in Oracle Applications that permits an organization to report in multiple functional currencies.

Using MRC, you can maintain and report accounting records at the transaction level in more than one functional currency. You do this by defining one or more reporting sets of books, each associated with a primary set of books. Each set of books has its own functional currency.

Your *primary functional currency* is the currency you use to record your business transactions and accounting data within Oracle Applications. It is defined within your primary set of books. A *reporting functional currency* is a functional currency defined in a reporting set of books. You can use any defined functional currency to support financial reporting.

When you enter transactions in Oracle Applications, they are converted into the primary functional currency and each of the reporting functional currencies.

You log into a reporting responsibility to inquire and report on transactions and account balances in your reporting functional currencies.

Oracle Applications Support for MRC

The following Oracle Applications support Multiple Reporting Currencies:

- General Ledger
- Purchasing
- Cash Management
- Assets
- Global Accounting Engine
- Payables
- Receivables
- Projects
- Cost Management

Note: Cost Management amounts are converted to a specified reporting currency when you request a report. The converted amounts, however, are not stored in the Cost Management subledger. For more information, see Cost Management: page 4 – 23.

Cash Management supports MRC through its payment and receipt reconciliation, and through clearance transactions.

See Also

Oracle Cash Management User's Guide

When to Use MRC

MRC is intended for use by organizations that must regularly and routinely support statutory and legal reporting of *both transactions and General Ledger account balances* in multiple currencies—other than the primary functional currency. If you only need to report balances in a currency other than your primary functional currency, you can use General Ledger translation.

> **Note:** MRC is not intended as a replacement for the General Ledger translation function.

Consider using MRC when any of the following conditions exist:

- You operate in a country that is part of the European Economic and Monetary Union (EMU), and you choose to account for and report both the euro and your National Currency Unit (NCU).
- You operate in a country whose unstable currency makes it unsuitable for managing your business. As a consequence, you need to manage your business in a more stable currency while retaining the ability to report in the unstable local currency.
- Your company is multinational, and you need to report in a common functional currency other than the transaction currency or your primary functional currency.

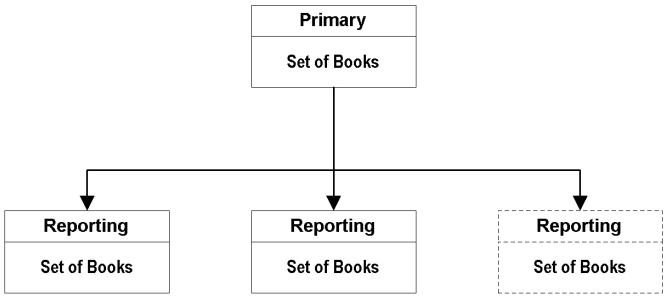
MRC Features

Reporting Sets of Books

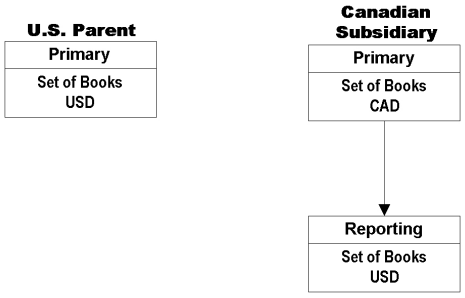
In Oracle Applications you record routine daily transactions in your organization's *primary set of books*, either directly or from your subledgers. From the primary set of books, you can report your account balances in your primary functional currency.

To use MRC, you must define additional sets of books, called *reporting sets of books*, and associate them with a primary set of books. When defining a reporting set of books, you specify your reporting functional currency as the set of book's functional currency. This is the principal

currency for inquiry and reporting of your transactions and account balances.



For Example, a U.S. multinational company with a Canadian subsidiary may elect to set up two primary sets of books and one reporting set of books, as shown by the following chart:



Routine parent transactions are recorded in the parent's set of books, in U.S. Dollars, and routine subsidiary transactions are recorded in the subsidiary's *primary set of books*, in Canadian Dollars. The associated accounting entries are converted to the subsidiary's *reporting set of books*, in U.S. Dollars. The subsidiary can thus report its transactions and General Ledger balances in both Canadian Dollars and U.S. Dollars.

Note: The full range of General Ledger functionality available to a primary set of books is also available to a reporting set of books. You can post journals, convert and translate balances, perform consolidations, query account balances, submit

standard General Ledger reports, and define custom financial reports.

Transaction–Level Conversion

When you enter transactions in Oracle Applications that support MRC, they are automatically converted into your primary functional currency and each of your reporting functional currencies, in accordance with the following:

- **Primary functional currency transactions:** All transactions denominated in your primary functional currency are recorded in this currency. The transactions are also converted automatically into each of your reporting functional currencies.
- **Foreign currency transactions:** Transactions denominated in a foreign currency are automatically converted into your primary functional currency and into each of your reporting functional currencies as well—unless the foreign currency matches the reporting functional currency (conversion not required).

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

  MRC Conversion Business Rules: page 2 – 26

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

Subledger Transactions

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

> **Note:** Because conversion occurs at the time of original entry, reporting currency amounts are always correlated with their associated primary currency amounts.

General Ledger Journals

Journal entries that originate in General Ledger, such as manual journals, recurring journals, and MassAllocations, as well as journals that you import from sources other than Oracle Applications

subledgers, are converted to your reporting functional currencies when you post the journals to your primary set of books.

The converted journals are copied from your primary set of books to each of the associated reporting sets of books. You must separately post the converted journals to each reporting set of books.

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

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

Inquiry and Reporting in Multiple Currencies

Oracle Subledgers

Because subledger transactions are converted into your reporting functional currencies at the time of original entry, the converted transactions are available for immediate inquiry and reporting. Each inquiry or report that normally displays information in the primary functional currency can also be displayed in any of the associated reporting currencies. To do so, you log into a reporting responsibility, and view or report transactions in the reporting currencies associated with that responsibility.

After you have posted your subledger transactions to General Ledger in the primary set of books and in each associated reporting set of books, you can log into a General Ledger reporting responsibility, post the newly created journals, and report the journals and the account balances of the reporting set of books.

Oracle General Ledger

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

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

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

When you inquire on account balances and journals in a reporting set of books, you can drill down to the subledger details (in your reporting functional currency), using General Ledger's integrated drilldown features to provide complete and consistent views of underlying subledger transactions.

You can drill down from General Ledger to transaction details within Oracle Receivables, Oracle Payables, Oracle Projects, Oracle Assets, Oracle Purchasing, Oracle Inventory, and Oracle Work in Process.

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

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

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

Euro Support

MRC provides support for organizations operating within the European Economic and Monetary Union (EMU) that choose to account for and report in both euro currency units—the euro and the associated national currency unit.

Transitioning to the Euro

Organizations contemplating euro–based processing need to be positioned for euro conversion at will, but at least by the end of the

transition period, which ends June 30, 2002. Some organizations may elect to convert all of their national entities concurrently, while others may choose to phase in the conversion over time. *The implementation of MRC positions you to convert at will, and provides the following immediate benefits—expressed in the euro and your national currency unit:*

- Dual visibility at the transaction level
- Choice of reporting—in either euro currency unit
- Accounting in both euro currency units

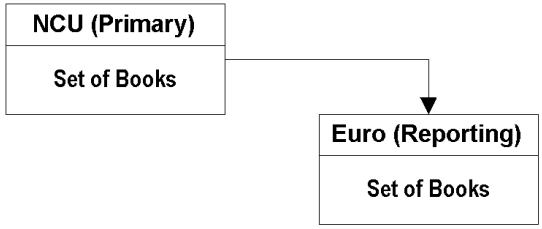
Existing NCU Set of Books

If you currently use Oracle Applications, you can continue to maintain your current set of books in your national currency and implement MRC to support financial reporting in the euro—by setting up a reporting set of books with the functional currency defined as the euro. This approach includes two major steps:

- Step 1: Initialize your euro books
- Step 2: Deploy MRC

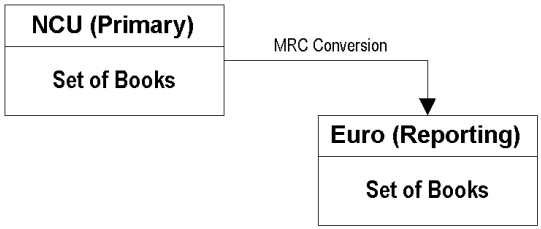
Step 1: Initialize your Euro Books

Redefine your current NCU set of books as your primary set of books, and create a new euro reporting set of books—associated with the primary set of books. Use the MRC transactions upgrade utilities to (i) initialize General Ledger euro opening balances, and (ii) create a euro representation of the existing subledger transactions.



Step 2: Deploy MRC

MRC automatically converts all transactions entered in your primary NCU set of books to the euro, the functional currency of your reporting set of books.



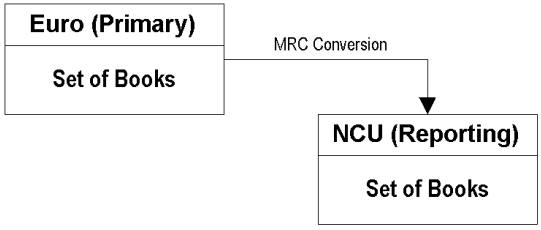
Reporting of transactions and balances is supported in both the euro and your national currency unit for this period.

The euro book has a euro accounting representation of each transaction, regardless of the transaction currency.

You are now positioned to adopt the euro as your primary accounting currency. You can then discontinue use of your old national currency books (the old primary set of books). From this point on, all of your transaction processing and financial reporting is supported in the euro—the transition is complete.

New Euro Set of Books

If you are implementing a new primary euro set of books, you can use MRC to continue to maintain General Ledger account balances and transaction representations in your national currency unit. You define a reporting set of books with the functional currency defined as your old national currency, and associate the new reporting set of books with the euro primary set of books.



Currency Conversion

MRC applies the fixed–rate relationships defined between the euro and national currency units, including the effective starting dates of those relationships, and uses these rates to convert amounts between the

euro and such national currency units—in full conformance with the conversion guidelines established by the European Commission, including Regulation 235.

CHAPTER

2 Setup

Setting Up MRC

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

> **Note:** You must install MRC before you can begin the setup steps in this section. See: *Installing Oracle Applications* and Installation Notes: page B – 2 for information about installing MRC.
>
> **Caution:** These steps provide only a general summary of how to set up MRC. Before you begin any of these setup steps, carefully read Chapter 5, Implementation Considerations for important information about implementing MRC in different situations.

	Step Description	Window Name (Responsibility)
❑	**Step 1 – Enable or define primary set of books: page 2 – 4**	Set of Books (General Ledger)
❑	**Step 2 – Enable and/or define reporting currencies: page 2 – 4**	Currencies (General Ledger)
❑	**Step 3 – Define reporting sets of books: page 2 – 5**	Set of Books (General Ledger)
❑	**Step 4 – Assign reporting sets of books to primary set of books: page 2 – 8**	Assign Reporting Sets of Books (General Ledger)
❑	**Step 5 – Define conversion options for each application: page 2 – 10**	Conversion Options (General Ledger)
❑	**Step 6 – Define General Ledger conversion rules: page 2 – 16**	GL Conversion Rules (General Ledger)
❑	**Step 7 – Define reporting responsibilities: page 2 – 22**	Responsibilities (System Administrator)

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

	Step Description	Window Name (Responsibility)
❑	**Step 8 – Assign reporting sets of books to reporting responsibilities: page 2 – 24**	System Profile Values (System Administrator)
❑	**Step 9 – Perform remaining steps for your implementation type: page 2 – 25**	See: Implementation Considerations: page 5 – 2

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

Note: Daily rates are used to convert your primary set of book's transactions to the appropriate reporting currencies. If you do not currently maintain daily rates, you must do so when you implement MRC.

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

MRC Conversion Business Rules: page 2 – 26

MRC Setup Steps

Step 1 – Enable or Define Primary Set of Books

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

> **Note:** Your primary set of books is where you record your day–to–day business transactions in Oracle Applications. The primary set of books uses a specific chart of accounts, accounting calendar, and functional currency. The functional currency of the primary set of books is also referred to as the primary functional currency.

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

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

Step 2 – Enable and/or Define Reporting Currencies

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

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

Definitions

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

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

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

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

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

Step 3 – Define Reporting Sets of Books

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

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

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

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

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

Other Considerations

- ❑ If your primary set of books is defined as an average balances consolidation set of books, any associated reporting sets of books must also be defined as average balances consolidation sets of books.

Other Set of Books Options

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

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

Set of Books Option	Recommended Setting in Reporting Sets of Books
Functional Currency	Different from primary set of books unless you have a specific reason for using the same functional currency in both sets of books (see section below)
Allow Suspense Reporting	Same as primary set of books.
Balance Intercompany Journals	Same as primary set of books.
Enable Average Balances	Same as primary set of books ***only if*** you want to inquire and report average balance transactions in your reporting currency.
Enable Journal Approval	Same as primary set of books ***only if*** you want journals created directly in your reporting set of books to be processed through your organization's approval hierarchy.
Enable Journal Entry Tax	Same as primary set of books if you want to use automatic journal entry tax for manual journals that you enter directly in your reporting set of books. You can view converted tax amounts when you inquire on converted journals in your reporting set of books. However, you cannot view associated tax details, such as the tax code and rate, that are viewable in the Tax Information descriptive flexfield window in the primary set of books.
Accounts	Same as primary set of books.

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

Set of Books Option	Recommended Setting in Reporting Sets of Books
Average Balance Options: Consolidation Set of Books	***Must be*** the same as primary set of books.
Enable Budgetary Control	You cannot enable for reporting sets of books.
Require Budget Journals	Same as primary set of books if you want to require that budget journals be used to enter budget amounts in your reporting set of books.

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

Using the Same Functional Currency

In some circumstances, you may want to use the same functional currency for a reporting set of books that you use for your primary set of books. For example, assume you want to create financial forecasts and budgets based on the results of operations recorded in your primary set of books, after removing the effects of any exchange rate fluctuations on your foreign currency transactions.

You can make a lot of manual calculations and adjustments to your forecast and budget amounts to achieve this, or you can use MRC. In MRC, you define a reporting set of books that uses the same functional currency as your primary set of books. You then define conversion options to control how transactions and journals are converted. For example, instead of converting foreign currency transactions using fluctuating daily rates, you can set up MRC to convert transactions using a more stable corporate rate that you define internally.

This approach has several benefits:

- Minimizes the effects of exchange rate fluctuations for cross–enterprise budgeting, management reporting, and worldwide financial analysis
- Increases accuracy through transaction–level conversion instead of account–level conversion
- Shortens the reporting cycle by providing immediate access to information via the reporting set of books

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

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

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

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

- You can assign the same reporting set of books to more than one primary set of books, provided they all have the same calendar and chart of accounts.

Note: If you plan to adopt the euro as your primary functional currency (EFC), your euro reporting set of books ***must*** be assigned to only one primary set of books.

- You cannot assign a primary set of books to another primary set of books, or to a reporting set of books.

Multi–company and Consolidation Considerations

If you have multiple companies and need to consolidate them all into one reporting currency, you can set up MRC in one of two ways:

- **Multiple Reporting Sets of Books:** In this case, you define a reporting set of books for each company. Each reporting set of books should use the same reporting functional currency. Assign each company's reporting set of books to its primary set of books.

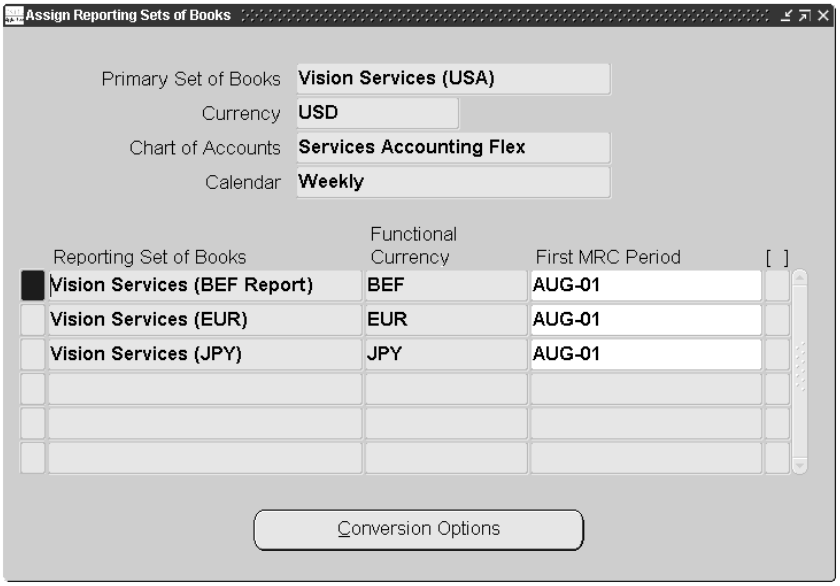
  Define a consolidation reporting set of books with the same reporting functional currency. You do not need to assign the consolidation set of books to a primary set of books, since it is used only for consolidation purposes.

  Use General Ledger's Global Consolidation System to consolidate the separate reporting sets of books into the consolidation reporting set of books. You can then report on consolidated account balances and results of operations from the consolidation reporting set of books.

❑ **Single Reporting Set of Books:** In this case, you define one reporting set of books and assign it to each of the separate company's primary set of books. This one reporting set of books is then your source for reporting on consolidated account balances and results of operations.

The first option, Multiple Reporting Sets of Books, is the preferred method, for several reasons:

- Easier to understand and support from a business perspective.
- Maintains clearly defined posting, reconciliation, and consolidation processes.
- Provides a mechanism to easily report both consolidated amounts as well as amounts for each individual company, in the reporting functional currency.
- Supported for all implementation types. See: Implementation Considerations: page 5 – 2



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

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

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

3. From the list of values in the Reporting Set of Books region, select the reporting set of books that you want to assign to the primary set of books. The reporting set of books' Functional Currency will be displayed.

   Note: The list of values will only include those sets of books that have been defined as a reporting set of books and that have the same calendar and chart of accounts as the primary set of books.

4. (Conditional) Specify the First MRC Period if you plan to run the MRC upgrade utilities to initialize the selected reporting set of books' account balances and convert subledger transactions.

   Caution: Before completing this field, read Chapter 5, Implementation Considerations. Specifically, see: Step 3, Configure MRC for the Upgrade: page 5 – 64.

5. Choose the Conversion Options button to define conversion options for each combination of Oracle Application and operating unit for which you want to convert transactions to your reporting functional currency for this reporting set of books. See: Define Conversion Options for Each Application: page 2 – 10.

6. Save your work.

7. Repeat the previous three steps for each reporting set of books you want to assign to the primary set of books.

Step 5 – Define Conversion Options for Each Application

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

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

Note: When you use Oracle Applications' Multiple Organizations feature with Payables, Receivables, Purchasing, or Projects, you need to define your MRC conversion options at

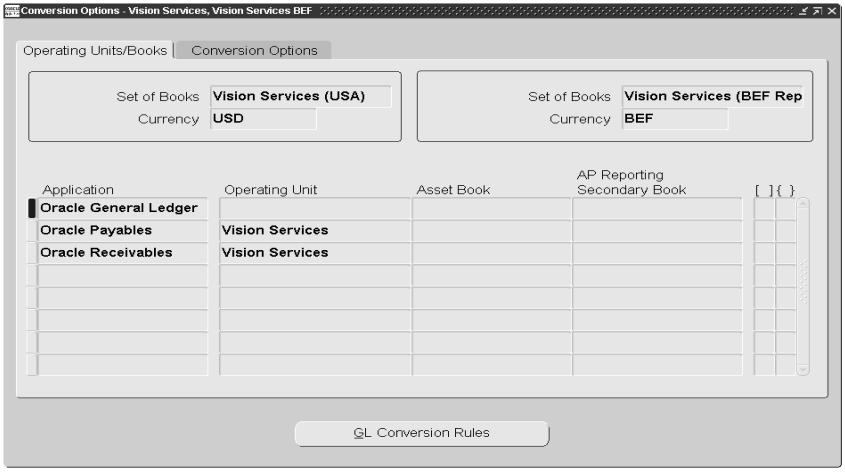
the operating unit level. For more information about operating units, see *Multiple Organizations in Oracle Applications*.

For Assets, you define conversion options at the Asset Book level.

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

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

- **Oracle Assets:** specify the Asset Book (depreciation book).
- **General Ledger:** specify GL Conversion Rules, which control journal conversion at the journal source and category level. Conversion rules apply only to journals that are entered directly in General Ledger or that are imported to General Ledger from sources other than Oracle subledger applications that support MRC.

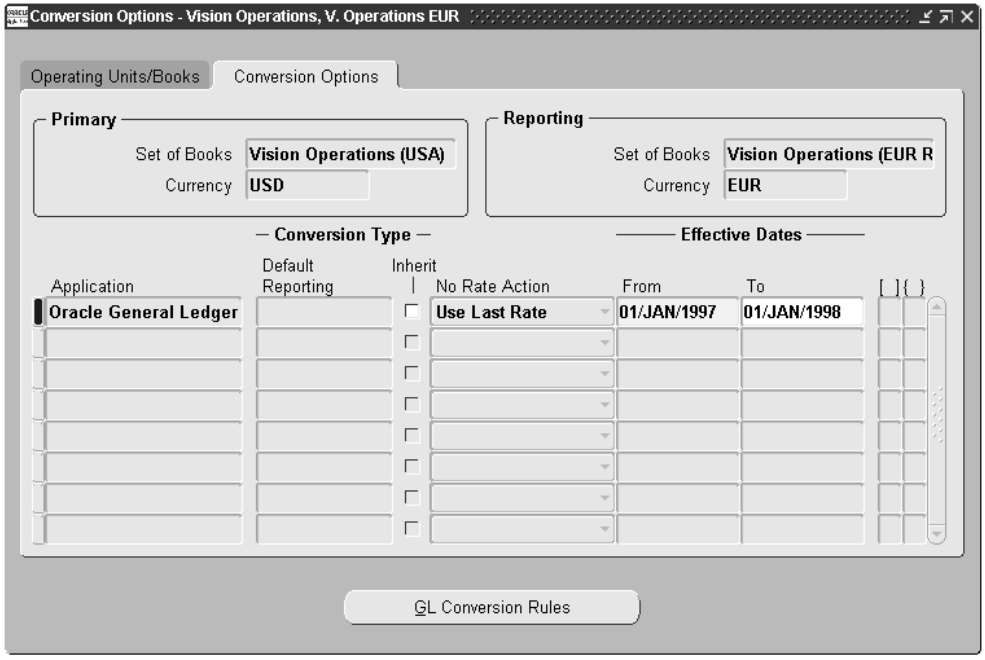


▶ **To define conversion options:**

1. From the Assign Reporting Sets of Books window, choose the Conversion Options button. The Conversion Options window will appear, displaying your primary and reporting set of books information.

2. Select the Operating Units/Books tab control. The Operating Units/Books tabbed region will appear.
3. Select the Application for which you want to define conversion options.
4. Enter your operating units/books information.

   See: Operating Units/Books Information: page 2 – 12
5. Choose the Conversion Options tab control. The Conversion Options tabbed region will appear.



6. Enter your conversion options.

   See: Conversion Options: page 2 – 13
7. Save your work.

Operating Units/Books Information

Operating Unit: For Payables, Receivables, Purchasing, or Projects, specify the operating unit for which your conversion options apply. This allows you to define different conversion options for each operating unit.

> **Caution:** We recommend that you include all of your operating units when you define the conversion options for the related application. While the system does not require you to include all operating units, omitting some has dual accounting implications.

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

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

Conversion Options

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

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

> **Note:** For General Ledger, the reporting conversion type is set for specific combinations of journal source/category on the GL Conversion Rules window. See: Step 6 – Define General Ledger Conversion Rules: page 2 – 16

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

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

Inherit: Leave the Inherit checkbox unmarked (the default option) to have MRC use the Default Reporting Conversion Type you specified above to determine the rate to use to convert the transaction currency amount to your reporting functional currency.

Check the Inherit checkbox to have MRC inherit the conversion type used to determine the rate to convert the transaction currency amount to the primary functional currency. The same conversion rate type will be

used to determine the rate to convert the transaction currency amount to your reporting functional currency.

> **Note:** This option only applies to transactions that originate in Oracle Payables, Receivables, Purchasing, and Global Accounting Engine. You can also select this option for General Ledger when defining your GL Conversion Rules.
>
> The Inherit option is ignored if:
>
> – An EMU fixed rate relationship exists between the transaction currency and the reporting functional currency. In this case, the EMU Fixed conversion rate type is used.
>
> – The transaction currency is the same as the primary currency. In this case, a conversion rate type does not exist for the transaction and the default reporting conversion rate type is used.
>
> – The transaction currency is the same as the reporting functional currency. In this case, the User conversion rate type will be used with a default rate of 1.
>
> – A User rate is used for the transaction. In this case, the User conversion rate type will be used. The reporting currency conversion will be done in two steps via the default reporting conversion type.

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

> **Note:** For General Ledger, the No Rate Action field is set for specific combinations of journal source/category on the GL Conversion Rules window. See: Step 6 – Define General Ledger Conversion Rules: page 2 – 16

You can select one of two options:

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

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

Suggestion: Set the profile option, MRC: Maximum Days to Roll Forward Conversion Rate, to limit how far back MRC will look when searching for the exchange rate. If you do not specify an entry for the profile option, MRC will search back indefinitely—for example, as far back as the first entered exchange rate. This will adversely affect system performance.

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

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

You must enter a From date, which is the first date for which MRC will convert transactions. Once MRC is enabled, it is important that all transactions and journals (i.e., all accounting amounts) are reflected in the primary set of books and all associated reporting sets of books. If not, the sets of books will not remain synchronized and MRC's dual accounting model will not be maintained.

Choosing an appropriate From date helps ensure that all transactions and journals are properly reflected in the primary set of books and all associated reporting sets of books.

Note: For General Ledger, Receivables, Payables, and Purchasing, set the From Date to the earliest date for which transactions can be entered in your primary set of books.

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

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

Changing Conversion Options

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

- ❑ **All applications:** You can change the effective dates any time. Note that the changes are effective immediately, but that they apply only

to new transactions. The change has no effect on previously entered transactions.

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

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

Step 6 – Define General Ledger Conversion Rules

When you use MRC with General Ledger, you need to define conversion rules in addition to the effective dates you specify for General Ledger's conversion options in the previous step. Conversion rules control journal conversion at the journal source/category level.

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

- **Move/Merge, and Move/Merge Reversal** — MRC does not convert journals that have these journal sources. Instead, you must run each of these processes in both your primary and reporting sets of books.

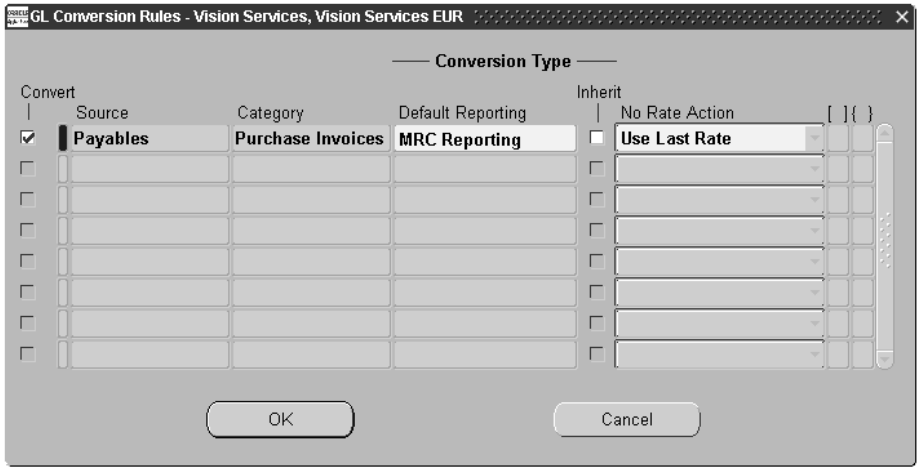
Attention: You must define a conversion rule to prevent replication of year–end closing journals from your primary set of books to each reporting set of books.

See: Year–End Closing Journals
Oracle General Ledger User's Guide

- **Receivables, Payables, Assets, Projects, Purchasing, AX Payables, and AX Receivables** — MRC converts transactions from these sources directly in the subledgers and stores the related reporting currency amounts in those subledgers.

  GL Conversion Rules for the Purchasing journal source are applied only to encumbrance journals. MRC will not convert actual journals that have this journal source assigned.

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



▶ **To define conversion rules for General Ledger:**

1. From the Conversion Options window, select the Oracle General Ledger entry from either tabbed region, then choose the GL Conversion Rules button.

   Suggestion: Make your first conversion rule one that includes journals from all sources and categories, except for those the system excludes automatically. Do this by marking the Convert check box and setting the Source and Category to Other.

   Define additional conversion rules to exclude any combination of journal source and category that you do not want converted to your reporting currencies.

2. Mark the Convert check box if you want journals with the specified journal source and category to be converted to your reporting currency. Leave the check box unmarked if you do not want journals with the specified journal source and category to be converted.

3. Enter the journal Source and Category for which you want to set a conversion rule.

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

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

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

   See: Conversion Options: page 2 – 13

5. Leave the Inherit checkbox unmarked (the default option) to have MRC use the Default Reporting Conversion Type you specified in the previous step to determine the rate to use to convert the transaction currency amount to your reporting functional currency.

   Check the Inherit checkbox to have MRC inherit the conversion type used to determine the rate to convert the transaction currency amount to the primary functional currency. The same conversion rate type will be used to determine the rate to convert the transaction currency amount to your reporting functional currency.

   Note: The Inherit option is ignored if:

   – An EMU fixed rate relationship exists between the transaction currency and the reporting functional currency. In this case, the EMU Fixed conversion rate type is used.

   – The transaction currency is the same as the primary currency. In this case, a conversion rate type does not exist for the transaction and the default reporting conversion rate type is used.

   – The transaction currency is the same as the reporting functional currency. In this case, the User conversion rate type will be used with a default rate of 1.

   – A User rate is used for the transaction. In this case, the User conversion rate type will be used. The reporting currency conversion will be done in two steps via the default reporting conversion type.

6. Repeat steps 2 through 4 for any additional conversion rules you want to define.

   Note: Make sure you define a conversion rule to prevent replication of year–end closing journals:

   Convert Check Box: unchecked

   Source: Closing Journals

   Category: Other

7. Save your work.

Journal Source/Category Combinations

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

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

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

Table 2 – 3 (Page 1 of 1)

If MRC finds a matching source/category combination, it notes the reporting currency type and checks to see if transactions with the identified source/category combination are to be converted. If they are to be converted, MRC converts the journal amount to the reporting currency and creates the converted journal in the reporting set of books. Otherwise, the journal is not converted and the next journal in the posting batch is processed.

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

If you plan to adopt the euro as your primary functional currency (EFC), you must define your GL conversion rules in such a way as to ensure that all journals are converted. To do this we recommend you make sure that you have defined a GL conversion rule with both the journal source and category set to Other.

Below are three examples that illustrate how journals are converted based on different conversion rules. Note that *these examples are not intended to reflect real–world scenarios*, but merely to illustrate how the system interprets conversion rules.

Example Assumptions

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

Example 1

The following six conversion rules are defined:

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

Example 2

The following three conversion rules are defined:

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

Example 3

The following two conversion rules are defined:

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

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

Changing Conversion Rules

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

Caution: We strongly recommend that you do not change GL conversion rules *once you begin using MRC to process transactions*. Doing so may result in inconsistent transaction amounts and account balances between your primary and reporting sets of books.

Step 7 – Define Reporting Responsibilities

You or your system administrator must define your organization's MRC reporting responsibilities before anyone uses MRC. The purpose of these reporting responsibilities is to provide the appropriate level of access your users need to 1) perform inquiry and reporting activities in your reporting currencies and 2) perform specific processes, such as run depreciation, post/transfer/interface to General Ledger, and run revaluation.

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

Notes:

- ❑ This step is generally performed by a system administrator.
- ❑ Use your standard subledger responsibilities to perform day–to–day activities, such as creating purchase orders or invoices.
- ❑ Oracle provides predefined MRC–related subledger responsibilities as examples you can use to set up your organization's reporting responsibilities.

  See: Predefined Reporting Responsibilities: page A – 2
- ❑ General Ledger. There are no restrictions for General Ledger reporting responsibilities. In addition to the ability to report and inquire on account balances in your reporting functional currencies, you may need or want to enter or import journals directly in a reporting set of books. For example, to comply with the accounting practices of the country in which you operate, you may need to enter adjusting journals in a reporting set of books but not in your primary set of books.

Responsibilities Window

Use the Responsibilities window to define your MRC reporting responsibilities.

See: Responsibilities Window
(Oracle System Administrator's Guide)

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

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

See: *Oracle Applications Installation Manual*

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

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

> **Caution:** We strongly recommend that you use the predefined product–specific MRC menus provided by Oracle, rather than create a custom menu. If you choose to create a custom menu, we suggest that you start by making a copy of the related predefined menu, then make any custom changes to the copy.
>
> Your custom menu should not allow users to access any windows or functions that are not already included in the predefined MRC menu. Any other windows or functions you add to your custom menu will not function properly when accessed by users.

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

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

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

> **Caution:** We strongly recommend that you use the predefined MRC request groups provided by Oracle, rather than create a custom request group. If you choose to create a custom request group, we suggest that you start by making a copy of the related predefined request group, then make any custom changes to the copy.
>
> Your custom request group should not allow users to access any programs that are not already included in the predefined MRC request group. Any other programs you add to your custom request group will not function correctly when accessed by users. You can include any report in your custom request group, however, those reports that are not already included in the predefined request group will not display reporting currency amounts.

Step 8 – Assign Reporting Sets of Books to Reporting Responsibilities

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

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

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

GL Set of Books Name
MRC: Reporting Set of Books

See: Overview of User Profiles
(Oracle System Administrator's Guide)

Your system administrator must also set the profile option MO: Operating Unit for each subledger that uses multiple organization support.

See: *Multiple Organizations in Oracle Applications*

Step 9 – Perform Remaining Steps for Your Implementation Type

Completing your MRC setup depends on your implementation type:

- Fresh Install
- Upgrade Scenario One
- Upgrade Scenario Two

For more information about these implementation types and the remaining setup steps related to each, see: Implementation Considerations: page 5 – 2.

MRC Conversion Business Rules

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

- **Primary functional currency transactions:** All transactions denominated in your primary functional currency are recorded in this currency. MRC converts the transactions automatically to each of your reporting currencies.
- **Foreign currency transactions:** Transactions denominated in a foreign currency are converted automatically to your primary set of books' functional currency by Oracle Applications' standard functionality. MRC converts the transactions to each of your reporting currencies that differ from the transaction's foreign currency.

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

> **Note:** MRC uses Oracle Applications' centralized currency conversion API to ensure conversion consistency across all Oracle Applications. This currency conversion API incorporates European Economic and Monetary Union (EMU) conversion practices.

Reporting Currency Conversion Rules

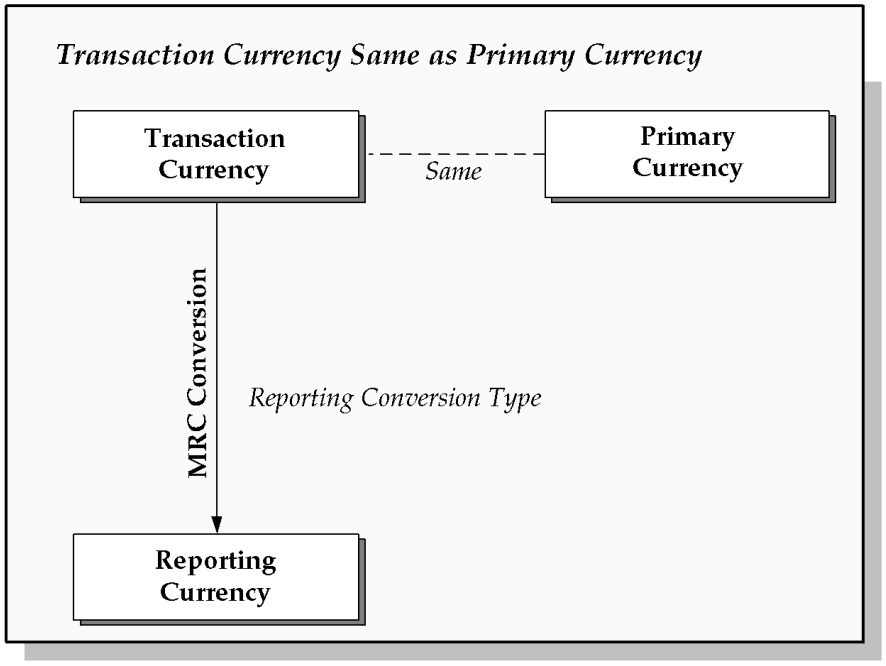
Reporting currency conversion rules differ depending on whether the exchange rate relationship between a transaction and reporting currency is variable or fixed. When there is a variable relationship, the exchange rate between the two currencies fluctuates. When there is a fixed relationship, the exchange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

> **Note:** As of January 1, 1999, the national currencies of countries who are members of the EMU became another denomination of the euro, the pan–European currency. Fixed exchange rates are used between the euro and each EMU currency.

Variable Exchange Rate Relationships

Transaction Currency Same as Primary Currency

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



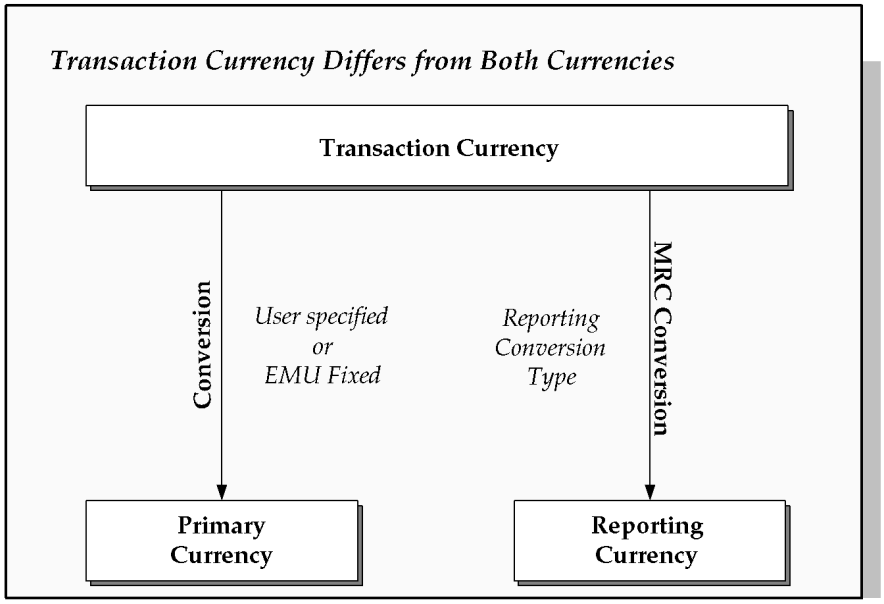
When the transaction and primary currencies are the same, no conversion is needed to your primary currency. When MRC converts the transaction to your reporting currency, it uses the appropriate reporting conversion type you specified for the:

- application and operating unit that originated the subledger transaction
- journal source and journal category that originated the journal

See:
Step 5 – Define Conversion Options for Each Application: page 2 – 10
Step 6 – Define General Ledger Conversion Rules: page 2 – 16

Transaction Currency Differs from Primary and Reporting Currency

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



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

MRC converts the transaction to your reporting currency using the appropriate reporting conversion type you specified for the:

- application and operating unit that originated the subledger transaction
- journal source and journal category that originated the journal

See:

Step 5 – Define Conversion Options for Each Application: page 2 – 10
Step 6 – Define General Ledger Conversion Rules: page 2 – 16

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

Example 1

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

Summary of related information:

Transaction currency:	AUD
Primary currency:	CAD
Reporting Currency:	USD
Spot exchange rate (AUD to CAD):	0.9181
Corporate exchange rate (AUD to USD):	0.6409

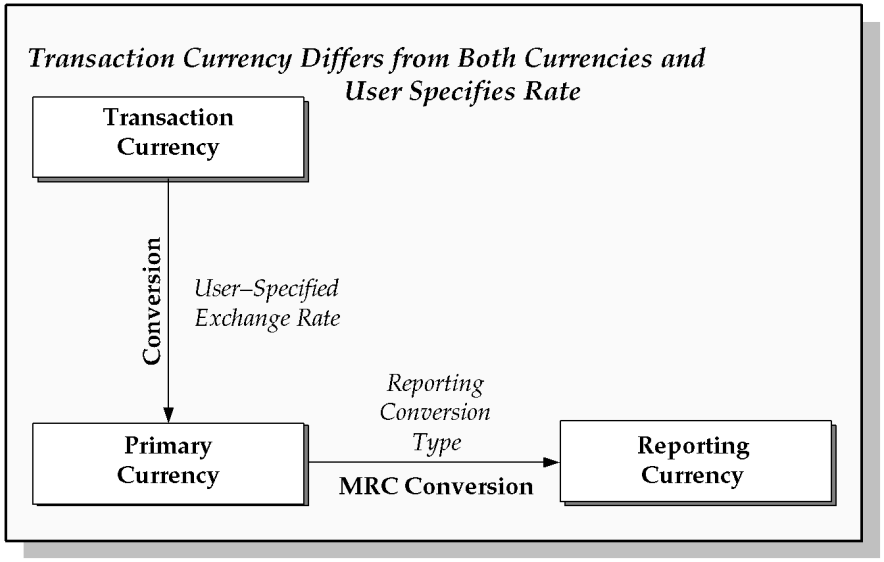
This is how the invoice will be converted:

Transaction amount:	1,000.00 AUD
Primary amount:	918.10 CAD (0.9181 * 1,000.00 AUD)
Reporting amount:	640.90 USD (0.6409 * 1,000.00 AUD)

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

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

transaction–to–primary currency conversion rate when you enter the transaction:



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

MRC converts the converted primary currency transaction to your reporting currency using the appropriate reporting conversion type you specified for the:

- application and operating unit that originated the subledger transaction
- journal source and journal category that originated the journal

See:
Step 5 – Define Conversion Options for Each Application: page 2 – 10
Step 6 – Define General Ledger Conversion Rules: page 2 – 16

Example 2

You receive an invoice for 1,000.00 Australian dollars (AUD) from an Australian supplier. Your contract with the supplier was originally negotiated using prices in Canadian dollars. The exchange rate used at the time of the agreement was 0.8950 (1 Australian dollar = 0.8950 Canadian dollars). This is also the rate specified on the invoice. Your

organization uses corporate exchange rates to convert amounts to U.S. dollars for reporting purposes.

Summary of related information:

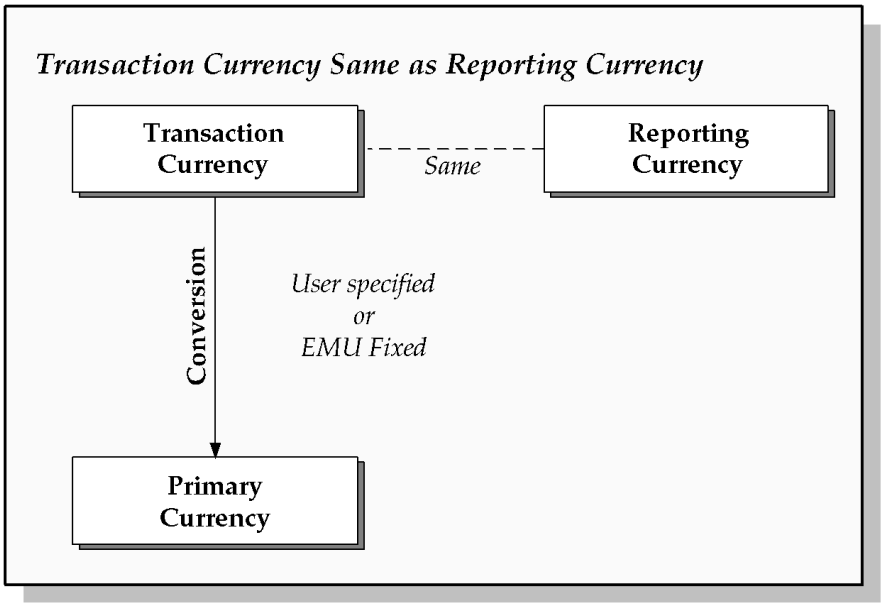
Transaction currency:	AUD
Primary currency:	CAD
Reporting Currency:	USD
User–specified rate (AUD to CAD):	0.8950
Corporate exchange rate (CAD to USD):	0.6974

This is how the invoice will be converted:

Transaction amount:	1,000.00 AUD
Primary amount:	895.00 CAD (0.8950 * 1,000.00 AUD)
Reporting amount:	624.17 USD (0.6974 * 895.00 CAD)

Transaction Currency Same as Reporting Currency

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



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

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

- **EMU Fixed:** when both of the currencies are either an EMU currency or the euro
- **User:** when you specify a transaction–to–primary currency conversion rate
- A conversion rate type you specify (e.g., Corporate or Spot)

Fixed Conversion Rate Relationships

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

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

Example

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

Summary of related information:

Transaction currency (EMU):	BEF
Primary currency (EMU):	BEF
Reporting Currency:	EUR
Fixed conversion factor (EUR to BEF):	40.3399

This is how the invoice will be converted:

Transaction amount:	1,000 BEF
Reporting amount:	24.79 EUR
	(1000 BEF ÷ 40.3399)

See Also

Assign Reporting Sets of Books: page 2 – 8

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

Conversion Rounding

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

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

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

See Also

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

CHAPTER

3 Transaction Processing

Transaction Processing

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

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

Prerequisites

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

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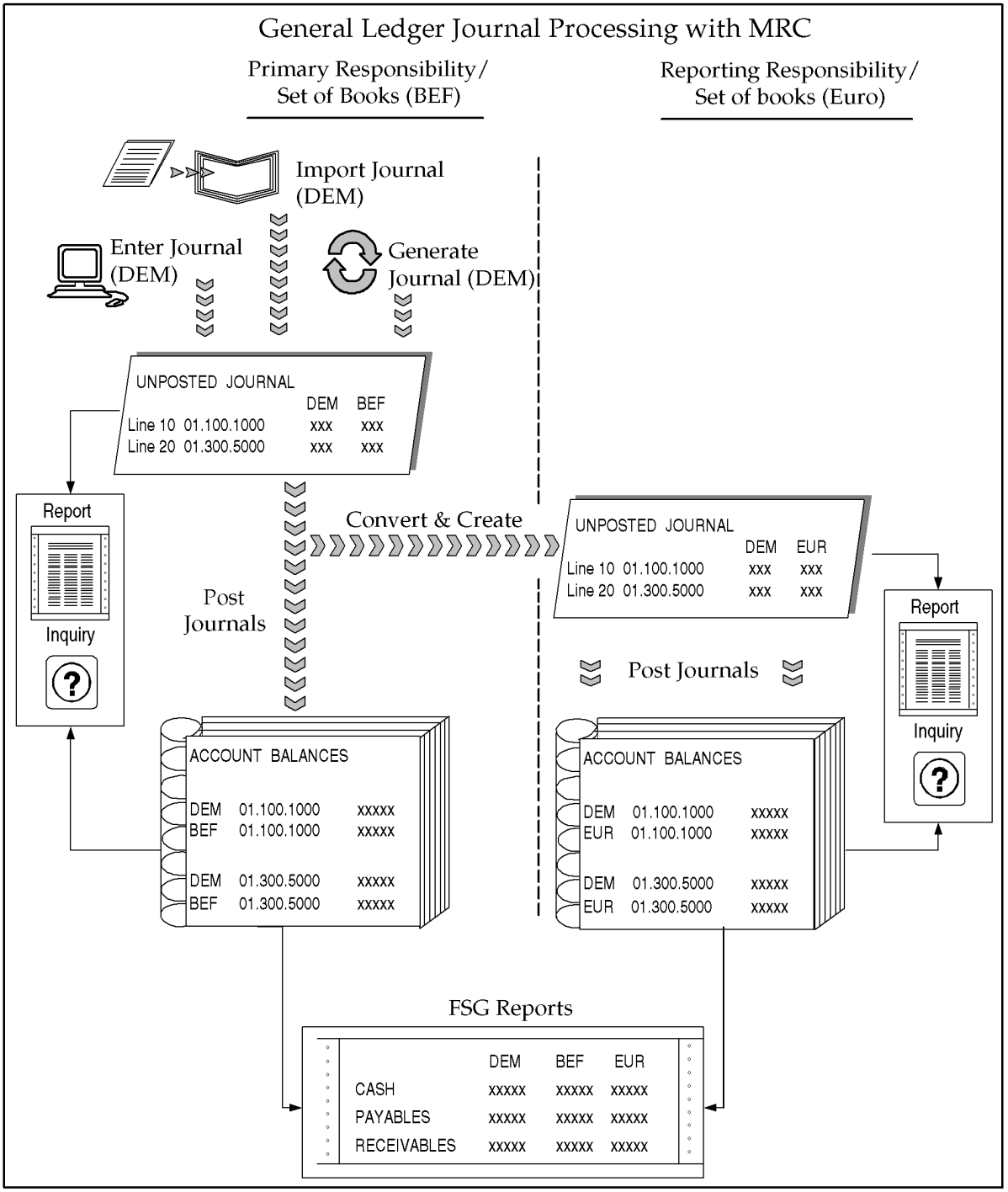
General Ledger Journal Processing with MRC
Primary Responsibility/
Set of Books (BEF)
Reporting Responsibility/
Set of books (Euro)
Import Journal
(DEM)
Enter Journal
(DEM)
Generate
Journal (DEM)
UNPOSTED JOURNAL
DEM BEF
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
Report
Inquiry
Convert & Create
UNPOSTED JOURNAL
DEM EUR
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
Post
Journals
Post Journals
Report
Inquiry
ACCOUNT BALANCES
DEM 01.100.1000 xxxxx
BEF 01.100.1000 xxxxx
DEM 01.300.5000 xxxxx
BEF 01.300.5000 xxxxx
ACCOUNT BALANCES
DEM 01.100.1000 xxxxx
EUR 01.100.1000 xxxxx
DEM 01.300.5000 xxxxx
EUR 01.300.5000 xxxxx
FSG Reports
DEM BEF EUR
CASH xxxxx xxxxx xxxxx
PAYABLES xxxxx xxxxx xxxxx
RECEIVABLES xxxxx xxxxx xxxxx

General Ledger Journal Processing with MRC

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

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

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

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

   The posting process:

   - Updates the account balances in both the transaction currency and the primary functional currency.
   - Converts the journals to reporting currencies according to the General Ledger conversion rules.
   - Creates unposted journals in each associated reporting set of books.
3. Using your reporting responsibility, post the journals created in Step 2 in each reporting set of books.

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

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

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

See Also

Entering Journals
Importing Journals
Generating Recurring Journal Batches
Generating MassAllocation Journals
(*Oracle General Ledger User's Guide*)

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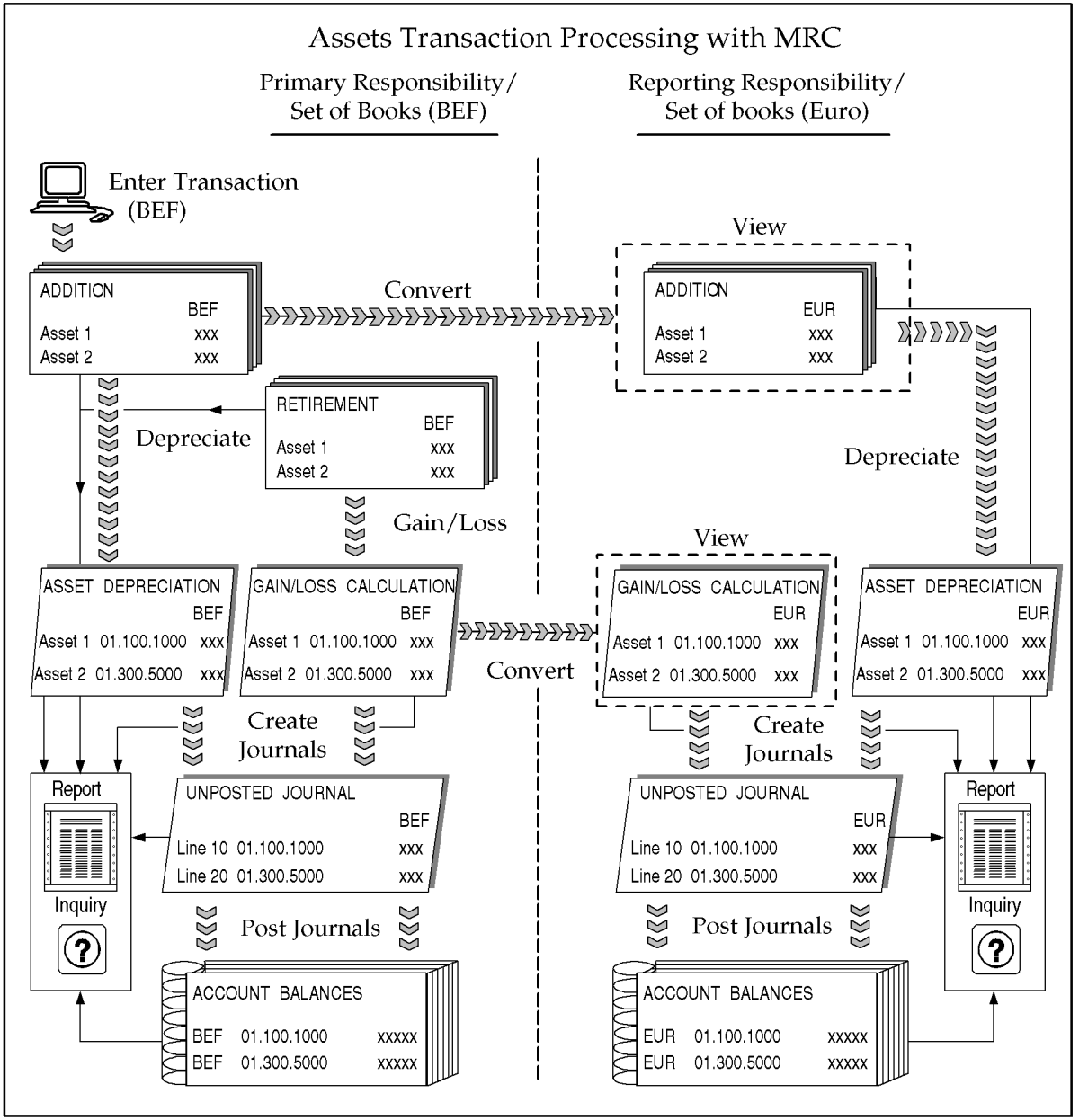
Assets Transaction Processing with MRC
Primary Responsibility/
Set of Books (BEF)
Reporting Responsibility/
Set of books (Euro)
Enter Transaction
(BEF)
ADDITION
BEF
Asset 1 xxx
Asset 2 xxx
Convert
View
ADDITION
EUR
Asset 1 xxx
Asset 2 xxx
Depreciate
RETIREMENT
BEF
Asset 1 xxx
Asset 2 xxx
Depreciate
Gain/Loss
View
ASSET DEPRECIATION
BEF
Asset 1 01.100.1000 xxx
Asset 2 01.300.5000 xxx
GAIN/LOSS CALCULATION
BEF
Asset 1 01.100.1000 xxx
Asset 2 01.300.5000 xxx
Convert
GAIN/LOSS CALCULATION
EUR
Asset 1 01.100.1000 xxx
Asset 2 01.300.5000 xxx
ASSET DEPRECIATION
EUR
Asset 1 01.100.1000 xxx
Asset 2 01.300.5000 xxx
Create
Journals
Create
Journals
Report
Inquiry
UNPOSTED JOURNAL
BEF
Line 10 01.100.1000 xxx
Line 20 01.300.5000 xxx
UNPOSTED JOURNAL
EUR
Line 10 01.100.1000 xxx
Line 20 01.300.5000 xxx
Report
Inquiry
Post Journals
Post Journals
ACCOUNT BALANCES
BEF 01.100.1000 xxxxx
BEF 01.300.5000 xxxxx
ACCOUNT BALANCES
EUR 01.100.1000 xxxxx
EUR 01.300.5000 xxxxx

Processing Transactions in Assets

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

▶ **To process transactions in Assets:**

1. Enter transactions in your primary responsibility.

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

2. If you have pending retirements/reinstatements, calculate gains and losses in your primary responsibility.

   Gain and loss amounts are converted to each associated reporting currency according to the defined conversion options.

3. From each reporting responsibility, run depreciation for the associated asset depreciation book.

4. Once you have successfully run depreciation from all reporting responsibilities, run depreciation from your primary responsibility.

5. In Assets, run the Create Journal Entries process from your primary responsibility to create journal entries in General Ledger.

6. In General Ledger, post the journals in your primary set of books.

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

7. Using your reporting responsibility, repeat Steps 5 and 6 for each reporting set of books.

   The posting process updates the account balances in the reporting functional currencies.

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

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

One–Step Subledger Processing Alternative

As an alternative to running the Depreciation and Create Journal Entries processes separately for each set of books, you can use the One Step Subledger Processing feature to run each process for all sets of books at the same time. For Assets, you can choose to run Depreciation

for all sets of books or Create Journal Entries for all sets of books. In both cases, the process is submitted from your primary set of books' responsibility, saving you the time required to switch responsibilities when you run the processes separately.

▶ **To run Depreciation for all sets of books:**

1. From your primary set of books' responsibility, navigate to the Submit Requests window.
2. Run the program MRC: Depreciation Run in all Sets of Books. You will need to specify the Assets book and the period for which you want to run Depreciation.

   The system will submit the separate processes that are required to run Depreciation in your primary and reporting sets of books. The process will ensure that the process in the primary set of books does not run until the process has first run in all of your reporting sets of books.

▶ **To create journal entries for all sets of books:**

1. From your primary set of books' responsibility, navigate to the Submit Requests window.
2. Run the program MRC: Create Journal Entries in all Sets of Books. You will need to specify the Assets book and the period for which you want to create journal entries.

   The system will submit the separate processes that are required to create journal entries in your primary and reporting sets of books.
3. In General Ledger, post the journals in your primary set of books.

   The posting process updates the account balances in the primary functional currency.
4. Using your reporting responsibility, post the journals in each of your reporting sets of books.

   The posting process updates the account balances in the reporting functional currencies.

See Also

Oracle Assets User's Guide

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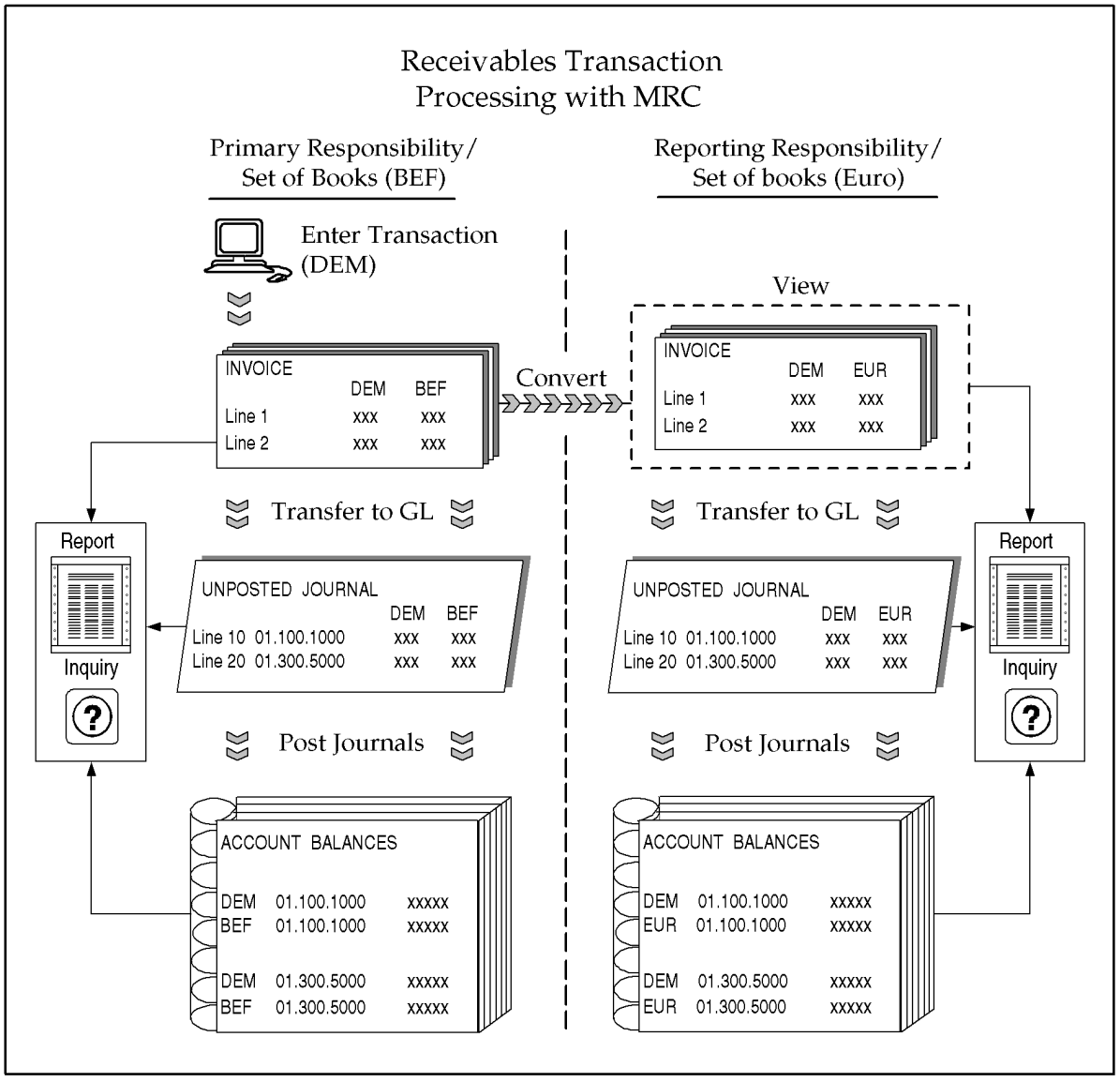
Receivables Transaction
Processing with MRC
Primary Responsibility/
Set of Books (BEF)
Reporting Responsibility/
Set of books (Euro)
Enter Transaction
(DEM)
View
INVOICE
DEM BEF
Line 1 xxx xxx
Line 2 xxx xxx
Convert
INVOICE
DEM EUR
Line 1 xxx xxx
Line 2 xxx xxx
Transfer to GL
Transfer to GL
Report
Inquiry
UNPOSTED JOURNAL
DEM BEF
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
UNPOSTED JOURNAL
DEM EUR
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
Report
Inquiry
Post Journals
Post Journals
ACCOUNT BALANCES
DEM 01.100.1000 xxxxx
BEF 01.100.1000 xxxxx
DEM 01.300.5000 xxxxx
BEF 01.300.5000 xxxxx
ACCOUNT BALANCES
DEM 01.100.1000 xxxxx
EUR 01.100.1000 xxxxx
DEM 01.300.5000 xxxxx
EUR 01.300.5000 xxxxx

Processing Transactions in Receivables

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

▶ **To process transactions in Receivables:**

1. Enter transactions in your primary responsibility.

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

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

2. From the primary responsibility, transfer the transactions to General Ledger by running the GL Interface program.

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

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

4. Using your reporting responsibility, repeat Steps 2 and 3 for each reporting set of books.

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

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

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

One–Step Subledger Processing Alternative

As an alternative to running the GL Interface program separately for each set of books, you can use the One Step Subledger Processing feature to run the process for all sets of books at the same time. The process is submitted from your primary set of books' responsibility, saving you the time required to switch responsibilities when you run the process separately.

▶ **To interface transactions to General Ledger for all sets of books:**

1. From your primary responsibility, navigate to the Submit Requests window.
2. Run the program MRC: Journal Transfer in all Sets of Books. You will need to select the following parameters:

   Posting Detail: Select Detail to transfer all transaction details to General Ledger. Select Summary to transfer only summary transaction information to General Ledger.

   GL Posted Date: Enter the GL Posted Date for this submission. The default is the current date, but you can change it. The Journal Transfer process updates all of the posted transactions that you transfer to your general ledger or the general ledger interface area with the GL posted date you enter.

   From/To GL Date: Enter the range of GL Dates for your submission. The dates must be within both an open receivables period and an open or future General Ledger period. When you enter a From GL Date, the default To GL Date is the last day of the period that you entered for the From GL Date.

   Run Journal Import: Choose whether to Run Journal Import automatically after the journal transfer process has completed.
3. Choose OK to begin the process. The system submits separate requests for your primary and reporting sets of books.
4. (Optional, if you chose not to run Journal Import automatically) Once the Journal Transfer process is complete, run Journal Import from your General Ledger responsibility, for your primary and each of your reporting sets of books.
5. After Journal Import has completed, post the resulting journals in your primary and reporting sets of books.

See Also

Oracle Payables User's Guide

Oracle Receivables User's Guide

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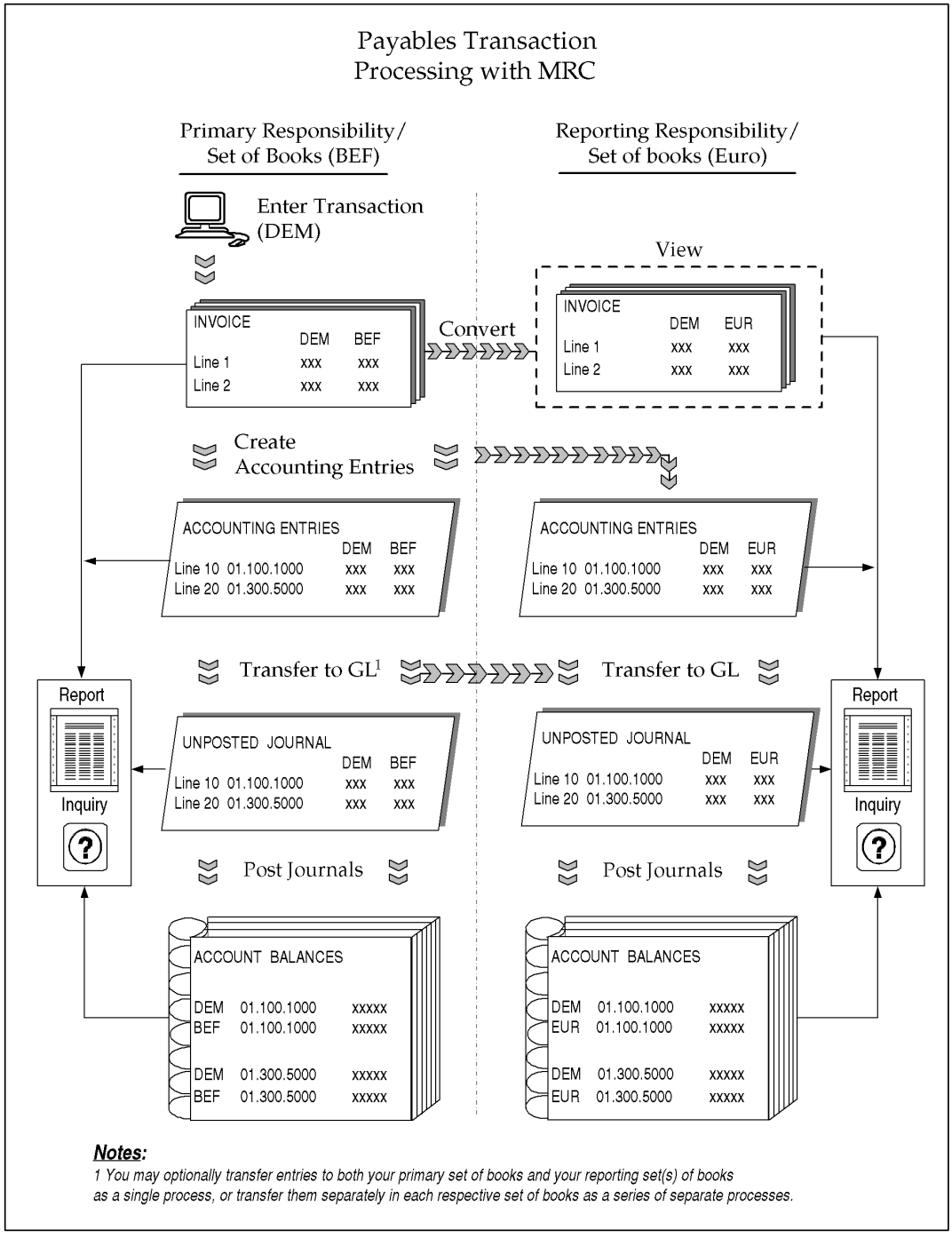

Payables Transaction
Processing with MRC
Primary Responsibility/
Set of Books (BEF)
Reporting Responsibility/
Set of books (Euro)
Enter Transaction
(DEM)
View
INVOICE
DEM BEF
Line 1 xxx xxx
Line 2 xxx xxx
Convert
INVOICE
DEM EUR
Line 1 xxx xxx
Line 2 xxx xxx
Create
Accounting Entries
ACCOUNTING ENTRIES
DEM BEF
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
ACCOUNTING ENTRIES
DEM EUR
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
Transfer to GL1
Transfer to GL
Report
Inquiry
UNPOSTED JOURNAL
DEM BEF
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
UNPOSTED JOURNAL
DEM EUR
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
Report
Inquiry
Post Journals
Post Journals
ACCOUNT BALANCES
DEM 01.100.1000 xxxxx
BEF 01.100.1000 xxxxx
DEM 01.300.5000 xxxxx
BEF 01.300.5000 xxxxx
ACCOUNT BALANCES
DEM 01.100.1000 xxxxx
EUR 01.100.1000 xxxxx
DEM 01.300.5000 xxxxx
EUR 01.300.5000 xxxxx
Notes:
1 You may optionally transfer entries to both your primary set of books and your reporting set(s) of books as a single process, or transfer them separately in each respective set of books as a series of separate processes.

Processing Transactions in Payables

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

▶ **To process transactions in Payables:**

1. Enter transactions in your primary responsibility.

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

2. Create accounting entries for transactions in your primary responsibility, using the Create Accounting process. This process converts the accounting entries in accordance with your defined conversion options.

3. Transfer and import the accounting entries to General Ledger, using the Payables Transfer to General Ledger process. You can run this process from the primary set of books or any reporting set of books.

   If you run this process from the primary set of books, you can elect to transfer and import the accounting entries for all of the associated reporting sets of books as well—*this is the preferred method.*

   > **Note:** This option has the same result as the One–Step Subledger Processing feature, described below. You can use whichever method you prefer.

   You can also elect to *transfer only* for the primary books and all associated reporting books, to be followed by separate import and posting within each primary and reporting set of books.

   Alternatively, you can run this process from each reporting set of books to import and transfer the accounting entries separately, for each respective set of books.

4. Complete the Journal Import process, if it has not been completed by a prior processing step, and post the imported journals—for each set of books.

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

5. If you are separately processing each set of books, repeat Steps 3 and 4 for each set of books.

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

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

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

You can also view and report the accounting entries created in step 2.

One–Step Subledger Processing Alternative

As an alternative to running the Payables Transfer to General Ledger program separately for each set of books, you can use the One Step Subledger Processing feature to run the process for all sets of books at the same time. The process is submitted from your primary set of books' responsibility, saving you the time required to switch responsibilities when you run the process separately.

▶ **To transfer transactions to General Ledger for all sets of books:**

1. From your primary responsibility, navigate to the Submit Requests window.
2. Run the program MRC: Journal Transfer in all Sets of Books. You will need to select the following parameters:

   Batch Name: Enter the Journal entry batch name used to identify the batch in General Ledger. Journal Import creates a journal entry batch for each set of books and accounting period.

   Post Through Date: the program will transfer all accounting entries that have an accounting date on or before the Post Through Date.

   Journal Category: Select one of the following journal categories:

   - **Purchase Invoices:** transfers accounting information for your invoice accounting events.
   - **Payments:** transfers accounting information for your payment accounting events.
   - **Reconciled Payments:** transfers accounting information for your payment clearing and unclearing events.
   - **All:** transfers accounting entry information for all journal categories.

Run Journal Import: Choose whether to Run Journal Import automatically after the journal transfer process has completed.

Audit: Select the Audit or No Audit option.

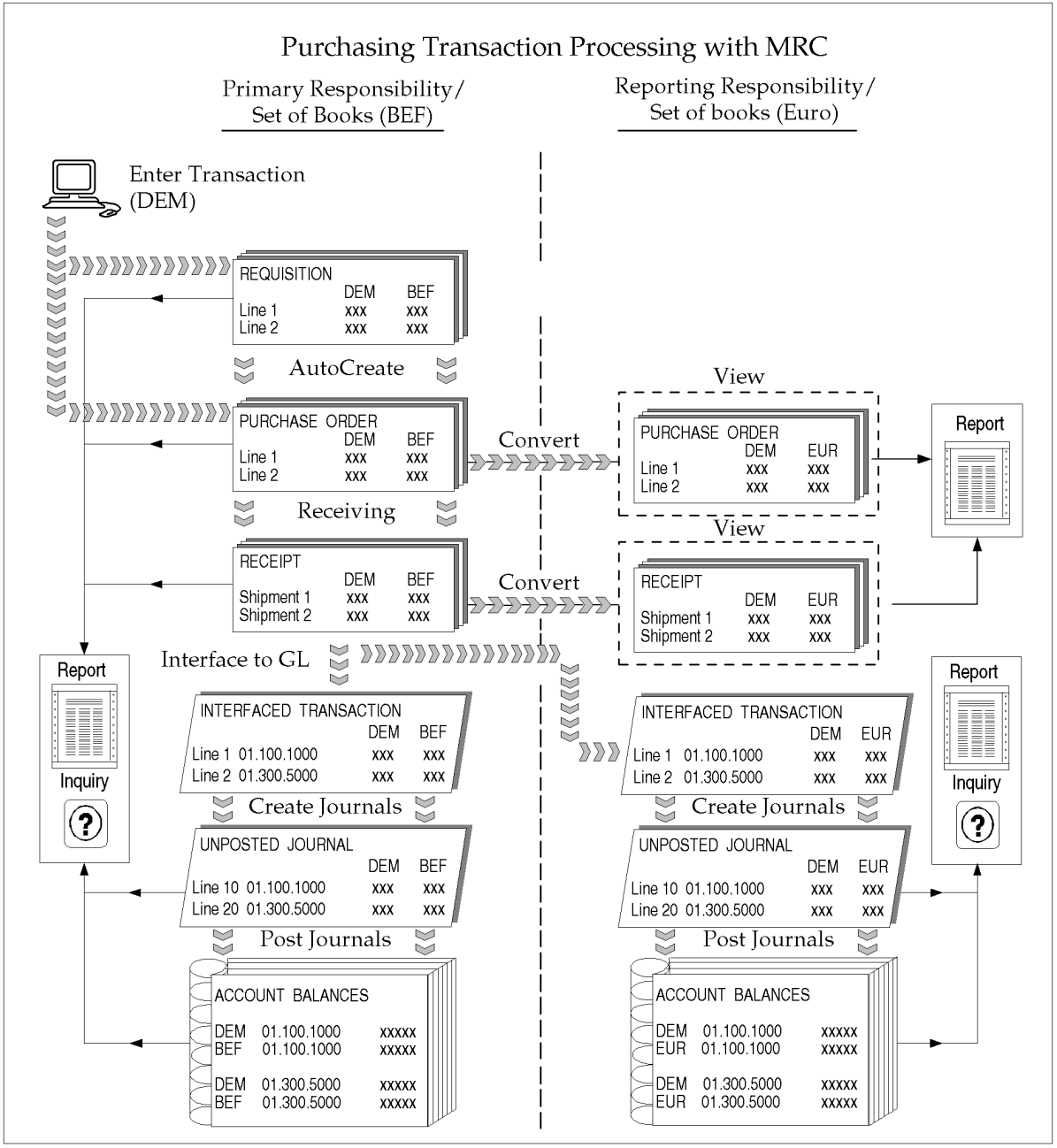
Create Summary Journals: select Yes to create summary journals to transfer to General Ledger or No to not create summary journals.

3. Choose OK to begin the process. The system submits separate requests for your primary and reporting sets of books.
4. (Optional, if you chose not to run Journal Import automatically) Once the Journal Transfer process is complete, run Journal Import from your General Ledger responsibility, for your primary and each of your reporting sets of books.
5. After Journal Import has completed, post the resulting journals in your primary and reporting sets of books.

See Also

Oracle Payables User's Guide

Oracle Receivables User's Guide


Purchasing Transaction Processing with MRC
Primary Responsibility/
Set of Books (BEF)
Reporting Responsibility/
Set of books (Euro)
Enter Transaction
(DEM)
REQUISITION
DEM BEF
Line 1 xxx xxx
Line 2 xxx xxx
AutoCreate
PURCHASE ORDER
DEM BEF
Line 1 xxx xxx
Line 2 xxx xxx
Convert
View
PURCHASE ORDER
DEM EUR
Line 1 xxx xxx
Line 2 xxx xxx
Report
Receiving
RECEIPT
DEM BEF
Shipment 1 xxx xxx
Shipment 2 xxx xxx
Convert
View
RECEIPT
DEM EUR
Shipment 1 xxx xxx
Shipment 2 xxx xxx
Report
Interface to GL
Report
Inquiry
INTERFACED TRANSACTION
DEM BEF
Line 1 01.100.1000 xxx xxx
Line 2 01.300.5000 xxx xxx
INTERFACED TRANSACTION
DEM EUR
Line 1 01.100.1000 xxx xxx
Line 2 01.300.5000 xxx xxx
Report
Inquiry
Create Journals
Create Journals
UNPOSTED JOURNAL
DEM BEF
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
UNPOSTED JOURNAL
DEM EUR
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
Post Journals
Post Journals
ACCOUNT BALANCES
DEM 01.100.1000 xxxxx
BEF 01.100.1000 xxxxx
DEM 01.300.5000 xxxxx
BEF 01.300.5000 xxxxx
ACCOUNT BALANCES
DEM 01.100.1000 xxxxx
EUR 01.100.1000 xxxxx
DEM 01.300.5000 xxxxx
EUR 01.300.5000 xxxxx

Processing Transactions in Purchasing

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

▶ **To process transactions in Purchasing:**

1. Enter transactions in your primary responsibility.

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

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

2. When you commit the receipt transactions, the GL interface tables are loaded automatically in the primary and reporting sets of books.

3. After you have committed the receipt transactions and the interface tables have been loaded, run the Journal Import process from your primary General Ledger responsibility,

4. Post the imported journals in your primary set of books.

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

5. Using your reporting responsibility, repeat Steps 3 and 4 for each reporting set of books.

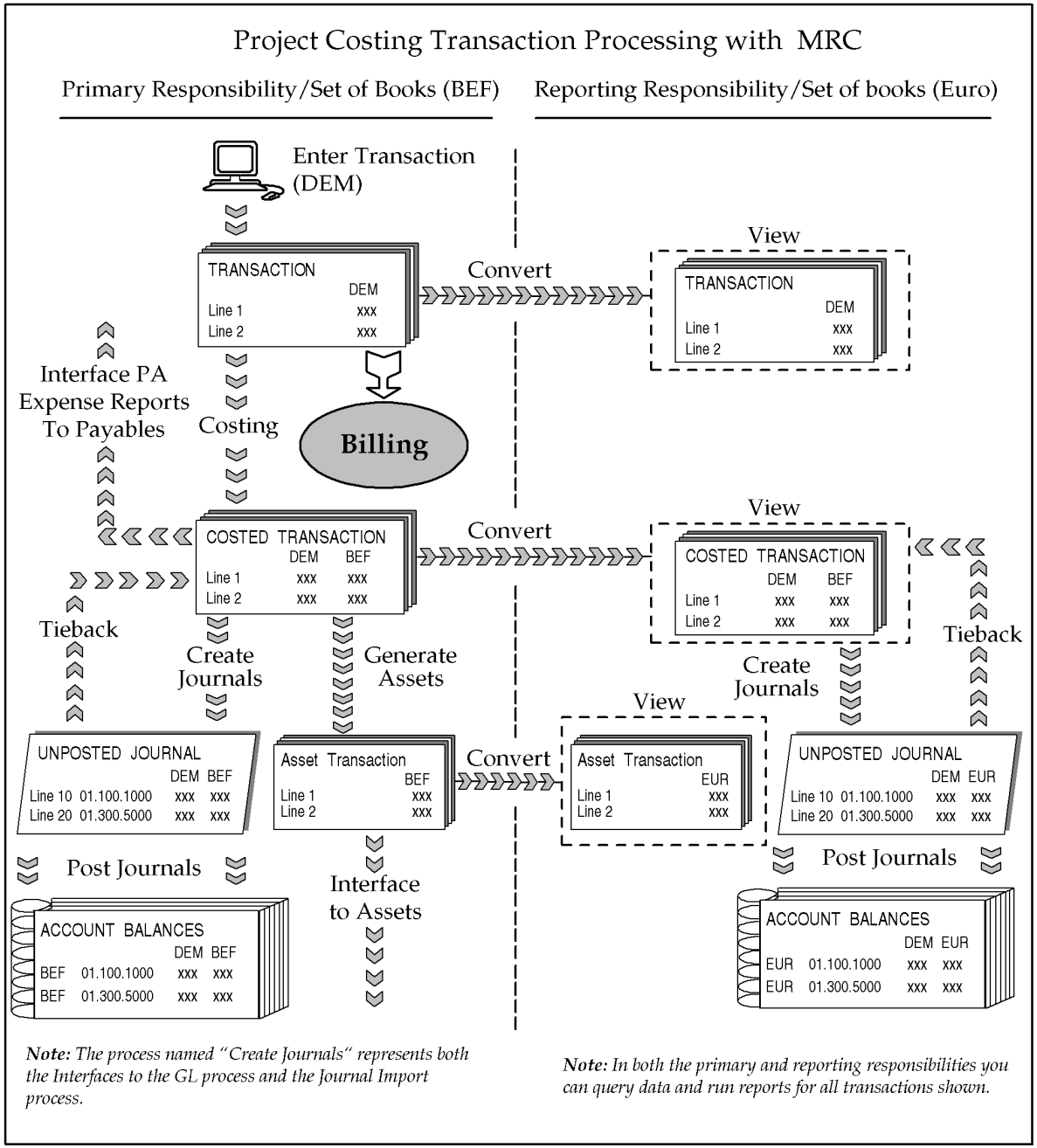
   The posting process updates the account balances in both the transaction currency and the reporting functional currency.

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

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

See Also

Oracle Purchasing User's Guide


Project Costing Transaction Processing with MRC
Primary Responsibility/Set of Books (BEF)
Reporting Responsibility/Set of books (Euro)
Enter Transaction (DEM)
TRANSACTION
DEM
Line 1 xxx
Line 2 xxx
Convert
View
TRANSACTION
DEM
Line 1 xxx
Line 2 xxx
Interface PA Expense Reports To Payables
Costing
Billing
COSTED TRANSACTION
DEM BEF
Line 1 xxx xxx
Line 2 xxx xxx
Convert
View
COSTED TRANSACTION
DEM BEF
Line 1 xxx xxx
Line 2 xxx xxx
Tieback
Create Journals
Generate Assets
Create Journals
Tieback
UNPOSTED JOURNAL
DEM BEF
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
Asset Transaction
BEF
Line 1 xxx
Line 2 xxx
Convert
View
Asset Transaction
EUR
Line 1 xxx
Line 2 xxx
UNPOSTED JOURNAL
DEM EUR
Line 10 01.100.1000 xxx xxx
Line 20 01.300.5000 xxx xxx
Post Journals
Post Journals
Interface to Assets
ACCOUNT BALANCES
DEM BEF
BEF 01.100.1000 xxx xxx
BEF 01.300.5000 xxx xxx
ACCOUNT BALANCES
DEM EUR
EUR 01.100.1000 xxx xxx
EUR 01.300.5000 xxx xxx
Note: The process named "Create Journals" represents both the Interfaces to the GL process and the Journal Import process.
Note: In both the primary and reporting responsibilities you can query data and run reports for all transactions shown.

Processing Transactions in Project Costing

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

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

1. Enter (or import) transactions in your primary responsibility.

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

2. Cost transactions by running the costing processes in the primary responsibility.

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

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

   Interface Labor Costs to General Ledger

   Interface Total Burdened Cost to General Ledger

   Interface Usage and Miscellaneous Costs to General Ledger

4. Run the Journal Import program.

   This program creates unposted journals.

5. In your primary responsibility, post the journals to General Ledger.

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

6. Run the tieback processes for each interface to General Ledger process.

7. Once you have successfully completed Steps 3 through 6 in your primary responsibility, use your reporting responsibility to repeat Steps 3 through 6 in each reporting set of books.

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

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

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

One–Step Subledger Processing Alternative

As an alternative to running, separately for each set of books, the processes for interfacing Projects' costs and revenues to General Ledger, as well as the tieback process for each interface, you can use the One Step Subledger Processing feature to run the processes for all sets of books at the same time. The one–step process is submitted from your primary set of books' responsibility, which can save you time by not requiring you to switch responsibilites if you also have access to each of your reporting sets of books.

The normal procedure is to run an interface process for each of four cost/revenue types—total burdened costs, labor costs, usage and miscellaneous costs, and draft revenue—for your primary set of books and each of your reporting set of books. With the One–Step Subledger Processing feature, you can run all of these cost/revenue processes for all sets of books in one concurrent request. Optionally, you can run each cost/revenue process separately for all sets of books (i.e., four concurrent requests).

▶ **To transfer Projects' transactions to General Ledger for all sets of books:**

1. From your primary responsibility, navigate to the Submit Requests window.
2. Run the program PRC: Submit Interface Streamline Process. You will need to select the following parameters:

   Streamline Option: choose which cost/revenue process you want to submit for the concurrent request:

   - All Streamline Processes to GL
   - XB: Interface Total Burdened Costs to GL
   - XL: Interface Labor Costs to GL
   - XU: Interface Usage and Miscellaneous Costs to GL
   - XR: Interface Draft Revenue to GL

Set of Books: select All Sets of Books or select a specific reporting set of books.

Note: If you select All Sets of Books, the concurrent request for the primary set of books is submitted first. The requests for the reporting sets of books will not be submitted until the request for the primary set of books has completed successfully.

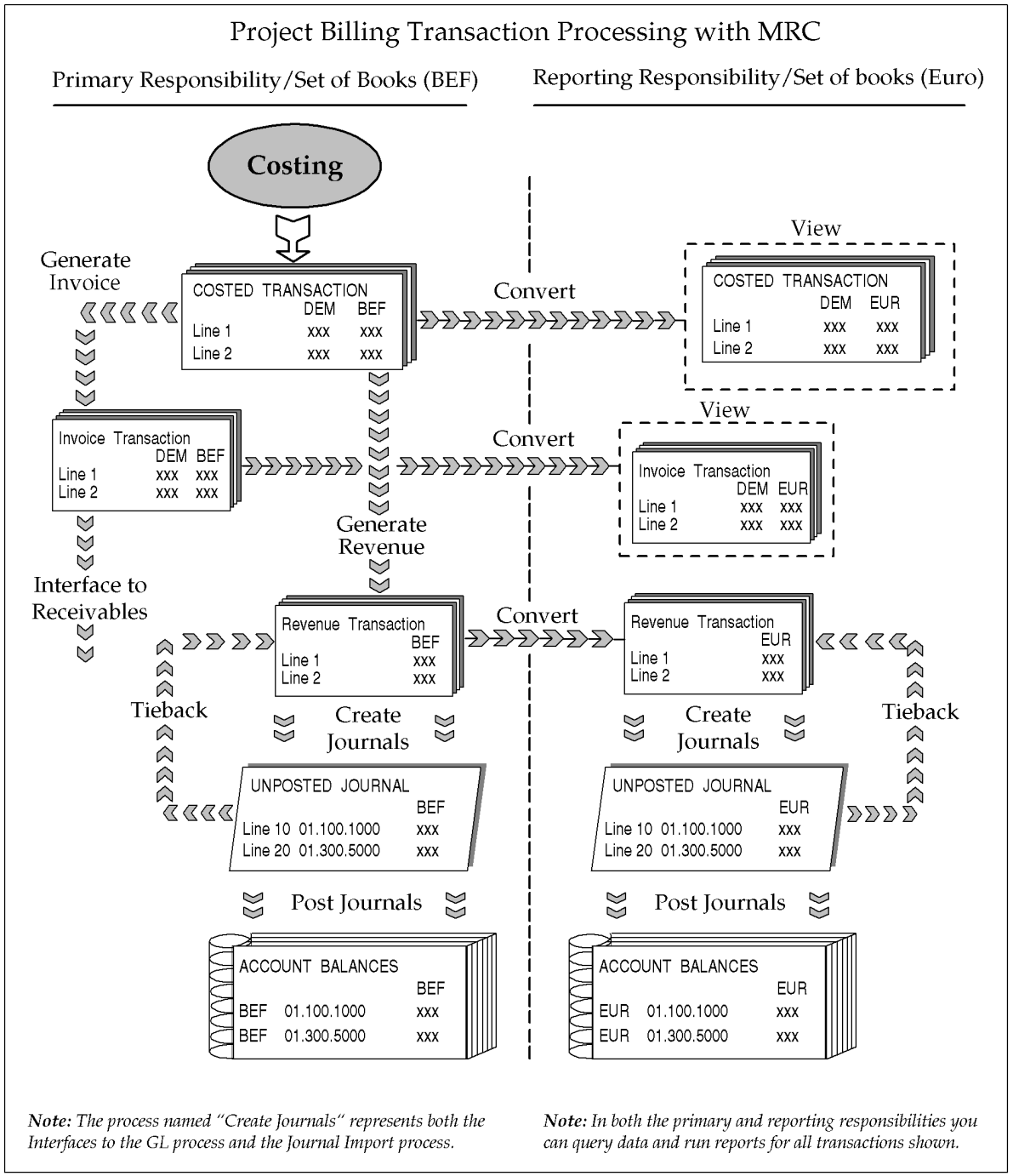
3. Choose OK to begin the process.

☞ **Attention:** If your responsibility does not have access to a reporting set of books, the interface will not be completed for that reporting set of books. The One–Step Interface Streamline Processes to GL Report will include a list of reporting sets of books that were not processed. For example:

```
                                                                                                                    Date:  06-JAN-2000
                                            One-Step Interface Streamline Processes to GL Report
-------------------------------------------------------------------------------------------------------------------------------
Vision Project Mfg (USA Rpt.): You do not have access to this set of books

                                              XU: Interface Usage and Miscellaneous Costs to GL
Set of Books Name                                              Request ID     Completion Status
-------------------------------------------------------------------------------------------------------------------------------
Vision Project MFG (MRC)                                       579765         Completed Cancelled

                                                       XR: Interface Draft Revenue to GL
Set of Books Name                                              Request ID     Completion Status
-------------------------------------------------------------------------------------------------------------------------------
Vision Project MFG (MRC)                                       579766         Completed Normal
Vision Project MFG (EURO Rpt)                                  579781         Completed Normal

                                                        XL: Interface Labor Costs to GL
Set of Books Name                                              Request ID     Completion Status
-------------------------------------------------------------------------------------------------------------------------------
Vision Project MFG (MRC)                                       579767         Completed Cancelled

                                                     XB: Interface Total Burdened Costs to GL
Set of Books Name                                              Request ID     Completion Status
-------------------------------------------------------------------------------------------------------------------------------
Vision Project MFG (MRC)                                       579768         Completed Normal
Vision Project MFG (EURO Rpt)                                  579790         Completed Normal
```

See Also

Oracle Projects User's Guide



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

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

Processing Transactions in Project Billing

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

Prerequisites

- ❑ Ensure that the Project Costing processing has already taken place. Refer to Processing Transactions in Project Costing: page 3 – 23.

▶ **To process transactions in Project Billing:**

1. Generate invoices in your primary responsibility.

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

2. Generate revenue.

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

3. From the primary responsibility, transfer the revenue transactions to General Ledger by running the Interface Revenue to General Ledger program.

4. Run the Journal Import program.

   This program creates unposted journals.

5. In your primary responsibility, post the journals to General Ledger.

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

6. Run the Revenues to GL Tieback process.

7. Once you have successfully completed Steps 3 through 6 in your primary responsibility, use your reporting responsibility to repeat Steps 3 through 6 in each reporting set of books.

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

   Note: You can streamline the above processes using the One–Step Subledger Processing feature for Projects.

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

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

See Also

One–Step Subledger Processing Alternative: page 3 – 24

Oracle Projects User's Guide

Global Accounting Engine Payables and Receivables Transaction Processing with MRC

Global Accounting Engine Payables and Receivables transaction processing with MRC allows you to account, transfer, and post to all primary and reporting sets of books in a single submission from your primary responsibility. From your primary responsibility, you use the Submit Posting Manager window to transfer Payables and Receivables transactions to General Ledger. You can automate submission of the following processes by enabling the corresponding options:

1. Translate Events
2. Transfer to GL
3. Journal Import
4. Post Journals

You must submit the Translate Events and Transfer to GL processes from your primary responsibility. Each submission processes transactions in both your primary set of books and each reporting set of books.

If you do not choose to enable the Journal Import and Post Journals options, you must run these processes using the standard General Ledger forms from both the primary responsibility and each reporting responsibility.

With the exception of Translate Events, when you enable an option, the Submit Posting Manager window ensures the options for all preceding processes are also enabled. For example, you can choose to automate submission of the Transfer to GL process only, but you cannot choose Transfer to GL and Post Journals without choosing Journal Import.

If you enable all options, you can submit a single request to transfer journals to General Ledger, import journals, and post journals in both the primary and reporting sets of books.

When you enable Journal Import and Post Journals, the Global Accounting Engine also submits that same process for each associated reporting set of books. If you choose not to enable Journal Import or Post Journals, you need to submit these processes manually in both the primary and each associated reporting set of books.

See Also

Oracle Accounting Engine User's Guide

Multiple Product Installation Groups and Multiple Organization Architecture

MRC supports Oracle Applications in these types of installations:

- **Single Product Installation Group:** Oracle Applications has been installed once.
- **Single Product Installation Group Using Multiple Organization Architecture:** Oracle Applications has been installed once, with some subledger applications using the Multiple Organization Architecture introduced with Release 10.7. This feature allows you to use multiple operating units in your subledgers with one General Ledger set of books.
- **Multiple Product Installation Groups:** Oracle Applications' products have been installed in multiple product groups. In this installation case, certain subledger Applications, such as Accounts Payable and Accounts Receivable, are installed multiple times, and associated with a single General Ledger installation.

Transaction Processing

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

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

See Also

Multiple Organizations in Oracle Applications

Oracle Applications Installation Manual

CHAPTER

4 Product–Specific Considerations

Special Considerations for General Ledger

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

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

Primary versus Reporting Responsibilities

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

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

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

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

Performing Standard General Ledger Activities

Some standard General Ledger activities require new steps or additional information when MRC is enabled. Also, certain activities must be performed in both your primary and reporting sets of books. These activities include opening and closing periods, posting journals, reversing journals, approving journals, and running Revaluation and Translation.

Since these activities are performed separately in your primary and reporting sets of books, you can close out your primary set of books for a specific accounting period while holding your reporting sets of books open. Holding the reporting sets of books' period open provides you with more time to reconcile the reporting balances and make adjusting entries.

Opening Periods

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

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

Entering and Posting Journals

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

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

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

Reversing Journals

You cannot reverse converted journals directly in your reporting sets of books. Instead, when you reverse the original journal in your primary

set of books, MRC automatically reverses the corresponding entries in your reporting sets of books. The reversal process is slightly different, depending upon whether the original entry is reversed before or after being posted in your primary set of books:

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

Reverse before posting: When you post the original journal in your primary set of books, MRC automatically converts it and creates two unposted journals in each reporting set of books — one for the converted original journal and one (using the same converted amounts) for the reversing journal.

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

Notes:

- If you enter a journal directly in your reporting set of books, you can only reverse it in your reporting set of books.
- *When Journal Approval is Enabled:* Any reversing journals that are generated in your reporting sets of books as a result of reversing an original journal in your primary set of books will not require approval, regardless of whether Journal Approval has been enabled in your reporting sets of books.

  If Journal Approval is enabled in your primary set of books, it is possible that the original reversing journal could be rejected by an approver ***after*** the converted reversing journals have been generated in your reporting sets of books.

  Since the converted reversing journals do not require approval, they won't be rejected when the original reversing journal is rejected. This could result in the balances in your reporting sets of books becoming out of sync with the balances in your primary set of books. You can resynchronize your balances by deleting the converted reversing journals in your reporting sets of books.

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

Approving Journals

As discussed earlier in this chapter (see: Primary versus Reporting Responsibilities: page 4 – 2), you should generally exercise caution

over entering or importing new journals in a reporting set of books. As a result, you may wish to use General Ledger's Journal Approval feature to ensure that a reporting set of books' journals are processed through your organization's approval hierarchy.

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

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

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

Performing Account Inquiries in a Reporting Set of Books

When you perform an account balance inquiry in a reporting set of books, you can drill down to the journal detail that comprises the reporting currency balance. If the journal detail is a converted journal, i.e., one that was converted automatically when the original journal was posted in the primary set of books, you can drill down further to see the primary currency journal amounts.

Document Numbers

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

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

Entering Budgets

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

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

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

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

See: Overview of Budgeting
Importing Journals

Global Consolidation System
(Oracle General Ledger User's Guide)

Encumbrances and Budgetary Control

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

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

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

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

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

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

- Define GL Conversion Rules for the Purchasing journal source.

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

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

Define General Ledger Conversion Rules: page 2 – 16

Revaluation

If you use Multiple Reporting Currencies, you must periodically run Revaluation in your primary and reporting sets of books, as necessary to satisfy the accounting regulations of the country in which your organization operates.

There are two methods for using revaluation with MRC:

- **Don't Convert:** gains and losses arising from revaluation in the primary set of books are NOT converted to your reporting currencies.
- **Convert:** gains and losses arising from revaluation in the primary set of books are converted to your reporting currencies

You select the method you want to use for a reporting set of books when you define your General Ledger conversion rules during the MRC setup process, as follows:

▶ **To prevent conversion of revaluation gains and losses to a reporting set of books:**

- Make sure there is no GL conversion rule that allows revaluation journals to be converted.

  Caution: A conversion rule with the Convert checkbox checked, a Category of Other, and a Source of Other will result in revaluation gains and losses being converted.

  Optionally, or if there is a conversion rule that will result in revaluation gains and losses being converted, create a GL conversion rule that specifically prevents revaluation journals from being converted, by using the following parameters:

  Convert checkbox: NOT checked

  Category: Revaluation

  Source: Revaluation

  Note: In this case, you cannot make changes to the fields Reporting Conversion Type and No Rate Action.

▶ **To convert revaluation gains and losses for a reporting set of books:**

- Create a GL conversion rule using these parameters:

  Convert checkbox: checked

  Category: Revaluation

Source: Revaluation

Reporting Conversion Type: choose the value you want

No Rate Action: choose the value you want

Note: A conversion rule with the Convert checkbox checked, a Category of Other, and a Source of Other will result in the same behavior.

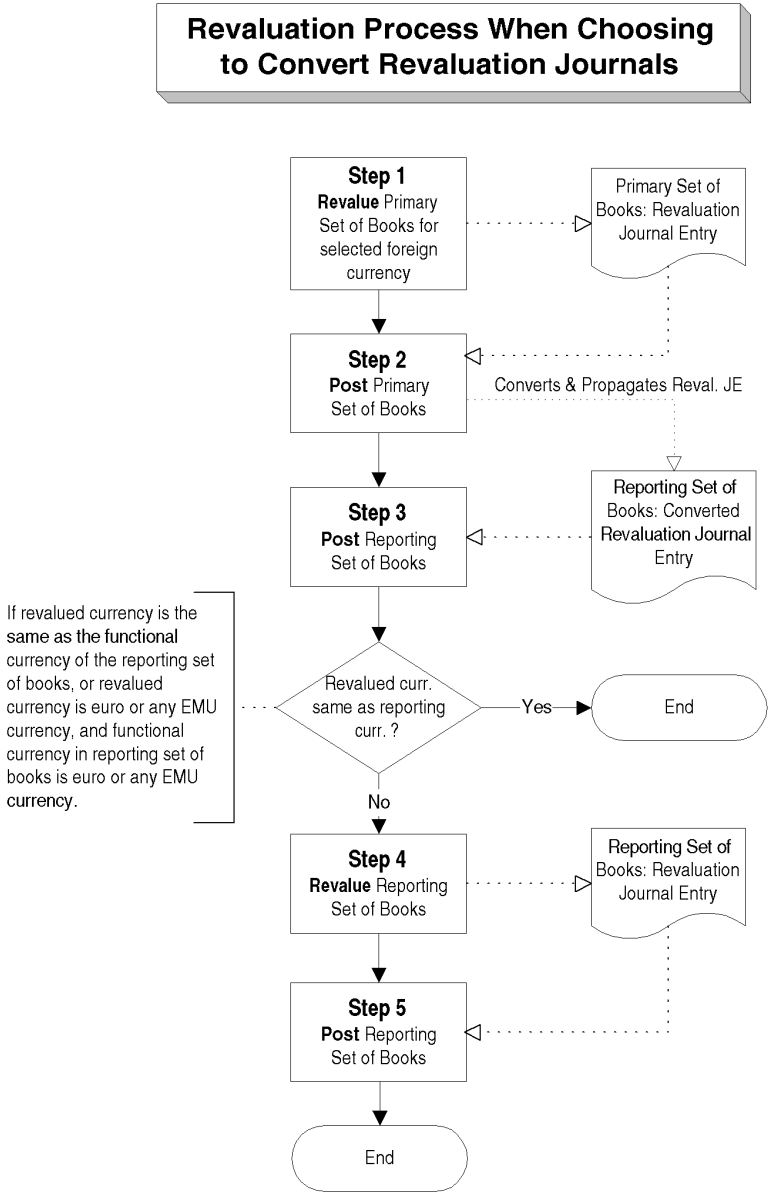
See: Define General Ledger Conversion Rules: page 2 – 16

If you choose not to convert revaluation gains and losses, the process to revalue balances requires that you run Revaluation separately in your primary set of books and your reporting sets of books. You also post the resulting revaluation journals in both your primary and reporting sets of books. When the revaluation journal is posted in the primary set of books, there will be no impact on the reporting set of books.

This approach represents standard General Ledger functionality, operating independently in each set of books. You only need to run revaluation in a reporting set of books if there are foreign currency entered transactions in that set of books.

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

The second revaluation method — to convert revaluation gains and losses—is more complicated. The following chart depicts the revaluation process:



The remainder of this section describes each of the steps in the flowchart in more detail, including the accounting entries generated in both the primary and reporting set of books. Use this information to determine which steps to use to satisfy the accounting requirements of the country in which your organization operates.

Step 1 Revalue Primary Set of Books

❑ Run revaluation in your primary set of books—for selected, foreign currencies. This process computes gains and losses from changes in exchange rates for account balances in your primary set of books that are denominated in a foreign currency. There is no immediate effect in the reporting set of books.

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

❑ This process generates revaluation journal entries by currency for the primary set of books.

Note: If there are no foreign currency–denominated balances in the primary set of books, no revaluation journal entries are generated (there is nothing to revalue).

Each revaluation journal includes:

- Lines to adjust the converted amounts of the foreign currency account balances, to reflect the exchange rate as of the balance sheet date.
- The amount needed to balance the journal is recorded as an entry to the exchange gain/loss account you select.
- Entered amounts are set to zero.

Example:

For example, consider the following scenario:

Primary functional currency:	EUR
Reporting functional currency:	USD
Foreign currency accounts:	CAD

Exchange rates are as follows:

Date:	CAD > EUR	CAD > USD	EUR > USD
9/5/99	.632	.670	1.06
9/20/99	.652	.678	1.04
9/30/99	.639	.680	1.06

Also assume that you defined a GL conversion rule to have revaluation journals converted using the rates for the reporting conversion type "Period–Avg". The related Period–Avg rate for Sep–1999 is 1.053.

There are three transactions during September:

Date:	Account	Entered	Accounted
9/5	AR	1000 CAD	632.00 EUR
9/20	AP	1250 CAD	822.50 EUR
9/20	AP	500 EUR	500.00 EUR

When Revaluation is run at the end of September, the new accounted amounts will be:

Date:	Account	Entered	Accounted
9/5	AR	1000 CAD	639.00 EUR
9/20	AP	1250 CAD	798.75 EUR
9/20	AP	500 EUR	500.00 EUR

The effect of the revaluation is an increase in AR of 7 EUR (a gain) and a decrease in AP of 23.75 EUR (a gain). This will result in the following revaluation journal in the primary set of books:

```
Accounts Receivable          7.00
Accounts Payable            23.75
     Exchange Gain/Loss                30.75
```

The entered amounts for all three journal lines is zero.

We will continue to build on this example through the remaining discussion in this section.

Step 2 Post Primary Set of Books

- ❑ In the primary set of books, post the revaluation journals generated by Step 1.
- ❑ Upon posting, revaluation journals are converted to your reporting currency—in the reporting set of books.
- ❑ For the converted revaluation journals:
  - The exchange gain or loss of the primary set of books' revaluation journal is converted using the related rate for the reporting conversion type you specified for the applicable GL conversion rule. Typically, you will use a period average rate.

    For example, assume you use the reporting conversion type "Average" for your period average rates and you created the following GL conversion rule when you set up your reporting set of books:

Convert checkbox: checked

Category: Revaluation

Source: Revaluation

Reporting Conversion Type: Average

If the primary functional currency is EUR, the reporting functional currency is USD, and you run Revaluation for Sep–1999, your revaluation journals will be converted using the Average rate you defined for Sep–1999.

- The balancing amount of the reporting set of books' revaluation journal is made to the Cumulative Translation Adjusment account. No adjustments are made to other balance sheet accounts.

Example:

Continuing the example introduced in Step 1, the primary set of books' revaluation journal will be converted to the reporting set of books as follows:

```
Cumulative Translation Adjustment   32.38
     Exchange Gain/Loss                    32.38
```

The gain is computed as 30.75 (gain from primary set of books' revaluation journal) times the "Period–Avg" rate for Sep–1999 of 1.053 (EUR to USD):

```
30.75 EUR  X  1.053  =  $ 32.38
```

Step 3 Post Reporting Set of Books

❑ In the reporting set of books, post the converted revaluation journals generated by Step 2.

Caution: Perform the remaining steps ***ONLY*** if the currency of the original entered amount in the primary set of books is *different from* the currency of the reporting set of books. Otherwise, no further action is needed in the reporting set of books.

Example:

In our continuing example, the currency of the original entered amount is EUR. The reporting currency is USD. Since the currencies are different, we would proceed with the remaining steps.

Step 4 Revalue Reporting Set of Books

❑ Run Revaluation in the reporting set of books ***if*** the currency of the original entered amount in the primary set of books is *different from* the currency of the reporting set of books. Choose to record any exchange gains or losses to the cumulative translation adjustment account.

This process computes gains and losses from changes in exchange rates for account balances in your reporting set of books that are denominated in a foreign currency (i.e., a currency other than the reporting currency).

❑ This process generates revaluation journal entries by currency for the reporting set of books.

Each revaluation journal includes:

- Lines to adjust the converted amounts of the foreign currency account balances, to reflect the exchange rate as of the balance sheet date.
- The amount needed to balance the journal is recorded as an entry to the account you select. You should choose the cumulative translation adjustment account.
- Entered amounts are set to zero.

Example:

Continuing our example from the previous steps, note that MRC would have converted the three original transactions, using daily rates as follows:

Date:	Acct.	Entered	Daily Rate	Accounted in RSOB
9/5	AR	1000 CAD	.670	$ 670.00
9/20	AP	1250 CAD	.678	$ 847.50
9/20	AP	500 EUR	1.04	$ 520.00

Since the original entered currency is different from USD, we must revalue these currencies as of 9/30 to compute any related translation adjustment. When Revaluation is run, the new accounting amounts in the reporting set of books will be:

Date:	Acct.	Entered	Period End Rate	Accounted in RSOB
9/5	AR	1000 CAD	.680	$ 680.00

9/20	AP	1250 CAD	.680	$ 850.00
9/20	AP	500 EUR	1.06	$ 530.00

The effect of the revaluation is an increase in AR of $10 and a increase in AP of 12.50, for a net debit of $2.50 to the cumulative translation adjustment account. This will result in the following revaluation journal in the reporting set of books:

```
Accounts Receivable                10.00
Cumulative Translation Adjustment   2.50
     Accounts Payable                      12.50
```

The entered amounts for all three journal lines is zero.

Step 5 Post Reporting Sets of Books

❑ In the reporting set of books, post the revaluation journals generated by Step 4.

Translation and Consolidation

See: Translation versus MRC: page 5 – 10

Mass Maintenance

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

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

Sequential Numbering

If you are using sequential numbering and wish to maintain the same numbering in your reporting and primary sets of books for journals (other than those generated by Receivables, Payables, Purchasing, Projects, Assets, and Global Accounting Engine) do not create separate sequences in your reporting sets of books. If you do, the sequence defined in the reporting sets of books will be used and may cause document numbers not to be synchronized between the primary and reporting sets of books.

Completing MRC–Related Activities in the Correct Order

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

Period–Begin Tasks

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

Day–to–Day Tasks

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

Period–End Tasks

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

- Finish entering all regular and adjusting journals for the period in your primary set of books.
- If you use Oracle feeder systems, such as Receivables and Payables, you must run the subledger application's transfer to General Ledger process in both your primary and reporting sets of books. You may choose to run the transfer and posting for the primary set of books and then repeat these processes for each reporting sets of books.

  Alternatively, you may choose to complete the subledger transfer for primary and reporting sets of books before commencing the posting of journals in the primary and then reporting sets of books.

  See: Special Considerations for Oracle Subledgers: page 4 – 18
- Post all unposted journals in your primary set of books if not already done in the previous step.
- Post all unposted journals in your reporting sets of books if not already done in the previous step.

- Run Revaluation in both your primary and reporting sets of books. Post the resulting revaluation batches in each set of books.

  See: Revaluation: page 4 – 8

- As needed, translate balances in both your primary and reporting sets of books.
- Generate needed reports from both your primary and reporting sets of books.
- Close your accounting period in both your primary and reporting sets of books.

Special Considerations for Oracle Subledgers

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

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

Maintaining Synchronized Document Numbers

For all subledgers that support MRC, you must run the post to General Ledger process in both the primary and reporting sets of books. This process creates journal batches in the GL Interface table that you must then import and post in General Ledger.

To maintain synchronized document numbers between your primary and reporting sets of books, you must import the subledger journal batches in the same order in both your primary and reporting sets of books. This is necessary because General Ledger assigns document numbers during the Journal Import process.

If you do not import the journal batches in the same order, the document numbers will become unsynchronized, making it more difficult to reconcile your primary and reporting sets of books. It will also be more difficult to perform journal inquiries in reporting sets of books since you may not know what document number corresponds to a journal in the primary set of books.

Assets

Running Depreciation

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

Note: There is a One–Step Subledger Processing alternative to streamline the process of running depreciation in all of the sets of books. See: Processing Transactions in Assets: page 3 – 9

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

Mass Additions

While logged into a primary responsibility, if you are loading the FA_MASS_ADDITIONS table with data from a legacy system (a feeder system other than Oracle Payables or Oracle Projects), you must also load the FA_MC_MASS_RATES table. This also applies if you are loading the FA_MASS_ADDITIONS table from Payables, Projects, and Receivables environments that are not MRC–enabled. For each mass addition line in FA_MASS_ADDITIONS, you need to provide exchange rate information in the FA_MC_MASS_RATES table for each reporting set of books associated with the corporate book into which the assets will be added.

Note: To avoid rounding errors in your reporting set of books, we recommend that you use a calculated rate whenever the original asset transaction currency is the same as your reporting currency. For example, assume your primary functional currency is euro and your reporting functional currency is French francs. Also assume you have an asset that originally cost 1,000 FRF. The euro equivalent of this amount, using the fixed rate between the euro and the franc (6.55957), is 152.45 EUR.

If you enter 6.55957 for the EUR to FRF rate in the FA_MC_MASS_RATES table, MRC will record the amount 1,000.01 in the FRF reporting set of books (i.e., 152.45 EUR X 6.55957 = 1000.006 = 1000.01 rounded). This will result in a .01 FRF rounding difference between the amount recorded in your reporting set of books and the original asset transaction amount.

To avoid this situation, use a calculated rate in FA_MC_MASS_RATES instead. In the example above, the calculated rate would be 6.559527714005 (i.e., 1000 FRF / 152.45 EUR).

Payables

Opening and Closing Periods

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

AutoRate

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

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

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

If you are using Payables with MRC, you may need to set up the Realized Gain, Realized Loss, and Rounding accounts under Payables options if the functional currency of your primary and reporting books is different.

Automatic Offsets

If you enable Automatic Offsets, Payables automatically balances invoice and payment distributions that cross balancing segments by creating offsetting entries for each balancing entry. However, these offsetting entries are also created in the reporting sets of books.

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

Receivables

Opening and Closing Periods

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

Purchasing

Inquiry Windows

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

Projects

Expenditure Inquiry

To see reporting amounts in the Expenditure Inquiry form, look at the Functional Raw Cost and Functional Burdened Cost columns (if these columns are not displayed, add them using Folder Tools).

Note that under the Reporting Responsibilities the Expenditure Inquiry form is slightly modified (the Item Details and Run Requests buttons are missing). In order to see Item Details, you must choose the blue cell next to the expenditure item. The Run Requests button is missing because you are not able to make adjustments in the reporting responsibility.

Invoice Inquiry

To see reporting amounts in the Invoice Inquiry form, look at the Project Amount column.

Opening and Closing Periods

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

Interfaces to General Ledger

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

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

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

> **Note:** There is a One–Step Subledger Processing alternative to streamline the process of interfacing transactions to General Ledger in all of the sets of books. See: One–Step Subledger Processing Alternative: page 3 – 24

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

Interfaces to Subledgers

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

Import MRC Amounts

When you implement MRC, this option appears only in the Transaction Sources window for your primary set of books. Checking this option indicates that transaction amounts in the transaction currency and each associated reporting currency are provided by an external system. Otherwise, Projects calculates reporting currency amounts based on the General Ledger daily rates for that particular transaction currency. If

you enable this option, you must populate the PA_MC_TXN_INTERFACE_ALL table with the currency conversion rates and converted amounts for all transactions originating from that transaction source.

What is Covered

MRC only converts accounting transactions from your primary set of books to each respective reporting set of books. Items such as budgets, agreements, and funding are not converted to your reporting currencies.

MRC also does not convert summary amounts to your reporting currencies. Summarization can only be performed in your primary responsibility.

Cost Management

Reporting

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

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

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

- Margin Analysis Report

CHAPTER

5 Implementation Considerations

Implementation Considerations

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

- **Translation versus MRC:** Discusses the differences between General Ledger's Translation feature and MRC.
- **Type of Installation:** Different issues arise when you implement MRC for a new Oracle Applications installation versus enabling MRC at any time after upgrading from an earlier version of Oracle Applications.
- **Initializing Account Balances in Reporting Sets of Books:** Explains how to initialize the beginning account balances in your reporting sets of books for the different installation types. This includes the procedures to follow whenever you need to add a new reporting set of books after MRC has already been enabled for your primary set of books.
- **MRC Starting Dates:** Discusses how to determine appropriate dates to use for initializing account balances in your reporting sets of books and for entering back–dated transactions.
- **Converting Existing Transactions:** Explains how to convert open and/or reversible transactions to your reporting currencies when you enable MRC after upgrading from an earlier version of Oracle Applications.

Terms

back–dated transaction	A transaction whose transaction date precedes the first MRC date.
closed transaction	A subledger transaction whose accounting life cycle has been completed. For example, the life cycle of a Payables invoice is considered closed once the check you issued to pay the invoice has been returned with your bank statement and reconciled.
EMU	European Economic and Monetary Union.
first MRC date	The first day of the first MRC period. *(Formerly known as the logical effective date.)*
first MRC period	The first period for which you want to use MRC to convert transactions to your reporting currencies. The first MRC period is also the period in which beginning account balances are initialized in your reporting sets of books.

first run The first time you run the upgrade utility for a specific subledger application that supports MRC. During a first run, transactions are converted for periods preceding the first MRC period. Any future–dated transactions are also converted.

foreign transaction A transaction denominated in a currency other than the primary functional currency. The currency can be one of your reporting currencies.

from date The first date from which MRC will convert transactions to your reporting functional currency. The from date is set on the Conversion Options window for each application.

future–dated transaction With respect to the upgrade utilities, a transaction whose transaction date is the same as or later than the first MRC date. Future–dated transactions only apply to Payables, Receivables, and Projects.

initial period The accounting period that precedes the first MRC period.

initializing rate Single rates you define between each transaction currency and reporting functional currency for the conversion date and conversion type you specify on the Reporting Book Initialization window. This rate is used to convert transactions and initialize monetary account balances in reporting sets of books during the upgrade process for upgrade scenario two.

Note: Conversions involving EMU currencies for dates after 01–JAN–1999 are not made using the initializing rate. In these cases, MRC uses the defined fixed–rate relationships between the euro and the EMU currencies, and follows prescribed regulations pertaining to triangulation and rounding.

local transaction A transaction denominated in the primary functional currency. The currency can be one of your reporting currencies when you have chosen a reporting currency that is the same as your primary functional currency.

monetary asset/liability An asset or liability whose recorded amount is fixed or determinable in the functional currency without regard to future prices of specific goods or services. Typical monetary assets include cash, marketable securities, and accounts receivable. Accounts payable is a typical monetary liability.

NCU National Currency Unit. The national currency unit of an EMU member state as of 01–JAN–1999. In each EMU member country, a transaction can be expressed in euro units or in NCUs. A transaction denominated in the NCU of another EMU member state is referred to as a foreign NCU transaction.

open item A Payables or Receivables invoice against which cash has not been fully applied by means of payment or receipt.

open transaction	A subledger transaction whose accounting life cycle has not been completed. For example, the life cycle of an asset is open until the asset has been fully retired. A Receivables invoice remains open until the receipt of the customer's payment has been reconciled with your bank statement. A Payables transaction remains open until it has been paid or a related credit note has been matched against the transaction.
rerun	When you run the upgrade utility a subsequent time to extend the volume of converted transactions in the reporting set of books. You can only rerun the upgrade utility for certain subledgers that support MRC. For example, you can rerun the utility to convert additional periods in Receivables or Payables or additional projects in Projects.
restart	When you resume upgrade processing after the utility has stopped before successfully completing a first run or rerun.
reversible transaction	A subledger transaction that can be reversed. For example, an invoice that is subject to being cancelled.
to date	The last date for which MRC will convert transactions to your reporting functional currencies. The to date is set on the Conversion Options window for each application.

Type of Installation

MRC currently supports three specific types of installation:

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

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

- **Upgrade Scenario One:** Existing customers who upgrade to Oracle Applications Release 11, or later, then enable MRC for:

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

  You must enable MRC ***before*** entering any transactions in the subledgers. There is no such restriction for General Ledger.

  Warning: Do not reopen closed transactions or reverse existing transactions if you have enabled MRC without creating a new set of books or operating unit. If you need to do so, you

should treat your situation as if you were an Upgrade Scenario Two installation type.

Attention: For both Fresh Install and Upgrade Scenario One, if you enter transactions in a subledger before enabling MRC, there will be open and/or reversible transactions when MRC is enabled. These transactions are not retroactively converted to your reporting currencies when you enable MRC. As a result, any entries related to the transactions (e.g., reversals, credit memos, receipts, payments, or project expenditure adjustments) that occur after MRC is enabled may cause an error condition.

Therefore, if you enter transactions in a subledger before enabling MRC, you should treat your situation as if you were an Upgrade Scenario Two installation type. You must run the appropriate upgrade utilities to convert the open transactions to your reporting currencies.

- **Upgrade Scenario Two:** Existing customers who upgrade to Oracle Applications Release 11, or later, then enable MRC for an existing set of books when there are open and/or reversible transactions in subledgers that support MRC.

  Note: In the unlikely case that you have no open and/or reversible transactions in subledgers that support MRC, you can enable MRC for those subledgers without creating a new set of books or operating unit and without running any of the subledger upgrade utilities. You should still run the General Ledger reporting balance initialization utility to initialize reporting account balances.

Warning: Upgrade scenario two does not support situations where multiple *primary* sets of books are associated with the same reporting set of books.

See Also

Enabling MRC for Fresh Install and Upgrade Scenario One: page 5 – 12

Enabling MRC for Upgrade Scenario Two: page 5 – 15

MRC Starting Dates

This section is a general discussion of the importance of determining appropriate dates for two important MRC starting dates:

- **First MRC Date:** The first date of the first MRC period. You must initialize the account balances in your reporting sets of books on the first MRC date.

- **From Date:** The first date for which MRC will start converting transactions to your reporting functional currency. You enter the from date on the Conversion Options window.

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

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

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

  For Assets and Projects, the from date is set automatically to the Oldest Date Placed in Service and the system date, respectively. Once the from date has been set, MRC begins converting all new transactions for these two applications. No comparison between the from date and the transaction or entered date is performed.

Choosing a First MRC Date

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

Suggestion: Consider choosing a first MRC date that falls on the first day of your fiscal year. All of the balance types (daily, period–to–date, quarter–to–date, and year–to–date) are fully synchronized on the first day of your fiscal year. Also, you won't need to work with partial year balances in your reporting sets of books.

The first MRC date is always the first day of your first MRC period. In addition:

- Your first MRC period should be the first period of a quarter to ensure that the quarter–to–date reporting currency balances for the quarter in which you enable MRC are correct.
- If you use average balance processing and need to report average balances in your reporting sets of books, choose a first MRC date that is the first day of a fiscal year. This ensures that your period–average–to–date, quarter–average–to–date, and

year–average–to–date reporting currency balances will be correct.

- (Upgrade Scenario Two only) Your first MRC period must be the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger for the primary set of books at the time you run the upgrade utilities.

Attention: There are special considerations for determining the first MRC date for each type of installation. Before you enable MRC and initialize your reporting account balances, make sure you read the appropriate section in this chapter for your type of installation.

See:

Type of Installation: page 5 – 4

Enabling MRC for Fresh Install and Upgrade Scenario One: page 5 – 12

Enabling MRC for Upgrade Scenario Two: page 5 – 15

Choosing a From Date

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

General Ledger, Payables, Receivables, and Purchasing

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

> **Note:** Back–dated subledger transactions are those whose transaction dates precede the first MRC date.

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

The figure below illustrates why choosing an appropriate from date is important. The example shows how the accounts receivable balance in

your reporting set of books is affected by your choice of from dates. The example assumes that you've chosen June 1st as your first MRC date and that you have initialized the beginning balances in your reporting set of books. The section titled June Activity & Balances shows transaction and balance activity for June, and a subsequent period–end posting from Receivables to General Ledger.

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

First MRC Date:6/1

Receivables Balance 5/31 in Primary Set of Books	Conversion Rate 5/31	Beginning Balance in Reporting Set of Books
10,000	1.50	15,000

June Activity and Balances

A/R Subledger Transactions

Date	Primary Curr	Converted Amount
6/5	2,000	3,010
6/12	1,500	2,265
6/20	2,500	3,810
6/30	3,000	4,470
Post to GL	9,000	13,555

General Ledger Activity

Date		Primary SOB	Reporting SOB
6/1	Balance	10,000	15,000
6/15	Journal	(11,000)	(16,610)
6/30	A/R Post	9,000	13,555
6/30	Balance	8,000	11,945

Back-Dated A/R Transaction

Date: 5/5
Amount:
3,000 (primary curr)
4,600 (reporting curr)

	From Date:5/15		**From Date:**5/1	
	Primary SOB	Reporting SOB	Primary SOB	Reporting SOB
Adjusted GL Balance 6/1	13,000	15,000	13,000	19,600
Adjusted GL Balance 6/30	11,000	11,945	11,000	16,545
	INCORRECT		**CORRECT**	

Note: Do not inquire or report on reporting currency balances in General Ledger for dates preceding the first MRC date. Since the beginning balances in your reporting sets of books

will not yet be initialized (i.e., your inquiry date precedes the first MRC date), the reporting currency account balances will not be correct.

However, the reporting currency amounts (in your subledgers) of any back–dated transactions that occur before the first MRC date will be correct.

Assets

For Oracle Assets, the from date is set automatically at the time you assign the Assets conversion options on the Assign Reporting Sets of Books window. MRC sets the from date to the Oldest Date Placed in Service value that you've entered in the Assets' System Controls window. You cannot update the from date.

Unlike Payables, Receivables, and Purchasing, MRC does not compare the from date to the transaction or entered date to determine which Assets' transactions to convert. Instead, once you've enabled MRC and have set the Assets' conversion options, MRC will begin converting all Assets' transactions.

Projects

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

Unlike Payables, Receivables, and Purchasing, MRC does not compare the from date to the transaction or entered date to determine which Projects' transactions to convert. Instead, once you've enabled MRC and have set the Projects' conversion options, MRC will begin converting all Project's transactions.

Payables and Receivables

If you have implemented MRC in an existing set of books (upgrade scenario two), we highly recommend that you *do not* define the from date as an earlier date than the first day of the start period.

Translation versus MRC

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

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

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

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

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

Usually, when you compare the results of using amounts from your reporting set of books rather than translated primary set of book's amounts, there will be rounding differences in your accounts. Many of these differences arise because:

- Translation converts functional currency amounts to the reporting functional currency. MRC converts amounts from the transaction currency to the reporting functional currency.
- MRC uses daily rates to convert transaction amounts to your reporting currencies. Translation uses period or historical rates to translate account balances.

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

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

Note About Budget Balances

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

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

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

See Also

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

Enabling MRC for Fresh Install and Upgrade Scenario One: page 5 – 12

Enabling MRC for Upgrade Scenario Two: page 5 – 15

Enabling MRC for Fresh Install or Upgrade Scenario One

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

Attention: Once you begin the initialization process outlined in the steps below, DO NOT enter new transactions in subledgers that support MRC and DO NOT post any new journals in General Ledger until the initialization process has been completed successfully. For more information, see: Type of Installation: page 5 – 4.

Step 1 Perform MRC Setup Steps

Perform the MRC setup steps described in Chapter 2, Setup.

See: Setting Up MRC: page 2 – 2

Step 2 Initialize Account Balances in New Primary Set of Books

Perform this step only for upgrade scenario one when you enable MRC for a new set of books. You must initialize the account balances in your new primary set of books for the initial period. These are the balances that are subsequently converted to your reporting currencies during Step 6.

We suggest you use Journal Import to load the initial balances into your new primary set of books. These balances might come from a file that you have created manually or automatically. One way to create this file automatically is to write a SQL script to extract the year–to–date entered and accounted actual balances from your old primary set of books as of the end of the initial period.

Another way to initialize the balances in your new primary set of books is to enter them manually, using the Enter Journals window in General Ledger.

Caution: If you use Translation and Consolidation to initialize your new set of books' balances, your foreign entered amounts and balances will not be carried over.

Step 3 Post in the Primary Set of Books

You must post all outstanding transactions in your primary set of books at the end of the initial period. This includes posting:

- All subledger transactions to General Ledger
- All journals in General Ledger

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

Step 4 Close the Initial Period in Primary Set of Books

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

> **Caution:** If you previously opened the initial period in any of your subledgers, and subsequently entered transactions in that subledger before enabling MRC, you should not be following the steps outlined in this section. Instead, you should treat your situation as if you were an Upgrade Scenario Two installation type. See: Enabling MRC for Upgrade Scenario Two: page 5 – 15

Step 5 Open the Initial Period in Reporting Sets of Books

Before you initialize account balances in the next step, make sure you have opened the initial period in General Ledger in your reporting sets of books. If you are upgrading to a new reporting set of books, choose the first General Ledger period carefully. You must select a period that is early enough to encompass the earliest open and/or reversible transactions in your subledgers.

For example, if you reverse a Payables invoice in your primary set of books in NOV–97, MRC will not be able to transfer the converted reversal amount to a reporting set of books if the first General Ledger period in the reporting set of books is DEC–97.

Step 6 Initialize Account Balances in Reporting Sets of Books

Log in using your General Ledger primary set of books' responsibility. Run the program MRC Setup – Create Opening Balance Journals in Reporting Books to initialize the balances in your reporting sets of books. This ensures that any General Ledger balances from journals that you've entered since defining your set of books are converted to your reporting currencies.

Alternatively, you can use Journal Import to load the initial balances into your reporting sets of books, as you may have done to initialize the balances in your new primary set of books (Step 2 above). You can also enter the initial balances manually using the Enter Journals window in General Ledger.

See: Running the General Ledger Reporting Balance Initialization Utility: page 5 – 100

Step 7 (Optional) Close the Initial Period in Reporting Sets of Books

Close the initial period in your reporting sets of books. This ensures that journal entries cannot be entered and posted in the initial period in your reporting sets of books.

Step 8 Open the First MRC Period

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

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

Enabling MRC for Upgrade Scenario Two

After you enable MRC for an existing set of books, MRC begins converting to your reporting currencies any new transactions that you enter into your subledgers that support MRC, as well as any journals that you enter into General Ledger. However, any transactions that exist in your primary set of books at the time you enable MRC are not converted retroactively. Likewise, account balances in your reporting sets of books are not automatically initialized based on the account balances in your primary set of books at the time you enable MRC.

For MRC to function correctly and to produce correct reporting results after you upgrade an existing Oracle Applications installation, you must perform the following tasks during the upgrade process, for each of your reporting sets of books:

- Convert open, reversible and/or closed transactions that exist in each subledger application that supports MRC
- Initialize the account balances

The upgrade utilities we provide with MRC are intended to help you accomplish these two tasks. The next section explains what happens if you upgrade without running the upgrade utilities.

What Happens if You Enable MRC Without Running the Upgrade Utilities?

- ❑ **Open, Reversible, and Closed Transactions:** There will be no representation of these transactions in your reporting currencies before the first MRC date. As a result:
  - You cannot complete the accounting life cycle of open transactions in your reporting sets of books because the open transactions were not converted to your reporting currencies in your subledgers.
  - Reversible transactions cannot be reversed in your reporting sets of books unless the original reversible transactions have been converted to your reporting currencies.
  - Closed transactions cannot be reopened in your reporting sets of books unless the original transactions have been converted to your reporting currencies.

  When you enter transactions that depend on the accounting information in open, reversible, or closed transactions that have not been converted, an error condition will occur.

- **Future–dated Transactions:** Future–dated transactions belong to the first MRC period or subsequent periods. At the time you upgrade, the first MRC period is the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger in the primary set of books, meaning future–dated transactions are unposted in General Ledger in the primary set of books.

  Since MRC (after being enabled) converts subledger transactions to your reporting currencies as the transactions are entered, future–dated transactions that exist at the time you enable MRC will not be converted retroactively. If converted transactions are unavailable, you cannot post them to General Ledger in your reporting sets of books. Also, you will not be able to close or reverse these transactions at some point in the future, for the same reasons described above under Open, Reversible, and Closed Transactions.

- **Initializing Reporting Account Balances:** Reporting account balances will not be properly synchronized with:
  - The reporting amounts in your subledgers that support MRC
  - The account balances in your primary set of books

The Upgrade Utilities Solution

The upgrade utilities we provide will perform the conversions that are needed to ensure that MRC runs correctly and gives correct reporting results after you've upgraded as of the first MRC date. To achieve this, you must use the upgrade utilities to convert all aspects of your primary set of books — all operating units, all MRC–enabled asset books, and all account balances — for each reporting set of books associated to a primary set of books.

Note: The MRC upgrade utilities comply fully with the specific currency conversion and rounding requirements defined by the European Commission for the euro and EMU currencies.

You run a separate upgrade utility to convert open, reversible, closed, and/or future–dated transactions (depending on the application) to your reporting currencies in each subledger that supports MRC. You can control the exchange rates used to convert transactions based on your specific conversion requirements. For Payables and Receivables,

you can also choose the number of periods whose transactions you want to convert. For Projects, you can control which projects are converted by closing any projects that you do not want to convert.

You run a separate utility for General Ledger to initialize the beginning year–to–date account balances in your reporting sets of books based upon all of the functional and foreign currency balances in your primary set of books. You can control the exchange rates used to convert balances, to comply with appropriate accounting standards and to ensure that your reporting account balances are synchronized with the subledger open balances in your reporting currencies.

The upgrade utilities and the corresponding Oracle Applications programs are noted in the table below:

Utility	Program Names in Oracle Applications
Assets Upgrade Utility	MRC Setup – Assets Transactions Upgrade: Phase 1 MRC Setup – Assets Transactions Upgrade: Phase 2 MRC Setup – Assets Transactions Upgrade: Phase 3
Payables Upgrade Utility	MRC Setup – Payables Transactions Upgrade: Phase 1 MRC Setup – Payables Transactions Upgrade: Phase 2
Receivables Upgrade Utility	MRC Setup – Receivables Transactions Upgrade: Phase 1 MRC Setup – Receivables Transactions Upgrade: Phase 2
Purchasing Upgrade Utility	MRC Setup – Purchasing Transactions Upgrade Request Set
Projects Upgrade Utility	MRC Setup – Projects Transactions Upgrade
General Ledger Reporting Balance Initialization Utility	MRC Setup – Create Opening Balance Journals in Reporting Books
Global Accounting Engine Upgrade Utility	MRC Setup – Global Accounting Transactions Upgrade

Table 5 – 1 (Page 1 of 1) Upgrade Utilities and Corresponding Programs

What Do the Upgrade Utilities Convert?

The upgrade utilities convert transactions to your reporting currencies differently depending on the application that supports MRC.

- **Assets:** The upgrade utility converts all historical assets that are not fully retired as of the beginning of the fiscal year to which the initial period belongs. The fiscal year pertains to the depreciation

calendar that is maintained for the primary asset book being converted.

- **Payables and Receivables:** For a specified number of periods preceding the first MRC period, the upgrade utility converts all open items, reversible transactions, and closed transactions that are entered in the primary set of books. The utility also converts all future–dated transactions recorded in the primary set of books at the time you run the upgrade utility.

  Note: You can rerun the utility later to convert transactions for additional periods, as far back as the earliest period defined in your calendar. Future–dated transactions that exist at the time of a rerun are not converted.

- **Purchasing:** The upgrade utility converts all purchase orders that are not finally closed in the primary set of books at the time you run the upgrade utility. The utility also converts all receipts in the primary set of books at the time you run the upgrade utility. This includes receipts that have been invoiced, as well as returns and adjustment transactions.

- **Projects:** The upgrade utility converts all historical open projects that are linked to the primary set of books. The utility also converts all future–dated transactions of the converted open projects, recorded in the primary set of books at the time you run the upgrade utility.

  Note: You can rerun the utility later to convert transactions for additional projects that you choose (i.e., those that were closed when you ran the utility the first time). Projects can either be open or closed in subsequent conversion runs. The upgrade utility converts a selected project if it has not previously been converted.

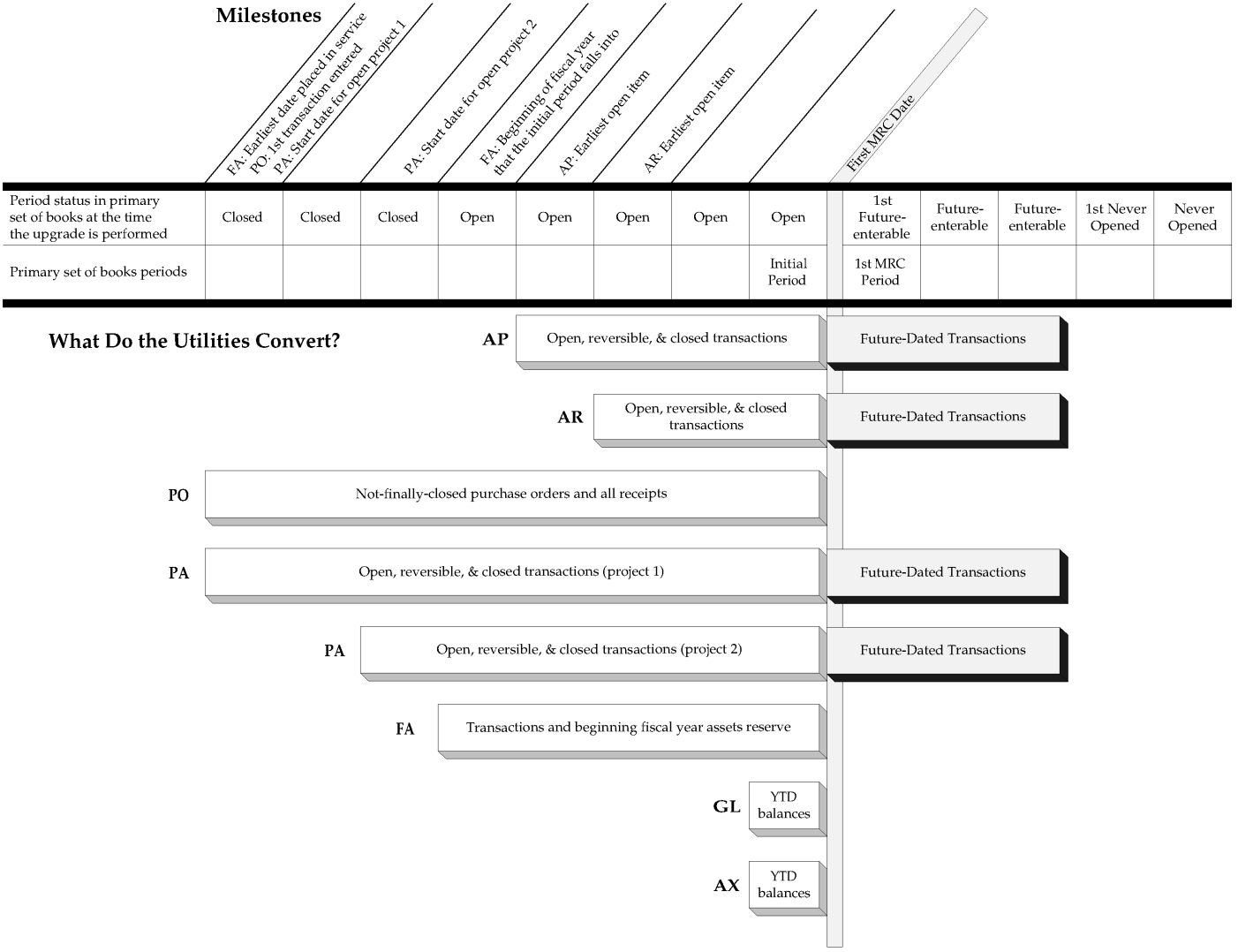
  Attention: If you plan to adopt the euro as your primary functional currency (EFC), you will need to convert all projects rather than just open projects before switching primary functional currencies. You can convert any unconverted projects later by rerunning the Projects transactions upgrade utility.

- **General Ledger:** For a specified range of accounts in the primary set of books, the General Ledger reporting balance initialization utility converts the initial period's YTD account balances. If you do not provide a range of accounts, all balances are converted.

- **Global Accounting Engine:** The upgrade utility converts the primary set of books' YTD account balances for the initial period.

How Does My Choice of the First MRC Period Affect Conversion?

The diagram below illustrates the relationship between the first MRC Period and how the upgrade utilities convert transactions and balances.


Milestones
FA: Earliest date placed in service
PO: 1st transaction entered
PA: Start date for open project 1
PA: Start date for open project 2
FA: Beginning of fiscal year that the initial period falls into
AP: Earliest open item
AR: Earliest open item
First MRC Date
Period status in primary set of books at the time the upgrade is performed
Closed
Closed
Closed
Open
Open
Open
Open
Open
1st Future-enterable
Future-enterable
Future-enterable
1st Never Opened
Never Opened
Primary set of books periods
Initial Period
1st MRC Period
What Do the Utilities Convert?
AP
Open, reversible, & closed transactions
Future-Dated Transactions
AR
Open, reversible, & closed transactions
Future-Dated Transactions
PO
Not-finally-closed purchase orders and all receipts
PA
Open, reversible, & closed transactions (project 1)
Future-Dated Transactions
PA
Open, reversible, & closed transactions (project 2)
Future-Dated Transactions
FA
Transactions and beginning fiscal year assets reserve
GL
YTD balances
AX
YTD balances

The different upgrade utilities use the first MRC period differently when converting transactions and account balances:

- **Assets:** Converts from the beginning of the fiscal year to which the initial period belongs, up to the current open period in the primary asset book.
- **Payables and Receivables:** For a first run, the utilities convert backwards from the first MRC period (i.e., starting with the initial period) for the number of periods that you specify. The utilities also convert all future–dated transactions.

  For a rerun, the utilities convert backwards from the earliest period that you previously converted (in either the first run or a previous rerun), for the number of periods that you specify.
- **Purchasing:** Converts all receipts and not–finally–closed purchase orders.
- **Projects:** For a first run, converts all open projects, up to the first MRC period. The utility also converts all future–dated transactions.

  For a rerun, the upgrade utility converts designated open or closed projects not previously converted
- **General Ledger:** Converts the primary set of books' YTD account balances for the initial period to initialize YTD account balances for the initial period in the reporting sets of books. These initialized balances become the opening balances for the first MRC period.
- **Global Accounting Engine:** Converts the primary set of books' YTD account balances for the initial period to initialize YTD account balances for the initial period in the reporting sets of books. These initialized balances become the opening balances for the first MRC period.

What Exchange Rates are Used to Convert Transactions?

You control what exchange rates are used to convert subledger transactions and General Ledger account balances to your reporting currencies. For example, for General Ledger you can use appropriate period–end daily rates to convert monetary accounts and weighted average rates to convert non–monetary accounts. For Assets, you can use the initializing rate, variable rates, converted historical costs, or any combination of these to convert assets.

If you do not specify rates at specific levels of detail, all transactions and balances will be converted using the initializing rate.

The initializing rate is a single and unique daily rate that you specify for each combination of transaction currency to reporting currency. For example, assume that the subledger transactions and General Ledger journals in your primary set of books are denominated in three currencies (USD, AUD, and DEM) and you are converting to two reporting currencies (EUR and CAD). Also assume that the first MRC date falls on or after 01–JAN–1999. You must define an initializing rate for the following currency combinations:

From Currency		To Currency
USD		EUR
USD		CAD
AUD		EUR
AUD		CAD
EUR		CAD
EUR	Fixed	DEM

Notice in the example that the EUR to DEM rate is actually the fixed rate that is set on 01–JAN–1999 between the euro and DEM. This rate is needed by the upgrade utilities to perform the DEM to CAD conversion since, after 01–JAN–1999, conversion involving EMU currencies must use the EUR–to–EMU fixed rate. The computation MRC follows to perform this conversion is as follows:

$$\left(\frac{x \text{ DEM}}{\underset{\text{Rate}}{€ \rightarrow \text{DEM}}} \right) \times \underset{\text{Rate}}{€ \rightarrow \text{CAD}}$$

The initializing rates must be defined as daily rates using a rate type that you define specifically for the upgrade process. Once defined, this rate type is entered on the Reporting Book Initialization window and is used to define your initializing rates.

Note: The *Oracle General Ledger User's Guide* explains how to define conversion rate types, how to enter daily rates, and how to define EUR–to–EMU relationships and rates.

Subledger transactions and General Ledger account balances are converted as follows:

- **Subledger Transactions Preceding the First MRC Date:** All transactions whose transaction date falls before the first MRC date are converted using the single initializing rate.
  - For Assets, you have the option to convert selected assets using:
    - The initializing rate for ALL assets
    - Variable rates, specified by asset
    - Historical costs, expressed in your reporting currency, specified by asset
    - Any combination of variable rates, historical costs, and the initializing rate, specified by asset
- **Future–dated Subledger Transactions:** Payables, Receivables, or Projects transactions whose transaction date falls on or after the first MRC date are first converted using the single initializing rate. Optionally, you can choose to use the most current rate available for the reporting conversion type you've specified on the Conversion Options window for the related subledger application.

Attention: For Payables, it is possible to have different conversion rates for an invoice and it's corresponding payment if:

- the invoice is a future–dated transaction and you've chosen to use the most current rate option to convert future–dated transactions

  AND

- the related payment is an early payment that precedes both the invoice due date and the first MRC date.

In this case, the invoice will be converted using the most current rate available for the reporting conversion type you've specified on the Conversion Options window for Receivables. The payment will be converted using the initializing rate. The difference in conversion rates will give rise to an exchange gain or loss in the reporting set of books. This gain or loss amount will be included in a related gain/loss line.

- **General Ledger Account Balances:** Monetary account balances (actuals) and asset account balances (actuals) are converted using the single initializing rate. This ensures that those balances are synchronized with the subledgers.

  Note: The General Ledger reporting balance initialization utility adjusts the converted asset balances based on conversion results the Assets upgrade utility sends to General Ledger when the initializing rate has not been used for all the assets.

  Non–monetary account balances (actuals) are converted using weighted average rates. Foreign–entered balances are carried over to your reporting sets of books.

  For encumbrances, amounts are converted using the initializing rate between the primary functional currency and the reporting functional currency. Reporting entered encumbrance amounts will be set equal to the converted reporting accounted encumbrance amounts.

What are the Conversion Dates for the Exchange Rates Used to Convert Transactions?

Except for future–dated transactions that are converted by the upgrade utilities when you have the Future Dated Conversion Option selected (for Payables, Receivables, and Projects), the conversion date is always the date you specify on the Reporting Book Initialization window.

For future–dated transactions that are converted when you have selected the Future Dated Conversion Option, the conversion date recorded in the reporting sets of books differs depending on the currency in which the transaction is entered in the primary set of books:

- **Primary Functional Currency:** the transaction date becomes the conversion date in the reporting sets of books
- **Foreign Currency:** the conversion date used in the primary set of books is carried over to the reporting sets of books. For example, if the foreign currency transaction was converted in the primary set of books using a conversion date of 12–DEC–1998, the conversion date in the reporting set of books will also be 12–DEC–1998.

The conversion date determines whether EUR–to–EMU fixed rates and the European Commission's triangulation rules are used to convert transactions. If the conversion date is the same as or later than 01–JAN–1999, the euro introduction date, the upgrade utilities use the EUR–to–EMU fixed rates and the triangulation rules. Otherwise, the upgrade utilities use the rates already described in this section.

See: Defining European Monetary Union Relationships
Oracle General Ledger User's Guide

Conversion Summary Information

The following tables summarize information from the preceding sections, including what exchange rates, conversion dates, and associated conversion rate types are used by the upgrade utilities to convert transactions for each subledger application.

Transactions that are not Future–dated:

Application	Rate Used [10]	Rate	Conversion Date	Conversion Rate Type
Assets	User choice: 1) Initializing rate 2) Variable rates 3) Converted historical cost 4) Combination of 1, 2 and 3	 Daily User entered [2] Derived [9] see above	 Initializing [6] Initializing [6] Initializing [6] see above	 User defined [1] None [2] N/A [3] see above
Receivables	Initializing rate	Daily	Initializing [6]	User defined [1]
Payables	Initializing rate	Daily	Initializing [6]	User defined [1]
Purchasing	Initializing rate	Daily	Initializing [6]	User defined [1]
Projects	Initializing rate	Daily	Initializing [6]	User defined [1]
General Ledger	Initializing rate for monetary accounts	Daily	Initializing [6]	User defined [1]
	Weighted average rate for non–monetary accounts	Historical	Initializing [6]	Historical [5]
Global Accounting Engine	Initializing rate	Daily	Initializing [6]	User defined [1]

Table 5 – 2 (Page 1 of 1) Conversion Summary for Transactions that are not Future–dated

Future–dated Transactions (Receivables, Payables, and Projects):

Use Current Rate?	Entered Currency	Rate Used [10]	Rate	Conversion Date	Conversion Rate Type
NO	Any	Initializing rate	Daily	Initializing [6]	User defined [1]
YES [8]	Primary functional	Most current rate	Daily	Transaction date [6]	Reporting Conversion Type [4]
	Foreign	Most current rate	Daily	Carried over [7]	Reporting Conversion Type [4]

Table 5 – 3 (Page 1 of 1) Conversion Summary for Future–dated Transactions

Notes:

[1] You specify a conversion rate type for the initializing rate. We recommend you define a new conversion rate type for this purpose.

[2] You provide a conversion rate to the Assets upgrade utility for each selected asset. There is no associated conversion rate type.

[3] There is no rate or conversion rate type. Instead, you provide a converted historical cost, denominated in the reporting currency, to the Assets upgrade utility for each selected asset.

[4] The Conversion Rate Type you specify for the daily rates you use to convert the application's transactions to reporting currencies after you have enabled MRC.

[5] You provide weighted average rates for initializing the non–monetary account balances in your reporting sets of books.

[6] The initializing date is the conversion date you specify on the Reporting Book Initialization window.

[7] The conversion date is carried over from the primary set of books to the reporting set of books.

[8] The most current rate is used when you have set the Future Dated Conversion Option for the respective subledger upgrade utility to Yes.

[9] The rate is derived based on the relationship between the asset amount in the primary set of books and the converted historical cost you provide. For example, if the amount of an asset in your primary set of books is $1,000 and the converted historical amount you provide is 715 CAD, then the derived conversion rate recorded for the asset will be .715.

[10] In all cases, if the conversion date is 01–JAN–1999 or later, and you are converting from or to an EMU currency, the upgrade utilities will use the defined fixed–rate relationships between the euro and the EMU currency. The upgrade utilities will use triangulation when necessary for the conversion, as prescribed by the European Commission. The upgrade utilities will round converted amounts as required by local legislative regulations.

How are Reporting Account Balances Initialized?

Reporting account balances are initialized by the General Ledger reporting balance initialization utility. The basic procedure this utility follows is:

- Converts your General Ledger primary set of books' YTD account balances, by entered currency, to your reporting currencies
- Uses the converted amounts to create initializing journal entries in the reporting sets of books

  The initializing journals use the Journal Source and Journal Category named MRC Open Balances. The effective date of the journals is the last day of the initial period. The journal line descriptions will display different information, as follows:

  – Journal lines of amounts that are converted using the initializing rate will have the description, "Journal Import Created".

  – Journal lines of amounts from non–monetary accounts, that are converted using a weighted average rate, will have the description, "Converted using historical rate <*rate*>", where *rate* is the weighted average rate used to perform the conversion.

  – The adjustment for retained earnings will have the description, "Cumulative Conversion Adjustment".

  For actual amounts, the journals' entered and functional amounts are as shown in the following table. For encumbrance amounts, see: How are Encumbrance Balances Initialized?: page 5 – 32.

Primary SOB Entered Actual Amount Denominated in:	Reporting SOB Entered Actual Amounts	Reporting SOB Functional Actual Amounts
Foreign currency that is NOT the same as the reporting currency	Primary SOB foreign entered account balances	Primary SOB foreign entered account balances converted using the initializing rate for monetary accounts and weighted average rates for non–monetary accounts
Foreign currency that is the same as the reporting currency	Primary SOB foreign entered account balances	Primary SOB foreign entered account balances
Primary functional currency	Primary SOB functional account balances minus functional equivalent of all foreign entered amounts	Calculated foreign entered account balances converted using the initializing rate for monetary accounts and weighted average rates for non–monetary accounts

Table 5 – 4 (Page 1 of 1) Initializing Journals Actual Amounts

If you ran the Assets upgrade utility earlier, using variable conversion rates and/or converted historical costs, the Assets upgrade utility will have created its own initializing journals in the initial period in your reporting sets of books, to account for the asset–related reporting account balances.

To ensure proper synchronization of the entered and accounted amounts between your primary and reporting sets of books, the General Ledger reporting balance initialization utility will adjust the amounts of its own initializing journals by the amounts of the initializing journals created by the Assets upgrade utility.

This process is illustrated in the example below.

Note: You must manually post the initializing journals in your reporting sets of books, and must do so *before* you open the first MRC period. This action initializes the reporting account balances for the initial period. When you *later* open the first MRC period, the initial period's ending balances roll forward to become the beginning reporting account balances for the first MRC period.

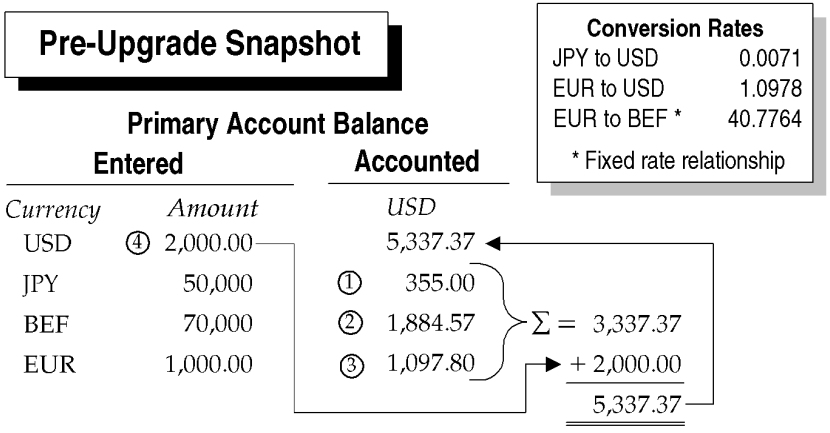
Caution: We strongly recommend that you do not enter any journals in your reporting sets of books until all upgrade utilities have been completed successfully. If do enter manual journals in your reporting sets of books before running the upgrade utilities, the General Ledger reporting balance initialization utility will synchronize your reporting account

balances by currency to the primary set of books. However, it will be more difficult to reconcile the reporting account balances to your reporting subledgers.

Example: Initializing Journals from General Ledger and Assets

We make the following assumptions in this example:

- Primary functional currency is USD
- Reporting functional currency is euro
- Assets upgrade utility is run using variable conversion rates
- Upgrade takes place after 01–JAN–1999, when fixed rates between the euro and EMU currencies become active



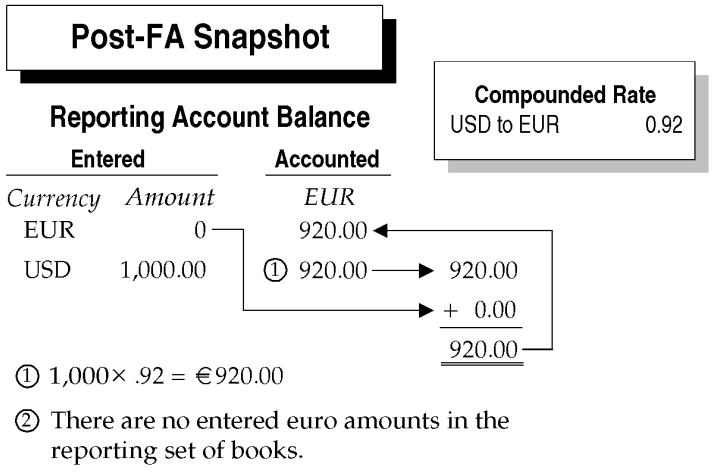
① 50,000 × .0071 = $355.00

② (70,000 ÷ 40.7764 = € 1,716.6792556) × 1.0978 = $1,884.57

③ 1,000.00 × 1.0978 = $1,097.80

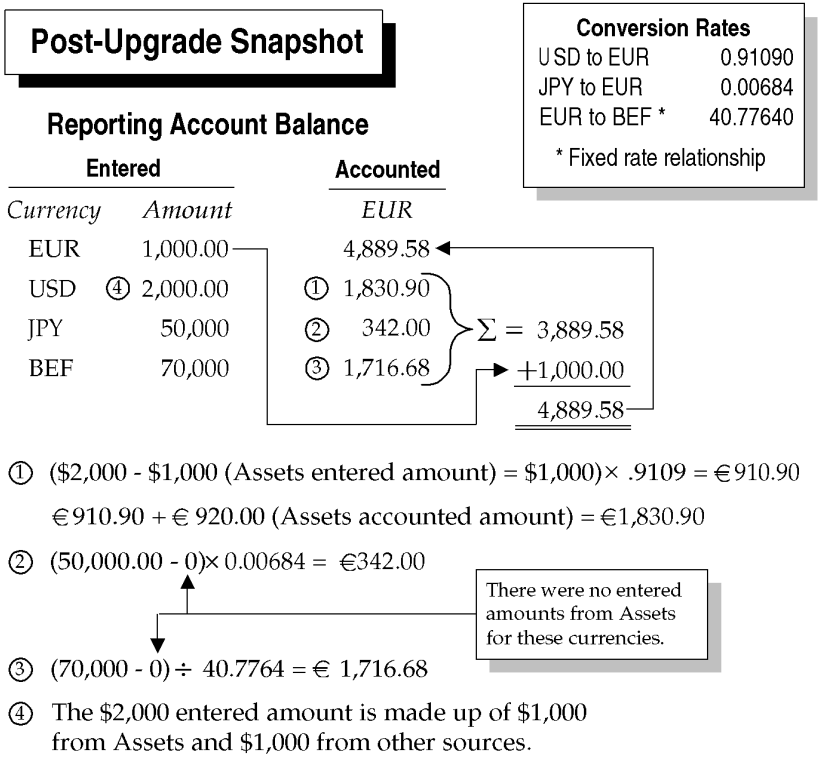
④ The $2,000 entered amount is made up of $1,000 from Assets and $1,000 from other sources.

The first figure above shows the composition of one assets–related account balance in the primary set of books. The accounted balance is comprised of amounts that were entered in four different currencies – USD, JPY, BEF, and EUR. The USD entered amount is comprised of $1,000 from Assets and $1,000 from other sources.



The next figure above shows the composition of the same assets–related account balance in the euro reporting set of books after the Assets upgrade utility has been run (using variable rates by asset) and the resulting initializing journal entry has been posted.

The accounted balance of 920 EUR is the converted equivalent of the $1,000 Assets contribution to the $2,000 entered amount in the primary set of books. The entered amount in the reporting set of books is the $1,000 Assets amount. Note how the $1,000 Assets contribution has been converted using a compounded rate, which is a weighted average rate calculated by the Assets upgrade utility for the assets that were converted.



The last figure above shows the composition of the same assets–related account balance in the euro reporting set of books after both the Assets upgrade utility and the General Ledger reporting balance initialization utility have been run and the resulting initializing journals from both utilities have been posted.

The accounted balance is comprised of amounts that were entered in four different currencies – USD, JPY, BEF, and EUR. The USD entered amount is comprised of $1,000 from Assets and $1,000 from other sources.

The initializing journal generated by the General Ledger reporting balance initialization utility will include a detail line for the asset–related account discussed in the example. The journal line will include the amounts shown in Table 5 – 5 below:

Entered Currency	Entered Amount	Accounted Amount (EUR)	Calculation
EUR	1,000.00	1,000.00	1,000.00 EUR – 0 EUR
USD	1,000.00	910.90	($2,000 – $1,000) X 0.9109
JPY	50,000	342.00	(50,000 JPY – 0 JPY) X 0.00684
BEF	70.000	1,716.68	(70,000 BEF – 0 BEF) / 40.7764

Table 5 – 5 (Page 1 of 1) General Ledger Reporting Balance Initialiation Utility Journal

Note that in the calculation column, the amounts being subtracted are the portion of the entered amount that was generated by the Assets upgrade utility for the related currency. It is zero for all currencies except USD because Assets does not support foreign currency transactions.

Retained Earnings Calculations

Both the Assets upgrade utility and the General Ledger reporting balance initialization utility balance their initializing journals against the retained earnings account in the reporting sets of books. This is necessary to account for the cumulative conversion adjustments that arise when you convert your primary set of books' transactions and balances to your reporting currencies using different exchange rates.

For the Assets upgrade utility, all prior fiscal year activity to revenue and expense accounts for the assets being converted will be posted to the appropriate retained earnings account.

How are Encumbrance Balances Initialized?

Encumbrance balances in your reporting sets of books are initialized similarly to the actual account balances. The difference arises from the nature of encumbrances in Oracle Applications. When you enter encumbrances in your primary set of books, you can only enter the encumbrance amount in your primary functional currency. The resulting entered and accounted amounts are the same.

When you run the upgrade utilities, the accounted encumbrance amount is converted to your reporting functional currency. Both the entered and accounted amount for the encumbrance in your reporting set of books will be equal to this converted amount.

In both your primary and reporting sets of books, the entered and accounted amounts for encumbrances are always denominated in the respective primary or reporting functional currency.

Upgrade Tasks

The remainder of this section discusses the following tasks for upgrading and for initializing balances in a new reporting set of books once you've already upgraded.

> **Note:** All of the upgrade tasks assume that you have already upgraded to Oracle Applications Release 11.0.1 or higher.

- ❑ Plan the Upgrade: page 5 – 33
- ❑ Prepare for the Upgrade: page 5 – 43
- ❑ Perform the Pre–Upgrade Tasks: page 5 – 49
- ❑ Perform the Upgrade: page 5 – 63
- ❑ Perform the Post–Upgrade Tasks: page 5 – 81
- ❑ Resume Normal Transaction Processing: page 5 – 82
- ❑ Perform Upgrade Maintenance: page 5 – 83

> **Suggestion:** We strongly recommend that you conduct a pilot upgrade using a copy of your database before you upgrade your actual production database. This will provide you with valuable information about how long it will take to perform the actual upgrade, as well as guidance on setting your rollback segment size. A pilot upgrade will also help you identify potential problem areas and develop solutions before you perform the actual upgrade.

Plan the Upgrade

Upgrading an existing Oracle Applications installation to MRC–enabled Release 11 requires careful planning and preparation. There are numerous interdependent steps that you must complete in the correct order to successfully perform the upgrade. The upgrade

process can also be time consuming, especially if your organization has large volumes of transactions data and account balances that must be converted to one or more reporting currencies.

For these reasons, we highly recommend that you prepare a written upgrade plan as the first task in your upgrade process. In this section, we provide the minimum required steps to include in your upgrade plan. We also discuss the various issues and considerations you need to account for in your plan.

- ❑ Step 1: Review MRC–related Documentation
- ❑ Step 2: Determine the Reporting Sets of Books to Initialize
- ❑ Step 3: Determine the First MRC Date and Period
- ❑ Step 4: Determine When to Run the Upgrade Utilities
- ❑ Step 5: Prepare Your Upgrade Plan

ATTENTION:

- The upgrade utilities have been designed to take into account all aspects of your primary set of books, to ensure that your primary and reporting sets of books remain synchronized. Proper synchronization is necessary for dual currency reporting, which is one of the business requirements MRC is designed to solve.

  Therefore, we strongly recommend that you consider ALL transactions entered in your primary set of books when you plan the upgrade:

  – Upgrade all subledger applications that support MRC, for which you have accounted transactions in your primary set of books.

  – If you have installed multiple organization support for subledger applications that support MRC, upgrade all operating units. Do not upgrade operating unit #1 without also upgrading operating unit #2.

  – If you have installed multiple organization support for subledger applications that support MRC, upgrade all operating units ***at the same time***. Do not upgrade operating unit #1 on January 1, 1999, then upgrade operating unit #2 on February 1, 1999.

  – Upgrade all asset books that are associated with your primary set of books and which send balances to General Ledger.

  – **Note:** If you plan to adopt the euro as your functional currency (EFC) in the future, you must run the Assets transactions upgrade utility for *all corporate and tax books* associated with the existing NCU primary set of books in Oracle Assets.

  – **Note also:** *We do not recommend the assignment of a single reporting set of books to multiple primary sets of books—whether or not you intend to implement EFC processing.*

  – Convert all of your primary set of books' account balances to ensure that your primary and reporting sets of books' balances are synchronized.

- To ensure that reporting balances are properly initialized, upgrade all applications that support MRC at the same time. For example, do not upgrade Payables today, then upgrade Receivables several months later.

If You Don't Upgrade all Subledger Applications that Support MRC

You can choose to upgrade only some of the subledgers or parts of the subledgers (i.e., specific organizations) that support MRC, though we do not recommend this option. If you do choose to upgrade only for selective or partial subledgers, please be aware of the following:

- You are responsible for initializing the account balances in your reporting sets of books. You should note that the General Ledger reporting balance initialization utility is designed only for the case in which you upgrade all subledgers that support MRC, in their entirety.

  If you still choose to use the General Ledger reporting balance initialization utility to initialize account balances in your reporting sets of books, those initializing balances will match the balances in your primary set of books. However, you will not be able to reconcile those balances to your subledgers because some subledgers' transactions were not converted to your reporting currencies.

- Once MRC is enabled, your reporting sets of books will only be updated by those subledgers for which you have enabled MRC. As transactions are processed in your primary set of books, your reporting sets of books will grow increasingly incomplete because transactions from the subledgers for which you have not enabled MRC are not being converted to your reporting currencies. Your reporting balances will no longer match those in your primary set of books.

- You must not selectively upgrade subledgers if your reporting set of books is denominated in the euro. A euro set of books must be synchronized with and remain synchronized with your NCU primary set of books. If it is not, you will not be able to adopt the euro later as your sole functional currency, when your national currency is decommissioned.

Step 1 Review MRC–related Documentation

Read this publication thoroughly before you enable MRC and run the upgrade utilities. In particular, make sure that you have a thorough understanding of the material in this chapter.

Step 2 Determine the Reporting Sets of Books to Initialize

Because of the large amount of data that needs to be converted to initialize a set of books, it is important that you only create reporting sets of books for those currencies where you have a definite need to account and report transactions in that reporting currency. For other reporting currencies, in which you only need to occasionally report your account balances and results of operations, consider using General Ledger's translation feature.

See: Translation versus MRC: page 5 – 10

Step 3 Determine the First MRC Date and Period

The first MRC period is the first accounting period for which you want to be able to report transactions and balances in your reporting currencies. The first MRC date is the first day of the first MRC period.

> **Note:** For purposes of upgrading Oracle Applications, we strongly recommend that you plan to run the upgrade utilities as close as possible to the end of the initial period. See: Step 4: Determine When to Run the Upgrade Utilities: page 5 – 39.

When determining what period to use for your first MRC period, ask yourself these questions:

- From a business perspective, when do you want to begin reporting transactions and account balances in your reporting currencies? If the dates are different for each of your currencies, you should consider a phased upgrade of reporting sets of books to MRC.
- When does your accounting calendar begin? MRC can be enabled at any time. However, it makes great sense to synchronize your first MRC date with the first day of the year in your accounting calendar. This way, your reporting sets of books will include a complete year of income and expense data rather than a partial year of data. Another option is to synchronize your first MRC date with the first day of a quarter.

  You should also consider synchronizing the first MRC period with the:

  – First period of a quarter. This will ensure that quarter–to–date reporting currency balances are properly stated for your first quarter.

  – First day of your fiscal year if you plan to use average balance processing in your reporting sets of books. This will ensure that your period–average–to–date,

quarter–average–to–date, and year–average–to–date reporting currency balances are properly stated for the first period of your fiscal year.

- Are you operating in a country that is a member of the EMU? If so, coordinate your choice of the first MRC period with your planned implementation of euro accounting and reporting.

  In the euro case, where your primary set of books is denominated in an EMU currency and your reporting set of books is denominated in the euro, if the first MRC date is not the first day of the fiscal year the opening year–to–date income and expense account balances in your euro reporting set of books will equate to the closing balances of the previous period in your EMU primary set of books.

> **Attention:** The first MRC period must be the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger in the primary set of books at the time you run the upgrade utilities.
>
> All of the upgrade utilities will validate that the first MRC period is the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger. If it is not, the utilities will terminate without converting any of your subledger transactions or account balances.

This is a very important issue. To illustrate, assume you are planning to perform the MRC upgrade in March 1999, such that March 1, 1999 is your first MRC Date. You've made sure that March 1999 is the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger. Also assume that, before you actually run the upgrade utilities, you open additional accounting periods such that March 1999 is no longer the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger.

As a result of opening the new periods, March 1999 can no longer be your first MRC period since now it is not the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger. *You will not be able to run the upgrade utilities successfully on March 1st*. You must choose a new first MRC

period and date and reschedule your upgrade. You must also ensure that the new period you choose will be the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger when you run the upgrade utilities.

Step 4 Determine When to Run the Upgrade Utilities

You need to allow sufficient time to complete the upgrade, as detailed in these subsequent sections:

- ❑ Prepare for the Upgrade: page 5 – 43
- ❑ Perform the Pre–Upgrade Tasks: page 5 – 49
- ❑ Perform the Upgrade Tasks: page 5 – 63
- ❑ Perform the Post–Upgrade Tasks: page 5 – 81

Once you've determined when to run the upgrade utilities, select the date on which you plan to begin performing the upgrade, and schedule sufficient time for the upgrade process.

Some of the steps that you must perform during the upgrade process include:

- Clean up your primary set of books
- Determine the oldest open item in both Receivables and Payables
- Determine all conversion parameters, including exchange rates, subledger transaction currencies, and the Assets fiscal year
- Ensure that the first MRC period meets all the necessary criteria for running the upgrade utilities. See: Step 3: Determine the First MRC Date and Period: page 5 – 37
- Back up existing data
- Enable and set up MRC, including creating reporting sets of books, currencies, responsibilities, and periods

When determining how much time you need to perform the upgrade, remember to allow sufficient time to clean up and prepare your primary set of books before you run the upgrade utilities. Cleaning up your primary set of books will ensure that your subledgers reconcile and are synchronized with your account balances and that you convert only the data you need to your reporting currencies.

> **Note:** Part of the suggested cleanup process included with the pre–upgrade steps is to purge any data you don't need in your

subledgers. You may want to perform this particular task before you even begin the upgrade process.

When determining how much time you need to perform the upgrade, you must also consider the volume of transactions you plan to convert. There is some control you can exercise for certain applications that support MRC:

- **Payables and Receivables:** You specify the number of periods (preceding the first MRC period) of transactions that you want to convert to your reporting currencies. You must make sure to choose enough periods to cover all of your open items, as well as any potentially reversible items. However, you don't want to convert more periods than you need. If later you decide you need additional periods of converted transactions, you can rerun the Payables or Receivables upgrade utilities to add more periods.
- **Projects:** You can close projects that you do not want to convert to your reporting currencies. Since the Projects upgrade utility only converts open projects (on the initial conversion run), reducing the number of projects reduces the volume of transactions that are converted. If you subsequently decide you need to convert additional projects, you can rerun the Projects upgrade utility for the selected projects.

Attention: If you plan to adopt the euro as your primary functional currency (EFC), you will need to convert all projects rather than just open projects before switching primary functional currencies.

ATTENTION:

In determining when to run the upgrade utilities, keep in mind these important requirements that you **MUST** observe during the upgrade process:

- Do not enable MRC and enter transactions in any subledger application that supports MRC, before you run the upgrade utilities. Doing so will create a mixed environment of converted and unconverted transactions, which is not supported by the upgrade utilities.
- While the upgrade utilities are running, do not enter any transactions in any subledger application that supports MRC. Do not enter any transactions until after the upgrade has been completed successfully and you resume normal processing.
- Do not post any journals in your primary or reporting sets of books until you have initialized the reporting account balances.
- Do not open the first MRC period in your primary or reporting sets of books until the upgrade has been completed successfully.

For purposes of upgrading Oracle Applications, we ***strongly recommend*** that you plan to run the upgrade utilities as close as possible to the end of the initial period. The ideal situation is to run the MRC upgrade utilities at the close of business on the last day of the initial period. However, this is not feasible for many organizations because:

- You must suspend all transactions processing during the upgrade process
- The upgrade process may take longer than one night for some organizations that have large volume databases.

If you are in this situation, we suggest you run the upgrade utilities during a weekend, when you can more easily suspend all transaction processing while you run the upgrade utilities. For example, assume you want your first MRC date to be April 1, 1999:

March 1999

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April 1999

May 1999

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1 First MRC Date	2	3
4	5	6	7	8	9	10

April 1st falls on a Thursday, which is probably not a good day for you to suspend all transactions processing. You may therefore decide to run the upgrade utilities over the weekend of March 27th or the weekend of April 3rd. Before you make this decision, be sure you understand the implications of running the utilities before or after the first MRC date, as discussed below.

Running the Upgrade Utilities Before or After the First MRC Date

If you run the upgrade utilities before the first MRC date (e.g., the weekend of March 27th in the above example), the utilities will use a mix of exchange rates to convert the initial period's transactions to your reporting currencies:

- The initializing rate is used to convert transactions that exist at the time you run the upgrade utilities, including any unposted transactions whose accounted date falls in the intervening period between the run date and the first MRC date.
- Daily rates are used by MRC to convert new transactions that are entered after the upgrade, including transactions whose accounted dates fall in the intervening period between the run date and the first MRC date.
- Either the initializing rate or the most current rate is used to convert future–dated transactions.

If you run the upgrade utilities after the first MRC date (e.g., the weekend of April 3rd in the above example), you must make sure that you run the upgrade utilities ***before*** you open the first MRC period in your primary set of books (e.g., APR–1999 in the above example).

If you open the period first, you will then have to postpone the upgrade, since the period will no longer be the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger in your primary set of books, which is a prerequisite to running the upgrade utilities.

Step 5 Prepare Your Upgrade Plan

Prepare a written upgrade plan based on the information presented in this section.

Prepare for the Upgrade

In this section we discuss the steps you need to complete when preparing for the upgrade:

- ❑ Step 1: Note Periods and Review Calendars
- ❑ Step 2: Determine First GL Period for Reporting Sets of Books
- ❑ Step 3: Determine Conversion Dimensions
- ❑ Step 4: Determine Conversion Extent
- ❑ Step 5: Determine Rollback Segment Size
- ❑ Step 6: Determine Translation Status of Global Accounting Engine Entries

Step 1 Note Periods and Review Calendars

When preparing for the upgrade, make note of the first MRC period and the initial period that you determined during the planning process. These important periods will be used when you run the upgrade utilities.

The first MRC period:

- Must be the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger in your primary set of books at the time you run the upgrade utilities
- Can be an adjustment period

You should put in place procedures to ensure that the first MRC period will meet the above criteria on the date you run the upgrade utilities.

With respect to the initial period, please note the following:

- The initial period is the period preceding the first MRC period.
- The initial period cannot be an adjustment period.

  Note: If the period you want to use as your first MRC period follows an adjustment period in General Ledger, then we recommend that you select the adjustment period as your first MRC period for purposes of the upgrade utilities. For example, assume your accounting calendar includes the following periods and you want to begin reporting transactions and balances in your reporting currencies in January 1999:

  – DEC–98

  – ADJ–98

  – JAN–99

  You cannot choose JAN–99 as your first MRC period for purposes of the upgrade utilities, since that would make the initial period an adjustment period (ADJ–98). Therefore, choose ADJ–98 as the first MRC period, which makes DEC–98 the initial period.

  Run the upgrade utilities as close as possible to the last day of DEC–98 or the first day of JAN–99. **DO NOT** run the upgrade utilities during ADJ–98 since the utilities need to create initializing journals that you will need to post to General Ledger. However, adjustment periods are used by General Ledger only — you cannot create or post transactions in Oracle subledger applications for an adjusting period.

- The effective date of any journals generated by the Assets upgrade utility and the General Ledger reporting balance initialization utility will be the last day of the initial period.

Finally, for purposes of the Assets upgrade utility, you must determine:

- What the current fiscal year is for Assets. Recall that this is the fiscal year into which the initial period falls in the depreciation calendar that is maintained for the primary asset book being converted. You need this information to plan what historical rates and costs you need to gather if you plan to provide variable rates and/or converted historical costs for individual assets that are to be converted.
- If there are any discrepancies between your Asset Calendar and the Accounting Calendar used in General Ledger. If there is a discrepancy, you must map the periods between Assets and General Ledger.

- If there are any differences in the period names between your Asset Calendar and the Accounting Calendar used in General Ledger. The period names must be the same for the Assets upgrade utility to run. For example, if you have a period named AUGUST–98 in your Asset Calendar, there must be a period named AUGUST–98 in your Accounting Calendar. If your calendar names are different, contact Oracle Worldwide Support for assistance.

See: Specifying Dates for Calendar Periods
Oracle Assets User's Guide

Step 2 Determine First GL Period for Reporting Sets of Books

You must determine the first–ever–opened period in General Ledger for your reporting set of books. Make sure you choose a first–ever–opened period that precedes the first MRC period and that is early enough to ensure proper accounting for back–dated transactions. For a discussion of back–dated transactions:

See: Choosing a From Date: page 5 – 7

Step 3 Determine Conversion Dimensions

In preparing for the upgrade, you must determine the conversion dimensions you will use during the upgrade. The conversion dimensions include currencies, conversion date, conversion rate types, and exchange rates.

- ❑ **Currencies:** Determine all of the currencies in which your primary set of books' subledger transactions and General Ledger journals are denominated. For Payables, Receivables, and Purchasing, we have provided SQL scripts for determining the currencies. The scripts are named **apumctcu.sql**, **arumctcu.sql**, and **poxmccur.sql**, respectively. The scripts are located in $*xx*_TOP/admin/sql, where *xx* is the product short name (i.e., ap, ar, po) and *xx*_TOP is the directory into which you installed the product.

  Also, determine all of the functional currencies of all the reporting sets of books for which you plan to run the upgrade utilities. You determined these reporting sets of books during the planning process. See: Step 2 – Determine the Reporting Sets of Books to Initialize: page 5 – 37. Later, you will need to provide exchange rates to convert from your primary set of books' subledger transactions and General Ledger balances to your reporting functional currencies.

- **Conversion Date:** Determine the conversion date to use on the Reporting Book Initialization window. This is the currency conversion date of the initializing rate that the upgrade utilities use to initialize your reporting account balances.

  The system automatically displays the first MRC date in the Conversion Date field. You can keep this date or change it. If you change it, make sure that you enter the date for which you are specifying your initializing rates.

  See: What Exchange Rates are Used to Convert Transactions?: page 5 – 21

  Note: In the case of the euro, changing the conversion date may affect how transactions and balances are converted to your reporting currencies. If you enter a conversion date of 01–JAN–1999 or later, the fixed rate relationships between the euro and EMU currencies are enforced. Also, transactions are converted using the triangulation rules prescribed by the European Commission. For example, assume your transaction currency is CAD, your reporting currency is BEF, and the conversion date is 01–JAN–1999. In this case, the transaction is converted first from CAD to the euro, using the daily rate that exists between CAD and the euro for 01–JAN–1999. Next, the euro amount is converted to BEF using the fixed rate that exists between the euro and BEF.

  If you enter a conversion date that is earlier than 01–JAN–1999, variable daily exchange rates are used to convert transactions and balances to or from EMU currencies. For example, assume your transaction currency is CAD, your reporting currency is BEF, and the conversion date is 31–DEC–1998. In this case, the transaction is converted using the daily rate that exists between CAD and BEF for 31–DEC–1998.

- **Conversion Rate Types:** During the upgrade, you need to define two conversion rate types:

  - **Transaction & Balance Conversion Type:** This conversion rate type is specified on the Reporting Book Initialization window. Rates with this conversion rate type are used to convert balances and transactions for the upgrade, as explained earlier. See: What Exchange Rates are Used to Convert Transactions: page 5 – 21.
  - **Reporting Conversion Type:** This conversion rate type is specified on the Conversion Options window. Rates with this conversion rate type are used to convert transactions once MRC is enabled. These rates are also used during the upgrade process

to convert future–dated Payables', Receivables', and Projects' transactions when the Future Dated Conversion Option is selected. See: What Exchange Rates are Used to Convert Transactions: page 5 – 21.

Attention: We highly recommend that you define new conversion rate types to use only during the upgrade process. Do not use the conversion rate types you use for normal transaction processing, which includes foreign currency transactions entered in your primary set of books and all transactions that MRC converts after the upgrade has completed successfully.

Using separate conversion rate types will make it easier to reconcile your primary and reporting sets of books after running the upgrade utilities, since you will be able to easily determine whether a reporting amount was converted during the upgrade or during normal processing.

- **Exchange Rates:** Considering your primary set of books' chart of accounts and current accounting standards (for example, SFAS #52 (U.S.)), determine what exchange rates you need to provide to ensure that all transaction amounts and account balances can be converted when you run the upgrade utilities:
  - Determine all of the daily rates you will need for successful conversion.
  - For Assets, determine whether to use variable rates or the initializing rate to convert asset amounts, or whether to use converted historical costs.
  - For non–monetary General Ledger accounts, determine what weighted average historical rates you want to use to convert each account. Note that you will define these rates later (during the pre–upgrade process) for the initial period.

  - For euro initialization, remember that the fixed–rate relationships between the euro and EMU currencies must be in place by 01–JAN–1999. When converting from a non–EMU currency to an EMU currency, the upgrade utilities use the appropriate daily rates between the non–EMU currency and the euro. The euro amount is then converted to the EMU currency using the EUR–to–EMU fixed rate.

Step 4 Determine Conversion Extent

For each application that supports MRC, determine the extent of the conversion. For specific information about what the upgrade utilities convert, see: What Do the Upgrade Utilities Convert?: page 5 – 17.

- **Payables and Receivables:** Determine a Start Period, making sure to select a period that is early enough to ensure that all open items are converted. Also consider potential back–dated transactions when you determine the Start Period. Specifically, the Start Period must be earlier than the date of any back–dated transactions that you enter after MRC is enabled.

  See: Rerunning the Payables and Receivables Upgrade Utilities: page 5 – 83

  Also, make sure to select a Start Period that will encompass any potentially reversible transactions. This is important because to reverse a transaction after MRC is enabled you must have converted the original transaction. If the Start Period you choose for the Payables and Receivables upgrade utilities is not early enough, you will not convert the original transaction and will be unable to reverse it later.

  Note: For Payables and Receivables, we have provided SQL scripts you can run to determine the period of the earliest open Payables or Receivables transaction. The scripts are named **apumceot.sql** and **arumceot.sql**, respectively. The scripts are located in $*xx*_TOP/admin/sql, where *xx* is the product short name (i.e., ap, ar, po) and *xx*_TOP is the directory into which you installed the product.

- **Assets:** Determine which assets you want to convert using variable rates and/or converted historical costs for the current fiscal year. To assist in making this determination, run the Journal Entry Reserve Ledger and CIP Assets reports in your primary asset books. The combined results of these two reports will include all non–fully–retired assets for the current fiscal year. When you run the reports, make sure you use the correct period name (i.e., the name of the first period of the primary asset book's fiscal year to be converted).

  Note: You can also run the Asset Retirements report to determine which fully retired assets will not be converted by the Assets upgrade utility.

- **Projects:** Determine which projects you want to convert, keeping in mind that only open projects are converted by the Projects upgrade utility (on the initial conversion run).

Attention: If you plan to adopt the euro as your primary functional currency (EFC), you will need to convert all projects rather than just open projects before switching primary functional currencies.

- **General Ledger:** Determine whether to initialize all General Ledger account balances or only a specific range of accounts. Be careful when choosing to initialize only a range of accounts, since your primary and reporting sets of books may not be synchronized and reconcilable after you run the General Ledger reporting balance initialization utility.

Step 5 Determine Rollback Segment Size

To handle the large volume of data processed during the upgrade process, you will need to increase the size of your rollback segments. For more information about rollback segments:

See: *MRC Installation Notes*, available from Oracle Support's MetaLink web site.

Step 6 Determine Translation Status of Global Accounting Engine Entries

In preparing to run the Global Accounting Engine upgrade utility, you must ensure that the balances to be converted to your reporting currencies are consistent. Part of this process is to ensure that all entries in the Global Accounting Engine database tables have been translated. The upgrade utility will check to make sure that all entries have a translation status of T (Translated) or W (Warning). If not, the upgrade utility will not complete successfully.

To determine that all entries have been translated, check the Posting Manager log file to ensure that there are no erroneous events for your primary set of books.

Perform the Pre–Upgrade Tasks

In this section we discuss the steps you need to complete when preparing for the upgrade:

- ❑ Step 1: Enable or Define Primary Set of Books
- ❑ Step 2: Enable and/or Define Reporting Currencies
- ❑ Step 3: Define Reporting Sets of Books

- ❑ Step 4: Define Reporting Responsibilities
- ❑ Step 5: Assign Reporting Sets of Books to Reporting Responsibilities
- ❑ Step 6: Open First General Ledger Period in Reporting Sets of Books
- ❑ Step 7: Open Additional Periods in Reporting Sets of Books
- ❑ Step 8: Define Conversion Rate Types
- ❑ Step 9: Set Receivables Rounding Option
- ❑ Step 10: Enter Exchange Rates Needed for Conversion
- ❑ Step 11: Prepare Assets Rates and Costs
- ❑ Step 12: Prepare Subledgers in Primary Set of Books
- ❑ Step 13: Prepare Global Accounting Engine Entries
- ❑ Step 14: Prepare Your Primary Set of Books General Ledger
- ❑ Step 15: Run Month–End Reports
- ❑ Step 16: (Optional) Close Periods in Primary Set of Books
- ❑ Step 17: Set Your Rollback Segment Size

Step 1 Enable or Define Primary Set of Books

See: Step 1 – Enable or Define Primary Set of Books: page 2 – 4

Step 2 Enable and/or Define Reporting Currencies

See: Step 2 – Enable and/or Define Reporting Currencies: page 2 – 4

Step 3 Define Reporting Sets of Books

See: Step 3 – Define Reporting Sets of Books: page 2 – 5

Step 4 Define Reporting Responsibilities

Define your reporting responsibilities for General Ledger. This is needed so you can post (in your reporting sets of books) the journal entries that are generated during the upgrade process.

> **Note:** You will define reporting responsibilities for other applications that support MRC later in the upgrade process.

See: Step 7 – Define Reporting Responsibilities: page 2 – 22

Step 5 Assign Reporting Sets of Books to Reporting Responsibilities

Assign the General Ledger reporting responsibility you defined in the previous step to your reporting sets of books.

During this step you have your system administrator set two profile options — GL Set of Books Name and MRC: Reporting Set of Books for the General Ledger reporting responsibility.

See: Step 8 – Assign Reporting Sets of Books to Reporting Responsibilities: page 2 – 24

Your system administrator must also set the profile option MO: Operating Unit for each subledger that uses multiple organization support.

See: *Multiple Organizations in Oracle Applications*

Step 6 Open First General Ledger Period in Reporting Sets of Books

Use the Open and Close Periods window to open the first General Ledger period in your reporting sets of books. You determined this period during Step 2 of the upgrade preparation task. See: Determine First Period for Reporting Sets of Books: page 5 – 45.

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

Step 7 Open Additional Periods in Reporting Sets of Books

In your reporting sets of books, use the Open and Close Periods window to open all periods from the first General Ledger period through and including the initial period.

Attention: Do not open the first MRC period during this step.

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

Step 8 Define Conversion Rate Types

In your primary set of books, define the conversion rate types you determined during Step 3 of the upgrade preparation task. See: Determine Conversion Dimensions: page 5 – 45.

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

Step 9 Set Receivables Rounding Option

To enable Receivables invoice rounding, check the Header Level Rounding check box on the System Options window. When you run the Receivables upgrade utility, the utility will use the Receivables rounding mechanism when converting open transactions. The same rounding mechanism will be used to convert new transactions to your reporting currencies after the upgrade is complete and MRC has been enabled.

The Receivables rounding mechanism follows these rules:

- Amounts are only rounded when an invoice is completed, by choosing the Complete button on the Enter Invoice window.
- Only invoices that have been fully paid (i.e., status is closed) will be rounded.
- For invoices with rules, rounding takes place only after all related revenue has been recognized.
- For converted receipts, if the associated invoice has not been converted, the Receivable amount is not rounded.

See: Header Level Rounding, *Oracle Receivables Documentation Update, Release 11.0.2*, available from Oracle Support's MetaLink web site.

Step 10 Enter Exchange Rates Needed for Conversion

In your primary set of books, enter all of the rates you determined you would need for conversion during the upgrade preparation task. See: Determine Conversion Dimensions: page 5 – 45.

- **Daily Rates:** Use the General Ledger Daily Rates window to enter the initializing rates for the Transaction & Balance Conversion Date and Conversion Type you determined during the upgrade preparation process. See: Determine Conversion Dimensions: page 5 – 45. You must enter one initializing rate for each combination of transaction currency entered in your primary set of books and reporting currency to which you are converting.

  Also use the Daily Rates window to enter daily rates from the first MRC date and forward. Use the conversion rate type you've previously defined for the rates MRC will use to convert transactions to your reporting currencies after the upgrade utilities have been completed and MRC has been enabled. These rates are also used to convert future–dated transactions when the Future Dated Conversion Option has been selected.

Note: Alternatively, you can load daily rates automatically into the General Ledger Daily Rates Interface table.

See:

Entering Daily Rates
Loading Daily Rates Automatically
Oracle General Ledger User's Guide

- **Weighted Average Rates:** Use the Historical Rates window to enter your weighted average rates for the initial period. Use the conversion type Historical.

  Note: If you already have historical rates defined for some accounts for the initial period and do not want to use these rates to convert the account balances, delete the existing historical rates. Enter any weighted average rates you want to use to convert those specific account's balances.

  After the upgrade process has completed successfully, delete the weighted average rates you entered for the upgrade utilities, then reenter the historical rates you deleted earlier.

  See: Entering Historical Rates
  Oracle General Ledger User's Guide

- **EUR–to–EMU Fixed Rates:** If you've not already done so, enter the fixed rates for converting from the euro to your EMU currencies.

  See: Defining European Monetary Union Relationships
  Oracle General Ledger User's Guide

Step 11 Prepare Assets Rates and Costs

For Assets, you can convert all selected assets using the initializing rate, or you can provide variable conversion rates or converted historical costs by asset.

Using ONLY the Initializing Rate

To convert all selected assets using the initializing rate, you must choose Yes for the Fixed Rate Conversion parameter when you run MRC Setup – Assets Transactions Upgrade: Phase 2. Before you run the Phase 2 program, make sure you have not modified the FA_MC_CONVERSION_RATES table that was populated by the Phase 1 program.

Note: You do not need to run the Phase 3 program when converting all selected assets using the initializing rate.

Using Variable Rates & Converted Historical Costs

With this method, you must provide either a conversion rate or a converted historical cost for each selected asset that is to be converted to your reporting currencies. Note that for conversion rates, you can use the initializing rate or provide a different rate for a selected asset.

1. Before you run the Assets upgrade utility, review the reports you ran during the upgrade preparation process. These reports list all not–fully–retired assets for the current fiscal year. These are the assets for which you must provide a conversion rate or converted historical cost.

   See: Determine Conversion Extent: page 5 – 48

2. Prepare a spreadsheet with the variable rates and/or converted historical costs of the assets to be converted. You can mix both rates and costs.

   Later, after the Phase 1 program is complete, but before you run the Phase 2 program, you will load the rates/cost information from this spreadsheet into the FA_MC_CONVERSION_RATES table.

   Note: We provide a procedure in a later section that you can run to load the rates/cost information from your spreadsheet into FA_MC_CONVERSION_RATES.

   The spreadsheet must include the following information to ensure proper matching to the data the Assets upgrade utility inserts into the FA_MC_CONVERSION_RATES table:

ASSET_NUMBER	VARCHAR2
EXCHANGE_RATE	NUMBER
COST	NUMBER
CONVERSION_BASIS	VARCHAR2
DESCRIPTION	VARCHAR2

   ASSET_NUMBER: Enter the asset number from the reports you ran earlier.

   EXCHANGE_RATE: Enter a conversion rate to use to convert the asset's primary set of books' transaction currency amount to your

reporting currency. Do not enter a rate if you want to provide a converted historical cost.

COST: Enter a historical cost, expressed in your reporting currency, if you want to provide an actual converted historical cost for the asset. Do not enter a cost if you want to convert using an exchange rate.

CONVERSION_BASIS: Enter the conversion basis for each selected asset, as described in the next step.

DESCRIPTION: Enter the asset description from the reports you ran earlier.

3. Determine the conversion basis you will use for each selected asset. For each asset, one of the following values must be present in the spreadsheet that you will load into the FA_MC_CONVERSION_RATES table later:

   - **R** — if you have provided a conversion rate for the selected asset. If you enter R, there must be a specific conversion rate in the EXCHANGE_RATE column. If there is both a conversion rate and a converted historical cost, the cost will be ignored for the selected asset.

     Alternatively, if you enter R for the conversion basis and there is no conversion rate, the Assets upgrade utility will convert the asset using the initializing rate.

   - **C** — if you have provided a converted historical cost. If you enter C, there must be a historical cost, expressed in your reporting currency, in the COST column. Otherwise, the Convert Assets program will not run. If there is both a converted historical cost and a conversion rate, the rate will be ignored for the selected asset.

   The following table summarizes the rules noted above:

Conversion Rate	Historical Converted Cost	Conversion Basis	How Selected Asset is Converted
1.1575	none	R	Cost of asset in primary set of books is multiplied by 1.1575 to get the asset cost in the reporting set of books
none	345,976	C	Cost of asset in reporting currency is 345,976

Table 5 – 6 (Page 1 of 2) Assets Upgrade Utility – Variable Rates/Costs

Conversion Rate	Historical Converted Cost	Conversion Basis	How Selected Asset is Converted
1.235	768,923	R	Cost of asset in primary set of books is multiplied by 1.235 to get the asset cost in the reporting set of books
1.235	768,923	C	Cost of asset in reporting currency is 768,923
none	none	R	Cost of asset in primary set of books is multiplied by the initializing rate to get the asset cost in the reporting set of books
none	none	C	Will cause an error condition when you run the Assets upgrade utility

Table 5 – 6 (Page 2 of 2) Assets Upgrade Utility – Variable Rates/Costs

Euro Considerations

If both your primary and reporting functional currency are EMU currencies or one is an EMU currency and the other is the euro, AND the conversion date is 01–JAN–1999 or later, assets are converted using the fixed rate relationships between the EMU currencies and the euro.

You must not modify the FA_MC_CONVERSION_RATES table before you run MRC Setup – Assets Transactions Upgrade: Phase 2, and you must choose Yes for the Fixed Rate Conversion parameter when you run the Phase 2 program.

Step 12 Prepare Subledgers in Primary Set of Books

For the initial period in your primary set of books, we strongly recommend that you perform your usual month–end closing procedures so your subledgers will be as "clean" as possible before you run the upgrade utilities. We also recommend following these steps for all other open periods that precede the first MRC period.

Specifically, you should:

- Perform any usual month–end procedures, such as running depreciation in Assets.
- Complete as many open transactions as possible.
- Post or send transactions to General Ledger to update your primary set of books' account balances. This is required so your

primary set of books' YTD account balances will be up–to–date before you initialize the account balances in your reporting sets of books.

Attention: We highly recommend that you do not run the upgrade utilities with unposted transactions in your subledgers. However, if you do, you must send the converted transactions to General Ledger and post them in General Ledger in each of your reporting sets of books after the upgrade has been completed.

Caution: Do not enter any new transactions in subledgers that support MRC until you complete the entire upgrade process for all subledgers and General Ledger.

- After posting or sending transactions to General Ledger, navigate to the Post Journals window in General Ledger and post any unposted entries that originated from your subledgers that support MRC.
- Reconcile your subledgers and resolve any remaining exceptions or problems.
- Archive and purge any data you don't need. You may want to consider performing this task well before starting the upgrade process. If you've already archived and purged any unneeded data, you do not need to repeat the process now.
- Minimize the volume of future–dated transactions that you enter before you run the upgrade utilities.

Special Notes for Assets

When preparing your primary Assets books, make sure you run the following processes. If you do not run these processes, you will have difficulty reconciling Assets data between your primary and reporting sets of books.

- Run depreciation for all periods up to and including the initial period
- Transfer journals to General Ledger for all calendar periods

In addition to the above processes, if you plan to convert selected assets using variable exchange rates, you must also restore any archived and purged Assets data from previous fiscal years for the primary asset book. This data is needed by the Assets upgrade utility to complete the conversion. You do not need to restore archived and purged data if you are using the initializing rate to convert all assets.

Special Notes for Receivables

When preparing your Receivables subledger in the primary set of books, make sure you post all unposted transactions before running the upgrade utilities. If you don't and you subsequently make changes to an unposted transaction after MRC has been enabled, you will end up with different conversion rate types for the detail transaction lines.

For example, the detail transaction lines that exist when you run the Receivables upgrade utility will reflect the conversion rate type associated with the initializing rate. A new transaction line that you add after MRC is enabled will reflect the Reporting Conversion Type you defined on the Conversion Options window for Receivables and the associated operating unit.

Special Notes for Purchasing

When preparing your Purchasing subledger in the primary set of books, make sure you perform the following steps:

1. Close the initial period in Payables.
2. For all expense items and items accruing at period–end, run the Receipt Accrual – Period End program *before the first MRC date*.
3. Post to General Ledger.
4. For inventory items and items accruing on receipt, perform Accrual Reconciliation.

Special Notes for Projects

When preparing your Projects subledger in the primary set of books, make sure you run the following processes. If you do not run these processes, you will have difficulty reconciling Projects data between your primary and reporting sets of books.

- Distribute processes, including:
  - Distribute Expense Report Costs
  - Distribute Labor Costs
  - Distribute Supplier Invoice Adjustment Costs
  - Distribute Total Burdened Cost
  - Distribute Usage and Miscellaneous Costs

Attention: You must complete the Distribute processes before you run the Interfaces below.

- Interfaces to Receivables, Payables, and Assets, including:
  - Interface Invoices to Receivables
  - Interface Expense Reports to Payables
  - Interface Supplier Invoice Adjustment Costs to Payables
  - Interface Supplier Invoices from Payables
  - Interface Assets
- Interfaces to General Ledger, including:
  - Interface Revenue to General Ledger
  - Interface Usage and Miscellaneous Costs to General Ledger
  - Interface Total Burdened Cost to General Ledger
  - Interface Labor Costs to General Ledger

ATTENTION:

- You must stop all transaction entry in any application that supports MRC before you begin running the upgrade utilities. Once you have finished preparing your subledgers in the primary set of books, do not enter any new transactions until after the upgrade has completed successfully.
- For a first run only, the upgrade utilities are only compatible with and only support reporting sets of books in which no transactions have been converted to reporting currencies by normal MRC transaction processing. If you do not observe this requirement, the upgrade utilities will not be able to complete successfully.
- We recommend that you run the upgrade utilities as close as possible to the end of the initial period.

Step 13 Prepare Global Accounting Engine Entries

If you determined during the upgrade preparation task that there were entries in your Global Accounting Engine database tables whose translation status was not T or W, you must resolve those entries.

Before running the Global Accounting Engine upgrade utility, you must post all successfully generated accounting entries in Global Accounting Engine to General Ledger. After posting to General Ledger, navigate to the Post Journals window in General Ledger to check to make sure that your Global Accounting Engine entries were actually posted.

The last step to perform before you can run the Global Accounting Engine upgrade utility is to ensure that all balances have been calculated. Do this by running your balance reports, then reviewing the resulting output. If all the balances are not properly calculated, you must resolve the problem in Global Accounting Engine before you run the upgrade utility.

See: *Oracle Applications Global Accounting Engine User's Guide*

Step 14 Prepare Your Primary Set of Books General Ledger

For the initial period in your primary set of books, we strongly recommend that you perform your usual month–end closing procedures so your General Ledger will be as current as possible before you run the reporting initialization utility.

In particular, post all journal entries in your primary set of books at the end of the initial period. Posting all outstanding transactions and journals ensures that the ending account balances in your primary set of books are up to date.

We also strongly recommend that you:

- Clear out any clearing and suspense accounts.
- Reconcile your account balances and resolve any remaining open issues.
- Consider your Revaluation and Translation requirements for consolidation.

ATTENTION:

- You must suspend all journal posting before you begin running the upgrade utilities. Once you've finished preparing General Ledger in your primary set of books, do not post any new journals until after the upgrade has completed successfully.
- The upgrade utilities are only compatible with and only support an environment in which no transactions have been converted to reporting currencies by MRC. If you do not observe this requirement, the upgrade utilities will not be able to complete successfully.
- We recommend that you run the upgrade utilities on the first MRC date.

Step 15 Run Month–end Reports

Run your usual set of month–end reports from General Ledger and from your subledgers. You will use these reports later to reconcile your primary set of books amounts to the converted amounts in your reporting sets of books. Specifically, we recommend that you run the following reports:

Payables Reports

- AP Trial Balance
- Invoice History
- Posted Invoice Register
- Posted Payment Register

Receivables Reports

- Account Status

Purchasing Reports

- Open Purchase Orders
- Purchasing Activity Register
- Uninvoiced Receipts

General Ledger Reports

- Account Analysis with Subledger Detail
- Detail Trial Balance
- Foreign Currency General Ledger

Assets Reports

- Asset Retirements

- Receipt Accruals – Period–End Accrual Reconciliation

Projects Reports

Exc: Transaction Exception Details

MGT: Expenditure Detail

Exc: Transaction Exception Summary

Note: Run the Foreign Currency General Ledger for each foreign entered currency in your primary set of books.

Step 16 (Optional) Close Periods in Primary Set of Books

We recommend closing, in your primary set of books, any open periods that precede the first MRC period. While this step is not required, closing these periods for General Ledger and all of your subledgers that support MRC will ensure that transactions cannot be entered during the upgrade process.

Note: The initial period in Assets is closed automatically when you run Depreciation in Step 12 above.

See:

Opening and Closing Accounting Periods,
Oracle General Ledger User's Guide

Opening and Closing Accounting Periods,
Oracle Receivables User's Guide

Controlling the Status of AP Accounting Periods,
Oracle Payables User's Guide

Controlling Purchasing Periods,
Oracle Purchasing User's Guide

Depreciation Calculation,
Oracle Assets User's Guide

Changing the Status of a PA Period,
Oracle Projects User's Guide

Closing Your Subledger,
Oracle Applications Global Accounting Engine User's Guide

Step 17 Set Your Rollback Segment Size

Set your rollback segment size to the amount you determined during the upgrade preparation task. For more information about rollback segment requirements:

See: *MRC Installation Notes*, available from Oracle Support's MetaLink web site.

Perform the Upgrade

Complete the steps in this section to perform the upgrade.

- ❑ Step 1: Stop Transactions Entry
- ❑ Step 2: Back Up Your Production Database
- ❑ Step 3: Configure MRC for the Upgrade
- ❑ Step 4: Open the Initial Period in Reporting Sets of Books
- ❑ Step 5: Reload Current Rules in Global Accounting Engine
- ❑ Step 6: Run the Upgrade and Initialization Utilities
- ❑ Step 7: Close the Initial Period in Reporting Sets of Books
- ❑ Step 8: Reconcile Reporting Sets of Books
- ❑ Step 9: Reconcile Global Accounting Engine to General Ledger
- ❑ Step 10: Open the First MRC Period in General Ledger

Step 1 Stop Transactions Entry

You **MUST** suspend all transactions entry in all applications in the primary set of books being upgraded, before you perform the upgrade. No transactions must be entered during the upgrade process. There are two reasons for this:

- Some transactions entered during the upgrade *might be* converted by MRC because some of the MRC setup steps must be completed before you run the upgrade utilities. However, any such converted transactions will create a mixed environment where some transactions are converted and some are not. The upgrade utilities do not support this mixed environment and will never complete successfully.
- Other transactions entered during the upgrade process will not be converted by the upgrade utilities. These transactions will also not be converted by MRC during normal processing, since MRC (post–upgrade) converts transactions at the time of entry. As a result, your upgrade will not be complete and you will still have unconverted transactions in your primary set of books,

making it difficult to reconcile your primary and reporting sets of books. It will also be impossible to carry on normal processing operations since you will be unable to complete the accounting cycle (e.g., closing or reversing) for the unconverted transactions.

Step 2 Back Up Your Production Database

Back up your production database before you begin the upgrade process. In the event the upgrade process fails, use this backup to restore your database to the point it was at before you began the upgrade.

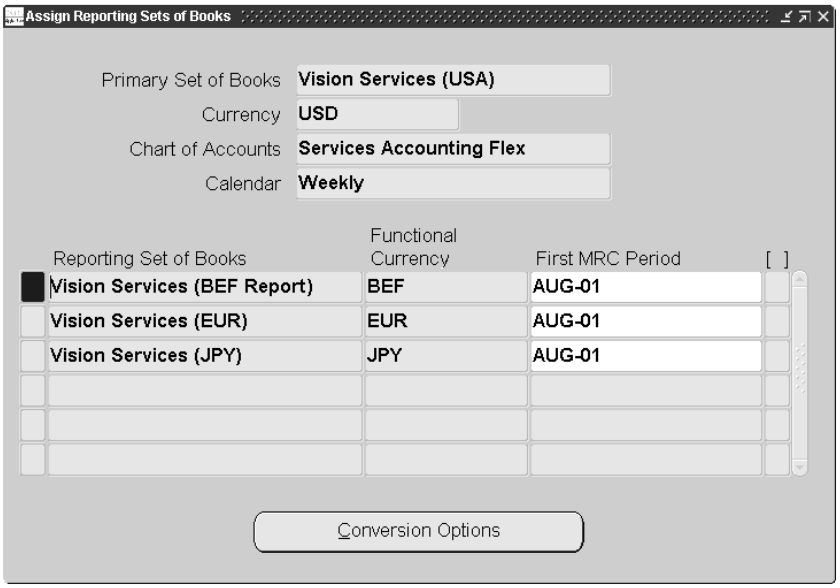
> **Note:** All of the upgrade utilities can be restarted if they fail during processing. You only need to restore your production database if you need to change your conversion options or when you are asked to do so by Oracle Worldwide Support.

Step 3 Configure MRC for the Upgrade

To configure MRC for the upgrade, you must assign your reporting sets of books (i.e., the ones you defined during the pre–upgrade process) to your primary set of books. Since the primary and reporting sets of books share the same calendar, the accounting periods you've set up in the primary set of books will be synchronized with your reporting sets of books.

However, in your reporting sets of books, you must open the periods you need in General Ledger, separately from opening periods in your primary set of books. For example, in the next step, you will be instructed to open the initial period in General Ledger in your reporting sets of books.

In your subledgers that support MRC, the reporting sets of books periods are automatically synchronized with the periods in your primary set of books, including the open/closed status.



Note: The task below is also discussed in Chapter 2, Setup. See: Step 4 – Assign Reporting Sets of Books to Primary Set of Books: page 2 – 8

▶ **To assign reporting sets of books to the primary set of books whose transactions and balances you want to convert during the upgrade process:**

1. Log in to General Ledger using the responsibility for your primary set of books.
2. Select your Primary Set of Books from the list of values. The set of books' functional Currency, Chart of Accounts, and accounting Calendar will be displayed.

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

   Note: Only those sets of books that have been defined as a reporting set of books will be included in the list of values.
4. Specify the First MRC Period if you plan to run the MRC upgrade utilities to initialize the selected reporting set of books' account

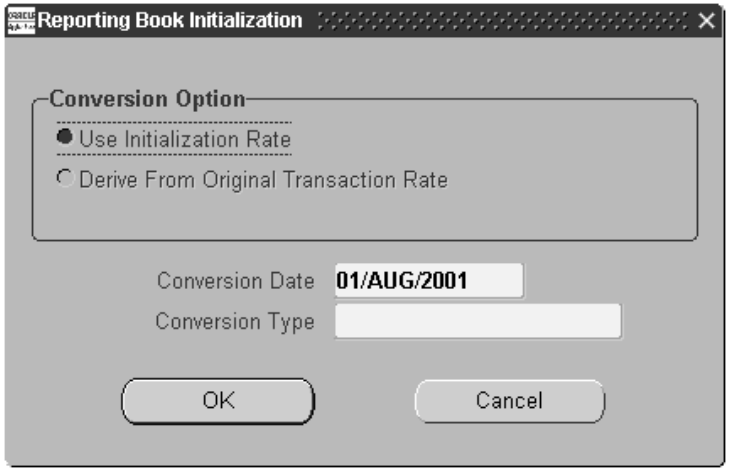
balances and convert subledger transactions. You can select the first MRC period from a list of values. Note that the list of values only displays future–enterable or never opened General Ledger periods in your primary set of books.

See: Determine the First MRC Date and Period: page 5 – 37

Attention: If you plan to initialize multiple reporting sets of books at the same time, the first MRC period must be the same for all of the reporting sets of books you are initializing.

Caution: If you previously ran the upgrade utilities for a reporting set of books and you subsequently change the associated first MRC period, you may get unpredictable initial reporting account balances if you rerun the upgrade utilities for the reporting set of books. Also, you risk losing journal reversal integrity between your primary and reporting set of books.

If you previously ran the upgrade utilities for a reporting set of books and you subsequently delete the associated first MRC period, you will not be able to rerun the upgrade utilities for the reporting set of books. You will also lose journal reversal integrity between your primary and reporting set of books.



5. Navigate to the Reporting Book Initialization window by selecting the descriptive flexfield to the right of the First MRC Period field. For those reporting sets of books for which you plan to run the upgrade utilities now, define the following Transaction & Balance options for the reporting set of books:

- **Conversion Option:** This option is only available when an EMU fixed rate relationship exists between the primary functional currency and the reporting functional currency. The conversion option only affects the upgrade utilities for General Ledger, Payables, Receivables, Purchasing, and Global Accounting Engine. There is no impact for Assets and Projects.

  Note: If the transaction currency is the same as the reporting currency, no conversion occurs and the entered transaction amount is accounted for in the reporting set of books.

  Select one of these two options:

  Use Initialization Rate: converts entered transaction amounts to the reporting currency using the conversion rate determined by the initial conversion date and conversion rate type.

  Derive From Original Transaction Rate: derives the reporting currency amount from the original transaction conversion rate. The actual calculation of the reporting currency amount occurs by converting the primary functional currency amount using the EMU fixed rate between the primary and reporting functional currencies. The transaction amounts are not implicitly revalued to the initialization rate. Therefore, unrealized gains or losses will not be generated.

  Note: The option to Derive From Original Transaction Rate is only available when an EMU fixed rate relationship exists between the primary functional currency and the reporting functional currency ***on or before*** the first MRC date.

- **Conversion Date:** The system displays the first MRC date in this field. Review and validate this date to ensure that it is the same date for which you defined initializing conversion rates. Change the conversion date only if needed.

For a euro reporting set of books, if the conversion date is 01–JAN–1999 or later, the upgrade utilities will use the defined fixed–rate relationships between the euro and EMU currencies when converting primary set of books' transactions that are denominated in an EMU currency. The upgrade utilities will also use triangulation when necessary for the conversion, as prescribed by the European Commission. The upgrade utilities will round converted amounts as required by local legislative regulations.

- **Conversion Type:** Enter the conversion rate type you defined earlier for your initializing rates.

  See: Determine Conversion Dimensions: page 5 – 45

6. Choose OK to return to the Assign Reporting Sets of Books window.
7. Choose the Conversion Options button to define conversion options for each combination of Oracle Application and operating unit (or asset book for Assets) for which you want to convert transactions to your reporting functional currency for this reporting set of books.

   Note: When you set the conversion options, make sure you use the Reporting Conversion Type you defined in the pre–upgrade task.

   Note: For Purchasing, set the From Date to the earliest date for which transactions have been entered in your primary set of books.

   See:

   Step 5 – Define Conversion Options for Each Application: page 2 – 10

   Choosing a From Date: page 5 – 7

   Plan the Upgrade – Attention: page 5 – 35

8. Save your work.
9. Repeat steps 3 through 8 for each reporting set of books you want to assign to the primary set of books.

Attention: If you are planning a phased implementation of MRC, with different first MRC periods for different reporting sets of books, do not assign the "future" reporting sets of books now. Only assign those reporting sets of books whose balances you plan to initialize now with the MRC upgrade utilities.

Step 4 Open the Initial Period in Reporting Sets of Books

Before you run the upgrade utilities, make sure you have opened the initial period in General Ledger in your reporting sets of books. Both the Assets upgrade utility and the General Ledger reporting balance initialization utility create initializing journals in your reporting sets of books' initial period. If you do not open the initial period in each of your reporting sets of books, you cannot post these journals.

Step 5 Reload Current Rules in Global Accounting Engine

In Global Accounting Engine, you must reload your current rules in the primary set of books to create the rules you need in your reporting sets of books. The rules are needed in the reporting sets of books so that sequence numbers can be assigned to the converted accounting entries that are generated in the reporting sets of books by the Global Accounting Engine upgrade utility.

▶ **To reload your current rules:**

1. Log in to Global Accounting Engine using the AX Developer responsibility.
2. Navigate to the Setup Subledgers window.
3. Choose the Unfreeze button to unfreeze your current setup.
4. In the Subledgers region, delete the Application/Main Set Books setup information. This action will also delete the setup information in the Posting Sets of Books region.

   Note: The Main Set of Books is your primary set of books.
5. Re–enter your Application/Main Set of Books setup information.

   See: Setting Up Posting Manager Defaults, *Oracle Applications Global Accounting Engine User's Guide*
6. Choose Freeze to freeze your setup.
7. Review the log files for any possible error messages. If there are errors, correct them before proceeding.

Step 6 Run the Upgrade and Initialization Utilities

There is a separate upgrade utility for each subledger application that supports MRC:

- Assets
- Receivables
- Payables
- Projects
- Purchasing
- Global Accounting Engine

There is another utility for General Ledger that initializes account balances in your reporting sets of books.

Caution: If you use variable conversion rates and/or converted historical costs to convert your assets, you must run the Assets utility before you run the General Ledger reporting balance initialization utility. You must also post the initializing journal created by the Assets upgrade utility in your reporting sets of books before you run the General Ledger reporting balance initialization utility.

If you use a single conversion rate to convert your assets, the Assets upgrade utility does not create an initializing journal in your reporting sets of books. In this case, there is no dependency between the Assets upgrade utility and the General Ledger reporting balance initialization utility.

Considerations When Running Utilities

- There are slight differences in how each utility works. It is extremely important that you read the specific instructions for each utility you are running. See: Running the Upgrade/Initialization Utility for Specific Applications: page 5 – 86
- To run the upgrade utilities, you must log in to Oracle Applications using an appropriate primary responsibility for the subledger whose upgrade utility you want to run. The profile option GL Set of Books Name must be set to the primary set of books name for the responsibility.
- To post the initializing journals that are created in your reporting sets of books by the Assets upgrade utility and the General Ledger reporting balance initialization utility, you must log in using an appropriate General Ledger reporting responsibility.
- Some of the subledger utilities must be run multiple times. For example, you must run the Receivables upgrade utility (Phase 1) for each combination of primary set of books and reporting set of books. However, these multiple runs can be done in parallel.
- Some of the subledger utilities are run in multiple phases. In some cases, such as Payables and Receivables, you must successfully complete the first phase for all reporting sets of books before you run the second phase.

❑ The following utilities and processes can be performed in parallel:

Parallel Grouping I	Parallel Grouping II
Assets (Phase 1): one run for a combination of primary asset book and reporting set of books. If you have more than one combination of primary asset book and reporting set of books, the phase 1 runs can be made in parallel ***only if you have set the Fixed Rate Conversion parameter to Yes.***	**Assets Rate Loading Process:** perform once for a combination of primary asset book and reporting set of books only after the phase 1 Assets run for the same primary asset book and reporting set of books has completed successfully.
Payables (Phase 1): one run for a combination of primary set of books and reporting set of books. If you have more than one combination of primary set of books and reporting set of books, the phase 1 runs can be made in parallel.	**Payables (Phase 2):** one run for the primary set of books after all phase 1 Payables runs for the associated reporting sets of books have completed successfully.
Receivables (Phase 1): one run for a combination of primary set of books and reporting set of books. If you have more than one combination of primary set of books and reporting set of books, the phase 1 runs can be made in parallel.	**Receivables (Phase 2):** one run for the primary set of books after all phase 1 Receivables runs for the associated reporting sets of books have completed successfully.
Purchasing: one run for each primary set of books.	
Projects: one run for each primary set of books.	

Table 5 – 7 (Page 1 of 1) Utilities/Processes that can be Performed in Parallel

The subledger upgrade utilities are independent of one another. You can run a subledger utility at any time while another subledger's utility is running. For example, you can run the Payables Phase 2 utility before the Assets Phase 1 utility completes. However, the utility phases are dependent on each other. For example, you cannot run the Payables Phase 2 utility until the Payables Phase 1 utility has completed successfully.

The General Ledger reporting balance initialization utility for one combination of primary set of books and reporting set of books can be run in parallel with Parallel Grouping I ***only if*** you are running the Assets utility using a single fixed rate to convert the assets for the same combination of primary asset book and reporting set of books. Otherwise, the reporting balance initialization utility must only be run after the Assets (Phase 3) utility has completed

successfully and the resulting initializing journal posted in your reporting sets of books.

- ❑ There are additional steps that you must complete after certain phases have completed and before others are started. Refer to the sequence of steps below for a complete description of these additional steps.

▶ **To run the upgrade utilities:**

1. Run the upgrade utilities noted in the table above for Parallel Grouping I.

   Caution: Throughout these steps, when an upgrade utility has completed, check the resulting log file to see if the run completed successfully. If not, review any error messages in the log file, correct the problems that may have caused the errors, then restart the utility.

   Attention: If you are running the Assets upgrade utility with the Fixed Rate Conversion parameter set to No, you must complete all three upgrade utility phases for a reporting set of books before you process another reporting set of books.

2. *Only after completing the corresponding phase 1 utility run*, run the upgrade utilities noted in the table above for Parallel Grouping II.

3. (Conditional) Assets Rate Loading Process — *Perform this step only after completing the corresponding Assets phase 1 utility run for the same combination of primary asset book and reporting set of books, and if you ran the phase 1 Assets utility with the Fixed Rate Conversion parameter set to No.*

   Attention: You must complete the rate loading process, plus the phase 2 and 3 runs for your reporting set of books before you run phase 1 for another reporting set of books.

   Note: If you do not run the scripts in this step, you will need to update the FA_MC_CONVERSION_RATES table manually.

   - Save the spreadsheet of Assets rates and costs (that you created during the pre–upgrade process) as a comma–delimited file.
   - Transfer the file from your PC to your server.
   - Create a SQL*Loader control file to use to load your exchange rates from the comma–delimited file to a temporary table. An example control file is shown below. The example assumes:
     - The comma–delimited file that you saved above is named farates.csv

– You have a 15–digit ASSET_ID, 15 character ASSET_NUMBER, 15–digit EXCHANGE_RATE, 15–digit COST, and 80 character DESCRIPTION

– You name the control file mrc_fa_upgrade.ctl

```
-- Loads Assets Convert flat file
-- Loads rates and costs for MRC transactions upgrade
-- mrc_fa_upgrade.ctl

load data
infile 'farates.csv'
append
into table mrc_upgrade_asset_rates
fields terminated by ",", optionally enclosed by '"'
(asset_number                char,
 exchange_rate               char,
 cost                        char,
 conversion_basis            char,
 description                 char)
```

- Login to SQL*Plus using the Assets username and password. From SQL*Plus, create a temporary table named MRC_UPGRADE_ASSET_RATES. Use a SQL script similar to the one below, which builds on the example above:

```
-- Create temporary table for FA rates and costs

drop table mrc_upgrade_asset_rates;
create table mrc_upgrade_asset_rates
   ( asset_number                varchar2(15),
     exchange_rate               number,
     cost                        number,
     conversion_basis            varchar2(2),
     description                 varchar2(20) );
```

- Use SQL*Loader to load the rates from the comma–delimited file to the temporary table you just created. Continuing the example, here is the SQL*Loader command:

```
sqlldr control=mrc_fa_upgrade.ctl
```

When SQL*Loader prompts you, enter your username and password. When the script completes, review the log file for any

errors. The log file has the same name as your control file except that the extension is 'log'. In our example, the log file would be named mrc_fa_upgrade.log.

- Login to SQL*Plus using the Apps username and password. Run the following SQL script to get the REPORTING_SET_OF_BOOKS_ID that will be needed to run the subsequent scripts:

```
-- Derive reporting_set_of_books_id
-- from reporting set of books name

select set_of_books_id
  from gl_sets_of_books
 where name = '&reporting_set_of_books';
```

- Login to SQL*Plus using the Assets username and password. Run the following scripts to determine whether the selected assets in the temporary table are the same as those that were placed in the FA_MC_CONVERSION_RATES table during phase 1.

  This first script identifies assets selected during the phase 1 run that are not included in the temporary table. The Assets upgrade utility will try to convert these assets, but will fail because you have not provided a conversion rate or a converted historical cost and a conversion basis.

```
-- Assets selected during phase 1
-- that are not in temporary table

select asset_number, description
  from fa_mc_conversion_rates m,
       fa_additions a
 where a.asset_id = m.asset_id
   and set_of_books_id = &reporting_set_of_books_id
   and book_type_code = '&primary_asset_book'
 minus
select asset_number, description
  from mrc_upgrade_asset_rates;
```

  This second script identifies assets that you included in the temporary table that were not selected during the phase 1 run. These assets will not be converted by the Assets upgrade utility

even though you've provided information in the temporary table.

```
-- Assets in temporary table
-- not selected during phase 1

select asset_number, description
  from mrc_upgrade_asset_rates
 minus
select asset_number, description
  from fa_mc_conversion_rates m,
       fa_additions a
 where a.asset_id = m.asset_id
   and set_of_books_id = &reporting_set_of_books_id
   and book_type_code = '&primary_asset_book';
```

- Load the Assets rates and cost information from the temporary table into the FA_MC_CONVERSION_RATES table and set the CONVERSION_BASIS in the FA_MC_CONVERSION_RATES table for each selected asset. You can do this by running a SQL script like the one shown in our continuing example below.

  Note: You determined the conversion basis during the upgrade preparation phase (See: Prepare Assets Rates and Costs: page 5 – 53).

```
-- Load rates, costs, and conversion basis
-- to FA_MC_CONVERSION_RATES

update fa_mc_conversion_rates fmcr
set (exchange_rate,
     cost,
     conversion_basis) =
    (select muar.exchange_rate,
            muar.cost,
            muar.conversion_basis
       from mrc_upgrade_asset_rates muar,
            fa_additions fa
      where fa.asset_id = fmcr.asset_id
        and fa.asset_number = muar.asset_number)
      where set_of_books_id =
            &reporting_set_of_books_id
        and book_type_code = '&primary_asset_book';
```

4. Run the Assets upgrade utility for Phase 2. You must submit one run for each combination of primary asset book and reporting set of books.

Attention: If you ran the phase 1 Assets utility with the Fixed Rate Conversion parameter set to No, perform this step only after you have updated the FA_MC_CONVERSION_RATES table.

5. (Conditional) *Perform this step only if you ran the phase 1 Assets utility with the Fixed Rate Conversion parameter set to No.*

   - Run the Assets upgrade utility for phase 3. You submit this program only once for the primary asset book. This program creates the Assets initializing journal in your reporting set of books.
   - Run Journal Import in your reporting sets of books for all combinations of primary asset book and reporting set of books
   - Post, in your reporting sets of books, the initializing journals that were created by the Assets upgrade utility

6. With respect to the Assets upgrade utility, repeat steps 3 through 5 above for each combination of primary set of books and reporting set of books being converted.
7. Run the General Ledger reporting balance initialization utility for each combination of primary and reporting set of books.

   Note: If you choose to convert a range of accounts, make sure you consider alphabetical segment values when you specify the range. For example, if you have a four–character natural account segment and want to convert all accounts above 3999, enter values from 4000 to ZZZZ, rather than 4000 to 9999.

8. Post, in your reporting sets of books, the initializing journals that were created by the General Ledger reporting balance initialization utility.

Step 7 Close the Initial Period in Reporting Sets of Books

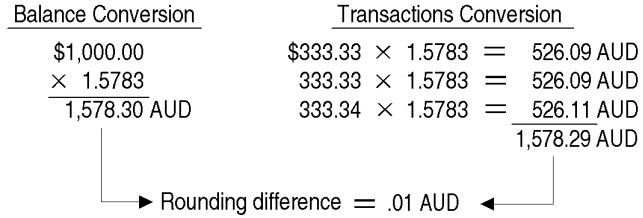
For General Ledger, close the initial period in your reporting sets of books. This ensures that journal entries cannot be entered and posted in the initial period in your reporting sets of books.

Step 8 Reconcile Reporting Sets of Books

Reconcile reporting sets of books' amounts with primary set of books' amounts. Make adjusting entries to reporting sets of books' amounts,

as needed, to ensure correct reporting currency balances. Alternatively, you may want to rerun the upgrade utilities using the same first MRC period.

Also reconcile your reporting sets of books' account balances to the reporting sets of books' subledger transaction amounts. Note that there will be differences that result from the rounding of aggregate balances versus individual transaction amounts. For example, consider an account with a balance of $1,000 that is comprised of three transactions ($333.33, $333.33, and $333.34). The transactions and the balance are all converted to AUD using the initializing rate of 1.5783. There is a rounding difference of .01 AUD in the reporting set of books, as shown below:



Notes:

- The Payables Trial Balance report for your reporting set of books will only balance to the liability account in General Ledger if you converted all open Payables transactions during the upgrade process.
- Fully retired assets from previous fiscal years are not converted by the Assets upgrade utility. This may cause a discrepancy between the opening balance in General Ledger and the amount in Assets in your reporting sets of books. Run the Asset Retirements report for your accounting period range to determine which fully retired assets were not converted by the Assets upgrade utility.

The task below explains how to reconcile General Ledger accounts whose balances are comprised of journals with multiple entered currencies. For accounts whose balance is comprised solely of journals that are denominated in the same currency, you can easily reconcile the account by simply comparing the account balance between the reports you ran before and after the upgrade.

▶ **To reconcile reporting sets of books' initial account balances with the primary set of books' account balances:**

1. In your reporting sets of books, run the same General Ledger reports that you ran during Step 15 of the pre–upgrade tasks.
2. Use the Foreign Currency General Ledger reports you ran for your primary set of books to determine the portion of each account balance that is derived from journals that were entered in foreign currencies. You must have run the report for each foreign entered currency in your primary set of books.
3. Determine the portion of each primary set of books' account balance that is derived from journals that were entered in your primary functional currency. To do this, subtract the amount determined in the previous step from the account ending balance shown on the Detail Trial Balance report for your primary set of books.

Example:

Assume your primary set of books' functional currency is USD and your reporting set of books' currency is EUR. Also assume that only three journals have been entered and posted in your primary set of books. The entered currencies of the journals were CAD, USD, and EUR. Each journal included a credit to Accounts Receivable (AR).

Further assume that the conversion rates you've defined for the upgrade utilities include:

From Currency	*To Currency*	*Conversion Rate*
USD	EUR	.85
CAD	EUR	.5667

- The Detail Trial Balance report for the primary set of books (pre–upgrade) shows an ending balance for AR of $5,500, which is the combined accounted amount the three journals posted to AR.
- The Foreign Currency General Ledger report, run in your primary set of books (pre–upgrade) for CAD shows an ending balance for AR of 3,000 CAD (foreign entered) and $2,000 (accounted amount after functional conversion).
- The Foreign Currency General Ledger report, run in your primary set of books (pre–upgrade) for EUR shows an ending

balance for AR of 2,125 EUR (foreign entered) and $2,500 (accounted amount after functional conversion).

- To find the portion of the AR account balance that was actually entered in your primary functional currency (USD), subtract the CAD and EUR accounted portions from the total AR accounted balance. The USD entered and accounted amount is $1,000 ($5,500 – 2,000 – 2,500).

4. Use the Foreign Currency General Ledger reports you ran for your reporting sets of books to determine the portion of each account balance that is derived from journals whose entered currency is not your reporting currency. You must have run the report for each foreign entered currency in your reporting set of books.
5. Determine the portion of each reporting set of books' account balance that is derived from journals whose entered currency is your reporting currency. To do this, subtract the amount determined in the previous step from the account ending balance shown on the Detail Trial Balance report for your reporting set of books.

Example (continued):

- The Detail Trial Balance report for the reporting set of books (post–upgrade) shows an ending balance for AR of 4,675 EUR, which is the combined accounted amount the three journals posted to AR.
- The Foreign Currency General Ledger report, run in your reporting set of books (post–upgrade) for CAD shows an ending balance for AR of 3,000 CAD (foreign entered) and 1,700 EUR (accounted amount after functional conversion).
- The Foreign Currency General Ledger report, run in your reporting set of books (post–upgrade) for USD shows an ending balance for AR of $1,000 (foreign entered) and 850 EUR (accounted amount after functional conversion).
- To find the portion of the AR account balance that was actually entered in your reporting functional currency (EUR), subtract the CAD and USD accounted portions from the total AR accounted balance. The EUR entered and accounted amount is 2,125 (4,675 EUR – 1,700 – 850).

6. Verify that the entered account balances in your primary and reporting sets of books are the same.

Example (continued): The entered amounts in both sets of books are 3,000 CAD, 2,125 EUR, and 1,000 USD.

7. Once you've determined the entered and accounted amounts for the account in your reporting sets of books, recompute the converted accounted amount by multiplying the entered amounts by the appropriate conversion rates you defined for use by the upgrade utilities.

   Example (continued):

   CAD: 3,000 CAD X .5667 = 1,700 EUR

   USD: $1,000 X .85 = 850 EUR

   EUR: The accounted amount equals the entered amount: 2,125 EUR

8. If you note any discrepancies between your primary and reporting sets of books, try to determine the cause of the discrepancies, then determine a course of action. You may want to make adjusting entries in your reporting sets of books to eliminate the discrepancies. Alternatively, you may want to restore your pre–upgrade database, make changes in the primary set of books, then rerun the upgrade utilities using the same first MRC period.

Step 9 Reconcile Global Accounting Engine to General Ledger

Once you've successfully run the Global Accounting Engine upgrade utility, reconcile the reporting account balances in Global Accounting Engine with those in General Ledger.

▶ **To reconcile reporting account balances in Global Accounting Engine with those in General Ledger:**

1. Run the summary balance reports in Global Accounting Engine for one of your reporting set of books.
2. Run the Detail Trial Balance report in General Ledger for the same reporting set of books.
3. Compare the two reports and identify any rounding differences in the account balances.
4. For any rounding differences noted in the previous step, create a manual journal entry in General Ledger in your reporting set of

books to account for the difference. We suggest you offset the difference against a suspense or clearing account.

5. Repeat the above steps for each reporting set of books for which you ran the Global Accounting Engine upgrade utility.

Step 10 Open the First MRC Period in General Ledger

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

Perform the Post–Upgrade Tasks

Complete the following post–upgrade steps:

- ❑ Step 1: Define General Ledger Conversion Rules
- ❑ Step 2: Define Reporting Responsibilities
- ❑ Step 3: Assign Reporting Sets of Books to Reporting Responsibilities
- ❑ Step 4: (Optional) Close the Initial Period in Reporting Sets of Books
- ❑ Step 5: Open the First MRC Period in Subledgers

Step 1 Define General Ledger Conversion Rules

The General Ledger reporting balance initialization utility converts all account balances regardless of the source and category of the individual journals that comprise the account balances. If you reverse one of these journals after upgrading and after enabling MRC, the reversal will not occur in your reporting sets of books if your General Ledger conversion rules do not encompass the journal source and category of the journal being reversed. As a result, your primary and reporting sets of books will no longer be synchronized, because the reversal will exist in your primary set of books, but not in your reporting sets of books.

For this reason, you must make sure you define General Ledger conversion rules that encompass any potentially reversible journals that existed at the time you ran the upgrade utilities.

See: Step 6 – Define General Ledger Conversion Rules: page 2 – 16

Step 2 Define Reporting Reponsibilities

Define any reporting responsibilities that you did not define earlier.

See: Step 7 – Define Reporting Responsibilities: page 2 – 22

Step 3 Assign Reporting Sets of Books to Reporting Reponsibilities

Assign any reporting sets of books that you did not assign earlier to reporting responsibilities.

During this step you have your system administrator set two profile options — GL Set of Books Name and MRC: Reporting Set of Books for each reporting responsibility.

See: Step 8 – Assign Reporting Sets of Books to Reporting Responsibilities: page 2 – 24

Step 4 (Optional) Close the Initial Period in Reporting Sets of Books

If you did not do so earlier, close the initial period in your primary set of books for all subledgers that support MRC.

Step 5 Open the First MRC Period in Subledgers

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

Resume Normal Transaction Processing

Once you successfully complete all of the preceding tasks, you are ready to resume your normal transaction processing. You can begin entering transactions in your primary set of books. MRC will automatically convert new transactions and journals to your reporting currencies as explained earlier.

See:

Transaction Processing: page 3 – 2

Special Considerations for General Ledger: page 4 – 2

Special Considerations for Oracle Subledgers: page 4 – 18

When posting from subledgers to General Ledger, or when posting journals in General Ledger, you must perform the posting operation in both your primary and reporting sets of books.

Attention: This includes posting any future–dated transactions or unposted transactions that existed in your primary set of books before you ran the upgrade utilities.

For details about the day–to–day MRC processing required for each subledger that supports MRC, refer to your Oracle Applications user's guides and Special Considerations for Oracle Subledgers: page 4 – 18.

See Also

Transaction Processing: page 3 – 2

Special Considerations for General Ledger: page 4 – 2

Special Considerations for Oracle Subledgers: page 4 – 18

Perform Upgrade Maintenance

For some subledger applications, you can rerun the upgrade utility to extend the depth of converted amounts in the reporting sets of books. Specifically, you can convert additional periods in AR and AP or you can add projects in PA.

Before you rerun these utilities, note the following:

- The first MRC period specified on the Assign Reporting Sets of Books window must be the same as it was when you ran the original subledger upgrade utilities. Do not change this setting if you expect to rerun any of the upgrade utilities.
- The conversion date and conversion type on the Reporting Book Initialization window must be the same as they were when you ran the original subledger upgrade utilities. Do not change these settings if you expect to rerun any of the upgrade utilities.

  If you do change these settings then rerun the subledger upgrade utilities, your beginning YTD reporting account balances for the first MRC period will not remain synchronized with your reporting subledgers.

Rerunning the Payables and Receivables Upgrade Utilities

You can rerun the Payables or Receivables upgrade utilities to convert additional periods to your reporting currencies. The additional periods extend the length of the original periods you converted when you first ran the upgrade utility. There will be no gaps in the converted periods.

For example, assume your first MRC period is JAN–99 and you originally converted the periods JUN–98 through DEC–98 to your reporting currencies. When you rerun the upgrade utility, the upgrade utility will ensure that the range of periods includes and ends with MAY–98. For example, if you specify a Start Period of JAN–98, then the upgrade utility will convert JAN–98 through MAY–98.

Warning: Attempts to rerun the Receivables or Payables upgrade utilities will not be successful if you have entered any back–dated transactions (which were then converted to your reporting currencies by MRC) for the additional periods you want to convert to your reporting currencies. When rerun, the upgrade utility will convert the back–dated transactions to your reporting currencies, but will fail when it finds the converted transactions already exist in the reporting sets of books.

Rerunning the Projects Upgrade Utility

You can rerun the Projects upgrade utility to convert additional projects to your reporting currencies (these projects can be open or closed). Note that you can only convert projects that have not already been converted to your reporting currencies. Also, if a project that you want to convert is currently closed, you must reopen it before you rerun the Projects upgrade utility.

Attention: If you plan to adopt the euro as your primary functional currency (EFC), you will need to convert all projects rather than just open projects before switching primary functional currencies. If you did not convert all projects when you first ran the Projects upgrade utility, you can rerun the utility to convert any additional projects.

Rerunning the Global Accounting Engine Upgrade Utility

To ensure that reporting account balances remain reconcilable between Global Accounting Engine and General Ledger, we recommend that you disable the Global Accounting Engine upgrade utility once the upgrade has been completed successfully. See: Disabling Upgrade Utilities, below.

Disabling Upgrade Utilities

To ensure the integrity and reconcilability of reporting transaction amounts and balances, we recommend that you disable the upgrade utility programs once the upgrade has been completed successfully. If you subsequently need to convert transactions and initialize account balances for a new reporting set of books, you can enable the upgrade utilities again.

▶ **To disable or enable upgrade utilities:**

1. Log in to Oracle Applications as the System Administrator.
2. Navigate to the Concurrent Programs window.
3. Query the program Short Names of the applications whose upgrade utility you want to disable:

Application Upgrade Utility	*Program Short Names*
Payables	APMRCUPG1, APMRCUPG2
Receivables	ARMRCUPG1, ARMRCUPG2
Purchasing	POMRCUPG
Assets	FAMRCUP1, FAMRCUP2, FAMRCUP3
Projects	PAMRCUPG
General Ledger	GLMRCU
Global Accounting Engine	AXMRCUPG

4. Mark the Enabled check box to enable the upgrade utility program. Unmark the check box to disable the upgrade utility.
5. Save your work.
6. Repeat the above steps for each upgrade utility program you want to enable or disable.

Running the Upgrade Utilities for Specific Applications

In this section, we describe the parameters required to run each of the upgrade utilities. We also discuss validation checking and various issues that differ from one upgrade utility to another.

> **Note:** The upgrade utility programs are installed as part of the predefined standard products' request groups. To run the programs from a custom request group, you must manually add the upgrade utility programs to your custom request group.

MRC Upgrade History Table

The Receivables, Payables, and Purchasing upgrade utilities update a history table (GL_MC_UPGRADE_HISTORY) with information about the progress and status of the upgrade process.

The information in the table is used when you restart any of the three upgrade utilities following an error condition. The upgrade utilities use the information in the history table to determine where to resume processing, rather than restarting from the beginning.

You can also use the information in the history table to query the progress or status of an upgrade utility that is still running.

The GL_MC_UPGRADE_HISTORY table includes the following columns:

PRIMARY_SET_OF_BOOKS_ID	NUMBER(15)
REPORTING_SET_OF_BOOKS_ID	NUMBER(15)
APPLICATION_ID	NUMBER(15)
TABLE_NAME	VARCHAR2(30)
PERIOD_NAME	VARCHAR2(15)
CONVERSION_STATUS	VARCHAR2(1)
ROUNDING_STATUS	VARCHAR2(1)
UPGRADE_RUN_ID	NUMBER(15)
REQUEST_ID	NUMBER(15)
CREATION_DATE	DATE
CREATED_BY	NUMBER(15)
LAST_UPDATED_BY	NUMBER(15)
LAST_UPDATE_LOGIN	NUMBER(15)
LAST_PROCESSED_ID1	NUMBER(15)

LAST_PROCESSED_ID2	NUMBER(15)
LAST_UPDATE_DATE	DATE

Running the Assets Upgrade Utility

The Assets upgrade utility consists of three phases:

- ❑ Run the program MRC Setup – Assets Transactions Upgrade: Phase 1. This program determines the beginning of the fiscal year, selects the assets to be converted, and populates the FA_MC_CONVERSION_RATES table with one record for each selected asset for the Asset book being converted.

  If you want to provide variable conversion rates and/or converted historical costs for selected assets, you must also update the records in the FA_MC_CONVERSION_RATES table with the conversion basis and either the conversion rate or the historical converted cost for each selected asset. We have provided step–by–step procedures for a semi–automated method of completing this step. Alternatively, you can update the FA_MC_CONVERSION_RATES table manually.

  See:

  Determine Conversion Extent: page 5 – 48

  Prepare Assets Rates and Costs: page 5 – 53

  Perform the Upgrade, Step 6: Run the Upgrade and Initialization Utilities: page 5 – 69

  Attention: If you provide variable conversion rates and/or converted historical costs for selected assets, you must complete all three upgrade utility phases for a reporting set of books before you process another reporting set of books.

- ❑ Run the program MRC Setup – Assets Transactions Upgrade: Phase 2. This program converts the selected assets to the reporting currencies.

- ❑ Run the program MRC Setup – Assets Transactions Upgrade: Phase 3. This program creates an initializing journal entry in General Ledger in the reporting set of books. The journal source is Assets and the journal category is MRC Open Balances.

Note: You only run the Phase 3 program when you are providing variable conversion rates and/or converted historical costs for selected assets.

Assets Upgrade Utility Parameters

You run the Asset upgrade utility programs from your primary responsibility. When you submit the programs, you will be asked to provide some or all of the following parameters:

- **Book:** The name of the primary asset book whose assets you want to convert.
- **Reporting Book:** The name of the reporting set of books whose asset balances you want to initialize.
- **Fixed Rate Conversion:** Select Yes to convert all selected assets using one fixed rate. If you are providing variable rates and/or historical converted costs for the selected assets, you must choose No for this parameter.

  Note: The Fixed Rate Conversion parameter is used only by the MRC Setup – Assets Transactions Upgrade: Phase 2 program.

Validation Checking

The Assets upgrade utility performs the following validation checking:

- ❑ First MRC Period — During a first run, the utility validates the first MRC period to ensure that it is the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger in the primary set of books.
- ❑ You must run the MRC Setup – Assets Transactions Upgrade: Phase 1 program before you run the MRC Setup – Assets Transactions Upgrade: Phase 2 program. The Phase 1 program verifies that you have not run the Phase 2 program.

  The program also ensures that the specified reporting set of books is associated with the specified asset book.
- ❑ The MRC Setup – Assets Transactions Upgrade: Phase 2 program verifies that all the conversion rates you've entered into the FA_MC_CONVERSION_RATES table are the same if you specified Yes for the Fixed Rate Conversion parameter.
- ❑ The MRC Setup – Assets Transactions Upgrade: Phase 3 program verifies that you performed a variable rate conversion.

If any of the validation checks fail, the upgrade utility will stop with an error condition before any transactions are converted. You can review the log file for any error messages.

Running the Receivables Upgrade Utility

The Receivables upgrade utility consists of two phases:

- ❑ Run the program MRC Setup – Receivables Transactions Upgrade: Phase 1. For each combination of primary set of books and reporting set of books, this program converts to your reporting currency, for the number of periods you specify, all open items, reversible transactions, and closed transactions that are entered in the primary set of books. For a first run or restart, the program also converts all future–dated transactions.

  The program inserts one record for each converted transaction into the Receivables MRC subtables.

  See: *Oracle Applications Concepts*

- ❑ Run the program MRC Setup – Receivables Transactions Upgrade: Phase 2. This program updates the Receivables base tables with the converted reporting currency amounts from Phase 1.

  Note: If header level rounding is enabled in Receivables, the Receivables upgrade utility will perform rounding on the converted reporting currency amounts for the entire range of dates for which you are running the upgrade utility.

  See: Step 9 – Set Receivables Rounding Option: page 5 – 52

  The Phase 1 program is run separately on all combinations of Primary and Reporting set of books. The Phase 2 program is run only once AFTER all Phase 1 runs for a primary set of books have been completed successfully.

Receivables Upgrade Utility Parameters

You run the Receivables upgrade utility from your primary responsibility. When you submit the program, you will be asked to provide the following parameters:

- **Primary Set of Books:** Enter the name of the Primary Set of Books whose transactions are to be converted.

- **Reporting Set of Books:** Enter the name of the Reporting Set of books. Transactions are converted from the entered currency in the primary set of books to the functional currency of the reporting set of books.
- **Start Period:** Enter the first period whose transactions are to be converted. The utility will convert the transactions from the Start Period through the initial period, plus all future–dated transactions (i.e., all transactions in future–enterable periods).

  Note: Future–dated transactions are converted automatically during a first run. They are not converted during reruns.

  Note: We have provided a SQL script you can run to determine the period of the earliest open Receivables transaction. The script is named **arumceot.sql**. The script is located in $ar_TOP/admin/sql, where ar_TOP is the directory into which you installed Oracle Receivables.
- **Future Dated Conversion Option:** For future–dated transactions you can choose to use the most current rate available, based on the Reporting Conversion Type defined for Receivables on the Conversion Options window. Defaults to No.

  See: What Exchange Rates are Used to Convert Transactions: page 5 – 21

  Note: To use this option, you must specify, on the Conversion Options window, the Reporting Conversion Type, and you must set the No Rate Option for Receivables.

Validation Checking

The Receivables upgrade utility performs the following validation checking:

- ❑ First MRC Period — During a first run, the utility validates the first MRC period to ensure that it is the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger in the primary set of books.
- ❑ Start Period — Ensures that the specified Start Period is a valid period and that it precedes the first MRC period.
- ❑ Primary Set of Books — Ensures that the specified primary set of books name is defined as a primary set of books.
- ❑ Reporting Set of Books — Ensures that the specified reporting set of books is a valid reporting set of books and that it is assigned to the specified primary set of books.

- ❑ Conversion Rates — Checks to make sure that an initializing rate exists for each combination of transaction currency to reporting currency, for all transactions in the specified range of periods being converted.

If any of the validation checks fail, the upgrade utility will stop with an error condition before any transactions are converted. You can review the log file for any error messages.

Conversion History Table

The Receivables upgrade utility updates the history table, GL_MC_UPGRADE_HISTORY, with information about the progress and status of the upgrade process. As the upgrade utility processes Receivables' tables, it adds records to the history table for each combination of primary set of books, reporting set of books, table, and period. During the upgrade process, the Receivables upgrade utility sets and updates a status field in the appropriate history table record to indicate whether the upgrade process has:

- Started
- Completed processing all transactions (except future–dated)
- Completed processing future–dated transactions
- Errored out

See: MRC Upgrade History Table: page 5 – 86

Running the Payables Upgrade Utility

The Payables upgrade utility consists of two phases:

- ❑ Run the program MRC Setup – Payables Transactions Upgrade: Phase 1. For each combination of primary set of books and reporting set of books, this program converts to your reporting currency, for the number of periods you specify, all open items, reversible transactions, and closed transactions that are entered in the primary set of books. For a first run or restart, the program also converts all future–dated transactions.

  Note: For future–dated invoices that are matched against purchase orders, if the Payables upgrade utility is run before the Purchasing upgrade utility, the exchange rate variance is calculated based on the initializing rate for the purchase order.

The program inserts one record for each converted transaction into the Payables MRC subtables. The utility ensures that converted amounts balance after rounding.

See: *Oracle Applications Concepts*

❑ Run the program MRC Setup – Payables Transactions Upgrade: Phase 2. This program updates the Payables base tables with the converted reporting currency amounts from Phase 1.

The Phase 1 program is run separately on all combinations of Primary and Reporting set of books. The Phase 2 program is run only once AFTER all Phase 1 runs for a primary set of books have been completed successfully.

Payables Upgrade Utility Parameters

You run the Payables upgrade utility from your primary responsibility. When you submit the program, you will be asked to provide the following parameters:

- **Primary Set of Books:** Enter the name of the Primary Set of Books whose transactions are to be converted.
- **Reporting Set of Books:** Enter the name of the Reporting Set of books. Transactions are converted from the entered currency in the primary set of books to the functional currency of the reporting set of books.
- **Start Period:** Enter the first period whose transactions are to be converted. The utility will convert the transactions from the Start Period through the initial period, plus all future–dated transactions (i.e., all transactions in future–enterable periods).

  We recommend that you select a period early enough to ensure that all open transactions are converted. In determining the period, consider using the period:

  – Containing the earliest voided check that has a status of On Hold

  – Containing the earliest negotiable check that has not yet been presented for payment

  – That precedes the initial period by the number of months equal to the life of your average payment life cycle

  Note: Future–dated transactions are converted automatically during a first run. They are not converted during reruns.

Note: We have provided a SQL script you can run to determine the period of the earliest open Payables transaction. The script is named **apumceot.sql**. The script is located in $ap_TOP/admin/sql, where ap_TOP is the directory into which you installed Oracle Payables.

- **Future Dated Conversion Option:** For future–dated transactions you can choose to use the most current rate available, based on the Reporting Conversion Type defined for Payables on the Conversion Options window. Defaults to No.

  See: What Exchange Rates are Used to Convert Transactions: page 5 – 21

  Note: To use this option, you must specify, on the Conversion Options window, the Reporting Conversion Type, and you must set the No Rate Option for Payables.

Validation Checking

The Payables upgrade utility performs the following validation checking:

- ❑ First MRC Period — During a first run, the utility validates the first MRC period to ensure that it is the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger in the primary set of books.
- ❑ Start Period — Ensures that the specified Start Period is a valid period and that it precedes the first MRC period.
- ❑ Primary Set of Books — Ensures that the specified primary set of books name is defined as a primary set of books.
- ❑ Reporting Set of Books — Ensures that the specified reporting set of books is a valid reporting set of books and that it is assigned to the specified primary set of books.
- ❑ Conversion Rates — Checks to make sure that an initializing rate exists for each combination of transaction currency to reporting currency, for the specified range of periods being converted.

If any of the validation checks fail, the upgrade utility will stop with an error condition before any transactions are converted. You can review the log file for any error messages.

Conversion History Table

The Payables upgrade utility updates the history table, GL_MC_UPGRADE_HISTORY, with information about the progress and status of the upgrade process. As the upgrade utility processes Payables' tables, it adds records to the history table for each combination of primary set of books, reporting set of books, table, and period. During the upgrade process, the Payables upgrade utility sets and updates a status field in the appropriate history table record to indicate whether the upgrade process has:

- Started
- Completed processing all transactions (except future–dated)
- Completed processing future–dated transactions
- Errored out

See: MRC Upgrade History Table: page 5 – 86

Running the Purchasing Upgrade Utility

The Purchasing upgrade utility converts primary set of books' receipts and not–finally–closed purchase orders to the reporting currencies of all the reporting sets of books that are associated with the primary set of books. This includes receipts that have been invoiced, as well as returns and adjustment transactions.

The upgrade utility consists of one upgrade program that is run once for each of the following Purchasing MRC subtables:

- PO_MC_HEADERS
- PO_MC_DISTRIBUTIONS
- RCV_MC_SHIPMENT_HEADERS
- RCV_MC_SHIPMENT__LINES
- RCV_MC_TRANSACTIONS

  Note: The upgrade utility does not convert transactions into the RCV_MC_REC_SUB_LEDGER subtable. Several Purchasing reports use data from this table. If you submit these reports from a reporting set of books, historical reporting currency amounts will not be available:

  – Accrual Reconciliation

  – Accrual Write–Off

- Receiving Account Distribution
- Receiving Value
- Receiving Value by Destination Account

The five program runs have been combined into one request set to facilitate completing the Purchasing upgrade. You need only run the MRC Setup – Purchasing Transactions Upgrade Request Set. When you run this request set, it runs the five programs in parallel.

Each program run goes through a phased process similar to the Receivables and Payables upgrade utilities. In one of the processes, the upgrade utility inserts one record for each converted transaction into the Purchasing MRC subtables listed above. In another phase, the upgrade utility updates the Purchasing base tables with the converted reporting currency amounts.

See: *Oracle Applications Concepts*

Purchasing Upgrade Utility Parameters

You run the Purchasing upgrade utility from your primary responsibility. When you submit the request set, you will be asked to provide the following parameter:

- **Primary Set of Books:** Enter the name of the primary set of books whose transactions are to be converted.

  Note: The upgrade utility converts primary set of books' transactions to the reporting currencies of all the reporting sets of books that are associated with the primary set of books. You do not have to run the utility separately for each reporting set of books.

Validation Checking

The Purchasing upgrade utility performs the following validation checking:

- ❑ Parameters Passed — The utility verifies that you've entered the required parameters.
- ❑ First MRC Period — The utility verifies that the first MRC period is future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger in the primary set of books.

- ❑ Conversion Rates — Checks to make sure that an initializing rate exists for each combination of transaction currency to reporting currency, for the specified range of periods being converted.

If any of the validation checks fail, the upgrade utility will stop with an error condition before any transactions are converted. You can review the log file for any error messages.

Conversion History Table

The Purchasing upgrade utility updates the history table, GL_MC_UPGRADE_HISTORY, with information about the progress and status of the upgrade process. As the upgrade utility processes Purchasing's tables, it adds records to the history table for each combination of primary set of books, reporting set of books, table, and period. During the upgrade process, the Purchasing upgrade utility sets and updates a status field in the appropriate history table record to indicate whether the upgrade process has:

- Started
- Completed processing Purchasing MRC subtables
- Completed processing Purchasing base tables
- Errored out
- Completed processing transactions

See: MRC Upgrade History Table: page 5 – 86

Running the Projects Upgrade Utility

The Projects upgrade utility consists of one phase:

- ❑ MRC Setup – Projects Transactions Upgrade — For a first run, this program converts all open projects in the primary set of books, to your reporting currency. For a first run or restart, the program also converts all future–dated transactions. For a rerun, the program only converts projects that you specify.

  The program inserts one record for each converted transaction into each of the Projects MRC subtables.

The utility is run separately for each combination of primary set of books and reporting set of books.

Projects Upgrade Utility Parameters

You run the Projects upgrade utility from your primary responsibility. When you submit the program, you will be asked to provide the following parameters:

- **Primary Set of Books:** Enter the name of the Primary Set of Books whose project transactions are to be converted.
- **Reporting Set of Books:** Enter the name of the Reporting Set of books. Transactions are converted from the entered currency in the primary set of books to the functional currency of the reporting set of books.
- **From/To Project Number:** Enter the range of project numbers whose transactions you want to convert to your reporting currency.

  Note: This parameter is ignored for a first run. During a first run all open projects are converted. Use the From/To Project parameter only during reruns, to control which additional projects are to be converted.

  Attention: If you plan to adopt the euro as your primary functional currency (EFC), you will need to convert all projects rather than just open projects before switching primary functional currencies. If you did not convert all projects when you first ran the Projects upgrade utility, you can rerun the utility using the From/To Project Number parameter.

- **Future Dated Conversion Option:** For future–dated transactions you can choose to use the most current rate available, based on the Reporting Conversion Type defined for Projects on the Conversion Options window. Defaults to No.

  See: What Exchange Rates are Used to Convert Transactions: page 5 – 21

  Note: To use this option, you must specify, on the Conversion Options window, the Reporting Conversion Type, and you must set the No Rate Option for Projects.

Validation Checking

The upgrade utility performs the following validation checking:

- ❑ First MRC Period — During a first run, the utility validates the first MRC period to ensure that it is the first future–enterable period or,

if you do not allow future–enterable periods, the first never opened period in General Ledger in the primary set of books.

- From/To Project Number — For reruns, ensures that the specified projects are valid.
- Primary Set of Books — Ensures that the specified primary set of books name is defined as a primary set of books.
- Reporting Set of Books — Ensures that the specified reporting set of books is a valid reporting set of books and that it is assigned to the specified primary set of books.

If any of the validation checks fail, the upgrade utility will stop with an error condition before any transactions are converted. You can review the log file for any error messages.

Conversion History Table

The Projects upgrade utility updates a history table (PA_MRC_UPG_HISTORY) with information about the progress and status of the upgrade process.

The information in the table is used when you restart the Projects upgrade utility following an error condition. The upgrade utilities use the information in the history table to determine where to resume processing, rather than restarting from the beginning.

You can also use the information in the history table to query the progress or status of an upgrade utility that is still running.

The PA_MRC_UPG_HISTORY table includes the following columns:

PRIMARY_SET_OF_BOOKS_ID	NUMBER(15)
REPORTING_SET_OF_BOOKS_ID	NUMBER(15)
TABLE_NAME	VARCHAR2(30)
PROJECT_ID	NUMBER(15)
CONVERSION_STATUS	VARCHAR2(1)
ROUNDING_STATUS	VARCHAR2(1)
UPGRADE_RUN_ID	NUMBER(15)
UPGRADE_RUN_ID2	NUMBER(15)
CREATED_BY	NUMBER(15)
CREATION_DATE	DATE
LAST_UPDATED_BY	NUMBER(15)
LAST_UPDATE_DATE	DATE

The Projects upgrade utility updates the history table with information about the progress and status of the upgrade process. As the upgrade utility processes Project's tables, it adds records to the history table for each combination of primary set of books, reporting set of books, table, and project. During the upgrade process, the Projects upgrade utility sets and updates a status field in the appropriate history table record to indicate whether the upgrade process has:

- Started
- Completed processing all transactions (except future–dated)
- Completed processing future–dated transactions
- Errored out

The Projects upgrade utility also inserts records into a table (PA_UPGRADE_RATES) that is used to handle conversions of multicurrency transactions.

The information in this table is used whenever you run the Projects upgrade utility to store exchange rates for various transaction and reporting currencies. The upgrade utilities use the information to determine the rates for converting the transaction amounts into the reporting currency.

If the upgrade utility is unable to find rates for any currency during the upgrade process, the program displays an error message listing those missing currencies. The rates must be repopulated and the program rerun.

the PA_MC_UPGRADE_RATES table contains the following columns:

PRIMARY_SET_OF_BOOKS	NUMBER(15)
REPORTING_SET_OF_BOOKS	NUMBER(15)
FROM_CURRENCY	VARCHAR2(15)
TO_CURRENCY	VARCHAR2(15)
DENOM_RATE	NUMBER
NUM_RATE	NUMBER
EXCHANGE_RATE	NUMBER
EXCHANGE_DATE	DATE
RATE_TYPE	VARCHAR2(30)

Running the General Ledger Reporting Balance Initialization Utility

The utility consists of one phase:

- ❑ Run the program MRC Setup – Create Opening Balance Journals in Reporting Books. This program creates a journal in your reporting set of books to initialize the actual and encumbrance account balances in the initial period.

  After you post the initializing journals in your reporting sets of books and open the first MRC period, your actual and encumbrance reporting balances will be initialized.

  Note: The initializing journals use the Journal Source and Journal Category named MRC Open Balances.

General Ledger Reporting Balance Initialization Utility Parameters

You run the MRC Setup – Create Opening Balance Journals in Reporting Books program from your primary responsibility. When you submit the program, you will be asked to provide the following parameters:

- **Primary Set of Books:** Enter the name of the primary set of books whose balances you want to convert.
- **Reporting Set of Books:** (Optional) Enter the reporting set of books name whose account balances you want to initialize. If you leave this parameter blank, the upgrade utility will initialize the balances in all of the reporting sets of books that are associated with the primary set of books.
- **Flexfield From/To:** (Optional) Enter a range of accounts whose balances you want to convert to your reporting currency. If you leave these parameters blank, all account balances will be converted.

  Note: When you convert selected accounts, make sure you consider alphabetical segment values in the range of accounts. For example, if you have a four character natural account segment and want to convert all accounts above 3999, enter values from 4000 to ZZZZ, rather than 4000 to 9999.

Validation Checking

The General Ledger reporting balance initialization utility performs the following validation checking:

- ❑ First MRC Period — Validates the first MRC period to ensure that it is the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger in the primary set of books.
- ❑ Reporting Set of Books — Ensures that the specified reporting set of books is a valid reporting set of books and that it is assigned to the specified primary set of books.
- ❑ Journal Source and Journal Category — Ensures that the new Journal Source and Journal Category, MRC Open Balances, exists in your database.
- ❑ Conversion Rates — Checks to make sure that an initializing rate exists for each combination of entered currency to reporting currency, for all balances in your primary set of books.

If any of the validation checks fail, the upgrade utility will stop with an error condition before any balances are converted. You can review the log file for any error messages.

Running the Global Accounting Engine Upgrade Utility

The utility consists of one phase:

- ❑ Run the program MRC Setup – Global Accounting Engine Transactions Upgrade. This program creates a journal in your reporting set of books to initialize the account balances in the initial period.

  You must post the initializing journals in your reporting sets of books. Once the journals have been posted, your reporting balances will be initialized.

Global Accounting Engine Upgrade Utility Parameters

- **Primary Set of Books:** Enter the name of the primary set of books whose balances you want to convert.
- **Reporting Set of Books:** Enter the reporting set of books name whose account balances you want to initialize.
- **Application:** Enter the subledger application whose balances you want to convert to your reporting currency. The Global Accounting Engine upgrade utility supports Payables and Receivables.

Note: Global Accounting Engine also supports Oracle Inventory, however, Inventory does not support MRC.

Validation Checking

The Global Accounting Engine upgrade utility performs the following validation checking:

- First MRC Period — Validates the first MRC period to ensure that it is the first future–enterable period or, if you do not allow future–enterable periods, the first never opened period in General Ledger in the primary set of books.
- Reporting Set of Books — Ensures that the specified reporting set of books is a valid reporting set of books and that it is assigned to the specified primary set of books.

If any of the validation checks fail, the upgrade utility will stop with an error condition before any transactions are converted. You can review the log file for any error messages.

APPENDIX

A

MRC Reporting Responsibilities

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

Predefined Reporting Responsibilities

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

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

Table A – 1 (Page 1 of 1)

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

See: Define Responsibilities: page 2 – 22

Menus

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

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

Assets

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

Navigator Entry	Windows
Inquiry	Financial Information Inquiry Transaction History Inquiry
Depreciation	Run Depreciation Projections
Journals	Standard Deferred
Other	Requests • Run • View • Set Profile Concurrent Change Organization

Table A – 2 (Page 1 of 1) Assets Windows

Payables

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

Navigator Entry	Windows
Invoices	Invoice Batches Invoice Invoice Distributions Invoice Overview Withheld Amounts
Payments	Payment Batches Payments Payment Overview Withheld Amounts
Other	Requests • Run • View • Set Profile Concurrent Change Organization

Table A – 3 (Page 1 of 1) Payables Windows

Receivables

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

Navigator Entry	Windows
Transactions	Batches Summary Transactions Transactions Summary
Receipts	Batches Summary Receipts Receipts Summary Remittances Remittances Summary Lockbox Transmission
Collections	Scheduler Customer Calls Customer Accounts Account Overview Aging Correspondence Account Details Transaction Overview
Interfaces	General Ledger
Control	Requests • Run • View • Set Profile Options Concurrent

Table A – 4 (Page 1 of 1) Receivables Windows

Purchasing

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

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

Navigator Entry	Windows
Other	Requests Run • View • Set Profile Concurrent Change Organization

Table A – 5 (Page 1 of 1) Purchasing Windows

Projects

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

Navigator Entry	Windows
Expenditures	Expenditure Review • Supervisor • All Expenditure Inquiry • Project • All
Capital Projects	Capital Projects

Table A – 6 (Page 1 of 2) Project Billings Windows

Navigator Entry	Windows
Billing	Events • Project • All Invoice Review Revenue Review
Other	Requests • Run • View • Set Profile Concurrent

Table A – 6 (Page 2 of 2) Project Billings Windows

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

Navigator Entry	Windows
Expenditures	Expenditure Review • Supervisor • All Expenditure Inquiry • Project • All
Capital Projects	Capital Projects
Other	Requests • Run • View • Set Profile Concurrent

Table A – 7 (Page 1 of 1) Project Costing Windows

Request Groups

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

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

Assets

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

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

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

Payables

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

- Accounts Payable Trial Balance Report
- Finanical Tax Register Report
- Invoice Aging Report
- Journal with GL Details Report
- Payables Accounting Entries Report
- Posted Invoice Register
- Posted Payment Register
- Posting Hold Report
- Tax Audit Trail Report

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

- Payables Transfer to General Ledger Program

Receivables

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

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

- Reversed Receipts Report
- Sales Journal By Customer
- Sales Journal by GL Account Report
- Tax Reconciliation Report
- Tax Register
- Tax Only: Open Invoices Report
- Transaction Register
- Unapplied Receipts Register

Purchasing

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

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

Projects

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

- AUD: Missing Timecards
- AUD: Work Breakdown Structure
- AUD: Project Configuration

- AUD: Task Details
- AUD: Pre–Approved Expenditures Entry Audit
- AUD: Project Expenditures Adjustment Activity
- AUD: Time Card Entry
- AUD: Expense Report Entry
- AUD: Project Sub–ledger Summary
- AUD: Project Sub–ledger: Detail by Project
- AUD: Project Sub–ledger: Detail by Expenditure Types
- AUD: Cost Audit
- AUD: Revenue Audit
- MGT: Expenditure Detail
- MGT: Expenditure Summary
- MGT: Employee Activity by Organization
- MGT: Transfer Activity Report
- FLW: Invoice Flow Detail
- FLW: Invoice Flow Summary

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

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

- MGT: Expenditure Summary
- MGT: Employee Activity by Organization
- MGT: Transfer Activity Report

APPENDIX

B

Installation Notes

This appendix describes the process to follow when installing MRC.

Installation Notes

If you plan to report and maintain accounting records in more than one functional currency, you must install Multiple Reporting Currencies (MRC). Before installing MRC, review the MRC–related details in the *Oracle Applications Concepts* manual, which provides information about the MRC architecture and how MRC integrates with the Release 11*i* data model.

> **Additional Information:** MRC Architecture in *Oracle Applications Concepts*; and the sections on Applications Utilities, AD Administration Utility, and Convert to Multiple Reporting Currencies option in *Oracle Applications Installation*.
>
> **Note:** The Oracle MetaLink web site may contain patches or further information on installing or maintaining MRC. Check MetaLink for information that may supersede this document.

There are seven steps to installing and maintaining MRC:

- Set Up Your Environment and Database: page B – 3
- Compile and Validate Your APPS Schemas: page B – 5
- Convert to Multiple Reporting Currencies: page B – 6
- Verify the Installation: page B – 6
- Perform Post–Installation Steps: page B – 7
- Maintain Your MRC Schema Objects: page B – 7

Attention: Follow the installation steps in this appendix exactly. Skipping any step, altering the sequence of steps, or failing to complete a step may cause your MRC installation to fail.

Installing MRC with Invokers Rights On

Beginning with Release 11i, the MRC installation process can take advantage of a new feature of Oracle8i called Invokers Rights. When Invokers Rights is turned on during AutoInstall, MRC shares objects in the APPS schema rather than duplicating those objects in the MRC schema.

> **Note:** When you run AutoInstall, Invokers Rights is turned on automatically. You must explicitly turn it off if you do not want to use Invokers Rights.

This saves disk space and reduces the amount of dual maintenance required in an MRC–enabled environment. It also reduces security

risks since a subset of APPS privileges is automatically granted to MRC when Invokers Rights is turned on.

We recommend that when you run AutoInstall, you do not turn Invokers Rights off.

> **Additional Information:** *Oracle 8i Concepts* and *Oracle Applications One–Hour Install Guide*

Set Up Your Environment and Database

The tasks in this step should be performed by an ORACLE DBA or someone with similar experience. Consult the Oracle8i documentation for information.

> **Additional Information:** *Oracle8i Concepts*, *Oracle8i Administrator's Guide*, *Oracle8i ConText Cartridge Reference*

1. Log off all connections and shut down all concurrent managers and ConText servers.

   During the MRC installation, the adadmin program attempts to lock database objects. Shutting down all concurrent managers and ConText servers, and closing any other connections to the database before installing MRC, will ensure that adadmin has access to all these database objects.

2. Set your NLS_LANG Environment Variable.

   Your NLS_LANG variable must be set to AMERICAN_AMERICA.<codeset> before you run the Convert to Multiple Reporting Currencies option in adadmin. Otherwise, the scripts needed to install MRC may not run correctly. After completing your conversion to MRC, you can change the NLS_LANG setting to suit your needs.

3. Create rollback segments.

   Create two rollback segments for the MRC installation. Each should have an initial extent size of 1 MB, a next extent size of 1 MB, a minimum of 60 extents, and MAXEXTENTS UNLIMITED.

   Attention: All other rollback segments must be off–line, otherwise the MRC installation program may try to use them and fail.

4. Verify system tablespace requirements.

   During the MRC installation, the adadmin program:

- Copies objects from your APPS schema or schemas to a newly created APPS_MRC schema or schemas
- Creates modified copies of some objects from your APPS schema or schemas in the APPS_MRC schema or schemas
- Creates synonyms in the APPS_MRC schema or schemas to objects in your APPS schema or schemas

Because many objects are stored in the SYSTEM tablespace, your SYSTEM tablespace must have enough room before you begin.

- If you have a single product installation group or a Multiple Organization Architecture installation, ensure that you have at least 600 MB free in your SYSTEM tablespace.
- If you have a multiple product installation group database, ensure that you have at least 150 MB free in your SYSTEM tablespace for each product installation group. You may also need additional free SYSTEM tablespace if you have custom objects installed or if you have third–party applications in the same instance.

Attention: If you ran AutoInstall with Invokers Rights turned off, you should increase the amount of free SYSTEM tablespace to 1,200 MB.

Additional Information: The Data Model, Multiple Organization Architecture, and Multiple Sets of Books sections in *Oracle Applications Architecture*

5. Add space to your base product tablespaces.

   When you enable MRC, you will create additional records in your base product schemas. In General Ledger, this is a one–to–one relationship: for each reporting set of books, you need the same amount of space available as used by your primary set of books. For example, if your current GL tablespace is 500 MB and you have one primary set of books, and you want to add two reporting sets of books, increase your GL tablespace by 1,000 MB for a total of 1,500 MB.

   For the subledger products you plan to use with MRC, you need to allow 5 to 15 percent additional space in each tablespace for each reporting set of books, depending on the subledger product:

Subledger Product	Approximate Additional Space Required
Receivables	5 %
Payables	11 %
Assets	15 %
Projects	6 %
Purchasing	8 %

Table 5 – 8 (Page 1 of 1) **Space for Subledger Poducts**

Compile and Validate Your APPS Schemas

This is the most important step in the MRC installation process. You must correct all problems in the report and log files in both parts of this step before continuing. If you fail to correct all problems, your MRC installation will be incomplete or unusable.

Additional Information: *Using the AD Utilities*

1. Compile your APPS schemas.

   From the Maintain Applications Database Objects menu in adadmin, select the Compile APPS Schema(s) option. This step will try to compile all the invalid objects in your APPS schema. All objects belonging to installed products or shared products should be valid before continuing.

2. Validate APPS schemas.

   From the Maintain Applications Database Objects menu in adadmin, select the Validate APPS Schema(s) option. This checks for potential problems in your APPS schema(s) and creates a report, named <apps_schema_name>.lst, in the $APPL_TOP/admin/<dbname>/out directory (where<dbname> is the name of the database against which adadmin is running).

   As you make changes to correct any reported problems, rerun the ValidateAPPS Schema(s) option until there are no more problems.

Convert to Multiple Reporting Currencies

When all problems identified in the previous steps have been corrected, run the Convert to Multiple Reporting Currencies option from the Maintain Applications Database Objects menu in adadmin.

Additional Information: *Using the AD Utilities*

Attention: Running the Convert to Multiple Reporting Currencies option for a single product installation group can take up to 4 hours for a fresh install and from 8 to 10 hours when upgrading. For a multiple product installation group database, the above time estimates are for *each product installation group*.

The default name of the MRC schema is APPS_MRC. If your APPS schema is named something other than APPS, your MRC schema is named:

```
<name of your APPS schema>_MRC
```

Verify the Installation

1. Review the adadmin log file and worker log files for any errors that may have occurred during the installation process.

   The log files are located in $APPL_TOP/admin/<dbname>/log, where <dbname> is the name of the database against which adadmin is running.

2. Run the MRC installation verification script.

   The advrfmrc.sql script verifies the success of your MRC installation. This script checks for the following:

   - Verifies that, for every package in your APPS schemas, there are either synonym or package exists in APPS_MRC schemas.
   - Verifies that there are no functions or packages missing in APPS_MRC schemas.
   - Verifies that there are no missing, invalid, or disabled triggers in APPS schemas.
   - Verifies that the MRC data group or data groups are defined.
   - Verifies that there are no database triggers in APPS_MRC schemas.
   - Tells you how to correct errors in your APPS_MRC schema.

Run the script for each combination of APPS schema and APPS_MRC schema. To run the script:

```
$ sqlplus <APPS username>/<APPS password>\
    @$AD_TOP/admin/sql/advrfmrc.sql <First APPS schema name>
    <APPS schema name> <APPS_MRC schema name>
```

You need to supply <First APPS schema name>, <APPS schema name>, and <APPS_MRC schema name> as parameters.

Note: <First APPS schema name> and <APPS schema name> can be the same when you are verifying the first APPS schema.

Suggestion: We recommend that you run the advrfmrc.sql script every time you run the adadmin Maintain MRC option.

Perform Post–Installation Steps

Create FastFormula packages in the APPS_MRC schema. The FastFormula packages, which always begin with FFP, cannot be automatically copied from the APPS schema to the APPS_MRC schema because they contain lines longer than 255 characters. Create all FastFormula packages in your MRC schema by running the following from the command line:

```
$ $FF_TOP/bin/FFXBCP <MRC schema>/<MRC schema password> 0 Y %% %%
```

Note: If you have not implemented FastFormula or do not have any FastFormula packages in your APPS schema, do not perform this step.

Maintain Your MRC Schema Objects

Whenever you make any changes to any APPS schema objects in the future, you must recompile and validate the APPS schema and then run the Maintain Multiple Reporting Currencies option from the Maintain Applications Database Objects menu in adadmin.

See: Compile and Validate Your APPS Schemas: page B – 5

For example, if a patch changes schema objects, you must run the Maintain Multiple Reporting Currencies option after applying the patch. This is an important maintenance step to ensure that your APPS_MRC schema is consistent with changes to your APPS schema.

Convert Your Existing Data

If you are performing an upgrade from a previous release of Oracle Applications and want to use MRC for an existing set of books, you need to convert the open, reversible, and/or closed transactions that exist in each of your subledger applications that support MRC. You must also initialize the account balances in your reporting sets of books.

We provide a set of transactions upgrade utilities to help you accomplish these two tasks. For more information, see: Enabling MRC for Upgrade Scenario Two: page 5 – 15.

Glossary

Note: Some terms appear more than once because they are shared by more than one Oracle Financial Applications product. These alternate definitions are provided so you can see how the same term or feature name is used in other applications.

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

account structure See *Accounting Flexfield structure.*

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

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

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

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

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

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

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

archive table Oracle Assets copies depreciation expense and adjustment transaction data for a fiscal year to temporary tables called archive tables.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

budget interface table In Oracle General Ledger, a database table that stores information needed for budget upload.

budget interface table In Oracle Assets, the interface table from which Assets uploads budget information.

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

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

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

budget upload In Oracle Assets, the process by which Assets loads budget information from the Budget Interface table into the Budget worksheet. You can use the Budget Upload process to transfer budget information from a feeder system, such as a spreadsheet, to Oracle Assets.

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

Budgetary Account An account that contains a budgetary account.

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

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

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

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

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

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

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

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

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

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

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

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

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

combination query See *Existing Combinations.*

commitment

commitment In Oracle General Ledger, an encumbrance you record when you complete a purchase requisition.

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

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

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

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

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

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

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

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

context field prompt A question or prompt to which a user enters a response, called a context field value. When Oracle Applications displays a descriptive flexfield pop–up window, it displays your context field prompt after it displays any global segments you have defined. Each descriptive flexfield can have up to one context prompt.

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

context response See *context field value*.

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

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

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

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

cross–validation rules In Oracle General Ledger, rules that define valid combinations of segment values a user can enter in an account. Cross–validation rules restrict users from entering invalid combinations of account segment values.

cross–validation rules In Oracle Assets, rules that define valid combinations of segment values that a user can enter in an key flexfield. Cross–validation rules restrict users from entering invalid combinations of key flexfield segment values.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

dynamic insertion An Accounting Flexfields feature that allows you to enter and define new combinations of segment values directly in a flexfield pop–up window in Oracle Payables and Oracle General Ledger. The new combination must satisfy any cross–validation rules before it is accepted. Your organization can decide if an Accounting Flexfield supports dynamic insertion. If an account does not support dynamic insertion, you can only enter new combinations of segment values using the Define Accounts window

dynamic insertion In Oracle Projects, a feature specific to key flexfields that allows you to enter and define new combinations of segment values directly into a flexfield pop–up window. The new combination must satisfy any cross–validation rules, before your flexfield accepts the new combination. Your organization can decide if a key flexfield supports dynamic insertion. If a flexfield does not support dynamic insertion, you can only enter new combinations of segment values using a combinations form (a form specifically used for creating and maintaining code combinations).

dynamic insertion In Oracle Receivables, an Oracle Applications feature you use to automatically create new key flexfield combinations when you enter transactions or customers. If you do not use dynamic insertion, you can only create new key flexfield combinations using the various flexfield setup forms.

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

encumbrance See *encumbrance journal entry.*

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

encumbrance journal entry In Oracle Payables, a journal entry that increases or relieves encumbrances. Encumbrance entries can include encumbrances of any type.

If you have enabled encumbrance accounting, when you successfully approve an invoice matched to an encumbered purchase order, Multiple Reporting Currencies automatically creates encumbrance journal entries that relieve the original encumbrance journal entries. Multiple Reporting Currencies also creates new encumbrance journal entries for any quantity or price variance between an invoice and the matched purchase order.

Multiple Reporting Currencies automatically creates encumbrance journal entries for an unmatched invoice when you approve the invoice.

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

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

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

exchange rate In Oracle Receivables and Oracle Payables, a rate that represents the amount in one currency that you can exchange for another at a particular point in time. You can enter and maintain daily exchange rates for Multiple Reporting Currencies to use to perform foreign currency conversion. Multiple Reporting Currencies multiplies the exchange rate by the foreign currency to calculate the functional currency.

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

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

export A utility that enables you to copy data from an Oracle8 table to a file in your current directory. The export utility is part of the Oracle8 Relational Database Management System.

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

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

factor In Oracle Payables, the payee of an invoice when the payee differs from the supplier on the invoice. For example, a supplier may have sold their receivables to a factor.

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

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

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

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

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

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

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

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

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

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

foreign currency In Oracle Cash Management, Payables, Receivables, Projects currency that you define for your set of books for recording and conducting accounting transactions in a currency other than your functional currency. See also *exchange rate*, *functional currency.*

foreign currency In Oracle Assets, a currency that you define for your set of books to record and conduct accounting transactions in a currency other than your functional currency.

foreign currency conversion In Oracle Cash Management and Oracle General Ledger, a process that converts a foreign currency journal entry into your functional currency. Multiple Reporting Currencies automatically converts the currency whenever you enter a journal entry in a currency other than your functional currency. Multiple Reporting Currencies multiplies the daily exchange rate you define or the exchange rate you enter to convert amounts for your functional currency. You can view the results of foreign currency conversion in the Enter Journals window.

foreign currency conversion In Oracle Receivables and Oracle Payables, the conversion of a foreign currency transaction, such as an invoice or a payment, into your functional currency. Multiple Reporting Currencies automatically performs this conversion whenever you enter an invoice or make a payment in a currency other than your functional currency. See also *foreign currency exchange gain or loss*

foreign currency conversion In Oracle Projects, a process that converts a foreign currency transaction to your functional currency.

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

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

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

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

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

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

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

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

functional currency In Oracle Payables and Receivables, the principal currency you use to record transactions and maintain your accounting data for your set of books. You define the functional currency for each set of books within your organization. When you enter and pay an invoice in a foreign currency, Multiple Reporting Currencies automatically converts the foreign currency into your functional currency based on the exchange rate you define. Multiple Reporting Currencies creates journal entries for your multiple currency invoices and payments in both your foreign and functional currencies.

functional currency In Oracle Projects, the principal currency you use to maintain accounting data in your General Ledger.

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

funds available In Oracle Public Sector Payables and Public Sector General Ledger, the difference between budgeted amounts and all actual and anticipated expenditures. Oracle Public Sector Financials lets you check funds available online for requisitions, purchase orders, and invoices.

funds available In Oracle Payables, the difference between the amount you are authorized to spend and all actual and anticipated expenditures. In other words, funds available is the amount budgeted less actual expenses and encumbrances of all types. Oracle Financials lets you check funds available online for requisitions, purchase orders, and invoices.

Funds Available = Budget – (Actual Expenses + Encumbrances)

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

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

funds reservation In Oracle Payables, the creation of requisition, purchase order, or invoice encumbrance journal entries. reserves funds for your invoice when you approve the invoice. Approval creates encumbrance journal entries for an unmatched invoice or for price and quantity variances between an invoice and the purchase order to which you match the invoice. immediately updates your funds available balances and creates an encumbrance journal entry that you can post in your general ledger.

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

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

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

import A utility that enables you to bring data from an export file into an Oracle8 table. The import utility is part of the Oracle8 Relational Database Management System. This utility is used to restore archived data.

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

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

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.

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

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

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

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

journal entry category In Oracle Assets and Oracle Projects, a category used to indicate the purpose or nature of your journal entry. General Ledger associates each of your journal entry headers with a journal entry category. Journal entry categories specify what kind of transaction the journal entry represents.

journal entry category In Oracle Payables, a category used to indicate the purpose or nature of your journal entry. General Ledger associates each of your journal entry headers with a journal entry category. There are three journal entry categories in Multiple Reporting Currencies if you use the accrual basis accounting method: Invoices, Payments, and All (both Invoices and Payments). If you use the cash basis accounting method, Multiple Reporting Currencies only assigns the Payment journal entry category to your journal entries.

journal entry category In Oracle General Ledger, a category in which Multiple Reporting Currencies describes the purpose or type of journal entry. Standard journal entry categories include accruals, payments, and vouchers.

journal entry source In Oracle Assets, Oracle Payables, and Oracle Projects, an indicator from which feeder system your journal entries originate, such as Multiple Reporting Currencies. General Ledger associates each of your journal entries with one journal entry source. This allows you to group related journal entry transactions for reporting and analysis in your general ledger.

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

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

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

key flexfield In Oracle General Ledger, an Oracle Applications feature you use to build custom fields in which you can enter and display information relating to your business. The General Ledger Accounting Flexfield is a key flexfield.

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

Accounting Flexfield
Category Flexfield
Location Flexfield
Asset Key Flexfield

key flexfield In Oracle Payables, an Oracle Applications feature you use to build custom fields used for entering and displaying information relating to your business. Multiple Reporting Currencies uses the following key flexfields:

Accounting Flexfield
System Items Flexfield

key flexfield In Oracle Receivables, an Oracle Applications feature you use to build custom fields used for entering and displaying information relating to your business. Multiple Reporting Currencies uses the following key flexfields:

– Accounting Flexfield
– Sales Tax Location Flexfield
– System Items Flexfield
– Territory Flexfield

lamp A single word message that appears on the message line to indicate whether a function such as <Insert> or <List> is available for the current field.

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

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

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

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

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

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

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

message distribution A line at the bottom of the toolbar that displays helpful hints, warning messages, and basic data entry errors.

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

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

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

multi–org See *multiple organizations.*

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

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

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

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

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

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

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

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

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

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

parameter See *report parameter*.

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

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

period type In Oracle Assets, you use the general ledger accounting period types to define your general ledger calendar.

period type In Oracle General Ledger, you use accounting period types to define your accounting calendar.

period–average exchange rate See *average exchange rate.*

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

period–end exchange rate The daily exchange rate on the last day of an accounting period. The system automatically translates monetary asset and liability account balances using period–end rates. When you run revaluation for a period, the system uses period–end rates to revalue the functional currency equivalent balance associated with foreign currency–denominated account balances.

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

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

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

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

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

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

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

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

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

Proprietary account An account that contains a proprietary account.

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

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

purchase order (PO) In Oracle General Ledger and Oracle Projects, a document used to buy and request delivery of goods or services from a supplier.

purchase order (PO) In Oracle Assets, the order on which the purchasing department approved a purchase.

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

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

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

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

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

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

recumbrance type In Oracle Payables, an encumbrance category that allows you to track your anticipated expenditures according to your purchase approval process and better control your planned expenditures. You can also attach an encumbrance type to your invoices for reporting purposes. Examples of encumbrance types are commitments (requisition encumbrances) and obligations (purchase order encumbrances).

recurring formula See *recurring journal entry.*

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

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

report In Oracle Assets, Oracle Payables, Oracle Receivables, and Oracle Projects, an organized display of Oracle Applications information. A report can be viewed online or sent to a printer. The content of information in a report can range from a summary to a complete listing of values.

report In Oracle General Ledger, a combination of at least a row set and column set, and optionally a content set, display group, row order, and runtime options, such as currency and override segment name, that you can define and name. When you request financial statements, you can enter this name, and Multiple Reporting Currencies automatically enters the report components and runtime options for you. You simply specify the accounting period. Multiple Reporting Currencies automatically enters the rest.

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

report headings In Oracle Assets, Oracle Payables, Oracle Receivables, and Oracle General Ledger, a descriptive section found at the top of each report giving general information about the contents of the report.

report headings In Oracle Payables, report headings also provide you with the name of the Set of Books selected for all Multiple Reporting Currencies transactions and reports. Multiple Reporting Currencies prints the name of your Set of Books in the heading of most reports.

report option See *report parameter*.

report parameter In Oracle Assets, Oracle General Ledger, and Oracle Receivables, options that let you sort, format, select, and summarize the information in your reports.

report parameter In Oracle Payables, a variable you use to restrict information in a report, or determine the format of the report. For example, you may want to limit your report to the current month, or display information by supplier number instead of supplier name. Most standard reports in Multiple Reporting Currencies that you can submit manually have a set of report parameters.

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

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

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

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

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

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

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

responsibility In Oracle Projects, Oracle Payables, and Oracle Receivables, a level of authority in an application. Each responsibility lets you access a specific set of Oracle Applications windows, menus, reports, and data to fulfill your role in an organization. Several users can share the same responsibility, and a single user can have multiple responsibilities.

responsibility In Oracle Assets and Oracle General Ledger, a level of authority within Multiple Reporting Currencies. Each responsibility provides a user with access to a menu and a set of books. You can assign one or more responsibilities to each user. Responsibilities let you control security in Multiple Reporting Currencies.

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

revaluation See *foreign currency revaluation*.In Oracle Assets, a feature that allows you to adjust the cost of your assets by a revaluation rate. The cost adjustment is necessary due to inflation or deflation. You can define revaluation rules for accumulated depreciation, for amortization of revaluation reserve, and for revaluation ceilings.

revaluation In Oracle Receivables, a restatement of assets of liabilities denominated in a foreign currency using exchange rates that you enter. Fluctuations in exchange rates between the transaction and revaluation dates result in revaluation gains or losses.

revaluation gain/loss account An income statement account you define that records net gains and losses associated with the revaluation of foreign currency–denominated accounts, in functional currency units. You select the appropriate gain/loss account in the Revalue Balances window.

revaluation journal entry A journal entry that is automatically created when you revalue foreign currency–denominated accounts. The revaluation process creates a batch of revaluation journal entries reflecting changes in market rates for each revalued currency and directs the gain or loss amount to the gain/loss account that you specify.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SFAS 52 (U.S.) Statement of Financial Accounting Standards number 52, issued by the Financial Accounting Standards Board (FASB), which prescribes U.S. national accounting standards for the translation, revaluation, and reporting of foreign currency–denominated amounts. Multiple Reporting Currencies conforms to SFAS 52 (U.S.) standards. SFAS 52 (U.S.) guidelines require the use of period–end exchange rates to translate monetary asset and liability accounts and weighted–average exchange rates to translate revenue and expense accounts. Historic rates are used to translate non–monetary asset and liability accounts and equity accounts. Foreign currency–denominated accounts are revalued using period–end rates.

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

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

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

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

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

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

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

spreadsheet interface A program that uploads your actual or budget data from a spreadsheet into Multiple Reporting Currencies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

translation See *revaluation. foreign currency translation.*

unrealized gain or loss The change in value, in functional currency units, of a foreign currency–denominated account, measured over an accounting period. See also *realized gain or loss.*

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

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

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

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

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

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

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

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

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

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

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

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

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