Oracle® Public Sector Financials

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Preface

Intended Audience

Welcome to Release 12 of the *Oracle Public Sector Financials User Guide.*

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

- The principles and customary practices of your business area.
- Computer desktop application usage and terminology

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

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

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Related Information Sources

This document is included on the Oracle Applications Document Library, which is supplied in the Release 12 DVD Pack. You can download soft-copy documentation as PDF files from the Oracle Technology Network at http://otn.oracle.com/documentation, or you can purchase hard-copy documentation from the Oracle Store at http://oraclestore.oracle.com. The Oracle E-Business Suite Documentation Library Release 12 contains the latest information, including any documents that have changed significantly between releases. If substantial changes to this book are necessary, a revised version will be made available on the online documentation CD on Oracle *MetaLink*.

If this guide refers you to other Oracle Applications documentation, use only the Release 12 versions of those guides.

For a full list of documentation resources for Oracle Applications Release 12, see Oracle Applications Documentation Resources, Release 12, Oracle*MetaLink* Document 394692.1.

Online Documentation

All Oracle Applications documentation is available online (HTML or PDF).

- **PDF** - PDF documentation is available for download from the Oracle Technology Network at http://otn.oracle.com/documentation.
- **Online Help** - Online help patches (HTML) are available on Oracle*MetaLink*.
- **Oracle MetaLink Knowledge Browser** - The Oracle*MetaLink* Knowledge Browser lets you browse the knowledge base, from a single product page, to find all documents for that product area. Use the Knowledge Browser to search for release-specific information, such as FAQs, recent patches, alerts, white papers, troubleshooting tips, and other archived documents.
- **Oracle eBusiness Suite Electronic Technical Reference Manuals -** Each Electronic Technical Reference Manual (eTRM) contains database diagrams and a detailed description of database tables, forms, reports, and programs for a specific Oracle Applications product. This information helps you convert data from your existing applications and integrate Oracle Applications data with non-Oracle applications, and write custom reports for Oracle Applications products. Oracle eTRM is available on Oracle*MetaLink.*

Related Guides

You should have the following related books on hand. Depending on the requirements of your particular installation, you may also need additional manuals or guides.

Oracle Applications Installation Guide: Using Rapid Install:

This book is intended for use by anyone who is responsible for installing or upgrading Oracle Applications. It provides instructions for running Rapid Install either to carry out a fresh installation of Oracle Applications Release 12, or as part of an upgrade from Release 11i to Release 12. The book also describes the steps needed to install the technology stack components only, for the special situations where this is applicable.

Oracle Applications Maintenance Procedures:

This guide describes how to use AD maintenance utilities to complete tasks such as compiling invalid objects, managing parallel processing jobs, and maintaining snapshot information. Part of Maintaining Oracle Applications, a 3-book set that also includes Oracle Applications Patching Procedures and Oracle Applications Maintenance Utilities.

Oracle Applications Maintenance Utilities:

This guide describes how to run utilities, such as AD Administration and AD Controller, used to maintain the Oracle Applications file system and database. Outlines the actions performed by these utilities, such as monitoring parallel processes, generating Applications files, and maintaining Applications database entities. Part of Maintaining Oracle Applications, a 3-book set that also includes Oracle Applications Patching Procedures and Oracle Applications Maintenance Procedures.

Oracle Applications Patching Procedures:

This guide describes how to patch the Oracle Applications file system and database using AutoPatch, and how to use other patching-related tools like AD Merge Patch, OAM Patch Wizard, and OAM Registered Flagged Files. Describes patch types and structure, and outlines some of the most commonly used patching procedures. Part of Maintaining Oracle Applications, a 3-book set that also includes Oracle Applications Maintenance Utilities and Oracle Applications Maintenance Procedures.

Oracle Applications Upgrade Guide: Release 11i to Release 12:

This guide provides information for DBAs and Applications Specialists who are responsible for upgrading a Release 11i Oracle Applications system (techstack and products) to Release 12. In addition to information about applying the upgrade driver, it outlines pre-upgrade steps and post-upgrade steps, and provides descriptions of product-specific functional changes and suggestions for verifying the upgrade and reducing downtime.

Oracle Alert User's Guide:

This guide explains how to define periodic and event alerts to monitor the status of your Oracle Applications data.

Oracle Applications Concepts:

This book is intended for all those planning to deploy Oracle E-Business Suite Release 12, or contemplating significant changes to a configuration. After describing the Oracle Applications architecture and technology stack, it focuses on strategic topics, giving a broad outline of the actions needed to achieve a particular goal, plus the installation and configuration choices that may be available.

Oracle Applications Developer's Guide

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

Oracle Applications Flexfields Guide:

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

Oracle Applications System Administrator's Guide Documentation Set:

This documentation set provides planning and reference information for the Oracle Applications System Administrator. *Oracle Applications System Administrator's Guide - Configuration* contains information on system configuration steps, including defining concurrent programs and managers, enabling Oracle Applications Manager features, and setting up printers and online help. *Oracle Applications System Administrator's Guide - Maintenance* provides information for frequent tasks such as monitoring your system with Oracle Applications Manager, managing concurrent managers and reports, using diagnostic utilities, managing profile options, and using alerts. *Oracle Applications System Administrator's Guide - Security* describes User Management, data security, function security, auditing, and security configurations.

Oracle Applications User's Guide

This guide explains how to navigate, enter data, query, and run reports using the user interface (UI) of Oracle Applications. This guide also includes information on setting user profiles, as well as running and reviewing concurrent requests.

Oracle Web Applications Desktop Integrator Implementation and Administration Guide:

Oracle Web ADI brings Oracle E-Business Suite functionality to a spreadsheet where familiar data entry and modeling techniques can be used to complete Oracle E-Business Suite tasks. You can create formatted spreadsheets on your desktop that allow you to download, view, edit, and create Oracle E-Business Suite data that you can then upload. Use this guide to implement Oracle Web ADI and for information on defining mappings, layouts, style sheets, and other setup options.

Oracle Workflow Administrator's Guide:

This guide explains how to complete the setup steps necessary for any product that includes workflow-enabled processes. It also describes how to manage workflow processes and business events using Oracle Applications Manager, how to monitor the progress of runtime workflow processes, and how to administer notifications sent to workflow users.

Oracle Workflow API Reference:

This guide describes the APIs provided for developers and administrators to access Oracle Workflow.

Oracle Workflow Developer's Guide:

This guide explains how to define new workflow business processes and customize existing Oracle Applications-embedded workflow processes. It also describes how to define and customize business events and event subscriptions.

Oracle Workflow User's Guide:

This guide describes how users can view and respond to workflow notifications and monitor the progress of their workflow processes.

Oracle XML Publisher Administration and Developer's Guide:

Oracle XML Publisher is a template-based reporting solution that merges XML data with templates in RTF or PDF format to produce a variety of outputs to meet a variety of business needs. Outputs include: PDF, HTML, Excel, RTF, and eText (for EDI and EFT transactions). Oracle XML Publisher can be used to generate reports based on existing E-Business Suite report data, or you can use Oracle XML Publisher's data extraction engine to build your own queries. Oracle XML Publisher also provides a robust set of APIs to manage delivery of your reports via e-mail, fax, secure FTP, printer, WebDav, and more. This guide describes how to set up and administer Oracle XML Publisher as well as how to use the Application Programming Interface to build custom solutions.

Oracle Financials Concepts Guide:

This guide describes the fundamental concepts of Oracle Financials. The guide is intended to introduce readers to the concepts used in the applications, and help them compare their real world business, organization, and processes to those used in the applications.

Oracle Financials Glossary:

The glossary includes definitions of common terms that are shared by all Oracle Financials products. In some cases, there may be different definitions of the same term for different Financials products. If you are unsure of the meaning of a term you see in an Oracle Financials guide, please refer to the glossary for clarification. You can find the glossary in the online help or in the Oracle Financials Implementation Guide.

Oracle Financials Implementation Guide:

This guide provides information on how to implement the Oracle Financials E-Business Suite. It guides you through setting up your organizations, including legal entities, and their accounting, using the Accounting Setup Manager. It covers intercompany accounting and sequencing of accounting entries, and it provides examples.

Oracle Applications Multiple Organizations Implementation Guide:

This guide describes the multiple organizations concepts in Oracle Applications. It describes in detail on setting up and working effectively with multiple organizations in Oracle Applications.

Oracle Assets User Guide:

This guide provides you with information on how to implement and use Oracle Assets. Use this guide to understand the implementation steps required for application use, including defining depreciation books, depreciation method, and asset categories. It also contains information on setting up assets in the system, maintaining assets, retiring and reinstating assets, depreciation, group depreciation, accounting and tax accounting, budgeting, online inquiries, impairment processing, and Oracle Assets reporting. The guide explains using Oracle Assets with Multiple Reporting Currencies (MRC). This guide also includes a comprehensive list of profile options that you can set to customize application behavior.

Oracle General Ledger Implementation Guide:

This guide provides information on how to implement Oracle General Ledger. Use this guide to understand the implementation steps required for application use, including how to set up Accounting Flexfields, Accounts, and Calendars.

Oracle General Ledger Reference Guide:

This guide provides detailed information about setting up General Ledger Profile Options and Applications Desktop Integrator (ADI) Profile Options.

Oracle General Ledger User's Guide:

This guide provides information on how to use Oracle General Ledger. Use this guide to learn how to create and maintain ledgers, ledger currencies, budgets, and journal entries. This guide also includes information about running financial reports.

Oracle Payables User Guide:

This guide describes how to use Oracle Payables to create invoices and make payments. In addition, it describes how to enter and manage suppliers, import invoices using the Payables open interface, manage purchase order and receipt matching, apply holds to invoices, and validate invoices. It contains information on managing expense reporting, procurement cards, and credit cards. This guide also explains the accounting for Payables transactions.

Oracle Purchasing User's Guide:

This guide describes how to create and approve purchasing documents, including requisitions, different types of purchase orders, quotations, RFQs, and receipts. This guide also describes how to manage your supply base through agreements, sourcing rules, and approved supplier lists. In addition, this guide explains how you can automatically create purchasing documents based on business rules through integration with Oracle Workflow technology, which automates many of the key procurement processes.

Oracle Receivables Implementation Guide:

This guide provides you with information on how to implement Oracle Receivables. Use this guide to understand the implementation steps required for application use, including how to set up customers, transactions, receipts, accounting, tax, and collections. This guide also includes a comprehensive list of profile options that you can set to customize application behavior.

Oracle Receivables User Guide:

This guide provides you with information on how to use Oracle Receivables. Use this guide to learn how to create and maintain transactions and bills receivable, enter and apply receipts, enter customer information, and manage revenue. This guide also includes information about accounting in Receivables. Use the Standard Navigation Paths appendix to find out how to access each Receivables window.

Oracle Subledger Accounting Implementation Guide:

This guide provides setup information for Oracle Subledger Accounting features, including the Accounting Methods Builder. You can use the Accounting Methods Builder to create and modify the setup for subledger journal lines and application accounting definitions for Oracle subledger applications. This guide also discusses the reports available in Oracle Subledger Accounting and describes how to inquire on subledger journal entries.

Integration Repository

The Oracle Integration Repository is a compilation of information about the service endpoints exposed by the Oracle E-Business Suite of applications. It provides a complete catalog of Oracle E-Business Suite's business service interfaces. The tool lets users easily discover and deploy the appropriate business service interface for integration with any system, application, or business partner.

The Oracle Integration Repository is shipped as part of the E-Business Suite. As your instance is patched, the repository is automatically updated with content appropriate for the precise revisions of interfaces in your environment.

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.

1

Product Overview

Overview

Public Sector Financials includes the following features:

- Encumbrance Account Analysis
- Funds Available Inquiry
- Funds Available Detail Report
- Governmental Accounting Standards Board (GASB) 34/35 Asset Accounting

> **Note:** The features described below are available from either the General Ledger Super User or the PSA Administrator responsibilities.

Encumbrance Account Analysis

The Encumbrance Account Analysis reports are used to identify encumbrance-related account imbalances between General Ledger and Subledgers.

The following Encumbrance Account Analysis reports are provided:

- Encumbrance Account Details Report
- Encumbrance Document Details Report

The Encumbrance Account Details Report performs the following tasks:

- Determines General Ledger encumbrance account balances, based on parameters entered
- Identifies journal entry line amounts that contributed to the General Ledger

encumbrance account balances

- Identifies the source document that created the journal entry line amounts
- Reconciles the General Ledger encumbrance journal amounts against the subledger encumbered amount

The Encumbrance Document Details Report performs the following tasks:

- Lists the General Ledger journals associated with the subledger source documents
- Lists accounting entries generated from specified subledger source documents

Funds Available Inquiry

Funds Available Inquiry in General Ledger is the principal budget management tool for organizations using budgetary control. Users can view budget status and available funds for a particular period range in a specified account code combination.

Funds Available Inquiry adds several features enabling users to reconcile General Ledger balances and accounting entries with source subledger documents. The following features are included:

- The option to filter results by summary accounts or detail accounts.
- The ability to see all detail accounts within a selected summary account.
- The ability to separate cumulative funds balances into accounting period balances.
- Drilldown from accounting period balances to accounting lines, including both journal lines and pending (approved) transactions lines.
- Drilldown from accounting lines to source documents in subledgers.

Funds Available Detail Report

The Funds Available Detail Report performs the following tasks:

- provides a single report with transaction detail for all amount types, enabling users to see budget execution down to the detail transaction level
- supplements existing funds available reporting in General Ledger, which shows the budget, encumbrance and actual balances used to determine available funds, but not the underlying transactions that make up those balances
- reflects posted transactions only

Governmental Accounting Standards Board (GASB) 34/35 Asset Accounting

Governmental Accounting Standards Board (GASB) 34/35 requires users to meet reporting requirements for state and local governments and for public colleges and universities. Public sector organizations must prepare financial statements using the accrual basis of accounting, in addition to providing the modified accrual-based fund statements already required.

GASB 34/35 asset accounting enables users to report capital acquisitions as expenditures in fund statements and as depreciating assets in the government- or university-wide statements, while continuing to charge the acquisitions to expense accounts.

2

Oracle Public Sector Financials Setup Overview

Oracle Public Sector Financials Setup Overview

This chapter provides a setup checklist for the Oracle Public Sector Financials features and describes the setup steps.

Complete all required setup steps for the following applications before beginning the Public Sector setup steps:

- Oracle Applications System Administration
- Oracle Assets
- Oracle General Ledger
- Oracle Payables
- Oracle Public Sector Purchasing
- Oracle Receivables

Oracle Public Sector Financials Setup Checklist

All required steps in this checklist must be completed. Specific information for each setup step is described in the following section, Oracle Public Sector Financials Setup Steps, page 2-3.

> **Note:** The sequence indicated for the setup checklist applies to the Public Sector setup process only. For each application installed, consult the manuals for that application to determine the sequence of setup

steps.

The table below shows the Public Sector Financials setup checklist.

Oracle Public Sector Financials Setup Checklist

Step Number	Setup Step	Step Type	Oracle Application	Feature
1.	Define a Ledger	required	General Ledger	Encumbrance Account Details GASB 34/35 Asset Accounting
2.	Create New Responsibilities	optional, but recommended	System Administration	GASB 34/35 Asset Accounting
3.	Assign Responsibilities to Users	optional, but recommended	System Administration	GASB 34/35 Asset Accounting
4.	Specify Site-Level and Application Level Profile Options	required with defaults	System Administration	GASB 34/35 Asset Accounting
5.	Define Chart of Accounts	required	General Ledger	GASB 34/35 Asset Accounting
6.	Define Book Controls	required	Assets	GASB 34/35 Asset Accounting
7.	Define Payables Options	required	Payables	Encumbrance accounting
8.	Define Request Set	required	System Administration	GASB 34/35 Asset Accounting
9.	Define Journal Reversal Criteria	optional, but recommended	General Ledger	GASB 34/35 Asset Accounting
10.	Set Up the Global Consolidation System (GCS)	required	General Ledger	GASB 34/35 Asset Accounting

Step Number	Setup Step	Step Type	Oracle Application	Feature
11.	Set Up MassAllocation Batches	required [not part of standard setup checklist]	General Ledger	GASB 34/35 Asset Accounting
12.	Define Financial Reports With Financial Statement Generator (FSG)	required [not part of standard setup checklist]	General Ledger	GASB 34/35 Asset Accounting

Oracle Public Sector Financials Setup Steps

To set up the Public Sector Financials, perform the following setup steps in the order listed.

1. Define Ledgers

This step applies to Encumbrance Account Details and GASB 34/35 asset accounting.

Encumbrance Account Details

To use the full capabilities of encumbrance accounting and run Encumbrance Account Details, users must enable budgetary control for a ledger.

> **Note:** If budgetary control is disabled, users can still enter manual encumbrances by journal entry, but encumbrances cannot be automatically generated from requisitions, purchase orders, and invoice transactions.

To enable budgetary control for a ledger, see Enabling and Disabling Budgetary Control, *Oracle General Ledger User Guide*.

GASB 34/35 Asset Accounting

To enable asset accounting in compliance with GASB 34/35, set up a secondary, accrual-based General Ledger ledgers that uses the same chart of accounts, calendar, and currency as the primary modified accrual General Ledger ledger.

To define a new ledger, see Defining Ledgers, *Oracle General Ledger User Guide*.

2. Create New Responsibilities

This step applies to GASB 34/35 asset accounting.

Set up a GASB reporting responsibility that is tied to the accrual ledger through the GL Ledger Name profile option. Assign this responsibility to users who prepare or run GASB reports.

To create new responsibilities, see Defining a Responsibility, *Oracle Applications System Administrator's Guide*, Responsibilities Window, *Oracle Applications System Administrator's Guide*, and Users Window, *Oracle Applications System Administrator's Guide*.

3. Assign Responsibilities to Users

Assign new responsibilities for GASB 34/35 reporting to users.

To create new users or assign access to Public Sector for existing users, see Overview of Oracle Applications Security, *Oracle Applications System Administrator's Guide* and Users Window, *Oracle Applications System Administrator's Guide*.

4. Specify Site-Level and Application Level Profile Options

This step applies to GASB 34/35.

Set Up Profile Option Levels

The common user profile options for Oracle Applications must be specified as part of System Administration setup. There are a maximum of four levels at which a profile can be set: Site, Application, Responsibility, and User. Most profiles are seeded with default values at the site level that serve as the defaults until they are overridden at other levels.

If users are using single organization, the profile options are set at the site level. If multiple organizations is implemented, Public Sector profile values should be set at the responsibility level.

The table below describes the profile option levels.

Profile Option Levels

Feature	Profile Option Name	Site	Applica- tion	Respon-sibility	User
GASB 34/35 Asset Accounting	GL Ledger Name	x		x	

Set Up Profile Option Values

The table below describes the profile option values.

Oracle Public Sector Profile Option Values

Profile Option Name	Value	Description
GL Ledger Name	Ledger	Enables ledger to be used in Public Sector; must be set up at the responsibility level Verify the ledger that is using or GASB 34/35 reporting. **Note:** If multiple organizations is implemented, a ledger is linked to a specific Public Sector responsibility.

5. Define Request Groups

This step applies to the Funds Available Detail Report and GASB 34/35 asset accounting.

For reporting purposes, the PSA Administrator responsibility can only be assigned one organization.

To enable the Funds Available Detail Report within a General Ledger responsibility, add the report to the GL Concurrent Program request group in General Ledger. The report is accessible to any General Ledger responsibility which uses this request group.

For GASB 34/35 asset accounting, add processes to the All Reports request group in Payables.

The table below shows the reports and programs added to the request groups in Payables.

Request Groups

Request Group	Application	Report or Program
GL Concurrent Program	General Ledger	Funds Available Detail Report
All Reports	Payables	Update Assets Tracking Flag Update Asset Type

To add reports and programs to request groups, see Organizing Programs into Request

Groups, *Oracle Applications System Administrator's Guide* and Request Groups Window, *Oracle Applications System Administrator's Guide*.

6. Define Assets Related Account

This step applies to GASB 34/35 asset accounting.

Define the following accounting flexfield segment values:

- Fixed Assets and Asset Expenditures
- Depreciation
- Debt
- Net Assets

Fixed Assets and Asset Expenditures

Set up a mirror range of natural account segment values, minimally at the major asset category level, for asset accounts and expense accounts.

The table below shows an example of a one-to-one relationship between the asset accounts and expense accounts.

Sample One-to-One Relationship for Asset Accounts and Expense Accounts

Account Description	Asset Account	Expense Account
Land	1510	6510
Buildings	1520	6520
Equipment	1530	6530
Construction in Progress	1590	6590

Table 2–7, page 2-7 shows an example of a many-to-one relationship between an asset account and expense accounts.

Sample Many-to-One Relationship for Asset Account and Expense Accounts

Account Description	Asset Account	Expense Account
Construction in Progress	1590	
CIP - Architectural Fees		6591
CIP - Engineering Fees		6592
CIP - Building Construction		6593

Depreciation

Set up Depreciation Expense and Accumulated Depreciation accounts.

Debt

Set up separate Bonds Payable or other debt accounts to record liabilities related to financing the acquisition, construction, or improvement of fixed assets.

Net Assets

Set up an account called Invested in Capital Assets, Net of Related Debt, as a component of Net Assets. This represents the value of such assets, less accumulated depreciation, and less outstanding debt related to their acquisition.

7. Define Book Controls

Define a second asset book for GASB 34/35 asset accounting.

Set up the depreciation asset book as a tax asset book. Associate the book with the secondary accrual ledger. Designate the expenditure asset book as the associated corporate asset book and ensure that Mass Copy is allowed.

> **Note:** Set up the expenditure asset book as a corporate asset book. Associate the book with the modified accrual ledger. Ensure that the Payables installation, from which the Mass Additions process will be used to add assets automatically to this asset book, is associated with the same ledger

To define book controls, see Define Your Book Controls, *Oracle Assets User Guide*.

8. Define Payables Options

This step applies to Encumbrance Accounting.

Allow Adjustments to Paid Invoices option in the Invoice tab must not be selected. Selecting this option may result in incorrect accounting.

9. Define Request Set

This step applies to GASB 34/35 asset accounting.

Define a request set for GASB 34/35 asset accounting as follows:

- Select Concurrent Processes
- Define Parameters
- Set Print Options
- Schedule Request Set

To define request sets, see GASB 34/35 Asset Accounting Setup, page 9-1.

Select Concurrent Processes

In System Administration, set up a request set to run concurrent processes required for GASB 34/35 asset accounting in the following sequence:

- Payables Approval
- Create Accounting

  > **Note:** It is possible to run the Create Accounting process with the Transfer to General Ledger parameter set to Yes. However, for GASB 34/35 asset accounting, the Transfer Journal Entries to GL process must be run separately.

- Update Assets Tracking Flag
- Transfer Journal Entries to GL
- Mass Additions Create
- Update Asset Type

This request set replaces the Mass Additions process in all cases and adds new public sector processes for GASB 34/35 asset accounting.

Note: If the concurrent processes are run individually, the processes must still be run in the correct sequence.

Define Parameters

Define the parameters for each of the processes in the request set.

Set Print Options

Optionally, set print options to automatically print output reports.

Schedule Request Set

Schedule the request to run overnight so that the previous day's asset acquisitions are available in the Mass Additions table the following morning.

10. Define Journal Reversal Criteria

This step applies to GASB 34/35 asset accounting.

Define journal reversal criteria to reverse asset addition journal entries in the secondary ledger. Specify the reversal method and period.

The Create Journal Entries process creates depreciation, as well as adjustment, transfer, and retirement journals for the secondary ledger. However, this process also creates addition entries that are not needed by GASB 34/35 asset accounting. Use AutoReverse to automatically generate and post journal reversals.

To define journal reversal criteria, see Automatic Journal Reversal Overview, *Oracle General Ledger User Guide*.

11. Set Up the Global Consolidation System (GCS)

This step applies to GASB 34/35 asset accounting.

Define consolidation mapping with the modified accrual ledger as the secondary ledger and the accrual ledger as the primary.

Using segment rules, set up each segment in the parent ledger to copy values from the same segment in the secondary ledger. For the initial copy, select Balances, not Transactions, as the consolidation method.

To define a consolidation mapping, see Mapping Subsidiaries to Your Parent, *Oracle General Ledger User Guide*.

12. Set Up MassAllocation Batches

This step applies to GASB 34/35 asset accounting.

Set up the following MassAllocation batches to reclassify the following:

- capital expenditures to fixed assets
- unrestricted net assets to invested in capital assets, net of related debt

Set up a MassAllocation batch with formulas to automatically reclassify the balances of all capital expenditures to the appropriate fixed asset or CIP accounts in the mirror range of accounts that were set up in the assets section of the balance sheet.

Set up a MassAllocation batch with formulas to automatically reclassify, for all funds, that portion of net assets that represents net investment in capital assets.

To set up MassAllocation batches, see Creating MassAllocation Batches, *Oracle General Ledger User Guide*.

13. Define Financial Reports with Financial Statement Generator (FSG)

This step applies to GASB 34/35 asset accounting.

At a minimum, the following reports should be set up.

In the modified accrual ledger, set up the following reports for fund reporting:

- Balance Sheet
- Statement of Revenues, Expenditures, and Changes in Fund Balance

In the accrual ledger, set up the following reports for government- or university-wide reporting:

- Statement of Net Assets
- Statement of Activities

To define a financial report using the Financial Statement Generator (FSG), see Defining Financial Reports, *Oracle General Ledger User Guide*.

14. Enable Dynamic Insertion

This step applies to multi-fund accounts receivable, and is required.

To enable dynamic insertion:

1. In General Ledger, navigate to the Key Flexfield Segments window.
2. Select the Allow Dynamic Inserts check box.
3. Save your work.

For information on dynamic insertion, see Dynamic Insertion, *Oracle Applications Flexfields Guide*.

3

Encumbrance Accounting Using Oracle Subledger Accounting

Overview

Subledger Accounting is an intermediate step between each subledger applications and Oracle General Ledger. Subledger Accounting creates the final accounting for subledger actual and encumbrance journal entries and transfers the accounting data to General Ledger. It stores a complete and balanced subledger journal entry in a common data model for each business event that requires accounting.

Subledger Accounting provides a uniform approach to accounting and a common set of tools that enable you to configure and customize accounting rules for applications that require accounting. It includes a common user interface and a set of programs that can generate accounting for Oracle and non-Oracle applications. When you set up rules in Subledger Accounting, you can define the types of lines, descriptions, and accounts to store on journal entries. Subledger Accounting partitions data by subledger application, while storing the information in a common model. The subledger accounting method chosen at the Ledger determines what type of accounting is created, for example, Standard Accrual or Encumbrance Accrual.

If the budgetary control is enabled, or an encumbrance Subledger Account method is chosen, the subledger captures the budgetary control events at the same time that the budgetary control is called. For example, a budgetary control event is created when funds are requested to be reserved for a purchase order. In some cases, this will result in the capture of two accounting events at the same time. For example, when an invoice is approved, there could be both an 'Invoice Approved' and a 'Budgetary Control Invoice Approved' accounting event.

First the encumbrance accounting is created, then the transactions are checked against the funds available. The encumbrance accounting feature is separated from the budgetary control feature and is created by the Subledger Accounting engine.

Public Sector Financials predefines Subledger Accounting setup for Encumbrance Accounting so that the create accounting process accepts the default accounting information from subledgers without change. You can optionally define your own detailed encumbrance accounting rules to enable Subledger Accounting to create encumbrance accounting entries.

Accounting Event Model Overview

Accounting events represent transactions that have a financial accounting impact. Public Sector Financials generates accounting events for the business events that it processes. The Create Accounting process creates subledger accounting entries for the accounting events. The Transfer Journal Entries to General Ledger process transfers the accounting entries to General Ledger.

Event represents the business event in the life-cycle of a document. For example, a business event takes place when you create a Purchase Order in Oracle Purchasing. The Account Generator workflow then automatically creates accounting entries for the purchase order. Next, you choose to check funds or reserve funds, then the budgetary control creates budgetary control event, calls the Subledger Accounting Create Accounting process that creates encumbrance accounting entries for these accounting events in Oracle Subledger Accounting, then the funds are checked or reserved.

Each Event Entity is associated with one or more Event Classes. An Event Class represents a category of business events for a particular transaction type or document. The Example of the Event Classes in procure-to-pay process are Requisition, Purchase Order, Credit Memo, or Prepayment. Event entities in procure-to-pay process are Requisition, Purchase Order, Receipt, Invoice, and Payment. Event classes group similar Event types and enable sharing of accounting definitions.

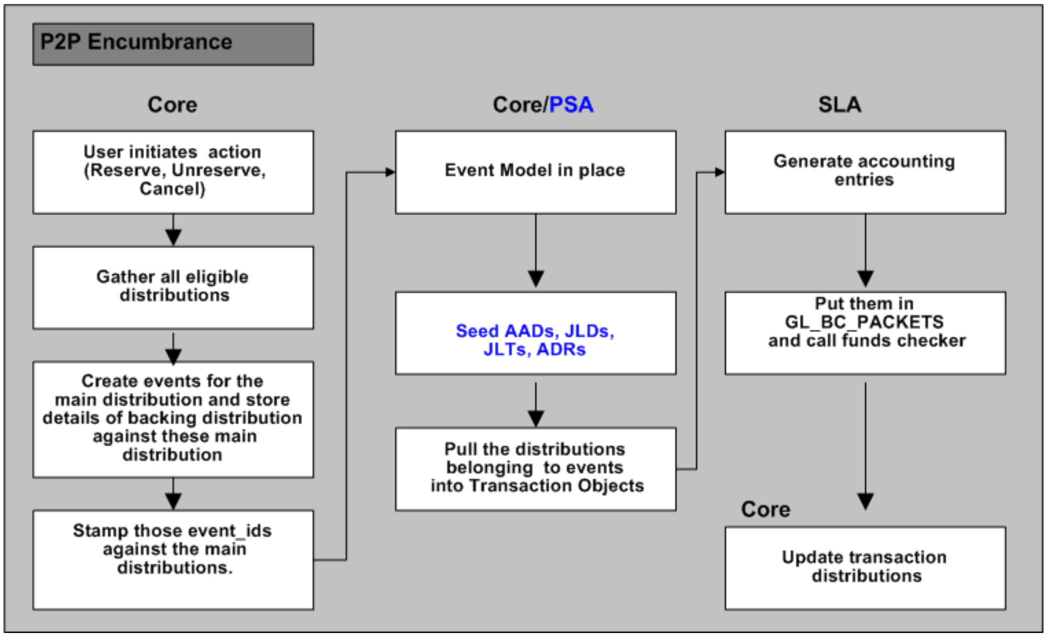
An Event type represents a business operation that you can perform for an Event class. An example of the Event Type is 'Requisition Created' or 'Requisition Reserved'. An accounting event has both an Event class and an Event type that impacts how a Create Accounting process determines the subledger accounting for it.

Oracle Public Sector Financials provides a predefined set of Event classes and Event types for each encumbrance accounting Event entity.

The accounting definitions are used to create journal entries. A Subledger Accounting Create Accounting process creates all accounting entries for all subledgers. Users can use the standard report submission features to submit the Create Accounting process at regular intervals to automatically process encumbrance accounting events. Detailed subledger accounting journals are available for analytics, auditing, and reporting and can be summarized, transferred, imported, and posted to Oracle General Ledger.

Procure to Pay Encumbrance Accounting Process Overview

The following diagram explains Procure to Pay Encumbrance Process based on Requisition example.


P2P Encumbrance
Core
Core/PSA
SLA
User initiates action (Reserve, Unreserve, Cancel)
Gather all eligible distributions
Create events for the main distribution and store details of backing distribution against these main distribution
Stamp those event_ids against the main distributions.
Event Model in place
Seed AADs, JLDs, JLTs, ADRs
Pull the distributions belonging to events into Transaction Objects
Generate accounting entries
Put them in GL_BC_PACKETS and call funds checker
Core
Update transaction distributions

In Purchasing:

- A user enters a requisition and reserves or unreserves funds, or cancels the requisition.
- Distributions are created and all eligible distributions are gathered.
- The events for the main distributions are created and the backing distribution details are stored against the main distribution details.
- The Event IDs of the events created in the previous step are stamped against the main distributions in Oracle Public Sector Financials.

In Public Sector Financials:

- Assuming event model is in place, seed Application Accounting Definitions, Journal Line Definitions, Journal Line Types and Account Derivation Rules are selected.

In Purchasing:

- The distributions belonging to the events are pulled into Transaction Objects.

In Subledger Accounting:

- Accounting entries are generated.
- Stored in GL_BC_PACKETS table, and the funds checker is called.

In Purchasing:

- The transaction distributions are updated.

Related Topics

Oracle Subledger Accounting Implementation Guide

4

Budgetary Control Results Report

Overview

The Budgetary Control Results report provides detailed information about the funds check failure or success, reporting on transactions funds checked in Purchasing, Payables, Federal Financials, Projects, Grants, and General Ledger.

Budgetary Control Results Report Procedure

Budgetary Control Results report can be generated from the transactional windows or from the Standard Request submission window.

To generate the Budgetary Control Results report from the transactional windows:

- Select the View Results button in the Funds Check or Funds Reservation Message window.

OR

- From the Tools menu, select the View Results option from the Transactional window.

To generate the Budgetary Control Results report from Standard Request window:

1. Navigate to the Submit Request window.
2. In the Name field, select Budgetary Control Results Report.
3. In the Ledger field, select the ledger.
4. In the Period From and Period To field, select the period names for calendar assigned to the ledger selected.
5. In the Funds Result Status field, select the status.

Note: If left blank all funds check transactions for the ledger, period and any status will be displayed.

6. In the Order By field, select a field name to sort the data.

   Note: If left blank the data will be order by account combination within a given transaction.

Budgetary Control Results Report Parameters

The following table describes the report headings of the Budgetary Control Results report.

Field Name	Description
Ledger	The ledger value from report parameter from the submit request window.
Currency	This is the functional currency of the ledger displayed.
Order By	The field on which the report is sorted.
Funds Result Status	Funds Result Status **Note:** The funds results status is defaulted to F (Failed), when the report is submitted through the Submit Request window. However, the user can change it to other values.
Templates	The list consists of Oracle's predefined Budgetary Control Results template but in addition users can define their own template and therefore the list could expand.
Report Format	The output format of the report such as HTML or PDF.
View Report	Click View Report to see the impact on the data if you change the parameters for Order By or Budgetary Control Status.
Export	When the user selects Export the body of the report is displayed in the format selected in Report Format.

The following table describes the values on which the Budgetary Control Results report is grouped by.

Name	Description
Application	Application name
Batch Reference	Batch reference; the value displayed is derived from the transaction(s) that has been funds checked.
Document Reference	Document reference; the value displayed is derived from the transaction(s) that has been funds checked.
Supplier	The supplier name for the relevant the Purchasing or Payables transaction.
Site	The supplier site for the relevant transactions in the Purchasing or Payables transaction.

The following table describes the column headings of the Budgetary Control Results report.

Field Name	Description
Account Combination	Account combination
Period	The period name for the specific transaction line/journal line.
Line Reference	Line reference
Result Status Type	Result status type
Result Message	The detailed funds check message for each transaction line/journal line.
Previous Funds Available	This is the funds available for the particular account combination at the Budgetary Control occurred.
Base Amount	This is the transaction line amount that has undergone funds check.
Current Funds Available	The funds available for the particular account combination at the time the Budgetary Control occurred which includes the transaction amount.

Field Name	Description
Amount Type	The Amount Type determines the cumulative balance to use for the Budgetary Control interval.
Boundary	The Boundary defines the end point of a Budgetary Control interval.
Budget Name	The budget against which the Budgetary Control takes place.

When the Budgetary Control Results Report is submitted from the standard report submission window in either General Ledger or subledgers:

- For each document reference within the Budgetary Control Results Report, multiple lines may have been funds checked. Some lines may have failed and some lines may have passed the funds check or funds reservation.
- If you are reviewing the General Ledger transaction lines for a given journal, and some lines had a Failed Check status and some lines had a Passed Check for a funds check, it means the overall GL journal failed funds check.
- If all the GL journal lines, for a given GL Journal, had an Approved status then the overall GL Journal passed and funds were reserved.
- If some GL journal lines, for a given GL journal, had a Rejected status and some lines had an Approved status for a funds reservation, it means the overall GL journal failed and no funds were reserved.
- If you are reviewing the subledger transaction lines for a subledger transaction, and some lines had a Failed Check status and some lines had a Passed Check status for a funds check, it means that some lines passed funds check and some lines failed funds check.
- If some subledger transaction lines, for a given subledger transaction, had a Rejected status and some lines had an Approved status for a funds reservation, it means some subledger transaction lines were reserved (Approved status) and some were not reserved (Rejected).

A profile option for 'Budgetary Control Results Template' allows you to default the template used to display Budgetary Control Results, and it is available at all levels: Site, Application, Responsibility and User.

The default template is the 'Budgetary Control Results Template'. If Oracle Federal Financials is enabled, the default template is the 'Federal Budgetary Control Results Template'.

This profile option enables you to define your own Budgetary Control Results Report template and associate it with the profile option. When you perform a funds check, funds reservation, or run the Budgetary Control Result report from the Standard Request Submission window, the report matches the Budgetary Control Results Report template set in the profile option.

If you want to modify existing templates and add new columns, you can see what columns are available by viewing the XML file.

The XML file produced by the Budgetary Control Results Report can be viewed:

- Run the Budgetary Control Results Report concurrent request from the Submit Request window.
- After successful completion, click Diagnostics>View XML.

Related Topics

Oracle XML Publisher Administration and Developer's Guide

5

Encumbrance Account Analysis

Overview

The Encumbrance Account Analysis reports aid in the reconciliation of encumbrance account balances. This functionality provides information for the analysis of encumbrance account balances, starting from the General Ledger to SLA with references back to the transaction sources in the subledgers.

The primary tools for performing encumbrance reconciliation are the Encumbrance Account Analysis reports, which present the details regarding any imbalances. These reports are executable as an encumbrance transaction listing on selected accounts or account ranges over a selected period range.

Other standard reports related to encumbrance accounting exist, which can be referenced from the *Oracle General Ledger User Guide*.

The Encumbrance Account Details must be viewed as a reporting tool only. They do not resolve any encumbrance imbalances that occur between the subledgers and the General Ledger. The imbalances can only be corrected by the creation and posting of manual encumbrance journals in the General Ledger or by correcting the transactions themselves. Oracle does not recommend or support the adjustment of encumbrance account balances through any other means.

Reference

For information on reconciling payables activity with General Ledger, see Reconciling Payables Activity to General Ledger, *Oracle Payables User Guide*.

Background

The subledgers, Oracle Purchasing and Oracle Payables, create encumbrance entries during transaction processing and document. These encumbrance entries can be reviewed, edited, in SLA and posted in General Ledger.

The standard reports provide information about the transactions related to encumbrance entries within a specific module. There is no specific report that comprehensively reconciles the encumbrance accounting balance between the subledgers, Purchasing and Payables, and the General Ledger. There are some combinations of standard reports which approach the desired functionality, the Encumbrance Analysis reports provide the cross-modular data users require.

For descriptions of standard reports, see Submitting Standard Reports, Programs, and Listings, *Oracle Payables User Guide* and *Oracle Purchasing User's Guide*.

The Encumbrance Account Details gather cross-modular data on related encumbrance accounting entries and report all source transactions, highlighting where imbalances occur.

The encumbrance account details functionality includes the following:

- Identification of atypical encumbrance balances in the General Ledger, such as negative encumbrance balances
- Full implementation of the drilldown concept seen in the online windows and standard reports.
- Support for period-end reconciliation and year-end processing

Limitations

The Encumbrance Account Analysis reports only provide information about the variances between the General Ledger and the subledgers. They do not correct the variances or the differences between encumbrance accounting and subledger transactions.

Encumbrance Account Details Report

The Encumbrance Document Details Report provides the following information:

- Identifies journal entry lines generated from a specified purchasing document

  The Encumbrance Document Details Report prints the following information for each line of the specified purchasing document:

  - Distribution account number
  - Journal entry batch name and header name
  - Journal entry line number and amount
  - Journal entry date

The Encumbrance Account Details Report can be run as a concurrent program from the standard report submission window.

> **Note:** The Encumbrance Account Details Report must be manually enabled in Oracle System Administrator and added to the General Ledger Standard report set.

Parameters

The Encumbrance Account Details Report accepts the following parameters:

- The ledger for which the report is to be generated
- The period range selected from the list of values
- The chart of accounts value range selected from the list of values
- The encumbrance type selected from the list of values

Based on the parameters selected, the Encumbrance Account Details Report lists General Ledger balances for each of the Accounting Flexfields with encumbrance balances, the journal entry transactions that contribute to these encumbrance account balances, the total balance in the requested periods, and the related source document level and distribution level data that are referred to in each of the journal entry lines reported.

The source document data in the Encumbrance Account Details Report is driven by the presence of the reference columns on the journal entry lines. These reference columns are the key to the cross-modular reporting capability. If these reference columns are in error or missing, an appropriate error is displayed for the account. Similarly, if a reference column points to a document that cannot be found, another error message is displayed.

Encumbrance Document Details Report

The Encumbrance Document Details Report can be run as a concurrent program from the standard report submission window.

> **Note:** The Encumbrance Document Details Report must be manually enabled in Oracle System Administrator and added to the General Ledger Standard report set.

Parameters

The Encumbrance Document Details Report is based on the following parameters:

- Ledger name
- Document Type
- Document ID
- Document number

Based on the parameters selected, the Encumbrance Document Details Report lists all accounting entries, or journal entry lines, generated from the selected document. The report essentially performs a reverse drill-down from the source document back to the General Ledger. This report is used to supplement the analysis performed during encumbrance reconciliation.

Limitations

The history of encumbrance transactions is not recorded in the sub ledgers. Only the current status and details of encumbrances is stored in the subledgers. Consequently, the Encumbrance Document Details Report is provided to present all accounting entries generated from a selected document.

Running and Printing the Encumbrance Account Details Report Procedure

To run and print the Encumbrance Account Details Report:

1. In General Ledger, navigate to the Submit Request window.
2. In the Name field, select Encumbrance Account Details Report from the list of values.
3. Click OK.

   The Parameters window appears.
4. In the Ledger field, enter the ledger name.
5. In the Period From field, select a beginning period to include in the Encumbrance Account Details Report from the list of values.
6. In the Ending Period To field, select an ending period to include in the Encumbrance Account Details Report from the list of values.
7. Click in the Account From field.

   The Chart of Accounts window appears.
8. Select low and high values from the list of values and click OK.

9. In the Encumbrance Type field, select the encumbrance type from the list of values to be included in the Encumbrance Account Details Report.

10. Click OK.

11. To print the Encumbrance Account Details Report after it is run, click Options....

    The Upon Completion... window appears.

12. In the Style field, select the desired style of the report to be printed from the list of values.

13. In the Printer field, select the printer from the list of values.

14. In the Copies field, specify the number of reports to be printed.

15. In the For Language field, select the language the report is to be printed in from the list of values.

16. Click OK.

17. To send the process request to the concurrent manager, click Submit.

    The Requests window appears for viewing.

Running and Printing the Encumbrance Document Details Report Procedure

To run and print the Encumbrance Document Details Report:

1. In General Ledger, navigate to the Submit Request window.

2. In the Name field, select the Encumbrance Document Details Report from the list of values.

3. Click OK.

   The Parameters window appears.

4. In the Document Type field select a source document type from the list of values.

5. In the Document ID field, select or enter a source document number from the list of values.

6. Click OK.

7. To print the Encumbrance Document Details Report after it is run, click Options....

   The Upon Completion... window appears.

8. In the Style field, select the desired style of the report to be printed from the list of values.

9. In the Printer field, select the printer from the list of values.

10. In the Copies field, specify the number of reports to be printed.

11. In the For Language field, select the language the report is to be printed in from the list of values.

12. Click OK.

13. To send the process request to the concurrent manager, click Submit.

    The Requests window appears for viewing.

Related Topics

For information on encumbrance accounting, see Overview of Encumbrance Accounting, *Oracle General Ledger User Guide*.

For information on using budgetary control with Payables, see Budgetary Control in Payables, *Oracle Payables User Guide*.

For information on making changes to an encumbered purchase order, see Changing Encumbered Documents, *Oracle Purchasing User's Guide*.

For information on reserving funds for requisitions, see Reserving Funds for Requisitions, *Oracle Purchasing User's Guide*.

For information on making changes to encumbered documents, see Submitting a Document for Approval, *Oracle Purchasing User's Guide*.

6

Funds Available Inquiry Procedures

Overview

General Ledger Funds Inquiry enables drilldown from account budget status inquiry to accounting entry components and then to subledger transaction detail.

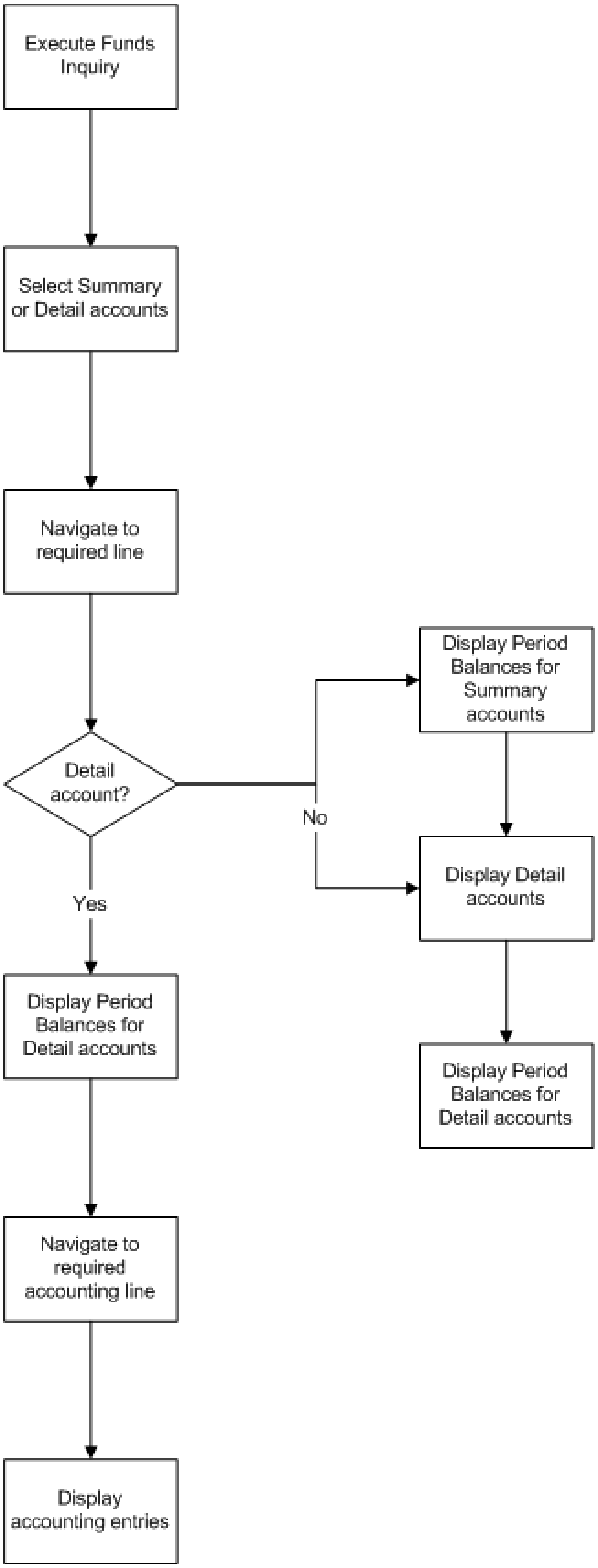
Funds Available Inquiry (FAI) in General Ledger is the principal budget management tool for organizations using budgetary control. For a given account code combination, FAI displays budget status, consisting of budget, encumbrance, and actual balances, and the available funds for the specified period range.

The Fund Available Inquiry can be used as a fully integrated budget monitoring tool including the following features:

- current budget status inquiry
- ability to link summary account budget status to its detail components
- ability to see budget status by either summary or detail accounting period
- drilldown from account budget status inquiry directly to accounting entry components
- drilldown from journal or accounting entry detail to subledger transaction detail

The diagram below shows the additional windows accessible from the General Ledger Funds Available Inquiry window, as described in the accompanying text.

Funds Available Inquiry with Drilldown Functionality Process


Execute Funds Inquiry
Select Summary or Detail accounts
Navigate to required line
Detail account?
No
Yes
Display Period Balances for Summary accounts
Display Detail accounts
Display Period Balances for Detail accounts
Display Period Balances for Detail accounts
Navigate to required accounting line
Display accounting entries

Funds Available Inquiry Process

After performing a standard General Ledger funds inquiry, users can select an account code combination for further drilldown. If this account is a summary account, there are two options available: viewing the detail accounts for the summary account, or viewing the period balances. Both options are available from the Tools menu. The period balances for the displayed detail accounts can then be accessed from the Detail Accounts window. If the selected account is a detail account, users can display the period balances for that account.

On the Period Balances window, users can select a period and use the Tools menu to access either the budget, actual, or encumbrance accounting lines for that period in the Accounting Entries Detail window. From there, drilldown to subledger accounts is available.

Reference

For information on the FAI process, see Viewing Funds Available, *Oracle General Ledger User's Guide*.

Viewing Funds Available Details Procedure

To drilldown to funds available details:

1. In General Ledger, navigate to the Funds Available Inquiry window.

2. In the Ledger field, select the ledger.

   Note: The list of values include ledgers assigned to the GL: Ledger Name profile options.

3. In the Budget field, select a budget from the list of values.

4. In the Amount Type field, select whether to display amounts for period to date, project to date, quarter to date, or year to date from the drop-down list.

5. In the Period field, select a period from the list of values.

   Note: The default value is the accounting period associated with the system date if the selected budget includes that date. Otherwise, the value is the first accounting period within the selected budget.

6. In the Encumbrance Type field, select an encumbrance type from the list of values.

7. In the Account Level field, select All, Detail, or Summary from the drop-down list.
8. Navigate to the Funds Available region and query a partial or complete account.
9. Select an account.

   If the account is a detail account, go to step 10. If the account is a summary account, go to step 12.
10. To view period balances for the detail account, go to Tools - Period Balances.

    The Period Balances window appears.
11. Go to step 17.
12. To view period balances for the summary account, go to Tools - Period Balances.

    The Period Balances window for summary accounts appears.
13. Close the Period Balances window.
14. To view detail accounts for the summary account, go to Tools - Detail Accounts.

    The Detail Accounts window appears.
15. Select a detail account.

    > **Note:** The Encumbrance Amounts fields display the encumbered amounts for purchase order and requisition encumbrance types and all other encumbrance types if:
    >
    > - the encumbrance type is set to ALL
    > - budgetary control is enabled
    > - Purchasing is installed

16. To view period balances for the detail account, click Period Balances.

    The Period Balances window for detail accounts appears.
17. Select a period.
18. To view accounting entries for the selected period, do one of the following:
    - To view budget lines, go to Tools - Budget Lines
    - To view actual lines, go to Tools - Actual Lines

- To view encumbrance lines, go to Tools - Encumbrance Lines

The Accounting Entries Detail window appears.

19. To drilldown to subledger details, click Drilldown.

7

Funds Available Detail Report Procedures

Overview

The Funds Available Detail report differs from Oracle General Ledger which displays budget, actual, and encumbrance balances for posted transactions only.

> **Note:** The Funds Available Detail Report must be manually enabled in Oracle System Administrator and added to the General Ledger Standard report set.

The Funds Available Detail report combines the Budget - Encumbrance - Actual = Funds Available format of the Funds Available Inquiry and Budget - Funds Available Analysis standard report with transaction detail for all amount types, all in the same report. This enables users to see budget execution down to the detail transaction level in a single report. Users can also trace a series of related transactions through the procure-to-pay process.

> **Note:** This report is run from within a General Ledger responsibility. To set up this report, see step 7. Define Request Groups, page 2-5.

The following information is displayed for each account:

- beginning balances
- journal lines, including subledger details if applicable
- running balances for each balance type
- available balances

The ending balance is displayed as the beginning balance for the next period.

For information on viewing available funds in General Ledger, see Viewing Funds

Available, *Oracle General Ledger User's Guide*.

Funds Available Detail Report Procedure

To generate the Funds Available Detail report:

1. In General Ledger, navigate to the Submit Request window.
2. In the Name field, select Funds Available Detail.
3. In the Ledger field, select the ledger.
4. In the Budget field, select a budget.
5. In the Summary Template field, select a summary template.

    Note: If no template name is selected, the report runs on all summary accounts in the selected ledger.

6. In the Account From field, enter the low end of the account code combination range for the report.
7. In the Account To field, enter the high end of the account code combination range for the report.
8. In the Amount Type field, select one of the following amount types from the :
    - Project to date
    - Period to date
    - Quarter to date
    - Year to date
9. In the Period From field, select a start period.
10. In the Period To field, select an end period.
11. In the Delete Existing Definition field, select Yes or No.

    Note: This parameter is to decide whether the user wants to create the data or delete the data for the ledger. If the parameter is Yes, the program should delete the delete the report definitions and account assignments in the setup for the Ledger selected.

12. To apply the parameters, click OK.
13. To send the request to the concurrent manager, click Submit.

    The Decision pop-up window appears.
14. To submit another request, click Yes or to continue, click No.
15. View the request in the concurrent manager as follows:

    View - Requests

8

GASB 34/35 Asset Accounting Process

Requirement

Governmental Accounting Standards Board (GASB) Statement Number 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, establishes new reporting requirements for state and local governments while maintaining much of what is already required for annual reports. GASB Number 35 extends these requirements to public colleges and universities. One of the most significant new requirements is to prepare government- or university-wide financial statements using the accrual basis of accounting, in addition to the modified accrual-based fund statements already required. The challenge presented by GASB 34/35 is to produce these accrual and modified accrual statements simultaneously from the same financial records.

Nowhere is this challenge more acute than in the area of asset accounting. Capital acquisitions, accounted for and reported as expenditures in the fund statements, must be accounted for and reported under GASB 34/35 as assets and depreciated in the government- or university-wide statements.

Overview

The objective of GASB 34/35 is to enhance the understanding and usefulness of the general purpose external financial reports of state and local governments, and public colleges and universities. GASB 34/35 asset accounting enables users to simultaneously report capital acquisitions as expenditures in fund statements and depreciating assets in the new government- or university-wide statements required by GASB while continuing to charge these acquisitions to expense accounts in Oracle Purchasing and Oracle Payables.

Standard consolidation and allocation functionality in Oracle General Ledger can be used to copy account balances from the modified accrual ledger to a new, full accrual ledger, reclassifying certain expense account balances to asset accounts to reflect the change in accounting basis. Standard copying functionality in Oracle Assets can be used to set up a second asset book that automatically calculates depreciation for the full accrual ledger.

> **Note:** The relationship between the depreciation asset book and the expenditure asset book is analogous to the relationship between the tax asset book and the corporate book for commercial organizations.

GASB 34/35 Setup

GASB 34/35 asset accounting setup requires the following:

- Modified accrual ledger as the primary ledger of record that reflects the expenditure-oriented, fund-based accounting used by state and local governments or by public colleges and universities
- Secondary ledger for accrual reporting
- Expenditure asset book associated with the primary accrual ledger
- Depreciation asset book that is tied to the expenditure asset book and associated with the secondary accrual ledger

GASB 34/35 Asset Accounting Process

The GASB 34/35 process consists of the following parts:

1. Capital acquisitions are recorded in Payables as expenditures.
2. Expenditures are posted to the primary accrual ledger.
3. Expenditures are brought into the expenditure asset book using Mass Additions which runs a process to allow depreciation to be generated for these additions even though they were not charged to asset accounts.
4. Mass Copy copies assets from the expenditure asset book to the depreciation asset book where depreciation is generated.
5. Depreciation and accumulated depreciation are posted to the secondary accrual ledger.
6. Balances, including asset expenditure balances, are copied from the modified accrual ledger to the accrual ledger using standard consolidation mapping and transfer functionality.
7. Entries in the accrual ledger are recorded to adjust certain balances, including asset balances, from the modified accrual to the accrual basis of accounting.

Note: Balances are transferred from the modified accrual ledger to the accrual ledger. Posting in the accrual ledger must be limited to depreciation, other entries from Assets such as adjustments, transfers, and retirements, and to adjusting journals that are necessary to reflect the different basis of accounting. All transactions from subledgers other than Assets should be posted to the modified accrual ledger.

Financial Statements

GASB 34/35 statements can be prepared using General Ledger's Financial Statement Generator provided that the user has an appropriately structured chart of accounts.

Assumptions and Dependencies

The following assumptions and dependencies apply to the GASB 34/35 asset accounting feature:

- Payables, Assets, and General Ledger applications are used.
- If modified accrual basis of accounting is already in use, beginning balances of certain balance sheet accounts on an accrual basis are ascertainable.
- All capital acquisitions are originally recorded to expense accounts.
- This solution assumes a new installation of Assets.

  Note: If Assets is already used, consulting assistance may be required to implement the solution.

References

For information on setting up GASB 34/35 asset accounting, see Oracle Public Sector Financials Setup Overview, page 2-1 and GASB 34/35 Asset Accounting Setup, page 9-1.

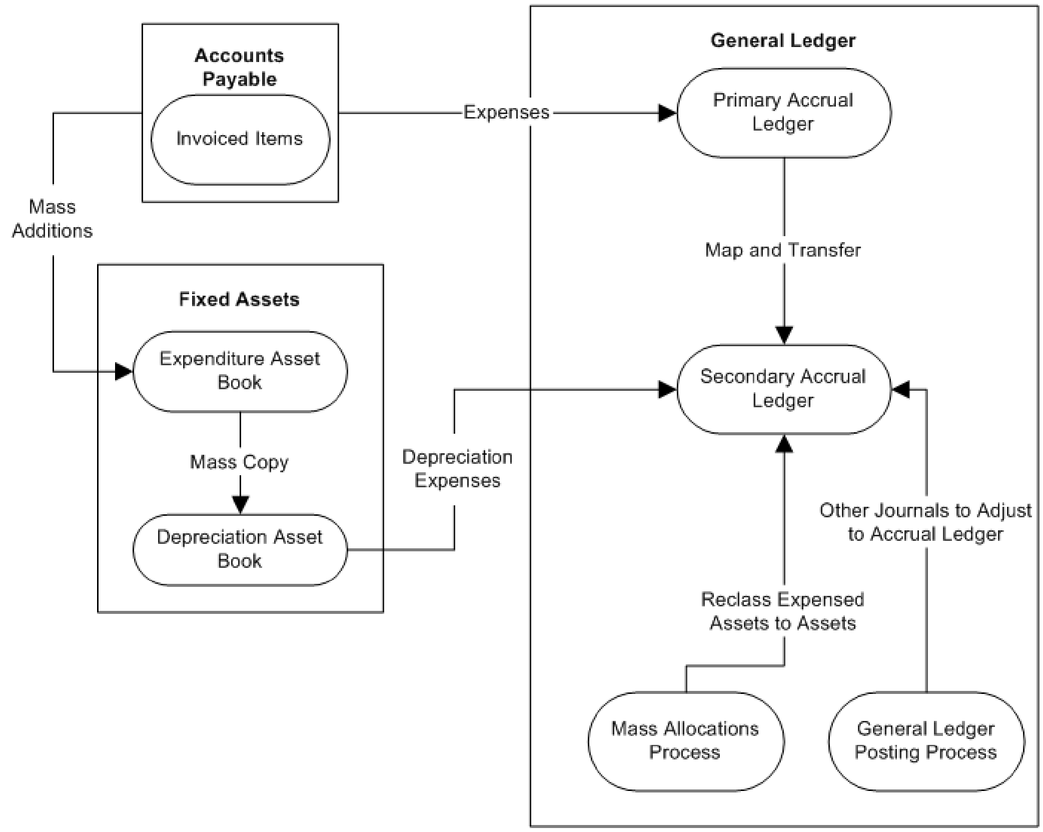
For information on using the GASB 34/35 asset accounting feature, see GASB 34/35 Asset Accounting Procedure, page 10-1.

For information on using the Financial Statement Generator, see Overview of the Financial Statement Generator, *Oracle General Ledger User Guide* and Using Financial Statement Generator, *Oracle General Ledger User Guide*.

GASB 34/35 Asset Accounting Process Flowchart

The diagram below shows an overview of the integration between Payables, Assets, and General Ledger under the GASB 34/35 asset accounting process as described in the GASB 34/35 Asset Accounting Process table, page 8-4.

GASB 34/35 Asset Accounting Process Flowchart



Accounts Payable
Invoiced Items
Expenses
Mass Additions
Fixed Assets
Expenditure Asset Book
Mass Copy
Depreciation Asset Book
Depreciation Expenses
General Ledger
Primary Accrual Ledger
Map and Transfer
Secondary Accrual Ledger
Other Journals to Adjust to Accrual Ledger
Reclass Expensed Assets to Assets
Mass Allocations Process
General Ledger Posting Process

GASB 34/35 Asset Accounting Process

The table below describes the GASB 34/35 asset accounting process.

GASB 34/35 Asset Accounting Process

Event	Activity
1.	In Payables, users enter invoices, using expense accounts reserved for capital acquisitions.

Event	Activity
2.	A GASB 34/35 request set, scheduled to start at regular intervals, automatically runs the following processes:Payables Approval Create Accounting Process Update Assets Tracking Flag process for all invoice distributions in range of expense accounts reserved for capital acquisitions, ensuring that all such acquisitions are eligible for Mass Additions to Assets. Transfer Journal Entries to GL Mass Additions Create program from Payables to the expenditure asset book Update Asset Type program to change Expensed assets to Capitalized or CIP. **Note:** Capitalized assets are depreciated immediately. CIP assets depreciate when placed in service some time in the future.
3.	In the expenditure asset book, users prepare assets in the Mass Additions Summary window, assigning category codes, depreciation expense accounts, and locations.
4.	Users post Mass Additions in the expenditure asset book.
5.	Users close the period in the expenditure asset book by running depreciation. **Note:** Even though nothing is done with the depreciation generated in the expenditure asset book, depreciation must be run to close a period in Assets, and a period must be closed in an asset book before assets can be copied from that book.
6.	Users run Periodic Mass Copy to copy assets from the expenditure asset book to the depreciation asset book.

Event	Activity
7.	Users generate depreciation in the depreciation asset book.
8.	Users run the Create Accounting program in Assets to send depreciation expense and accumulated depreciation amounts to accrual ledger where they are posted.
9.	In General Ledger, users run the Transfer Consolidation Data process to transfer account balances and transactions from the modified accrual ledger to the accrual ledger. The resulting journal entry is posted in the accrual ledger.
10.	In the accrual ledger, users run Mass Allocations to reclassify asset expenditures to fixed asset accounts.
11.	In the accrual ledger, users record journal entries to reclassify proceeds from asset disposals, a revenue account in the modified accrual ledger, to its accrual basis components.
12.	In the accrual ledger, users record funding of fixed assets by running Mass Allocations to reclassify that portion of net assets representing investment in fixed assets, net of related debt.

Modified Accrual Versus Accrual Asset Accounting Example

The example below shows how the differences between modified accrual and accrual accounting affect the respective balance sheets.

This example depicts the accounting treatment of the same series of business transactions using the modified accrual and accrual bases of accounting. The basis for the modified accrual accounting shows a Fund Balance of $157,500 and the basis for the accrual accounting shows Net Assets of $239,500.

Capital expenditures, which are expensed in modified accrual accounting, are recorded as assets and depreciated in accrual accounting. Asset disposals are also accounted for differently. The reconciliation of the Fund Balance to Net Assets takes the Fund Balance of $157,000, adds the Fixed Assets value of $90,000, and deducts the Accumulated Depreciation of $8,000. This equals the Net Assets value of $239,500.

Modified Accrual Versus Accrual Asset Accounting Example

Modified Accrual Accounting

Transactions, Year 1

Revenue	Dr Accounts Receivable	2000000		
	Cr Revenue		2000000	*
Collection of revenue	Dr Cash	1800000		
	Cr Accounts Receivable		1800000	
Non-capital expenses	Dr Expense	1750000 *		
	Cr Accounts Payable		1750000	
Payment of non-capital expenses	Dr Accounts Payable	1600000		
	Cr Cash		1600000	
Capital expenditures (10 units @ 10,000)	Dr Expense	100000 *		
	Cr Accounts Payable		100000	
Payment of capital expenditures	Dr Accounts Payable	100000		
	Cr Cash		100000	
Disposal of asset (1 unit sold for 7,500)	Dr Cash	7500		
	Cr Proceeds from Disposals		7500	*

Balance Sheet, End of Year 1

Assets		Liabilities	
Cash	107500	Accounts Payable	150000
Accounts Receivable	200000		
		Fund Balance*	157500
	307500		307500

Accrual Accounting

Transactions, Year 1

Revenue	Dr Accounts Receivable	2000000		
	Cr Revenue		2000000	**
Collection of revenue	Dr Cash	1800000		
	Cr Accounts Receivable		1800000	
Non-capital expenses	Dr Expense	1750000 **		
	Cr Accounts Payable		1750000	
Payment of non-capital expenses	Dr Accounts Payable	1600000		
	Cr Cash		1600000	
Capital expenditures (10 units @ 10,000)	Dr Fixed Assets	100000		
	Cr Accounts Payable		100000	
Payment of capital expenditures	Dr Accounts Payable	100000		
	Cr Cash		100000	
Depreciation (straight-line, 5-year useful life)	Dr Depreciation Expense	10000 **		
	Cr Accumulated Depreciation		10000	
Disposal of asset (1 unit sold for 7,500)	Dr Cash	7500		
	Dr Loss on Disposal	500 **		
	Dr Accumulated Depreciation	2000		
	Cr Fixed Assets		10000	

Balance Sheet, End of Year 1

Assets		Liabilities	
Cash	107500	Accounts Payable	150000
Accounts Receivable	200000		
Fixed Assets	90000		
Less: Accumulated Depreciation	(8000)		
		Net Assets**	239500
	389500		389500

Reconciliation of Fund Balance to Net Assets

Fund Balance	157500
Add: Fixed Assets	90000
Less: Accumulated Depreciation	(8000)
Net Assets	239500

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GASB 34/35 Asset Accounting Setup

Overview of the GASB 34/35 Asset Accounting Setup

GASB 34/35 asset accounting enables users to report capital acquisitions as expenditures in fund statements and as depreciating assets in the government- or university-wide statements while continuing to charge the acquisitions to expense accounts in Oracle Purchasing and Oracle Payables.

To meet GASB 34/35 asset accounting requirements, users must set up a new request set that includes the following concurrent processes in the sequence indicated:

- Payables Approval
- Create Accounting
- Update Assets Tracking Flag
- Mass Additions Create
- Update Asset Type

Users must define the parameters for the concurrent processes and schedule the request set to run overnight to capture all daily Payables activity. Users can also set up the option to print all output results.

> **Note:** Context sensitive help for these concurrent processes is available when running the processes individually. To enable context sensitive help when running the concurrent processes as part of the new GASB 34/35 request set, users must customize the online help files to add the anchor name. To customize online help, see Customizing Oracle Applications Help, *Oracle Applications System Administrator's Guide*.. Users can also consult the online documentation.

Payables Approval

The Payables Approval process enables users to automate their approval cycle through automatic approval submission.

Create Accounting Process

The Create Accounting process creates accounting entries for Payables transactions.

Update Assets Tracking Flag

The Update Assets Tracking Flag process automatically checks the Track As Asset flag for all invoice distributions containing object codes in a predefined range of values for recording capital expenditures. The process selects the Track As Asset flag for all invoice distributions that meet the following conditions:

- Track As Asset flag not already selected
- not yet exported to Oracle Assets by the Mass Additions process

An output report is generated that lists all invoice distributions with the Track As Asset flag automatically selected.

Mass Additions Create

The Mass Additions Create process transfers capital invoice line distributions from Payables to Assets.

Update Asset Type

The Update Asset Type process changes the asset type from Expensed to Capitalized or CIP for each expensed asset within the range of accounts brought into Assets by the Mass Additions process. This process changes the asset type for all lines in the Mass Additions table that meet the following conditions:

- asset type equals Expensed
- posting status equals New
- account falls within range of all possible Capital and CIP expenditure accounts

An output report is generated that lists all assets whose types were changed from Expensed to Capitalized or CIP.

Prerequisites

- Setup of the GASB 34/35 asset accounting feature must be completed in the sequence indicated in the Oracle Public Sector Financials Setup Checklist. Ensure that all setup steps required before defining request set parameters are completed.

  To review setup steps, see Oracle Public Sector Financials Setup Overview, page 2-1 .

- A GASB 34/35 request set must be set up.

  To set up a GASB 34/35 request set, see Oracle Public Sector Financials Setup Overview, page 2-1.

Defining GASB 34/35 Request Set Procedure

> **Note:** For additional information on defining request sets, see Organizing Programs into Request Sets, *Oracle Applications User's Guide* .

To define the GASB 34/35 request set:

1. In System Administration, navigate to the Submit Request window.
2. Click Request Set Wizard.
3. To set up requests to run sequentially, select the Sequentially (One After Another) radio button.
4. Click Next.
5. To abort processing when a request ends with the status Error, select the Abort Processing radio button.
6. Click Next.
7. In the Set field, enter a name for the request set.
8. In the Application field, select System Administration from the list of values.
9. Click Next.
10. To print output files, select the appropriate radio button to print output files as each request in the set completes or after the entire set has completed.
11. Click Next.

12. Enter the concurrent processes in the Program field in the following sequence:

    - Payables Approval
    - Create Accounting
    - Update Assets Tracking Flag
    - Mass Additions Create
    - Update Asset Type

    The application for each concurrent process is automatically entered in the Application field.

13. Click Finish.

14. Click OK.

    The Request Set window appears.

15. To define parameters and print options for the request set, click Define Stages.

    The Stages window appears.

16. Select a concurrent process and click Requests.

    The Stage Requests window appears.

17. Enter print options for the concurrent process.

18. To enter parameters, click Parameters.

    The Requests Parameters window appears.

19. Enter and save the parameters and return to the Stages window.

    > **Note:** Use the current date as a parameter for these processes to allow the request set to automatically run overnight or on a daily basis.

    Enter parameters as follows:

    - To enter parameters for the Payables Approval process, see Payables Approval Program, *Oracle Payables User Guide*.
    - To enter parameters for the Create Accounting Process, see *Oracle Subledger Accounting Implementation Guide*
    - To enter parameters for the Update Assets Tracking Flag process, see Table 14–

1, page 9-5.

- To enter parameters for the Transfer GL Journal Entries to General Ledger process, see*Oracle Subledger Accounting Implementation Guide*.
- To enter parameters for the Mass Additions Create process, see Mass Additions Create Program, *Oracle Payables User Guide*.
- To enter parameters for the Update Asset Type process, see the Update Asset Type Parameters table, page 9-6.

20. Repeat Steps 16 to 19 for each concurrent process.

Update Assets Tracking Flag Parameters

The table below describes the parameters for the Update Assets Tracking Flag process.

Update Assets Tracking Flag Parameters

Parameter	Type	Description
GL Date From	optional	General Ledger start date **Note:** GL Date From and GL Date To establish the date range for invoice distributions.
GL Date To	required	General Ledger end date **Note:** GL Date From and GL Date To establish the date range for invoice distributions.

Parameter	Type	Description
Account From	required	starting account for all Capital and CIP expenditure accounts as defined in the chart of accounts setup **Note:** Account From and Account To establish the account range for invoice distributions that are checked by the process.
Account To	required	ending account for all Capital and CIP expenditure accounts as defined in the chart of accounts setup **Note:** Account From and Account To establish the account range for invoice distributions that are checked by the process.

Update Asset Type Parameters

The table below describes the parameters for the Update Asset Type process.

Update Asset Type Parameters

Parameter	Type	Description
Asset Book	required	asset book

Parameter	Type	Description
Capital Account From	required	beginning capital account **Note:** Capital Account From and Capital Account To represent all possible capital expenditure accounts.
Capital Account To	required	ending capital account **Note:** Capital Account From and Capital Account To represent all possible capital expenditure accounts.
CIP Account From	required	beginning CIP account **Note:** CIP Account From and CIP Account To represent all possible CIP expenditure accounts.
CIP Account To	required	ending CIP account **Note:** CIP Account From and CIP Account To represent all possible CIP expenditure accounts.

Scheduling GASB 34/35 Request Set Procedure

To schedule the GASB 34/35 request set:

1. In Payables, navigate to the Submit Request window.
2. In the Name field, select the GASB 34/35 request set from the list of values.
3. To schedule the request set to run overnight, click Schedule.

The Schedule window appears.

> **Note:** Scheduling the request set allows users to set the parameters once, save the parameters, and automatically run the request set at regular intervals.

4. Enter details in the Schedule window.

5. Click OK.

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GASB 34/35 Asset Accounting Procedure

GASB 34/35 Asset Accounting Procedure

GASB 34/35 asset accounting enables users to report financial statements using the accrual basis of accounting in addition to reporting the modified accrual-based fund statement, drawing from the same financial records.

The process for meeting GASB 34/35 asset accounting and reporting requirements consists of the following steps:

1. Create invoices.
2. Review results for GASB 34/35 request set:
    - Payables Approval
    - Create Accounting
    - Update Assets Tracking Flag
    - Mass Additions Create
    - Update Asset Type
3. Prepare assets.
4. Post assets.
5. Close period in expenditure asset book.
6. Copy assets from expenditure asset book to depreciation asset book.
7. Generate depreciation.

8. Post depreciation to the accrual ledger.

9. Copy balances and transactions from the modified accrual ledger to the accrual ledger and establish beginning balance of net assets.

10. Convert asset expenditures to fixed assets.

11. Reclassify proceeds from disposals.

12. Record funding of fixed assets.

13. Record additional entries.

14. Run financial statements.

Prerequisites

- All required setup for GASB 34/35 asset accounting must be completed.

  To set up GASB 34/35 asset accounting, see Oracle Public Sector Financials Setup Overview, page 2-1 and GASB 34/35 Asset Accounting Setup, page 9-1.

Creating Invoices Procedure

In Oracle Payables, enter invoices in the Invoices window. Enter invoices using assets expenditure codes as the natural account values in the invoice line distributions.

To enter invoices and invoice distributions, see Entering Basic Invoices in the Invoice Workbench, *Oracle Payables User Guide* and Entering Invoice Distributions in the Invoice Workbench, *Oracle Payables User Guide*.

Reviewing GASB 34/35 Request Set Results Procedure

To review the results and output reports for the request set:

1. Navigate to the Requests window.

   The Find Requests window appears.

2. Enter request criteria and click Find.

   The Requests window appears.

3. To view the results, select a request and click View Output.

   Note: Optionally, view the results for each concurrent process in the GASB 34/35 request set.

Note: If the printing option is set up for the request set, users can review printouts of the results.

Preparing Assets Procedure

In Oracle Assets, open each line and assign category codes depending on the asset type in the Mass Additions Summary window. Category codes default depreciation information such as accounts, methods, and useful lives. Users can also assign assets to employees and locations and add other additional information such as tag numbers with no accounting impact. When finished with asset preparations, change the Queue Name from New to Posted to make the assets eligible for posting in Assets.

To prepare assets, see Overview of the Mass Additions Process, *Oracle Assets User's Guide* and Mass Additions, *Oracle Assets User's Guide*.

Posting Assets Procedure

In Assets, run the Post Mass Additions request set to create asset records from the Mass Addition lines.

Note: The Mass Additions Post process creates asset records in Assets. It does not post to General Ledger.

To run the Post Mass Additions request set, see Post Mass Addition Lines to Oracle Assets, *Oracle Assets User's Guide*.

Closing Period in Expenditure Asset Book Procedure

In Assets, close the period in the expenditure asset book.

From the Run Depreciation window, enter the name of the expenditure asset book and the period as the parameters. Optionally, select the Close Period check box. However, if all assets depreciate successfully, the period automatically closes and the next one opens.

Although depreciation is not needed in the modified accrual leger to which the expenditure asset book is tied, depreciation must be run before a period is closed and a period must be closed in an asset book before its assets can be copied to another book.

To close the period in the expenditure asset book, see Running Depreciation, *Oracle Assets User's Guide*.

Copying Assets from Expenditure Asset Book to Depreciation Asset Book Procedure

In Assets, run the Periodic Mass Copy process to copy assets from the expenditure asset book to the depreciation asset book. Specify the name of the depreciation asset book to which assets is to be copied and the period as the parameters.

> **Note:** The Periodic Mass Copy process can be used to initially populate the depreciation asset book if all assets were added to the expenditure asset book in the period for which Periodic Mass Copy is being run. The relationship between the depreciation asset book and the expenditure asset book is analogous to the relationship between the tax asset book and the corporate book for commercial organizations.

To copy assets from the expenditure asset book to the depreciation asset book, see Updating a Tax Book with Assets and Transactions, *Oracle Assets User's Guide* and How Periodic Mass Copy Works, *Oracle Assets User's Guide*.

Generating Depreciation Procedure

In Assets, generate depreciation in the depreciation asset book.

From the Run Depreciation window, enter the name of the depreciation asset book and the period as the parameters. Optionally, select the Close Period check box. However, if all assets depreciate successfully, the period automatically closes and the next one opens.

To generate depreciation, see Running Depreciation, *Oracle Assets User's Guide*.

Posting Depreciation to the Accrual Ledger Procedure

From the Submit Request window in Assets, run the Create Accounting process to post depreciation to the accrual ledger. Specify the name of the depreciation asset book and the period as the parameters. Since the depreciation asset book is associated with the accrual ledger, the journal entries are created in the accrual ledger.

> **Note:** Journal reversal criteria must be defined for asset addition journal categories in the second ledger. These addition entries are not used for GASB 34/35 asset accounting.

To define journal reversal criteria, see Oracle Public Sector Financials Setup Overview, page 2-1.

Copying Balances and Transactions Procedure

Balances are copied from the modified accrual ledger to the accrual ledger during the first year. Transactions are copied from the modified accrual ledger to the accrual ledger during subsequent years.

To set up consolidation mapping, see Oracle Public Sector Financials Setup Overview.

To copy balances or transactions, see Transferring Subsidiary Data to Your Parent, *Oracle General Ledger User Guide*.

Copying Balances During the First Year

From the Transfer Consolidation Data window in General Ledger, select the consolidation mapping that was set up for GASB 34/35. The year-to-date balances through the twelfth period must be copied from the modified accrual ledger to the accrual ledger.

The transfer creates a journal entry, where Source equals Consolidation and Category equals Consolidation that must be posted in the accrual ledger.

The account balances for the first ledger are copied in their entirety to the second ledger. In the first or modified accrual ledger, revenues and expenditures are closed to fund balance. In the second or accrual ledger, revenues and expenditures are closed to net assets.

One difference between fund balance and net assets is that fund balance is reduced by capital acquisitions while net assets are reduced by depreciation. After the beginning balances of fixed assets and accumulated depreciation are determined, the journal entry in the table below converts the fund balance to net assets in the accrual ledger:

Journal Entry Example

Debit/Credit Account Name	Debit Amount	Credit Amount
Dr. Fund Balance	XX,XXX,XXX	
Dr. Fixed Assets	X,XXX,XXX	
Cr. Accumulated Depreciation		XXX,XXX
Cr. Net Assets		XX,XXX,XXX

Copying Transactions During Subsequent Years

Once a net assets balance is established in the accrual ledger, copy the year-to-date transactions, not the balances, from the modified accrual ledger to the accrual ledger to avoid copying fund balance accounts again.

Converting Asset Expenditures to Fixed Assets Procedure

In the accrual ledger, run the Mass Allocation batch that was set up to reclassify asset expenditure accounts to fixed asset accounts.

To set up Mass Allocation batches, see Oracle Public Sector Financials Setup Overview, page 2-1.

To run Mass Allocation batches, see Generating MassAllocation Journals, *Oracle General Ledger User Guide*.

Reclassifying Proceeds from Disposals Procedure

In the accrual ledger, record journal entries to reclassify Proceeds from Asset Disposals which is a revenue account in the modified accrual ledger.

The credit balance of this account must be reclassified to the following components:

- credits to fixed assets equal to the cost of the disposed assets
- debits to accumulated depreciation of those assets
- gain or loss on the disposals equal to the difference between the proceeds and the net of the other two components

To record journal entries, see Entering Journals, *Oracle General Ledger User Guide*.

Recording Funding of Fixed Assets Procedure

In the accrual ledger, run the Mass Allocation batch that was set up to reclassify that portion of net assets that represents net investment in capital assets.

To set up Mass Allocation batches, see Oracle Public Sector Financials Setup Overview, page 2-1.

To run Mass Allocation batches, see Generating MeassAllocation Journals, *Oracle General Ledger User Guide*.

Recording Additional Entries Procedure

In the accrual ledger, record any additional entries required to comply with GASB

34/35. For example, record entries to reflect differences in accounting for debt between the modified accrual ledger and the accrual ledger or to reflect more detail in net asset accounts.

> **Note:** Optionally, record entries in a thirteenth adjusting period.

To record journal entries, see Entering Journals, *Oracle General Ledger User Guide*.

Running Financial Statements Procedure

Use the Financial Statement Generator to set up, at a minimum, the following reports:

- Modified Accrual ledger, Fund Reporting
  - Balance Sheet
  - Statement of Revenues, Expenditures and Changes in Fund Balance
- Accrual ledger, Government- or University-wide Reporting
  - Statement of Net Assets
  - Statement of Activities

To use the Financial Statement Generator, see Overview of the Financial Statement Generator, *Oracle General Ledger User Guide* and Using Financial Statement Generator, *Oracle General Ledger User Guide*.

A

Oracle Public Sector Financials Navigation Paths

This appendix covers the following topics:

- Navigation

Navigation

The table below shows the navigation path for each window in Public Sector Financials.

Navigation Paths

Application	Window	Navigation Path
Oracle Assets	Book Controls	Setup - Asset System - Book Controls
Oracle Assets	Mass Additions Summary	Mass Additions - Prepare Mass Additions
Oracle Assets	Run Depreciation	Depreciation - Run Depreciation
Oracle Assets	Submit Request	Tax - Periodic Mass Copy or Other - Requests - Run Select Single Request Click OK

Application	Window	Navigation Path
Oracle Assets	Submit Request Set	Mass Additions - Post Mass Additions or Other - Requests - Run Select Request Set Click OK
Oracle Public Sector Financials	Requests	View - Requests
Oracle General Ledger	Consolidation Mappings	Consolidation - Define - Mapping
Oracle General Ledger	Define Financial Report	Reports - Define - Report
Oracle General Ledger	Define MassAllocations	Journals - Define - Allocation
Oracle General Ledger	Funds Available Inquiry	Inquiry - Funds
Oracle General Ledger	Journals	Journals - Enter Click New Journal
Oracle General Ledger	Key Flexfield Segments	Setup - Financials - Flexfields - Key - Segments
Oracle General Ledger	Segment Values	Setup - Financials - Flexfields - Key - Values Find Key Flexfield Segment appears. Enter parameters Click Find
Oracle General Ledger	Ledger	Setup Financials Accounting Setup Manager - Accounting Setups

Application	Window	Navigation Path
Oracle General Ledger	Submit Request	Other - Report - Run To submit an individual request, select the Single Request radio button. Click OK.
Oracle General Ledger	Transfer Consolidation Data	Consolidation - Transfer - Data
Oracle Payables	Invoice Actions	Invoices - Entry - Invoices Click Actions... 1
Oracle Payables	Invoices	Invoices - Entry - Invoices
Oracle Payables	Submit Request	Other - Requests - Run Select Single Request or Request Set Click OK
Oracle System Administration	Request Set	Requests - Set
Oracle System Administration	Responsibilities	Security - Responsibility - Define
Oracle System Administration	Submit Request	Requests - Run Select Single Request or Request Set Click OK
Oracle System Administration	System Profile Values	Profile - System Find System Profile Values window appears. Enter parameters Click Find
Oracle System Administration	Users	Security - User - Define

Glossary

accrual basis of accounting

A method of accounting that recognizes revenue when it is earned, not collected, and recognizes expenses when incurred, not paid. Accrual accounting also attempts to match revenue and the expenses incurred in generating that revenue in the same period.

distribution line

A line corresponding to an accounting transaction for an expenditure item on an invoice or a liability on a payment.

encumbrance

An entry made to record an anticipated expenditure of any type. Oracle Public Sector Financials creates requisition encumbrances, purchase order encumbrances, and invoice encumbrances automatically when encumbrance accounting or budgetary control is enabled. Users can also record other encumbrances manually.

encumbrance accounting

An Oracle Public Sector Financials feature that creates encumbrances automatically for requisitions, purchase orders, and invoices. If the encumbrance accounting feature is enabled only, users can create encumbrances automatically or manually. Users cannot check funds online unless budgetary control is enabled.

encumbrance journal entry

A journal entry created online that increases or relieves encumbrances. Encumbrance entries can include encumbrances of any type. Users can enter manual encumbrance entries, define encumbrance allocations, or use the Journal Import process to import encumbrance entries from other financial systems.

encumbrance type

An encumbrance category that enables users to track anticipated expenditures according to purchase approval process and to more accurately control planned expenditures. Examples of encumbrance types are commitments for requisition encumbrances and obligations for purchase order obligations.

Governmental Accounting Standards Board (GASB)

Organization that establishes standards of financial accounting and reporting for state and local governmental entities.

modified accrual basis of accounting

A method of accounting focused on the measurement of the flow of financial resources on the sources and uses of funds. Revenue is recognized when it is both measurable and available, and expenditures are recorded for acquisitions of goods and services for current operations and for capital assets and debt payments.

reversing journal entry

A journal entry in General Ledger that reverses an existing journal entry. Users can reverse any journal entry and post it to any open accounting period.

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