Oracle® Lease Management

User's Guide

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Preface

Intended Audience

Welcome to Release 11*i* of the *Oracle Lease Management User's Guide.*

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

- The principles and customary practices of your business area.
- Oracle Lease Management

  If you have never used Oracle Lease Management, Oracle suggests you attend one or more of the Oracle Applications training classes available through Oracle University.
- Oracle Self-Service Web Applications

  To learn more about Oracle Self-Service Web Applications, read the *Oracle Self-Service Web Applications Implementation Guide*.
- Oracle Applications graphical user interface

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

See Related Information Sources on page xxi for more Oracle Applications product information.

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Related Information Sources

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

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.

Do Not Use Database Tools to Modify Oracle Applications Data

Oracle STRONGLY RECOMMENDS that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle Applications data unless otherwise instructed.

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, you may change a row in one table without making corresponding changes in related tables. If your tables

get out of synchronization with each other, you risk retrieving erroneous information and you risk unpredictable results throughout Oracle Applications.

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

Part 1

Getting Started

1

Introduction

This chapter covers the following topics:

- Oracle Lease Management Overview
- Oracle Lease Management Business Flows

Oracle Lease Management Overview

Oracle Lease Management, an Oracle E-Business Suite application, integrates Oracle Financials applications and is designed to meet the business requirements of asset-based finance companies spanning the entire lease life cycle. The Oracle Lease Management solution extends from lease origination to contract termination and asset disposition.

A foundation of Oracle E-Business applications—General Ledger, Assets, Inventory, Payables, Order Management and Receivables—along with key customer relationship management applications such as CRM Foundation, Install Base, Credit Management, iStore and WorkFlow, underpin Oracle Lease Management.

Oracle Lease Management provides E-Business functions that can be described from at least two perspectives:

- Operations—that is, the daily tasks and responsibilities of people who work in various departments of finance companies, as well as
- Business Flows—the processes that every lease or loan goes through in its path over time, from beginning-to-end, from the lessor's point of view.

From the Operations perspective, people who manage lease contracts and assets define Oracle Lease Management functionality. From the Business Flow perspective, the processes that finance companies carry out across the entire company in the life cycle of a lease or loan, from inception to termination, also define Oracle Lease Management functionality.

Oracle Lease Management Business Flows

Oracle Lease Management attempts to present its many useful features according to equipment leasing industry key business flows. Features are arranged sequentially according to how they are used for typical tasks in a lease transaction.

Lead to Opportunity

Starting from a first potential business opportunity, Lease Management supports the effective matching of lessor or lender with lessee or borrower. A salesperson identifies a prospect's needs, identifies available assets, and provides alternative financing options to structure the lease and calculate the cost basis.

Once you have set up the marketing and program controls, you can process transactions and events through the lease life cycle using the objects you have defined. As you identify potential deals, you may need to provide sample pricing to qualify leads. Sample pricing can be performed without identifying a prospect party. Once you have identified the prospect and a specific lead, you can begin tracking the opportunity.

The opportunity provides a central repository for you to store information about other activities relating to the deal. It also provides a data structure that allows you to create sales forecasts.

Lease Sales Quote to Credit Decision

The Lease Sales Quote to Credit Decision process contains the Opportunity to Lease Sales Quote and the Lease Application to Booking process.

Once you identify a prospect and create an opportunity, more specific pricing may be generated. In addition to adding new pricing estimate scenarios on the Lease Opportunity, you create Lease Sales Quotes by selecting specific inventory items, fees, services and other quote adjustments to reflect the most accurate possible deal . You can then obtain pricing approvals and indicate prospect acceptance on a Lease Sales Quote. Only one lease quote may be accepted for a Lease Opportunity.

Origination to Funding

After parties agree upon a lease contract, the Lease or Loan Authoring functionality books the contract, creates financial streams, and enters journal entries.

When you select an asset, disbursements functionality deals with paying the vendor or dealer for the asset. Disbursements also pays for service and maintenance costs collected from the lessee and owed to a third-party provider.

The Origination to Funding processes take the lease sales quote through credit approval, vendor payment, contract authoring, and activation, to a booked lease or loan.

Oracle Lease Management uses Oracle Credit Management, Install Base, Assets, Inventory, Payables and General Ledger to manage the credit, origination, approval, contract authoring, vendor payment, and asset tracking functions. It performs stream generation and pricing, and interfaces with third-party lease financial and price modeling software.

Invoice to Receipt

After you activate a lease, billing functionality generates and sends invoices to lessees or borrowers. Often a lessee has assets at multiple locations under the same lease, and billing has the flexibility to account for many types of variations.

For example, one variation of billing is usage-based billing. This functionality provides billing based upon the usage of the asset as evidenced from meter readings.

Payments functionality allows either the lessor or the lessee to initiate the transfer of funds to pay invoices. Transfers occur in the form of a direct debit, check, wire transfer, credit card, and so on. The Payment process searches for the appropriate invoice to apply the funds and creates accounting entries upon application of funds to the invoices.

As a result of a missed payment, a collection effort may be initiated. Collections and litigation functionality manages the collection process from the point of initially identifying a delinquent customer to the end of the delinquency.

Quote to Termination

The Quote to Termination functionality manages repurchase, restructure, and contract termination alternatives when the lease or loan expires. Oracle Lease Management processes restructured contracts through contract authoring, stream generation, analysis, and approvals used in contract authoring, to activation and booking.

When you accept a termination quote for sale, assets are retired in Oracle Assets. Oracle Lease Management also supports partial terminations and uses Oracle Receivables, Credit Management, Assets, CRM Foundation, WorkFlow, and General Ledger to manage the Quote to Termination functions

Oracle Lease Management handles requests for renewals, or termination quotes, by initiating a quote for terminating the lease, identifying the formula, calculating, storing, consolidating and modifying the termination quote. When you complete the quote several transactions are managed, including Approve termination request, Complete contract termination, and Update asset records.

Asset Return to Disposal

The last step in the lease transaction, remarketing the used assets, manages the disposition of assets upon expiration of a lease contract, at repossession, or at early termination. This functionality manages the remarketing process, whether by sale of the asset to a third-party remarketer, or by internal remarketing efforts.

The Asset Return to Disposal features handle asset returns, remarketing, and sales. This functionality supports shipping instructions and asset evaluation processes for returned assets. Returns may be accounted for as scrap, repurchases, or inventory to be remarketed. Oracle Lease Management enables the remarketer to establish prices, bill for costs incurred, calculate third-party commissions, and adjust inventory quantities and status for tracking.

Period Open to Close

After a lease contract is agreed upon, the Lease or Loan Authoring functionality books the contract and creates and enters financial streams and journal entries.

The Accounting processes from Period Open to Close enable accruals, loss provisions, write-downs, periodic adjustments, and journal entries specific to the asset-based finance industry.

Inquiry to Resolution

The Inquiry to Resolution processes start with initial contact from employees, customers, vendors, and partners to the Lease Center. A customer service representative logs and tracks an inquiry through its satisfactory resolution, which is then communicated to the appropriate designated parties.

You define processes to manage specific requests, such as insurance quotes, claims, insurance cancellation, contract transfers, equipment exchanges, asset modifications, and lease renewals. You may enable customer and vendor self service.

Investor Agreements

Investor management is supported by Oracle Lease Management by recording investor agreements that provide for syndication and securitization. In addition, Lease Management provides investor billing and disbursement features.

Vendor Programs

Vendor management is supported by Oracle Lease Management in terms of recording vendor program agreements, cure and repurchase tracking, and vendor self service features.

Part 2

Lead to Opportunity

2

Origination Overview

Overview

Lease Management OriginationOrigination

Oracle Lease Management customer companies who invest in leasing type transactions require a transaction processing application that accommodates deals originating from a variety of sources. The source of origination depends on their business market strategy and corporate structure.

Captive companies, which lease and finance the products of a parent company, are generally owned or controlled in large part by an equipment manufacturer and focus primarily on financing the sales of that manufacturer. Independents, which may include banks, may engage in a wide variety of financing and a broad spectrum of equipment types. Direct sales are made by the manufacturers' sales reps and sold directly to the market, whereas indirect sales are made through one or more distribution channels.

Depending on the origination source and method of marketing, Lease Management provides different features and levels of control. As a general rule, the more external sources or partners that are involved in the origination process, the more controls that are required. Depending on the relative size and volume of transactions, companies require different levels of automation. Higher volume and smaller transaction size require more automation and efficiency.

The following table shows possible origination sources.

Origination Sources

Sale Type	Captive	Independent
Direct Sale	Lessor sales reps directly originate lease quotes	Independents rarely originate their own deals
	Lessor organization owned by manufacturer	May use brokers for larger ticket deals
Indirect Sale	Vendor sales reps originate lease quotes for lessor	Vendor sales reps originate lease quotes for lessor
	Vendors are usually dealers for the manufacturer	Lessor and vendor usually sign an operating agreement

Objectives

An origination system has the following key objectives.

1. To track opportunities for sales planning and management purposes
2. To price potential transactions for prospects
3. To insure potential transactions are profitable for the expected risk
4. To assist users in processing transactions prior to booking

To achieve these objectives, an origination system must support the activities of a variety of different users, including the following:

1. Sales representatives (both internal and external)
2. Sales support representatives
3. Sales managers
4. Pricing analysts and managers
5. Credit analysts and managers
6. Contract administrators and managers

Key Business Objects

The following table describes the key business objects in the Lease Management

origination process.

Business Object	Description
Sales Opportunity	Created and managed in Oracle Sales. Provides a central repository for all sales activities and leads related to a single order opportunity for a prospect or customer.
Lease Opportunity	Created and managed in Oracle Lease Management. Provides a central object for you to associate multiple pricing estimates and lease quotes provided to a prospect or customer. You may associate to a Sales Opportunity. Only one Lease Quote may be accepted by the customer for each Opportunity.
Quick Quote	Created and managed in Oracle Lease Management. A standalone quote for estimating pricing using existing pricing policies. Quick quotes require no prospect. You estimate pricing based on inventory categories.
Estimate	Created and managed in Oracle Lease Management as part of a lease opportunity for estimating pricing using existing pricing policies. You estimate pricing based on inventory categories. You may create multiple estimates for a single lease opportunity.
Prospect Or Customer	A party created in Oracle Trading Community Architecture with a type of Prospect or Customer. You may associate addresses and, for customers, other account information.
Lease Quote	Created and managed in Oracle Lease Management as part of a lease opportunity for detailed pricing. You add specific inventory items, fees, services, taxes and other adjustments to model the most accurate estimate of payments and interest rates. You may create multiple lease quotes for a single lease opportunity

Business Object	Description
Lease Application	Created and managed in Oracle Lease Management for the purpose of obtaining a credit approval from Oracle Credit Management. The lease application is made up of a single lease quote and a credit application.
Credit Application	Initiates a credit evaluation in Oracle Credit Management. Lease Application credit data is stored as a credit application. Credit applications are copied into Credit Folders after a credit request is submitted.
Credit Folder	A central repository in Oracle Credit Management for collecting all data related to a credit request and storing all credit decision recommendations and approvals.
Lease Contract	Created and managed in Oracle Lease Management. Lease contracts may have any book classification (including Loan). The lease contracts are activated to provide the basis of all accounting and business transactions for a deal.

You progress your deal through the origination process by continuing to add more details as they become available in prospect or customer interactions. For example, you may provide pricing estimates through the creation of a Quick Quote, then progress the Quick Quote to a full Lease Quote when the customer accepts the estimated pricing. By this method, data does not need to be re-entered, and more detail can be added to a deal as it progresses. Certain business objects can be converted or linked to other objects to complete the origination process flow.

Origination Business Process

Business Process Overview

While each company's origination process may differ depending on the marketing structure and equipment type, there are some key steps in the overall origination flow that are consistent across companies. The Lease Management origination process has the following parts.

1. Setup Marketing and Program Policies and Controls

2. Lead to Opportunity

3. Lease Quote to Credit Decision

Setup Marketing and Program Policies and Controls

Setup Marketing and Program Policies

In order to manage and control events and transactions in the Lease Management origination process, marketing and system setups are required. Companies need to control quoting processes in order to enforce their pricing policies. Pricing policies can increase efficiency in a high volume environment. To support pricing policies, you can define details for the following pricing objects and tools:

1. Item Residuals

2. End of Term Values

3. Lease Rate Sets

4. Standard Rate Templates

5. Adjustment Matrices

For more information on pricing policies, see Pricing, page 4-1.

Program Controls

To determine when to use certain pricing objects, and whether or not the standard values may be updated, you set up rules and correlated objects. These controls increase your ability to enforce pricing policies for different users, customers, assets, vendors, or deal types. The following rules and objects are used in Lease Management:

1. Eligibility Criteria

2. Vendor Program Agreements

3. Structured Pricing Authority for Users

For information on these rules and objects, see Pricing, page 4-1.

Lead to Opportunity

Lead to Opportunity Business Process

Once you have set up the marketing and program controls, you can process transactions and events through the lease life cycle using the objects you have defined. As you identify potential deals, you may need to provide sample pricing to qualify

leads. Sample pricing can be performed without identifying a prospect party. Once you have identified the prospect and a specific lead, you can begin tracking the opportunity.

The opportunity provides a central repository for you to store information about other activities relating to the deal. It also provides a data structure that allows you to create sales forecasts.

The following table describes the Lease Management Lead to Opportunity business process.

Business Process	Description
1. Provide Pricing Estimate	To provide a pricing estimate for a lead, you create Quick Quotes. Quick Quotes use pricing policies set up during the marketing process, but do not require you to identify specific parties or inventory items.
2. Identify Leads	Once a deal is identified, you can set up and track leads through Oracle Sales.
3. Define Prospects	After a lead is qualified as a leasing opportunity, you create a Lease Opportunity to track your leasing sales activities. The first step is to define the prospect if the prospect or customer does not already exist in Oracle Trading Community Architecture (TCA). From the Create Lease Opportunity page, you can initiate the Create Prospect Party process. After completion of this process, the Prospect will become a party in TCA and can be converted to a customer later by adding account details.
4. Create and Manage Opportunities	After you create a prospect, or identify an existing prospect, you can begin creating your Lease Opportunity. Defaults can be set up that will fill in the details on each quote or estimate created for the opportunity. You can link the Lease Opportunity to a Sales Opportunity for lead tracking, and you can associate the Lease Opportunity to a vendor program agreement to enforce program-related pricing rules.

Lead To Opportunity Automation Features

The Lease Management Lease to Opportunity process contains the following features:

1. **Convert Quick Quote to Lease Opportunity** - After creating pricing estimates for leads, you can convert the Quick Quote to a Lease Opportunity Estimate. The Quick Quote pricing is stored as an estimate for the new Lease Opportunity.

2. **Default Quote Values**- When you create a Lease Opportunity, you may enter data that will default to all the quotes or estimates you create for the opportunity. Each time you create a new quote or estimate, the default data will appear in the correct fields and you have the option of overriding any information you want to update.

3. **Business Events**- Each key activity you perform on a Lease Opportunity is associated with an Oracle Workflow Business Event. You can enable these business events and associate them to your workflows to automate your standard activities.

Lease Quote to Credit Decision

The Lease Quote to Credit Decision process contains the following two parts.

1. Opportunity to Lease Quote

2. Lease Application to Booking

Opportunity to Lease Quote

Opportunity to Lease Quote Business Process

Once you identify a prospect and create an opportunity, more specific pricing may be generated. In addition to adding new pricing estimate scenarios on the Lease Opportunity, you create Lease Quotes by selecting specific inventory items, fees, services and other quote adjustments to reflect the most accurate possible deal . You can then obtain pricing approvals and indicate prospect acceptance on a Lease Quote. Only one lease quote may be accepted for a Lease Opportunity.

The following table describes the Lease Management Opportunity to Lease Quote business process.

Business Process	Description
1. Create Estimates	An Estimate is the same as a Quick Quote except that it is associated to a Lease Opportunity. You can create Estimates after you have created the Lease Opportunity. Estimates can also be converted to standard Lease Quotes.

Business Process	Description
2. Create and Manage Lease Quotes	After creating a Lease Opportunity, you can create standard Lease Quotes. First you define the quote configuration by adding lines for assets, capitalized fees and financed fees. You then add financing adjustments such as down-payments, subsidies, and trade-ins. Once you have the financed amount determined, you add estimated costs for items such as taxes, services, insurance and other fees. When you go to price the quote, any available pricing options, such as rate cards or standard interest rates, are automatically looked up and displayed for you. You can select an option for the quote or for a specific line, or enter your own pricing values if you have the appropriate level of security. With the correct user profile setting, you can update payments, rates, or other options for structured pricing. The quote is then priced to determine any missing values and calculate the yields based on the pricing method you selected. You can create multiple quotes for a single opportunity and submit them for pricing approval using Oracle Workflow and Approvals Manager. Only approved quotes can be accepted, and you can only accept one quote per opportunity.

Opportunity to Lease Quote Automation Features

The Lease Management Lease Quote to Credit Decision process contains the following features:

1. **Tax** - You define tax settings on a Lease Quote used to estimate any upfront taxes that may apply to a quote. The taxes are automatically looked up if you have set up the tax module for Oracle Receivables. Any taxes you decide to finance will be automatically added to the configuration as a financed fee.

2. **Convert Estimate to Lease Quote Default Quote Values**- After you create a pricing Estimate using estimated values and inventory categories, you can use the conversion train to turn the Estimate into a standard Lease Quote. The train allows you to distribute estimated amounts over more specific asset and fee quote lines or specify details for adjustments such as subsidies.

3. **Business Events**- Each key activity you perform on a Lease Opportunity is associated with an Oracle Workflow Business Event. You can enable these business events and associate them to your workflows to automate your standard activities.

4. **Oracle Workflow** - You can use the Oracle Workflow associated to the pricing approval step to automate your process for approving quote pricing. Workflow can include routing, notifications and other tasks or activities.

5. **Oracle Approval Manager** - You can enable your pricing approval workflow to use Oracle Approval Manager. Approval Manager allows you to automatically route notifications to a hierarchy of users based on their relationships defined in your Resource Manager set ups for Oracle Sales.

Pricing Methods

When you price a quote, you determine the values you know and the values you are trying to calculate by selecting a pricing method. The pricing method determines the inputs required for a quote, such as rates, payments, or financed amounts, and what values you are trying to calculate, such as a payment, yield, or subsidy amount.

For more information on Pricing Methods, see Pricing Overview, page 4-1.

Lease Application to Booking

Lease Application to Booking Business Process

Once the prospect has accepted a quote, you can convert a Lease Quote into a Lease Application and submit for approval. Users add credit data to the Lease Application along with the pricing information from the quote to create an application. Through integration with Oracle Credit Management, a credit analyst decides if the application approved or rejected. The decision and decision approval process may be automated using Credit Management's scoring and decision tools.

Once the credit decision is approved, the decision and any other recommendations are updated on the Lease Application and the submitter views the results. Applications with an Approved decision may be used to create lease contracts. Any recommendations that are conditions associated with the credit decision are recorded on a checklist that is invoked during booking or funding to insure the conditions have been met. If you do not agree with the credit decision or any of the recommendations, you can appeal the decision using a new lease application. The new application is linked to the existing application. If you want to accept any credit recommended changes to the pricing, you can resubmit a new lease application with the credit recommended offer. The new application is linked to the existing application. You can also withdraw an application up to the point where the credit decision and recommendations are finally approved.

If you decide to extend credit through a credit line, the credit analyst may create and activate a Credit Line with an approved amount. The Credit Line may be associated to one or more contracts and checked for an available balance with each funding. Credit

Lines may also have checklists.

Contracts are funded using Funding Requests. Funding requests allow users to pay suppliers of assets, fees and services. Funding requests may be associated to a checklist to insure credit or other risk control policies are met before the funding is approved.

In addition to Contracts, you may also create Master Lease Agreements and associate them to contracts. Master Leases allow you to establish a set of terms and conditions that apply to a group of contracts. Master Lease Agreements may be associated to credit lines. The credit line for a Master Lease Agreement will be used to track funding if there is no credit line or lease application associated with contracts referencing that Master Lease.

Contracts are priced and activated in the process called Booking. Booked contracts are billed and accounted for each accounting period.

The following table describes the Lease Management Lease Application to Booking business process.

Business Process	Description
1. Create and Manage Lease Applications	You can create Lease Applications and submit them for credit approval. The application includes both quote details and credit application details. Credit decisions are made using Oracle Credit Management when you submit the Lease Application. After the credit decision is entered and approved, the Lease Application is updated with the decision and any credit recommendation conditions. You can use the lease application to create a new contract if you agree with the credit decision. You can also resubmit the application, appeal the decision or withdraw the application.

Business Process	Description
2. Create Checklists	You create checklists for data or activities that you want to check for when a contract is booked or funded. You also create checklists for data or activities you want to check before a credit line can be activated. After activating a checklist, you associate it to a Credit Line or Lease Application. When contracts associated to the Credit Line or Lease Application are booked or funded, the data or activities listed on the checklist are reviewed. Mandatory items must be met before the funding request or contract booking can be submitted for approval. You are notified with a warning if optional items are not met prior to submitting a request for approval.
3. Create Master Leases	If you negotiate master leases with your lessees, you can create a Master Lease Agreement. After you enter the details on the Master Lease, you activate it. Active Master Lease Agreements can be associated to one or more Lease Contracts. The terms of the Master Lease Agreement may be used in processes for the contract during its life cycle.

Business Process	Description
4. Create and Activate Credit Lines	If you want to approve credit for multiple deals, you can create Credit Lines. After entering a Credit Line and associating a credit line amount, you activate it. Active Credit Lines may be associated to Master Leases or to one or more Lease Contracts. When you request a funding for a contract, the associated Credit Line is verified to insure the credit limit amount has not been exceeded by previous approved funding requests. If the contract has no credit line or associated lease application, the credit line associated to the master lease for the contract is used to track the credit limit. Contracts associated with Lease Applications cannot use credit lines to track credit limits. Credit Lines may be expired, increased or decreased. You can associate checklists to Credit Lines and your Lease Applications that insure your credit conditions are met before the line becomes active or for each funding associated to the line or lease application through a contract.
5. Create and Activate Contracts	After you enter all of the details for a Lease Contract, you can activate it. Activation requires you to validate the contract, generate streams and yields for the contract and submit it for approval. Upon activation, journal entries are created to record the new contract in your ledgers. In addition, assets are set up in Oracle Assets asset and tax books based on the book classification (e.g., operating lease, loan) and the asset is registered in Oracle Install Base for location and serial number tracking. After activation, you can begin billing and accruing for the contract.

Business Process	Description
6. Create and Approve Funding Requests	In order to pay for the assets and expenses you put on Lease Contracts, you create funding requests. After creating the funding request and associating the contract lines and amounts you wish to pay for, you submit the request for approval. If the contract is associated with a checklist through the Lease Application or Credit Line, the items on the checklist are evaluated during the approval step to insure they have been met. The request is then routed for approval using Oracle Workflow. After approval, an invoice is created in Oracle Payables. You can also adjust previous funding using an adjustment funding request (pre-funding request type with a negative amount). Adjustment requests create debit notes in Oracle Payables. After the funding request is approved, you can view a summary of the funding totals against the credit limit of any associated Credit Line or Lease Application.

Lease Application to Booking Automation Features

The Lease Management Lease Application to Booking process contains the following features:

1. **Tax** - You define tax settings on a Lease Application used to estimate any upfront taxes that may apply to the Lease Application quote. You can also define these parameters on a Lease Contract. The taxes are automatically looked up if you have set up the tax module for Oracle Receivables. Any taxes you decide to finance will be automatically added to the application quote or the contract as a financed fee. You can also set up taxes on a Lease Contract for billing once the contract is activated.

2. **Business Events**- Each key activity you perform on a Lease Application or Lease Contract is associated with an Oracle Workflow Business Event. You can enable these business events and associate them to your workflows to automate your standard activities.

3. **Lease Application Templates** – You set up Lease Application Templates to identify the type of credit evaluation to be conducted, to specify any standard checklists you

want to use, and to default any contract terms and conditions that will apply to the deal if it is approved. Lease Application Templates can be associated to Vendor Program Agreements that will default the correct template based on the selection of the customer and vendor program on the Lease Application.

4. **Contract Templates**- You can create Contract Templates that you use to create new contracts. If you use a contract template to create a new contract, the values on the template default to the new contract. You can also associate a contract template to a lease Application template. The terms and conditions on the contract template will default onto the new contract you create from approved Lease Applications.

5. **Convert Lease Applications to Contracts** - You can create new Lease Contracts by copying a Lease Application. You can use an approved Lease Application to create only one contract unless you cancel other contracts created from the same application. Checklists associated to the Lease Application apply to the activation of the contract and all funding for the contract.

6. **Convert Lease Quotes to Contracts** - You can create new Lease Contracts by copying a Lease Quote. You can use an accepted Lease Quote to create only one contract unless you cancel other contracts created from the same quote.

7. **Contract Import**- You can import contracts so they do not have to be entered manually. When importing, you decide what status the contracts will be in when the import process completes. For example, you can specify that contracts are imported and validated only, or you can specify that contracts are imported, priced and activated during the import process. Contract template and vendor program defaults can be applied to your imported contracts.

8. **Oracle Workflow**- You can use the Oracle Workflow associated to the approval step to automate your process for approving a contract for activation or approving funding requests. Workflow can include routing, notifications and other tasks or activities.

9. **Oracle Approval Manager**- You can enable your contract activation and funding approval workflow to use Oracle Approval Manager. Approval Manager allows you to automatically route notifications to a hierarchy of users based on their relationships defined in Resource Manager for Oracle Sales (CRM).

Vendor Origination

All estimating and quoting features available to your internal users are also available to third party vendors.

Vendors cannot see quotes or estimates created by other vendors or your internal users. Internal users belonging to the same organization unit may view vendor created quotes and estimates and update them. Once the quote is updated, it belongs to your internal

organization and cannot be updated further by third party users.

Oracle Applications Origination Integration

The following table shows where the Lease Management origination process integrates with other Oracle Applications.

Lease Management Feature	Business Object	Oracle Application
Define Prospect	Party or Customer	Oracle Trading Community Architecture (TCA)
Applications (Underwriting)	Credit Application Credit Folder	Oracle Credit Management
Create and Approve Funding Requests	Funding Requests Payable Invoices	Oracle Payables
Create and Activate Contracts	Contract Checklists	Oracle Assets Oracle Installed Base

3

Quick Quotes and Lease Opportunity

Quick Quotes

Overview

A quick quote is a type of lease sales quote generated with less specific data than a standard lease quote. Quick quotes are standalone quotes you can use to estimate pricing for leads based on existing pricing policies. Pricing for quick quotes is calculated based on item categories. Quick quotes do not require you to identify a prospect.

Completed quick quotes can be converted into lease opportunities and estimates, which do require prospects.

An existing quick quote can be duplicated to create a new one.

From the quick quote summary, you can select up to three quick quotes at the same time to compare results.

Create Quick Quote

Quick Quotes are created in the Quote Details page by completing the following tasks.

1. Enter Quote Details
2. Enter Order Estimate
3. Enter Pricing Options
4. View Quote Results

Enter Quote Details

You can add estimated fees, services, taxes, and insurance when creating a quick quote to more accurately match estimated pricing scenarios.

The following table describes the Quote Details page.

Field	Description
Quote Number	Lease Management defaults a quote number based on the database sequence. You can override the defaulted number. No quote number can be used twice for different quick quotes.
Description	Describes quick quote. Up to 240 characters.
Expected Start Date	Defaults to the truncated Lease Management system date.
Vendor Program	List of values showing non-template program agreements that are activated on the expected start date entered for the quote. The list of values is filtered based on eligibility criteria associated to the vendor program agreement. The vendor program selected may impact what item categories you can select and what options are available for pricing.
Currency	Defaults to the functional currency of your Set of Books. The currency selected may impact what options are available for pricing.
Pricing Method	List of values includes Rate Card, Solve for Financed Amount, Solve for Payment, Solve for Subsidy, Solve for Yield, and Target Rate. Only one pricing method can be selected. The pricing method determines what values you must enter on the quote and what values will be calculated during pricing.
End of Term Option	Displays end of term options active on the start date entered. If a selected vendor program has associated end of term options, they will appear in the list of values. A start date must have been entered before end of term options can appear. The option you select will be used to determine the end of term value for each item category.

Field	Description
Term	The term of the contract in months. Must be a whole number greater than zero.

Enter Order Estimate

After entering quick quote details, you enter an order estimate by selecting inventory item categories that have been set up in Oracle Inventory.

The following table describes Item Category page details.

Field	Description
Item Category	Displays item categories in Oracle Inventory that are associated to the Leasing Item Category Set set up in the Quoting System Options page. If the profile option OKL: End of Term Values Access Level is set to None, the list of values shows only item categories that have a value set up on the End of Term Option selected for the quote. The matching value would be determined based on the combination of End of Term Option, Term, and Item Category.
Description	Read only item category description, as set up in Oracle Inventory.
Cost	The Item Category Cost of assets. Entered for all pricing methods other than Solve for Financed Amount, for which the column title changes from Cost to Percentage Total Cost. The Percentage of Total Cost for all categories must equal 100. The financed amount calculated is distributed to each category based on the specified percentage.

Field	Description
End of Term Amount	Read only. Displays only if the profile option OKL: End of Term Values Access Level is set to View or Update. Lease Management determines the End of Term value for each item category based on the combination of End of Term Option, Term, and Item Category selected.
End of Term Override Amount	Displays if the profile option OKL: End of Term Values Access Level is set to Update. You specify the end of term value to use in pricing calculations rather than the look up value.

Enter Pricing Options

After entering the order estimate, you enter pricing details for your quick quote. Entering pricing details includes the following tasks:

1. Select Financing Adjustments
2. Add Fees and Services
3. Select Pricing Option

Select Financing Adjustments

Financing adjustments are optional. Financing adjustments reduce the total amount financed on the quote. Lease Management allows the following three types of financing cost adjustments: Subsidy, Trade In, and Down Payment. On Quick Quotes, you can specify these adjustments at the quote level.

Select the adjustment type and enter the adjustment amount. Also select a basis for the value, specifically whether it is an absolute amount or whether it is a percentage of the total estimated asset cost.

You can enter multiple subsides, but only one amount for a trade in or down payment.

Add Fees and Services

Adding fees and services to a quick quote is optional. The amounts are estimated and you do not need to select a specific fee or service type, only the general type of fee or service. Lease Management allows the following fee and service types: Fee, Fee Payment, Service, Tax, and Insurance. Specify the basis value and basis type.

Enter Pricing Option

Select the pricing option for your Quick Quote. Pricing options available are dependent on setups and the pricing method you select. For example, you will see rate card options in the list only if rate cards have been set up with lease rate factors and you select rate card pricing method. Click Next to initiate pricing. Lease Management performs validations on each quote to ensure the required quote pricing data is included. If pricing data is missing from a quote, Lease Management will indicate what is missing.

For information on pricing, see Pricing Overview, *Oracle Lease Management User's Guide*.

View Quote Results

Once pricing is completed, results are displayed in the Quick Quotes: Results page. Results include all previously entered data, the key pricing result, rent and non-rent payments, yields, and subsidized yields.

Pricing results are dependent on the pricing method used. The following table shows what key pricing results are generated by each pricing method.

Pricing Method	Key Pricing Result
Solve for Financed Amount	Total financed amount. If the quick quote contains more than one order estimate line, results will show a breakdown of the total financed amount for each line based on the percent of total cost for each category.
Solve for Payment	Rent payments
Solve for Subsidy	Total subsidy amount
Solve for Yields	Yields and subsidized yields
Target Rate	Rent payments
Rate Card	Rent payment per order estimate line. If authorized in the appropriate user profile option, you will also see the lease rate factor used to determine the rent payment.

Search for a Quick Quote

You can search for quick quotes in the Quick Quotes: Search page by entering data for one or more of the following fields: Quote Number, Quote Description, Contract Start

Date, Quote Creation Date, or Vendor Program Number. The search covers data created in your operating unit and inventory organization.

Update a Quick Quote

Quick Quotes can be updated to meet the needs of prospects. In the Quick Quotes: Results page, you can save the current quick quote and start a new one. The only detail that cannot be changed when updating a quick quote is the Quote Number.

Compare Quick Quotes

You can compare up to three quick quotes by selecting the quotes from the search results page and clicking Compare. Details compared include Quote Number, Expected Start Date, Term, Total Cost, Total Financed Amount, Purchase Option Type, Pricing Option, and others. You can also compare asset configurations and payments by expanding those regions. Payment comparisons are limited to payment levels and not payment schedules with individual payment due dates.

Create Lease Opportunities from a Quick Quote

When you have completed a quick quote, you can use it to create a new lease opportunity. Enter data for all required fields for a new lease opportunity. You can copy quick quote details to the lease opportunity and add new details. A converted quick quote will appear as an estimate with the lease opportunity. Once converted, the quick quote will no longer appear in the results for quick quote searches.

You can convert a quick quote into a lease opportunity from the Quick Quotes: Search page, or as the final step in the quick quote process. Click Convert to Opportunity and quick quote details will default to the Create Lease Opportunity page.

Lease Opportunity

Lease Opportunity Overview

A lease opportunity allows you to associate multiple quotes and estimates to a single expected transaction. The opportunity enables you to price multiple scenarios, but manage the sales status for a single deal. Only one lease quote can be accepted by the customer for each lease opportunity.

Lease opportunities have three possible statuses:

1. **Incomplete** - does not contain any completed and priced quotes
2. **Complete**- contains at lease one completed and priced quote, but does not contain an Accepted quote.

3. **Accepted**- contains an Accepted quote.

Search for a Lease Opportunity

You can search for a lease opportunity by Number, Description, Prospect, Vendor Program Number, Contract Expected Start Date, and Status in the Lease Opportunities: Search page. Searches are limited to the opportunities' operating unit and inventory organization.

Create Lease Opportunity

You can create a lease opportunity by entering the details in the Create Lease Opportunity page. The following table describes Lease Opportunity details.

Lease Opportunity Details

Field	Description
Prospect	Only active parties of the type Organization are available for selection.
Prospect Number	Read-only field populated upon the selection of a prospect.
Valid From	Defaulted date representing the earliest date that any delivery, funding, or expected start date can be on.
Expected Start Date	Must be after the delivery date.
Vendor Program	List of values showing active non-template program agreements for which the deal details meet eligibility criteria specified on the program agreement. Eligibility criteria based on configuration items or other pricing details are not used to restrict the selection of the program but are validated later by Lease Management prior to pricing. The Lease Opportunity Expected Start Date must be between the Vendor Program Effective Dates.

Field	Description
Upfront Tax Treatment	Bill, Capitalize, or Finance. Determines the default method for handling any applicable taxes identified for the quotes created for the opportunity. For information on tax setups, see Tax.
Property Tax Applicable	Defaulted from property tax setups. Provides default values for property tax attributes for each quote created for the opportunity. Used to determine how property tax payments will be handled.
Supplier	List of active suppliers. Used as the default supplier for all quotes. Users can override and use other suppliers for individual fees and services during quote creation.
Install Site	List all active Ship To addresses for prospects. Used as default value for all quotes created for the opportunity. Asset Usage details are optional and can be used to validate item residuals during quote validation.
Asset Usage Category	List of usage categories that describes the usage basis on which the lessee may be using the financed equipment, for example: Hourly.
Asset Usage Amount	The amount of usage the lessee plans to use the financed equipment based on the usage category. This amount does not directly impact quote pricing.
Asset Usage Industry Class	The classification system that provides a list of industry codes to describe possible usage industries.
Asset Usage Industry Code	The code belonging to the selected class that describes the industry in which the lessee will be using the financed equipment. Asset Usage Industry Class must be selected first. If Asset Usage Industry Class is updated, this value is erased.

Create Estimates for a Lease Opportunity

After creating a lease opportunity, you can create an estimate. Estimates function like quick quotes in terms of their process flow and pricing features, but are initiated from the Lease Opportunity page. Estimates allow you to apply pricing policies to estimate quote pricing without having to enter details of specific asset items, fees or services. The Estimates page has a summary of existing estimates created for a Lease Opportunity. You can start the estimate process by clicking Create. The following fields cannot be updated: Expected Start Date and Vendor Program.

Estimate details can be viewed by clicking on the estimate.

Update, Duplicate, or Cancel a Lease Opportunity

A lease opportunity can be updated by clicking Update in the Lease Opportunity Details page. After a lease opportunity is created, the following fields cannot be updated: Prospect, Prospect Address, Vendor Program, Currency, and Currency Conversion Factors.

You can duplicate a lease opportunity by clicking Duplicate in the Lease Opportunities: Search page. All opportunity details will default to the duplicate except the Number, which is generated anew. All estimates and lease quotes of the source lease opportunity are also duplicated, except for the following fields: Validation Results, Pricing Results, and Upfront Tax. Duplicated quotes need to be validated and priced before submitted for approval. Any lease applications attached to the lease opportunity are not duplicated.

You can cancel a lease opportunity by selecting it and clicking Cancel. A lease opportunity cannot be canceled if there are any lease applications or accepted quotes created for it. When canceled, a lease opportunity's number is available for use again on a new lease opportunity.

View Lease Applications for a Lease Opportunity

You can view all lease application details for a lease opportunity in the Lease Applications page, or by selecting the Lease Application in the Lease Opportunity page. Lease Application details include any credit recommendations and the lease application status.

4

Pricing

Pricing Overview

Pricing is the process for determining rates associated with a transaction, such as interest rates or yield rates. If rates are known, other values in the pricing formula can be determined, including the payment. The leasing industry relies on pricing tools to calculate and control pricing for lease sales quotes. Pricing tools help control the quoting process, enforce a company's pricing policies, and increase efficiency in a high volume environment.

Pricing tools enable you to create pricing policies and enforce compliance to set pricing standards. Pricing tools must have the flexibility to adapt to a variety of financial circumstances and preferences without compromising accuracy and control.

The object of the sales process is to determine the pricing for a deal. Based on pricing information known and what pricing data needs to be calculated, you select a pricing method for a quote. Each pricing method allows you to solve for a different pricing result. The other values of the pricing calculation must be selected or entered. For example, if you select Solve for Financed Amount, you must enter values for the rates, end of term ratios and payments. The pricing programs will determine the amount of financing that can be allocated to quote lines for the payment and rates provided.

If you use lease rate factors to calculate quote payments, Lease Management enables you to create lease rate sets (rate cards). The rate set includes a series of lease rate factors. The lease rate factor is identified or entered for each quote line and multiplied for the cost of each line to determine the payment for the line. You can generate or regenerate lease rate factors for a lease rate set (rate card) using a concurrent program. To run the program, you can select a standard rate template to look up an interest rate or enter an interest rate, you enter a range of term lengths and a range of end of term option values. The Lease Management lease rate factor generation program calculates all applicable lease rate factors for each valid interval combination.

Optionally, you can also set up adjustment matrices to automatically adjust interest rates or lease rate factors based on deal details. For example, if you adjust interest rates or lease rate factors for deals with long term lengths, you can set up the adjustment

matrix for an adjustment amount for ranges of terms. When you select the associated standard rate template or rate card associated to the adjustment matrix and the rate is retrieved, it will automatically be adjusted depending on the term length of the estimate or quote

Pricing Tools

To support your pricing policies using Oracle Lease Management, you define details for pricing tools. Oracle Lease Management uses the following pricing tools:

Lease Management Pricing Tools

Pricing Tools	Function
Item Residuals	Item Residual Values are used to create end of term options and can be assigned to items. You may define a value for inventory items or categories used on quotes. The value may be defined as a percentage of the asset cost or as a fixed value. You specify a different residual for each term length that can be quoted.
End of Term Options	End of term options are used as the future value in all pricing calculations for lease sales quotes. You can create end of term options and assign inventory items or categories to the option with a value for each item/category associated. If you use item residuals as the basis for end of term values, you can associate the end of term option to an item residual to derive values during quoting.
Lease Rate Sets (or Rate Cards)	A lease rate set, or rate card, is a table of one or more lease rate factors to be used by the Lease Management rate card pricing method to calculate the payment for an asset on a quote or estimate. You define lease rate sets that are used to determine a payment amount for an asset on a quote or estimate. Rate sets contain one or more lease rate factors. A lease rate factor is multiplied by the asset cost to determine the payment amount. During quoting, the lease rate factor is looked up based on the quote item or item/category end of term value amount or percentage and the quote term.

Pricing Tools	Function
Standard Rate Templates	You can define standard rate templates to generate an applicable interest rate for a specific date and quote. You can also specify a rate template for each quote line. The rate template may refer to a rate index or a base rate. You define other attributes such as an adder rate and day count convention that determine how the interest rate is used in calculations.
Adjustment Matrices	An adjustment matrix allows you to increase or decrease an interest rate (from a standard rate template) or a lease rate factor (from a lease rate set) based on deal attributes. You define a range of values for an attribute and the corresponding increase or decrease in rate for that range.

Item Residual Values

An item residual is a value assigned to an inventory item or inventory category in Lease Management for a specific term length. The value can be a specific number or a percentage of the asset cost used to calculate the residual value. Item residual values can be used to assign end of term option values.

To create item residuals, see Create Item Residuals, *Oracle Lease Management Implementation Guide*.

End of Term Options

End of term option values are used as the future value in all pricing calculations for lease sales quotes. For each item assigned to the end of term option, you can enter a value or the value can be derived from the item residual value for each term length you specify. When you assign an inventory item or inventory category to an end of term option, the associated item residual value defines the end of term option value. Or when you use the inventory item or category, you can enter the end of term option value directly. End of term option values can also be defined for a residual category set.

A residual category set is a group of items, or item categories, for which you assign common item residuals. The grouping can consist of items or item categories, but not both. For example, you may group together inventory item categories for trucks and buses into a single residual category set and assign common item residual percentages. The end of term value is only used for pricing on quotes and is not recorded on the lease contract. Therefore it is not used for termination quotes unless you set up a

formula to derive it from the set up.

To create residual category sets, see Create Residual Category Sets, *Oracle Lease Management Implementation Guide*.

Create End of Term Options

To create end of term options enter the option details in the Create End-of-Term Option page. Click Apply when done. The following table describes end of term option fields.

Field	Description
Name	Name of the end of term option
Description	Optional description of the end of term option
Source	Determines if the end of term option value will be looked up for each item or based on an item category or residual category set.
Value Type	Determines if the end of term option value is calculated as an amount or percent of the asset cost.
Currency	Type of currency to be used
Product	Financial Product the end of term option is associated to
Status	When you click Apply, the end of term option value entered is saved with a status of New, and must be approved before it can become Active. If you click Submit, the option is saved and submitted to Oracle Workflow for Approval.
Item	Item to be associated to the end of term option
Term	Term of the end of term option
Value	The end of term option value.

Standard Rate Templates

The following section describes standard rate templates.

Overview

If you use other payment methods that require the use of an interest rate in the calculation, you can set up standard rate templates to derive or impose the interest rates you want to use. You can specify standard rate templates for each business unit to be the default template when no other rate card or rate template has been defined with set effective to and from dates.

Standard rate templates generate an applicable interest rate for a specific date and item or quote. When you set up a standard rate template, you can either enter the base interest rate or base it on an interest rate index. Other details can be defined also, such as alternative day count conventions, minimum and maximum interest spreads, and adder rates, to set up how the interest rate will be used in pricing calculations.

When you chose an interest spread, the spread is added to the base rate or index to determine the final interest rate. Interest can be calculated based upon 30 day months with 360 day years, actual day months with 365 day years, or actual day months with actual day years. Additionally, you can use standard rate templates to derive interest rates you want to use when generate rate factors for a lease rate set (rate card).

Create Standard Rate Template

To create a standard rate template, enter the template details in the Create Standard Rate Template page. Enter the template version details in the Version Details region. Enter Eligibility Criteria details and click Apply when done. The following table describes end of term option fields.

Field	Description
Name	Name of the standard rate template
Description	Optional description of the standard rate template
Use Rate Card Only	If selected, allows you to use this template for generating lease rate factors for a lease rate set (rate card).
Status	When you click Apply, the end of term option value entered is saved with a status of New, and must be approved before it can become Active. If you click Submit, the option is saved and submitted to Oracle Workflow for Approval.

Field	Description
Currency	Type of currency to be used. Must match the currency used in your quote or lease rate set.
Pricing Program	Reserved for future use. You can only use the internal pricing program for lease sales quotes.
Type	Determines if the template will derive its base interest rate from an index or from a value you enter.
Frequency	Determines how to apply the interest rate when used in pricing.
Rate	Pricing Rate
Spread	The rate amount that will be added to any specific base rate, whether the base rate is entered or derived from an index.
Convention	Determines the day count logic used with the template when it is associated to a quote or lease rate set.
Adjustment Matrix	Determines if the calculated rate requires any adjustment based on the actual values of the quote, such as deal size or term length.
Minimum/Maximum Adjusted Rate	Rate adjustments from pricing adjustment matrices are cumulative, so you can limit the overall adjusted rate to a maximum or minimum value for the template.
Match Criteria	Provided eligibility criteria have been set up, you can set up the criteria to match on All, None, or One of the values in the set.
Validation	Determines whether conditions result in an Error or Warning upon validation.

Copy Standard Rate Templates

You can copy standard rate templates to create a new template and the copy is assigned

a default name which you can update. A standard rate template with the status New is created, but has not been submitted for approval.

Update Standard Rate Templates

When you make changes to an active standard rate template, except end dating, a new version is created. Versions of the standard rate template are assigned statuses. If you update a template version, the status is Incomplete and you must submit the new version for approval before it can be activated and used in quote pricing. You can update standard rate templates by updating the base on the template directly, or deriving a new rate based on the associated rate index. Updates to the standard rate template will generate new lease rate factors for associated lease rate sets.

Adjustment Matrices

An adjustment matrix is a pricing tool used to adjust an interest rate on a standard rate template or a lease rate factor on a lease rate set. The adjustment matrix enables you to increase or decrease an interest rate on a standard rate template or a lease rate factor in a lease rate set based on the specifics of your deal. You can define a range of values for an aspect of your deal and the corresponding increase or decrease in the rate for that range. Adjustment categories can also be created and used to select and restrict the use of adjustment matrices, such as which customer credit classifications can have rate adjustments.

Lease Management provides an approval process for pricing adjustment matrices and you can set up notifications for when the pricing adjustment matrix status changes to Approved, Submitted, or Rejected.

Create Pricing Adjustment Matrix

To create a pricing adjustment matrix, enter the matrix details in the Create Pricing Adjustment Matrix page. Click Apply when done. The following table describes pricing adjustment matrix fields.

Field	Description
Name	Name of the pricing adjustment matrix
Description	Optional description of the pricing adjustment matrix

Field	Description
Type	Determines whether you can associate the matrix to a standard rate template to adjust interest rates, or to a lease rate set to adjust lease rate factors. The value entered determines what is adjusted by the Adjustment Matrix. *Rate* is selected to adjust Standard Rate Templates. *Rate Factor* adjusts Lease Rate Sets.
Currency	Type of currency to be used
Status	After you create a matrix, it remains in a status of New until you submit it for approval. Only approved matrices are Active and apply to quote rate adjustments.
Effective To/Effective From	Once you associate a category to a matrix, you determine the dates the category will be valid on this matrix version, and the values or value ranges within the category that will result in rate adjustments.
Add Criteria	After you enter the matrix details, you can add adjustment categories to the matrix, providing the categories have been set up as a criteria category. For each value or value range in the selected criteria category, you determine the amount the interest rate or lease rate factor will be adjusted by. Lease Management automatically adds these adjustments to the rates on a quote when you perform pricing.
Submit	Click to submit the matrix for approval.

Pricing Methods

Lease Management uses the following pricing methods:

- Lease Rate Sets (or Rate Cards)
- Solve for Payment
- Solve for Missing Payment

- Solve for Yield
- Target Rate

Lease Rate Sets

Overview

A lease rate set, or rate card, is a table of one or more lease rate factors used by the Lease Management rate card pricing process to calculate the payment for an asset on a quote or estimate. You set up and maintain a lease rate set, or rate card, when you use the Rate Card pricing method. A lease rate set contains multiple lease rate factors. Rate factors are looked up for each line on a quote based on the end of term value (percentage or amount) and the lease term of the quote. The lease rate factor is multiplied by the asset cost for each quote line to determine the payment amount. You can manually enter lease rate factors in the lease rate set, or set up Lease Management to calculate the lease rate factors for you. For each end of term residual value and term you authorize for a quote, you generate or enter a lease rate factor.

During pricing plan creation for a quote, you select a lease rate set from a list of sets that matches the frequency and rate you enter on a quote. You can also specify a rate card for individual quote lines. Lease Management looks up the rate factor from the set for each asset on the quote. The factor rate is multiplied by the item asset cost to determine the payment amount for each asset and the total for all assets is displayed as the payment amount.

For each lease rate set, you can also define tolerance ranges when defining lease rate factors for a given residual amount. During the look up process for determining the lease rate factor that applies to the quote line, Lease Management will use the tolerance to find the best match for an item. You can specify the tolerance range used to determine the best match, but there are several seeded categories, including deal size, down payment amount, number of advance payments, deferred payment days, end of term option on a financial product, and end of term value tolerance. The lease rate factor generation program can calculate rate factors for level payments or factors that include a deferred payment where the first step includes a payment of zero amount.

Alternatively, you can define multiple step rate cards with a series payment steps, each with a term and different rate factor per level per rate card entry. The payment levels you define on a rate card default onto a quote and the rates are multiplied by the asset cost to create a payment amount per step.

You can define acceptable ranges of financing cost adjustments for the use of a rate card. Financing cost adjustments can include down payments, trade-ins, and capital reductions. You can define ranges of values for these pricing details for a rate card or standard rate template.

Create Lease Rate Set

To set up lease rate sets, complete the following tasks starting in the Lease Rate Sets

page:

- Enter Rate Set Details
- Associate Eligibility Criteria
- Enter Rate Factor Determinants

The following table describes lease rate set details.

Field	Description
Type	Deferred, Level, or Manual. **Advance** type handles advance payments. Values are automatically generated. **Deferred** type rate allows you to specify a number of months in the beginning of the term that no payment is due. The values are automatically generated based on the interest rate, frequency, end of term option, and term range you specify. **Level** type creates a single payment step for the entire term. The values are automatically generated based on the interest rate, frequency, end of term option, and term range you specify. **Manual** type allows you to enter the steps of the rate set yourself. You must enter each lease rate factor in the set for each term and end-of-term value combination. The values will not automatically be generated for you.
End of Term Option	You can associate an end of term option to the lease rate set. This purchase option is used to populate the Lease Rate Factor table.
Currency	Select the currency to be used.
Frequency	Annual, Monthly, Quarterly, or Semi-Annually.
Description	Optional description of lease rate set.

Field	Description
Standard Rate Template	Associate to a Standard Rate Template. Any eligibility criteria associated to the Standard Rate Template will be inherited.
User Rate	Rate value can come from the Standard Rate Template, if associated, or must be entered manually.
Arrears	Determines whether the lease rate set is in arrears or not.
Rate Tolerance	Determines whether the match on the lease rate set must be exact or can be within the tolerance range.
Residual Tolerance	The range around the end of term option value that will be tolerated.
Adjustment Matrix	You can associate an adjustment matrix to adjust lease rate factors within a rate card. The adjustment matrix must have a status of Active to be selected.
Eligibility Criteria: Match Criteria	Indicates if All the criteria categories in an object must be matched for the search or validation to be successful, or if One criteria category match will suffice.
Eligibility Criteria: Validation	Warning type validation means that a warning message will appear upon validation, but no restriction is imposed. Error type validation means an error message will appear and you cannot proceed or save until the Eligibility Criteria is satisfied.

Solve for Payment

You can calculate a payment for a quote using an interest rate. Using a simple interest calculation, Lease Management calculates a payment based on the interest rates you enter, or based on the rate as determined by the standard rate template you select. You can only enter interest rates you authorized in your user profile settings. You can enter multiple steps on a quote with different interest rates. The rates will be blended to calculate total payment amount. You can also specify different rates or select rate

templates for individual quote lines and payment steps for those lines.

Solve for Missing Payment

You can solve for a single missing payment amount in a quote or a quote line. You enter the interest rate or select a standard rate template and amounts for all payment steps except the payment amount you want to calculate. Lease Management calculates the amount of the step with the missing payment. You can only enter interest rates if you are authorized in your user profile settings.

Solve for Yield

If you know the amount of the payment a prospect wants to pay, you can enter the payment amounts in one or more payment steps, and Lease Management will calculate the yields and interest rate.

Target Rate

If you want to calculate the payment based on one of the calculated yields, such as Pre-Tax IRR, you can select the yield type, the target rate, and enter the other payment details, such as frequency and advance/arrears. Lease Management will calculate the payment amount. You can only use this method for level payments. Third party users (through the Vendor Self-Service origination module) are not allowed to Target Rates.

Solve for Down Payment

This pricing method calculates down payment amounts, given the interest rates and other pricing factors defined for each asset. The resulting amounts are summed up and displayed at the quote level.

Solve for Subsidies

This pricing method calculates subsidy amounts, given the interest rates and other pricing factors defined for each asset. The resulting amounts are summed up and displayed at the quote level.

Solve for Trade In

This pricing method calculates trade-in amounts, given the interest rates and other pricing factors defined for each asset. The resulting amounts are summed up and displayed at the quote level.

Solve for Financed Amount

This pricing method calculates maximum financed amounts, given the interest rates and other pricing factors defined. The resulting amounts are summed up and allocated to configuration lines based on percentages that you specify.

Pricing Controls

Lease Management uses pricing controls to enhance your ability to enforce pricing policies for different users, customers, assets, vendors, or deal types. You can set up pricing rules and apply them to selected pricing objects to determine when certain pricing tools will be employed and whether standard values can be updated.

Lease Management uses the following pricing controls:

Pricing Rule	Function
Eligibility Criteria	You can associate eligibility criteria to business objects that determine the conditions for which that object can be used. Eligibility criteria may be determined for Financial Products, End of Term Options, Standard Rate Templates, Lease Rate Sets, etc. When you select these items during quoting, the eligibility criteria will filter the list of values the user may select from based on how the attributes of the quote compare to the criteria values.
Vendor Program Agreements	Vendor Program Agreements allow you to set up conditions that apply to estimates, quotes, lease applications and contracts that are originated in association with a particular vendor. You can use a Vendor Program Agreement to: 1) control values available for selection on a quote or lease application and 2) determine default terms and conditions that apply to contracts.
Structured Pricing Authority for Users	Through profile options, you control the ability of internal and third party users to: 1) view some types of pricing information such as yields, 2) update rates, item residuals and end of term values, and 3) enter customized payment structures rather than select a standard, preset pricing option.

Eligibility Criteria

Eligibility criteria are associated to business objects to select or restrict the conditions for which the objects can be used. Eligibility criteria can be determined for end of term options, standard rate templates, lease rate sets, vendor programs and financial

products and adjustment matrices. You set up criteria categories to be used to define eligibility criteria. After setting up the criteria category, you decide which of the pricing business objects you want to restrict based on the category. For example, you can set up a criteria category of Deal Size Maximum. You may want to restrict the use of standard rate templates and rate cards by the Deal Size Maximum category, but you may not use Deal Size Maximum to restrict Vendor Program selection for a quote.

When you create new objects, you can assign values to the category that restrict the use of the object to values within the category. For example, if you assigned Deal Size Maximum as a criteria category on standard rate templates, when you create new rate templates, you can enter a Deal Size Maximum value for the category. When the user views a list of rate templates on a quote, the rate templates with the Deal Size Maximum value that is less than the deal size of the quote will not be available.

To set up eligibility criteria, see Create Criteria Categories, *Oracle Lease Management Implementation Guide*.

5

Subsidies

Overview

You can set up subsidies and associate them to an asset. A subsidy is an amount provided by a third party to a lessor to increase the lessor's margin on a deal. Subsidies provided on a lease between a lessor and a third party either supplement the lessor's income or adjust the rate charged to the lessee.

In Lease Management, subsidies are selected at the asset level during the contract or quote authoring process. Before subsidies can be selected, they must be created and defined.

Subsidy formulas in Lease Management can be modified. Lease Management recognizes the following two main subsidy types:

- Discount
- Rate

Discount Subsidy

A discount is an amount provided to a lessor by a third party vendor that reduces the acquisition costs paid by lessor for leased equipment. These direct discounts to the lessor may or may not be disclosed to the lessee.

Rate Subsidy

A rate subsidy is an adjustment on the borrowing interest rate paid by a lessee to a lessor over time. Vendors and manufacturers may offer subsidies to a lessor in exchange for a reduction in the interest rate paid by customers for the lease of equipment. Rate subsides are often billed to the third party by the lessor and amortized as income over the duration of the contract.

Subsidy Benefits In Lease Management

Use of subsides in Lease Management provides lessors the following benefits:

- Attracts business by collecting subsidies from partners to reduce interest rates on leases and loans
- Accepting subsides induces business prospects to lease rather than purchase
- Allows application of subsides to specific internal organizations, industries, equipment items, or credit qualities
- Allows configuration of calculations and accounting for subsidies
- Allows vendors and manufacturers to obscure equipment price discounts from the market to lessen negative impact on industry prices

Subsidy Business Process Flow

The following table describes the business process flow in Lease Management for subsidies.

Lease Management Subsidy Business Process Flow

Step	Action	Description
1	Set Up Subsidies	Creates and define new subsidies or maintain previously-defined subsidies
2	Set Up Subsidy Criterion	Define subsidy criteria to limit and restrict the use of subsidies to specific deals.
3	Select Subsidies on Lease Quotes or Contracts	Subsidies are associated to a lease quote or contract at the asset line level. Subsidy details are entered.
4	Generate Subsidy Adjusted Yields	Lease Management calculates total subsidy amounts for all asset lines in a quote or contract prior to stream generation.
5	Adjust Fundable Amounts	Fundable total is reduced for vendor discounts.

Step	Action	Description
6	Generate Subsidy Accrual Streams	Subsidy accrual streams are generated by Lease Management
7	Maintain Subsidy Accounting Classifications	Subsidy is classified by type for accounting purposes.
8	Bill Subsidy to Third Parties	Lease Management creates a Receivables invoice to any third parties to bill a subsidy due from lessor.
9	Book Assets at Adjusted Book Value	Lease Management transfers assets at an adjusted cost.
10	Process Subsidy on Termination	In the case of early termination of an asset, associated subsidies are either refunded to the provider or the subsidy is accelerated so that total subsidy income is accounted for before termination.
11	Process Subsidy During Contract Revision	If a contract is revised, Lease Management copies back any modifications or additions in subsidies to the original contract.

Authoring Contracts with Subsidies

This section includes the following topics:

- Subsidy Setup
- Configurable Subsidy Accounting
- Subsidies at the Asset Level
- Calculating Subsidy Amounts
- Including Subsidies in the Yield Calculation

- Collecting Subsidies
- Viewing Subsidies

Subsidy Setup

Before subsidies can be associated to an asset in contract or quote authoring, they must be created and defined. To set up subsides, see Set Up Subsidies, *Lease Management Implementation Guide*.

Configurable Subsidy Accounting

This section includes the following topics:

- Configurable Accounting
- Early Termination of Subsidy

Configurable Accounting

After you select the subsidy to associate to an asset, Lease Management generates the appropriate accounting for that subsidy during booking. For discount subsidies, Lease Management transfers assets to Oracle Assets at the adjusted book cost for the discount amount.

Set up the accounting templates and define streams in your financial product to account for discount and rate subsidies.

Set up discount subsidies to transfer assets to Oracle Assets at the adjusted book cost at the discount amount.

When setting up rate subsidies, Lease Management amortizes the revenue stream for accrual accounting. When the lessor generates the accrual stream, Lease Management maintains reference to the subsidy accrual stream type so accrual amounts can be applied to separate accounts.

Once the product and stream types have been set up, you select the subsidy to be associated with the asset on the contract and Lease Management generates the appropriate accounting.

For information on streams, see Define Streams and Pricing, *Oracle Lease Management Implementation Guide*.

For information on accounting templates, see Define Lease Accounting Templates, *Oracle Lease Management Implementation Guide*.

Early Termination of Subsidy

When you terminate an asset with subsidies before contract expiration, Lease Management does not include the subsidy amount in termination quotes. Lease

Management determines if the subsidy must be paid back to the provider based on the subsidy setup for recourse.

If you set up a subsidy so the provider has recourse, you can define the refund basis and a formula to calculate the refund amount to be paid back to the subsidy provider.

If a subsidy does not have to be repaid, Lease Management accelerates the recognition of any outstanding subsidy income at the point of termination.

Subsidies at the Asset Level

Subsidies are associated to individual assets when authoring lease quotes or contracts. Lease Management provides lessors the flexibility to associate subsidies to all the assets on a lease contract or quote, or to associate them to individual assets.

Lessors select one or more subsidies for each asset from the list of applicable subsidies and then define the subsidy vendor. You can define what subsidies are applicable when you set up subsidy criterion. During contract activation, Lease Management booking validations check whether a subsidy is valid for the selected contract and customer.

To select subsidies when authoring a lease contract, see Selecting Subsidies.

To add subsidies when authoring a lease quote, see Add Subsidies to a Quote.

Calculating Subsidy Amounts

Lessors can define the basis on which the subsidy amount is calculated by either specifying a fixed amount or by calculating the amount based on a formula, a percent of the asset cost, or rate points. You can also set limits based on the maximum financed amount or the maximum subsidy amount.

Because changes to contract assets and values may change the subsidy amount, Lease Management automatically recalculates the subsidy amounts each time you update the Asset Subsidies page.

For subsidies taken as equipment discounts, Lease Management calculates and displays the adjusted asset cost while maintaining the original equipment cost for the asset. The total contract subsidy is displayed after being applied to each asset.

During an asset split, or any process that employs the asset split feature, the subsidy stream is split so each asset maintains the same proportion of subsidy income. Subsidies are also recalculated during book revisions.

You can override the calculated subsidy amount by entering a subsidy amount during asset creation in the original bookings or rebooking revisions. If the entered amount is different than the calculated amount, an warning message will be generated to inform you of the difference.

Including Subsidies in the Yield Calculation

The yield or payment calculation includes the subsidy in the yield. Both subsidized and

unsubsidized yields are displayed. The subsidized yield can be used to target restructure and renewal quotes.

Collecting Subsidies From Vendor

Lessors have the following two options for collecting subsides from the vendor:

- Reduce funding for vendor discounts
- Bill third party for subsidies

Reduce Funding for Vendor Discounts

You can reduce the funding amount payable to the vendor by the amount of the subsidy. Lease Management generates payable invoices displaying the subsidy amount by stream type to manage subsidy performance and accounting.

For information on funding, see Funding, Chapter 13.

Bill Third Party for Subsidies

You can bill any third party for the amount of the subsidy. At booking, Lease Management generates a receivable invoice to bill the subsidy providers. Each subsidy is maintained as a separate line on the receivable notice with reference to the stream type to manage subsidy performance and accounting.

Selecting Subsidies

The following procedure shows how to select subsidies at the asset level when authoring a contract.

Prerequisites

Must have created a contract with an asset.

Must have created a subsidy

The third party must be set up and associated to the contract.

Steps

Perform the following steps in the Assets page of the Contract subtab:

1. Once an asset is created, click **Subsidies** in the Properties region of the Assets page.

The Asset Subsidies page appears.

1. Select the subsidy and the party.
2. If the selected subsidy amount needs to the changed for this contract, you may enter a new amount in the Override Amount field.
3. Optionally, to add payment terms for refunds, click **Party Refund Details**.

The Create Subsidy Refund page appears.

1. Enter payment terms to disburse subsidy refunds.

2. Click **Create**.

Viewing Subsidies

If subsidies are set up to be viewable, customers and vendors view the Subsidized Cost of the Asset in Customer Self-Service and Vendor Self-Service. If the subsidies are not viewable, then Lease Center users cannot see the subsidies, but can see the unsubsidized cost.

Subsidy Pools

Overview

Vendors sometimes create marketing programs, which provide subsidies for their partners. The partner may be required to monitor subsidy usage so that it does not exceed the authorized program budget. Subsidy Pools are used to manage, control, and account for the use of subsides. They help ensure the lessor does not exceed their authorized budget.

Lease Management enables you to:

- Define subsidy pool parameters (such as timeframes and budget amounts).
- Manage a subsidy pool by reporting subsidy usage and the subsidy pool balance, and then modifying the subsidy pool as necessary.
- Control the use of subsidies in quotes and contracts.
- Approve subsidy pools before downstream transactions are permitted.

In Lease Management, there are two types of subsidy pools:

- **Budget Pools** – These pools are for tracking and controlling subsidy usage in the context of a budget and timeframe. When subsidies are associated to budget pools, the subsidy's usage will be limited to the budget amount and timeframe of the respective budget pool. When a subsidy is used in a transaction (e.g., a quote or contract), the system checks that the transaction falls within the pool's effective dates, and that the transaction subsidy amount is less than the remaining pool balance.
- **Reporting Pools** – These pools are for monitoring purposes only. Although they serve as parents to other pools (either budget or reporting) in a parent/child relationship, they do not control or limit subsidy usage. In addition, although you

can associate a budget pool or another reporting pool with a reporting pool, subsidies cannot be directly associated with a reporting pool.

The following table describes the subsidy pool business process flow in Lease Management.

Action	Description
1. Create a Budget Subsidy Pool	Create and define a budget subsidy pool. Enter header information and budget line items.
2. Associate Subsidies to a Subsidy Pool	Subsidies can be associated to subsidy pools.
3. Approve and Activate Subsidy Pools	Once created, subsidy pools can be activated or rejected through the approval process.
4. Create Subsidy Pool Transactions	Specific quote, lease application, and contract events generate subsidy pool transactions.
5. View Subsidy Pools	Subsidy pool information can be viewed after a subsidy pool is created.
6. Update Subsidy Pools	Existing subsidy pools can be updated.
7. Create a Reporting Subsidy Pool	Reporting Pools can be created anytime.
8. Create a Subsidy Pool Usage Report	Report usage and remaining pool balances

Subsidy Pool Procedures

Lease Management enables you to perform the following subsidy pool tasks:

- Search for Subsidy Pools
- Create Subsidy Pools
- Update Subsidy Pools
- View Subsidy Pool Details
- Create and Update Subsidy Pool Budget Lines
- Associate Subsidies to a Subsidy Pool

Search for Subsidy Pools

You can search for subsidy pools in the Subsidy Pool Search page by selecting the Pool Type (Budget or Reporting) and entering one other parameter. The other parameters are: Name, Currency, Status, and Effective Dates.

You can search for subsidy pools across operating units provided the OKL: Subsidy Pool Global Access profile option is set to Yes.

Create Subsidy Pools

Subsidy pools are created from the Create Subsidy Pool page. From the list of values, select the Pool Type (Budget or Reporting) you want to create and click Go. In the Create Subsidy Pool page, enter the subsidy pool parameters described in the table below.

The following table describes subsidy pool parameters.

Field	Description
Short Description	Short description of the subsidy pool.
Description	Long description of the subsidy pool.
Parent Pool	Name of the parent pool, for which other reporting or budget pools may be children.
Type	Type of subsidy pool: Budget or Reporting.
Status	Status of the subsidy pool: New, Active, Pending (Approval), Approved, Rejected, Cancelled, or Expired.
Currency	Pool currency (e.g., US Dollars, Euros).
Currency Conversion Type	Currency Conversion Type (i.e., Corporate or Spot). This is the basis for converting the transaction (quote or contract) currency to the subsidy pool currency.
Reporting Pool Limit	This is a soft budget that applies only to a reporting pool. It is not used to control any transactions or for calculating remaining balances. It is merely a reference for a high level evaluation of aggregate subsidy/subsidy pool usage.

Field	Description
Budget	A budget is required for every Budget Subsidy Pool. It is used to limit the aggregate amount of subsidies that may be used over a given time period.
Remaining Balance	The remaining balance is calculated as the budget less all committed transactions (approved quotes and booked contracts). The budget is the sum of all approved Budget Additions and Reductions.
Effective From Date	You can create subsidy pools with initial effective dates in the future.

When the subsidy pool parameters are entered you have the following three options:

- Cancel your inputs – Click Cancel to erase your inputs and go to the Subsidy Pool Search page.
- Save and Add Details – Click Save and Add Details to create the subsidy pool, and go to the General Tab, where you can add more information about the pool.
- Apply – Click Apply to create the subsidy pool and go to the Subsidy Pool Search page, where you can submit the pool for approval or cancel it.

Update Subsidy Pools

Subsidy pools are updated from the Subsidy Pool Details page. To access the Subsidy Pool Details page, click the Subsidy Pool Name. From the General or Budget Lines subtabs, click the Update icon to access the updatable parameters.

The following rules apply to updating subsidy pools:

- Reporting Pool parameters can be updated at any time.
- All Budget Pool parameters can be updated when they have a status of New.
- After a budget pool is submitted for approval, only the following fields can be updated: Parent Pool Name, Short and Long Descriptions, and the Effective To Date.
- New budget lines can be added to add or reduce the budget balance.
- New subsidies can be associated per the association rules (see end of this chapter).

After subsidy pools are updated, the updates can be applied and the pools can be submitted for Approval. The following rules apply to subsidy pool Approval:

- Reporting subsidy pools do not have a status, and do not require approval.
- Budget subsidy pools do have a status, and require approval before they are activated.
- Budget Pools are created with a status of New.
- To be submitted for Approval, a subsidy pool needs a budget line item and an associated subsidy.
- After being submitted for approval, the Budget Pool may be activated or rejected
- A Budget Pool can be updated both before and after activation.
- A Budget Pool with the status of Pending Approval cannot be updated.

View Subsidy Pool Details

You can view subsidy pool details by clicking the pool name in the Subsidy Pools page. Subsidy pool details include the following:

For Budget Pools:

- General Information – displays pool type, descriptions, currency, currency conversion type, parent pool, budget and status.
- Budget Lines – displays budget amounts and details, by line item.
- Subsidies – displays information for all subsidies associated to the respective pool.

For Reporting Pools:

- General Information – displays pool type, descriptions, currency, currency conversion type, parent pool, and pool limit.
- Budget Lines – not applicable.
- Subsidies – not applicable.

Create and Update Subsidy Pool Budget Lines

To access, create, or update subsidy pool budget lines, click the respective Budget Subsidy Pool from the Subsidy Pool details page. Click Budget Lines to view budget line details. Click Update to update or add new budget lines.

If you are creating the initial budget line item, input the budget amount, as well as a respective note about the line item. The initial budget is submitted for approval only

when the subsidy pool is submitted for approval.

If you are increasing or decreasing the budget, click Add Another Row and enter new budget line details. Apply or Cancel your changes. Clicking Apply creates a line item with the status of New. To submit the line item for approval, click Submit for Approval icon from the Budget page. To display and access the line item Submit for Approval icon, click the update button on the Budget Lines page.

The following rules apply to updating budget lines

- Only budget subsidy pools have budget lines.
- Reporting pools limits are defined on the General page, not on the Budget Lines page.
- You cannot update a subsidy pool budget line if the budget line status is either Active or Pending Approval.

Associate Subsidies to a Subsidy Pool

Subsidies are associated to Budget Subsidy Pools in the Subsidy page. In the Update Subsidy page, use the Subsidy Pool list of values to select the subsidy pool to which the subsidy is to be associated. The Subsidy Pool Status and Effective Dates are displayed.

The following rules apply to associating a subsidy to a subsidy pool:

- Subsidies can only be associated to Budget Pools, not Reporting Pools.
- You can associate more than one subsidy to a pool.
- You can associate subsidies defined in multiple operating units to a single Budget Subsidy Pool.
- Once a subsidy is associated to a pool, it cannot be disassociated.
- Either the subsidy start date or end date must fall within the subsidy pool start date or end date

Lease Management determines if the subsidy currency is the same as the subsidy pool currency and, if not, verifies that the subsidy currency conversion factor is defined. You cannot delete a subsidy pool after it has been activated. Approval is not required to associate subsidies when a subsidy pool is Active. When you associate a subsidy to a subsidy pool, the status automatically becomes Active.

Part 3

Lease Quote to Credit Decision

6

Lease Sales Quotes

Overview

After creating a lease opportunity, you can create a standard lease sales quote. You create lease sales quotes by selecting specific inventory items, fees, services, and other quote adjustments to reflect the most accurate possible deal. Then you can obtain pricing approvals and indicate prospect acceptance on a lease sales quote.

You create lease sales quotes for pricing based on a configuration. The configuration must include inventory items and item amounts, along with other financed items such as financed fees, capitalized fees, or rollover fees.

Lease sales quotes can also be created by converting estimates in a lease opportunity. You can also duplicate a lease sales quote to create a new one.

Create a Lease Sales Quote

The process for creating a lease sales quote is as follows:

1. Enter Lease Sales Quote Details
2. Enter Lease Sales Quote Configuration
3. Enter Pricing Options
4. Enter Lease Sales Quote Finance Adjustments
5. View Lease Sales Quote Results

Enter Lease Sales Quote Details

You can define lease quote details not defaulted from a lease opportunity in the Create Lease Quote page. After lease sales quote details have been entered, you have the

following three options.

- Click Apply to save details and return to the Quotes tab of the Lease Opportunity Details page.
- Click Save and Add Details to save details and go to the General tab of the Lease Quote Details page.
- Click Cancel to delete your entered details and return to the Quotes tab of the Lease Opportunity Details page.

When saving lease sales quote details, ensure that the Expected Start Date is within the effective dates of the lease opportunity or you will receive an error message to correct this.

The following table describes lease sales quote details.

Lease Sales Quote Details

Field	Description
Valid From	Defaults to current date. Must be on or after the date in the lease opportunity.
Valid To	This date is derived from the OKL: Number of Days a Sales Quote Remains Valid profile option. It can be updated.
Expected Start Date	Defaults to current date. Must be after the Delivery Date.
Expected Delivery Date	Defaults from the lease opportunity. Must be before or on the Valid From date of the lease opportunity, and before or on the Expected Start Date.
Expected Funding Date	Defaults from the lease opportunity. Must be before or on the Valid From date of the lease opportunity.
Pricing Method	Applies to pricing method for the lease sales quote. For information on pricing methods, see Pricing.

Field	Description
Product	List of values with non-reporting type financial products that are active on the expected start date entered. The list is also dependent on eligibility criteria defined on the products. If the vendor program selected on the lease opportunity has associated financial products, the list will reflect only those financial products associated to the program.
Term	Term of the contract in whole months.
End of Term Option	List of values of the end of term options belonging to the product selected, and active on the start date entered. The list of valid end of term options will also depend on the eligibility criteria values assigned. If the vendor program selected on the lease opportunity has associated end of term options, the list will reflect those associations.
Tax Stream Type	List of values displaying stream types of the stream generation template associated to the product selected. The value will be used to create fees for any financed upfront taxes.
Asset Usage Details (Amount, Category, Industry, Location)	Default in from lease opportunity. Can be updated.
Property Tax	Default in from lease opportunity. Can be updated. Data entered is defaulted to each asset created and each asset can be updated. The values are used to determine the processing of property tax changes for the quote assets.

Enter Lease Sales Quote Configuration

Configuration includes entering items to be financed as part of the deal. You can enter asset lines or fee lines for Financed, Capitalized, or Rollover fee types. You can also duplicate configuration lines, except for rollover fee types, to create new lines. To create a new configuration line, you select the line type and click Go.

The following details will be defaulted from the lease opportunity.

- Upfront Tax Treatment - includes Bill, Finance, or Capitalize and is for assets only.
- Installed Site
- Supplier - from Oracle Purchasing suppliers.

You can enter Asset Details, Item, Name, and Cost. Other details default in but can be updated for each asset line in the configuration. Asset Add-Ons can also be included in the configuration, such as Item, Cost, Supplier, and Notes.

You can also enter other financed amounts into the configuration as Financed Fees by entering the fee details. After you enter your configuration asset lines, end of term values are looked up based on the end of term option you selected on the quote details page. If you are authorized for structured pricing privileges, you may update the end of term option values.

Enter Pricing Options

The Pricing tab contains the following three main functions.

1. Entering or selecting pricing options
2. Entering additional fees and services
3. Viewing and processing any upfront tax

Pricing Options

Once a lease sales quote configuration is created, you can enter pricing details to price the configuration. Pricing details are entered in the Pricing tab. Pricing options include rate cards or standard rate templates. You must select an option or enter manual details based on the pricing method you selected on the Quote Details page. You can either select a standard pricing object or opt to do structured pricing if you are authorized in your user profile settings.

The pricing option selected on the quote applies as a default to all financed items. The list of available pricing options is based on the pricing method, the eligibility criteria for the pricing objects and the quote information available at the time the pricing option is selected.

You can override the pricing object selected at the configuration line level, but the object must be consistent with the quote values, the line values, and the pricing method selected on the quote. If you enter a rate set with levels, the levels will default the structure of the payments. You then enter the remaining pricing details before you can complete pricing. The details you enter will depend on the pricing method you selected.

Once pricing details have been entered, you click Validate to run the validation checklist or Validate and Price to run the validation checklist and immediately calculate

pricing. After Lease Management validates all entered details, pricing results appear in the Results tab page. If validation errors exist, they are displayed in the Validations tab page. If the quote is updated and validated, the old validations are cleared out and the Validation tab is hidden from view. The validation checklist used is based on the QA checklist assigned to your organization unit in the Quoting System Options set up page.

For more information on pricing, see Pricing, *Oracle Lease Management User's Guide*.

The following table describes pricing methods and options.

Lease Sales Quote Pricing Options

Type	Pricing Option	Financing Cost Adjustment	Additional Inputs
Solve for Payment	Rate Template User Input Rate	Down Payment Trade In Subsidy	None
Solve for Yield	None	Down Payment Trade In Subsidy	Number of payments for all levels Amount of payments for all levels
Solve for Missing Payment	Rate Template User Input Rate	Down Payment Trade In Subsidy	Number of payments for known levels Amount of payments for known levels
Target Rate	User Input Rate	Down Payment Trade In Subsidy	Yield Type Yield Value
Rate Card	Rate Card Set	Down Payment Trade In Subsidy (asset cost or fixed type only)	You enter a rate to match rate card sets

Type	Pricing Option	Financing Cost Adjustment	Additional Inputs
Solve for Financed Amount	Rate Template User Input Rate	Down Payment Trade In Subsidy (rate or fixed type only)	Number of payments for all levels Amount of payments for all levels
Solve for a Subsidy	Rate Template User Input Rate	Down Payment Trade In	Number of payments for all levels Amount of payments for all levels
Solve for Down Payment	Rate Template User Input Rate	Trade In Subsidy	Number of payments for all levels Amount of payments for all levels
Solve for Trade In Amount	Rate Template User Input Rate	Down Payment Subsidy	Number of payments for all levels Amount of payments for all levels

You can also select pricing options at the asset level. The following table describes pricing options at the contract and asset levels.

Contract and Asset Level Pricing Options

Pricing Method	Quote Level	Asset Level
Solve for Payment	You can select a rate template or enter a rate for the quote. Each configuration line should be solved for a payment based on the defined quote level interest rate. You may only enter a rate if you are authorized for structured pricing.	You can select a rate template or enter a rate for a configuration line. The rate defined for that line is used to determine the payment for the line. All other lines use the rate template or rate defined for the quote.

Pricing Method	Quote Level	Asset Level
Solve for Yield	Enter one payment that applies to all assets. Once the quote level interest rate is calculated, the total payment is distributed to each line in the configuration based on the interest rate.	You can define a payment for an individual configuration line and a quote level payment that applies to the remaining configuration lines with no separate payments. All payments are used together to determine the quote level interest rate. The quote level interest rate is applied to the configuration lines with no separate payments defined to distribute the quote level payments down to each configuration line.
Target Rate	You can only target yield at the contract level.	No asset level yields are available.
Rate Card	You select a rate card for a contract and all rates are looked up on that rate card. If you are authorized for structured pricing, you can enter a quote level lease rate factor.	You can select a rate card for an individual configuration line and rates are looked up for that line from the card. If you are authorized for structured pricing, you can enter a lease rate factor.
Solve for Missing Payment	You select or enter rates and payments for the quote. At least one payment must be left blank. The missing payment is calculated. Based on the selected or entered rate, the payments are distributed to the individual configuration lines.	You can enter payments for individual configuration lines. You then enter or select a rate for the configuration line. You can only put in a rate if at least one payment is missing for an individual line. If you enter payments for a line, you must also enter the payments for the line. At least one line must have an empty row. Rates are blended across all assets Lines with no separate payments and rates are treated as one line.

Pricing Method	Quote Level	Asset Level
Solve for Subsidy	You select or enter a rate and enter payments for the quote. The amount of the subsidy is determined. Based on the quote level rate, payments are distributed to the asset lines. Subsidies do not apply to configuration fees.	You can select or enter a rate for individual assets, but the subsidy amount is solved for the quote. Rates are blended to determine the quote subsidy amount. You may also enter separate payments for an asset. Lines that do not have a separate payment must have the quote level payment distributed to them based on the quote level rate entered or selected.
Solve for Down Payment	You select or enter a rate and enter payments for the quote. The amount of the down payment is determined. Down payments do not apply to configuration fees	You can select or enter a rate for individual assets, but the down payment amount is solved for the quote. Rates are blended to determine the quote down payment amount. You can also enter separate payments for a line. Lines that do not have a separate payment must have the quote level payment distributed to them based on the quote level rate entered or selected.
Solve for Trade In	You select or enter a rate and enter payments for the quote. The amount of the trade in is determined Trade Ins do not apply to configuration fees.	You can select or enter a rate for individual assets, but the trade in amount is solved for the quote. Rates are blended to determine the quote trade in amount. You can also enter separate payments for a line. Lines that do not have a separate payment must have the quote level payment distributed to them based on the quote level rate entered or selected.

Pricing Method	Quote Level	Asset Level
Solve for Financed Amount	You select or enter a rate and payments for the quote. You indicate for each asset created the percent of the total cost for that asset. Total percent for all assets must equal 100%. Financed amount can only include asset lines, not configuration fees	You can select or enter a rate for individual assets and an asset cost for some, but not all assets. You must spread the amount over the assets with no specified cost by proportioning 100% over the assets. The total financed amount is solved for the entire quote. This amount represents the financed amount of the assets with no cost already specified. The amount is distributed to those assets based on the percent distribution specified. If you select individual assets and enter an amount for the asset, you cannot also enter a percentage for that asset.

Once pricing details have been entered, and the quote has been priced, the results provided depend on the pricing method. Pricing results are displayed in the Results tab. Along with providing a set of yields, Lease Management will display specific results for each differing pricing method. The following table shows pricing results for the different pricing methods.

Pricing Method Results

Type	Result
Solve for Payment	Payment amount per period
Solve for Yield	No additional details other than yields
Solve for Missing Payment	Missing payment amount for designated payment step
Target Rate	Payment amount per period
Rate Card	Payment amount per period

Type	Result
Solve for Financed Amount	Financed amount gross of adjustments
Solve for Subsidy	Total subsidy amount

Additional Services and Fees

You can add additional fees and services in the Pricing tab. These fees and services are not financed. The fees and services can also be updated or deleted. For more information about fees, see Fees.

Process Upfront Tax

You can view and process any applicable upfront tax. Click Calculate Tax to request a tax lookup. Results are grouped by asset. If you indicated that the tax should be financed, a new fee will be created for the tax amount and you must enter a payment for it. The stream type of the new fee will be derived from the stream type you identified in the lease opportunity details.

Enter Lease Sales Quote Financing Adjustments

Lease sales quotes have three types of financing cost adjustments: Subsidy, Trade In, and Down Payment. Before making a financing cost adjustment, you must have created at least one asset on the quote. A given asset can be associated to an adjustment only once. You can create only one Trade In or Down Payment adjustment line per quote.

The Adjustments tab page shows financing cost adjustment summaries. You can create, update, or delete adjustments on a quote as long as the quote status is not Pricing Approved or Pricing Complete. When you create an adjustment on a priced quote, the pricing results are deleted and the quote reverts back to an Incomplete status. You must reprice the quote for the new financing total.

Create a Subsidy Adjustment

In order to add subsidies to a quote, you must first set up subsidies in the Marketing tab. To create a Subsidy adjustment for a quote, select Subsidy as the Adjustment Type and click Go. On the Create Subsidy Adjustment page, you select the subsidy you want to apply from the list of values, then choose the assets to which the subsidy applies. Only assets meeting the subsidy's criteria will be available.

If you update a subsidy, all rows in the subsidized assets will be deleted. You need to reselect assets to ensure the assets match the new subsidy criteria. The Subsidy Amount is displayed as soon as the subsidy is selected for fixed and cost based subsidies. For rate-based subsidies, the Subsidy Amount is only displayed after pricing since the

amount is based on payments calculated.

You cannot apply the same subsidy to a given asset more than once.

Create a Trade In Adjustment

To create a Trade In adjustment, select Trade In as the Adjustment Type and click Go. On the Trade In Adjustment page, enter trade in details and select the assets to which the trade in applies. The trade in date is the associated line start date.

The Basis selected determines how the amount is determined. Following are the possible values for Basis.

- **Percentage of Asset Cost** - the amount entered is a percentage of the total asset cost. The value cannot exceed 100%.

- **Fixed** - the amount entered is the exact value of the trade-in adjustment. The amount cannot exceed the value of the total asset cost of the associated assets.

Click Quick Apply to associate all assets to the trade-in adjustment and distribute the amount based on asset cost. You can only create one trade-in adjustment per asset.

> **Note:** You cannot enter a trade in adjustment if the pricing method used is Solve for Trade In.

Create a Down Payment Adjustment

To create a Down Payment adjustment, select Down Payment as the Adjustment Type and click Go. On the Down Payment Adjustment page, enter down payment details and select assets to which the down payment applies. The Basis selected determines how the amount is determined. Following are the values for Basis.

- **Percentage of Asset Cost** - the amount entered is a percentage of the total asset cost. The value cannot exceed 100%.

- **Fixed** - the amount entered is the exact value of the adjustment. The amount cannot exceed the value of the total asset cost of the associated assets.

Click Quick Apply to associate all assets to the adjustment and distribute the amount based on asset cost. You can only create one down payment adjustment per asset.

The Amount field represents the per asset adjustment amount. The sum of this column must equal the overall down payment amount entered in the down payment details section.

> **Note:** You cannot enter a down payment adjustment if the pricing method used is Solve for Down Payment.

Update a Lease Sales Quote

Lease sales quote details can be updated if the quote is not accepted. If you update any items on the quote that effect the pricing, Lease Management provides you with a warning that your updates will result in the quote status reverting to Incomplete. Incomplete lease sales quotes must be approved before they can be accepted.

If the lease sales quote is used to submit a lease application for credit approval, the quote will be updated with the lease application number and status.

The Quote Number, Quote Template Number, and Expected Start Date fields cannot be updated.

Submit Lease Sales Quote for Approval

After a lease sales quote has been priced and the status is Complete, you submit the quote for pricing approval before it can be accepted. A configurable approval workflow is launched and enabled for the Oracle Approval Manager.

Approve Lease Sales Quote

Once a lease sales quote is submitted for Approval and the workflow is launched, the approver can approve the quote pricing. The status of the lease sales quote will be updated to Approved.

Approved lease sales quotes can still be updated. If they are updated, you will receive a warning that the quote status will revert to Incomplete. Incomplete quotes must be repriced before they can be approved.

Accept Lease Sales Quote

Once a lease sales quote is in Approved status, you can accept the quote. This indicates that the customer or prospect has accepted the quote. When a lease sales quote is in Accepted status, it cannot be updated.

To update an accepted quote, you must first Unaccept it. Select the Unaccept icon for the quote to revert to a status of Approved, then proceed with your update.

Converting an Estimate into a Lease Sales Quote

After you create a pricing estimate on a lease opportunity, using estimated values and inventory categories, you can follow the conversion process to turn the estimate into a standard lease sales quote. The process enables you to distribute estimated amounts over more specific asset and fee quote lines, or specify details for adjustments such as subsidies. You can create multiple quotes from the same estimate. All details entered for an estimate are defaulted to the lease sales quote.

After conversion, the lease sales quote will be displayed in the General tab. You can

update the lease sales quote, but it must be priced again and approved before it can be accepted.

To begin the conversion process, select the estimate to be converted in the Estimates tab of the Lease Opportunity Details page. The conversion process contains the following steps.

1. Enter Quote Details
2. Enter Configurations Details
3. Enter Adjustment Details
4. Enter Additional Fees and Services

Enter Quote Details

All data from your estimate will default into the new lease sales quote. Defaulted data can be updated. Enter new quote details and proceed to configuration.

Enter Configuration Details

For configuration, you can create one or more asset lines from each estimate category. Select an Inventory Item and enter an amount. You cannot enter asset details during the conversion process.

Enter Adjustment Details

If your estimate contains adjustments, you can specify adjustment details. Instructions for the three types of adjustments are as follows.

1. **Subsidy**- Select one or more subsidies and distribute the subsidy estimate amount over the selected subsidies. Associate the subsidies to any assets in the configuration. Once a subsidy is calculated, the both the calculated amount and the estimated amount will be displayed.
2. **Down Payment**- Associate assets to the down payment.
3. **Trade In**- Associate assets to the trade in.

Enter Additional Fees and Services

If your estimate contains additional fees and services, you can specify the fee and service details. The following table describes this process by fee and service type.

Additional Fees and Services Description

Type	Description
Expense	You can select stream types for the stream purpose Expense. You can select the fee types Expensed or Absorbed. The amount of the estimated fee defaults in and you can associate assets and a supplier to the fee.
Fees	You can select the fee types Miscellaneous or Income. The amount of the fee payment defaults in and can be associated to assets. You can select stream types with the stream purpose Fee Payment.
Insurance	You can convert the insurance estimate to the lease sales quote estimated insurance line.
Services	The payment defaults in as a service payment and you can select a stream type with the stream purpose of Service Payment. You can select service items associated with the service estimate. To associate any expense or supplier to the service, you must update the service details from the appropriate quote page after conversion.
Usage	You can select a stream type with the stream purpose Usage and convert the usage estimate to a usage line. Select the usage line to enter usage payment details.

7

Credit

Overview

You can manage credit exposure in Lease Management using two different methods: lease applications for obtaining approvals on individual transactions and credit lines for managing approvals across multiple transactions.

Lease applications are created and managed in Lease Management for the purpose of obtaining credit approval from Oracle Credit Management. A lease application contains both a lease sales quote and a credit application. Once a prospect has accepted a lease sales quote, you can convert the lease quote into a lease application and submit it for approval. You add customer credit data and pricing information before submitting the application for credit approval. You can also create a lease application without converting a lease sales quote.

A credit-approved lease application is used to create one lease contract. When you activate a contract created from a lease application, Lease Management uses associated Lease Management checklists to validate the terms and credit recommendations to insure the contract is booked and the deal funded within the limits of credit approval.

Once the credit decision is approved, the decision and any other recommendations are updated on the Lease Application and the submitter views the results. Applications with an Approved decision may be used to create lease contracts. Any recommendations that are conditions associated with the credit decision are updated on the associated Lease Management checklist and invoked during booking or funding of the contract to insure the conditions have been met. You can withdraw an application up to the point where the credit decision and recommendations are finally approved.

If you decide to extend credit through a credit line, the credit analyst may create and activate a Credit Line with an approved amount. The Credit Line may be associated to one or more contracts and checked for an available balance with each funding. Credit Lines may also have checklists. A checklist can be used for checking conditions prior to activating the Credit Line itself or associated with the Credit Line and used for each funding request tracked against it through a contract.

Setup

Before you use lease applications, you must complete the following set up tasks.

- Create and Manage Credit Checklists
- Create and Manage Lease Application Templates
- Associate Lease Application Templates to Vendor Programs (optional)
- All set ups required for quoting (except pricing tools)
- All set ups required for Credit Management credit application processing

Create and Manage Credit Checklists

You associate lease application templates to credit review checklists based on Credit Class and Review Type. Credit checklists are created in Oracle Credit Management. When you submit a lease application for approval to Credit Management, a credit application and credit folder are created. The Credit Management checklist determines the credit data required to evaluate a credit application, what score the credit values are assigned, and what recommendations are automatically assigned to the credit folder based on the score.

To create a credit checklist, see the *Oracle Credit Management User's Guide*.

Create and Manage Lease Application Templates

Each lease application is based on a lease application template. The lease application template provides a list of required datapoints, as determined by the credit checklist set up in Credit Management, and associates a booking and funding checklist template to the lease application. It also associates a contract template to the lease application that provides terms and conditions to be copied to a new contract when a credit approved lease application is converted into a deal.

You can attach eligibility criteria to a lease application template to restrict the use of the template based on your deal attributes.

Once you activate a lease application template, you cannot modify it without creating a new version, except to change the Effective To date.

The Lease Application Template process includes the following optional and mandatory steps:

- Create Lease Application Template
- Attach Eligibility Criteria to Lease Application Template

- Submit Lease Application Template for Validation, Approval, and Activation
- Version Lease Application Template
- Duplicate Lease Application Template
- Associate Lease Application Template to a Vendor Program

Create Lease Application Template

You create lease application templates in the Create Lease Application Templates page in the Sales tab.

The following table describes fields for creating a lease application template.

Lease Application Template Field Descriptions

Field	Description
Number	Mandatory field assigning a number to the lease application.
Name	Optional field for a short description of the lease application.
Effective From	An effective date is mandatory. Lease Management defaults to the current date, but you can change this.
Effective To	Must be after Effective From date.
Status	New, Active, or Under Revision for the overall template as assigned by Lease Management. Version statuses include New, Submitted for Approval, Active, Rejected
Credit Review Type	Select from a list of values based on review types you set up in Credit Management. You can also set up a default review type.

Field	Description
Credit Classification	Assigned to a customer in Oracle Trading Community Architecture (TCA). A list of values displays credit classification for a particular customer profile. You can set up a default value in Credit Management to be used for parties that have not yet been assigned a credit classification.
Industry	Optional field displaying a list of values from Oracle TCA.
Contract Template	Provides terms and conditions that copy onto a new deal when the approved lease application is converted into a lease contract.
Checklist Template	The checklist will provide all the validations that need to be performed when a contract associated with a lease application is booked or funded. There must be an overlap of at least one day between the effective days of the checklist and the effective days of the lease application template it is associated to.
Org Unit	Mandatory field that defaults from the user profile.

Attach Eligibility Criteria to Lease Application Template

Attaching eligibility criteria to a lease application template restricts the use of the template according to the values and conditions you define. The associated criteria are matched to the lease application data values for the applicable restricted criteria categories to determine if the template can be used for a particular lease application deal. Select the Eligibility Criteria tab in the Lease Application Template page and enter your eligibility restrictions. You can enter Eligibility Criteria Items, Criteria Effective Dates, and the Criteria Value or Value Range. The Criteria Category must be valid for Lease Applications in order to select it.

Submit Lease Application Template for Validation, Approval, and Activation

When you have entered all lease application template details, you can submit the lease application template for approval before it can be used to create new Lease Applications. Lease Management will run validations to ensure that the checklist template has as least one effective date overlap with the lease application template

effective dates. A failed lease application template will return a status of Invalid.

When a lease application template passes validation, a request is sent to the approver for approval of the template based on the approval hierarchy set up in Oracle Approval Manager (AME). Once everyone in the AME approval hierarchy approves the lease application template, it is activated by Lease Management and given a status of Active. A lease application template cannot become eligible for selection on a lease application or a vendor program agreement until it has an Active status. Modification of an associated contract template or checklist does not effect the status of a lease application template.

Version Lease Application Template

Once a lease application template is Active, you can't modify it, except to change the Effective Date, without creating a new version of the template. Lease Management validates that lease applications used with previous template versions are not in Active, Withdrawn, or Cancelled statuses. All fields from the previous version are copied and you can change the Valid To date, Contract Template, Industry, Lease Application Checklist, and Description fields in the new version. All other fields cannot be updated.

Duplicate Lease Application Template

You can create a new lease application template by copying an existing lease application template. All fields except the template Number will be copied to the new template. You can update all details on the duplicated template. Duplicated templates must be validated and approved before they become active and available for use with new Lease Applications.

Associate a Lease Application Template to a Vendor Program

You can associate a lease application template to a vendor program to restrict the use of the template to deals associated with the program. The following restrictions exist on associating a template to a vendor program:

- Only one lease application template with a unique combination of Lease Application Type, Credit Review Type, Credit Classification, and Industry is allowed on a vendor program for an association date.
- Only Active lease application templates can be associated to a vendor program.
- Only lease application templates that belong to an Org Unit of Vendor Program Agreement can be associated to a vendor program.

Lease Application Business Process

You can create a lease application without using a lease sales quote as the source. The following table outlines the lease application process.

Lease Application Business Process

Step	Description
Create a Prospect	Create prospects in TCA.
Create Lease Application Template	See Create Lease Application Template.
Create and Associate Credit Checklist	Credit Checklists are created in Credit Management.
Associate Prospect to Lease Application	
Associate Active Vendor Programs	
Select Valid Active Lease Application Template	
Enter Lease Application Deal Details	Details can include configuration data and financing adjustments information such as trade-ins, down payments, subsidies, and payment details
Enter Payments and Calculate Yields	Enter credit application details as required by the selected lease application template. After entering all details, calculate the yield.
Approve Lease Application Pricing	See Pricing.
Accept Pricing	See Pricing.
Validate Lease Application	
Submit for Pricing Approval	If you modify a lease application's pricing details, you must obtain pricing approval and customer acceptance again to complete the pricing process.
Accept Lease Application	Update prospect acceptance of the lease application.

Step	Description
Submit Completed Lease Application for Credit Evaluation	Credit can approve the lease application for the original offer and provide alternate approved offers. You can select an offer and copy the approved terms to a contract.
Convert Lease Application Into a Contract	Terms and conditions defined on the contract template associated to the lease application template flow to the new contract.
Book the Contract	See Book the Contract.
Fund the Contract	When you approve funding, Lease Management validates the funding request and generates a report to identify passed and failed conditions on the lease application so you can decide to approve or reject the funding request.

Create a Prospect

Prospects for a lease sales quote are created in Oracle Trading Community Architecture. To create a new prospect, see the *Oracle Trading Community Architecture User Guide*.

Create Lease Application

You can create a lease application to request credit approval for a specific deal. Deal details on a lease application can come from an existing accepted lease sales quote, or a new deal can be created within a lease application. If a lease application originates from an accepted lease sales quote, then the lease application details, configuration, and pricing will come from the lease sales quote. You can also create all lease application details without referring to a lease sales quote.

A lease application template must be associated to every lease application created. When you create a lease application, Lease Management matches the lease application and template details and lists eligible lease application templates for your selection. The lease application template is also associated to a contract template that provides terms and conditions which are copied to the contract when the approved lease application is converted into a deal.

Once you have entered lease application details, you must validate and price it. The pricing must be approved before you can mark it for acceptance. Once the lease application is accepted, you can submit the lease application for credit approval. You can also save lease applications that are in progress and update them before submission

for approval. When you submit a lease application to credit, Lease Management submits a credit request and a credit application and case folder are created in Credit Management. The credit and quote data you entered on the lease application is available in the Credit Management case folder based on the data points you define on the credit review checklist for making credit decision recommendations.

Once a lease application is approved by credit, it can be converted into a contract. When the contract is booked or funded, Lease Management validates the lease application details on the contract using Lease Management checklists.

To create a lease application, complete the following tasks.

- Enter Lease Application Details
- Create or Update Lease Application Quote
- Add Credit Information
- Validate Lease Application

Enter Lease Application Details

You can source a lease application from a lease sales quote, or create a lease application from scratch. If you source a lease sales quote, the lease sales quote details will default to the new lease application. You can update the defaulted sales quote information and enter additional details, but after updating the details, you must validate, price, approve and accept the new version.

You select a lease application template from a list of values which is based on the credit classification and industry of the prospect, the eligibility criteria associated to the template, and the vendor program on the lease application. Lease application templates uniquely identify a credit review checklist set up in Credit Management. The credit review checklist determines which credit data points on the lease application you must enter for the customer or the deal. The lease application template provides terms and conditions, along with a checklist, for funding and booking validations on the contract to be created from the approved lease application.

Enter lease application details in the Create Lease Application page. The following table describes lease application fields.

Lease Application Details

Field	Description
Source	Source of the lease application will be a sales quote or None.

Field	Description
Source ID	Lease quote number. If lease application is not created from a quote, this field is read only
Prospect	Defaulted from sales quote or selected in TCA if created without a sales quote.
Program Agreement	Optional field in which you can select only active vendor program agreements for which the lease application details meet the eligibility criteria on the program. Criteria based on configuration or payment plan factors are validated later. Program Agreement effective dates must contain the lease application expected start date.
Industry	Optional field that defaults from party record associated to prospect. You can enter or update this field. If the TCA party has multiple industry values, then the industry marked Primary will default in for the prospect.
Valid From	Current date defaults in; can be updated.
Valid To	The expiration date for credit approval. The credit analyst will provide this date when entering and approving recommendations for the lease application's credit folder in Credit Management.
Amount Requested	Calculated by Lease Management, this represents the total financed amount on the quote on the lease application. This amount is calculated from the total amount financed on the quote configuration. You can not override this amount.

Field	Description
Lease Application Template	You select a lease application template from a list of values based on Customer Credit Classification, Industry, Org Unit, and Vendor Program on the lease application. Only Active templates, with effective dates within lease application term will appear. This field cannot be updated after Lease Management creates the lease application.
Status	Displays the status of the lease application.
Credit Line	Displays active credit lines for the customer account. The credit analyst can use this information to evaluate the lease application. If the lease application is approved and converted into a contract, the credit line reference is copied over to the contract.
Currency and Conversion Factors	Currency defaults from functional currency for your org unit set of books. You can enter conversion factor details if the currency you entered is different than the functional currency.
Org Unit	Defaults from your user profile.
Prospect Address	Defaults from the quote or can be entered.
Master Lease Number	Displays list of values for all active Master Leases for the same prospect party where the Expected Contract Start Date is past the Effective From date on the Master Lease and before the Effective To date.
Pricing Details	Pricing on lease application must be accepted with the pricing valid dates associated withe the quote.
Tax Details	Defaults in from sales quote.
Configuration Details	Defaults in from sales quote.

Field	Description
Financing Adjustments	Defaults in from sales quote.
Payment Details	Defaults in from sales quote.
Credit Management Data Points	You can enter data points on the Credit Checklist associated to a lease application. The data points will appear in the Credit Management case folder after you submit it for approval.

Create or Update a Lease Application Quote

You can update lease application details that defaulted from the lease sales quote if you used a quote as the creation source. If you do not source a sales quote for your lease application, you can enter the standard deal details on the lease application. You can add effective and delivery dates, additional prospect information, configuration details, financing adjustments, and payment details.

Add Credit Information

You can enter credit information at any time in the lease application process before submitting the application to credit. Credit data fields in the lease application are rendered based on credit data points set up in the credit review checklist applicable to the lease application you used to create the lease application. In Credit Management, there can only be one applicable credit review checklist for a combination of Credit Review Type and Customer Credit Classification. The lease application template selected for a lease application determines the associated credit review checklist. When you save the credit data pages, the saved information will appear on the credit application in the case folder for the lease application in Credit Management after you submit the Lease Application for approval and the case folder is created. You can mark the credit data points as Mandatory or Optional on the credit review checklist. If you mark a data point as mandatory, it must be filled in on the Lease Application before you submit it for credit approval for your case folder to be created successfully.

For more information on the credit process, see *Oracle Credit Management User Guide.*

You can set up data points on the credit review checklist for the following categories and enter the data values on a lease application:

- Applicant and business backgrounds
- Financial data, such as Balance Sheet or Income Statement
- Funding sources, such as Venture funding data, Collateral data, and Guarantors

- Bank and trade references
- Additional data entered as data points on the credit checklist, such as license number, awards and certifications, reputation in industry, environment factors for the client's business, and other perceived risks. You can associate data points to a function that will extract a value for the data point when the lease application is submitted as a credit request to Credit Management and the case folder is created. For more details on setting up extended data points, see *Oracle Credit Management User Guide.*

Validate Lease Application from a Sales Quote

Once a lease sales quote for a lease opportunity has been accepted by a prospect, it can be used to create a lease application. You have the option of picking a lease sales quote as the source of a new lease application. When you select a sales quote as the source, the following rules apply:

- Only a lease sales quote not yet used to create a lease application can be used.
- Only one active lease application can be in process for a lease opportunity. A lease application is not considered in process if it has a status of Withdrawn or Credit Rejected.
- Only a lease sales quote with a status of Accepted is displayed. Only one lease sales quote can be accepted for a lease opportunity.
- The prospect on the lease sales quote must be the same as on the lease application.
- The Expected Start Date on the sales quote should be on or after the lease application Effective From date.

When the details of an accepted lease sales quote transfer to the lease application, the status of the lease application becomes Pricing Accepted. If any of the pricing details on the lease application are updated, then the lease application status will change to Incomplete since new pricing will be required to submit for credit approval.

Lease Application Pricing

Before submitting the lease application for credit approval, you must price it to determine the yields and interest rate. Once the application is priced, you submit it for pricing approval. After you submit a lease application for pricing approval, you will receive a decision on pricing from the authority hierarchy set up in Lease Management through Approval Manager. When the lease application is approved for pricing, you can accept it on behalf of your prospect. A lease application rejected for pricing approval will be updated a status of Pricing Declined.

If you make changes on the pricing of a lease application after pricing is approved, the application must be priced again, and have pricing approval and customer acceptance

before it can be submitted for credit approval.

After a lease application has been priced and approved, a summary of pricing details will appear on the summary page.

Submit Lease Application

After a lease application has been priced and accepted and the credit application has been completed, you can submit the lease application for credit evaluation. When a lease application is submitted, Lease Management initiates a credit request with Credit Management and the Credit Management workflow process begins. Credit Management creates a Case Folder and Credit Application for the lease application submitted. All of the data points you set up on the credit review checklist associated with the lease application template for your deal will be added to the case folder based on the entered value or the function assigned to the data point on the credit review checklist. If you set up automatic scoring and decision rules on the credit review checklist, the application will be scored and recommendations assigned. If the application cannot be scored or no automation rules are assigned, a credit analyst will be assigned to manually evaluate the application.

The application is approved when the credit analysts adds recommendations to the credit folder and those recommendations are approved by an authorized approval authority. Although Credit Management allows you to set up and create new recommendations, there are several recommendations seeded that apply specifically to credit folders for deals originated in Lease Management.

Update Lease Application

You can update a lease application before it is either Submitted to Credit, Withdrawn, or Cancelled. No updates can be made to a lease application in any of the following statuses: Submitted to Credit, Credit Approved, Credit Rejected, Withdrawn, Converted to Contract, or Cancelled.

Appeal Lease Application

If you do not like the credit decision, you can appeal a lease application. When a credit decision is made on the original lease application, the case folder will indicate whether an appeal can be made and what the expiration date is for the appeal. Both Approved and Rejected lease applications can be appealed. A new lease application linked to the original is created for appeal. You can select the credit recommendations on the original lease application that you would like to appeal. You can also update credit information on the new application before submitting it to credit for reevaluation. If the appealed lease application is approved, you can then convert either the original or the appealed lease application intto a contract. If the appeal is rejected, you can resubmit or appeal the lease application again.

Resubmit Lease Application

If conditions on a deal change, you can resubmit the lease application to provide new pricing and credit information. Both Rejected and Approved lease applications can be resubmitted. A new lease application linked to the original is created by Lease Management when you resubmit. You can change the pricing or credit-related information and submit it to credit. If your resubmit is approved, you can then convert either the original or the resubmitted lease application into a contract. If your resubmit is rejected, you can either book the original lease application or resubmit or appeal the lease application again.

Withdraw or Cancel Lease Application

You can withdraw a lease application that has not yet received a credit decision by selecting the lease application and submitting a withdrawal request. Lease Management sends the withdrawal notification to the credit analyst. When the credit analyst accepts the withdrawal notification, the lease application becomes Withdrawn. The withdrawal cannot be reversed. You can indicate the withdrawal reason and close the associated case folder.

You can also cancel a lease application that already has a credit decision by selecting Cancel from the Action menu for that lease application and clicking Go. A cancellation cannot be reversed. Canceled lease applications cannot be used to create new contracts.

Before a lease application can be cancelled, the contract must be cancelled. You cannot cancel lease applications with the following statuses: Submitted to Credit, Credit Rejected, Credit Approved, Converted to Contract, or Submitted for Pricing Approval.

Lease Management Credit Lines

Overview

Use credit lines to control your risk exposure when you want to extend credit to your customers for multiple transactions. You create a credit line without a Credit Management request by setting up and activating a credit line in Lease Management.

Lease Management allows you to set up and execute checklist items before you activate credit lines. The credit manager usually determines the items that are required to be included on a checklist. Items might represent such things as tasks or documents. You determine the items in the checklists and control who can update the lists, based on roles in the credit process.

Managers or analysts predefine credit line and funding request templates, then use these templates when approving conditional credit lines, or with standard credit and funding approval procedures.

Credit Lines

Credit lines are either standard or revolving. A revolving credit line enables a customer to replenish the balance each time payments are received, up to the preset limit, throughout the life of the credit line. Standard credit lines are drawn down with each related funding until the credit limit is reached or the line expires.

Lease Management also allows you to use warrants, stocks or stock options as collateral against an established line of credit.

The main topics in this section are:

- Create Credit Lines
- Create Credit Limit
- Add Warrants to a Credit Line

Create Credit Lines

Create A New Credit Line

To establish a credit line for a customer, you create a line of credit in Lease Management for the customer. You then establish the credit limit amount. You can revise credit limits up or down for a particular credit line throughout the life of the credit line.

If the credit line is revolving, when the lessee makes a principal payment for the associated revolving loan, the amount of available credit increases by the paydown amount. For example, if a lessee has a line of credit for a million dollars and has two loans worth $250,000 each against the line, the available line decreases to $500,000. If the lessee pays off $300,000 of the amount owed, the revolving credit line increases to $800,000. When the life of the revolving credit line expires, or when an agreed upon time is reached, the amount owed is fixed and converted into a loan, which lessee must pay back in full with interest.

Standard credit lines are not revolving. As leases and loans are funded against the credit line, it is drawn down until there is no credit available or the credit line expires.

Before creating a credit line, customers must be set up in Oracle Receivables.

To create a credit line, click Create Credit Line in the Credit Lines page of the Credit subtab in the Origination tab. Enter the Credit Line details and click Create. The following table describes Credit Line fields.

Credit Line Details

Field	Description
Number	Enter a unique credit line number.
Description	Optionally, describe the credit line.
Customer Name	Choose the customer to whom you are assigning a credit line from the list of values.
Customer Account	Account number of customer.
Effective From	Mandatory field for beginning date of credit line.
Effective To	Mandatory field for end of credit line. Credit lines cannot be open-ended.
Currency	Choose the currency for the credit line. You may select a different currency for the credit line. Any contract associated with the credit line will have the same currency as the credit line.
Currency Conversion Type	If your credit line currency is the same as the functional currency for your set of books, you can ignore the currency conversion fields. If the credit line currency is not the same as the default currency for your set of books, select the currency conversion type from the list of values.
Currency Conversion Rate	If you selected User for the currency conversion type, enter the rate.
Currency Conversion Date	If you selected other than User for the currency conversion type, enter the conversion date to enable Lease Management to determine the appropriate currency conversion rate for the type selected.
Revolving	Select this checkbox if the credit line is revolving.

Field	Description
Checklists	Optionally, associate checklists to the credit line.

Create Credit Limit

After you have entered a credit line for a customer, you must set the credit limit for the line. You can add or subtract amounts to the credit line at any point in its life cycle.

To create a credit limit, first select a credit line. In the Credit Line Details page of the Credit subtab in the Origination tab, click Credit Limit. Enter credit limit details. The following table describes Credit Limit fields.

Credit Limit Fields

Field	Description
Nature	Select Addition or Reduction. For a new line of credit, select New Limit. For existing credit lines, select Add Item to add to the credit amount or Reduce to reduce it.
Effective Date	For new credit limits, this date corresponds with the Effective From date of the credit line. This date is displayed in the page header.
Note	You can add a brief description of, or any important details for, the credit limit.
Amount	Enter the credit limit amount. Do not include commas.
Update	Click Update to establish the credit limit.

Add Warrants to Credit Line

You can attach a warrant, which represents stocks or stock options, to a credit line to use as collateral in securing the credit amount. The relevant information regarding the stock or stock option is recorded by Lease Management for future reference.

To attach a warrant, first select a credit line. Click Warrants in the Credit subtab menu of the Origination tab, click Credit. Enter warrant details. Click create to add the warrants to the credit line. The following table describes Warrants fields.

Warrants Fields

Field	Description
Fee Amount	If a fee is attached to the warrant, enter the fee amount.
Due Date	Date fee is due.
Type	Select Common or Preferred for the type of shares.
Number	Enter the number of shares of stock in the warrant.
Acquisition Date	Date the shares were acquired.
Expiration Date	Date the shares expire.
Strike Price	Enter the strike price of the stock options.
Initial Book Value Amount	Enter the total initial book value of the stock.
Initial Tax Value amount	Enter the total initial tax value of the stock.
Current Book Value Amount	Enter the current book value of the stock.
Current Tax Value Amount	Enter the total current tax value of the stock.

Using Credit Lines

Associate Checklists to a Credit Line

Lease Management allows you to set up and execute checklists to track activities and action items for the process leading up to activating credit lines and approving funding. You determine the items in the checklists and control who can update the checklists based on roles and responsibilities in the credit and funding process.

To create checklists for use with Lease Applications, see Create Credit Checklist.

Create Checklist Templates for Credit Lines

You create checklist templates so that you can use the same basic checklists many times. Depending on your profile options settings, you can modify checklists and approve credit line activation.

If you are the assigned Yes in the profile option OKL: Credit Approver, you can create or modify a checklist of required activities (for example, tasks, documents, and approvals) to be completed prior to activating a credit line or approving a funding request. Otherwise, you are only able to update the checked status of the items on the checklist.

You associate the credit line checklists to a credit line for actions to be completed prior to credit line activation. You can also associate a funding request checklist prior to activation of the credit line that will be used each time a funding request is submitted for a contract associated to the credit line.

Checklists are not part of the workflow that sends a credit request to Oracle Credit Management. You associate a credit line checklist to a credit line after the credit line has been entered in Lease Management, but before the credit line has become activated.

The scope of these checklists is limited to the credit line activation and funding approval process within Lease Management.

The main topics in this section are:

- Associate a Checklist Template to a Credit Line
- Mark Items as Mandatory or Recommended, and Activate Checklist
- Activate a Credit Line with Checklists

Associate a Checklist Template to a Credit Line

The credit line approver adds a credit line checklist or funding request checklist to the credit line during credit line creation. The purpose of the credit line checklist is to insure all required conditions are met before the credit line is activated. Only users with the profile option OKL: Credit Approver set to Yes can add or modify a checklist for a credit line. Other users may only update the checklist items as completed with a comment. When adding the checklists to the credit line, only the checklists from the checklist setups that are within the checklist setup effective dates may be selected.

The purpose of the funding request checklist template is to provide a checklist for each funding request submitted for the credit line. The template is copied each time a funding request is created for a contract associated to the credit line. The items on the checklist are conditions that must be met for the funding request to be approved. Only users with the profile option OKL: Funding Request Approver set to Yes can add, modify, and activate a checklist template for funding requests. Other users may only update the funding request checklist items as completed with a comment.

Before you can associate a checklist template to a credit line, the following tasks must be completed:

- Item codes for potential checklist action items have been entered in the Oracle Application Developer Lookup Object Library.
- The Profiles for the credit line Responsibility (Lease Super User, Operations

Manager, Credit Approver) must enable the user to assign credit line checklists and funding request checklists templates to the credit line.

- Checklist templates have been created on the Setup tab in Lease Management.
- You must already have created a credit line with the status of New or Entered (cannot be Activated).

To associate a checklist template to a credit line, first select a credit line. In the Checklists region of the Credit Line Details page you can select a Credit Line Checklist Template and a Funding Request Checklist Template from the list of values. You may select either or both types of checklist templates to associate with this particular credit line. Click Update to save your work.

Mark Items and Activate Checklist

The credit line approver navigates to the credit line checklist instance or funding request checklist template summary and updates the mandatory flag for any line items as required. Recommended items are the line items that are not marked as mandatory. The credit line approver activates the credit line checklist or funding request checklist. The checklist and/or funding request checklist template receive Active status.

The credit line cannot be activated if no credit limit is entered for the credit line, or if the status for the Credit Line Checklist and/or Funding Request Checklist is New; the checklist status must be Active, if the mandatory items are not completed on the checklist.

The credit line approver may navigate to a credit line checklist and remove or add mandatory flags as appropriate until the credit line is activated. After the credit line is active, the checklist can no longer be updated.

For the funding request checklist, the credit line approver may update the mandatory flags on the funding request checklist template at any time, even if the credit line is active (but not expired or terminated), or the funding request template is active or expired. When the funding request submitter creates a funding request, an instance of the funding request checklist template is created.

The checklists are now available for the credit analyst to check off items as completed.

Before a checklist can be activated, the following tasks must have been completed:

- A credit line must have been created with the checklists associated.
- The profile responsibility must be set up to enable checklist template creation.

You can mark items as mandatory on the checklist provided that the necessary Lease Management profile options are set to Yes for credit line approver and funding request approver. On the Credit Lines Checklist or Funding Request Checklist Template pages, select the Mandatory checkbox for each item that you want to be required. Leave the checkbox blank for items that are not required and they remain on the checklist as Recommended items.

Click Update to save your work and Activate to activate the checklist.

Activate a Credit Line with Checklists

To activate a credit line with checklists, select the credit line and click Activate.

After the credit line approver activates the credit line, an error message is given when any mandatory items on the credit line checklist are not checked off. The user must go back and make the necessary changes, such as completing all mandatory items, before the credit line is activated. If all mandatory items are checked off but recommended items are not, a warning message is given, the credit line activation process continues, and the credit line status changes to Active.

Part 4

Credit Application to Booking

8

Master Lease Agreements

Overview

You can establish some types of agreements prior to creating contracts.

If you choose to establish terms and conditions that apply to all contracts you enter into with a specific customer, you may create a master lease agreement.

Master Lease Agreements

As a lessor, you may enter into multiple leases or loans with the same customer. While these leases could have different start dates, involve different asset types, or have different lengths, they may share a number of terms and conditions or articles. In this case, creating a master lease agreement with the customer allows you to share certain agreed upon terms and conditions across lease contracts.

In other words, a master lease agreement allows you to set some terms and conditions at the customer level. You may also have multiple master lease agreements with the same customer. This is necessary if you have two or more standard lease contract options with the customer.

Within Oracle Lease Management, you must access an existing agreement or create a new one before you can access the Terms and Conditions and Articles links. These tasks require an agreement.

> **Note:** If you intend to attach articles to a contract you must set up a master lease agreement. Articles are associated only with a master lease agreement and cannot be added directly to a contract during authoring.

The main topics in this section are:

- Create Agreement

- Add Terms and Conditions
- Add Articles
- Activate the Agreement

Create Agreement

Initially, you must create an agreement with a customer and then add the appropriate terms and conditions and articles.

You can also edit existing agreements by first searching through existing agreements. Filters include Agreement Number, Customer Name, and Description. Choose the existing agreement you want to edit by clicking the desired hypertext agreement number from the results section.

Prerequisites

Customers must be set up in Oracle Receivables.

Responsibility

Lease Super User, Contract Administrator, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Master Lease Agreements subtab of the Origination tab:

1. To create a new agreement, click Create Agreement.

   The Create Agreement page appears.

2. Enter a unique alphanumeric agreement number.

3. In the customer name field, click the flashlight icon and choose from the list of values the customer that you want to create a master lease agreement with.

4. Choose the Source from which you which to create the agreement.

   The options are: New, Template, and Copy.

   If you choose New, you are creating a brand new agreement.

   If you choose Template or Copy, you must click the flashlight icon and select the Template or existing agreement that you want to use as a source from the list of values.

5. Click Create.

   The Agreement Details page appears. If you chose New, this page is blank. If you

choose either Template or Copy, the page is populated with some or all of the values that appear on the source you are using.

6. Optionally, you can enter a description of the agreement.

7. Enter the date the contract is (or was to be) signed.

8. Enter the Effective From and Effective To dates.

9. Default Functional Currency.

   The functional currency defined for your business unit is the default currency for the master lease agreement. This is the default currency for all lease contracts linked to the master lease agreement.

10. In the Lessor section, enter the Operating Unit responsible for this customer relationship.

    The user's assigned Operating Unit defaults in this field. You can select a different operating unit, if necessary, by clicking the flashlight icon and selecting it from the list of values.

    In the Other section, a Converted Number for the agreement may appear. If you had a master lease agreement in a different information system and converted it, the previous number appears. The Converted Account check box has check if the agreement was converted.

11. If you want to save this agreement as a template, select the Save as Template check box.

12. Click Update to create the agreement.

Guidelines

If you select the Save as Template check box, you can use the details of this contract for any subsequent contract you enter into with this customer. The contract header details and terms and conditions default onto the new contract if you choose Template as your Source. You can subsequently change any of these details to meet the specifications of the new deal. At the least, you need to change the dates for the term of the contract if they differ from those that appear on the template.

Add Terms and Conditions

After you have created a master lease agreement with a customer, you can add certain terms and conditions to that agreement. These terms and conditions are applicable on all contracts to which you attach this master lease agreement.

Prerequisites

You must create an agreement with a customer.

Responsibility

Lease Super User, Contract Administrator, Accounts Controller, Operations Manager

Steps

Typically, after you have created a new agreement, you add the terms and conditions by clicking the Terms and Conditions hypertext link after your agreement is confirmed.

Note: All Terms and Conditions fields are optional entries.

Perform the following steps in the Terms and Conditions page of the Master Lease Agreements subtab:

1. Under the Termination Purchase Options section, if applicable, choose the Mid Term Option from the list of values.
2. Enter the Mid Term Amount, if applicable, for the selected option.
3. Choose the End of Term Option from the list of values, if applicable.
4. Enter the End of Term Amount, if applicable, for the selected option.
5. Under the Renewal Options section, enter a numeric value for the Renewal notice days field.

   This is the number of days required by the customer to be notified of automatic renewals.
6. Choose a Renewal option from the list of values, if applicable.
7. Enter the Renewal amount if applicable for the selected option.
8. Under the Tax section, if you want the contracts linked to the agreement to be Subject to Basic Tax Withholding, select the check box.
9. Alternatively, in the Calculation Formula Name field, click the flashlight icon and choose the appropriate calculation formula, if applicable.
10. Under the Insurance section, select the Coverage by Blanket Insurance check box if the lessee has blanket insurance coverage for all referenced contracts.
11. Select the check box if the customer is insurable for all referenced contracts.

12. Select the check box if the customer is allowed to cancel insurance on any referenced contract.

13. Click Create to save your work.

Add Articles

In Oracle Lease Management, you can add articles to a master lease agreement that become part of any contract that uses the referenced master lease agreement.

A contract article is the text that describes and details the terms and conditions that are attached to a contract. These articles are referenced from a library of articles, which are pre-configured in the Oracle Contracts Core module. You cannot change the text of standard articles, but you can create custom articles and attach them to the master lease agreement.

You cannot add articles directly into a contract in Oracle Lease Management. If you want to attach articles to contracts, you must set up at least one master lease agreement.

If you have the appropriate responsibility, you can add or delete articles from existing master lease agreements. At the Agreement Articles page, all articles that are attached to the agreement appear in a table at the bottom of the page.

Prerequisites

Articles must be set up in Oracle Contracts Core.

Responsibility

Lease Super User, Contract Administrator, Accounts Controller, Operations Manager

Navigation

Origination > Master Lease Agreements > Articles

Steps

You must have an agreement number selected before you can navigate to the Articles hypertext link.

Perform the following steps in the Articles page of the Master Lease Agreements subtab:

1. To add an article to the agreement, click the Select Article button.

   A table listing the names and subjects of all the available articles appears at the bottom of the Articles page. You can enter criteria to narrow your search.

2. Select the check box to the left of each article you want to add to the agreement.

   To add articles not displayed on the page, navigate to the next set of articles by

clicking the Next 15 hypertext link.

3. Click the Reference button to save your work.

4. Repeat this process with each article you are attaching to the agreement.

5. To add comments to the article, click the hypertext-linked article name on the articles table.

Guidelines

The two filters for searching for articles are: Name and Subject.

Activate the Agreement

Once you have created a master lease agreement, whether you use a template or not, the contract will have a status of New. To change the status to Active, use the following procedure.

Prerequisites

Agreements must be set up.

Responsibility

Lease Super User, Contract Administrator, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Master Lease Agreements subtab:

1. At the Agreement Summary page, search for the agreement you want to activate.

   You can filter the search using agreement number, description, customer name, or status

2. In the results table, select the option button to the left of the agreement you want to activate.

3. Click the Activate button.

   You receive a confirmation message and the agreement status changes from New to Active.

9

Contract Authoring

This chapter covers the following topics:

- Contract Authoring Overview
- Create a Contract
- Create Financial Product Options
- Identify Parties on a Contract
- Set Terms and Conditions (T&Cs)
- Set Up Contract Lines
- Set Up Contract Payment Structure
- Create Interest Rate Details
- Set Up Insurance
- Additional Contract Data
- Book the Contract

Contract Authoring Overview

Contract authoring is the process by which a lessor enters the details of an agreed-upon deal with a lessee and creates a contract in Oracle Lease Management. During authoring, you create an inactive contract and then complete it by selecting or entering data, and adding financial asset and fee lines to the contract.

You can add service lines to a lease or loan contract, either by entering all the service details in Oracle Lease Management, or by linking the service line to an active service contract created in Oracle Service Contracts. When you link the Oracle Lease Management service line to a corresponding line in an existing service contract, then, during the billing stage, you can consolidate the lease and service invoices.

During the initial authoring of an inactive contract, you enter all the relevant details of the contract (customer information, financial product, vendor program, master lease

agreement, terms and conditions, asset lines, service lines, and so on), either by creating the contract from scratch, copying a lease quote, starting with a contract template, or by copying an existing contract.

After you have entered the contract details, you must validate the contract and then generate the financial streams. You may then generate draft journal entries for trial booking. You must then submit the contract for approval. Finally, you activate, or book, the contract.

Seeded Business Events

Often lease authoring events such as contract submissions and approvals may be separated by days or weeks, yet the subsequent steps in the business process must be completed in sequence. Business events are opportunities at each small step in the authoring process where you can program extensions to increase efficiency. Lease Management business events make it easy to connect to Oracle Workflow business events. You can then have various tasks completed automatically, such as contract submissions and status changes. And you can automatically notify colleagues when a contract is ready for its next step, and route the contract to the appropriate colleague. The business events reside in the background throughout the origination processes and are disabled by default. You can ignore them if you do not want to make use of them. You must enable each event if you want to use it. See Seeded Business Events For Lease Contract Authoring, *Oracle Lease Management Implementation Guide* for a list of the Lease Management business events.

Create a Contract

When you create a contract, there are several considerations. Two primary considerations are:

- Do you want to create the contract from scratch?
- Do you want to use information provided in another source?

If the contract is new, you enter all the relevant information. If it is derived from a source, you have existing contract information and details that you can edit during the authoring process.

When you create the contract, you enter information for the contract, customer, rental period, and other information that may impact the contract during its life cycle.

You must also choose a product for the contract. The product provides two important functions to a contract:

- The product links a contract to an accounting template set, which specifies all the accounting required for all the transactions associated with the contract
- The product contains classification qualities.

The classification qualities in the product determine the type of contract:

- Investor agreement
- Lease or loan contract, in which case the product contains lease book classification and tax ownership details

Prerequisites

In addition to the standard Oracle Lease Management setups, you must set up your customers.

You must define any program agreements and/or master lease agreements you want to reference.

You must set up all inventory items, install site addresses, billing addresses, usage-based billing counters, payment methods, vendors, guarantors and contract templates.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Contacts subtab of the Origination tab:

1. On the Contracts page, click the Create Contract button.

   The Create Contract page appears.

2. In the Contract Number field, enter an alphanumeric unique number for the contract. (Alternatively, if you have set up auto-numbering, then an automatically generated number populates the field.)

3. Select the Save as Template check box if you want to save the contract as a template for later replication.

4. In the Customer Name field, click the flashlight icon and select the customer party for the lease contract from the list of values.

   You can narrow the search by entering in all or part of the customer name. From the list of values, choose the Source for the contract.

   The options are: New, Copy, Template, Re-lease, Quote. If you are choosing any of the options other than New, enter a search string in the adjacent field and click the Search icon to search for the source you want to copy.

5. Click Create to save your work.

The Contract Details page appears, with the contract number visible in the contract header.

This page includes display-only fields, such as status, legal address, version number, book classification, and tax owner, that reflect information from other areas of Oracle Lease Management.

Contract Details

1. Enter a Contract Description.
2. If you are using a master lease agreement, then at the Master Lease Number field, click the flashlight icon and select one from the list of values.
3. Select the Re-leased Asset check box if the assets originate from current off-lease inventory.

Customer

1. In the Customer section, enter or alter the Customer Name.
2. At the Customer Account field, click the flashlight icon and choose the customer's Oracle Receivables account number from the list of values.
3. Enter the customer's purchase order number.
4. At the Acceptance Method field, choose the method the your customer uses to accept the leased equipment.

Rental Period

1. In the Rental Period section, in the Term field, enter a numeric value, in terms of whole months, for the length of the contract term.
2. Enter the date when you expect the equipment delivery at the customer's designated site.
3. In the Acceptance Date field, enter the date the customer accepted the equipment.
4. Enter the effective Start Date when the contract term begins.
5. In the Re-Book Limit Date field, enter the date before which you do not accept any contract revisions.

Contract

1. In the Contract section, in the mandatory Product field, select the financial product you want to attach to the product from the list of values.

   Financial products are created during Oracle Lease Management setup, and they contain the accounting options and qualities relevant to that product. For more

information on financial products, see the *Oracle Lease Management Implementation Guide*.

2. Enter the date on which the contract was signed.

   Currency

   If you are creating the contract from a quote, then the Currency field and the currency conversion fields inherit their default values from the corresponding fields in the quote. In this case, do not alter the Currency field.

   - If you want to alter at least one of the currency conversion fields, continue at the description of the **Currency Conversion Type** field.

   - If you do not want to alter any of the currency conversion fields, continue at **Vendor Program**.

   If you are creating the contract from a template or another contract, then the Currency field and the currency conversion fields inherit their default values from the corresponding fields in the template or copy-from contract, otherwise the default functional currency for the set of books appears in the Currency field.

   You may select a different currency for your contract.

   If your contract currency is the same as the default functional currency for your set of books, you can ignore the currency conversion fields. In this case, continue at **Vendor Program**.

3. If your contract currency is not the same as the default functional currency for your set of books, click in the **Currency Conversion Type** field, and select the currency conversion type from the list of values.

4. If you selected User for the Currency Conversion Type, enter the rate in the Currency Conversion Rate field.

   If you selected a value other then User for the Currency Conversion Type, enter the Currency Conversion Date to enable Oracle Lease Management to determine the appropriate currency conversion rate for the currency conversion type you selected.

   Vendor Program

5. If the contract is associated with a vendor program, then in the Program field, select the vendor program agreement number that applies to the contract.

   Note: The Book Classification and Tax Owner fields are read-only. These are both derived from the product associated with the contract. To alter either or both of these fields, select a different product, one that has the necessary qualities and quality values. See Define Financial Products, *Oracle Lease Management Implementation*

Guide.

6. In the Credit Line field, click the flashlight icon and choose the credit line for the contract from the list of values.

   Note: The credit line must have the same currency as the value in the contract's Currency field.

   During funding, the credit line tracks the customer's credit limit. You must set up credit lines in advance.

Lessor

1. In the Lessor section, from the list of values, select the Sales Representative for the lessor who receives credit for originating the contract.

   The operating unit and set of books of the lessor appear. This information derives from the user's logon profile.

Investor

1. In the Investor section, a check box is displayed next to the Assignable field before booking the contract. If you select the Assignable field check box, the contract streams are available for addition to the pool and Yes appears in the Assignable field after the contracted is booked.

   If you do not select the Assignable field check box, contract streams cannot be added to the pool and No appears in the Assignable field after the contracted is booked.

2. In the Investor section, the Pool Assigned field is read-only with a value of Yes or No. Yes, which is hyperlinked, indicates that contracts streams, Rent or Residual, have been added to the pool. Clicking the hyperlinked Yes takes you to the Investor Details page. Read-only No indicates that no contracts streams have been added to the pool.

   The Investor Details page displays pool and investor agreement details, which includes the investment agreement status and type for each stream type subclass.

Other

1. In the Other section in the Transfer Date field, enter the date the contract was transferred to a new customer, if applicable.

   Note: If the contract: was Split from another Contract, Replaces a Contract, has an attached Converted/Legacy Number, or was created from an Origination Quote, that information appears in one

of the read-only fields below the Transfer Date field.

2. Select the check box if the contract is secured by a Private Activity Bond.

3. Select the Consumer Credit Act Deal check box if the contract is subject to the US Consumer Credit Act.

   Note: If the contact was part of the lessor's legacy conversion, the Converted Account check box automatically includes a checkmark.

4. Select the Eligible for Pre-Funding check box if the vendors for the contract are eligible to be pre-funded.

5. Select the Non-Notification check box to contact the vendor instead of the customer in case of delinquency.

6. Select the Capitalize Interim Interest check box if the contract is subject to capitalization of any interim interest (the period between funding dates and contract start date.)

   Note: If Capitalize Interim Interest is left unchecked, interim interest is billed to the customer periodically.

7. Click the Create button to save your work.

Guidelines

If the contract has not been booked or submitted for approval, you can edit the information on the contract by searching for the contract, and clicking the contract number hypertext link, which opens the Contract Details page. Make your changes and click the Update button.

Tip: You can narrow your search by entering a partial string of the contract number you are searching for and then clicking the flashlight icon. You can further narrow your search by clicking the Advanced Search button and entering more detailed criteria about the contract, such as category, status, or effective from and to dates.

Create Financial Product Options

When you select a financial product during authoring, it may have a set of options attached to it. These options, and their related values, reference terms and conditions

that impact the contract.

Some of these values are pre-set during implementation and the creation of financial products, and cannot be changed. For the options that you can change, set the values as described in the following procedures. After you have set all options with associated values, those values become default values in the terms and conditions of the contract.

For example, if you have a financial product that requires evergreen eligibility, when you choose this financial product, the evergreen eligibility check box is already checked in the terms and conditions section of contract authoring.

Prerequisites

Financial products with options and values must be set up in Oracle Lease Management.

You must have created a contract.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Contracts subtab of the Origination tab:

1. Click the Product link.

   The Product Options summary page appears. If any option/value combinations have been added to the contract, they appear in the table at the bottom of the page. This table includes option, option description, value, and value description.

2. Click the Add Product Options button.

   The Product page appears. This is where you select an option and an associated option value from the product for the contract.

   For more information about setting up options and option values for financial products, see the section Define Financial Products in the *Oracle Lease Management Implementation Guide*.

3. In the Option field, click the flashlight icon and choose the option name you want to set values for.

   All options that are associated with the product that you selected for the contract appear in the list of values. After selection, the option name appears in the field.

4. In the Option Value field, click the flashlight icon and from the list of values, choose

the value you want to assign to the option you chose in step 2.

The list of values is restricted to those values that are associated during setup with the option you selected in step 2.

5. Click the Update button to save your work.

Guidelines

The option values you select during Product configuration impact the Terms and Conditions of the contract. These values determine the default values of certain terms and conditions.

Identify Parties on a Contract

In a lease arrangement, at a minimum there are two seeded parties: the lessor and the lessee.

You can create additional parties and assign them roles, such as Vendor, Guarantor, and Label Holder (Private Label).

With each of these roles, you must provide some information specific to the role.

A vendor is usually the party that sells the lessor the equipment that is going on lease. You must associate vendors to the contract before you can disburse funds to the vendor.

A guarantor is a party that guarantees that payments will be made on behalf of the lessee to meet contractual commitments. You may require a guarantor when a lessee's creditworthiness is not sufficient. A deal can have multiple guarantors.

The private label holder is the brand name the lessor uses when acting on behalf of a program vendor. The lessor maintains the investment on the lease, but uses the name and likeness of the label holder when dealing with lessees and other customers.

The Parties page, which appears when you click the Parties menu, displays all the parties already associated with the contract. For a new contract, only the lessor and lessee roles and associated names appear in the table at the bottom of the page.

Use Oracle Contracts to set up Party Roles. You can set up new, user-defined party roles that are sourced from the following party repositories:

- Oracle Purchase Order Vendors
- Oracle Trading Community Architecture (TCA)
- Oracle Human Resource Organizations

The available party names and details are sourced based on the party repository defined for that party role. See the *Oracle Lease Management Implementation Guide.*

Prerequisites

You must have authored, or be in the process of authoring, a contract.

You must have set up parties (Label Holder and Vendors in Oracle Payables; Guarantor in Oracle Receivables, and Party Roles in Oracle Contracts).

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Contracts subtab of the Origination tab:

1. To add a party to the contract, at the Parties page, click the Create Party button.

   The Create Party page appears.

   On the Create Party page, you can select what type of party you want to create by selecting the role from the list of values at the Roles field.

   The subsequent page that appears depends upon the role you choose.

Step 1 Create Role of Guarantor

1. From the Create Party page, select Guarantor from the Roles field list of values and click Create.

   The Party Details page for Guarantor role appears. The Role field displays Guarantor.

2. In the Name field, click the flashlight icon and choose the guarantor party from the list of values.

   You can choose any customer account in Oracle Receivables belonging to your organization.

3. Choose the Guarantor Type from the list of values.

   The possible options are: Primary and Secondary.

4. In the Correspondence Site field, choose the address to which any credit related correspondence is sent to the guarantor.

   This value is the Party Site number. Some guarantors have multiple addresses to choose from.

5. In the Guarantee Type field, choose whether the guarantee is for the Full Amount

or Partial Amount guarantee.

6. If the guarantee is partial, in the Guaranteed Amount field, enter a numeric value for the amount of the partial guarantee.

7. In the Guarantee Date field, enter the date you received the guarantee.

8. Enter some brief Comments relating to this guarantor.

9. Click Create to save your work.

> **Note:** If you have a primary and a secondary guarantor, repeat steps 1–9 for each.

Step 2 Create Role of Lease Vendor

1. On the Create Party page, select Lease Vendor from the Roles field list of values and click Create.

   The Party Details page for Lease Vendor role appears. The Role field displays Lease Vendor.

2. At the Name field, click the flashlight icon and choose the Vendor name from the list of values.

   You can choose any vendor from Oracle Payables belonging to your organizational unit.

3. Click Create to save your work.

When a vendor program agreement is associated to a lease contract, the lease vendor from the vendor program is automatically defaulted as Lease Vendor on the lease contract.

For the billing details for a vendor, select the customer account and billing details to be used if the related vendor/supplier has to be issued an invoice. Vendors are sometimes issued invoices for purposes of recourse or repurchase, or for other reasons. However, the vendor is not billed on behalf of the customer for regular lease or loan payment billing based on this set up.

Step 3 Create Role of Label Holder

1. On the Create Party page, select Label Holder from the Roles field list of values and click Create.

   The Party Details page for Label Holder role appears. The Role field displays Label Holder.

2. At the Name field, click the flashlight icon and choose the Label Holder name from the list of values.

You can choose any label holder from Oracle Payables belonging to your organizational unit.

3. At the Logo URL field, enter the URL of the private label logo site.

   You can specify the host URL that directs you to the Web site containing a logo of the label holder.

4. Click Create to save your work.

Set Terms and Conditions (T&Cs)

After you have created a contract and entered all the basic information, you must add the terms and conditions that may apply to the lessor or the lessee during the life of the contract.

Terms and conditions are the financial and legal arrangements agreed to in the lease contract. In Oracle Lease Management, some of the terms and conditions are determined when you select the financial product with which you are associating the contract. When you set up the product, you choose values, some of which translate to fields in the terms and conditions section.

You can also pre-set terms and conditions through a reference to a vendor program.

When you click the Terms and Conditions menu, the Terms and Conditions Summary page appears. This page contains basic information about the contract you selected, including contract number, status of the contract, a brief description of the contract (if any), the associated financial product, the customer name, the Private Label number (if applicable), and whether the contract can be assigned for investor agreements.

> **Note:** This standard heading appears on all contract authoring pages. You can return to the contract details page by clicking the contract number hypertext link.

Below the basic information on the Terms and Conditions Summary page, the Additional Information table displays hypertext links to the various areas within Terms and Conditions (T&Cs) where you can add information. The topics in this section explore each of these terms and conditions.

The main tasks under this section are:

- Set Up Billing T&Cs
- Set Up Late Charges and Interest T&Cs
- Set Up Renewal Options T&Cs
- Set Up Interest Rate T&Cs

- Set Up Security Deposit, Factoring, and Evergreen T&Cs
- Set Up Residual Value Insurance T&Cs
- Set Up Filing Options T&Cs
- Set Up Asset Return, Repurchase Process T&Cs
- Set Up Purchase Options T&Cs
- Set Up Termination Quote Process T&Cs
- Set Up Early Termination Quote Calculation T&Cs
- Set Up End-of-Term Termination Quote Calculation T&Cs
- Set Up Contract Portfolio T&Cs for Asset Tracking (Optional)
- Verify Vendor Programs Terms and Conditions Sets (Optional)

Set Up Billing T and Cs

In order to properly invoice a customer, you must enter where to send invoices, what method the customer uses to make payments, and whether invoices need a manual review by an agent, for example.

Prerequisites

Set up a contract.

Set up billing addresses, payment methods, and invoice formats.

You must have retrieved or be in the process of creating a contract.

Steps

Perform the following steps in the Contracts subtab of the Origination tab:

1. Click the Billing Setup hypertext link to show the Terms and Conditions Billing Setup page.
2. In the Bill To Address field, click the flashlight icon, and from the list of values choose the customer billing site from Oracle Receivables where invoices are sent.
3. In the Payment Method field, click the flashlight icon and from the list of values choose the method (from the customer's Oracle Receivables account site) that the customer uses to make payments.
4. In the Bank Account field, from the list of values choose the customer's bank

account number in Oracle Receivables, if needed for the payment method.

Oracle Receivables stores bank account numbers along with other customer information.

5. In the Cash Application Rules field, select the cash application rule that you want to be applied for this contract.

   If you leave this field blank, the default cash application rule will apply for this contract.

   See Define Cash Application Rules, *Oracle Lease Management Implementation Guide* .

6. In the Invoice Format field, choose the invoice format group from the list of values.

   The invoice group you select determines what appears on the customer's invoices, what billing types are included, whether certain billing types are combined, and whether each leased asset should appear on a separate line, for example.

7. Define Print Lead Days. The print lead days value defined on the contract is used for stream-based and variable rate bill generation.

8. Select the Review Invoice check box to sort the customer's invoices during printing preparation for a manual review, and not to directly mail the invoices.

9. In the Reason for Review field, enter the reason for the manual review, if applicable.

10. Enter the date the manual invoice review ends in the Review Until Date field.

11. Click Update to save your work.

Set Up Late Charges and Interest T&Cs

You must set the policies governing late charges and late interest, in the event that either of these issues arise during the life of the contract.

Prerequisites

Set up a contract.

Set up late polices.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Terms and Conditions page of the Contracts subtab:

1. Click the Late Charges and Interest hypertext link to show the Terms and Conditions Late Charges and Interest page.

2. Under the Late Charges section, in the Held Until field, enter the date on which you want to begin applying late charges in the event of late payments.

3. Select the Late Charge Exempt check box if you are not charging the customer late fees for this contract.

4. At the Late Charge Policies field, choose the late fee policy that applies to this contract from the list of values.

   You can set up late charge policies to include a variety of information, such as whether the charge is a flat fee or a percentage, the grace period, and the minimum and maximum amounts assessed as a late charge. This policy also sets a minimum balance, which if the amount due is less than, no late charge is assessed.

   See Create Late Polices, *Oracle Lease Management Implementation Guide*.

5. Under the Late Interest section, in the Held Until field, enter the date on which late interest begins being applied to the contract, in the event of late payments.

6. In the Late Interest field, choose the late interest policy that applies to this contract from the list of values.

   You can set up late interest policies to include the maximum and minimum amounts of late interest to charge to the contract, whether the interest rate is fixed or variable, the grace period, and the minimum balance, beneath which no late interest is charged.

7. Select the Late Interest Exempt check box if you are not charging the customer late interest for this contract.

8. Click the Update button to save your work.

Set Up Renewal Options T&Cs

Renewal options apply when the contract is at or near end-of-term. You can specify renewal options at the time of authoring. You may have defined renewal options, or the contract may specify them.

Prerequisites

Set up a contract.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Terms and Conditions page of the Contracts subtab:

1. Click the Renewal Options hypertext link to show the Terms and Conditions Renewal Options page.
2. In the Renewal Notice Days field, enter the number of days before the end of the term that you want to notify the customer of the renewal option for this contract.
3. In the Renewal Options field, choose the renewal option for this contract from the list of values.

   The possible values are: None, Fair Rental Value, Fixed Rental Period, and Month to Month.
4. In the Renewal Amount field, enter the amount of the renewal option, if required for the selected renewal option method.
5. Click the Update button to save your work.

Set Up Security Deposit, Factoring, and Evergreen T&Cs

If the contract specifies them, you can enter values that govern security deposit, factoring, and evergreen options and settings.

Prerequisites

Set up a contract.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Terms and Conditions page of the Contracts subtab:

1. Click the Security Deposit, Factoring, and Evergreen hypertext link to show the

Terms and Conditions Interest Rates page.

2. In the Security Deposit section, select the Held Until Maturity check box to hold the security deposit until the maturity date of the contract.

3. Select the Net Proceeds From check box if you can net the security deposit refund from the termination proceeds required in a contract buyout.

4. If the security deposit is held only until a specific date, enter the date until which you must hold the security deposit.

5. To factor the revenue streams (such as a split between two entities), enter the percentage amount to factor streams for this contract in the Percentage field.

6. In the Discount Rate field, enter the discount rate to factor streams.

7. In the Evergreen Status section, select the Eligible check box if the contract is eligible for evergreen rents.

8. Click the Update button to save your work.

Set Up Residual Value Insurance T&Cs

If the residual value of the lease is insured, you can enter the details. If you want to automatically calculate the insured residual, you can select the option and enter the rate for the premium. The pricing engine:

- Determines the minimum amount that you must insure to classify the lease as direct finance lease.

- Calculates the fee premium for the insurance.

Prerequisites

Set up a contract.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Terms and Conditions page of the Contracts subtab:

1. Click the Residual Value Insurance hypertext link to show the Terms and

Conditions Residual Value Insurance page.

2. Select the check box if the pricing engine automatically calculates the residual value insurance amount and premium.

3. In the Residual Value Insurance Rate field, enter the rate to calculate the premium.

4. Click the Update button to save these selections in the contract.

Set Up Filing Options T&Cs

If you plan to file a lien on the contract or hold a title and/or registration, you can enter that information at this time. Any lien or title information entered here applies to the entire contract. You also can set up filing options at the asset level.

See Choose Asset Filing Options Properties under Set Up Asset Lines, *Oracle Lease Management User's Guide*.

Prerequisites

Set up a contract.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

The contract information appears above the Liens and Title and Registrations sections of the Terms and Conditions page of the Contracts subtab.

Step 1 File Liens

1. Choose the Lien Type for the filing from the list of values.

2. Enter the filing number of the lien.

3. Enter the filing date of the lien.

4. Select the Status of this lien from the list of values.

   Options include: if the lien is sent, if the lien is under review, and if the lien was rejected.

5. In the Lien Holder field, click the flashlight icon and choose the party holding the lien from the list of values, if the party is not the lessor.

6. Enter the Jurisdiction in which the lien was filed.
7. Enter the sub-jurisdiction in which the lien was filed.
8. Enter the Expiration Date of the lien filing.
9. Enter the Continuation Number of the lien extension, if applicable.
10. Enter the date on which the lien extension expires.

Step 2 File Title and Registrations

1. Choose the type of title or registration held for this contract.
2. Enter the name of the organization issuing the title or registration.
3. Enter the date of the title.
4. Enter the title number.
5. Enter the registration number.
6. Enter the date the registration expires.
7. Select the location in which this contract is registered.
8. In the Title Custodian field, choose the party having physical custody of the title from the list of values.
9. In the Payee Site field, enter the remit to address of the title custodian.
10. In the Registration Location field, enter the location of the contact registration.
11. Enter the date the registration expires.
12. Click Update to save your work.

Set Up Asset Return, Repurchase Process T&Cs

When the lessee returns an asset, you must define the asset minimum acceptable price, which you negotiate with the lessee, and you also must set up the terms of any asset repurchase agreement you have with the vendor or other third party.

In the event that you agree to a repurchase quote option with a third party, you must consider the quote calculation the sale price of the asset, any discounts you may apply to the quote, and the applicable quote fee, if any. You can set these three elements individually using a fixed amount or a formula to determine the amounts.

You also determine whether to prorate the calculation.

Throughout the quote setup process, if a section is applicable, you must choose whether the quote should use a fixed value or a formula to determine the amount.

Prerequisites

Set up a contract.

You must have retrieved or be in the process of creating a contract.

Define formulas, if you are using them in these terms and conditions.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Terms and Conditions page of the Contracts subtab:

1. Click the Asset Return, Repurchase Process hypertext link to show the Terms and Conditions Asset Return, Repurchase Process page.

2. In the Asset Return section, in the Floor Price Formula field, click the flashlight icon and select from the list of values the formula that calculates the targeted minimum price acceptable for a returned asset, if any.

3. In the Remarket Sale Price Formula field, click the flashlight icon and select from the list of values the formula that calculates the sale price at which you want to remarket a returned asset.

4. Under the Repurchase Quote Calculation section, select the check box for Repurchase Agreement to allow a repurchase option for the vendor or another third party.

5. If you plan to use a Repurchase Quote Formula, click the flashlight icon and select the formula from the list of values.

   This formula must be based upon the options you choose for sales price, discount, and quote fees.

6. Choose the Sales Price Option from the list of values, if applicable.

7. If the Sales Price Option is a fixed amount, enter that amount in the Sale Price Amount field.

8. Alternatively, if you are using a formula, click the flashlight icon and select the Sale Price Formula from the list of values.

9. In the Sale Price Prorate field, choose whether to prorate, not prorate, or calculate

and prorate at the line level.

If you choose Line Calculation, then the formula is run against each of the individual contract lines and there is no proration. Otherwise it is run against the contract and prorated.

10. Choose the Discount Rate Option (Use Fixed Amount, Use Formula), if applicable.

11. If the Discount Rate Amount is fixed, enter the amount.

12. If you are using a Discount Rate Formula, click the flashlight icon and choose the formula from the list of values.

13. Choose the Discount Rate Prorate option: Line Calculation, Prorate, Do Not Prorate.

14. Choose the Quote Fee Option, if applicable.

15. If you selected a fixed amount for the Quote Fee option, enter the amount in the Quote Fee Amount field.

16. If you selected a formula to figure the Quote Fee Option, in the Quote Fee Formula field, click the flashlight icon and choose the formula you want to use from the list of values.

17. Choose the Quote Fee Prorate option: Line Calculation, Prorate, Do Not Prorate.

18. Click Update to save your work.

Set Up Purchase Options T&Cs

For all contracts you must determine the parameters of the purchase options, even if there is no option. You determine the driving factors separately for an early termination purchase option and the end-of-term purchase option.

In the case of early termination purchase option, you may not offer this option on all contracts. In this case, you select Not Applicable in all the required fields.

The end-of-term purchase option impacts the pricing of the deal and affects the classification of the deal. For example, in the United States of America, if the Purchase Option Type for a particular deal is a $1 Buyout, the deal is classified as a direct finance loan, or conditional sale. If, on the other hand, the purchase option type is Fair Market Value, the deal is classified as an operating lease.

During this process, you also determine whether to prorate the calculation, whereby the terms use proportional calculations to settle the contract.

Throughout the purchase option setup process, if a section is applicable, you must choose whether the quote uses a fixed value or a formula to determine the amount.

Prerequisites

Set up a contract.

Define formulas, if you are using them in these terms and conditions.

You must have retrieved or be in the process of creating a contract.

Set up the stream type purpose named Quote Purchase Amount. For information on the Quote Purchase Amount stream type, see Stream Purposes, *Oracle Lease Management Implementation Guide*.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Click the Purchase Options hypertext link to show the Terms and Conditions Purchase Options page.

This page includes sections on Early Termination Purchase Option, and End of Term Purchase Option.

Step 1 Early Termination Purchase Option

1. In the Purchase Option field, choose whether the purchase option should be a fixed amount, or determined by a formula, if applicable.

   If no early termination purchase option is allowed, accept the default value of Not Applicable.

2. In the Purchase Option Type field, choose the purchase option.

   Possible values include: $1 Buyout, Bargain Purchase Option, Fair Market Value, Fixed Purchase Option, and No Purchase Option.

3. If the Purchase Option requires a fixed amount, enter the amount in the Purchase Option Amount field.

4. If the Purchase Option requires a formula, in the Purchase Option Formula field, click the flashlight icon and select the formula from the list of values.

5. Choose the Purchase Option Prorate setting you want to use.

   Available options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

6. If applicable, choose the Purchase Option Maximum Option, either a fixed amount or a formula.

If you set a purchase option maximum, the purchase option price cannot exceed this set price.

7. If you are using a fixed maximum amount, enter the amount in the Purchase Option Maximum Amount field.

8. If you are using a formula, at the Purchase Option Maximum Formula field, click the flashlight icon and choose the formula from the list of values.

9. If applicable, choose the Purchase Option Minimum Option, either a fixed amount or a formula.

   If you set a purchase option minimum, the purchase option price cannot fall below this set price.

10. If you are using a fixed minimum amount, enter the amount in the Purchase Option Minimum Amount field.

11. If you are using a formula, at the Purchase Option Minimum Formula field, click the flashlight icon and choose the formula from the list of values.

> **Note:** Maximum and Minimum amounts do not apply if the Purchase Option Type is $1 Buyout or No Purchase Option.

Step 2 End Of Term Purchase Option

1. In the Purchase Option field, choose whether the end-of-term purchase option is a fixed amount or determined by a formula, if applicable.

   If an end-of-term purchase option is not allowed, select Not Applicable and then select No Purchase Option in the following step.

2. In the Purchase Option Type field, choose the purchase option.

   Possible values include: $1 Buyout, Fair Market Value, Fixed Purchase Option, and None.

   $1 Buyout is a fixed purchase option valued at $1. A Fixed Purchase Option is a pre-defined fixed price that is agreed to by the lessor/lessee while writing a contract.

> **Note:** If you select $1 Buyout or Fixed Purchase Option, you must select the Automatically Process the Fixed Purchase Option check box in Step 12, page 9-24.

3. If the Purchase Option requires a fixed amount, enter the amount in the Purchase Option Amount field.

4. If the Purchase Option requires a formula, in the Purchase Option Formula field, select a formula from the list of values.

5. Choose the Purchase Option Prorate setting you want to use.

   Available options are: Prorate or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

6. If applicable, choose the Purchase Option Maximum Option by selecting a fixed amount or a formula.

7. If you are using a fixed maximum amount, enter the amount in the Purchase Option Maximum Amount field.

   If you set a purchase option maximum amount, the purchase option price cannot exceed this amount.

8. If you are using a formula, in the Purchase Option Maximum Formula field, select a formula from the list of values.

9. If applicable, choose the Purchase Option Minimum Option by selecting a fixed amount or a formula.

10. If you are using a fixed minimum amount, enter the amount in the Purchase Option Minimum Amount field.

    If you set a purchase option minimum amount, the purchase option price cannot fall below this set price.

11. If you are using a formula, in the Purchase Option Minimum Formula field, select a formula from the list of values.

    Note: Maximum and Minimum amounts do not apply if the Purchase Option Type is $1 Buyout or None.

12. Optionally, select the Automatically Process the Fixed Purchase Option check box.

    Note: If you select the Automatically Process the Fixed Purchase Option check box, you must have selected $1 Buyout or Fixed Purchase Option in Step 2, page 9-23. Additionally, you must not select the Evergreen Eligible check box while authoring the contract in the Create Service page, Create Fee page, or Terms and Conditions page.

    If you select the Automatically Process the Fixed Purchase Option check box, an invoice is automatically generated for the purchase option amount at the end of the

life of the contract, and the sale of the asset to the lessee is processed. Whether you select the Automatically Process the Fixed Purchase Option check box is dependent on whether you intend to automatically process the purchase option selected by the lessee in Step 2, page 9-23.

If the Automatically Process the Fixed Purchase Option check box is not selected, the asset is returned to the lessor.

13. To save your work, click Update.

Set Up Termination Quote Process T&Cs

You specify parameters that determine which types of termination and termination quotes are allowed for the contract.

Manual termination quote processes are allowed for all contracts; you can restrict the contract to manual termination quotes only.

Automatic termination quote processes will use calculated parameters values that you set up in the termination quote *calculation* terms and conditions. See Set Up Early Termination Quote Calculation T&Cs, *Oracle Lease Management User's Guide* and Set Up End-of-Term Termination Quote Calculation T&Cs, *Oracle Lease Management User's Guide*.

You can specify whether early termination is allowed for the contract. You set the parameter, End of Term Tolerance Days, that defines how many days prior to the end of term date you consider an acceptable tolerance to still use end-of-term quote calculations. Any termination prior to that is considered an early termination.

You can specify whether partial termination is allowed, that is, whether part of the contract can be terminated.

You can also specify other termination quote parameters, such as gain/loss information, quote approver, and the parties to whom you want to send the termination quote.

See Termination Quotes, *Oracle Lease Management User's Guide*.

Prerequisites

Set up a contract.

Define formulas, if you are using them in these terms and conditions.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Terms and Conditions page of the Contracts subtab:

1. Click the Termination Quote Process hypertext link to show the Terms and Conditions Termination Quote Process page.

   The sections on this page are Termination Quote Process, Partial Termination, Gain/Loss, Quote Recipient, Quote Approver, and Quote Courtesy Copy.

2. In the Termination Quote Process section, if you do not want to allow automatic termination quotes, select Manual Quotes Only.

3. Select the check box to allow early termination.

4. If you want to specify the earliest possible termination date, enter the First Termination Date.

5. Select the check box to send bill of sale.

6. In the Quote Effective Days field, enter the number of days you want the termination quote to remain in effect after the date that you create the termination quote.

   This value determines the default expiration date that appears when you are creating termination quotes for specific assets.

   See Termination Quotes, *Oracle Lease Management User's Guide*.

7. In the Quote Effective Maximum Days, enter the maximum number of days you want the user to be able to manually adjust the Effective To date.

   For example, if the Quote Effective Days in step 6 is 30, and you set the Quote Effective Maximum Days for 40, the user in Asset Management can extend the End Date by 10 days.

8. In the End of Term Tolerance Days field, enter the number of days that the end-of-term agreement day is still in effect.

   If you set a tolerance of 10 days, for example, a deal that terminates nine days prior to the Termination End Date still qualifies as an End of Term termination.

9. In the Partial Termination section, if a partial termination requires approval, select Approval Required.

10. To allow partial termination, select Partial Termination Allowed.

11. In the Gain/Loss section, select Approval Required if the partial termination requires approval.

    This is only necessary if you did not select the check box in step 9. In this case, if the

partial termination generates a financial impact (Gain/Loss), you may want to require approval.

12. In the Net Quote Option field, choose whether the Net Quote Option should be a Fixed Amount or determined by a Formula, if applicable.

    Allow for a Net Quote Option if you want to offset some amount against the quote option in the event that a partial termination is exercised.

13. If the Net Quote is a fixed amount, enter the amount in the Net Quote Amount field.

14. If you are using a formula, in the Net Quote Formula field, click the flashlight icon, and select the formula from the list of values.

15. In the Tolerance Allowed field, enter the amount of variance between the actual termination amount and the net quote amount (figured by fixed amount or formula).

    This field accepts positive and negative numbers. Positive numbers are assumed, to enter a negative number, use a dash (-) in front of the number.

    In the case of negative numbers, the figure entered is the amount of a loss you are allowing. With positive numbers, this is the amount over the Net Quote figure that you require to accept the quote.

    Note: In the Quote Recipient, Quote Approver, and Quote Courtesy Copy sections, you can set up default values for the recipients and approvers of the termination quotes.

    Note: When you create an actual termination quote, you can override the default values set up in this page.

16. In the Quote Recipient section, select the main recipient for the quote.

17. If you want to have another recipient for the quote, select the additional recipient, and in the Allocation Percentage field, enter the percentage by which you are splitting the billing for that additional recipient.

    The Quote Approver section contains the following fields:

    - Approver is the party to approve the termination quote before it is sent.
    - Advance Notice is the party who receives notification before the quote is sent.
    - Delay Days is the number of days to delay before the quote is sent, when you specify an Advance Notice party.

All the fields are optional. However if you choose to select and enter values in this section, you must observe the following guidelines:

- If you specify the Approver, you must not specify Advance Notice nor Delay Days.
- If you specify the Advance Notice party, you must also specify Delay Days, and you must not specify the Approver.

18. In the Quote Courtesy Copy section, in the Courtesy Copy field, select the party to notify for informational purposes.
19. Click Update to save your work.

Set Up Early Termination Quote Calculation T&Cs

If you allow early termination of the contract, you must set up the details for calculating the quote. The calculations used to create an early termination quote work in concert with the early termination purchase option parameters you input earlier (see Set Up Purchase Options T&Cs, *Oracle Lease Management User's Guide*) to settle the financial obligations of the contract at termination.

The parameters you can use to calculate the quote include contract obligation, purchase amount, discount rates, quote fee, return fee, rollover incentive, security deposit, termination penalty and a variety of others.

The Termination Quote Formula uses only specific operands, which appear in the following table. (An example formula string is: AMBCOC+AMCPOC+AMCQFE+ANYOUB.) In this example formula, the quote calculation is told to consider either a fixed amount or a formula only for the following terms: contract obligation, purchase amount, quote fee, and outstanding balance. All other terms are ignored.

The following table shows the only operands that you can use to create termination quote formulas.

Available Operands for Termination Quote Formulas

Operand Name	Description	Corresponding Terms & Conditions Heading
AMBCOC	Contract Obligation	Contract Obligation
AMCTOC	Principal Balance	Contract Obligation

Operand Name	Description	Corresponding Terms & Conditions Heading
AMCTUR	Unbilled Receivables	Contract Obligation
AMBPOC	Purchase Amount	Purchase Options (screen)
AMCQDR	Discount	Discount Rate
AMCTPE	Termination Penalty	Termination Penalty
AMCSDD	Security Deposit Disposition	Security Deposit
AMCRFE	Return Fee	Return Fee
AMCRIN	Rollover Incentive	Rollover Incentive
AMCQFE	Quote Fee	Quote Fee
AMYOUB	Outstanding Balance	Outstanding Balances
AMYSAM	Service and Maintenance	Service and Maintenance
AMCTAX	Tax / VAT	Tax / VAT
AMBSPR	Sale Price	Sale Price
AMPRTX	Estimated Property Tax	Estimated Property Tax
AMYFEE	Contractual Fee	Contractual Fees

In the preceding table, each operand corresponds to a specific terms and conditions heading (column three). The formulas used to determine the value of each one of these terms can use be comprised of any operand.

> **Caution: Any other operands that you use in a top formula will be unrecognizable in the quote and may result in an error or the creation of a miscellaneous line, if the operand is another valid formula.**

The lessee and the lessor negotiate the terms of an early termination quote prior to entering into the lease contract.

Oracle Lease Management has seeded formulas that correspond with the Termination

Quote Formula and each of the Terms. See Formulas, *Oracle Lease Management Implementation Guide*.

Prerequisites

Set up a contract.

Define formulas, if you are using them in these terms and conditions.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Terms and Conditions page of the Contracts subtab.

1. Click the Early Termination Quote Calculation hypertext link to show the Terms and Conditions Early Termination Quote Calculation page.

Early Termination

1. In the Termination Quote Formula field, click the flashlight icon and choose the formula that calculates the termination quote, if applicable.

Contract Obligation

1. Choose the contract obligation option, either Used Fixed Amount or Use Formula, if applicable.

   The contract obligation is the sum of the unbilled (future) rents, plus unpaid fees, discounted back against the contract and reduced by advanced rent paid.

2. If you are using a fixed amount for the contract obligation, enter the figure in the Contract Obligation Amount field.

3. If you are using a formula, click the flashlight icon, and select the formula from the list of values in the Contract Obligation Formula field.

   Note: Contract Obligation formulas **must** include either the AMCTOC (Principal Balance) or the AMCTUR (unbilled receivables) operand in the formula. Also, the corresponding operand must be included in the Quote Calculation formula. You can include the contract obligation operand (AMBCOC) in the top formula and in the contract obligation formula to account for any additional amounts.

4. Choose the prorate option for the contract obligation.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Discount Rate

1. If you have negotiated a discount rate for the early termination, choose to use either a fixed amount, or a formula, if applicable.

   If no discount rate is figured into the quote calculation, select the default: Not Applicable.

2. If you are using a fixed amount for the discount rate, enter the figure in the Discount Rate Amount field.

3. If you are using a formula, click the flashlight icon, and select the formula from the list of values in the Discount Rate Formula field.

4. Choose the prorate option for the discount rate.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Quote Fee

1. If you have negotiated a quote fee for the early termination, choose to use either a fixed amount, or a formula, if applicable.

   If you elect to waive the quote fee, select the default: Not Applicable.

2. If you are using a fixed amount for the quote fee, enter the figure in the Quote Fee Amount field.

3. If you are using a formula, click the flashlight icon, and select the formula from the list of values in the Quote Fee Formula field.

4. Choose the prorate option for the quote fee.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Return Fee

1. If you have negotiated a return fee for the asset as part of the early termination quote, choose to use either a fixed amount, or a formula, if applicable.

   If you elect to waive the return fee, select the default: Not Applicable.

2. If you are using a fixed amount for the return fee, enter the figure in the Return Fee Amount field.

3. If you are using a formula, click the flashlight icon, and select the formula from the list of values in the Return Fee Formula field.

4. Choose the prorate option for the return fee.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Rollover Incentive

1. If you have included a rollover incentive, which allows the contract to roll over into a new contract, choose to use either a fixed amount, or a formula, if applicable.

   If you are not supplying a rollover incentive, select the default: Not Applicable.

2. If you are using a fixed amount for the rollover incentive, enter the figure in the Rollover Incentive Amount field.

3. If you are using a formula, click the flashlight icon and select the formula from the list of values in the Rollover Incentive Formula field.

4. Choose the prorate option for the rollover incentive.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Security Deposit

1. If you have negotiated a security deposit disposition, choose to use either a fixed amount, or a formula, if applicable.

   If you are not including the security deposit in the termination calculation, select the default: Not Applicable. (For example, there may be no security deposit for the contract, or you may have already returned the security deposit, for example.)

2. If you are using a fixed amount for the security deposit, enter the figure in the Security Deposit Disposition Amount field.

3. If you are using a formula, click the flashlight icon and select the formula from the list of values in the Security Deposit Disposition Formula field.

4. Choose the prorate option for the security deposit.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Termination Penalty

1. If you have negotiated a penalty amount for an early termination, choose to use either a fixed amount, or a formula, if applicable.

   If there is no termination penalty, select the default: Not Applicable.

2. If you are using a fixed amount for the termination penalty, enter the figure in the Termination Penalty Amount field.

3. If you are using a formula, click the flashlight icon, and select the formula from the list of values in the Termination Penalty Formula field.

4. Choose the prorate option for the termination penalty.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and there is no proration.

5. If you are setting a penalty cap amount, choose to use either a fixed amount or a formula to determine the cap, if applicable.

6. If you are using a fixed amount for the termination penalty cap, enter the figure in the Termination Penalty Cap Amount field.

7. If you are using a formula, click the flashlight icon and select the formula from the list of values in the Termination Penalty Cap Formula field.

8. Select the check box of you want to include the Termination Value Compare option in the calculation.

Estimated Property Tax

1. If you are including estimated property taxes in the early termination quote, choose to use either a fixed amount, or a formula, if applicable.

   If there is no estimated property tax, select the default: Not Applicable.

2. If you are using a fixed amount for the estimated property tax, enter the figure in the Estimated Property Tax Amount field.

3. If you are using a formula, click the flashlight icon and select the formula from the list of values in the Estimated Property Tax Formula field.

4. Choose the prorate option for the estimated property tax amount.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and there is no proration.

Contractual Fees

1. Select the check box if you want to include Contractual Fees in the calculation.

Outstanding Balances

1. Select the check box if you want to include Outstanding Balances in the calculation. Oracle Lease Management accesses Receivables to return this amount.

Service and Maintenance

1. Select the check box if you want to include Service and Maintenance fees in the calculation.
2. Select the Service and Maintenance Formula, if applicable.
3. Click Update to save your work.

You must enter the details you have agreed upon with the lessee to use for calculating the end-of-term termination quote. The calculations used to create a termination quote work with the end-of-term purchase option parameters you specified earlier (see Set Up Purchase Options T&Cs, *Oracle Lease Management User's Guide*) to settle the financial obligations of the contract at termination.

The parameters are used to calculate the quote include such potential factors as contract obligation, purchase amount, discount rates, quote fee, return fee, rollover incentive, security deposit, termination penalty and a variety of others.

You can use only specific operands with the Termination Quote Formula. The Termination Quote Formula operands appear in the following table.

(An example formula string is: AMBCOC+AMCPOC+AMCQFE+ANYOUB.) In this example formula, the quote calculation is told to consider either a fixed amount or a formula only for the following terms: contract obligation, purchase amount, quote fee, and outstanding balance. All other terms are ignored.

The following table displays the only operands that you can use to create termination quote formulas.

Available Operands for Termination Quote Formulas

Operand Name	Description	Corresponding Terms & Conditions Heading
AMBCOC	Contract Obligation	Contract Obligation
AMCTOC	Principal Balance	Contract Obligation
AMCTUR	Unbilled Receivables	Contract Obligation

Operand Name	Description	Corresponding Terms & Conditions Heading
AMBPOC	Purchase Amount	Purchase Options (screen)
AMCQDR	Discount	Discount Rate
AMCTPE	Termination Penalty	Termination Penalty
AMCSDD	Security Deposit Disposition	Security Deposit
AMCRFE	Return Fee	Return Fee
AMCRIN	Rollover Incentive	Rollover Incentive
AMCQFE	Quote Fee	Quote Fee
AMYOUB	Outstanding Balance	Outstanding Balances
AMYSAM	Service and Maintenance	Service and Maintenance
AMCTAX	Tax / VAT	Tax / VAT
AMBSPR	Sale Price	Sale Price
AMPRTX	Estimated Property Tax	Estimated Property Tax
AMYFEE	Contractual Fee	Contractual Fees

In the preceding table, each operand corresponds to a specific terms and conditions heading (column three). The formulas used to determine the value of each one of these terms can use be comprised of any operand.

> **Caution: Any other operands that you use in a top formula will be unrecognizable in the quote and may result in an error or the creation of a miscellaneous line, if the operand is another valid formula.**

The lessee and the lessor negotiate the terms of an end of term termination quote prior to entering into the lease contract.

Oracle Lease Management has seeded formulas that correspond with the Termination Quote Formula and each of the terms. To see a list of seeded formulas, see the Formulas section in the Seed Data appendix of the *Oracle Lease Management Implementation Guide*.

Set Up End-of-Term Termination Quote Calculation T&Cs

Prerequisites

Set up a contract.

Define formulas, if you are using them in these terms and conditions.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Terms and Conditions page of the Contracts subtab:

1. Click the End-of-Term Termination Quote Calculation hypertext link to show the Terms and Conditions End of Term Termination Quote Calculation page.

End-of-Term Termination

1. In the Termination Quote Formula field, click the flashlight icon and choose the formula that calculates the termination quote.

Contract Obligation

1. Choose the contract obligation option, either Used Fixed Amount or Use Formula, if applicable.

   The contract obligation is the sum of the unbilled (future) rents, plus unpaid fees, discounted back against the contract and reduced by advanced rent paid.

2. If you are using a fixed amount for the contract obligation, enter the figure in the Contract Obligation Amount field.

3. If you are using a formula, click the flashlight icon, and select the formula from the list of values in the Contract Obligation Formula field.

   Note: Contract Obligation formulas **must** include either the AMCTOC (Principal Balance) or the AMCTUR (unbilled receivables) operand in the formula. Also, the corresponding operand must be included in the Quote Calculation formula. You can include the contract obligation operand (AMBCOC) in the top formula and in the contract obligation formula to account for any additional amounts.

4. Choose the prorate option for the contract obligation.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Discount Rate

1. If you have negotiated a discount rate for the end of term termination, choose to use either a fixed amount, or a formula, if applicable.

   If no discount rate is figured into the quote calculation, select the default: Not Applicable.

2. If you are using a fixed amount for the discount rate, enter the figure in the Discount Rate Amount field.

3. If you are using a formula, click the flashlight icon, and select the formula from the list of values in the Discount Rate Formula field.

4. Choose the prorate option for the discount rate.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Quote Fee

1. If you have negotiated a quote fee for the end of term termination, choose to use either a fixed amount, or a formula, if applicable.

   If you elect to waive the quote fee, select the default: Not Applicable.

2. If you are using a fixed amount for the quote fee, enter the figure in the Quote Fee Amount field.

3. If you are using a formula, click the flashlight icon, and select the formula from the list of values in the Quote Fee Formula field.

4. Choose the prorate option for the quote fee.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Return Fee

1. If you have negotiated a return fee for the asset as part of the end of term termination quote, choose to use either a fixed amount, or a formula, if applicable.

   If you elect to waive the return fee, select the default: Not Applicable.

2. If you are using a fixed amount for the return fee, enter the figure in the Return Fee Amount field.

3. If you are using a formula, click the flashlight icon, and select the formula from the list of values in the Return Fee Formula field.

4. Choose the prorate option for the return fee.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Rollover Incentive

1. If you have included a rollover incentive, which allows the contract to roll over into a new contract, choose to use either a fixed amount, or a formula, if applicable.

   If you are not supplying a rollover incentive, select the default: Not Applicable.

2. If you are using a fixed amount for the rollover incentive, enter the figure in the Rollover Incentive Amount field.

3. If you are using a formula, click the flashlight icon and select the formula from the list of values in the Rollover Incentive Formula field.

4. Choose the prorate option for the rollover incentive.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Security Deposit

1. If you have negotiated a security deposit disposition, choose to use either a fixed amount, or a formula, if applicable.

   If you are not including the security deposit in the termination calculation, select the default: Not Applicable. (For example, there may be no security deposit for the contract, or you may have already returned the security deposit, for example.)

2. If you are using a fixed amount for the security deposit, enter the figure in the Security Deposit Disposition Amount field.

3. If you are using a formula, click the flashlight icon and select the formula from the list of values in the Security Deposit Disposition Formula field.

4. Choose the prorate option for the security deposit.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and no proration occurs.

Termination Penalty

1. If you have negotiated a penalty amount for an end of term termination, choose to use either a fixed amount, or a formula, if applicable.

   If there is no termination penalty, select the default: Not Applicable.

2. If you are using a fixed amount for the termination penalty, enter the figure in the Termination Penalty Amount field.

3. If you are using a formula, click the flashlight icon, and select the formula from the list of values in the Termination Penalty Formula field.

4. Choose the prorate option for the termination penalty.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and there is no proration.

5. If you are setting a penalty cap amount, choose to use either a fixed amount or a formula to determine the cap, if applicable.

6. If you are using a fixed amount for the termination penalty cap, enter the figure in the Termination Penalty Cap Amount field.

7. If you are using a formula, click the flashlight icon and select the formula from the list of values in the Termination Penalty Cap Formula field.

8. Select the check box of you want to include the Termination Value Compare option in the calculation.

Estimated Property Tax

1. If you are including estimated property taxes in the end of term termination quote, choose to use either a fixed amount, or a formula, if applicable.

   If there is no estimated property tax, select the default: Not Applicable.

2. If you are using a fixed amount for the estimated property tax, enter the figure in the Estimated Property Tax Amount field.

3. If you are using a formula, click the flashlight icon and select the formula from the list of values in the Estimated Property Tax Formula field.

4. Choose the prorate option for the estimated property tax amount.

   The options are: Prorate, Do Not Prorate, or Line Calculation. If you choose Line Calculation, then the formula is run against each of the individual contract lines and there is no proration.

Contractual Fees

1. Select the check box if you want to include Contractual Fees in the calculation.

Outstanding Balances

1. Select the check box if you want to include Outstanding Balances in the calculation. Oracle Lease Management accesses Receivables to return this amount.

Service and Maintenance

1. Select the check box if you want to include Service and Maintenance fees in the calculation.
2. Select the Service and Maintenance Formula, if applicable.
3. Click Update to save your work.

Set Up Contract Portfolio T&Cs for Asset Tracking (Optional)

You can set up asset tracking functionality for booked contracts in this section. The contract portfolio allows you to enter your expected profit budget for the contract (either as a fixed amount or through the use of a formula), which you can subsequently track by initiating a concurrent program.

The budget amount entered in the contract portfolio (which represents the amount of profit you expect to make through the life of the contract) is stored in asset management tables and does not change if you rebook the contract. In this way, you can track a contract through multiple revisions, while maintaining an accurate account of the budget set at the time of original booking.

You can also set up a notification schedule and strategy, if you want to take any action on the contract prior to taking the contract off-lease. For example, if you want to contact your equipment vendor to inquire about upgrades, you can set up a notification schedule to implement this process.

Oracle Lease Management runs a concurrent program, which sends a notification of the strategy you want to employ to the assigned asset management team on the specified date of notification.

> **Note:** After a contact is booked during authoring, you cannot make any changes to the contract portfolio from this link. Any post-booking changes must be made on the asset management areas. See Maintaining Contract Portfolios, page 27-1.

The two concurrent programs associated with contract portfolio are:

- Notification of Contract Portfolios on Execution Due Date
- Update Contract Portfolio Budget Amount

These concurrent programs can either be scheduled or run manually. See Concurrent Programs, page B-1.

Prerequisites

You must define an assignment group in *Oracle Foundation*.

Set up a contract.

Define a budget amount formula, if applicable.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Terms and Conditions page of the Contracts subtab:

1. Click the Contract Portfolio hypertext link to show the Terms and Conditions Contract Portfolio page.

   To set up a contract portfolio profile, execute the following:

2. If you want the contract portfolio you are creating to be approved prior to booking, select the Approval Required check box.

   This kicks off an Oracle workflow process that notifies the appropriate manager to approve the portfolio.

3. In the Assignment Group field, choose the asset management team you want to send notification to regarding this portfolio from the list of values.

4. In the Budget Amount Option field, choose the method you want to calculate the contract budget, if any.

   Options include: Fixed Amount or Formula.

5. If you choose a fixed amount, enter the amount of the budget in the Budget Fixed Amount field.

6. Alternatively, if you choose a formula, choose the Budget Amount Formula from the list of values.

7. Enter the amount of days from the contract expiration that you want to implement your portfolio strategy.

8. In the Strategy field, select the strategy that you want to implement from the list of

values.

This strategy is a text message that is included with the notification that you are sending to the assignment group (for example "Initiate contract to purchase via letter.")

9. Click Update to save your work.

Create Sales Tax Details

To create or update sales tax details for a contract, perform the following tasks.

- Navigate to the Contract link in the Contacts subtab of the Origination tab.
- Select your contract.
- Click Terms & Conditions.
- Click Taxes in the Additional Information column.
- Enter your sales tax details.
- Click Update.

For more information on sales tax, see Sales Tax, *Oracle Lease Management User's Guide*.

The following table describes sales tax fields.

Sales Tax Details

Field	Description
Update Lines from Contract	If you select this checkbox, the sales tax details you enter in this region will default to the asset line level when you create an asset. If you copy an asset from another asset, the new asset will contain details from the copied asset, not from the default.
Interest Disclosed	Select if the interest amount payable on the contract has been disclosed to the customer.
Transfer of Title	Select if title to the assets has been transferred to the customer on the start of the contract.

Field	Description
Sale and Lease Back	Select if an asset on the contract has been purchased from customer, the lessee, at the start of the contract.
Purchase of Lease	Select if the lease has been purchased from another lessor.
Usage of Equipment	The nature of the usage of equipment.
Age of Equipment	The length of period of use.
Asset Upfront Tax	Determines whether the sales tax is Billed, Financed, or Capitalized.
Billing Stream Type	Select the stream type for the defined asset line above.
Financed Fee Stream Type	Select the stream type for the defined asset line above.
Capitalized Fee Stream Type	Select the stream type for the defined asset line above.

Verify Vendor Programs Terms and Conditions Sets (Optional)

If you associate a vendor program with the contract, you can view the terms and conditions of that program by clicking the Terms and Conditions Sets link. This link displays all terms and conditions sets associated with the vendor program you selected.

If your contract does not use a vendor program, then the terms and conditions set summary table remains empty and does not apply to the contract.

Prerequisites

Set up a contract.

Set up vendor programs.

You must also be using a vendor program in the contract for this link to apply.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Terms and Conditions page of the Contracts subtab:

1. Click the Vendor Program hypertext link to show the Terms and Conditions Sets page.

   In the Terms and Conditions Sets page, all the terms and conditions sets associated with vendor program referenced in this contract appear in a summary table.

2. To view the details of the Terms and Conditions set, click the set name hypertext link.

   This displays the Terms and Conditions Sets Details page, which includes the Set name and a field for Comments. You can add, delete, or edit comments about the set. When you are finished, click Update to save the changes and return to the summary page. The Comment changes appear in the Comments column of the summary table.

3. To view all the terms that are within the set, select the option button to the left of the set and click the Terms button.

   The terms appear in a summary table. There is a term name hypertext link and whether it is a required term.

4. To view the attributes and values of the term, click the term name hypertext link.

   Each term can have up to 15 attributes with associated values.

5. If you want to add a Terms and Conditions Set to the contract, click the Create Terms and Conditions Set button.

   The Create Terms and Conditions Set page opens.

6. In the Name field, click the flashlight icon and from the list of values choose the name of the Terms and Conditions Set you want to add to the contract.

7. Add any comments you want to attach to the set details and click Create to save your work and return to the Summary page.

Guidelines

Any terms and conditions sets that you add or edit for the contract are reflected only within that contract. These changed sets are **not** added to the original vendor program. If you select that vendor program for a subsequent contract, then the new sets are not

included.

Set Up Contract Lines

Authored leasing contracts may contain a variety of line types, including asset, service, fees, insurance, and usage type service or usage lines. Typically, in commercial equipment leasing, you have at least one asset line. An asset line represents the physical asset being leased. A single asset line may contain multiple units.

For example, if the asset going on lease were 10 copy machines, and the only difference between each copy machine was the serial number, only one asset line is required. All item codes must be set up in *Oracle Inventory* prior to authoring a lease contract.

Service lines work similarly to fee lines except service items are set up in *Oracle Inventory*. When you include a fee line on your contract, however, you are selecting a particular fee stream type.

The main tasks under this section are:

- Set Up Asset Lines
- Fee Lines
- Set Up Service Lines
- Set Up Usage Lines

Set Up Asset Lines

If you are authoring a new lease contract, you must add the appropriate asset lines to the contract. To add an asset to a contract, you create the asset line and select the appropriate item from a list that is stored in Oracle Inventory. You also enter the quantity of items--a single asset can contain multiple units--and enter other relevant information such as a description of the asset, unit cost, model, manufacturer, installed site, and the fixed asset location. You also enter the residual value details of the asset.

When you first navigate to the Asset Summary page, you can click the Go button to see all the asset lines that have been attached to the contract. The table includes relevant information about the asset line, including asset number, year, make, description, units, cost, vendor, location, and residual amount. This table is empty if you are authoring a new contract.

If the contract involves real estate and is classified as a loan, you can also create an asset line for Real Estate. See:

- Set Up Asset Real Estate Lines on a Loan

Prerequisites

Set up all items, services, and usage items in *Oracle Inventory*.

You must have retrieved or be in the process of creating a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Lines page of the Contracts subtab:

1. To create a new asset line, from the Assets Summary page, click the Create Asset button.

   The Asset Details page appears. You enter the asset line general information in the Details section. After you have created the asset, the links in the Properties section become activated. You can then select the Properties links to add or edit asset properties.

2. At the Item field, click the flashlight icon and select an inventory item from the list of values.

3. Enter a required unique alphanumeric value in the Asset Number field.

4. Enter a description of the asset line.

5. Enter the Unit Cost of the item.

6. Enter the number of units you are including on the line.

7. Optionally, enter the Model type of the asset.

8. Optionally, enter the Manufacturer of the asset.

9. Optionally, enter the Year of the Manufacture.

10. At the Installed Site field, click the flashlight icon, and select the address where the asset is located or installed.

11. At the Fixed Asset Location field, click the flashlight icon, and select the location for the asset from the list of values.

12. If this is a Prescribed Asset, for Canadian filing purposes, select the check box.

13. Under the Residual section, enter the Percent of the asset cost that represents the

residual amount of the asset.

14. Alternatively, enter an amount of the residual for the total line cost.

    If you choose to enter a residual percentage, the calculated amount automatically appears in this field.

15. If there is a Guarantor for the residual, select the role of the guarantor from the list of values.

    The options are: Lessee, Other, or Vendor. The default value is None.

16. Enter the amount of the residual guarantee.

17. Click the Create button to save your work.

    After you create the asset, a confirmation message appears.

Copy an Asset Line

If you have existing asset lines, you can copy an asset line onto the contract. You may want to create duplicate asset lines or split a contract.

Steps

Perform the following steps:

1. From the Asset Summary page, select the option button to the left of the asset line you want to copy.

2. Click the Copy Assets button.

   The Copy Assets page appears. The Source Contract number and the Contract to be copied to also appear. (In the case of a duplicate asset creation, these will be the same.)

3. In the Reason field, choose the reason you are copying the asset line.

4. Click Copy.

   The new asset line appears in the table at the bottom of the Asset Summary page. Oracle Lease Management assigns a unique asset number to the line.

Guidelines

After you have set up an asset line, you can set the properties for that line. These are:

- Set Up Asset Add-Ons Properties
- Set Up Asset Depreciation Properties
- Set Up Asset Taxes Properties
- Enter Asset Serial Numbers Properties

- Set Up Asset Billing Properties
- Set Up Asset Adjustments Properties
- Set Up Asset Supplier Invoice Properties
- Choose Asset Filing Options Properties

Each of the above properties contains information relevant to the contract.

> **Note:** The following steps require that you select an asset line. All properties are configured at the asset line level only.

Set Up Asset Add-Ons Properties

If you want to add additional related items to the asset line, you can click the Add-Ons link. If you add an item in the add-ons section, you automatically get the unit number of the add-on item that corresponds with the asset unit number you entered when setting up the item.

These add-ons add to the total value of the asset line, and the residual value is affected accordingly. In other words, if you had a 15 percent residual on an asset, the residual value of the asset line would increase by a total of 15 percent of the total add-ons cost.

You must have retrieved or be in the process of creating a contract.

Steps

In the Asset field, the Asset Line number for the line for which you are creating an add-on appears. You can search for other asset lines on the contract by clearing the asset line number and clicking the Go button.

You can then select the new asset line for which you want to create add-ons.

1. In the Add-On table, at the Item field, click the flashlight icon and choose the Inventory item you want to add to the asset line.
2. Enter a Unit Cost for the item.
3. Repeat steps 2-3 for each item you want to add to the asset line.
4. If you run out of lines, click the Add 3 Rows button and continue adding items.
5. Click Create to save your work.

Guidelines

If you want to remove an add-on item from an asset line, select the Remove check box next to the item you want to remove and click the Update button.

To return to the Asset Details page, click the Asset Description hypertext link.

Set Up Asset Depreciation Properties

An asset is set up in one corporate asset book, and in one or more tax books. For each asset, you can accept the defaults derived from Oracle Inventory and Oracle Assets, or override the defaults and set parameters for both asset book depreciation and asset tax depreciation.

An asset can depreciate in the corporate book for book depreciation, only. All of the fields have default values appropriate for establishing depreciation settings.

You can set up asset tax depreciation for each asset tax book.

For all assets subject to multi-GAAP reporting, you must set the value of the profile option OKL: Reporting Product Asset Book to the reporting tax book. The tax depreciation then takes default values associated with the asset category defined on the reporting asset book.

In addition, to comply with multi-GAAP requirements, when all the following conditions apply:

- the contract that contains the asset has a product that has an associated reporting product
- the book classification quality value in the reporting product is Operating Lease

then you may override the asset tax depreciation parameters set up through the profile option by explicitly setting the values in the asset tax depreciation screen.

Prerequisites

You must have retrieved or be in the process of authoring a contract.

You must set up tax depreciation books.

You must set up book depreciation.

You must set up Asset Categories.

You must assign categories to the inventory items.

Steps

In the Asset field, the asset number that you selected, appears.

The Description hypertext link of the asset line appears just below the Asset field. The hypertext link returns you to the Asset page of the selected asset.

1. In the Book field, click the flashlight icon and choose the asset book from Oracle Assets in which this asset is recorded.

   The default value is the asset book for the user's set of books.

2. In the Category field, click the flashlight icon and choose the asset category from Oracle Assets assigned to this asset.

   The default value is the assigned category of the Inventory item from Oracle Inventory.

3. In the In-Service Date field, enter the date the asset was placed in service if different from the contract start date.

4. Enter the depreciable cost if it differs from the capitalized cost.

   The default value is the capitalized cost.

   When you enter the depreciation book, asset category, and in-service date of the asset, the depreciation details (depreciation method and life) for the asset are automatically defaulted from the setup in Oracle Assets.

5. In the Depreciation Method field, click the flashlight icon and choose the method you want to use to figure depreciation from the list of values. The default value is the method assigned to the asset category in Oracle Assets.

6. The asset's depreciable economic life, also called useful life, in the Life in Months field, is entered as a read-only field defaulted automatically based on the depreciation method you choose.

7. Optionally, enter a residual value percent rate or amount. Enter either the rate or the amount, and Lease Management calculates the other when you click Update.

   In the Salvage Value field, the asset line residual value is reflected in a dollar amount. Enter a new amount if the salvage value is different than the residual value.

8. Click the Update button to accept the entries.

Asset Tax Depreciation

At this point, the Asset Tax Depreciation button appears.

1. Click the Asset Tax Depreciation button to set the asset's tax book depreciation.

   You can set up one or more tax books per asset as long as the tax books are defined for the selected asset book in Oracle Assets.

   On the Asset Tax Depreciation page, a table provides one row each for multiple tax books.

2. In the Tax Book field, choose the tax book you want to use for this asset depreciation from the list of values.

   The cost of the asset appears in the Cost column.

When the tax book is selected, the Method and Life in Months are defaulted when the setups for these fields are entered in Oracle Assets.

3. Enter the depreciable tax cost if it differs from the capitalized cost.

4. The Method field is automatically populated depending on the tax book you selected. You can override this default value.

   In the Method field, click the flashlight icon and select the tax depreciation method you want to use for this asset.

   The method you use determines the asset's depreciable tax life for the selected tax book.

5. The Life in Months field is automatically populated depending on the tax book method you selected.

6. Click Update to save your work.

7. Repeat steps 1–6 to enter details on additional tax books.

Guidelines

Click the Book hypertext link to return to the Asset Book Depreciation page. Click the Description hypertext link to return to the Asset Properties page.

Set Up Asset Taxes Properties

If there are sales tax or value added tax implications for the asset separately from the contract, you must set those parameters.

Steps

Perform the following steps:

1. Under the Sales Tax section, select the Exempt check box if the customer is sales tax exempt for this asset.

2. Enter the customer's tax exempt certificate number.

3. Select the Override check box if the look up sales tax rate is to be replaced by a manual override rate for this asset.

4. Enter the amount of the manual override sales tax rate for this asset.

5. Under the VAT section, select the Exempt check box if the customer is VAT exempt for this asset.

6. Enter the customer's VAT exempt certificate number.

7. Select the Override check box to replace the look-up VAT rate by a manual override rate for this asset.

8. Enter the amount of the manual override VAT rate for this asset.

9. Click the Create button to save your work.

Enter Asset Serial Numbers Properties

You can enter the serial numbers for each unit for the asset line. This page displays the asset number, the asset description (a hypertext link to the Asset Details page), the number of units, and the installed address of each asset.

The table displays lines for each unit of the line specified in the asset details section.

Steps

Perform the following steps:

1. In the Serial Number field, enter the serial number of each unit of the asset.

2. Click Create to save your work.

Guidelines

After you have added serial numbers to the units of an asset, you can only change the number of units by removing them from this page. Select the Remove check box to the left of the unit you want to remove and click the Update button.

Removing units impacts the overall value of the asset and also impacts the residual value.

Set Up Asset Billing Properties

You must set up all the billing information for each asset if it differs from the contract billing setup. This includes bill to address, bank account number, bank, and payment method, for example.

In the Asset field, the asset line you selected to edit the properties of appears. You can search for other asset lines on this contract by clicking the Go button.

The Description of the asset (a hypertext link) appears beneath the Asset number field.

1. Under the Billing Setup section, click the flashlight icon and from the list of values select the customer billing address to which invoices for this asset are sent.

2. In the Bank Account field, click the flashlight icon and choose the customer bank account from which payments are drawn.

   This is optional and only used if payments are drawn directly from the customer's account. The Bank name appears after you select the bank account.

3. If invoices for this asset are to be sorted from direct mailing programs for a manual review, choose the Reason For Review from the list of values.

4. Select an invoice format group that applies only to this asset.

5. Select the Review Invoice check box if you want to manually review the printed invoices for this asset before sending them to the customer.

6. In the Payment Method field, choose the customer's payment method for this asset.

7. Click the Create button to save your work.

Set Up Asset Adjustments Properties

If you are going to make any adjustments to the capital cost of the asset, such as capital reductions or trade in amounts, you must enter those figures here.

Steps

The Asset field contains the asset number for the asset you are adjusting. If you want to make adjustments to a different asset on this contract you can click the Go button and search for that asset.

The asset description and the total cost of the asset appear below the Asset field.

1. In the Capital Reduction field, enter the percent or value amount of the reduction to capital for the asset line.

2. Select the appropriate option, either (%) or Value.

3. In the Trade In field, enter the amount of any trade-in applied to the capital amount.

4. Click the Create button to save your work.

   The Capital Cost of the asset reflects any adjustments you make after you click Create.

Set Up Asset Supplier Invoice Properties

If you must record information about the supplier invoice for the specified asset, you can enter those details here.

Steps

Perform the following steps:

1. In the Vendor field, select the vendor name for the invoice from the list of values.

   You can only select from vendors set up in the Parties section with the role of "lease

vendor" and which are associated to this contract.

2. In the Invoice Number field, enter the supplier invoice number.

3. In the Invoice Date field, enter the date of the supplier invoice.

4. In the Ship to Site field, choose the ship to address which is to appear on the supplier invoice from the list of values.

   You can only select from the customer's existing shipping addresses.

5. Click the Create button to save your work.

   Note: This invoice information entered above is not sent to Oracle Payables as a funding request.

Choose Asset Filing Options Properties

If you plan to file a lien on the asset or hold a title and/or registration, you must enter that information here.

Steps

The Asset field contains the asset number for the asset you are adjusting.

File Liens

1. Choose the Lien Type for the filing from the list of values.

2. Enter the filing number of the lien on this asset.

3. Enter the filing date of the lien on this asset.

4. Select the Status of this lien from the list of values.

   Options include: if the lien is sent, if the lien is under review, and if the lien was rejected.

5. In the Lien Holder field, click the flashlight icon and choose the party holding the lien on this asset from the list of values, if the party is not the lessor.

6. Enter the Jurisdiction in which the lien for this asset was filed.

7. Enter the sub-jurisdiction in which the lien for this asset was filed.

8. Enter the Expiration Date of the lien filing on this asset.

9. Enter the Continuation Number of the lien extension for this asset, if applicable.

10. Enter the date on which the lien extension for this asset expires.

File Title and Registrations

1. Choose the type of title or registration held for this asset.
2. Enter the name of the organization issuing the title or registration for this asset.
3. Enter the date of the title for this asset.
4. Enter the title number for this asset.
5. Enter the registration number for this asset.
6. Enter the date the registration for this asset expires.
7. Select the location in which this asset is registered.
8. In the Title Custodian field, choose the party having physical custody of the title for this asset from the list of values.
9. In the Payee Site field, enter the remit to address of the title custodian.
10. In the Registration Location field, enter the location of the asset registration.
11. Enter the date the registration for this asset expires.
12. Click Create to save your work.

Set Up Asset Real Estate Lines on a Loan

If the contract involves real estate and is classified as a loan, the Asset Summary page displays the Create Real Estate button. Enter all the appropriate information for a real estate asset at this time.

> **Note:** The Create Real Estate button is available only if the deal is classified as a loan.

You must have retrieved or be in the process of creating a loan contract.

Steps

Perform the following steps in the Real Estate page of the Contracts subtab:

1. In the Item field, select the inventory item code for the property from the list of values.
2. Enter the asset number.

3. Enter a short description of the property.
4. Enter the weighted average life of the property.
5. Enter the year the property was originally built.
6. Choose the address of the property from the list of values.

Financial

1. Enter the initial direct costs of originating the loan for this property.
2. Enter the bond equivalent yield for the loan on this property.
3. Enter the total amount of the loan in the Financed Amount field.
4. Select the Credit Tenant check box if there is a credit tenant.
5. Select the Government Building Secured check box if the loan is secured by a government building.
6. Enter the percentage of the rentable space occupied at origination in the Occupancy Ratio field.
7. Enter the ratio of rent cash flow to loan payment amount at origination in the Coverage Ratio field.
8. Enter the amount of rent cash flow at origination in the Property Rent field.

Inspection

1. Enter the date of the last property inspection.
2. Enter the date the next property inspection is due.

Appraisal

1. Select the property collateral class from the list of values.
2. Select the appraiser conducting the property appraisal from the list of values.
3. Enter the appraisal date.
4. Enter the appraised value of the property.

Square Footage

1. Enter the property's gross square footage in the Gross field.
2. Enter the property's rentable square footage in the Net Rentable field.

Commitment Letter

1. Enter the date a commitment letter was accepted.
2. Enter the date a commitment letter expires.
3. Click Create to save your work.

Asset Subsidies

To set up subsidies and associate them to an asset, see Subsidies, *Oracle Lease Management User's Guide*.

Subsidy Pools

To use subsidy pools in Lease Management, see Subsidy Pools, *Oracle Lease Management User's Guide*.

Fees, & Set Up Fee Lines

You can create contract lines for fees that have been negotiated into the deal. The following section details this process and provides information on Lease Management seeded fee types.

Fee Types Overview

During contract authoring you can select fee types and define fee terms specific to a lease contract. The fee type selected determines the available fee attributes and ensures that payment and expense details are entered for a fee when required. After you select fee types, Lease Management renders the appropriate page for a particular fee type so that you can define fee attributes.

When authoring contracts, you also select the required streams for a fee type from a list of values. When fee types have an impact on the yield, Lease Management uses the contract's fee streams to calculate yields

Stream types and accounting templates for fees must be set up prior to contract authoring. Expense and income accounting is generated based on the streams and accounting templates associated to the fees.

Lease Management Fee Types

Lease Management seeds the following fee types:

- Absorbed
- Capitalized
- Expense

- Financed
- Income
- Miscellaneous
- Pass-Through
- Rollover
- Security Deposit

Absorbed Fees

Absorbed fees are non-funded fees generated for internal expenses or overhead incurred by the lessor that are included in the yield calculation as a cost. For example, the lessor may incur contract origination fees as a non-funded internal expense that is not billed to the lessee, but is included in the contract yield calculation.

Lease Management accounts for these absorbed fees of the lessor in the lease contract's yield calculation as an internal expense and can generate an expense accrual stream.

Capitalized Fees

Capitalized fees are funded costs that are added to the asset cost at booking. Lease Management depreciates the capitalized fees as part of the equipment capital cost. No payment is associated to this fee and the lessee does not pay capitalized fees directly. The lessee pays this fee through rent payments.

Capitalized fees are included in the cost of the financial asset and the rent payments, and thus are indirectly included in a contract's yield calculations. For this reason, Lease Management does not track the effect of capitalized fees on yields as a separate component or a separate set of streams.

Expense Fees

Expense fees are funded fees that have no associated payments. Lease Management accounts for expense fees in the contract's yield calculation and can generate an expense accrual stream.

Financed Fees

Financed fees are funded fees that are financed. A financed fee is similar to a loan. When time elapses between funding for a fee cost and the lessee making a full payment for that fee, the lessor has, by definition, created a loan to the lessee. The lessor may account for the financed fee in the contract's yield calculation and can generate streams for amortization schedule and income accrual.

Income Fees

Income fees have zero expense associated to them, but have associated payments. The lessor charges payments without an associated expense and accounts for the income in the lease contract's yield calculation. You can set up an income accrual stream for

income fees.

Miscellaneous Fees

Miscellaneous fees are funded fees that have associated payments made by the lessee. A miscellaneous fee is similar to a financed fee except that the financed fee is like a loan with interest and income recognized in an amortization schedule. The miscellaneous fee does not recognize interest and income accrued when billed. Miscellaneous fees include income and expense that are included in a contract's yield calculation.

Pass-through Fees

Pass-through fees are payments made by the lessee that generate pass-through disbursements to the vendor or supplier. The pass-through is not treated as a funding. When a pass-through percentage is less than 100% of the lessee's payments, the difference is processed as income to the lessor. Lease Management accounts for this income in the contract's yield calculation.

Rollover Fees

Rollover fees are funded fees on the Lessee's contract for the financing of a Rollover Termination Quote on a contract. Rollover amounts on a Rollover Termination Quote can be financed on a new lease quote or contract. You can set up streams to be generated similar to a financed fee.

Security Deposit

A security deposit is a non-funded fee charged to the lessee as a security for the equipment leased. When a lease contract terminates, the security deposit can be returned to the lessee.

Authoring Contracts With Fees

During contract authoring, you create the fee line based on the fee type selected. Pages are rendered with the appropriate attributes for the selected fee type and validations take place to ensure that you enter the attributes required for your fee.

Business rule validations are implemented in the QA checker to report errors if certain fee attributes such as amount, dates, payment, expenses, and assets are not defined for the fee type that requires them.

To set up fees for contract authoring, see Set Up Fee Lines.

For information on business rules for fee attributes, see the table Business Rules for Fee Attributes.

Fee Attributes

To define fees and create fee lines, you must choose the proper attributes for each specific fee type. The table below compares Lease Management fee types based on the following attributes:

- **Payment (Income)** - Associates a payment against the fee.

- **Funding** - Whether a fee expense can be funded.
- **Initial Direct Cost (IDC)** - Designates an initial direct cost, thus allowing the expense to be recognized over the life of the contract.
- **Affect Yield** - Fee included in the contract's yield calculation.
- **Expense** - Fee has an associated expense and sets up the funding amount.

In the following table, *Yes* means you must enter the required information, or the information defaults in. *No* means the information is not applicable and cannot be entered.

Lease Management Fee Attributes

Fee Type	Payment (Income)	Funding	Initial Direct Cost (IDC)	Affect Yield	Expense
Absorbed	No	No (internal expense)	Yes (must be 100% IDC)	Yes	Yes
Capitalized	No	Yes	No	No	No
Expense	No	Yes	Yes	Yes	Yes
Financed	Yes	Yes	No	Yes	Yes
Income	Yes	No	No	Yes	No
Miscellaneous	Yes	Yes	Yes	Yes	Yes
Pass-through	Yes	No	No	Calculates only if payment exceeds disbursement	No
Rollover	Yes	No	No	Yes	No
Security Deposit	Yes	No	No	Yes	No

Fee Stream Generation

Lease Management generates streams based on the fee types selected and defined on the contract. The stream types generated depend on the fee types selected.

Fee stream generation calculates the following:

- Yield
- Funding, billing, and accrual streams

The following table shows the steam type attributes for selected fee types.

Lease Management Streams Generated by Fee Type

Fee Type	Expense Stream	Income Stream	Payment Stream
Absorbed	Expense amortization	None	None
Capitalized	None	None	None
Expense (100% IDC)	Expense amortization	None	None
Expense (less than 100% IDC)	Expense amortization Expense accrual	None	None
Financed	Loan amortization	Interest income accrual	Fee payment
Income	None	Income accrual	Fee payment
Miscellaneous (100% IDC)	Expense amortization	Income accrual	Fee payment
Miscellaneous (less than 100% IDC)	Expense amortization Expense accrual	Income accrual	Fee payment
Pass-through	Expense accrual	Revenue accrual	Fee payment
Rollover	Loan amortization	Interest income	Fee payment

Fee Type	Expense Stream	Income Stream	Payment Stream
Security Deposit	None	None	Security deposit payment

Viewing Fee Streams

Once all the fee types required for a contract have been authored, you can view the fee streams from the Streams page of the Operations tab.

1. Enter your contract number and click **Go**.
2. Click **Service or Fee Streams Summary** to view stream details.

Import Contracts With Fees

Lease Management allows you to import contracts with fee types. Lease Management also reports errors if all mandatory attributes for a selected fee type are not imported for a fee.

Set Up Fee Lines

Prerequisites

Before fee lines can be created, the following prerequisites must be met:

- Fee and expense stream types must be set up. To set up fee and expense stream types, see Set Up Fee and Expense Stream Types, *Oracle Lease Management Implementation Guide.*
- Accounting templates for stream types must be set up. To set up accounting templates for fee stream types, see Define Accounting Templates, *Oracle Lease Management Implementation Guide*.
- In order to associate fees to assets, the asset must be created on the contract.
- If suppliers are associated with the fees, you must create vendor parties.
- You must be in the process of authoring a contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Perform the following steps in the Fees page of the Contracts subtab of the Origination tab:

1. From the Fees page, click **Create Fee**.

   The Create Fee page appears.

2. In the Fee Type field, select the fee type.

3. Click **Continue**.

The Create Fee page appears for the Fee Type selected.

1. In the Fee field, select the fee.

2. Enter fee attributes for the selected fee type.

3. If the fee is associated with a particular supplier, select the supplier from the list of values. A supplier must be selected if some portion of the fee will be passed through to the supplier.

4. Enter the fee amount in the appropriate field for the fee type selected.

5. If the fee type selected requires expenses, pass-through, or assets a button will appear. Click **Expenses** or **Associate Assets** to render the appropriate screen.

6. Enter expenses, payments, or assets details as required for the fee type selected.

7. Click **Create**.

Associate Assets for Capitalized Fee Types

Perform the following steps:

1. When you update fee details for a capitalized fee type, click **Associate Assets**.

The Fee by Asset page appears.

1. In the Assets field, select the asset covered by the fee.

2. In the Amount field, enter the amount of the fee to be applied to each asset. If the fee is to be spread between several assets, enter the amount for the first asset and repeat the process for the other assets.

3. Click **Update**.

Specifying Expenses for a Fee Line

Perform the following steps:

1. When updating fee details for an Expense, Financed, or Miscellaneous fee type, click **Expenses**.

The Expenses page appears.

1. Enter the Number of Periods in which the expense is incurred.
2. Enter the Amount Per Period.

Note: The value of Amount Per Period * Number of Periods must equal the fee amount entered in the Create Fee page.

1. In the Frequency field, enter a period granularity of Annual, Monthly, Quarterly, or Semi-Annual.
2. Click **Update**.

Specify Passthrough for a Fee Line

To specify a passthrough for a fee line and update passthrough details, perform the following steps.

1. Navigate to the Fees page as follows: Origination tab, Contracts subtab, Fees hypertext link under Lines.
2. Click **Create Fee**.

   The Create Fee page appears.
3. From the Fee Type drop-down list, select Passthrough and click **Continue**.

   The Create Fee page appears.
4. In the Fee field, select the fee from the list of values.
5. In the Effective From and Effective To fields, select effectivity dates from the calendar.
6. In the Total Payment Amount field, enter the total amount to be paid to the vendor.
7. In the Base region, select the payout basis of the fee from the drop-down list.
8. In the Base region, select the Effective From date from the calendar.
9. In the Base region, select the passthrough stream type from the list of values.

10. In the Evergreen region, select an evergreen payout basis from the Evergreen Payout Basis menu.

11. In the Evergreen Formula field, select an option from the list of values if applicable.

12. In the Passthrough Stream Type field, select an option from the list of values.

13. To save your selections, click Create.

14. To update a passthrough configured on a fee, select the applicable fee with a fee type of Passthrough from the Fees page.

    The Fee Details page appears.

15. After you have updated fee details for the applicable Passthrough fee type, click **Passthrough**.

    The Passthrough page appears.

16. In the Passthrough Percentage field, enter the percentage of the fee that is being passed through to the supplier.

17. In the Passthrough Basis Code field, select the basis on which the disbursement date is determined.

18. Select the Vendor Site.

19. Select the Term.

20. Select the Payment Method.

21. Click **Update**.

> **Note:** Note: Passthrough disbursements to vendors may be in excess when the Receivables option to over-apply cash receipts to invoices is selected, and the Lease Management passthrough disbursement is calculated based on receipt amount. For the transaction types of Invoice-OKL, Credit Memo-OKL, or Investor-OKL, an Over-application Allowed check box appears in Receivables. This check box enables over-application of funds to invoices. Lease Management does not support over-application of funds to invoices, and this check box should not be selected.

Business Rules for Fee Attributes

The following table shows business rules for fee attributes for the different fee types. In the following table, M indicates Mandatory, N indicates No, and O indicates Optional.

Business Rules for Fee Attributes

Fee Types	Fee Stream	Sup-plier	Effective On	Amount	IDC	Pass-Through	Expenses
Absorbed	M	N	M	N	M (100%)	N	M
Capitalized	M (Capitalized Stream)	M	M	M (Capitalized Amount)	N	N	N
Expense	M	M	M	N	O	N	M
Financed	M	M	M	N	N	N	M
Income	M	N	N	N	N	N	N
Miscellaneous	M	M	M	N	O	N	M
Pass-Through	M	M	M	N	N	M	N
Rollover	M	N	O	N	N	N	N
Security Deposit	M	N	N	M (Security Deposit Amount)	N	N	N

Set Up Service Lines

If you plan to provide for or bill for any services within the terms of the contract, you must set up the service lines.

Service Line Types

You can create two types of service line:

- **Standard**, where you enter all the service details in Oracle Lease Management

- **Linked**, where you link a lease or loan contract in Oracle Lease Management to an active service contract already created in Oracle Service Contracts

Standard Service Lines

For standard service lines, you can set up independent services or associate services to assets. Also, standard services can exist as pass-throughs, where the cost of a service is billed to the customer and automatically passed to the supplier. In addition, you can specify recurring service expenses.

Linked Service Lines

Lease Management allows you to use the full functionality of Oracle Service Contracts, and consolidates the service contract billing with lease contract billing.

To link service lines, you must first create and activate a service contract in Oracle Service Contracts.

In Oracle Lease Management, you must have an asset line (in the current contract) that points to the same inventory item as the covered product in the service contract. When you link a lease contract service line to the service contract, Oracle Lease Management automatically associates the asset to the covered product of the service contract.

Each lease contract can be associated with one service contract, only. And vice versa: each service contract can be associated with one lease contract, only. A leased asset can be associated to one covered product (in Service Contracts), only. On a lease contract, however, you can have multiple assets with multiple service lines associated to multiple covered products.

When the contracts are associated (linked), Oracle Lease Management automatically:

- Links each lease service line to the service contract line in the Oracle Service Contracts.
- Associates each lease asset to the corresponding covered product in Oracle Service Contracts

Searching for Service Lines

In the Service Summary page, you can search for the service lines that have been attached to the contract. The service details include the service name, amount, supplier, effective from and to dates, and, for linked service lines, the name of the associated contract in Oracle Service Contracts.

Prerequisites:

- Same Customer
- Same Customer Account

- Same Bill To
- Same Inventory Item and Quantity
- Same Inventory Organization
- Same Billing Date
- Same Invoice Due Date

The Lease Management service line list of values will only display active service contracts that meet the following requirements:

- The item you add as an Asset in the Lease Contract must be the same item as the covered product in the Service Contract.
- The asset line in Oracle Lease Management must point to the same inventory item (covered product) in the service contract.
- One Lease Contract can be associated with one Service Contract. You cannot associate a Service Contract to more than one Lease Contract.
- The Service and Lease Contract must be being created in the same Operating Unit (the Operating Unit Profile Option must be the same).
- The lease and service contract must use items from the same Inventory organization. The OKL: Contract Items Inventory Organization must agree with the Inventory Organization being used by the Service Contract.
- The contract effective date of the Service Contract must fall within the effective period of the Lease Contract.
- The Customer, Account, and Customer Bill-To must be the same on the lease and service contracts.
- The Service Contract must be in an Active status.

Prerequisites

For **standard** service lines:

- Inventory service items and suppliers must be set up. Also, if you are going to apply services to individual asset lines, you must set up the asset lines.
- For passthrough services, a corresponding billing type (stream type) must be set up.

For **linked** service lines:

- You must have already created and activated a service contract in Oracle Service

Contracts. That service contract must have a service line with a covered product.

- You must have the same customer on both the Oracle Lease Management lease contract and the service contract.
- You must have the same Bill To information on both the Oracle Lease Management lease contract and the service contract.
- You must have the same contract currency on both the Oracle Lease Management lease contract and the service contract.
- The service contract has to be effective, fully or partially, within the effective dates of the lease contract, and vice versa; that is, either all or some of the effective days of one contract must be all or some of the effective days of the other contract.
- You must have created an asset in the current Oracle Lease Management lease contract, which points to the same inventory item as the covered product in the service contract created in Oracle Service Contracts.
- The quantities of the asset and the covered product must be identical.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Navigation

Origination > Contracts > Lines > Service

You must have retrieved or be in the process of creating a contract.

Steps to Create a Standard Service Line

Perform the following steps:

1. Clear the Create From Service Contract checkbox, and click Create Service.

   The Create Service page appears.

2. In the Service field, click the flashlight icon and select the Inventory service item you are setting up from the list of values.

3. In the Supplier field, select the supplier for this service from the list of values.

   You only have to select a supplier if the service is going to be passed through.

4. Enter the effective date that this service starts.

5. Enter the date this service ends.

6. Enter the cost amount of this service. This is the fundable amount.

7. Click Create to save your work.

   When you receive confirmation of a successfully created service, you can click the service name hypertext link in the Service summary table to apply the service to a particular asset or assets, to specify recurring expenses, or to specify a passthrough.

Steps to Create a Linked Service Line

Perform the following steps:

1. Select the Create From Service Contract checkbox, and click Create Service.

   The Link Service Contract page appears.

2. In the Contract Number field, click the flashlight icon and select the service contract from Oracle Service Contracts from the list of values.

   The list of values displays service contracts in Oracle Service Contracts that share the same customer, operating unit, and overlapping effective dates.

3. In the Vendor field, select the vendor from the list of values.

4. Click Create to save your work.

   Oracle Lease Management automatically creates a service line, with the service name and amount derived from the service line details in Oracle Service Contracts.

   To later make a change to either the Lease Management contract or the Service contract, you must first delink the associated contracts, make the changes, and then re-associate the two types of contracts, if they should still be linked. See Associate and Delink a Service.

   Note: You must ensure that the key information that links an Oracle Lease Management contract to a service contract stays the same until booking.

   Note: If, for example, you change the Bill To information in the Oracle Lease Management contract before billing, you will get an error when you attempt to validate the contract. In that case, you must change the Bill To information back to its original value, or connect the service line to a service line in Oracle Service Contracts that matches the new Bill To information.

Steps to Specify Recurring Expenses for a Standard Service Line

Perform the following steps:

Note: This procedure is available for standard service lines, only, and is an optional feature.

1. From the Service summary page, click the service name hypertext link and then click the Recurring Expenses button.

   The Recurring Expenses page appears.

2. Specify the Number of Periods in which the expense is incurred.

3. Specify the expense Amount Per Period.

   The value of the Amount Per Period multiplied by the Number of Periods must be equal to the service line Amount entered in the Create Service page.

4. In the Frequency field, specify the period granularity (Annual, Monthly, Quarterly, Semi-Annual).

5. Click Update.

Steps to Specify Passthrough for a Standard Service Line

To specify a passthrough for a standard service line, perform the following steps.

Note: This procedure is only available for standard service lines and is an optional feature.

1. Navigate to the Service page as follows: Origination tab > Contracts subtab, Service hypertext link under Lines.

2. From the Service page, click the Create Service button.

   The Create Service page appears.

3. In the Service field, select a service from the list of values.

4. In the Effective From and Effective To fields, select effectivity dates for the service.

5. In the Amount field, enter the total amount that the lessee pays the lessor for the service.

6. If you are creating a passthrough on a service line for the base period, perform the following steps in the Base region of the Create Service page:

   1. In the Payout Basis field, select a payout basis for the passthrough from the drop-down list.

2. In the Effective From field, select the date from which the passthrough is effective during the base period.

3. In the Passthrough Stream Type field, select a passthrough stream type from the list of values.

7. If you are creating a passthrough on a service line for the base period only, click the Create button and skip to Step 10.

   The Service page appears with the service line displayed that you just created.

8. If you are creating a passthrough on a service line for the evergreen period, continue with Step 9.

9. If you are creating a passthrough on a service line for the evergreen period, perform the following steps in the Evergreen region of the Create Service page and click the Create button.:

   1. If the service line you are creating is evergreen eligible, select the Evergreen Eligible check box.

   2. In the Evergreen Payout Basis field, select a payout basis for the passthrough from the drop-down list.

   3. If a formula applies to the evergreen period, select it from the list of values in the Evergreen Formula field.

   4. In the Passthrough Stream Type field, select a passthrough stream type from the list of values.

10. To create a vendor to whom the service cost is passed, click the Vendor icon and then the Vendor button.

    The Vendor page appears.

11. In the Vendor field, select a vendor from the list of values and click the Create button.

12. To specify passthrough details for the base term or the evergreen term, click the Base icon or the Evergreen icon.

    The Passthrough Base Details page or the Passthrough Evergreen Details page appears.

13. Select the appropriate options, enter the appropriate amounts and percentages, and click the Create button.

14. To return to the Service page, click the Back button.

Guidelines

You can have multiple service lines on the same contract. To remove a line, select the Remove check box to the left of the service you want to remove and click the Update button.

Set Up Usage Lines

If the contract calls for usage-based billing lines, you must set them up. For example, if you supply copy machines and bill the customer based on usage (such as the number of copies made), you must account for this type of billing.

You can apply usage to assets as well as the contract. If you are applying your usage lines by asset, you must set up the asset lines in the contract.

When you enter the Usage Summary page, you can search for all the usage lines associated with the contract. Each line appears in a table containing the usage name, a description of the usage type, the price of the usage-based charges, the minimum quantity to be billed each period, and the defaulted quantity to be billed each period.

If no usage lines are set up, none appear in the list.

Prerequisites

You must set up price lists and usage items in inventory.

You must set up counters and counter groups in Oracle Install Base.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Navigation

Origination > Contracts > Lines > Usage

You must have retrieved or be in the process of creating a contract.

Steps

Step 1 Usage Item Setup

1. At the Usage Summary page, click the Create Usage button.

   The Create Usage Item page appears.

2. In the Usage Item field, click the flashlight icon and choose from the list of values the inventory item to use for this usage billing.

3. In the Price List field, click the flashlight icon and choose from the list of values the

price list for determining the per unit billing rate.

4. In the Minimum Quantity field, enter the minimum usage volume that you want to bill per period.

5. In the Default Quantity field, enter the default usage volume that you want to bill per period.

6. Select the Average Monthly Counter Volume check box if an average is used to bill unit volume per month.

7. Select the Level check box if the usage volume is a level amount each period.

8. In the Base Reading field, enter the base reading of the usage counter.

9. In the Base Reading Unit of Measure field, choose the unit of measure in which the base reading is expressed from the list of values.

10. Click the Create button to save your work.

    At this point, you can return to the Usage Summary page and select the usage item name from the summary table if you want to apply the usage to an asset.

Step 2 Usage Assets

1. After you have opened the Usage Item details page, click the Usage Assets icon that is associated with the usage item you want to associate an asset with.

   The Usage Assets page appears. This page displays the name of assets billed for usage and a short description of the assets billed for usage.

   Note: You can associate multiple assets to one usage item.

2. In the Add Asset field, click the flashlight icon and choose additional assets for which you want to bill usage for the item.

3. Click Update to save your work.

Set Up Contract Payment Structure

After you have created all the lines on the contract, you must set up the payment schedules for each of the lines. This payment structure relates to only billable streams on the contract.

You can either set up payment schedules for each line of the contract individually, or you can set up a single payment structure for all the assets on the contract. In the latter case, Oracle Lease Management allows you to spread the payments across all the asset lines according to the percentage of the deal each asset line represents.

As a minimum, you need a payment structure for your rents, every standard service, and every fee that you want the customer to pay.

> **Note:** You cannot create a payment for a service line linked to a service contract. During billing, the payment information will be taken from the payment details of the linked service contract generated in Oracle Service Contracts billing processes.

You must determine payment types, the frequency of payments, and whether rents are collected in advance or arrears. You also enter the payment sequence for each line, and specify multiple sequences if the payment amount changes over the term of the contract.

You can delete payments while you are authoring a contract.

Prerequisites

You must create all contract lines on the contract.

You must have a contract already selected before you can enter the Payment page.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Navigation

Origination > Contracts > Payment > Schedule

Steps

The Payment Summary page shows summary information about payments entered.

1. If you want to delete one or more payments, select the Remove checkbox beside each payment, and click Update.

2. If you want to create a payment, click Create Payment.

   The Payment page displays basic information about the contract, including contract name, status, product, contract start state, and term in months.

   > **Note:** If you are setting up one payment schedule for the entire contract, you do not have to choose a Contract Line Type. You can proceed to the Payments Type field.

3. In the Contract Line Type field, click the flashlight icon and select the Contract line

type if the payment is for a specific line type from the list of values.

The returned list of values includes all contract line types that you have added to the contract. This could include financial assets, fees, or services lines.

> **Note:** Usage and insurance are billed on a separate basis as determined by the details entered for those lines.

4. If you choose a contract line type of service or fee, at the Service or Fee Line field, click the flashlight icon and choose the specific service or fee line for the payment structure.

5. If you choose a financial asset as the contract line type, at the Asset field click the flashlight icon and choose the specific asset for the payment schedule from the list of values.

   A brief description of the of the asset line appears.

6. In the Payments Type field, click the flashlight icon and choose the payment type from the list of values of billable stream types.

7. In the Structure field, select Level, 1st & Last, 1st & Last2, or 1st & Last3 from the list of values.

8. In the Frequency field, choose from the list of values the frequency of payments in the structure.

   The options are: monthly, quarterly, semi-annually, or annually.

9. Select the Arrears check box if the payments in the structure are due in arrears of the rental period.

   At this point, you can enter a sequenced payment structure in a multi-line table. You can have multiple payment schedules, which might include different payment amounts, throughout the term of the contract.

10. In the Sequence field, enter the sequence number of the payment structure step you are entering.

11. Lease Management will base the invoice due date on the contract effective date. If you want to define an invoice due date that differs from this, use the Stub Days and Stub Amount fields. In the Stub Days field, enter the number of stub days.

    > **Note:** In Lease Management, a stub period defines the amount to be billed for the number of stub days entered. Only one payment will be generated for each stub period. Stub periods are non-recurring. A stub period differs from "interim" and "per diem," which define

an amount per day to be calculated and billed.

12. In the Stub Amount field, enter the payment amount for the whole stub period.

13. In the Periods field, enter the number of periods in the payment structure step.

14. In the Payment Amount field, enter the amount of the payment structure step.

15. Repeat steps 10-13 for each separate payment step you are including in this payment structure.

16. If you are setting up a single payment structure for the all the lines on the contract, save the payment structure and click the Apply Assets button.

    This apportions the rent to each asset line by the percent the asset represents of the total rent of the contract. This action can only occur once.

    Fees: To apply payments separately for fees, create non-capitalized fees. To apply payments to capitalized fees, create more payment lines and select the fees. The costs of the fees are capitalized onto the assets. The allocation is proportionate to the capital cost; that is, including the capitalized fee.

17. Click Create to save your work.

Guidelines

The payment structure determines whether 1, 2, or 3 payments are due on the first payment date. If extra payments are billed, they are credited to the last 1, 2, or 3 payments in the payment schedule.

If you want to remove a sequenced step from the payment structure, select the Remove check box to the left of the sequence line you want to remove.

If you want to delete a payment structure entirely, click the Delete Payment button. Note that you can also delete payments when you are in the Payment Summary page.

All payment rows, including stub payments, must start and end within the contract term.

A stub period is one period of several days in Oracle Lease Management. You cannot have stub periods next to each other; they must be separated by at least one payment structure step.

Payment Page Field References

Field or Button	Description
Revision Date	If it is a revised contract, displays the revision date.
* Payments Type	Required.
Structure	Enter "Level" if the contract has a level payment structure. If it has some advance payments, enter "1st & Last", "1st & Last2", or "1st & Last3" accordingly.
Stub Days	Number of days offset from the contract start date, or from the previous payment structure step.
Stub Amount	Amount (for example, of rent) to cover the whole stub period.
Start Date	Display-Only. When the payments for the line will begin.
End Date	Display-Only. When the payments for the line will end.

Calculations of Start Date and End Date for Detail Level Lines

The values for the display-only Start Date and End Date for each detail level line are determined by the following calculation formulas:

- Start Date = For the first payment line, the start date equals the contract start date, or the asset line start date. For all other lines, the start date equals the previous line End Date + 1 day.

  For validated stub lines (stub days and stub amount, only):

  End Date = Start Date + Stub Days – 1 day.

  For validated non-stub lines (period and amount, only):

  End Date = Start Date + [number of months] – 1 day.

Create Interest Rate Details

If your contract includes fixed or variable interest rates, you must enter the interest rate

details. For example, you must specify whether the interest rate is fixed or variable, what the conversion rates are, and define calculation methods. If the interest rate is variable, you must enter the variable rate details that match your contract and interest scenario.

For more information on variable rate contracts, see Variable Rate Contracts.

To create interest rate details, perform the following tasks:

- Click Rates in the Payment menu of the Contracts subtab
- Click Update to modify existing interest rates, or Add Rates to create new interest rates
- Select the applicable Variable Rate Parameter , enter an Effective From date, and click Create
- Enter Variable Rate Details and Click Update to save

The following table describes interest rate fields:

Interest Rate Field Descriptions

Field	Description
Interest Index	Select from interest index setup
Base Rate	Enter manually
Interest Start Date	Defaults from the contract start date
Adder Rate	Enter manually
Maximum Rate	Enter manually
Minimum Rate	Enter manually
Principal Basis	Select Actual or Scheduled
Days in a Month	Either 30 or the actual number of days
Days in a Year	Select 360, 365, or the actual number
Interest Basis	Select Simple or Compound

The following table describes additional interest rate fields:

Additional Interest Rate Field Descriptions

Field	Description
Delay Basis	
Rate Delay	In days or months
Rate Delay Frequency	Enter manually as number of days or months
Compounding Basis	
Compounding Frequency	Select either Daily, Monthly, Quarterly, or Annual
Formula Name	Select from formulas setup
Catchup Basis	Must be Actual
Catchup Start Date	Defaults from the contract start date
Catchup Frequency	Select either Monthly, Quarterly, Semi-Annual, or Annual
Catchup Settlement	Select Credit, Adjust, or Do Not Adjust
Change Basis	
Rate Change Start Date	Defaults from the contract start date
Rate Change Frequency	Select from Daily, Monthly, Quarterly, Annual, Anniversary Date, Billing Date, Date of Calendar Month, Date of Calendar Month and Calendar Year
Rate Change Value	Enter manually

The following table describes conversion basis fields:

Conversion Basis Field Descriptions

Field	Description
Conversion Options	Select Mandatory, Optional, or Null
Next Conversion Date	Enter manually
Conversion Type	Enter manually

Set Up Insurance

Most lessors require that customers leasing equipment carry insurance for assets on lease. A lessee can meet this requirement by carrying a third-party insurance policy, or they can buy insurance from the lessor.

Oracle Lease Management functionality allows you to capture the customer's third-party insurance information, or you can create a quote and sell an insurance policy to the lessee. With Oracle Lease Management, you can create lease insurance quotes, or you can create optional insurance quotes. Lease insurance covers the assets that are going on lease. The value of the insurance plan is equal to the value of the assets on lease.

Optional insurance would cover scenarios not included in the basic lease insurance. Optional insurance could include life insurance and loss-of-business insurance, for example.

You can also set up a concurrent program in Oracle Lease Management to monitor lessee's insurance periodically, ensuring that third-party policies are current. If the concurrent program finds that a lessee does not have a current insurance policy covering the leased assets, it starts a process whereby the lessee is automatically sold some insurance.

See Concurrent Programs, *Oracle Lease Management User's Guide*.

> **Note:** All insurance quote and policy amounts are in the contract currency.

The following section details the steps for the following:

- Create and Accept a Lease Insurance Quote
- Create and Accept an Optional Insurance Quote
- Capture Third Party Insurance Policy Information

Create and Accept a Lease Insurance Quote

Prerequisites

Set up insurance vendors and agents in Oracle Accounts Payable.

Set up insurance products and rates in Oracle Lease Management.

You need an existing contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Navigation

Origination > Contracts > Lines > Insurance

You must have retrieved or be in the process of creating a contract.

Steps

Perform the following steps:

1. Click the Create Lease Quote button.

   The Create Lease Insurance Quote page appears. At the bottom of this page, all asset lines associated with this contract appear. The table includes asset description, quantity, original equipment cost, asset category, insurance class, and location. The total amount of the original equipment cost of all the asset lines is the amount being insured with this quote.

2. In the Provider field, click the flashlight icon and from the list of values choose the provider for the lease insurance.

3. Choose the Location of the insurance from the list of values.

4. Choose the Payment Frequency from the list of values.

   Examples are half-yearly, yearly, monthly, and so on. Note that premiums are calculated on a monthly basis. A half-yearly payment includes six premiums.

5. If the lessor is insured by the policy, select the Lessor Insured check box.

6. If the lessor is the payee on the policy, select the Lessor Payee check box.

7. Enter the start date of the policy in the Insurance Effective From field.

8. Enter the length of the insurance policy (in months) in the Term field.

9. Enter the Quote Effective From and To dates.

   These dates specify the time during which the quote is valid for acceptance.

10. Click the Calculate Premium button to calculate the premium.

    While the premium is being calculated, the selected provider and location parameters are used to locate the insurance product and related rates appropriate for the value of the contract and the covered assets.

    The Calculation Result area appears.

    You can see the Calculated Premium figure at this time.

11. If you want to adjust the quote, enter the adjustment amount in the Adjustment field.

    This amount is subtracted from the premium total. The adjustment calculates an Adjusted Premium number and records who made the adjustment.

12. At this point you can take three actions on the quote:

    - **Accept Quote**: Click this button to accept the quote, create a quote number and a policy number. You cannot modify this quote.

    - **Save Quote**: Click this button to save the quote for the quote period and to create a Quote Number. You can later search for the quote, using the Active filter, to make further modifications or to accept the quote.

    - **Modify**: Click this button to enable you to make modifications to the lease insurance quote and then to recalculate the premium.

Guidelines

You can only activate an insurance policy in the Lease Center. SeeAbout the Insurance Tab, page 29-36.

Create and Accept an Optional Insurance Quote

Prerequisites

Set up insurance vendors and agents in Oracle Payables.

Set up insurance products and rates in Oracle Lease Management.

You need an existing contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Navigation

Origination > Contracts > Insurance > Quotes

You must have retrieved or be in the process of creating a contract.

Steps

Perform the following steps:

1. Click the Create Optional Insurance Quote button.

   The Create Optional Insurance Quote page appears.

2. In the Insurance Product field, click the flashlight icon and choose the optional insurance product you want to quote for the customer.

   The provider and insurance factors for the optional insurance product appear in read-only fields.

   > **Note:** You create optional insurance products in Oracle Lease Management during implementation. For more information, see the *Oracle Lease Management Implementation Guide*.

3. Enter the Factor value.

   This information is used to determine the premium rate for the product. For example, if the insurance factor was set up as age for the product, enter the age of the person covered by the policy.

4. Enter the Name of Insured party.

5. Choose the location of insurance from the list of values in the Country field.

6. Enter the amount of coverage provided in the policy in the Covered Amount field.

   The premium rate is multiplied by this coverage amount to determine the monthly total premium.

7. Choose the Payment Frequency for the policy.

   Examples are half-yearly, yearly, monthly, and so on. Note that premiums are calculated on a monthly basis. A half-yearly payment includes six premiums.

8. If the lessor is the payee of the policy, select the Lessor Payee check box.

9. If the lessor is the insured party, rather than the customer, select the Lessor Insured check box.

10. Enter the date the insurance policy become effective in the Insurance Effective From

field.

11. Enter the length of the policy in the Months field.

12. Enter the Quote Effective From and To dates.

    These dates specify the time during which the quote is valid for acceptance.

13. Add additional details to the quote.

14. Click the Calculate Premium button to calculate the premium.

    While the premium is being calculated, the selected provider and location parameters are used to locate the insurance product and related rates appropriate for the value of the contract and the covered assets.

    The Calculation Result area appears.

    You can see the Calculated Premium figure at this time.

15. If you want to adjust the quote, enter the adjustment amount in the Adjustment field.

    This amount is subtracted from the premium total. The adjustment calculates an Adjusted Premium number and records who made the adjustment.

16. At this point you can take three actions on the quote:

    - **Accept Quote**: Click this button to accept the quote, create a quote number and a policy number. You cannot modify this quote.

    - **Save Quote**: Click this button to save the quote for the quote period and to create a Quote Number. You can later search for the quote, using the Active filter, to make further modifications or to accept the quote.

    - **Modify**: Click this button to enable you to make modifications to the optional insurance quote and then to recalculate the premium.

Guidelines

You can only activate an insurance policy in the Lease Center. See About the Insurance Tab, page 29-36.

Capture Third Party Insurance Policy Information

You can capture information about the third party insurance policies that a customer may have to cover the insurance for the contract.

Prerequisites

You need an existing contract.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Navigation

Origination > Contracts > Insurance > Policies

You must have retrieved or be in the process of creating a contract.

Steps

Perform the following steps:

1. Click the Create Third Party Insurance button to enter this information for a lessee's third-party insurance policy.

   The Create Third Party Insurance page appears.

2. In the Policy Number field, enter the insurance policy number

3. Enter the mandatory Effective From and Effective To dates of the policy.

4. In the Covered Amount field, enter the amount of coverage the policy provides.

5. In the Deductible field, enter the amount of any policy deductible.

6. In the Endorsement Field, enter a description of any endorsements to the policy.

7. In the Name of Insured field, enter the name of the insured customer.

8. If the lessor is insured, select the Lessor Insured check box.

9. If the lessor is named as a payee on the policy, select the Lessor Payee check box.

10. In the Insurance Company field, click the flashlight icon and select the Insurance Company providing the policy.

11. Select the address of the insurance company from the list of values.

12. In the Agent/Broker Name field, click the flashlight icon and select the lessee's agent or broker from the list of values.

13. Select the address of the agent or broker from the list of values.

14. Under the Insurance Proof section, enter the Due Date for proof to be obtained by.

15. Enter the Provided Date when proof was obtained.

16. Click Create to save your work.

Additional Contract Data

Overview

Oracle Lease Management uses Oracle descriptive flexfields to enable you to capture additional contract data for common contract business objects such as the contract header, contract lines, and contract parties. Descriptive flexfields allow you to set up additional fields on a contract. You can enter additional flexfield information during the contract authoring process and when importing data with imported contracts. Flexfield data can be updated during contract revision, rebooking, and from the Lease Center. Customers and vendors can view flexfield data in Customer Self Service and Vendor Self Service.

Set Up Profile Options

Before using additional flexfields in Lease Management, you must complete set up user, responsibility, and site level profile options to determine who can view and update additional contract fields in the Lease Center. Profile option setups also determine whether descriptive flexfields are displayed in Customer Self Service and Vendor Self Service.

Lease Center Profile Option

To view and update descriptive flexfields on a contract in the Lease Center, set the OKL: Update Descriptive Flexfields to Yes. This profile option allows users to view and update additional flexfield data on a contract. If the OKL: Update Descriptive Flexfields profile option is set to No, then the Lease Center Descriptive flexfields will be read only.

Customer Self Service Profile Option

To enable descriptive flexfields on a contract in Customer Self Service, set the OKL: View Contract Additional Information in Customer Self Service profile option to Yes. Flexfields cannot be updated from Customer Self Service.

Vendor Self Service Profile Option

To enable descriptive flexfields on a contract in Vendor Self Service, set the OKL: View Contract Additional Information in Vendor Self Service profile option to Yes. Flexfields cannot be updated from Vendor Self Service.

Entering Additional Contract Data

Lease Management enables you to add multiple flexfield structures to contract headers, contract parties, and contract lines for assets, fees, and services. You can select the flexfield structure you want to use on a contract. When you create multiple flexfield structures for each of the descriptive flexfield lookups for a business object on a contract, each structure appears in the list of values for selection.

Once you determine what additional contract information you want to add to a contract, see the*Oracle Applications Flexfield Guide* for information on using Oracle descriptive flexfields. Set up and enable the following flexfields to use in Lease Management:

- For Contract Headers: OKL_K_HEADERS_DF
- For Contract Lines: OKL_K_LINES_DF
- For Party Roles: OKL_K_PARTY_ROLES_DF

Additional Contract Header Data

Additional contract data is entered in the Additional Information page of the Contracts subtab of the Origination tab. Select a contract and click Additional Information to access this page. In this page you can select the descriptive flexfield structure. These flexfields are examples only. Actual fields will depend on your setups.

Additional Contract Parties Data

When creating and updating parties, you can add additional flexfield values in the Additional Information region of the Party Details page.

Additional Contact Asset Data

You can create additional asset fields in the Asset Additional Information page by clicking Additional Information in the Properties region of the Asset page. You must first select an asset on a contract.

Additional Contract Fee Data

When creating or updating a fee line, you can create flexfields and enter fee details in the Additional Information region of the Fee Details page.

Additional Contract Service Data

When creating or updating a contract service line, you can create a flexfield structure and enter service details in the Additional Information region of the Create Service page.

Book the Contract

Prior to booking a contract, the contract carries a status of either New or Incomplete. In order to book the contract, you must several steps:

- Validate the Contract
- Generate Streams
- (Optional) Generate Journal Entries
- Submit for Approval
- Activate

Validate the Contract

Validating the contract is the first step toward booking it. When you submit the contract for validation, the QA Checker examines the contract inconsistencies, possible issues, and so on. The QA Checker returns a severity rating for each specified process. If your contract receives any severity ratings of Failed, then the booking process cannot continue until you have addressed the issue.

If the contract successfully passes validation, the contract status changes to Passed.

Generate Streams

After the contract is validated, you can generate financial streams. For more information on streams, see Stream Generation and Management. This process generates the streams and yields for the contract. The yields appear on the Booking Summary page after the system has generated steams.

Depending on the value of the profile option OKL: Streams for Booking Path, you will perform one of two procedures. In both procedures, you start by clicking the Generate Streams button.

If the value of the profile option OKL: Streams for Booking Path is Internal, the streams will be generated automatically, and the contract status is changed to Complete. No further action is required in this step.

If the value of the profile option OKL: Streams for Booking Path is External, then after you click the Generate Streams button, a screen appears where you must submit an explicit request to run a concurrent program that generates the streams. After submitting your request to generate streams, you can click the Refresh button periodically to check the progress of the stream generation program, and to be notified when the stream generation process is complete. When this process is complete, the contract status is changed to Complete.

If the contract is subject to multi-GAAP reporting, then, in addition to the standard operational streams, reporting streams will also be generated. For more information about how to view the streams, see View Streams.

After the streams have been generated, the yields appear on the Booking Summary page.

(Optional) Generate Journal Entries

After streams are generated, you can generate the journal entries. This process runs the contract streams through the accounting engine as a trial booking. When this process is complete, the contract status changes to Complete. You can view entries in the Operations tab if your user responsibility carries the correct security.

Submit for Approval

At this point, you submit the contract for approval, which initializes the lease contract approval workflow. Once the contract is approved, the status of the contract changes to Approved.

Activate

You can now activate or book the contract. After the contract is activated, the status changes to Booked.

Booking submits records to Install Base, Oracle Assets and the Oracle Lease Management subledger. For contracts where there is a multi-GAAP reporting requirement, and the book classification for the reporting product is Operating Lease, then an additional asset is created in Oracle Assets.

All currency information in Oracle Assets is recorded in the functional currency of the set of books, with all the conversions performed automatically if the functional currency is different from the contract currency.

For contracts with at least one service line linked to an active service contract in Oracle Service Contracts, booking the Oracle Lease Management contract enables subsequent billing to produce a consolidated invoice, which combines Oracle Lease Management and Oracle Service Contracts invoice details.

Prerequisites

Your contract must have a status of either New or Incomplete.

You must have your QA Checker enabled.

If you are using a lease price modeling software, you must be able to interface with that software.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

You must have retrieved or be in the process of creating a contract.

Navigation

Origination > Contracts > Booking

Steps

The Booking main page displays basic information about the contract, including the contact number, a description, the customer, the status, the financial product associated with it and whether the contract is syndicated. It also displays a Properties, Yields and Streams section. The Properties section displays some basic information about the contract (book classification, effective dates, and so on). The Yields section is blank until stream generation.

1. Click the Validate Contract button.

   This opens the Default QA Check List page. This page displays the various processes checked, gives a brief description, assigns a Severity level and provides an explanation of the Severity level. The status of the contract also changes. If it passes validation, the Status reads Passed.

2. Click the Back to Booking Screen to return to the Booking page.

3. Click the Generate Streams button to generate streams.

   If the value of the profile option OKL: Streams for Booking Path is External, this opens a page where you can track the progress of your request and view streams after they are generated. For a brief overview on streams, see Stream Generation and Management.

4. Click the Back to Booking Screen to return to the Booking page.

   The contract status changes to Complete. The Yields section of the page now contains the yields generated by the pricing engine.

5. Optionally, click the Generate Journal Entries button.

   This generates a trial booking.

   If the trial booking is successful, the contract status remains as Complete. If you have the appropriate authority (as defined in your user responsibility) you can navigate to the View Transactions page and view the draft journal entries.

6. Click the Back to Booking Screen to return to the Booking page.

7. Click the Submit for Approval button to initiate the lease contract approval workflow process.

   The contract status changes to Approved.

8. Click Activate.

   The contract status changes to Booked.

10

Streams

This chapter covers the following topics:

- Streams Overview
- Stream Use In Lease Management
- Stream Generation Overview
- View Streams

Streams Overview

A stream is a schedule of amounts and associated dates. Oracle Lease Management uses stream generation to recover a lessor's investment through a series of scheduled payments. The generated streams are associated with expense and income flows for the lessor. Streams are also used in billing, accounting, and other processes. Lease Management generates yields simultaneously with stream generation.

Streams consist of the following main components:

- Stream Type
- Stream Header
- Stream Elements

Stream Type

The stream type provides a functional name for a stream and relates the stream to attributes used to process streams in Lease Management procedures. The specific attributes carried by stream types define how Lease Management processes or utilizes the associated stream elements. Examples of stream types in Lease Management include Rental Income, Principal Balance, and Interest Payment.

For a complete list of Lease Management stream types, see Streams Appendix, *Oracle Lease Management Implementation Guide*.

Stream Purpose

A stream purpose is an important attribute of a stream type that determines how Lease Management processes the stream. Lease Management recognizes streams based on their stream purpose name.

Stream Header

Steam types are associated to stream elements through the stream header. The stream header defines the overall status of the stream as well as the object the stream elements relate to, such as a contract, quote, or asset. A stream header includes the stream type, status, contract ID, optional contract line ID, and a valid date range.

Stream Elements

The stream elements are a series of dates and amounts that represent a flow with financial impact, not necessarily just for billing and cash purposes. Stream elements include the date, the amount, the date billed, and the header ID.

The following table provides an example of a stream where the stream type is Rent and the Contract ID is 22738.

Lease Management Stream Example

Date	Amount
15-Jan-04	100
15-Feb-04	100
15-Mar-04	100
15-Apr-04	100
15-May-04	100
15-Jun-04	100
15-Jul-04	100
15-Aug-04	100
15-Sep-04	100

Date	Amount
15-Oct-04	100
15-Nov-04	100
15-Dec-04	100

Stream Use In Lease Management

Lease Management uses streams for the following purposes:

- Pricing
- Billing
- Accrual

Pricing

In pricing, streams are used to calculate specific yields in relationship to the object being priced, such as a contract, quote, or asset. Streams represent cash flows that are the primary element used in determining the payment or a yield for a sales quote or contract.

Billing

The billing program generates invoice transactions from active, billable streams. Users create billable streams for assets, fees, and services or for the entire contract by creating payments for those objects during contract authoring. When users activate a contract, the billable streams become active

When users run the billing program, the procedure uses the streams to determine which stream elements to bill. After a stream element is billed, it is marked with a date to identify and separate it from unbilled elements.

Accrual

The accrual program uses streams as a source for accounting transactions. During stream generation, either the internal stream generation program or an external pricing engine creates streams for accruing income and expenses. The specific accrual stream generated depends on the financial product and what users have entered on the contract.

The accrual program does not automatically accrue each accrual stream. Instead, it references user-defined setups on the contract's financial product to determine which stream types to accrue. Once a stream element has been accrued, it is marked with a date to identify and separate it from unaccrued elements.

Stream Generation Overview

The stream generation process is dependent on the method of stream generation used and the functional process during which streams are generated. The actual streams generated depend on the contract values, the stream generation method, and the setup steps completed during implementation.

Lease Management generates streams through an internal process, by an interface with third party pricing software, or by both methods depending on the stream type and usage. Users must determine, by financial product, whether to use the internal or external stream generation method.

The following table shows key Lease Management business processes, the business function, and the sources for stream generation.

Lease Management Streams and Business Processes

Business Process	Business Function	Stream Sources
Booking Rebooking Contract Import Mass Rebooking Reamortization	Generate Streams	External Stream Generation and Internal Stream Generation
Authoring Customer Service	Accept Insurance Policy	Activation Insurance Program
Variable Rate Processing	Calculate Variable Interest	Internal Stream Generation

This section includes the following topics:

- Internal Stream Generation
- External Stream Generation
- Insurance Activation Program

- Booking
- Rebooking
- Variable Rate Processing

Internal Stream Generation

Lease Management generates streams internally during contract activation. This process works in coordination with the calculation of the contract yield to produce all required billing and accounting streams. Internal stream generation is designed for less complex transactions.

External Stream Generation

Lease Management integrates with an external pricing engine to generate streams. The external pricing engine can handle complex and structured pricing scenarios and provide a large number of pricing and stream related attributes that impact the generation of streams not available in Lease Management. The external pricing engine produces pricing-related schedules needed for standard business processing with Lease Management. The pricing schedules are retrieved during stream generation along with the pricing result set from the external pricing engine.

The external stream generation process of Lease Management uses a series of APIs and Oracle Workflows to interface, via the Oracle XML Gateway application, to the external pricing engine. Before external stream generation can begin, users must complete the necessary implementation steps.

To set up external stream generation, see Set Up Streams, *Oracle Lease Management Implementation Guide*.

Insurance Activation Program

After creating insurance quotes, the customer's acceptance of the quotes is indicated in the Origination insurance pages, in the Lease Center, or by an activation program. Upon acceptance, the insurance activation program creates an insurance policy and generates streams for billing, payment, and accounting accruals.

Users create insurance quotes during contract authoring in the Lease Center, or by running the Automatic Insurance Placement Program. If users create the quote, the quote must be accepted before a policy is created. During the insurance placement program, the quotes are automatically accepted. The acceptance of an insurance quote creates a policy and initiates the stream generation process.

A billable stream is generated for the premium due from the insured lessee. A stream is generated for the payable premium due to the insurance provider and a separate insurance concurrent program runs to pick up the stream and move it to a transaction table or import into Oracle Payables.

Two accrual streams are also generated, one to amortize the revenue and the other to amortize the premium expense. All other related insurance transactions such as paying the premium to the insurance provider, providing cancellation credits to the insured lessee, or retrieving a cancellation credit from the insurance provider are performed through a transaction rather than a stream.

Booking

Users must generate streams in order to activate, or book, a contract. The Lease Management activation process requires streams to derive the correct booking entries.

Stream generation assigns stream types to streams based on the user selection during payment, fee, and service creation and based on the streams template associated with the contract's financial product.

Rebooking

Users can book a revised contract by either selecting the contract and modifying it directly from the Revisions menu option in the Contracts subtab of the Origination tab, or by performing a Mass Rebook. Although the rebooking types follow different revision processes, the stream generation process for both rebooking types is the same.

When a contract is rebooked, the old streams are cancelled as of the date of the rebook, and all of the accrual entries and billing records are reversed. When the new version of the contract is rebooked, the new streams become active. When users run the accrual and billing programs, the net adjustment of the booking, or old versus new streams, is booked to the subledgers and general ledger for the same period.

A new stream element is created during rebooking to reverse or credit all of the original billings. This stream, with the stream type purpose of Billing Adjustment, is the total of all billed stream elements for all billable streams as on the date of the rebook. Additional processing is required to apply any associated credits to new invoices so the contract does not become overbilled.

The following processes leverage rebooking:

- Reamortization of variable rate contracts
- Partial termination quote acceptance

Variable Rate Processing

For contracts with variable rate terms and conditions, a program can be run to process them for variable interest charges. Based on the contract's terms and conditions, the program determines the interest rate to be applied if the terms specify that a new interest rate requires reamortization and stream generation, and calculates a new billable stream for variable rate interest. The income accrual for the interest adjustment is processed through a transaction rather than an accrual stream.

View Streams

You can view details of generated streams for a particular contract. This function allows you to see the schedule of payments by stream type, along with the corresponding amount for each date for the lifetime of the contract.

For accounting purposes, this feature allows you to review all the generated financial streams and verify that they meet the needs of your organization.

Depending upon the details of the contract, you can view three types of streams:

- Contract Level Streams
- Asset Level Streams
- Service or Fee Streams

You can search and view streams at both summary and detail level. Initially the searches and reports start at the summary level. You can then drill down to see the details of the stream and the stream amount for each due date.

Note that you can see streams generated for multi-GAAP reporting. They appear in the results tables with a purpose of REPORT.

Prerequisites

You must have generated streams for a contract.

Responsibility

Lease Super User, Lease Accounts Controller

Navigation

Operations > Streams

Steps

Perform the following steps:

1. Enter the contract number, or part of the contract number containing the streams you want to view, in the Contract field and click the Go button.

   The results table contains all the contracts that meet your search criteria. The table also includes the status of the contract, such as complete, booked, and so on.

2. Click the hyperlink contract number of the contract that contains the streams you want to view.

At this point, the Contract Streams Summary page appears.

Summary searches

From this page, you can either search directly for contract level streams, or click one of the two buttons:

- Asset Streams Summary
- Service or Fee Streams Summary

  and then enter search criteria to see the streams summary at the appropriate level.

  The search criteria for each of the three options include the following:

  Stream Type: If you know the particular stream type you want to view, you can choose it from the list of values. Leave the value blank if you want to see all streams.

  Status: The status of the stream. The default is All. Other possibilities include Current, History, Hold, and Working.

  For asset streams, an additional search parameter is Asset, where you can request to view streams for a particular asset.

3. Go to the relevant Streams Summary page, enter the appropriate search criteria, then click Go.

   The results of the search are displayed in a table, which shows a summary of the streams, at the appropriate level (Contract, Asset, or Service or Fee.)

   The table includes stream type, the status of the stream, the purpose, the total amount for each stream type, and a Details icon.

   If you click the Details icon, the appropriate page appears, which displays one of the following:

   - Contract Level Streams
   - Asset Level Streams
   - Service or Fee Streams

     The results show details of stream type, the due date, the amount, the status, and the purpose (which is "REPORT" for multi-GAAP reporting streams).

     For asset level streams, you also see the asset number.

     For service or fee streams, you also see the service or fee name.

Detail searches

- Once you are at the details level, you can search for more streams at the details level

for each of the three categories: Contract, Asset, or Service or Fee.

- Click the appropriate button: Contract Level Streams, Asset Level Streams, or Service or Fee Streams.

  The following search criteria are available to help you narrow the search:

  Request Number: This is the request number of the request for stream generation.

  Stream Type: If you know the particular stream type you want to view, you can choose it from the list of values.

  Stream Date From/To: These are the dates that the stream spans.

  Purpose: The purpose of the stream.

  Status: The status of the stream. The default is All. Other possibilities include Current, History, Hold, and Working.

  For asset streams, you can also search for a particular asset or select all assets.

- Click Go.

  The results show details of stream type, the due date, the amount, the status, and the purpose (which is "REPORT" for multi-GAAP reporting streams).

  For asset level streams, you also see the asset number.

  For service or fee streams, you also see the service or fee name.

Guidelines

Each of the three possible stream searches (Contract, Asset, Service or Fee) returns only those streams relevant for that particular search. You cannot see asset level streams, for example, when doing a search for contract level streams.

Run Stream Generation Purge Program

Stream generation can cause large amounts of redundant data to populate the interface tables. Large amounts of redundant data can cause slower stream generation performance. You can improve performance of stream generation by running the Purge Streams Interface Tables program. The Purge Streams Interface Tables program removes redundant data preceding a date that you specify.

To run this program, you must specify the Last Creation Date of the stream data that you want to purge. You can also specify when you want to schedule the program to run.

Prerequisites

You must have generated streams for a contract.

Responsibility

Lease Administrator

Navigation

Sign in using a Forms URL

Requests > Run

Steps

Perform the following steps:

1. Select the Single Request option.

   The Run This Request page opens.

2. In the Name field, select Purge Streams Interface Tables.

3. In the Parameters field, enter the date before which you want all data deleted in the Last Creation Date prompt.

4. Click Submit to run the program.

View Stream Generation Log File

In order to track and identify potential errors during stream generation, each transaction creates a log file. You can view the log file to identify the cause of the error, in the event one is generated. Errors are generated either from the third-party lease price modeling software that you are using, or internally from the Oracle Lease Management system.

The log file is kept in the path specified in the "OKL: Stream Generation Log File Directory" profile option and can be accessed by a system administrator with any standard text editor application (Notepad, for example). The file name includes the transaction number created during stream generation (that is, OKLSTXMLG_<transaction number>.log).

11

Tax

Introduction

This chapter includes the following two sections:

1. Sales Tax
2. Property Tax

Sales Tax

Overview

Lessors collect sales taxes from customers and make payments to tax authorities. Sales tax is applicable to lease contracts based on the laws enacted for each jurisdiction in which taxable events occur. Taxable events occur throughout the life cycle of a contract or asset.

Taxes can be calculated in Lease Management at several points in the lease business process, including creating a sales quote, booking, billing, sale of an asset, rebooking, or terminating a quote. When you define tax details on specific lease contracts, Lease Management interfaces with the Oracle Receivables global tax engine to calculate the tax amount.

The Receivables tax engine recognizes the following tax determination parameters:

- **Product Fiscal Classification** – An item category defined in Oracle Inventory. It is derived from the item associated with the transaction of the tax call.
- **Party Fiscal Classification** – A class category defined in Oracle Trading Community Architecture (TCA). It is derived from bill-to site defined in the contract Terms & Conditions.

- **Transaction Business Category** – Determined in Lease Management. It defines a unique combination of values of specified leasing parameters. Lease-specific parameters are financial product, transaction type, stream type, purchase option, interest disclosed, sale and lease back, purchase of lease, age of equipment, usage of equipment, transfer of title, and vendor location.

- **Equipment Location** – Ship-to site use. If Ship-to site use is not available, then Bill-to site use. You must define the customer account site associated with the party site, defined as the installed-at address on the asset line of a contract. You also define the ship-to site use for that customer account site. This customer account site use is passed to tax engine during the tax call to determine location-based tax rates. If the customer account site use is not found, a NULL value shall be passed to the tax engine for ship-to site use and the tax engine derives the location-based tax rates based on the Bill-to site use passed by Lease Management in the tax call.

Tax Calls

Tax calls are made to the Receivables tax engine from Lease Management to calculate sales tax. Lease Management uses the following three types of tax calls:

- **Upfront Tax Call** – tax is calculated for a contract at the time of booking/rebook, sales quote, and asset location change tax events. An upfront tax call is made with reference to the payment stream defined for the contract and asset line of the contract. Fee lines, service lines, insurance lines, and UBB lines are excluded from upfront tax calculation.

- **Invoice Tax Call** – tax calculated on a specific invoice.

- **Tax Schedule Call** – a schedule of the invoice amount and related tax amount is prepared for a given period.

You set up the details of upfront tax calculation at the asset level. Lease Management processes upfront tax using the following methods:

- **Bill Upfront Tax**- Upfront tax is billed to lessee as a tax-only invoice in Receivables.

- **Financed Upfront Tax** – A financed fee is created for the amount of upfront tax that is set to Financed. You must define payments for the financed fee.

- **Capitalize Upfront Tax** – A capitalized fee is created for the amount of the upfront tax that is set to Capitalized.

Tax Basis and Override

Lease Management derives a default taxable basis amount for each tax call. The default tax basis amount is given in the table under each tax event. You can override the default tax basis amount by associating a formula with a transaction type in the Tax Basis

Override page. Lease Management evaluates formulas associated with the transaction type of the tax event. If a formula is associated with a transaction type, the amount evaluated by the formula overrides the default tax basis amount.

Tax Setup

Before Lease Management can calculate taxes, you must define the tax details and complete the tax setup steps. To set up sales tax, see Set Up Sales Tax, *Lease Management Implementation Guide*.

Lease Sales Quotes and Sales Tax

When creating a sales quote, you can estimate future tax calculation. Sales tax can be calculated at any time before or on acceptance of the quote. When financing the sales tax, you can determine what part of the tax to finance for the financed tax fee amount.

An Upfront tax call is generated when a sales quote is priced. You can also generate a tax call manually in the Pricing tab. You have the option of creating financed or capitalized fees for an upfront tax amount.

The following table describes conditions for a tax call during the Lease Management lease sales quote process.

Lease Sales Quotes And Sales Tax

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Lease Sales Quote	Quoting	One for each header/line payment stream, if available.	Upfront Tax	Contract Start Date	The financed or capitalized tax amount determines the fee line amount.	Sum of each Payment Stream	Estimated

Contract Authoring and Sales Tax

When authoring a contract, you create new sales tax details on the contract terms and conditions. You can calculate tax any time before activation of the contract to determine whether to bill or finance the tax amount at the contract line level. When you activate the contract, Lease Management automatically calls the Oracle Receivables tax engine to

calculate taxes.

To create sales tax details on a contract, see Create Sales Tax Details.

Contract Booking and Sales Tax

When booking a contract, you can create new sales tax details on the contract terms and conditions. These details default onto the contract lines if the Update Lines From Contract Header check box is selected.

You can calculate tax any time before the activation of a contract. You can determine whether to bill or finance the tax amount at the contract line level. Upon activation of the contract, a tax call to the Oracle Receivables tax engine will be made automatically.

Upfront tax calls are generated when the contract is validated and activated. The tax schedule for the life of a contract is also generated on contract activation.

Contract Booking and Sales Tax Calls

The following table describes contract booking events and sales tax calls.

Contract Booking and Sales Tax Calls

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Contract Activation	Booking	One call for contract header and one call for each asset line.	Upfront Tax	Contract Start Date	Bill, Finance, or Capitalize Upfront Tax	Sum of each Payment Stream	Actual

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Contract Activation	Tax Schedule	One call for each payment amount at the contract header/lines level. No tax call for insurance payments and UBB values.	Tax Schedule	Stream Element Date	None	Stream Element Amount	Estimated
Contract Validation	Booking	One call for contract header and one call for each asset line.	Upfront Tax	Contract Start Date	Financed or Capitalized tax amount determines the fee line amount.	Sum of each Payment Stream	Estimated

Contract Validation

The following conditions apply to sales tax and contract validation.

- An Upfront tax call is generated upon contract validation.
- Upon validation of a contract, Lease Management creates financed or capitalized fee lines with an amount equal to the total financed or capitalized tax amount, and with the Sales Tax Fee field set to Yes, if upfront tax for any asset is set to financed or capitalized..
- You can bill upfront tax on some assets and finance upfront tax on others. You can also bill upfront tax on some assets and capitalize upfront tax on others. However, you cannot finance upfront tax on some assets and capitalize upfront tax on other assets.
- If the asset upfront tax field is null for any asset, the value for that field on the contract terms and conditions is used for processing the upfront tax.

- A contract cannot have more than one Sales Tax fee line.
- The sales tax fee line amount must be equal to the total financed, or capitalized, tax amount for all assets.
- If a sales tax fee line exists at the time of validation of contract, Lease Management does not modify the sales tax fee line with the new fee line amount, if the amount of the fee line is different from the financed, or capitalized, tax amount. You must update the fee line manually.
- The sales tax financed fee line must have a corresponding payment defined.
- The financed or capitalized fee line must be associated with assets for which the tax is financed or capitalized. The Sales Tax fee line amount must be equal to sum of amounts for all associated assets.

Contract Activation

The following conditions apply to sales tax and contract activation.

- Upfront tax and tax schedule calls are generated upon contract activation.
- An Upfront tax call recalculates upfront tax for the contract. Contract activation brings up an error message if the sales tax fee line amount is not equal to the total financed, or capitalized, tax amount for all assets calculated on activation of the contract.
- The Billed upfront tax amount calculated upon the activation of contract may differ from the upfront tax amount calculated on the validation of the contract. Lease Management creates a tax-only invoice for the tax amount upon activation of the contract.
- A Tax Schedule call creates a tax schedule request transaction, which is linked to tax schedule. The tax schedule generated upon activation of a contract is displayed in the Lease Center.

Rebook and Sales Tax

When you rebook a contract, Lease Management creates two tax lines. One tax line is used for the tax amount determined and returned by the Oracle Receivables tax engine for the rebook tax call. The second tax line is used to reverse the previous booking and rebook tax call with a negative tax amount. You can bill or finance any of the tax lines on rebook.

When you finance the tax, the financed tax fee line amount cannot be negative or zero, and the default values for bill or finance attributed for each tax line are derived from the previous booking and rebook.

Upfront tax calls are generated when rebook contract is validated and activated. In addition, the tax schedule for the life of the contract is also generated on rebook contract activation. The following table describes rebook contract tax calls.

Contract Rebook and Sales Tax Calls

Contract Rebook and Sales Tax Calls

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Rebook Contract Activation	Booking	One call for contract header and one call for each asset line.	Upfront Tax	Start Date of the Original Contract	Bill, Finance, or Capitalize Upfront Tax	Sum of each Payment Stream	Actual
Rebook Contract Activation	Tax Schedule	One call for each payment amount at the contract header/lines level. No tax call for insurance payments and UBB values.	Tax Schedule	Stream Element Date	None	Stream Element Amount	Estimated
Rebook Contract Validation	Booking	One call for contract header and one call for each asset line.	Upfront Tax	Start Date of the Original Contract	Financed or Capitalized tax amount determines the fee line amount.	Sum of each Payment Stream	Estimated

Contract Rebook Conditions

The following conditions apply to rebooking a contract in Lease Management.

- An Upfront tax call is generated upon rebook contract validation and upfront tax and tax schedule calls are generated upon contract activation.
- All conditions specified under in the Contract Validation and Contract Activation for Contract Booking sections above are applicable to rebook of contract.
- You cannot change the tax detail fields of existing asset lines.
- If a new asset line is added to a contract, you can create asset level tax details. You can choose to bill, finance, or capitalize the upfront tax subject to the conditions mentioned above in Contract Booking.
- You must update the sales fee line amount if the amount of the fee line is different from the financed, or capitalized, tax amount as calculated upon rebooking the contract.
- If the billed upfront tax calculated on the rebook is different than the billed upfront tax on the original contract, Lease Management generates a tax-only invoice, or credit memo, for the different tax amount. The invoice or credit memo generated includes the rebook transaction date.
- In case of a mass rebook, the differential upfront tax is billed and an invoice or credit memo is generated.

Asset Location Change and Sales Tax

An upfront tax call is generated when an asset location is changed in the Lease Center, Vendor Self Service, or Customer Self Service. The upfront tax is calculated in a new location, and the tax amount calculated is billed. The financed or capitalized options are not available for asset location change.

The date of an asset location change can be the current date or a prior date, but the prior date cannot be before the date of the last asset location change.

The following table describes an asset location change tax call.

Asset Location Change Tax Call

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Asset Location Change	Asset Relocation	One call for contract header and one call for each asset line.	Upfront Tax	Change of Location Date	Bill Upfront Tax	Sum of each Payment Stream	Actual

Split Asset and Sales Tax

No tax is generated on an asset split transaction. New asset lines are created to replace the existing asset line on the contract if the asset split is by components. If the asset split is by units, the existing asset is changed and new assets are created as necessary. Asset level sales tax details on the original asset should propagate to all of the assets generated as a result of the asset split.

Lease Management generates a new set of asset-level upfront tax lines for each asset line that is active after an asset split. These upfront tax lines are active after the asset split transaction. For example, if split asset A results in assets A1 and A2, a set of new asset-level upfront tax lines is generated for assets A1 and A2. The status of the asset level upfront tax lines associated with the original asset before the split changes to Inactive. Contract level tax lines remain Active and are not changed.

A new set of tax lines is derived from the upfront tax lines that existed for the original asset before the split. The tax and taxable amounts are split in the ratio of the split asset cost. The other details of the original tax lines remain the same in the new set of tax lines.

Invoice tax and tax schedule lines are not affected by asset split transactions.

The following table describes a split asset sales tax call.

Split Asset Sales Tax Call

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Split Asset	Split Asset Tax	No call is made to the tax engine.	Upfront Tax	Split Asset Transaction Date	Split of Tax Lines		Actual

Termination Quotes and Sales Tax

An invoice tax call is generated when a termination quote is created or updated. An invoice tax call is also generated on the creation of a billing transaction when a termination quote is accepted..

An invoice is created when the quote line amount is positive and a credit memo is created when the quote line amount is negative. Tax is recalculated for the whole quote when a quote line is updated or deleted.

The following table describes a termination quote sales tax call.

Termination Quote Sales Tax Call

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Termination Quote Acceptance	Billing Credit Memo	One call for each quote line	Invoice Tax	Invoice Date	Bill Invoice Tax with an Invoice	Invoice Amount	Actual
Termination Quote Creation/ Change	Billing Credit Memo	One call for each quote line	Invoice Tax	Quote Effective From Date	None	Quote Line Amount	Estimated

Tax Schedules

A tax schedule can be generated upon booking and rebooking or on the activation of a contract. A tax schedule can also be generated manually in the Lease Center.

The following table describes tax schedule events.

Tax Schedule Events

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Contract Activation	Tax Schedule	One for each payment amount at the header or line level. No tax call for insurance payments and UBB lines.	Tax Schedule	Stream Element Date	None	Stream Element Amount	Estimated
Rebook Contract Activation	Tax Schedule	One for each payment amount at the header or line level. No tax call for insurance payments and UBB lines.	Tax Schedule	Stream Element Date	None	Stream Element Amount	Estimated

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Generate Tax Schedule	Tax Schedule	One for each payment amount at the header or line level. No tax call for insurance payments and UBB lines.	Tax Schedule	Stream Element Date	None	Stream Element Amount	Estimated

Billing and Sales Tax

Lease Management enables you to select the billing method for specific sales contracts. Contracts can be negotiated to pay the sales tax for the entire lease term upfront and capitalize the sales tax. You can define streams on which no upfront tax is applicable when upfront tax has been applied. While upfront tax and periodic tax are not part of the yield calculation, the upfront tax, both partial and full, is financed and the finance line and payments are included in the yield calculation.

When you apply upfront tax, it may be billed to the lessee or financed as a fee on the contract, and the upfront tax must be specified for each stream. In general, upfront tax is not calculated on billing for the specified streams. For example, upfront tax may not be calculated for a rent stream, but is calculated for other streams. In some cases, both upfront tax and tax on stream billing are applicable.

Sales tax details can be updated to change tax rates, the party responsible for collecting and reporting the taxes, or the customer's tax exemption status.

The following table describes billing sales tax calls.

Billing Sales Tax Calls

Event	Transaction Type	Tax Calls	Tax Call Type	Tax Date	Tax Processing	Default Basis Amount	Estimated or Actual
Billing	Billing Credit Memo	Invoice Line Amount	Invoice Tax	Invoice Date	Bill Invoice Tax with an Invoice	Invoice Amount	Actual
Billing/Remarketing	Billing	Invoice Line Amount	Invoice Tax	Invoice Date	Bill Invoice Tax with an Invoice	Invoice Amount	Actual
Billing/Vendor Repurchase Quote	Billing	Quote Line/Contract Line Amount	Invoice Tax	Invoice Date	Bill Invoice Tax with an Invoice	Invoice Amount	Actual
Billing/Vendor Cure	Billing Credit Memo	Invoice Line Amount	Invoice Tax	Invoice Date	Bill Invoice Tax with an Invoice	Invoice Amount	Actual
Asset Repair	Billing Credit Memo	Invoice Line Amount	Invoice Tax	Invoice Date	Bill Invoice Tax with an Invoice	Invoice Amount	Actual

View Sales Tax Details

Lessees can view tax rates, amounts, and actual tax billed for each contract in the Lease Center. You can view tax details in Lease Management at the following points:

- Upfront tax details for a contract can be viewed from the Total Sales Tax Amount field in the Contract Booking page.
- Invoice tax details can be viewed from Invoice Tax Amount in the Invoice Tab.

- Invoice tax details can be viewed from Invoice Tax Amount in the Lease Center
- Invoice tax details can be viewed from Invoice Tax Amount in Customer self service and Vendor Self Service.
- Tax schedules can be viewed in the Lease Center.

Property Tax

Overview

Property tax is a tax on property owned levied by a tax authority. Lease Management enables you to bill lessees for estimated property taxes, make payments to the tax authorities, import actual property tax information, and bill adjustments resulting from the difference between the estimated and actual property tax amounts. You can also associate estimated property tax payments to assets. Lease Management property tax billing is generated through Oracle Receivables and payments of actual property tax are disbursed through Oracle Payables.

In Lease Management, you define property tax details at the operating unit, contract, and asset levels. You can override default settings for property tax at the contract or asset levels. Estimated property taxes can be defined on both lease sales quotes and lease contracts. The estimated property tax is excluded from contract yield or interest calculations, is effective on or after the contract start date, and cannot precede the start date or exceed the end date of the asset line.

Property taxes can also be imported from third party applications and the actual property tax can be reconciled to the estimated property tax billed for each asset.

Estimated property tax defaults can be defined at the operating unit level and you can override the defaults when you author contract terms and conditions and create assets.

Property Tax Setup

Before property tax can be calculated, the correct property tax details must be setup. To set up property tax, see Set Up Property Tax, *Oracle Lease Management Implementation Guide*.

Property Tax Streams

When you create user-defined streams for property tax receipts and payments, the stream types must be billable and associated to the Fee Payment stream purpose. The property tax receipt and payment streams are generated at the asset level. Property tax streams are not included in funding, are not used for expense or income streams, and are not used for passthrough streams.

For more information on streams, see Streams, *Oracle Lease Management User's Guide*.

Property Tax Billing

You can invoice property tax to the lessee based on the estimated amount, the actual amount, or both.

Importing Property Tax Data

Lease Management can import actual property tax details from third party applications. To import actual property tax details, the following prerequisites must be met.

1. The stream type purpose must be Actual Property Tax
2. Select Yes in the Property Tax Applicable field.
3. Define the tax authority in the import data as a tax vendor in Oracle Payables.

To upload actual property tax, you must import files from the third party application.

Quoting and Property Tax

You can create a lease sales quote with estimated property tax payments associated to assets. When you create a contract from the sales quote, the estimated property tax details are carried from the quote to the contract.

To place estimated property tax on a sales quote, see Create a Lease Sales Quote, *Oracle Lease Management User's Guide*.

Contract Authoring and Property Tax

You can override property tax details set up at the operating unit level when you author a contract or you can chose to use the default property tax details. You can also override property tax details set up at the asset level.

To define property tax on a contract, see Contract Authoring Overview, *Oracle Lease Management User's Guide*.

To override property tax details set up at the asset level, see Contract Authoring Overview, *Oracle Lease Management User's Guide*.

Property Tax Payments

To make property tax payments to tax authorities, you create payable invoices for tax liability in Oracle Payables after the actual property tax is imported. A separate invoice is created for each tax authority to which tax is payable.

To create Payables invoices for property tax liability, see the *Oracle Payables User Guide.*

Property Tax Reconciliation Report

When there is a difference between the estimated property tax billed and the actual property tax paid, you can reconcile the shortfall or excess recovery of property tax on asset termination. You run the Property Tax Reconciliation Report on asset termination when you select Estimated and Actual for the property tax bill-to attribute for the asset.

The Property Tax Reconciliation Report compares the estimated property tax billed to the actual property tax paid to calculate the amount of property tax billed short or in excess. When the property tax billing is short, an adjusted property tax is billed. When the property tax billing is in excess, the adjusted property tax results in a credit memo.

Lease Property Tax Report

You can run the Lease Property Tax Report to view the estimated property tax billed and the actual property tax imported. The Lease Property Tax Report can be run by contract or by asset.

Termination and Property Tax

When you terminate an asset, you can reconcile the estimated and actual property tax if the bill-to attribute is set to Estimated or Actual. On reconciliation, if the actual tax is more than the estimated tax, you can create an invoice for the underpayment. If estimated tax is more than the actual tax, you can create a credit memo for the excess collected.

When an asset is terminated, the termination quote calculates the estimated property tax for quote lines. The termination quote determines the estimated property tax amount based on a fixed amount or a formula. You can modify the seeded formula to calculate the estimated property tax amount on the termination quote.

View Property Tax Details

The Lease Center displays all property taxes billed and the property tax details, including the estimated property tax billed, the actual property tax billed, and the property tax adjustments billed. To view property tax details, see the Lease Center.

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Importing Contracts

Importing Existing Contracts

Optional

You can import existing contracts from external systems into Oracle Lease Management using Oracle's open interface tables functionality. This process requires that you upload your contract information into Oracle's five open interface tables, using any standard import utility, such as SQL*Loader, at which time you can import information from those tables into the Lease Management tables based on user-defined parameters.

The Oracle open interface tables used to import contracts are:

- OKL_HEADER_INTERFACE
- OKL_LINES_INTERFACE
- OKL_TERMS_INTERFACE
- OKL_PAYMENTS_INTERFACE
- OKL_PARTY_ROLES_INTERFACE

> **Note:** You must include the legacy contract number for all data you are uploading to the open interface tables. This number must be stored in the "CONTRACT_NUMBER_OLD" column of each of the five tables and serves as the primary key. You can add a new contract number in the "CONTRACT_NUMBER" column of the OKL_HEADER_INTERFACE, or if you leave it blank, Oracle Lease Management creates a new one during the import process.

After you have uploaded your data to these tables, you can import multiple contracts with one submission, or you can import individual contracts one at a time. In the case of multiple contract importing, you can determine which contracts to import by

referencing a batch number, by effective dates, or by customer name.

Two main features of this import functionality are the ability to import the contract into a predetermined contract status, such as Booked or Complete, automatically, and the ability to reference a contract template to provide additional contract information for imported contracts.

In both cases, values must be entered into specific columns in the OKL_HEADER_INTERFACE table to enable the contract import function. There are several contract statuses that you can import a contract with, including new, passed, complete, and booked. Oracle Lease Management's import function reads the status value that you enter in the "IMPORT_REQUEST_STAGE" column, and processes the contract through to that stage. Depending upon the status, this process may include running validation checks against the contract, generating streams and yields, activating an approval process, creating journal entries, and booking the contract.

Importing a contract with an import status of Complete, or Booked is a two-step import process because these statuses require stream generation through a third-party lease price modeling software. Basically, all imported contracts carry a import status of NEW when they are imported. For contracts that carry the NEW or PASSED contract status after they are imported into Oracle Lease Management, the import status changes to INTERFACED.

For contracts requiring stream generation, when they are imported and sent into the pricing engine for stream generation they receive an import status of Interfaced. After streams are generated, the import process picks the contract up again, runs the necessary processes, and assigns an import status of Final if the process is successfully completed.

To reference a template contract, you must input the template contract number in the "TEMPLATE_NUMBER" column of the OKL_HEADER_INTERFACE table. This feature allows you to copy contract header and terms and conditions from a template onto an imported contract. This reference populates only those fields that do not already have information from the original legacy contract.

The following two processes are covered in this section:

- Import Contracts into Oracle Lease Management
- Track Contract Import Request Status

For more information on using Oracle open interface tables, see the *Oracle Financials Open Interfaces Reference* manual.

Import Contracts into Oracle Lease Management

After you have uploaded all your legacy data to the Oracle open interface tables, you can begin importing the contracts into Oracle Lease Management. You can import contracts in a number of ways, such as referencing a batch number, by start and end dates, by contract number, or by customer.

Prerequisites

You must upload the contract data that you want to import into Oracle Lease Management into the Oracle open interface tables.

Responsibility

Lease Super User, Contract Administrator

Navigation

Processing > Request > Import Contracts

Steps

Perform the following steps:

1. From the Contract Import page, if you are importing contracts by a batch, enter the batch number in the Batch field.

   If you intend to import contracts by batch, you must include the batch number in the correct column in the OKL_HEADER_INTERFACE table for each contract you want to include in the batch.

2. Alternatively, if you want to import a specific contract, enter the legacy contract number in the Contract Number field.

   This contract number must be in the "CONTRACT_NUMBER_OLD" column for the contract in the OKL_HEADER_INTERFACE table.

3. If you are importing contracts containing a particular start date, enter the dates Contract Start Date From and optionally Contract Start Date To for the contracts you want to import.

   If you want to import only contracts that start on a particular day, enter the same date for both Contract Start Date From and Contract Start Date To.

   If you leave the Contract Start Date To field blank, then you have chosen to import all contracts that begin on or after the date Contract Start Date From.

4. If you want to import contracts for a particular customer only, click the flashlight icon and choose the name of the customer whose contracts you want to import.

5. Click the Submit button to run this import request.

   Clicking Submit runs the Contract Import (Lease Contract Open Interface) concurrent program. A request ID appears after you click Submit. You can use this reference number to track the progress of your request, so it is recommended you record it for later use.

Track Contract Import Request Status

Optional

You can track the progress of your contract import request through the View option using the concurrent program request function. In order to perform this task, you must know the Request ID of your contract import request at the time you submitted the request.

This functionality allows you to:

- Track the progress of two-step contract imports (for statuses such as Completed, Activated, and Booked).
- Ensure that all the contracts in a specific request have successfullyuploaded to Oracle Lease Management.

By viewing your concurrent program request, you can see the results of the various import steps, including validation checks, stream generation and final booking. You can also view the total number of contracts that are successfully uploaded during the request. If there are any errors against any of the contracts that you are importing during this process, you can review them using the "View Output" option. You can then make any necessary changes to the data in the interface tables that might have generated an error.

If an error occurs during import, the import status shows Error as the status. Only those contracts that generate an error do not import properly. The View Output file records the number of successfully imported contracts.

Prerequisites

You must run the Contract Import concurrent program

Responsibility

System Administrator

Navigation

In Oracle Forms, use the following path:

Requests > View

Steps

Perform the following steps:

1. Double-click the View link to open the Find Requests form.
2. Select the Specific Requests radio button and enter the ID of the request you want to

view in the Request ID field.

3. Click the Find Button.

   The Requests form opens and the request ID for the Contract Import job you submitted appears in the table, along with relevant details about the request including status, phase, requester, and priority.

4. Click the View Output button to see the results of the request.

   This form displays information about all the contracts that you imported into Oracle Lease Management, the number of contracts successfully uploaded, and details on the processes performed on each of the contracts. If there is an error in the request, you can search for the error message on this form to see which (if any) contracts are affected.

13

Passthroughs

Overview

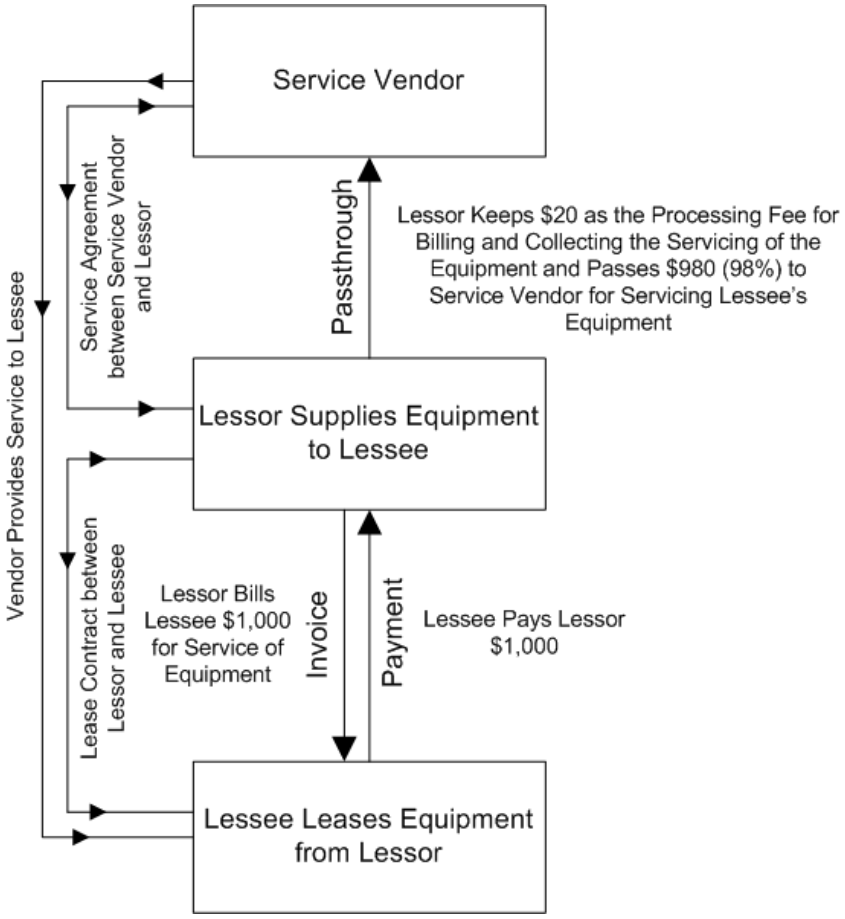
A passthrough is a portion of a payment received by a lessor from a lessee that is paid to a vendor. The payment that the lessor makes to the vendor is known as a passthrough.

Automatic passthroughs can be configured on a service or on a fee during the base period and/or the evergreen period and must always include the provision of a service to the lessee by the service vendor.

The figure below illustrates a passthrough configured on a service. The service vendor provides the lessor with photocopiers. The lessor leases the photocopiers to lessees, who are corporate customers. In this scenario, the lessor has a lease contract with the lessee, which includes the provision of maintenance service on a photocopier. Additionally, a service agreement exists between the service vendor and the lessor, such that the service vendor provides maintenance service on the customer's photocopier. Every month, the lessor bills the lessee $1,000 for the maintenance service provided by the service vendor on the photocopier. The customer pays the invoice and the lessor receives $1,000. Because a service agreement exists between the service vendor and the lessor, whereby the service vendor services the photocopier, the lessor, in turn, retains $20 as the processing fee for billing and collecting payment from the lessee and passes on the service portion of the receipt to the service vendor, which represents the passthrough amount of $980 (98%).

In some cases, the service vendor may indemnify the lessor against any loss incurred on the disposal of the asset. In these cases, the service vendor is entitled to all or a portion of the rent recovered during the evergreen period. This is also configured using passthrough functionality.

Example of a Passthrough Configured on a Service



Passthrough Business Process

The following table describes the passthrough business process in Lease Management.

Step	Action	Description
1.	Define passthroughs on contract fee, service, and/or asset lines: • Specify vendors who will receive passthroughs. • Specify passthrough percentages or amounts to be paid to vendors. • Specify the payout bases (billing date, due date, formula, full receipt, or partial receipt) of the passthroughs. Disbursement amounts based on a formula are applicable only during the evergreen period. • Specify processing fees, if applicable. A processing fee is an amount that a lessor retains for billing and collecting payment from the lessor. **Note:** A processing fee must be greater than or equal to zero. No processing fee is charged to the vendor if the passthrough amount is negative.	You can enable passthroughs to one or multiple vendors. Allocation of passthroughs to multiple vendors can be based on: • a fixed amount • a percentage You can specify how frequently a passthrough is made to a vendor, based on a schedule or on the timing of the concurrent program processing dates. For passthroughs on fees, you can retain passthrough processing fees based on: • a fixed amount • a percentage of one or more contract lines • a combination of fixed amount and a percentage of contract lines

Step	Action	Description
2.	The event on which the passthrough payout is based occurs: • billing • receipt	For example, if the payout basis is billing and the passthrough disbursement basis is 10%, then 10% of the invoice amount is paid to the vendor. If the payout basis is receipt and the invoice amount is $100, the receipt amount is $50, and the passthrough disbursement basis is 10%, then 10% of the receipt amount is paid to the vendor.
3.	Run the following Lease Management processes: • Pay Invoices Creation of Auto-Disbursement • Pay Invoice Prepare for AP Transfer • Pay Invoices Transfer to AP Invoice Interface	Running the processes enables the following actions: • creates passthrough transactions • prepares passthrough transactions for transfer to an Oracle Payables interface table • transfers passthrough transactions from Lease Management to an Oracle Payables interface table
4.	Change responsibility to Payables Manager and run the following process from Oracle Payables: • Payables Open Interface Import	Running the process enables the importation of passthrough transactions into Oracle Payables.

Step	Action	Description
5.	View passthrough details.	You can view the following passthrough details in the Lease Center: • passthroughs processed, by vendor • passthroughs processed on fees • passthrough parameters defined on contracts during the base term on fee and service lines • passthrough parameters defined on contracts during the evergreen term • multiple vendors for a passthrough fee line or service line • payment schedules on a fee You can view the following passthrough details in Vendor Self-Service: • passthrough processing rules pertaining to assets, fees, and services in the base and evergreen periods • vendor passthrough information on services, fees, and rent • passthrough parameters, including passthrough start date, frequency, basis (billed or received)

Step	Action	Description
		and payment amounts • for the base term, passthrough parameters, transaction type, and disbursement amount for fees and services • for the evergreen term, passthrough parameters, transaction type, and disbursement amount for assets (rent), fees, and services.

Setup

Before you can use passthroughs in Lease Management, you must perform the following setup procedures:

- Set up stream types.
- Set up stream generation templates.
- Set up accounting templates.
- Set up vendors.

Set Up Stream Types

Lease Management enables you to set up stream types to meet your accounting requirements. When creating a stream type, you must provide a stream type name and a stream type purpose. Appropriate values for the stream type attributes can then be selected. You can create as many stream types as you need. Lease Management also provides seeded stream types. The seeded stream types that apply to passthroughs are as follows:

- Pass-Through Expense Accrual
- Pass-Through Fee
- Pass-Through Fee Renewal

- Pass-Through Renewal Rent
- Pass-Through Revenue Accrual
- Pass-Through Service
- Pass-Through Service Expense Accrual
- Pass-Through Service Renewal
- Pass-Through Service Revenue Accrual

For information on setting up stream types, see Define Stream Types, *Oracle Lease Management Implementation Guide*.

For information on seeded stream types organized by purpose name, see Stream Purposes, *Oracle Lease Management Implementation Guide*.

Set Up Stream Generation Templates

Before Lease Management can generate streams, you must define a stream generation template for processing fees using a seeded purpose type of Processing Fee. Only one stream type of purpose Processing Fee can be added to a template. Before using a stream generation template, the following setup tasks must be completed:

- Create stream generation template.
- Select primary stream types and purposes.
- Enter dependent stream types and purposes.
- Enter pricing parameters.
- Associate the stream generation template with an accounting template set and financial product.

> **Note:** When you author a contract and enable passthroughs at the contract or line level, Lease Management verifies that the associated stream generation template includes the appropriate seeded purpose. If it does not, the system generates an error message and prevents you from authoring the contract.

For information on setting up stream generation templates, see Define Stream Generation Template, *Oracle Lease Management Implementation Guide* .

Set up Accounting Templates

Each accounting template defines the accounts and accounting entries that are generated for an accounting transaction. The accounting templates use various parameters, some of which are mandatory or significant.

To set up accounting templates, see Define Lease Accounting Templates, *Oracle Lease Management Implementation Guide*.

Set up Vendors

Before you can pay a passthrough to a vendor, you must set up vendors. For information on setting up vendors, see Add Parties to a Contract, page 29-21.

Functional Prerequisites

Before you can define and use passthroughs in Lease Management, you must perform the following functional procedures:

- Create a contract with a service, fee, and/or asset line.

  Note: When creating a fee line, you must specify a fee type of Passthrough.

- Specify parties on the contract and their roles.

For information on creating a contract service line, see Set Up Service Lines, *Oracle Lease Management User's Guide*.

For information on creating a fee service line, see Fees, And Set Up Fee Lines.

For information on creating an asset service line, see Set Up Asset Lines (and Subsidies), *Oracle Lease Management User's Guide*.

For information on specifying parties on the contract and their roles, see Identify Parties on a Contract, *Oracle Lease Management User's Guide*.

Passthrough Features

With respect to passthroughs, Lease Management enables you to do the following:

- Define passthroughs.
- Automatically calculate passthroughs during the life of a contract.
- Create invoices through Payables to pay passthroughs to vendors.

- Retain passthrough processing fees and passthrough the balances received to vendors.
- Enable evergreen passthroughs at the contract or line level.
- Enable passthroughs for evergreen periods in the Lease Center.
- View lessor passthrough information in the Lease Center and vendor passthrough information in Vendor Self-Service.

Using Passthroughs

The following sections describe how passthroughs are used in Lease Management:

- Defining passthrough rules on a program agreement
- Level and Term Usage of Passthroughs
- Specifying Passthrough Attributes
- Generating Accrual Streams During Contract Booking
- Calculating Passthroughs
- Terminating Contracts
- Rebooking Contracts
- Querying Passthroughs
- Viewing Passthrough Details

Defining Passthrough Rules on a Program Agreement

To default passthrough rules from a program agreement to a contract, the passthrough rules must be defined on the contract template used to create the contract.

Level and Term Usage of Passthroughs

You can enable evergreen passthroughs at the following levels:

- contract level
- line level

During the base term, you can define passthroughs on the following elements of a contract at the line level:

- standard service line
- fee type of Passthrough

During the evergreen term, you can define passthroughs on the following elements of a contract at the line level. Rent can also be enabled at the contract level.

- standard service line
- fee type of Passthrough
- rent

Note: Passthroughs on rent only apply during the evergreen period. They are not traditionally allowed on rent during the base term.

Note: Billing, accrual, or disbursement streams are not generated for the evergreen period.

For details on defining a passthrough on a service line, see Steps to Specify Passthrough for a Standard Service line, page 9-71.

For details on defining a passthrough on a fee line, see Specify Pass-through for a Fee Line, page 9-64.

Specifying Passthrough Attributes

You can specify passthrough attributes to indicate when base and evergreen period passthroughs are made. During the base period, you can define passthroughs based on the following:

- invoice billing date
- invoice due date
- receipt recognized when it is applied to the invoice; whether full receipt or partial receipt

During the evergreen period, you can define passthroughs based on the invoice billing date or receipt date, but not on the due date.

The table below describes several significant passthrough attributes that you specify for the base term.

Passthrough Attributes for Base Term

Attributes	Type	Values
Payment Basis	Required	Scheduled–payment to the vendor is made as defined on a schedule Processing Date–payment to the vendor is made on the processing date
Payment Start Date	Conditionally Required–applicable if payment basis is defined as Scheduled	Date–date from which the scheduled payments are made to the vendors.
Payment Frequency	Conditionally Required–applicable if payment basis is defined as Scheduled	Monthly, Quarterly, or Annual–payment date is calculated by applying the payment frequency to the payment start date
Remittance Days	Conditionally Required–applicable if payment basis is defined as Processing Date	Number of days–payment date is calculated by adding the remittance days to the date of payment processing
Disbursement Basis	Required	Fixed Amount–payment of a fixed amount is made to the vendor Percentage–payment of a percentage of the payable funds is made to the vendor

Generating Accrual Streams During Contract Booking

When the contract is booked, accrual streams are generated for passthrough processing fees.

Calculating Passthroughs

Passthrough calculations are typically performed through an offline batch process. The following input parameters are usually entered before passthrough calculations commence:

- Contract Number (optional)
- Vendor Program (optional)
- Financial Product (optional)
- From Date (optional)
- To Date (current date)–may be overridden by a date that is before the current date

You can specify the automatic calculation of passthroughs based on the following amounts:

- amount billed lessor
- amount of payment received from lessor
- the amount due on the due date

During the base period, you can calculate passthroughs based on a percentage of service and/or fees. During the evergreen period, you can calculate passthroughs based on a percentage of service, fees, and/or rent.

Terminating Contracts

You can process passthroughs on a termination quote during the base period. Additionally, you can process passthroughs on terminated contracts during the evergreen period.

Rebooking Contracts

When you rebook a contract, the rebook transaction automatically adjusts the passthrough amount and enters the terms and conditions in the new contract. If a contract is rebooked, the following passthrough payment adjustments are created:

- Passthrough Payout Basis is Due Date
- Passthrough Payout Basis is Billing
- Passthrough Payout Basis is Receipt

On rebook, when the vendor disbursement basis is amount, no passthrough adjustment is created for the vendor. However, if the vendor disbursement basis is percentage, then a proportional passthrough adjustment is created.

Passthrough Payout Basis is Due Date

The rebook process regenerates the billing streams with new payments and creates a billing adjustment transaction for the adjustment amount. The rebook process confirms

that the passthrough payments have been made until the billing date and calculates the passthrough adjustment amount. Passthrough processing identifies the billing adjustment transaction and creates the passthrough payment for the adjustment.

Passthrough Payout Basis is Billing

The rebook process calculates the passthrough adjustment amount. Additionally, passthrough processing processes the passthrough payment based on the billing or credit memo resulting from the rebook.

Passthrough Payout Basis is Receipt

The rebook process calculates the passthrough adjustment amount. Additionally, passthrough processing processes the passthrough payment based on the credit memo resulting from the rebook.

Querying Passthroughs

As a lessor, you can query passthrough receipts and payment details in the Lease Center. Customers and vendors can view receipts and disbursement details in customer self-service and vendor self-service, respectively.

Viewing Passthrough Details

Lessors can view the following passthrough transactions in the Lease Center:

- passthrough details in Vendors Disbursements window
- fees that are passed through in Leasing Center Fees window
- passthrough fee attributes and associated assets in Passthrough window
- list of vendors assigned to the contract for passthroughs and the defined passthrough attributes during the base period for a specific vendor in Vendor Details Base Term window
- list of vendors assigned to the contract for passthroughs and the defined passthrough attributes during the evergreen period for a specific vendor; Vendor Details Evergreen Term window
- evergreen attributes for passthroughs during the evergreen period; Assets Evergreen window
- passthrough attributes to be applied during the evergreen period; Additional Vendor Details window

Vendors can view the following passthrough transactions through Vendor Self-Service in the Service Payment Details window and the Fee Payment Details window:

- payout basis on which the passthrough is based
- service line details or fee line details
- passthrough receipt details
- evergreen payout details
- payments from the lessee to the lessor

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Variable Rate Contracts

Overview

Lease Management features both fixed and variable rate contracts. When authoring a fixed rate lease or loan contract, the implicit interest rate is calculated based on the payments you define on the contract. Based on those payments, Lease Management calculates the implicit interest rate. On a fixed rate loan, you have the option to specify an interest rate for the contract, which is used to calculate the interest payments. You can define either a total loan payment , including combined principal and interest, or a principal payment and interest rate. When you choose to define a principal payment and interest rate, the interest rate defined is used to calculate the interest payment amounts. For variable rate contracts, you can associate an interest index to the contract, which is used to recalculate periodic payments or to recalculate the interest payments.

Based on the interest index associated to a contract, the applicable interest rate can change during the term of a contract, making it a variable rate contract. Lease Management calculates the applicable interest rate and processes variable rate for a variety of contract types and interest scenarios. Lease Management calculates variable interest based on the contract types defined. Contract types are determined by Book Classification, Tax Owner, Interest Calculation Basis, and Revenue Recognition Method. Lease Management calculates variable interest for the following book classifications:

- Leases
- Loans

Conditions

Lease Management processes variable rate with the following conditions:

- External stream generation must be set up.
- Variable rate contracts cannot be initiated through lease applications or sales

quotes.

- Pools for sale to investors cannot include variable rate contracts or fixed rate loans.
- Interest rate changes to contracts do not apply during the evergreen term.
- Lease renewals are not permitted for loans.
- Asset release is not permitted for loans.
- Contract release is not permitted for loans.
- Conversion to evergreen status is not permitted for loans.
- Restructure quotes are not permitted for loans.
- Transfer and assumptions are not permitted for loans.
- Partial terminations for loans are not permitted when the revenue recognition method is Estimated and Billed or Actual.
- Loan Paydown and Principal Paydown shall be permitted for the contract. Loan paydown and principal paydown payments are not specific to assets on the contract.
- For Loans, when the interest calculation basis is Float and the revenue recognition method is Actual, the interest and principal may be billed on separate dates. In this case, two loan payment amounts shall be billed for the same billing period.

Variable Rate Leases

Overview

For a fixed rate lease, the implicit interest rate is based on the payments defined on the contract, and does not change during the life of the contract. For a variable rate lease contract, the payments are revised based on a interest index associated to the contract. Lease Management features variable rate for Operating Leases, Direct Finance Leases, and Sales Type Leases.

The revenue recognition method for leases is Streams.

The interest calculation basis for variable rate leases are:

- Reamortization
- Float Factors

Fixed Rate

For fixed rate lease contracts, the payments do not change over the life of a contract as the interest rate is constant.

Reamortization

For a variable rate reamort lease, periodic payments are defined during booking. Reamortization is the automated process that solves for a new periodic payment amount based on the applicable interest rate for the contract and the remaining balance that will pay down the balance amount over the remaining term to zero, assuming no future change in interest rates.

Float Factors

Float Factor lease contracts include additional billing based on the applicable interest rate of the contract in addition to the periodic rent. The additional amount is billed using the float factor adjustment stream on the rent due date.

Variable Rate Lease Examples

The following section explains the most common variable rate lease scenarios.

Reamortize Contract on Rate Change

Overview

In this scenario the rent payment is defined on the contract at the time of booking. On the billing schedule, if there is a change in the applicable interest rate, the new rate is used to calculate the future payments and rebook the contract. The rent is billed on the Rent schedule.

The Create Receivables Variable Rate Invoices program should be run for each billing period to reamortize the contract. The program will recalculate the future payments and rebook the contract with the revised payments.

The following table describes contract conditions for reamortizing a lease contract on an interest rate change.

Reamortize Contract on Rate Change

Contract Conditions	Description
Applicability	Applies to Operating Leases, Direct Finance Leases, and Sales Type Leases.

Contract Conditions	Description
Rate Change	Interest rate can change only on the scheduled billing date.
Process	Recalculate payments based on new interest rate for the balance term. Rebook contract with revised payments and regenerate amortization schedule.
Billing	Billing is done from schedule.
Cash	Cash is applied to invoices.
Revenue	Revenue is recognized based on income streams generated.
Interest Calculation Basis	Reamort
Revenue Recognition Method	Streams

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for a reamortization lease contract on a rate change.

Setup Steps for Reamort Lease on Rate Change

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Use streams applicable by book class for fixed rate contracts.
Pricing Method	Stream Generation Template	External only
Book Classification	Stream Generation Template	Lease
Tax Owner	Stream Generation Template	As applicable

Setup Step	Location/Link	Description
Interest Calculation Basis	Stream Generation Template	Reamort
Revenue Recognition Method	Stream Generation Template	Streams
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Validations	Stream Generation Template	Stream generation source must be External.
Accounting Templates	Accounting Template Set	Use streams applicable by book class for fixed rate contracts.
Quality Values	Financial Product	Book Classification and Tax Owner are as applicable. Interest Calculation Method is Reamort. Revenue Recognition Basis is Streams.
Accrual Streams	Financial Product	Use streams applicable by book class for fixed rate contracts.
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

When authoring your contract, only a level Payment Schedule is permitted for reamort leases.

Procedures

When processing a reamortization on rate change for a variable rate lease, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Create Interest Rate Details.
2. Associate Financial Product with correct Quality Values	See Define Streams and Pricing.
3. Activate the Contract	See Contract Authoring.
4. Run the Variable Rate Billing process	See Variable Rate Billing.
5. Run the Generate Accruals process	See Processes.

Contract Transactions

The following table shows what contract transactions are allowed for a variable rate reamort lease on a rate change

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters. Current dated and prospective changes are permitted to additional interest rate parameters.
Principal Paydown	Not applicable for leases.
Loan Paydown	Not applicable for leases.
Termination	Early and Partial terminations are allowed.
Lease Center	Non-financial updates can be made.

Float Factor Contracts

Overview

In this scenario, a periodic rent payment is defined during booking, which does not change during the term of the contract. Additionally, a float factor formula is associated to the contract. On the rent schedule, the float factor formula is computed based on the applicable interest rate of the contract and the amount derived is billed using a float

factor stream.

The Create Receivables Variable Rate Invoices program should be run for each rental period to calculate the additional float factor adjustment amount. The program will solve the formula associated to the contract and create a Float Factor Adjustment stream for the derived amount. The Float Factor Adjustment stream will be billed using the standard billing programs for Lease Management.

Float Factor Contracts with Rate Change

Contract Conditions	Description
Applicability	Applies to Operating Leases, Direct Finance Leases, and Sales Type Leases.
Rate Change	Interest rate can change as defined by the user.
Process	Interest adjustments calculated for interest rate changes by solving a formula to be defined by user.
Billing	Billing done on rent schedule. Adjustments are calculated by solving formula.
Cash	Cash is applied to invoices.
Revenue	Revenue is recognized based on income streams generated. Float Factor Adjustment amount is recognized as income.
Interest Calculation Basis	Float Factor
Revenue Recognition Method	Streams

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for a Float Factor lease contract on a rate change.

Setup Steps for Float Factor Contracts with Rate Change

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Use streams applicable by book class for fixed rate contracts. Use Float Factor Adjustment for billing interest adjustment amounts.
Pricing Method	Stream Generation Template	External only
Book Classification	Stream Generation Template	Operating Lease, Direct Finance Lease, or Sales Type Lease
Tax Owner	Stream Generation Template	As applicable
Interest Calculation Basis	Stream Generation Template	Float Factors
Revenue Recognition Method	Stream Generation Template	Streams
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts. Use Float Factor Adjustment as a dependent of Rent.
Validations	Stream Generation Template	Stream generation source must be External.
Accounting Template	Accounting Template Set	Use streams applicable by book class for fixed rate contracts. Setup accounting templates for Float Factor Adjustment stream for both billing and accrual transaction types.

Setup Step	Location/Link	Description
Quality Values	Financial Product	Book Classification and Tax Owner are as applicable. Interest Calculation Method is Float Factor. Revenue Recognition Basis is Streams.
Accrual Streams	Financial Product	Use streams applicable by book class for fixed rate contracts. Float Factor Adjustment stream to be setup on financial product for accrual.
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

Procedures

When processing a rate change for a float factor lease, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Financial Product.
3. Define Applicable Interest Rate Parameters	See Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run the Variable Rate Billing process	Run Create Receivables Variable Rate Invoices. The float factor adjustment amount is calculated and stored as a stream for billing. See Billing.
6. Run the Bill Processing Program Set	See Billing.

Procedure	Description
7. Run the Generate Accruals process	Generate Accruals - Streams. Streams defined for accrual are accounted as revenue. Float Factor Adjustment stream amount is accounted as revenue.
6. Terminate Expired Contracts	Variable rate processing must be completed prior to the termination of a contract.

Contract Transactions

The following table shows what contract transactions are allowed for a Float Factor lease on a rate change.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters.
Principal Paydown	Not applicable for leases.
Loan Paydown	Not applicable for leases.
Termination	Early and Partial terminations are allowed.
Lease Center	No financial updates are permitted.

Variable Rate Loans

Overview

Lease Management supports fixed rate and variable rate loan contracts. For a fixed rate loan, the implicit interest rate does not change during the life of the contract. For a variable rate contract, the payments may be revised based on an interest index associated to the contract. Contracts with a revenue recognition method of Actual are also referred to as Per Diem Loans.

The processing of variable rate contracts will differ based on the interest calculation basis and the revenue recognition method defined. Interest calculation basis determines whether the actual or scheduled principal balance should be used to calculate interest for a variable rate contract. The revenue recognition method determines whether the

actual or scheduled principal balance should be used to account for income.

The following table shows interest calculation basis and revenue recognition method combinations for variable rate loan contracts.

Variable Rate Loan Type Combinations

Interest Calculation Basis	Revenue Recognition Method
Fixed	Actual
Float	Estimated and Billed
	Actual
Reamort	Streams
	Actual
Catchup/Cleanup	Streams

Lease Management calculates variable rate loans based on the following types.

Variable Rate Loan Types

The following section describes common Lease Management variable rate loan types.

Fixed Loan Where Revenue Recognition is Actual

For a fixed rate loan, the periodic payment amounts to be billed do not change over the life of a contract, as the interest rate is constant. If the revenue recognition method is Actual, the loan is processed as a variable rate contract. The interest amount recognized as income is based on the applicable interest rate and payment received for the contract. The interest amount to be accrued is calculated based on the actual principal balance of the loan. The payment is first applied towards interest and the remaining payment amount is applied to the principal balance of the contract.

Floating Rate Loan Where Revenue Recognition is Estimated and Billed

For a floating rate loan, the principal payment amounts are determined during booking and do not change over the life of the contract. The interest amounts are calculated and billed periodically based on the applicable interest rate of the contract. The interest rate on the loan may change during the lifetime of the contract, at a frequency different to the billing frequency. Principal and Interest are billed on the Principal schedule and the Interest schedule respectively. The actual interest amount is recognized as income. If the actual interest has not been calculated for a period, an estimated interest amount is accrued, which is reversed in the following period.

Floating Rate Loan Where Revenue Recognition is Actual

For a floating rate loan where the revenue recognition method is Actual, the principal payment amounts are determined during booking. The interest amounts are calculated periodically based on the applicable interest rate of the contract. The interest rate on the loan may change during the lifetime of the contract, at a frequency different to the billing frequency. The sum of the principal payment and the calculated interest amount for a given period is billed as Variable Loan Payment.

The interest amount recognized as income is based on the applicable interest rate and payment received for the contract. The interest amount to be accrued is calculated based on the actual principal balance of the loan. The payment is first applied towards interest and the remaining payment amount is applied to the principal balance of the contract.

Reamort Where Revenue Recognition is Streams

For a reamort loan, periodic payments are defined during booking. The Principal and Interest payment streams are generated during booking. On the billing schedule, if there is a change in the applicable interest rate then the new rate is used to calculate the future payments and rebook the contract. Principal and Interest is billed on the payment schedule. Interest income is accrued at the end of each month.

Reamort Loan Where Revenue Recognition is Actual

For a reamort loan where the revenue recognition method is Actual, periodic payments are defined during booking. On the billing schedule, if there is a change in the applicable interest rate then the new rate is used to calculate the future payments and rebook the contract. Loan payment is billed on the payment schedule.

The interest amount recognized as income is based on the applicable interest rate and payment received for the contract. The interest amount to be accrued is calculated based on the actual principal balance of the loan. The payment is first applied towards interest and the remaining payment amount is applied to the principal balance of the contract.

Catchup/Cleanup

For a Catchup/Cleanup loan, periodic payments are defined during booking. Principal payment, Interest payment and Income accrual streams are generated at the time of booking the contract. Principal and Interest are billed on the Principal schedule and the Interest schedule respectively. The actual principal balance is used as the basis of catchup calculation. The actual interest is calculated during catchup processing at the catchup frequency. If the actual interest amount exceeds the estimated interest, the difference is billed. If the estimated interest amount exceeds the actual interest calculated, then the amount can either be refunded, adjusted against principal or stored against the contract.

The Income accrual stream is used to recognize income based on the estimated interest at the end of each month. The additional interest amount billed is also recognized as income, on the catchup frequency.

Variable Rate Loan Examples

Fixed Amount Billed Periodically with Principal Reduction on Receipt of Cash

Periodic payments are defined on the contract. Loan payment schedule is generated at the time of booking the contract. The actual interest is calculated on Receipt of cash based on the actual principal balance. The receipt is applied first towards the interest amount and then to the principal. Actual interest is accrued as and when the accrual program is run. The actual interest is recalculated up to the accrual date and the difference between the actual interest accounted till date and actual interest calculated is accrued.

Overview

The following table describes contract conditions for a Fixed Amount Billed Periodically with Principal Reduction on Receipt of Cash loan.

Fixed Amount Billed Periodically with Principal Reduction on Receipt of Cash

Contract Conditions	Description
Applicability	Loans
Rate Change	Interest rate shall change based on the index and contract setup.
Process	Interest is calculated on cash receipt. Cash receipt is applied to interest first, balance is applied to principal.
Billing	Billing is done on original schedule.
Cash	Interest is calculated on cash receipt. Cash receipt is applied to interest first, balance is applied to principal.
Revenue	Calculated on actual principal balance with applicable rate.
Interest Calculation Basis	Fixed
Revenue Recognition Method	Actual

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for a variable rate loan where a fixed amount billed periodically with principal reduction on receipt of cash loan.

Setup Steps for Fixed Amount Billed Periodically with Principal Reduction on Receipt of Cash

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Use streams applicable by book class for fixed rate contracts. Actual Income Accrual - to accrue actual income Variable Loan Payment - for billing calculated principal and interest amount Daily Interest - Interest - for actual interest amounts Daily Interest - Principal - for actual principal amounts Excess Interest Paid - for excess interest recovered Excess Loan Payment Paid - for excess loan payment recovered Excess Principal Paid - for excess principal recovered Unscheduled Loan Payment - for loan paydown Unscheduled Principal Payment - for principal paydown
Pricing Method	Stream Generation Template	External only
Book Classification	Stream Generation Template	Loans
Tax Owner	Stream Generation Template	As applicable

Setup Step	Location/Link	Description
Interest Calculation Basis	Stream Generation Template	Fixed
Revenue Recognition Method	Stream Generation Template	Actual
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts. Actual Income Accrual as a dependent of Rent Daily Interest - Interest as a dependent of Rent Daily Interest - Principal as a dependent of Rent Excess Interest Paid as a dependent of Rent Excess Loan Payment Paid as a dependent of Rent Excess Principal Paid as a dependent of Rent Unscheduled Loan Payment as a dependent of Rent Unscheduled Principal Payment as a dependent of Rent Variable Loan Payment as a dependent of Rent
Validations	Stream Generation Template	Stream generation source must be External.

Setup Step	Location/Link	Description
Accounting Templates	Accounting Template Set	Use streams applicable by book class for fixed rate contracts. Actual Income Accrual for transaction type Accrual Daily Interest - Interest for transaction type Receipt Application Daily Interest - Principal for transaction type Receipt Application Variable Loan Payment for transaction type Billing Unscheduled Loan Payment for transaction type Billing Unscheduled Principal Payment for transaction type Billing
Quality Values	Financial Product	Book Classification is Loan. Tax Owner is Lessee. Interest Calculation Basis Fixed. Revenue Recognition Method is Actual.
Accrual Streams	Financial Product	Use streams applicable by book class for fixed rate contracts. Actual Income Accrual Stream
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

Procedures

In order to process a variable rate loan for a Fixed Amount Billed Periodically with Principal Reduction on Receipt of Cash , complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Define Financial Product.
3. Define Applicable Interest Rate Parameters	See Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run Bill Processing Program Set	See Billing.
6. Run the Generate Accruals process	Generate Accruals - Actual. Streams defined for accrual are accounted as revenue.
7. Create Receipts	See Receipts and Invoices.
8. Run Daily Interest Calculation Program	See Processes.
9. Terminate Expired Contracts	Daily Interest Calculation must be completed prior to termination or expiration of contract.

Contract Transactions

The following table shows what contract transactions are allowed for a variable rate contract when a fixed amount is billed periodically with principal reduction on receipt of cash.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters.
Principal Paydown	Permitted
Loan Paydown	Permitted
Termination	Early and Partial terminations are allowed.

Transaction	Conditions
Lease Center	Non-financial updates can be made.

Calculate Interest Billing on Rate Change

Overview

The periodic payments are defined on the contract and a Variable Interest Schedule is generated at the time of booking the contract. Actual or Scheduled Principal Balance may be defined as the basis of interest calculation. The actual interest is calculated at the time of Billing. Principal and Interest are billed on Principal schedule and Interest schedule respectively.

Calculate Interest Billing on Rate Change

Contract Conditions	Description
Applicability	Loan or Revolving Loan
Rate Change	Interest rate shall change based on the index and contract setup.
Process	Variable interest billing schedule may defer to principal billing schedule . Interest calculated for billing on variable interest schedule.
Billing	Principal billing done on original schedule. Interest rate changes are billed on the variable interest schedule.
Cash	Cash is applied to invoices.
Revenue	Income is estimated from the last billed date to the accounting period close. Estimated income is reversed in the next accounting period. Interest billed is accounted as income.

Contract Conditions	Description
Interest Calculation Basis	Float
Revenue Recognition Method	Estimated and Billed

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for Calculate Interest Billing on Rate Change.

Setup Steps for Calculate Interest Billing on Applicable Rates

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Streams applicable by book class for fixed rate contracts. Variable Interest - for billing calculated interest amounts. Interest Payment - should be non billable as interest payment stream is not billed. Variable Interest Income - to accrue estimated income Unscheduled Principal Payment - for principal paydown
Pricing Method	Stream Generation Template	External only
Book Classification	Stream Generation Template	Loan, Revolving Loan
Tax Owner	Stream Generation Template	As applicable
Interest Calculation Basis	Stream Generation Template	Float
Revenue Recognition Method	Stream Generation Template	Estimated and Billed

Setup Step	Location/Link	Description
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts. Variable Interest as a dependent of Rent. Interest Payment as a dependent of Rent. Variable Interest Income as a dependent of Rent. Unscheduled Principal Payment as a dependent of Rent.
Validations	Stream Generation Template	Stream generation source must be External.
Accounting Templates	Accounting Template Set	Use streams applicable by book class for fixed rate contracts. Variable Interest for transaction type Billing. Variable Interest for transaction type Accrual. Variable Interest Income for transaction type Accrual. Unscheduled Principal Payment for transaction type Billing.
Quality Values	Financial Product	Book Classification is Loan or Revolving Loan. Tax Owner is Lessee. Interest Calculation Basis is Float. Revenue Recognition Method is Estimated and Billed.

Setup Step	Location/Link	Description
Accrual Streams	Financial Product	Use streams applicable by book class for fixed rate contracts. Variable Interest for billed interest. Variable Interest Income for estimated interest.
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

In order to calculate the actual interest on rate change for variable rate contracts with an interest calculation of Float, complete the procedures in the following table.

Procedures

When you calculate variable rate for Calculate Interest Billing on Applicable Rates, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Define Financial Product.
3. Define Applicable Interest Rate Parameters	See Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run the Variable Rate Billing process	Run Create Receivables Variable Rate Invoices. Actual interest amounts are calculated.
6. Run the Bill Processing Program Set	See Billing.

Procedure	Description
7. Run the Generate Accruals process	Generate Accruals - Estimated and Billed. Income is estimated from the last billed date to the accounting period close. Estimated income is reversed in the next accounting period. Interest billed is accounted as income.
8. Terminate Expired Contracts	Variable rate processing must be completed prior to the termination of an expired contract.

Contract Transactions

The following table shows what contract transactions are allowed for variable rate contracts when the interest calculation is Float.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters. Current dated and prospective changes are permitted to additional interest rate parameters.
Principal Paydown	Permitted
Loan Paydown	Not applicable
Termination	Early and Partial terminations are allowed.
Lease Center	No financial updates are permitted.

Interest Amount Varies on Change of Interest Rate With Principal Reduction on Receipt of Cash

Overview

The following table describes contract conditions for a variable rate contract when the amount billed varies on change of interest rate with principal reduction on receipt of cash.

Interest Amount Varies on Change of Interest Rate With Principal Reduction on Receipt of Cash

Contract Conditions	Description
Applicability	Loans, Revolving Loans
Rate Change	Interest rate shall change based on the index and contract setup.
Process	Billing amount is derived from original principal schedule and calculated interest. Interest is recalculated on cash receipt . Cash receipt is applied to interest first, balance is applied to principal.
Billing	Principal billing is done on original schedule. Interest is calculated and billed.
Cash	Interest is calculated on cash receipt. Cash receipt is applied to interest first, balance is applied to principal.
Revenue	Calculated on actual principal balance with applicable rate.
Interest Calculation Basis	Float
Revenue Recognition Method	Actual

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for a variable rate loan when the interest amount varies on change of interest rate with principal reduction on receipt of cash loan.

Setup Steps for Interest Amount Varies on Change of Interest Rate With Principal Reduction on Receipt of Cash

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Use streams applicable by book class for fixed rate contracts. Actual Income Accrual - to accrue actual income Variable Loan Payment - for billing calculated principal and interest amount Daily Interest - Interest - for actual interest amounts Daily Interest - Principal - for actual principal amounts Excess Interest Paid - for excess interest recovered Excess Loan Payment Paid - for excess loan payment recovered Excess Principal Paid - for excess principal recovered Unscheduled Loan Payment - for loan paydown Unscheduled Principal Payment - for principal paydown
Pricing Method	Stream Generation Template	External only
Book Classification	Stream Generation Template	Loans, Revolving Loans
Tax Owner	Stream Generation Template	As applicable
Interest Calculation Basis	Stream Generation Template	Float
Revenue Recognition Method	Stream Generation Template	Actual

Setup Step	Location/Link	Description
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts. Actual Income Accrual as a dependent of Rent Daily Interest - Interest as a dependent of Rent Daily Interest - Principal as a dependent of Rent Excess Interest Paid as a dependent of Rent Excess Loan Payment Paid as a dependent of Rent Excess Principal Paid as a dependent of Rent Unscheduled Loan Payment as a dependent of Rent Unscheduled Principal Payment as a dependent of Rent Variable Loan Payment as a dependent of Rent
Validations	Stream Generation Template	Stream generation source must be External.

Setup Step	Location/Link	Description
Accounting Templates	Accounting Template Set	Use streams applicable by book class for fixed rate contracts. Actual Income Accrual for transaction type Accrual Daily Interest - Interest for transaction type Receipt Application Daily Interest - Principal for transaction type Receipt Application Variable Loan Payment for transaction type Billing Unscheduled Loan Payment for transaction type Billing Unscheduled Principal Payment for transaction type Billing
Quality Values	Financial Product	Book Classification is Loan or Revolving Loan. Tax Owner is Lessee. Interest Calculation Basis is Float. Revenue Recognition Method is Actual.
Accrual Streams	Financial Product	Actual Income Accrual Stream
Validations	Financial Product	Quality values must match the stream generation template.

Procedures

In order to process a variable rate loan for an interest amount varies on change of interest rate with principal reduction on receipt of cash, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Define Financial Product.
3. Define Applicable Interest Rate Parameters	See Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run the Variable Rate Billing process	Create Receivables Variable Rate Invoices. Interest bill amounts are calculated.
6. Run Bill Processing Program Set	See Processes.
7. Run Generate Accruals Process	Generate Accruals - Actual Streams defined for accrual are accounted as revenue.
8. Create Receipts	See Receipts and Invoices.
9. Run Daily Interest Calculation Program	See Processes
10. Terminate Expired Contracts	Daily Interest Calculation must be completed prior to termination or expiration of contract.

Contract Transactions

The following table shows what contract transactions are allowed for a variable rate contract when the interest amount varies on change of interest rate with principal reduction on receipt of cash.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters.
Principal Paydown	Permitted
Loan Paydown	Permitted

Transaction	Conditions
Termination	Early and Partial terminations are allowed.
Lease Center	Non-financial updates can be made.

Reamortize Contract on Rate Change

In this example, the periodic payments are defined on the contract at the time of booking. On the billing schedule, if there is a change in the applicable interest rate, the new rate is used to calculate the new periodic payment amount based on the current principal balance that will pay down the principal balance over the remaining original term of the contract to a zero balance assuming no future change in indexed rates.

The Create Receivables Variable Rate Invoices program should be run for each billing period to reamortize the contract. The program will recalculate the future payments and rebook the contract with the revised payments.

Overview

The following table describes contract conditions for reamortizing a loan contract on an interest rate change.

Reamortize Loan on Rate Change

Contract Conditions	Description
Applicability	Loans
Rate Change	Interest rate can change only on the scheduled billing date.
Process	Recalculate payments based on new interest rate for the balance term. Rebook contract with revised payments, regenerate amortization schedule, generate accrual and billing adjustments, if applicable
Billing	Billing is done from schedule.
Cash	Cash is applied to invoices.

Contract Conditions	Description
Revenue	Revenue is recognized based on income streams generated.
Interest Calculation Basis	Reamort
Revenue Recognition Method	Streams

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for a reamortization loan contract on a rate change.

Setup Steps for Reamort Loan on Rate Change

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Use streams applicable by book class for fixed rate contracts.
Pricing Method	Stream Generation Template	External only
Book Classification	Stream Generation Template	Loan
Tax Owner	Stream Generation Template	As applicable
Interest Calculation Basis	Stream Generation Template	Reamort
Revenue Recognition Method	Stream Generation Template	Streams
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.

Setup Step	Location/Link	Description
Validations	Stream Generation Template	Stream generation source must be External.
Accounting Templates	Accounting Template Set	Use streams applicable by book class for fixed rate contracts.
Quality Values	Financial Product	Book Classification and Tax Owner are as applicable. Interest Calculation Basis is Reamort. Revenue Recognition Method is Streams.
Accrual Streams	Financial Product	Use streams applicable by book class for fixed rate contracts.
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

When authoring your contract, only a level payment schedule is supported for reamort loans.

Procedures

When processing a reamortization on rate change for a variable rate loan, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Define Financial Product.
3. Activate the Contract	See Contract Authoring.
4. Run the Variable Rate Billing process	See Billing.

Procedure	Description
5. Run the Generate Accruals process	See Processes.

Contract Transactions

The following table shows what contract transactions are allowed for a variable rate reamort loan on a rate change.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters. Current dated and prospective changes are permitted to additional interest rate parameters.
Principal Paydown	Applicable for loans
Loan Paydown	Not applicable for loans where the revenue recognition method is Streams.
Termination	Early and Partial terminations are allowed.
Lease Center	Non-financial updates can be made.

Reamortize Contract on Rate Change with Principal Reduction on Receipt of Cash

In this scenario, the rent payment is defined on the contract at the time of booking. On the billing schedule, if there is a change in the applicable interest rate, the new rate is used to calculate the future payments and rebook the contract. The rent is billed on the Rent schedule.

The actual interest is calculated on Receipt of cash based on the actual principal balance. The receipt is applied first towards the interest amount and then to the principal. Actual interest is accrued as and when the accrual program is run. The actual interest is recalculated up to the accrual date and the difference between the actual interest accounted till date and actual interest calculated is accrued.

The Create Receivables Variable Rate Invoices program should be run for each billing period to reamortize the contract. The program will recalculate the future payments and rebook the contract with the revised payments.

Overview

The following table describes contract conditions for a Reamortize Contract on Rate Change with Principal Reduction on Receipt of Cash loan.

Reamortize Contract on Rate Change with Principal Reduction on Receipt of Cash

Contract Conditions	Description
Applicability	Loans
Rate Change	Interest rate can only change on the scheduled billing date.
Process	Recalculate payments based on new interest rate for the balance term. Rebook contract with revised payments, regenerate amortization schedule, generate accrual and billing adjustments, if applicable Interest is recalculated on cash receipt. Cash receipt is applied to interest first, balance is applied to principal.
Billing	Billing is done from schedule.
Cash	Interest is calculated on cash receipt. Cash receipt is applied to interest first, balance is applied to principal.
Revenue	Calculated on actual principal balance with applicable rate.
Interest Calculation Basis	Reamort
Revenue Recognition Method	Actual

Setup

Setup steps must be completed before a variable rate contract can be processed The following table describes setup requirements for a Reamortize Contract on Rate Change with Principal Reduction on Receipt of Cash loan.

Setup Steps for Reamortize Contract on Rate Change with Principal Reduction on Receipt of Cash

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Use streams applicable by book class for fixed rate contracts. Actual Income Accrual - to accrue actual income Variable Loan Payment - for billing calculated principal and interest amount Daily Interest - Interest - for actual interest amounts Daily Interest - Principal - for actual principal amounts Excess Interest Paid - for excess interest recovered Excess Loan Payment Paid - for excess loan payment recovered Excess Principal Paid - for excess principal recovered Unscheduled Loan Payment - for loan paydown Unscheduled Principal Payment - for principal paydown
Pricing Method	Stream Generation Template	External only
Book Classification	Stream Generation Template	Loans
Tax Owner	Stream Generation Template	As applicable
Interest Calculation Basis	Stream Generation Template	Reamort
Revenue Recognition Method	Stream Generation Template	Actual

Setup Step	Location/Link	Description
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts. Actual Income Accrual as a dependent of Rent Daily Interest - Interest as a dependent of Rent Daily Interest - Principal as a dependent of Rent Excess Interest Paid as a dependent of Rent Excess Loan Payment Paid as a dependent of Rent Excess Principal Paid as a dependent of Rent Unscheduled Loan Payment as a dependent of Rent Unscheduled Principal Payment as a dependent of Rent Variable Loan Payment as a dependent of Rent
Validations	Stream Generation Template	Stream generation source must be External.

Setup Step	Location/Link	Description
Accounting Templates	Accounting Template Set	Use streams applicable by book class for fixed rate contracts. Actual Income Accrual for transaction type Accrual Daily Interest - Interest for transaction type Receipt Application Daily Interest - Principal for transaction type Receipt Application Variable Loan Payment for transaction type Billing Unscheduled Loan Payment for transaction type Billing Unscheduled Principal Payment for transaction type Billing
Quality Values	Financial Product	Book Classification is Loan. Tax Owner is Lessee. Interest Calculation Basis is Reamort. Revenue Recognition Method is Actual.
Accrual Streams	Financial Product	Actual Income Accrual
Validations	Financial Product	Quality values must match the stream generation template.

Procedures

When processing a reamortization on a rate change for a variable rate loan on rate change with principal reduction on receipt of cash, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Define Financial Product.
3. Define Applicable Interest Rate Parameters	See Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run the Variable Rate Billing process	Create Receivables Variable Rate Invoices. Revised payments are calculated if interest rate has changed. Contract is rebooked after applying the revised payments.
6. Run Bill Processing Program Set	See Processes.
7. Run Generate Accruals Process	Generate Accruals - Actual Streams defined for accrual are accounted as revenue.
8. Create Receipts	See Receipts and Invoices.
9. Run Daily Interest Calculation Program	See Processes.
10. Terminate Expired Contracts	Daily Interest Calculation must be completed prior to termination or expiration of contract.

Contract Transactions

The following table shows what contract transactions are allowed for a reamortization contract on rate change with principal reduction on receipt of cash.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters.

Transaction	Conditions
Principal Paydown	Permitted
Loan Paydown	Permitted
Termination	Early and Partial terminations are allowed.
Lease Center	Non-financial updates can be made.

Catchup Interest on a Separate Schedule to Regular Billing

Periodic payments are defined on the contract. Principal payment, Interest payment, and Income Accrual streams are generated at the time of booking the contract. Principal and Interest are billed on Principal schedule and Interest schedule respectively. Actual principal balance is used as the basis of catchup calculation. The Income Accrual stream is used to accrue the estimated interest at the end of each month. The actual interest is calculated on the catchup frequency and difference between the estimated and billed amount can be refunded, adjusted or not adjusted against principal if in excess, or billed if the interest was short.

Overview

The following table describes contract conditions for Catchup Interest on a Separate Schedule to Regular Billing.

Catchup Interest on a Separate Schedule to Regular Billing

Contract Conditions	Description
Applicability	Loans
Rate Change	Interest rate shall change based on the index and contract setup.
Process	Billing is done on the original schedule. Interest rate changes are calculated on a separate schedule.

Contract Conditions	Description
Billing	Billing is done from schedule for principal and other streams. Interest rate changes are billed on the catchup frequency.
Cash	Cash is applied to invoices.
Revenue	Revenue is recognized based on income streams generated. Interest rate changes are calculated and billed and also accounted as income.
Interest Calculation Basis	Catchup/Cleanup
Revenue Recognition Method	Streams

Setup

Setup steps must be completed before variable rate contracts can be processed. The following table describes setup requirements for Catchup Interest on a Separate Schedule to Regular Billing.

Setup Steps for Catchup Interest on a Separate Schedule to Regular Billing

Setup Step	Location/Link	Description
Stream Purpose	Stream Types	Use streams applicable by book class for fixed rate contracts. Interest Catchup - for billing calculated interest amounts. Principal Catchup - for adjusting principal amounts. Unscheduled Principal Payment - for principal paydown.
Pricing Method	Stream Generation Template	External only

Setup Step	Location/Link	Description
Book Classification	Stream Generation Template	Loans
Tax Owner	Stream Generation Template	As applicable
Interest Calculation Basis	Stream Generation Template	Catchup/Cleanup
Revenue Recognition Method	Stream Generation Template	Streams
Primary	Stream Generation Template	Use streams applicable by book class for fixed rate contracts.
Dependent	Stream Generation Template	Use streams applicable by book class for fixed rate contracts. Interest Catchup as a dependent of Rent. Principal Catchup as a dependent of Rent. Unscheduled Principal Payment as a dependent of Rent.
Validations	Stream Generation Template	Stream generation source must be External.
Accounting Templates	Accounting Template Set	Use streams applicable by book class for fixed rate contracts. Interest Catchup for transaction type Billing. Principal Catchup for transaction type Billing. Unscheduled Principal Payment for transaction type Billing.

Setup Step	Location/Link	Description
Quality Values	Financial Product	Book Classification is Loan. Tax Owner is Lessee. Interest Calculation Basis is Catchup/Cleanup. Revenue Recognition Method is Streams.
Accrual Streams	Financial Product	Revenue is recognized based on income streams generated. Interest Catchup is billed and also accounted as income.
Validations	Financial Product	Quality values must match the stream generation template.

Contract Details

Procedures

When you process variable rate contracts for Catchup Interest on a Separate Schedule to Regular Billing loan, complete the procedures in the following table.

Procedure	Description
1. Create Contract	See Contract Authoring.
2. Associate Financial Product with correct Quality Values	See Define Financial Product.
3. Define Applicable Interest Rate Parameters	Create Interest Rate Details.
4. Activate the Contract	See Contract Authoring.
5. Run the Bill Processing Program Set	See Billing.
6. Run the Variable Rate Billing process	Create Receivables Variable Rate Invoices. Interest adjustment amount is calculated, billed, and stored as a stream.

Procedure	Description
7. Run the Generate Accruals process	Generate Accruals - Streams. Streams defined for accrual are accounted for as revenue.
8. Terminate Expired Contracts	Variable rate processing must be completed prior to termination or expiration of contract.

Contract Transactions

The following table shows what contract transactions are allowed for a variable rate contract with Catchup Interest on a separate schedule.

Transaction	Conditions
Rebook	Current dated and prospective changes are permitted to interest rate parameters. Current dated and prospective changes are permitted to additional interest rate parameters.
Principal Paydown	Permitted
Loan Paydown	Not applicable
Termination	Early and Partial terminations are allowed.
Lease Center	Non-financial updates can be made.

Contract Authoring and Variable Rate

To add variable rate interest details to a contract, see Create Interest Rate Details, *Oracle Lease Management User's Guide*.

Variable Rate Billing

For information on variable rate billing, see Variable Rate Billing, page 14-41.

Rebook and Variable Rate

Some interest rate details cannot be updated upon the online rebook of a contract. The following table shows the interest rate details that can or cannot be updated for online rebook.

Online Rebook Interest Rate Details

Updateable Field	Field That Cannot Be Updated
Interest Index	Base Rate
Adder Rate	Interest Start Date
Maximum Rate	Principal Basis
Minimum Rate	Days in a Month
Interest Basis	Days in a Year
Rate Delay	Catchup Start Date
Rate Delay Frequency	Catchup Frequency
Rate Change Frequency	Catchup Settlement
Rate Change Tolerance	Rate Change Start Date

The following table describes what online rebook changes are permitted for different interest rate scenarios.

Permitted Changes for Online Rebook Interest Rate Contracts

Book Classification	Interest Calculation Basis	Conditions
Operating Lease, Direct Finance Lease, Sales Type Lease	Fixed, Float Factors	Effective date of change should be after the effective date of current interest rate details.

Book Classification	Interest Calculation Basis	Conditions
Operating Lease, Direct Finance Lease, Sales Type Lease	Reamort	Effective date of change should be after the last rebook date and last interest calculation date. Changes are permitted before contract has been rebooked, or before the first interest processing.
Loan	Fixed, Float, Catchup/Cleanup	Effective date of change should be after the effective date of current interest rate details.
Loan	Reamort	Effective date of change should be after the last rebook date and last interest calculation date. Changes are permitted before contract has been rebooked, or before the first interest processing.
Revolving Loan	Float	Effective date of change should be after the effective date of current interest rate details.

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Contract Revisions

This chapter covers the following topics:

- Contract Revisions Overview
- Revising a Contract
- Online Rebook
- Reverse a Booked Contract
- View Contracts Under Revision
- Split Asset
- Associate and Delink a Service
- Mass Rebook
- Transfer and Assumption

Contract Revisions Overview

When a contract is booked, Lease Management calls the accounting engine to create balance sheet entries for the assets on a lease. Depending on the book classification, the lease contract is an asset in the form of expected receivables or leased assets. Each period some of the assets are amortized as they generate revenue and incur expense. These entries are reported through a company's income statements.

When the receivable or asset values change, the balance sheet accounts must be updated. Depending on when the changes occurred, the revenues and expenses recognized may also require adjustments. All adjustments must happen in the same accounting period or the balance sheet will be incorrect. The process of making these adjustments is called rebooking.

If financial information does not change, you can make small revisions to a contract without rebooking the contract. After you have booked a contract, however, you cannot change the financial terms of the contract without making a contract revision and going through the Rebook process.

Rebooking Overview

Rebooking is the process of altering an existing lease/loan transaction due to some financial change in the deal structure, rental payment change, credit extension, due date change, etc. New accounting entries or adjusting entries are made when the contract is reactivated.

Lease Management supports the following two types of rebooking:

- Online Rebook - Users edit a copy of the contract and the changes are copied back to a version of the original contract.
- Mass Rebook - Edits are directly copied onto the contract version.

Rebooking Requirements

If you make adjustments to a contract that effect such factors as depreciation, rent, overall cost, or residual value, you must perform the complete, two-part Revision and Rebook process. Non-financial contract revisions, such as billing set ups, do not require rebooking. Asset splits and contract reversal do not involve stream generation and do not require rebooking.

Revisions that require changes to journal entries require the complete Rebook process.

> **Note:** When you revise a contract using the online rebook method, you cannot change the contract currency, and some other types of information. In addition, although it may appear that you can edit all fields, not all edits are copied back into the rebooked contract version. Mass rebooks are done through controlled processes that require specific inputs for changed values.

Rebooking is required for any change impacting the following:

- cash flow dates - impacts rates and interest charges
- rents - impacts income amount and rates
- asset values - impacts income amount and rates
- depreciation values - impacts expenses which impacts net income
- book classification - supported through re-lease, not rebook
- stream regeneration - any need to regenerate streams

Revising a Contract

The first part of contract revisions is to initiate a revision from the Revisions pages.

Prerequisites

You must have a booked contract. Some types of contract revisions have further prerequisites, for example:

- To Reverse a contract (a different process from revising), you must not yet have billed or accrued it. See Reverse a Booked Contract. If it has already been billed, you must terminate the contract instead. See Contract Terminations, *Oracle Lease Management User's Guide*. You may reverse a contract that has been funded.

Responsibility

Lease Super User, Contract Administrator, Accounts, Accounts Controller, Operations Manager

Steps

Begin with the following steps for contract revisions in the Revisions page of the Contracts subtab of the Origination tab.

1. With a booked contract in context, click Revisions on the Contracts menu.

2. Select a Reason, and the date you want the revision to take effect, from the lists of values. Possible reasons include: Adjust Cost, Adjust Depreciation, Adjust Rent, or Adjust Residual Value; Change in Due Date or Start Date; Customer Change, Extend Term; Principal Paydown, Product Change, Split Asset; and Other. The Properties, Yields, and Streams details of the contract appear as read-only fields.

   Note: The Customer Change reason code is used by the Transfer and Assumption process, which allows you to change customer-related information on the contract, such as Customer Name, Bill-To Address, etc. For more information, see Transfer and Assumption below.

3. Select or enter the Revision Date. (It must be after the Rebook Limit date of the original contract.)

   Note: The Revision Date is used as the in-service date for new asset lines added during rebook. It is also used as the transaction date for

any rebook-related adjustments and is the effective date of any contract transfer for customer change or product change.

4. At the bottom of the Revisions page, select one of the following options:
   - Rebook— Initiates an online rebook revision where you can edit some of the data on the contract.
   - Reverse a Contract—Reverses the contract booking transaction if there are no transactions against the contract except Funding and Booking.
   - Under Revision—Allows you to view the online rebook copies for the contract.
   - Split Asset—Allows you to split an asset which does not require a rebook.
   - Associate Services—Used to delink lease and service contracts for revising.
   - Release Contract—Allows you to perform a customer change or product change on a contract.

   These options are described in the following sections.

Online Rebook

Online Rebook Overview

Online rebook is the process of manually rebooking a contract. During online rebooking, when you click Rebook, a copy of the contract is created with the contract number containing the rebook extension. The original contract remains active and in effect during the editing of the copy. Once you activate the contract copy, fields that can be edited, along with streams and yields, are copied from the rebooked contract copy to a new version of the original contract. The contract copy is assigned the status Abandoned and is no longer usable. Copies can be abandoned if rebooking is not to be completed. When you book the copy contract, the original contract is versioned.

The following table shows what online rebooking changes are permitted in Lease Management.

Allowed	Not Allowed
Term extension	Term reduction
Add parties	Customer or customer account

Allowed	Not Allowed
Changes to payments (asset, fee, service)	New services or service changes
Changes to assets from the start date, including depreciation changes	New usages or changes to usages
New assets (ending at the same time as the contract term end)	Changes to covered assets
New fees	Changes to fees (except for General fees)
	Non-financial changes, such as terms and conditions, or asset details

Online Rebook Accounting

Dates in Rebook Accounting

When booking a new version of a contract, the rebooking transaction date is used to determine the General Ledger date. Contracts can be rebooked for closed periods. For transaction dates in closed periods, Lease Management finds the open period closest to the transaction date and posts entries for that period.

Changing start dates during a rebook is permitted in the following situations:

- The new start date must occur after the original start date. Back-dating to a previous date is not allowed.
- The new start date must occur before the revision date.
- The revision date cannot be before the rebook limit date.
- You can enter a date that is in the future in relationship to the original start date, but not earlier than the original start date.

The rebook limit date cannot be updated after booking, and does not change as a result of the rebook.

Writedown Residual Value and Salvage Value Update in Rebook

During an online rebook, the Residual Value can be updated using the Contracts Revision page. The user can writedown the Residual Value by a percentage or a fixed amount. The rebook process will update the contract with the new Residual Value.

Residual Value can also be updated using the Residual Value Writedown page under

the Assets - Transactions Tab. The user can writedown the Residual Value by a percentage or a fixed amount. To process the Residual Value transaction, the Process Residual Value Writedown transactions program should be run. The Process Residual Value Writedown transactions program calls Mass Rebook which updates the contract with the new Residual Value.

An online rebook or mass rebook does not update the Salvage Value on the contract.

Rebook and Insurance

When a rebook is activated, the insurance policy program cancels the existing policy and creates a new policy based on the new contract values. No other programs are required.

In a scenario where you have a contact with a 24 month term and a corresponding insurance policy for 24 months, and you rebook the contract for a 36 month term, the new insurance policy will also include the new 36 month term. Lease Management will refund any unused premiums and bill for new premiums.

During a full termination, the rebook process cancels insurance policies. No new policy is created. When a policy is canceled, Lease Management processes the accrual, billing, and disbursement adjustments.

The insurance policy is calculated at the assets level to determine a single premium amount for all assets on a contract. The policy details are stored on a contract line that references the contract header. When the policy is canceled during a rebook, the amount paid by the lessee is compared to the number of months of past coverage. Credit is calculated for the remaining number of months that were paid but not used. A credit memo is created for that amount.

After the rebook is complete, a new policy is created using the revised value for the assets to determine a new premium. The premium is calculated on a quote (as for a new contract) at the asset level and then summed to a total for the quote. A policy is then created and activated from the quote automatically. The premium amount is billed on an invoice. You can then apply the credit memo for the cancelled policy to that invoice.

Rebook Adjustments

Online rebook calculates and generates adjustment entries for already billed and accrued streams on the rebooking date. The adjustment is based on the following information:

- The last stream element date until which the billing process is run.
- The last stream element date until which the accrual process is run.

These dates identify the total amount actually billed or accrued versus the total amount that should have been billed or accrued. This process is run for each billed stream type prior to rebooking. The difference between these two amounts is used to calculate adjustments.

Online Rebooking Procedure

Online rebooking is performed from the Contracts page of the Origination tab. The following steps outline the online rebooking process:

- Select the contract
- Navigate to Revisions
- Enter the revision reason and the date the changes become effective
- Click Rebook and receive confirmation
- Click Under Revisions
- Select contract to be rebooked and edit
- Rebook the contract

The following table describes parameters for online booking.

Fields That Can Be Updated	Description
Contract Header	The Term and Effective From date can be changed.
Parties	You can create a new party and enter their billing information. You cannot update or remove current parties.

Fields That Can Be Updated	Description
Asset	You can create new assets, but you cannot remove current assets. The following fields can be updated for assets: • Unit Cost • Unit • Asset Book Depreciation • Book Salvage Value • Book Cost • Book Method • Book Life in months • Book Rate Percentage • Residual Percentage • Residual Amount • Asset Tax Depreciation • Tax Method • Tax Life in months • Tax Rate Percentage • Tax Cost
Fees	You can add, update, and remove fee types and associate assets to all fee types, except the General fee type. For example, you can add a new asset during rebook and may want to include it as a covered asset on an existing fee type or new fee type.

Fields That Can Be Updated	Description
Payment	You can create and remove payments. The following payment fields can be updated: • Number of Advanced Payments • Frequency • Arrears • Sequence • Start Date • Payment Amount • Periods
Subsidy	The following subsidy fields can be updated: • Party • Override Amount • Party Refund Details • Stub Days • Stub Amount

Reverse a Booked Contract

Reversing a contract cancels the accounting entries created by booking and funding, and effectively ends a contract. Reversing a contract is not possible if you have already run billing and accrual, but you can reverse if the contract has been funded. This process does not reverse entries in Oracle Assets

Prerequisites

A contract must be Booked before it is reversed. However, it cannot be billed or have any other transactions, except Funding, before it is reversed.

A contract may be Funded before it is reversed. In reversing, Lease Management will

automatically adjust its funding transactions.

Steps

In the Revisions page, click Reverse. Nothing further is required. You do not need to run the Billing programs.

View Contracts Under Revision

This is a view-only function that allows you to look at various contracts that are currently under revision. On the Revisions page, click Under Revisions. The Revisions in Progress page opens.

Click the copy contract or contract that you want to view.

To cancel a revision, select the check box next to the copy contract number and click Abandon.

Split Asset

If you need to split an asset line into multiple asset lines, you can perform the Split Asset task. Because this activity does not have a financial impact on the contract, the status of the original contract never changes, and no rebook is performed.

You can split an asset line either by units or by components.

When you split an asset line by *units*, you can choose to split the asset line either into individual units, or to split the original number of units into two parts. For example, you can split an asset line with 10 units into 10 asset lines, each containing one unit, or you could split the asset line into two asset lines, one with 4 units, the other with 6 units.

When you split an asset line into *components*, you split an asset by value rather than number of units. In this case, you select new items that are components of the original asset; and for each component item, select a percentage of the total value. The number of units of each new item is the same as the number of units of the original asset. You must register the new items in Oracle Inventory before you can select them.

- For example, your original asset line consists of 5 units of a Desktop PC, total cost $6000. The PC consists of two components, PC Base and PC Monitor. When you split by component:
  - You select two new components items
  - You allocate new asset numbers and descriptions for the new items
  - You specify the percentage of the total original asset cost for each component

    In this example, you can split the PC into two components:

- New item PC Base, percentage 70
- New item PC Monitor, percentage 30

  You must also provide a new asset number and description for both components.

  When split into components, the original 5 units of the Desktop PC split into:

- 5 units of the item PC Base, cost $4200
- 5 units of the item PC Monitor, cost $1800

Steps

Follow the sequence of steps on the Revisions page to split assets. The main steps are the following:

1. Select the asset to split.

   After you select Split Asset, the Split Asset page displays relevant details of the contract, such as number, status, and customer. In the Asset field, search for and select the asset line you want to split. The asset's description, number of units, and cost appear.

2. Enter the Revision Date for the Split. The date must fall within the contract term.

3. Split the Asset, into a) Units, or, b) Components:

   1. Units

      - To split the asset into multiple single-unit asset lines, select the Split into Single Units check box. For example, if you had an asset line with 10 units and you select this check box, you would create 10 asset lines, each containing one unit.

      - To split the asset into two multi-unit asset lines, clear the Split into Single Units check box. In the Number of Units field, enter the number of units you want to split off from the main asset line. For example, if you enter 4, then 4 assets are split into one line and the remaining 6 assets stay attached to the existing asset line.

      - Click Split Asset.

        The Split Asset page appears. The Asset Number region displays a new automatically generated asset number line and the original, parent, asset number line. The number of units shown on each line reflects the number you chose. You can edit the new asset description, then click Update. To undo your edit, click Restore.

Optionally, click Serial Numbers. On the Serial Numbers page, select the individual asset units by serial number for the new asset line, for as many lines as specified by the Number of Units. Click Update, and then click Back.

- Click Process Split Asset.

2. Components
   - Deselect the Split into Single Units checkbox and the Number of Units field. Select Split Assets Into Components. The Split Assets Into Components page displays a grid, where each line represents a new component. Search for and select a component item. Click Add Rows if you require more components. For each component, enter the required details: Asset Number, Asset Description, Split Percent (percentage of the total cost for the component).

     Optionally, click the Serial Number icon. Select the serial numbers for the new asset, then click Update.

   - Click Process Split Assets into Components.

   - The Split Asset revision process completes. You do not need to run Billing programs.

Associate and Delink a Service

Before you revise linked service and lease contracts, you must first delink them.

With the lease contract in context, on the Revisions page click Associate a Service. The Associate Service Contract page appears, displaying the lease contract, the associated service contract, and the Supplier/Vendor.

1. Click Delink.

   Delink stops service contract billing in Oracle Lease Management and reestablishes service contract billing in Oracle Service Contracts through the accounts receivable interface to Oracle Receivables.

2. Revise the lease contract, if necessary, by following the steps described through Online Rebook.

3. Revise the service contract, if necessary, in Oracle Service Contracts.

4. If you do not want to generate consolidated lease and service contract invoices, do not link the revised contracts. Run the Oracle Service Contracts billing process and the Lease Management Billing process independently.

5. If you want to generate consolidated lease and service contract invoices, follow the steps to link service contracts (see Set Up Service Lines, *Oracle Lease Management User's Guide*). Linking the lease and service contracts automatically disables the interface between Oracle Service Contracts and Oracle Receivables, and consolidates the lease and service contract billing through Oracle Lease Management.

6. Run the Oracle Service Contracts billing. Run the Oracle Lease Management billing processes. See Consolidated Oracle Lease Management and Oracle Service Contract Billing, *Oracle Lease Management User's Guide*.

Mass Rebook

Mass Rebook Overview

Mass Rebook is the process of rebooking multiple contracts. Mass rebook allows you to search for contracts by combining certain parameters with operands to identify the contracts you want to rebook. You can subsequently change certain aspects of the contract through the same process. The rebooked contracts keep their original contract numbers.

Mass rebooking is also used in partial terminations and variable rate changes. Functionally, the results are identical to those of online rebooking, but in mass rebook no contract copy is created. Also, mass rebook further limits the parameters you can change on a contract and rebook.

The mass rebook process consists of the following two steps:

- select contracts to create a batch
- rebook all contracts in the batch with the newly-specified values

Mass Rebook Selection Criteria

Parameters you may use to select contracts that you want to mass rebook include:

- Contract Number—May be a range
- Contract Start Date—May be a range
- Tax Book—Must be a specific value, only
- Depreciation Method Code—Must be a specific value, only
- In Service Date—May be a range
- Asset Category—Must be a specific value, only

- Life in Months—Must be a specific value, only
- Basic Rate—Must be a specific value, only
- Adjusted Rate—Must be a specific value, only

You can narrow the search by using operands such as "LIKE", "BETWEEN", "=", and "<>" . There are two Criteria Value columns where you can enter criteria for your search, and another column for a specific Set Value.The Set Value will be the new value assigned to each contract in the batch during rebooking. For example, if you want to select a set of contracts that have start dates that fall within the range of a particular month, you can modify the search in the following manner:

Example of Mass Rebook Page

Criteria	Operand	Criteria From	Criteria To	Set Value
Contract Start Date	BETWEEN	01-May-2004	30-MAY-2004	-

Categories That Can Be Modified

There are four aspects of contracts that you can use the mass rebook functionality to change:

- Depreciation Method Code
- Life in Months
- Basic Rate
- Adjusted Rate

You can use the categories Depreciation Method and Date Placed In Service for both selecting which contracts to rebook, and also as entries to change during the mass rebooking.

Mass rebook revisions are typically a two-step process where you first create a batch request by using specified criteria to identify the contracts you want to rebook. Then you run the rebook request for all the contracts your criteria search has identified. You can specify those contracts from the list that you want to include in the mass rebook.

Note: All operands are case sensitive; use UPPERCASE, only.

Prerequisites

You must have booked contracts.

Responsibility

Lease Super User, Contract Administrator, Accounts Controller

Steps

In the Programs subtab of the Processing tab, perform the following steps to create a new mass rebook request:

1. On the Mass Rebooks page, click New Request.

   The Mass Rebook page displays the table where you enter your search criteria and the changes you want to make to the contracts that you are rebooking.

2. In the Request Name field, enter a name for the request. This can be any alpha-numeric combination you want. You can subsequently access the request using this name.

   - Choose the criteria you want to use to group your contracts for mass rebooking and enter the operand and criteria values.

   - Choose the criteria you want to change during the rebooking process. Enter the Set Values for these criteria.

3. Click Create to create the request. If the request creation is successful, a confirmation message appears. The rebooking process has not yet begun.

4. Click Selected Contracts.

   The Selected Contracts page appears. This page displays all the contracts that your request returned, based on your criteria.

   - If you want to mass rebook all the contracts, click Process.

   - If you want to exclude some of the contracts, in the Selected Column, select the No value for all contracts you do not want to rebook, and then click Process.

     By default, all contracts carry a Yes value in the Selected column.

View Requests

From the Mass Rebook main page, you can search for previous requests by entering a search string in the Request Name field and clicking the flashlight icon.

You cannot edit any requests already submitted, because there may be processing already occurring against the contracts included in the mass rebook request.

Transfer and Assumption

The Transfer and Assumption process in Lease Management can have two main steps:

1. Optionally, create a Transfer and Assumption Request in the Lease Center and have it approved through workflows. This feature allows a customer service agent to ask for and enter the new customer and contract details, which are carried through to the next step: the actual transfer and assumption processing that creates the new contract.

The agent can initiate a request for a partial transfer and assumption; that is, for transferring only some of the asset lines onto a new contract. In the Lease Center Transfer and Assumption Request form, the agent can separate the asset lines into Assets on Original Contract and Assets on New Contract.

2. Required: Perform a manual Contract Revision. A contract administrator must re-lease the contract for the new customer. After the new contract is activated (booked), the older contract is automatically terminated or rebooked in the case of a partial transfer.

You can skip the Lease Center request and workflows, and start the transfer and assumption process by making the changes in customer details and assets manually using contract revision.

Transfer and Assumptions that begin here in the primary Lease Management interface, rather than in the Lease Center customer service view, must be Complete (Full); that is, all the asset lines are transferred.

In Contract Origination, select the old contract.

If there is a Transfer and Assumption Request from the Lease Center in status Processed (passed all approvals), search and select the request number. If there is an approved request, all the details from the request pre-populate the corresponding fields in the subsequent steps.

Click Revisions.

In the Revisions page, select Customer Change as the reason code. The Customer Change reason code allows you to modify the customer details on the contract details pages.

You can initiate the Re-lease process for the reasons Customer Change or Product Change, only. Product Change would mean a change in the lease financial product; for example, from a direct finance lease to an operating lease.

Enter the Revision Date and other information, if not carried over from a Transfer and Assumption request.

Click Re-lease Contract. This prepares the contract revision processes to create a new contract for Transfer and Assumption. A message confirms success and directs you to

the next step: "Revision can now be processed on contract copy. Go to Under Revisions. " Click Under Revisions.

In the Revisions in Progress page select the original (old) contract to view it, or view and modify customer details on the copy (new) contract in the Contract page.

The new contract number is system-generated, retaining the old contract number with a suffix "REL" (for Re-lease). You can modify the system-generated number before you book the new contract; for example, you can delete the "-REL".

If the Transfer and Assumption request referenced on the revision has a contract number already specified, the new contract is generated with the specified contract number.

Modify the new contract. The fields that you can change on the new contract include:

- Contract Number
- Customer Name
- Customer Account
- Master Lease Number
- Vendor Program Agreement
- Credit Line
- Insurance
- Terms and Conditions
- Billing Setup: Bill To Address, Payment Method, Bank Account, Invoice Format
- Filing - Lien Data
- Assets: Unit Cost, Installed Site, Fixed Asset Location, Depreciation Method, Life, Salvage Value

Fields that are automatically adjusted on the new contract after it is booked include:

- Capitalized Fee
- Miscellaneous Fee
- IDC - (Expense, Miscellaneous, Absorbed)
- Financed Fee
- Credit Line - adjusted for assets transferred out (old contract credit line increases), and transferred in (new contract credit line decreases)

Lien information for assets on the old contract is not carried over to the new contract. Add lien information manually on Assets pages before booking the new contract, or you can add it later in the Lease Center after the new contract is booked.

Activate (book) the new contract.

Re-Lease Contract

Upon booking the new contract, if the Transfer Type is Complete (Full), Lease Management terminates the old contract automatically. If the Transfer Type is Partial, the old contract is rebooked automatically with the remaining assets.

When the assets are transferred, the credit line is adjusted. The Credit Line Details screen displays Total Transfers and Total Net Transfers.

Any subsidies on the old contract are processed based on the Subsidies Setup parameter, Transfer Basis: Acceleration (the subsidy is accelerated to the contract end) or Refund (the subsidy amount from the termination date to the contract end date is refunded to the vendor). You must add subsidies manually to the new contract.

As part of the termination processes of the original contract, Lease Management determines the amounts to be accrued up to the termination date for all accrual streams with the actual amounts. Any difference is adjusted.

16

Funding and Manual Disbursements

This chapter covers the following topics:

- Funding Agreements
- Funding Summary
- Create Funding Request
- Create Asset Line Funding Requests
- Checklists
- Create Manual Disbursement

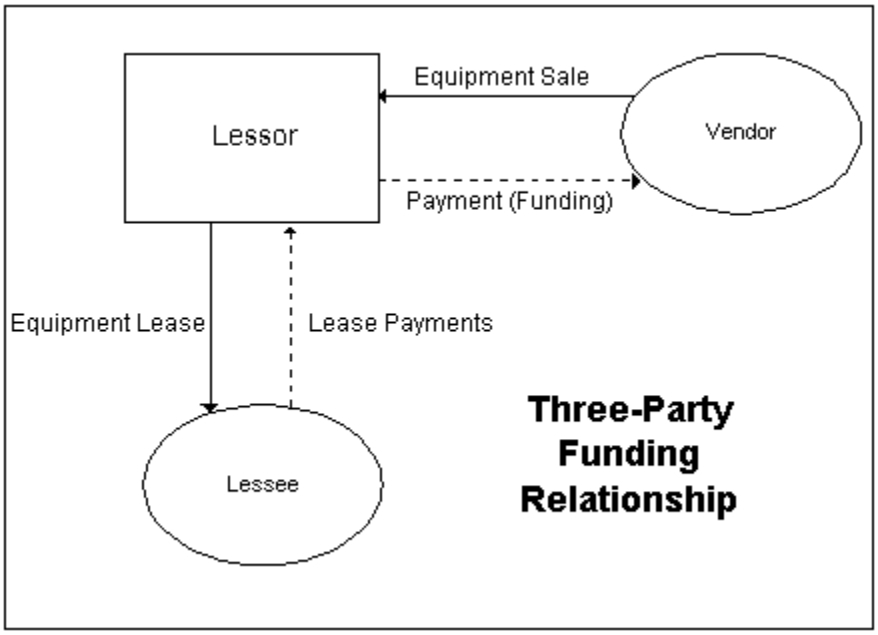
Funding Agreements

Funding a contract is how you, the lessor, pay for the equipment and related fees that comprises the lease. Many leasing companies must purchase or fund the equipment from a supplier. Leasing companies (lessors) then lease out that equipment to customers (lessees).

In Oracle Lease Management, the funded amount cannot exceed the inherent value of the contract at booking. In other words, you can fund the total cost of the underlying value of the lease, but not more than the total cost at the time of booking.

The inherent value of a lease includes the cost of the equipment assets to be leased plus any costs that the manufacturer may add and that the lessor then passes on to the lessee. The inherent value does not include accrued interest paid prior to the start date or other such costs not included in the yield calculation or capital cost.

Funding Relationships in Oracle Lease Management



A three-party funding arrangement exists when a lessor purchases equipment from a vendor—the purchase cost is called the "funding"—and leases the purchased equipment to a lessee. The lessee, in turn, makes lease payments to the lessor.

Oracle Lease Management provides four funding types:

- **Pre-funding**: An amount the lessor pays to a vendor prior to receipt of equipment invoices. For example, if the price of an asset includes some customizations, the vendor may request compensation in advance for that work from the lessor. Later, prior to booking, you can create a "reverse pre-funding" entry of the amount pre-funded in order to adjust the total funding amount.

- **Asset funding**: The actual amount the lessor pays to the vendor for invoices on which the assets appear.

- **Expense Funding:** Any amount to pay (such as legal fees) that the lessor incurs and subsequently passes on to the lessee.

- **Dealer retention**: Accounts for funds credited back to the funding account to cover costs such as a security deposit that the vendor holds.

The main topics in this section are:

- Funding Summary

- Create Funding Request

- Create Asset Line Funding Requests

Funding Summary

The Funding Summary page:

- Displays all the existing funding arrangements associated with a specific contract.
- Allows you to create a new funding request.

The Funding Summary page shows header information, including contract number, description, customer name, status of the contract, the product associated with the contract and whether or not the contract has investors.

If funding already applies to this contract, the Funding Summary page displays figures for the following fields: Total Amount Fundable, Amount Pre-Funded, Assets Funded, Subsidies, Adjustments, and the Total Remaining to fund. All reversals of pre-funding apply to the Total Debits bucket. (See the *Oracle Lease Management Implementation Guide*, ERP Implementation Tasks, Define Aging Buckets, *Oracle Lease Management Implementation Guide*, and the *Oracle Receivables User Guide.)* The totals in these fields reflect all funding requests (positive and negative) for the contract.

To update an existing funding request, click the funding request number hypertext link in the table.

Prerequisites

You must have created a contract.

All parties involved in the funding request must have been entered so that they appear in Lease Management.

Responsibility

Lease Super User, Accounts Controller, Accounts Payable, Contract Administrator, Operations Manager

Steps

Perform the following steps in the Funding subtab of the Origination tab:

1. Select a contract.
2. Create a funding request.

Create Funding Request

Note: Although Oracle Lease Management does not allow a lease contract to be over-funded at the point of booking, you can under fund the contract, or temporarily over-fund in order to produce pre-fundings.

Prerequisites

You have created a contract.

You have set up the vendor.

You have assigned the vendor to the contract.

Responsibility

Lease Super User, Accounts Controller, Accounts Payable, Contract Administrator, Operations Manager

Navigation

Origination > Funding > Funding Summary...Create Funding Request

Steps

Perform the following steps:

1. On the Funding Summary page, click the Create Funding Request button.

   The Funding Summary page displays all of the funding requests for the selected contract.

2. To edit or view an existing request, click the request number hypertext link of the request you want to change.

3. On the Funding Request page, select the Funding Type from the list of values.

   The possible values include:

   - **Expense**: Allows you to pay for part or all of a fee or service that is added to the contract provided by a third party.

   - **Fund Asset**: Allows you to pay for part or all of the equipment.

   - **Pre-funding**: Allows you to pay a vendor before the contract is booked.

Entering a request for a negative amount credits a debit in payables, which you can net against other fundings.

- **Supplier Retention**: Allows you to record customer payments to the dealer that are held as funding debits that you can net against other fundings.

4. In the mandatory funding Request Number field, enter a unique alphanumeric string.

5. Enter a short Description of the funding request.

6. Click the flashlight icon and choose the Vendor Number from the list of values.

   This is the vendor receiving the funding payments from the lessor. The Vendor Name appears after you select the vendor number.

7. Click the flashlight icon and choose the Vendor Site from the list of values.

   This opens the address where you send the funding payments.

8. Enter the Amount of the funding.

   This field accepts negative numbers for a pre-funding request type. You enter a negative number when doing a reversal.

   The Date Entered field populates with today's date.

9. In the next field, enter the Due Date when the payment is due to the vendor.

10. Choose a Payment Method (such as check payment) from the list of values.

11. Click the Create button to save your work.

12. After your funding request is complete, submit it for approval by clicking the Submit Request button.

    This action starts an approval workflow for the funding request. If you want to cancel this request, click the Cancel Request button.

13. Repeat the preceding steps with each funding request you want to make.

14. To return to the Summary page to see a summary of all the funding requests associated with the selected contract, click the Summary button.

Guidelines

After you submit a request for funding, an approval workflow is started. When the request receives the proper approvals, it is made available to the Oracle Lease Management disbursement process, which occurs when the Pay Invoice Transfer

concurrent program is run. See Disbursements, *Oracel Lease Management User's Guide*.

Create Asset Line Funding Requests

Optional

If you are setting up a funding request for asset funding, after you create the funding request, an Asset Lines button appears. Use the following procedure to fund the asset lines.

Steps

Perform the following steps:

1. Click the Asset Lines button.

   The Funding Request Asset Lines page appears. This page includes the Funding Type, request number, date entered and vendor name in the header information.

2. In the Asset Number field, click the flashlight icon and select the asset you want to fund from the list of values.

   When you select the asset, the asset description and asset cost information automatically populates in the table.

3. Enter the amount of the asset cost that you want to fund in the Request Amount field.

4. Click the Update button to save your work.

5. To submit the funding request for approval, return to the Funding Request Details page and click the Submit Request button.

Guidelines

After you submit a request for funding, an approval workflow is started. When the request receives the proper approvals, or the mandatory items on a funding request checklist are checked off as completed (see Checklists,), it goes to the Funding Approver for final approval. Then it is made available to the Oracle Lease Management disbursement process, which occurs when the Pay Invoice Transfer concurrent program is run. See Disbursements, page 19-1 and Create Manual Disbursements, .

If you want to fully fund all the assets associated to the contract, when you navigate to the Funding Request Asset Lines page, click the Quick Fund Assets button. Then click the Update button to save your work. If you want to cancel a funding request prior to approval, navigate to the Funding Request Details page and click the Cancel Request button.

Checklists

This section includes:

- Funding Request Checklist
- Credit Line Checklist

Lease Management allows you to set up and execute checklists to track activities and action items during the process leading up to approving funding. You determine the items in the checklists and control who can update the checklist based on roles and responsibilities in the credit and funding process.

If you are the credit manager, you can create a checklist of required activities (for example, tasks, documents, and approvals) to be completed prior to approval of a funding request.

You associate a funding request checklist to a credit line prior to credit line activation, and you perform the action items on the funding request checklist prior to approval of funding.

Funding Request Checklist

Use this page to view and check-off items as they are completed on the Funding Request Checklist.

At the time of funding approval, the funding approver receives an error message if any mandatory items are not checked off. The funding approver receives a warning message if all mandatory items are checked off but any recommended items are not checked off.

Credit Line Checklist

This page is available in view-only mode. Select to view the status of items on the associated credit line checklist.

See Credit Lines, *Oracle Lease Management User's Guide*.

Create Manual Disbursement

During the life of a contract, there are often charges incurred for a contract that you must pay to the appropriate supplier. For example, you may be billed for the registration of an asset. You can use this procedure to create the one-off or ad hoc disbursements for these charges.

Prerequisites

None

Responsibility

Lease Super User, Accounts Controller, Accounts Payable, Contract Administrator, or Operations Manager

Navigation

Origination > Funding > Funding Summary > Create Funding Request

Steps

Click the Create Manual Disbursement button, select or enter the relevant information, and click Create.

- Vendor Name, Vendor Site
- Contract Number
- Stream Type
- Vendor Invoice Number (optional)
- Invoice Date, Invoice Type (Standard or Credit)
- Pay Group—Pay groups are features in Oracle Payables that you can use to select invoices for payment in a payment batch.
- Payment Method, Payment Terms
- Currency
- Amount

Part 5

Invoice to Receipt

17

Billing

This chapter covers the following topics:

- Invoice to Receipt Overview
- Billing to Invoice
- Manual Billing
- Variable Rate Billing
- Consolidated Billing
- Generate Receivables Invoice
- Transaction Summary
- Frequently Asked Questions

Invoice to Receipt Overview

The billing to invoice process deals with generating billing items for invoices. It starts with identifying the due date for customer payments. Lease Management calculates the amounts that become due, including taxes, fees, costs and expenses; applies variable interest rates as appropriate; and generates the receivable.

The initial tasks of selecting the data are done in Oracle Lease Management, and then the data is sent to Oracle Receivables, which generates the actual invoice.

You can generate billing amounts both manually and automatically, including usage-based billing rates, calculations, and adjustments. Oracle Lease Management also provides the ability to read third-party files containing billing charges, and, after validation of the charges, to pass them on to the customer.

You can also generate invoices that combine the billing for a lease or loan contract created in Oracle Lease Management that is linked to a service contract created in Oracle Service Contracts.

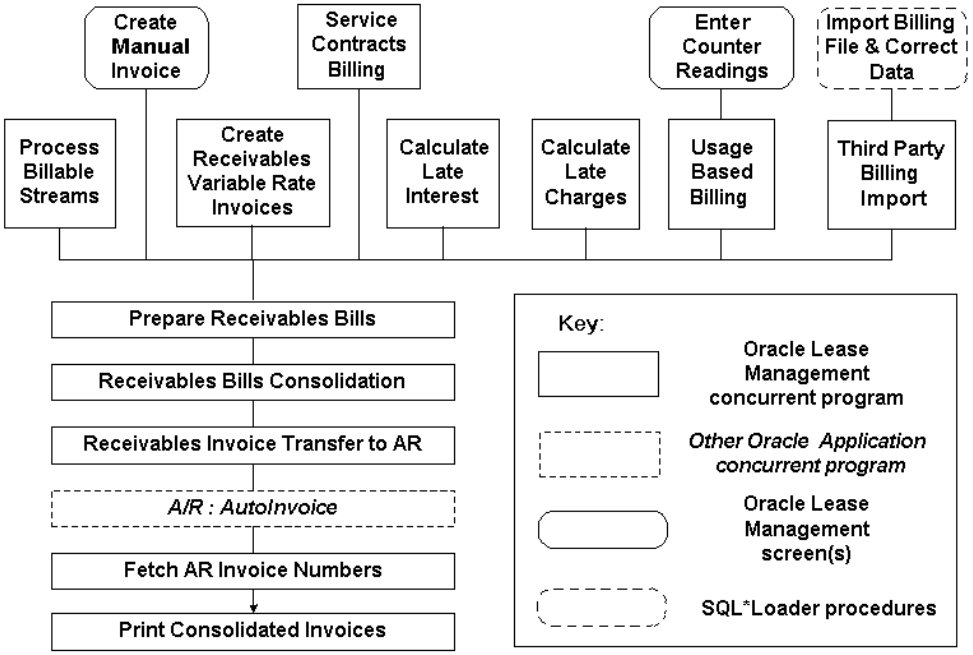
Generate billing data through a combination of processes and concurrent programs in Oracle Lease Management and other Oracle applications. Concurrent programs are

programs that run in the background. See Concurrent Programs, page B-1, and the Managing Concurrent Processing section in the *Oracle Applications System Administrator's Guide.*

The following diagram, Procedures to Generate Billing Data, shows the concurrent programs and onscreen processes in Oracle Lease Management and Oracle Receivables that you use to generate billing data.

Procedures to Generate Billing Data

Generate Billing Data



Description of Diagram: Generate Billing Data

The objective of this process is to generate a Receivables invoice. There are two main stages in the process: the preparation stage and the generation stage.

In the preparation stage, you perform one of the following sets of tasks:

- Run the program Process Billable Streams
- Enter data manually in the Create Manual Invoice screen
- Run the program Create Receivables Variable Rate Invoice
- Run the program Service Contracts Billing

- Run the program Calculate Late Interest
- Run the program Calculate Late Charges
- Enter counter readings in an Oracle Lease Management screen, then run the program Usage Based Billing
- Import and correct Billing File using SQL*Loader, then run the program Third Party Billing Import

After the preparation stage, you must run the following programs in the generation stage:

- Prepare Receivables Bills
- Receivables Bills Consolidation
- Receivables Invoice Transfer to AR
- AutoInvoice (this is an Oracle Receivables program)
- Fetch AR Invoice Numbers
- Print Consolidated Invoices (if you want the invoices to use the invoice formats set up in Oracle Lease Management)

If you require pass-through or syndication disbursements to vendors, investors, or suppliers, Oracle Lease Management sends the required data for invoice approval and payments to Oracle Payables. See Disbursements Overview, *Oracle Lease Management User's Guide*.

> **Note:** Pass-through billing for services created in Oracle Service Contracts is not possible.

The receipt of payments process is a combination of Oracle Lease Management and Oracle Receivables procedures. When you receive payments and electronic transfers, receipts apply to invoices. Late payments and delinquent invoices result in billing items. The diagram, Procedures to Generate Receipts Data, in Receipt of Payments, *Oracle Lease Management User's Guide*, describes the concurrent programs and onscreen processes in Oracle Lease Management for generating receipts data.

The procedures to generate billing and disbursement data call the accounting engine for each transaction created, and automatically create the accounting entries defined in your accounting templates. The Oracle Receivables module accounts for the receipts procedures.

Billing to Invoice

The main topics in this section are:

- About Billing to Invoice
- Periodic Billing
- Manual Billing
- Variable Rate Billing
- Consolidated Oracle Lease Management and Oracle Service Contract Billing
- Late Interest Billing
- Late Charges Billing
- Bill Excess Usage
- Third-Party Billing
- Generate Receivables Invoice

About Billing to Invoice

The Billing to Invoice process comprises two major process stages that it always performs:

- Prepare Receivables Data
- Generate Receivables Invoice

The Billing to Invoice process also performs the preceding two major process stages (only) when disbursements are required for passthroughs or syndications.

Each of these stages contains one or more procedures and may consist of several topics. The following tables list these topics and procedures.

Prepare Receivables Data

The following table shows the types of billings that the system uses to prepare receivables data.

> **Note:** In the following table, the procedures with an asterisk (*) use a concurrent program.

Prepare Receivables Data Topics

Type of Billing	Procedure
Periodic Billing	Run Process Billable Streams.*
Manual Billing	Create Manual Invoice and Invoice Lines.
Variable Rate Billing	Run Create Receivables Variable Rate Invoices.*
Service Line Billing (Consolidated Oracle Service Contracts and Oracle Lease Mgmt. Billing)	Run Service Contracts Main Billing* (Oracle Service Contracts [OKS] concurrent program). Run Service Contracts Billing* (Lease Management [OKL] concurrent program).
Late Interest Billing	Run Calculate Late Interest.*
Late Charges Billing	Run Calculate Late Charges.*
Billing Excess Usage (- 1 - Single Counters)	Enter Meter Reading for Single Counter. (Oracle Service Contracts [OKS] or Installed Base [IB] page) Run Service Contracts Main Billing.* (Oracle Service Contracts [OKS] concurrent program) Run Usage Based Billing.* (Lease Management [OKL] concurrent program)
Billing Excess Usage (- 2 - Consolidated Counters)	Enter Meter Reading for Consolidated Counter (Lease Management page) Submit Usage Based Billing. (Lease Management page)
Third-Party Billing	Import Billing File & Correct Data. Run Third Party Billing Import.*

In the Prepare Receivables Data stage, the main type of billing is periodic billing, where most of the processing is automatic. Sources of billing data include the Oracle Lease

Management, Oracle Install Base, Oracle Service Contracts, and Oracle Inventory tables. See Periodic Billing.

You can also create manual billing for ad hoc charges. See Manual Billing.

With variable-rate billing, your main concern is to calculate the interest adjustment for variable rate contracts. See Variable Rate Billing.

You can consolidate invoice details from a lease or loan contract created in Oracle Lease Management with a linked service contract created in Oracle Service Contracts, to produce a consolidated lease and service invoice, or a consolidated loan and service invoice. See Consolidated Oracle Lease Management and Oracle Service Contract Billing.

When payments are late and are subject to late interest charges, you can calculate the late interest charges. See Late Interest Billing.

Customers can incur late charges when they have unpaid invoices that are past their due dates. See Late Charges Billing.

For usage-based billing, if you want to use consolidated counter billing, you must first create your consolidated counters. Then, when you are ready to bill excess usage, you must enter the meter readings for the consolidated counters. See Bill Excess Usage.

> **Note:** Usage-based billing is closely associated with the applications Oracle Install Base and Oracle Service Contracts.

> **Note:** Whenever you want to use Oracle Lease Management consolidated counters for billing excess usage, you must first perform some procedures in Oracle Install Base and Oracle Service Contracts. See the Prerequisites part of Enter Meter Readings for a Consolidated Counter.

You can import billing files from other systems and combine the external charges with your standard billing. See Third-Party Billing.

> **Note:** To enter a usage based billing, meter reading, correction, open the Lease Center and select the contract. Then select Asset > Select Asset > Asset Details > Usage Based Billing. In the Asset / Meter Reading form, edit the meter readings.

Although the processing of billing data from different billing sources varies, every billing transaction of each billing type results in a record in Oracle Lease Management.

The main billing data consists of the following data items:

- Stream type, such as rent, insurance
- Amount

- Item type
- Item number, as stored in Oracle Inventory
- Customer information, as stored in Oracle Receivables

  Important: For each customer that you want to invoice, you must enable consolidated billing for lease and loan contracts in Oracle Receivables. To achieve this, perform the following steps *in Oracle Receivables*:

  1. Log in with Receivables Manager responsibility.

  2. Select the options: Customer > Standard.

  3. Find the customer.

  4. In the Customers - Standard window, select the Profile: Document Printing tab.

  5. In the Consolidated Billing Formats area:

  - Check the Enable check box.

  - In the Type field, select Imported.

- Ship-to location, as stored in Oracle Install Base
- Bill-to location
- Payment method

At a later stage of the billing process, tax calculations use the stream type, item number, and ship-to location fields for calculations.

Generate Receivables Invoice

Note: Procedures with an asterisk (*) use a concurrent program.

Generate receivables invoice topics include the following procedures:

- Run Prepare Receivables Bills.*
- Run Receivables Bills Consolidation.*
- Run Receivables Invoice Transfer to AR.*
- Run AutoInvoice Master Program in Oracle Receivables.*
- Run Fetch AR Invoice Numbers.*

- Run Print Consolidated Invoices.*

After the billing data is gathered, the next stage is the same for all types of billing.

Create Consolidation Bills

This stage creates consolidated bills for each combination of the following data items:

- Customer
- Currency
- Bill-to location
- Payment method
- Private label
- Invoice type
- Invoice date

Oracle Lease Management adds a Consolidated Bill Number to the gathered billing data, and sends all the billing data to the Oracle Receivables module. The Oracle Receivables module calculates the invoice tax, creates the receivable, and generates the invoice.

In the Generate Receivables Invoice stage, you must run a series of Oracle Lease Management concurrent programs that transfer the consolidated billing data to Oracle Receivables, where AutoInvoice generates the invoices. After completion of generating invoices, you must run another Oracle Lease Management concurrent program to send the invoice numbers back to Oracle Lease Management. Finally, you can run another Oracle Lease Management concurrent program to print the consolidated invoices if you do not print them in Oracle Receivables.

> **Note:** You can combine the running of the individual concurrent programs by creating one or more request sets. Each set can consist of one or more concurrent programs. For more information, see the section Managing Concurrent Programs and Reports in the *Oracle Applications System Administrator's Guide*.

Periodic Billing

To enable periodic billing, you must run the Process Billable Streams concurrent program.

After this concurrent program is active, the process of selecting which contracts and items to prepare for billing is completely automatic. Oracle Lease Management

identifies customers for automatic billing based on the stream types to be billed, the due date for a payment, and the number of lead days. Lead days are the number of days before the invoice due date that you can generate an invoice.

Similarly, if you require usage-based billing, all the necessary background processing automatically runs and generates the excess usage billing data. For usage-based billing items, where you want to level-out counter readings across individual counters, you must set up one or more consolidated counter groups.

Run Process Billable Streams

This concurrent program identifies contracts with streams due for billing and creates billing items. See Concurrent Programs., page B-1

Late Interest Billing

Late payments may be subject to a late interest charge. The Late Interest policy determines the late interest charges.

For more information, see the Define Late Charges Parameters section in the *Oracle Lease Management Implementation Guide*.

Run Calculate Late Interest

This concurrent program identifies late payments, calculates interest, and generates bills for Oracle Receivables. See Concurrent Programs., page B-1

Late Charges Billing

If a previous invoice still has a balance outstanding, late charges may apply. The Late Charges policy determines the late charges amount. The late charges amount is either a flat fee or a percentage of the total invoices past due, depending upon the setup configuration.

To begin the calculation of the late charges, you must start the Calculate Late Charges concurrent program. This program evaluates all outstanding invoices to identify the invoices past their grace period and where the late charges are not placed on hold for the contract. After the program identifies a delinquent invoice as eligible for late charges, the penalty automatically applies, based on the rules in the late policy.

For more information, see the Define Late Charges Parameters section in the *Oracle Lease Management Implementation Guide*.

Run Calculate Late Charges

This concurrent program identifies past due invoices, calculates late charges, and generates bills for Oracle Receivables. See Concurrent Programs., page B-1

You must have created a late charges policy.

Bill Excess Usage

Usage determines the billing of some leased assets. Typical usage attributes include counts, mileage, and hours used. Enter a usage limit at the time of lease authoring and compare this limit to actual usage readings and bills any excess to the lessee.

To determine the data item setup and perform the steps for processing usage-based billing items, use several Oracle application modules: Oracle Inventory, Oracle Pricing, Oracle Install Base, Oracle Service Contracts, and Oracle Lease Management.

At lease authoring time--in Oracle Lease Management--you create usage lines and enter information regarding the limits of usage and the rate at which you are billing excess usage to the customer. For each Oracle Lease Management contract that contains usage lines, Oracle Service Contracts creates a service contract with usage lines.

During the lease's life cycle, Oracle Install Base captures the actual usage readings. At billing time, the Oracle Service Contracts module calculates the usage amounts and stores that information in tables. The automatic billing procedure in Oracle Lease Management retrieves the usage data from Oracle Service Contracts, and, as with the other types of billable lease items, passes the data to Oracle Receivables.

The topics in this section include:

- Create Consolidated Counters
- Enter Meter Readings for a Consolidated Counter
- Run Usage Based Billing

Third-Party Billing

The topics in this section include:

- Sample Control File for the Third-Party Billing Import File
- Prepare Third-Party Billing Import File for Billing

To process a billing item from a third-party finance company, Oracle Lease Management can import billing files containing charges that the customer incurs that you want to pass through, for example, property taxes, non-sufficient funds, service & maintenance. After you import these files, you must review them, correct errors, and download them into Oracle Lease Management tables.

You must include third-party billing data in a billing import file.

You may include the following basic data fields in your data file:

- Contract ID or Asset ID
- Customer ID

- Customer address
- Type of charge
- Amount

In addition, you can provide other fields, such as vendor, invoice, and source identifiers.

The following section illustrates the process of importing a third-party billing file.

Sample Control File for the Third-Party Billing Import File

```
LOAD DATA
INFILE 'okl_bch.dat'
INTO TABLE OKL_EXT_BILLING_INTERFACE
APPEND
FIELDS TERMINATED BY ","
(
CONTRACT_NUMBER                                 CHAR,
STY_NAME                                        CHAR,
ASSET_NUMBER                                    CHAR,
INVOICE_DATE                                    DATE,
AMOUNT                                          CHAR,
CURRENCY_CODE                                   CHAR,
TRX_STATUS_CODE                                 CHAR,
TAX_ASSESSMENT_AMOUNT                           CHAR,
TAX_JURSDCTN_CTY                                CHAR,
MLRT_TAX_JURSDCTN_CTY                           CHAR,
TAX_JURSDCTN_CNTY                               CHAR,
MLRT_TAX_JURSDCTN_CNTY                          CHAR,
TAX_JURSDCTN_STE                                CHAR,
MLRT_TAX_JURSDCTN_STE                           CHAR,
TAX_JURSDCTN_SCHL                               CHAR,
MLRT_TAX_JURSDCTN_SCHL                          CHAR,
TAX_JURSDCTN_CNTRY                              CHAR,
MLRT_TAX_JURSDCTN_CNTRY                         CHAR
)
```

Note: The column STY_NAME represents the name of the charge type.

Prepare Third-Party Billing Import File for Billing

Perform the following steps:

1. **Required**: In all rows, set the value of the column TRX_STATUS_CODE to "SUBMITTED".

2. Create a SQL*Loader control file specific for the data file to be imported.

   This step should be done by a technical consultant with knowledge of SQL*Loader programming language. The control file describes the format of the data file to be imported. SQL*Loader does not validate data.

3. Run SQL*Loader to load the data file.

   Running SQL *Loader is a concurrent job that takes two arguments: name of data file and name of control file. This job produces an audit report.

4. Review the SQL*Loader audit reports.

   The report indicates the number of records which have been successfully or unsuccessfully loaded from data file into the Oracle interface table. Only data records with wrong format are rejected. That is, records with an invalid customer ID are accepted and loaded into the database. These records are rejected by a validation process in the next step.

5. Run the concurrent program Third Party Billing Import to pass all records from the billing import interface table to Oracle Lease Management transaction tables.

   The process validates data for referential integrity. For example, every record must have an amount, contract ID, and type of charge. Moreover, if optional data is supplied, it is validated. For example, if a vendor ID is provided, it should correspond to an active vendor.

   Note that all the records that passed the checks in the previous step are loaded into the database.

   If the data is loaded correctly, the column TRX_STATUS_CODE is set to "PROCESSED". If the concurrent program detects errors, the column TRX_STATUS_CODE is set to "ERROR".

6. Review the audit and exception reports that the concurrent program Third Party Billing Import generated.

   All validated records are copied to Oracle Lease Management transaction tables. Rejected records remain in the interface table. The audit report shows the number of excepted and rejected records. The exception report displays rejected records and corresponding error messages.

7. If any records are rejected, then fix the invalid records until there are no error records.

8. Repeat these steps until all records are accepted.

Manual Billing

The topics in this section are:

- Create Manual Bills
- Create Manual Invoice Header
- Create Manual Invoice Lines

Create Manual Bills

As a result of an expense occurring for a contract that you want to pass on to the lessee, you can bill manual one-off or ad hoc charges to contracts and assets. For example, suppose you receive a registration fee related to a contract. As you pay the appropriate vendor for this expense, you may also want to charge the lessee in order to recover your money.

The process of creating a manual invoice consists of the following two stages:

- Create Manual Invoice Header
- Create Manual Invoice Lines

Create Manual Invoice Header

You can manually bill one-off or ad hoc charges to contracts and assets.

Responsibility

Lease Super User, Accounts Receivable, Asset Manager, Contract Administrator, Operations Manager or Terminations

Steps

Perform the following steps in the Manual Bills subtab of the Operations tab:

1. Click the Create Manual Invoice button.
2. Select the Customer Name.

   If you perform a List of Values search on the Customer Name, you see both contract and customer information. Any selection from the list of values returns both contract and customer information back to the Create Manual Invoice page, into the Contract Number and Customer Name fields respectively.

3. Select the Contract Number.

   Note: You do not need to perform this step if you have already selected your required contract number in the previous step.

4. Enter the Invoice Date.

5. Enter the Amount.

6. Click the Create button.

   After you click the Create button, the Create Manual Invoice Lines page appears. See Create Manual Invoice Lines.

   The Transaction Number is an automatically generated number that occurs when you create the manual invoice.

Create Manual Invoice Lines

The Create Manual Invoice Lines page appears after the preceding topic. The following procedures are a continuation.

On the Create Manual Invoice Lines page, enter assets (optional), fee type details, and the amount for each manual invoice line.

You can enter several invoice lines, but the total of all the invoice line amounts must be equal to the amount that you entered for the invoice on the Create Manual Invoice page.

Prerequisites

Create Manual Invoice Header

Responsibility

Lease Super User, Accounts Receivable, Asset Manager, Contract Administrator, Operations Manager or Terminations

Navigation

Operations > Manual Bills

Steps

Perform the following steps:

1. Select the Fee Type.

2. Select the Asset Number.

3. Optionally, enter a Description for the fee.

4. Enter the Amount for the asset on the invoice line.

5. If you want to create more manual invoice lines, click Add Another Row, and repeat the previous steps; repeat this for each required manual invoice line.

   Remember that the total of all the amounts of the manual invoice lines must equal the Total Amount of the manual invoice.

   After you have entered all the manual invoice lines, click Create.

Variable Rate Billing

One of the parameters of a contract is the interest type on which you are basing the contract. Examples of contract types are fixed and variable. In the case of variable rate contracts, there are several more associated parameters that you enter when you book or restructure a contract. The most relevant parameter identifies how you calculate the interest as a result of a change in the rate.

The four basic methods for handling the interest adjustment are:

- **Float**: Uses internal simple interest calculation to calculate interest, or the formula defined during the booking process to calculate an interest adjustment. This interest adjustment billing is in addition to the principal billed.

- **Reamort**: Calls the stream generation tool to calculate new rental and income streams. With this method, you can have only level payment contracts--for example, monthly, quarterly, semi-annually, or annually.

- **Float Factor**: Calculates interest using float factor streams for a lease contract with floating factors.

- **Catchup/Cleanup**: Uses catchup of interest on a contract and is calculated periodically separate to the periodic interest billing cycle. Actual interest is recalculated periodically, resulting in the cleanup of principal.

When you perform billing for variable rate contracts, the application automatically evaluates the interest rate basis linked to the contract for any increases or decreases. If the applicable rate changes, the billing process automatically calculates and bills the appropriate amounts.

Run Create Receivables Variable Rate Invoices

This concurrent program:

- Identifies contracts set up with variable rates.

- Identifies if a change in interest occurred.
- Generates bills at the new interest rate.

See Concurrent Programs, page B-1

Variable Interest Rate Processing

Several Oracle Lease Management programs process variable interest rate calculations. Any errors in the variable interest rate calculations may need to be addressed before the programs can be re-run.

For example, one of the processes that calculates variable interest rates is contract rebooking. If rebooking fails, users need to be able to troubleshoot the problem.

Use this process together with the output produced by the programs to identify, locate and fix any errors.

Before processing variable rate, you must have run one or more Oracle Lease Management programs that generate variable interest rate calculations.

Navigation

Processing > Programs > Variable Interest Processing Status

Steps

You can search and retrieve information about variable interest rate processing by specifying any or all of the following search fields:

- Contract Number
- Request Number—This is the request that submitted the Oracle Lease Management program that called the variable interest rate calculation
- Start Date
- End Date
- Process Status—The process status is one of the following:
  - Prepared Request
  - Preparing Request
  - Pricing Engine Server not available, process aborted
  - Process Aborted
  - Process Complete

- Process completed with errors, please refer to log file
- Processing Request
- Processing Results
- Processing of results failed, please refer to log file
- Request Timed out

The results show you the following fields about the program requests that included variable rate processing:

- Contract Number
- Request Number
- Variable Interest Transaction Number
- Variable Interest Transaction Status
- Start Date
- Rebooking Transaction Number
- Rebooking Transaction Status
- End Date
- Contract Status

Guidelines

The results show the success or failure of the internal transactions executed during the running of the programs. View the output of each program. See Concurrent Programs., page B-1

The variable interest transaction number and status provide information to localize any variable interest rate calculation processing errors.

For implicit or explicit contract rebooking, the rebooking transaction number and status provide information to indicate where any rebooking error occurred.

The values of the variable interest transaction statuses and the rebooking statuses that appear in the results are the same as the process status search parameter values.

Variable Rate Processing Functionality

The following table displays the types of variable rate processing according to Book Classification. Further explanation follows the table.

Book Classification	Type of Variable Rate Processing
Operating Lease	Reamortization
Loan	Float, Reamortization

Float Processing

- Calculation of interest is at the time of billing
- Interest Rate is derived from the Interest Index
- Interest Amount is calculated by an internal formula
- Estimated income is accrued at the end of each month
- Actual income is based on the interest amount billed

Reamort Processing

- Payments determined by Stream Generation
- Interest Rate derived from Interest Index
- Interest Rate is used to calculate future payments
- Contract is Rebooked with revised payments
- Stream amounts are accrued for income

> **Note:** Reamortization Processing is supported for external stream generation, only.

Floating Factor Processing

- Interest rate can change as defined by the user
- Interest adjustments calculated for interest rate changes by solving formula
- Revenue recognized based on income streams generated
- Adjustments calculated for interest rate changes are also accounted as income

Catchup/Cleanup Processing

- Interest rate changes based on the Interest Index and contract setup
- Interest rate changes calculated on separate schedule

- Revenue recognized based on income streams generated
- Interest rate changes are calculated and billed are also accounted as income

Variable Rate Calculation Logic (Floating Rate Interest)

Interest Amount = Principal Balance x Interest Rate per day x Number of days

Consolidated Billing

When a lease contract contains a service line, which is linked to an active service contract created in Oracle Service Contracts, a consolidated invoice can be generated for the two contracts.

Run Oracle Service Contracts Main Billing

This procedure obtains billing information from Oracle Service Contracts and prepares the records for billing in Oracle Lease Management. You can run this program for either a single contract or for all contracts.

Prerequisites

You must have created a service contract in Oracle Service Contracts and a lease contract in Oracle Lease Management. Run the Service contracts main billing program from Oracle Service Contracts after meeting the following prerequisites:

- Both contracts are for the same customer
- Both contracts have the same Bill To information
- Both contracts have the same contract currency
- For each service line, an asset line in the lease contract is associated with a covered product inventory item in the corresponding service contract
- The date ranges of both contracts must overlap; that is, either all or some of the effective days of one contract must be all or some of the effective days of the other contract

See Concurrent Programs., page B-1

Consolidated Counters

For usage-based billing items, when you derive each billing amount directly from a single usage counter, you do not have to set up any further usage-oriented data structures in Oracle Lease Management.

If you want to calculate a billing amount by leveling the counter readings across several

individual counters, you must create a consolidated counter in Oracle Lease Management.

After you have created the consolidated counter, Oracle Lease Management provides the ability to capture readings for the consolidated counters. For more information, see Enter Meter Readings for a Consolidated Counter. The excess usage is leveled across the counters and included in the billing process.

The creation of a consolidated counter is a procedure that consists of the following two stages:

- Create Consolidated Counter: Specify name, dates, customer information, and payment-related information of the consolidated counter.
- Create Counter Leveling Lines: Specify the counters for the consolidated counter.

Create Consolidated Counter

When you create a consolidated counter, you specify name, dates, customer information, and payment-related information of the consolidated counter.

Prerequisites

You must have set up the associated counter groups and counters in Oracle Install Base.

Responsibility

Lease Super User, Accounts Receivable, Asset Manager, Contract Administrator, Operations Manager, or Terminations

Navigation

Operations > Counters > Consolidated Counters

Steps

Perform the following steps:

1. Click the Create Consolidated Counter button.
2. Enter the Name for the consolidated counter, and optionally the Description.
3. Select the From Date and the To Date.
4. Choose the Customer.

   Tip: In this step, and in the following three steps, you can click the flashlight icon beside the field to see a list of values. Each list line

shows Customer, Bill To Site, Payment Term, and Payment Method information. If you click the hypertext link on one of the list lines, each of the four field values appear the corresponding fields on the Create Consolidated Counter page. If you retrieve the values you want in one search, you do not have to perform further searches on the other fields.

5. Choose the Bill To Site unless you have already selected the Bill To Site in the previous step; see the tip in the previous step for choosing the Customer.

6. Choose the Payment Term unless you have already selected the Payment Term in another step; see the tip in step 4 for choosing the Customer.

7. Select the Payment Method unless you have already selected the Payment Method in a previous step; see the tip in step 4 for choosing the Customer.

8. Select the Currency.

9. Select the Price List.

10. Click the Create button.

11. Continue to the next set of steps—Create Counter Leveling Lines—to specify which counters you want to include in your consolidated counter.

Create Counter Leveling Lines

After you click the Create button in the preceding step, a confirmation message appears on the Create Consolidated Counter page, and then the Counter Leveling Lines page appears. This page is where you select the counters you want to include in the consolidated counter.

Prerequisites

Create Consolidated Counter

Responsibility

Lease Super User, Accounts Receivable, Asset Manager, Contract Administrator, Operations Manager, or Terminations

Navigation

Operations > Counters > Consolidated Counters

Steps

Perform the following steps:

1. Select a Counter Name.
2. For each additional counter to add to the consolidated counter, click the Add Another Row button, and select a counter name in the new row.
3. When you have finished, click the Submit button.

Enter Meter Readings for a Consolidated Counter

To enable excess usage billing, you must first enter meter readings for the consolidated counter. The Usage Based Billing concurrent program resolves the leveling across the counters and generates the billing data that the billing process uses.

Prerequisites

You must have set up the consolidated counter in Oracle Lease Management. This is a one-time task. See Create Consolidated Counter.

You must have performed the following procedures in the specified sequence:

1. Update your counter readings in Oracle Install Base.

   For more information, see the Capture Counter Readings section in the *Oracle Service Concepts and Procedures* manual.

2. In Oracle Service Contracts, run the concurrent program Service Contracts Main Billing.

   For more information, see the Running the Billing Program section in the *Oracle Service Contracts Concepts and Procedures* manual.

3. In Oracle Service Contracts, run the concurrent program Usage Averaging and Settlement for Billing.

   For more information, see the Running Usage Averaging and Settlement Program section in the *Oracle Service Contracts Concepts and Procedures* manual.

Responsibility

Lease Super User, Accounts Receivable, Asset Manager, Contract Administrator, Operations Manager, or Terminations

Navigation

Operations > Counters > Consolidated Counters

Steps

Perform the following steps:

1. Search for the consolidated counter.
2. In the Results area, click the Meter Reading icon for your consolidated counter.
3. Enter the Reading Date.
4. Enter the Meter Reading.
5. When you have finished, click the Calculate button.
6. Verify the amounts within the Bill Amount column.
7. Click Submit to process the meter readings for billing.

Run Usage Based Billing

This concurrent program returns excess usage amounts from the service contract tables for importing by Receivables. See Concurrent Programs., page B-1

Prerequisites

If you require excess usage to be leveled-out across counters, you must have created one or more consolidated counters.

Generate Receivables Invoice

After you have collected the billing data, you need to send it to Oracle Receivables through the AutoInvoice feature. To trigger this data transfer, you must run a series of concurrent programs. One of these programs is an Oracle Receivables program, the rest are Oracle Lease Management programs.

The sequence in which you run the programs is:

1. Prepare Receivables Bills
2. Receivables Bills Consolidation
3. Receivables Invoice Transfer to AR
4. AutoInvoice Master Program in Oracle Receivables

   For information on how to run AutoInvoice in Oracle Receivables, see the section Importing Invoice Information Using AutoInvoice in the *Oracle Receivables User Guide*.
5. Fetch AR Invoice Numbers
6. Print Consolidated Invoices

This is optional, as you can choose to print invoices within Oracle Receivables.

For each of the Oracle Lease Management concurrent programs—steps 1 through 3 and steps 5 and 6—follow the steps as outlined in general in Run Billing Concurrent Programs, page 17-24, and select the appropriate program name when you prepare to submit a concurrent program request.

> **Note:** You can combine the running of the individual concurrent programs by creating one or more request sets, each consisting of one or more concurrent programs. For more information, see the section Managing Concurrent Programs and Reports in the *Oracle Applications System Administrator's Guide*.

Run Billing Concurrent Programs

Prerequisites

Before you run the first billing concurrent program, you must have prepared some billing data, through at least one of the procedures listed in Prepare Receivables Data Topics.

Then, you must follow the sequence of programs as outlined in Generate Receivables Invoice. (Remember that you must run one program from Oracle Receivables.) See Concurrent Programs., page B-1

Transaction Summary

Use this procedure to locate transactions in the system. You can drill down to the specific transaction lines to obtain more detailed information. Transaction summary information appears in three main areas:

- Retrieve Transaction Summary Records: View contract number, customer name, invoice, currency, due date, amount, and balance.
- View Transaction Line Results: View a breakdown of the lines of the invoice that shows how much was paid and how much is still due for each line of the invoice.
- View Transaction Line Details Results: View a breakdown of the streams history within each line of the invoice that shows how much was paid and how much is still due for each stream of each line of the invoice.

Prerequisites

None

Responsibility

Lease Super User, Accounts, Accounts Payable, Accounts Receivable, Contract Administrator, Operations Manager, or Terminations

Navigation

Operations > Transactions > Transaction Summary

Steps

Use the following steps to navigate the transaction summary pages.

Retrieve Transaction Summary Records

You can search and retrieve transaction summary records by specifying any or all of the following fields:

- Consolidated Invoice Number
- Contract Number
- Customer Name

The initial results show you the following fields about an invoice:

- Contract Number
- Customer Name
- Invoice (This field is hypertext linked, which allows you to access transaction line information.)
- Currency
- Due Date
- Amount
- Balance
- Details (This is an icon, which allows you access to stream details on each transaction line.)

View Transaction Line Results

When you click an invoice in the Transaction Summary results area, the Transaction Lines page appears. This page contains summary information about the invoice in the

header, including the Invoice Amount and the Balance.

In the Lines section of the page is a breakdown of the lines of the invoice that shows how much was paid and how much is still due for each line of the invoice.

The fields that appear in the Lines area are:

- Line Number
- Contract Number
- Line Name
- Invoice Amount (This is the amount **for the current line** on the invoice, not the total amount of the invoice, which appears in the header.)
- Tax
- Amount Paid
- Balance (This is the balance **for the current line**on the invoice, not the balance of the invoice, which appears in the header.)

View Transaction Line Details Results

When you click the Details icon of an invoice in the Transaction Summary results area, the Transaction Line Details page appears. This page contains summary information about the invoice in the header, including the Invoice Amount and the Balance.

In the Streams section of the page is a breakdown of the streams history within each line of the invoice that shows how much was paid and how much is still due for each stream of each line of the invoice.

The fields that appear in the Streams area are:

- Line Number
- Line Name
- Stream
- AR Invoice
- Invoice Amount (This is the amount **for the current stream** on the invoice line, not the total amount of the invoice, which appears in the header.)
- Tax
- Amount Paid

- Balance (This is the balance **for the current line** on the invoice, not the balance of the invoice, which appears in the header.)
- Check number
- Receipt Date

Frequently Asked Questions

In the interface between Oracle Lease Management and Oracle Receivables, what attributes are populated in the Oracle Receivables interface tables when you run the Billing concurrent program Receivables Invoice Transfer to AR?

As mentioned previously, Oracle Lease Management uses Oracle Receivables as part of its Billing processing. If you are familiar with Oracle Receivables, you may want to know further details about the Lease Management and Receivables interface. The following are interface line attribute numbers and names for Oracle Lease Management in Oracle Receivables:

1. Consolidated Invoice Number (Interface_line_attribute_1)
2. Invoice Group (Interface_line_attribute_2)
3. Invoice Pull Y/N -- (Always Y for now) (Interface_line_attribute_3)
4. 4. Private Label (Interface_line_attribute_4)
5. Consolidated Invoice Line Number (Interface_line_attribute_5)
6. Contract Number (Interface_line_attribute_6)
7. Asset Name (Interface_line_attribute_7)
8. Stream Group/Cons Invoice Line Name (Interface_line_attribute_8)
9. Stream Type (Interface_line_attribute_9)
10. Id1 -- split PK for okl_cnsld_ar_strms_v (Interface_line_attribute_10)
11. Id2 -- split PK for okl_cnsld_ar_strms_v (Interface_line_attribute_11)

18

Receipt of Payments

This chapter covers the following topics:

- Overview
- Apply Lockbox Receipts
- Create Automatic Receipts

Overview

The receipt of payments process is a combination of Oracle Lease Management and Oracle Receivables procedures. When you receive payments and electronic transfers, receipts apply to invoices. Late payments and delinquent invoices result in billing items.

Lease Management works in conjunction with Receivables to let you receive payment for customer invoices in several ways, both automatically and by applying manual cash payments. You can specify invoices that Lease Management transactions generate to use Oracle Receivables payment methods, such as direct debit, credit card, and lockbox. Lease Management lets you set up cash application rules, which are used during the processing of manual receipt, batch receipt, and lockbox payments.

You generate receipts data by performing one of the following task sets:

1. Create one or more batch receipts in Lease Management, then run the program Concurrent Cash Application

2. Create one or more manual receipts

When you complete either task set, , the receipts are automatically applied to invoices in Receivables.

Accounting for the receipts process occurs in Receivables. Billing and disbursement accounting is based on accounting details defined in the Lease Management Accounting Templates. Receipt accounting is based on accounting details defined in the Receivables Accounting Template.

Manual Receipts

You can search for invoices and apply payments manually. You can enter a manual payment for either a consolidated invoice number or a contract.

Use the following procedures for manual receipts that you have identified against a contract number. Topics in this section include:

- Search Manual Receipts
- Apply/Unapply Manual Receipts
- Create Manual Receipt for a Contract
- Regular Receipts: Add Cash Application Details
- Advance Receipts
- Advance Receipts: Add Allocation Details
- Revenue Recognition on Cash Receipt
- Create Manual Receipt for a Consolidated Invoice Number

Search for Manual Receipt of a Contract

You can search for a manual receipt on the Manual Receipt page of the Receipts subtab of the Operations tab, by entering the receipt details and clicking Go. Select All, Regular, or Advanced in the Receipt Type field.

Apply/Unapply Manual Receipts

This sections contains the following topics:

1. Apply Existing Receipt
2. Unapply Receipt Applications

Apply Existing Receipt

You can apply an existing receipt with an On Account or unapplied balance manually. The receipt must have been created as a Manual or Batch receipt. To manually apply an existing receipt, complete the following tasks:

- Search for the receipt.
- Click Application for the selected receipt.
- Click Search and Apply.

- Search invoice based on the consolidated invoice number or contract number.
- Select the invoice to apply the receipt and click Apply.

Unapply Receipt Applications

You can apply an existing receipt application. The receipt must have been created as a Manual or Batch receipt. unapply an existing receipt, complete the following tasks:

- Search for the receipt.
- Click Application for the selected receipt.
- Select the invoice to unapply the receipt and click Unapply.

Create Manual Receipt for a Contract

You can create a manual receipt for a contract number. This process is similar to creating Regular and Advanced receipts. You can also apply the receipt to the invoices of the selected contract.

You can get the receipt amount applied automatically, using cash application rules that you set up previously, or you can choose to override the cash application determined by the cash application rule and apply the receipt to the invoices selected by the user. In each case, you start in the Create Manual Receipt page. Then, when you choose to apply the cash, you have to specify cash amounts in the Cash Application Details page.

If you want to have your receipt amount applied automatically to a selected invoice, you must have set up cash application rules. If you are applying either the default cash application rule or a contract-level cash application rule, then for underpayments, it is important that all the billable stream types in the contracts covered by the invoice are defined in the appropriate cash application rule. For more information, see Define Cash Application Rules, *Oracle Lease Management Implementation Guide*.

To create a manual receipt, complete the following tasks:

1. In the Manual Receipts page of the Receipts subtab of the Operations tab, select Receipt for Contract in the Create field and click Go.
2. In the Create Manual Receipt page, select Regular in the Receipt Type field.
3. Enter the receipt details. Refer to the table below for field descriptions.
4. Optionally, to apply the receipt amount to the invoices automatically, using the cash application rules you set up on the contract, click Apply.
5. Optionally, to perform the cash application yourself, as part of the process of creating the manual invoice, click Allocations. For more information, see the following section titled Regular Receipts: Add Cash Application details.

The following table describes fields for Creating a Manual Receipt for a Contract.

Create Manual Receipts Field Descriptions

Field	Description
Receipt Type	Regular of Advanced. To create a manual receipt for a contract, the type must be Regular.
Receipt Number	The identification number of a payment, such as a check number.
Receipt Date	The receipt date is also the receipt General Ledger date
Receipt Amount	Amount of the receipt.
Receipt Currency	This can be either the functional currency or the contract currency. If your receipt currency is the same as the functional currency of the set of books for your organization, you can ignore the currency conversion fields.
Receipt Method	
Currency Conversion Type	If your receipt currency is not the same as the functional currency of the set of books for your organization, select the currency conversion type
Currency Conversion Rate	If you selected User as the Currency Conversion Type, enter the currency conversion rate.
Currency Conversion Date	If you selected a value other than User as the Currency Conversion Type, enter the currency conversion date. This date enables Lease Management to determine the appropriate currency conversion rate for the currency conversion type you selected.

Regular Receipts: Add Cash Application Details

The cash application methods for both contract-based and consolidated bill-based

manual receipts are similar. When you create a manual receipt, you can apply the cash yourself. The information in this section follows the procedures in Create Manual Receipt for a Contract.

After you click Allocations, the Cash Application Details page appears. To apply the cash, perform the following tasks:

1. Manually apply portions of the receipt amount to the assets and streams.

2. Enter receipt details. The Receipt Amount is the amount that you entered as while creating the current manual receipt. The Grand Total region shows the amount applied and balance amount for the receipt. These amounts are updated each time you click Recalculate.

3. Change the value of the Amount Applied for as many as you require of the asset-stream combinations in the Cash Application Details page.

4. Click Apply.

Advance Receipts

Requiring lease prepayments such as security deposits, before contracts are actually booked, is a common way to ensure that potential lessees are serious about proposed contracts. Lease Management can record monies received against contracts before they are booked.

Although advance receipts must include the customer number or name, it is not necessary to specify the contracts for which the advance money is intended. In addition, the advance money may be designated for more than one purpose (stream type); for example, for a) security deposit, and b) first and last months rent. The amounts for each purpose may be specified on the receipt.

When customers have already paid some monies in advance:

- If the stream type and amount are defined in the Allocation page, then the receipts are applied to outstanding invoices with the specified stream type for the contracts up to the amount specified.

- If the stream type, only, is defined in the Allocation page, then the receipts are applied to outstanding invoices with the specified stream type for the contracts, up to the outstanding amount of the invoice, or up to the receipt amount, whichever is lower.

- If neither stream type nor amount is defined in the Allocation page, then the receipts are applied to outstanding invoices for contracts, based on the cash application rules defined.

Balance amounts on the receipt after above application are transferred as On Account for the customer. The Lease Advance Monies Report is available for monitoring the current status of customers' advance receipts, including monies not yet applied or

applied partly.

Run the Receipt Reapplication concurrent program to apply any advance receipt amounts that remain unapplied, and that meet specified search criteria, to a customer's open invoices based on the cash application rules for each contract.

Advance Receipts: Add Allocation Details

For regular receipts, the cash application details page is displayed. For an advanced receipt, after you click Allocations, the Allocation Details page is displayed. To add allocation details, perform the following tasks:

1. Enter the stream type to which the receipt amount is allocated.
2. Optionally, enter the amount of the receipt that is allocated to the stream type.
3. Click Apply.

Saved allocation details for the advanced receipt can be changed at any time until the contract is booked.

Revenue Recognition on Cash Receipt

With revenue recognition on cash receipt functionality, you have greater choice and flexibility to record revenue to meet various business requirements, including cash basis billing and receipts in accordance with GAAP.

While most of the rental accounting in leasing is likely to be accrual based, some occasions may require cash based income recognition; for example, pre-contract and post-contract billing, one-time fees, or charges that might later be waived. Consider the following situations:

1. Pre-contract billing for fees such as application fees. Contracts are often activated after payment of fees, only, because some prospects may not become customers.

2. Various fees, charges, and late interest. such as documentation fees, filing fees, late charges, and late interest. Often these fees and charges are later waived or reduced.

3. Billing after the end of the contract term. Evergreen or month-to-month invoices are not considered collectible, because further contract negotiations may be pending. Negotiations may lead to waiver, but you may need to track the invoices sent.

For Revenue Recognition on Cash Receipt, define stream types to account for revenue on receipt of cash. You can then account for invoices generated for cash basis revenue recognition as deferred income. Create receivables when you create the invoice, and credit a deferred income account. When cash is received, recognize income and reverse the deferred income account.

To accomplish this accounting, define two accounting templates, each having the same transaction type and stream type, but differentiated by: One accounting template with memo flag set to Yes, and one accounting template with memo flag set to No. See Set Up For Revenue Recognition on Receipt of Cash, *Oracle Lease Management*

Implementation Guide.

Cash basis invoices are not considered in the General Loss Provision calculation. The cash basis receivables are reflected in the collection process to allow collection attempts to be made.

Create A Manual Receipt for a Consolidated Invoice Number

Complete the following for manual receipts that you have identified against a consolidated invoice:

1. Create Manual Receipt for a Consolidated Invoice
2. See the previous section, Regular Receipts: Add Cash Application Details.

Create Manual Receipt for a Consolidated Invoice

You can apply a manual payment against a consolidated invoice by searching for the invoice by its consolidated invoice number, and then applying the manual payment to the invoice.

You can get the receipt amount applied automatically using cash application rules that you set up previously, or you can choose to override the cash application determined by the cash application rule and apply the receipt to the invoices selected by the user. See Define Cash Application Rules, *Oracle Lease Management Implementation Guide*.

In each case, you will first use the Create Manual Receipt page. Then, when you choose to apply the cash explicitly, you will also have to specify cash amounts on a Cash Application Details page.

If you want to have your receipt amount applied automatically to a selected invoice, you must have set up cash application rules. If you are applying either the default cash application rule or a contract-level cash application rule, then for underpayments, it is important that all the billable stream types in the contracts covered by the invoice are defined in the appropriate cash application rule.

To apply a manual payment against a consolidated invoice, complete the following tasks in the Manual Receipts page of the Receipts subtab of the Operations tab.

1. Select Receipt for Consolidated Invoice in the Create field and click Go.
2. Search for the consolidated invoice for which the receipt is created.
3. Enter receipt details. Refer to the Create Manual Receipts Field Descriptions table for field descriptions.
4. Optionally, to apply the receipt amount to the invoices automatically, using the cash application rules you set up on the contract of the consolidated invoices, click Apply.
5. Optionally, to perform the cash application yourself, as part of the process of

creating the manual invoice, click Allocations. See Regular Receipts: Add Cash Application Details.

6. Optionally, for lockbox receipts, see Apply Lockbox Receipts.

Batch Receipts

You can search for invoices and apply payments manually. You can enter a manual payment for either a consolidated invoice number or a contract.

This section includes the following topics:

- Search Receipt Batches
- Create Receipt Batch for a Contract

Search Receipt Batches

You can search for a receipt batch on the Batch Receipts page of the Receipts subtab of the Operations tab, by entering the batch receipt details and clicking Go.

Create Receipt Batch for a Contract

You can create several receipts together in a receipt batch. You first create a receipt batch header and then create batch lines, one line for each receipt. You specify the receipt number, amount, and the invoice to which the receipt is applied. To create a receipt batch, perform the following tasks:

1. In the Batch Receipts page, select Receipt for Contract in the Create field and click Go.
2. Enter the batch details. The Batch Total field should include the total of all the receipt amounts of the batch lines you will create.
3. Enter the batch line details, including Contract Number, Check Number, and Receipt Amount for each line.
4. Click Add Another Row to create another batch line.
5. Click Apply when done.

Run Concurrent Cash Application

The Concurrent Cash Application processes the receipt batch you entered in Lease Management against the invoices in Receivables. See Concurrent Programs., page B-1 You must have created one or more receipt batches before running this process..

Apply Lockbox Receipts

> **Note:** The application of lockbox receipts is an automatic procedure that occurs in Oracle Receivables.

Lockbox is a service that commercial banks offer corporate customers to let them out-source their accounts receivable payment processing. AutoLockbox is a facility of Oracle Receivables that allows you to eliminate manual data entry by automatically processing receipts that are sent directly to your bank.

The standard AutoLockbox procedure is a three step process:

1. **Import:** During this step, AutoLockbox reads and formats the data from your bank file into AutoLockbox tables using an SQL *Loader script.

2. **Validation:** The validation program validates the data in the AutoLockbox tables.

3. **Post the Cash:** This step applies the receipts and updates your customer's balance.

For more information, see the Using AutoLockbox section in the *Oracle Receivables User Guide*.

In most cases, the application of lockbox receipts to invoices generated from Oracle Lease Management transactions, checks for and uses the Oracle Lease Management cash application rules before any Oracle Receivables cash application rules.

> **Note:** If there is an Oracle Lease Management consolidated invoice number and an Oracle Receivables invoice number with the same reference, however, the Oracle Receivables invoice number takes precedence over the Oracle Lease Management consolidated invoice number. In this case the Oracle Receivables Cash Application Rule supersedes the Oracle Lease Management Cash Application Rule.

> **Note:** To avoid this possibility, create a Lease Management lockbox (OKL) in addition to any other (Oracle Receivables) lockboxes. This causes any potential duplicate Lease Management and Oracle Receivables invoices not to exist in the same lockbox, and this problem will not occur. See the *Oracle Lease Management Implementation Guide.*

Create Automatic Receipts

You can use the Automatic Receipts feature of Oracle Receivables to automatically generate receipts for customers with whom you have defined payment agreements, such as payments through direct debit.

For more information, see the Creating Automatic Receipts and Creating Remittance Batches sections in the *Oracle Receivables User Guide*.

19

Disbursements

This chapter covers the following topics:

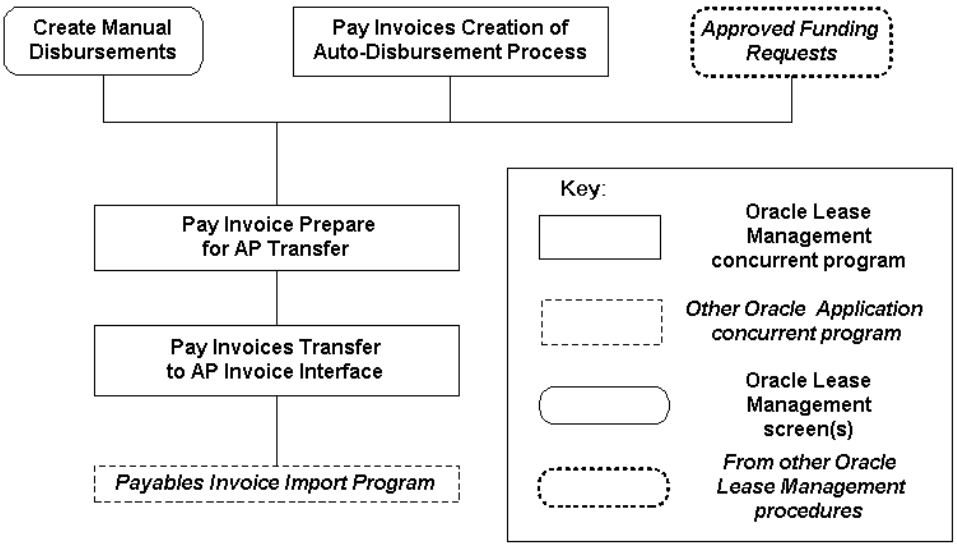
- Disbursements Overview
- Disbursements
- Generate Payables Invoice

Disbursements Overview

Disbursements are payments to suppliers for expenses incurred for a contract (for example, legal fees) or for charges billed to the lessee on behalf of the service provider (for example, service and maintenance).

The following diagram, Procedures to Generate Disbursement Data, shows the concurrent program and screen-oriented processes in Oracle Lease Management and Oracle Payables that generate disbursement data.

Procedures to Generate Disbursement Data



Note: After a funding request has been approved, it is available to the Oracle Lease Management disbursement procedures. See Create Funding Request, *Oracle Lease Management Implementation Guide*.

The objective of this process is to generate disbursement data in Oracle Payables.

In the first stage, you either create manual disbursements or you run the program Pay Invoices Creation of Auto-Disbursement Process.

Also, all approved funding requests are available to be processed in the second stage.

In the second stage, you run the following programs:

- Pay Invoice Prepare for AP Transfer
- Pay Invoices Transfer to AP Invoice interface
- Invoice Import Program (this is an Oracle Payables program)

If you require pass-through or syndication disbursements to vendors, investors, or suppliers, Oracle Lease Management sends the required data for invoice approval and payments to Oracle Payables.

Note: Pass-through billing for services created in Oracle Service Contracts is not possible.

Disbursements

To trigger the automatic generation of disbursements, you must start a concurrent program that gathers the disbursement data and creates a transaction within Oracle Lease Management prior to providing the information to the Payables module. There is also a facility to create manual disbursements that also creates a transaction within Oracle Lease Management prior to providing the information to the Payables module.

You must then start a series of concurrent programs to send the disbursement data to Oracle Payables and generate the Payables invoices there. For more information, see Generate Payables Invoice.

The topics in this section include:

- Run Pay Invoices Creation of Auto-Disbursement Process
- Create Manual Disbursement

Run Pay Invoices Creation of Auto-Disbursement Process

Use this procedure to start the automatic disbursements process.

Responsibility

Lease Administrator

Navigation

Sign in using a Forms URL

Requests > Run > Single Request

Steps

Perform the following steps:

1. On the Submit Request page, click the ellipsis button (...) to the right of the Name field.
2. Select Pay Invoices Creation of Auto-Disbursement Process.
3. Click Submit.

Generate Payables Invoice

After collecting the disbursement data, send it to Oracle Payables.

To trigger this data transfer, you must run a series of concurrent programs. One of these programs is an Oracle Payables program; the others are Oracle Lease Management programs.

The sequence in which you run the programs is:

1. Pay Invoices Creation of Auto-Disbursement Process
2. Pay Invoice Prepare for AP Transfer
3. Pay Invoices Transfer to AP Invoice Interface
4. Payables Open Interface Import

   See Payables Invoice Import Program in the *Oracle Payables User Guide*.

   Note: You can combine the running of the individual concurrent programs by creating one or more request sets, each consisting of one or more concurrent programs. For more information, see the section Managing Concurrent Programs and Reports in the *Oracle Applications System Administrator's Guide*.

Run Disbursement Concurrent Programs

Prerequisites

Follow the sequence of programs that Generate Payables Invoice indicates. Remember that you must also run one program from Oracle Payables.

See Concurrent Programs., page B-1

Part 6

Quote to Termination

20

Termination Quotes

This chapter covers the following topics:

- Overview
- Provide Quote
- Terminate Assets Using a Program
- Obtain Third-Party Approval for Repurchasing Leased Asset

Overview

Termination quotes allow contracts, or assets on a contract, to terminate early or at the expiration of the contract. When a contract is terminated with the purchase of the asset, the asset becomes off-lease and is available to the asset-return-to-disposal processes for remarketing or disposal.

The section includes the following topics:

- Reasons for Termination Quotes
- Levels of Termination
- Forms of Termination Quotes
- Types of Termination Quotes
- Methods of Termination Quote Acceptance
- Supported Contract Stages for Termination Quotes
- Supported Combinations of Quote Line Types
- Supported Contract Statuses for Termination Quotes

Reasons for Termination Quotes

Reasons for termination quotes include the following:

- The lessee wants to terminate the contract early and requests a termination quote. Termination quotes identify the financial impact of the termination. Various business rules that you specified in the contract's terms and conditions are the basis of calculating the financial impact of a termination quote. The lessee would make a choice:
  - Accept the quote and terminate the contract.
  - Continue with the contract to normal expiration.
- In certain situations, the lessee can require a termination quote at contract expiration. For example, prior to contract expiration if the lessee wants to purchase the asset, then you can generate a termination quote to determine the end-of-term purchase option. The lessee would have the option to accept or not accept the termination quote
- The lessee wants to terminate some of the assets of a contract, without transferring the assets to another contract and terminating the contract.

Levels of Termination

Oracle Lease Management supports the following levels of termination:

- Termination of a complete contract
- Termination of an asset line on a contract, or all the units of an asset line on a contract
- Termination of some, but not all, of the units of an asset line on a contract; if the asset is a serializable asset, you specify the serial numbers of the asset units that you want to terminate

The termination of an asset line, or of some of the units of an asset line, is called a *partial termination*, or *asset-level termination*. Asset-level termination rebooks the original contract, without the terminated assets, with updated yields and insurance, and new contract-level and asset-level streams.

Contracts include a number of terms and conditions associated with contract and asset termination, including how to handle contract termination, and whether partial termination is allowed. The first step in identifying the financial impact of the contract termination is the quotation process.

Forms of Termination Quotes

Lease Management allows the following two forms of termination quotes:

- Standard
- Manual

Standard Termination Quote

Lease Management generates a standard termination quote based on the terms and conditions set up in a contract.

Manual Termination Quote

Lease Management generates a manual termination quote when you bypass the terms and conditions of a contract and select the quote elements as you create the quote.

> **Note:** Even if the contract's Termination Quote Process terms and conditions include the condition that partial termination is not allowed, you can create a partial termination quote using a manual termination quote.

In both standard and manual termination quotes, you can quote to terminate either the whole contract, or complete asset lines, or some of the units of individual asset lines.

You can also terminate assets without an explicit quote, by first entering a list of assets to terminate into an interface table, and then running a concurrent program.

> **Note:** All amounts specified in a termination quote are in the contract currency.

Types of Termination Quotes

Lease Management supports the following types of termination quotes:

- **Termination - With Purchase**: For any lessee or guarantor who wants to purchase the asset.
- **Termination - Without Purchase**: For any lessee or guarantor who does not want to purchase the asset.
- **Termination - Rollover To New Contract With Purchase**: For any lessee or guarantor who has an existing contract, and wants to purchase the asset and finance the termination quote amount.

- **Termination - Rollover To New Contract Without Purchase**: For lessee or guarantor who has an existing contract, does not want to purchase the asset, but wants to finance the termination quote amount.

- **Termination - Recourse With Purchase**: For a vendor who wants to terminate the contract and/or purchase the asset based on the terms and conditions of the Vendor Program Agreement.

- **Termination - Recourse Without Purchase**: For a vendor who wants to terminate the contract based on the terms and conditions of the Vendor Program Agreement.

- **Termination - Automatic Release Without Purchase:** For anyone who wants to release the assets from one contract to another.

> **Note:** The standard termination quote search, available when you navigate the path Asset Management > Quotes > Termination Quotes, allows you to see the full list of termination quote types.
>
> You can also search for just the manual termination quotes when you navigate the path Asset Management > Quotes > Manual Termination Quotes.

If you are creating a standard termination quote, the valid quote types are:

- Termination - With Purchase
- Termination - Without Purchase
- Termination - Rollover To New Contract With Purchase
- Termination - Rollover To New Contract Without Purchase
- Termination - Recourse With Purchase
- Termination - Recourse Without Purchase

> **Note:** The following quote types use the terms and conditions in the lease or loan contract:
>
> - Termination - With Purchase
> - Termination - Without Purchase
> - Termination - Rollover To New Contract With Purchase

- Termination - Rollover To New Contract Without Purchase

The following quote types use the terms and conditions in the associated vendor program:

- Termination - Recourse With Purchase
- Termination - Recourse Without Purchase.

If you are creating a manual termination quote, the valid quote types are:

- **Termination - Manual With Purchase**: For any lessee or guarantor to whom we have issued the manual termination quote and who wants to purchase the asset.
- **Termination - Manual Without Purchase**: For any lessee or guarantor to whom we have issued the manual termination quote and who does not want to purchase the asset.

Note: The following quote types do not use the terms and conditions in the lease or loan contract nor the terms and conditions in the vendor program:

- Termination - Manual With Purchase
- Termination - Manual Without Purchase

Methods of Termination Quote Acceptance

The methods of quote acceptance are:

- Upon Receipt: Termination quote acceptance on receipt of the quote amount is available through lockbox functionality. When the amount of the termination quote is received through lockbox, identified with the termination quote number in the lockbox file, and meets specific validation for acceptance of the termination quote, the termination quote is accepted.
- Pre-Proceeds: The contract terminates upon acceptance notification. The selection of Pre-Proceeds overrides the default Upon Receipt termination quote acceptance method.
- Booking or Rebooking: On booking and rebooking of a new contract, the termination quote will automatically be accepted. Examples of this are rollover and release contracts.

Supported Contract Stages for Termination Quotes

The current termination quote process supports quote generation at two stages of the contract's life: before the end of term and at the end of term.

> **Note:** The parameter End of Term Tolerance Days in the contract's Termination Quote Process terms and conditions controls what is considered an *early termination* as opposed to an end of term termination. End of Term Tolerance Days specifies the number of days prior to the contract end date during which a termination quote is for an end of term termination; any termination quote before this is an early termination quote.

At both of these stages, you can generate quotes to include or exclude the purchase of the asset.

Supported Combinations of Quote Line Types

The following table shows valid combinations of quote line types and contract situations for termination quotes.

Supported Quote Line Types

Line Type	Applicability Based on Terms and Conditions	Ability to Specify Formula on Contract	Updatable After Creation of Quote	Define Stream for Billing and Accounting
Purchase Option Amount	Yes	Yes	Yes	Yes
Contract Obligation	Yes	Yes	No	Yes
Unbilled Receivables	Yes	Yes	No	Yes
Principal Balance	Yes	Yes	No	Yes
Discount Rate	Yes	Yes	Yes	Yes
Termination Penalty	Yes	Yes	Yes	Yes

Line Type	Applicability Based on Terms and Conditions	Ability to Specify Formula on Contract	Updatable After Creation of Quote	Define Stream for Billing and Accounting
Security Deposit	Yes	Yes	No	No
Return Fee	Yes	Yes	Yes	Yes
Rollover Incentive	Yes	Yes	Yes	Yes
Quote Fee	Yes	Yes	Yes	Yes
Estimated Property Tax	Yes	Yes	Yes	Yes
Outstanding Balance	Yes	No	No	No
Service & Maintenance	Yes	No	No	No
Contractual Fees	Yes	No	No	Yes
Tax/VAT	Always applicable	Yes (at site level)	No	No
Estimated Billing Adjustment	Always applicable	No	No	No
Miscellaneous	Yes	Yes	Yes	Yes

Supported Contract Statuses for Termination Quotes

Certain processes--such as termination quote, restructure quote, request termination, and contract expiration batches--are based the contract status. The following table shows supported combinations of the termination quote process and contract statuses.

Supported Contract Statuses for Termination Quotes

Contract Status	Process: Termination Quote
Booked	Yes
Evergreen	Yes
Under Revision	No
Abandoned	No
Complete	No
Incomplete	No
New	No
Passed	No
Bankruptcy Hold	Yes
Litigation Hold	Yes
Termination Hold	Yes
Approved	No
Pending Approval	No
Amended	No
Reversed	No
Terminated	No

Provide Quote

Providing a quote involves identifying and determining the quote details, reviewing and approving the quote, performing recalculations, and obtaining repurchasing approval.

This section includes the following topics:

- Search for Termination Quote
- Create Termination Quote
- Change Termination Quote Effective Dates
- Effective Date Termination
- Rollover Termination Quotes
- View or Update Termination Quote Amount Details
- Recycling Termination Quotes
- View Revised Contract Payment Schedules
- Add or Remove Manual Termination Quote Lines
- Select Asset Serial Numbers on a Partial Termination Quote
- View or Update Termination Quote
- Send a Termination Quote to a Party
- Update Standard Termination Quote Amounts
- View Assets
- View Anticipated Billing
- View Messages
- Approve Termination Quotes
- Accept Termination Quotes

Search for Termination Quote

This section shows how to locate termination quotes, determine which type of termination you are using and whether or not the contract permits early termination, verify that you can offer a termination quote according contract status, and view the amounts to accept the termination quote.

Use the following procedure to:

- Search for termination quotes and put the termination quote into context.

- Determine whether or not early termination is available for the termination quote.
- Specify the type of termination quote for your contract. View the amount details of the termination quote including:
  - Contract Obligation: Amount that the contract specifies.
  - Discount
  - Miscellaneous
  - Purchase Amount
  - Tax/VAT
  - Quote Total: The sum of preceding items that the lessee must pay to close the termination quote.

For both standard and manual termination quotes, you can perform a simple or advanced search to locate a termination quote.

A simple search lets you find a termination quote by quote number, quote type, quote status, contract number, or customer name, or a combination of all of these parameters.

An advanced search lets you locate a termination quote by effective dates, accepted, payment received, recipient, or contract.

> **Note:** The advanced search is not available when you navigate the path Asset Management > Quotes > Manual Termination Quotes.

Prerequisites

- Your contract has one or more associated assets and permits termination quotes.
- With the exception of manually entered termination quote values, the terms and conditions include formulas and outline the required calculations.
- The contract status must permit termination quotation, according to what Supported Contract Statuses for Termination Quotes indicates.

Responsibility

Lease Super User, Asset Manager

Navigation

To see all termination quote types:

- Contract Management > Termination Quotes > Termination Quotes

To see only manual termination quote types:

- Contract Management > Termination Quotes > Manual Termination Quotes

Steps

Perform the following steps:

1. For a simple search go to step 2; for an advanced search (not available from the Manual Termination Quotes page), go to step 5.

2. To locate termination quotes with simple search, specify one or more of the following search criteria:

   - **Quote Number**: Enter the full or partial quote number.

   - **Quote Type**: Choose one quote type from the list.

   - **Quote Status**: Choose one quote status from the list.

   - **Contract Number**: Enter the full or partial contract number.

   - **Customer Name**: Enter the full or partial customer name.

3. Click Go.

   Matching termination quotes appear in the Results area.

4. Continue at step 8.

5. To locate termination quotes with an advanced search, click the Advanced Search button.

6. Specify one or more search criteria in one of the areas: Search By Quote, Search By Recipient, Search By Contract, or Search By Asset.

   - **Search By Quote** search fields include: Quote Number, Quote Type, Quote Status, Accepted, Payment Received, Effective From and Effective To date ranges, as well as Accepted and Payment Received check box flags.

   - **Search By Recipient** search fields include: Recipient Number and Recipient Name.

   - **Search By Contract** fields include: Contract Number, Product, Customer Name, and Contract Start From and Contract End From date ranges.

   - **Search By Asset** fields include: Asset Number and Asset Name.

7. Click the respective Search By Quote, Search By Recipient, Search By Contract, or Search By Asset button.

   Matching termination quotes appear in the Results area.

8. In the Results area:

   - Click the Quote Number hyperlink to view the quote details.
   - Click the Amount hyperlink to view the component amounts of the termination quote. The Amounts page that appears also displays the total Net Receivables, Unbilled Receivables, Residual Value, and Gain/Loss for the termination quote.

Create Termination Quote

Creating a termination quote involves identifying the contract and asset for which you are creating the quote.

Use this procedure to create a termination quote. In this procedure, you select a contract to place it in context of the quote. You can specify an Effective Date of the quote. The Effective Date can be a prior date or a future date. If the Effective Date is not specified, the system date will default. You can also choose whether to terminate some or all of the units of each asset line of the contract.

The business rules of the contract determine the type of the termination quote.

For example:

- You cannot create an early termination quote if the terms and conditions do not allow early termination quotes
- You cannot create a standard termination quote if the terms and conditions allow manual termination quotes only

For standard termination quotes, the amount is calculated based on the terms and conditions set up when the contract is booked.

You can create a manual termination at any time after contract booking. When you create a manual termination quote, you initially follow similar procedures as for creating a standard termination quote. The initial quote amount generated when you create a manual termination quote is simply the value of the outstanding receivables. You normally then edit the manual termination quote by adding your own quote type lines and additional amounts.

The Estimated Billing Adjustment quote line cannot be modified.

Termination Quote Roles

Five roles are available for termination quotes:

- **Recipient**: The party to whom you are issuing the termination quote. If you have

only one recipient, you do **not** specify any value in the Percentage field.

- **Additional Recipient**: An optional second party to whom you are issuing the termination quote. If you specify an additional recipient, you **must** specify the percentage share of billing the additional recipient.
- **Approver**: The person who reviews and approves the termination quote before the recipient receives the termination quote.
- **Advance Notice**: The person who receives notification of the termination quote for a specified number of days before the system sends the termination quote to the recipient. If you specify an advance notice role, then you **must** specify the number of days delay in the Advance Notice Delay Days field.

  Note: You cannot specify both the Approver role and the Advance Notice role in one termination quote.

- **Courtesy Copy**: A third party whom you want to notify of the termination quote for informational purposes.

Prerequisites

Your contract must have the following:

- One or more assets
- A terms and conditions parameter that permits this type of termination quote
- For standard termination quotes, terms and conditions set up for the required termination quote calculations
- A contract status that permits this type of termination quote.

Responsibility

Lease Super User, Asset Manager

Navigation

For creating standard termination quotes:

- Contract Management > Termination Quotes > Termination Quotes

For creating manual termination quotes:

- Contract Management > Termination Quotes > Manual Termination Quotes

Steps

Perform the following steps:

1. Click the Create Quote button.

   The Contracts Search page opens.

   First, you must search for the contract for which you are creating the termination quote.

   In the Search area, you can perform either a simple or an advanced search. The advanced search includes the same search criteria as the simple search, with some extra search parameters.

2. For the simple search, specify one or more of the following search criteria:

   - **Contract Number**: Enter full or partial contract number.
   - **Contract Start Date**: Enter the date range for the contract start date.
   - **Contract End Date**: Enter the date range for the contract end date.
   - **Customer Name**: Enter full or partial customer name.

3. For an advanced search, click the Advanced Search button, and specify one or more of the search criteria described in step 2, or any of the following additional search criteria:

   - **Asset Number**: Enter the full or partial asset number
   - **Serial Number**: Enter the full or partial asset serial number

4. Click Go.

   Matching contracts appear in the Results area.

5. In the Results area in the Contract Number column, click the Select box beside the contract for which you want to create a termination quote.

6. Click Create Termination Quote.

   The Create Termination Quote page appears, displaying the contract number, and the contract start and end dates.

7. Enter the Effective Date for the quote.

8. In the Quote Type field, choose a quote type.

9. In the Quote Reason field, choose the reason for the quote.

This is a required field.

10. In the Comments field, enter any optional comments that you may want to include.

Assets

1. In the Assets area, select one or more assets to which you want to apply the termination quote.

2. For each selected asset, enter the number of units to terminate.

   The number of units to terminate can be less than the number of units on the asset line of the contract.

   If you select all the assets, and do not alter the default number of units to terminate, then this results in a full termination quote; if you do not select all assets, or reduce the number of units to terminate, then this results in a partial termination quote.

Parties

1. During the authoring of the contract, party details may be specified among the Termination Quote Process terms and conditions. If specified, they serve as default values for termination quotes.

   You may override the default values by selecting and entering values in the fields in the Parties section of the Create Termination Quote page, to satisfy the following conditions:

   - **Recipient**: You must select a contract role in the Recipient row.

   - **Additional Recipient** (optional): If you want another recipient for the quote, select a contract role in the Additional Recipient row, and in the Additional Recipient Percentage field further down the page, enter the percentage by which you are splitting the billing for that additional recipient.

   - **Approver** (optional): This is the party to approve the termination quote before it is sent. If you select a contract role in the Approver row, then you must leave the Advance Notice row blank, and you must not complete the Advance Notice Delay Days field.

   - **Advance Notice** (optional) is the party who receives notification before the quote is sent. If you select a contract role in the Advance Notice row, then you must leave the Approver row blank, and you must also complete the **Advance Notice Delay Days** field further down the page, which specifies the number of days to delay before the quote is sent.

   - **Courtesy Copy** (optional) is the party to notify for informational purposes.

   - You may enter the email address for any contract role that you select.

Note: You cannot specify both the Approver role and the Advance Notice role in one termination quote.

2. Click the Create button.

   Your quote number and quote amount appear in the Termination Quotes or Manual Termination Quotes page.

   If you are creating a standard termination quote, this completes the process.

   If you are creating a manual termination quote, at this point you have created a basic outline of the manual termination quote, to which you generally add your own quote type lines and additional amounts. For more information, see Add or Remove Manual Termination Quote Lines.

Change Termination Quote Effective Dates

You can modify the effective dates of a termination quote by changing the termination quote Effective To date. Lease Management calculates the termination quote amount based on the current date. The contract terms and conditions include two parameters Quote Effective Days and Quote Effective Maximum Days.

When the termination quote is created:

- the Effective From date is set to the current date
- the Effective To date is set to the current date + Quote Effective Days

You can modify the Effective To date up to the Effective From date + Quote Effective Maximum Days.

Changing the Effective To date has no impact on the calculated values.

Prerequisites

You have created a termination quote.

Responsibility

Lease Super User, Asset Manager

Navigation

For standard termination quotes:

- Contract Management > Termination Quotes > Termination Quotes

For manual termination quotes:

- Contract Management > Termination Quotes > Manual Termination Quotes

Steps

Perform the following steps:

1. Specify search criteria to locate the termination quote:
   - **Quote Number**: Enter the full quote number, or specify partial match criteria.
   - **Quote Type**: Seeded values may include choices for termination with and without purchase, repurchase, and roll-overs.
   - **Quote Status**: You can only modify termination quotes if the quote's status is Drafted or Rejected.
   - **Contract Number**: Enter the full contract number, or specify partial match criteria.
   - **Customer Name**: Enter the full customer name, or specify partial match criteria
2. Click the Go button.

   Matches appear in the Results area.
3. In the Results area, in the Quote Number column, click the hypertext link of the quote that you want to change.

   The Termination Quote page opens and shows the editable fields.
4. In the Effective To field, click the Calendar icon and choose the date.
5. Click Update.

Effective Date Termination

The effective date is the user-specified date used for termination quote calculation. Lease Management supports the following two methods of effective date termination:

- Prior Dated Termination
- Future Dated Termination

Prior Dated Termination

The process of terminating a contract on a user-specified date which is before the quote creation date. For prior dated terminations, quote calculation and billing adjustments are processed from the prior effective date. Contract termination is processed on the current date with adjustments from the prior effective date.

Future Dated Termination

The process of terminating a contract on a user-specified date which is after the quote creation date. For future dated terminations, quote calculation, contract termination, and anticipated billing calculation are processed on the future effective date.

Prior and future effective date terminations can be used with both Full and Partial terminations, Standard and Automated terminations, and termination types of With Purchase or Without Purchase.

Effective date terminations can be viewed in the Lease Center, Customer Self Service, and Vendor Self Service.

> **Note:** : Future dated rollover quotes can be created and Accepted, but cannot be Approved.

Rollover Termination Quotes

A rollover is a process in which the lessee terminates all or part of an existing transaction, sometimes at a discount, and finances the amount of the termination on a new deal. When the termination amount is added to a new contract, the termination quote is not billed to the lessee, but the amount is instead rolled over to a new contract or existing contract and priced into the new transaction.

In Lease Management, rollover termination quotes can be created with or without purchase for securitized and non-securitized transactions. Rollover termination quote amounts are rolled over as a financed amount on a fee line with the fee type of Rollover on a contract or lease sales quote.

Lease Management validations determine whether a rollover termination quote can be rolled over on a contract or sales quote. For example, the customer account of the rollover termination quote and the new contract must be the same.

Rollover fee lines cannot be created for external, or third party, termination quotes.

A rollover termination quote can only be accepted by booking a contract with the quote referenced on a rollover fee line.

To create a Rollover Termination Quote, see Create Termination Quote.

Rollover fees can be added to a lease contract during authoring. For information on adding rollover fees to a contract, see Fee Lines.

View or Update Termination Quote Amount Details

You can view and optionally change the amounts of the line types that are the components of a termination quote. After you have created a standard or a manual termination quote, the termination quote amount is visible in the Termination Quotes or Manual Termination Quotes page.

Use this process to see a breakdown of the components of the termination quote, or to change the amounts on the component line types of a termination quote

Lease Management offers the following viewing options:

- View the consolidated amount for all the assets for each line type
- View the line details for a specific line type
- View all individual lines for a quote

Prerequisites

You must have created a standard or a manual termination quote. For details, see Create Termination Quote.

Responsibility

Lease Super User, Asset Manager

Navigation

For standard termination quotes:

- Contract Management > Termination Quotes > Termination Quotes

For manual termination quotes:

- Contract Management > Termination Quotes > Manual Termination Quotes

Steps

Perform the following steps:

1. Search for the termination quote whose amount details you want to see.
2. In the Results area, click the Amount hyperlink for the quote whose details you want to see.
3. In the Amounts page, you can optionally change the amount for one or more of the line types. Click the Amount link by the rendered amounts.
4. Enter the Amount for the line type.
5. If you are viewing the details of a manual termination quote, you can add and remove line types in the Amounts page.

   Note: If you are viewing the details of a manual termination quote, you can add and remove line types in the Amounts page. For

details, see Add or Remove Manual Termination Quote Lines.

6. Click Update.

7. Click Submit for Approval when finished.

Recycling Termination Quotes

When you receive an accepted termination quote with a transaction status of Error, the error must be fixed. After fixing the error, set the contract termination status to Recycle. Once a recycle request has been created, run the concurrent program Terminate Expired Contracts.

View Revised Contract Payment Schedules

When a lease contract's payment schedules are changed by a partial termination quote, Lease Management calculates and displays the revised payment schedules. You can then process the termination quote before submitting it.

Prerequisites

You have created a partial termination quote that changes payment schedules.

Responsibility

Lease Super User, Asset Manager

Navigation

Contract Management > Termination Quotes > Termination Quotes - Payment Schedule

Steps

Perform the following steps:

1. Click the Current Total or Proposed Total hyperlinks to view total amounts for selected stream types listed by Asset in the Payment Schedule Details page.

2. Click the Total hyperlinks to view the stream type and asset amount details in the Payment Schedule Line Details page.

Add or Remove Manual Termination Quote Lines

You can build up your manual termination quote by adding or removing quote line types and amounts.

If you have completed the first stage of creating a manual termination quote, you have created the basic outline of the quote. The quote amount calculated will be the value of the outstanding receivables only. Generally you want to add your own quote lines and amounts to the basic termination quote.

The Estimated Billing Adjustment quote line amount cannot be modified or removed.

Prerequisites

You must have created the basic outline of a manual termination quote. .

Responsibility

Lease Super User, Asset Manager

Navigation

Contract Management > Termination Quotes > Manual Termination Quotes

Steps

Perform the following steps:

1. Search for the manual termination quote to which you want to add quote lines.
2. In the Results area, click the Amount hyperlink for the quote to which you want to add your quote lines.

   In the Amounts page, you can add or remove quote lines.
3. To add quote line types and amounts, continue at step 5.
4. To remove quote lines, select the Remove check box for each line type that you wish to remove, then continue at step 11.
5. In the Amounts page, click Create Quote Line.

   The Create Quote Line page appears.
6. Select the Line Type for the quote line.
7. Optionally select an asset for the quote line.
8. Enter the amount for the quote line.
9. Click Create.
10. If you want to add more quote lines, repeat steps 5 through 9 for each quote line.
11. Click Update.

Select Asset Serial Numbers on a Partial Termination Quote

You can specify the serial numbers of assets to terminate on a partial termination quote.

On a partial termination quote, if you are going to terminate one or more assets that are defined as serializable items in Oracle Inventory, then you must select the serial numbers of the units that you wish to terminate.

Prerequisites

- You have created a partial termination quote. .
- Each asset on the partial termination quote has been defined as a serializable asset in Oracle Inventory.
- You specified serial numbers for the asset or assets when you created the contract.

Responsibility

Lease Super User, Asset Manager

Navigation

For standard termination quotes:

- Contract Management > Termination Quotes > Termination Quotes

For manual termination quotes:

- Contract Management > Termination Quotes > Manual Termination Quotes

Steps

Perform the following steps:

1. Search for the termination quote.
2. In the Results area, in the Quote Number column, click the quote number hyperlink.

   The Termination Quote Details page opens.
3. Click Assets on the side menu.
4. In the Assets page, click the icon in the Details column for the asset.

   The Asset Units page appears, with header information that includes quote details, asset number, asset quantity, and quote quantity.
5. If the asset quantity is equal to the quote quantity, click Select All, else click the

Select box beside the assets that you want to terminate.

You must select the exact number of assets specified by the quote quantity.

6. Click Update.

View or Update Termination Quote

You can view or update information about standard termination quotes. You can update two types of fields in a standard termination quote:

- **Common Standard Termination Quote Fields**: Fields that all standard termination quotes have in common and are not based on termination quote formulas. For more information, see Common Standard Termination Quote Fields, page 20-23.

- **Quote Line Fields**: Fields from the contract's terms and conditions that are based on quote lines. Under certain circumstances, some quote line fields are calculated and based on the termination quote formula. Other quote line fields are not based on the termination quote formula because the formula may have an error or is missing. For more information, see Quote Line Fields, page 20-23.

Common Standard Termination Quote Fields

Common standard termination quote fields are those fields that all standard termination quotes have in common, regardless of being based on the termination quote formula. Common standard termination quote fields that you can update include:

- **Effective To** date: change the ending effective date of the termination quote. Changing this date does not change any calculations.

- **Pre-Proceeds**: Indicate that you are accepting a termination quote before the quote dues are received.

- **Accepted**: Indicate that you have accepted the termination quote.

- **Comments**: Enter any free-form text to make notes about the termination quote.

- **Parties**: Select one or more parties to whom you want to send a quote.

- **Per Diem Amount**: The Per Diem Amount is payable by the customer if the payment is not made on the quote effective date.

Quote Line Fields

You can update certain quote line fields in a standard termination quote depending on whether or not the termination quote formula that you used in the terms and conditions of your contract are correct and complete.

Standard termination quotes rely on the termination quote formula for calculation. You can use the default termination quote formula, or create your own termination quote formula during the implementation of Oracle Lease Management.

Correct Standard Termination Quote Line Fields

If the termination quote formula is correctly set up in the implementation of Oracle Lease Management, then Oracle Lease Management produces a standard termination quote with calculated values; you can update these fields:

- **Purchase Option Amount**
- **Discount Rate**
- **Termination Penalty**
- **Return Fee**
- **Rollover Incentive**
- **Quote Fee**
- **Estimated Property Tax**
- **Miscellaneous**

Incomplete or Incorrect Standard Termination Quote Line Fields

If any of the required operands are missing from the termination quote formula or if you have not selected any termination quote formula in the contract terms and conditions, then Oracle Lease Management produces a standard termination quote that comprises only of certain fields, all of which have zero values and require manual updating. This documentation refers to this type of quote as a **default standard termination quote**. The available fields are:

- **Purchase Option Amount**
- **Contract Obligation**
- **Discount Rate**
- **Tax / VAT**
- **Miscellaneous**

The following steps provide general procedures for searching, viewing, and updating termination quotes.

Prerequisites

You have created a standard termination quote.

Responsibility

Lease Super User, Asset Manager

Navigation

Contract Management > Termination Quotes > Termination Quotes

Steps

Perform the following steps:

1. Search for the termination quote.
2. In the Quote Number column, click the quote number hyperlink.

   The Termination Quote Details page opens.
3. Optionally, edit the Effective To, Pre-Proceeds, Accepted, or Comments fields. For more information, see Common Standard Termination Quote Fields, page 20-23 in the introduction to this topic.
4. Optionally, edit the available quote line fields.

   Available quote line fields vary according to how you implemented the termination quote formula and applied it to the contract. For more information on which quote line fields you can modify, refer to the related topics, including:

   - Quote Line Fields, page 20-23
   - Correct Standard Termination Quote Line Fields, page 20-24
   - Incomplete or Incorrect Standard Termination Quote Line Fields, page 20-24
5. Click Update.

Send a Termination Quote to a Party

For parties specified on the termination quote, you can send the quote to a party from the Termination Quote Details page. To send a termination quote, you must search for it and place it into context.

Prerequisites

You have created a termination quote.

Responsibility

Lease Super User, Asset Manager

Navigation

For standard termination quotes:

- Contract Management > Termination Quotes > Termination Quotes

For manual termination quotes:

- Contract Management > Termination Quotes > Manual Termination Quotes

Steps

Perform the following steps:

1. Search for the termination quote.
2. In the Quote Number column, click the quote's number--a hypertext link.

   The Termination Quote Details page opens.
3. In the Parties area under the Select column, select the party to whom you want to send a quote.
4. Click the Send Quote button.
5. To send the quote to another party--if available--repeat this subset of steps.
6. Click the Update button.

Update Standard Termination Quote Amounts

Business rules determine the calculated termination quote amounts, but you can update some of the standard termination quote amounts.

The following table shows the supported termination quote line types that you can manually update after the creation of the standard termination quote.

Supported Quote Line Types That You Can Update

Line Type	Updatable After Creation of Quote	Available for Default Standard Termination Quotes	Remarks
Purchase Option Amount	Yes	Yes	None
Discount Rate	Yes	Yes	None
Termination Penalty	Yes	No	None
Return Fee	Yes	No	None
Rollover Incentive	Yes	No	None
Quote Fee	Yes	No	None
Estimated Property Tax	Yes	No	None
Miscellaneous	Yes	Yes	Standard creation based on the way termination formula is defined.

View Assets

The Assets page, which you can see when you navigate the path Asset Management > Quotes > Termination Quotes > Assets (or Asset Management > Quotes > Manual Termination Quotes > Assets) shows you a view-only list of the asset number, description, and cost of all assets in the termination quote. The purpose of this feature is to let you review the details of assets that you are terminating or are purchasing through a termination quote.

> **Note:** The Assets page includes a Details icon for each asset, that leads to the Asset Units page. The Asset Units page is used to select serial numbers of assets to terminate. For more information, see Select Asset Serial Numbers on a Partial Termination Quote, *Oracle Lease Management User's Guide*.

Prerequisites

You have created a termination quote.

You have retrieved the termination quote and placed it in context.

Responsibility

Lease Super User, Asset Manager

Navigation

For standard termination quotes:

- Contract Management > Termination Quotes > Termination Quotes

For manual termination quotes:

- Contract Management > Termination Quotes > Manual Termination Quotes

Steps

No steps are applicable

View Anticipated Billing

In the Quotes subtab of the Asset Management tab, you can view the anticipated billing. Anticipated billing represents the amounts due to be billed between the quote creation date and the quote effective date.

View Messages

During the life cycle of the termination quote, Oracle Lease Management posts error, omission, and information messages. You can review these messages and take action to see that subsequent processing does not fail.

Three types of messages pertaining to terminations quotes are:

- Error
- Warning
- Information

The Messages page shows:

- Quote Number
- Contract Number

- A list of messages and their dates

Prerequisites

You have created a termination quote on a contract.

You have retrieved the termination quote and placed it in context.

Responsibility

Lease Super User, Asset Manager

Navigation

For standard termination quotes:

- Contract Management > Termination Quotes > Termination Quotes - Messages

For manual termination quotes:

- Contract Management > Termination Quotes > Manual Termination Quotes - Messages

Steps

View the messages, and if there has been an error, rectify the error at the source and regenerate the termination quote, if applicable.

Approve Termination Quotes

A standard termination quote, after it is entered, gets automatically submitted for approval, and a general termination quote workflow controls the approval process. It is only if the quote gets rejected that you need to perform this procedure for a standard termination quote.

After you create a manual termination quote, its first status is Drafted. To generate the approval process, you need to submit the manual termination quote for approval.

Prerequisites

You have created a termination quote.

Responsibility

Lease Super User, Asset Manager

Navigation

For standard termination quotes:

- Contract Management > Termination Quotes > Termination Quotes

For manual termination quotes:

- Contract Management > Termination Quotes > Manual Termination Quotes

Steps

Perform the following steps:

1. Search for the termination quote.
2. In the Results area, in the Quote Number column, click the quote number hyperlink of the quote that you want to approve.
3. Click Submit for Approval.

Guidelines

You cannot change the content of the termination quote--such as the Effective To date or the assigned assets--after the status changes to Approved. Business rules determine whom to notify for approval.

Accept Termination Quotes

The following topics describe the two means of accepting termination quotes:

- Accept the Termination Quote Automatically
- Accept the Termination Quote Manually

Accept the Termination Quote Automatically

Except for rollover terminations, automatic acceptance of a termination quote happens through the cash application routine of Oracle Lease Management. The automatic acceptance of termination quote occurs only if:

- The termination quote uses the Upon Receipt means of acceptance. The Upon Receipt means of acceptance means that the contract terminates upon receipt of payment before the lessor accepts termination notification.
- The amount received matches the termination quote amount. If the amount received upon receipt does not amount the termination quote amount, then you must manually apply the cash received.
- On the booking and rebooking of a contract for rollover and release contracts.

In the cash application routine, when the amount received matches the termination quote:

- The termination quote is automatically accepted.
- The invoice's termination quote lines are generated for transfer to Oracle Receivables.

Accept the Termination Quote Manually

Use this procedure to manually approve a termination quote when:

- The termination quote specifies Pre-Proceeds option. The Pre-Proceeds option terminates the contract upon acceptance notification.
- The termination quote specifies to terminate the contract Upon Receipt, but the amount received does not match the termination quote amount.

Quote acceptance terminates the contract and changes its status to Accepted.

You can accept a termination quote two ways:

- **Pre-Proceeds**: The contract terminates upon acceptance notification.
- **Upon Receipt**: The contract terminates upon receipt of payment before the lessor accepts termination notification.

Manual acceptance of termination quote requires you to manually apply in Oracle Receivables the cash receipt to the invoice that the termination quote created and to any other outstanding invoices.

Prerequisites

The termination quote's status is Approved.

Responsibility

Lease Super User, Asset Manager

Navigation

For automatic termination quotes:

- Asset Management > Quotes > Termination Quotes

For manual termination quotes:

- Asset Management > Quotes > Manual Termination Quotes

Steps

Perform the following steps:

1. Search for the termination quote.
2. In the Results area in the Quote Number column, click the quote number hyperlink of the quote that you want to change.

   The Termination Quote page opens.
3. Select the Accepted check box.
4. Select the Pre-Proceeds check box to terminate the contract upon acceptance.
5. Click Update.

Terminate Assets Using a Program

Assets are terminated by entering a list of assets to terminate into an interface table, and then running a concurrent program. An explicit quote is not required.

The main purpose of the program is to create termination quotes for the assets specified. Generally, the quotes will be for asset-level terminations, also known as partial terminations. If all the assets for a contract are specified to be terminated, then the quote will be for a contract termination.

You can specify whether you wish the quotes to be standard or manual termination quotes. For the standard termination quotes, you can also set a flag to automatically accept the quote, which helps to automate the termination of the asset or contract.

The table that you must populate is OKL_TERMNT_INTERFACE.

Enter the following columns in the table:

- TRANSACTION_NUMBER

  Enter a unique transaction number. You can either generate your own unique values, or use the seeded sequence OKL_TIF_SEQ.
- CONTRACT_NUMBER
- ASSET_ID or ASSET_NUMBER
- SERIAL_NUMBER

  Enter this column if the asset is serialized, and set UNITS_TO_TERMINATE to null or 1.
- QUOTE_TYPE_CODE

  Set this value to the Code in the FND Lookup Type OKL_QUOTE_TYPE.

  For example, specify TER_PURCHASE for a termination with purchase, and TER_MAN_WO_PURCHASE for a manual termination without purchase.

Note: If you specify a code that indicates a standard, that is, non-manual, termination quote, but the contract requires a manual termination quote, the program will generate a manual termination quote that has the appropriate "with purchase" or "without purchase" option.

- STATUS

  Set this value to ENTERED.

Another important column that automates the asset termination process is AUTO_ACCEPT_YN. If you set the value of this column to Y for standard, that is, non-manual asset termination quotes, then, if the quote is successfully created by the program, it is automatically submitted for approval. When the approval is granted, the quote is processed to completion; that is, the asset or contract is terminated.

After you have entered all the asset information into the OKL_TERMNT_INTERFACE table, run the concurrent program Process Termination Interface Transactions. See Concurrent Programs., page B-1

After the program has finished, view the output report to see a summary of the following:

- The rows processed
- The rows in error
- The rows processed, but with errors

An example of a row that is processed but generates an error is if the value of AUTO_ACCEPT_YN is set to Y. The quote may be created successfully, but the automatic acceptance may fail.

Obtain Third-Party Approval for Repurchasing Leased Asset

When you have a repurchase agreement, the third party--the source or supplier of the leased asset--has agreed to receive the asset according to agreed-upon terms in the repurchase agreement. The agreed-upon terms can be either an amount or a formula. The remarketer requests a quote for the vendor, and the third party approves the quote.

The re-purchasing agreement specifies the price that the third party pays the lessor for repurchasing the asset. The price is either a fixed amount or a formula-based amount.

Note: All amounts specified in a repurchase quote are in the functional currency of the set of books.

Prerequisites

- A repurchase agreement exists.
- You have received the asset.

Responsibility

Lease Super User, Asset Manager and Remarketer

Navigation

Assets > Tracking > Vendor Quote > Repurchase Assett

Note: You need to have an asset in context in order to access this area.

Steps

No steps are applicable.

Tip: You can optionally edit the Effective To, Comments, Ship To address and phone information.

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Restructure Quotes

This chapter covers the following topics:

- Overview
- Search and Update Restructure Quotes
- Create Restructure Quotes

Overview

The restructure quotation process allows the lessee to change terms in the contract.

This Asset Management functionality allows you to:

- Solve for rent for both leases and loans, such as renegotiating for a new rent payment that is more manageable for the lessee.
- Solve for term for loans only, such as extending the contract term for a period of time.

The acceptance of a restructure quote results in a re-booked contract. The calculations that the restructure quote provides become the basis of the re-booking.

> **Note:** All amounts specified in a restructure quote are in the contract currency.

Supported Contract Statuses for Restructure Quotes

Certain processes--such as termination quote, restructure quote, request termination, and contract expiration batches--are based the contract status. The following table shows supported combinations of the restructure quote process and contract statuses.

Supported Contract Statuses for Restructure Quotes

Contract Status	Process: Restructure Quote
Booked	Yes
Evergreen	No
Under Revision	No
Abandoned	No
Complete	No
Incomplete	No
New	No
Passed	No
Bankruptcy Hold	Yes
Litigation Hold	Yes
Termination Hold	No
Approved	No
Pending Approval	No
Amended	No
Reversed	No
Terminated	No

The topics in this section include:

- Search and Update Restructure Quotes
- Create Restructure Quotes

Search and Update Restructure Quotes

Use these procedures to search, view, and update restructure quotes.

Prerequisites

Contract status must permit quotation.

Responsibility

Lease Super User, Asset Manager

Navigation

Contract Management > Restructure Quote > Restructure Quotes

Steps

Perform the following steps:

1. Enter one or more search criteria to locate the restructure quote:
   - **Quote Number**: Enter full or partial match criteria to find by the quote number.
   - **Quote Status**: Choose from Accepted, Approved, Bid, Completed, or Draft.
   - **Contract Number**: Enter full or partial search criteria, click the flashlight icon, and choose a contract.
2. Click the Go button.

   In the Results area, matching restructure quotes appear. Field information includes: Quote Number, Status Type, Effective From date, and Effective To date.
3. In the Quote Number column, click the hypertext link of the restructure quote that you want to view or update.

   The Restructure Quote Details page appears. The three fields that you can modify are:
   - **Effective To**: The date to which the restructure quote applies. If you change this date, the lease price modeling software recalculates the values.
   - **Accepted**: Select the check box to mark the restructure quote as accepted.
   - **Comments**: Enter or edit any free-form text description.

4. Click the Update button to apply your updates.

Create Restructure Quotes

To create a restructure quote, you must have a contract number in context. A lease price modeling application, calculates and updates values for restructure quotes.

The asset management restructure function allows you to:

- Solve for rents for leases and loans.

Prerequisites

- A contract must be in context.
- One or more assets must be in contract.
- Contract status must permit quotation.

Responsibility

Lease Super User, Asset Manager

Navigation

Contract Management > Restructure Quote > Restructure Quotes

Steps

Perform the following steps:

1. Click the Create Quote button.

   The Contract page appears.

2. In the Contract Number, Contract Start Date, Contract End Date, and Customer Name fields, specify one or more search criteria.

3. Click Go.

   Matching contracts appear in the Results area.

4. In the Results area Select column, select the contract for which are creating the restructure quote.

5. Click the Create Restructure Quote button.

   The Create Structure Quote page appears and shows the contract number, starting

date, and ending date.

6. In the Quote Reason field, choose a reason for the quote termination.

7. In the Comments fields, optionally enter any free-form text, such as description, comments, or notes.

8. In the Options area, complete these fields:

   - **Select**: If you want to select a quote.

   - **End of Purchase Option**: Purchase option to use in quote.

   - **Purchase Amount**: Enter an amount. Amount information goes to a lease price modeling software application that returns a calculated value on the Details page.

     Note: The purchase amount is in the contract currency.

   - **Purchase Option Formula**: Click the field's flashlight icon, an d choose from a list of values to specify the formula that applies to the restructure quote.

   - **Term Extension**: Specify the length of time from the original contract end date that you want to extend the term. For example, if your contract originally ends on December 31, 2002; your quote date is June 30, 2002; and the quote specifies 12 months, then the extension adds six months to the original ending contract date.

9. Click the Create button.

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Consolidated Quotes

This chapter covers the following topics:

- Overview
- Search and Update a Consolidated Quote
- Create a Consolidated Quote

Overview

You can combine multiple quotes into one consolidated quote for your customers' convenience. Some customers may prefer consolidated quotes to ease management of their high volume of quotes and partial quotes.

Each quote in a consolidated quote remains an independent standalone quote, although after you combine multiple quotes into a consolidated quote, you cannot remove them from the consolidated quote.

You can consolidate quotes from multiple contracts as long as each quote meets certain conditions. These conditions include each quote having the same effective date, product type, recipient, and quote type. Partial quotes can be included in consolidated quotes, but not partial termination quotes.

The asset management representative can modify the quote, as needed. Oracle Defect Management notifies quotes to the requestor and program partner as required.

Topics in this section include:

- Search and Update a Consolidated Quote
- Create a Consolidated Quote

Search and Update a Consolidated Quote

You can search for and update a consolidated quote. To locate a consolidated quote, you can search by quote number, quote type, or quote status.

Prerequisites

- Contract status must permit quotation.
- Quote recipient of each quote must be the same.
- Effective dates of each quote must be the same.
- Product of each quote item must be the same.
- Quote type and quote status of each quote item must be the same.
- One or more of the quotes cannot already have been accepted or consolidated.

Responsibility

Lease Super User, Asset Manager

Navigation

Contract Management > Termination Quotes > Quote Consolidation > Consolidated Quotes

Steps

Perform the following steps:

1. In the Search area, specify one or more search criteria:
   - In the Quote Number field, enter full or partial search criteria.
   - Choose a Quote Type, or leave the field blank to find all quote types.
   - In the Quote Status field, choose

     Accepted

     Approved

     Completed

     Drafted

2. Click the Go button to perform the search.

   Matching quotes appear in the Results area and show you the quote number, status, type, effective dates, and recipient for consolidated quote.

3. In the Quote Number column, click the consolidated quote's number.

The Consolidated Quote Details page appears and shows you:

- Non-Editable fields: Quote Number, Effective From, Type, Status; and individual quote information that comprise the consolidated quote: Quote Number, Quote Reason, Status, Recipient, and Amount.
- Editable fields: Effective To date, Accepted check box, and Comments. The Accepted check box indicates that the consolidated quote has been accepted.

4. Click the Update button to apply any changes you make.

Create a Consolidated Quote

You can create a new consolidated quote by selecting multiple quotes that share the same attributes: quote status, quote recipient, effective dates, product type, and quote type. To create a quote, you search for quotes with matching attributes.

Prerequisites

- Contract status must permit quotation.
- Quote recipient of each quote must be the same.
- Effective dates of each quote must be the same.
- Product of each quote item must be the same.
- Quote type and quote status of each quote item must be the same.
- One or more of the quotes cannot already have been accepted or consolidated.

Responsibility

Lease Super User, Asset Manager

Navigation

Contract Management > Termination Quotes >Quote Consolidation > Consolidated Quotes

Steps

Perform the following steps:

1. Click the Create Quote button.

The Create Consolidated Quote page appears. You need to find quotes by quote type and/or effective dates.

2. In the Search area:

   - Choose a Quote Type, or leave the field blank to find all quote types.

     Note: All quotes in a consolidated quote must have the same quote type.

   - In the Effective Date fields, click the Calendar icon to choose starting and/or ending dates, or leave the Effective Date fields blank to locate quotes with any

     Note: All quotes in a consolidated quote must have the same effective date.

3. Click the Go button to perform the search.

   Matching quotes appear in the Results area and show you the quote number, status, type, effective dates, and recipient for each quote.

4. In the Select column, select the quotes that you want to consolidate.

   The status, type, effective dates, and recipient must be the same for each quote in one consolidation.

5. Click the Consolidate button.

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Contract Terminations

This chapter covers the following topics:

- Overview
- Search for Terminated Contracts
- Request Termination
- Batch Process Contract Termination
- Processing the Fixed Purchase Option
- Terminating Linked Contracts

Overview

When a lease or loan contract reaches the end of its term, a concurrent process automatically terminates the contract unless the contract was originally flagged as evergreen. In the case with evergreen contracts, the contract does not terminate and the billing continues beyond the contract's specified term. You can search for a terminated contract and view all of the undertaken steps.

Contract Termination with Outstanding Amounts

When your customers make their payment to terminate a contract, you might have some differences between what your customers pay you and what your records indicate is due.

The OKL Small Balance Write-Off Tolerance rule determines whether or not to write-off or retain in Receivables any amounts due. The system administrator specified these profile option values during implementation.

The rule in the OKL Small Balance Write-Off Tolerance **terminates the contract** and:

- Writes-off the balance if the balance on the contract is less than the amount in the rule.

- Leaves the balance due in Receivables for collection if the balance in the contract is greater than the amount in the rule.

Methods of Contract Terminations

Methods of contract terminations include:

- Natural end of contract termination through a batch process. See Batch Process Contract Termination.
- Accepting a termination or restructure quote.
- ***Ad hoc*** contract termination or request termination. This section covers ad hoc or request terminations.

The topics in this section include:

- Search for Terminated Contracts
- Request Termination
- Batch Process Contract Termination
- Impact of Terminating Linked Contracts

Search for Terminated Contracts

Use this procedure to locate contract terminations where the termination applies to the entire contract. This procedure locates ***ad hoc*** contract terminations. You can search for a terminated contract to view the status, check the progression of steps in the termination process, and check and resolve any error and omission messages.

Prerequisites

None

Responsibility

Lease Super User, Asset Manager

Navigation

Contract Management > Contract Termination > Termination Terminations

Steps

Perform the following steps:

1. On the Termination Transactions page, enter one or more search criteria for the terminated contract:
   - **Contract Number**
   - **Contract End Date**: Click the Calendar icon and choose starting or ending dates.
   - **Contract Status**: Choices may include: Approved, Termination Hold, Reversed, Amended, Pending Approval, Litigation Hold, Bankruptcy Hold, Passed, New, Incomplete, Under Revision, Booked, Entered, Terminated, Hold, Active, Canceled, and Evergreen.
   - **Transaction Date**: Click the Calendar icon and choose starting or ending dates.
   - **Transaction Status**: Choices include: Approved, Canceled, Closed, Entered, Error, Pending Customer Approval, Pending Internal Approvals, Processed, Rejected, Submitted, and Waiting.
2. Click the Go button.

   In the Results area are the matching contracts.
3. In the Contract Number column, click the termination transaction details of contract on the Termination Transaction page.

   The Termination Transaction page shows you the contract number, contract status, start date, end date, transaction status, transaction date, termination reason, comments (that you can edit), steps of the termination process, and messages. You should review and resolve any error or omission messages.

   The steps of termination process indicates the statuses of:
   - **Validate Contract**
   - **Set To Evergreen**
   - **Cancel Insurance**
   - **Close Streams**
   - **Close Balances**
   - **Post Accounting Entries**

- **Amortize Asset**
- **Disposal of Asset**

Request Termination

Use this procedure to select a contract for termination.

Supported Contract Statuses for Request Termination Process

Certain processes--such as termination quote, restructure quote, request termination, and contract expiration batches--are based the contract status.

The following table shows supported combinations of the request termination process and contract statuses.

Supported Contract Statuses for Request Termination Process

Contract Status	Process: Request Termination
Booked	Yes (Contract should have expired or be after quote acceptance.)
Evergreen	Yes
Under Revision	No
Abandoned	No
Complete	No
Incomplete	No
New	No
Passed	No
Bankruptcy Hold	No
Litigation Hold	No
Termination Hold	No

Contract Status	Process: Request Termination
Approved	No
Pending Approval	No
Amended	No
Reversed	No
Terminated	No

Prerequisites

None

Responsibility

Lease Super User, Asset Manager

Navigation

Contract Management > Contract Termination > Request Termination

Steps

Perform the following steps:

1. In the Search area, specify any of the following search criteria to locate the contract that you want to terminate:
   - **Contract Number**
   - **Contract Start Date**: Click the Calendar icon and choose beginning or ending dates that the contract had started.
   - **Contract End Date**: Click the Calendar icon and choose beginning or ending dates that the contract was to have ended.
2. Click the Go button.

   In the Results area, matching contracts appear.
3. In the Select column, select one or more contracts that you want to terminate.

4. Click the Terminate Contract button.

   You can verify the progress and status of the terminated contract by searching for it.

   See Search for Terminated Contracts.

Batch Process Contract Termination

The person with Lease Administrator login responsibility runs a batch process that searches for contracts that are ready for termination to formally terminate them. The batch process looks for termination dates up to the current date. Whereas some lessors might run this batch process daily, other lessors with smaller portfolios might run this batch weekly or less frequently.

Supported Contract Statuses for Batch Process Contract Termination

Certain processes--such as termination quote, restructure quote, request termination, and contract expiration batches--are based the contract status.

The following table shows supported combinations of the batch process contract termination and contract statuses.

Supported Contract Statuses for Batch Process Contract Termination

Contract Status	Process: Contract Expiration (Batch)
Booked	Yes
Evergreen	No
Under Revision	No
Abandoned	No
Complete	No
Incomplete	No
New	No
Passed	No
Bankruptcy Hold	No

Contract Status	Process: Contract Expiration (Batch)
Litigation Hold	No
Termination Hold	No
Approved	No
Pending Approval	No
Amended	No
Reversed	No
Terminated	No

To run the batch for processing contract termination, the Lease Administrator accesses the Submit Request area.

Processing the Fixed Purchase Option

The fixed purchase option is applicable to those lease scenarios where the contract runs its full life and the lessee opts to purchase the equipment for $1 or for a mutually agreed upon price when the contract terminates. Consequently, when you select the Automatically Process the Fixed Purchase Option check box in the End of Term Purchase Option region of the Terms and Conditions page, the following occurs when you run the Terminate Expired Contracts concurrent program:

1. The expired contract is automatically terminated.
2. An invoice transaction is automatically generated in Lease Management for the fixed price purchase option.
3. The equipment (asset) is sold to the lessee.

   Fixed Assets is updated with the proceeds from the sale of the equipment, that is, the purchase option amount.
4. The asset is retired from Fixed Assets.

Terminating Linked Contracts

When you terminate an Oracle Lease Management lease or loan contract that is linked to a service contract in Oracle Service Contracts, the service contract is *not* automatically

terminated. The linked service contract continues to be billed through Oracle Lease Management using the billing process defined in Consolidated Billing, *Oracle Lease Management User's Guide*.

Terminate the service contract manually in Oracle Service Contracts.

When you terminate a service contract (in Oracle Service Contracts) that is linked to an Oracle Lease Management lease or loan contract, manually terminate the Oracle Lease Management lease or loan contract, if required.

Part 7

Asset Return to Disposal

24

Asset Returns

This chapter covers the following topics:

- Overview
- Asset Returns

Overview

The Asset Return to Disposal process covers record keeping of returned assets, handling amortization and writedowns, evaluating the condition of an asset, determining what you want to do with the asset, and deploying your end-of-term strategies.

Asset Returns

In the Asset Returns area, you can maintain the information for your off-lease assets, such as:

- Maintaining the asset status to help you track where your asset is in the asset return process. When you specify some asset statuses, you may trigger some processes to take place that update the asset for other stages in the asset return process.
- Maintaining the asset return type, which identifies the source of a return request.
- Specifying the asset location to track where your asset is.
- Specifying the shipping instructions to agree upon transportation arrangements.
- Specifying the asset return fees to record costs associated with the returning of assets and the disposal process.
- Specifying that the asset is subject to like-kind exchange.

Note: All quotes, costs, fees and prices associated with off-lease asset processing are in the functional currency of the set of books.

Oracle Lease Management automatically creates an asset return request by way of these three sources:

- Acceptance of a termination quote without purchase.
- Repossession of the asset. This sets the Asset Status to Scheduled and the Asset Return Type to Repossession Request. For asset repossessions, this process must happen before other repossession-related activities, such as the Repossession Request or Unsuccessful Repossession.
- Ending of contract term without exercising the purchase option. This sets the Asset Status to Scheduled and the Asset Return Type to Contract Expiration upon termination of a contract.

Under the following situation, you must manually create an asset return request:

- The lessor initiates a request to return the leased asset. This sets the Asset Status to Returned and the Asset Return Type to Intent to Return.

The main topics in this section are:

- Maintain Asset Return Request
- Specify Asset Location
- Specify Shipping Instructions
- Specify Asset Return Fees

Maintain Asset Return Request

As a returned off-lease asset undergoes various stages of examination and evaluation, you should maintain the asset return information. Oracle Lease Management automatically generates an asset return request under certain conditions, but in other conditions, you have to manually create an asset return request. See Asset Returns.

The topics in this section include:

- Create a Manual Asset Return Request
- Search for a Returned Asset Request
- Update Asset Return Status

Create a Manual Asset Return Request

When your customer makes a request to return an asset before the contract's specified end-of-term, you must manually create an asset return request. You do not manually create an asset return request for assets that have reached their end-of-term because Oracle Lease Management automatically generates those asset return requests upon contract expiration.

When you create an asset return request, you specify:

- A return type for the asset. Return types include: Contract Expiration, Repossession Request, Executed Termination Quote, and Intent to Return.
- The status of the returned asset. Statuses include: Returned, Scrapped, Repossessed, and Available for Sale.
- Relevant dates, such as Date Return Due, Date Returned, and Date Notified.
- The Remarketer involved with remarketing the returned asset. Assignment of a returned asset goes to a remarketer, who:
  - Is part of the group assigned to managing remarketing for the asset based on the asset's item category.
  - Is responsible for the asset until disposal.
- Optional notes or comments.
- Like-Kind Exchange information to link to the Period Open to Period Close process; select this option before you make an asset available for sale and if you are transferring the tax properties to new, leased asset.

Prerequisites

None

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Return Requests > Asset Returns > Create Asset Return

Steps

Perform the following steps:

1. Under the Asset Returns > Results area, click the Create Return button.

   The Create Asset Return page opens.

2. Required: In the Asset Number field:

   - Enter full or partial asset number search criteria.
   - Click the flashlight icon.
   - On the list of matching results, choose the asset.

     The associated contract number, currency, description, and contract end date appear with the chosen asset number on the Create Asset Return page.

3. Required: In the Type field, choose the reason for the return, such as: Contract Expiration, Executed Termination Quote, Intent to Return, or Repossession Request.

4. Required: In the Status field, choose a status for the asset return of either Returned or Scheduled.

5. In the following date fields, click the Calendar icon and choose the dates for:

   - **Date Return Due**: The date by which you expect to receive the asset. (Required)
   - **Date Notified**: The date by which you notified the lessee to return the asset.
   - **Date Returned**: The date you received the asset.
   - **Date Title Returned**: The date that you formally received title for the asset.

6. Required: In the Remarketer field:

   - Enter full or partial remarketer name.
   - Click the flashlight icon.
   - Choose the remarketer on the list of matching results.

     Only the remarketers who are associated with the asset's item category appear in the list of values.

7. In the Inventory area in the Description field:

   - Enter any description you want to include.
   - Specify or change the price of the returned asset.
   - Select the Like Kind Exchange check box if you are subjecting this returned to a like-kind exchange tax option.

Note: Do ***not*** complete the fields in the Repossession area if those fields are blank. If the Repossession fields are blank, then ***ignore*** them. The Repossession fields contain data only if Collections has requested a repossession. The rules automatically determine the Date Required and Date Hold Until fields. You can change the Repossession area fields only if Collections has already populated these fields.

8. Click the Create button.

   A confirmation message informs you that the process successfully completed.

To locate a returned asset request and put it into context for updating, see Search for a Returned Asset Request

To maintain or update information about a returned asset during the return and remarketing process, see Update Asset Return Status.

Search for a Returned Asset Request

Use this procedure to locate the asset return request of the off-lease returned asset. You can search for both automatically generated asset return requests and manually created asset return requests. You need to search for and select a returned asset to:

- Put the returned asset into context so that you can update the asset's status, dates, location, and condition, for example.
- View information about the asset, such as contract number, contract status, asset status, start date, end date, asset type, original cost, serial number, in service date, manufacturer's name, model number, and depreciation information. Depreciation information may include life in months, new or used, salvage value, depreciation category, and depreciation start date.

Prerequisites

Either you have manually created or the system has automatically created the Asset Return request. See Create a Manual Asset Return Request.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Return Requests > Asset Returns

Steps

Perform the following steps:

1. Under the Asset Returns > Search area, specify one or more search criteria to locate the asset:
   - **Asset Number**: Enter partial or full search criteria.
   - **Asset Description**: Enter partial or full search criteria.
   - **Contract Number**: Enter partial or full search criteria.
   - **Return Status**: Select one of the asset return statuses, such as Available for Sale, returned, or Scrapped.
   - **Remarketer**: Enter search criteria, click Go, and choose a specific remarketer.
   - **Customer Name**: Enter partial or full search criteria.

     Note: You can perform a more advanced search by clicking the Advanced Search button. In addition to the search criteria in the basic or "simple" search, the Advanced Search lets you specify Date Notified, and Date Returned criteria.

2. Click Go to perform the search.

   Under the Results area, matching asset returns appear. The Results area shows you the asset number, asset description, date return due, return status, remarketer, return, and condition information.

3. Under the Asset Number column, click the asset's number to view more information about the asset.

Update Asset Return Status

Use this procedure to locate and update a returned asset's status. Information that you can update include specifying that the asset is available for sale, returned, repurchased, or scrapped, for example.

If you change an Asset Status to Cancelled, it is not possible to update the Asset Status to any other option.

Important: If you want to change an asset's price or description for the item in inventory, then do that **before** you set the Status field to Available for Sale. When you indicate that an asset is Available for Sale

in the Status field, the Inventory program assigns an inventory item number to the asset, and you can no longer change either the price or the description in Oracle Lease Management. You must complete any changes in the relevant module, such as Oracle Inventory for the description and Oracle Pricing for the change in price.

Prerequisites

Either you have manually created or the system has automatically created the Asset Return request. See Create a Manual Asset Return Request.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Return Requests > Asset Returns

Steps

Perform the following steps:

1. Under the Asset Returns > Search area, specify one or more search criteria to locate the asset:
   - **Asset Number**: Enter partial or full search criteria.
   - **Asset Description**: Enter partial or full search criteria.
   - **Contract Number**: Enter partial or full search criteria.
   - **Return Status**: Select one of the asset return statuses, such as Available for Sale, returned, or Scrapped.
   - **Remarketer**: Enter search criteria, click Go, and choose a specific remarketer.
   - **Customer Name**: Enter partial or full search criteria.
2. Click Go to perform the search.

   Under the Results area, matching asset return requests appear. The Results area shows you the asset number, asset description, date return due, return status, remarketer, return, and condition information.
3. Under the Return column on the row that shows the asset that you want to update, click the Note icon.

4. The Asset Return page shows the fields that you can view or update.

   For more information on the fields see Create a Manual Asset Return Request.

   > **Important:** Do ***not*** complete the fields in the Repossession area if those fields are blank. If the Repossession area fields are blank, then ***ignore*** them. The Repossession fields contain data only if the Collections module has processed the returned asset. The rules for Collections automatically determine the Date Required and Date Hold Until fields. You can change the Repossession area fields only if Collections had already populated these fields.

5. Click the Update button to save your changes, or click the Restore button to revert to the most recently saved information in case you do not want to save your updates.

   A confirmation message informs you that the process successfully completed.

Specify Asset Location

When you receive an off-lease asset, you may want to specify, view, or update the asset's location. When you change the location of a returned off-lease asset, you must indicate this information in two areas for use by different Oracle modules--Oracle Install Base and Oracle Assets. The two modules maintain location address information in different formats and methods.

The topics under Asset location are:

- Change Location of Asset for Oracle Install Base: Use this to update asset instances for use by the Oracle Install Base module.
- Change Asset Location for Oracle Assets: Use this to update asset information for use by the Oracle Assets module.

Change Location of Asset for Oracle Install Base

Use this procedure to record changes to location of returned off-lease fixed assets for use by the Oracle Install Base module. The Oracle Install Base module uses regular street address, city, state or province, and postal code information.

You can change the specified location of leased assets on the Installed Location page. The Installed Location page shows you:

- **Asset Return**: The asset return number with hypertext link to Asset Return Details page.
- **Asset Number**: The asset number with hypertext link to Asset page.

- **Contract Number**: The contract's number.
- **Asset Description**: A brief asset description.
- **Instance Number**: The number by which Oracle Install Base tracks asset instances.
- **Party Name**: The name of the person or business associated with the asset's location.
- **Location**: The street address of where the asset is located.
- **New Location**: The new location that you selected.
- **New Party Name**: The name of the party associated with the new location.

Prerequisites

Returned asset must be in context. See Search for a Returned Asset Request.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Location Change > Customer Location - Installed Location

Steps

Perform the following steps:

1. Verify that the returned asset is in context.

   See Search for a Returned Asset Request.

2. Under the New Location column on the row that shows the asset:
   - Enter search criteria for the new location.
   - Click Go.
   - Select the new location.

     The selected location information appears on the New Location page.

3. Click the Update button.

Guidelines

If you change the location of asset instances by asset number to update Oracle Install

Base, you may also want to update the asset's location information in Oracle Assets, since these products have different methods of recording asset information. See Change Asset Location for Oracle Assets.

Change Asset Location for Oracle Assets

When you want to specify the location of an off-lease asset, you must update this information in two areas to accommodate two different Oracle modules--Oracle Install Base and Oracle Assets. Whereas the Oracle Install Base module lets you use regular postal addresses--such as street name, city name, state or province name, and postal code--to specify locations, the Oracle Assets module requires you to use **location flexfields** to indicate an asset's location. Location flexfields let you specify or express locations by multiple segment values. For more information, see the *Oracle Applications Flexfields Guide* and the *Oracle Assets User Guide*.

Use this procedure to record changes to location of returned off-lease fixed assets for use by the Oracle Assets module. For information on recording off-lease asset location for the Oracle Install Base module, see Change Location of Asset for Oracle Install Base.

You can change the specified location of returned off-lease fixed assets on the Fixed Asset Location page. The Fixed Asset Location page shows you:

- **Asset Return**: The asset return number with hypertext link to Asset Return Details page.
- **Asset Number**: The asset number with hypertext link to Asset page.
- **Contract Number**: The contract's number.
- **Asset Description**: A brief asset description.
- **Fixed Asset Number**: The asset's number that the Oracle Assets module uses.
- **Location**: The location flexfield that Oracle Assets module uses.
- **Units Assigned**: The quantity of assets.
- **New Location:** Search and choose from a list of values a new location for the asset.

Prerequisites

Returned asset must be in context. See Search for a Returned Asset Request.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Location Change > Internal Location > Fixed Asset Location

Steps

Perform the following steps:

1. Verify that the returned asset is in context.

   See Search for a Returned Asset Request.

2. Under the New Location column on the row that shows the fixed asset:
   - Enter search criteria for the new location.
   - Click Go.
   - Select the new location.

     The selected location information appears on the New Location page.

3. Click the Update button.

Specify Shipping Instructions

You can provide the lessee instructions for:

- Returning the off-lease asset.
- When a third party is purchasing an off-lease asset. The shipping instructions inform the lessee to return the asset to the third party.

This process uses the Oracle CRM Fulfillment module to send an email.

Prerequisites

You have created the asset return and placed the asset into context. See Search for a Returned Asset Request.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Shipping Instructions

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.

   If you need to locate the asset to put it into context, see Search for a Returned Asset Request.

   A contract formula automatically calculates the Asset Value For Insurance field. The Date Instructions Sent field is the date you sent the shipping instructions. The system automatically updates this value.

2. Select the Transportation Option Accepted to accept the lessor's transportation option for return of asset.

3. In the Instructions field, enter any specific details for asset return instructions.

4. In the Contact Details area, complete:

   - **Party Name**: Enter partial or full search criteria; click Go; click the party name.
   - **Contact Name**: Enter partial or full search criteria; click Go; click the contact name.
   - **Contact Method**: Enter partial or full search criteria; click Go; click the contact method.

5. In the Shipping Address area, complete:

   - **Ship To Party**: Enter partial or full search criteria; click Go; click the ship to party's name.

6. Click the Update button.

   A confirmation message informs you of a successfully completed process.

Specify Asset Return Fees

Use this procedure to record costs associated with the returning of assets and the disposal process. You can use this information for subsequent analysis.

Prerequisites

You have created the asset return and placed the asset into context. See Search for a Returned Asset Request.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Fees

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.

   If you need to locate the asset to put it into context, see Search for a Returned Asset Request.

2. On a row under the Type column, choose a fee type:
   - **Auction Fee**
   - **Marketing Fee**
   - **Miscellaneous Fee**
   - Repossession Fee
   - **Scrapping Fee**
   - **Shipping Fee**

3. In the Comments field, enter any text that you need about the fee.

4. In the Amount field, enter the fee amount.

   Note: The fee amount is in the functional currency of the set of books.

5. To add more rows, click the Add 3 Rows button.

6. To remove any fees, select the check box on the row of the fee that you want to remove.

7. Click the Update button.

   A confirmation message informs you of a successfully completed process.

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Asset Conditioning

This chapter covers the following topics:

- Overview
- Asset Conditioning

Overview

The Asset Return to Disposal process covers record keeping of returned assets, handling amortization and writedowns, evaluating the condition of an asset, determining what you want to do with the asset, and deploying your end-of-term strategies.

Asset Conditioning

During the asset return process, inspectors examine the asset and produce a condition report. If the asset is in need of repairs, then the inspector determines what the needed repairs are and estimates their costs.

The following topics cover how to record the condition of a returned, off-lease asset. When you record the condition of a returned asset, you record the overall condition of the asset, and then you can record detailed condition lines. Detailed condition lines include specifying the actual costs of conditioning the asset. When you are ready to bill either the vendor or the lessee for the repairs, you can issue an invoice.

The main topics in this section include:

- Maintain an Asset's Condition
- Generate Repair Invoice

Maintain an Asset's Condition

The topics in Asset Condition are:

- Create Asset Condition
- Create Condition Line
- Update Condition Line

Note: To record the condition of a returned asset, you must put it into context. See Search for a Return Asset Request.

Create Asset Condition

When you receive a returned asset, you can evaluate and record the asset's overall condition. After you create the overall asset condition, you can add detailed line items to describe the condition. To record the condition of a returned asset, you must put it into context. See Search for a Returned Asset Request.

Prerequisites

You have created the asset return and placed the asset into context.

You have evaluated the returned asset's condition.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Return Requests

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.
2. If you need to select another returned asset, see Search for a Returned Asset Request**.**
3. In the Asset Condition field, choose a condition, such as Good, Fair, Poor, or Not Applicable.
4. In the Inspector field, enter full or partial-match search criteria, and click the flashlight icon.

   A list of inspectors appears.

5. Click the name of the inspector.
6. In the Reported On field, click the Calendar icon and choose a date.
7. Click the Create button to save the information.

   The Asset Condition Details page appears.

Guidelines

You can add specific condition lines and detailed information for each line. See Create Condition Line and Update Condition Line.

Create Condition Line

After you create a record of the asset's overall condition, you can add detailed line items to describe specific areas. Detailed line information can include recommended repairs, repair descriptions and codes, and estimated and actual costs of repairs.

Prerequisites

- You have created the asset return and placed the asset into context.
- You have evaluated the returned asset's condition.
- You have created a record of the asset's overall condition. See Create Asset Condition.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Return Requests

Click the Condition icon on the Asset Return page.

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.
2. On the Asset Condition Details page, click the Create Line button.

   The Create Asset Condition Line page appears.

3. Complete the following fields:
    - **Part**: Enter free-form text.
    - **Status**: Choose Pending, Repaired, Waiting for Approval.
    - Condition Type: Choose Fair, Good, Not Applicable, Poor.
    - **Reported On**: Click the Calendar icon, and click a date.
    - **Approved On**: Click the Calendar icon, and click a date, if applicable.
    - Approved: Select the check box upon approval for the repair to take place.
4. In the Damage Details area, provide specific damage information:
    - **Damage Type**: Choose types such as Broken, Dented, Missing Parts, Non Repairable, Not Applicable, or Scratched.
    - **Damage Description**: Enter free-form text to provide more information.
5. In the Repair Details area, complete the following fields:
    - **Repair Code**: Enter full or partial search criteria, click Go, and click a repair code.
    - **Repair Description**: Displayed text based on repair code.
    - **Estimated Repair Cost**: Based on the selected repair code. See the *Oracle Lease Management Implementation Guide*.
    - **Actual Repair Cost**: The amount billed if you use the generate bill option.
    - **Recommended Repair**: A description of recommended repair.

      Note: All costs are in the functional currency of the set of books.
6. Click the Create button.

Update Condition Line

After you create a record of the asset's overall condition and have added detailed line items to describe specific areas, you can update existing line items, such as to change the status, approval, damage details, or repair information.

Prerequisites

- Create the asset return request. See Create a Manual Asset Return Request.
- Place the asset into context. See Search for a Returned Asset Request.
- Evaluate the returned asset's condition.
- Create a record of the asset's overall condition. See Create Asset Condition.
- Create asset condition lines. See Create Condition Line.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Return Requests

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.

   If you need to locate the asset to put it into context, see Section 20.2.3, "Search for a Returned Asset Request".

2. On the Asset Condition Details page on the row that shows the item you want to edit, click the Details icon.

   The Asset Condition Line Detail page appears.

3. Edit any of the available fields:
   - **Part**: Enter free-form text.
   - **Status**: Choose Pending, Repaired, Waiting for Approval.
   - Condition Type: Choose Fair, Good, Not Applicable, Poor.
   - **Damage Type**: Choose types such as Broken, Dented, Missing Parts, Non Repairable, Not Applicable, or Scratched.
   - **Damage Description**: Enter free-form text to provide more information.
   - Repair Code: Enter full or partial search criteria, click Go, and click a repair

code.

- **Repair Description**: Displayed text based on repair code.
- Estimated Repair Cost: Cost based on selected repair code.
- **Actual Repair Cost**: Enter the actual cost of repairing the item.

  Note: All costs are in the functional currency of the set of books.

- **Recommended Repair**: Enter free-form text to offer recommended repairs.

4. Click the Update button.

Generate Repair Invoice

After you create a record of the asset's overall condition, you have added detailed line items to describe specific areas of damage and repair, you may bill either the vendor or the lessee for the repairs. To bill either the vendor or the lessee, the status must be Approved.

The setup of billing items happens during implementation. For more information, see the *Oracle Lease Management Implementation Guide*.

Prerequisites

- Create the asset return. See Create a Manual Asset Return Request.
- Place the asset into context. See Search for a Returned Asset Request.
- Create a record of the asset's overall condition. See Create Asset Condition.
- Enter the specific line item details that you want to bill the lessee or the vendor. See Create Condition Line.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Return Requests

Steps

Perform the following steps:

1. In the Asset Return and Asset Number fields, verify that the correct asset is in context by clicking the hypertext links.

   If you need to locate the asset to put it into context, see Search for a Returned Asset Request.

2. Select the line items that you want to bill either the vendor or the lessee.

3. Click the respective Bill Vendor or Bill Lessee button.

   A confirmation message indicates that the billing was successfully processed.

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Asset Disposal

This chapter covers the following topics:

- Overview
- Asset Disposal

Overview

The Asset Return to Disposal process covers record keeping of returned assets, handling amortization and writedowns, evaluating the condition of an asset, determining what you want to do with the asset, and deploying your end-of-term strategies.

Asset Disposal

Asset Disposal refers to what you do with an off-lease asset after you have returned and evaluated it. Choices for asset disposal include scrapping the returned asset, remarketing the returned asset, re-leasing the returned asset, and repurchasing the returned asset.

The main topics of Asset Disposal are:

- Remarketing - Standard Process
- Custom Remarketing Process
- Re-Lease the Off-Lease Asset
- Repurchase the Off-Lease Asset
- Scrap the Off-Lease Asset

The Standard or Custom remarketing process is applicable to the entire operating unit. You can modify the remarketing process for each operating unit.

Remarketing - Standard Process

When you choose to remarket an off-lease asset, the following processes:

- Create a new item in inventory using the item description from the asset return request.
- Update the price on the Price List from the price on the asset return request.
- Let you enable the item for re-sale through iStore.
- Continue depreciation, as applicable.

This section covers how can use Oracle Lease Management to process returned off-least assets for resale. Other remarketing actions take place in other Oracle modules, such as Oracle iStore and Order Management. When you sell an asset through Oracle iStore, the Order Management module captures the details of the asset sale and creates the sale. In Oracle Lease Management, you can view details of the remarketing effort and the billing for the buyer of your asset. For more information on iStore and Order Management, refer to the document for those modules.

In Oracle Lease Management, you can monitor an asset's remarketing status and bill the buyer of the asset.

Topics in this section include:

- Specify Availability for Sale
- Search for Remarket Orders
- View Asset Sale Information
- View the Billing for a Sold Off-Lease Asset

Custom Remarketing Process

The Custom remarketing process flow provides an alternative for creating sales orders for off-lease equipment through Oracle Order Management, instead of, or in addition to, through Oracle iStore. The Custom remarketing process helps you to create inventory items without having the Available-to-Promise (ATP) attribute selected, and allows you to define your own inventory item numbers. With the Custom remarketing flow, you are not required to configure Oracle iStore to remarket assets, and you can modify the custom remarketing workflow to implement enhanced processes.

When you select Custom, a workflow is started to:

1. Validate the prerequisite setups.
2. Create the item in Oracle Inventory. The item attributes default from the item

template you set up. If you do not specify a template, the default item attributes are applied.

3. Update the quantity in Oracle Inventory.

4. Update the price for the item in Oracle Advanced Pricing.

5. Finally, the remarketer can set up the Order Management, Order Line workflow to modify any of the steps in the workflow. For example, you can change the item attributes on the item created in Oracle Inventory. The remarketer is not required to configure Oracle iStore.

The remarketer enters the sale in Oracle Order Management, which launches an Oracle Order Management workflow that:

1. Issues the quantity purchased in Oracle Inventory.

2. Generates the bill of sale in Oracle Lease Management.

3. Closes the sales order in Oracle Order Management.

4. Retires the assets in Oracle Assets, and

5. Updates the asset return status in Oracle Lease Management.

You can modify, add to, or remove most of these processes, except::

- You cannot manually update the asset status to Available for Sale in Oracle Lease Management.

- If the entire quantity has been sold, you cannot retire assets in Oracle Assets or update the asset return status in Oracle Lease Management.

You can modify the item number to be created in Oracle Inventory, update the processes when the asset is made available for sale, and update the processes in the Order Management workflow, after the sale of the asset. Updates must include the retirement of the assets in Oracle Assets, and updating the asset return status in Oracle Lease Management.

You can specify whether the item to be applied on the remarketing invoice that is created through Oracle Lease Management, is a Contract item or a Remarketing item.

You can set up inventory items to remarket in Lease Management. Before you can create an inventory item for remarketing, however, you must first create a price list in Oracle Pricing, and then set up the following remarketing options for each operating unit: 1. On the Update Operational Options page, select the Inventory Organization, Subinventory, Price List, Remarketing Process, Item Template, and Item Invoiced. 2. Select Remarketing Process, Custom, to use the enhanced flow.

To create an inventory item to remarket, use the Asset Return page to view all assets to

be returned, or refine your search using a search parameter. Select the asset and click the Return icon to change the Asset Return status to Available for Sale in the Asset Return Details page.

The Available for Sale status initiates the Custom remarketing process. The Inventory Item Number field is blank so you can create a unique inventory item. Enter the inventory item number, price, and details as desired, and click Update.

Specify Availability for Sale

To specify that an off-lease asset is available for sale, you update the asset's Return Status field to Available for Sale.

Prerequisites

- You have updated the item description.
- You have updated the item price.
- You have updated the Like Kind Exchange, if applicable.

Update Asset Return Status.

Impact of Making an Asset Available to Sale

When you make an asset available for sale:

- The Asset Status changes to Available for Sale.
- A validation process verifies that the contract has expired or terminated.
- If validation passes, then this creates an item in inventory using the description and price you entered.

Impact of Selling the Asset through iStore

When you sell an item through iStore:

- The Asset Status changes to Remarketed.
- A validation process verifies that the previous Asset Status was Available for Sale, and there are order lines for the entire quantity of assets.
- If validation passes, then you cannot update the Asset Status to any other choice.

Select a topic:

- Search for Remarket Orders

- View Asset Sale Information
- View the Billing for a Sold Off-Lease Asset

Search for Remarket Orders

You can locate and view remarket orders of off-lease assets that you are offering for resale.

> **Note:** The system creates the sales order after a sale occurs in the iStore module

Prerequisites

The Order Management module includes the sales order for your asset.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Remarketing > Order Status

Steps

Perform the following steps:

1. Enter one or more search criteria to locate and place the remarket order into context:
   - **Asset Number**: Asset number for asset sold; lets you navigate to Asset Details page.
   - **Item Number**: Sale information for the asset.
   - **Order Number**: Sale information for the asset.
   - **Customer**: The person or company that purchased the asset.
   - **Remarketer**: The name of the person or business who is the remarketer.
2. Click Go.
3. In the Results area, matches appear and show you, Order Number, Order Date, Asset Number, Item Number, Customer, Remarketer, and Price.
4. Under the Order Number column, click the order number of the asset to view more

information.

Repurchase the Off-Lease Asset

When the vendor repurchases an off-lease asset, the process automatically triggers a sale to the vendor based on the terms and conditions defined on the vendor program contract.

The repurchasing of off-lease asset topics are:

- Specify Availability for Repurchasing: to indicate that the asset is available for repurchasing.
- Update Asset Return Status: to specify that the asset is available for repurchasing.
- Repurchase Asset: to record the repurchasing of the off-lease asset.

Specify Availability for Repurchasing

To specify that an off-lease asset is available for repurchase, you update the asset's Return Status field to Repurchased. See Update Asset Return Status.

Impact of Making an Asset Available for Repurchasing

When you specify that an asset available for repurchasing:

- The Asset Status changes to Repurchase.
- A validation process verifies that the vendor has accepted the repurchase quote.
- If validation passes, you cannot change the Asset Status to any other choice.

Supported Combinations of Quote Line Types for Repurchase Quotes

The following table shows valid combinations of quote line types and contract situations for repurchase quotes.

Supported Quote Line Types for Repurchase Quotes

Line Type	Applicability Based on Terms and Conditions	Ability to Specify Formula on Contract	Updatable After Creation of Quote	Define Stream for Billing and Accounting	Available for Manual Termination Quotes
Discount Rate	Yes	Yes	Yes	Yes	Yes
Quote Fee	Yes	Yes	Yes	Yes	No
Tax / VAT	Always applicable	Yes (at site level)	No	No	Yes

Line Type	Applicability Based on Terms and Conditions	Ability to Specify Formula on Contract	Updatable After Creation of Quote	Define Stream for Billing and Accounting	Available for Manual Termination Quotes
Miscellaneous	Yes	Yes	Yes	Yes	Yes
Sale Price	Yes	Yes	Yes	Yes	Not Applicable

Repurchase Asset

Use this procedure to record the sale of an asset to the vendor. In order to undertake a repurchase, you must have a repurchase agreement. You create the repurchase agreement when you author the contract. The repurchase agreement can be part of a vendor program agreement.

Prerequisites

- You have created the asset return and placed the asset into context.
- A repurchase agreement exists with a third party.
- The contract's terms and conditions includes a formula that defines the terms for repurchasing an asset.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Tracking > Return Requests

Steps

Perform the following steps:

1. On the Asset Returns page, locate the asset by specifying one or more search criteria:
   - Asset Number
   - Asset Description
   - Remarketer
2. Click the Go button.
3. In the Results area, matches appear.

4. Under the Asset Number hypertext link, click the asset number that you want to use for repurchasing.

   The Asset's detail page appears. This puts the asset into context.

5. On the navigation menu, click Repurchase Asset.

   The Repurchase Asset page opens.

6. Click the Create Quote button.

   The Repurchase Asset page shows more information, including the quote and calculated amounts.

7. Edit one or more of these fields:

   - **Effective To**: date field
   - **Accepted** (check box): third party accepted the quote.
   - **Comments**: free-form text

8. Click the Update button to apply any changes.

9. Click the Send Quote button to send the quote to the third party.

View Asset Sale Information

Use the procedures in this section to view details of the asset that you sold through the iStore product. The Order Management module captures the details of the asset sale. In order to view the sold asset's details, you must put the asset into context by searching for it.

Prerequisites

Someone bought the asset through iStore.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Remarketing > Order Status

Steps

Perform the following steps:

1. Enter one or more search criteria to locate and place the remarket order into context:

- **Asset Number**: Asset number for asset sold; lets you navigate to Asset Details page.
- **Item Number**: Sale information for the asset.
- **Order Number**: Sale information for the asset.
- **Customer**: The person or company that purchased the asset.
- **Remarketer**: The name of the person or business who is the remarketer responsible for the disposal of the asset.

2. Click the Go button.

   In the Results area, matching assets appear.

3. In the Results area under the Order Number column, click the order's hypertext link.

   The Asset Sale Details page opens. The Asset Sale Details page shows you the completed order information:

   - **Asset Number**: Asset number for asset sold.
   - **Description**: Brief asset description
   - **Currency**
   - **Order Number**: Sale information for the asset.
   - **Order Date**: The date of the sales order.
   - **Price**: Price of the item.
   - **Cost**: Lessor's cost of the asset.
   - **Item Number**: Sale information for the asset.
   - **Description**: Item description.
   - **Customer**: The person or business that bought the asset.
   - **Ship To**: The address to which you shipped the asset.
   - **Ship Date**: The date the shipping occurred.

View the Billing for a Sold Off-Lease Asset

You can view the billing to the buyer of your sold off-lease asset.

Prerequisites

You sold the asset.

Responsibility

Lease Super User, Asset Manager

Navigation

Assetst > Remarketing > Billing Status

Steps

Perform the following steps:

1. Enter one or more search criteria to locate and place the remarket order into context:
   - **Asset Number**: Asset number for asset sold; lets you navigate to Asset Details page.
   - **Item Number**: Sale information for the asset.
   - **Order Number**: Sale information for the asset.
   - **Customer**: The person or company that purchased the asset.
   - **Remarketer**: The name of the person or business who is the remarketer.
2. Click the Go button.

   In the Results area, matching assets appear.
3. In the Results area under the Order Number column, click the order's hypertext link.
4. The Asset Sale Details page opens.
5. Choose Remarketing > Billing.

   The Asset Sale Details page shows you the billing information, such as Asset Number, Item Number, Description, Currency, Bill To, Bill Date, Invoice Number, Invoice Date, and Invoice Amount.

Re-Lease the Off-Lease Asset

When you choose to re-lease an off-lease asset, the asset becomes available for selection in the Re-leasing process in the Origination part of Oracle Lease Management.

Specify Availability for Re-Leasing

To specify that an off-lease asset is available for re-leasing, you update the asset's Return Status field to Re-lease. See Update Asset Return Status.

Impact of Making an Asset Available for Re-Leasing

When you specify that an asset is available for re-lease:

- The Asset Status changes to Re-lease.
- A validation process verifies that the contract has expired or terminated.
- If validation passes, then the item is available for re-leasing.

Scrap the Off-Lease Asse

When you choose to scrap an off-lease asset, the following processes happen:

- The asset is retired from Oracle Assets at a value of zero.
- Calculation is triggered for a gain or loss on disposal of the asset.

To scrap an off-lease asset, update the asset's Return Status field to Scrapped. See Update Asset Return Status.

Impact of Scrapping an Off-Lease Asset

When you specify that an asset is available for scrapping:

- The Asset Status changes to Scrapped.
- A validation process verifies that the contract has expired or terminated.
- If validation passes, then you cannot change the Asset Status to any other choice.

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Maintaining Contract Portfolios

This chapter covers the following topics:

- Overview
- Maintain Contract Portfolio

Overview

The Asset Return to Disposal process covers record keeping of returned assets, handling amortization and writedowns, evaluating the condition of an asset, determining what you want to do with the asset, and deploying your end-of-term strategies.

Maintain Contract Portfolio

Topics in this section include:

- Search and Update Contract Portfolio
- Update Contract Portfolio Budget Amount
- Notify Contract Portfolios on Execution Due Date

The Contract Portfolio concerns the end-of-term strategy. You define the end-of-term strategy when you originally set up the original contract. In the Contract Portfolio area, you can view and update these parameters. You may want to set up strategies, for example, and you would usually want to start your strategy some time before the contract terminates.

The objective of asset tracking is to track projected revenue that leased assets generate anticipated at or near the end of the contract.

Search and Update Contract Portfolio

Use this procedure to view and update the end-of-term strategy of a contract.

Prerequisites

You have included portfolio details at the time of authoring a contract.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets> Transactions > Contract Portfolio

Steps

Perform the following steps:

1. In the Search area of the Contract Portfolios page, enter one of more search criteria to locate the contract: Contract Number, Contract Status, Contract End Date (starting and ending date), Portfolio Status, Portfolio Execution Date,

2. Click the Go button.

   In the Results area, matching contracts appear and show you: Contract Number, Contract Status, Contract End Date, Portfolio Status, Execution Date, Strategy, and Details.

3. Under the Contract Number column, click the contract's hypertext link to view or edit more information.

   The Contract Portfolio page appears and shows you the original contract portfolio strategy (if it has not been edited).

4. View or edit the following fields:

   - **Status**: Portfolio statuses include Pending Approval, Approved, Entered, and Processed.

   - **Strategy**: Choose from a list of values that tell you want to do, such as: Initiate contact to upgrade by phone, Initiate contact to purchase by phone, Initiate contact to purchase by letter, Manually define strategy.

   - **Assignment Group**: Choose from a searchable list the group assigned to this strategy.

   - **Budget Amount**: The amount you expect to settle upon termination.

- **Execution Due Date**: The date to start the strategy.
- **Execution Actual Date**: The actual date that you performed the strategy.
- **Comments**: Enter any free-form text to describe the situation.

5. Click the Update button to apply any changes.

Notify Contract Portfolios on Execution Due Date

To send notifications regarding your contract's end-of-term strategy, you can:

- Define those notifications in the terms and conditions of the contract
- Run or schedule the Notify Contract Portfolios on Execution Due Date concurrent program.

The Notification of Contract Portfolios on Execution Due Date concurrent program:

- Sends notification to the assigned team or team members of the contract execution strategy by using Oracle Workflow.
- Initiates the execution of the strategy assigned to the contract.

Prerequisites

Portfolio details must have been included at the time of authoring the contract.

See Concurrent Programs., page B-1

Update Contract Portfolio Budget Amount

When you defined your contract's terms and conditions, you may have included a strategy for the contract's end-of-term or its contract portfolio. Part of the contract portfolio includes a budget amount.

If you established a budget for the contract portfolio, you would have based the budget on either a fixed amount or a formula. If your budget is based on a formula, then you must run the Update Contract Portfolio Budget Amount concurrent program to calculate the budget amount.

If your contract portfolio is based on a fixed amount, then do not run this program.

The Update Contract Portfolio Budget Amount concurrent program:

- Updates the budget amount for the contract portfolio.
- Executes the formula used during Contract Portfolio creation.

See Concurrent Programs., page B-1

Prerequisites

Portfolio details were included at the time of authoring a contract.

Part 8

Period Open to Close

28

Accounting Transactions

This chapter covers the following topics:

- Overview
- Generate Accruals
- Loss Provisions
- Interface to General Ledger
- Journalize Accounting Entries
- Set Accounting Process
- Specify Journal Entry Corrections
- Specify Period Reversal
- View Transactions
- Miscellaneous Transactions
- Assets
- Process Like-Kind Exchanges
- View Account Balances Report
- Generate the Multi-GAAP Adjustment Report
- Summary of Period Close Process
- Drill Down from Oracle General Ledger to Oracle Lease Management

Overview

The Accounting processes from the Period Open to Close enable accruals, loss provisions, write-downs, periodic adjustments, and journal entries specific to the asset-based finance industry.

Generate Accruals

Use these procedures to generate accruals for a contract.

When the accrual batch runs, every current (non-terminated) contract undergoes accrual status evaluation. Accrual status evaluation comprises:

- Accrual rules that you defined in setup.
- Accrual override.

Note: All accrual amounts are in the contract currency.

The Generate Accruals concurrent program validates the accrual date. If the date is not in an open accounting period, the program terminates with an error and displays an error message in the log file requesting you to open the period in the Accounting Periods page.

Generate Accruals Concurrent Programs

Three concurrent programs have been seeded for accrual processing for a contract. Each concurrent program selects contracts for accrual processing based on the value of the quality Revenue Recognition Method on the Financial Product. The Concurrent programs are:

- **Generate Accruals Master – Streams** - Processes all contracts with Revenue Recognition Method of Streams
- **Generate Accruals Master – Estimated & Billed** - Processes all contracts with Revenue Recognition Method of Estimated & Billed
- **Generate Accruals Master – Actual** – Processes all contracts with Revenue Recognition Method of Actual

The quality value of a product determines the accrual process to be followed for a contract. A concurrent program can be run to generate accruals for a product depending on the quality value. The product quality value for Revenue Recognition Method must be one of the following:

- Stream
- Estimated and Actual
- Actual

About Accrual Evaluation

For contracts that pass accrual evaluation, the system accounts for income by way of accounting templates where the memo flag is set to **No**; the system applies revenue to an income account. For contracts that fail accrual evaluation, the system accounts for income by way of accounting templates where the memo flag is set to **Yes**. Based on the setup, it is possible to account for the income in a separate account, such as an income suspense account.

About Accrual Reversal Rules

Based on accrual reversal rules:

- If a contract fails the accrual evaluation, income recognized in earlier periods may be reversed. For example, income that was accounted for with the memo flag set to **No** becomes accounted for with the memo flag set to **Yes**.

- If a contract that previously failed but now passes accrual evaluation, the income that had been reversed or accounting for using an accounting template where the memo flag was set to **Yes**, now uses the accounting template with the memo flag set to **No**.

About the Memo Flag in Accounting Templates

The Memo flag in accounting templates identifies the template to be used based on the accrual evaluation.

If a contract fails accrual evaluation, income may be accounted for in a different account and uses an accounting template with the Memo flag set to **Yes**. A contract with accrual override also uses an accounting template with the Memo flag set to **Yes**.

If a contract passes accrual evaluation, income goes to an income account and uses an accounting template with the Memo flag set to **No**.

About Determining Accrual Amounts

The way Oracle Lease Management obtains amounts that it uses in accrual accounting depends on whether the contract is a fixed or a variable rate contract.

Fixed rate contracts include amounts from streams to determine an accrual amount. You set up streams at the product level. For more information, see the *Oracle Lease Management Implementation Guide*.

Variable rate contracts use a formula to determine an accrual amount. The automatic reversal of accruals in the next period happens only for variable rate contracts.

The topics in this section are:

- Specify Accrual Override
- Generate Batch Accruals

Specify Accrual Override

Use this procedure to specify that accrual rule evaluation does **not** apply to a specific contract. With the accrual override option, the accrual rule evaluation treats the contract as if evaluation has failed. Failure of accrual rule evaluation means:

- Income for that contract goes to a non-income account rather than an income account.
- The system reverses income that you recognized earlier, for the number of days defined in setup.
- The contract uses an accrual accounting template with the Memo flag set to **Yes**.

Prerequisites

Contract is current.

Navigation

Operations > Transactions > Accrual Override

Steps

Perform the following steps:

1. In the Contract Number field, enter full or partial search criteria, and Click Go.

   Under the Results area, matching results appear, including contracts in Evergreen status, and active contracts that have a contract end date before the current date.

2. In the Results area under the Contract Number column, click the contract number hypertext links to which you want to apply an accrual override.
3. Select the Override Accrual check box to apply accrual override to the contract.
4. Click the Update button.

Generate Batch Accruals

Use this procedure to specify an accrual batch name and accrual date.

Prerequisites

Define accrual rules. This should have been completed in the implementation of Oracle Lease Management. For more information, see *Oracle Lease Management Implementation Guide*.

Define accrual reversal days. This should have been completed in the implementation of Oracle Lease Management. For more information, see *Oracle Lease Management Implementation Guide*.

Set up accrual stream accounting templates. Each accrual stream has two templates:

- One template has the Memo flag set to Yes for accrual evaluations that fail.
- The other template has the Memo flag set to No for accrual evaluations that pass.

  The accrual stream accounting templates should have been completed in the implementation of Oracle Lease Management. For more information, see *Oracle Lease Management Implementation Guide*.

Set the accrual override for contracts that you want to fail accrual evaluation. See Specify Accrual Override.

Responsibility

Lease Super User

Navigation

Navigation options are as follows:

- Processing > Programs > Generate Accruals Master - Actual
- Processing > Programs > Generate Accruals Master - Estimated And Billed
- Processing > Programs > Generate Accruals Master - Streams

Steps

Perform the following steps:

1. In the Batch Name field, enter a name for your accrual batch.
2. In the Accrual Date field, click the Calendar icon and click a date.

   The Accrual Date is the cut-off date for income recognition and is the date that you specify. It does not need to be the current or system date.
3. Click the Submit button.

Loss Provisions

Loss provisions let you create estimated or tentative loss reserves against contracts. Loss provisions make use of aging buckets that you set up in Oracle Receivables. The loss provision rates associate aging buckets with loss provision rates.

The main topics in this section are:

- Determine General Loss Provision
- Determine Loss Provision

Note: All loss provision amounts are in the contract currency.

The Generate Loss Provision concurrent program validates the loss provision date. If the date is not in an open accounting period, the program terminates with an error and displays an error message in the log file requesting you to open the period in the Accounting Periods page.

Determine General Loss Provision

General loss provisions apply to all contracts for a product except for any contract that has a loss provision.

Calculations for general loss provisions are based on:

- A provision calculation on Net Book Value (NBV), Net Investment Value (NIV), or principle balance.
- Outstanding Receivables.
- Rates are based on setup in Oracle Lease Management—one for each aging bucket.

General loss provisions apply reversals:

- In the next period run.
- Upon contract termination.

When you determine an **actual** loss, you can create an adjusting entry to record that loss. See Submit General Loss Provision.

Submit General Loss Provision

To calculate and process general loss provisions, you run the General Loss Provision program.

Prerequisites

Define the product per the setup in the *Oracle Lease Management Implementation Guide*.

Set up stream types with the Class set to **provision**.

Set up loss rates for Oracle Receivables aging buckets.

Set up accounting templates for streams; specify the Transaction Type as **General Loss Provision**.

Set up aging buckets for general loss provisions. For general information, see the *Oracle Lease Management Implementation Guide*, and for more detailed information, see the *Oracle Receivables User Guide*.

Responsibility

Lease Super User

Navigation

Processing > Programs > General Loss Provisions

Steps

Perform the following steps:

1. At the General Loss Provision page, search for and select:
   - **Product**: Applies to all contracts for the product unless you applied a loss provision.
   - **Stream Type**: Only stream types whose class is equal to provision are available.
   - **Bucket Name**: Define loss rates for aging buckets in the setup of Oracle Lease Management. This activity should have already been done during implementation. For more information, see the *Oracle Lease Management Implementation Guide*.
   - **Provision Date**: Effective date of the loss provision.
2. In the Tax Deductible Local field, choose either **Yes** or **No**.

   Selection of the Tax Deductible Local field functions as an informational flag.
3. In the Tax Deductible Corporate field, choose either **Yes** or **No**.

   Selection of the Tax Deductible Local field functions as an informational flag.
4. In the Description field, optionally enter any free-form text to describe the general loss provision.

5. Click the Submit button.

Determine Loss Provision

loss provisions:

- Are applicable to a specific contract.
- Reverse on contract termination.
- Reverse previous provisions in addition to or in place of any earlier loss provisions.

Create Loss Provision

Prerequisites

Set up stream types with stream class as provision.

Set up accounting templates for the streams with transaction type as loss provision.

Responsibility

Lease Super User

Navigation

Operations > Transactions > Loss Provisions

Steps

Perform the following steps:

1. On the Loss Provisions page, click the Create button.

   The Create Loss Provisions page appears.

2. In the Contract Number field:
   - Enter full or partial search criteria.
   - Click Go.
   - Click the contract number to which this loss provision applies.
3. In the Provision Type field, select Loss Provision (if it is not already entered).
4. In the Provision Date field, select the date that you want as the transaction date for this loss.

5. In the Reserve Amount field, enter the amount for your reserve.
6. In the Description field, enter optional free-form text.
7. Select Reverse Total Reserve if you want to reverse all loss provisions in the contract.
8. Select Tax Deductible Local if you want to flag this loss provision for local tax information.
9. Select Tax Deductible Corporate if you want to flag this loss provision for corporate tax information.
10. Click the Create button.

    A confirmation message indicates successful completion.

Search Loss Provision

Use this procedure to search for contracts with loss provisions to view loss provision information.

Prerequisites

The loss provision is created.

Responsibility

Lease Super User

Navigation

Operations > Transactions > Loss Provisions

Steps

Perform the following steps:

1. On the Loss Provisions page, enter full or partial search criteria to locate the contract with a loss provision.
2. Click Go.

   In the Results area, matching contracts appear. The matching results show the contract number, stream type, and total reserve amount.

Update Loss Provision

You can view and edit a contract's loss provision details. The fields that you can edit

include Reverse Total Reserve and Description.

Prerequisites

You have created the loss provision.

Responsibility

Lease Super User

Navigation

Operations > Transactions > Loss Provisions

Steps

Perform the following steps:

1. On the Loss Provisions page, enter full or partial search criteria to locate the contract number to which the loss provision applies.
2. Click Go.

   In the Results area, matching contracts appear. The matching results show the contract number, stream type, and total reserve amount.
3. Under the Contract Number column, click the contract number whose loss provision you want to view or update.
4. View or edit the available fields.
5. Click the Update button.

Investor Agreements Loss Provisions

Navigation

Operations > Transactions > Loss Provision

Steps

Perform the following steps:

1. On the Loss Provisions page, click Create.
2. On the Create Loss Provision page, select the investor agreement you want, and enter or select the values for the other fields.

   See Loss Provision of Investor Agreements, page 31-18.

Interface to General Ledger

Use this procedure to transfer accounting entries from Oracle Lease Management to the Oracle General Ledger.

About Accounting Entries

The three types of accounting entries that Oracle Lease Management generates are:

- Draft accounting entries that happen before you book a contract. Draft accounting entries let you see what the booked accounting entries will be upon booking.
- Accounting entries that go to other Oracle modules. Billing and credit memo entries go to Oracle Receivables. Invoices that you want to pay go to Oracle Payables.
- Accounting entries that go to the Oracle General Ledger. To transfer accounting entries to the Oracle General Ledger, follow the procedures in this section.

The interface to the General Ledger is a two-step process:

- Run the Accounting Entry Process.
- Run the GL Transfer Process..

Run the Accounting Entry Process

Before you can transfer accounting entries from Oracle Lease Management to the General Ledger, you must run the Accounting Entry Process concurrent program. See Set Accounting Process, page 28-12.

Run the Interface to the General Ledger

Prerequisites

You must synchronize both the accounting calendar periods in Oracle Lease Management and the General Ledger. See Run the Accounting Entry Process.

Responsibility

Lease Super User

Navigation

Processing > Requests > GL Transfer

Steps

Perform the following steps:

1. In the Batch Name field, enter a name for the batch.
2. In the From Date and To Date fields:
   - Click the Calendar icon.
   - Click the respective From or To date to choose the batch's starting and ending dates.
3. In the Validate Account field choose either:
   - **Yes**: to perform account code validation.
   - **No**: to not perform account code validation, such as if you want to manually perform account code validation elsewhere, such as in the General Ledger.
4. In the GL Ledger field, choose either:
   - **In Detail**: to include a journal entry for each transaction.
   - **In Summary**: to consolidate the transaction journal entries.
5. In the Submit Journal Import field, choose either:
   - **Yes**: to automatically perform the transfers from the General Ledger Interface table to the General Ledger Transaction table.
   - **No**: to run separate, manual processes to perform the transfers from the General Ledger Interface table to the General Ledger Transaction table.
6. Click the Submit button.

Journalize Accounting Entries

The main topics in this section are:

- Set Accounting Process
- Specify Journal Entry Corrections
- Specify Period Reversal

Set Accounting Process

Use this procedure to perform validation of accounting distributions before posting to the Oracle Lease Management subledger. This process performs validation on account codes and dates, for example. Accounting line transactions that pass validation are

posted to the Oracle Lease Management subledger. Accounting line transactions that do not pass validation appear in an error report. You can access the report through the Lease Administrator responsibility in Forms.

Prerequisites

None

Responsibility

Lease Super User

Navigation

Processing > Programs > Accounting Process...Accounting Entry Process page

Steps

Perform the following steps:

1. In the Start Date and End Date fields, click the respective Calendar icon and click the starting and ending dates for running accounting line validation.

2. Click the Submit button.

   Successfully validated accounting lines appear in the Oracle Lease Management subledger.

   Accounting lines that do not pass validation require manual examination through a report in Forms and manual journal entry corrections. See Specify Journal Entry Corrections.

Specify Journal Entry Corrections

When accounting process validation fails--see Set Accounting Process, page 28-12 --manually correct the accounting lines that caused errors.

Based on either the report that the Accounting Entry process generated or doing a search on the Journal Entry Correction page, you identify the transactions requiring corrections.

Prerequisites

None

Responsibility

Lease Super User

Navigation

Operations > Accounting > Journal Entry Corrections

Steps

Perform the following steps:

1. Review the error.
2. Fix the error by changing values for the transactions.
3. Update the transaction.
4. Resubmit to the Accounting Process.

Specify Period Reversal

Use this procedure to process transactions that have been set up for reversal and require reversal in subsequent accounting periods. For example, accrual transactions need to be reversed at the beginning of the new month. You must run the following procedure to run the accrual reversals.

Prerequisites

None

Responsibility

Lease Super User

Navigation

Processing > Programs > Period Reversal...Period Reversal page

Steps

Perform the following steps:

1. In the Period Name field, enter search criteria.

2. Click Go.

3. Click the accounting period name in which to process reversals.

4. Click the Submit button.

View Transactions

Use this procedure to locate accounting transactions in the system. You can drill down to the transaction line to obtain accounting-related charges, such as the accounts and amounts that were debited and credited.

Prerequisites

None

Responsibility

Lease Super User

Navigation

Operations > Transactions

Steps

Perform the following steps:

1. On the Accounting Transactions page, enter one or more search criteria to locate the transaction(s) that you want to view:

   - **Contract Number**: Enter search criteria; click the flashlight icon; and click the contract number.

   - **Transaction Type**: Choose one transaction type; examples include Accrual, Asset Disposition, Asset Return, Adjustments, Asset Condition, Billing, Booking, Credit Memo, Debit Memo, Funding, General Loss Provision, and Loss Provision.

   - **Transaction Start Date**: Click the Calendar icon and click the starting date of your transaction.

   - **Transaction End Date**: Click the Calendar icon and click the end date of your transaction.

   - **Source**: Choose a module, such as Oracle Assets, Payables, Receivables, or

Lease Transactions.

2. Below the Source field, click the Go button to perform the search for transactions.

3. In the Results area are matching transactions.

4. In the Results area under the Transaction Number column, click the hypertext link of the transaction that you want to view.

   The View Transaction Detail page appears and shows currency, contract number, source, transaction number, transaction status, date, amount, description, product, and transaction line information.

5. In the Transaction Line area under the Line Number column, click the hypertext link to view more information about a specific transaction line.

   The View Transaction Accounting Lines page appears and shows currency, contract number, transaction number, line number, description, date, type, stream type, source, status, amount, and detailed accounting information.

   The detailed accounting information includes the line type, accounts charged, description, debit and credit, amount, accounting date, accounting template, and posted information.

Miscellaneous Transactions

Use these procedures to create manual journal entries that you want to associate with contracts. The first part of creating a miscellaneous, contract-associated journal entry is to create the transaction header. After you create the transaction header, you search and update the transaction header and create detailed transaction lines. The transaction lines include line type, optional accounting template, optional stream, amount information, and the specific debit and credit accounts of your miscellaneous transaction.

> **Important:** While you could create manual journal entries in the General Ledger, if you want to associate manual journal entries with their contracts, then you must create the entries here.

The amounts you enter in miscellaneous transactions are in the contract currency. Currency conversion information stored in the contract is used when entries are created in the General Ledger.

Topics concerning miscellaneous transactions include:

- Create Miscellaneous Transaction Header
- Search and Update Miscellaneous Transaction

- Create Miscellaneous Transaction Line
- Search and Update Miscellaneous Transaction Lines
- Create or Update Accounting Lines

Create Miscellaneous Transaction Header

The first part of creating a miscellaneous transaction is to create the miscellaneous transaction header.

Prerequisites

Contract

Open Accounting Period

Navigation

Operations > Transactions > Manual Journals

Steps

Perform the following steps:

1. In the Contract Number field, specify the contract with which you are associating the miscellaneous transaction:
   - Enter full or partial search criteria of the contract number.
   - Click the flashlight icon.
   - Click the associated contract.
2. In the Transaction Number field, enter a unique alphanumeric number or ID for the miscellaneous transaction.

   You must enter a unique value in the Transaction Number field.
3. In the Description, enter an optional summary or other notes about the miscellaneous transaction.
4. In the Transaction Date field:
   - Click the Calendar icon.
   - Click the transaction date.
5. In the Amount field, enter the amount of the transaction.

6. Click the Create button.

Guidelines

After you create the miscellaneous transaction header, you can search and update the miscellaneous transaction and add detailed transaction lines.

Search and Update Miscellaneous Transaction

You can search for and update miscellaneous transactions. While updating a miscellaneous transaction, you can add, edit, or remove transaction lines.

Prerequisites

The miscellaneous transaction header have been created. .

Responsibility

Lease Super User

Navigation

Operations > Transactions > Manual Journals

Steps

Perform the following steps:

1. In the Search field, choose what you want to search by: Contract Number, Transaction Number, or Transaction Type.

2. In the empty field to the right, enter partial or full search criteria, and click the Go button.

3. Under the Results area, matching results appear.

   The Results area shows you the transaction number, contract number, transaction type, transaction date, and amount of each matching miscellaneous transaction.

4. Under the Transaction Number column, click the hypertext link of the transaction that you want to view or update.

   The Miscellaneous Transaction Details page opens and shows you the Contract Number, Product, Customer Name, Transaction Number, and Transaction Status, Description, Transaction Date, and Amount.

5. Optionally edit the Description, Transaction Date, or Amount.

6. Click the Update button.

Create Miscellaneous Transaction Line

The transaction lines contain detailed information about the miscellaneous transaction. Transaction lines include the optional accounting template, optional stream, and amount information.

You can also access the accounting line information, where you specify the transaction's debit and credit information.

Prerequisites

- You have created the miscellaneous transaction header.
- You have searched for and accessed the transaction miscellaneous transaction details.

Responsibility

Lease Super User

Navigation

Operations > Transactions > Manual Journals

Steps

Perform the following steps:

1. Click the Miscellaneous Transaction Lines button.

   .

   The Miscellaneous Transaction Lines page opens.

2. Click the Create Miscellaneous Transaction Lines button.

3. In the Line Number field, enter the line number that you want to designate this transaction line to be.

   You can create one or more transaction lines to your miscellaneous transaction.

4. In the Line Type field, choose the type of line.

   Your choices of line types may include Accrual, Booking, General Loss Provision, Miscellaneous, Rebooking, Reverse, Loss Provision, Terminate, and Transfer and Assumption.

5. In the Description field, enter optional notes or summary information.

6. In the Accounting Template field, optionally specify an accounting template:

- Enter full or partial accounting template search criteria.
- Click the Go button.
- Click the accounting template name.

7. In the Stream Type field, optionally specify an Stream Type:
   - Enter full or partial Stream Type search criteria.
   - Click the Go button.
   - Click the Stream Type name.
8. In the Amount field, enter the amount of the transaction line.
9. Click the Update button.

Search and Update Miscellaneous Transaction Lines

The transaction lines contain detailed information about the miscellaneous transaction. Transaction lines include the line type, optional accounting template, optional stream, and amount information. You can also access the accounting line information, where you specify the transaction's debit and credit information.

Prerequisites

- You have created the miscellaneous transaction header.
- You have searched for and accessed the transaction details.

Responsibility

Lease Super User

Navigation

Operations > Transactions > Manual Journals

Steps

Perform the following steps:

1. Click the Miscellaneous Transaction Lines button.

   The Miscellaneous Transaction Lines page opens.
2. Click the Miscellaneous Transaction Lines button.

The Miscellaneous Transaction Lines page opens.

3. In the Transaction Lines area under the Line Number column, click the transaction line hypertext link.

   The Miscellaneous Transaction Line Details page opens and shows you the contract number, transaction number, transaction amount, and line number. You can view or edit these fields: Line Type, Description, Accounting Template, Stream Type, and Amount.

4. Click the Update button.

Guidelines

You can also create or update accounting lines from the Miscellaneous Transaction Line Details page. Accounting lines specify the debit and credit accounts that you want to associate with this transaction.

Create or Update Accounting Lines

You can create, edit, view, or delete specific accounting lines. The context of each accounting line includes:

- Account
- Debit or Credit
- Amount

After you have added or editing an accounting line, you must validate the accounting lines.

Prerequisites

- You have created the miscellaneous transaction header.
- You have searched for and accessed the transaction miscellaneous transaction details.
- You have created and searched for the miscellaneous transaction line.

Responsibility

Lease Super User

Navigation

Operations > Transactions > Manual Journals

Steps

Perform the following steps:

1. Click the List of Accounting Lines button.

   The Miscellaneous Accounting Lines Details page opens.

2. To add accounting line information:

   - On a blank row under the Account column, click the Search icon and click the account name.
   - Under the Debit/Credit column, choose either Debit or Credit (DR/CR).
   - In the Amount column, enter the amount.

3. To edit accounting line information:

   - Select a row that you want to edit.
   - On the Account column, click the Search icon and click the account name.
   - Under the Debit/Credit column, choose either Debit or Credit (DR/CR).
   - In the Amount column, enter the amount.

4. To remove an accounting line under the Remove column, select the check box of the accounting line row that you want to delete.

5. Click the Validate Accounts button to verify the selection of accounts.

   Important: You **must** click the Validate Accounts button to verify the selection of accounts.

6. Click the Update button to apply your changes to the accounting line details.

Assets

The main topics in this section are:

- Off-Lease Asset Transactions: Review and change depreciation hold period and depreciation basis.
- Salvage Value Writedown: Review or change the salvage value of an asset in Oracle Assets.

- Residual Value Writedown: Review or change the residual value of an asset on a contract.

Off-Lease Asset Transactions

You can create off-lease asset transactions on assets:

- Whose lease contracts have ended.
- That may or may not have been returned to the possession of the lessor.

For off-lease assets, you may want to review or change the hold period and/or depreciation method. A hold period is the number of days during which you defer or suspend recognition of depreciation after the asset comes off of a lease. For more information on setting up the hold period, see the *Oracle Lease Management Implementation Guide*.

> **Note:** All amounts associated with off-lease asset processing are in the functional currency of the set of books.

The topics in this section include:

- View Summary of Off-Lease Asset Transactions
- Update Off-Lease Asset Transaction Details

View Summary of Off-Lease Asset Transactions

When an asset comes off lease, Oracle Lease Management automatically creates an off-lease transaction record. On the Off-Lease Asset Transactions page, you can view the following information about off-lease asset transactions:

- Asset Number
- Asset Depreciation
- Transaction Type
- Asset Category
- Date Created
- Transaction Date
- Hold Period Days
- Depreciation Method

- Depreciate
- Transaction Status
- Details

Prerequisites

Set up off-lease Asset s. For more information, see the *Oracle Lease Management Implementation Guide*.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Transactions > Off-Lease Asset Transactions

Update Off-Lease Asset Transaction Details

You can view or edit the hold periods days and the depreciation method of your off-lease asset.

Responsibility

Lease Super User, Asset Manager

Navigation

Operations > Assets > Off-Lease Asset Transactions

Steps

Perform the following steps:

1. On the Off-Lease Asset Transactions page on the row of the off-lease asset that you want to update, click the Details icon.

   The Off-Lease Asset Transaction page opens.

2. Update any of the following fields:
   - Transaction Date: Change the date to extend or reduce the off-lease hold period.
   - Depreciation Method: Specify the depreciation that you want to use.
   - **Adjusted Cost**: The new value of off-lease asset.

- **Salvage Value**: The new salvage value amount.

  Note: The adjusted cost and salvage value are in the functional currency of the set of books.

3. Click the Update button to save changes that you made.

   Changes happen whenever the concurrent program processes update the Oracle Assets module.

Salvage Value Writedown

Salvage value is the remaining value of an asset that you do not depreciate. During the asset's life, you can revise the salvage value using the salvage value writedown procedures. The salvage value is in the functional currency of the set of books.

The topics in this section include:

- Specify or Update Salvage Value Writedown
- View Asset Details - Salvage

Specify or Update Salvage Value Writedown

Use the following procedure to specify or change an asset's salvage value writedown. See Salvage Value Writedown.

Prerequisites

The asset must exist in Oracle Assets.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Transactions > Salvage Value Writedown

Steps

Perform the following steps:

1. On the Salvage Value Writedown page, search for the asset by specifying one or more search criteria by Asset Number, Asset Category, Asset Description, or Asset Corporate Book.

2. Click the Go button.

   In the Results area, matches appear.

3. On the row that shows the asset for which you are looking, enter the salvage value under the New Salvage Value column.

4. Click Update to save your information.

View Asset Details - Salvage

You can view the following information about the assets: Asset Number, Asset Description, Contract Number, Contract Status, Asset Status, Contract Start Date, Contract End Date, Asset Type, Original Cost, Serial Number, In Service Date, Manufacturer Name, Model Number; Depreciation: Life in Months, New/Used, Salvage Value, Depreciation Category, and Depreciation Start Date.

> **Note:** The Asset Details page of both the Salvage Value Writedown and the Residual Value Writedown areas contain the same fields and options.

Prerequisites

None

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Transactions > Salvage Value Writedown

Steps

Perform the following steps:

1. On the Salvage Value Writedown page, search for the asset by specifying one or more search criteria by, Asset Number, Asset Category, Asset Description, or Asset Corporate Book.

2. Click the Go button.

   In the Results area, matches appear.

3. On the row that shows the asset for which you are looking, click the asset number hypertext link under the Asset Number column.

The Asset page shows the asset's information. You cannot edit information on this page. You can specify or change the salvage value on another page. See Specify or Update Salvage Value Writedown or Specify or Change Residual Value Writedown.

Residual Value Writedown

Residual value is the value of an asset at the end of a lease term that you record on the lease contract. Periodically, you may need to reduce the residual value of the asset.

Note: The residual value is in the contract currency.

The topics in this section include:

- Specify or Change Residual Value Writedown
- View Asset Details - Residual

Specify or Change Residual Value Writedown

Use the following procedure to specify or change an asset's residual value writedown. See Residual Value Writedown.

Prerequisites

A booked contract with assets having residual values

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Transactions > Residual Value Writedown

Steps

Perform the following steps:

1. On the Residual Value Writedown page, search for the asset by specifying one or more search criteria for:
    - Asset Number
    - Item Category: More detailed categorization that you set up in Oracle Inventory.
    - Product: As you defined in the implementation of Oracle Lease Management,

such as your book classification.

- **Asset Description**
- **Contract Number**

2. Click the Go button.

   In the Results area, matches appear.

3. On the row that shows the asset for which you are looking, enter the Residual Value under the New Residual Value column.

   Note: The residual value is in the contract currency.

4. Click Update to save your information.

View Asset Details - Residual

You can view the following information about the assets: Asset Number, Asset Description, Contract Number, Contract Status, Asset Status, Contract Start Date, Contract End Date, Asset Type, Original Cost, Serial Number, In Service Date, Manufacturer Name, Model Number; Depreciation: Life in Months, New/Used, Salvage Value, Depreciation Category, and Depreciation Start Date.

Prerequisites

None

Responsibility

Lease Super User, Asset Manager

Navigation

Assets > Transactions > Residual Value Writedown

Steps

Perform the following steps:

1. On the Residual Value Writedown page, search for the asset by specifying one or more search criteria: Asset Number, Item Category, Product, Asset Description, or Contract Number.

2. Click the Go button.

In the Results area, matches for the search appear.

3. On the row that shows the asset for which you are looking, click the asset number hypertext link under the Asset Number column.

The Asset page shows the asset's information. You cannot edit information on this page, but you can specify or change the Residual value in another area. See Specify or Change Residual Value Writedown.

Process Like-Kind Exchanges

Like-kind exchanges apply to off-lease assets whose tax properties you are applying to another new on-lease asset which has the same asset category.

The procedures for handling like-kind exchanges span various Oracle modules. Summary guidelines with cross-references follow. You may have to refer to the specific documentation of other Oracle modules for more information.

> **Note:** All asset amounts are in the functional currency of the set of books.

Prerequisites

Implementation of Oracle Lease Management included setting up the asset book for like-kind exchanges, setting up asset categories and depreciation methods for the Federal tax asset book, and specifying the like-kind exchange hold days. For more information, see the *Oracle Lease Management Implementation Guide*.

You have created the asset return, specified like-kind exchange, and placed the asset into context. See Search for a Returned Asset Request and Create a Manual Asset Request.

Responsibility

Lease Super User, Asset Manager

Navigation

Assets >Return Requests

Steps

Perform the following steps:

1. On the Asset Returns page, mark the asset that is coming off the lease or that has come off the lease as eligible for like-kind exchange. See Create a Manual Asset

Return Request, *Oracle Lease Managment User's Guide*.

2. In the Oracle Assets module, (refer to the *Oracle Assets User Guide* for more information on these steps) :
    1. Retire the asset in corporate book.
    2. Retire the asset in tax book (the like-kind exchange asset book).
    3. Run the Calculate Gain or Loss Program for the Corporate Book.
    4. Run the Calculate Gain or Loss Program for the Like-Kind Exchange Asset Book.
    5. Create a new asset in Oracle Assets with the same asset category as that of the disposed asset.
3. In Oracle Lease Management, navigate to Operations > Like Kind Exchange and click the Create button.

    The Create Like Kind Exchange page opens.
4. Search for and specify:
    - **Corporate Book**
    - **Tax Book**
    - **Asset Category**, such as the asset category of the disposed and new asset which should be the same
    - **Replacement Asset Number**, such as the new asset purchased. The new asset must have been purchased within the Like-Kind Exchange Hold Days for the asset to appear in the list of values.
5. Enter an optional description.
6. In the Relinquished Asset area, select the relinquished asset(s) against which you want to match the replacement asset.
7. Specify the match amount for each relinquished asset.
8. Click the Create button.

A new asset is created in the Like-Kind Exchange tax book with both the value of the tax asset replaced and the tax properties of the original asset. On disposal of the new asset, the tax on sale is payable.

View Account Balances Report

You can generate a report of account balances for a given contract, range of periods, and range of general ledger account codes. The report includes year-to-date and lease-to-date balances. You can generate either a detail and summary report. The detail report shows individual transactions, and the summary report provides one balance per accounting period per account.

> **Note:** You can run this report either as a Lease Administrator from the Forms interface, or as a Lease Super User using a standard Oracle Lease Management HTML page, by navigating the path: Processing > Programs > Account Balances.
>
> The procedure that follows describes the method of generating the Account Balances Report using the Forms interface

Prerequisites

Journals posted in Oracle General Ledger.

Responsibility

Lease Administrator

Navigation

Sign in using a Forms URL

Requests > Run > Single Request

Steps

Perform the following steps:

1. On the Submit Request page, click the ellipsis button (...) to the right of the Name field.
2. Select Account Balances Report.
3. The Parameters window appears.
4. In the Contract Number field, specify a contract.
5. In the Account From and Account To fields, enter respective beginning and ending account codes.

6. In the Period From and Period To fields, enter the respective beginning and ending periods.

7. In the Format field, choose either Detail or Summary.

   The Detail format shows monthly balances. The Summary report shows one balance per account.

8. Click the Submit button.

9. You can monitor the progress of the request, by navigating the path Requests > View Requests > Find Requests.

10. When the request has finished, click View Output to see the report.

Generate the Multi-GAAP Adjustment Report

The Multi-GAAP Adjustment Report is generated by a concurrent program. The report provides users with information necessary to pass the month end adjustment accounting entries manually, to assist in multi-GAAP reporting.

All active contracts, whose local product is associated with a reporting product, are eligible for multi-GAAP reporting. Loan and loan-revolving contracts backed by a real estate line instead of an asset line are not eligible for multi-GAAP reporting

Prerequisites

- You must have created and booked contracts, whose local product is associated with a reporting product.
- You must have a reporting asset book set up in Oracle Assets.
- You must have run the Depreciation program in Oracle Assets for the reporting asset book.
- You must have run the Generate Accrual program for the local set of books in Oracle Lease Management.
- An optional prerequisite is to run the Depreciation Adjustment for Accrual program in Oracle Lease Management, and then to adjust local depreciation manually in Oracle General Ledger accordingly.

Responsibility

Lease Super User

Navigation

Processing > Programs > Multi GAAP Adjustment Report

Steps

Perform the following steps:

1. In the Batch Name field, specify a name, that will appear in the report header.
2. In the Period from field, specify the start date of the adjustment period.
3. In the Period to field, specify the end date of the adjustment period.
4. Click Submit.

Guidelines

The output report will display two sets of information:

- contract information, to serve as an audit trail
- summary information, to direct manual adjustments in Oracle General Ledger

For each multi-GAAP-enabled contract, the contract information is as follows:

- revenue that needs to be reversed
- depreciation that needs to be reversed
- revenue to be accounted
- depreciation to be accounted.

The summary information shows the data adjustments that you must make manually in Oracle General Ledger. The summary information is as follows:

- summary of accrual/non-accrual to be reversed by product
- summary of accrual/non-accrual to be accounted by product
- summary of local depreciation to be reversed by asset category
- summary of reporting depreciation to be accounted by asset category

> **Note:** Accrual and revenue amounts appear in the contract currency. Depreciation amounts appear in the functional currency

of the set of books.

Summary of Period Close Process

To close an accounting period in Oracle Lease Management, perform the following tasks in sequence:

1. Disburse funds that should be accounted in the current accounting period. This is part of the Credit Application to Booking key business flow.
   - Review all funding requests that have not been approved.
   - Modify the funding requests to meet the approval requirements.
   - Resubmit the funding requests for approval.
2. Book all contracts that should be accounted in the current accounting period. This is part of the Credit Application to Booking key business flow.
   - Review the contracts that have failed the QA check.
   - Update the information that has resulted in the QA failure.
   - Resubmit the contract for QA check.
   - Review the contracts that have not received streams from your lease price modeling software.
   - Modify the information to correct the errors.
   - Resubmit the call to lease price modeling software for generating streams.
   - Review the list of contracts that have not been approved.
   - Modify the contracts to meet the approval requirements.
   - Resubmit the contracts for approval.
3. Re-book all contracts that should be accounted in the current accounting period. This is part of the Credit Application to Booking key business flow.
   - Review all contracts that are under revision.
   - Review all contracts that are under release or restructure.
   - Submit the revisions approved for re-booking.

4. Carry out asset adjustments. Three key business flows are part of this area: Quote to Termination, Asset Return and Disposal, and Accounting Period to Close.
    - Enter asset returns for assets on lease.
    - Enter asset returns for assets on loan; manually update Oracle Lease Management and assets.
    - Update location changes.
    - Update off-lease amortization changes.
    - Update changes in book or tax depreciation.
    - Effect salvage value write-downs.
    - Effect residual value write-downs.
5. Terminate contracts. This is part of the Quote to Termination key business flow.
    - Review pending termination quotes.
    - Complete the acceptance for termination to be accounted in the current accounting period.
    - Run the automatic termination process.
6. Condition assets. This is part of the Asset Return to Disposal key business flow.
    - Review asset condition invoices to be raised on customers or vendors.
    - Generate invoices against customers and vendors.
7. Remarket assets. This is part of the Asset Return to Disposal key business flow.
    - Complete repurchase of assets by vendor.
    - Do asset billing for sales done through iStore.
    - Close period in Oracle Inventory.
    - Payment of remarketing commissions.
8. Maintain insurance policies. This is part of the Inquiry to Resolution key business flow.
    - Pay service providers for insurance.

- Bill customers for insurance.
- Accrue the insurance for income and expense.
- Run automatic insurance process.

9. Perform pre-billing activities. This is part of the Invoice to Receipt key business flow.
   - Run the pre-funding interest calculation program.
   - Update counter reading for UBB.
   - Run the Oracle Contracts for Service billing for UBB.
   - Run the variable interest rate program.
   - Run the evergreen billing program.
   - Run the late charge program.
   - Run the third-party billing import.
10. Generate periodic billing for the open accounting period. This is part of the Invoice to Receipt key business flow.
   - Review exceptions and errors.
   - Resolve the exceptions and errors.
   - Re-run the periodic billing process.
   - Transfer the invoices into Oracle Receivables.
11. Enter receipts from customers. This is part of the Invoice to Receipt key business flow.
   - Enter the receipts individually or in batches.
   - Run the batch receipts interface to Oracle Receivables.
   - Run the lockbox interface to Oracle Receivables.
   - Manually apply the receipts that the cash application rules do not process.
12. Update syndicated contracts. This is part of the Credit Application to Booking key business flow.

- Record investments against syndication contracts.
- Invoice for payment of investors' share of syndicated contracts.

13. Create manual journal entries in Oracle Lease Management for adjustments at a contract level. This is part of the Period Open to Close key business flow.

14. Transfer miscellaneous disbursements and debit memos to Oracle Payables. This is part of the Oracle Payables module. These miscellaneous disbursements and debit memos include:
    - Pass-throughs.
    - Vendor cure.
    - Ad hoc expenses.
    - Security deposit refund.
    - UCC (Uniform Commercial Code) and registration expenses.

15. Transfer miscellaneous billing and credit memos to Oracle Receivables. This is part of the Oracle Receivables module. These billings and credit memos include:
    - Vendor cure.
    - Ad hoc fees.
    - Investor stake.
    - UCC (Uniform Commercial Code) and registration fees.

16. Write-Off Receivables. This is part of Oracle Receivables.
    - Effect write-offs from Oracle Collections.
    - Effect write-offs from Oracle Receivables.

17. Run the accrual and income generation program for the accounting period. This is part of the Period Open to Close key business flow.

18. Run the depreciation adjustment for accrual program for the accounting period, and pass manual journal entries if required. This is part of the Period Open to Close key business flow.

19. Create loss provisions for the accounting period. This is part of the Period Open to Close key business flow.

20. Run the loss provision program for the accounting period. This is part of the Period Open to Close key business flow.

21. Close Oracle Payables (recommended but optional). This is part of the Oracle Payables module.
    - Transfer all approved funding requests to Oracle Payables.
    - Approve the invoices in Oracle Payables.
    - Issue payments from Oracle Payables.
    - Transfer accounting entries from Oracle Payables to Oracle General Ledger.
    - Close the accounting period in Oracle Payables

22. Close Oracle Receivables (recommended but optional). This is part of Oracle Receivables.
    - Transfer all customer invoices to Oracle Receivables.
    - Transfer accounting entries from Oracle Receivables to Oracle General Ledger.
    - Close the accounting period in Oracle Receivables.

23. Close Fixed Assets (recommended but optional). This is part of Oracle Fixed Assets.
    - Run the final depreciation and close the depreciation period.
    - Calculate gain or loss on sale for any disposed assets.
    - Do tax-related adjustments.

24. Transfer accounting from Oracle Lease Management to Oracle General Ledger (recommended but optional). This is part of the Period Open to Close key business flow.
    - Transfer accounting entries from Oracle Lease Management into Oracle General Ledger.
    - Review errors and resolve.
    - Transfer from Oracle General Ledger interface to journal tables.
    - Post the accounting entries from Oracle Lease Management, Oracle Payables, Oracle Receivables, and Oracle Assets.

25. Close accounting period in Oracle Lease Management. This is part of the Period

Open to Close key business flow.

You can schedule the concurrent programs to run at a specified time periodically, or you run them by manual intervention.

Drill Down from Oracle General Ledger to Oracle Lease Management

The accounting for Oracle Lease Management transactions such as booking, loss provision, accrual, and so on, is done within the Oracle Lease Management subledger and transferred to Oracle General Ledger.

Drilling back to the source document for all transactions posted in the general ledger provides the accountant an audit and review trail from the accounting back to the source. In Oracle General Ledger, you can drill down for some transactions created by Oracle Lease Management, that is, those interfaced through Oracle Receivables, Oracle Payables, and Oracle Assets.

There are two ways to perform an online drill down from Oracle General Ledger.

Method I

Perform the following:

- Navigate to Enter Journals screen in General Ledger.
- Find journals using criteria such as Batch (name), Journal, Source, Period, Posting (status), and so on.
- Click the Review Journal button.
- Place your cursor in the desired journal line record and select Drilldown from the Tools menu.

Method 2

Perform the following:

- Navigate to the Account Inquiry window in General Ledger (Inquiry - Account).
- Find accounts using criteria such as the range of accounting periods, the currency, balance type, summary template and detail accounts.
- Place your cursor in the desired account's record and click the Show Journal Details button.
- From the Journals window, place your cursor in the desired journal line record and click the Drilldown button.

Part 9

Inquiry to Resolution

29

The Lease Center

This chapter covers the following topics:

- Overview
- Responsibilities
- Navigate the Universal Work Queue, e-Business Center, and Lease Center
- Contracts Tab in the e-Business Suite
- Starting and Ending Customer Transactions
- An Overview of the Lease Center Window
- About the Lease Center Window Overview
- About the Overview Tab
- About the Structure Tab
- About the Parties Tab
- About the Account Tab
- About the Transactions Tab
- About the Asset Tab
- About the Insurance Tab
- About the Requests Tab
- About the Documents Tab
- About the Tasks Tab
- About the Schedules Tab
- About the Vendor Investor Disbursement Window
- About the Related Contracts Tab

Overview

Lease Center agents and their managers can use the Lease Center of Oracle Lease Management to resolve common leasing service requests. These service requests may include:

- Requests for information specific to leasing. For example, your customers may inquire about the terms and conditions on their contract or they may have a question about their bill. Suppliers and vendors may also call with questions regarding disbursements.

- Requests for updates or changes to their lease contracts. For example, a customer may request an equipment exchange or a restructure of the contract.

- Requests for updates to their account information. For example, customers may request an update to their address information.

Lease Center Business Process

The following steps describe a typical business flow using the Call Center, the eBusiness Center, and the Lease Center.

1. An external party, such as a customer or a vendor, calls through the Call Center.

2. A user logged into the Universal Work Queue receives a pop-up message for an incoming call and answers the call.

3. If the customer is identified, upon intake of the call, the user is launched into the eBusiness Center with the customer information available for review and can drill down into a specific contract from the Contracts tab.

4. After you have identified the contract, you can use the navigator to assess the Lease Center and review contract details.

5. You can then process inquiries and requests in the Lease Center.

6. Alternatively to step 4, if the call pertains to Vendor/Investor disbursements, you can launch this function from the Navigator and process the request.

Responsibilities

The Inquiry to Resolution business process uses the following responsibilities. Not all functions are performed in the Lease Center and some require responsibilities from other products in the eBusiness Suite.

Lease Center Agent

The agent receives inquiries from customers, vendors, and other parties. Types of functions available to the Lease Center Agent include:

- Lease Center inquiries focused on assets, invoices, payments, terms and conditions, plus others.
- Vendor and investor disbursements.
- eBusiness Center issues, including customer updates, restructure quotes, termination quotes, renewal requests, transfer and assumption requests, and equipment exchange requests.
- Document transmissions specific to leasing; for example, amortization schedules, VAT schedules and correspondences.
- Insurance functions such as quotes, policy information, and claims.
- Directory assistance.

Navigate the Universal Work Queue, e-Business Center, and Lease Center

When you are logged in as a Lease Center agent or manager, the Navigator offers the following choices:

- Universal Work Queue: The Universal Work Queue window displays your assigned work items. Use the Universal Work Queue to accept and process inbound calls from customers and other parties. See the *Oracle Universal Work Queue Concepts and Procedures* guide.
- Lease Center: The Lease Center window lets you select and view lease and loan contracts and process customer requests.
- Vendor Investor Disbursements: The Vendor Search window lets you search for a specific vendor or syndication partner and view disbursements to these parties.
- eBusiness Center: The eBusiness Center lets you use lookups or the list of values to find a customer. You can use the eBusiness Center to update and add customer information. The Contracts tab displays information about contracts for the selected customer. Select the Lease Contracts category, select a contract, and then click the Details button to open the Lease Center for the contract. The eBusiness Center remains open.
- Collections Center: If authorized, the Lease Center agent can view collections

information for the customer. The Collections window appears and contains no customer data. You can search to find a customer. See the *Oracle Collections Concepts and Procedures* guide.

- Lease Center Search: You can search for specific contracts using either a quick search or advanced search. See Lease Center Search.
- Directory Assistance: Enter customer search criteria to obtain the phone number from a directory assistance Web site.
- Requests: You can start a concurrent request process, view the status of an executing concurrent request, or define a request set.

Lease Center Search

The Lease Centre Search window consists of the following two tabs:

- Quick Search tab
- Expanded Search tab

Quick Search

The Quick Search tab allows you to search for a contract by specifying search string values for one of the following parameter or combination set of parameters:

- Contract Number
- Customer Account
- Organization
- Asset Number
- Insurance Policy
- Invoice Number

You can select a checkbox to allow your search to include inactive contracts.

Expanded Search

The Expanded Search tab allows you to search for a contract by specifying a combination of parameters, using both basic and advanced search strategies.

In the Basic area of the Expanded Search tab, you can enter search string values for any of the following parameters:

- Contract Number

- Party Role
- Customer Account
- Organization
- Alternate Name
- Address and various components of the Address, such as City and Postal Code
- Telephone

In the Advanced area of the Expanded Search tab, you can enter equality and inequality conditions on any combination of the following parameters:

- Asset Number
- Contract Effective Date
- Contract Expiration Date
- Contract Status
- Insurance Policy
- Invoice Date
- Make, Model
- Product
- Receipt Amount, Receipt Date, Receipt Number
- Registration
- Serial Number

You can select a checkbox to allow your search to include inactive contracts.

An example of search that combines both basic and advanced criteria is:

- Customer Account = 2371 and Contract Status = BOOKED

Contracts Tab in the e-Business Suite

You can access contracts for a customer in the eBusiness Center by clicking the Contracts tab. This tab displays the contract number, the status of the contract, as well as the start and end date for a specific class of contracts.

To view lease contracts for the customer, select Lease Contracts from the Category list. All lease contracts for the customer appear in the grid. You can select a contract from the list and click the Details button to access the Lease Center, at which point additional details for the contract are available. The eBusiness Center window remains open. See An Overview of the Lease Center Window.

Starting and Ending Customer Transactions

Start and End Your Interactions

When working with customers, you may want to record the nature and outcome of various interactions. Depending on your implementation of the Oracle Interaction History application, some interactions, such as a call to a customer, may start an interaction automatically. You can also start an interaction by choosing Start Interaction from the Tools menu in the eBusiness Suite.

You can end the interaction by choosing End Interaction from the Tools menu, or you can wait for the application to prompt you to end the interaction automatically. This happens whenever you switch parties (change customers) and update the new record.

If you choose to start and end an interaction manually, use the Start Interaction and End Interaction buttons on the toolbar. These are the two buttons with a stop light icon: a green stop light for starting and red for ending the interaction.

You can tell when an interaction is being recorded by examining the start and end interaction buttons in the toolbar. If the Start Interaction button is disabled and the End Interaction button is enabled, this means that your interaction is being recorded.

Wrap Up

When you end an interaction, you are asked to enter information about the outcome of the interaction in the Interaction Wrap Up window. The results are displayed in Interaction History in the Overview tab.

View Interactions

The list of interactions you can obtain on the Overview tab of the eBusiness Center gives you an audit trail of all of the interactions with customers in any eBusiness Suite application. For example, if someone else in your sales organization makes a change to an opportunity that you are working on, you can see record of the change.

You can view the record of in any interaction by double clicking on the interaction entry. This displays the record in the eBusiness Suite application where it was created. For example, double clicking on a record of an interaction on a lead, displays the lead in the Lead Center. Double clicking on a record of a service request, displays the service request in Oracle Customer Care. You must have the correct responsibility, however, for viewing such records in the other eBusiness Center applications.

Note: Merely switching parties does not automatically prompt you to end an interaction with the previous party. You must update the new record first. This allows you to view information from other parties without having to restart the interaction.

An Overview of the Lease Center Window

The Lease Center window is your central work area for activities relating to the Inquiry to Resolution process for Oracle Lease Management. See the following sections for information about the areas in the Lease Center window that you can use to process your customer interactions:

- About the Overview Tab
- About the Structure Tab
- About the Parties Tab
- About the Account Tab
- About the Transactions Tab
- About the Asset Tab
- About the Insurance Tab
- About the Requests Tab
- About the Documents Tab
- About the Tasks Tab
- About the Schedules Tab
- About the Vendor Investor Disbursement Window
- About the Related Contracts Tab

About the Lease Center Window Overview

The Lease Center window is divided into sections: The top half of the window contains an overview of the selected customer and contract information. The bottom half is a series of tabs that open windows with additional details.

The Lease Center window header provides summary contract and customer account information. Customer information includes, for example, organization, alternate name,

address, phone number, and email address. Search for a specific contract by using the Lease Center Search window or by clicking the Find button. Overview information, along with contract details, appears.

Lease contract information includes the following information:

- The contract number that is currently being viewed or referenced for a customer service request.
- The current version number of the contract. For more information on how to see details of previous versions of the contract, see View Contract Versions".
- The current status of the contract.
- If there is a syndication agreement associated to the contract.
- The start and end dates of the contract.
- The description of the contract.
- Any vendor program associated to the contract.
- The currency for the contract.
- The financial product associated with the contract.
- If the lessor or lender is not the organization name designated on the contract as the lessor, the Private Label field displays the organization name with which users must identify themselves with the customer.
- The alternate name of the customer
- From which contract the current contract was split, if applicable.
- The purchase order number associated with the contract.

  If the value of the profile option OKL: Update Misc Non Financial Information is set to 'YES', you may update the Description and Purchase Order Number fields in the Contract area.

View Contract Versions

In the Lease Center Window, double-click the Version Number to display a summary of the major versions of the contract in the Contract Versions window.

The Contract Versions window displays the following fields for each version:

- Major Version

- Version Date
- Version Reason

A major version occurs when a contract is rebooked, either explicitly by the user, or when Oracle Lease Management carries out contract rebooking as part of another operation, such as the splitting of a contract.

Double-click a major version in the Contract Versions window to display the following information in the Oracle Lease Management Contract Version window:

Contract Header

The following contract header information appears:

- Contract Number
- Contract Version
- Contract Status
- Contract Product
- Contract Currency
- Private Label
- Start and End Dates
- Description
- Vendor Program
- Transfer From
- Pool Assigned

  Note: If the contract has revenue streams assigned to a pool, the Pool Assigned field is double click enabled. To view investor details if the pool is associated with an investor agreement, double click the Pool Assigned field.

- Purchase Order Number
- Accrual Status
- Billing Hold

- Descriptive Flexfield
- The Alternate Name of customer

Additional Contract Data

Users can select the descriptive flexfield to view or update additional contract fields, provided the correct profile option values have been set. The descriptive flexfield can be used to view or update additional contract data for the contract header, contract lines, and contract parties. To edit additional contract data descriptive flexfields, the OKL: Update Descriptive Flexfields profile option must be set to Yes.

Contract Lines

For each asset on the contract:

- Asset number, status, and description
- Quantity
- Original equipment cost
- Guaranteed amount
- Capital amount
- Residual value and residual percentage
- Additional data

About the Overview Tab

The Overview tab presents a high-level snapshot of additional contract information plus customer interaction history. Additionally, you can add notes within this tab. See:

- Review Contract Details
- Add Notes
- View Customer or Contract Interaction History

Review Contract Details

In order to have successful interactions with customers, it is important to have information about their contracts immediately available. Using the Overview tab, you can view the following information in the Contract Details area of the screen:

- The value of Net Investment as calculated by formula for the contract.
- The next payment due date and amount for the customer for this contract.
- The last payment date and amount from the customer for this contract.
- The term of the contract.
- The interest rate type if one is associated with the contract.
- The total asset cost for the contract, which is the sum of the Original Equipment cost of all assets on the contract.
- Advance rent amount, which is the amount of rents received in advance of the start of the lease.
- Total outstanding receivables due against this contract.
- Any security deposit amount for the contract.

Add Notes

Within the Overview tab, you can use the Notes feature to record customer and contract information. When you create a note, the application automatically saves information on the note's creator, the date and time the note was created, and the context in which it was entered. Notes are only viewable and editable by the owner unless a note is related to other objects, thereby making the note available to others. You can also display other notes for a particular customer.

Create a Quick Note

You may want to create a quick note concerning a customer or contract issue. The note picks up the default profile values associated with the note type and status for this contract.

Steps

Perform the following steps:

1. Click the Quick Note button.
2. Type your note in the Notes box.
3. Click the Save Note button.

View All Notes for the Lease Contract

It may be necessary for you to look at all of the notes generated for a particular

customer. The Notes window includes a summary section and a detail section where the details of the note can be viewed or updated by the note owner. To do so, follow the steps below:

Steps

Perform the following steps:

1. Click the All Notes button.

   The Notes for Oracle Lease Management form appears.

2. To search for existing notes within a specific time frame, choose the dates for the View From and View To fields.

3. Click the Display button to view all notes created for the customer during the specified time frame.

4. Choose a note from the list you want to view.

   The details appear in the Note Details section.

5. If the note extends beyond the text box, click the More button to see the complete text for a note.

6. Click the Related To button to see which elements relate to the note.

7. Click OK to save any changes or click Cancel to return to the Overview tab.

Create a New Note

On the Notes for Oracle Lease Management form, you can also create a new note.

Steps

Perform the following steps:

1. Click the New button.

2. Type your note in the box.

3. Choose a Note Type from the list.

4. Change the Status if required.

5. If you want to relate the note to an object, click the Related To button.

6. Select a Note Type from the list, for example, Expired Reviewed or Routine Information.

7. Click OK to save the note.

View Customer or Contract Interaction History

Through the Lease Center, you have the ability to find and view historical information on customers' interactions. By default, the last three transactions for the contract appear in the Interaction History area. You can view previous interactions, any specific activities generated through the interaction, and information about the outcome of the interaction for a specific lease contract.

Click the All Customer Interactions button to view all or some of the interactions related to a customer.

Click the All Contract Interactions to view all or some of the interactions related to a contract.

About the Structure Tab

The Structure tab allows you to view the terms and conditions for a specific contract. The terms and conditions are typically established during the authoring of the contract. They are grouped as follows in the Lease Center:

- View Billing Set Up
- Interest Rate
- Termination/Renewal
- Asset Return/Repurchase Process

View Billing Set Up

By default, the Billing Set Up information appears on the form. You can use this tab to review the billing and payment-related terms and conditions for the selected contract. You can also check if late charges or late interest charges apply, or if the contract is evergreen eligible.

If the value of the profile option OKL: Update Billing Structure is set to 'YES', you may update some of the fields in the Billing Set Up window.

If the value of the profile option OKL: Update Late Charge Rules is set to 'YES', you may update some of the fields in the Late Charges and Interest area of the Billing Set Up window.

On the View Billing Set Up tab, you perform tasks in the following areas:

- Set Up Billing
- Late Charges and Interest
- Security Deposit

- Evergreen Status

Set Up Billing

The following list shows the tasks you can perform in the Billing Set Up area:

> **Note:** To be able to change the value of a field, you must have the profile option OKL: Update Billing Structure set to 'YES'.

- View and update the Bill To Address site where you are sending invoices.

  > **Note:** The Bill To Address is a key field in determining the Oracle Collections case, which defines the steps an agent must take to resolve the delinquency. If you update the Bill To Address for a booked contract that is in collections, the contract will be reassigned a different case number.

- View the customer's bank name if needed for the payment method.
- View and update the customer's bank account number if needed for the payment method
- View and update the receipt method that the customer uses to make payments.
- View and update the cash application rules for the contract.
- Verify and update if you want to pull the customer's invoices for a manual review.
- View and update the date that the manual invoice review ends.
- View and update the reason for a manual invoice review.
- View and select an alternative invoice format group.

Late Charges and Interest

The following list shows the tasks you can perform in the Late Charges and Interest area:

> **Note:** To be able to change the value of a field, you must have the profile option OKL: Update Late Charge Rules set to 'YES'.

- View and update the late fee charge policy that apply for this contract.
- Verify and update if you are not specifying a late charge for the customer for this

contract.

- View and update the date until which you are holding late charges for this contract.
- Verify and update if you are not charging the customer late interest for this contract.
- View and update the date until which you are holding late interest for this contract.

Security Deposit

The following list shows the tasks you can perform in the Security Deposit area:

> **Note:** To be able to change the value of a field, you must have the profile option OKL: Update Billing Structure set to 'YES'.

- Verify and update if you must hold the security deposit until the maturity date of this contract.
- Verify and update if you can net the security deposit refund from the termination proceeds for this contract.
- View the date until which you must hold the security deposit.

Evergreen Status

The following list shows the tasks you can perform in the Evergreen Status area:

> **Note:** To be able to change the value of a field, you must have the profile option OKL: Update Evergreen Eligibility set to Yes.

- Verify and update if this contract is eligible for evergreen rents.

Interest Rate

For a lease contract, you can view the type of interest rate, for example, whether it's a fixed or variable rate, or what index is being used to compute the interest rate.

When you select the Interest Rate option on the Structure tab, you can view the following:

- Interest Type
- Interest Parameters
- Conversion Parameters

- Additional Interest Parameters

Interest Type

- Check the Interest Calculation Basis and Revenue Recognition Method.

Interest Parameers

- View interest details, such as Index Name, Base Rate, Adder, Principal and Interest Basis, etc.

Conversion Paramenters

- View the Conversion Type, Conversion Option, and Next Conversion Date.

Additional Interest Paramaters

Click Additional Interest Parameters for more Interest details.

Termination/Renewal

When you select the Termination/Renewal option from the Structure tab, you can perform tasks in the following areas:

- Termination Quote Calculation
- Termination Quote Process
- Termination Purchase Options
- Renewal Options

If the value of the profile option OKL: Update Termination Option Rules is set to 'YES', you may update some of the termination option fields in the Termination/Renewal window.

If the value of the profile option OKL: Update Renewal Options is set to 'YES', you may update some of the renewal option fields in the Termination/Renewal window.

Termination Quote Calculation

> **Note:** To be able to change the value of a field, you must have the profile option OKL: Update Termination Option Rules set to 'YES'.

- View and update the type of any applicable discounts.

- View and update the type of any applicable quote fee.
- View and update the type of any applicable return fee.
- View and update the type of penalty for terminating the contract.
- View and update the discount amount.
- View and update the quote amount.
- View and update the return fee amount.
- View and update the penalty amount.

Termination Quote Process

Note: To be able to change the value of a field, you must have the profile option OKL: Update Termination Option Rules set to 'YES'.

- Verify and update whether or not the contract permits partial termination.
- Verify and update whether or not the contract permits early termination.
- View and update the number of days a quote is effective.
- View and update the maximum days a quote can be effective.
- View and update the number of days before contract expiration, considered to be the end of term.

Termination Purchase Options

Note: To be able to change the value of a field, you must have the profile option OKL: Update Termination Option Rules set to 'YES'.

- View and update the end of term option.
- View and update the amount of any fixed end-of-term option.
- View and update the mid-term option.
- View and update the amount of any fixed mid-term option.

Renewal Options

Note: To be able to change the value of a field, you must have the profile option OKL: Update Renewal Options set to 'YES'.

- View and update the number of days before the end of term the customer must be notified of the renewal option for this contract.
- View and update the renewal option for this contract.
- View and update the amount of the renewal option if required for the selected method.

Asset Return/Repurchase Process

When you select the Termination/Renewal option from the Structure tab, you can perform tasks in the following areas:

Asset Return

Note: To be able to change the value of a field, you must have the profile option OKL: Update Asset Return Rules set to 'YES'.

- View and update the floor price formula.
- View and update the remarket sale price formula.

Acceptance Method

Note: To be able to change the value of a field, you must have the profile option OKL: Update Misc Non Financial Information set to 'YES'.

- View and update the acceptance method.
- View and update the acceptance date.

Repurchase Quote Calculation

- Check whether the contract is subject to a repurchase agreement.
- View the repurchase quote formula.

- View the method, amount, formula, and prorate options for the sale price.
- View the method, amount, formula, and prorate options for the discount rate.
- View the method, amount, formula, and prorate options for the quote fee.

Purchase Options

When you select Purchase Options from the Structure tab, you can perform tasks in the Purchase Options area.

Purchase Options

Note: To be able to change the value of a field, you must have the profile option OKL: Update Termination Option Rules set to Yes.

- view and update the end of term option
- view and update the end of term amount
- view and update the end of term formula
- view and update the early term option
- view and update the early term amount
- view and update the early term formula
- view and update the Automatically Process the Fixed Purchase Option check box.

  Note: If you select the Automatically Process the Fixed Purchase Option check box, you must:

  - have already selected either $1 Buyout or Fixed Purchase Option on the contract (Purchase Option Type field in the End of Term Purchase Option region of the Terms and Conditions page)
  - not select the Evergreen Eligible check box in the Lease Center (Evergreen Status region of Billing Set Up in the Structure tab).

  If the Automatically Process the Fixed Purchase Option check box is already selected on the contract, then you can deselect it in the Lease Center. Similarly, if the Evergreen Eligible check box is already selected on the contract, then you can deselect it in the Lease Center (Evergreen Status region of Billing Set Up in the

Structure tab).

About the Parties Tab

The Parties tab provides information on all of the different organizations and persons associated to the contract. For example, one or more vendors may be tied to the contract or there may a guarantor, proving a default guarantee for part or all of the contract.

If the value of the profile option OKL: Update Party Information is set to Yes, you can view, update, or delete user-defined party roles.

Use the Parties tab to:

- View Parties Associated to a Contract
- View Contact Details Connected to a Party
- Add Parties to a Contract
- Delete Parties from a Contract
- Update Party Information
- Additional data

View Parties Associated to a Contract

Select All to view all parties tied to this contract or select a specific Party Role to limit viewing parties or suppliers to the selected role. You can choose this option to:

- View the name of the party.
- View the party identification number.
- View the relationship type or organization type of the party.
- View the role of the party with reference to this contract.
- For a guarantor, view the amount that they have guaranteed for the contract.

View Contact Details Connected to a Party

Within this tab, you can obtain a snap-shot view of customers contact information including their mailing address, email address, and phone number.

Add Parties to a Contract

If the value of the profile option OKL: Update Party Information is set to Yes, you may add parties to the contract.

To add parties, click the Add Parties button in the Parties tab and enter the party information.

Delete Parties from a Contract

If the value of the profile option OKL: Update Party Information is set to Yes, you delete a party from the contract.

In the Parties tab, click the party and the Delete Parties button.

Update Party Information

If the value of the profile option OKL: Update Party Information is set to Yes, you can update party information in a contract.

To update party information, click the party and the Update Parties button.

View or Update Parties Flexfields

You can view or update contract parties descriptive flexfields by selecting the flexfield icon on the Parties tab after selecting a party from the summary table. You can select the flexfield structure and add values. Only users with the correct profile option value can update flexfields.

About the Account Tab

The Accounts tab provides additional details for the customer's receivable account tied to the contract being viewed in the Lease Center. With this tab, you have account information at your fingertips and can view status of the customer, current balances, number of lease contracts, leasing invoices, and so on.

Use this tab to do the following:

- View Customer Account Information
- View Consolidated Invoices for the Account

View Customer Account Information

The information on the Account tab and its tabs may come from Oracle Receivables or other accounting packages. On this tab, you can:

- View the customer account name.
- View the customer account number.
- View the current account status.
- View the tax code assigned to this customer account. For more information, please refer to the Tax Codes and Rates section in Oracle Receivables help.
- View the date the account was established.
- If suspended, view the suspension date for the account.
- View the current account balance.
- View the subcategory code for the account. For more information on this, please refer to the Maintaining Account Details section of Oracle Receivables help.
- View the Account Activation Date.
- View the termination date for the account, if applicable.
- View the statement cycle for the account to determine when statements are sent to this account.
- View the tax rounding rule for the account. For more information on this, please refer to the Tax Rounding rules section of Oracle Receivables help.
- View the number of lease contracts associated to this account.
- Click the Customer Standard button to open the standard Customer maintenance screen from Accounts Receivable, if you have authorization to access this screen.
- Click the Bill Refund Request button to initiate a request for a customer refund.

  Within the Refund Request Details screen you can view the amount available for refund and the amount outstanding. You can enter the refund amount, the reason for the refund and the refund date.

View Consolidated Invoices for the Account

In the Invoices area, you can:

- View all consolidated invoice numbers for which this contract was billed.
- View the date a consolidated invoice was created.
- View the total amount billed to the customer for an particular consolidated invoice.

- Viewed if the invoice has been pulled.
- View the status of the consolidated invoice.
- View the currency in which the invoice was billed.
- View whether or not the invoice has been pulled.
- View the Set of Books under which the invoice was generated.
- View the Organization ID to which the invoice belongs.
- Highlight an invoice number and click the details button or the hyperlink to view details for a specific consolidated invoice.

  From this screen you can click the Send Document button to send an electronic copy of the invoice to the customer.

About the Transactions Tab

The following topics describe the tasks that you can perform on the Transactions tab:

- Search for and View Billing Transaction Information
- Search for and View Receipt Information
- Search for and View Disbursement Transactions
- Search for and View Payment History
- Make a Payment
- Issue a Credit Memo
- Request a Billing Correction
- Send Documents for Billing or Receipts

Search for and View Billing Transaction Information

For billing inquiries on leases and loans, you can search for consolidated invoices by various criteria, drill down to invoice line details for an invoice, and relay this information either on the phone or by using a predefined document template through the Send Document feature. At a quick glance, you can also view the total amount billed, the total amount outstanding, and the total remaining for the transaction lines returned by the search.

Steps

Perform the following steps:

1. To search for billing information from the Transactions tab, choose Billing from the list of values and click the Search button.

2. Enter the appropriate parameters in the form, or choose them from the lists, and click Find.

   You can view the following information:

   - Totals of all rows for Transaction Amounts (amount received and amount remaining)
   - Transaction type of the invoice line.
   - Consolidated invoice number that the invoice line details appeared on.
   - Asset number that the invoice line details apply to.
   - Date the consolidated invoice was created.
   - Date the consolidated invoice is due.
   - Amount due for the consolidated invoice line.
   - Amount received for the consolidated invoice line.
   - Amount remaining for the consolidated invoice line.

Search for and View Receipt Information

Similarly, you can view details of receipts and the invoices to which they apply, view the total amount applied against a particular invoice line, reference in A/R, as well as view payment method and other details. You can send this information to the customer using the Send Document feature.

Steps

Perform the following steps:

1. Select Receipts from the list.

2. Click the Search button to find a particular receipt.

3. Enter the appropriate parameters in the form, or choose them from the lists, and click Find.

You can view the following information:

- Transaction type
- Payment method
- Receipt number
- Receipt date
- Receipt amount
- Transaction amount (the amount billed)
- Applied amount
- Application date
- Remaining amount
- Invoice number
- Invoice date
- Due date
- Contract number
- Application status
- Invoice currency
- Receipt currency
- AR Invoice number

Search for and View Disbursement Transactions

Users may receive requests from parties who may receive payments related to the contract. For example, an investor may inquire about the customer accounts with which they are associated. A vendor may inquire on a disbursement item relating to a specific customer's account.

Additionally, customers may request information on the accounts payable history, viewable by contract. This may include information such as refund checks or payments made to a vendor.

Steps

Perform the following steps:

1. To search for disbursements, select Disbursements from the list.

   If there are no recent disbursement transactions for the contract, a message appears and the disbursement search screen pops up.

2. If disbursement records exist, the Disbursement Details section displays existing disbursement invoice details for the contract.

3. To narrow your search for disbursements transactions, click the Search button and select the appropriate search criteria.

4. Click the Search button to find a disbursement transaction.

5. Enter the appropriate parameters in the form, or choose them from the lists, and click Find. This allows you to view the following:

   - The asset number for which disbursement details are displayed.
   - The name of the vendor to whom the disbursement was made.
   - The transaction type of the disbursement.
   - The invoice number paid.
   - The invoice date of the paid invoice.
   - The amount that was disbursed.
   - The method of the disbursement.
   - The check number if a check was used for the disbursement transaction.
   - The date the check was issued, if applicable.
   - The disbursement amount.
   - The currency in which the disbursement was issued.

Search for and View Payment History

You can view the complete payment history for a lease or loan contract, including invoices and related receipts. You can view all contract invoices, including third parties. The receipts related to an invoice are displayed when you select a specific invoice.

By default, all the contract invoices and related receipts are displayed, but you can

search for specific invoices. The default Party is the lessee, but you can change the view by going to the Search button and selecting other contract parties. Based on your search, you can view the invoice Bill To party, all contract invoices billed to that party, and related receipts.

Steps

Perform the following steps:

1. To search for payment history from the Transactions tab, choose Payment History from the list of values and click the Search button.

2. Enter the appropriate parameters in the form, or choose them from the lists, and click Find.

   In the view summary, you can view the total transaction amount, total amount received, total amount remaining, and total amount credited.

   You can view the following information in the Invoice region:

   - All invoices for a contract, including those to third parties.

   - Invoice details, including Transaction Type, Invoice Number, Asset Number, Payment Type, Consolidated Invoice Number, Invoice Date, Due Date, Tax Amount, Amount Received, Amount Credited, Amount Remaining, Currency Code, and Receivables Invoice Number.

   You can view the following information in the Related Receipts region:

   - All related receipts to an invoice.

   - Receipt details, such as Receipt Number, Receipt Type, Payment Method, Receipt Amount, Amount Applied on Invoice, Application Date, Amount Remaining, and Receipt Currency.

Make A Payment

After selecting an invoice record, you can initiate an electronic payment receipt. Select the invoice, click Make Payment and enter the credit card details in the Make Payment window. Click Accept Payment. You can pay an amount up to the outstanding balance amount. Lease Management logs an interaction history for the transaction to respond to future queries regarding the payments.

Issue a Credit Memo

You can choose to initiate a credit memo for one or more consolidated invoice lines. You can issue an amount up the dollar figure in the Amount Remaining column.

You can also view a history of previous credit memo requests.

When the credit memo request is created, it is routed to an approval workflow to allow the credit memo to be issued. Once approved, Lease Management generates a credit memo invoice.

Steps

Perform the following steps:

1. Select Billing from the list.
2. Select one or more rows for which you want to issue a credit memo.
3. Click the Issue Credit Memo button.

   The top part of the Issue Credit Memo window displays the rows for which you want to issue a credit memo. The lower part of the Issue Credit Memo window shows a history of previous credit memo requests for the row that is selected in the top part of the window.
4. Enter the credit amount(s) for each row for which you want to request a credit memo.
5. Click Issue Credit Memo to create the credit memo request and route it to an approval workflow, then click OK to acknowledge the message.
6. Click Close to exit if you do not wish to process the credit memo.

Send Documents for Billing or Receipts

You can send documents to customers in follow-up to inquires on billing or receipts.

Steps

Perform the following steps:

1. For billing interactions or receipts, click the line(s) associated with the information you want to send the customer.
2. Click the Send Document button.
3. On the Send Document form, select a template Name from the list.

   A read-only description appears in the Description box.
4. Enter the From email address.
5. Enter the To email address.
6. If you do not want to accept the default subject line, change the Subject.

7. Click the Allow Other Email box if you want to allow recipients other than those tied to the parties of the contract.

8. Click the Send Document button to send the document.

9. Click the Reset button if you want to start fresh.

10. Click the Cancel button to cancel the document request and return to the Transactions tab.

About the Asset Tab

The initial display of the Assets tab shows a summary list of the following fields for each asset:

- Asset Number
- Description
- Quantity
- Status
- Manufacturer Name
- Model Number
- Original Equipment Cost

From this display, you can decide to view all asset details, including property tax details. You can also change the location of multiple assets using the Bulk Asset Update feature.

The main topics in this section are:

View Asset Details

View Property Tax

Change the Location of Multiple Assets

Change the Location of Multiple Assets

View Asset Details

To view the asset details, click an asset, click the Asset Details button.

The top of the Asset window again shows a list of the assets with the same summary information as appears in the initial Asset tab display. In the lower part of the window are individual tabs that provide more information about the asset.

To see detailed information about an asset, click on the asset in the asset list, then click the appropriate tab in the lower part of the window.

The tabs in the Asset window are as follows:

- Summary Tab
- Serial Numbers Tab
- Usage Based Billing Tab
- Liens Tab
- Registrations Tab
- Taxes and Adjustments Tab
- Suppliers and Add-ons Tab
- Financial Structure and Residual Tab
- Additional data

Summary Tab

You can view the following asset-related fields in the Summary tab:

- Asset number
- Year that the asset was manufactured
- Asset description
- Item description
- Manufacturer and model of the asset
- Location
- Number of units and unit cost of the asset
- The asset's depreciable life in months
- Original cost and the residual value of the asset
- Vendor name
- Title holder and title location of the asset

- In service date
- Whether the asset is new
- Whether the asset is prescribed
- Asset descriptive flexfields

Serial Numbers Tab

You can view the following asset-related fields in the Serial Numbers tab:

- Number of units
- Serial number
- Unit cost

Usage Based Billing Tab

Some assets may be set up to incur a periodic charge based on usage of the asset. Customers may inquire about a meter reading or pricing plan, report a meter reading, or request a change in a pervious meter reading. Agents use this window to resolve such requests.

You can view the following meter reading fields in the Usage Based Billing tab:

- Counter name
- Serial number
- Consolidated counter
- Last reading
- Last reading date
- Unit of measure
- Reading date
- Meter reading
- Bill amount

Liens Tab

You can create a new lien and view the following lien-related fields in the Liens tab:

- Filing number
- Jurisdiction in which the lien for this asset was filed
- Date on which the lien continuation for this asset was filed
- Sub-jurisdiction in which the lien for this asset was filed
- Continuation number of the lien extension for this asset.
- Lien type
- Expiration date
- Status of the lien filing for this asset
- Party holding the lien on this asset

Registrations Tab

You can create a new registration and view the following registration-related fields in the Registrations tab:

- Title number and location
- Title type, title date, and title holder location in which this asset is registered
- Registration number and registration location
- Title issue
- Payee site
- Registration expiration date

Taxes and Adjustments Tab

You can perform the following tasks in the Taxes and Adjustments tab.

Sales Tax

- Check if the customer is sales tax exempt for this asset.
- View the customer's tax exempt certificate number.
- Check if the look up sales tax rate is to be replaced by a manual override rate for this asset.

- View the amount of the manual override sales tax rate for this asset.

Value Added Tax

- Check if the customer is VAT exempt for this asset.
- View the customer's VAT exempt certificate number.
- Check if the look up VAT rate is to be replaced by a manual override rate for this asset.
- View the amount of the manual override VAT rate for this asset.

Adjustments

- View the total capitalized cost of the asset.
- View the percent of the reduction in capital for the asset.
- View the value amount of the reduction in capital for the asset.
- View the amount of any trade-in applied to the capital amount.
- View the adjusted capital cost of the asset line.

Change Tax Exempt Status

- If the OKL: Update Asset Details profile option is set to Yes, you can change the tax exempt status for an asset in the Taxes region.

Suppliers and Add-ons Tab

You can perform the following tasks in the Suppliers and Add-ons tab.

Suppliers

- View the vendor of the supplier invoice.
- View the ship to address on the supplier invoice.
- View the supplier invoice number for the asset.
- View the date of the supplier invoice.

Add-ons

- View the item code for add-ons to this asset.
- View the Description for the add-on.
- View the quantity of add-ons.
- View the cost per unit of the add-ons.

Financial Structure and Residual Tab

You can view the following fields in the Financial Structure and Residual tab.

Financial Structure

- Principal balance
- Net receivables
- Total capital cost

Residual

- Percentage of the equipment cost that represents the residual value
- Guarantor of the residual, if applicable
- Amount of the residual value
- Amount of the residual value that is guaranteed

View Property Tax

To view the property tax details for one or more assets, click an asset, then click the Property Tax button.

On this form, for each asset selected, you can:

- View the Asset Number for which the property tax information is being displayed.
- View the Asset description for which the property tax information is being displayed.
- View the state for the asset location.
- View the location of the asset for which the property tax information is being

displayed.

- View the date property tax was assessed for this Asset.
- View the amount billed as property tax.
- View the tax rate or mil rate for the city under which the asset's property tax rate is assessed.
- View the city under which the asset's property tax rate is assessed.
- View the county under which the asset's property tax rate is assessed.
- View the tax rate or mil rate for the county under which the asset's property tax rate is assessed.
- View the state under which the asset's property tax rate is assessed.
- View the tax rate or mil rate for the state under which the asset's property tax rate is assessed.
- View the school district under which the asset's property tax rate is assessed
- View the tax rate or mil rate for the school district under which the asset's property tax rate is assessed.

Change the Location of Multiple Assets

To change the location of multiple assets for the customer, use the Bulk Asset Update feature.

Steps

Perform the following steps:

1. From the main Asset window, using the Control key, select all the assets to be updated.
2. Click the Bulk Asset Update button.
3. The Asset Location Bulk Update form appears.
4. Select or enter the new location for the asset.
5. Click OK to submit the changes or click Cancel to exit without saving.

About the Insurance Tab

Many lessors require that customers leasing equipment carry insurance for assets on lease or other types of optional insurance to meet credit requirements. A lessee can meet the requirement for lease insurance by carrying a third-party insurance policy, or they can buy insurance from the lessor.

Oracle Lease Management functionality allows you to capture the customer's third-party insurance information, or you can create a quote and sell an insurance policy to the lessee. The lessor then purchases a policy from pre-defined insurance providers on behalf of the lessee.

Within the Lease Center Insurance Tab, you can access both quote and policy information. You can use the Insurance tab to view or perform tasks within these views. For active policies (both lease and optional insurance) you can log claim information.

Quotes

When you are in the Quotes view of the Insurance Tab, you can see information on existing quotes. On the left panel, a list of all the existing quotes appear. When you select one, relevant information appears in the right panel. This includes quote number, provider, insurance product, insurance type (optional or lease), premium, payment frequency, quote valid dates, and effective dates. From this view you can also perform the following:

- Create a Lease Insurance Quote
- Create an Optional Insurance Quote
- View Quote Details

Policies

When you are in the Policies view of the Insurance Tab, you can see information on existing policies. On the left panel, a list of all the existing quotes appears. When you select one, relevant information appears in the right panel. This includes policy number, status, name of insured, provider, product, premium, covered amount, factor value, and so on.

From this view you can also perform the following:

- View Policy Information
- Gather Third-Party Insurance Information
- Activate Policy

- Cancel/Delete Policy
- Obtain Policy Details
- Log Insurance Claims

Create a Lease Insurance Quote

Lease insurance covers all assets that are on a contract. The coverage amount of the insurance plan is equal to the value of the assets on lease.

Use the following procedure to create a lease insurance quote.

Steps

Perform the following steps:

1. In the Insurance field, choose Quotes from the list of values and click the Create Quote button.

   The Create Insurance Quote form appears.

2. In the Create field, select Lease Insurance Quote.

   On the page, all asset lines associated with this contract are displayed. The table includes asset description, quantity, original equipment cost, asset category, insurance class, and location. The total amount of the original equipment cost of all the asset lines is the amount of coverage requested.

3. In the Provider field, choose the provider for the lease insurance from the list of values.

4. Choose the Payment Frequency from the list of values.

5. Choose the Sales Representative credited with selling the insurance policy from the list of values.

6. Choose the Insurance Location from the list of values.

7. If the lessor is the insured on the policy, then select the Lessor Insured check box.

8. If the lessor is the payee on the policy, then select the Lessor Payee check box.

9. Enter the start date of the policy in the Insurance Effective From field.

10. Enter the length of the insurance policy in the Term In Months field.

11. Enter the Quote Effective From and Effective To dates of the quote.

    These dates represent the period the quote is valid for acceptance.

12. Click the Calculate Premium button to calculate the premium.

    During this process the provider selected and location parameters are used to locate the insurance product and related rates appropriate for the value of the contract and the assets covered.

13. The quote information appears along with the Calculation Result.

    If you want to adjust the quote, enter the adjustment amount in the Adjustment field.

    This amount is subtracted from the premium total. The adjustment calculates an Adjusted Premium number and records who made the adjustment.

14. At this point you can take three actions on the quote:

    - Accept Quote: Click this button to accept the quote. This action creates a quote number and a policy number, after which you can no longer modify the quote.
    - Save Quote: Click this button to save the quote for the quote period and create a Quote Number. You can later search for the quote, to make further modifications or to accept the quote.
    - Modify: Click this button to enable you to make modifications and then recalculate the premium.

Create an Optional Insurance Quote

Optional insurance covers other factors than basic lease insurance. Optional insurance could include life insurance, loss-of-business insurance, and so on.

Use the following procedure to create an insurance quote for optional insurance.

Steps

Perform the following steps:

1. From within the Create Insurance Quote form, in the Create field choose the Optional Insurance Quote option.
2. In the Insurance Product field, choose the optional insurance product you want to quote for the customer.

   The provider and insurance factor appear as read-only fields on the page.
3. Enter the Name of Insured party.
4. Choose the location of insured from the list of values in the Country field.
5. Enter the Factor Value.

This information is used to determine the premium rate for the product. For example, if the insurance factor was set up as age for the product, enter the age of the person covered by the policy.

6. Enter the amount of coverage provided in the policy in the Amount Covered field.

   The premium rate is multiplied by this coverage amount to determine the monthly total premium.

7. Choose the Payment Frequency for the policy.

   Examples are half-yearly, yearly, monthly, and so on. Note that premiums are calculated on a monthly basis. A half-yearly payment includes six premiums.

8. Select the Sales Representative that is creating the insurance quote from the list of values.

9. If the lessor is the payee of the policy, select the Lessor Payee check box.

10. If the lessor is the insured party, rather than the customer, select the Lessor Insured check box.

11. Enter the date the insurance policy becomes effective in the Insurance Effective From field.

12. Enter the length of the policy in the Term in Months field.

13. Enter the Quote Effective From and Effective To dates.

14. Add additional details to the quote.

15. Click the Calculate Premium button to calculate the premium.

    During this process, the product selected, location, covered amount and factor value parameters are used to find the provider and premium rates appropriate for the value of coverage.

16. The quote information appears along with the Calculation Result.

    If you want to adjust the quote, enter the adjustment amount in the Adjustment field.

    The adjustment calculates an Adjusted Premium amount and records who made the adjustment.

17. At this point you can take three actions on the quote:

    - Accept Quote: Click this button to accept the quote. This action creates a quote number and a policy number, after which you can no longer modify the quote.

- Save Quote: Click this button to save the quote for the quote period and create a Quote Number. You can later search for the quote, to make further modifications or to accept the quote.

- Modify: Click this button to enable you to make modifications and then recalculate the premium.

View Quote Details

After a quote is saved or accepted, you can see the details by double-clicking the quote in the Quotes view of the Insurance tab. The Insurance Quote Details form that appears contains the same information as the Create Insurance Quote form except you cannot modify a quote from this form. You can accept a saved quote.

View Policy Information

After you have accepted a quote, a policy number is generated and the information is converted from an insurance quote to an insurance policy. Oracle Lease Management allows you to view information about existing insurance policies within the Insurance tab. To do so, select Policies from the Insurance list. The left panel displays all the policies associated with the contract and the following information about each policy:

- Policy number
- Policy type
- Provider
- Status
- Activation Date
- Premium

You can view a policy by clicking on the policy you want to view. In the Insurance Policy box (the right panel), the applicable information appears for the selected policy. You can also double-click the policy to view the following parameters:

- Policy number
- Status
- Provider
- Premium
- Insurance product

- Factor value
- Sales representative
- Insurance factor
- Name of insured
- Payment frequency
- Policy type
- Covered amount
- Activation date
- Effective date

From the Policy Summary page, you can perform several tasks, covered in the following topics.

Gather Third-Party Insurance Information

Oracle Lease Management functionality allows you to capture information about the customer's third-party insurance policies.

Use the following procedure to capture third-party insurance information.

Steps

Perform the following steps:

1. In the Insurance tab, select Policies from the Insurance pull-down list and click the Gather Third Party Insurance button.

   The Insurance Third Party Policy form appears.

2. In the Policy Number field, enter the insurance policy number
3. In the Covered Amount field, enter the amount of coverage the policy provides.
4. In the Endorsement Field, enter a description of any endorsements to the policy.
5. In the Deductible field, enter the amount of any policy deductible.
6. In the Name of Insured field, enter the name of the insured customer.
7. If the lessor is insured, select the Lessor Insured check box.

8. If the lessor is named as a payee on the policy, select the Lessor Payee check box.
9. Enter the Due Date proof of the policy must be obtained by.
10. Enter the Provided Date when proof was obtained.
11. Enter the mandatory Effective From and Effective To dates of the policy.
12. Under the Third Party Insurance Agency section, in the Insurance Company field, click the Go button and select the Insurance Company providing the policy.
13. Select the address of the insurance company from the list of values.
14. Under the Third Party Insurance Agent section, in the Agent/Broker Name field, click the Go button and select the lessee's agent or broker from the list of values.
15. Select the address of the agent or broker from the list of values.
16. Click Create to save your work.

Activate Policy

To activate a policy, select the policy you want to activate and click the Activate Policy button.

Cancel/Delete Policy

To cancel or delete a policy, choose a policy and click the Cancel/Delete Policy button. You can delete policies prior to activation, but after they are activated, you must cancel them. Any amounts to be credited to the customer's account or retrieved from a provider on behalf of the lessor are automatically calculated and processed.

Obtain Policy Details

To obtain more detailed policy information that which appears on the main page, double-click the policy you want to view. You can view the following information.

Insurance Policy Detail

- Policy number
- Provider
- Insurance product
- Sales representative

- Name of insured
- Policy type
- Covered amount
- Activation date
- Status
- Premium
- Factor value
- Insurance factor
- Payment frequency
- Lessor payee
- Lessor insured
- Effective from

Assets

- Asset
- Original equipment cost
- Type
- Insurance class
- Location

Log Insurance Claims

For contracts with existing insurance policies, you can log claims made against a policy by your customers. You can log two types of insurance claims:

- Lease Insurance Claim
- Optional Insurance Claim

In either case, to log an insurance claim you must select a policy. The policy type, which is displayed in the policy header information, determines the type of claim you create.

Note: Customer Service representatives record claim information provided by outside sources. They do not serve as an insurance agent.

Create Lease Insurance Claim

Follow these steps to create a lease insurance claim:

1. On the main Insurance tab and from within the Policy view, select the lease insurance policy you are filing the claim against and click the Insurance Claims button.

   This opens the Insurance Claims summary form. This form displays some policy details (policy number, type, provider, and so on) and also lists all the claims already made against the policy.

2. To create a new claim, click the Create Claim button.

   This opens the Add Lease Insurance Claims form. This form displays the insured assets under the policy in the Asset Details table.

3. In the Claim Details section, enter the Claim Number.

4. Enter the Claim Amount.

5. Enter the Claim Date.

6. From the list of values, choose the Claim Status.

   Possible values are: Completed, Entered, In Progress.

7. From the list of values, choose the Claim Loss Type.

   This value represents the type of incident that generated the claim. Possible values include: flood, fire, power surge, road accident, and so on.

8. Enter the Accident Date that the claim references.

9. Enter information for the police department handling the claim in the Police Contact Information field (phone number, address, and so on), if applicable.

10. Enter the Police Report Number, if any.

11. In the Asset Details section, select the asset the claim refers to and enter the Damage Description.

12. Enter the Claim Description for the damaged asset.

13. Choose the Claim Type for the asset.

Indicate whether the claim is for Full coverage or Partial Damage coverage.

14. Choose the Line Status for the asset.

    This value indicates the overall state of the asset line. Possible values are: Good, Fair, Poor, and Not Applicable.

15. Choose the Condition Status for the asset.

    This value indicates where the asset is in the repair process. Possible values are: Pending, Repaired, Waiting For Approval.

16. Repeat steps 11-15 for each asset affected by the Claim.

17. To save the claim, click the Submit Claim button.

18. If you need to hold any billing items as a result of the claim, click the Lock Out button

    The Hold Billing form opens. This form displays information about the Asset Claim in the header and displays a table with all the billing items for the selected asset, along with the next due date and the next amount due.

    You may want to withhold billing for some claims, such as those that involve warranty repairs, for example. If an asset is off-line due to warranty service, the contract may stipulate that you cannot charge for "service and maintenance" during that period.

19. Choose the check box to the left of the billing item you want to hold and click the Hold Billing button.

Create Optional Insurance Claim

Follow these steps to create an optional insurance claim:

1. On the main Insurance tab and from within the Policy view, select the policy of type "optional" against which you are filing the claim, and click the Insurance Claims button.

   This opens the Insurance Claims summary form. This form displays some policy details (policy number, type, provider, and so on) and also lists all the claims already made against the policy.

2. To create a new claim, click the Create Claim button.

   This opens the Add Optional Insurance Claims form.

3. Enter the Claim Number.

4. Enter the Claim Amount.

5. Enter the Date of the Claim.

6. Choose the Claim Status from the list of values.

   The options are: Entered, Completed, In Progress.

7. Choose the type of Claim Loss from the list of values.

   This value represents the type of incident that generated the claim. Possible values include: flood, fire, power surge, road accident, and so on.

8. Enter the date the accident that generated the claim occurred.

9. Enter the contract information for the police department handling the claim in the Police Contact Information field (phone number, address, and so on).

10. Enter the Police Report Number, if any.

11. Enter a description of the claim.

12. Click the Submit Claim button to save your work.

About the Requests Tab

Use the Requests tab to help customers with the following requests:

- Termination Quotes
- Equipment Exchange
- Transfer and Assumptions
- Renewal Quotes
- Principal Paydown Payments
- Convert Interest Rate

Termination Quotes

Use this tab to create new termination quotes and view existing quotes for a contract. All termination quotes created in the Lease Center for a contract are based on Termination Quote rules defined for the contract during authoring and use the quote calculation mechanism specified in the Asset Management module of Oracle Lease Management.

With this feature you can:

- View Previously Created Termination Quotes
- View Details and Amount Breakdowns for an Existing Quote
- Create a New Quote

View Previously Created Termination Quotes

When you click the Requests tab, select termination quotes in the list and choose Termination Quotes. Previously created termination quotes appear in the form. Information includes the number, the quote type, the status, the quote reason, the amount, and the effective from and to dates.

View Details and Amount Breakdowns for an Existing Quote

To view the quote amount breakdown for existing quotes, click the link under the Amount column pertaining the quote in question on the Termination Quote Summary table. To view details about the quote, click the Quote Number.

On the Termination Quote Details screen, you can do the following:

- Display in the contract number for the termination quote.
- Display quote number.
- Display the total quote amount calculated for the quote.

Click on the ellipsis button next to the Amount field to get a breakdown of Quote Amounts.

- Display the date the quote became effective.
- Display and update the date the quote becomes ineffective.
- Display status of the quote.
- Display whether the quote is determined to be an early termination quote.
- Display approval status of the quote.
- Displays a check box indicating whether the termination quote is accepted.
- Display the type of quote created.
- Display quote reason tied to the termination quote.
- View or add to the comments tied to the termination quote.
- Display party name for the quote.

- Display the role the party holds for the contract.
- Display the type of recipient the party is on the quote.
- Display the contact who received the quote.
- Display date that the quote is held until before being distributed.
- Display date the quote recipient was notified.
- Click button to save and changes to the termination quote.
- Click button to cancel out of this screen.

Create a New Quote

Steps

Perform the following steps:

1. Click the New button.
2. The Create Quote form appears.
3. Select a Quote Type from the list.

   An example is Termination with purchase.
4. Choose a Quote Reason from the list.
5. Enter a note in the Comments field.
6. Select one or more asset line associated with the quote.
7. Click the Save button on the toolbar to save the request, calculate the quote amount, and trigger a workflow, which executes the quote process.

Equipment Exchange

A customer may request to exchange one or more assets on a contract. It may be a temporary loaner or a permanent exchange. Oracle Lease Management supports the following types of exchange:

- Like for Like, where the asset being exchanged is the same or similar to the new asset.
- Non-like for like, where the asset being exchanged may be completely different from the new asset. A non-like for like asset exchange has financial implications and

results in the contract being modified and rebooked if approved.

You are required to make the determination on whether the exchange is a like for like or non-like for like exchange.

In the Equipment Exchange Summary window you can view details of existing requests, such as status, request type, and creation date. You can perform tasks in the following areas:

- View Equipment Exchange Information
- Create a New Equipment Exchange Request

View Equipment Exchange Information

From the Equipment Exchange Summary window, double-click on a request line to view the following details:

- Request Number
- Status
- Comments
- Duration of Exchange
- Return Date
- Exchange Date
- Details about the current asset
- Details about the replacement asset

You can also update the Comments field on the request.

Create a New Equipment Exchange Request

To create a new request, click on New from the Equipment Exchange Summary window.

In the New Request form, you can:

- Add comments pertaining to the exchange request.
- Select the duration, for example, whether it is a permanent exchange or a loaner.

  If it is permanent, select the type of exchange

  If it is a loaner, you must enter the return date.

- Enter the Effective Date of the exchange.
- Select the asset to be exchanged.
- Specify serial number, asset description, item year, model, manufacturer, and vendor of the new asset.
- If the exchange is permanent and non like-for-like, you can enter the new unit cost.
- Click the Save button to save the request and initiate the OKL CS Equipment Exchange workflow, which retrieves the necessary approvals for this request.

  After you have saved the request, you can:

  - View the request number.
  - View the status of the request as it moves through the approval and/or rebooking life cycle.

Transfer and Assumptions

Transfer and assumption transactions pass ownership of leased assets to other lessees. You can initiate a request for a transfer and assumption transaction in the Lease Center for a contract in Booked status, in all book classifications except Loans and Revolving Loans, because loans do not include assets and are not generally transferred. Contracts eligible for transfer and assumption transactions may also be in status Evergreen, Litigation Hold, or Bankruptcy Hold. Contracts cannot be in Rebook status, and the original contract must be fully funded.

Only full lines of assets on a contract can be transferred in the transfer and assumption process. If only some of the items on an asset line are to be transferred, perform a split assets procedure before the transfer and assumption transaction.

Setups For Transfer And Assumption Requests In the Lease Center

Before you initiate Transfer and Assumption requests in the Lease Center, you must have set up the following:

1. Oracle Fulfillment, including a template for a process named Transfer and Assumption
2. Oracle Approvals Manager (for an internal approval hierarchy in your organization for Transfer and Assumption requests)
3. Particular profiles in Lease Management, and assigned them to appropriate users, such as:

   OKL: Credit Approver

OKL: Collections Approver

OKL: Agent for receiving customer response

OKL: Agent for receiving vendor response

OKL: Contract Administrator

Create Request

Select the old contract, select a request type of Transfer and Assumption, select New, and then select the Type of Transfer: either Complete (Full, all assets from the original contract) or Partial (only some of the asset lines from the old contract). Only full lines of assets can be transferred in either case. To transfer a partial asset line, split the assets first (cross-ref split assets), and then create the Transfer & Assumption request.

Type of Transfer: Complete transfer creates a new contract and terminates the old. Partial transfer creates a new contract for the selected asset lines and rebooks the old contract with the remaining assets.

Enter the Transfer Effective Date. It must be after the last paid invoice and at a normal billing period division, such as in whole months. Billing will be run on the old contract so that the previous customer is liable for all the invoices up to this date, and is credited back for any invoices not yet paid after this date. (Two transfer and assumption transaction types are seeded: Release Billing, and Release Credit Memo.) The new customer is responsible for all the billing after this date, as with any new contract.

Enter new contract details, including the new lessee, customer account, and bill-to address, bank account, contact, contact email, and contact phone number. If you enter a new contract number, it is carried through for the new contract when the contract administrator performs the transfer and assumption.

Click Insurance Details to enter the new insurance information. An insurance details form opens appropriately for your choice of either third party policy or Lease policy. Processing for insurance of the original contract is the same as for full or partial termination.

In the Assets on Original Contract region, select and click the arrow to move the asset lines into the Assets on New Contract region. You can update the bill-to address, install site, and fixed asset location.

Click Create or Update to save changes. After you create the request, its status is Entered. Accept the request after making all changes. An interaction history record is created from the request and the request acceptance.

Workflows

After you accept the request, it is routed through a workflow for multiple approvals. At each stage of the workflow, after required approvals, the status of the Transfer and Assumption request is sequentially changed to Credit Approved, Collections Approved, Customer Approved, and Vendor Approved.

Through Oracle Approvals Manager, notifications are sent. After everyone on the internal hierarchy has approved the Transfer and Assumption request, notifications are sent for outside credit approval, collections approval, customer approval, and vendor approval. After these approvals, a final notification is sent to the contract administrator to inform him or her of the successful Transfer and Assumption approval. In each of these cases, notification goes out to the users set up for the Lease Management approval profiles.

Using the process template set up for Transfer and Assumption, Oracle Fulfilment sends a request to the new customer contact specified on the Transfer and Assumption request, and also to the vendor contact defined on the vendor program attached to the old contract. The Fulfilment request is sent automatically as part of the Transfer and Assumption workflow process.

Contract Administrator Performs the Transfer and Assumption

The workflow then notifies the Contract Administrator to make the transfer manually using the Origination > Contract > Contract Revision > Re-Lease pages. The new details that you entered on the request are carried through to the contract administrator, improving efficiency.

Transferred and Assumed Contracts In The Lease Center

The contract header on a new contract that contains assets that were transferred and assumed from another contract additionally displays the older contract number in the field Transferred From.

For original contracts with assets that have been transferred and assumed, you can view the new contract number by drilling down from the interaction history records created for Transfer and Assumption and displayed on the Lease Center Overview tab.

Renewal Quotes

You can initiate a request to renew a contract. This function provides you with the ability to capture a new residual value and term. When you create the request a new payment amount is automatically calculated. The value can be routed for approval, accepted by the customer, and then submitted for a rebook.

Principal Paydown Payments

A principal paydown is a payment made by the lessee specified to reduce the principal loan balance. Principal paydowns are requested from the Lease Center. In Lease Management, principal paydowns are limited to fixed rate loan contracts and do not apply to variable rate leases or variable rate loans.

When you create a Principal Paydown Request, Lease Management will make a pricing call to reamortize the loan for the remaining principal balance over the remaining contract term. The new payment amount is displayed for each asset. If the request is submitted and approved, Lease Management automatically rebooks the contract.

During the rebooking process, the payments are updated for each asset to add a stub payment for the principal paydown amount on the paydown date. Streams are regenerated and the contract is then rebooked automatically. All pending principal paydown requests are cancelled to prevent errors.

If the contract rebooking process fails while submitting a Principal Paydown Request, then all transactions are rolled back automatically, contract entries are reversed, and the principal paydown transaction and Principal Paydown Request are cancelled. After the rebooking is complete, an invoice is generated for the principal payment amount. If you associated an on-account receipt to the Principal Paydown Request, the receipt is associated to the invoice during creation. If the rebooking fails, the principal paydown stream associated with the payment amount is left Unbilled. It can then be billed using the standard Lease Management billing programs.

Principal Paydown Process

The principal paydown process includes the following steps:

1. Record an on-account receipt for a principal payment or any other overpayment
2. Create a Principal Paydown Request in the Lease Center
3. Optionally, apply an On-Account receipt to the Principal Paydown Request
4. Price the Request to determine the new payment amount after the Request is applied
5. Accept the Request
6. Upon acceptance, Lease Management rebooks the contract and creates an invoice
7. If the Request is associated with an on-account receipt, the receipt number is associated to the invoice
8. Request status is updated once rebooking is complete
9. If rebooking fails, the invoice record will still be created and picked up during the next billing program run

Prerequisites

1. Before a Principal Paydown request can be created, you must set up a stream type with the seeded purpose of Unscheduled Principal Payment. To set up stream types, see Define Streams and Pricing, *Oracle Lease Management Implementation Guide.*.
2. In the Stream Generation Template, the primary stream type of RENT must be updated with the new principal paydown stream type as a dependent of RENT. To

update the Stream Generation Template, see Define Streams and Pricing, *Oracle Lease Management Implementation Guide.*

Create and Submit Principal Paydown Request

Lease Center agents create Principal Paydown Requests from the Requests tab of the Lease Center after searching for the contract.

To create a Principal Paydown Request, perform the following tasks:

1. Select Principal Paydown from the dropdown menu as the Request Type and click New.

2. Enter principal paydown details in the Principal Paydown Request window.

   Note: In the Principal Balance with Accumulated Interest Region, the Current field represents the sum of the contract's outstanding principal balance and accumulated interest as of the Paydown Date.

   Note: The Paydown Date is the date on which the principal paydown will be made and must be after the most recent billing through the current date. After the Paydown Amount is entered, the New Principal Balance field will reflect the new paydown amount. Validations will alert you to reduce the Paydown Amount if it equals or exceeds the Current Principal Balance.

3. Optionally, select an On-Account Receipt and Receipt Number and apply the receipt towards the Principal Paydown Request.

4. The Calculate Payment button causes Lease Management to call the stream generator to get the new payments for assets after principal paydown. The New Payments button can be used, after the stream generator returns the new payments, to view new payment details on each of the contract assets. The Principal Paydown Payments window shows the contact assets with payment details.

5. After reviewing the payments by asset, you can use the Accept Payment button to submit the Principal Paydown Request.

View Payment Transactions

After you have created a principal paydown, you can view the payment transactions from the Schedules tab of the Lease Center by selecting Payment Schedules from the Type dropdown menu.

If the Billing Date is null, the payment has not been billed and the Process Billable Streams concurrent program will create the billing on the appropriate date. If a Billing

Date exists, the payment will be billed and a duplicate billing will not be created.

View Rebooked Contract

Once the principal paydown is completed, you can view the rebooked contract by searching for the contract in the Contracts subtab of the Origination tab. Select Payment to open the Payment page and view the details. The contract will have a new version number and the asset will have a new stub payment amount.

Convert Interest Rate

You can submit a request to convert the type of interest rate if the Conversion method is optional, the Convert by Date has not passed, and there is a value for Convert Type.

Steps

Perform the following steps:

1. In the Requests tab, select Convert Interest Rate as the Type and click New.
2. Enter the interest rate details in the Convert Interest Rate window.
3. Click Submit Request. Once submitted, a workflow initiates, which can be configured to route the request to a user with the Contract Revision responsibility.

About the Documents Tab

The Documents tab provides you with a mechanism to send different types of documents related to leasing, to a variety of recipients. You can upload your document templates through the Fulfillment Module of CRM Foundation and tie the document to a specific process or inquiry within Oracle Lease Management. After completing this step, you can pick a document type here and send it by email to one or more recipients.

Example documents include:

- Bill of sale
- Settlement letter request

Send a Document

Steps

Perform the following steps:

1. Select the type of document you want to send from the list. Example, Settlement Letter Request.

2. Select a document template from the list if there is more than one associated with the document type.

3. A read-only description tied to the document template appears in the box.

4. Enter a Subject for the email.

5. Enter a name in the From field if you do not wish to accept the default of your name as the sender.

6. In the Recipients section, select one or more recipients based on the following information:
   - Recipient
   - Party Role
   - Email

7. Click the Send Document button.

About the Tasks Tab

Use the Task tab of the Lease Center to view, create, and assign tasks pertaining to a contract.

A task you create here appears in the work queue of the individual you assign as the owner of the task.

The task tab is divided into two regions. The left side presents the list of existing tasks for the contract. You can sort the list of tasks in the list by any column, and you can restrict the list to display only private tasks by selecting the Private check box. Use the right side of the tab to view the details of an existing task you selected in the list or to enter a new task.

On the Tasks tab you can:

- View Existing Task information
- Create a New Task

View Existing Task Information

You can view task-related information such as name, priority, status, number, assigned by, assign to, closed, cancelled, completed, private flag, description, and last update date.

Create a New Task

Steps

Perform the following steps:

1. From the Tasks tab, click the New button.
2. Select the type of task you wish to create.
3. Enter the name of the task.
4. Enter the customer contact for the task.
5. Enter the phone number of the contact for the task.
6. Select the priority with which the task must be executed.
7. Select the present status of the task, for e.g., in planning.
8. The default time zone of the agent appears for a new task. Select a new time zone if required.
9. Enter or select the planned start date and end date for the task.
10. Select the type of resource that needs to be assigned to the task as the owner.
11. Select or enter the name of the resource who is responsible for the task.
12. Select or enter the name of the resource who is executing the task.
13. Select or enter the name of the person doing the assignment.

    Defaults to the agent when an assignment is made.
14. Check the Private box if this is a private task.
15. Enter one or more lines to describe the task.

About the Schedules Tab

The Schedules tab allows users to search for specific transactions within a time frame. Schedule types include:

- Amortization Schedule
- Payment Schedules

- Variable Rate Information
- Tax Schedules

Amortization Schedule

A customer may request an amortization schedule for their internal accounting needs. An amortization schedule provides the breakdown of interest expense and principal of each payment on a loan contract.

View Amortization Schedule

Use the follow steps to view an amortization schedule.

Steps

1. Select Amortization from the list.

   If the contract is an interest bearing contract, the amortization schedule appears, otherwise you are notified that the amortization schedule is not viewable.

2. Click the Send Document button to send this document to the relevant party.

Payment Schedules

Use this function to relay information to customers regarding their schedule of payments for a specific transaction type and for a specific time frame. The following Payment Schedules tasks can be completed:

- View payment schedule information at the contract, asset, fee, and service levels
- View payment schedule summary details, including due dates and amounts
- Search for specific payment schedule lines
- If a termination quote is associated to a contract, you can view the proposed payment amount
- Send payment schedule information via email by clicking Send Document

Search for Payment Schedules

Steps

Perform the following steps:

1. Select a contract.

2. Click the Schedules tab.

3. Select Payment Schedules from the Type menu.

4. Click Search to limit the schedule to view specific payment rows

   Search criteria include:

   - Schedule For - All, Contract, Asset Lines, Service Lines, or Fee Lines.
   - Payment Type
   - Asset Number

5. Click Find to view the payment schedule for the search criteria selected.

   The payment schedule information displays in the Payments region. Details include Line Type, Payment Type, Asset Number, Amount, Date, and Billing Date.

6. Enter dates and click Find to limit your payment search to a specific time period.

7. Click the Send Document button to send the document to the relevant party.

Variable Rate Information

A customer or other parties may inquire as to the interest rate used to calculate their rental amount. The Variable Rate Statement provides a breakdown of rate information by date for loans and interest bearing contracts. The following are some of the scenarios that may apply:

Steps

Perform the following steps:

1. Select the start date and end date of the range of dates for which the variable rate information needs to be displayed.

2. Click Find to display the variable rate statement for the search criteria selected.

   The variable rate information displays in the box on the right. Information includes:

   - The interest rate applicable for the period
   - The start date of the range of dates for which the interest rate is applicable
   - The end date of the range of dates for which the interest rate is applicable

3. Click the Send Document button to send this document to the relevant party.

Tax Schedules

Use this function to relay information to a customer regarding their Tax schedule. You can review and relay information to customers regarding the tax item in question for their schedule of payments.

About the Vendor Investor Disbursement Window

A vendor or a syndication partner may request information on monies due to them for one or more contracts. The Lease Center Agent or manager can use this function to search for a party, view summary level information of disbursements to the party and drill down to the disbursements details for the party or for a specific contract for the party.

Use this function to:

- Search for a Vendor or Investor
- View Disbursement Details for all Contracts for a Vendor or Investor
- View Disbursement Details for a Single Contract

Search for a Vendor or Investor

To search for a vendor or investor, you can choose from a selection of search criteria to search for a party for whom you wish to view disbursements. Search criteria includes, for example, name, invoice number, vendor name and invoice number, contract number, address, and phone number.

The search results displayed include summary level disbursement information by contract. Information fields displayed here include name, vendor number, address, contract number, number of disbursements, and total disbursements.

View Disbursement Details for all Contracts for a Vendor or Investor

Results are returned by the search for a party. Click on a specific party to get disbursement details for all contracts for that party.

Information fields displayed here includes contract number, Transaction type for the disbursement, invoice number, status of the invoice, payee name and address, payment method, amount disbursed, and date issued.

View Disbursement Details for a Single Contract

From the summary level results, click on a specific contract number to drill down into disbursement details for all parties for the contract. This action takes you to the Transactions tab of the Lease Center, where you can review disbursement details for the

contract.

About the Related Contracts Tab

The Related Contracts tab provides information about service contracts that are related with the current contract.

If your current Oracle Lease Management contract has a service line that is associated with a service contract, which was created in Oracle Service Contracts, this tab enables you to see summary and detail information about the service contract.

On the Related Contracts tab, you can:

- View Related Service Contract Information

View Related Service Contract Information

The summary information fields for the service contract are:

- Service contract number
- Contract type
- Start and End dates of the service contract
- Status
- Description

Click on the Contract Details button to see more details about the service contract and the service contract lines.

The main fields displayed for the service contract header are:

- Service contract number
- Modifier
- Description
- Status
- Category
- Amount
- Currency
- Start, end, terminate, and renew dates for the service contract

The fields displayed for each service contract line are:

- Line number
- Status
- Name
- Start and end dates
- Line style
- Price negotiated
- Currency code
- Item description
- Termination date

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Customer Self Service

This chapter covers the following topics:

- Overview
- Customer Self Service Prerequisites
- Customer Self Service Home
- Customer Self Service Contracts
- Customer Self Service Accounts

Overview

Oracle Lease Management Customer Self Service provides you the ability to grant customers access to their lease contract information. Customers can view and administer their lease contracts and submit requests for a variety of contract modifications. Customer Self Service also notifies you and your customers of important events in the life of a lease contract, and prompts you to take the appropriate actions.

Customer Self Service Prerequisites

Before customers can use Customer Self Service, the following setup tasks must be completed:

- Customers must be granted access to Customer Self Service.

To grant customers access to Customer Self Service, see Customer Self Service User Setup, in Define Users, *Oracle Lease Management Implementation Guide*.

- The following Customer Self Service profile options must be specified.
  - OKL: AR Payment Method for Credit Card
  - OKL: Insurance Quote Duration in Days

For information on profile options see Define Profile Options, *Oracle Lease Management Implementation Guide*.

Customer Self Service Home

Customers can perform the following tasks from the Lease Management Customer Self Service Home page:

- view notifications
- view and create bookmarks
- view and create shortcuts

View Notifications

The Customer Self Service Home page provides customers a list of their most important notifications and the option to view a full list of notifications.

View and Create Bookmarks

The Customer Self Service Home page lists all bookmarks created by the customer in the My List region. Bookmarks can be used as shortcuts to important lease contract information.

View Shortcuts

Customers can use Shortcuts to begin important lease contract tasks.

Customer Self Service Contracts

Customers can use the Contracts tab to search for contract related information and perform contract, quote, and insurance tasks on active, booked contracts.

Customers can perform the following tasks in the Contracts tab:

- search for contract
- view contract details
- request billing change
- request invoice format change
- search for assets
- view asset details

- update serial numbers
- update asset locations
- view insurance details
- submit insurance details
- submit insurance claim
- search for and view quotes
- request insurance quote
- accept insurance quote
- request renewal quote
- accept renewal quote
- request termination quote
- view payment schedule details
- update counter readings

Search for Contract

Customers can locate contracts by performing either a Simple or Advanced Search in the Contracts tab. A Simple Search includes the following parameters:

- Contract Number
- Agreement Number
- Customer Name
- Account Number
- Contract Status

An Advanced Search allows Customers to expand or refine their search criteria.

Customers can bookmark contracts for future reference.

View Contract Details

Customers can view a lease contract's details by locating and selecting the contract. A side navigation menu on the Contracts page lists contract detail options as described in

the following table:

Contracts Page Navigation Menu

Menu Items	Information
General Information	Includes customer information, rental period, and parties to a contract
Terms and Conditions	Includes general Terms and Conditions information, billing information, interest type, purchase options, termination options, and security deposit details. Billing and invoice format change requests can be submitted.
Assets	Assets information, including asset level billing setup details, add-ons, services, insurance, return, and serial number information. Some information can be updated.
Amortization Schedule	Amortization schedule details for loans
Fees	Contract fees and payment details
Insurance	View and update insurance policy details for a contract
Insurance Quotes	Information on contract insurance quotes
Payment Schedule	Rent and other payments for a contract. Click on the Details icon to view cash flow streams, such as rent amounts over the term of a contract.
Renewal Quotes	Information on contract renewal quotes
Services	Services on a contract. If the service line is linked to a service contract, this will also be displayed.
Termination Quotes	Information on contract termination quotes

Menu Items	Information
Additional Information	Customers can view additional descriptive flexfield contract information provided the OKL: View Contract Additional Information in Customer Self Service profile option is set to Yes.

Request Billing Change

Customers can request a new Bill To Site Number in the Billing Information region of the Terms and Conditions page of the Contracts tab by clicking on Request Billing Change, entering the new Bill To Site Number, and submitting the request.

A workflow notification of your approval or rejection of the billing change request will be sent to the customer.

Request Invoice Format Change

Customers can request an invoice format change in the Billing Information region of the Terms and Conditions page of the Contracts tab by clicking on Request Invoice Format Change, selecting a New Invoice Format from the menu, and submitting the request.

A workflow notification of your approval or rejection of the invoice format change request will be sent to the customer.

Search for Assets

Customers can locate assets by performing either a Simple or Advanced Search in the Assets page of the Contracts tab. A Simple Search includes the following parameters:

- Asset Number
- Customer Name
- Account Number
- Asset Description

An Advanced Search allows customers to expand or refine their search criteria.

View Asset Details

Customers can view asset details by locating and selecting the asset. A side navigation menu on the Assets page lists the following contract detail options:

Assets Page Menu

Menu Item	Information
General Information	View asset header information, update serial numbers, and update installed location. Additional descriptive flexfield contract information can be viewed by customers provided the OKL: View Contract Additional Information in Customer Self Service profile option is set to Yes.
Add-Ons	View details about add-ons associated to an asset.
Billing	View a list of related invoices and outstanding balances associated with an asset.
Insurance	Insurance policies associated to an asset.
Return Information	View shipping instructions, contact details, and shipping addresses for an asset.
Serial Numbers	View and update serial numbers for an asset.
Services	View service and maintenance associated with an asset.

View Asset Returns

Customers can view asset return information by entering full or partial search information on the Asset Returns page to locate an asset.

Update Serial Numbers

Customers can update serial numbers for multiple units or a single unit of an asset by locating the asset, selecting Serial Numbers from the Assets page menu, entering the new serial number, and submitting the request.

When the Customer submits a request for a new serial number, you receive notification of the request and either accept or reject the request. If you accept the request, Lease Management updates the serial number and sends notification to the customer. If you reject the request, the customer will also be notified.

Update Asset Locations

Customers can update asset locations by locating the asset to be updated, selecting the asset, clicking Update Asset Location, choosing a new location from the list of values, and submitting their request.

When the customer submits a request for a new asset location, you receive notification of the request and either accept or reject the request. If you accept the request, Lease Management updates the location and sends notification to the customer. If you reject the request, the customer will also be notified.

View Insurance Details

Customers can view insurance policies associated to a customer's lease contract in the Insurance page of the Contracts tab. Customers can choose an insurance provider, enter policy details, review, and submit a policy request or update.

Submit Insurance Details

Customers can submit insurance policy details by selecting a contract, choosing an insurance provider, entering policy details, reviewing the insurance details, and clicking Submit. Customers can submit third party policy details only, not policies obtained through the lessor.

Submit Insurance Claim

Customers can submit claims against an insurance policy on the customer's lease contract by locating the policy, entering the claim details, and submitting the claim. When the claim is submitted, Lease Management generates a claim and sends a claim notification for you to process.

Request Insurance Policy Cancellation

Customers can cancel an insurance policy by clicking the Cancel icon in the Policies page of the Contracts tab and submitting a request for cancellation.

Search for and View Quotes

Customers can locate and view quotes from the Quotes page of the Contracts tab. Quote search criteria can be specified by quote number, contract number, and quote type. Examples of quote types are Insurance Quote, Renewal Quote, and Termination Quote.

To search for all quotes on a contract, enter the quote number and click Go.

When a quote appears in the Results region, click on the quote to view quote details.

Request Insurance Quote

Customers can request an insurance quote in the Contracts tab by selecting Insurance Quote from the Contracts tab menu, clicking on Request Insurance Quote, choosing an insurance type, entering the quote information, reviewing, and submitting the information.

Accept Insurance Quote

Once a customer has requested an insurance quote, they have the option of accepting, rejecting, or deferring a decision on the insurance quote.

When an insurance quote is accepted by the customer, Lease Management attaches the new insurance policy to the lease contract.

If the customer defers their decision on the insurance quote, the quote can be saved until it's expiration on the quote effective date. Customers can return to Customer Self Service later to accept the quote.

Request Renewal Quote

The lessor can create a renewal quote at the customer's request.

Accept Renewal Quote

Once a customer has requested a renewal quote, and you have received the notification and created the renewal quote, the quote goes back to the customer for approval. The customer has the option of accepting or rejecting the renewal quote.

Request Termination Quote

Customers can request a termination quote in the Contracts tab by performing the following tasks:

- locate the contract
- enter the quote details
- select the assets
- enter the quantity to terminate
- select the serial numbers to terminate
- review and submit the request

When the customer submits a request for a termination quote, Lease Management performs validation checking to verify that the quote recipient exists and that the lease

contract's terms and conditions permit termination quotes.

If the validation fails, the customer will receive a notification of the failure. If the validation passes, the customer will be notified when an approved quote is created.

When the customer accepts the termination quote, it is updated as Accepted and processed for termination.

View Payment Schedule Details

Customers can view the lease contract payment schedule summary by clicking on Payment Schedules on the Contracts tab menu. Payment schedule details are accessed from the Details icon of the Payment Schedule page.

Update Counter Readings

Customers can view and update the history of counter readings in the Counters page of the Contracts tab by locating the counter, updating the information, and submitting an update request.

Customer Self Service Accounts

Once a customer has been set up to use Customer Self Service, they can use the Accounts tab to review invoices, payments, and profile information.

Customers can perform the following tasks from the Accounts tab:

- search for invoices
- view invoice details
- make a payment
- view account, contact, and site details

Search for Invoices

Customers can locate invoices by performing either a Simple or Advanced Search from the Invoices page of the Accounts tab. A Simple Search includes the following parameters:

- Invoice Number
- Due Date From
- Due Date To

An Advanced Search allows customers to expand or refine their search criteria.

View Invoice Details

Customers can view invoice details from the Invoice page of the Accounts tab after locating an invoice, by clicking on the specific invoice to open the Invoice Details page. The Invoice Details page displays invoice header information, customer details, invoice lines, and a list of payments made for an invoice.

Make a Payment

Customers can make payments by credit card from the Payments page of the Accounts tab by locating the invoice, entering payment information, making a final review of the payment details, and submitting the payment. Lease Management integration with Oracle iPayment provides credit card authorization and processes the payment.

View Account, Contact, and Site Details

Customers can view account, contact, and site details in the Profile page of the Accounts tab. The Profile page displays general account information, a list of contacts, installed locations, and sites. More site level information is accessible from the Details icon in the Site region.

Part 10

Investor Agreements

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Investor Agreements

This chapter covers the following topics:

- Investor Agreements Overview
- Pools
- Investor Agreements
- Transactions
- Viewing Accounting Transaction
- Specific Loss Provision of Investor Agreementsinvestor agreementsspecific loss
- Disbursement Processing
- Investor Management Field References
- Stream Types in Investor Agreements
- Frequently Asked Questions About Investor Agreements

Investor Agreements Overview

As a lessor, you are likely to want to sell some of your lease contracts and revenue streams to investors. Investor agreements allow you to manage syndication and securitization from a lessor's perspective. When you activate an investor agreement, Oracle Lease Management completes transactions and account processing on the lease contracts.

Leasing companies fund leased equipment in different ways. You can fund the equipment with your own capital, borrow funds from a lender, or share the cost of the equipment with investors (syndication).

In leasing scenarios with investors, the lessor sells the anticipated revenue streams and, in return, investors share the burden of the equipment purchase. This arrangement benefits lessors because investors share the risk of the deal, and the initial cost of the asset is recovered. Investors may benefit by sharing the earnings of the lease transactions and earning a higher rate of return (securitization).

Investor agreements contain terms and conditions under which investors participate in lease contracts. Large lease contracts may involve syndications, where investors fund parts of the contract to spread risk. Investor agreements may group lease contracts in pools to sell their future cash flows.

The following list summarizes the basic functions in investor agreements.

Syndication

To define a syndication under Investor Agreements:

- Associate one contract to a pool.

Securitization

To define a securitization under Investor Agreements:

- Associate multiple contracts to a pool.

Both Syndication and Securitization

To define both a syndication and securitization:

- Associate the pool to an investor agreement.
- Define the investors and their share of the future cash flows on the investor agreement.
- Process lease contract transactions and generate related investor disbursements.
    - Configure the accounting for leases associated with an investor agreement differently than leases not associated with investor agreements.
    - Process income recognition for lease contracts including adjustment of income for the sale of future receivables or participation.
    - Create loss provisions for investor agreements.
    - Define Buy Back conditions for investors' future cash flows.
- Terminate investor agreements.

Implementation Prerequisites for Investor Agreements

Investor Agreements Prerequisites

The following table lists prerequisites for investor agreements.

Lease Management Implementation Prerequisites

Task	Reference Sections (primarily in Oracle Lease Management Implementation Guide)
Set up rate for general loss provision.	Set up Loss Provision Rates, *Oracle Lease Management Implementation Guide*
Set up streams for loss provisions.	Define Stream Types, *Oracle Lease Management Implementation Guide*
Set up financial products to be associated with accounting templates to define the accounting for investment agreements.	Define Financial Products, *Oracle Lease Management Implementation Guide*
Set up an investor agreement accounting template set. Use the seeded transaction type, Investor.	Define Lease Accounting Templates, *Oracle Lease Management Implementation Guide*
Define investor accounting code.	Define Account Generator, *Oracle Lease Management Implementation Guide*
Define formula for buy back.	Define Formulas, *Oracle Lease Management Implementation Guide*
Define the investor-okl transaction type in Oracle Receivables.	Define Transaction Types, *Oracle Lease Management Implementation Guide*
Set up the investor invoice grouping rules OKL_INVESTOR_GRP_RL in Oracle Receivables.	Set Up Grouping Rules for Invoices, *Oracle Lease Management Implementation Guide*
Define OKL_INVESTOR transaction source in Oracle Receivables.	Define Transaction Sources, *Oracle Lease Management Implementation Guide*
Define line transaction flexfield structure for investor agreements.	Define Line Transaction Flexfield Structure, *Oracle Lease Management Implementation Guide*
Define Aging Buckets	Define Aging Buckets, *Oracle Lease Management Implementation Guide*

Set Up Accounting Templates for Investor Agreements

Set up accounting templates for association with the investor product for the following events and processes:

- Investor Agreement Activation
- Billing
- Disbursement
- Accrual

The accounting template for investor accrual adjustment is set up on the accounting template set related to the contract.

See Define Lease Accounting Templates in the *Oracle Lease Management Implementation Guide.*

Investor Agreement Activation

When you create the accounting template for the investor agreement activation process, use the seeded transaction type, Investor. In addition, you may want to create your own accounting lines for the following purposes:

- Create an investor stake using the stream type of the purpose Investor Receivables and the formula Investor Investment.
- Create an accrual adjustment using the stream type of the purpose Investor Rental Accrual/Investor Pre-tax Income and the formula Investor Accrual.

Billing

Billing transactions apply to payments from the investor. When you create the accounting template for billing processes, use the seeded transaction type, Billing.

Disbursement

Disbursement transactions apply to payments to the investor. When you create the accounting template for disbursement processes, use the seeded transaction type, Disbursement.

Accrual

Set up an accounting template for investor accrual adjustments in the accounting template set associated with the product of the contracts whose streams are securitized. Create accounting templates for accrual adjustment using the stream type of the purpose Investor Rental Accrual/Investor Pre-tax Income.

Pools

Pooling lease contracts with their asset streams allows you to group lease receivables

into financial instruments that are sold to investors.

You may create a pool that contains only one lease contract.

The basic concepts for using pools in investor agreements are the following:

- Group one or more lease contracts into a pool
- Define the future cash flows to be included in the pool:
  - cash flows during the base term of the contract (Rent, Advance Rent, Interim Rent), or
  - cash flows associated with the asset value at the end of the base term (residual)
- Add or remove contracts or cash flows before the pool is activated. A pool becomes activated when its related investor agreement is activated.
- Reconcile pool contents. This is the process to remove ineligible contracts from the pool before activating the agreement.
- Update pool contents based on the current contract status and recalculate the pool values.

After activating the investor agreement, you can perform transactions on the lease contract, such as rebooking or termination. When you initiate transactions, such as a buy back, on the pool, Lease Management will automatically account for the transactions based on terms and conditions.

To terminate an investor agreement pool elements must be disbursed to investors.

The main topics in this section are:

- Group Lease Receivables Into Pools
- Create a Pool
- Add Contents to a Pool
- Clean Up a Pool
- Pool Transactions

Group Lease Receivables Into Pools

Stream Subclasses

Lease Management includes two seeded stream subclasses, which you cannot modify:

- Rent, includes: rent, advanced rent, and interim rent stream purposes

- Residual: residual value stream purposes

Streams with subclasses of Rent and Residual can be included in the pool.

The first step is to create a pool of the expected revenue streams on one or more booked lease contracts.

> **Note:** You can run concurrent programs to calculate and recalculate the pool principal amount and asset net investment, and to reconcile the pool contents when eligibility of streams have changed due to operations on the contract. . See Concurrent Programs, page B-2.

Create a Pool

In this process, you create a pool and select the currency for the pool.

Prerequisites

None.

Responsibility

Lease Super User

Steps

On the Pools page of the Pools subtab of the Investor Management tab, click Create Pool.

1. On the Create Pool page, enter a number or name for the pool. It can be any format, but must be unique.

2. Select the Currency for the pool.

   Optionally, enter a short description, which appears in results of pool searches, and a more detailed description.

3. Select the Display in Lease Center check box if you want to view pool and investor agreement details in the Contract region of the Lease Center.

   > **Note:** The Display in Lease Center check box can be selected or deselected, even when the pool has a status of Active.

4. Click Apply.

Now you can add lease contract streams to the pool.

Change Pool Descriptions

After creating a pool, you can modify the descriptions.

Prerequisites

You must have created a pool, and have a current pool in context.

Responsibility

Lease Super User

Steps

Perform the following steps in the Pools page of the Investor Management tab:

1. In the Pool Number field, enter your pool number or name search string, and click Go.

2. In the Results region, click the hyperlink of the pool that you want to edit.

   The Pool Details page appears, with several read-only fields in the header.

   Optionally, edit the descriptions.

3. Click Update.

Add Contents to a Pool

After creating a pool, add cash flows of one or more booked contracts, which can be for a variety of fixed rate lease contracts.

Prerequisites

You must have created a pool, and have a current pool in context.

- Lease Management requires basic eligibility criteria for contracts to be added to a pool. Contracts must:

  1. Have Assignable selected in the contract header.

     Be sure the contracts you plan to add to a pool have contract status Booked, and their contract header attribute must be Assignable.

     > **Note:** The Assignable check box is displayed during authoring a contract. See Create a Contract, page 9-2.

  2. Conform to the following requirements. Each lease contract must

- *not* be in delinquent status in Oracle Collections.
- *not* be variable rate contracts.
- *not* be loans, or revolving loans.

3. Have the same Currency as the pool.

Steps

Perform the following steps:

1. On the Add Pool Contents page, enter criteria for selecting lease contracts that you want to add to this pool. For example, leave the Customer and Contract regions fields empty. In the Streams region, enter January 31, 2004 to January 31, 2004; Stream Subclass Rent; from May 1, 2004 to May 31, 2004. Then click Update.

   This generates a request to run the concurrent program, Add Pool Contents.

2. Navigate to Processes > View Requests, select the request number, and click Submit.

3. On the View Request page that appears, click View Log.

   This report displays the contracts that Lease Management added to this pool, in the upper section of the page. The lower section of the page lists contracts that have met the eligibility criteria that you entered, but Lease Management could not add to the pool because they did not meet the prerequisites.

   Lease Management also lists the reasons that otherwise eligible contracts were not added to the pool, for each contract.

   Streams with subclasses of Rent or Residual can be added to a pool.

   At the bottom of the page are the criteria that you entered.

   See Add Pool Contents Field References for selected field references.

   After you view the report, go to Pool Clean Up to further refine your pool contents by deleting any undesired contracts.

Search for Pool Contents

You can view all the contracts that have asset streams that have been added to a pool.

Prerequisites

You must have created a pool, have some contents in the pool, and have a current pool in context.

Navigation

Investor Management > Pools > Select Pool Number > Contents

Steps

In the Pool Contents page, you can perform either a simple search or an advanced search. To perform an advanced search, go to Step 2.

1. To perform a simple search, enter or select one or more of the following criteria:
   - Customer Name
   - Contract Number
   - Stream Type Subclass
   - Stream Start Date range

   Click Go, then skip to Step 3.

2. Click the Advanced Search button.

3. The Results region displays the following fields for each asset stream in the pool:
   - Contract Number
   - Asset Number
   - Lessee
   - Stream Type Subclass
   - Stream Type
   - Total Amount

   Note: The fields are display-only.

4. You may click the Details icon to display the details, such as Due Date, Date Billed, and Amount, for each stream element.

Clean Up a Pool

On this page you can remove pool contents by selecting the pool number and clicking Generate Report to run the concurrent program, Clean Up Pool Contents.

Review the report to confirm the proposed changes that you want to make. Then return

to the Clean Up Pool Contents page to again select eligibility criteria and remove pool elements according to the criteria you selected.

Responsibility

Lease Super User

Steps

You may proceed directly to the Clean Up stage, which will remove the pool contracts that satisfy your search criteria. You are strongly advised, however, to perform the procedures in the specified order. This enables you to see the contracts that you will be removing from the pool, before you actually remove them.

Generate Report

1. Enter criteria for selecting lease contracts that you want to remove from the pool.
2. Click the Generate Report button.

   This submits a request to run the concurrent program Clean Up Pool Contents. A message appears on the Pool Clean Up page, showing the Concurrent Request Number.

   The report will appear as the output of the Clean Up Pool Contents program.
3. To see the output of the Clean Up Pool Contents program, see Run Concurrent Programs and View Reports In Lease Management, page B-1.
4. The report shows which correct contract, asset, and stream elements will be changed or removed, using the simple or advanced search criteria that you specified in the Pool Clean Up page.

Continue to Clean Up. Or you can go back and enter a different set of eligibility criteria.

Clean Up

If you have confirmed that the correct pool elements will be removed according to the criteria selected earlier, and you have not changed the search criteria, click Clean Up.

This submits a request to run the concurrent program Clean Up Pool Contents, and to remove or change the pool elements that satisfy your search criteria. A message appears on the Pool Clean Up page, displaying the Concurrent Request Number. See Concurrent Programs., page B-1

Pool Transactions

Use After Investor Agreement Activation

On the Pool Transactions page you can view changes made to a pool of lease contract streams, after an investor agreement has been activated. See Activate The Agreement.

The pool transaction options are: Add, Remove, and Replace.

Prerequisites

You must have an activated investor agreement in context.

Responsibility

Lease Super User

Navigation

Investor > Pools > Select Pool Number > Transactions

The following table displays the transactions that can occur on a lease contract in a pool, and the subsequent transaction that occurs in the pool.

Lease Contract to Pool Transactions

Transaction on Lease Contract	Subsequent Pool Transaction
Rebook	Replace
Termination	Remove
Asset Split	Replace
Contract Re-Lease	Replace
Asset Re-Lease	Replace
Asset Disposal: • Purchase • Re-purchase • Scrap • Remarket	Remove

The following table displays the transactions that can occur on an investor agreement, and the subsequent transaction that occurs in the pool.

Investor Agreement -to- Pool Transactions

Transaction on Investor Agreement	Subsequent Pool Transaction
Activation	Add
Buy Back	Remove
Terminate	Remove

Investor Agreements

An investor agreement in Lease Management includes the following:

- Contracts and their future cash flows sold to investors.
- The investors who have purchased a share of the future cash flows, and their respective shares.
- Conditions and events on lease contracts that will generate disbursements to investors.
- Terms and conditions for generating payment invoices to investors.
- Special accounting requirements for lease contracts associated with the agreement.
- The basis for buying back future cash flows from investors.

When an agreement is activated, Lease Management:

- Bills investors for their investor stake.
- Performs Quality Assurance checks to confirm compliance with the agreement.
- Generates streams for managing:
  1. Disbursements
  2. Income adjustments
  3. Investor Agreement

The main topics in this section are:

- Create an Investor Agreement

- Investors
- Terms and Conditions
- Activate The Agreement

Create an Investor Agreement

Prerequisites

Set up a Pool. Pool Number is a required field on an investor agreement.

Set up the parties, including the Trustee (often a vendor who acts as trustee for the investor agreement).

Responsibility

Lease Super User

Steps

To create an investor agreement, perform the following steps in the Investor Agreements subtab of the Investor Management tab.

1. In the Investor Agreements page, click Create.

   The Create Investor Agreement page appears.

2. In the Agreement Number field, enter an agreement number.

3. In the Trustee field, select a trustee for the investor agreement from the list of values.

4. In the Product field, select a financial product from the list of values.

5. The read-only Type field is populated with Securitization or Syndication. The value is derived from the quality value of the quality Investor for the financial product selected above.

   Note: The investor agreement type, whether Securitization or Syndication, appears on the Investor Details page when you assign the pool associated with the contract to an investor agreement.

6. In the Pool number field, select a pool number from the list of values.

7. In the Yield field, enter a percentage.

Note: Yield, an important field, represents the percentage yield that you pass along to investors on a particular investor agreement. It is a different value from any other fields labeled Yield in Lease Management.

8. Click Create.

Investors

Many of the terms and conditions for investor agreements are defined as you provide them on these pages for each investor. For each investor, you enter the amount of the investor's stake, as well as important details of the revenue distribution, such as disbursement and revenue share.

The invoice is generated against each investor for the investor stake amount upon activation of the investor agreement. Investors then receive money as disbursements.

Prerequisites

Select an investor agreement that has not yet been activated.

Responsibility

Lease Super User

Navigation

Investor Management > Investor Agreements > Select Agreement > Investors

Steps

Perform the following steps:

1. On the Investors page, click Add Investor.
2. Enter the required information, which includes the investor, amount of investor stake, and payout details.
3. Click Apply.

Click the Investors menu item again. The investor you added appears on the Investors page, along with this investor agreement status, investment date, and amount of investor's stake.

Adding Investors

If there is more than one investor on this agreement, again click Add Investor.

Repeat these steps for each investor on the agreement.

Investor Details

On the Investor Agreements page in the Investors subtab, click on an investor. Click Investor Disbursement or Revenue Share. Be sure to complete both steps.

You may navigate back and forth between the Investor Disbursement and the Revenue Share regions for each investor to make modifications, as long as the investor agreement is not yet activated.

Click Update to save your changes.

Disbursements

Click Investor Disbursement in the Investor details page. See Investor Disbursement Details Field References. Enter or select the required information. Then click Update.

The value that you select for Payment Terms is the terms of the disbursement that will be invoiced in Oracle Payables. For more information see the *Oracle Payables User Guide*.

Assuming your entries pass the validation checker, you will receive a Successfully Processed confirmation message. If not, go back and fix your entries according to the indications of any error messages.

Return to the Investor Details page (for example, click on the hypertext link that is the name or number of this investor) and complete the Revenue Share details.

Revenue Share

Return to the Investors page (for example, click on the hypertext link that is the name or number of this investor) and click the Revenue Share subtab. The Investor Revenue Share Page is displayed.

- Click Update.
- In the Share Percent fields, enter the percentage of the appropriate revenue stream in which the investor receives a share of the lease revenues.

  The combined share of all investors for each of these Stream Type Subclasses cannot exceed 100 percent. If the total is less than 100 percent, the balance is the lessor's share.
- Click Apply and return to the Investor Agreements page.

Terms and Conditions

The Terms and Conditions page for investor agreements lists three seeded terms and conditions that contain values that are relevant to processing investor agreement transactions:

- Buy Back

- Disbursement Setup
- Special Accounting

These three terms and conditions contain seeded values or values previously entered during the implementation process. For example, the formula for Buy Back is INVESTOR_BUYBACK. You can modify this formula, however, for each investor agreement.

Prerequisites

Select an investor agreement that has not been activated.

Responsibility

Lease Super User

Steps

Begin this procedure in the Terms and Conditions page of the Investor Agreements subtab of the Investor Management tab. For field descriptions, see Terms and Conditions Field References.

1. Click Update. The Buy Back Formula field is displayed. Click the flashlight icon next to the empty field. The Formula Name list for Lease Management is displayed. Select the appropriate formula for Buy Back. The Buy Back Formula field is displayed again, this time with the selected formula name entered in the field. If necessary, modify the formula to meet your requirements, and then click Apply.
2. Click Terms and Conditions again. Click Update. The required fields Payment Basis and Payment Event are displayed. Click Apply when you have made your selections.
3. Click Terms and Conditions again. Click Update. In the Special Accounting field, the accounting agreement code is displayed.

Activate The Agreement

After you have created an investor agreement and set up the investors and their disbursements and revenue shares, you are ready to activate the investor agreement.

When you activate an investor agreement, Lease Management:

1. Generates billing transactions for each investor with the stake recorded.
2. Generates streams:
    - Disbursement basis streams. The amount disbursable may differ from the billing amount if the yield is different from the contract yield.

- Income adjustment streams, on the lease contracts.
- Present value of streams in the pool for accounting.

3. Generates Investor Agreement accounting:
   - For all templates having transaction type Investor.
   - For the amount to be calculated by solving the formula on each accounting template.

Prerequisites

You must have an investor agreement set up and ready to be activated.

Responsibility

Lease Super User

Navigation

Investor Management > Investor Agreements

Steps

Perform the following steps in the Activation page of the Investor Agreements subtab of the Investor Management tab:

1. Search the investor agreement that you want to activate and click Activate.

   The top of the Activation page contains read-only investor agreement information, including agreement number, description, and status.

   The Validation Checklist will appear to inform you of any required steps that you may have missed in your investor agreement creation process. Go back and correct these, then return to the Activation page and click Activate again.

   When the validation is successful, the Validation Checklist page displays the status for the investor agreement as Active.

After you have activated an investor agreement, subsequent pool transactions are displayed on the Pool Transaction page.

Transactions

In addition to the investor agreement transactions described in this section, select Pool Transactions on the Pools menu to view pool transactions. See Pool Transactions.

Viewing Receivable or Payable Invoices

Navigation

Investor Management > Transactions > Receivable Invoices, or Payable Invoices

Select an invoice by entering or searching by invoice number, investor agreement name or number, investor name, or the invoice date range. Then click Go.

Buy Back Streams

Navigation

Investor Management > Transactions > Buy Back Streams

To view Buy Back transactions, navigate to Investor Management > Transactions > Buy Back Streams, and select the contract. See Buy Back Streams Field Reference.

Viewing Accounting Transaction

To view accounting transaction for activation of Investor agreement, navigate to the accounting transaction screen and search transactions by Investor agreement number, Transaction type, Accounting status or sources criteria.

Navigation

Investor Management > Transactions > Accounting Transactions

Specific Loss Provision of Investor Agreements

Prerequisites

You must have an activated investor agreement.

Navigation

Operations> Transactions > Loss Provisions

To create a specific loss provision for an active investor agreement, enter the required fields and click Create. See Create Specific Loss Provision Field References.

Disbursement Processing

There are three concurrent programs that you must run to process disbursements to

investors. The first two programs are specific to investor agreements and are part of Lease Management. The third is an Oracle Payables concurrent program.

Steps

Perform the following steps:

1. Run Create Investor Invoice Disbursements
2. Run Investor Payables Consolidation
3. In Oracle Payables, run Payables Open Interface Import Program.

For more information on disbursement processes, see Disbursements; see documentation for Oracle Payables; and see Concurrent Programs.

Investor Management Field References

The topics in this section describe selected fields for:

- Add Pool Contents
- Investor Agreement
- Investor Details
- Investor Disbursement Details
- Investor Revenue Share
- Terms and Conditions
- Buy Back Streams
- Create Specific Loss Provision

Fields left empty or blank generate all possible values.

See Glossary for definitions of selected terms.

Add Pool Contents Page Field References

The following table lists and describes selected fields on this page.

Eligibility Criteria Fields

Field or Button	Description
Pre Tax Yield	Desired pre-tax yield percent of contracts
Book Classification	Lease contract book classification. From the list of values, select Direct Finance Lease, Operating Lease, or Sales Type Lease, only. (Any additional values in the list are for future functionality.)
Tax Owner	Lessee or Lessor or [blank]
Product	(Financial product.)
Effective From	Date Range
Effective To	Date Range
Stream Type Subclass	Rent, Residual, or [blank]
Streams Start Date	Date Range

Create Investor Agreement Page Field References

The following table lists and describes selected fields on this page.

Agreement Details Fields

Field or Button	Description
Trustee	Select a vendor to act as trustee for the investor agreement.
Product	Select the financial product you have defined for investor agreements.
Service Organization	Typically, Lessor

Field or Button	Description
Recourse	With recourse for investors, or without recourse for investors.
Yield	Percentage yield to investors on this agreement. This is a different yield than the yields on any lease contracts or on other investor agreements.

Add Investor Page Field References

The following table lists and describes selected fields on this page.

Investor Details Fields

Field or Button	Description
Customer Account	Select the specific customer account set up in Oracle Receivables or TCA (Trading Community Architecture) for the selected investor.
Bill To Address	Select from the list of values for the investor. Sourced from Oracle Receivable's customer information
Investment Date	Date of investment by the investor. It is defaulted from the effective start date of the investor agreement and cannot be changed.
Amount Stake	Amount paid by the investor. For example, if the investor is committing $10,000, enter 10000.
Payout Start Date	Enter the date of the first payout to the investor.
Payout Event	Schedule, or Processing Day
Payout Frequency	If the Payout Event is Schedule, select Monthly, Annual, Semi-Annual, or Quarterly.

Field or Button	Description
Remittance Days	Enter number of days; for example, 5

Investor Disbursement Page Field References

The following table lists and describes selected fields on this page.

Investor Disbursement Details Fields

Field or Button	Description
Payment Method	Choose the payment method that the investor uses to make payments.
Cash Application Rule	Choose the cash application rule that may be applied to receipts.
Invoice Format	Summary Invoice, Detailed Invoice, or user-defined invoice format
Review Invoice	Select the Review check box to sort the investor's invoices during printing preparation for a manual review, and not to mail the invoices directly.
Reason for Review	Enter the reasons for the review, if applicable.
Review until Date	Enter the date the manual invoice review ends, if applicable.
Pay To	Select the vendor to whom the money should be disbursed.
Pay Site	Select from the list of values for the Pay To party. Sourced from Oracle Payables vendor information.
Payment Terms	Select from the payment terms associated with the Pay To party.

Field or Button	Description
Payment Method	Check payment, Payment Clearing, Electronic Payment Method, Wire Payment
Pay Group	Select from the list of values for the investor. Sourced from Oracle Payables vendor information.
Tax Sale Benefit	Flag for your information purposes.
Accounting Sale Benefit	Flag for your information purposes.
Residual Guarantee	Flag for your information purposes.
Tax Reporting	Flag for your information purposes.
Tax Billing	Flag for your information purposes.
Sales Tax Reporting	Flag for your information purposes.
Sales Tax Billing	Flag for your information purposes.
Document Number	Information that you define.

Investor Revenue Share Field References

The following table lists and describes selected fields on this page.

Investor Revenue Share Fields

Field or Button	Description
Stream Type Subclass	Stream type subclasses are listed.

Field or Button	Description
Share Percent field for each stream type	Enter the percentage (do not include the percent sign) share for each stream type subclass. The combined shares of all the investors for each stream type subclass must not be more than 100 percent. You will receive an error message when you update if you do not observe this limit.

The following table lists stream types purposes assigned to each stream type subclass.

Investor Revenue Share Stream Types

Stream Type	Subclass	Description
RENT	Rent	Payment due from customer
ADVANCED RENTALS	Rent	Future rent payments due in advance of rental term
INTERIM RENT	Rent	Per diem rent payment charged prior to contract start date
RESIDUAL VALUE	Residual	Amount of residual value
INVESTOR CONTRACT OBLIGATION PAYABLE	Investor Disbursement	Share of rent payable to an investor
INVESTOR RESIDUAL PAYABLE	Investor Disbursement	Share of residual payable to an investor
INVESTOR DISBURSEMENT ADJUSTMENT	Investor Disbursement	Adjusted disbursements to an investor; for example, on a rebooked contract
INVESTOR EVERGREEN RENT PAYABLE	Investor Disbursement Evergreen	Share of evergreen rent payable to an investor
INVESTOR LATE FEE PAYABLE	Investor Disbursement	Late fees on share of payments payable to an investor

Stream Type	Subclass	Description
INVESTOR LATE INTEREST PAYABLE	Investor Disbursement	Late interest on share of payments payable to an investor
INVESTOR RENT BUYBACK	Investor Disbursement	Amount required to repurchase rent payments from an investor
INVESTOR RESIDUAL BUYBACK	Investor Disbursement	Amount required to repurchase residual payments from an investor

Terms and Conditions Field References

The following table lists and describes selected fields on this page.

Terms and Conditions Fields

Field or Button	Description
Formula Name	Select the formula defined to calculate the buy back amount. INVESTOR_BUYBACK is the seeded formula.
Payment Basis	Cash Flow (1), or Yield (2). (1) Selecting Cash Flow means that disbursement to investors is based on the revenue stream from the lessee. (2) Selecting Yield means that disbursement to investors is based on the Yield percentage specified on the Investor Agreement Details Page.

Field or Button	Description
Payment Event	Billing (1), or Receipt (2). (1) Select Billing if investors will be credited when the lessees are billed. If Billing is selected, disbursement is due to the investors when the lessee is billed. (2) Select Receipt if investors will be credited when you actually receive payment from the lessees. If Receipt is selected, disbursement is due to the investors when payment is received from the lessee.
Special Accounting	Agreement Accounting Code. This lookup value, located on the accounting template for lease contracts, is user-defined. You can modify it on a lease contract.

Buy Back Streams Field Reference

The following table describes a field on this page.

Buy Back Streams Fields

Field or Button	Description
Book Classification	Lease contract book classification. From the list of values, select Direct Finance Lease, Operating Lease, or Sales Type Lease, only. (Any additional values in the list are for future functionality.)

Create Specific Loss Provision Field References

Located on the Operations tab, Loss Provision menu, at Transactions. The following table lists and describes selected fields on this page.

Create Specific Loss Fields

Field or Button	Description
Provision Type	Select Specific loss provision type.
Provision Date	Date the loss provision is created
Reserve Amount	Loss provision reserve amount
Reverse Total Reserve	Select check box to reverse the existing loss provisions.
Tax Deductible Local	For information purposes only. (Select check box if the loss is deductible from local area taxes.)
Tax Deductible Corporate	For information purposes only. (Select check box if the loss is deductible from corporate-level taxes.)

Stream Types in Investor Agreements

The following table lists streams that are generated on lease contracts when an investor agreement is activated, for disbursement to investors:

Streams Generated For Disbursement To Investors

Stream Type	Description
Investor Rent Disbursement Basis	Amount of rent available for disbursement to investor.
Investor Residual Disbursement Basis	Stream is generated based on the following formula: **Residual * ((1 + Agreement yield)/(1 + Contract IRR))**

The following table lists streams that are applied for billing investor stakes:

Streams Applied For Billing Investor Stakes

Stream Type	Description
Investor Receivables	Payment due from investor

The following table lists a stream that is applied for disbursing rent to investors during the base term:

Streams Applied For Disbursing Base Term Rent To Investors

Stream Type	Description
Investor Rent Payable	Rent payable to investor

The following table lists streams that are generated on lease contracts when an investor agreement is activated, for adjustment of income:

Streams Generated For Adjustment of Income

Stream Type	Book Class	Description
Investor Rental Accrual	Operating Lease	Investor rental accrual for the rental accrual streams
Investor Pre-Tax Income	Direct Finance Lease	Investor pre-tax income for pre-tax income streams
Investor Pre-Tax Income	Sales Type Lease	Investor pre-tax income for pre-tax income streams

The following table lists streams that are generated on lease contracts when an investor agreement is activated, for accounting:

Streams Generated For Accounting

Stream Type	Description
Present Value Securitized Rent	The present value of securitized rent payments for a contract
Present Value Securitized Residual	The present value of securitized residual payments for a contract

1. SEEDED FORMULAS: Investor_Investment and Investor_Accrual are seeded formulas for Investor Investment or Investor Accrual.

2. SEEDED STREAM TYPE PURPOSES for accrual adjustment:

    1. There are two seeded stream type purposes. For Direct Finance and Sales type lease contracts, the seeded stream type purpose is Investor Pre-tax Income. For Operating lease contracts, the stream type purpose Investor Rental Accrual. Streams with these stream type purposes are generated on the contract at the time of activation of the investor agreement.

    2. When a contract is securitized, income for the contract should not be accrued to the full extent of the investor revenue share. The purpose of setting up these accounting templates is to adjust income accrual (i.e., negative accrual) for the contract.

        Note: When the lessor and the investor have a 50/50 percent stake in the streams, and the lessor does not provide a stake up-front, do not set up the lessor as an investor. If, for example, you set up streams intending that 50% of the rent will be disbursed to the investor while the lessor will get the rest of the rental amount, or 50%, the lessor should NOT be set up as an investor. The lessor's share is assumed to be 100% minus the total revenue share of all other investors.

Frequently Asked Questions About Investor Agreements

Q: In order to set up an investor agreement, I have to define an investor financial product. Do I tie an accounting template set to this investor financial product?

A: The purpose of an investor product is to define accounting based on the Investor quality. It is necessary to associate an accounting template set with the investor product. The accounting template set associated with the investor product must have the following accounting templates to perform necessary accounting.

1. Investor transaction type - for accounting on activation of investor agreement

2. Billing transaction type - for billing investor stake

3. Disbursement transaction type - for periodic disbursement to investors

Q: There are two transaction types: one for syndication and one for investor. Are these transaction types strictly used for the investor portion of the agreement? Or do I add syndication transaction type to all accounting template sets with the stream types that will be changed based on the formula of the investor share?

A: The accounting templates must be defined using only the "investor" transaction type for investor agreements. Investor agreements will not recognize accounting templates with the syndication transaction type.

Q: What is the functionality of the parameters, if we have transaction types? How do these options interact with each other?

A: The accounting template is uniquely identified by a combination of transaction type, stream type, factoring and syndication flag, and memo flag. You can define different accounting templates for the same transaction type having different factoring and syndication flags and codes. This can be used to perform accounting for contracts differently based on the factoring and syndication flags and codes.

Q: There is a parameter with a list of values for factoring, syndication, and investor. If my accounting templates are set with those parameters, do all the accounting templates within that accounting template set require the same parameters?

A: It is not necessary for all accounting templates in an accounting template set to have the same parameters. But if the investor agreement is defined with an investor agreement code, accounting for that investor agreement will be done using only those accounting templates that have the specific investor agreement code.

Q: U.S. Federal Accounting Standards require that we determine whether a deal is a participation (when the lessor funds) or a true syndication (when an investor funds). How can we set up accounting templates to derive different accounting based on participation or syndication?

A: Set up and use different financial products with separate accounting template sets.

Part 11

Vendor Programs

32

Vendor Agreements

Overview

A relationship often develops between lessors and vendors when vendors wish to promote lease financing as a way to generate additional sales. The lessor offers leases or loans to the vendor's customers. However, even though the lessor has a leasing relationship with the vendor's customer, the vendor often maintains the sales and service relationship. In such cases, the vendor generally originates the transactions under a program with the lessor.

Vendors may operate according to the following structures:

- The lessor may have an operating agreement with a vendor/manufacturer and then create separate relationships, or programs, with the dealer or supplier network operating in the supply chain for the vendor/manufacturer. Periodically, the vendor/manufacturer and lessor develop special programs, or promotions, that the dealer/supplier network uptakes.

- The vendor may develop an individual relationship with the lessor where, periodically, the vendor and lessor develop special pricing programs, or promotions.

Vendor Agreements

The two types of vendor program agreements typically used in the leasing industry are:

- Operating Agreements

- Program Agreements

Operating Agreements

Operating agreements are mutual agreements between a lessor and an organizationally

higher-level vendor or manufacturer to work together and administer financing programs that specify specific terms and conditions for future transactions. The terms and conditions in operating agreements are not deal-specific, but rather define the overall nature of an ongoing leasing relationship. In many lessor-vendor relationships, the operating agreement acts as a parent agreement to the program agreement, whereby all the specified terms and conditions in the operating agreement also apply to the program agreement.

Program Agreements

Program agreements are mutual agreements between a lessor and an organizationally lower-level vendor or manufacturer, such as a company's divisions or dealers. A program agreement between the lessor and a vendor creates a specific financing program for the vendor's customers who desire financing. The terms and conditions of the program agreement may govern aspects of the deals created as a result of the operating agreement. In addition to defining the overall legal terms of the vendor/lessor relationship, the program agreement also defines which type of lease application or lease contract the lessor will use when originating deals under the program agreement.

After a program agreement becomes associated with a lease contract, the lease vendor from the vendor program is automatically defaulted as a lease vendor party on the lease contract.

Define Agreements

Lease Management allows you to create both operating and program agreements.

Operating Agreements

Operating agreements are created in the Operating Agreement subtab of the Vendors tab. Before you can access any of the hypertext links associated with the Operating Agreement subtab, you must first create an operating agreement.

From the Operating Agreements page, you can access all existing operating agreements. You can search for existing agreements by using filtering parameters, including: operating agreement number, status of the operating agreement, and vendor name.

Prerequisites

Before you can define operating agreements, you must:

- set up vendors in Oracle Payables
- set up vendors as customers in Oracle Receivables to set up billing information

Steps

To define operating agreements, perform the following steps in the Operating

Agreements subtab of the Vendors tab.

1. On the Operating Agreements page, click Create.

   The Agreements page appears.

2. In the Agreement Number field, enter an operating agreement number.

   This value must be a unique alphanumeric entry.

3. In the Vendor field, select the vendor with whom you are entering into an operating agreement from the list of values.

4. Enter an Effective From date and, optionally, an Effective To date by making a selection from the calendar.

5. Agreements can be open ended. Typically, program agreements contain end dates.

6. Enter a Short Description of the agreement.

7. Enter a full Description of the agreement.

8. Enter any additional Comments.

9. To save the operating agreement and add details, click Apply.

Add Parties

With operating agreements, you can add the appropriate parties to the agreement. You must also assign a role to each party. Examples of roles include manufacturer, investor, and dealer.

You may also add user-defined roles to agreements. The Parties page, which appears when you click the Parties menu, displays the parties already associated with the agreement.

> **Note:** You can set up new, user-defined party roles that are sourced from the following party repositories:
>
> - Oracle Purchase Order Vendors
> - Oracle Trading Community Architecture (TCA)
> - Oracle Human Resource Organizations
>
> The available party names and details are sourced based on the party repository defined for that party role. See the *Oracle Lease Management Implementation Guide.*

Add Articles

An article is the text that describes and details the terms and conditions that are attached to a contract. You cannot change the text of standard articles. Terms and conditions are contract rules with the addition of computer-readable formatting that cause the application to take action based on the information. Articles are the textual presentation of business rules.

When you add an article to the operating agreement, that article represents text. With a term, however, you can initiate functions within the application based on the term value. For example, an article states that a confirmation letter must be sent within three days of the signature date. When you enter this information as a term, the notification process for a confirmation letter is generated based on the number of specified days.

All articles attached to the operating agreement appear in a table on the Articles page. Selecting the article name displays the actual text of the article, whether or not the article is Standard, that is, a member of the article library in the Oracle Contracts Core module, and any attached comments. You can remove any of the articles from the operating agreement by selecting the appropriate article and clicking the Delete icon

Prerequisites

Before you can add articles to an operating agreement, you must do the following:

- Write and set up all standard articles in Oracle Contracts Core.

  See *Oracle Contracts Core Concepts and Procedures*.

- Create an operating agreement.

Steps

To add articles to an operating agreement, perform the following steps in the Operating Agreement subtab of the Vendors tab.

1. Click the Articles hypertext link.
2. On the Articles page, click Create.

   The Create Article page appears.
3. In the Name field, select the article you want to add to the operating agreement from the list of values.
4. From the Standard drop-down box, select Yes or No.

   If you select Yes, the text of the existing article in Oracle Contracts Core library is associated with the operating agreement. If you select No, you can add the article text manually.
5. To save the article added to the agreement, click Apply.

6. If you selected No from the Standard drop-down list in Step 4, then select the article name in the Articles page.

7. In the Text field, enter the text you want to attach to the article.

8. To save your work, click the Update icon.

9. Repeat the procedure for each article you wish to attach to the program agreement.

Guidelines

If you attach standard articles to the contract, the text is not editable. When you select an article name, you can see the text for the article in the Article Details region, which is set up in Oracle Contracts Core.

If you attach non-standard articles to the contract, the text is editable in the Article Details region.

Program Agreements

Program agreements are created in the Program Agreement subtab of the Vendors tab. Before you can access any of the hypertext links associated with the Program Agreement subtab, you must first define a program agreement At the time you define the program agreement, you can also add a vendor's billing information.

From the Program Agreements page, you can access all existing program agreements. You can search for existing agreements by using filtering parameters, including: program agreement number, status of the program agreement, whether you are searching for a template, and vendor name.

Additionally, you can also define program templates from which you can create additional program agreements with the same vendor.

Prerequisites

Before you can define program agreements, you must do the following:

- Set up vendors in Oracle Payables.
- Set up vendors as customers in Oracle Receivables to set up billing information.

Responsibility

Lease Super User

Steps

To define program agreements or program templates, perform the following steps in the Program Agreements subtab of the Vendors tab.

1. On the Program Agreements page, select Program Agreement or Program Template from the drop-down list and click Go.

   Depending on which option you selected from the drop-down list, the Create Program Agreement or Create Agreement Template page appears.

2. In the Agreement Number field, enter an Agreement Number.

   This value must be a unique alphanumeric entry.

3. If you wish to reference an operating agreement, select an option from the list of values in the Operating Agreement Number field.

4. In the Vendor field, select the vendor with whom you are entering into a program agreement from the list of values.

5. Enter an Effective From date and, optionally, an Effective To date by making a selection from the calendar.

   Agreements can be open ended. Typically, program agreements contain end dates.

6. Enter a Short Description of the agreement.

7. Enter a full Description of the agreement.

8. Enter any additional Comments.

9. To save the program agreement and add details, click Save and Add Details.

Add Parties and Billing Information

With program agreements, you can add the appropriate parties to the agreement. You must also assign a role to each party. Examples of roles include manufacturer, investor, and dealer.

You may also add user-defined roles to agreements. The Parties page, which appears when you click the Parties menu, displays the parties already associated with the agreement.

> **Note:** You can set up new, user-defined party roles that are sourced from the following party repositories:
>
> - Oracle Purchase Order Vendors
> - Oracle Trading Community Architecture (TCA)
> - Oracle Human Resource Organizations
>
> The available party names and details are sourced based on the party

repository defined for that party role. See the *Oracle Lease Management Implementation Guide.*

Where the lessor is providing services to the vendor, the lessor needs the capability of billing the vendor.

To add vendor billing information, perform the following steps.

1. Click the Parties hypertext link.
2. In the Parties Page, click the Vendor Billing icon.

   The Vendor Billing page appears.
3. In the Customer field, select the name of the vendor with whom you are setting up a program from the list of values
4. In the Customer Account field, choose the vendor's account that you want to bill from the list of values.
5. In the Bill To Address field, select the vendor's Bill To Address from the list of values.
6. In the Payment Method field, select the payment method from the list of values.
7. In the Bank Account field, select the Bank Account that the vendor uses for billing purposes from the list of values.
8. In the Invoice Format field, select the Invoice Format from the drop-down list.

   The default value is None.
9. In the Reason for Review field, optionally enter a reason for review.
10. In the Review until Date field, enter a date by which to sent the invoice to the vendor.
11. To save your work, click Apply.

Prerequisites

Before you can add parties and party contacts to a program agreement, you must do the following:

- Create a program agreement.
- Set up parties.

Steps

To create program agreement parties and party contacts, perform the following steps in

the Program Agreements subtab of the Vendors tab.

Create Party

1. Click the Parties hypertext link.
2. On the Parties page, click Create.

   The Create Party page appears.
3. In the Role field, select a role for this party from the drop-down list.
4. In the Party Name field, select the party name from the list of values.
5. In the Party Known As field, enter an alternative name. For example, Robert Jones & Sons Automotive.
6. In the Alias field, enter an Alias name. For example, Jones Auto.
7. To save your work, click Apply

Add Party Contacts

1. To add party contacts to the program agreement, return to the Parties page.

   Note: The Parties page displays a list of all the party contacts already associated with the agreement. Party contacts are people that serve as the liaison between you and that particular party.
2. Select a party name and click Create under the Party Contacts region.

   The Create Party Contact page appears.
3. In the Contact Role field, select a role for the party from the drop-down list. For example, inspector, account manager, and so on.
4. In the Contact Name field, select the name of the party contact from the list of values.
5. To save your work, click Apply.
6. Repeat these steps for each party and party contact you want to associate with the agreement.

Add Articles

An article is the text that describes and details the terms and conditions that are attached to a contract. You cannot change the text of standard articles. Articles differ from terms and conditions. Terms and conditions are contract rules with the addition of

computer-readable formatting that cause the application to take action based on the information. Articles are the textual presentation of business rules.

When you add an article to the agreement, that article represents text. With a term, however, you can initiate functions within the application based on the term value. For example, an article states that a confirmation letter must be sent within three days of the signature date. When you enter this information as a term, the notification process for a confirmation letter is generated based on the number of specified days.

All articles attached to the program agreement appear in a table on the Articles page. Selecting the article name displays the actual text of the article, whether or not the article is Standard, that is, a member of the article library in the Oracle Contracts Core module, and any attached comments. You can remove any of these articles from the agreement by selecting the article and clicking the Delete icon.

Prerequisites

All Standard articles must be written and set up in Oracle Contracts Core. See *Oracle Contracts Core Concepts and Procedures*.

Before you can add articles to an agreement, an agreement must be created.

Responsibility

Lease Super User, Contract Administrator, Operations Manager

Steps

To add articles to a program agreement, perform the following steps in the Program Agreements subtab of the Vendors tab.

1. Click the Articles hypertext link.
2. On the Articles page, click Create.

   The Create Article page appears.
3. In the Name field, select the article you want to add to the agreement from the list of values.
4. Choose whether the article should be Standard or not.

   Choosing Yes brings the text of the existing article in Oracle Contracts Core library over to the Agreement. If you choose No, you add the text of the article manually.
5. To save the article to the agreement, click Apply.
6. If you selected No from the Standard drop-down list, then select the article name in the Articles page.
7. In the Text field, enter the text you want to attach to the article.

8. To save your work, click the Update icon.

9. Repeat the procedure for each article you wish to attach to the program agreement.

Guidelines

If you attach Standard articles to the contract, the text is not editable. When you select an article name, you can see the text for the article in the Article Details region, which is set up in Oracle Contracts Core.

If you attach Non-Standard articles to the contract, the text is editable in the Article Details region.

Add Term Sets

Terms and conditions are the procedural guidelines of an agreement. In Lease Management, terms and conditions are grouped together in term sets. Term sets are then associated with an agreement and the parameters of the individual terms within the set are defined.

For program agreements, terms and conditions may directly affect potential lease contracts, whereas terms and conditions added to the operating agreement, apply to all subsequent program agreements.

For example, if your organization never offered purchase options in any of its lease agreements, you could define them in the program template. If, on the other hand, you did offer a variety of end-of-term purchase options, depending upon the specific program, you could define those terms and conditions in the specific program agreement.

> **Note:** Do not define terms and conditions that vary from contract to contract on a program agreement.

Terms and Conditions that Relate to Program Agreements

Terms and conditions that relate to program agreement issues between vendor/lessor are maintained on the program agreement. These program terms and conditions do not have effectivity dates.

The following program terms and conditions do not default to the lease contract and, therefore, are not updatable on the lease contract:

- Collections Related
- Termination Quote--Conditions for Partial Termination
- Purchase Options
- Termination Quote

- Quote Administration
- Termination Quote Calculations
- Termination Quote Process

> **Note:** All terms and conditions that you want to default onto the lease contract must be removed from the program agreement and mapped through contract templates.

Terms and Conditions that Relate to Lease Contracts

Terms and conditions that relate to lease contract issues between lessor/lessee are maintained on a lease contract template that you can create in the Origination tab.

Prerequisites

Before you can add terms and conditions to a program agreement, an agreement must be created.

Responsibility

Lease Super User

Guidelines

Without a change request, you can update the values of the attributes until the agreement is saved. Once the agreement is approved and activated, you must initiate a change request to change the attributes of terms and conditions.

Steps

To add terms and conditions to a program agreement, perform the following steps in the Program Agreements subtab of the Vendors tab.

1. Before you can access the Terms Set hypertext link, you must select a program agreement in the Program Agreements Search page.
2. Click the Terms Set hypertext link.
3. On the Term Set page, click Create.

   The Terms and Conditions page appears.
4. From the drop-down list, select a term set and click Go.

   The individual terms in the selected term set appear.
5. Select the terms for which you wish to specify attributes and click Update.

   The term sets selected in Step 2 appear, along with their associated terms.

6. Specify the appropriate attributes for each term on the page.

   This page contains all the attributes attached to a particular term. Any term can have up to 15 attached attributes. You can set these attributes by choosing from a list of values, entering text or selecting or deselecting check boxes, depending upon the nature of the attribute.

   For a list of all the seeded terms and conditions sets, see the Seed Data appendix in the *Oracle Lease Management Implementation Guide*.

7. To save your work, click Apply.

8. Repeat Steps 2 to 4 for all term sets you want to add to the program agreement.

   Each term set selected in Step 2 appears in a table at the bottom of the Term Set page, along with all the terms associated with the set.

9. To specify or change parameters of a term, click the appropriate Update icon in the Term Set page.

   A page opens to the selected term.

   > **Note:** If the program agreement for which you want to change terms has not been activated, you can change the parameters of terms. If, however, the program agreement has not been activated, you must initiate a change request and submit it for approval.

10. Edit all required and optional attributes appropriate for the business rules that drive this particular agreement.

11. To save your work, click Apply.

12. Repeat steps 6-9 for each term in the term set.

13. Repeat this procedure for each term set you are adding to the agreement.

Create Associations

You can associate attachments, such as a lease contract template or a lease application template, with a program agreement. A lease contract template is a contract with pre-defined values. When used in conjunction with a program agreement, it effectively controls the lease contracts created under the program agreement. A lease application template is a lease application with pre-defined values. Multiple active lease application templates can be associated with a program agreement.

The association of a lease contract template or a lease application template, with a program agreement enables terms and conditions between lessor/lessee that are defined on a lease template to default onto a lease contract. The association feature enables you to search for, select, view, add, or terminate (via end date) the association of lease

templates with program agreements.

When associating lease contract templates to a vendor agreement, the following rules apply:

- The program agreement can be active or inactive.
- The contract template must be active before you can associate it with a program agreement.
- The association of a template with a program agreement will have effective dates, which must fall within the program agreement effectivity dates.
- The association of a template with a program agreement will not have a status, but it does require approvals.
- You can associate a single contract template with multiple program agreements.
- You can associate multiple contract templates with a single program agreement.
- You can optionally override values that default from the lease contract template onto the lease contract.
- After a lease contract template is activated, it cannot be modified. You can, however, copy the lease contract template to a new template, make modifications, and make a new association of the lease contract template with the program agreement.
- When creating a contract, you cannot change the program agreement and apply a different contract template.

To associate a template with a program agreement, perform the following steps in the Program Agreements subtab of the Vendors tab.

1. Click the Associations hypertext link.
2. In the Associations page, select Lease Contract Template or Lease Application Template from the drop-down list and click Create.

   The Create Association page appears.
3. In the Association field, select the number of the template that you are associating with the program agreement.
4. In the Start Date and End Date fields, select association effectivity dates from the calendar.
5. In the Description field, optionally enter a description.
6. To save the association, click Apply.

Define Selection Options

Program agreement options define what options can be selected when originating a deal under a program agreement. Options include End of Term Values, Financial Products, Items, and Item Categories. When creating a quote, lease application, or contract under a program agreement, these objects can only include the options defined in the program agreement. Options are used to support the sales quote functionality. Sales personnel use options to price quotes.

To add options to a program agreement, perform the following steps in the Program Agreements subtab of the Vendors tab.

1. Click the Select Options hypertext link.
2. In the Selection Options page, select an option type from the drop-down list and click Go.

   The Create Options page appears.
3. In the Name field, select an option name for the option type from the list of values.
4. In the Start Date and End Date fields, select effectivity dates for the option from the calendar.
5. To save the option, click Apply.

Select Criteria

Eligibility criteria are used to search and filter which program agreements are eligible for use when creating contracts. You associate eligibility criteria values with a program agreement when you want to restrict the association of that program agreement to a lease, quote, or lease application for specific qualifying conditions. Examples of eligibility criteria include eligible territories, industries, deal sizes, product, asset categories or items, customer risk profiles, and down payment amounts.

To add eligibility criteria to a program agreement, perform the following steps in the Program Agreements subtab of the Vendors tab.

1. Click the Criteria hypertext link.
2. In the Criteria page, select a criteria name from the drop-down list and click Go.

   A Value field appears on the page.
3. In the Effective From and Effective To fields, select effectivity dates from the calendar.
4. Select a criteria name.
5. In the Value field, select a value for the criteria from the list of values.

6. To save the criteria and its value, click Apply.

Validate Agreements--Applies to Both Operating Agreements and Program Agreements

Validation functionality applies to both operating agreements and program agreements. The following phases occur during the validation process:

- Quality Assurance Checklist
- Approval
- Status Change

Quality Assurance Checklist

After you have authored an agreement and have chosen a quality assurance checklist that you want to use to validate the agreement, you can view the results of that validation by clicking the Checklist link.

After you have clicked the link, key information of the agreement appears, including the Vendor Name, Agreement Number, Operating Agreement Number, Agreement Status, and Agreement Description. Also the names of the Workflow Process and the Checklist appear.

At the bottom of the page, a table shows the various validated business-rule processes. It also displays a description of the process, the severity or status of the validation (values are Pass, Fail, and Warning) and the details of the validation assessment. If there is a problem, such as "Contact e-mail is missing," this message appears in the Details column.

If the process passes validation, the following message appears: "The contract QA process has completed successfully."

Before you can activate an agreement, all outstanding errors identified by the checklist must be addressed. You do not need to resolve warning statuses; they only notify you of items that you should address.

Approval

After agreements are validated, their status changes from New to Passed. When they are submitted to approvers for approval, their status changes from Passed to Pending Approval.

Status Change

When agreements are validated and approved, their status changes from Pending

Approval to Active.

Prerequisites

An agreement must be completed and a checklist and workflow process must be associated.

Responsibility

Lease Super User

For more information on the contract validation process, see the *Oracle Contracts Core Concepts and Procedure* guide for details.

Duplicate Agreements--Applies to Both Operating Agreements and Program Agreements

You can duplicate both operating agreements and program agreements using the same procedure, only from the Operating Agreements and Program Agreements tabs respectively. Additionally, you can save a program agreement as a program agreement template.

When you create a new program agreement, you can duplicate an existing program agreement and save it as a new program agreement or as a program agreement template. When you perform this function, all parties, contacts, terms and conditions, articles, and validation checker settings are copied to the new program agreement.

Copying a program agreement into a template creates a document that cannot be activated.

Prerequisites

A vendor program agreement must be set up.

Responsibility

Lease Super User

Steps

Perform the following steps in the Program Agreements or Operating Agreements subtab of the Vendors tab:

1. At the Program Agreements or Operating Agreements page, search for the agreement you want to duplicate.

2. Click the Duplicate icon for the program or operating agreement you wish to

duplicate.

The Program Agreement Details page appears. The agreement category (either operating or program) is copied from the original agreement and displayed on this page, along with the original agreement number.

3. In the Agreement Number field, enter a unique agreement number for the new agreement and click Save and Add Details.

4. To make changes in the duplicate agreement, click Update, make the appropriate changes, and click Apply.

5. To activate the new agreement, navigate to the Program Agreement Details page and click Validate Agreement.

   The Validate Agreement page appears.

6. To submit the new agreement for approval, click Submit for Approval.

Update Agreements

Once you create an operating or program agreement, you can extend the agreement end date for all agreements.

Prerequisites

An agreement must be set up.

Responsibility

Lease Super User

Steps

To extend the operating or program agreement's end date, perform the following steps in the Operating Agreements or Program Agreements subtab of the Vendors tab:

1. From the Agreement Summary page, search for the agreement that you want to extend and select the option to the left of the agreement.

2. Click the Extend button.

   This opens the Extend Agreement page. The existing end date appears.

3. In the New End Date field, enter the new end date for the contract.

4. Click the Update button to save your work.

Initiate Change Requests--Applies to Operating Agreements

Change requests are any changes that are made to an operating agreement after it has been approved and activated. If you wish to make changes to an operating agreement with a status of Active, a change request is required. Examples of typical operating agreement change requests include changes in details, parties, or articles. Lease Management records a history of changes to active operating agreements, along with corresponding reasons and notes.

The table below shows the various statuses of an operating agreement and indicates whether the operating agreement is updateable and whether a change request is required.

Updateable Attributes and Change Request Requirements Associated with Operating Agreement Status

Operating Agreement Status	Operating Agreement Updateable	Change Request Required
New	Yes	No
Passed (after operating agreement has been validated)	Yes	No
Pending Approval (after operating agreement has been submitted for approval)	No	No
Abandoned (New or Passed statutes can be abandoned)	No	No
Rejected	Yes	No
Active (after operating agreement has been validated and approved)	**Yes**	**Yes**
Expired	No	No
Incomplete	Yes	No

The operating agreement uses one type of change request that occurs at the program agreement level. This change request makes all the operating agreement tabs available for updating and is applicable to changes that are infrequent and that require a high

level of approval.

To initiate a change request for an operating agreement with a status of Active, perform the following steps in the Operating Agreements subtab of the Vendors tab.

1. Click the History hypertext link.
2. In the History page, select Agreement from the drop-down list and click Go.

   The Change Request page appears.
3. In the Reason field, select a reason for creating the change request from the list of values.
4. In the Notes field, optionally specify comments about the change request.
5. To create the change request, click Apply.
6. Click the appropriate hypertext link and update the appropriate information to be changed on the operating agreement.
7. To validate the operating agreement after updating, click Validate Agreement.

   The Validate Agreement page appears.
8. To submit the change request for approval, click Submit for Approval. The change request is approved or rejected. When the change request is approved, you can view both old and new values for changed attributes.

   Note: You can abandon a change request that has not been submitted for approval.
9. Modify rejected change requests and resubmit for approval.

Initiate Change Requests--Applies to Program Agreements

Change requests are any changes that are made to a program agreement after it has been approved and activated. If you wish to make changes to a program agreement with a status of Active, a change request is required. Examples of typical program agreement change requests include changes in parties, articles, terms, associations, options, or criteria. Lease Management records a history of changes to active program agreements, along with corresponding reasons and notes.

The table below shows the various statuses of a program agreement and indicates whether the program agreement is updateable and whether a change request is required.

Updateable Attributes and Change Request Requirements Associated with Program Agreement Status

Program Agreement Status	Program Agreement Updateable	Change Request Required
New	Yes	No
Passed (after operating agreement has been validated)	Yes	No
Pending Approval (after operating agreement has been submitted for approval)	No	No
Abandoned (New or Passed statutes can be abandoned)	No	No
Rejected	Yes	No
Active (after operating agreement has been validated and approved)	**Yes**	**Yes**
Expired	No	No
Incomplete	Yes	No

For program agreements, there are two types of change requests that reflect two different levels of changes: program level and association level. One change request occurs at the program agreement level and is applicable to changes that are infrequent and that require a high level of approval. The other change request is used for changing template associations, which may be more frequent and which require a low level of approval.

To initiate a change request for a program agreement with a status of Active, perform the following steps in the Program Agreements subtab of the Vendors tab.

1. Click the History hypertext link.

2. In the History page, select Association or Agreement from the drop-down list to specify the type of program agreement change request you wish to create and click Go.

Note: If you select Association, you can only make changes to associations. If you select Agreement, all the program agreement tabs are available for updating.

The Change Request page appears.

3. In the Reason field, select a reason for creating the change request from the list of values.
4. In the Notes field, optionally specify comments about the change request.
5. To create the change request, click Apply.
6. Click the appropriate hypertext link and update the appropriate information to be changed on the program agreement.
7. To validate the program agreement after updating, click Validate Agreement.

   The Validate Agreement page appears.
8. To submit the change request for approval, click Submit for Approval. The change request is approved or rejected. When the change request is approved, you can view both old and new values for changed attributes.

   Note: You can abandon a change request that has not been submitted for approval.
9. Modify rejected change requests and resubmit for approval.

View Change Requests--Applies to Both Operating Agreements and Program Agreements

To view an initiated change request, click the change request number hypertext link in the History page.

Terminate Agreements--Applies to Both Operating Agreements and Program Agreements

Once you define an operating agreement or a program agreement, you can terminate it. You can terminate agreements that have a status of Active.

Note: If you have not yet activated an agreement such that the status is Active, you can abandon it. For information on abandoning an

agreement, see Abandon an Agreement, page 32-23.

Terminate an Agreement

To terminate an operating agreement or a program agreement, which means changing the agreement status to Expired, perform the following steps.

1. From the Program Agreements page, select Active from the drop-down list in the Status field and click Go.

   All the program agreements with a status of Active display.

2. Click the agreement number link of the program agreement you wish to terminate.

   The Program Agreement Details page appears.

3. In the History page, select Agreement from the drop-down list to specify the type of program agreement change request you wish to create and click Go.

   The Change Request page appears.

4. In the Reason field, select Change Terms from the list of values.

5. In the Notes field, optionally specify comments about the change request.

6. To create the change request, click Apply.

7. Click the Agreement Details link.

   The program agreement change request appears.

8. To terminate the program agreement, click Update.

   The program agreement appears.

9. To terminate the program agreement, select today's date from the calendar in the Effective To field and click Apply.

   Note: End-dating the program agreement with today's date effectively terminates the program agreement, but does not delete the program agreement data from the system.

10. Navigate as follows: Processing tab > Request subtab > Schedule link.

    The Schedule Request: Name page appears.

11. In the Program Name field, select the Terminate Investor Agreements concurrent program from the list of values.

12. Optionally, enter a name for the process request.

13. Click Next.

    The Schedule Request: Parameters page appears.

14. In the Termination Date field, select a termination date from the calendar.

15. Continue with Steps 3 through 7 of the schedule request and click Submit.

    Note: If the agreement does not have an end date, you must enter one as indicated in Step 9, page 32-22 and then run the Terminate Investor Agreements concurrent program. If the agreement is end dated, the Terminate Investor Agreements concurrent program searches for the end date and updates the agreement status to Expired.

16. To validate the program agreement change request after updating, click Validate Agreement.

    The Validate Agreement page appears.

17. To submit the change request for approval, click Submit for Approval. The change request is approved or rejected. When the change request is approved, you can view both old and new values for changed attributes in the History page.

Abandon an Agreement

After you define an operating agreement or a program agreement, you can abandon agreements that have not been activated.

Note: If you no longer want to use an activated agreement, you must terminate the agreement. For information on terminating an agreement, see Terminate an Agreement, page 32-21.

Prerequisites

An agreement must be set up.

Responsibility

Lease Super User

Steps

To abandon an operating agreement or a program agreement, perform the following

steps in the Operating Agreements or Program Agreements subtab of the Vendors tab:

1. From the Agreement Summary page, search for the agreement that you want to abandon and select the option to the left of the agreement.

2. Click the Abandon button.

   The Abandon Agreement page opens and the displayed agreement status changes to Abandoned.

3. Click the Update button to save your work.

   Caution: After you have changed the status of an agreement from Active to Abandoned, you can no longer activate the agreement.

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Cures, Repurchases, and Refunds

This chapter covers the following topics:

- Set Up Cures, Repurchases, and Refunds
- Define Vendor Program Terms and Conditions
- Requesting a Cure or Repurchase
- Identify Potential Cures
- Create a Cure or Repurchase Request
- Sending Cure Requests to Vendors
- Process Acceptance
- Create a Cure Refund for a Vendor

Set Up Cures, Repurchases, and Refunds

Cures are payments that the vendor makes to the lessor, because a lessee did not make the required payments according to terms of the lease.

Repurchases occur when the following happen:

- A lessee fails to make any payments to the lessor within a specified period of time, OR
- The vendor has paid the lessor a specified number of cure payments on behalf of the lessee for the delinquent contract, AND
- The lessor requests that the vendor repurchase the contract asset(s), and the vendor accepts to repurchase (buy it back).

Refunds occur when the lessee makes a payment on a delinquent contract after the vendor has made a cure payment. Vendor program agreement terms and conditions determine how the lessor refunds the vendor.

To use the cure, repurchase, and refund features of Lease Management, setups are required in three areas:

In Lease Management Implementation:

1. Define Accounting Templates specific for Cures, Repurchases, and Refunds; AND
2. Define the Vendor as a Party for Billing.

On Vendor Program Agreements: Terms and Conditions (T&Cs) Sets.

1. Define Collections Cure and Repurchase Terms and Conditions (T&Cs) Set for cures, repurchases, and refunds); AND
2. Define two T&Cs for Termination Quote values for the Vendor: Early Termination of Contract, and End of Contract Term.

On Contracts:

1. Specify the Negotiated Amount; AND
2. Specify offset contracts, if applicable.

Implementation Details

Perform the following steps:

1. Set up for AutoInvoice and Oracle Workflow. Set up the Vendor as a Party for Billing. See the *Oracle Lease Management Implementation Guide*.
2. Create Cure-specific accounting templates on the Lease financial product. The Stream Type and Transaction Types must be set for Cure. Use the template suggestions in the following table as examples for your accounting templates.

Accounting Template Examples

Accounting Template Name	Effective From	Stream Type	Transaction Type	Template Lines
VENDOR CURE CREDIT MEMO	[enter Date]	CURE	Credit Memo	Debit and Credit
VENDOR CURE BILLING	[enter Date]	CURE	Billing	Debit and Credit

Accounting Template Name	Effective From	Stream Type	Transaction Type	Template Lines
VENDOR CURE DISBURSEMENT	[enter Date]	CURE	Disbursement	Debit and Credit

Vendor Program Agreements Details

Perform the following steps:

1. Define two Terms and Conditions for Termination Quotes calculations:

   Early Termination of Contract, and End of Contract Term

2. Define Terms and Conditions (T&Cs) Sets for Collections. Set up the terms for each:
   - Collections Cure
   - Collections Refund
   - Collections Repurchase

Collections Cure T&Cs:

Is a cure applicable? Yes [or No]. Must be Yes to enable the feature of Cures, Refunds, and Repurchases.

Type of Cure: Full, or Partial (for example, Interest Only)

Days contract must be past due for requesting cure: (enter number of days)

Is **Shortfund** allowed? Yes or No. (See the contract Negotiated Amount.)

Collections Refund T&C:

Days the account must be in current status before refund [from lessor to vendor] required: (enter number of days)

Collections Repurchase T&Cs:

Days past due before repurchase can be requested: (enter number of days)

Number of cures before repurchase can be requested: (enter number of cures)

Termination Quote Type for Repurchase:

— Termination - Recourse With Purchase OR

— Termination - Recourse Without Purchase

On The Contract, Details: Negotiated Amount

The **Negotiated Amount** to settle the matter can be less than the cure amount due if **shortfund** is allowed in the contract's vendor program agreement Terms and Conditions.

Define Vendor Program Terms and Conditions

Most of the details of cures, repurchases, and refunds are defined in the attribute values of the terms and conditions of a vendor program agreement. The Terms and Conditions Set for defining cure, repurchase, and refund details is named Collections Cure and Repurchase. The particular terms and attribute values that you must define on vendor program agreements are described in the following table.

Vendor Program Terms and Conditions Set: Collections Cure, Refund, and Repurchase

Terms	Attributes
Collections Cure	Is cure applicable? Set this to YES if you want to enable the cure, refund, or repurchase functionality.
Collections Cure	Type of cure: Full Cure or Interest Cure
Collections Cure	Number of Days contract must be past due before lessor requests cure from vendor
Collections Cure	Is shortfund allowed? Is the vendor allowed to pay less than the negotiated amount?
Collections Refund	Number of Days contract must be in current (active, booked) status before refund (to vendor) required by lessee
Collections Repurchase	Days past due before lessor can request the vendor to repurchase the contract
Collections Repurchase	Number of cures vendor agrees to pay before lessor can request vendor to repurchase the contract

Terms	Attributes
Collections Repurchase	Termination Quote Type for Repurchase — Recourse: With Repurchase, or Without Repurchase?

To allow a vendor to perform cures, repurchases, and refunds, you must:

- Specify the Collections Cure and Repurchase terms and conditions set on the vendor program agreement.
- Define the terms and attribute values.

Within the Collections Cure and Repurchase terms and conditions set, select the terms and attribute values that satisfy your requirements. You must choose **Yes** for the Collections Cure attribute: Is cure applicable? because this value enables the cure, repurchase, and refund features.

Cure and Refund Attribute Details

The tables in this section describe the details of the attributes for each of the following terms:

- Collections Cure
- Collections Refund
- Collections Repurchase

Collections Cure Attribute Details

Attribute	Description
Is cure applicable?	If Yes, allows cures, repurchases, and refunds
Type of cure	For all contracts not in litigation, specifies whether the cure is to be Full (that is, cure the rents outstanding), or Interest (that is, cure only the interest on the amount outstanding)

Attribute	Description
Days contract must be past due for requesting cure	Number of days beyond the due date before the lessor is entitled to request a cure payment
Shortfund allowed?	Does the lessor allow the vendor to pay less than the negotiated amount?

Collections Refund Attribute Details

Attribute	Description
Days contract must be in current status (active, booked) before refund required	Number of days after a period of delinquency. Because the contract might become delinquent again, the lessor may wait for this number of days before refunding the vendor.

Collections Repurchase Attribute Details

Attribute	Description
Days contract must be past due for before requesting repurchase	Number of days the contract must be past due before the lessor may request the vendor to repurchase the contract
Number of cures before lessor can request repurchase	Number of cures the vendor must pay before the lessor may request the vendor to repurchase the contract
Termination Quote Type	Recourse: With Repurchase, or Without Repurchase

The next sections describe using the Cure, Refund, and Repurchase features after they have been set up.

Requesting a Cure or Repurchase

Requesting a cure or repurchase consists of the following procedures:

1. Identify Potential Cures, page 33-7.

   Run the concurrent program Generate Cure Amount to identify potential cures.

2. Create a Cure or Repurchase Request, page 33-7.

   A cure or repurchase request may be for one or more contracts. For each contract, decide whether you are requesting a cure, a repurchase, or both.

   Create a cure or repurchase request by entering information on Vendor Cure Request pages.

   There is a status associated with the request, which changes as follows:

   - While you are creating the request, and are still adding contracts to the request, but have not yet submitted the request, the status is In Progress.
   - After you have submitted the request, the status is set to Pending Approval.
   - At this stage, an internal workflow is triggered, which requests approval; after this approval is given, the status changes to Approved.
   - Finally, when you send the request, the status changes to Sent to Vendor. See Sending Cure Requests to Vendors.

3. Sending Cure Requests to Vendors.

   Sending the request is optional. Run the concurrent program Send Cure Request to send email messages to the vendor or vendors.

Identify Potential Cures

This program examines all contracts, which have vendor programs, where the contract payments are overdue, and which fulfill the Cure and Repurchase terms and conditions for cure determination. Submit a request to run the concurrent program Generate Cure Amount.

Create a Cure or Repurchase Request

Perform the following steps:

1. Create a Cure Request.

   Operations > Cure Request > Create Cure Request

   Select Vendor Name, Vendor Location, Vendor Contact, Currency, Request Number

   Search by Contract Number

   Result: Status = Pending Approval

2. Use an approval workflow to get the cure request approved.

3. Complete the Cure Request: Create, Update, and Submit Cure Invoices.

   Operations > Cure Request > Search for the Request Number.

   Result: Status = Approved

The process of creating a cure or repurchase request, together with the contracts that must be cured or repurchased, consists of the following operations:

- Create the request
- Add one or more contracts to the request

  Note: When you create the request, you can immediately add contracts to the request, or you can add them later.

Prerequisites

You must have first run a concurrent program, Generate Cure Amount, to identify potential cures.

Responsibility

Lease Super User or Operations Manager

Navigation

Vendors > Cure Request

Steps

On the Create Cure Request page, select or enter the following fields, then click Create.

- Vendor Name
- Vendor Location
- Vendor Contact
- Currency
- Request Number (may contain any alphanumeric characters, in any format)
- Request Type: Cure, Cure and Repurchase, Repurchase

  Click Create.

At this point, a request has been created, with your specified request number, whose status is In Progress.

When you create the cure request, the next page that appears is the Cure Request - Add Contracts page.

If you want to add contracts to the request, continue at the next section, Adding Contracts to the Cure Request.

Adding Contracts to the Request

Perform the following steps:

> **Note:** If you are adding contracts to the cure request in a different session to the one in which you created the cure request, you must first search for the cure request in the Cure Requests page.
>
> Then click on the cure request hyperlink in the Results area.
>
> The Cure Request Details page appears.
>
> Click the Add Contract button.
>
> The Cure Request - Add Contracts page appears.

1. On the Cure Request - Add Contracts page, search for contracts according to the following fields:
   - Contract Number
   - Customer Name
   - Program Agreement
2. In the Results area, select the Select check box of each of the contracts that you want to add to the request.
3. Click the Add to Request button.

   When you add a contract to the cure request, the next page that appears is the Cure Request - Details page, that enables you to perform a variety of tasks, as designated by the buttons:
   - Add Contract
   - Update
   - Submit

     If you want to add more contracts to the cure request, click Add Contract and

repeat the preceding steps.

Updating and Submitting the Request

Perform the following steps:

> **Note:** If you are updating or submitting the cure request in a subsequent session, you must first search for the cure request in the Cure Requests page. Then click the cure request hyperlink in the Results area. The Cure Request Details page appears.

1. On the Cure Request - Details page, for each contract in the list, you can perform a variety of tasks before you terminate your work on the page.
   - Select the Remove check box, if you want to remove the contract from the list.
   - If you want to save the changes have made so far, but do not yet want to submit the request, click Update. After you click Update, the status of the request is still In Progress and you can continue to make changes to the request.
2. If you have entered all the information necessary to process the request, click Submit.
   - The status of the request changes to Pending Approval.
   - A workflow is called so that the request can be approved. This workflow requires Oracle Workflow to have been set up previously. See the *Oracle Lease Management Implementation Guide.*
   - If the request is approved, the status changes to Approved, and you cannot change any request details.

Sending Cure Requests to Vendors

You may send an individual approved request to a vendor, or all approved requests for a vendor, or all approved requests to all vendors. This is not mandatory.

Prerequisites

You must have requests that have been approved to be sent to the vendor.

Steps

Perform the following steps:

1. On the Submit Request page, select Send Cure Request.
2. Enter or select values for the following parameters:
   - Vendor Number
   - Report Number
   - Report Date
3. Click OK, then Submit.

Process Acceptance

After a vendor replies by accepting the cure or repurchase request, Lease Management processes the acceptance by creating invoices to the vendor for the cure amounts.

Prerequisites

Requests must have status Approved, Sent to Vendor, or Acceptance In Progress.

Responsibility

Lease Super User or Operations Manager

Navigation

Vendors > Cure Request

Steps

Perform the following steps:

1. On the Cure Requests page, search for the requests by entering a combination of search criteria in the following fields, and then click Go.
   - Vendor Name
   - Reference Number
   - Request Type
   - Approval Status. Select one of the following: All (the default), Approved, Pending Approval, Sent to Vendor, or In Progress.
   - Request Dates From and To

2. In the Results area, click the Process Acceptance Details icon.

   The Process Acceptance Details page appears.

   Select or enter values in the appropriate columns. For example, in the Process column, choose the request type to process. In the Negotiated Amount column, enter the payment amount allocated for the contract. Click Update or Submit.

   > **Note:** The negotiated amount for a contract is usually the amount past due. When payment from the vendor is received, Oracle Lease Management determines if the payment is less than negotiated—a shortfund. If it is a shortfund, the vendor program terms and conditions are checked to determine whether shortfunds are allowed.

   - If shortfunds are not allowed, then any difference between the cure amount and the negotiated amount will be added to future cure requests.
   - If shortfunds are allowed, then the negotiated amount represents the final negotiation on the contract for that period, and does not add to future reports.

3. Run Billing concurrent programs:
   - Process Billable Streams
   - Prepare Receivables Bills
   - Receivables Bills Consolidation
   - Receivables Invoice Transfer to AR (Oracle Receivables)
   - AutoInvoice (Oracle Receivables Manager responsibility)
   - Fetch AR Invoice Numbers (Oracle Receivables)

4. Make the contract non-delinquent by applying cash against all the outstanding contract amount

   Cure Invoice amount = Negotiated Amount

5. Navigate to Operations > Cash > Manual Receipt or Contract > Create Manual Receipt. Search by Contract Number and pay out the whole amount. Run the following concurrent programs:
   - Generate Cure Amount
   - Generate Cure Refund

Create a Cure Refund for a Vendor

When a lessee makes payments on a contract after the vendor has made cure payments, you can either directly refund the vendor's original cure payments, or indirectly refund the vendor by offsetting the received payment against other contracts that require cure payments by the same vendor.

Operations > Cure Refund > Create Cure Refund

1. On the Create Refund page, enter or select values and click Create.

   In the Summary Results table click Details. You can offset the refund amount by selecting an offset contract in the list of values. Click Submit.

   In the Refund Summary Results table, status = Pending Approval.

2. Complete the Cure Refund by searching for it:

   Operations > Cure Refund > Search for the Cure Refund Number

   Result = status Approved

Prerequisites

You must have first run a concurrent program, Generate Cure Refund, to identify contracts that can be refunded.

Responsibility

Lease Super User or Operations Manager

Navigation

Vendors > Cure Refund > Refund Summary

Steps

From the Refund Summary page, which displays vendor summary information in the header, you can perform the following operations:

- Create a new refund for the vendor
- Query or update refunds for the vendor
- Approve a refund
- Show the invoices associated with a refund

Create a New Refund for the Vendor

1. On the Refund Summary page, click Create Refund.

   The Create Refund page appears. Select or enter:

2. currency for the refund

3. Refund Type (optional)

   - Include All Sites - include all contracts due for a refund, across all vendor sites, in the request

   - Vendor Site - include only contracts specific to a site that are due for a refund, in the request.

     Both values also show the refund amount due, the outstanding cure amounts due for the vendor, and the outstanding cure amounts due for the vendor site.

4. Contract Number, if you want to select an individual contract

   The only contracts you can choose are contracts due for a refund.

5. Refund number (any format)

6. Refund Due Date

   Refund Amount Due (display-only)

7. Disbursement Amount (amount to refund to the vendor) Must not be more than the Refund Amount Due.

   Two fields display the outstanding cure amounts due from the vendor, and for the vendor site.

8. payment terms for the refund

9. payment method for the refund

10. description (optional)

11. Click Create.

    A refund is created with a status of Entered.

Query or Update Refunds for the Vendor

1. Enter selection criteria for one or more of the following fields, then click Go:

   - Refund Number

- Refund Due Date From
- Refund Due Date To

  The Results area displays a list of the following, associated with each refund:

- Refund Number
- Refund Due Date
- Currency
- Refund Amount
- Disbursement Amount
- Payment Terms
- Payment Method
- Status

2. You can only update refund details if the refund status is Entered. Click the refund number hyperlink.
3. In the Update Refund page, edit the fields, then click Update.
   - Refund Due Date
   - Payment Terms
   - Payment Method

To Approve a Refund

In the Refund Summary page, in the Results area, select the radio button beside the refund you want to approve. Click Approve. This creates a transaction to generate the disbursement to the vendor in Oracle Payables.

Show the Invoices Associated with a Refund

In the Refund Summary page, in the Results area, select the radio button beside the refund you want to approve. Click Show Invoices. The Refund Invoices page displays the invoices for the selected refund.

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Vendor Residual Sharing

Overview

Operating and program agreements define your rights and obligations when providing leasing services for vendors. You can define terms and conditions in these agreements to mitigate two primary sources of risk inherent in lease contracts: default on the payment stream and loss on the equipment's residual value. You can define terms for vendor cure to minimize the risk of lessee default on payments and define vendor residual sharing terms to share the profit or loss on the residual to minimize residual value exposure.

To process residual profit or loss sharing with vendors, first create a program agreement with terms and conditions specifying how the profit or loss is calculated and shared with the vendor. Then during contract origination, assign the program agreement to the lease contract. When you remarket the asset, a Lease Management concurrent program calculates the profit or loss on the residual position and distributes the gain or loss to the vendor through Oracle Payables. The vendor can view his share of the residual profit or loss in Vendor Self Service. In addition, you can run a concurrent program to view residual sharing transactions.

Business Process

The following table describes the Lease Management vendor residual sharing business process.

Vendor Residual Sharing Business Process

Process Task	Description
Create Vendor and Program Agreement	You create the vendor in Oracle Purchasing and on the program agreement.
Create Custom Formula	Optionally, you can create a customized formula for calculating the vendor residual loss or gain.
Define Residual Sharing Terms	After you create a program agreement, select the vendor residual sharing formula and define the sharing percentages.
Assign Program Agreement to a Lease Contract	Create a lease contract under a program agreement. The lease contract product must include the vendor residual share stream type.
Remarket the Asset	Sell or scrap the asset.
Calculate the Residual Profit or Loss	Run the OKL Vendor Residual Sharing concurrent process to calculate the profit or loss.
Distribute the Profit of Loss through Oracle Payables	Account for the amount due to or from the vendor in Oracle Payables.
Run and Review the Residual Sharing Report	Generate the report OKL Report - Vendor Residual Share Report to review the results.
View Residual Sharing in Vendor Self Service	The vendor can view the sharing amounts in Vendor Self Service.

Vendor Residual Sharing Setup

To set up vendor residual sharing, see Set Up Vendor Residual Sharing, *Oracle Lease Management Implementation Guide*.

Define Vendor Residual Sharing Terms

When you define the residual sharing terms on a program agreement, the terms apply to all contracts associated to that program agreement. The terms defined are the

formula to use and the sharing percentages. You can define residual sharing percentages for multiple vendors in a program agreement.

To define residual sharing terms, navigate to the Program Agreements subtab of the Vendors tab. Select Term Sets.

The Vendor Gain/Loss Residual Share Term Set is defaulted to the program agreement. Click the update icon for the Vendor Gain/Loss Residual Share Term Set.

In the Vendor Residual Share page, select the formula in the Residual Formula field. If no formula is selected by the user, Lease Management will use the seeded formula, Vendor Residual Share. You can add a row and select the vendor name in the Party Name column. Enter the residual share percentage for each party, including your share. The total of the residual percentages for all vendors and the lessor must equal 100%. Click Apply.

Calculate and View Vendor Residual Sharing

After you remarket or dispose of assets, run the Vendor Residual Sharing concurrent program. Lease Management uses the seeded or user-defined formula and the vendor share percentages to calculate each vendor's share of the profit or loss. Lease Management then accounts for the liability to the vendor and either processes a disbursement or a debit memo to the vendor through Oracle Payables. To calculate, account for, and process vendor residual sharing, complete the following tasks.

- Define Residual Sharing Terms, page 34-2
- Run the Vendor Residual Sharing Concurrent Program
- Review Vendor Residual Sharing Report

Run the Vendor Residual Sharing Concurrent Program

In the Lease Management Processing tab, run the concurrent program Vendor Residual Sharing to calculate the vendor residual sharing amounts to be shared by each vendor. This concurrent program uses the residual sharing formula defined on the program agreement to calculate the vendor share and create an Oracle Payables transaction for the amount due to each vendor. Amounts due from vendors are treated as a debit memo. All disbursement transactions are processed through Oracle Payables, which allows the netting of debit memos against other liabilities to the vendor.

Review Vendor Residual Sharing Report

After calculating the sharing amount, run the concurrent program, OKL Report- Vendor Residual Share Report to report the sharing obligations for each asset. This report displays the program agreement number, contract number, asset number, asset termination and disposition dates, and the sharing amounts for each asset.

View Vendor Share in Vendor Self Service

Vendors can view the residual sharing results in Vendor Self Service, including Asset Number, Program Agreement Number, Asset Termination Date, Asset Disposition Date, and Vendor Share.

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Vendor Self Service

This chapter covers the following topics:

- Overview
- Vendor Self Service Prerequisites
- Vendor Self Service Home
- Vendor Self Service Agreements
- Vendor Self Service Quotes
- Vendor Self Service Contracts
- Vendor Self Service Customers
- Vendor Self Service Accounts

Overview

Oracle Lease Management Vendor Self Service provides vendors the ability to manage lease contracts with their customers, and vendor agreements with you, the lessor. Vendors can be equipment manufacturers, distributors, or dealers.

Vendor Self Service Prerequisites

Before vendors can use Vendor Self Service, the following setup tasks must be completed:

- Vendors must be granted access to Vendor Self Service.

To grant vendors access to Vendor Self Service, see Vendor Self Service User Setup, *Oracle Lease Management Implementation Guide*.

- The following Vendor Self Service profile options must be specified.
    - OKL: AR Payment Method for Credit Card

- OKL: Insurance Quote Duration in Days

For information on profile options see Define Profile Options, *Oracle Lease Management Implementation Guide*.

Vendor Self Service Home

Vendors can perform the following tasks from the Lease Management Vendor Self Service Home page:

- view notifications
- view and create bookmarks
- use shortcuts

View Notifications

The Vendor Self Service Home page provides Vendors a list of their most important notifications as well as the option to view a full list of notifications.

View and Create Bookmarks

The Vendor Self Service Home page lists all bookmarks created by the Vendor in the My List region. Bookmarks can be used as shortcuts to important lease contract and program agreement information.

Use Shortcuts

Vendors can use Shortcuts to begin important lease contract tasks. The created shortcuts are listed in the Shortcut region.

Vendor Self Service Agreements

Vendors can use the Agreements tab to perform the following tasks:

- search for agreement
- view agreement details

Search for Agreement

Vendors can locate agreements by performing either a Simple or Advanced Search in the Agreements tab. A Simple Search includes the following parameters:

- Agreement Number
- Category
- Parent Agreement Number

An Advanced Search allows vendors to expand or refine their search criteria.

View Agreement Details

Vendors can view agreement details by clicking on the agreement number in the Agreements page. The Agreement Details page provides information for operating and program agreements, such as billing information, terms and conditions, articles, contracts, and parties.

Residual Share

Vendors can view vendor residual sharing details by selecting the asset in the Residual Share subtab of the Agreements tab. Details include asset number, agreement number, asset termination date, disposition date, vendor share, and currency.

Vendor Self Service Quotes

Vendors can use the Quotes tab to create quick quotes, lease sales quotes, lease applications, prospects, and search for vendor programs. Lease Management includes security functionality to prevent vendors from viewing or modifying lessor-originated quotes or lease applications.

Vendors can perform the following tasks in the Quotes tab:

- create quick quotes
- create lease opportunity
- create sales quotes
- create lease applications
- create prospects

Create Quick Quotes

Vendors can search for, create, update, compare, view, validate, duplicate, and cancel quick quotes. Vendors can also convert a quick quote into a lease opportunity.

Search for Quick Quote

Vendors can search for quick quotes in the Quick Quotes subtab of the Sales tab. Search criteria include the following details:

- Quote Number
- Prospect
- Vendor Program agreement
- Associated Operating Units

Create Quick Quote

Vendors can create quick quotes by performing the following tasks in the Quick Quotes subtab:

- Enter Quote Details
- Enter Order Estimate
- Enter Pricing Options
- View Quote Results

The Quick Quote Details page filters appropriate vendor programs and pricing types. Lease Management does not display yields to vendors for security reasons. Quick quotes can be viewed, updated, validated, and canceled.

Compare Quick Quotes

Vendors can compare up to three quick quotes at a time. The quotes compared must have been created by the vendor. Quick quotes are compared by selecting the quotes in the Quick Quotes page and clicking Compare.

Create Lease Opportunities

Vendors can search for, create, update, view, duplicate, and cancel lease opportunities.

Search for Lease Opportunity

Vendors can search for Lease Opportunities in the Lease Opportunities page of the Sales tab. Search parameters include lease opportunity Number, Description, Prospect, Vendor Program, Expected Start Date, and Status. Vendors can only search for lease opportunities that they have created.

Create a Lease Opportunity

Vendors can create Lease Opportunities by completing the following tasks:

- Enter Lease Opportunity Details
- Enter Estimates
- Create or Update Sales Quotes
- View Lease Applications

Create Lease Sales Quotes

Vendors can create lease sales quotes from a lease opportunity. Vendors can also create, update, view, and cancel lease sales quotes and submit them for approval. Sales quotes can be submitted for pricing.

Vendors initiate the quote process from the Lease Opportunity Details page. Vendors can also duplicate a quote to create a new one.

Create Lease Applications

Vendors can create lease applications to request credit approval for a deal. And they can view, update, duplicate, and cancel lease applications that they have created. Vendors can also submit lease applications for pricing, approval, and initiate credit checks on prospects.

Search for Lease Application

Vendors can search for Lease Applications in the Lease Applications page of the Sales tab. Search parameters include lease application Number, Type, Prospect, and Status. Vendors can only search for lease applications that they have created.

Create Prospects

Vendors can create prospects in Oracle Trading Community Architecture (TCA).

Vendor Self Service Contracts

Vendors can use the Contracts tab to search for contract related information and perform contract, quote, and insurance tasks on active, booked contracts.

Vendors can perform the following tasks in the Contracts tab:

- search for contract

- view contract details
- request billing change
- request invoice format change
- search for assets
- view asset details
- request repurchase quote
- update serial numbers
- update asset locations
- view insurance details
- submit insurance details
- submit insurance claim
- search for and view quotes
- request insurance quote
- accept insurance quote
- request renewal quote
- accept renewal quote
- request termination quote
- view payment schedule details
- update counter readings

Search for Contract

Vendors can locate contracts by performing either a Simple or Advanced Search in the Contracts tab. A Simple Search includes the following parameters:

- Contract Number
- Agreement Number
- Customer Name

- Account Number
- Contract Status

An Advanced Search allows vendors to expand or refine their search criteria.

Customers can bookmark contracts for future reference.

View Contract Details

Vendors can view a lease contract's details by locating and selecting the contract. A side navigation menu on the Contracts page lists the contract detail options described in the following table:

Contracts Page Navigation Menu

Menu Items	Information
General Information	Includes customer information, rental period, and parties to a contract. You can enable vendors to view additional descriptive flexfield contract information by setting the OKL: View Contract Additional Information in Vendor Self Service profile option to Yes.
Terms and Conditions	Includes general Terms and Conditions information, billing information, interest type, purchase options, termination options, and security deposit details. Billing and invoice format change requests can be submitted.
Assets	Assets information, including asset level billing setup details, add-ons, services, insurance, return, and serial number information. Some information can be updated.
Amortization Schedule	Amortization schedule details for loans
Fees	Contract fees and payment details
Insurance	View and update insurance policy details for a contract
Insurance Quotes	Information on contract insurance quotes

Menu Items	Information
Payment Schedule	Rent and other payments for a contract. Click on the Details icon to view cash flow streams, such as rent amounts over the term of a contract.
Renewal Quotes	Information on contract renewal quotes
Services	Services on a contract. If the service line is linked to a service contract, this will also be displayed.
Termination Quotes	Information on contract termination quotes

Request Billing Change

Vendors can request a new Bill To Site Number in the Billing Information region of the Terms and Conditions page of the Contracts tab by clicking on Request Billing Change, entering the new Bill To Site Number, and submitting the request.

A workflow notification of your approval or rejection of the billing change request will be sent to the vendor.

Request Invoice Format Change

Vendors can request an invoice format change in the Billing Information region of the Terms and Conditions page of the Contracts tab by clicking on Request Invoice Format Change, selecting a New Invoice Format from the menu, and submitting the request.

A workflow notification of your approval or rejection of the invoice format change request will be sent to the vendor.

Search for Assets

Vendors can locate assets by performing either a Simple or Advanced Search in the Assets page of the Contracts tab. A Simple Search includes the following parameters:

- Asset Number
- Contract Number
- Customer Name
- Account Number

- Asset Description

An Advanced Search allows vendors to expand or refine their search criteria.

View Asset Details

Vendors can view asset details by locating and selecting the asset. A side navigation menu on the Assets page lists the contract detail options described in the following table:

Assets Page Menu

Menu Item	Information
General Information	View asset header information, update serial numbers, and update installed location.
Add-Ons	View details about add-ons associated to an asset.
Billing	View a list of related invoices and outstanding balances associated with an asset.
Insurance	Insurance policies associated to an asset.
Return Information	View shipping instructions, contact details, and shipping addresses for an asset.
Serial Numbers	View and update serial numbers for an asset.
Services	View service and maintenance associated with an asset.

View Asset Returns

Vendors can view asset return information by entering full or partial search information on the Asset Returns page to locate an asset.

Update Serial Numbers

Vendors can update serial numbers for multiple units or a single unit of an asset by locating the asset, selecting Serial Numbers from the Assets page menu, entering the new serial number, and submitting the request.

When the vendor submits a request for a new serial number, you receive notification of the request and either accept or reject the request. If you accept the request, Lease Management updates the serial number and sends notification to the vendor. If you reject the request, the vendor will also be notified.

Update Asset Locations

Vendors can update asset locations by locating the asset to be updated, selecting the asset, clicking Update Asset Location, choosing a new location from the list of values, and submitting their request.

When the vendor submits a request for a new asset location, you receive notification of the request and either accept or reject the request. If you accept the request, Lease Management updates the location and sends notification to the vendor. If you reject the request, the vendor will also be notified.

View Insurance Details

Vendors can view insurance policies associated to a customer's lease contract in the Insurance page of the Contracts tab. Vendors can choose an insurance provider, enter policy details, review, and submit a policy request or update.

Submit Insurance Details

Vendors can submit insurance policy details by selecting a contract, choosing an insurance provider, entering policy details, reviewing the insurance details, and clicking Submit. Vendors can submit third party policy details only, not policies obtained through the lessor.

Submit Insurance Claim

Vendors can submit claims against an insurance policy on the customer's lease contract by locating the policy, entering the claim details, and submitting the claim. When the claim is submitted, Lease Management generates a claim and sends a claim notification for you to process.

Request Insurance Policy Cancellation

Vendors can cancel an insurance policy by clicking the Cancel icon in the Policies page of the Contracts tab and submitting a request for cancellation.

Search for and View Quotes

Vendors can locate and view quotes from the Quotes page of the Contracts tab. Quote search criteria can be specified by quote number, contract number, and quote type. Examples of quote types are Insurance Quote, Renewal Quote, Repurchase Quote, and

Termination Quote.

To search for all quotes on a contract, enter the quote number and click Go.

When a quote appears in the Results region, click on the quote to view quote details.

Request Insurance Quote

Vendors can request an insurance quote in the Contracts tab by selecting Insurance Quote from the Contracts tab menu, clicking on Request Insurance Quote, choosing an insurance type, entering the quote information, reviewing, and submitting the information.

Accept Insurance Quote

Once a vendor has requested an insurance quote, they have the option of accepting, rejecting, or deferring a decision on the insurance quote.

When an insurance quote is accepted by the vendor, Lease Management attaches the new insurance policy to the lease contract.

If the vendor defers their decision on the insurance quote, the quote can be saved until it's expiration on the quote effective date. Vendors can return to Vendor Self Service later to accept the quote.

Request Renewal Quote

The lessor can create a renewal quote at the vendor's request.

Accept Renewal Quote

Once a vendor has requested a renewal quote, and you have received the notification and created the renewal quote, the quote goes back to the vendor for approval. The vendor has the option of accepting or rejecting the renewal quote.

Request Repurchase Quote

Vendors can request an asset repurchase quote in the Quotes page on the Contracts tab.

Request Termination Quote

Vendors can request a termination quote in the Contracts tab by performing the following tasks:

- locate the contract
- enter the quote details

- select the assets
- enter the quantity to terminate
- select the serial numbers to terminate
- review and submit the request

When the vendor submits a request for a termination quote, Lease Management performs validation checking to verify that the quote recipient exists and that the lease contract's terms and conditions permit termination quotes.

If the validation fails, the vendor will receive a notification of the failure. If the validation passes, the vendor will be notified when an approved quote is created.

When the vendor accepts the termination quote, it is updated as Accepted and processed for termination.

View Payment Schedule Details

Vendors can view the lease contract payment schedule summary by clicking on Payment Schedules on the Contracts tab menu. Payment schedule details are accessed from the Details icon of the Payment Schedule page.

Update Counter Readings

Vendors can view and update the history of counter readings in the Counters page of the Contracts tab by locating the counter, updating the information, and submitting an update request.

Vendor Self Service Customers

Vendors can use the Customers tab to access customer accounts, invoices, and payments.

The following tasks are performed in the Customers tab;

- search for customer account
- view customer account details
- view customer invoice details
- make customer payment
- view customer invoices

Search for Customer Account

Vendors can locate a customer account by performing either a Simple or Advanced Search in the Accounts page of the Customers tab. A Simple Search includes the following parameters:

- Account Number
- Account Name
- Customer
- Status

An Advanced Search allows vendors to expand or refine their search criteria.

View Customer Account Details

Vendors can view customer account details by clicking on the account number in the Accounts page. Customer account details include the following information:

- general information
- contacts
- bank accounts
- sites

Click on the Site Details icon to view site details for Bill To, Install At, Legal, and Ship To addresses.

View Customer Invoice Details

Vendors can view customer invoice details by clicking on the invoice number in the Invoices page. Customer invoice details include the following information:

- invoice lines
- payment details
- customer information

Make Customer Payment

Vendors can make customer payments by credit card from the Payments page of the Accounts tab by locating the invoice, entering payment information, making a final review of the payment details, and submitting the payment. Lease Management

integration with Oracle iPayment provides credit card authorization and processes the payment.

Vendor Self Service Accounts

Vendors can use the Accounts tab to view account profile information and disbursements. The following tasks are performed in the Accounts tab:

- Search for Disbursement
- View Disbursement Details
- View Account Profile Details

Search for Disbursement

Vendors can locate disbursements by performing either a Simple or Advanced Search from the Disbursements region of the Accounts tab. A Simple Search includes the following parameters:

- Disbursement Invoice
- Vendor Invoice
- Contract Number
- Status
- Start Date
- End Date

An Advanced Search allows vendors to expand or refine their search criteria.

View Disbursement Details

Vendors can view Disbursement invoice details from the Disbursements page of the Accounts tab after locating a disbursement, by clicking on the disbursement number to open the Disbursement Invoice Details page. The Disbursement Invoice Details page provides summary information for the disbursement.

View Account Profile Details

Vendors can view vendor account profile details in the Profiles page of the Accounts tab. Vendor account profile details include the following information:

- general account information

- bank accounts
- sites

The following site details can be viewed by selecting a site and clicking the Details icon:

- site usage
- payment terms
- bank accounts
- contacts

A

Status Definitions

This appendix covers the following topics:

- Lease Sales Quotes
- Credit Lines
- Lease and Loan Contracts
- Agreements
- Vendor Agreements
- Master Lease Agreements
- Investor Agreements
- Termination Quotes

Lease Sales Quotes

This section includes statuses for lease sales quotes and pricing and payment plans.

The following table describes lease sales quote statuses.

Lease Sales Quotes Statuses

Status Name	Description
Incomplete	Quote not priced, or draft quote is in progress.
Complete	Quote includes at least one priced payment plan or one plan in the process of being priced.

Status Name	Description
Accepted	Lessee has accepted the quote; the quote can be selected for contract authoring.

The following table describes pricing and payment plan statuses.

Pricing and Payment Plan Statuses

Status Name	Description
Incomplete	Payment plan not priced.
Pricing In Progress	An external pricing plan has been submitted (applies for external pricing, only).
Complete	Pricing successfully completed.
Submitted	Priced plan has been submitted for internal review.
Approved	After being submitted, the plan is approved.
Rejected	After being submitted, the plan is rejected.
Accepted	After being submitted and approved, the plan has been accepted by the customer.
Declined	After being submitted and approved, the plan has been declined by the customer.

Credit Lines

The following table describes the statuses of credit lines.

Credit Line Statuses

Status Name	Description
New	Someone has drafted a prospect's or customer's potential credit line in the system.
Entered	Someone has drafted a prospect's or customer's potential credit line in the system, and it has passed validation.
Submitted	The potential credit line is submitted for approval.
Approved	The credit line was approved internally and is active.
Rejected	The potential credit line was rejected.

Lease and Loan Contracts

The following table describes the contract statuses for lease and loan contracts.

Contract Statuses for Lease and Loan Contracts

Status Name	Description
New	Entered into the system, but not validated.
Passed	Entered and validated.
Complete	Streams and journal entries generated.
Incomplete	You have made modifications that require revalidation.
Pending Approval	Validated and pending approval.

Status Name	Description
Booked	Upon successful activation, the contract is active and ready to start billing; the system has generated both accounting and asset journal entries.
Evergreen	Active, but an original term has expired, and the billing is month-to-month.
Litigation Hold	Not terminated, but billing is suspended due to litigation against lessee.
Bankruptcy Hold	Not terminated, but billing is suspended due to bankruptcy of the lessee.
Expired	Contract has expired at the natural end-of-term.
Terminated	Contract has terminated.
Reversed	Contract, including all accounting and billing, has reversed.
Abandoned	The contract was never completed or activated.

Agreements

This section includes vendor, master lease, and investor agreements statuses.

Vendor Agreements

The following table describes the statuses for vendor agreements.

Vendor Agreement Statuses

Status Name	Description
New	Vendor agreement has been entered into the system.

Status Name	Description
Approved	Vendor agreement has been approved internally.
Active	Vendor agreement is active.
Hold	Vendor agreement is not available for authoring a contract.
Expired	Vendor agreement has passed its expiration date.
Terminated	Vendor agreement has been terminated.
Abandoned	No one has ever signed or approved the agreement.

Master Lease Agreements

The following table describes the statuses for master lease agreements.

Master Lease Agreement Statuses

Status Name	Description
New	Someone has entered the master lease agreement into the system.
Approved	Internal approvers have approved the master lease agreement.
Active	Master lease agreement is active.
Hold	Master lease agreement is not available for authoring or contract.
Expired	Master lease agreement has passed its expiration date.
Terminated	Master lease agreement has been terminated.

Status Name	Description
Abandoned	No one has signed or approved the master lease agreement.

Investor Agreements

This section includes investor agreements and investor pools statuses.

The following table describes the statuses of investor agreements.

Investor Agreement Statuses

Status Name	Description
New	Someone has entered the investor agreement into the system.
Passed	Investor agreement has passed validation.
Incomplete	Investor agreement has not yet passed validation.
Active	The investor agreement is active.
Expired	The investor agreement has passed its expiration date or been terminated.

The following table describes the statuses of investor pools.

Investor Pools Statuses

Status Name	Description
New	Someone has entered the investor pool into the system.
Active	Pool status when the related investor agreement has been activated.

Status Name	Description
Expired	Pool status when the related investor agreement has passed its expiration date or has been terminated.

Termination Quotes

This section includes statuses of termination, structure, and repurchase quotes.

The following table describes the statuses for termination quotes.

Termination Quote Statuses

Status Name	Description
Drafted	Someone has created a termination quote in the system.
Submitted	The termination quote has been submitted for approval, but is not yet approved or rejected.
Rejected	The termination quote was rejected.
Approved	The termination quote was approved.
Accepted	The termination quote was accepted.
Completed	The contract or asset specified on an accepted termination quote has been terminated.
Cancelled	When one of several termination quotes for a contract or asset has been accepted and completed, any outstanding termination quotes for the same object are cancelled.

The following table describes the statuses for restructure quotes.

Restructure Quote Statuses

Status Name	Description
In Process	
Drafted	Someone has created a restructure quote.
Submitted	The restructure quote has been submitted for approval, but not yet approved or rejected.
Accepted	The restructure quote was accepted.
Completed	The contract or asset specified on an accepted restructure quote has been terminated.
Cancelled	When one of several restructure quotes for a contract or asset has been accepted and completed, any outstanding restructure quotes for the same object are cancelled.

The following table describes the statuses for repurchase quotes.

Repurchase Quote Statuses

Status Name	Description
Drafted	Someone has created a repurchase quote.
Accepted	The repurchase quote was accepted.
Completed	The contract or asset specified on an accepted repurchase quote has been terminated.
Cancelled	When one of several repurchase quotes for a contract or asset has been accepted and completed, any outstanding repurchase quotes for the same object are cancelled.

B

Concurrent Programs and Reports

This appendix covers the following topics:

- Run Concurrent Programs and View Reports In Lease Management
- List of Concurrent Programs

Run Concurrent Programs and View Reports In Lease Management

The concurrent programs that power many Lease Management processes are accessible from Oracle Applications Forms.

In addition, you can now conveniently access Lease Management concurrent programs and their output reports from the Processing tab in the Lease Management pages.

On the Processing tab, Request subtab, make and schedule requests to run concurrent programs and generate output reports without leaving the Lease Management application. A process train across the top of the page tracks your progress through the six Schedule steps: Name, Parameters, Schedule, Notifications, Printing, and Review. For each request you may search for or enter the concurrent program name. ID numbers are automatically assigned to submitted requests, but you may additionally name the request from the start to help you identify it. You may schedule requests to run as soon as possible on demand, or to repeat periodically.

View the status of your submitted requests from the same Processing tab. On the Request menu, click Monitor. Select to view all requests (the default), or requests completed, of the last 24 hours, pending, or currently running. Or choose to search for requests according to request ID, name, date submitted or completed, or the status of requests. Possible request statuses include waiting, resuming, normal, cancelled, error, warning, on hold, no manager, scheduled, standby, suspended, terminating, disabled, paused, and terminated.

Click the details icon for a request. Summary information is displayed, and you may show or hide more details such as parameters, notifications, printing, and diagnostics. Diagnostics includes status and timing information. For programs that are likely to include output data as a report, click View Log.

The Processing tab, Programs subtab, lists frequently accessed programs such as Account Balances, Correct Accounting Entries, and Variable Interest Processing Status.

List of Concurrent Programs

All seeded concurrent programs are assigned to the Lease Administrator responsibility.

If you have multiple responsibilities, and Lease Administrator is not the default responsibility, you can switch responsibilities by clicking the Profile icon and choosing Lease Administrator.

For more details about concurrent programs, see the Managing Concurrent Processing section in the *Oracle Applications System Administrator's Guide*.

The following table lists and describes concurrent programs that Oracle Lease Management uses.

Concurrent Programs in Oracle Lease Management

Area	Name	Description
Accounting	Account Balances Report *Defined by Operating Unit*	Generates a report of account balances for a given contract and a range of general ledger account codes. See View Account Balances Report, page 28-31.
Accounting	Accounting Entry Process *Defined by Operating Unit*	Performs validation of account codes and dates and posts accounting entries to the Oracle Lease Management subledger. See Set Accounting Process, page 28-12.
Accounting	Accounting Period Sweep Process *Defined by Operating Unit*	Moves accounting entries from one accounting period to another before closing the accounting period. Program can be run in Review mode to verify the proposed updates and in Sweep mode to update the accounting dates.

Area	Name	Description
Accounting	Depreciation Adjustment for Accrual *Defined by Operating Unit*	Provides users with information to adjust depreciation manually based on accrual adjustment. See Generate the Multi-GAAP Adjustment Report and Summary of Period Close Process.
Accounting	General Ledger Transfer *Defined by Operating Unit*	Transfers journals from Oracle Lease Management subledger to Oracle General Ledger interface tables.
Accounting	General Loss Provision *Defined by Operating Unit*	Calculates and processes general loss provisions for contracts and investor agreements. See Loss Provisions, page 28-6.
Accounting	Generate Accruals *Defined by Operating Unit*	Recognizes income and expenses for the accrual streams associated to a product. See Generate Batch Accruals, page 28-4.
Accounting	Interest Calculation *Defined by Operating Unit*	Looks for non-booked but funded contracts to calculate interest charges on funded amounts until contract booking takes place.
Accounting	Multi-GAAP Adjustments Report *Defined by Operating Unit*	Provides users with information necessary to pass the month end adjustment accounting entries manually in order to assist with Multi-GAAP reporting. See Generate the Multi-GAAP Adjustment Report.

Area	Name	Description
Accounting	Period Reversal *Defined by Operating Unit*	Processes transactions that have been set up for reversal and requires reversal in subsequent accounting periods. See Specify Period Reversal, page 28-14.
Accounting	Stream Generation	Automatically generates accounting and billing streams for contracts during batch booking.
Asset Management	Balance Writeoff for Terminated and Expired Contracts	Writes off the balance if the balance on the contract is less than the amount in the Lease Management Small Balance Write-Off Tolerance rule.
Asset Management	Child Program - Terminate Expired Contracts	Terminates contracts that have reached the end of term using business rules.
Asset Management	Loan Balances Update	Calculates the outstanding balances, interest received, and principal received, for variable rate loans.
Asset Management	Master Program - Terminate Expired Contracts	Initiates the Terminate Expired Contracts child program.

Area	Name	Description
Asset Management	Notification of Contract Portfolios on Execution Due Date	• Processes all contract portfolios that are due for execution on or before the concurrent program execution date. • Uses Oracle Workflow to send a notification to each member of the assignment group responsible for the execution of the contract portfolio strategy. • You can initiate the program or schedule it.
Asset Management	Process Residual Value Writedown Transaction	Writes down residual value of contract.
Asset Management	Process Termination Interface Transactions	Creates quotes using data entered in the interface tables.
Asset Management	Process Transactions in Fixed Assets	Updates modifications of Off Lease Transactions and Salvage Value changes into Oracle Assets.
Asset Management	Terminate Expired Contracts	Terminates contracts that have reached the end of term using business rules. See Batch Process Contract Termination.

Area	Name	Description
Asset Management	Update Contract Portfolio Budget Amount	• Updates the budget amount for the contract portfolio. • Executes the formula used during Contract Portfolio creation. • You can initiate the program or schedule it. • You initiate the program to update the budget amount. • See Update Contract Portfolio Budget Amount.
Authoring	Lease Contract Open Interface *Defined by Operating Unit*	Imports selected contracts from Oracle Open Interface tables. See Import Contracts Into Oracle Lease Management.
Authoring	Lease Contract Open Interface Child	The Lease Contract Open Interface Child process.

Area	Name	Description
Authoring	Lease Payment Dates Updates and Report	• Allows users to review and correct the payment start dates on contracts. • If the Payment Date Report process mode is selected, the program generates a report listing the contract payment details for contracts with a status of New, Complete, Incomplete, Passed, Pending Approval, or Approved. A contract is listed in the report if the payment line start date is different than the contract start date or associated line date, or doesn't exist. • If the Payment Date Update process mode is selected, the program updates payment start dates for contracts with no start dates on payment lines and a status of Booked, Under Revision, Evergreen, Expired, Terminated, Reversed, Amended, Abandoned, Litigation Hold, Bankruptcy Hold, or Termination Hold.
Authoring	Pricing Time Out	Clears out requests for stream generation that are not returned by a third-party lease price modeling software through the XML Gateway. See Schedule Pricing Time Out Concurrent Program, *Oracle Lease Management Implementation Guide*.

Area	Name	Description
Authoring	Purge Parallel Processes Table	Deletes the contents of parallel process table.
Authoring	Purge Streams Interface Tables	Purges data from the streams generation interface tables for completed pricing calls based on the entered date. Purging the interface regularly improves performance of the stream generation pricing calls. See Run Stream Generation Purge Program.
Authoring	Serial Number Control Setup Mismatch	Generates a report of all inventory items where the serial number control codes for the leasing organization and master organization are different.
Authoring	Service Passthrough Report	Generates a report that lists the contracts that have service lines with passthroughs defined against them, but no stream type for the passthroughs are found, or if they are found they are different than the payment stream type.
Billing	Advance Billing	Generates invoices after contract activation and applies advance receipts to the generated invoices.
Billing	Automatic Adjustments for Rebooked Contracts *Defined by Operating Unit*	Run this program after billing rebooked contracts to create credit memos for re-billed invoices.
Billing	Billable Streams Reconciliation Report *Defined by Operating Unit*	Generates reconciliation between billing transactions in Lease Management and invoices in Receivables.

Area	Name	Description
Billing	Billing Reconciliation Report *Defined by Operating Unit*	Reconciles the bills generated from Oracle Lease Management with the bills created in Oracle Receivables from Lease Management.
Billing	Calculate Late Charges *Defined by Operating Unit*	• Identifies past due invoices. • Calculates late charges. • Generates bills for Receivables • See Run Calculate Late Charges.
Billing	Calculate Late Interest *Defined by Operating Unit*	• Identifies late payments. • Calculates interest. • Generates bills for Receivables. • See Run Calculate Late Interest.
Billing	Create AR Adjustments *Defined by Operating Unit*	Creates adjustments in Receivables for small balance write-offs as a result of contract termination.
Billing	Generate Accruals Master - Actual	Generates accrual transactions for contracts which have a product with the Actual Revenue Recognition Method.
Billing	Generate Accruals Master - Estimated and Billed	Generates accrual transactions for contracts which have a product with the Estimated and Billed Revenue Recognition Method.

Area	Name	Description
Billing	Generate Accruals Master - Streams	Generates accrual transactions for contracts which have a product with the Streams Revenue Recognition Method.
Billing	Create Receivables Variable Rate Invoices	• Identifies contracts setup with variable rates. • Identifies if a change in interest occurred. • Generates bills at new interest rate. • See Run Create Receivables Variable Rate Invoices.
Billing	Evergreen Billing	Processes billing for contracts that are in Evergreen status.
Billing	Fetch AR Invoice Numbers *Defined by Operating Unit*	Pulls invoice data from Receivables into Oracle Lease Management after Receivables has created invoices. See About Billing to Invoice.
Billing	Master Program - Prepare Receivables	Master program to spawn the Prepare Receivables child programs.
Billing	Master Program - Process Billable Streams	Master program to spawn the Process Billable Streams child programs.
Billing	Master Program - Receivables Bills Consolidation	Master program to spawn the Receivables Bills Consolidation child programs.

Area	Name	Description
Billing	Master Program - Receivables Invoice Transfer	Master program to spawn the Receivables Invoice Transfer child programs.
Billing	Multi-GAAP Adjustments Report	Provides data to generate manual adjustments in Multi-GAAP set of books.
Billing	Prepare Receivables Bills *Defined by Operating Unit*	Assigns to Receivables transactions appropriate attributes used in Receivables, such as tax location and bill-to information from the contract. See Generate Receivables Invoice.
Billing	Print Consolidated Invoices	Prints consolidated statements based on invoice group attributes. See Generate Receivables Invoice.
Billing	Process Billable Streams *Defined by Operating Unit*	• Identifies contracts with streams due for billing. • Creates billing item. • See Run Process Billable Streams.
Billing	Receivables Bills Consolidation *Defined by Operating Unit*	• Assigns consolidated bill number to billing transactions based on attributes--such as Customer, Currency, Bill-to Location, Payment Method, Private Label, and Invoice Group. • See Generate Receivables Invoice.

Area	Name	Description
Billing	Receivables Invoice Transfer to AR *Defined by Operating Unit*	Transfers Oracle Lease Management billing transactions to Receivables interface.
Billing	Service Contracts Main Billing *Defined by Operating Unit*	Obtains billing information from Oracle Service Contracts and prepares the records for billing in Oracle Lease Management. See Run Service Contracts Main Billing.
Billing	Third Party Billing Import *Defined by Operating Unit*	Prepares imported data from third party files for billing. See Prepare Third-Party Billing Import File for Billing.
Billing	Usage Based Billing *Defined by Operating Unit*	Creates transactions of usage based billing for service contracts.
Booking	Activation	Runs through all the processes associated with converting a contract from Approved to Booked status.
Booking	Approval	Initiates notifications based on contract approval workflow setup in Lease Management.
Booking	Controller Program 1	Performs all the steps, from QA Validation to Contract Activation, that a user has requested to be run when booking a contract in batch mode.
Booking	Controller Program 2	Called from Booking Approval workflow to call the next program for contract activation when a contract is being booked in batch mode.

Area	Name	Description
Booking	Draft Journal Entry	Generates draft journal entries for a selected contract.
Booking	QA Validation	Runs through validations on contract to check if all the conditions in the QA checker are met. Users are not allowed to proceed to the next step in contract activation if there are errors on the contract based on QA Validation.
Cures	Generate Cure Amount	Evaluates all outstanding customer (lessee) invoices to see if they meet any cure definition associated to the contract through the vendor program. The program calculates the amount of the cure per vendor for the specified date range based on the outstanding customer invoices that qualify for cure.
Cures	Generate Cure Refund	Determines if any customer invoices associated to existing cure invoices are paid and generates a refund request to the vendor for the paid amounts.
Cures	Request Cure Approvals	Submit pending cure requests for approval.
Cures	Send Cure Request	Generates notifications to vendors in order to obtain their acceptance for creation of cure invoices. See Send Cure Requests to Vendors.

Area	Name	Description
Disbursements	Pay Invoice Prepare for AP Transfer *Defined by Operating Unit*	Prepares Oracle Lease Management payables transactions with Payables specific attributes on contracts.
Disbursements	Pay Invoices Creation of Auto-Disbursement Process *Defined by Operating Unit*	• Identifies disbursement required as a result of pass-through charges. • Creates disbursement transaction to the supplier or vendor. • See Prepare Payables Data.
Disbursements	Pay Invoices Transfer to AP Invoice Interface *Defined by Operating Unit*	Transfers Oracle Lease Management payables transactions to Payables invoice interface.
Insurance	Activate Insurance	Automatically activates insurance policies that have met activation criteria.
Insurance	Automatic Insurance *Defined by Operating Unit*	• Looks for contracts with expired lease insurance policies. • If an insurance policy has expired, creates a quote. • Lessor can manage the automatic activation of policies if not paid by lessee.

Area	Name	Description
Insurance	Insurance Payment	Evaluates all insurance policies to determine if any disbursement is due to the insurance provider. For amounts due, creates disbursement transactions to the providers.
Insurance	Insurance Policy Expiration Notification	Looks for upcoming contracts with expiring lease insurance policies and generates notification to customer that the insurance is expiring.
Insurance	Third Party Insurance Follow-up	If lessee is providing proof of third party lease insurance, creates a task for lessor to follow-up.
Investor Agreements	Activate Investor Agreement	Generates billing transactions, streams, and accounting for each investor with the stake recorded.
Investor Agreements	Add Pool Contents *Defined by Operating Unit*	Adds stream elements for one or more booked contracts to a pool.
Investor Agreements	Buyback Investor Agreement	Generates buyback stream for the specified investor agreement and removes eligible stream elements from the securitized pool.
Investor Agreements	Clean Up Pool Contents	Removes stream elements from a pool.
Investor Agreements	Create Investor Invoice Disbursements	Generates payable invoices for investors based on amounts to be disbursed.

Area	Name	Description
Investor Agreements	Investor Payables Consolidation *Defined by Operating Unit*	Consolidates investor transactions and transfers to Payables invoice interface.
Investor Agreements	Reconcile and Recalculate Pool Value	Request set consisting of the Reconcile Pool Contents and Recalculate Pool Principal Amount concurrent programs.
Investor Agreements	Recalculate Pool Principal Amount	Recalculates the total value of the stream elements in the pool.
Investor Agreements	Reconcile Pool Contents *Defined by Operating Unit*	Removes ineligible stream elements from a pool.
Investor Agreements	Terminate Investor Agreements	Terminates investor agreements that have an end date less than or equal to the termination date specified as an input parameter to the concurrent program.
Lease Sales Quote	Generate Lease Rate Factors	Automatically creates and stores lease rate factors for each defined lease rate set based on user inputs for interest rate, term and residual value combinations.
Lease Sales Quote	Generate Residual Values for Inventory Items	Generates an item residual for each inventory item in the specified inventory organization based on the specified term intervals and date range. See Generating Residual Values Into an Interface Table, *Oracle Lease Management Implementation Guide*.

Area	Name	Description
Lease Sales Quote	Lease Rate Factor Import	Loads the lease rate factors from the OKL_RV_INTERFACE interface table into a lease rate set. See Set Up Lease Rate Cards for Creating Quotes, *Oracle Lease Management Implementation Guide*.
Lease Sales Quote	Purge Lease Rate Factor Interface	Purges the OKL_LRF_INTERFACE interface table after the records are successfully imported into the permanent tables.
Lease Sales Quote	Purge Residual Values Interface	Purges the OKL_RV_INTERFACE interface table after the records are successfully imported into the permanent tables.
Receipts	Concurrent Cash Application *Defined by Operating Unit*	The batch is entered into Lease Management. The concurrent program then takes the batch and applies it to invoices in Oracle Receivables. See Run Concurrent Cash Application.
Receipts	Daily Interest Calculation	On receipt of cash, calculates the actual interest based on the actual principal balance. The receipt is applied first towards the interest amount and then towards the principal.
Receipts	Lease Advance Monies Report	Reports on the balance amounts on advance receipts.

Area	Name	Description
Receipts	Receipts Reapplication	Unapplied and On-account balances on existing receipts are applied to invoices.
Receipts	Receipts Reapplication with Contract	Unapplied and On-account balances on existing receipts are applied to invoices of a particular contract.
Subsidy Pools	Lease Subsidy Pool Association Report	Displays the pool and its associated underlying pools. Also displays the pool budget, as well as utilization. The report may be requested for a Budget Pool or a Reporting Pool.
Subsidy Pools	Lease Subsidy Pool At-Limit Report	Displays all pools which are approaching or at their limit. The At-Limit parameters may be defined as the number of days remaining, or as the amount or percentage of the budget remaining.
Subsidy Pools	Lease Subsidy Pool Reconciliation Report	Provides a list of all subsidy usage in a subsidy pool. It identifies the source of the subsidy, and displays the remaining subsidy pool balance.
Tax	Lease Property Tax Report	Statement of the status of Actual, Estimated, and adjusted property tax amounts.
Tax	Reconcile Property Tax	Generates reconciliation between Actual and Estimated property tax amounts.
Vendor Programs	Terminate Expired Vendor Agreements	Terminates expired Vendor Program Agreements.

Area	Name	Description
Vendor Residual Share	Vendor Residual Share	Calculates the vendor residual share, based on the program agreement terms and conditions for vendor residual sharing, and the asset disposition amount. It displays the amount of the residual sharing by asset, by contract, by program agreement, that is shared with the vendor.
Vendor Residual Share	Vendor Residual Share Report	Displays the amount of the residual sharing by asset, by contract, by program agreement, that is shared with the vendor.

C

Oracle Lease Management Navigation Paths

Oracle Lease Management Navigation Paths

This table shows navigation paths for Lease Management pages.

Page Name	Navigation Path
Additional Information	Origination > Contracts > Contract > Select Contract and Click Additional Information
Additional Interest Rate Parameters	Origination > Contracts > Terms and Conditions > Additional Interest Rate Parameters
Adjustments	Origination > Contracts > Lines: Assets > Enter Asset search criteria > Select Asset Number > Select Adjustments
Agreement Details	Vendors > Vendor Agreements > Agreements > Enter Agreement > Click Go
Agreement: Search	Vendors > Vendor Agreements > Agreements Origination > Master Lease Agreements > Agreement
Articles	Vendors > Vendor Agreements > Articles Origination > Master Lease Agreements > Articles

Page Name	Navigation Path
Asset Additional Information	Origination > Contracts > Lines: Assets > Select Asset and click Additional Information
Asset Add-on	Origination > Contracts > Lines: Assets > Enter Asset search criteria > Select Asset Number > Select Addon
Asset Book Depreciation	Origination > Contracts > Lines: Assets > Enter Asset search criteria > Select Asset Number > Select Depreciation
Asset Details	Sales > Quotes > Enter Quote > Click Go > Select Quote Number > Select Asset Number Origination > Contracts > Lines: Assets > Enter Asset search criteria > Select Asset Number
Asset Serial Numbers	Origination > Contracts > Lines: Assets > Enter Asset search criteria > Select Asset Number > Select Serial Numbers
Asset Subsidies	Origination > Contracts > Lines: Assets > Enter Asset search criteria > Select Asset Number > Select Subsidies
Asset Tax Depreciation	Origination > Contracts > Lines: Assets > Enter Asset search criteria > Select Asset Number > Select Depreciation > Click Asset Tax Depreciation
Assets: Search	Origination > Contracts > Lines: Assets
Billing Setup	Origination > Contracts > Lines: Assets > Enter Asset search criteria > Select Asset Number > Select Billing
Booking	Origination > Contracts > Booking
Consolidated Quotes: Search	Contract Management > Quote Consolidation
Consolidated Quote Details	Contract Management > Quote Consolidation > Enter Quote search criteria > Click Go

Page Name	Navigation Path
Contract Details	Origination > Contracts > Contract > Enter Contract search criteria > Select Contract Number
Contracts: Search	Origination > Contracts > Contract
Conversions	Setup > Pricing > Conversions
Copy Agreement	Vendors > Vendor Agreements > Agreements > Click Copy
Create Adjustment Category	Setup > Pricing > Criteria Categories > Select Adjustment Category from Create menu and click Go
Create Agreement	Vendors > Vendor Agreements > Agreements > Click Create Agreement Origination > Master Lease Agreements > Agreement > Click Create Agreement
Create Asset	Sales > Quotes > Enter Quote > Click Go > Click Quote Workbench > Click Create in Assets region
Create Consolidated Quote	Contract Management > Quote Consolidation > Click Create Quote
Create Contract	Origination > Contracts > Contract > Click Create Contract
Create Credit Line	Origination > Credit > Credit Line > Click Create Credit Line
Create Cure Request	Vendors > Cure Requests > Click Create Cure Request
Create Eligibility Criteria Category	Setup > Pricing > Criteria Categories > Select Eligibility Criteria Category in Create menu and click Go

Page Name	Navigation Path
Create Fee	Sales > Quotes > Enter Quote > Click Go > Click Quote Workbench > In Fees region, select Fee Type and Click Go Origination > Contracts > Lines: Fees > Click Create Fee
Create Funding Request	Origination > Funding > Funding > Select Contract Number > Click Create Funding Request
Create Lease Application	Sales > Lease Applications > Click Create
Create Lease Insurance Quote	Origination > Contracts > Insurance: Quotes > Click Create Lease Quote
Create Lease Opportunity	Sales > Lease Opportunities > Click Create
Create Lease Rate Set	Marketing > Pricing Rates > Lease Rate Sets > Click Create
Create Optional Insurance Quote	Origination > Contracts > Insurance: Quotes > Click Create Optional Quote
Create Party	Origination > Contracts > Parties > Click Create Party
Create Payment	Origination > Contracts > Payment > Create Payment
Create Payment Plan	Sales > Quotes > Enter Quote > Click Go > Click Quote Workbench > In Payment Plan region, select Payment Plan type and click Go
Create Pricing Adjustment Matrix	Marketing > Pricing Rates > Pricing Adjustment Matrices > Click Create
Create Refund	Vendors > Cure Refunds > Click Create Refund
Create Restructure Quote	Contract Management > Restructure Quote > Click Create Quote > Click Create Restructure Quote

Page Name	Navigation Path
Create Service	Sales > Quotes > Enter Quote > Click Go > Click Quote Workbench > Click Create in Services region Origination > Contracts > Lines: Service > Click Create Service
Create Standard Rate Template	Marketing > Pricing Rates > Standard Rate Templates > Click Create
Create Subsidy	Marketing > Pricing Programs > Subsidies > Click Create
Create Subsidy Pool	Marketing > Pricing Programs > Subsidy Pool > Select Pool Type and Click Go
Create Termination Quote	Contract Management > Termination Quotes > Select Create Full or Partial Termination Quote > Click Go
Create Terms and Conditions Sets	Vendors > Vendor Agreements > Terms and Conditions > Click Create Terms and Conditions Sets
Create Third Party Insurance	Origination > Contracts > Insurance: Policies > Click Create Third Party Insurance
Credit Limit	Origination > Credit > Credit Line > Enter Credit Line search criteria > Click Go > Select Credit Line Number > Click Credit Limit
Credit Line Checklist: Search	Origination > Credit > Credit Line Checklist Origination > Funding > Credit Line Checklist
Credit Line Checklist Summary	Origination > Funding > Credit Line Checklist > Select Contract Number
Credit Line Details	Origination > Credit > Credit Line > Enter Credit Line search criteria > Click Go > Select Credit Line Number

Page Name	Navigation Path
Credit Lines	Origination > Credit > Credit Line > Enter Credit Line search criteria > Click Go
Credit Lines: Search	Origination > Credit > Credit Line
Credit Request Details	Sales > Credit Requests > Enter Credit Request > Click Go
Credit Requests: Search	Sales > Credit Requests
Criteria Categories	Setup > Pricing > Criteria Categories
Cure Requests: Search	Vendors > Cure Requests
Eligibility Criteria Category Details	Setup > Pricing > Criteria Categories > Click Eligibility Criteria Category
Expenses	Origination > Contracts > Lines: Service > Enter Service search criteria > Select Service Name > Click Expenses
Extend Agreement	Vendors > Vendor Agreements > Agreements > Click Extend
Fees: Search	Origination > Contracts > Lines: Fees
Fee Details	Sales > Quotes > Enter Quote > Click Go > Select Fee Name
Filing	Origination > Contracts > Lines: Assets > Enter Asset search criteria > Select Asset Number > Select Filing
Funding: Search	Origination > Funding > Funding
Funding Request Checklist: Search	Origination > Funding > Funding Request Checklist
Funding Request Checklist Summary	Origination > Funding > Funding Request Checklist > Select Contract Number

Page Name	Navigation Path
Funding Request Checklist Template Details	Origination > Credit > Funding Request Checklist Template
Funding Request Checklist Template Summary	Origination > Credit > Funding Request Checklist Template Summary
Funding Summary	Origination > Funding > Funding > Select Contract Number
Insurance Policies: Search	Origination > Contracts > Insurance: Policies
Insurance Quotes: Search	Origination > Contracts > Insurance: Quotes
Interest Rate Parameters	Origination > Contracts > Terms & Conditions > Interest Rate
Item Category	Sales > Quick Quotes
Lease Application	Sales > Lease Applications
Lease Application: Search	Sales > Lease Applications
Lease Opportunities	Sales > Lease Opportunities
Lease Opportunities: Search	Sales > Lease Opportunities
Lease Rate Sets: Search	Marketing > Pricing Rates > Lease Rate Sets
Mass Rebooks: Search	Contract Management > Mass Rebook
Master Lease Details	Origination > Master Lease Agreements > Agreement > Select Agreement Number
Parties	Vendors > Vendor Agreements > Parties Origination > Contracts > Parties
Party Contacts	Vendors > Vendor Agreements > Parties > Click Party Contacts

Page Name	Navigation Path
Party Details	Vendors > Vendor Agreements > Parties > Select Party Name Origination > Contracts > Parties > Select Party Name
Passthrough	Origination > Contracts > Lines: Service > Enter Service search criteria > Select Service Name > Click Passthrough
Payment Plan Details	Sales > Quotes > Enter Quote > Click Go > Select Payment Plan Name
Payment Summary: Search	Origination > Contracts > Payment
Payment Summary	Origination > Contracts > Payment
Payment Summary [Details]	Origination > Contracts > Payment > Click Details
Pricing Adjustment Matrices: Search	Marketing > Pricing Rates > Pricing Adjustment Matrices
Product [Add Product Options]	Origination > Contracts > Product > Click Add Product Options
Product Options	Origination > Contracts > Product
Rate Summary	Origination > Contracts > Payment > Rates
Quick Quotes: Results	Sales > Quick Quotes
Quick Quotes: Search	Sales > Quick Quotes
Quote Details	Sales > Quick Quotes > Enter Quote > Click Go > Select Quote Number Sales > Quick Quotes > Click Create
Quote Workbench	Sales > Quotes > Enter Quote > Click Go > Click Quote Workbench

Page Name	Navigation Path
Rate Summary	Origination > Contracts > Payments > Rates
Refund Summary: Search	Vendors > Cure Refunds
Request Termination: Search	Contract Management > Contract Termination > Request Termination
Request Termination	Contract Management > Contract Termination > Request Termination > Enter Request Termination search criteria > Click Go
Restructure Quotes: Search	Contract Management > Restructure Quote
Restructure Quote Details	Contract Management > Restructure Quote > Enter Quote search criteria > Click Go
Revisions	Originations > Contracts > Revisions
Service: Search	Origination > Contracts > Lines: Service
Serviced Assets	Origination > Contracts > Lines: Service > Enter Service search criteria > Select Service Name > Click Associate Assets
Service Details	Sales > Quotes > Enter Quote > Click Go > Select Quote Number > Select Services Name
Standard Rate Templates: Search	Marketing > Pricing Rates > Standard Rate Templates
Subsidies: Search	Marketing > Pricing Programs > Subsidies
Subsidy Pool Details	Marketing > Pricing Programs > Subsidy Pools > Enter Subsidy Pool search criteria > Click Go
Subsidy Pools	Marketing > Pricing Programs > Subsidy Pools
Supplier Invoice Details	Origination > Contracts > Lines: Assets > Enter Asset search criteria > Select Asset Number > Select Supplier Invoice

Page Name	Navigation Path
Taxes	Origination > Contracts > Lines: Assets > Enter Asset search criteria > Select Asset Number > Select Taxes
Terminate Agreement	Vendors > Vendor Agreements > Agreements > Click Terminate
Termination Quotes: Search	Contract Management > Termination Quotes
Termination Quote Details	Contract Management > Termination Quotes > Enter Termination Quote search criteria > Click Go
Termination Transactions: Search	Contract Management > Contract Termination > Termination Transactions
Transaction Termination Details	Contract Management > Contract Termination > Termination Transactions > Enter Transaction search criteria > Click Go
Terms	Vendors > Vendor Agreements > Terms and Conditions > Click Terms
Terms and Conditions	Origination > Contracts > Terms and Conditions Origination > Master Lease Agreements > Terms and Conditions
Terms and Conditions Sets	Vendors > Vendor Agreements > Terms and Conditions
Update Asset	Sales > Quotes > Enter Quote > Click Go > Select Quote Number > Select Asset Number > Click Update
Update Service	Sales > Quotes > Enter Quote > Click Go > Select Quote Number > Select Services Name > Click Update
Usage: Search	Origination > Contracts > Lines: Usage

Page Name	Navigation Path
Usage	Origination > Contracts > Lines: Usage > Select Usage
Usage Assets	Origination > Contracts > Lines: Usage > Click Usage Assets
Usage Assets: Add Asset	Origination > Contracts > Lines: Usage > Click Usage Assets > Click Add Asset
Validation Checklist	Vendors > Vendor Agreements > Validation Checklist
Vendor Billing Details	Vendors > Vendor Agreements > Parties > Select Party Name > Click Vendor Billing Origination > Contracts > Parties > Select Party Name > Click Vendor Billing Details
Warrants	Origination > Credit > Warrants

Glossary

$1 buyout

The end of term purchase option given to the lessee where the fixed purchase option is at a value of $1. A $1 buyout is used in conjunction with a $1 purchase option.

accrual accounting

Recognizes economic events regardless of when actual cash transactions occur. The opposite of cash basis accounting.

advance rent

Rent received at the start of the lease that will be adjusted against the last rents.

advance/arrears indicator

Shows if the rents are billed in advance or in arrears of the rental period.

amortization

The systematic method for recording financial elements to income or expense over a defined period, typically the lease or loan term.

approver

The person who is authorized to approve the document before the next activity may be carried out.

asset item

Anything you make, purchase, or sell including components, subassemblies, finished products, or supplies that carries a cost and is valued in your asset subinventories.

articles

Textual sections of contract terms and conditions.

as-due basis

An event initiated based on when the invoice is due.

asset disposition

Sale or disposal of assets.

authoring

A process of creating a contract.

auto-invoice

The process of automatically invoicing the lessee for a payment due. This process can be automated by running a concurrent program.

auto-terminate

The process of automatically terminating a lease contract when it reaches its end of term. This process is automated by running a concurrent program.

billed basis

An event initiated based on when the item is billed.

billing

The process of notifying the responsibility party of amounts due.

billing frequency

The frequency with which bills are presented to a customer.

booking

The process of preparing and recording accounting records associated with a contract.

broker

A person or organization acting as an agent to vendor, dealer, or lessor in negotiating a transaction.

buck-out lease

Full payout, net leases structured with a bargain purchase option for the lessee to purchase the equipment for one dollar at the expiration of the lease. These leases are often referred to as dollar buyout or buck-out leases.

business unit

A business unit is an entity created by a company to manage a certain segment or segments of its business. The business unit can span multiple product lines and geographies.

buyout

customer buys equipment from lessor at the end of the contract's full life.

buyout amount

This is the amount necessary for the customer to pay in order to consider the contract paid in full.

cancellation

When a customer has the contractual right to end an agreement (that is, the customer is at the end of term in month-to-month status, non-appropriation clause, or rental agreement).

capital lease

A type of lease classified and accounted for by a lessee as a purchase and by the lessor as a sale or financing. It must meet at least one of the criteria outlined in paragraph 7 of FASB 13. It is treated as debt and an offsetting depreciable asset for book accounting purposes.

capitalized cost

The cost of equipment to be leased plus various fees, charges, or interest that may be added to the equipment cost. The total capitalized cost--or basis--is the amount upon which the tax benefits or depreciation on the equipment are based.

cash basis

An event initiated based on when cash is received. A related pass-through disbursement is created when cash is applied against an invoice.

catch-all

A placeholder used at the top of a territory hierarchy when no other is defined in Territory Management.

closed item

An invoiced item that was paid.

collateral

The additional security provided by the borrower for availing the credit facility provided by the lender. The additional security is normally in the form of assets which are, in addition to the asset, financed by the loan or lease.

From a customer service perspective, collateral also is a static fulfillment document that doesn't contain merged data. It is usually some sort of marketing brochure or some other document. It is sent in an email as an attachment. It is often called a deliverable in the marketing applications.

concurrent program

An instance of an execution file, along with parameter definitions and incompatibilities. Concurrent programs use concurrent program executables to locate the correct execution file. Several concurrent programs may use the same execution file to perform their specific tasks, each having different parameter defaults and incompatibilities.

consolidated billing

One or more billing items combined into one group for invoicing purposes.

consolidated counter

A logical counter that groups the counters belonging to more than one contract. These counters need to be consolidated into one consolidated record as per customer requirement.

context

A context is a pool of global variables that are passed as parameters to functions. An instance of context should exist to execute Formulae.

context assembler

A Context Assembler is a PL/SQL procedure that creates a new instance of a context and populates values of context parameters. Each external entity which wants to use the Contracts Formula Engine must have its Context Assembler and Context.

context parameter

A context parameter is a variable of a context that is be passed as a parameter to functions. An instance of context parameter is created whenever a new instance of context object is required.

contract

A written, signed, Legal Agreement between/among trading partners that has financial, legal, and industry-specific operational consequences.

contract activation

A series of steps performed on an authored contract that culminates with a booked contract that is ready to be billed.

contract ID

Unique identifier of a contract.

contract status

The state of the contract. Possible values: new, passed, complete, incomplete, pending approval, booked, under revision, evergreen, litigation hold, bankruptcy hold, expired,

terminated, reversed, amended, abandoned

contract validation

The application of various QA logic and business rules to a contract to insure it meets business requirements.

contracts formula engine thread

A formula is executed within an instance of a context. Operands of the formula can call other formulae and functions that are executed within the same instance of the context. This process is referred to as the contract formula engine thread.

contract shell

A contract in inactive state with minimal data contained in it. The minimal data is customer information and product category.

coterminous

All assets on a contract terminate at the same time, regardless of their start dates.

cure amount

The amount due to satisfy a customer's past due rents. The payment may be required from a vendor or other third party.

customization

Customizations are enhancements to an Oracle applications system made to fit the needs of a specific user community.

DBA

Name company is Doing Business As.

dealer

The dealer, or supplier, supplies equipment or some kind of services for a transaction. Either one of them may be a party to the vendor program agreement. See Supplier.

direct debit

Direct Debit is a feature offered by banks to enable their customers, the lessors, to collect payments due to them directly from the lessee's bank. The lessee must authorize the lessor to withdraw the funds

due date

The date on which payment is due from the customer.

direct finance lease

Direct finance lease is a non-leveraged lease by a lessor (not a manufacturer or dealer) in which the lease meets any of the definitional criteria of a capital lease, plus certain additional criteria.

disposition

Sale or disposal of assets.

disbursement

Disbursements are payments to suppliers or other third parties for the cost of equipment, a prepayment facility with lessor, maintenance, insurance and other services. Some disbursements such as pass-through and investor payments are linked to billing events.

distribution

Defined group of accounting codes that determine debit and credit accounts that is affected in the General Ledger. A distribution may define percentage-wise allocation of funds between accounts.

distribution group

Distribution group is a logical grouping of distributions.

effective dates

Effective dates are the dates a record is effective or to be in use.

employee

A resource type that represents a person who is hired to work for a company. Employee resources can be input as resources in various pages available without installing the Human Resources Management System (HRMS).

end-of-term (EOT)

The end of the primary or renewal term. Unless specified otherwise, end-of-term refers to the end of the primary term.

end-of-term option

An option used to derive the future value component of the leasing pricing equations. It can be based on either the expected residual value or a purchase option. The value is assigned for specific combinations of contract term and items or item categories. The option is not used for termination quote calculation.

escalation

Actions in a process that increase in extent or intensity.

evergreen

Evergreen refers to a lease contract period past the initial term end date, when rents are still collected. Evergreen is the default contingent continuation of a lease after its contractual end-of-term, where a lessee continues to pay indefinitely.

The contract language includes an Evergreen Eligibility Clause, indicating the customer will be billed a rental amount indefinitely unless they provide the Equipment Return Notice by a certain date.

execution date

The strategy performance date. At the execution date a member of the assignment group executes the strategy and notes the action taken.

Also refers to the date a lease contract is signed.

exposure

The total amount of credit risk the lessor has with the customer. This amount is normally the amounts due, plus net investment value (NIV), plus approved credit not drawn down.

fair market value lease

A lease that includes an option for the lessee to either renew the lease at a fair market value, or purchase the equipment for its fair market value at the end of the lease term.

FASB

An acronym for Financial Accounting Standards Board.

FASB 13

The FASB's statement of Financial Accounting Standards No. 13 is recognized as the accounting guideline for financial statement reporting of lease investments and/or liabilities.

FASB 109

The FASB's statement of Financial Accounting Standards No. 109 supersedes FASB statement 96, Accounting for Income Taxes. This includes a basic principle that *the measurement of deferred tax assets is reduced, if necessary*.

financial product

A financial product in Oracle Lease Management groups together a set of attributes and rules based on which contracts are created. It is mandatory for every contract to be associated with a single product.

fixed rate

A contract with an interest rate factor that does not change during its life.

fixed purchase option

a pre-defined fixed price that is agreed to by the lessor/lessee while writing a contract.

flexfield

A flexible data field format that your organization can customize to your business needs without programming.

floor price

The targeted minimum amount acceptable for the sale of an asset.

FMV

An acronym for Fair Market Value. The price for which property is sold in an arms-length transaction between two unrelated parties. (See Fair Market Value Lease.)

form

Forms are a logical collection of fields, regions, and graphical components that appears on a single page. Oracle applications forms resemble paper forms used to run a business. You enter data by typing information into the form.

forms server

A Forms server is a type of application server that hosts the Forms server engine. It mediates between the desktop client and the database, providing input pages for the Forms-based products on the desktop client and creating or changing database records based on user actions.

formula

An arithmetic operation over operands.

formula counter

Formula type counters allow users to use simple math to derive the counter value. For example, you use a formula counter to track total number of copies made with photo copy machine, which provides both black and white copies and color copies.

full payout lease

A lease in which the full cost of the asset is recouped through the lease stream. The present value of the lease stream equals the initial product cost. The lessor assumes no residual value for the equipment at end of term. In essence, this is a loan to the lessor's customer, the lessee. However, by including a $1 end of term buyout, the lessor and lessee treat the transaction as a lease.

function

A function is a register of a function that returns a scalar numeric value.

function parameter

A function parameter passes a value to function. The function parameter gets its value from the corresponding context parameter. The context parameter comes from an instance of context in which the function is executed.

funding

Generally, funding is the process of paying a supplier for leased equipment.

general ledger

The General Ledger (GL) is the book of final entry summarizing all of a company's financial transactions through offsetting debit and credit accounts.

general loss provision

Loss Provisions and reserves established based on contract types and aging categories to offset write-offs for bad debts.

general reserve

See *general loss provision*.

gross remaining receivables

The remaining unpaid billed and not billed gross receivable at a point in time.

guaranteed residual

That portion of the residual that becomes guaranteed from a third party through the purchase of residual value insurance and is to be accounted for as accounts receivable rather than residual receivable.

guarantor

The entity that guarantees payments in the event of lessee default.

insurance premium

The amount paid or payable by the lessee to the lessor, and by the lessor to the insurance provider, for the insurance policy. It can be paid either I installments or upfront in a lump sum.

insurance provider

The insurance company or underwriter who insures the asset(s) on a lease. The insurance policy may be funded by either the lessor or the lessee, but the insurance provider is the financial institution that sells the policy and covers the asset.

interaction

An interaction is a touch point that occurs between a customer, a customer system, a resource, or a resource system. An example of a touch point is a phone call between an agent and a customer. Interactions include activities, media, and media items.

Interaction History

Interaction History (IH) provides Oracle applications with a common framework for capturing and accessing all interaction data associated with customer contacts. IH acts as the central repository and provides a consistent API for tracking all automated or agent-based customer interactions.

inventory item

Items you stock in inventory. You control inventory for inventory items by quantity and value. Typically, the inventory item remains an asset until you consume it. You recognize the cost of an inventory item as an expense when you consume it or sell it. You generally value the inventory for an item by multiplying the item standard cost by the quantity on hand.

investor

Investors are parties to syndicated contracts. For the purpose of this document, **investor** and **syndicated party** are interchangeable terms.

investor stake (%)

The amount an investor pays to acquire an interest in an investor agreement.

invoice

A bill sent to a customer, or a notice for the lessor to pay a disbursement to an investor.

invoice amount

Total amount of charges on an invoice.

invoice date

The date of the Oracle Receivables invoice. The invoice creation date, invoice date, invoice printing date, and the due dates can be different in any receivables system. In Lease Management, the invoice date and payment term derive the due date.

invoice format

Invoice format is a group of invoice types that specify how data is to appear on the invoices.

invoice generation

The process of creating an open receivables invoice within Oracle Receivables.

invoice parameters

Invoice Parameters specify rules for grouping transactions within an Oracle Lease Management invoice.

items

Items can be master documents, collateral, or attachments in fulfillment. Items are inserted in the body of an email. Items are selected from the list of all possible documents and collateral material available to the user from fulfillment templates.

IVR

Acronym for Interactive Voice Recognition.

journal entries

A set of financial data that is of significance for recording ledger transactions in accounting.

key flexfield

A key flexfield is a field format you can customize to enter multi-segment values such as part numbers, account numbers, location, and so on. Key flexfields relate to specific uses in Oracle applications.

late charge

An amount assessed as a result of the payment due on a contract not being received within a certain pre-set number of days from the due date.

late interest

Refers to the interest rate factor applied to an outstanding invoice amount from the time it is due until it is paid.

lease

A lease is a contract in which one party conveys the use of an asset to another party for a specific period of time for a predetermined payment amount.

lessee

User of the equipment being leased.

lessor

Owner of the equipment which is being leased.

lockbox

A service offered by banks to companies in which the company receives payments by mail to a post box office, and the bank picks up the payments several times a day,

deposits them into the company's account, and notifies the company of the deposit. Lockbox enables the company to put the money to work as soon as it is received.

lookup codes

Imbedded codes in Oracle Applications that enable you to define a feature prior to setup. These include defining article sets, contract roles, and so on.

margin

For variable interest rate, add margin to the base interest rate factor to determine the actual rate of interest. This is expressed as the number of basis points on top of the index rate.

master lease contract

A master lease contract is an (electronic) document, which contains leasing terms and conditions that, through reference to the master lease agreement number, can apply to contracts.

media

In Interaction History, media represents the communication channel through which an activity takes place. Examples can include: the phone, the fax machine, an ATM, or a cell phone.

messages

A message is an informative note maintained with the customer's invoice record. There are several types of messages, including the following: a permanent message, a one-time message, or a miscellaneous message.

meter read

Actual number of usage units from a counter at a point in time.

mill rate

The percentage tax rate in effect for property tax. (This applies to the USA only.)

net book value (NBV)

In terms of an operating lease, it is the original first cost, less accumulated book depreciation. The amount represents the lessor's investment in a lease.

net investment

The investment or equity, net of expected income, a lessor has in a transaction.

net present value (NPV)

The net present value (NPV) is the valuation method based on discounted cash flows.

NPV is calculated by discounting a series of future cash flows and summing the discounted amounts.

non-consolidated counter

A non-consolidated counter is assigned to each asset on a specific contract.

non termination write down

Creation of a loss provision on a contract without terminating the contract.

Notes

Notes is a tool that provides locations where you can specify more text detail, if needed. You can add a note to a task in Task Manager.

note status

There are three statuses available for notes in Oracle Applications:

- Private: Only the creator can view it.
- Public: The creator and others can read or write to it.
- Publish: Publishable over the Internet. Everyone can view it.

note text

A large text note, such as a customer's letter or directions.

note type

Note type is selected from a lookup table. You can add note types through the setup window. They provide a further categorization of notes based on a user's needs. Also, you can tie a note type to a source type and such note types are visible only to that mapped source. Therefore, you must choose between the entire list of note types that have been defined for your source and those which do not have any source type attached to them.

object

An object is any identifiable individual or thing. It can be physical, such as a telephone or PBX, or an abstract concept, such as a market campaign in Interaction History.

OEC

An acronym for Original Equipment Cost, which is the original cost of the leased equipment.

OKL

An acronym for the Oracle Lease Management product, as designated in the Oracle

applications database.

OLM

A general reference acronym for Oracle Lease Management, not to be confused with Oracle Learning Management.

open item

A receivable item that has not been paid.

operand

An operand is a register of an object that can take part in arithmetic operations. Operand can use formula, function or a regular expression as the source for its value.

operating agreement

1. An operating agreement is a mutual agreement between a lessor and vendor to work together and administer certain financing programs which set specific terms and conditions for future transactions. 2. For more complex business models, Oracle Lease Management enables a two-tier vendor agreement structure. The operating agreement serves as a parent to a program agreement. Operating agreements are not operating unit-specific. Therefore, they may act as parents to program agreements from various operating units and may have different primary parties than the program agreement.

operating lease

A lease which does not satisfy any of the criteria of a "capital lease" under local accounting principles.

partial termination

The amount a customer must pay for a subset of assets and a contract to terminate them and pay off all future amounts due.

payment in advance

Periodic payments due in advance of the rental period.

payment in arrears

Periodic payments due before the last day of the rental period.

payment level

A payment level is the number, frequency, and due amount for a specific time period.

payment method

Method used to facilitate and process payment.

PO Number

Purchase Order number.

principal balance

A loan concept, which can also be used in leasing vernacular, designating remaining gross receivable, less unearned finance charges.

private label

Private label products or services are typically those manufactured or provided by one company for offer under another company's brand.

product

Usually, financial product (not an asset; for example, not a piece of equipment).

product option

A property of a financial product that defines a value or allows the user to select a value from a set of values at the time of the lease authoring. Options are typically associated with specific terms and conditions that govern the behavior of contract transactions. At the time of authoring a contract, you can render an option as **required** or as **optional**. A typical option with multiple values associated with it might be **Interest Method** or **End-of-term Purchase** option.

product quality

A property of a financial product that is mandatory and, once selected, cannot be changed. Qualities are used for the purpose of categorization of products.

profile options

In Oracle Applications, profile options enable you to turn on or off specific functionality, such as integrations and processes, and allows you to set specific parameters that govern a process or transaction such as number of days before a task is due that the user is notified.

program agreement

An agreement between a lessor and a vendor such that the lessor provides financing for the vendor to its customers. The terms and conditions of the program agreement may govern aspects of the leases created as a result of the program.

property tax

Tax assessed for owning property.

pro-rate read

An actual reading, but received either before or after the due date. To use pro ration,

calculate a daily rate and then multiply that value to the number of days from the last meter read due date until the current meter read due date.

purchase option

An option given to the lessee to purchase the equipment from the lessor, usually as of a specified date. Options vary in type: Guaranteed Purchase Option (GPO), Bargain Purchase Option, Fair Market Value Option (FMV), Mid-Term Purchase Option.

quote history

This is the history of buyout quotes given to a customer.

rebooking

The process of altering an existing lease/loan transaction due to some financial change in the deal structure; rental payment change, credit extension, due date change, etc. New accounting entries or adjusting entries are made when the contract is reactivated.

re-amortization

Recalculation of rental payments on variable rate products as interest rates change.

recourse

The right of the lender/lessor to pursue payment from a third party if the lessee/borrower defaults.

regular counter

Physical counters found in tangible objects like automobiles, gas meters, photo copy machine, etc.

re-lease

Assets from previous leases that are placed onto a new lease.

remit-to address

Address where customers send in the payment for their invoices.

repurchase

Vendor or other third party agrees to purchase original asset when it comes off lease.

repurchase amount

The amount required from the vendor or third party to buy a transaction back. This amount is determined by pre-set calculation specified in the vendor agreement. This may vary form vendor to vendor.

residual amount

The estimated value of an asset at the end of a lease for which the lessee is not expected to pay.

residual value insurance

An insurance premium purchased from a third party so as to guarantee a portion of the residual value, which in turn is designated as a recovery of the capital cost and included in the FASB 13 test for classifying a leasing transaction.

residual write-down

Taken to reflect a drop in the expected market value of an asset at lease expiration.

resource

The basic element of the Resource Manager in Oracle Applications and is defined as people, places and things.

resource category

In Oracle Applications, any of five types of resources defined in Resource Manager: party, employee, partner, supplier contact, and other/to be hired (TBH).

Resource Manager

The Resource Manager is a tool used to define, access, and maintain all Oracle Applications resources.

responsibility

A responsibility is a level of authority in Oracle Applications that allows access only to those Oracle Applications functions and data appropriate to fulfill your role in the organization.

restructure

When an agreement is made with a customer to amend the current payment structure, usually to reduce regular payment amounts or extend the term.

role

Roles group various permissions at the page level and function level, are used to maintain application security.

role type

A role type is a group of related roles associated with a particular Oracle Applications module.

sales tax

Tax based on the sale of property by federal, state and local authorities.

sales-type lease

A lease in which the lessor is also the vendor (manufacturer or distributor) of the equipment.

salvage value

The accounting estimate of the asset value once it is depreciated over the term of the lease. This is typically based on an estimate of the future value, less a safety margin.

securitization

This is the process of selling the cash flows in a pool of assets to outside investors at a rate below the earning rate, enabling an accelerated gain to be recorded. The servicing and administration of the contracts for the pooled assets is normally retained by the lessor.

service (1)

a) Customer Service, the Lease Center view of Oracle Lease Management provided to a lessor's Customer Service agents who login using the Lease Center Agent profile. Lessees, vendors, and other interested parties typically telephone into lessor's call center to ask questions regarding specific account details.

b) Customer Self Service, web portal access to lessees so they can view their account and contract information. Set up by the lessor so that lessees can access their own account information, according to the lessor's information and security policies.

c) Vendor Self Service, web portal access to both vendor and customer contract and account information. Set up by the lessor so that vendors and suppliers can access their own account information, and information on lessees of their equipment, according to the lessor's information and security policies. (May update and enter some transactions.)

service (2)

Service contracts on leased equipment assets. (Also, Oracle Service Contracts is a separate Oracle E-Business Suite application that integrates with Oracle Lease Management.)

service and maintenance

Fees charged to a customer for servicing or warranting assets, such as extended warranty contracts.

specific provision or reserve

A loss provision or reserve, established to recognize potential impairment of the

collection of a specific receivable.

stipulated loss value table

A table indicating the amount to be paid to the lessor in case a leased asset is lost or destroyed.

straight-line depreciation

A form of depreciation whereby the owner of the equipment takes an equal amount of depreciation in each full year of the equipment's useful life or recovery period.

stream

A stream is a schedule of amounts and associated dates.

stream activity

Stream activity types describe the state of the stream. A stream can be ACTIVE, CURRENT, HISTORY, or WORKING.

stream element

A single amount and its corresponding date (i.e., a cash flow). A stream element is the line level detail of a stream. A stream can have multiple stream elements.

stream purpose

A stream purpose is an important attribute of a stream type that determines how Lease Management processes the stream. Lease Management recognizes streams based on their stream purpose name.

stream type

The functional name for a stream which relates to the attributes used to process a stream.

stream type subclass

Rent or Residual.

subledger

A book in which the monetary transactions related to a specific financial function of a business are posted in the form of debits and credits before the financial transaction is posted in the General Ledger.

supplier

Oracle Payables uses the term "Supplier" for vendors, so "Vendor" and "Supplier" are used interchangeably for the purpose of this document, unless specified otherwise.

syndicated contract

Investors other than the lessor invest a stake in the contract in return for a portion of the rent and related receivables. Oracle Lease Management makes a disbursement to an investor in relationship to the billing. Information about the investment and disbursement method is setup when the investor agreement is authored.

syndication

The selling off of a deal, or portion of a deal, to outside investors. This arrangement reduces the lessor's risk and accelerates the return on the deal. See Investor Agreements in the *Oracle Lease Management User's Guide*.

system administrator

The system administrator is the person who manages administrative tasks in Oracle Applications, such as registering new users and defining system printers, using the system administrator responsibility.

task

A task is a discrete unit of work that is assigned to one or more individuals. Tasks are managed by the Task Manager. Tasks are often scheduled events and have defined expirations.

task group templates

A task group template is a grouping of different task templates defined during setup in Task Manager.

Task Manager

Task Manager is a tool used to manage tasks throughout other applications. Task Manager provides a mechanism for tasks to be created, assigned, managed, sorted, and prioritized to provide timely response to customer issues.

task owner

An owner is the person (resource) that creates and is responsible for the task.

task type

A task type defines the nature of the task such as a callback or a meeting.

terminal rental adjustment clause (TRAC)

A provision in a lease that permits or requires an adjustment of rentals according to the amount realized by a lessor upon a sale of the leased equipment. This allows the lessor to guarantee a terminal (residual) value while still claiming tax ownership on a lease. This benefit only applies to certain classes of vehicles.

termination

The process of ending a leasing transaction with the lessee.

territory

A territory is an organizational domain with boundaries defined by attributes of customers, products, services, and resources in Territory Management.

territory administrator

This person administers the specific and periodic duties of Territory Management.

Territory Manager (TM)

Territory Manager is a tool that helps manages territories.

TCA

An acronym for Trading Community Architecture. This is a standardized approach in Oracle Applications for handling customer and other party information.

termination quote

Termination quotes allow contracts or assets on a contract to terminate early or at the expiration of a contract. Termination quotes identify the financial impact of the termination. The various business rules specified in a contract's terms and conditions are the basis of calculating the financial impact of a termination quote.

terms and conditions

Financial and legal arrangements that are agreed to by parties of a contract.

transaction business category (TBC)

A business classification provided by Oracle E-Business Tax to identify and classify business transactions.

transfer and assumption

When a contract obligation and use of leased assets are transferred from one party to another party with the lessor's consent.

transaction type

An event in Oracle Lease Management relating to a contract or asset.

UBB

An acronym for Usage Based Billing. Rental payments are derived in part or in full, based on a specific rate per number of units used or counted.

user

A user is any person who needs access to any application, including various types of customers, partners, suppliers, and employees.

user ID

The User ID is a combination of a user name and its password.

user profile

User profiles, which are associated with responsibilities, are a set of user interfaces that give users access to their personal data and preferences.

user type

A user type is a category of users that caters to the specific needs of an application's business requirements in User Management. User types allow flexible and extensible ways for defining, categorizing and implementing behavior of users. A user type is associated to only one template, one responsibility, zero or one approval and zero or more roles.

value added tax (VAT)

An indirect tax on consumer expenditure that is collected on business transactions and imports. VAT is charged at each stage (e.g. production, distribution, retail, etc.) in the supply of products. If a customer is registered for VAT and uses the supplies for taxable business purposes, they will receive credit for this VAT paid. The broad effect is that VAT is actually borne by the final consumer of a product.

vendor

A supplier of equipment or services. A vendor can be a manufacturer, reseller, distributor, or dealer.

vendor program

An agreement between the lessor and a vendor to create a specific financing program for the vendor's customers who desire financing. The terms and conditions of the vendor program may govern aspects of the deals created as a result of the program.

warrant

A warrant is an option to purchase an equity instrument. Lessors may accept warrants as collateral on deals.

workflow

A complete workflow management system that supports business process definition and automation in Oracle Applications. Typically, workflow is used for contract approval, change requests, and notifications.

workflow attributes

Workflow attributes control the behavior of the workflow.

workflow monitor

The workflow monitor is a Java based tool used for administering and viewing workflow process.

write off

When a contract is deemed uncollectable, the loss is recognized for accounting purposes by charging off future receivables and/or investments.

yield

A measurement of profitability obtained from a series of cash flows. This may represent the lessor's return on invested funds.

90% Test

A Financial Accounting Standards Board (FASB) test, which indicates whether or not 90% or more of the cost of the leased equipment, at lease inception, will be recovered through the present valuation of minimum lease payments using the lessee's incremental borrowing rate.

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