

Oracle® Financials
Implementation Guide
Release 12.1
Part No. E13425-02

April 2009

Oracle is a registered trademark of Oracle Corporation and/or its affiliates. Other names may be trademarks of their respective owners.

This software and related documentation are provided under a license agreement containing restrictions on use and disclosure and are protected by intellectual property laws. Except as expressly permitted in your license agreement or allowed by law, you may not use, copy, reproduce, translate, broadcast, modify, license, transmit, distribute, exhibit, perform, publish or display any part, in any form, or by any means. Reverse engineering, disassembly, or decompilation of this software, unless required by law for interoperability, is prohibited.

The information contained herein is subject to change without notice and is not warranted to be error-free. If you find any errors, please report them to us in writing.

If this software or related documentation is delivered to the U.S. Government or anyone licensing it on behalf of the U.S. Government, the following notice is applicable:

U.S. GOVERNMENT RIGHTS

Programs, software, databases, and related documentation and technical data delivered to U.S. Government customers are "commercial computer software" or "commercial technical data" pursuant to the applicable Federal Acquisition Regulation and agency-specific supplemental regulations. As such, the use, duplication, disclosure, modification, and adaptation shall be subject to the restrictions and license terms set forth in the applicable Government contract, and, to the extent applicable by the terms of the Government contract, the additional rights set forth in FAR 52.227-19, Commercial Computer Software License (December 2007). Oracle USA, Inc., 500 Oracle Parkway, Redwood City, CA 94065.

This software is developed for general use in a variety of information management applications. It is not developed or intended for use in any inherently dangerous applications, including applications which may create a risk of personal injury. If you use this software in dangerous applications, then you shall be responsible to take all appropriate fail-safe, backup, redundancy and other measures to ensure the safe use of this software. Oracle Corporation and its affiliates disclaim any liability for any damages caused by use of this software in dangerous applications.

This software and documentation may provide access to or information on content, products and services from third parties. Oracle Corporation and its affiliates are not responsible for and expressly disclaim all warranties of any kind with respect to third party content, products and services. Oracle Corporation and its affiliates will not be responsible for any loss, costs, or damages incurred due to your access to or use of third party content, products or services.

Contents

Send Us Your Comments

Preface

1 Introduction

Introduction.....	1-1
Implementation Considerations	1-1
Implementation Guides.....	1-2
Accounting Setup Manager.....	1-4
Oracle Advanced Global Intercompany System.....	1-4
Legal Entity Configurator.....	1-4
Accounting Sequencing.....	1-4

2 Overview of Accounting Setups

Introduction.....	2-1
Accounting Setups.....	2-1
Ledger Processing Options.....	2-2
Secondary Ledgers.....	2-4
Reporting Currencies.....	2-6
Accounting Setup Considerations.....	2-7
Accounting Setups with One Legal Entity	2-7
Accounting Setups with Multiple Legal Entities.....	2-8
Accounting Setups with No Legal Entities.....	2-9
Designing the Chart of Accounts.....	2-12
Feature Comparison by Accounting Setup.....	2-13

3 Using Accounting Setup Manager

Creating Accounting Setups.....	3-1
Accounting Setup Process.....	3-2
Accounting Setup Prerequisites	3-2
Accounting Setup Manager Pages.....	3-3
Accounting Setup Manager Checklist.....	3-6
Legal Entities Overview.....	3-12
Balancing Segment Value Assignments.....	3-13
Using Balancing Segment Values for Transaction Processing.....	3-13
Completing Accounting Setups.....	3-14
Designating the Balancing Segment for a Chart of Accounts.....	3-14
Defining Legal Entities Using Accounting Setup Manager.....	3-14
Updating Balancing Segment Values.....	3-17
Creating Accounting Setup Structures.....	3-18
Accounting Setup Manager Prerequisites Checklist.....	3-18
Creating an Accounting Setup.....	3-23
Assigning Legal Entities.....	3-23
Defining Accounting Representations.....	3-23
Saving the Accounting Structure.....	3-26
Completing Accounting Options.....	3-27
Updating Legal Entities.....	3-28
Primary Ledger Setup Steps.....	3-29
Secondary Ledger Setup Steps.....	3-29
Ledger Options.....	3-30
Reporting Currencies.....	3-45
Assigning Reporting Currencies to Ledgers.....	3-46
Journal Source and Category Conversion.....	3-53
Subledger Level Reporting Currencies.....	3-54
Journal Conversion Rule Examples.....	3-54
Changing Conversion Rules.....	3-57
Adding Reporting Currencies.....	3-58
Disabling the Conversion of Reporting Currencies.....	3-60
Ledger Balancing Segment Value Assignments.....	3-61
Subledger Accounting Options	3-63
Operating Units.....	3-63
Intercompany Accounts	3-65
Intracompany Balancing Rules.....	3-65
Sequencing.....	3-66
Secondary Ledgers.....	3-66

Data Conversion Levels.....	3-67
Using Secondary Ledgers for Consolidated Reporting.....	3-71
Using Ledgers for Consolidation.....	3-74
Completing Accounting Setup.....	3-78
Adding, Deleting, and Disabling Secondary Ledgers.....	3-79
Primary to Secondary Ledger Mapping.....	3-82

4 Defining Legal Entities Using the Legal Entity Configurator

Overview.....	4-1
Legal Entities.....	4-2
Establishments.....	4-3
Registration.....	4-3
Jurisdictions.....	4-4
Legal Authorities.....	4-4
Legal Associations.....	4-5
Generating the Legal Entity Identifier.....	4-5
Using the Legal Entity Configurator.....	4-5
Using the Legal Entity Home Page.....	4-6
Searching for a Legal Entity.....	4-6
Creating a Legal Entity.....	4-6
Creating Establishments.....	4-9
Configuring an Organization as a Legal Entity or Establishment.....	4-11
Updating Legal Entities.....	4-11
Updating Legal Entities Details	4-12
Updating Establishments.....	4-13
Creating Registrations.....	4-14
Updating Registrations.....	4-15
Changing the Main Establishment.....	4-16
Setting Up Legal Addresses	4-16
Searching for a Jurisdiction.....	4-16
Creating and Updating Jurisdictions.....	4-17
Creating and Updating Legal Authorities.....	4-18

5 Intercompany and Intracompany Balancing

Overview.....	5-1
Intercompany Balancing.....	5-2
Intracompany Balancing Rules.....	5-4
Intercompany Balancing Engine.....	5-7

6 Additional General Ledger Setup

Introduction.....	6-1
Ledger Sets.....	6-1
Oracle General Ledger Security.....	6-2
Data Access Sets.....	6-2
Definition Access Sets.....	6-4

7 Accounting and Reporting Sequencing

Overview.....	7-1
Defining Sequences.....	7-2
Updating Sequences.....	7-3
Sequences Page.....	7-3
Defining Sequence Assignments.....	7-4
Creating a Sequencing Context.....	7-4
Sequence Contexts Page.....	7-4
Sequencing Context for Subledger and General Ledger Journals.....	7-5
Assigning a Sequence.....	7-6
Sequence Assignments Page.....	7-6
Sequence Assignments for Subledger and General Ledger Journals.....	7-8
Defining Exceptions.....	7-9
Updating Assignments.....	7-11

A Accounting Setup Examples

Introduction.....	A-1
Accounting Setup with Multiple Legal Entities – U.S. Only Operations.....	A-1
Additional Requirements	A-2
Accounting Setup for U.S. Legal Entities.....	A-3
Consolidation.....	A-5
Security.....	A-6
Accounting Setup – North American Company.....	A-8
Additional Requirements:	A-9
Accounting Setup for Canadian Legal Entity.....	A-11
Ledger Sets.....	A-14
Consolidation	A-14
Security	A-15
Accounting Setup – European Operations.....	A-16
Requirements for London Rain (U.K):.....	A-16
Accounting Setup for the U.K.....	A-19
Accounting Setup - Latin America Operations.....	A-21

Requirements for Brazil:.....	A-22
Accounting Setup for Brazil	A-23
Accounting Setup with No Legal Entities - Consolidation Example.....	A-26
Accounting Setup for Consolidation Purposes.....	A-28
Consolidation Steps.....	A-29
Management Reporting Example - U.S. Only Operations.....	A-30
Additional Requirements	A-31
Using Secondary Ledgers for Management Reporting.....	A-33
Ledger Set.....	A-34
Security.....	A-34

B Oracle Financials Profile Options

Profile Options Overview.....	B-1
Setup Profile Options Summary.....	B-2

Glossary

Index

Send Us Your Comments

Oracle Financials Implementation Guide, Release 12.1

Part No. E13425-02

Oracle welcomes customers' comments and suggestions on the quality and usefulness of this document. Your feedback is important, and helps us to best meet your needs as a user of our products. For example:

- Are the implementation steps correct and complete?
- Did you understand the context of the procedures?
- Did you find any errors in the information?
- Does the structure of the information help you with your tasks?
- Do you need different information or graphics? If so, where, and in what format?
- Are the examples correct? Do you need more examples?

If you find any errors or have any other suggestions for improvement, then please tell us your name, the name of the company who has licensed our products, the title and part number of the documentation and the chapter, section, and page number (if available).

Note: Before sending us your comments, you might like to check that you have the latest version of the document and if any concerns are already addressed. To do this, access the new Applications Release Online Documentation CD available on My Oracle Support and www.oracle.com. It contains the most current Documentation Library plus all documents revised or released recently.

Send your comments to us using the electronic mail address: appsdoc_us@oracle.com

Please give your name, address, electronic mail address, and telephone number (optional).

If you need assistance with Oracle software, then please contact your support representative or Oracle Support Services.

If you require training or instruction in using Oracle software, then please contact your Oracle local office and inquire about our Oracle University offerings. A list of Oracle offices is available on our Web site at www.oracle.com.

Preface

Intended Audience

Welcome to Release 12.1 of the *Oracle Financials Implementation 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 xii for more Oracle Applications product information.

TTY Relay Access to Oracle Support Services

To reach AT&T Customer Assistants, dial 711 or 1.800.855.2880. An AT&T Customer Assistant will relay information between the customer and Oracle Support Services at 1.800.223.1711. Complete instructions for using the AT&T relay services are available at <http://www.consumer.att.com/relay/tty/standard2.html>. After the AT&T Customer Assistant contacts Oracle Support Services, an Oracle Support Services engineer will handle technical issues and provide customer support according to the Oracle service request process.

Documentation Accessibility

Our goal is to make Oracle products, services, and supporting documentation accessible to all users, including users that are disabled. To that end, our documentation includes features that make information available to users of assistive technology. This documentation is available in HTML format, and contains markup to facilitate access by

the disabled community. Accessibility standards will continue to evolve over time, and Oracle is actively engaged with other market-leading technology vendors to address technical obstacles so that our documentation can be accessible to all of our customers. For more information, visit the Oracle Accessibility Program Web site at <http://www.oracle.com/accessibility/>.

Accessibility of Code Examples in Documentation

Screen readers may not always correctly read the code examples in this document. The conventions for writing code require that closing braces should appear on an otherwise empty line; however, some screen readers may not always read a line of text that consists solely of a bracket or brace.

Accessibility of Links to External Web Sites in Documentation

This documentation may contain links to Web sites of other companies or organizations that Oracle does not own or control. Oracle neither evaluates nor makes any representations regarding the accessibility of these Web sites.

Structure

- 1 Introduction**
- 2 Overview of Accounting Setups**
- 3 Using Accounting Setup Manager**
- 4 Defining Legal Entities Using the Legal Entity Configurator**
- 5 Intercompany and Intracompany Balancing**
- 6 Additional General Ledger Setup**
- 7 Accounting and Reporting Sequencing**
- A Accounting Setup Examples**
- B Oracle Financials Profile Options**
- Glossary**

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 My Oracle Support.

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, My Oracle Support 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 My Oracle Support.
- **My Oracle Support Knowledge Browser** - The My Oracle Support 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 My Oracle Support.

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 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 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 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 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, administering Oracle E-Business Suite Secure Enterprise Search, managing concurrent managers and reports, using diagnostic utilities including logging, 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 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 provides information to help you build your custom Oracle Forms Developer forms so that they integrate with Oracle Applications. In addition, this guide has information for customizations in features such as concurrent programs, flexfields, messages, and logging.

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 Applications User Interface Standards for Forms-Based Products:

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

Oracle E-Business Suite Diagnostics User's Guide:

This manual contains information on implementing, administering, and developing diagnostics tests in the Oracle E-Business Suite Diagnostics framework.

Oracle E-Business Suite Integrated SOA Gateway User's Guide:

This guide describes the high level service enablement process, explaining how users can browse and view the integration interface definitions and services residing in Oracle Integration Repository.

Oracle E-Business Suite Integrated SOA Gateway Implementation Guide:

This guide explains how integration repository administrators can manage and administer the service enablement process (based on the service-oriented architecture) for both native packaged public integration interfaces and composite services (BPEL type). It also describes how to invoke Web services from Oracle E-Business Suite by employing the Oracle Workflow Business Event System; how to manage Web service security; and how to monitor SOAP messages.

Oracle E-Business Suite Integrated SOA Gateway Developer's Guide:

This guide describes how system integration developers can perform end-to-end service integration activities. These include orchestrating discrete Web services into meaningful end-to-end business processes using business process execution language (BPEL), and deploying BPEL processes at run time.

It also explains in detail how to invoke Web services using the Service Invocation Framework. This includes defining Web service invocation metadata, invoking Web services, managing errors, and testing the Web service invocation.

Oracle Advanced Global Intercompany System User's Guide:

This guide describes the self service application pages available for Intercompany users. It includes information on setting up intercompany, entering intercompany transactions, importing transactions from external sources and generating reports.

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 Financial Consolidation Hub User Guide:

This guide describes how to set up, maintain, and troubleshoot Oracle Financial Consolidation Hub. It describes setting up entities, categories, consolidation methods, consolidation rules, intercompany rules, calendar maps, translation, consolidation hierarchies, analytical reporting, and the Excel add-in. The guide also includes chapters on submitting data, running consolidations, accounting for acquisitions and disposals, integrating with Internal Controls Manager and WebADI spreadsheets.

Oracle Financials and Oracle Procurement Functional Upgrade Guide: Release 11i to Release 12:

This guides provides detailed information about the functional impacts of upgrading Oracle Financials and Oracle Procurement products from Release 11i to Release 12. This guide supplements the *Oracle Applications Upgrade Guide: Release 11i to Release 12*.

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 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 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 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.

Oracle Trading Community Architecture User Guide:

This guide describes the Oracle Trading Community Architecture (TCA) and how to use features from the Trading Community Manager responsibility to create, update, enrich, and cleanse the data in the TCA Registry. It also describes how to use Resource Manager to define and manage resources.

Oracle Project Costing User Guide:

Use this guide to learn detailed information about Oracle Project Costing. Oracle Project Costing provides the tools for processing project expenditures, including calculating their cost to each project and determining the GL accounts to which the costs are posted.

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.

Introduction

This chapter covers the following topics:

- Introduction
- Implementation Considerations
- Implementation Guides
- Accounting Setup Manager
- Oracle Advanced Global Intercompany System
- Legal Entity Configurator
- Accounting Sequencing

Introduction

The Oracle E-Business Suite is an integrated suite of business applications that connects and automates the entire flow of business processes across both front and back office operations, and addresses the needs of a global enterprise. Because Oracle E-Business Suite products are engineered to work together, users can streamline the setup process by sharing common setup data across applications.

Implementation Considerations

Implementing the E-Business Suite is dependent on many factors and you will want to set it up according to your industry and business needs. You can optimize your legal and compliance processing by addressing factors like the following in your implementation:

- Statutory and legal requirements for legal entity accounting, such as document sequencing, tax accounting, and intercompany accounting
- The number of subsidiaries that use different charts of accounts, calendars, currencies, and subledger accounting methods

- Number of subsidiaries that use different charts of accounts, calendars, currencies, and subledger accounting methods
- The Oracle Financials subledger applications implemented
- The number of Oracle Applications instances

Implementation Guides

Oracle provides a set of implementation guides to help with implementing the Oracle E-Business Suite. This guide, the Oracle Financials Implementation Guide, serves as an introduction to the set. Together with the other implementation guides and your product-specific implementation guides, it leads you through setting up Oracle Financials to efficiently represent your organization and execute your business processes and flows.

Interrelated Guides

When setting up the E-Business Suite, you use the Multiple Organizations feature to define your compliance in respect of national transaction regulations and access to data for your employees and processes. You use Oracle General Ledger to define both a large amount of your reporting and your financial analysis access. You use Oracle Subledger Accounting to define your group reporting compliance. Legal entities are, either individually or collectively, responsible for that compliance and reporting. Together, they drive both local and corporate fiscal reporting, compliance, and security access. The functions described in these guides are designed to help you manage the implementation of control over your compliance and reporting, and of your organization's processing plan in a centralized and straightforward manner.

Oracle Subledger Accounting Implementation Guide

Use the Oracle Subledger Accounting Implementation Guide to help you set up the document bookkeeping for an accounting entity, either an individual company or a group of companies that can be treated as one. Oracle Subledger Accounting automates your company's detailed accounting. You can set up your accounting according to local strictures and/or your parent accounting principles using the local currency, your parent currency, and any other currencies your business dictates.

Oracle General Ledger Implementation Guide

Use the Oracle General Ledger Implementation Guide to help you set up ledgers in respect to accounting entities, such as individual companies or groups that can be treated as one. You can account for that entity externally, for management, and for decision making according to your needs. The guide addresses the creation of balanced reporting units within a ledger, as well as the creation of other business units, such as

cost centers. It discusses chart of account design and implementation, and setting up calendars. It contains sections on grouping ledgers into ledger sets for ease of management and reporting, and on using multiple ledgers to capture different views of an entire operation.

Oracle Applications Multiple Organizations Implementation Guide

Use the Oracle Applications Multiple Organizations Implementation Guide to set up system organizations that represent your actual organization. These organizations maintain subledger documentation in organizational stores that are clearly distinct from each other, arrange reference data by organization, and provide a basis for security when accessing subledger documents.

Oracle Payments Implementation Guide

This guide describes how Oracle Payments, as the central payment engine for the Oracle E-Business Suite, processes transactions, such as invoice payments from Oracle Payables, bank account transfers from Oracle Cash Management, and settlements against credit cards and bank accounts from Oracle Receivables. This guide also describes how Oracle Payments is integrated with financial institutions and payment systems for receipt and payment processing, known as funds capture and funds disbursement, respectively. Additionally, the guide explains to the implementer how to plan the implementation of Oracle Payments, how to configure it, set it up, test transactions, and how use it with external payment systems.

Oracle Cash Management User Guide

This guide describes how to set up and use Oracle Cash Management to clear your receipts, as well as reconcile bank statements with your outstanding balances and transactions. This manual also explains how to effectively manage and control your cash cycle. It provides comprehensive bank reconciliation and flexible cash forecasting.

Oracle E-Business Tax Implementation Guide

This guide provides a conceptual overview of the E-Business Tax tax engine, and describes the prerequisite implementation steps to complete in other applications in order to set up and use E-Business Tax. The guide also includes extensive examples of setting up country-specific tax requirements.

Oracle Human Resources Management Systems Implementation Guide

Learn about the setup procedures you need to carry out in order to implement Oracle HRMS successfully in your enterprise.

Accounting Setup Manager

Use the Accounting Setup Manager to manage legal entities, ledgers, accounting rules, reporting currencies, and intercompany transactions. You can create an individual legal entity or a group of legal entities that behave as one, and assign the primary ledger to it. You can optionally assign additional ledgers to the legal entity. You select the currencies in which you want to account for the legal entity, the level of accounting detail, the accounting method you want to use for the entity, and the detail of your intercompany elimination system, and management.

Oracle Advanced Global Intercompany System

The Oracle Advanced Global Intercompany System (AGIS) streamlines the intercompany trading and reconciliation process across ledgers. Oracle AGIS allows companies to comply not only with local regulations, but also to follow established corporate standards for processing intercompany transactions between related legal entities of an enterprise. It also provides interactive reconciliation reporting, which allows you to drill down to the details of intercompany account balances so you can quickly find the source of discrepancies in the balances of each trading partner's account.

Legal Entity Configurator

The Oracle Legal Entity Configurator helps you to conveniently set up and manage your legal structure, legal functions, and supporting legal information in a single user interface. It supports global requirements for entering legal entity information. You record the registration of legal entities in several domains (e.g. income tax, commercial law) and by geographic region with the appropriate government/legal authorities, for the purpose of claiming and ensuring legal and/or commercial rights and responsibilities. The Legal Entity Configurator uses country-specific fields and names to make the user interface intuitive for users in any region, and you can include additional country-specific information that you need to record for each legal entity. It also provides management tools to keep track of the latest information entered so you can easily monitor the required registration status for both legal entities and their establishments.

Accounting Sequencing

Accounting sequencing is the numbering of the accounting entries in respect to subledger and other accounting feeds. It is distinct from document sequencing, which is used to number invoices, payment forms, and other fiscal documents such as debit or credit memos. Local regulations may dictate how accounting entries should be numbered.

Overview of Accounting Setups

This chapter covers the following topics:

- Introduction
- Accounting Setups
- Accounting Setup Considerations

Introduction

This chapter explains how multiple legal entities and companies can be configured within one or more accounting setups using Accounting Setup Manager.

Accounting Setups

An accounting setup defines the accounting context for one or more legal entities or a business need if legal entities are not involved.

Note: Accounting Setup, page 3-1

Defining an accounting setup is based on several factors, such as the following:

- legal environment
- number of legal entities maintained in the same primary ledger
- business needs
- transaction processing needs

Legal entities should be assigned to accounting setups to maintain a legal entity context for transactions and use Oracle financial subledgers that require a legal entity context. No legal entities should be assigned to accounting setups if there are business needs that do not require a legal entity context.

If legal entities are involved, the general rule is to define a separate accounting setup for each legal entity or group of legal entities that require their own primary ledger. In other words, if legal entities require any one of the following attributes to be different from other legal entities, a different primary ledger is required, and therefore a different accounting setup is required:

- **chart of accounts:** One legal entity requires a six-segment chart of accounts and another requires only a four-segment chart of accounts.
- **accounting calendar:** One legal entity uses a 4-4-5 calendar and another uses a monthly calendar; or one legal entity has a different fiscal year end than another.
- **primary currency:** Legal entities operate in different countries requiring them to use their own local currencies.
- **subledger accounting method:** Legal entities operate in different countries or industries that have different accounting standards.
- **ledger processing options:** Legal entities operate in different industries, such as retail and financial services, and require different ledger processing options, such as maintaining average daily balances for legal entities in the financial services industry.

Ledger Processing Options

Ledger Processing Options are defined at the ledger level and refer to the following options that control how journals and transactions are processed for that ledger:

- First Ever Opened Period
- Number of Future Enterable Periods
- Retained Earnings Account
- Subledger Accounting Options, such as the subledger accounting method, journal description language, entered currency balancing account, cash basis accounting, and the ledger currency balancing account
- Option to track balances using a secondary segment
- Suspense Account
- Rounding Differences Tracking Account
- Intracompany Balancing option
- Journal Approval

- Journal Entry Tax
- Journal Reversal Criteria Set
- Default Period End Rate Type
- Default Period Average Rate Type
- Cumulative Translation Adjustment Account
- Journal Reconciliation
- Budgetary Control
- Reserve for Encumbrance Account
- Average Balance Processing
- Average Balance Consolidation
- Net Income Account
- Transaction Calendar

If there are legal entities that require any one of the above ledger processing options to be different, then define a separate primary ledger for each legal entity and therefore, a new accounting setup.

Note: Ledger Options, page 3-30

Example

Assume that a U.S.-based global company called Global Operations has four legal entities: two in the U.S., one in the U.K. and one in France. The following table describes the ledger attributes required for each legal entity.

Ledger Attributes Required for Global Operations Legal Entities

Ledger Attributes	U.S. East Operations	U.S. West Operations	U.K. Operations	France Operations
Chart of Accounts	Corporate	Corporate	Corporate	French Statutory

Ledger Attributes	U.S. East Operations	U.S. West Operations	U.K. Operations	France Operations
Accounting Calendar/Period Type	Monthly/Month	Monthly/Month	Monthly/Month	Fiscal/Fiscal
Currency	USD	USD	GBP	EUR
Subledger Accounting Method	Standard Accrual	Standard Accrual	Standard Accrual	French GAAP
Ledger Options	<ul style="list-style-type: none"> • Enable Average Balances • Enable Journal Approval 	No Average Balances or Journal Approval enabled	No Average Balances or Journal Approval enabled	No Average Balances or Journal Approval enabled

Based on the above information, create four different accounting setups because each legal entity requires its own primary ledger.

Note: If the two U.S. legal entities, U.S. East and U.S. West, shared the same ledger processing options, they could share the same primary ledger and be included in the same accounting setup.

Secondary Ledgers

Additional ledgers called secondary ledgers can optionally be assigned to an accounting setup to maintain multiple accounting representations for the same legal entity.

Note: Secondary Ledgers, page 3-66

Assign an unlimited number of secondary ledgers to each primary ledger of an accounting setup. Each secondary ledger can be maintained at one of the following data conversion levels:

- The subledger level secondary ledger maintains subledger journals, general ledger journal entries, and balances in the additional accounting representation.

This data conversion level uses both Subledger Accounting and the General Ledger Posting program to create the necessary journals in both the primary and secondary

ledgers simultaneously. Subledger Accounting creates the journal entries from subledger transactions if the subledger integrates with Subledger Accounting. General Ledger Posting creates the journal entries for all other transactions that do not integrate with Subledger Accounting, including manual journal entries.

- The journal level secondary ledger maintains primary ledger journal entries and balances in an additional accounting representation.

This type of secondary ledger is maintained using the General Ledger Posting program. Every time a journal is posted in the primary ledger, the same journal can be automatically replicated and maintained in the secondary ledger for those journal sources and categories that are set up for this behavior.

- The balance level secondary ledger maintains primary ledger account balances in another accounting representation.

This type of secondary ledger requires Oracle General Ledger Consolidation to transfer primary ledger balances to this secondary ledger.

- The adjustments only secondary ledger level is an incomplete accounting representation that holds only adjustments.

The adjustments can be manual adjustments or automated adjustments from Subledger Accounting. This type of ledger must share the same chart of accounts, accounting calendar/period type combination, and currency as the associated primary ledger. To obtain a complete secondary accounting representation that includes both the transactional data and the adjustments, use ledger sets to combine the adjustments-only secondary ledger with the primary ledger when running reports.

Note: Journals can be entered directly into any type of secondary ledger.

Note: Data Conversion Levels, page 3-67

Using Secondary Ledgers

Secondary ledgers are used for multiple purposes, such as statutory reporting, adjustments, or consolidation.

For example, if both a statutory and corporate accounting representation is required for a legal entity's transactions, two ledgers for the same legal entity can be used: a primary ledger for the corporate representation and a secondary ledger for the statutory representation.

Note: Secondary Ledger, page 3-66

Reporting Currencies

If you only need a different currency representation of the primary or secondary ledgers, assign reporting currencies to them. Unlike secondary ledgers, reporting currencies must share the same chart of accounts, accounting calendar/period type combination, subledger accounting method, and ledger processing options as their source ledger.

As a general rule, always use reporting currencies instead of secondary ledgers if you only need to maintain an accounting representation that differs in currency alone.

You can assign reporting currencies to both primary and secondary ledgers. Reporting currencies are maintained at one of the following currency conversion levels:

- The subledger level reporting currency maintains a complete currency representation of your subledger journals, General Ledger journals entries, and balances.

When using the subledger level reporting currency, define currency conversion rules. These rules provide instructions on how to convert subledger and general ledger data to one or more subledger level reporting currencies.

Subledger level reporting currencies are maintained using both Subledger Accounting and the General Ledger Posting program to create the necessary subledger journals and General Ledger journals in both the primary and secondary ledgers simultaneously. Subledger Accounting creates the journal entries from subledger transactions if the subledger integrates with Subledger Accounting. General Ledger Posting creates the journal entries for all other transactions that do not integrate with Subledger Accounting, including manual journal entries.

Note: Subledger level reporting currencies can only be assigned to primary ledgers.

- The journal level reporting currency maintains General Ledger journal entries and balances in another currency representation.

Journal level reporting currencies are maintained using the General Ledger Posting program. Every time a journal is posted in the source ledger, such as the primary or secondary ledger, the journal is automatically converted to the respective currency of the journal level reporting currency.

- The balance level reporting currency only maintains balances in another currency.

It maintains the translated balances of the source ledger. Every time general ledger translation is run in the source ledger, such as the primary or secondary ledger, the translated balances are reflected in the balance level reporting currency.

Note: Journals can be entered directly into the subledger and journal level reporting currencies.

Accounting Setup Considerations

Before creating accounting setups, carefully consider the number of legal entities that you want to assign to each accounting setup.

Associate each accounting setup with one of the following accounting environment types:

Note: For detailed examples of using the different accounting environment types, see Introduction, page A-1, Accounting Setup Examples.

Related Topics

Designing the Chart of Accounts, page 2-12

Accounting Setups with One Legal Entity

You should only assign one legal entity to an accounting setup type if your legal entities meet any one of the following criteria:

- operate in a country with strict legislative requirements that require the legal entity to maintain its accounting data separate from other legal entities
- have specific legal or statutory rules that require a separate ledger for the legal entity
- require different primary ledger attributes from other legal entities

For example, the legal entity requires any one of the following ledger attributes to be different from other legal entities:

- chart of accounts: One legal entity requires a 10-segment chart of accounts and another requires a 6-segment chart of accounts.
- accounting calendar: One legal entity requires a weekly calendar and another requires a monthly calendar.
- primary currency: There are legal entities and companies that require different primary currencies to act as their main record-keeping currency.

Note: Consider the business activities and reporting requirements of each legal entity. If you must present financial statements in another country and currency, consider the accounting principles to which you must adhere. Based on such considerations, choose the appropriate primary currency for each legal entity.

- subledger accounting method: One legal entity uses the accrual method of accounting and another uses the cash basis of accounting.
- ledger processing options: One legal entity wants to translate revenue and expense accounts using period-end balances while another legal entity wants to use year-to-date balances.

Note: Ledger Processing Options, page 2-2

- need autonomous document sequencing of transactions and journals for each legal entity
- need to open and close periods autonomously for each legal entity
- have tax requirements that are specific for a legal entity

Accounting Setups with Multiple Legal Entities

If an accounting setup has more than one legal entity it means that multiple legal entities can share the same primary ledger attributes, such as the same chart of accounts, accounting calendar/period type combination, currency, subledger accounting method, and ledger processing options.

Assign multiple legal entities to the same accounting setup if all of the legal entities assigned to the accounting setup meet all of the following criteria:

- operate in a country that allows multiple legal entities to share the same primary ledger and ledger attributes, such as the same chart of accounts, calendar, primary currency, subledger accounting method, document sequence, and accounting options
- do not need to have different ledger processing options for each legal entity

For example, legal entities can use the same general ledger translation rule and cumulative translation adjustment account to translate balances.

Note: Ledger Processing Options, page 2-2

- do not need to open and close periods independently by legal entity
- do not require autonomous document sequencing for a legal entity
- do not have tax requirements that are specific for a legal entity

Accounting Setups with No Legal Entities

Accounting setups that do not have legal entities assigned can be used for multiple purposes based on business needs. For example, define an accounting setup with no legal entity assigned if a legal entity context is not required for transaction processing, or use it to supplement the accounting contained in other accounting setups that have legal entities assigned.

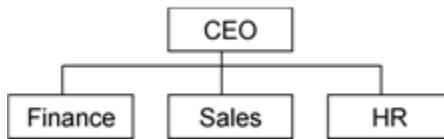
You can use accounting setups with no legal entities for the following business needs:

- You do not need to maintain transactions using a legal entity context.
- You are using a separate instance of General Ledger as a standalone application and do not plan to integrate with Oracle financial subledgers that require a legal entity context.
- You are not integrating with Oracle financial subledgers but are using Subledger Accounting to integrate Oracle General Ledger with non-Oracle systems.
- You want to maintain an additional accounting setup for management reporting purposes or consolidation purposes.

Using Accounting Setups with No Legal Entities for Management Purposes

If your organization uses legal entities and you have accounting setups that have legal entities assigned, you can use another accounting setup with no legal entity for management purposes. For example, you can use its primary ledger to book internal management adjustments across ledgers in different accounting setups. The management adjustments can be for any management entity, such as line of business, cost center, department, or other segment that has management responsibility.

For example, assume the department segment of the chart of accounts represents the management entity and you have three departments: Finance, Sales, and HR. The figure below represents the management hierarchy for the department segment with the three departments reporting to the CEO.



Use the accounting setups described in the following table to perform the day-to-day accounting.

Accounting Setups

Legal Entity	Vision Credit Group Legal Entity	Vision Services and Vision Consulting Legal Entities	Vision Operations Legal Entity
Number of Legal Entities	One	Multiple	One
Primary Ledger	Vision Credit Group	Vision Services	Vision Operations
Chart of Accounts:	Corporate	Corporate	Corporate
Calendar:	Monthly	Monthly	Monthly
Currency:	USD	USD	USD

Transactions are entered for all three departments in all three ledgers during the normal course of business. For example, enter expenses for each department.

To enter management adjustments that cross the management entity for all three ledgers, define another accounting setup that has no legal entities assigned as described in the following graphic and table.



Accounting Setup for Vision Management

Setup	Description
Primary Ledger	Vision Management
Chart of Accounts:	Corporate
Calendar	Monthly
Currency	USD

By itself, this management ledger may not represent the complete accounting picture; it may hold only the management adjustments. You can keep the management adjustments completely separate from day-to-day transactions. In order to obtain a complete management picture to use for management reporting and analysis, use a ledger set to combine the results of the management ledger with the other ledgers that hold the day-to-day transactions. You can obtain a complete management view of the company when reporting on the ledger set.

Note: Ledger Sets group multiple ledgers together (that share the same chart of accounts and accounting calendar/period type combination) to obtain processing efficiencies, such as opening and closing periods and reporting across multiple ledgers simultaneously.

Note: Ledger Sets, page 6-1

Note: Make sure the ledger that is used for management reporting purposes shares the same chart of accounts, accounting calendar/period type combination, and currency as its associated ledger contained in another accounting setup to obtain meaningful results when combining the ledgers in a ledger set.

Note: Data access sets is a security feature in General Ledger that controls read only and read and write access to data in ledgers and ledger sets. It also limits access to specific balancing segment values or management segment values assigned to a ledger or ledger set.

Note: Oracle General Ledger Security, page 6-2

Using Accounting Setups with No Legal Entities for Consolidation Purposes

If you have different ledger attributes across accounting setups that are not standardized by chart of accounts, calendar, and currency, you can use the primary ledger of another accounting setup that has no legal entities assigned to act as the complete consolidation ledger. Perform balance transfer consolidations from the respective ledgers in the different accounting setups to this consolidation ledger and then enter consolidation adjustments directly in this ledger.

- Using Ledgers in Other Accounting Setups for Consolidation, page 3-74
- Introduction, page A-1, Accounting Setup Example.

Designing the Chart of Accounts

If your company uses legal entities and wants the ability to identify legal entities during transaction processing, designate the balancing segment of the chart of accounts as the legal entity or company segment. This allows you to identify transactions per legal entity and take full advantage of the legal entity accounting features available, such as intercompany accounting.

If you have multiple legal entities that use different charts of accounts, it is recommended that you limit the number of value sets that you define for the balancing segment. This allows you to share the same value set across multiple charts of accounts and assign unique balancing segment values for each legal entity that is consistent

across charts of accounts.

Feature Comparison by Accounting Setup

The number of legal entities assigned to an accounting setup affects different key features available in the E-Business Suite. Review the features in the following table to understand how different features are affected.

Accounting Setups

Feature	One Legal Entity Assigned	Multiple Legal Entities Assigned	No Legal Entities Assigned
Open/Close GL Accounting Periods	Legal entities can open/close periods at different times.	All legal entities in a ledger must open/close periods at the same time.	The standalone ledger can open/close periods independently.
Document Sequencing	Legal entities can have autonomous document sequencing rules.	All legal entities in a ledger must share the same document sequencing rules.	The ledger can have autonomous document sequencing rules.
Multiple Legal Entity Journals	No	Journal entries can cross multiple legal entities.	N/A No legal entities exist.

Using Accounting Setup Manager

This chapter covers the following topics:

- Creating Accounting Setups
- Legal Entities Overview
- Creating Accounting Setup Structures
- Completing Accounting Options
- Reporting Currencies
- Ledger Balancing Segment Value Assignments
- Subledger Accounting Options
- Operating Units
- Intercompany Accounts
- Intracompany Balancing Rules
- Sequencing
- Secondary Ledgers
- Completing Accounting Setup

Creating Accounting Setups

This section includes the following parts:

- Accounting Setup Process, page 3-2
- Accounting Setup Prerequisites, page 3-2
- Accounting Setup Manager Pages, page 3-3
- Accounting Setup Manager Checklist, page 3-6

Accounting Setup Process

The accounting setup process consists of three main steps and are described in the following table:

1. Create an accounting setup structure.
2. Update accounting options.
3. Complete the accounting setup.

The following table provides the steps to create an accounting setup. Repeat these steps for each accounting setup defined. The steps in bold *italics* are required.

Accounting Setup Manager Setup

Create Accounting Structure	Complete Accounting Options	Complete Accounting Options (continued)
<i>Assign legal entities</i>	<i>Complete ledger options.</i>	Define and assign operating units to the primary ledger.
<i>Specify the ledger attributes for the primary ledger.</i>	Complete reporting currencies.	Define intercompany accounts.
Specify the ledger attributes for one or more secondary ledgers.	Assign balancing segment values to legal entities	Define intracompany balancing rules.
Assign reporting currencies.	Assign balancing segment values to ledgers.	Define sequencing options.
	Define subledger accounting options.	Complete secondary ledger setup steps.
		<i>Complete accounting setup.</i>

Accounting Setup Prerequisites

Complete General Ledger Setup Steps

To create accounting setups, complete the General Ledger prerequisites, such as defining a chart of accounts and accounting calendar.

Note: Setting Up General Ledger, *Oracle General Ledger User Guide*

Define Additional Subledger Accounting Methods

To use additional subledger accounting methods other than Standard Accrual or Standard Cash, define them using Subledger Accounting . When defining ledgers in Accounting Setup Manager, assign a subledger accounting method if planning to use Subledger Accounting to integrate data from transaction sources.

Perform this step for each subledger accounting method.

Note: Subledger Accounting Options, page 3-63

Accounting Setup Manager Pages

The Accounting Setup Manager provides the following pages:

- Legal Entities Pages, page 3-4
- Accounting Setups Pages, page 3-5
- Accounting Options Pages, page 3-5

Legal Entities Pages

Simple Search
Please note that the search is case insensitive.

Country

Name

Transacting Entity

To select a party as legal entity or establishment, click on its View Details icon. If you don't find a party, click either on Create Legal Entity button or on Create Establishment after selecting its legal entity.

Select	Name	Legal Type	Address	Country	Legal Entity Identifier	Organization Number	View Details
<input type="radio"/>	Oracle Corporation UK Limited	Legal Entity	Oracle Parkway, Thames Valley Park, Reading, Berkshire, RG6 1RA	United Kingdom	UK01782505	A0158	
<input type="radio"/>	Oracle Finland	N/A	2025 Lancaster Road, Cambridge, MA 02139	Finland	N/A	PT1234	
<input type="radio"/>	Oracle France	Legal Entity	15 bd Charles de Gaulle, 92715 Colombes	France	FR338082318	F23867	
<input type="radio"/>	Oracle Manchester	Establishment	Oracle Parkway, Thames Valley Park, Reading, Berkshire, RG6 1RA	United Kingdom	UK01782506001	A0158	
<input type="radio"/>	Oracle Russia	Legal Entity	113209, Moscow, Nahimovsky avenue, 27	Russia	RU1900965897	R9602518	
<input type="radio"/>	Oracle US	Legal Entity	500 Oracle Parkway, Redwood Shores, CA 94065	United States	US2003264	11227	

Copyright 2002 Oracle Corporation. All rights reserved.
About CRM Version 0.00

[Accounting Setup](#) | [Legal Entities](#) | [Logout](#) | [Preferences](#) | [Help](#)

[Privacy Statement](#)

The Legal Entities page allows you to do the following:

- Create new legal entities and assign specific balancing segment values to legal entities to help identify legal entities during transaction processing and reporting. You can take full advantage of all of the legal entity-related features, such as Intercompany Accounting.
- Query existing legal entities, view their attributes, and make updates to the legal entities .
- Update balancing segment values assigned to legal entities.
- Enter an end-date to deactivate a legal entity.

Note: Legal Entities Overview, page 3-12

Accounting Setups Pages

The screenshot shows the Oracle Accounting Setup Manager interface. At the top, there is a navigation bar with icons for 'Return to Portal', 'Logout', 'Preferences', and 'Help'. Below the navigation bar, there are two tabs: 'Accounting Setups' (which is selected) and 'Legal Entities'. The main content area is titled 'Accounting Setups' and contains a brief description of the setup process. It includes a status key legend: a checkmark for 'Complete', a circle with a dot for 'In Process', and a square for 'Not Started'. A 'Search' section allows searching by 'Ledger' and 'Vision%' with a 'Go' button. Below the search is a table titled 'Create Accounting Setup' with columns for 'Ledger', 'Type', 'Associated Primary Ledger', 'Status', 'Update', and 'Accounting Options'. The table contains four rows: 'Vision Operations (USA)' (Primary, Vision Operations (USA), ✓, edit), 'French Statutory' (Secondary, Vision Operations (USA), ✓, edit), 'Vision Operations (GBP)' (Reporting Currency, Vision Operations (USA), ✓, edit), and 'Vision Manufacturing (SNG)' (Primary Ledger, Vision Manufacturing (SNG), edit). To the right of the table is a vertical sidebar titled 'Accounting Setup Steps' with three numbered steps: 1. Create the Accounting Setup Structure, 2. Define Accounting Options, and 3. Complete Options and Accounting Setup. Below these steps are two links: 'Prerequisite Checklist' and 'Accounting Environment Types'. At the bottom of the page, there are links for 'Accounting Setups', 'Legal Entities', 'Return to Portal', 'Logout', 'Preferences', 'Help', and a 'Privacy Statement' link.

You can perform the following in the Accounting Setups page:

- Create new accounting setups.
- Query existing accounting setups (named after the primary ledger) by legal entity or ledger.
- Update the accounting options for an accounting setup to modify the related setup components.
- Query existing legal entities and view their attributes.
- Identify the associated primary ledger for any legal entity, ledger, operating unit, and reporting currency.
- View the status of accounting setups.

Accounting Options Pages

After creating an accounting setup structure, update the accounting options immediately after creating the structure or later.

Accounting Setup Legal Entities

Accounting Options: Vision Operations (USA) Accounting Setup

Tip: All required setup steps must be completed before you can complete your accounting setup.

Show Key Notation Save for Later Complete

▼ Legal Entities

Add Legal Entity

Legal Entity	Country	Legal Entity Identifier	Balancing Segment Value	Update Balancing Segment Values	Remove	View Details
Vision Corporate USA	USA	1287456YTB	01,02			
Vision Credit Services	USA	PLY12548759	None Specified			

▼ Primary Ledger: Vision Operations (USA)

* Indicates required setup step

Setup Step	Description	Last Update Date	Updated By	Status Update
* Ledger Options	Define and update the journal processing options for your ledger.	01-JAN-2004	John Summers	
* Reporting Currencies	Create reporting currencies and update currency conversion and journal processing options.	01-JAN-2004	John Doe	
Balancing Segment Value Assignments	Assign balancing segment values to the ledger.			
Subledger Accounting Options	Define rules to generate your accounting entries from subledger transactions.			
Intercompany Accounts	Define intercompany accounts to account for transactions across legal entities.			
Intracompany Balancing Rules	Define intracompany balancing rules to balance entries between balancing segment values within the same legal entity or ledger.			
Sequencing	Define and maintain accounting and reporting sequencing options for ledgers and reporting currencies.			

Secondary Ledgers

* Indicates required setup step

Add Secondary Ledger

Show All Details Hide All Details

Details Secondary Ledger	Data Conversion Level	Remove Secondary Ledger		
▼ Hide Vision Statutory	Subledger Journals			
Setup Step	Description	Last Update Date	Updated By	Status Update
* Ledger Options	Define and update the journal processing options for your ledger.	01-JAN-2004	John Summers	
* Primary to Secondary Ledger Mapping	Specify conversion options to transfer data from your primary ledger to this secondary ledger.			
* Reporting Currencies	Create reporting currencies and update currency conversion and journal processing options.	01-JAN-2004	John Doe	
Balancing Segment Value Assignments	Assign balancing segment values to the ledger.			
Subledger Accounting Options	Define rules to generate your accounting entries from subledger transactions.			
Intercompany Accounts	Define intercompany accounts to account for transactions across legal entities.			
Intracompany Balancing Rules	Define intracompany balancing rules to balance entries between balancing segment values within the same legal entity or ledger.			
Sequencing	Define and maintain accounting and reporting sequencing options for ledgers and reporting currencies.			

Save for Later Complete

Accounting Setup Manager Checklist

The following table describes the steps to create accounting setups using Accounting Setup Manager. Each required setup step must be completed before you can complete your accounting setup.

Accounting Setup Manager Checklist

Step Number	Required	Step
Step 1	Optional	<p>Define Legal Entities</p> <p>If you plan to record accounting transactions for one or more legal entities, you can use the Legal Entities tab in Accounting Setup Manager or Oracle Legal Entity Configurator to define your legal entities.</p> <p>Note: If you plan to use jurisdictions that do not come seeded, you can define your own jurisdictions using Legal Entity Configurator before you define legal entities. A jurisdiction is the intersection of the physical territory and type of legislation within which judicial authority may be exercised. The jurisdiction is used to assign a territory to a legal entity.</p> <ul style="list-style-type: none">• Overview, <i>Oracle Financials Implementation Guide</i>• Legal Entities Overview, page 3-12
Step 2	Required	<p>Create Accounting Setup Structure</p> <ol style="list-style-type: none">1. Assign Legal Entities.2. Define accounting representations.<ul style="list-style-type: none">• Specify the ledger attributes for the primary ledger.• Optionally specify the ledger attributes for one or more secondary ledgers.• Optionally assign one or more reporting currencies.3. Save accounting structure. <p>Review setup structure before saving.</p> <p>Repeat this step for each accounting setup.</p> <p>Note: Creating Accounting Setup Structures, page 3-18</p> <hr/>

Step Number	Required	Step
Step 3	Required	<p>Complete ledger options.</p> <p>Define and update journal and transaction processing options for the ledger.</p> <p>If a secondary ledger is assigned, complete the ledger options for the primary ledger before completing the ledger options for the secondary ledger.</p> <p>Repeat this step for all ledgers in an accounting setup.</p> <p>Note: Ledger Options, page 3-30</p>
Step 4	Conditionally Required	<p>Complete reporting currencies.</p> <p>If reporting currencies are assigned to the accounting setup when creating the accounting setup structure, it is required to complete the currency conversion options for each reporting currency.</p> <p>Assign reporting currencies to the primary or secondary ledger at any time.</p> <p>Repeat this step for each reporting currency assigned.</p> <p>Note: Reporting Currencies, page 3-45</p>
Step 5	Optional	<p>Assign balancing segment values to legal entities.</p> <p>If you did not assign balancing segment values to legal entities when you created them, you can assign them now. It is strongly recommended that you assign specific balancing segment values to each legal entity to help identify legal entities during transaction processing and reporting.</p> <p>Note: See Balancing Segment Value Assignments</p>

Step Number	Required	Step
Step 6	Optional	<p>Assign balancing segment values to ledger.</p> <p>If you assigned balancing segment values to legal entities and want to reserve one or more balancing segment values for adjustments or nonlegal entity related transactions, assign specific balancing segment values to the ledger.</p> <p>For the accounting setup with no legal entity assigned, assign balancing segment values to the ledger to indicate which values are to be used for journal processing in the ledger. If balancing segment values are not assigned to the ledger, then all values will be available.</p> <p>Repeat this step for each ledger.</p> <p>Note: Ledger Balancing Segment Value Assignments, page 3-61</p>
Step 7	Conditionally Required	<p>Define Subledger Accounting options.</p> <p>If a Subledger Accounting Method is assigned to the ledger, complete the Subledger Accounting options to provide instructions on how to create the accounting from Oracle financial subledgers or external systems to one or more ledgers in General Ledger.</p> <p>Repeat this step for each ledger that has a subledger accounting method assigned.</p> <p>Note: Subledger Accounting Options, page 3-63</p>
Step 8	Optional	<p>Define operating units. If using an accounting setup that has legal entities assigned, define operating units for your primary ledger.</p> <p>Note: Operating Units, page 3-63</p>

Step Number	Required	Step
Step 9	Optional	<p>Define intercompany accounts.</p> <p>If the accounting setup has legal entities with specific balancing segment values assigned, define intercompany accounts. Intercompany accounts account for intercompany transactions between legal entities.</p> <p>Note: Intercompany Accounts, page 3-65</p>
Step 10	Conditionally Required	<p>Define intracompany balancing rules.</p> <p>If the Intracompany Balancing option for the ledger is enabled, define Intracompany Balancing rules to provide instructions on how to balance journal entries between balancing segment values for the same legal entity or ledger.</p> <p>Repeat this step for each ledger that has this option enabled.</p> <p>Note: Intracompany Balancing Rules, page 3-65</p>
Step 11	Optional	<p>Define Sequencing. Define accounting and reporting sequencing options for ledgers and reporting currencies.</p> <p>Repeat this step for each ledger.</p> <p>Note: Defining Sequences, <i>Oracle Financials Implementation Guide</i></p>
Step 12	Conditionally Required	<p>Complete primary to secondary ledger mapping.</p> <p>If using secondary ledgers, specify how to convert subledger journals, General Ledger journals, or balances from the primary ledger to the secondary ledger. For example, if the secondary ledger uses a different chart of accounts and currency from the primary ledger, assign a chart of accounts mapping and currency conversion rules.</p> <p>Perform this step once for each secondary ledger that is assigned to an accounting setup.</p> <p>Note: Primary to Secondary Ledger Mapping, page 3-82</p>

Step Number	Required	Step
Step 13	Required	<p>Complete the Accounting Setup</p> <p>After all required setup steps for both the primary and secondary ledgers of an accounting setup are completed, complete the accounting setup by clicking Complete on the Accounting Options page. This button is enabled after all required setup steps have a Complete status.</p> <p>Review the successful completion of the General Ledger Accounting Setup Program in the Concurrent Manager before proceeding.</p> <p>Perform this step once for each accounting setup.</p> <p>Note: Completing Accounting Setup, page 3-78</p>
Step 14	Optional	<p>Perform additional General Ledger setup steps.</p> <p>Take advantage of additional General Ledger features, such as ledger sets and data access sets, to improve processing efficiency and add additional security to secure access to ledgers.</p> <ul style="list-style-type: none"> • Introduction, page 6-1, Additional General Ledger Setup • General Ledger Setup Flowchart, <i>Oracle General Ledger User Guide</i>

Step Number	Required	Step
Step 15	Required	<p>Assign profile options to responsibilities.</p> <p>To control access to ledgers used by General Ledger users, assign a data access set to the profile option GL: Data Access Set for each General Ledger responsibility.</p> <p>If using subledgers, you should also set the SLA: Enable Data Access Security in Subledgers profile option to control the generation of accounting entries for subledger transactions. This profile option determines whether the General Ledger Data Access Set security mechanism is applied for a subledger application responsibility when viewing, reporting, or creating subledger journal entries associated with a given ledger. The General Ledger Data Access Set security mechanism is always applied for responsibilities associated with the General Ledger application. The profile option enables you to combine data access security with subledger transaction security and therefore control access to subledger journal entries depending on the ledger to which they belong. For example, you can implement a Multiple Organizations Security Profile that allows you to create Oracle Receivables invoices for two different operating units, each associated with different ledgers, but restrict drill-down from the subledger transaction to the associated subledger journal entry based upon the destination ledger contained in the Access Set.</p> <p>If you skip this step, you cannot control access to ledgers and process data optimally in Oracle subledgers and General Ledger.</p> <ul style="list-style-type: none"> • Setting General Ledger Profile Options, <i>Oracle General Ledger User Guide</i> • Overview of Setting User Profiles, <i>Oracle Applications System Administrator's Guide</i> • Setting User Profile Options, <i>Oracle Applications System Administrator's Guide</i>

Legal Entities Overview

Define one or more legal entities using Accounting Setup Manager's Legal Entities tab if planning to assign legal entities to accounting setups.

You can also define legal entities using Legal Entity Configurator. The Legal Entity pages of Accounting Setup Manager are the same as the Legal Entity pages in Legal Entity Configurator. The only difference is that you can assign balancing segment values to legal entities using Accounting Setup Manager.

Note: See Overview, *Oracle Financials Implementation Guide*.

Balancing Segment Value Assignments

Assigning balancing segment values to legal entities is optional; however, it is strongly recommended that you assign specific balancing segment values to each legal entity to help identify legal entities during transaction processing and reporting. This is particularly important for accounting setups that use the accounting setup where multiple legal entities share the same primary ledger.

By assigning balancing segment values to legal entities, you can also take advantage of all of the legal entity accounting features available, such as intercompany accounting.

If you do not assign any balancing segment values to your legal entities, then all balancing segment values will be available for transaction processing.

Note: If using multiple value sets for the balancing segment across charts of accounts, be sure to assign the correct value set to the legal entity. Once assigned, you cannot remove the value set from legal entities. However, there is no harm in assigning the wrong value set or assigning balancing segment values for the wrong value set; the system will ignore it during transaction processing.

Tip: If you are unsure about the value set to assign to each legal entity, allow Accounting Setup Manager to do it. When assigning a legal entity to an accounting setup, Accounting Setup Manager automatically assigns the correct value set associated with the legal entity's primary ledger and secondary ledger, if used.

Using Balancing Segment Values for Transaction Processing

Any balancing segment values assigned to a legal entity are automatically assigned to the legal entity's ledger when completing the accounting setup.

When entering transactions using Oracle subledgers, use only the valid balancing segment values that are assigned to the legal entity.

When entering journals in General Ledger, use only the valid balancing segment values assigned to the ledger's legal entities and the ledger itself.

If no balancing segment values are assigned to the legal entities or ledgers, then all

balancing segment values will be available to enter transactions and journal entries.

Special Note for Disabling Legal Entities: If disabling a legal entity by entering an end date, also enter end dates for all assigned balancing segment values to prevent the use of the balancing segment value.

Completing Accounting Setups

If you have an accounting setup with multiple legal entities assigned and specific balancing segment values assigned to legal entities, you cannot complete the accounting setup if the following violations exist:

- overlapping balancing segment values assigned to the legal entities for the same accounting setup
- balancing segment values assigned to some, not all, of the legal entities assigned to the same accounting setup

Note: Accounting Setup Manager does not check for overlapping balancing segment values assigned to legal entities in different accounting setups. Therefore, ensure that the correct balancing segment values are assigned to legal entities in all accounting setups.

Note: Before the accounting setup is complete, delete and add balancing segment values to legal entities at any time. After completing the accounting setup, you cannot delete balancing segment values from legal entities; you can end date the balancing segment value to prevent the use of it.

Designating the Balancing Segment for a Chart of Accounts

It is recommended that you designate the balancing segment of the chart of accounts as the legal entity or company segment. If there are multiple legal entities that use different charts of accounts, limit the number of value sets you define for the balancing segment to ease maintenance efforts. This allows you to share value sets across multiple charts of accounts and assign unique balancing segment values for each legal entity that is consistent across charts of accounts.

Defining Legal Entities Using Accounting Setup Manager

Use the Create Legal Entity page to create legal entities.

ORACLE Accounting Setup Workbench

Logout Preferences Help

Accounting Setup Legal Entities

Legal Entities Create Legal Entity * Indicates required field

Identification Information

* Territory United Kingdom

* Legal Entity Name

* Organization Name

* Organization Number

* Legal Entity Identifier

* Company Number

Transacting Entity Yes

Legal Address

Select Existing Address

Create New Address

* Address

Additional Information

Place of Registration

Inception Date (example: 05-DEC-2000)

Type of Company Corporation

Std. (S)

Share Capital

Currency

Fiscal Year End Date (example: 31-DEC)

Balancing Segment Value Assignments

Add Value Set

Select Value Set Company_Value_Set Remove

Assigned Balancing Segment Values: Company_Value_Set

Add Balancing Segment Value

Balancing Segment Value	Description	Start Date	End Date	Remove
01	Redwood City	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
02	Foster City	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>
03	Another City	<input type="text"/>	<input type="text"/>	<input type="checkbox"/>

Copyright 2002 Oracle Corporation. All rights reserved. About CRM Version 0.00

Home | Legal Entities | Logout | Preferences | Help

Privacy Statement

Prerequisites

The following prerequisites are required only if planning to assign balancing segment values to legal entities:

- define a chart of accounts
- define segment values for the balancing segment

To Create Legal Entities:

1. Navigate to the Legal Entities page.
2. Click **Create Legal Entity**.
3. Enter all relevant fields for the Identification Information, Legal Address, Additional Information, and Balancing Segment Value Assignments.

4. Click **Apply** or click **Save and Add Details** to enter additional information for the legal entity that includes the following:
 - registrations
 - establishments

Note: Adding this additional information is not required for creating an accounting setup.

Note: You can quickly create legal entities when creating an accounting setup.

5. In the Balancing Segment Value Assignments region, click **Add Value Set**.
6. Select a value set from the list of values.
Only value sets that use the balancing segment value qualifier are displayed.
7. To assign balancing segment values for the value set, click **Add Balancing Segment Value**.
8. Select one or more balancing segment values to assign to this legal entity. You cannot assign parent values.

Note: Be sure to assign unique balancing segment values to each legal entity. You cannot complete the accounting setup if multiple legal entities assigned to the same accounting setup have overlapping balancing segment values assigned or only some of the legal entities have balancing segment values assigned.

9. To make this value available for a limited time, enter a start date and/or an end date.

Note: Start and end dates can be changed at any time.

10. Click **Apply**.

Note: Once you add a legal entity to an accounting setup and complete the accounting setup, you cannot remove balancing segment values from legal entities. You can only disable balancing segment values by entering an end date.

Updating Balancing Segment Values

Update the balancing segment value assignments for the legal entity in one of the following pages:

- Legal Entities tab
- Accounting Options page after assigning legal entities to accounting setups

Add value sets and balancing segment values to legal entities at any time

Prerequisites

- Define a legal entity.
- Assign a legal entity to an accounting setup to automatically assign the value set associated with the legal entity's ledger.

To update balancing segment values for legal entities:

1. Navigate to the Legal Entities page and search for a legal entity.
2. Select the Balancing Segment Value Assignments sub-tab.
3. To update the balancing segment value assignment, click **Update**.
4. Add one or more value sets.

Once assigned, you cannot remove the value set.

If you accidentally assign the wrong value set that is not associated with any of the legal entity's ledgers, the invalid value set will be ignored during transaction processing.

5. Add or remove balancing segment values.
6. Click **Apply**.

To update balancing segment values for legal entities that are assigned to accounting setups:

1. Navigate to the Accounting Options page for an accounting setup.
2. In the Legal Entities region, select the Update Balancing Segment Values icon for a legal entity.

The value set associated with one or more of the legal entity's ledgers will be

automatically assigned.

3. Add or remove balancing segment values for the appropriate value set.

If multiple value sets are assigned to the legal entity, assign the same balancing segment value across value sets.

Creating Accounting Setup Structures

The accounting setup structure defines the framework or skeleton of an accounting setup.

Accounting Setup Manager Prerequisites Checklist

The following table lists the prerequisites for accounting setup manager.

Step	Required	Description	Application or Feature Name	Reference
1. Review <i>Oracle Financials Implementation Guide</i>	Required	Carefully consider the number of accounting setups that you need.	Accounting Setup Manager	<i>Oracle Financials Implementation Guide</i>
2. Define chart of accounts	Required	Define at least one chart of accounts. For ease in assigning balancing segment values to legal entities, it is recommended that all charts of accounts should share the same value set for the balancing segment.	General Ledger	<i>Oracle Applications Flexfields Guide</i> , <i>Oracle General Ledger User Guide</i>

Step	Required	Description	Application or Feature Name	Reference
3. Define accounts	Required	<p>Define the following natural accounts that will be used to create your ledgers:</p> <ul style="list-style-type: none"> • Retained Earnings Account • Suspense Account, if you want to enable suspense posting • Cumulative Translation Adjustment (CTA) Account • Non-Postable Net Income Account, if you plan to enable average balance processing • Reserve for Encumbrance Account, if you plan to use encumbrance accounting or budgetary control 	General Ledger	<i>Oracle General Ledger User Guide</i>

Step	Required	Description	Application or Feature Name	Reference
4. Define cross-validation rules	Optional	You can define multiple cross-validation rules per chart of accounts to prevent invalid combinations when entering accounts during setup and data entry.	General Ledger	<i>Oracle General Ledger User Guide</i>
5. Define chart of accounts mapping	Conditionally Required	If you plan to use a secondary ledger that uses a different chart of accounts from the primary ledger, define a chart of accounts mapping. The mapping provides instructions on how to transfer data between disparate charts of accounts.	General Ledger	<i>Oracle General Ledger User Guide</i>
6. Define period types	Optional	If you want to use period types that are not installed with General Ledger, define the period types that you will use for your accounting calendar.	General Ledger	<i>Oracle General Ledger User Guide</i>
7. Define accounting calendars	Required	Define one or more accounting calendars.	General Ledger	<i>Oracle General Ledger User Guide</i>

Step	Required	Description	Application or Feature Name	Reference
8. Define transaction calendars	Conditionally Required	If you plan to use average balance processing, define a transaction calendar to specify valid business days used by your organization.	General Ledger	<i>Oracle General Ledger User Guide</i>
9. Define or enable currencies	Required	Define or enable one or more currencies.	General Ledger	<i>Oracle General Ledger User Guide</i>
10. Define currency conversion rate types and rates	Required	If you plan to enter foreign currency transactions, define conversion rate types and conversion rates.	General Ledger	<i>Oracle General Ledger User Guide</i>
11. Define journal reversal criteria	Optional	Define a journal reversal criteria set that you will assign to each ledger to have journals for that ledger automatically reversed.	General Ledger	<i>Oracle General Ledger User Guide</i>

Step	Required	Description	Application or Feature Name	Reference
12. Define jurisdictions	Optional	If you do not want to use the jurisdictions that are seeded, define a jurisdiction. The jurisdiction is used to assign a territory to a legal entity.	Legal Entity Configurator	<i>Oracle Financials Implementation Guide</i>
13. Define legal entities	Optional	Create a complete definition of your legal entity. It is recommended that you assign specific balancing segment values to legal entities to help you secure and identify transactions by legal entity.	Legal Entity Configurator or Accounting Setup Manager	<i>Oracle Financials Implementation Guide</i>
14. Define subledger accounting methods	Optional	If you do not want to use Standard Accrual or Standard Cash as your ledger's default accounting method, define subledger accounting methods using Oracle Subledger Accounting.	Oracle Subledger Accounting	<i>Oracle Subledger Accounting Implementation Guide</i>

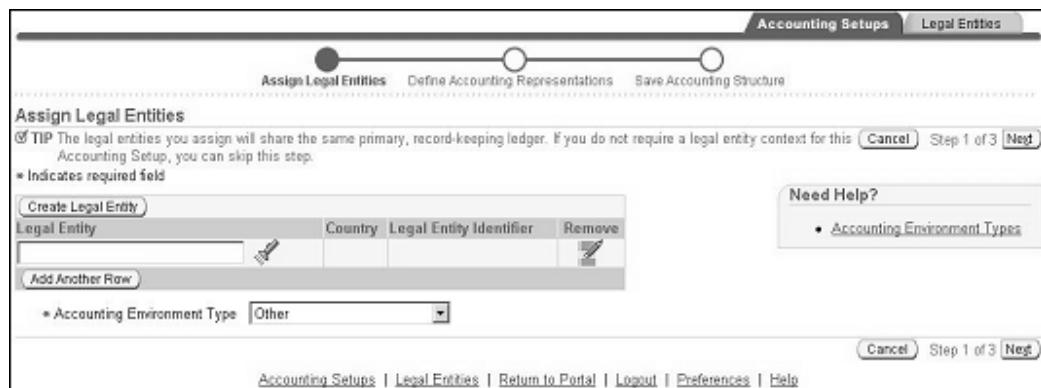
Creating an Accounting Setup

Creating an accounting setup includes the following steps:

- Assigning Legal Entities, page 3-23
- Defining Accounting Representations, page 3-23
- Saving the Accounting Structure, page 3-26

Assigning Legal Entities

Assigning legal entities to accounting setups is optional. Assign legal entities if you are planning to use Oracle financial subledgers that require a legal entity context for transaction processing. Also, assign legal entities if you are planning to use legal entity specific features, such as intercompany accounting.



The screenshot shows the 'Assign Legal Entities' page. At the top, there are three tabs: 'Accounting Setups' (selected), 'Legal Entities', and 'Save Accounting Structure'. Below the tabs is a progress bar with three steps: 'Assign Legal Entities' (filled), 'Define Accounting Representations' (empty), and 'Save Accounting Structure' (empty). A tip message says: 'TIP: The legal entities you assign will share the same primary, record-keeping ledger. If you do not require a legal entity context for this Accounting Setup, you can skip this step.' A note indicates that the 'Legal Entity Identifier' field is required. The main area contains a table with columns 'Legal Entity', 'Country', 'Legal Entity Identifier', and 'Remove'. There is a 'Create Legal Entity' button and an 'Add Another Row' button. A dropdown menu for 'Accounting Environment Type' is set to 'Other'. On the right, a 'Need Help?' link points to 'Accounting Environment Types'. At the bottom, there are 'Cancel', 'Step 1 of 3', and 'Next' buttons, along with links for 'Accounting Setups', 'Legal Entities', 'Return to Portal', 'Logout', 'Preferences', and 'Help'.

To assign legal entities:

- In the Assign Legal Entities page, assign legal entities.

If creating legal entities from the Assign Legal Entities page, you are not creating a complete definition of your legal entity. Complete the definition of the legal entity later from the Legal Entities tab.

Defining Accounting Representations

Specify the ledger attributes for the primary ledger. The primary ledger acts as the primary accounting representation. Optionally specify the ledger attributes for one or more secondary ledgers to represent primary ledger transactions in a different chart of accounts, calendar, currency, subledger accounting method, and/or ledger processing options.

To maintain additional currency representations of primary or secondary ledgers, assign reporting currencies to them.

Note: Add secondary ledgers and reporting currencies to accounting setups at any time. Before completing the accounting setup, you can delete secondary ledgers and reporting currencies. After completing the accounting setup, you can only disable the conversion of reporting currencies and secondary ledgers.

- Adding Secondary Ledgers, page 3-79
- Adding Reporting Currencies, page 3-58
- Disabling the Conversion of Secondary Ledgers, page 3-81
- Disabling the Conversion of Reporting Currencies, page 3-60

To define accounting representations:

1. Navigate to the Define Accounting Representations page from the Assign Legal Entities page.
2. Specify primary ledger attributes for the required fields.

Note: You cannot assign a calendar if it contains gaps between periods or it does not have a full fiscal year defined.

3. Optionally assign a subledger accounting method if planning to use Subledger Accounting to integrate data from Oracle financial subledgers or external feeder systems.

Note: Once you assign a subledger accounting method, you must always have a subledger accounting method assigned. You can change the subledger accounting method at any time.

4. Optionally, specify the following secondary ledger attributes:
 - name
 - chart of accounts
 - accounting calendar
 - currency
 - subledger accounting method

Note: To define a subledger level secondary ledger, assign a subledger accounting method to both the primary ledger and to this secondary ledger.

Note: To define an adjustments only secondary ledger, the chart of accounts, accounting calendar, and currency must be the same as the primary ledger. If you only want to use the Adjustments Only secondary ledger for manual adjustments in General Ledger, do not assign a subledger accounting method. To use the Adjustments Only secondary ledger for both manual and automated adjustments from Subledger Accounting, assign a subledger accounting method to both the primary and secondary ledger.

5. Specify a Data Conversion Level.

Note: Data Conversion Levels, page 3-67

If assigning a balance level secondary ledger that uses a different currency from the primary ledger, a balance level reporting currency is automatically assigned to the primary ledger if you did not create one. For example, if the primary ledger's currency is EUR and you assign a balance level secondary ledger whose currency is CAD, the system automatically creates a balance level reporting currency for the CAD currency. This reporting currency is used as the source representation when transferring CAD balances to this secondary ledger.

6. Optionally, select the Add Reporting Currency icon.

7. In the Add Reporting Currency page, enter a currency and one of the following currency conversion levels:
 - **Balance:** maintains translated balances

Note: The currency of the balance level reporting currency cannot be the same currency as its source ledger.
 - **Journal:** maintains journals and balances in the reporting currency using the General Ledger Posting program
 - **Subledger:** maintains a currency representation of the source ledger's subledger journals, General Ledger journals, and balances using both Subledger Accounting and the General Ledger Posting program.

Note: The subledger level reporting currency requires a subledger accounting method to be assigned to the primary ledger.

Note: You cannot assign subledger level reporting currencies to secondary ledgers.

8. Click **Apply**.

Note: Reporting Currencies, page 3-45

Saving the Accounting Structure

Carefully review and save the accounting setup structure to finish creating the framework of the accounting setup before proceeding to the Accounting Options.

Once you save the accounting setup structure, you cannot change the following:

- chart of accounts, accounting calendar, or currency of the primary ledger and secondary ledger

Save Accounting Structure

Accounting Environment Type: **Shared Legal Environment**

Legal Entities

Legal Entity	Country	Legal Entity Identifier	Balancing Segment Value
Vision Corporate USA	USA	1207458YTB	01,02
Vision Credit Services	USA	PLY12548759	03

Ledgers

Expand All | Collapse All

Focus Name	Type	Currency	Chart of Accounts	Accounting Calendar	Subledger Accounting Method
▼ Vision Operations(USA)	Primary Ledger	USD	Operations Accounting Flex	Monthly/Month	Standard Accrual
Vision Operations(GBP)	Reporting Currency	GBP	Operations Accounting Flex	Monthly/Month	Standard Accrual
▼ Vision Statutory	Secondary Ledger	EUR	French COA	Monthly/Quarter	IAS
Vision Statutory (GBP)	Reporting Currency	GBP	French COA	Monthly/Quarter	IAS

To save the accounting structure:

1. Navigate to the Save Accounting Structure page from the Define Accounting Representations page.
2. Review the accounting setup structure.
3. Click **Finish**.

Completing Accounting Options

The Accounting Options page is displayed in a checklist format to complete the relevant setup steps to make the accounting setup ready for entering transactions and journals.

Before entering transactions, complete all of the required setup steps for each accounting setup. If using secondary ledgers, complete all of the required setup steps for the primary ledger before completing the setup steps for the secondary ledgers.

Navigate to the Accounting Options page in one of the following ways:

- After saving the accounting setup structure, click **Define Accounting Options**.
- Query an existing accounting setup from the Accounting Setups page, and then select the Update Accounting Options icon.

The name of the Accounting Options page is named after the primary ledger, such as Accounting Options: <Name of primary ledger>

Related Topics

Updating Legal Entities, page 3-28

Primary Ledger Setup Steps, page 3-29

Secondary Ledger Setup Steps, page 3-29

Updating Legal Entities

The Legal Entities region of the Accounting Options page allows you to do the following:

- view legal entities and make changes
- update legal entities
- add legal entities
- remove legal entities from one accounting setup and assign them to another accounting setup

Once the accounting setup is complete, you cannot remove any of its legal entities. To disable a legal entity, end-date it.

Once you end-date a legal entity, you cannot enter new subledger transactions against the legal entity. You can use the legal entity's balancing segment values to enter manual journal entries in General Ledger. This allows you to enter adjusting entries during the accounting close.

If you end-date a legal entity, end date its balancing segment value to prevent the use of the balancing segment value for journal entries.

- assign unique balancing segment values to legal entities

Note: If you use balancing segment values to represent legal entities, do not assign the same balancing segment values to multiple legal entities that are assigned to different accounting setups. Accounting Setup Manager will not prevent you from assigning the same values to legal entities in different accounting setups.

- remove balancing segment values

You can only remove balancing segment values before the accounting setup is complete. A balancing segment value removed from one legal entity can be assigned to another legal entity within the same or different accounting setup

Note: If the accounting setup is complete, you cannot remove any balancing segment values from the accounting setup's legal entities. To disable the balancing segment value, end-date it.

You can query historical transactions and report on the end-dated balancing segment value

- end-date balancing segment values

You can end-date balancing segment values at any time. If you end-date a balancing segment value, you cannot enter new transactions with dates after the end-date.

You can query historical transactions and report on the end-dated balancing segment value.

Note: If you end-date a legal entity, end-date the balancing segment values that are assigned to the legal entity. This prevents users from entering transactions using a balancing segment value that is associated with an inactive legal entity.

Note: Legal Entities Overview, page 3-12

Primary Ledger Setup Steps

The primary ledger setup steps are as follows:

- Ledger Options, page 3-30, required
- Reporting Currencies, page 3-45, conditionally required
- Ledger Balancing Segment Value Assignments, page 3-61
- Subledger Accounting Options, page 3-63
- Operating Units, page 3-63
- Intercompany Accounts, page 3-65
- Intracompany Balancing Rules, page 3-65

Note: Accounting Setup Manager Checklist, page 3-6

Secondary Ledger Setup Steps

The same setup steps for the primary ledger also apply to secondary ledgers. The following setup step applies only to secondary ledgers:

- Primary to Secondary Ledger Mapping, page 3-82, required

Note: Add secondary ledgers at any time after completing the ledger options for the primary ledger by clicking **Add Secondary Ledgers**.

- Adding Secondary Ledgers, page 3-79
- Accounting Setup Manager Checklist, page 3-6

Ledger Options

A ledger determines the chart of accounts, accounting calendar, currency, subledger accounting method, and ledger processing options for each company, legal entity, or group of companies and legal entities.

Each accounting setup requires a primary ledger that acts as the main record-keeping ledger for none or one or more legal entities that use your main chart of accounts, accounting calendar, subledger accounting method, and currency to record and report on all of your financial transactions.

To maintain an additional accounting representation, use secondary ledgers.

To maintain an additional currency representation, use reporting currencies.

- Secondary Ledgers, page 3-66
- Reporting Currencies, page 3-45

Ledger Overview

Reporting Currencies

To report on account balances in multiple currencies, assign reporting currencies to ledgers.

Reporting currencies can only differ by currency from their source ledger and must share the same chart of accounts, accounting calendar/period type combination, subledger accounting method, and ledger processing options as their source ledger.

Reporting currencies can be maintained at one of the following currency conversion levels:

- Subledger
- Journal
- Balance

Note: Reporting Currencies, page 3-45

Assigning Ledgers to Accounting Setups

When creating an accounting setup structure, specify the ledger attributes for the primary ledger and optionally one or more secondary ledgers.

The ledgers assigned when creating the accounting setup structure are not completely defined; complete the ledger options for each ledger to complete the ledger definition.

Using Ledgers to Perform Accounting

To use ledgers to perform accounting, complete the following:

- Complete the ledger options for each ledger using the Accounting Options page.
- Complete the accounting setup.
- Assign the ledger to the GL Ledger Name profile option for each Subledger responsibility to grant access to ledgers used by Oracle Subledgers.
- Assign the appropriate data access set to the profile option GL: Data Access Set for each General Ledger responsibility to grant access to ledgers used by General Ledger.

Note: Setting General Ledger Profile Options, *Oracle General Ledger User Guide*

Enabling Average Balance Processing

If enabling average balance processing for the ledger, General Ledger tracks and maintains average and end-of-day balances.

Note: You can only enable average balances or average balance consolidation for your secondary ledger if average balances or average balance consolidation is also enabled for its primary ledger

Note: You cannot enable average balances if your ledger is enabled for secondary segment tracking.

Note: Overview of Average Balancing Processing, *Oracle General Ledger User Guide*

Completing Ledger Options

This section describes the ledger options that must be completed.

Prerequisites

The following prerequisites are needed to complete the ledger options for ledgers:

- (Required) assign one or more ledgers to an accounting setup
- define the following accounts:
 - (Required) Retained earnings account
 - Suspense account to enable suspense posting
 - Cumulative Translation Adjustment account to translate balances
 - (Recommended for Subledger Accounting) Rounding Differences account to use a specific account to track small currency differences during currency conversion
 - (Required for Average Balances) Non-Postable Net Income account to use average balance processing

This account captures the net activity of all revenue and expense accounts when calculating the average balance for retained earnings.

- Reserve for Encumbrance account to use Encumbrance Accounting
- (Recommended for Subledger Accounting) Entered Currency Balancing Account to use Subledger Accounting to balance foreign currency subledger journals by the entered currency and balancing segment value
- Ledger Currency Balancing Account to use Subledger Accounting to balance subledger journals by the ledger currency and balancing segment value
- (Required for Average Balances) Define transaction calendars to use average balance processing. Transaction calendars ensure journal entries created in General Ledger and Oracle Subledger Accounting, if used, are only booked on valid business days.
- Define Journal Reversal Criteria to automatically reverse journals in General Ledger

To complete ledger options:

1. Navigate to the Accounting Options page in one of the following ways:
 1. After saving the accounting setup structure, click **Define Accounting Options**.

2. Query an existing accounting setup from the Accounting Setups page and then choose the Update Accounting Options icon.

2. Click the Update Ledger Options icon.

3. Enter all relevant fields for the following pages:
 - Ledger Definition

The following table provides descriptions for selected fields in the Ledger Definition page.

Ledger Definition Page

Field	Description
Short Name	Ledger short name; appears in the title bar of windows and in some lists of values; can be changed at any time.
Currency	Main transaction currency for this ledger. Note: If the ledger's currency does not match the functional currency as defined by FASB #52 (U.S.) and you need to report financial results in your functional currency, consider using General Ledger Translation or Reporting Currencies.
First Ever Opened Period	Note: Reporting Currencies, page 3-45 and Reporting Currencies, <i>Oracle General Ledger User Guide</i> .
	First period that can be opened for this ledger. This cannot be changed after you open the first period.

Field	Description
Number of Future Enterable Periods	<p>Number of future periods to allow for journal entry within this ledger. General Ledger automatically assigns a status of Future Entry to accounting periods following the latest open period in the calendar based on the number of future enterable periods defined here. If you change the number of future enterable periods for the ledger, General Ledger does not change additional periods to the Future Enterable status until a new period is opened.</p>
	<p>Note: You can enter journal batches for a future enterable period, but you cannot post the batches until a period is opened.</p>
	<p>Tip: Minimize the number of future enterable periods to prevent users from accidentally entering journal entries in an incorrect period.</p>
Subledger Accounting Method	<p>Subledger accounting method for this ledger; defined in Subledger Accounting.</p>
Entered Currency Balancing Account	<p>Posts differences from out-of-balance foreign currency journals in subledgers.</p>
Use Cash Basis Accounting	<p>This option pertains only to Oracle Payables. Payables uses this option for its Mass Additions Create program for determining expense account information.</p>
	<p>Note: Payables Options, <i>Oracle Payables User Guide</i></p>
Balance Subledger Entries by Ledger Currency	<p>Enables balancing of subledger journal entries by ledger currency and balancing segment value</p>
Ledger Currency Balancing Account	<p>Posts out-of-balance subledger journal entries to this account. This account is only required if the Balance Subledger Entries by Ledger Currency option is selected.</p>

Field	Description
Additional Information	Stores descriptive information about this ledger if the descriptive flexfield for this page has been enabled.

- **Ledger Options**

The following table provides descriptions for selected fields in the Ledger Options page.

Ledger Options Page

Field	Description
Retained Earnings Account	Net balance of all income and expense accounts from the prior year are posted against the retained earnings account when the first period of a fiscal year is opened in General Ledger.
Track by Secondary Segment	The balancing segment and the segment nominated as the secondary tracking segment act as placeholders for this account. General Ledger automatically inserts the appropriate value when calculating retained earnings.

If you assigned the Secondary Tracking Segment qualifier to a segment in your chart of accounts, you can enable this option to track more detail when General Ledger performs year-end closing, translation, and revaluation activities.

Note: You cannot enable both the Track by Secondary Segment and Average Balances options.

Note: Secondary Tracking Segment, *Oracle General Ledger User Guide*

Field	Description
Suspense Account	<p>Allows suspense posting of out-of-balance journal entries.</p> <p>If you have multiple companies or balancing entities within a ledger, General Ledger automatically creates a suspense account for each balancing entity.</p> <p>You can also define additional suspense accounts to balance journal entries from specific sources and categories using the Suspense Accounts window.</p> <p>Note that if you update the suspense account for the ledger, the default suspense account is updated in the Suspense Accounts window. Likewise, if you update the default account in the Suspense Accounts window, the account will be updated for the ledger.</p> <p>If you do not enter a suspense account, you can only post journal entries that are balanced.</p> <p>Note: Suspense Accounts, <i>Oracle General Ledger User Guide</i></p>

Field	Description
Rounding Differences Tracking Account	<p>In General Ledger, this account tracks rounding differences that occur during currency conversions. If you do not enter an account, General Ledger will post rounding differences to the journal line with the largest amount.</p>
	<p>In Subledger Accounting, this account tracks currency conversion rounding differences that cause unbalanced journal entries. Subledger Accounting will issue an error if it encounters a subledger journal entry that is unbalanced because of rounding differences and an account is not specified.</p>
	<p>If your foreign currency transactions include different balancing segment values to represent multiple companies, General Ledger and Subledger Accounting will automatically create a rounding differences account for each balancing segment value.</p>
	<p>Note: A rounding differences account is recommended for Subledger Accounting.</p>
	<p>Note: Subledger Accounting offers features for controlling how the accounting program deals with rounding differences. For more details see <i>Oracle Subledger Accounting Implementation Guide</i>.</p>

Field	Description
Enable Intracompany Balancing	<p>Posts out-of-balance intracompany journals (debits do not equal credits for a particular company or balancing segment value within the same ledger)</p> <p>If you enable this option, you must define Intracompany Balancing Rules when you complete your Accounting Options to provide instructions on how to automatically balance intracompany journals against balancing accounts you specify.</p> <p>If you do not choose to enable intracompany balancing, you can only post intracompany journals that balance by balancing segment.</p> <p>Note: For accounting setups with multiple legal entities, enabling intracompany balancing enables both intercompany and intracompany balancing for a journal that includes multiple legal entities.</p> <ul style="list-style-type: none"> • Intercompany Balancing, <i>Oracle Financials Implementation Guide</i> • Intracompany Balancing Rules, <i>Oracle Financials Implementation Guide</i>

Field	Description
Enable Journal Approval	<p>Use General Ledger's Journal Approval feature for the ledger.</p> <p>When Journal Approval is enabled and a journal entry's journal source requires approval, the journal must be approved by the appropriate level of management before any further action can be taken, such as posting. If Journal Approval is not enabled, approval is not required, even if the journal source requires approval.</p> <p>Note: When you enable Journal Approval, only journal entries that use actual amounts and the Manual journal source will automatically have Journal Approval enabled. To require journal approval for budget or encumbrance journals or for journals using a source other than Manual, you must select the Require Journal Approval check box for the appropriate journal source in the Journal Sources window in Oracle General Ledger.</p>
Journal Reversal Criteria Set	<p>Automatically reverses this ledger's journals based on the Journal Reversal Criteria Set assigned.</p> <p>Note: Assigning Journal Reversal Criteria, <i>Oracle General Ledger Implementation Guide</i></p>
Default Period End and Average Rate Types	<p>Used to translate actual account balances</p> <p>Note: The rate types specified for the ledger are used to assign default rate types for any balance level reporting currencies assigned to this ledger. You can override the default rate types for each balance level reporting currency.</p>

Field	Description
Cumulative Translation Adjustment Account	<p>This account is necessary to translate the ledger's currency balances into a balance level reporting currency. For journal level reporting currencies, this account is used when revaluing foreign currency denominated balances.</p> <p>General Ledger automatically posts any net adjustments resulting from currency translation to this account, in accordance with FAS 52 (U.S.) and IAS 21. If you have multiple companies or balancing entities within a ledger, General Ledger automatically creates a translation adjustment account for each company or balancing entity.</p> <p>The difference in revaluation adjustments between the ledger and its journal level reporting currencies are recorded to the cumulative translation adjustment account.</p> <p>The balancing segment and the nominated secondary tracking segment act as placeholders in this field. General Ledger automatically inserts the appropriate value when translation or revaluation is run.</p> <p>Set the account type of your Cumulative Translation Adjustment account to Owner's Equity to create a translation adjustment on your balance sheet. Set the account type of this account to Revenue or Expense to create a translation gain/loss on your income statement.</p> <ul style="list-style-type: none"> • Translating Balances, <i>Oracle General Ledger User Guide</i> • Reporting Currencies, page 3-45

- Advanced Options

The following table provides descriptions for selected fields in the Advanced Options page.

Advanced Options Page

Field	Description
Journal Reconciliation	<p>Allows you to reconcile transactions in accounts that should balance to zero, such as a suspense account, or a Value Added Tax control account.</p> <p>Note: Entering Journals, <i>Oracle General Ledger User Guide</i></p>
Require Budget Journals	<p>Allows you to require budget journals for all budgets. If using budgetary control, General Ledger already requires you to create budget journals for your funding budget. If you want to require budget journals for all budgets, choose this option.</p>
Reserve for Encumbrance Account	<p>Allows encumbrance accounting for the ledger; required for budgetary control.</p> <p>If you enter an out-of-balance encumbrance entry, General Ledger automatically posts the difference against the account you specify here. If you have multiple companies or balancing entities within a ledger, General Ledger automatically creates a Reserve for Encumbrance account for each balancing entity.</p> <p>When you enter a Reserve for Encumbrance account without enabling budgetary control, you can still enter manual encumbrances via journal entry, but you cannot generate encumbrances from requisitions and purchase orders.</p> <p>Note: Overview of Encumbrance Accounting, <i>Oracle General Ledger User Guide</i></p>
Mark Funding Budget as Commitment Budget	<p>This option is specific to Oracle Public Sector Financials (International) and is only displayed for the secondary ledger. This option determines the secondary ledger that accommodates the commitment budget.</p>

Field	Description
Enable Average Balances	<p>Allows you to use the ledger for average balance processing. In an average balances ledger, your standard and average balances are tightly linked. Each time you post a journal entry, Oracle General Ledger updates both the standard (period-based) balances and corresponding average balances for your balance sheet accounts.</p> <p>If enabled, enter data in the following fields that are displayed:</p> <ul style="list-style-type: none"> • Net Income Account: Captures the net activity of all revenue and expense accounts when calculating the average balance for retained earnings • Rate Type: Enter any daily conversion rate type except User for translating average balances. General Ledger automatically translates period-average-to-date balances. You can also choose to have translation maintain end-of-day, quarter-average-to-date, and year-average-to-date balances by selecting the appropriate check boxes. • Transaction Calendar: Ensures that journal entries created in General Ledger and Subledger Accounting are posted only to valid business days; not required for average balance consolidation ledgers. <p>Note: You can only enable average balance processing for those ledgers that require it. This ensures that you incur no additional overhead unless you need average balance processing enabled.</p> <p>Note: You can only enable average balances for a secondary ledger if its primary ledger has average balances or average balance consolidation enabled.</p> <p>Note: You cannot enable average balances if your ledger is enabled for secondary segment tracking.</p>

Field	Description
Note: Overview of Average Balance Processing, <i>Oracle General Ledger User Guide</i>	
Enable Average Balance Consolidation	<p>Select this option if you do not want to maintain a link between standard and average balances to allow you to update standard and average balances independently. Many users use this type of ledger for consolidation purposes to allow them to consolidate standard and average balances separately in order to make adjustments to those balances independently.</p> <p>Note: You can only enable average balance consolidation for a secondary ledger if its primary ledger has average balances or average balance consolidation enabled.</p>
Note: Consolidation, <i>Oracle General Ledger User Guide</i>	

4. Click **Next** to review your ledger options and then click **Finish** to complete your ledger definition.
 - Updating Ledger Options, page 3-44
 - Defining Calendars, *Oracle General Ledger User Guide*
 - Defining Currencies, *Oracle General Ledger User Guide*
 - Opening and Closing Accounting Periods, *Oracle General Ledger Implementation Guide*
 - Using Budgetary Control and Online Funds Checking, *Oracle General Ledger User Guide*
 - Define Budgets, *Oracle General Ledger User Guide*
 - GL Ledger Name Profile Option, *Oracle General Ledger User Guide*

- Subledger Accounting Options, page 3-63

Updating Ledger Options

After the ledger has a complete status, you can only update some ledger options.

The following ledger options *cannot* be changed:

- Currency
- Chart of Accounts
- Accounting Calendar
- Period Type
- Average Balance Processing
- Net Income Account
- Transaction Calendar

Note: The Track by Secondary Segment option cannot be changed once the Accounting Setup status is complete.

Note: The First Ever Opened Period cannot be changed once the first period is opened for the ledger.

Prerequisites

- The ledger options must have a status of Complete.

To make changes to ledgers:

1. In the Accounting Setups page, search for accounting setups by ledger.
2. Navigate to the Accounting Options page.
3. To navigate to the ledger definition pages, click the Update icon for the ledger; or click the ledger name link and then the Update button.
4. Make changes to the ledger and then click **Finish**.

Reporting Currencies

Reporting currencies express the accounting in your primary and/or secondary ledgers in an additional currency representation. For example, the USD primary ledger balances can be expressed in CAD or Yen by assigning a balance level reporting currency to the primary ledger.

Unlike secondary ledgers, reporting currencies can only differ by currency from their source ledger. They must share the same chart of accounts, accounting calendar/period type combination, subledger accounting method, and ledger processing options as their source ledger (primary or secondary ledger).

Reporting currencies can be maintained at three different currency conversion levels:

- **Subledger:** Maintains a currency representation of your subledger journals, General Ledger journal entries, and balances.

When using the subledger level reporting currency, you must define subledger accounting rules using Subledger Accounting. These rules provide instructions on how to convert subledger data entered into the source ledger to one or more subledger level reporting currencies.

You must also define journal conversion rules. General Ledger Posting uses the journal conversion rules to automatically replicate specific journals, such as manual journal entries, to one or more subledger level reporting currencies.

Note: Subledger level reporting currencies can only be assigned to primary ledgers, not secondary ledgers.

- **Journal:** Maintains General Ledger journal entries and balances in another currency representation.

Journal level reporting currencies are maintained using the General Ledger Posting Program. Every time a journal is posted in the source ledger, the journal is automatically converted to the respective journal level reporting currency based on the journal conversion rules defined.

- **Balance:** Maintains balances in another currency.

The General Ledger Translation program is used to convert balances from the source ledger to the balance level reporting currency. When you run Translation in your primary or secondary ledger and specify a target currency, the translated balances are reflected in the balance level reporting currency.

Note: If a balance level reporting currency is not assigned to the ledgers in the accounting setup, a balance level reporting currency is automatically created the first time Translation is run. The name

of the balance-level reporting currency is the same as its source ledger except its currency code, such as (USD), is appended to the end of its name.

Note: The subledger level and journal level reporting currencies act similarly to ledgers. You must open and close the periods for these reporting currencies before you can enter transaction and journal entries. You can also enable journal approval for these reporting currencies if planning to enter manual journal entries directly to these reporting currencies.

Assigning Reporting Currencies to Ledgers

If reporting currencies are assigned to ledgers when creating an accounting setup structure, the status for the Reporting Currencies step is In Process. To complete the accounting setup, update the reporting currency and complete the conversion options for all reporting currencies that are assigned.

Reporting Currency	Description	Currency Conversion Level	Status	Disable Conversion	Update
EUR	For statutory reporting (EUR)	Subledger Transaction	---	<input type="checkbox"/>	<input type="checkbox"/>
JPY	For management purposes (JPY)	Journal	✓	<input type="checkbox"/>	<input type="checkbox"/>
USD2	Vision Operations USD2	Balance	✓	N/A	<input type="checkbox"/>

If no reporting currencies are assigned to the ledgers when creating the accounting setup structure, the Reporting Currencies step is not required and the status is Not Started.

Add reporting currencies to accounting setups at any time.

Note: Adding Reporting Currencies, page 3-58

To complete reporting currencies:

1. In the Accounting Options page, click the Update icon for a reporting currency.

2. Update each reporting currency.
3. Enter all relevant fields for the reporting currency.

The following table describes selected options for balance level reporting currencies.

Selected Options for Balance Level Reporting Currency

Field	Description
Currency Conversion Level	Balance defaults to indicate that this is a balance level reporting currency; cannot be changed
Period End Rate Type	Translates actual account balances; defaults from the source ledger; can be changed
Period Average Rate Type	Translates actual account balances; defaults from the source ledger; can be changed

The following table describes selected options for journal and subledger level reporting currencies.

Selected Options for Journal and Subledger Level Reporting Currencies

Field	Description
Currency Conversion Level	Indicates that this is a journal level or subledger level reporting currency
Status	If disabled, data is no longer automatically converted to the reporting currency.
	Note: Disabling the Conversion of Reporting Currencies, page 3-60
First Ever Opened Period	The first period that can be opened for this reporting currency; defaults from the source ledger

Field	Description
Rounding Differences Tracking Account	<p>In General Ledger, this account tracks rounding differences that occur during currency conversions. If you do not enter an account, General Ledger will post rounding differences to the journal line with the largest amount.</p>

If your foreign currency transactions include different balancing segment values to represent multiple companies, General Ledger will automatically create a rounding differences account for each balancing segment value.

Warning: Any changes you make to the Rounding Differences Account in the source ledger will automatically be applied to all of its journal and subledger level reporting currencies. If you have a different rounding differences account assigned to your reporting currencies and you change the rounding differences account for the source ledger, such as removing one, changing one, or adding one, be sure to also update the rounding differences account for each of the reporting currencies.

Field	Description
Enable Journal Approval	<p>Use General Ledger's Journal Approval feature for this reporting currency.</p> <p>When enabled, Journal Approval only applies to journals that are entered directly to the reporting currency, such as manually entered journals or journals loaded directly to the reporting currency. Journal Approval will not apply to journals that were automatically converted from the source ledger by General Ledger Posting.</p> <p>Note: When you enable Journal Approval, only journal entries that use actual amounts and the Manual journal source will automatically have Journal Approval enabled. To require journal approval for budget or encumbrance journals or for journals using a source other than Manual, you must mark the Require Journal Approval check box for the appropriate journal source in the Journal Sources window in Oracle General Ledger.</p>

Note: Setting Up Journal Approval, *Oracle General Ledger User Guide*

Field	Description
Rounding Differences Tracking Account	<p>In General Ledger, this account tracks rounding differences that occur during currency conversions. If you do not enter an account, General Ledger will post rounding differences to the journal line with the largest amount.</p>
	<p>If your foreign currency transactions include different balancing segment values to represent multiple companies, General Ledger will automatically create a rounding differences account for each balancing segment value.</p>
	<p>Warning: Any changes you make to the Rounding Differences Account in the source ledger will automatically be applied to all of its journal and subledger level reporting currencies. If you have a different rounding differences account assigned to your reporting currencies and you change the rounding differences account for the source ledger, such as removing one, changing one, or adding one, be sure to also update the rounding differences account for each of the reporting currencies.</p>
Default Rate Type	<p>The conversion rate type used to retrieve exchange rates for converting transactions from the source ledger to this reporting currency</p>
	<p>This differs from the conversion rate type specified when entering a transaction. Oracle Applications use the transaction conversion rate type to retrieve exchange rates for converting entered amounts from the transaction currency to the ledger currency. Alternatively, users can specify their own rate type.</p>
	<p>The Default Rate Type works with the Retain Transaction Rate Type field. If you choose not to retain the same rate type used to convert the original transaction, the Default Rate Type is used instead.</p>
	<p>Note: Defining Conversion Rate Types, <i>Oracle General Ledger User Guide</i></p>

Field	Description
Retain Transaction Rate Type	<p>Controls the conversion rate type that should be used to convert transaction currency amounts from the source ledger to this reporting currency.</p> <ul style="list-style-type: none"> • If Yes is selected, then the conversion rate type used to enter the transaction in the source ledger will be retained when converting the same transaction from the transaction currency amount to this reporting currency. <p>Note: If the original transaction rate type is User or EMU Fixed, the default rate type assigned to the reporting currency will always be used.</p> <ul style="list-style-type: none"> • If No is selected, then the default rate type specified in the Default Rate Type field will be used to convert transactions to this reporting currency. <p>The Retain Transaction Rate Type option is ignored for the following reasons:</p> <ul style="list-style-type: none"> • An EMU fixed rate relationship exists between the transaction currency and the currency of the reporting currency. In this case, the EMU Fixed conversion rate type is used. • The transaction currency is the same as the currency of the source ledger, such as the primary or secondary ledger. In this case, a conversion rate type does not exist for the transaction and the default rate type is used. • The transaction currency is the same as the currency of the reporting currency. In this case, the User conversion rate type is used with a default rate of 1. • A User rate is used for the transaction. In this case, the User conversion rate type is used. The reporting currency conversion is completed in two steps via the default rate type assigned to the reporting currency.

Field	Description
	<p>Note: If the Account Type Specific Conversion is enabled, you can determine whether Accounting Setup Manager should inherit the conversion type used in the source ledger.</p>
	<p>Note: Reporting Currency Account Type Specific Conversion, <i>Oracle General Ledger User Guide</i></p>
Missing Conversion Rate	<p>Controls what the system should do if it cannot find a conversion rate as of the conversion date</p> <ul style="list-style-type: none"> • If Report an Error is selected, the system will report an error and prevent a transaction or journal from being posted in the source ledger; a conversion rate will need to be specified to successfully convert data entered in the source ledger to this reporting currency. • If Use Last Rate is selected, the system will use the last rate defined for a particular rate type if it cannot find a currency conversion rate; if enabled, specify a number for the Number of Days to Find the Last Rate.
Number of Days to Find Last Rate	Indicates how many days back in time the system should look to find a rate; enter a number from 1 to 999.
Retain Journal Creator from Source Ledger	<p>Controls the Created By user information that can be viewed for each journal using Help > Record History</p> <ul style="list-style-type: none"> • Select Yes to retain the person who entered the journal in the source ledger as the Created By user. • Select No to indicate the person who posted the journal as the Created By user.

4. Click **Apply**.

Related Topics

Journal Source and Category Conversion, page 3-53

- Subledger Level Reporting Currencies, page 3-54
- Journal Conversion Rule Examples, page 3-54
- Changing Conversion Rules, page 3-57
- Adding Reporting Currencies, page 3-58
- Disabling the Conversion of Reporting Currencies, page 3-60

Journal Source and Category Conversion

General Ledger Posting uses the journal source and category conversion rules to determine the journals (based on journal source and category combinations) to automatically convert to this reporting currency.

Journal sources identify the origin of journal entry transactions, such as Purchasing or Payables. Journal categories describe the purpose of journal entries, such as purchase requisitions or purchase orders.

Specifying a journal source and category combination and selecting Yes in the Convert Journals to this Reporting Currency field instructs the General Ledger Posting program to automatically convert those journals to this reporting currency when they are posted in the source ledger.

The journal source and category Other represents all other journal sources and categories other than those explicitly defined.

- To convert the majority of journals to this reporting currency, specify Yes for the Other journal source and category and then select No for the journal source and category combinations that you do not want converted.
- If you do not want the majority of the journals to be automatically converted to this reporting currency, specify No for the Other journal source and category and then selectively add those journal source and category combinations that you do want converted.

Note: If the General Ledger Posting program cannot find a matching journal source/category combination, or if no conversion rules for a journal source/category combination are defined, the journal is not converted to the reporting currency.

The journal sources Move/Merge and Move/Merge Reversal are set to No because they are not converted to the reporting currency using General Ledger Posting. They are automatically converted to the reporting currency when performing a move/merge or move/merge reversal in the source ledger. This means that if you use Mass Maintenance to move or merge balances between accounts in the source ledger, the same accounts are moved or merged in the reporting currency.

Note: Moving or Merging Account Balances, *Oracle General Ledger User Guide*

Subledger Level Reporting Currencies

For subledger level reporting currencies, the journal sources for all transaction sources that use Subledger Accounting must be set to No in the Convert Journals to this Reporting Currency field. Any journal source that uses Subledger Accounting to generate its accounting entries must not be converted to the reporting currency using General Ledger Posting because Subledger Accounting automatically performs the conversion for these subledger journals.

Warning: If you incorrectly choose Yes in the Convert Journals to this Reporting currency field for any transaction sources that use Subledger Accounting, the journal will be double counted; once by Subledger Accounting and once by General Ledger Posting. You will need to reverse the journal in General Ledger.

Note: To find all transaction sources that integrate with Oracle Subledger Accounting, query them in the Subledger Application form that is accessed from the Subledger Accounting Setup menu.

Note: If integrating with transaction sources that do not use Subledger Accounting and you want to maintain journals from these subledgers in the subledger level reporting currency, do not use Oracle's seeded journal sources. For example, if you use a non-Oracle Receivables application, you should create your own journal source for that application instead of using the seeded source Receivables that is reserved for Oracle sources. If you use the seeded source to import data from third party systems, those journals will not be converted to a subledger level reporting currency when you post them in the primary ledger.

Journal Conversion Rule Examples

This section describes examples that illustrate how journals are converted based on different journal conversion rules.

Example 1: Specific Journal Source and Journal Category Match

The following example shows a matching source/category combination. It also shows that no conversion takes place if there is not a match with any of the defined conversion

rules.

Conversion rules are defined in the following table.

Example 1: Journal Conversion Rules

Source	Category	Convert Journals
Other	Other	No
Manual	Adjustment	Yes
Consolidation	Consolidation	No
Manufacturing	Labor Cost	Yes

The following table describes the results for journals converted to the reporting currency.

Example 1: Journals Converted to the Reporting Currency

Journal Number	Source/Category	Results
1	Manual/Adjustment	Journal is converted using the defined conversion options for this combination.
2	Consolidation/Consolidation	Journal is not converted because the Convert option is set to No.
3	Manufacturing/Freight	Journal is not converted because there is no rule defining Journal Source Manufacturing and Category Freight.

Example 2: No Specific Journal Source or Category

The following shows an example of matching a journal source but not a category; and another example of matching a journal category but not a source.

Conversion rules are defined in the following table.

Example 2: Conversion Rules

Source	Category	Convert Journals
Manufacturing	Other	Yes
Other	Adjustment	Yes
Manufacturing	Adjustment	No

The following table describes the results for journals converted to the reporting currency.

Example 2: Journals Converted to the Reporting Currency

Journal Number	Source/Category	Results
1	Manufacturing/Labor Cost	Journal is converted because the first rule only has a requirement to match to a source of Manufacturing with any category.
2	Manual/Adjustment	Journal is converted because a rule has a requirement to match to any source with the Adjustment category.
3	Spreadsheet/Adjustment	Journal is converted because a rule has a requirement to match any source with the Adjustment category.
4	Manufacturing/Adjustment	Journal is not converted because the Convert option is set to No for this source/category combination.

Example 3: Journal Source and Journal Category Conflicting Rules

The following example shows what happens when you set up contradictory rules for journal source/category combinations. The rule for the source always overrides the rule for the category.

Conversion rules are defined in the table below.

Example 3: Conversion Rules

Source	Category	Convert Journal
Other	Adjustment	No
Manual	Other	Yes

The following table describes the results for journals converted to the reporting currency.

Example 3: Journals Converted to the Reporting Currency

Journal Number	Source/Category	Results
1	Manufacturing/Adjustment	Journal is not converted because it matches the first rule to not convert.
2	Manual/Adjustment	Journal is converted because the second rule requires conversion of all journals with the source Manual. The source rule overrides the category rule.

Changing Conversion Rules

Change the journal source and category conversion rules at any time. For example, for any journal source/category combination, you can change the Convert Journals to this Reporting Currency option.

Note that the changes are effective immediately, but that they apply only to new journals.

Caution: It is strongly recommended that you do not change the conversion rules once you begin entering transactions. Doing so may result in inconsistent transaction amounts and account balances between your source ledger (primary or secondary ledger) and its reporting currencies.

Adding Reporting Currencies

Add reporting currencies to primary or secondary ledgers at any time. If adding journal level or subledger level reporting currencies to existing ledgers that have periods opened, you must initialize the beginning balances for your reporting currency and optionally choose to convert historical data from the source ledger to the reporting currency. Historical Conversion refers to converting the historical transactions of the source ledger to the journal level or subledger level reporting currency.

Note: Historical Conversion does not apply to reporting currencies that are assigned to new accounting setups.

Note: Before adding journal or subledger level reporting currencies, carefully review the information in the Implementation Considerations section of the Journal or Subledger-Level Reporting Currencies chapter of the *Oracle General Ledger User Guide*.

Note: If you allow users to make adjustments in Oracle Projects to expenditure items that represent receipts, receipt non-recoverable tax, or exchange rate variances, then Oracle Projects does not perform accounting for adjustments in reporting currencies and subledger level secondary ledgers if the secondary ledger currency differs from the primary ledger currency. Please review your business practices and ensure that the Oracle Projects profile options PA: Allow Adjustments to Receipt Accruals and Exchange Rate Variance are set appropriately. For additional information, see: Profile Restrictions to Supplier Cost Adjustments, Oracle Project Costing User Guide.

The screenshot shows the 'Add Reporting Currency' dialog box. At the top, there are tabs for 'Accounting Setups' and 'Legal Entities'. Below the tabs, the path is 'Accounting Setup > Accounting Setup: Vision Operations(USA) > Reporting Currencies'. On the right, there are 'Cancel' and 'Apply' buttons. The main area is titled 'Add Reporting Currency' and contains a note: '* Indicates required field'. It has four sections: 1) 'Currency Conversion Level' (dropdown set to 'Balance'), 'Currency' (dropdown set to 'EUR'), 'Currency Representation Name' (text box set to 'Vision Operations (EUR)'), and 'Short Name' (text box set to 'Vision Operations (EUR)'). 2) 'Currency Conversion Options' with two dropdowns, both set to 'Corporate'. At the bottom, there are 'Cancel' and 'Apply' buttons, and a footer with links: Accounting Setups, Legal Entities, Return to Portal, Logout, Preferences, and Help.

To add reporting currencies:

1. Navigate to the Accounting Options page.
2. Click the Update icon for the reporting currency.
3. In the Reporting Currency Assignment region, click **Add Reporting Currency**.
4. Select the Currency Conversion level.
 - You can only assign subledger level reporting currencies to primary ledgers that have subledger accounting methods assigned.

If assigning a reporting currency to a secondary ledger, the currency conversion level of the reporting currency must be equal to or less than the Data Conversion Level of the Secondary Ledger. The following table lists the types of reporting currencies that can be assigned to Secondary Ledgers.

Reporting Currencies that can be Assigned to Secondary Ledgers

If the secondary ledger data conversion level is ...	Then the type of reporting currency available is...
Balance	Balance level only
Journal	Balance or journal level
Subledger	Balance or journal level
Note: : Secondary ledgers cannot have subledger level reporting currencies assigned.	
Adjustments Only	Balance level only

5. Enter all required fields.
6. To initialize beginning balances and convert historical transactions or journals to this reporting currency, enter Data Conversion Initialization options as described in the following table.

Data Conversion Initialization Options

Option	Description
First Future Conversion Period	The first period for which you want to convert transactions or journals to your reporting currency. The First Future Conversion Period is also the period in which account balances are initialized in your reporting currencies. It must be the first future-enterable period in your source ledger.
Retain Original Conversion Rate Type	To convert data from the source ledger to your reporting currency for periods prior to the First Future Conversion Period, this option determines whether the original rate type can be used to convert historical data. <ul style="list-style-type: none">• Select Yes to retain the conversion rate type used to enter the original transaction. Select No to use the rate type specified in the next field, Historical Conversion Rate Type.
Historical Conversion Rate Date	Enter the date of the conversion rate to use to convert historical data to this reporting currency.
Historical Conversion Rate Type	If you entered No to retain the original transaction's conversion rate type, enter the conversion rate type to use for historical data conversion.

Note: For more information about the previous four options, see the Implementation Considerations section of the Journal or Subledger-Level Reporting Currencies chapter of the *Oracle General Ledger User Guide*.

7. Click **Apply**.

Note: Reporting currencies can only be deleted before the accounting setup is complete. If the reporting currency acts as the source representation for a secondary ledger, delete the secondary ledger before deleting the reporting currency.

Disabling the Conversion of Reporting Currencies

After the accounting setup is complete, you cannot delete reporting currencies; you can

disable the conversion of subledger and journal level reporting currencies. This prevents future transactions and journals from being converted to the reporting currency. You will still be able to use the disabled reporting currency to view historical data and enter manual journals.

If the reporting currency acts as the source representation for a secondary ledger, disable the conversion of the secondary ledger before disabling the conversion for the reporting currency.

Note: The source representation of the secondary ledger is displayed in the Source Representation field in the Primary to Secondary Ledger Mapping page.

Note: Balance level reporting currencies cannot be disabled. To stop the conversion of balances from the source ledger to the balance level reporting currency, stop running Translation.

Once the conversion of a reporting currency is disabled, the status of the reporting currency is changed to Disabled.

To disable the conversion of reporting currencies:

1. Navigate to the Reporting Currencies page.
2. In the Reporting Currency Assignment region, click the Disable Conversion icon.

Note: Once disabled, the conversion of a reporting currency cannot be enabled.

Ledger Balancing Segment Value Assignments

Optionally assign specific balancing segment values to ledgers to track non-legal entity-related transactions or adjustments using a specific balancing segment value.

Note: Assign specific balancing segment values to all legal entities in an accounting setup before assigning a specific balancing segment value to the ledgers in the accounting setup.

Balancing segment values can be added to ledgers at any time.

- Before the accounting setup is complete, you can remove balancing segment values from ledgers.
- After the accounting setup is complete, you can only disable the balancing segment

value by entering an end date.

To assign balancing segment values to ledgers:

Focus Balancing Segment Value	Description	Start Date	End Date
01	Redwood City		
02	Los Angeles		
03	Florida		

Balancing Segment Value	Description	Start Date	End Date	Remove
99	Adjustment Company			

1. Navigate to the Accounting Options page.
2. Click the Update icon for the Balancing Segment Value Assignments step.
3. View the balancing segment values assigned to the legal entities associated with the accounting setup in the Legal Entity Assignment region.

Note: Updating Balancing Segment Values, page 3-17

4. In the Ledger Assignment region, enter a balancing segment value.
Note: The value cannot be the same as the balancing segment values assigned to the legal entities.
5. Optionally, enter a start and end date to make the value effective for a limited time.
Note: This step does not have to have a status of Complete in order to complete the accounting setup.

To remove balancing segment values:

Balancing segment values can only be removed from ledgers before the accounting

setup is complete.

1. Navigate to the Ledger Balancing Segment Value Assignments page. You access this page by updating the Balancing Segment Value Assignments step for the ledger.
2. To remove balancing segment values, click the Remove icon for each balancing segment value.

To disable balancing segment values:

Disable balancing segment values by entering an end date for the value. You cannot use the balancing segment value to enter new transactions or journals after the end date. You can only use the value for reporting and viewing historical data.

1. Navigate to the Ledger Balancing Segment Value Assignments page. You access this page by updating the Balancing Segment Value Assignments step for the ledger.
2. To disable a balancing segment value, enter an end date.

Subledger Accounting Options

If you assigned a subledger accounting method to your ledgers, the Subledger Accounting Options step will be displayed with a status of Complete.

If you did not assign a subledger accounting method to your ledger, then this step will not be displayed.

You can update this step at any time from the Accounting Options page. Subledger Accounting Options allow you to define how to generate the accounting entries from subledger transactions.

Note: All of the subledgers assigned to a ledger inherit its subledger accounting method from that ledger.

Note: *Oracle Subledger Accounting Implementation Guide*

Operating Units

You can assign operating units to the primary ledger to partition subledger transaction data when multiple operating units perform accounting in the context of one or more legal entities.

If using an accounting setup that has legal entities assigned, the Operating Units step

will be displayed. The status for this step will be Not Started.

You can update the Operating Units step at any time from the Accounting Options page.

Note: You do not have to complete this step in order to complete your accounting setup.

Note: If you defined operating units in the Define Organization window in Oracle HRMS, then those operating units will be automatically assigned to the appropriate primary ledger in Accounting Setup Manager.

Note: Multiple Organizations Overview, *Oracle Applications Multiple Organizations Implementation Guide*

Prerequisites

The following prerequisites are required if you plan to assign operating units to a primary ledger in the Accounting Setup Manager:

- Define legal entities and assign them to accounting setups
- Complete primary ledger setup steps

To Define and Assign Operating Units:

1. Navigate to the Operating Units page.
2. Click Add Operating Unit to both create and assign an operating unit to the primary ledger.
3. In the Add Operating Units page, enter the following:
 - **Name:** The name of the operating unit
 - **Short Code:** The short name of the operating unit
 - **Business Group:** The highest level in the organization structure, such as the consolidated enterprise, a major division, or an operation company that secures human resources information
 - **Default Legal Context:** One of the legal entities assigned to the accounting setup to act as the default legal context

4. Alternatively, you can create operating units by clicking Open Organization Form to open the Define Organization window in Oracle HRMS. When you define your operating unit and assign it to a primary ledger and default legal context, you will be able to view the operating unit assignment from Accounting Setup Manager.
5. Click Apply or Add Another to define and assign multiple operating units.
6. To mark the Operating Units step complete, click Complete.

Note: Once you add an operating unit to a primary ledger, you cannot remove it. You can prevent the use of that operating unit by not assigning it to a Security Profile in Oracle HRMS. For more information on security profiles, see *Implementing Multiple Organization Support, Oracle Applications Multiple Organizations Implementation Guide* Oracle Applications Multiple Organizations Implementation Guide.

Intercompany Accounts

If using an accounting setup that has legal entities assigned and balancing segment values have been assigned to the legal entities, the Intercompany Accounts step will be displayed. The status for this step will be Not Started.

Update the Intercompany Accounts step to account for transactions across legal entities.

Note: You do not have to complete this step in order to complete your accounting setup. You can update this step at any time from the Accounting Options page.

Note: Intercompany Balancing, *Oracle Financials Implementation Guide*

Intracompany Balancing Rules

If you enabled the Intracompany Balancing option for your ledger, the Intracompany Balancing step will be displayed. The status for this step will be Not Started.

Update the Intracompany Balancing step to define rules to balance journal entries between balancing segment values that are assigned to the same legal entity or ledger.

Note: You do not have to complete this step in order to complete your accounting setup. You can update this step at any time from the Accounting Options page.

Note: Intracompany Balancing Rules, *Oracle Financials Implementation Guide*

Sequencing

Sequencing allows you to define accounting and reporting sequencing options for ledgers and reporting currencies. You can update this step at any time from the Accounting Options page.

Note: It is not necessary to complete this step in order to complete your accounting setup.

Note: Sequencing, page 3-66

Secondary Ledgers

Secondary ledgers represent the primary ledger's accounting data in another accounting representation that differs in one or more of the following ways:

- chart of accounts
- accounting calendar/period type combination
- currency
- subledger accounting method
- ledger processing options

Use secondary ledgers for supplementary purposes, such as consolidation, statutory reporting, or adjustments for one or more legal entities within the same accounting setup. For example, use a primary ledger for corporate accounting purposes that uses the corporate chart of accounts and subledger accounting method, and use a secondary ledger for statutory reporting purposes that uses the statutory chart of accounts and subledger accounting method. This allows you to maintain both a corporate and statutory representation of the same legal entity's transactions in parallel.

Assign one or more secondary ledgers to each primary ledger for an accounting setup.

The secondary ledgers assigned can only perform the accounting for the legal entities within the same accounting setup.

Note: If an additional ledger is needed to perform accounting across

legal entities or ledgers in different accounting setups, use a ledger in an accounting setup with no legal entity assigned. This can be used for multiple purposes, such as performing management reporting or consolidation across multiple legal entities.

Note: If you allow users to make adjustments in Oracle Projects to expenditure items that represent receipts, receipt non-recoverable tax, or exchange rate variances, then Oracle Projects does not perform accounting for adjustments in reporting currencies and subledger level secondary ledgers if the secondary ledger currency differs from the primary ledger currency. Please review your business practices and ensure that the Oracle Projects profile options PA: Allow Adjustments to Receipt Accruals and Exchange Rate Variance are set appropriately. For additional information, see: Profile Restrictions to Supplier Cost Adjustments, Oracle Project Costing User Guide.

Related Topics

[Data Conversion Levels, page 3-67](#)

Data Conversion Levels

Secondary Ledgers can be maintained at one of the following data conversion levels:

- [Subledger Level Secondary Ledgers, page 3-68](#)
- [Journal Level Secondary Ledgers, page 3-69](#)
- [Balance Level Secondary Ledgers, page 3-70](#)
- [Adjustments Only Secondary Ledger, page 3-70](#)

Conversion Rules

The following conversion rules are used to convert data from the primary ledger to the secondary ledger:

- **Chart of Accounts Conversion:** If the secondary ledger uses a different chart of accounts from the primary ledger, a chart of accounts mapping is used to provide instructions for mapping accounts or entire account segments from the primary ledger to the secondary ledger.
- **Calendar Conversion:** If the secondary ledger uses a different accounting calendar from the primary ledger, the journal effective date determines the corresponding non-adjusting period in the secondary ledger.

- **Currency Conversion:** If the secondary ledger uses a different currency from the primary ledger, currency conversion rules are required to instruct the system on how to convert data from the currency of the primary ledger to the currency of the secondary ledger.
- **Journal Conversion (Used by General Ledger Posting only):** To select the journals for transfer to the secondary ledger based on journal source and category combinations. The General Ledger Posting program uses these rules to determine which journals to automatically transfer to the secondary ledger during posting.

Note: The above conversion rules do not apply to Adjustments Only level secondary ledgers because they must share the same chart of accounts, accounting calendar, and currency as the primary ledger.

Note: Primary to Secondary Ledger Mapping

Subledger Level Secondary Ledgers

The subledger level secondary ledger maintains an additional accounting representation of the subledger journals, journal entries, and balances. The subledger level secondary ledger is maintained using both Subledger Accounting and the General Ledger Posting program.

By assigning two different subledger accounting methods to the primary and secondary ledger, you can use Subledger Accounting rules to simultaneously account for the same legal entity transaction in both ledgers. This allows you to maintain multiple accounting representations of a single subledger transaction and have the different subledger journals produced in each ledger.

Note: Subledger Accounting integrates data from both Oracle and non-Oracle transaction sources. For a list of transaction sources that integrate with Oracle Subledger Accounting, query them in the Subledger Application page available from the Subledger Accounting setup menu.

When entering subledger transactions using Oracle financial subledgers that integrate with Subledger Accounting, Subledger Accounting automatically generates the appropriate accounting entries to both the primary and secondary ledgers in General Ledger based on the accounting rules defined for a particular subledger accounting method.

Note: If using Oracle Assets, fixed asset transactions are transferred to specific ledgers based on the ledger you assigned to each Asset Book. For example, if you assigned the primary ledger to the Corporate Book

and the secondary ledger to the Tax Book in Oracle Assets, the asset transactions for each book will only be reflected in the respective ledgers. Thus, the Corporate Book transactions will only be reflected in the primary ledger and the Tax Book transactions will only be reflected in the secondary ledger.

If entering transactions using Oracle subledgers that do not use Subledger Accounting to generate their accounting entries, their journals will be imported through the GL Interface table of the primary ledger. When posting the journal in the primary ledger, the General Ledger Posting program automatically replicates the journal to the secondary ledger based on the conversion rules you specify.

Journal Conversion Rules

By default, the following types of journals are replicated to the secondary ledger using General Ledger Posting, not Subledger Accounting:

- journals created by Oracle subledgers that do not use Subledger Accounting
- manual journal entries entered in the primary ledger
- journals from spreadsheets or non-Oracle systems that were entered via the primary ledger's GL Interface table

Each time you post these journals in the primary ledger, they are automatically propagated to the subledger level secondary ledger, unless you defined journal conversion rules to exclude these journal sources from being transferred to the secondary ledger.

By default, journals that use the following journal sources are not transferred to the subledger level secondary ledger:

- Move/Merge
- Move/Merge Reversal
- Revaluation
- Subledger sources that use Subledger Accounting

Note: Primary to Secondary Ledger Mapping, page 3-82

Journal Level Secondary Ledgers

The journal level secondary ledger is an additional accounting representation of the primary ledger journal entries and balances. This type of secondary ledger is

maintained using the General Ledger Posting Program only.

Every time you post a journal in the primary ledger, the same journal is automatically replicated and maintained in the secondary ledger, depending on the journal conversion rules specified for the secondary ledger.

By default, journals that use the following journal sources are not transferred to the journal level secondary ledger:

- Move/Merge
- Move/Merge Reversal
- Revaluation

Note: Primary to Secondary Ledger Mapping, page 3-82

Balance Level Secondary Ledgers

The balance level secondary ledger only maintains the primary ledger balances in another accounting representation. To maintain balances in this type of secondary ledger, use General Ledger Consolidation to transfer the primary ledger balances to this secondary ledger.

If the balance level secondary ledger uses a different currency from the primary ledger, use General Ledger Consolidation to transfer balances from the primary ledger's balance level reporting currency to the balance level secondary ledger. This balance level reporting currency uses the same currency as the secondary ledger and represents the translated balances of the primary ledger.

Adjustments Only Secondary Ledger

The adjustments only secondary ledger is an incomplete accounting representation that only holds adjustments, manual adjustments, or automated adjustments created by Subledger Accounting. Create adjustments as follows:

- To create manual adjustments, enter manual journal entries directly in the secondary ledger.
- To create automated adjustments using Subledger Accounting, assign a subledger accounting method to both the primary and secondary ledger and define Subledger Accounting rules that transfer only the subledger accounting adjustment to this adjustments only secondary ledger.

Adjustments only secondary ledgers are useful if you do not need a complete ledger to perform management or statutory reporting. You can perform all of your daily transactions in the primary ledger and then book adjustments, such as management or statutory adjustments, in the adjustments only secondary ledger.

Note: Using a secondary ledger as an adjustments ledger is not sufficient for companies that operate in countries that require companies to have two complete ledgers, one for statutory reporting and another for corporate accounting.

By itself, this adjustments only secondary ledger does not represent the complete accounting picture; it only holds the adjustments for the transactions contained in its associated primary ledger. Use a ledger set to combine the adjustments only secondary ledger with the primary ledger to obtain a complete secondary accounting representation that includes both the transactional data and the adjustments. Then report on the ledger set using General Ledger's Financial Statement Generator (FSG), which automatically summarizes data across ledgers in a ledger set.

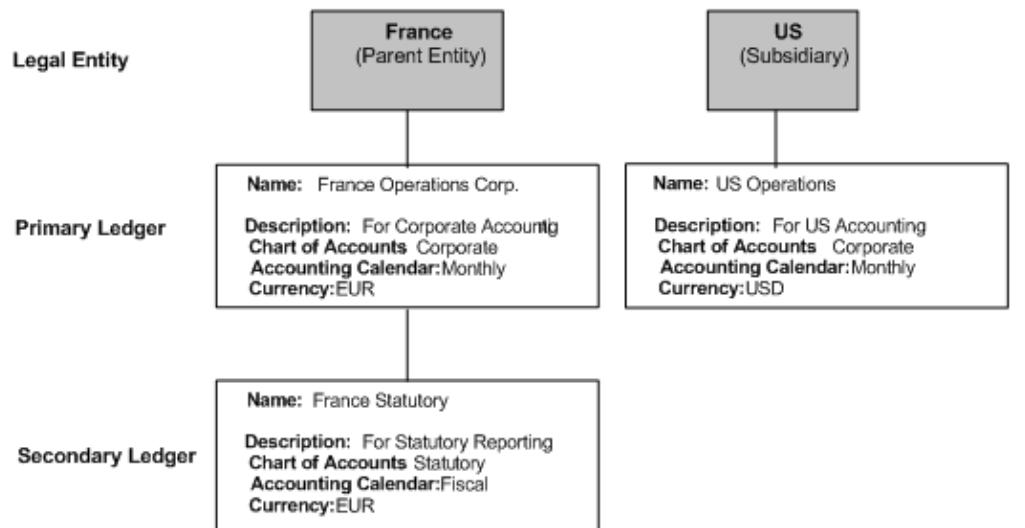
Note: Ledger Sets enable you to group multiple ledgers together (that share the same chart of accounts and accounting calendar/period type combination) to obtain processing efficiencies, such as opening and closing periods and reporting across multiple ledgers simultaneously.

Note: Ledger Sets, page 6-1

Note: Adjustments only secondary ledgers must share the same chart of accounts, accounting calendar/period type combination, and currency as the associated primary ledger.

Using Secondary Ledgers for Consolidated Reporting

Use secondary ledgers for consolidated reporting to prevent the need to perform balance transfer consolidations, and to obtain a cross-company view of your enterprise. For example, assume the two accounting setups described in the following graphic and table are defined for the company's legal entities.



Legal Entity: France (Parent Entity), US (Subsidiary)

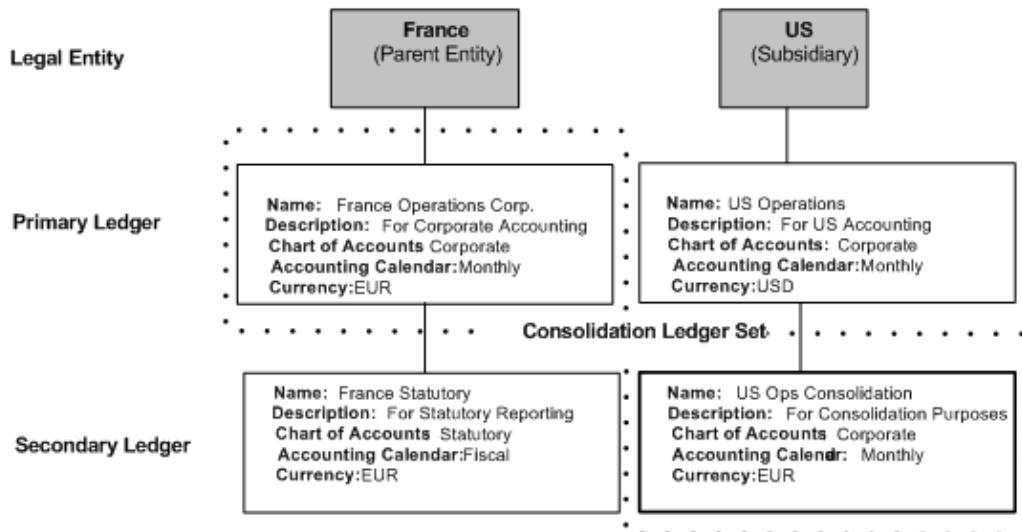
Legal Entity	France (Parent Entity)	US (Subsidiary)
Primary Ledger	<ul style="list-style-type: none"> • Description: France Operations Corporation • Chart of Accounts: For Corporate Accounting • Accounting Calendar: Corporate • Currency: Monthly • EUR 	<ul style="list-style-type: none"> • Description: US Operations • Chart of Accounts: Corporate • Accounting Calendar: Monthly • Currency: USD
Secondary Ledger	<ul style="list-style-type: none"> • Description: France Statutory (Subledger Level) • Chart of Accounts: For Statutory Reporting • Accounting Calendar: Statutory • Currency: Fiscal • EUR 	

The France legal entity uses a primary ledger for corporate accounting purposes and a secondary ledger for statutory reporting purposes. Both ledgers use different charts of accounts and accounting calendars.

The US subsidiary uses its own chart of accounts and currency to account for its transactions in its main record-keeping ledger, the primary ledger.

For ease of consolidation, the US subsidiary can assign a secondary ledger to its primary ledger. The secondary ledger should use the same chart of accounts, accounting calendar, and currency as the parent entity, France. Then, by using a ledger set to group the secondary ledger of the US subsidiary with the primary ledger of the parent entity, consolidated results can be obtained by simply running an FSG report using the ledger set. This prevents the need to perform balance transfer consolidations every period.

The following graphic and table describe an example of the ledger configuration when a secondary ledger is added to the US subsidiary. The Consolidation Ledger Set is comprised of the primary Ledger for France and the secondary ledger for the US.



Legal Entity: France (Parent Entity), US (Subsidiary)

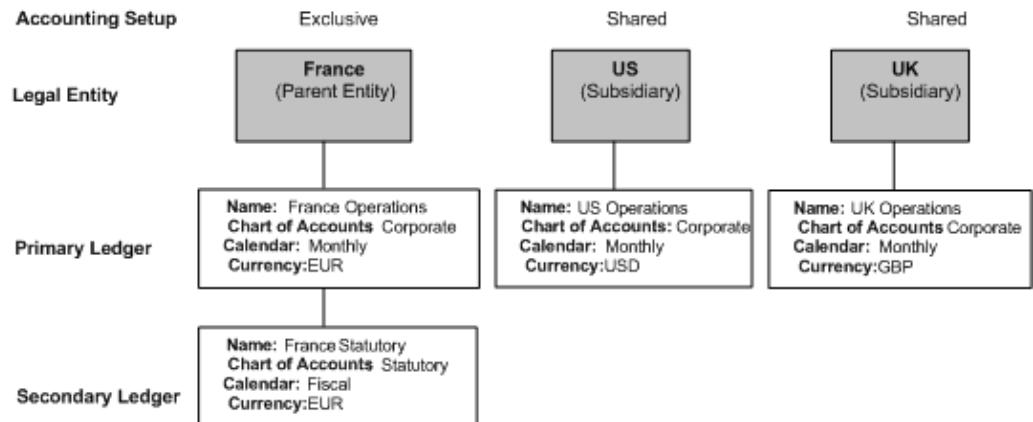
Legal Entity	France (Parent Entity)	US (Subsidiary)
Primary Ledger	France Operations Corporation	US Operations
<ul style="list-style-type: none"> • Description • Chart of Accounts • Accounting Calendar • Currency 	<ul style="list-style-type: none"> • For Corporate Accounting • Corporate • Monthly • USD • EUR 	<ul style="list-style-type: none"> • For US Accounting • Corporate • Monthly • USD
Secondary Ledger	France Statutory (Subledger Level)	US Operations Consolidation
<ul style="list-style-type: none"> • Description • Chart of Accounts • Accounting Calendar • Currency 	<ul style="list-style-type: none"> • For Statutory Reporting • Statutory • Fiscal • EUR 	<ul style="list-style-type: none"> • For Consolidation Purposes • Corporate • Monthly • EUR

Note: If the parent entity, France, needs to enter consolidation adjustments, such as intercompany eliminations, they can enter those adjustments in their primary ledger using a balancing segment value that is reserved for manual adjustments.

Using Ledgers for Consolidation

A ledger in an accounting setup with no entity assigned can be used as the parent consolidation ledger when performing fairly simple consolidations across multiple legal entities in different accounting setups. This allows users to keep consolidation adjustments completely separate from the ledgers that are used to maintain the day-to-day transactions for multiple legal entities.

For example, assume the legal entities and ledgers in three different accounting setups as described in the following figure and tables.



Legal Entity: France (Parent Entity)

Primary Ledger	Secondary Ledger
Name: France Operations	Name: France Statutory
Chart of Accounts: Corporate	Chart of Accounts: Statutory
Calendar: Monthly	Calendar: Fiscal
Currency: EUR	Currency: EUR

Legal Entity: US (Subsidiary)

Primary Ledger

Name: US Operations
Chart of Accounts: Corporate
Calendar: Monthly
Currency: USD

Legal Entity: U.K. (Subsidiary)

Primary Ledger

Name: U.K. Operations

Chart of Accounts: Corporate

Calendar: Monthly

Currency: GBP

- The France legal entity uses a primary ledger for corporate accounting purposes and a secondary ledger for statutory reporting purposes.
- The US subsidiary uses its own chart of accounts and currency to account for its transactions in its primary ledger.
- The U.K. Operations uses the corporate chart of accounts and calendar to account for its transactions, but it uses its own local currency.

Instead of assigning secondary ledgers to the US and U.K. operations to perform consolidation, the parent entity can define another accounting setup with no legal entity assigned to perform balance transfer consolidations from all three legal entities.

The primary ledger should share the same ledger attributes as the primary ledger of the parent entity, such as the same chart of accounts, accounting calendar, and currency.

The tables below describe an example of all of the accounting setups with the additional accounting setup added for consolidation purposes.

Legal Entity: France (Parent Entity)

Primary Ledger	Secondary Ledger
Name: France Operations	Name: France Statutory
Chart of Accounts: Corp.	Chart of Accounts: Statutory
Calendar: Monthly	Calendar: Fiscal
Currency: EUR	Currency: EUR

Legal Entity: US (Subsidiary)

Primary Ledger

Name: US Operations

Chart of Accounts: Corporate

Calendar: Monthly

Currency: USD

Legal Entity: U.K. (Subsidiary)

Primary Ledger

Name: U.K. Operations

Chart of Accounts: Corp.

Calendar: Monthly

Currency: GBP

Legal Entity: None

Primary Ledger

Name: Consolidation

Chart of Accounts: Corp.

Calendar: Monthly

Currency: EUR

With this configuration, perform balance transfer consolidations as follows:

- Assign balance level reporting currencies, using the euro currency (EUR), to both the primary ledgers for legal entities, US and U.K. Each balance level reporting currency maintains the translated balances for each respective legal entity.
- Use GL Consolidation to transfer the balances directly from each of the balance level reporting currencies to the consolidation ledger in an accounting setup with no legal entity assigned.

- For the parent entity, you can transfer its balances directly from its primary ledger to the consolidation ledger.
- After all balances have been transferred to the consolidation ledger, enter any consolidation adjustments directly in the consolidation ledger.

Note: Using ledgers in an accounting setup with no legal entity assigned for consolidation purposes is not recommended if you have complex consolidation requirements. For example, if your organization performs frequent acquisitions, disposals, and reorganizations or has many partially owned subsidiaries, you should use Oracle Financial Consolidation Hub for your consolidation needs.

For more information on Oracle Financial Consolidation Hub, see the *Oracle Financial Consolidation Hub User's Guide*.

Completing Accounting Setup

If you assigned secondary ledgers when you created an accounting setup structure, complete the secondary ledger steps described in the table below in the Accounting Options page.

Secondary Ledger Steps in the Accounting Options Page

Step	Description
Ledger Options	Defines and updates the journal and transaction processing options for the ledger Note: The Ledger Options for the primary ledger must be completed before completing the Ledger Options for the secondary ledger. Note: Completing Ledger Options, page 3-32

Step	Description
Primary to Secondary Ledger Mapping	To specify conversion options to transfer data from the primary ledger to the secondary ledger. Note: Primary to Secondary Ledger Mapping, page 3-82

Note: To Complete Reporting Currencies, page 3-46

Adding, Deleting, and Disabling Secondary Ledgers

Adding Secondary Ledgers

Add secondary ledgers to accounting setups at any time in the Accounting Options page.

If you add a balance level secondary ledger that uses a different currency from the primary ledger, a balance level reporting currency is generated for the primary ledger unless one already exists. This balance level reporting currency maintains the primary ledger's translated balances and is the source representation for the secondary ledger. In other words, when using GL Consolidation to transfer balances to the secondary ledger, transfer the balances from the source representation, the balance level reporting currency.

Note: The source representation is displayed on the Primary to Secondary Ledger Mapping page.

Prerequisite

- The ledger options for the primary ledger must be completely defined.

To add secondary ledgers

1. Navigate to the Accounting Options page.
2. Click **Add Secondary Ledger**.

This button will only appear after the ledger options for the primary ledger have a complete status.

3. Enter all relevant fields.

The table below describes selected fields in the Add Secondary Ledger page.

Field	Description
Accounting Calendar	General Ledger uses the calendar periods that have the period type specified for journal entry, budgeting, and reporting with this ledger. Note: Accounting Setup Manager reports an error if there are any gaps between periods in the accounting calendar or if any of the non-adjusting periods overlaps.
Subledger Accounting Method	If defining a balance or journal level secondary ledger, do not assign a subledger accounting method. If defining a subledger journals level secondary ledger, a subledger accounting method must be assigned to the secondary ledger and its primary ledger. Note: If defining an Adjustments Only secondary ledger for manual adjustments in General Ledger, do not assign a subledger accounting method. To use the Adjustments Only secondary ledger for both manual and automated adjustments from Subledger Accounting, assign a subledger accounting method to both the primary and secondary ledger. Note: Subledger Accounting Methods, <i>Oracle Subledger Accounting Implementation Guide</i>

Field	Description
Data Conversion Level	<p>To select Subledger, a subledger accounting method must be assigned to both the primary and secondary ledger.</p> <p>To select Adjustments Only, the secondary ledger must share the same chart of accounts, accounting calendar, and currency as the primary ledger. The subledger accounting method, if used, can be different from the primary ledger. However, to assign a subledger accounting method to the adjustments only secondary ledger, you must also assign one to the primary ledger.</p> <p>Note: The data conversion level cannot be changed.</p>

Note: After adding a secondary ledger, complete the Ledger Options step and the Primary to Secondary Ledger Mapping step to enable the secondary ledger for data entry.

- Completing Ledger Options, page 3-32
- Completing the Primary to Secondary Ledger Mapping, page 3-93

Deleting Secondary Ledgers

You can only delete secondary ledgers before the accounting setup is complete. After the accounting setup is complete, you can disable the conversion of secondary ledgers. This prevents any journals that are entered in the primary ledger or source representation from being transferred to the secondary ledger.

Deleting a secondary ledger removes the ledger and all of its setup steps.

To delete secondary ledgers:

1. Navigate to the Accounting Options page.
2. Find the secondary ledger to delete and click the Remove Secondary Ledger icon.

Disabling the Conversion of Secondary Ledgers

Once you disable the conversion of secondary ledgers, it immediately prevents the propagation of journals from the primary ledger to the secondary ledger.

The disabled secondary ledger is still available for historical reporting and manual

journal entries

Note: Balance level secondary ledgers cannot be disabled. To stop transferring balances from the source representation (primary ledger or balance level reporting currency) to the balances level secondary ledger, stop running consolidations.

Note: Adjustments only secondary ledgers cannot be disabled because journals are not automatically transferred to this secondary ledger.

To disable the conversion of secondary ledgers:

1. Navigate to the Accounting Options page.
2. In the Secondary Ledgers region, select the Disable Conversion icon for the secondary ledger to be disabled.

Note: Once the conversion of a secondary ledger is disabled, the status of the secondary ledger is changed to Disabled.

Primary to Secondary Ledger Mapping

The Primary to Secondary Mapping step specifies the conversion options to convert data from the primary ledger to the secondary ledger that may use a different chart of accounts, currency, and calendar from the primary ledger.

Note: If using an adjustments only secondary ledger, the Primary to Secondary Ledger Mapping step is not displayed. No conversion rules are required because the adjustments only secondary ledger must share the same chart of accounts, accounting calendar, and currency as the primary ledger.

Primary to Secondary Ledger Mapping Conversion Options

This section describes the following conversion options:

- Chart of Accounts Conversion, page 3-83
- Calendar Conversion, page 3-83
- Journal Conversion, page 3-83
- Currency Conversion, page 3-85

Chart of Accounts Conversion

In order to convert data between the charts of accounts of the primary and secondary ledgers, assign a chart of accounts mapping. A chart of accounts mapping is a set of instructions for mapping accounts or entire account segments from your primary ledger's chart of accounts to your secondary ledger's chart of accounts. This is particularly important if the primary and secondary ledgers use different charts of accounts.

Note: If a chart of accounts mapping is not assigned when the primary and secondary ledgers use different charts of accounts, errors are caused with Subledger Accounting and General Ledger posting.

If the primary and secondary ledgers use the same chart of accounts, the chart of accounts mapping is not required but can be assigned to the journal level and balance level secondary ledgers. This allows more flexibility to utilize different rollup rules when transferring journals or balances from the primary ledger to the secondary ledger. For example, you can maintain more detailed information in the primary ledger but maintain more summarized information in the secondary ledger, depending on the rollup rules defined for the chart of accounts mapping.

Note: You cannot change the chart of accounts mapping that is assigned to the secondary ledger once the accounting setup is complete.

Note: Mapping Charts of Accounts, *Oracle General Ledger User Guide*

Calendar Conversion

If the primary and secondary ledgers use different accounting calendars, the journal effective date is used to determine the corresponding non-adjusting period in the secondary ledger. If the secondary ledger does not share the same calendar as the primary ledger, each primary ledger journal is transferred to the secondary ledger's non-adjusting period that includes the journal's effective date.

Journal Conversion

In order to transfer journals to the secondary ledger, specify journal conversion rules. Choose the journals to transfer to the secondary ledger by specifying journal source and category combinations. The General Ledger Posting program uses these journal conversion rules to determine which journals it should automatically transfer to the secondary ledger during posting.

Note: Journal conversion rules are only applicable if the data conversion level of the secondary ledger is subledger or journal.

Journal sources identify the origin of journal entry transactions, such as Purchasing or Payables. Journal categories describe the purpose of journal entries, such as purchase requisitions or purchase orders.

Specifying a journal source and category combination and selecting Yes to Transfer Journals to this Secondary Ledger, instructs the General Ledger Posting program to automatically transfer those journals to this secondary ledger when they are posted in the source representation.

The journal source and category Other represents all other journal sources and categories other than those explicitly defined.

- To transfer the majority of journals to this secondary ledger, specify Yes for the Other journal source and category and then selectively choose No for the journal source and category combinations that you do not want transferred.
- If you do not want the majority of journals to be automatically transferred to this secondary ledger, specify No for the Other journal source and category and then selectively add those journal source and category combinations that you do want transferred.

By default, journals using the journal sources described in the following table are not automatically converted to the secondary ledger using General Ledger Posting.

Journal Source	Journal Category	Transfer Journals to Secondary Ledger
Move/Merge	Other	No
Move/Merge Reversal	Other	No
Revaluation	Other	No

This means that if you revalue balances in the source representation, such as the primary ledger, the resulting journals are not transferred to the secondary ledger. The same is true if you use MassMaintenance to move or merge balances between accounts in the source representation.

For example, if moving or merging account balances in the primary ledger, the resulting journal entries that use the source Move/Merge are not automatically converted to the secondary ledger. The same rule applies if reversing the Move/Merge journal entry. You must perform the Move/Merge operation and Move/Merge reversal in the secondary ledger separately.

Run Revaluation separately in the secondary ledger. General Ledger does not automatically convert the primary ledger's revaluation journal to the secondary ledger.

By default, all other journal sources and categories are converted to the secondary ledger as indicated by the Other journal source and category.

Special Note for Subledger Level Secondary Ledgers

For subledger level secondary ledgers, the journal sources for transaction sources that use Subledger Accounting must be set to No in the Transfer Journals to this Secondary ledger field. Any journal source that uses Subledger Accounting to generate its accounting entries must not be converted to the secondary ledger using General Ledger Posting because Subledger Accounting automatically performs the conversion for these subledger journals.

Note: To find all transaction sources that integrate with Subledger Accounting, query them in the Subledger Application form that is accessed from the Subledger Accounting Setup menu.

Note: Subledger Accounting Options, page 3-63

Note: If integrating with transaction sources that do not use Subledger Accounting and you want General Ledger posting to maintain journals from these subledgers in the subledger level secondary ledger, do not use Oracle's seeded journal sources. For example, if you use a non-Oracle Receivables application, you can create your own journal source for that application instead of using the seeded source Receivables that is reserved for Oracle sources. If you use the seeded source to import data from third party systems, those journals will not be transferred to a subledger level secondary ledger when you post them in the primary ledger.

Currency Conversion

If the primary and secondary ledger use different ledger currencies, currency conversion rules are required to instruct the system on how to convert data from the currency of the primary ledger to the currency of the secondary ledger.

Note: If both the primary and secondary ledgers use the same currency, the currency conversion rules are not applicable.

For information on the Default Rate Type and Retain Transaction Rate Type options, see the Journal and Subledger Level Reporting Currencies, page 3-47 table.

This section includes the following topics:

- Primary Ledger as Source Representation, page 3-86
- Reporting Currency as Source Representation, page 3-87
- Using Reporting Currencies as Source Representations, page 3-91
- Special Note for Subledger Level Secondary Ledgers, page 3-85

Primary Ledger as Source Representation

A secondary ledger receives its data from its source representation.

When the source representation is the primary ledger, it means that the primary ledger's data is transferred directly to the secondary ledger.

When the source representation is a reporting currency that is assigned to the primary ledger, then the data is transferred directly from the reporting currency to the secondary ledger.

By default, the primary ledger is the source representation for all secondary ledgers, except the balance level secondary ledger that uses a different currency from the primary ledger. In this case, the source representation will always be the balance level reporting currency of the primary ledger whose currency matches the balance level secondary ledger.

When the source representation is the primary ledger, this is referred to as a one-step conversion from the primary ledger.

Example

Assume you have a primary ledger and a journal level or subledger level secondary ledger. The primary ledger's currency is CAD; the secondary ledger's currency is GBP; and the Default Rate Type is Reporting.

An SGD foreign currency journal is entered in the primary ledger using the transaction rate type of Spot.

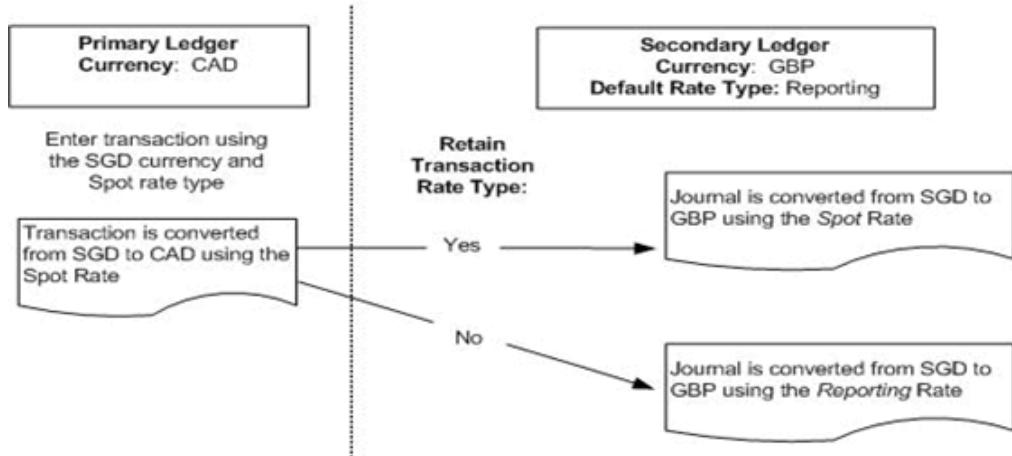
The journal is first converted to the currency of the primary ledger using the transaction rate type, Spot. When the journal is posted in the primary ledger, the Secondary Ledger's Default Rate Type and Retain Transaction Rate Type settings determine how the SGD entered journal is converted.

- If Retain Transaction Rate Type is set to Yes, then the journal is converted from SGD to GBP (the currency of the secondary ledger) using the transaction rate type, Spot.
- If Retain Transaction Rate Type is set to No, then the journal is converted from SGD to GBP (the currency of the secondary ledger) using the Default Rate Type, Reporting.

This example is shown in the figure below.

One-Step Conversion from Primary Ledger to Secondary Ledger

One-Step Currency Conversion from Primary Ledger to Secondary Ledger



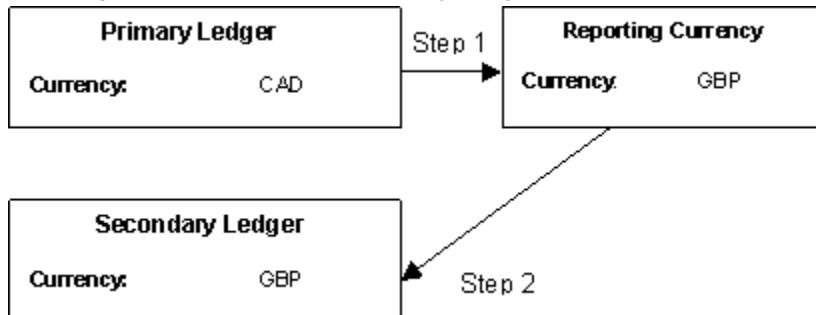
Reporting Currency as Source Representation

For journal level secondary ledgers only, you can choose to make the source representation a journal level reporting currency that is assigned to the primary ledger. For example, the source representation for a journal level secondary ledger can be a journal level reporting currency.

Note: The currency of the journal level reporting currency must match the currency of the secondary ledger.

This is referred to as a two-step conversion from the primary ledger. When data is entered in the primary ledger, the data is first converted to the journal level reporting currency and then transferred to the journal level secondary ledger, as described in the figure below.

Two-Step Conversion from the Primary Ledger



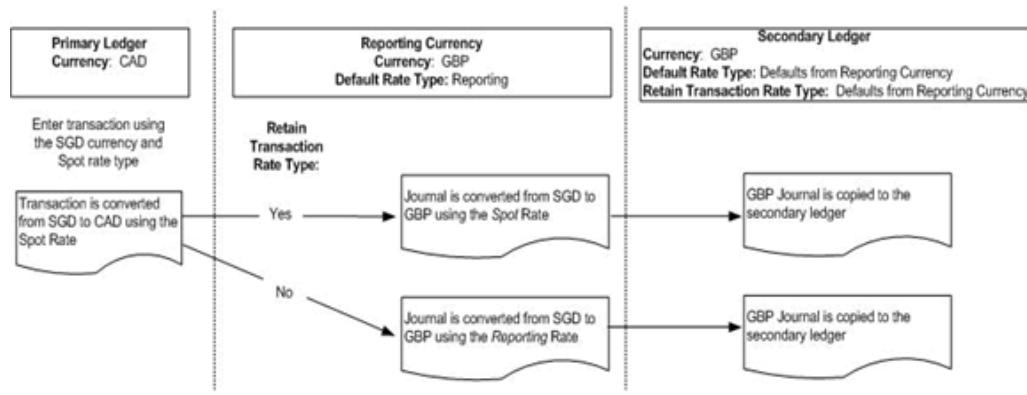
This is useful if you are already using a journal level reporting currency for reporting purposes. By using a journal level reporting currency as the source representation, you

can enter additional journal entries directly in the reporting currency to have them propagated to the secondary ledger.

Note: The two-step conversion method is most suitable for companies that require a reporting currency level of detail for the primary ledger.

When choosing a journal level reporting currency as the source representation, the Default Rate Type and Retain Transaction Rate Type settings for the reporting currency control the currency conversion of transactions to the secondary ledger. In other words, the secondary ledger inherits the same settings as the reporting currency.

Two-Step Currency Conversion from Primary to Secondary Ledger



Example

Assume you have a primary ledger, a journal level reporting currency that is assigned to the primary ledger, and a journal level secondary ledger. The primary ledger's currency is CAD and the currency for both the secondary ledger and reporting currency is GBP. The source representation for the secondary ledger is the reporting currency.

An SGD foreign currency journal is entered in the primary ledger using the transaction rate type, Spot.

The following table lists the conversion rates for different currencies used in this example.

From Currency	To Currency	Rate Type	Rate
SGD	CAD	Spot	1.50
SGD	CAD	Reporting	1.65
SGD	GBP	Spot	1.70

From Currency	To Currency	Rate Type	Rate
SGD	GBP	Reporting	1.75

The journal is first converted to the currency of the primary ledger, CAD, using the transaction rate type, Spot, as described in the following table.

Primary Ledger Journal

Account	Entered Debit (SGD)	Entered Credit (SGD)	Converted Debit (CAD)	Converted Credit (CAD)
01.6110	1000.00		1500.00	
01.2110		1000.00		1500.00

Upon posting the journal described in the preceding table, the same journal is converted to the reporting currency based on the reporting currency's Default Rate Type and Retain Transaction Rate Type settings.

If Retain Transaction Rate Type is set to Yes, then the journal is converted from SGD to GBP using the transaction rate type, Spot.

The following table describes the journal entry that appears in both the reporting currency and the secondary ledger.

Journal for Reporting Currency and Secondary Ledger

Account	Entered Debit (SGD)	Entered Credit (SGD)	Converted Debit (GBP)	Converted Credit (GBP)
01.6110	1000.00		1700.00	
01.2110		1000.00		1700.00

If Retain Transaction Rate Type is set to No, then the journal is converted from SGD to GBP using the default rate type, Reporting.

The following table describes the journal entry that appears in both the reporting currency and the secondary ledger if the default rate type is used.

Journal for Reporting Currency and Secondary Ledger

Account	Entered Debit (SGD)	Entered Credit (SGD)	Converted Debit (GBP)	Converted Credit (GBP)
01.6110	1000.00		1750.00	
01.2110		1000.00		1750.00

Journals Entered Directly in the Reporting Currency

If entering a journal directly in the reporting currency, the same journal may or may not be copied exactly as is to the secondary ledger. It depends on the Default Rate Type and the Retain Transaction Rate Type settings for the secondary ledger.

- If Retain Transaction Rate Type is set to Yes, then the journal entered in the reporting currency is copied directly from the reporting currency to the secondary ledger.
The entered amounts and the converted amounts are exactly the same for the reporting currency and the secondary ledger.
- If Retain Transaction Rate Type is set to No, then the journal is converted to the secondary ledger using the Default Rate Type.

Example

Assume you have a journal level reporting currency that is the source representation for a journal level secondary ledger. The default rate type assigned to the secondary ledger is Reporting. The currency for both the reporting currency and secondary ledger is GBP.

The following table lists the conversion rates for different currencies used in this example.

From Currency	To Currency	Rate Type	Rate
SGD	GBP	Spot	1.70
SGD	GBP	Reporting	1.75

The SGD foreign currency journal described in the following table is entered in the reporting currency using the transaction rate type, Spot

Journal Entered in Reporting Currency

Account	Entered Debit (SGD)	Entered Credit (SGD)	Converted Debit (GBP)	Converted Credit (GBP)
01.6110	1000.00		1700.00	
01.2110		1000.00		1700.00

Upon posting the journal in the journal level reporting currency, the same journal is converted to the secondary ledger based on the secondary ledger's Default Rate Type and Retain Transaction Rate Type settings.

- If Retain Transaction Rate Type is set to Yes, then the journal is copied directly to the secondary ledger.
- If Retain Transaction Rate Type is set to No, then the journal is converted using the Default Rate Type, Reporting.

The following table describes the journal entry that appears in the secondary ledger if Retain Transaction Rate Type is set to No.

Journal for Secondary Ledger

Account	Entered Debit (SGD)	Entered Credit (SGD)	Converted Debit (GBP)	Converted Credit (GBP)
01.6110	1000.00		1750.00	
01.2110		1000.00		1750.00

Using Reporting Currencies as Source Representations

To use a journal level reporting currency as the source representation for a journal level secondary ledger, perform the following tasks:

1. Define a journal level reporting currency for the primary ledger.

Note: A journal level secondary ledger can only have the primary ledger or a journal level reporting currency as its source representation.

2. Choose the reporting currency to be the source representation in the Primary to Secondary Ledger Mapping page.

3. Specify currency conversion rules.
4. Specify journal conversion rules.

The journal conversion rules specified for the secondary ledger should be the same as the journal level reporting currency, but you can change them for the secondary ledger in the Primary to Secondary Ledger Mapping page.

You can choose to transfer selected journals that use different sources or categories from the reporting currency to the secondary ledger. For example, you can choose to transfer only a subset of journals from the reporting currency to the secondary ledger by making the journal conversion rules more restrictive for the secondary ledger.

Completing the Primary to Secondary Ledger Mapping

Accounting Setups Legal Entities

Accounting Setup > Accounting Setup: Vision Operations(USA)

Primary to Secondary Ledger Mapping

(Cancel) (Save for Later) (Complete)

Ledger Information

Primary Ledger	Vision Operations (USA)	Secondary Ledger	French Statutory
Chart of Accounts	Operations Accounting Flex	Chart of Accounts	French COA
Accounting Calendar	Monthly	Accounting Calendar	French Fiscal
Currency	USD	Currency	EUR
Subledger Accounting Method	Standard Accrual	Subledger Accounting Method	IAS
		Data Conversion Level	Journal
		Disable Conversion Date	01-Jan-2005

Chart of Accounts Mapping

(TIP) You must assign a Mapping if your primary and secondary ledger use different charts of accounts.

* Mapping

Currency Conversion Rules

(TIP) The Source Representation can be your primary ledger or one of its reporting currencies at the Journal level. If you choose your primary ledger, journals will be converted directly from your primary ledger to this secondary ledger. If you choose a reporting currency, your journals will be converted directly from the primary ledger's reporting currency.

* Source Representation	Vision Operations(USA)	<input type="button" value=""/>
* Default Rate Type	Corporate	<input type="button" value=""/>
* Retain Transaction Rate Type	Yes <input type="button" value=""/>	Choose Yes to retain the rate type from the original transaction

Error Handling

(TIP) If you choose Use Last Rate and do not specify a number, it will adversely affect system performance.

* If missing Conversion Rate Report Error Use Last Rate

* Number of Days to Find the Last Rate Enter a number between 1 and 999.

Journal Conversion Rules

* Post Journals Automatically from Source Ledger

* Retain Journal Creator from Source Ledger

Journal Source and Category Conversion

(TIP) Specify the journals based on journal source and category combinations that you want automatically transferred to this Secondary Ledger by General Ledger Posting. "Other" represents all other journal sources and categories.

Journal Source	Journal Category	Transfer Journals to this Secondary Ledger	<input type="button" value=""/>
Other	Other	Yes <input type="button" value=""/>	<input type="button" value=""/>
Move/Merge	Other	No	<input type="button" value=""/>
Move/Merge Reversal	Other	No	<input type="button" value=""/>
Revaluation	Other	No	<input type="button" value=""/>

(Cancel) (Save for Later) (Complete)

Prerequisites

The following prerequisites are required to complete the primary to secondary ledger mapping step:

- A chart of accounts mapping must be defined in General Ledger if the secondary ledger uses a different chart of accounts

Note: Mapping Charts of Accounts, *Oracle General Ledger User Guide*

- A secondary ledger must be assigned to a primary ledger.
- The reporting currencies assigned to the primary ledger must be completely defined.

Note: Assigning Reporting Currencies to Ledgers, page 3-46

- The ledger options for the secondary ledger must be completely defined.

Note: Completing Ledger Options, page 3-32

To complete the primary to secondary ledger mapping

Note: This step is required to complete the accounting setup.

1. In the secondary ledger regions of the Accounting Options page, click the Update icon for the Primary to Secondary Ledger Mapping step.
2. Specify the following:

- Chart of Accounts Mapping

This mapping is used to convert data from the primary ledger's chart of accounts to the secondary ledger's chart of accounts. If a mapping is not defined, click **Create Mapping**.

Note: You must assign a mapping if your primary and secondary ledgers use different charts of accounts.

Note: You cannot change the mapping assigned after the accounting setup is complete.

Note: Mapping Charts of Accounts, *Oracle General Ledger User Guide*

- currency conversion rules

The options in the following table pertain to balance level secondary ledgers only.

Balance Level Secondary Ledgers Currency Conversion Options

Options	Description
Source Representation	When transferring balances using GL Consolidation, the source representation acts as the source of the balances. If the secondary ledger's currency is different from the primary ledger, the name of the primary ledger's balance level reporting currency defaults and cannot be changed.
Currency	Currency of the source representation defaults
Period End and Period Average Rate Type	The period end and period average rate types are used by General Ledger's Translation program. These rate types are used to translate balances from the primary ledger's currency to the balance level reporting currency that is used as the source representation for the secondary ledger. These rate types should be the same as the source representation.

- journal conversion rules for subledger level and journal level secondary ledgers

The following table describes currency conversion options for journal and subledger level secondary ledgers that use a different currency from the primary ledger.

Journal and Subledger Level Secondary Ledgers Currency Conversion Options

Option	Description
Source Representation	Acts as the source of the data that is transferred to the secondary ledger. The primary ledger defaults. For journal level secondary ledger the source representation can be a journal level reporting currency that is assigned to the primary ledger. Note: The source representation cannot be changed after completing the accounting setup.

Option	Description
Default Rate Type	<p>The conversion rate type to use to retrieve exchange rates for converting transactions from the primary ledger to this secondary ledger. The Default Rate Type works with the Retain Transaction Rate Type field. If you choose not to retain the same rate type that was used to convert the original transaction, then the Default Rate Type is used instead.</p> <p>For the default rate type, specify your own conversion rate type or choose one of the predefined rate types. To specify your own, first define it in General Ledger.</p>

Option	Description
Retain Transaction Rate Type	<p>Controls the conversion rate type the system should use to convert transaction currency amounts from the source representation to this secondary ledger.</p> <ul style="list-style-type: none"> • If you select Yes, then the conversion rate type used to enter the original journal is used to convert the same journal to this secondary ledger. • If you select No, then the default rate type assigned in the Default Rate Type field is the one used to convert journals to this secondary ledger. <p>The Retain Transaction Rate Type option is ignored if the following conditions exist:</p> <ul style="list-style-type: none"> • An EMU fixed rate relationship exists between the transaction currency and the currency of the secondary ledger. <p>In this case, the EMU Fixed conversion rate type is used.</p> <ul style="list-style-type: none"> • The transaction currency is the same as the currency of the source representation, such as the primary ledger. <p>In this case, a conversion rate type does not exist for the transaction and the default rate type is used.</p> <ul style="list-style-type: none"> • The transaction currency is the same as the currency of the secondary ledger. <p>In this case, the User conversion rate type is used with a default rate of 1.</p> <ul style="list-style-type: none"> • A User rate is used for the transaction. <p>In this case, the User conversion rate type is used. The secondary ledger conversion is done in two steps using the default rate type assigned to the secondary ledger.</p>

Option	Description
If Missing Conversion Rate	<p>Controls what the system should do if it cannot find a conversion rate as of the conversion date</p> <ul style="list-style-type: none"> • If Report an Error is selected, the system reports an error and prevents journals from being posted in the source representation.
Specify a rate to successfully convert journals entered in the source representation to this secondary ledger.	<ul style="list-style-type: none"> • If Use Last Rate is selected, the system uses the last rate that was defined for a particular rate type if it cannot find a currency conversion rate.
If enabled, specify a number for the Number of Days to Find the Last Rate.	
Number of Days to Find Last Rate	<p>If Use Last Rate is selected, enter a number from 1 to 999. This number indicates how many days back in time the system should look to find a rate.</p> <p>Note: If a number is not entered, it adversely affects system performance.</p>
Post Journals Automatically from Source Ledger	<p>Controls the automated posting of journals.</p> <ul style="list-style-type: none"> • If Yes is selected, journals will be automatically posted in the secondary ledger when posted in the source representation.
• If No is selected, you must post journals separately in the secondary ledger.	
Retain Journal Creator from Source Ledger	<p>Controls the Created By user information that can be viewed for each journal using Tools > Examine.</p> <ul style="list-style-type: none"> • If Yes is selected, the person who entered the journal in the source representation is retained as the Created By user.
• If No is selected, the person who posted the journal is saved as the Created By user.	

Defining Legal Entities Using the Legal Entity Configurator

This chapter covers the following topics:

- Overview
- Using the Legal Entity Configurator

Overview

The Legal Entity Configurator allows you to define legal entities and establishments in the Oracle system to achieve legal compliance for business activities handled by the Oracle E-Business Suite.

Legal Entities Setup Information

Before setting up legal entities, you must complete the following setup steps:

1. Complete setup for the E-Business Suite

Note: E-Business Tax is dependent on Legal Entities setup to complete its setup. Legal Entities setup is not dependent on E-Business Tax setup.

2. Optionally set up customer flexfields

Legal entities setup includes the following steps:

1. Define the Default Country profile option.
2. Define the LE: Generate Legal Entity Identifier profile option. See: Generating the Legal Entity Identifier, page 4-5.

3. Define the HZ: Generate Party Number profile option.
4. Define the LE: Change Effectivity profile option.
5. Define jurisdictions. See: Creating and Updating Jurisdictions, page 4-17
6. Optionally define authorities See: Creating and Updating Legal Authorities, page 4-18
7. Define legal entities. See: Creating Legal Entities, page 4-6.
8. Assign legal entities to ledgers using the Accounting Setup Manager. See: Accounting Setup Manager, page 3-1
9. Define additional registrations for legal entities if required. See: Creating Registrations, page 4-14.
10. Define establishments. See: Creating Establishments, page 4-9.
11. Define additional registrations for establishments if required. See: Creating Registrations, page 4-14.
12. Optionally define associated business entities. See: Legal Associations, page 4-5
13. Optionally define balancing segments for establishments.

Legal Entity Reporting

Legal Entity Reporting enhances the reporting capabilities of Oracle Applications products by allowing you to report at the legal entity level. Legal reports filter the data based on the legal entity stamped on the transactions (for example, AP Invoices, AR Transactions, etc.) or based on the ledger/balancing segment value that is associated with a legal entity through the Accounting Setup Manager.

When reporting by the legal entity, you can submit the report for all legal entities even if the MO: Security Profile profile option does not include all operating units.

Legal Entities

A legal entity is a clearly identified entity, which is given rights and responsibilities under commercial law, through registration with the country's appropriate legal authority. These rights and responsibilities are enforceable through the judicial system. A legal entity generally has the right to own property and trade, and the responsibility to repay debt and comply with labor law. Legal entities are responsible to account for themselves to company regulators, taxation authorities, and owners according to rules specified in the relevant legislation.

The legal entity belongs to the organization's own corporate legal structure (enterprise).

The legal entity is referred to as the internal legal entity and is the initiator and owner of a given transaction.

Establishments

Establishment is the generic term used to refer to the building blocks of legal entities. Each legal entity is made up of at least one establishment. These 100 percent owned and controlled entities can also be referred as branches, divisions, establishments (domestic or foreign), inventory organizations, physical locations (for example, manufacturing plants and warehouses). They can be a physical (address) or logical (specific activity) subdivision of the legal entity.

In many countries, establishments need to be registered with local regulatory bodies and may have their own activity codes (such as the NACE code in Europe or the SIC code in the U.S.). Dun & Bradstreet (D&B) have DUN numbers for them as well. They have significant existence (their own address, often supporting local taxes and regulations, in some countries a threshold of number of employee per site), or significant business autonomy (may have their activity code, their own budget, handle their own bank accounts). They are not liable to the outside world (cannot be sued separately in court). They support or represent local or distant registrations of the legal entity. They also represent autonomous business units.

To fulfill registration requirements in some countries at a local level, a legal entity must register a main establishment. For this reason, the main establishment is created automatically when you create a legal entity. While establishments may or may not be located in the country of the legal entity, the main establishment is always located in the country of the legal entity. It is the main site (location) of a legal entity, which supports specific duties related to coordinating business operations and compliance with legislation and reporting needs for the legal entity.

Registration

Company registration is done in accordance with a particular legislation (commercial law, income tax law, civil law, company law, etc., depending on the country). It is the backbone of all other legal obligations a company must fulfill. This registration confers the status of legal entity and therefore, the right to do business in a territory (often a country). To comply with the law in the territory of its operations, a legal entity may be required to register with different legal authorities depending on its activity. However, company registration is the first registration to gain official recognition to qualify for other registrations. In some countries, additional registrations may be required for establishments of the legal entity. Registration information can be used on financial statements and legal reports.

Note: Create Registration Page, page 4-14

Jurisdictions

All legal entities must be registered against a jurisdiction that is governed by a legal authority. A jurisdiction is a combination of the legislative category (labor law, transaction tax law, income tax laws, etc.) and the physical territory (group of countries, country, state, county, parish) to which legal rules are grounded. A tax jurisdiction is a geographic area where a tax is levied by a specific tax authority, for example, the tax jurisdiction for Goods and Services tax in Singapore is the country of Singapore.

You need to set up jurisdictions before creating registrations because a jurisdiction is required when creating a registration. For some countries, at least one jurisdiction is seeded: the identifying jurisdiction. Users will have the ability to create additional jurisdictions for other registrations.

The identifying jurisdiction is usually the first jurisdiction that the legal entity must register with, in order to be recognized in its territory. Because registrations to this jurisdiction may not be used in Oracle Applications, the identifying jurisdiction may be another jurisdiction that is commonly used within a country.

The registration to the identifying jurisdiction of the legal entity territory is called the identifying registration.

The jurisdiction can also capture the registration code or the name of the registration number. The registration code can then be used as the prompt for the registration number given the context of the jurisdiction. The jurisdiction will also have a start date and end date to show when the jurisdiction is effective and when you can register against the jurisdiction.

When a legal entity or establishment registers with a jurisdiction, there may be a set of functions that it needs to perform, such as payment or income tax declaration. Legal functions can be pre-defined in the jurisdiction to facilitate the registration process.

When a registration is created, the specific functions of the jurisdiction can be assigned to the legal entity or establishment. Legal functions that are defined as required on the jurisdiction are by default assigned to the legal entity or establishment during registration.

Legal Authorities

A legal authority is a governing legal body that operates within a jurisdiction. The legal authority is responsible for enforcing legislation, collecting fees and taxes, and making financial appropriations within a given physical area for a type of law. For example, the Internal Revenue Service is the legal authority for income tax law in the US..

When a legal entity registers under a given jurisdiction, it may be related to a legal authority that is governing in that jurisdiction. Legal authority information is used on legal reports and financial statements in some countries and is determined by the legislation of the jurisdiction. Defining a legal authority is not required for a legal entity to transact and therefore, is not required to create a registration.

A legal authority is associated with a jurisdiction because it has authority over the legal entities that are registered with the jurisdiction. The relationship between the legal authority and the jurisdiction is formed when you create a legal entity registration. Each registration is made to a jurisdiction and each registration can identify an issuing legal authority.

In some countries, the legal authority has executive responsibility over several legislative categories. All of these legislative categories can be assigned to the legal authority. Legal authorities are defined according to your company's preferences. For example, you can create one authority per office or one authority for multiple offices.

Legal Associations

Legal Associations is a set of components that aims to provide a centralized repository and a common mechanism for maintaining associations between business entities (non-legal constructs) and legal constructs (legal entities, establishments) and between just legal constructs. You can also use Legal Associations to maintain associations between balancing segment values and establishments for some countries.

When dealing with associations with establishments, these components are integrated into the Establishment Details page so that you can create associations between various attributes (such as Operating Unit/ Inventory Organization /Inventory Location / Ship-to and Bill-to Location) to establishments. These associations are mainly used by e-Business Tax as a component for tax calculations.

Associations are based on seeded cardinality rules, so it is possible to associate the same operating unit, inventory organization, and location to different establishments, even if they belong to different legal entities.

E-Business Tax needs the establishment information to determine what the imposed tax will be based on information present at the time of entry/creation of the transaction. Determining the establishment is necessary as it is the connecting entity that would determine tax registration and the other relevant details to determine tax.

Generating the Legal Entity Identifier

Use the XLE: Generate Legal Entity Identifier to set the Legal Entity Configurator to automatically generate the legal entity identifier. If you set this profile option to Yes, the legal entity identifier is generated automatically. If you set it to No, you must enter the legal entity identifier manually. The default is No.

Note: Create Legal Entity Page, page 4-6

Using the Legal Entity Configurator

Use the Legal Entity Configurator to search for existing legal entities, jurisdictions, and legal authorities; create and update legal entities, establishments, registrations, legal

addresses, jurisdictions, and legal authorities; and create legal entities from existing organizations.

Using the Legal Entity Home Page

From this page you can:

- View and update the five most recent legal entities created
- View and update the five most recent registrations
- Search for legal entities by legal entity name or legal entity identifier
- Create a legal entity

Searching for a Legal Entity

In the Legal Entities tab, you can use the Legal Entity Simple Search and Advanced Search pages to search for existing legal entities. From these pages you can:

- Query on existing legal entities or establishments and update them
- Create a new legal entity or establishment
- Configure an existing organization to be a legal entity or establishment

The results table at the bottom of the page includes existing legal entities, their establishments, and existing organizations that are not classified as a legal entity or an establishment. A selected organization can be configured as a legal entity or an establishment by navigating to the Organization Details page and using the Configure as Legal Entity or Configure as Establishment buttons.

Creating a Legal Entity

Create legal entities with minimum required information using the Create Legal Entity page.

If you create a legal entity from an existing organization, the country, organization name, and organization number are defaulted from the organization. In this case, the organization number is not updatable even if the HZ: Generate Party Number profile option is set to No.

When you create a legal entity, the main establishment is created automatically. The legal entity territory, name, address, effective date, and other information are defaulted to the main establishment. The establishment inherits the registration number of the legal entity only if the establishment does not have its own number.

ORACLE Legal Entity Configurator Branding Function [Home](#) [Logout](#) [Preferences](#) [Diagnostics](#)

[Home](#) [Legal Entities](#) [Setup](#)

Create Legal Entity [Cancel](#) [Save and Add Details](#) [Apply](#)

Identification Information

* Indicates required field

* Territory	United States	
* Legal Entity Name	LE3	
* Organization Name	ORG3	
* Legal Entity Identifier	333	
* EIN/TIN		
Transacting Entity	Yes	

Legal Address

Select Existing Address
 Create New Address

* Legal Address 

General Information

Place Of Registration

Inception Date 
(example: 27-Jun-2005)

[Cancel](#) [Save and Add Details](#) [Apply](#)

Some of the key fields are:

- **Territory:** The territory where the legal entity is registered. This list displays territories at the country level and shows only territories for which the identifying jurisdiction has been defined. Therefore, the territory determines the identifying jurisdiction to which the legal entity needs to register. The territory also determines the context for the information that needs to be displayed in the General Information region.
- **Organization Number:** The organization number is a number used to identify organizations. This field is displayed only when the HZ: Generate Party Number profile option is set to No. In this case, the main establishment organization number is built as a concatenation of the legal entity organization number and ETB (establishment). Otherwise it is not displayed and is generated automatically. For example, if the legal entity organization number entered is 12536, the establishment's organization number will be 12536ETB.

Note: Oracle Trading Community Architecture User Guide

- **Legal Entity Identifier:** The identification number used to uniquely identify the legal entity. It is displayed only when the LE: Generate Legal Entity Identifier profile option set to No and you must enter it manually. If this option is set to Yes, the legal entity identifier is generated automatically based on the International

Organization for Standardization (ISO) code of the country of registration, plus the registration number of the identifying jurisdiction, which qualifies an entity to be a legal entity in that particular territory.

For example:

Example

Territory: Singapore

ISO Country Code: SG

Registration number of the identifying jurisdiction (RCN number) = 23231 (this is a user enterable field)

If the profile option is set to Yes, the legal entity identifier will be SG23231, otherwise you are required to enter the legal entity identifier manually. If you enter an identifier that is not unique, an error message will be displayed.

Note: Generating the Legal Entity Identifier, page 4-5

- **Registration Number:** The identifying jurisdiction determines the prompt for the registration number (in the U.S., the EIN/TIN). The Establishment registration prompt is displayed if it is defined for the identifying jurisdiction. In this case the main establishment is created with this registration number. The registration number must be unique within a jurisdiction.
- **Legal Address:** The address a legal entity uses to register with a legal authority. A legal entity may use different addresses for different authorities and hence, may have more than one registered address. This legal address must be located within the territory entered.
- **General Information Region:** This region displays the following information:
 - **Place Of Registration:** Optionally enter the place of the legal entity registration.
 - **Inception Date:** Optionally enter the date of legal entity registration (creation). It can be on or before the system date and on or after legal entity's inception date but must not be a future date.
 - **Additional fields that becomes available in the context of the country:** Type of Company, Business Activity,(for example, NACE for Ireland, NAICS for the U.S. (previously was SIC Code), and APE for France), Share Capital, Currency, Fiscal Year End. These attributes are optional and implemented as the Legal Entity Context Information developer flexfield, which is not updatable. The Type of Company and Business Activity fields and seeded LOVs may be named differently in the context of particular territories of the legal entity.
 - **Context Value:** Users are allowed to define additional attributes using the Additional Legal Entity Information customer flexfield. The Context Value field

is a drop down list that contains context field value names defined for this flexfield. Select an appropriate context to enter additional legal entity information.

Creating Establishments

Create establishments with minimum required information using the Create Establishment page.

If you create an establishment from an existing organization, the organization name and number are defaulted from the organization. The organization number is not updateable in this case, even if the HZ: Generate Party Number profile option is set to No.

If no jurisdictions are set up for the territory selected, the registration information (the registration number and address) is not required and is not displayed. Otherwise, the registration information is required and displayed. Additional establishments are required only in countries where another legal entity location needs to be registered with legal authorities (for example, India, Brazil, and Germany). These establishments may or may not be located in the legal entity's country. Establishments, including main establishments, may follow different sets of rules if they do business in different activities or are located in different areas.

You cannot create a new main establishment from the Create Establishment page. To create a new main establishment, you must create a new establishment, then change the main establishment.

Note: Only the legal entity is stamped on transactions headers.

Establishments can instigate, initiate, and control a transaction, but the ownership of a transaction lies with the legal entity. In one transaction, each line can refer to different establishments.

ORACLE Legal Entity Configurator Branding Function [Home](#) [Logout](#) [Preferences](#) [Diagnostics](#)

[Home](#) [Legal Entities](#) [Setup](#)

Create Establishment

Legal Entity Name	SSC LE1	Territory	United States	Cancel	Save and Add Details	Apply
Legal Entity Identifier	123	Transacting Entity	Yes			

* Indicates required field

Identification Information

* Territory	Brazil	
* Establishment Name	LE Establishment	
* Organization Name	LE ORG	
* CNPJ		

Legal Address

<input checked="" type="radio"/> Select Existing Address		
<input type="radio"/> Create New Address		
* Legal Address	Rua Jose Guerra, 127, Ch	

Additional Information

Cancel	Save and Add Details	Apply
------------------------	--------------------------------------	-----------------------

[Home](#) | [Legal Entities](#) | [Setup](#) | [Home](#) | [Logout](#) | [Preferences](#) | [Diagnostics](#)

Copyright 2000-2004 Oracle Corporation. All rights reserved. [Privacy Statement](#)

Key fields are:

- **Territory:** The territory in which the establishment is registered. It can be different from the legal entity's territory. The selected territory determines the jurisdiction to which the establishment needs to register and the context of the information that is displayed in the General Information region. The jurisdiction determines the prompt for the registration number. If there is no jurisdiction for this territory or it has no establishment registration code set up, then the establishment is created without registration information (without a registration record).
- **Parent Legal Entity:** Available only when an establishment is created from an existing organization. Select the parent legal entity to which the establishment belongs.
- **Organization Number:** The organization number is used to identify organizations. It is displayed only when the HZ: Generate Party Number profile option is set to No. Otherwise it is not displayed and is generated automatically.
- **Registration Number:** The jurisdiction determines the prompt(s) for the registration number(s). The establishment registration number prompt is displayed if it is set up for the jurisdiction. If it is not set up or there is no jurisdiction set up for this territory, the Registration Number field is not available. The registration number must be unique within a jurisdiction.
- **Legal Address:** You can create a new address or use an existing one. The legal address must be located within the territory. This field is not available if there is no

jurisdiction for this territory or the jurisdiction has no Establishment Registration Code setup.

- **General Information region:** This region displays the following information:
 - **Inception Date:** Optionally enter the date of the establishment registration (creation). It can be on or before the system date and on or after legal entity's inception date but must not be a future date.
 - **Additional fields that become available in context of the country:** Type of Company, Business Activity, and Secondary Activity. These attributes are optional and implemented as the Establishment Context Information developer flexfield. This field is not updatable. The Type of Company and Business Activity may be named differently and have different seeded LOVs in the context of a particular territory.
 - **Context Value:** Define additional attributes using the Additional Establishment Information customer flexfield. The Context Value field is a drop down list that contains Context Field Value names defined for this flexfield. Select an appropriate context to enter additional establishment information.

Note: Registration, page 4-3, Create Registration Page, page 4-14, and Establishments, page 4-3.

Configuring an Organization as a Legal Entity or Establishment

You can configure an existing organization (party) to be either a legal entity or an establishment. To search for organizations that can be configured as either a legal entity or an establishment:

1. At the Legal Entities Search page, enter your search criteria and set the Transacting Entity field to No or blank to have all the organizations with Legal Type n/a listed.
2. View the details of the organization you chose.
3. At the Organization Details page, click Configure as Legal Entity or Configure as Establishment.
4. Enter required information. For an establishment, select a legal entity in the parent legal entity.
5. Optionally add additional details to the legal entity or establishment.

Updating Legal Entities

Use this page to:

- Update/add legal entity information
- Create additional or modify registrations for the legal entity
- Create establishments for the legal entity

Related Topics

[Updating Legal Entities Details, page 4-12](#)

Updating Legal Entities Details

Use the Legal Entities Details page to add and update legal entity details.

Selected fields are:

- **General subtab:** View identifying information, such as the legal entity name, identifier, organization name, organization number, additional legal entity information. You can also end date a legal entity here by entering the end date and view and update transaction tax profile information.
- **Registrations subtab:** View and update registration information.
- **Establishments subtab:** View and update establishment information. From this subtab you can create a new establishment or change the main establishment.
- **Contact Information subtab:** From this subtab, you can view contact information and create, update, and remove contacts and addresses.
- **Intercompany Exceptions subtab:** It is assumed that all legal entities can have an intercompany relationship with any legal entity. This page lists any legal entities that cannot have an intercompany relationship with the legal entity being created or updated. Click Update to add or remove intercompany exceptions. When adding an intercompany exception, a TCA relationship is created between the legal entity that is being created/updated and the selected legal entity.
- **History subtab:** This subtab provides an audit trail of changes to the legal entity's registration, including the effective date the changes were made, administrative information such as the user who made the change, the reference number for the record change, and the reason for the change. This subtab is view only and cannot be updated. In addition, you can personalize the table display as needed (for example, hide the Change By or Effective Dates columns) using personalization. Access to the View History page can be restricted by roles via permission sets.

Note: You can enter effective dates that appear in the History subtab only if the LE: Change effectiveness profile option is set to Yes.

Updating Establishments

Use the Establishments Details page to add and update establishment details

Note: You cannot update the organization number if it was generated automatically.

Use the Establishment Details page to view, add, and update establishment details.

- General subtab: View identifying information, such as the establishment name, organization name, organization number, and additional establishment information. You can also end date an establishment and view and update transaction tax profile information.
- Registrations subtab: View, create, and update establishment registrations.

Note: Creating Registrations, page 4-14 and Updating Registrations, page 4-15

- Contact Information subtab: From this subtab, you can view contact information and create, update, and remove contacts and addresses.
- History subtab: You can view any changes that have been made to the establishment registrations. This subtab is view only and cannot be updated. In addition, you can personalize the table display as needed (for example, hide the Change By or Effective Dates columns) using personalization. Access to the View History page can be restricted by roles via permission sets.
- Associated Business Entities subtab: This subtab provides functionality to maintain associations between the following types of business entities and the establishment that is being updated:
 - Operating unit
 - Ship-to location
 - Bill-to location
 - Inventory organization
 - Inventory location

These associations are built on the base of the Legal Associations feature and are maintained mainly for purposes of tax calculation.

- Balancing Segments subtab: This subtab is available in the context of particular

countries, such as France and Brazil. It provides functionality to associate one or multiple balancing segment values (BSVs) to an establishment to meet the legal reporting requirements of these countries (such as DAS2 in France). To assign BSVs to the establishment, make sure that a primary ledger has been assigned to the legal entity. Use the GL Accounting Setup Manager to associate a primary ledger to the legal entity. You can view, add, or end date the BSV association using this subtab. These assignments are built on the base of the Legal Associations feature. The same BSV can be mapped to only one establishment.

Note: Establishments, page 4-3 and Accounting Setup Manager, page 3-1.

Creating Registrations

Create Registration

Legal Entity Name	SSC LE1	Legal Entity Territory	United States	<input type="button" value="Cancel"/>	<input type="button" value="Apply"/>
Legal Entity Identifier	123	Transacting Entity	Yes		

* Indicates required field

General Information

* Jurisdiction	United States-Income Tax	<input type="button" value=""/>
* EIN/TIN	333-333	<input type="button" value=""/>
* Registered Address	500 Madison Ave, New York, New York, NY, 10001	<input type="button" value=""/>
* Registered Name	333REG	<input type="button" value=""/>
Alternate Registered Name		<input type="button" value=""/>
Registration Effective From		<input type="button" value=""/>
(example: 27-Jun-2005)		
Registration Effective To		<input type="button" value=""/>
(example: 27-Jun-2005)		
Place Of Registration		<input type="button" value=""/>
Context Value	<input type="button" value=""/>	

[Home](#) | [Legal Entities](#) | [Setup](#) | [Home](#) | [Logout](#) | [Preferences](#) | [Diagnostics](#)

Copyright 2000-2004 Oracle Corporation. All rights reserved.

[About this Page](#) [Privacy Statement](#)

To create additional registration(s) for legal entities or establishments, use the Create Registration page.

Key fields are:

- **Jurisdiction:** Enter the jurisdiction to which the legal entity/establishment needs to add an additional registration. Use the search icon to select jurisdictions on territories other than the base territory to which the legal entity/establishment is registered.

- **Registration Number:** The registration number prompt is displayed based on the jurisdiction selected. For example: Employer Identification Number (EIN/TIN) may be the registration number prompt that is displayed in the context of the United States Income Tax jurisdiction for legal entities. SIRET may be the registration number prompt that is displayed in the context of the French Income Tax jurisdiction

If the Establishment Registration Code has not been set for the jurisdiction, then the prompt Registration Number is displayed for establishments.

- **Registration Effective From:** Optionally enter the effective start date of the registration. It must be after the inception date of the legal entity/establishment.
- **Registration Effective To:** Optionally enter the effective start date of the registration. It must be before the end date of the legal entity/establishment.
- **Context Value:** You can define additional attributes using the Additional Registration Information customer flexfield. The Context Value field is a drop down list that contains Context Field Value names defined for this flexfield. Select an appropriate context to enter additional registration information.
- **Registered Address:** Select or create the registered address for this registration. The registered address is limited to the territory of the jurisdiction.
- **Legal Functions region:** The legal entity/establishment may have to perform certain functions, such as payment or reporting. Legal functions are pre-defined in the jurisdiction to facilitate the registration process. Legal functions that are defined as required on the jurisdiction are assigned to the legal entity/establishment registration by default. Optionally add to the registration the legal functions that are not defined as required. Some legal functions may indicate specific legal authorities that are used when the function is performed. An appropriate legal authority can be assigned to each legal function.

Updating Registrations

Use the Update Registration page to update legal entity/establishment registration information.

This page is similar to the Create Registration page, except that the Update Registration page has the Change Effectivity region that becomes available when the LE: Change effectivity profile option is set to Yes.

Note: Profile Options Overview, page B-1

Key fields are:

Effective From: Enter the effective from date for the updated registration attribute(s). This date is tracked under the History tab of the legal entity/establishment. It is

defaulted to the system date. This field is updatable and must not be a future date. All updated attributes of a legal entity/establishment registration are shown under the History tab of the legal entity/establishment.

Note: Creating Registrations, page 4-14

Changing the Main Establishment

The main establishment can be changed from one establishment to another. To move a main establishment you must select a replacement establishment. The registrations on the old main establishment will not be transferred to the new main establishment because registrations typically need to be requested again from the legal authority. For some countries, the registrations on the old and new main establishments will need to be re-classified as a result of this change.

In some countries (for example, the U.S. and France), the legal address is the main establishment address. When the legal entity moves its main establishment from one establishment to another, its registered address is modified. The new main establishment must have been created as an additional establishment before this transfer can apply. You select the establishment that will become the new main establishment and enter the date of transfer. The date can be today's date, a date in the past, or a date in the future.

To change a main establishment:

1. From the Legal Entity Details page, navigate to the Establishments subtab and click Change Main Establishment .
2. Enter a start date and select a replacement establishment in the Establishment table. From the start date, the establishment selected becomes the new main establishment. The start date must be within the new main establishment inception date and end date.

If you set End Date Current Main Establishment to Yes then your current main establishment will be closed and become inactive. If you set End Date Current Main Establishment to No, the establishment will still be active but will no longer be a main establishment.

Setting Up Legal Addresses

Use this page to maintain addresses that can be selected as legal/registered addresses when you create a legal entity.

Searching for a Jurisdiction

In the Setup tab, Jurisdiction subtab, use the Jurisdiction Search page to search for existing jurisdictions.

From this page you can:

- Search for jurisdictions by attributes such as name, legislative category, or territory
- Navigate to the Create Jurisdictions page and create a jurisdiction with the legislative category you chose
- Navigate to the Update Jurisdiction page and update jurisdiction attributes

Creating and Updating Jurisdictions

To create a jurisdiction:

1. On the Jurisdiction Search page, choose the legislative category in the drop down box next to Create Jurisdiction: Legislative Category and click Go.
2. On the Create Jurisdiction page, enter the territory, name, and whether or not the jurisdiction is an identifying jurisdiction.
3. Optionally enter effective dates.

Key fields are:

General Information region:

- **Identifying:** Indicates whether the jurisdiction is an identifying jurisdiction.

Note: You cannot create a legal entity if there is no identifying jurisdiction for the territory

- **Registration Code:** The legal entity or establishment registration codes determine validation of the registration number for some countries. For all countries, the registration number is validated for uniqueness within a jurisdiction. For the identifying jurisdiction the legal entity registration code is mandatory and is always set to Yes for the corresponding Display on Create field. If you enter the establishment registration code, the corresponding Display on Create field becomes mandatory and you can select Yes or No.

Legal functions region:

- This region allows you to relate specific legal functions for a given jurisdiction. You select the legal functions in a list of values. In addition, you can choose to display the legal function during the registration process for legal entities and establishments.

To update a jurisdiction:

- Search for a jurisdiction and click the update icon to open the Update Jurisdiction page and update the jurisdiction using the same procedure you use to create a

jurisdiction.

Creating and Updating Legal Authorities

Use the Create Legal Authorities page to create legal authorities with minimum required information.

To create legal authorities:

1. Enter the organization name and any other identifying information.
2. Enter address information.

Key fields are:

Identification Information region

Organization Name: The name of the organization.

Organization Number: This field uniquely identifies internally the organization. It is generated automatically or entered manually, depending on the setting of the HZ: Generate Party Number profile option.

Alias (optional): Enter the alternate name of the legal authority. This field can be used to enter the authority name in a different character set.

Pronunciation (optional): For countries where there is a different character set such as Japan, enter the legal authority name phonetically.

Address region:

Use the Address region to enter an address for the legal authority. Click on Save and Add Details to create contact persons and/or create additional addresses for other legal authority offices.

To update a legal authority:

1. Search for a legal authority and click the update icon and update the legal authority using the same procedure you use to create a legal authority.
2. Navigate to the General subtab and click the Update button to update identification information or to add/remove a legislative category.
3. Navigate to the Contact Information subtab. You can create/update/remove a contact person in the Contacts region. You can create/update/remove an authority address in the Address region.

Intercompany and Intracompany Balancing

This chapter covers the following topics:

- Overview
- Intercompany Balancing
- Intracompany Balancing Rules
- Intercompany Balancing Engine

Overview

When transactions occur between two related legal entities in an intercompany organization or between two groups in the same legal entity, the resulting balances from these transactions must be eliminated or appropriately adjusted during the preparation of the organization's consolidated financial statements. Failure to properly eliminate these intercompany transactions can result in erroneous and overstated financial results including activities between related parties and can lead to legal repercussions.

To efficiently identify and eliminate intercompany transactions at the close of an accounting period, most organizations use specific accounts to book these transactions. This facilitates the consolidation process by segregating all intercompany accounting into specific accounts. You should define intercompany accounts as part of the chart of accounts setup process. Identifying these accounts allows your organization to book transactions identified as intercompany transactions into the special accounts. You should also define any accounts you want to use for intracompany balancing during implementation.

There are two types of solutions to address intercompany and intracompany accounting needs:

- Intercompany accounting for transactions performed between separate legal entities that belong to the same corporate enterprise.

- Intracompany balancing for journals that involve different groups within the same legal entity, represented by balancing segment values. A group could be a profit center, manufacturing plant, a warehouse, a cost center, or any other organization that represents a subset of a legal entity. Often, these transactions pass through a clearing organization, which is also represented by a balancing segment value.

Intercompany Setup Information

Before setting up intercompany accounts and intracompany balancing rules, you must complete the following setup steps:

- Set up General Ledger
- Set up legal entities

Note: Creating Accounting Setups, *Oracle Financials Implementation Guide*

Intercompany setup includes these steps:

- In Accounting Setup Manager, select Enable Intracompany Balancing in the Update Ledger: Ledger Options page to balance intracompany journals automatically.

Note: You must complete the accounting setup in General Ledger before setting up Intercompany. The assigned legal entities and balancing segment values will not be visible in the Intercompany Setup pages unless the Accounting Setup status is Complete.

- Set up Intercompany

Note: Do not qualify the same segment as for your chart of accounts. This will prevent the Balancing API from correctly generating the intercompany segment value.

Intercompany Balancing

Intercompany journals involve balancing segment values that map to different legal entities. These journals are balanced for each legal entity by using their intercompany accounts. The Balancing API uses the intercompany accounts defined for the relevant effective date range. Since multiple accounts may be defined for the same date range, the Balancing API picks the accounts flagged with the Use for Balancing indicator. The offsetting debit for a legal entity goes into its intercompany receivables account. The offsetting credit goes into the legal entity's intercompany payables account.

Intercompany accounts may be defined at the legal entity level. That is, each transacting legal entity has different intercompany accounts defined for different trading partner legal entities, regardless of which specific balancing segment values of those legal entities are used in the journals. The transacting and trading partner balancing segment values are then not explicitly specified in the definition and are set to All.

Intercompany accounts may be defined at the balancing segment level of the legal entities. In other words, a transacting legal entity can use different accounts for different transacting balancing segment values, depending on what the trading partner legal entity and trading partner balancing segment value are. In that case, transacting or trading partner balancing segment values may be explicitly specified in the intercompany account definitions.

There are different types of intercompany journals. The Balancing API first determines the type of the intercompany journal (one-to-one, one-to-many, many-to-one, or many-to-many) with respect to the legal entities. For intercompany balancing there is no clearing company usage and all legal entities are balanced by summary net with respect to each other.

The following examples consider a one to one journal and how they are balanced.

Intercompany Balancing Example

Balancing segment value 10 maps to legal entity 1 (LE 1). Balancing segment value 20 maps to legal entity 2. The chart of accounts for this example has three segments: balancing, natural account, and Intercompany.

Legal entity 1 uses the corporate ledger and the corporate chart of accounts.

Trading Partner Legal Entity	Account	Type
LE 2	10-2000-20	Intercompany Payables

Legal entity 2 uses the corporate ledger and the corporate chart of accounts.

Trading Partner Legal Entity	Account	Type
LE 1	20-4000-10	Intercompany Receivables

The Balancing API must balance the following journal:

Journal Line	Account	Debit	Credit
1	10-5200-00	1800.00	

Journal Line	Account	Debit	Credit
2	20-5000-00		1800.00

The API determines that 10 and 20 belong to different legal entities. Because this journal has one debit legal entity (10) and one credit legal entity (20), it is a 1-1 journal. The API begins with the debit legal entity. The balanced journal is:

Journal Line	Account	Debit	Credit	Comments
1	10-5200-00	1800.00		Original line
2	20-5000-00		1800.00	Original line
3	10-2000-20		1800.00	Intercompany Payables to legal entity 2 (balancing segment value 20)
4	20-4000-10	1800.00		Intercompany Receivables from legal entity 1 (balancing segment value 10)

Intercompany accounts are defined to provide automated accounting between legal entities within the same company.

Important: Defining intercompany Receivables and Payables accounts is required before using the intercompany feature.

Before defining intercompany accounts, you need to choose a transacting legal entity (From legal entity) and a trading partner legal entity (To legal entity).

Intracompany Balancing Rules

Intracompany balancing rules are used to create balancing lines on journals between balancing segment values either within the same legal entity, or where there is no legal entity context.

Intracompany balancing rules are used when more than one balancing segment value exists on a transaction or journal entry, as long as you have selected the Balance Intracompany Journals option for the ledger. You cannot post a journal in General Ledger when the debit and credit amounts for each balancing segment value do not net to zero. These journals can be balanced automatically if you set up balancing rules and enable the option to balance cross-entity journals.

You must define Intracompany balancing rules if you want to balance journals automatically. You may define as many or as few balancing rules as you choose, and each balancing rule may have one or many accounting rules. Because balancing is an automated process, there should be at least one balancing rule with at least one accounting rule to proceed. This default balancing rule should be defined for the journal source Other and journal category Other for the ledger and legal entity you want to balance. The default accounting rule on each balancing rule is defined for the debit balancing segment value All Other and credit balancing segment value All Other.

With intracompany accounting, you can define both a debit (due from) and credit (due to) balancing segment, which gives you more control over each balancing relationship. You can specify different debit and credit accounts for each different intracompany trading partner, which is represented by a specific balancing segment value.

All Other is also available as a balancing segment value if you want the balancing segment value to use the same due to/due from accounts for every intracompany trading relationship that has not been specifically defined.

If you set up a specific debit and credit balancing segment value, then the assigned debit and credit account combinations are used. If you use All Other, the appropriate trading partner balancing segment value replaces the balancing segment value of the account combination.

You can also determine the level the Balancing API should use when selecting either Summary Net or Detail.

For balancing many-to-many journals there are several balancing segment values with net debits and net credits on a transaction and it is not possible to determine which balancing segment value is trading with which balancing segment value. You can decide whether to use a clearing balancing segment value or a default rule to handle these transactions.

Intracompany Balancing Example

The chart of accounts for this example has three segments: balancing, natural account, and intercompany.

Intracompany Balancing Rule:

DR Balancing Segment Value	CR Balancing Segment Value	Debit Account	Credit Account
01	02	01-4102-02	02-2201-01

DR Balancing Segment Value	CR Balancing Segment Value	Debit Account	Credit Account
02	01	02-4201-01	01-2102-02
01	All Other	01-4100-99	99-2200-01
All Other	01	99-4200-01	01-2100-99
All Other	All Other	99-4000-99	99-2000-99

Journal 1:

Balancing Segment Value	Debit	Credit	Line
13	100.00		Original Line
03		100.00	Original Line

A specific rule is not defined for the balancing segment values 13 and 03. The API will use the All Other – All Other rule to create the following balancing lines. The result of the balancing will be:

Account	Debit	Credit	Line
03-4000-13	100.00		Debit Balancing Line
13-2000-03		100.00	Credit Balancing Line

Journal 2:

Balancing Segment Value	Debit	Credit	Line
01	100.00		Debit Balancing Line
02		100.00	Credit Balancing Line

Since a specific rule is defined for the balancing segment value 02 in a debit position

and balancing segment value 01 in a credit position, the API will use the 02 – 01 rule to create the following lines. The result of the balancing will be:

Account	Debit	Credit	Line
02-4201-01	100.00		Debit Balancing Line
01-2102-02		100.00	Credit Balancing Line

Note: Create Intracompany Balancing Rules Page, *Oracle Advanced Global Intercompany System User's Guide*

Intercompany Balancing Engine

The Balancing API is used by Oracle General Ledger and Oracle Subledger Accounting to provide the necessary balancing lines for a given combination of balancing segment values. The API processes both intracompany lines (between balancing segment values in the same legal entity) and intercompany lines (between balancing segment values belonging to different legal entities) according to the setup defined in the Intracompany Balancing Rules pages and in the Intercompany Accounts pages. If there are both intercompany and intracompany lines in the same transaction, the Balancing API performs intercompany balancing across legal entities, and then intracompany balancing across balancing segment values within each legal entity. Previously, these balancing lines were not determined until posting to General Ledger.

The Balancing API is used by General Ledger and Oracle Subledger Accounting to build journal lines automatically based on balancing rules that you have defined in the Intracompany Balancing Rules page. The Balancing API is called by General Ledger prior to posting and by Subledger Accounting at the time of subledger journal creation.

The following table provides an explanation of different types of accounting setups.

Entity	Accounting Setup A	Accounting Setup B	Accounting Setup C	Accounting Setup D
Legal Entity 1	BSV 01,11	No BSVs assigned	BSV 01,11	No BSVs assigned
Legal Entity 2	BSV 02,22	No BSVs assigned	BSV 02,22	No BSVs assigned

Entity	Accounting Setup A	Accounting Setup B	Accounting Setup C	Accounting Setup D
Ledger	BSV 03,33	BSVs 01, 02, 03	No BSVs assigned	No BSVs assigned

The following table indicates how the different combinations of balancing segment values use the intercompany or intracompany balancing.

Setup Type	Transactions between:	Balancing
Accounting Setup A	Balancing segment value 01 and 11	Intracompany
	Balancing segment value 02 and 22	Intracompany
	Balancing segment value 01 and 22; or balancing segment value 01 and 02; or balancing segment value 02 and 11; or balancing segment value 22 and 11	Intercompany
	Balancing segment value 01 and 03; or balancing segment value 02 and 33	Balancing will fail because balancing segment value 01 is assigned to a legal entity and 03 is assigned to a ledger.
Accounting Setup B	Balancing segment value 01 and 03; or balancing segment value 01 and 02	Intracompany
Accounting Setup C	Balancing segment value 01 and 11	Intracompany
	Balancing segment value 02 and 22	Intracompany

Setup Type	Transactions between:	Balancing
	Balancing segment value 01 and 22; or balancing segment value 01 and 02; or balancing segment value 02 and 11; or balancing segment value 22 and 11	Intercompany
Accounting Setup D	Transactions between any balancing segment values	Intracompany

Default Rules

Because balancing is an automated process, there must be a valid rule with at least one accounting rule to proceed. The default rule is the rule defined for the source Other and the category Other (Other-Other). This rule is not required, but it is recommended that you define a rule for Other-Other to catch any undefined journal sources and/or categories.

Note: Intracompany Balancing Rules, page 5-4

Evaluation Order for Intracompany Balancing

Intracompany balancing allows you to define rules according to the business needs of your company. When there are many balancing rules defined, the Balancing API uses an evaluation order to pick the appropriate rule. Once the balancing rule is selected, there may also be several accounting rules that must be evaluated on the balancing rule. The Balancing API uses the same order for evaluating accounting rules, and understanding this evaluation order will help you define your balancing rules and accounting rules.

1. Explicitly defined rules are checked first, and they take precedence over all other rules. Assume a journal with a source Assets and category Adjustment, requiring debit balancing for Company 01 and credit balancing for Company 02.
 - For balancing rules, this means a specific combination of journal source and journal category exists for the ledger and legal entity. For example, a balancing rule for the journal source Assets and the journal category Adjustment.
 - For accounting rules, this means a specific combination of debit balancing segment value and credit balancing segment value. For example, debit balancing value 01 and credit balancing segment value 02.

2. If the Balancing API finds no explicit match, then it next searches for an explicitly defined rule combined with a default value.
 - For balancing rules, this means a combination of a specific journal source and the default journal category for the ledger and legal entity. For example, a balancing rule for the journal source Assets and the journal category Other.
 - For accounting rules, this means a combination of a specific debit balancing segment value and the default credit balancing segment value. For example, debit balancing value 01 and credit balancing segment value All Other.
3. If the Balancing API finds no match, then it searches for a rule with a default value combined with an explicitly defined value.
 - For balancing rules, this means a combination of the default journal source and a specific journal category for the ledger and legal entity. For example, a balancing rule for the journal source Other and the journal category Adjustment.
 - For accounting rules, this means a combination of the default debit balancing segment value and a specific credit balancing segment value. For example, debit balancing value All Other and credit balancing segment value 02.
4. Finally, if the Balancing API finds no match after checking for all three previous steps, then the default value should be used.
 - For balancing rules, this means a combination of the default journal source and the default journal category for the ledger and legal entity. For example, a balancing rule for the journal source Other and the journal category Other.
 - For accounting rules, this means a combination of the default debit balancing segment value and the default credit balancing segment value. For example, debit balancing value All Other and credit balancing segment value All Other.

Note: For more information about using the Advanced Global Intercompany System, see: *Introduction, Oracle Advanced Global Intercompany System User's Guide*.

Additional General Ledger Setup

This chapter covers the following topics:

- Introduction
- Ledger Sets
- Oracle General Ledger Security

Introduction

After creating and completing the accounting setup, perform additional setup steps in Oracle General Ledger to achieve processing efficiencies and add security to ledgers and reporting currencies.

Ledger Sets

Ledgers sets allow you to group multiple ledgers together to achieve processing efficiencies. For example, you can open or close periods for multiple ledgers simultaneously, translate balances for all ledgers in a ledger set, run recurring journals that update balances for multiple ledgers, or run consolidated financial reports that summarize balances across multiple ledgers in a ledger set.

All ledgers in a ledger set must share the same chart of accounts and accounting calendar/period type combination. They do not have to share the same currency. This allows you to group the primary or secondary ledgers with their associated reporting currencies to reduce maintenance efforts and streamline processing.

Note: Both the source ledger and its reporting currency (Journal and Subledger level) must have the same open periods to prevent problems during posting in General Ledger.

Tip: Use a ledger set to combine the source ledger with its reporting

currencies (journal and subledger levels) to open and close periods across all ledgers simultaneously

Some of the General Ledger features that benefit from the use of ledger sets are as follows:

- **Translation and Revaluation:** Translate balances and run revaluation across multiple ledgers in a ledger set.
- **Open and Close Periods:** Open and close periods for multiple ledgers within a ledger set from a single operation.
- **Reporting:** Submit standard reports and Financial Statement Generator (FSG) reports across multiple ledgers in a ledger set.

The added benefit of using ledger sets in FSG reports is to aggregate data and create summarized balances across multiple ledgers in a ledger set.

- **Inquiry:** Perform online inquiry on account balances or journals across multiple ledgers in a ledger set from a single view; drill down to the journal details and subledger transaction for each ledger.

Note: Defining Ledger Sets

General Ledger Setup Flowchart, *Oracle General Ledger User Guide*

Oracle General Ledger Security

This section includes the following General Ledger security features:

- Data Access Sets, page 6-2
- Definition Access Sets, page 6-4

Data Access Sets

Data access sets control which ledgers or ledger sets can be accessed by different General Ledger responsibilities. Data access sets also control read and write access to the ledger or portions of the ledger, such as its balancing segment values or management segment values.

All ledgers and ledger sets assigned to a data access set must share the same chart of accounts and accounting calendar/period type combination.

Assume there is a Shared accounting setup where multiple legal entities share the same primary ledger. Limit a user's access to a legal entity's data by creating a data access set that secures read and write access to specific balancing segment values or legal entities.

The following table describes balancing segment values that are assigned to each legal entity.

Balancing Segment Values Associated with a Legal Entity

Legal Entity	Balancing Segment Value Assignment
Vision Operations	100
Vision Services	200
Vision Health	300, 400, 500

To ensure that the general ledger clerks for Vision Services do not view or enter data using the balancing segment values for the other legal entities, define a data access set that only provides read and write access to balancing segment value 200. Assigning this data access set to the Vision Services responsibilities prevents them from entering and viewing data outside of their legal entity.

System-generated Data Access Set

When completing an accounting setup by clicking **Complete**, the General Ledger Accounting Setup Program is launched. This program automatically creates a data access set for each ledger and reporting currency (journal level or subledger level) assigned to that accounting setup.

The system-generated data access sets created for each ledger and reporting currency provide full read and write access to the ledger and all of its balancing segment values and management segment values.

If the level of access provided by the system generated data access set is sufficient, you do not need to manually create a data access set; use the one created by the system. You can immediately begin using that ledger or reporting currency for transaction processing by assigning the name of the system-generated data access set (that uses the same name as the ledger or reporting currency) to the following profile options:

- GL Ledger Name
- GL: Data Access Set

Note: Setting General Ledger Profile Options, *Oracle General Ledger User Guide*

Create your own data access sets to further control read and write access to ledgers, ledger sets, or specific balancing segment values or management segment values for a ledger or ledger set.

To associate a data access set to a responsibility, you must assign a data access set to the GL: Data Access Set profile option at the Site, Application, or Responsibility level.

The ledger assigned to the GL Ledger Name profile option automatically defaults to the GL: Data Access Set profile option. If you do not want to access more than one ledger in General Ledger or secure read and write access to the ledger's data, you do not have to create your own data access set and assign it to the GL: Data Access Set profile option. You only need to create your own data access sets if you want to further limit read and write access to ledgers, ledger sets, or specific balancing segment values or management segment values for a ledger or ledger set.

Regardless, if you define your own data access set or use the ones created by the system, you must assign one to the GL: Data Access Set profile option for General Ledger responsibilities to control the ledgers that General Ledger users can access.

Data access sets work with cross-validation rules and flexfield value security rules. If flexfield value security rules are defined that prevent certain responsibilities from accessing certain segment values, those rules are combined with data access set security.

Note: It is recommended that you use data access sets instead of flexfield value security rules to secure read and write access to balancing segment values and management segment values. Flexfield value security rules are still applicable for the other segments.

Note: Data Access Sets

Definition Access Sets

Many organizations, especially those that have multiple legal entities represented in the same ledger, want to secure their definitions from unauthorized users. For example, many companies want to secure their Financial Statement Generator (FSG) reports or MassAllocation definitions to prevent unauthorized users from viewing, making changes, or using their definitions.

Definition access sets allow you to secure use, view, and modify privileges for specific General Ledger definitions.

Note: Any definitions not secured using definition access sets will be available to all users. You should not secure definitions that you want all users to access.

This section includes the following parts:

- Access Privileges, page 6-5
- Definition Access Sets and Responsibilities, page 6-5

- Definition Access Sets and Data Access Sets, page 6-6

Access Privileges

For each definition that you want secured, assign one or more of the following privileges as described in the following table.

Access Privileges

Privilege	Description	Example
Use	Enables a user to use a definition in a process or a report, such as using FSG report components to define a report and generating a recurring journal or Mass Allocation definition	If a user only has the Use privilege to a Mass Allocation definition and an FSG report, that user can generate that Mass Allocation and submit the report. The user cannot view or modify the definitions.
View	Enables a user to view a definition	If a user only has the View privilege to a MassAllocation definition and an FSG report, the user can only view the definitions. The user cannot change the definitions, such as changing the account assignments on the report, and is not able to generate the Mass Allocation or submit the report.
Modify	Enables a user to view and modify a definition	If a user has only the Modify privilege to a Mass Allocation definition and an FSG Report, the user can view and make changes to the definitions, but cannot generate the Mass Allocation or submit the report.

Note: Defining Definition Access Sets

Definition Access Sets and Responsibilities

Users can assign one or more definition access sets to one or more responsibilities. If a user has multiple responsibilities assigned with multiple definition access sets that secure the same definition, the user obtains the aggregate effect of all the privileges for that definition.

Consider the following responsibilities described in the following table that are all

assigned to the same user.

Definition Access Sets and Responsibilities

Responsibility	Definition Access Set	Report Definition Secured	Privilege
GL Budget User	Report Viewers	FSG Balance Sheet	View
GL Report User	Report Users	FSG Balance Sheet	Use
GL Manager	Reporting All	FSG Balance Sheet	Modify

Regardless of the responsibility the user signs in with, the user has Use, View, and Modify privileges to the Balance Sheet FSG report.

Definition Access Sets and Data Access Sets

Even though definition access sets and data access sets are separate security features in General Ledger, there is a relationship between them.

The definition access set's Use privilege enables a user to use a definition in a process or report. This means the user can generate a Mass Allocation definition or submit an FSG report. However, the Use privilege alone does not guarantee that a journal is created from the MassAllocation or that there is output in the FSG report. This is where data access sets control read and write access to data contained in ledgers.

In order to successfully create a journal entry from the Mass Allocation definition, the user's responsibility must have both the Use privilege to the definition as well as read and write access to the ledger and the balancing segment value or management segment value of the journal produced.

In order to produce output for an FSG report, the user must have Use access to the FSG report definition, and he must have read access to the ledger and balancing segment value or management segment value contained in the report.

Accounting and Reporting Sequencing

Overview

Typically, enterprises carry the journal entries in multiple journals to a single general ledger for reporting purposes. Enterprises manually record the journal entries in journals (physical books), assign unique sequence numbers for each entry, and transfer the entries to the general ledger. Sequence numbering the journal entries simplifies the cumbersome task of tracing the journal entries.

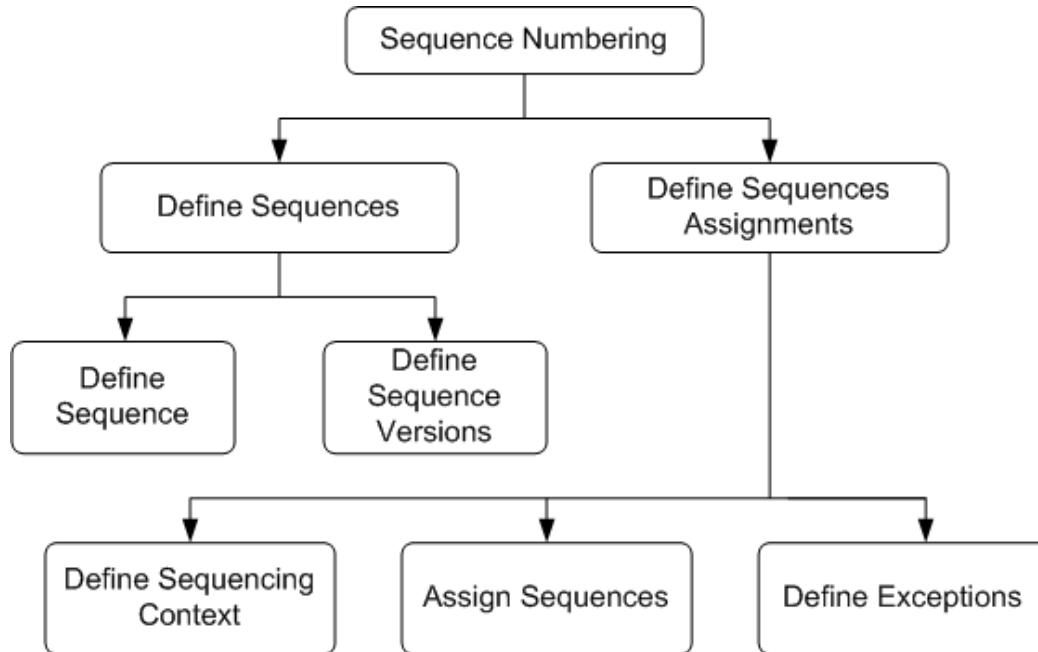
Sequence numbering journal entries enables you to:

- Have gapless sequence numbers.
- Sequentially number subledger journal entries. You can generate a sequence number for journal entries created by subledger accounting, before transferring them to general ledger.
- Sequence number general ledger journal entries.
- Assign sequencing rules to subledger and general ledger journal entries within the context of a ledger and ledger currency combination.
- Generate reports based on the sequence numbers.
- Sequentially number deferred expense accounting.

Note: You can choose to sequence journals for ledgers (primary and secondary ledgers) and/or journal level and subledger level reporting currencies. If using journal or subledger level reporting currencies and you defined sequences for the source ledger, such as the primary or secondary ledger, the sequence number generated for the source ledger is not automatically assigned to the reporting currency journal. You must set up accounting and reporting sequences separately for the

reporting currencies if you want reporting currency journals sequenced.

The following figure explains the process involved in sequence numbering, which includes defining sequences and sequence assignments.



Defining Sequences

Define sequences to generate numbers for journal entries. Defining a sequence involves the following:

- Creating a sequence
- Creating a sequence version

Use the Sequences page to search, create, and update sequences and sequence versions.

Creating a Sequence

To create a sequence, enter a unique sequence name and sequence description.

Creating a Sequence Version

Create at least one sequence version to complete the sequence. A sequence version indicates the series of sequence numbers to be used and the effective date range of the series.

A sequence version has the following attributes:

- **Name:** Sequence numbering reports display sequence version details as the sequence version has effective dates and identifies the series used to generate the accounting entry sequence number.
- **Effective Date Range:** The default start date of the sequence version is the system date.
- **Initial Sequence Number Value:** First number of the sequence.

Updating Sequences

You can update the sequences and sequence versions in the following ways:

- Inactivate a sequence and sequence version by changing the status to Disabled.
- Update sequence and sequence versions.
- Add multiple sequence versions to:
 - Differentiate the sequence numbering information between fiscal years.
 - Ensure the distinctiveness of the series; ensure the effective date range of the sequence versions do not overlap.
 - Specify a start date and an end date for each individual sequence version.
 - Replace obsolete sequence versions.

Sequences Page

Use the Sequences Page to search for and update or create sequences and sequence versions. The following table explains selected fields in the Sequences page.

Sequences Page

Field Name	Description
Status	Displays the status of the sequence. The status could be New, Used, and Disabled.
Start Date	The effective start date which defaults to the current system date, but can be set to any date in the past or future.

Field Name	Description
End Date	Optional. The date when the sequence should be disabled.
Initial Number	An integer that is greater than zero. The number is incremented by one for each accounting entry.
Last Number Used	Last generated sequence number for the version.

Defining Sequence Assignments

After creating a sequence, assign sequences to journal entries to generate sequence numbers. Assigning a sequence involves the following process:

- Creating a sequencing context
- Assigning sequences to a defined sequencing context
- Defining an exception (optional)

Creating a Sequencing Context

Defining a sequencing context enables you to assign a sequence to journal entries created by Subledger Accounting or General Ledger. You can either create a new sequencing context or modify existing sequencing contexts to address new sequencing context requirements.

Sequence Contexts Page

Use the Sequencing Contexts page to search and update or create a new sequencing contexts.

Sequencing Context Definition Page

Field Name	Description
Name (Sequencing Context)	Unique.
Ledger Name	The ledger for which the journal entries must be sequentially numbered.

Field Name	Description
Sequence Entity	Option to select whether general ledger or subledger entries need to be sequentially numbered.
Sequence Event	The event which should trigger the sequence numbering.
Require Assignment	If you select this option, you must explicitly define valid Sequence Assignments, or Exceptions for all journal entries within a given Sequencing Context.
Validate Sequence By	Required. The date format for validating the sequences. When generating a sequence number, this date is used to determine if a sequence is available and the sequence assignment is active.
Assign Sequence By	Optional. Select the sorting option.
Balancing Segment Values	Specify the balancing segment values of the selected ledger that are fiscal in nature.

Sequencing Context for Subledger and General Ledger Journals

Subledger journal entries are entries that are created in the various Oracle E-Business Suite products such as Payables, Receivables, Purchasing, etc. The following lists the sequencing context for subledger journals:

- Sequence Events – Accounting and GL Period Close
- Validate Sequence By – Accounting Date and Journal Effective Date for the Accounting sequence event. Journal Effective Date and Reference Date for the GL Period Close sequence event.
- Assign Sequence By – Accounting Date, Journal Effective Date and Reference Date.
- Balancing Segment Values – Specify the balancing segment values that are fiscal in nature. This is used only by the GL Period Close sequence event. When the GL period is closed, journal entries of the balancing segment values that are fiscal in nature are sequenced.

Note: To use this option, balancing segment values must be assigned to the legal entity in your accounting setup.

The following lists the sequencing context for general ledger journals are:

- Sequence Events – GL Period Close and Posting
- Validate Sequence By – Journal Effective Date and Reference Date for the Accounting sequence event. Posting Date and Journal Effective Date for GL Period Close sequence event
- Assign Sequence By – Posting Date, Journal Effective Date and Reference Date.
- Balancing Segment Values – Specify the balancing segment values that are fiscal in nature. This is used only by GL Period Close sequence event. When the GL period is closed, only fiscal journal entries are sequenced.

Note: To use this option, balancing segment values must be assigned to the legal entity in your accounting setup.

Assigning a Sequence

After you define the Sequencing Context, use the Assign Sequences page to assign the sequences to journal entries. A sequence assignment uses a combination of the sequencing context, sequence entity, and sequence event to sequentially number the journal entries.

Before assigning the sequences, you must determine the following sequence control attributes:

- Effective date range
- Balance Type
- Journal Source
- Journal Category
- Accounting Event Type (only for subledger journal entries)
- Accounting Entry Type (only for subledger journal entries)
- Document Category (only for subledger journal entries)

Sequence Assignments Page

Use the Create Assignments [Sequence Context] page to create and update assignments and exceptions for a sequence context.

The following table explains selected fields in the Create Assignments page.

Sequence Assignment Page

Field Name	Description
Status	Select the status of the new assignment.
Type	Displays whether the selected is an assignment or exception.
Priority	Priority of the exception. This option is inactive unless you define an exception.
Sequence Name	Optional. Name of the sequence to be assigned. A blank indicates the entries must not be sequenced.
Effective Date	Define the effective date range for the sequence assignment.
Document Category	Select the document category to be sequentially numbered (only for subledger entries).
Balance Type	List the values of balance type.
Journal Source	Select the journal sources from the list to be sequence numbered for a sequence event.
Journal Category	Select the journal categories from the list to be sequence numbered for a sequence event.
Accounting Event Type	Select the accounting event types to be sequentially numbered (only for subledger entries).
Accounting Entry Type	Select the accounting entry types to be sequentially numbered (only for subledger entries).
Add Exception	Select this option if you want to add an exception.

When you select Add Exception a new row populates with the Type as Exception. In this row, you can define the exception. When you create an exception, the priority value is always one added to the highest number in the priority.

Defining the Effective Date range

Define an effective date range for each sequence assignment. As there is no relationship between the end date of a sequence version and a sequence assignment or an exception, a sequence can expire while it is actively assigned.

Note: The effective dates of sequence assignments in a given sequencing context must not overlap in a series of sequence assignments for the same sequence control attribute combination.

Sequence Assignments for Subledger and General Ledger Journals

The sequence control attributes that are available for subledger journal entries are:

- Balance Type - Includes Actual, Budget and Encumbrance
- Document Category - only for subledger entries
- Journal Source
- Journal Category
- Accounting Event Type - only for subledger entries
- Accounting Entry Type - only for subledger entries and includes Standard, Upgrade, Manual and Deferred

The following table explains the sequence control attributes that are available in subledger accounting for the sequence events.

Sequence control attributes	Sequence event - Accounting	Sequence event - GL Period Close
Balance Type	Y	Y
Journal Source	Y	Y
Journal Category	Y	Y
Document Category	Y	
Accounting Event Type	Y	
Accounting Entry Type	Y	

The sequence control attributes that are available for general ledger journal entries for the Posting and GL Period Close sequence events are:

- Balance Type
- Journal Source

- Journal Category

Defining Exceptions

Exceptions reduce the steps when defining a large number of sequence assignments. To define an exception, ensure one or more attributes of the sequence control attribute combination of the sequence assignment has no value. As you define exceptions for a given sequence assignment, the sequence control attribute combinations with no value remain the same for both the sequence assignment and its exception(s).

You can prioritize exceptions to determine the sequence to be used when generating the sequence number.

Exceptions Example

The sequence control attribute is Balance Type for the general ledger journal entries of Ledger A with Euro currency that must be sequentially numbered. Therefore the sequence control attribute combination can be as follows:

Type	Assignment Number	Balance Type	Journal Source	Journal Category
Assignment	1	Actual	All	All
Assignment	2	Encumbrance	All	All
Assignment	3	Budget	All	All

Lets create exceptions to include the following sequence control attribute combinations which are illustrated in the following table.

- Actual general ledger journal entries for all Payables sources
- Actual general ledger journal entries for Receivables journals that use the category Adjustment

Type	Assignment Number	Balance Type	Journal Source	Journal Category
Assignment	1	Actual	All	All
Exception	1	Actual	Payables	All

Type	Assignment Number	Balance Type	Journal Source	Journal Category
Exception	1	Actual	Receivables	Adjustment
Assignment	2	Encumbrance	All	All
Assignment	3	Budget	All	All

After creating the assignments and exceptions, assign the sequences as illustrated in the following table.

Type	Assignment Number	Balance Type	Journal Source	Journal Category	Sequence
Assignment	1	Actual	All	All	Sequence A
Exception	1	Actual	Payables	All	Sequence B
Exception	1	Actual	Receivables	Adjustment	Sequence C
Assignment	2	Encumbrance	All	All	Sequence D
Assignment	3	Budget	All	All	Sequence E

From the table it can be inferred that:

- Sequences A, D, and E will generate sequence numbers for general ledger journals that use all Balance Types, Actual, Encumbrance, and Budget respectively.
- Sequence B is the first exception of Sequence A if the Balance Type of the general ledger journal is Actual and the Journal Source is Payables.
- Sequence C is the second exception of Sequence A if the Balance Type of the general ledger journal is Actual, the Journal Source is Receivables, and the Journal Category is Adjustment.

When generating numbers, the application assigns sequences in the ascending order of the exceptions priority as illustrated in the following table.

Type	Assignment Number	Priority	Balance Type	Journal Source	Journal Category	Sequence
Exception	1	1	Actual	Payables		Sequence B
Exception	1	2	Actual	Receivables	Adjustment	Sequence C

The inference is:

- Sequence B generates a number first because the priority is 1.
- Sequence C generates a number later because the priority is 2.

Updating Assignments

You can update sequence assignments in the following ways:

- Inactivate sequencing context, sequence assignments, and exceptions by changing the status to Disabled.

You can deactivate a sequencing context that has sequence assignments or exceptions defined for it.

Note: Inactivating all the sequence assignments and exceptions in a sequencing context does not deactivate the sequencing context.

- Update sequencing context attributes, sequence assignments, and exceptions.

After creating a sequencing context, you can update the following key attributes:

- Name
- Require Assignment: When you select or deselect this option, the changes take place immediately.
- Validate Sequence By and Assign Sequence By: You can update the Validate Sequence and Assign Sequence By attributes before creating assignments or exceptions and using an active sequencing context. You can update the Validate Sequence attribute by inactivating the sequencing context and creating a new sequencing context with the desired date type and retaining other options such as ledger name, sequence entity, and sequence event.
- Add multiple sequence assignments and exceptions.

A

Accounting Setup Examples

This appendix covers the following topics:

- Introduction
- Accounting Setup with Multiple Legal Entities – U.S. Only Operations
- Accounting Setup – North American Company
- Accounting Setup – European Operations
- Accounting Setup - Latin America Operations
- Accounting Setup with No Legal Entities - Consolidation Example
- Management Reporting Example - U.S. Only Operations

Introduction

This appendix provides comprehensive examples for different accounting environment type that you can create using Accounting Setup Manager (ASM). The examples relate to a company called Outdoor Outfitters, a U.S.-based retail apparel company implementing the E-Business Suite. Each example builds upon Outdoor Outfitters' changing business needs as they move from being a U.S. only retail establishment to one that operates in Canada and then Europe and Brazil.

Each accounting setup example describes the recommended implementation options, such as the number of ledgers, balancing segment value assignment issues, security issues, and consolidation issues.

Accounting Setup with Multiple Legal Entities – U.S. Only Operations

Outdoor Outfitters, a U.S. based retail apparel company, wants to use a single instance of Oracle Applications. It has two legal entities located in the U.S., U.S. East, and U.S. West. Both of these legal entities operate in a country that does not enforce strict rules regarding tax and document sequencing. Both legal entities can also share the same chart of accounts, accounting calendar (that is based on the fiscal year end of January

31), currency, subledger accounting method, and ledger processing options.

This section includes the following parts:

- Additional Requirements, page A-2
- Accounting Setup for U.S. Legal Entities, page A-3
- Consolidation, page A-5
- Security, page A-6

Additional Requirements

The following requirements apply to this example:

- Outdoor Outfitters uses a combination of third-party systems and Oracle financial applications.
- Outdoor Outfitters wants to use the five-segment chart of accounts structure for their corporate chart of accounts described in the following table.

Chart of Accounts

Segment Number	Segment Name	Segment Qualifier
1	Legal Entity	Balancing Segment
2	Department	Cost Center
3	Account	Natural Account
4	Product	
5	Future Use	

The following table outlines the ledger requirements for each of the U.S. legal entities.

Ledger Requirements for U.S. Legal Entities

Legal Entity	Chart of Accounts	Calendar	Primary Currency	Subledger Accounting Methods	Ledger Processing Options
U.S. East	Corporate	Corporate	USD	Standard Accrual	Both legal entities can share the same ledger processing options
U.S. West	Corporate	Corporate	USD	Standard Accrual	

- Both legal entities can share the same primary ledger attributes.
- Neither legal entity has special requirements to open and close accounting periods independent from the other.
- Both legal entities engage in intercompany accounting.
- For month-end consolidation purposes, Outdoor Outfitters wants to keep their consolidation adjustments and elimination entries completely separate from the day-to-day transactions of their legal entities.
- Each legal entity is sensitive about data security.

Both U.S. East and U.S. West do not want to share their accounting information with each other. They do not want their respective users to be able to enter or view accounting information for the other legal entity.

Accounting Setup for U.S. Legal Entities

Outdoor Outfitters can assign both US legal entities to the same accounting setup. This allows both legal entities to share the same primary ledger. This is possible because both legal entities operate in the same accounting environment and can share the same primary ledger attributes.

The following table describes the accounting setup for the U.S. legal entities.

Accounting Setup for U.S. Legal Entities

Parameter	Description
Legal Entities	<p>U.S. East; Balancing Segment Value Assigned: 01</p> <p>U.S. West; Balancing Segment Value Assigned: 11</p> <p>Note: Specific balancing segment values should be assigned to each legal entity. This is particularly important because both legal entities share the same ledger. Users can identify each legal entity's transactions during data entry and reporting. They can also take advantage of all of the legal entity features, such as Intercompany Accounting.</p>
Primary Ledger	<p>Outdoor Outfitters (USD)</p> <p>Chart of Accounts: Corporate</p> <p>Accounting Calendar: Corporate</p> <p>Currency: USD</p> <p>Subledger Accounting Method: Standard Accrual</p>

The following table describes the suggested primary ledger setup steps.

Suggested Primary Ledger Setup Steps

Setup Step	Description
Ledger Options	Required to complete the ledger definition

Setup Step	Description
Balancing Segment Value Assignment	Balancing Segment Value: 91
Subledger Accounting Options	Because Outdoor Outfitters wants to keep their consolidation adjustments and elimination entries completely separate from the day-to-day transactions of their legal entities, they should assign a specific balancing segment value to the ledger.
Intercompany Accounts	Because Outdoor Outfitters uses Oracle financial subledgers, they should define Subledger Accounting options for the Standard Accrual subledger accounting method.
Intercompany Accounts	Intercompany accounts should be defined to use the intercompany accounting feature.

No other setup steps are required to complete the accounting setup for Outdoor Outfitters (USD). The following accounting options can be used in the future if business needs change:

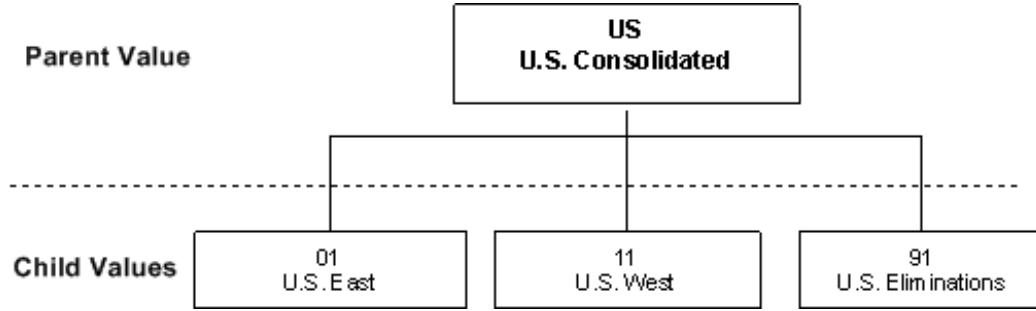
- **Reporting Currencies:** If Outdoor Outfitters needs to maintain additional currency representations of their primary ledger, they can assign a reporting currency at any time.
- **Secondary Ledgers:** Secondary ledgers can be added at any time if Outdoor Outfitters wants to maintain an additional accounting representation of their legal entities' transactions.

Consolidation

Outdoor Outfitters maintains both legal entities' accounting data in the same ledger; therefore, consolidation is **not** required. They can use Financial Statement Generator to produce consolidated reports. This is possible because the U.S. legal entities have fairly simple consolidation requirements. If their consolidation needs change in the future, they can choose to use Oracle Financial Consolidation Hub to address more complex consolidation requirements.

To address their month-end consolidation concerns to separate consolidation adjustments from their day-to-day transactions, an additional balancing segment value should be used to represent the elimination company. For example, balancing segment value 91 that was assigned to the ledger is used to enter all consolidation adjustments and eliminating entries.

To create consolidated reports that include the results from each legal entity as well as the consolidation adjustments, parent value U.S. is used. Parent U.S. includes child values 01 U.S. East, 11 U.S. West, and 91 U.S. Eliminations. The following figure describes this proposed balancing segment value hierarchy to achieve consolidated results by using the parent value U.S. in Financial Statement Generator reports.



Security

Data Access Sets

Because different balancing segment values represent transactions for two different legal entities in the same ledger, the only way to secure access to data for each legal entity is to create data access sets that use the balancing segment value Access Set Type.

To secure data for each legal entity, at least two different Data access sets need to be created, one to be assigned to U.S. West responsibilities, another for U.S. East responsibilities.

The following table describes an example of the two data access sets that should be created for each responsibility entering transactions for each legal entity:

Data Access Sets

Parameter	Value for Data Access Set #1	Value for Data Access Set #2
Data Access Set	U.S. East Access	U.S. West Access
Description	Access to U.S. East Only	Access to U.S. West Only
Chart of Accounts	Corporate	Corporate
Calendar/Period Type	Corporate/Monthly	Corporate/Monthly
Ledger	Outdoor Outfitters (USD)	Outdoor Outfitters (USD)

Parameter	Value for Data Access Set #1	Value for Data Access Set #2
Access Set Type	Balancing Segment Value	Balancing Segment Value
Balancing Segment Values	01	11
Privileges	Read and Write	Read and Write

Another data access set that provides full read and write access to the ledger is required for the controller. This allows the controller to view accounting information for both legal entities from a single responsibility as well as perform certain operations that require full ledger access, such as opening and closing periods, creating budgets, and creating summary accounts. With full ledger access, the controller can also use the balancing segment value 91 to enter consolidation adjustments.

The following table describes the additional data access set.

Data Access Set #3

Parameter	Value
Data Access Set #3	U.S. Full Access
Description	Full Access to U.S. Operations
Chart of Accounts	Corporate
Calendar/Period Type	Corporate/Monthly
Ledger	Outdoor Outfitters (USD)
Access Set Type	Full Ledger
Privilege	Read and Write

Note: Depending on the number of different responsibilities and job roles used in the organization, additional data access sets may need to be defined that provide more restrictive or less restrictive access to the ledger and/or balancing segment values.

Definition Access Sets

Because both legal entities share the same ledger, both legal entities have access to each other's definitions. For example, the U.S. West legal entity has access to the U.S. East's definitions, such as their recurring journals and FSG report definitions.

To prevent one legal entity from using, viewing, or modifying the definitions used by another legal entity that shares the same ledger, definition access sets must be used and assigned to each legal entity's responsibility.

Accounting Setup – North American Company

Outdoor Outfitters, a U.S. based retail company, uses a single instance of Oracle Applications. It has two existing legal entities located in the U.S. that are assigned to the same accounting setup. Each legal entity is identified by a specific balancing segment value. The following table describes the primary ledger for Outdoor Outfitters.

Primary Ledger for Outdoor Outfitters

Parameter	Value
Ledger Name	Outdoor Outfitters (USD)
Legal Entity and Balancing Segment	U.S. East: 01
Legal Entity and Balancing Segment Assignment	U.S. West: 11
Chart of Accounts	Corporate
Accounting Calendar	Corporate
Currency	USD
Subledger Accounting Method	Standard Accrual

Note: Accounting Setup for Multiple Legal Entities - U.S. Only Operations, page A-1

Outdoor Outfitters decided to expand its business and acquire a credit card company in Canada called Credit Services Group (CSG). Outdoor Outfitters can now provide credit processing, collections, and other services for the proprietary credit programs of its retail operating divisions. Outdoor Outfitters wants to incorporate its newly acquired

Financial Services business into their existing E-Business Suite solution.

Both the U.S. and Canada operate in similar accounting environments where neither country enforces strict statutory compliance; however, they do use different currencies and Canada is required to meet special regulatory requirements for the financial services industry. The U.S. legal entities use the USD currency and the Canadian legal entity uses the CAD currency. In addition, because Credit Services Group is a Financial Services company, they want to maintain average daily balances. Because of these differences, Canada must maintain its legal entity transactions in its own primary ledger.

The following table compares the primary ledger requirements for both the U.S. and Canada.

Primary Ledger Requirements

Parameter	U.S. Primary Ledger Value	Canadian Primary Ledger Value
Name	Outdoor Outfitters (USD)	Credit Services Group (CAD)
Chart of Accounts	Corporate	Corporate
Accounting Calendar	Corporate	Corporate
Currency	USD	CAD
Accounting Method	Standard Accrual	Standard Accrual
Special Ledger Options	None	Maintain average balances

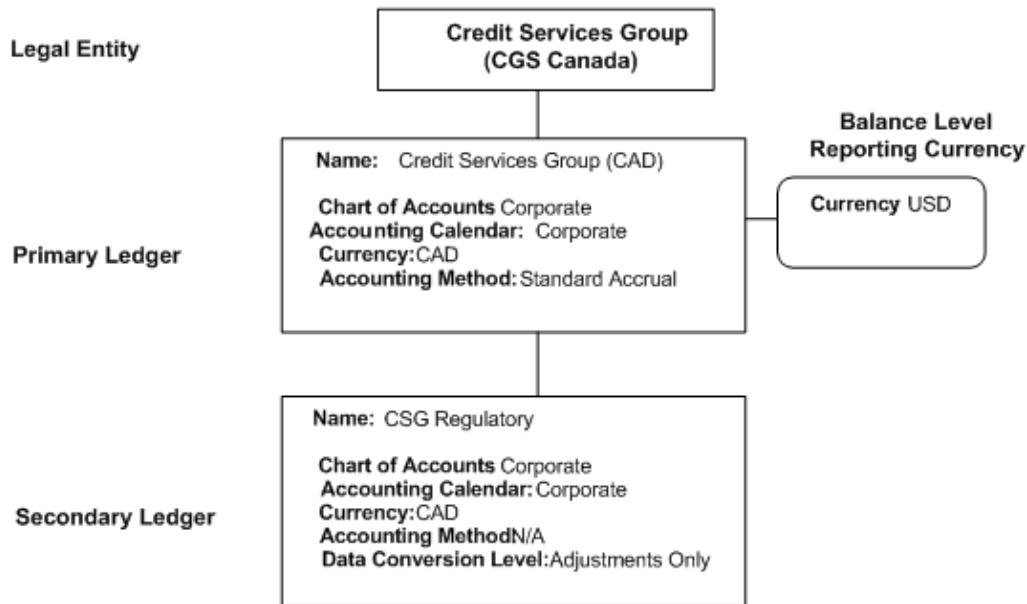
This section includes the following parts:

- Additional Requirements, page A-9
- Accounting Setup for Canadian Legal Entity, page A-11
- Ledger Sets, page A-14
- Consolidation, page A-14
- Security, page A-15

Additional Requirements:

- Credit Services Group uses Oracle financial applications.

The following graphic and table summarize the complete ledger requirements for Credit Services Group.



Legal Entity: Credit Services Group (CGS Canada)

Ledger Attributes	Primary Ledger	Secondary Ledger (Adjustments Only)
Name	Credit Services Group (CAD)	CSG Regulatory
Chart of Accounts	Corporate	Corporate
Accounting Calendar	Corporate	Corporate
Currency	CAD	CAD
Accounting Method	Standard Accrual	N/A
Reporting Currency	Balance level reporting currency	N/A
Name	Credit Services Group (USD)	N/A
Currency	USD	N/A

Credit Services Group wants to maintain two accounting representations: one for

corporate accounting needs and another for regulatory reporting.

- **Corporate Accounting Ledger:** The primary ledger is used as the corporate representation that uses the same chart of accounts, accounting calendar, and subledger accounting methods as its U.S. parent. It requires using its own local currency.
- **Regulatory Reporting Ledger:** Credit Services Group operates in a regulated industry, the Financial Services industry. They are required to adhere to specific regulatory requirements for certain types of transactions. Because of this, Credit Services Group wants to maintain a separate representation that will be used to report to their regulatory body. They want to use an adjustments only secondary ledger because they do not need to maintain a complete regulatory representation; they only need to enter a handful of manual journal entries to reflect their regulatory adjustments.
- **Balance Level Reporting Currency:** For ease of cross-entity reporting, a balance level reporting currency is assigned to the primary ledger to represent the translated USD balances. This balance level reporting currency can be combined with the primary ledger of the U.S. legal entities to address simple consolidation requirements.

Accounting Setup for Canadian Legal Entity

Outdoor Outfitters should define another accounting setup for the Canadian legal entity.

The following tables summarize the Accounting Setup for CSG Canada and the suggested ledger setup steps.

Accounting Setup for CSG Canada

Parameter	Description
Legal Entity	<p>Legal Entity: CSG Canada</p> <p>Balancing Segment Value Assigned: 21</p> <p>Even though only one legal entity is assigned to this accounting setup, specific balancing segment values should be assigned to the legal entity. It shares the same chart of accounts as the U.S. legal entities and automatically shares the same value set for the balancing segment value.</p> <p>By assigning a specific balancing segment value to this legal entity, it prevents users from accidentally using the values intended for other legal entities during transaction processing and journal entry.</p> <p>CSG can also take advantage of other features, such as Intercompany Accounting, that require specific balancing segment values be assigned to all legal entities.</p>

Shared Legal Environment Type for CSG Canada: Suggested Primary Ledger Steps

Setup Step	Description
Primary Ledger	Credit Services Group (CAD)
Ledger Options	Required to complete the ledger definition and enable Average Balance Processing
Balancing Segment Value Assignment	N/A
	Balancing segment values do not need to be assigned directly to the ledger unless reserving a value for non-legal entity related transactions. Balancing segment values can be assigned to the ledger at any time.

Setup Step	Description
Subledger Accounting Options	Define Subledger Accounting Options for the Standard Accrual accounting method to successfully integrate data from Oracle financial subledgers .
Reporting Currencies	<p>Name: Credit Services Group (USD)</p> <p>Currency: USD</p> <p>Currency Conversion Level: Balance</p> <p>This USD balance level reporting currency represents the translated USD balances that are used for consolidation purposes.</p>

No other setup steps are required for the primary ledger. The following accounting options can be completed in the future if business needs change.

- **Intercompany Accounts:** Intercompany accounts can be defined at any time to enable intercompany accounting.

The following table summarizes suggested secondary ledger setup steps.

Suggested Secondary Ledger Setup Steps

Setup Step	Description
Secondary Ledger- Adjustments Only	CSG Regulatory
Ledger Options	<p>Average Balance Processing can be enabled for the secondary ledger to keep it consistent with the primary ledger.</p> <p>Note: No subledger accounting method should be assigned to the adjustments only secondary ledger unless planning to use Subledger Accounting to create adjusting entries from Oracle transaction sources.</p> <p>A subledger accounting method can be assigned at any time.</p>

Note: No other setup steps need to be performed for the Adjustments Only Secondary Ledger.

Ledger Sets

By itself, the adjustments only secondary ledger only holds the regulatory adjustments. To obtain a complete statutory representation, the results from the adjustments only secondary ledger must be combined with the primary ledger, which holds the day-to-day transactions using a ledger set.

Note: Ledger Sets, page 6-1

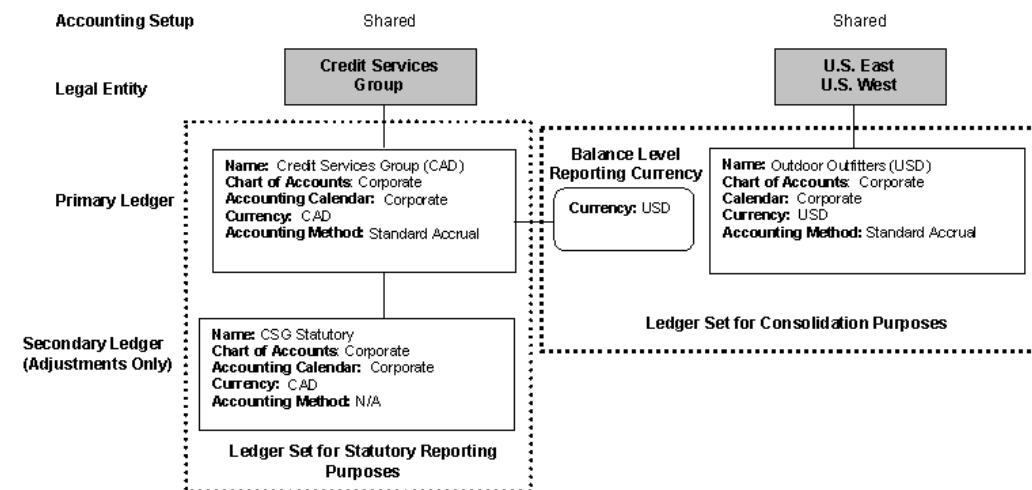
Consolidation

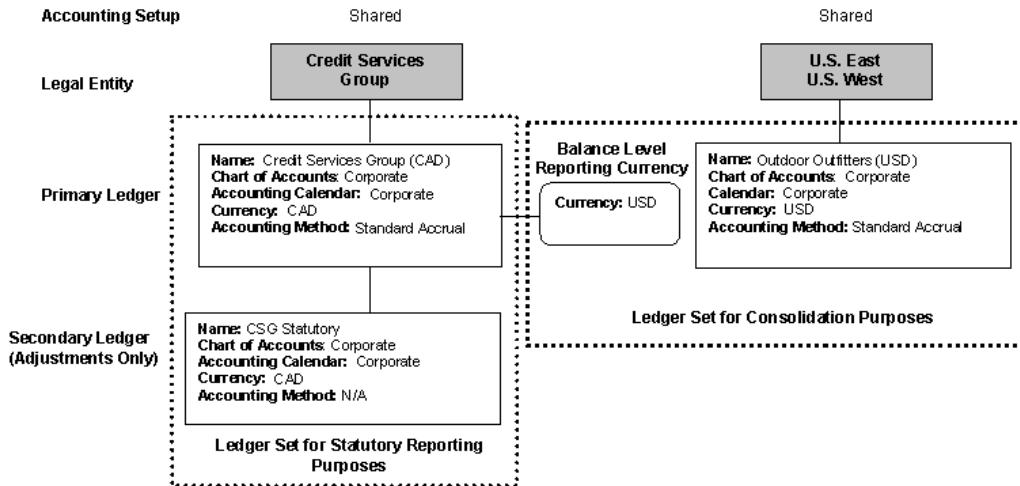
No balance transfer consolidations need to be performed to obtain consolidated results for the parent entity, Outdoor Outfitters.

CSG's balance level reporting currency that is assigned to the primary ledger uses the same chart of accounts, accounting calendar/period type combination, and currency as the parent entity, Outdoor Outfitters.

By creating another ledger set that combines the balance level reporting currency with the primary ledger of the parent entity, consolidated results are obtained without having to run consolidation.

The following figure shows the configuration of both accounting setups with the use of ledger sets to combine ledgers in different accounting setups:





During month-end close, Credit Services Group simply needs to run translation to update the translated balances in the balance level reporting currency. The parent entity can then run a Financial Statement Generator report that references the ledger set for consolidation purposes to report on consolidated balances.

Note: Using ledger sets consolidation purposes is not recommended if you have complex consolidation requirements. For example, if your organization performs frequent acquisitions, disposals, and reorganizations, or has many partially owned subsidiaries, you should use Oracle Financial Consolidation Hub for your consolidation needs.

Note: See *Oracle Financial Consolidation Hub User's Guide*.

Security

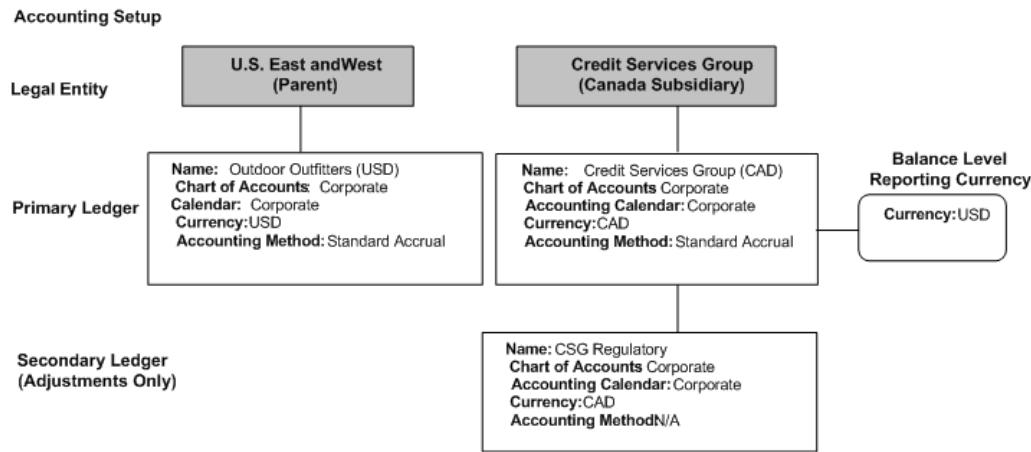
Definition Access Sets

CSG's accounting information is contained in its own ledger, separate from other legal entities. This creates a natural boundary from Outdoor Outfitter's other legal entities. Thus, the other legal entities are not able to view CSG's financial information unless they are explicitly granted view access to CSG's ledger. Because CSG shares the same chart of accounts as the other US legal entities, many definitions that are at the chart of accounts level, such as FSG reports and MassAllocations, will be shareable across all legal entities. If the Canadian and US legal entities do not want some definitions to be shared, they can secure use, view, or modify access to specific definitions using Definition Access Sets.

For example, if CSG does not want certain users to be able to change their FSG Report definitions, they can secure those reports using definition access sets.

Accounting Setup – European Operations

Outdoor Outfitters, a U.S. based retail company, currently operates in both U.S. and Canada and uses a single instance of Oracle Applications. The following graphic describes the existing accounting setups for Outdoor Outfitters:



Outdoor Outfitters has chosen to expand its business internationally and has acquired London Rain, a U.K.-based retail company that currently has operations in the U.K.

Note: Accounting Setup - U.S. Only Operations, page A-1

Accounting Setup with Multiple Legal Entities - North American Company, page A-8

This section includes the following parts:

- Requirements for London Rain (U.K.), page A-16
- Accounting Setup for the U.K., page A-19

Note: For information about consolidation for this entity, see Accounting Setup with No Legal Entity - Consolidation Example, page A-26.

Requirements for London Rain (U.K.):

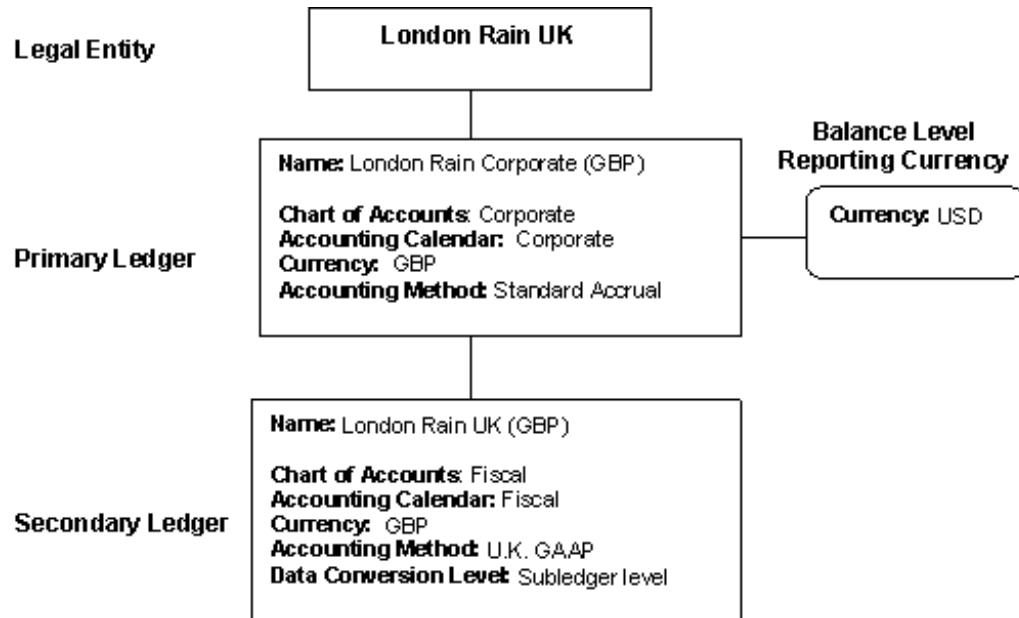
- London Rain uses Oracle financial applications.
- London Rain must use the local currency, GBP, and follow U.K. GAAP accounting standards.

- London Rain wants to keep the accounting for their only legal entity in the U.K. completely separate from the other legal entities.

London Rain U.K. has statutory reporting requirements and needs to report VAT to the appropriate taxation authorities. They want to maintain two accounting representations: one for statutory reporting and another for corporate accounting needs.

- **Corporate Accounting Ledger:** The primary ledger is used as their corporate representation that uses the same chart of accounts, calendar, and subledger accounting method as its parent entity. The currency will be different; it will use the local GBP currency.
- **Statutory Reporting Ledger:** The subledger level secondary ledger is used for their statutory representation that uses the statutory chart of accounts and U.K. GAAP accounting method. Every time they enter a subledger transaction, Subledger Accounting will create the appropriate subledger journal entries in both the primary and secondary ledger to allow them to maintain both representations simultaneously.
- **Balance Level Reporting Currency:** Outdoor Outfitters, a U.S.-based company, is the parent of London Rain (U.K.). For ease of consolidation, a balance level reporting currency is assigned to the corporate accounting ledger (primary ledger) to represent the translated USD balances. The translated balances are transferred to its parent entity, Outdoor Outfitters, each period for consolidation purposes.

The following graphic and table summarize the complete ledger requirements for London Rain (U.K.).



Legal Entity: London Rain U.K.

Ledger Attributes	Primary Ledger	Secondary Ledger (Subledger Level)
Name	London Rain Corporate (GBP)	London Rain U.K. (GBP)
Chart of Accounts	Corporate	Fiscal
Accounting Calendar	Corporate	Fiscal
Currency	GBP	GBP
Accounting Method	Standard Accrual	U.K. GAAP
Reporting Currency	Balance Level Reporting Currency	N/A
Name	London Rain Corporate (USD)	N/A
Currency	USD	N/A

Accounting Setup for the U.K.

An accounting setup with only one legal entity is defined for London Rain (U.K.) in the following tables.

Exclusive Legal Environment Type for London Rain (U.K.)

Parameter	Description
Legal Entity	<p>Legal Entity: London Rain U.K.</p> <p>Balancing Segment Value: 31</p> <p>Note: Even though only one legal entity is assigned to this accounting setup, specific balancing segment values should be assigned to the legal entity. It shares the same chart of accounts as the U.S. and Canadian legal entities; it automatically shares the same value set for the balancing segment. They can also take advantage of other features, such as Intercompany Accounting, that require specific balancing segments values be assigned to all legal entities.</p>

Accounting Setup for London Rain (U.K.): Suggested Primary Ledger Setup Steps

Setup Step	Description
Primary Ledger	London Rain Corporate (GBP)
Ledger Options	Required to complete the ledger definition
Subledger Accounting Options	Because London Rain U.K. uses Oracle financial subledgers, they should define Subledger Accounting options for the Standard Accrual accounting method.

Setup Step	Description
Reporting Currencies	<p>Currency Conversion Level: Balance</p> <p>Name: London Rain Corporate (USD)</p> <p>Currency: USD</p> <p>This balance level reporting currency maintains the translated USD balances for the primary ledger.</p> <p>This reporting currency is used for consolidation purposes when consolidating to Outdoor Outfitters.</p>
Intercompany Accounts	Intercompany accounts should be defined to use the intercompany accounting feature.

No other setup steps are required for the primary ledger. The following accounting option can be completed in the future if business needs change.

- **Ledger Balancing Segment Value Assignment:** Optionally, balancing segment values can be assigned to the ledger to represent non-legal entity transactions, such as adjustments.

Suggested Secondary Ledger Setup Steps

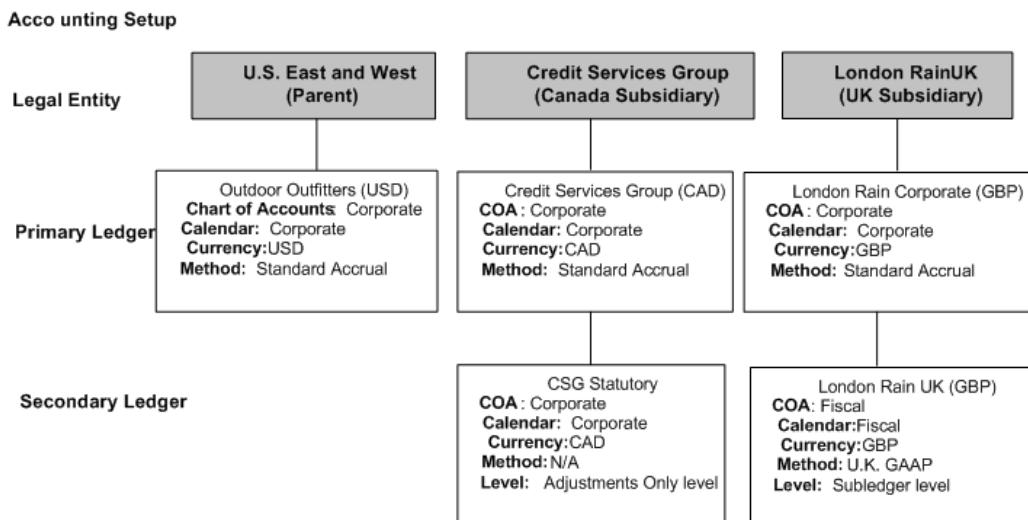
Setup Step	Description
Secondary Ledger – Subledger Level	London Rain U.K. (GBP)
Ledger Options	Required to complete the ledger definition
Primary to Secondary Ledger Mapping	<p>Assign a chart of accounts mapping because both the primary and secondary ledgers use a different chart of accounts.</p> <p>Specify journal conversion rules to have General Ledger Posting select those journals for automatic transfer to this secondary ledger.</p>

Setup Step	Description
Subledger Accounting Options	Because London Rain U.K. wants to maintain a statutory accounting representation at the subledger level they should define Subledger Accounting options for the U.K. GAAP accounting method.

No other setup steps are required for the secondary ledger unless their business needs change.

Accounting Setup - Latin America Operations

Outdoor Outfitters, a U.S. based retail company, currently operates in the U.S., Canada, and the U.K. and uses a single instance of Oracle Applications. The following graphic describes the existing accounting setups for Outdoor Outfitters.



Outdoor Outfitters has chosen to expand its business to Latin America and create a company in Brazil called Outdoor Outfitters Brazil.

- Accounting Setup with Multiple Legal Entities - U.S. Only Operations, page A-1
- Accounting Setup - North American Company, page A-8
- Accounting Setup - European Operations, page A-16

This section includes the following parts:

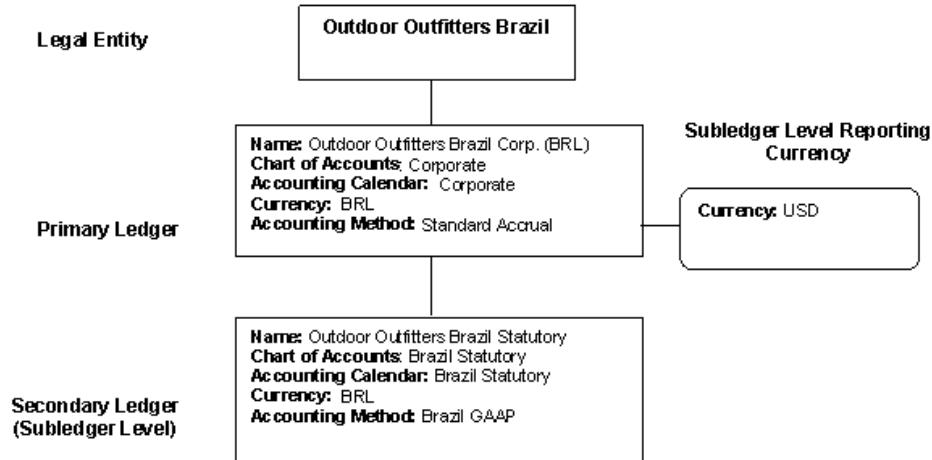
- Requirements for Brazil, page A-22
- Accounting Setup for Brazil, page A-23

Note: For information about consolidation for this entity, see Accounting Setup with No Legal Entity - Consolidation Example, page A-26.

Requirements for Brazil:

- A localized version of Oracle Applications is required for the Brazilian subsidiary in order to meet the complex legal and financial rules in Brazil.
- Companies that operate in Brazil must adhere to the many legal requirements set forth by the Complemento Estatutario Brasileiro (Brazilian Statutory Complement). There are requirements to use a statutory chart of accounts, a calendar based on the calendar year (January–December), and the local currency, the Brazilian Real.
- Outdoor Outfitters Brazil wants to maintain two accounting representations: one for corporate accounting needs and another for statutory reporting.
 - **Corporate Accounting Ledger:** The primary ledger is used as their corporate representation that uses the same chart of accounts, accounting calendar, and subledger accounting method as its U.S. parent. The currency is the local currency.
 - **Statutory Reporting Ledger:** Because Brazil has statutory requirements to produce reports to tax authorities regarding their subledger activity, such as receivables and payables, the secondary ledger at the subledger level is used. This subledger level secondary ledger uses the statutory chart of accounts, calendar, subledger accounting method, and the local currency. Every time they enter a subledger transaction in the primary ledger, Subledger Accounting automatically creates the subledger journals in both the primary and secondary ledger simultaneously. They can then produce statutory reports directly from their secondary ledger.
 - **Subledger Level Reporting Currency:** Brazil also operates in a highly inflationary economy. They want to use a subledger level reporting currency to maintain a complete currency representation of their primary ledger using a more stable currency, such as USD.

The following graphic and table summarize the ledger requirements for Brazil.



Legal Entity: Outdoor Outfitters Brazil

Ledger Attributes	Primary Ledger	Secondary Ledger (Subledger Level)
Name	Outdoor Outfitters Brazil Corporation (BRL)	Outdoor Outfitters Brazil Statutory
Chart of Accounts	Corporate	Brazil Statutory
Accounting Calendar	Corporate	Brazil Statutory
Currency	BRL	BRL
Accounting Method	Standard Accrual	Brazil GAAP
Reporting Currency	Subledger Level Reporting Currency	N/A
Name	Outdoor Outfitters Brazil Corporation (USD)	N/A
Currency	USD	N/A

Accounting Setup for Brazil

An accounting setup with only one legal entity should be defined for Brazil. The Brazilian legal entity operates in a country with strict statutory requirements. In addition, Brazil has unique document sequencing requirements that can only be

accomplished if only one legal entity is assigned to an accounting setup.

The following tables summarize the exclusive legal environment and the suggested ledger setup steps.

Accounting Setup for Brazil

Parameter	Description
Legal Entity Assigned	<p>Legal Entity: Outdoor Outfitters Brazil</p> <p>Balancing Segment Value: 41</p> <p>Note: Even though only one legal entity is assigned to this accounting setup, specific balancing segment values should be assigned to the legal entity. It shares the same chart of accounts as all of the other legal entities and automatically shares the same value set for the balancing segment. They can also take advantage of other features such as Intercompany Accounting that require specific balancing segment values be assigned to all legal entities.</p>

Exclusive Legal Environment for Brazil: Suggested Primary Ledger Setup Steps

Setup Step	Description
Primary Ledger	Outdoor Outfitters Brazil Corporation (BRL)
Ledger Options	Required to complete the ledger definition

Setup Step	Description
Reporting Currencies	<p>Name: Outdoor Outfitters Brazil Corporation (USD)</p> <p>Currency: USD</p> <p>Currency Conversion Level: Subledger</p> <p>To address the need to maintain Brazil's primary accounting transactions using a more stable currency, such as USD, a reporting currency at the subledger level is used. This reporting currency is assigned to Brazil's primary ledger to act as a complete additional currency representation of Brazil's transactions. This allows Brazil to simultaneously maintain two complete currency representations, one in Brazilian Real and the other in U.S. Dollars.</p>
Subledger Accounting Options	<p>Because Outdoor Outfitters Brazil uses Oracle financial subledgers, they should define Subledger Accounting options for the subledger accounting method.</p>

Exclusive Legal Environment for Brazil: Suggested Secondary Ledger Setup Steps

Setup Step	Description
Secondary Ledger - Subledger Level	<p>Outdoor Outfitters Brazil Statutory</p> <p>A secondary ledger at the subledger level is used to maintain a complete statutory representation.</p>
Ledger Options	<p>Required to complete the ledger definition</p>
Primary to Secondary Ledger Mapping	<p>Assign a chart of accounts mapping because both the primary and secondary ledgers use a different chart of accounts.</p> <p>Specify journal conversion rules to have General Ledger Posting select those journals for automatic transfer to this secondary ledger.</p>

Setup Step	Description
Subledger Accounting Options	Because the secondary ledger uses a different subledger accounting method than the primary ledger, specify Subledger Accounting options to provide instructions on how to account for subledger transactions differently.

No other setup steps are required for the primary or secondary ledger. The following accounting options can be completed in the future if business needs change

- **Ledger Balancing Segment Value Assignment:** Optionally, balancing segment values can be assigned to each ledger to represent non-legal entity transactions, such as adjustments.
- **Intercompany Accounts:** Intercompany accounts can be defined to use intercompany accounting.

Accounting Setup with No Legal Entities - Consolidation Example

Outdoor Outfitters, a U.S. based retail company, uses a single instance of Oracle Applications. It has the following legal entities and accounting setup types defined:

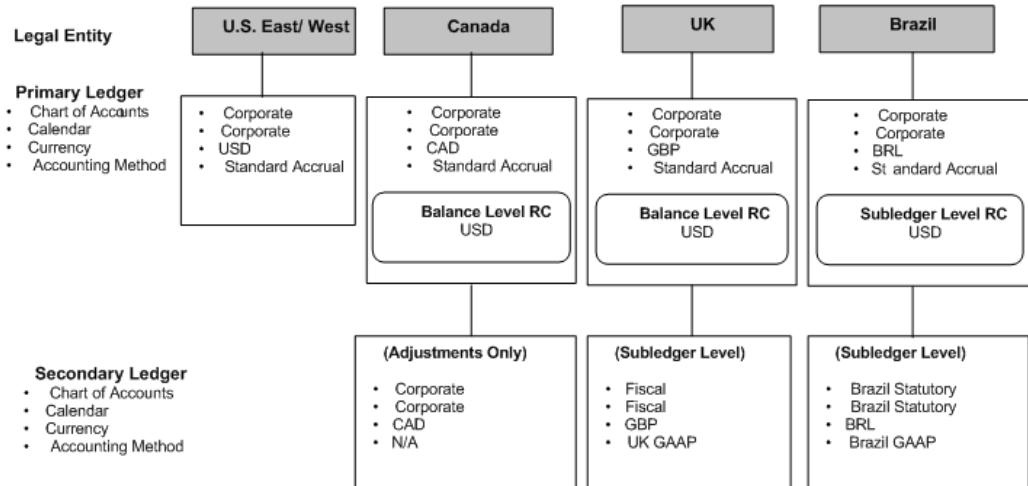
- Two legal entities located in the U.S., U.S. East, and U.S. West that are assigned to the same accounting setup.
- One legal entity in Canada that is assigned to its own accounting setup.
- One legal entity in the U.K. that is assigned to its own accounting setup.
- One legal entity in Brazil that is assigned to its own accounting setup.
- Accounting Setup with Multiple Legal Entities - U.S. Only, page A-1
- Accounting Setup - North American Company, page A-8
- Accounting Setup - European Operations, page A-16
- Accounting Setup - Latin America Operations, page A-21

Outdoor Outfitters has decided they want to use a separate consolidation ledger to consolidate data across multiple legal entities in different accounting setups. This allows them to keep their consolidation adjustments completely separate from the day-to-day

transactions for each legal entity.

The following graphic and tables describe the different accounting setups for all of Outdoor Outfitters' legal entities:

Accounting Setup



Accounting Setups for Outdoor Outfitter Legal Entities (Primary Ledger)

Legal Entity	U.S. East/West	Canada	U.K.	Brazil
Chart of Accounts	Corporate	Corporate	Corporate	Corporate
Calendar	Corporate	Corporate	Corporate	Corporate
Currency	USD	CAD	GBP	BRL
Accounting Method	Standard Accrual	Standard Accrual	Standard Accrual	Standard Accrual

Accounting Setups for Outdoor Outfitter Legal Entities (Reporting Currency)

Legal Entity	U.S. East/West	Canada (Balance Level)	U.K. (Balance Level)	Brazil Subledger Level
Currency	N/A	USD	USD	USD

Accounting Setups for Outdoor Outfitter Legal Entities (Secondary Ledger)

Legal Entity	U.S. East/West	Canada (Adjustments Only)	U.K. (Subledger Level)	Brazil (Subledger Level)
Chart of Accounts	N/A	Corporate	Fiscal	Brazil Statutory
Calendar	N/A	Corporate	Fiscal	Brazil Statutory
Currency	N/A	CAD	GBP	BRL
Accounting Method	N/A	N/A	U.K. GAAP	Brazil GAAP

Accounting Setup for Consolidation Purposes

An accounting setup with no legal entities assigned should be defined. The primary ledger should share the same ledger attributes as the parent entity, such as the same chart of accounts, accounting calendar, and currency.

The following table summarizes the suggested primary ledger setup steps for the Other accounting setup

Accounting Setup for Consolidation

Setup Step	Description
Primary Ledger	<p>Consolidation Ledger</p> <ul style="list-style-type: none"> • Chart of Accounts: Corporate • Calendar: Corporate • Currency: USD <p>Note: No Subledger Accounting Method is required because this ledger will be a standalone ledger. It will not integrate with Oracle subledgers.</p>

Setup Step	Description
Ledger Options	Required to complete the ledger definition

No other setup steps are required for the primary ledger. By not assigning any balancing segment values to the ledger, it allows the ledger to use all balancing segment values

Consolidation Steps

Step 1: Translate balances for the following legal entities to convert balances from their local currencies to U.S. Dollar, the currency of the parent entity:

- Canada
- U.K.

Note: For the Brazilian legal entity, the subledger level reporting currency already maintains subledger journals, GL journal entries, and balances in USD. No translation is required because every time a transaction or journal entry is entered, it will be converted to the subledger level reporting currency.

Step 2a: If you have simple consolidation needs and do not want to perform balance transfer consolidation, you can define a ledger set for consolidation purposes. This ledger set should include the following ledgers and reporting currencies:

- The primary ledger for the US legal entities
- The USD balance level reporting currency for the Canadian legal entity
- The USD balance level reporting currency for the UK legal entity
- The USD subledger level reporting currency of the Brazilian legal entity
- Consolidation ledger

Step 2b: If you prefer to transfer balances for consolidation purposes, transfer balances to the consolidation ledger

Use GL Consolidation to transfer USD balances from the ledger or reporting currencies of the respective legal entities to the consolidation ledger.

- **U.S. Legal Entities:** Transfer balances from the primary ledger of the U.S. legal entities to the consolidation ledger.

- **Canadian Legal Entity:** Transfer translated balances from the balance level reporting currency to the consolidation ledger.
- **U.K. Legal Entity:** Transfer translated balances from the balance level reporting currency to the consolidation ledger.
- **Brazil Legal Entity:** Transfer balances from the subledger level reporting currency to the consolidation ledger.

Step 3: Enter consolidation adjustments in the consolidation ledger.

Step 4: Prepare consolidation reports.

Use Financial Statement Generator to create and submit consolidated financial statements.

Management Reporting Example - U.S. Only Operations

Outdoor Outfitters, a U.S. based retail apparel company, uses a single instance of Oracle Applications.

The following table shows the accounting setup for its U.S. operations:

Accounting Setup for U.S. Legal Entities

Parameter	Description
Legal Entities	U.S. East; Balancing Segment Value Assigned: 01 U.S. West; Balancing Segment Value Assigned: 11
Primary Ledger	Outdoor Outfitters (USD) Chart of Accounts: Corporate Accounting Calendar: Corporate Currency: USD Subledger Accounting Method: Standard Accrual

- Accounting Setup with Multiple Legal Entities - U.S. Only Operations, page A-1

- Accounting Setup - North American Company, page A-8
- Accounting Setup - European Operations, page A-16
- Accounting Setup - Latin American Operations, page A-21

Outdoor Outfitters decided they want to maintain an additional ledger for management reporting and analysis purposes. They only want to do this for their U.S. Operations. They want their U.S. Department Managers to use this ledger to book internal management adjustments that are not published to their financial statements.

This section includes the following parts:

- Additional Requirements, page A-31
- Using Secondary Ledgers for Management Reporting, page A-33
- Ledger Set, page A-34
- Security, page A-34

Additional Requirements

Outdoor Outfitters currently uses the following chart of accounts structure. They have specified the Department segment to be both their cost center and management segment.

Note: You can enable the management segment at any time for an existing chart of accounts.

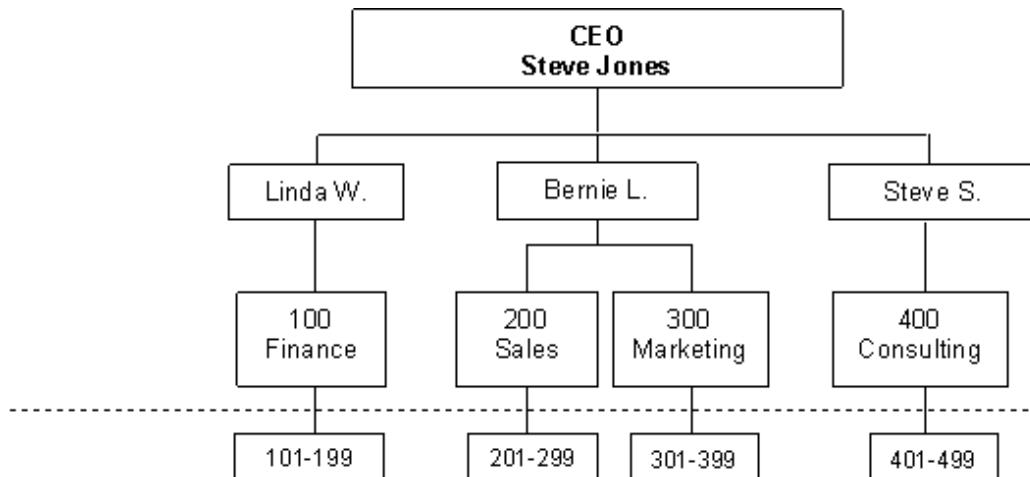
The following table describes the chart of accounts.

Chart of Accounts

Segment Number	Segment Name	Segment Qualifier
1	Legal Entity	Balancing Segment
2	Department	Cost Center and Management Segment
3	Account	Natural Account

Segment Number	Segment Name	Segment Qualifier
4	Product	
5	Future Use	

The following figure illustrates the Department hierarchy for the U.S. managers only and is described in the following table:



Department Hierarchy for U.S. Managers

CEO: Steve Jones	Managers	Parent Values	Child Values
	Linda W.	100 Finance	101-199
	Bernie L	200 Sales	201- 299
		300 Marketing	301-399
	Steve S.	400 Consulting	401-499

Transactions are entered across all four departments during the normal course of business. For example, expenses are entered for each department. Outdoor Outfitters does not want any of the Department Managers to view or enter data outside of their own departments.

Using Secondary Ledgers for Management Reporting

Because Outdoor Outfitters only need to enter management adjustments for a specific legal entity or group of legal entities that are represented in the same accounting setup, you can assign an adjustments only secondary ledger to the existing accounting setup for the U.S. legal entities.

Note: You could also create another accounting setup with no legal entities assigned for management adjustments and reporting. This is preferable if you need to book management adjustments across ledgers in multiple accounting setups. For more information, see Accounting Setups with No Legal Entities, page 2-9.

The following table provides an example of how your accounting setup would be configured with the addition of the secondary ledger:

Accounting Setup for U.S. Legal Entities

Parameter	Description
Legal Entities	U.S. East; Balancing Segment Value: 01 U.S. West; Balancing Segment Value: 11
Primary Ledger	Outdoor Outfitters (USD) Chart of Accounts: Corporate Accounting Calendar: Corporate Currency: USD Subledger Accounting Method: Standard Accrual
Secondary Ledger (Adjustments Only)	Management Ledger (USD) Chart of Accounts: Corporate Accounting Calendar: Corporate Currency: USD

The primary ledger would hold the day-to-day transactions and the adjustments only secondary ledger would hold the management adjustments. By itself, this secondary ledger does not represent the complete management picture; it only holds the management adjustments. This allows you to keep your management adjustments completely separate from your day-to-day transactions. In order to obtain a complete

management picture, you must group both ledgers in a ledger set to see the combined results.

Ledger Set

The Ledger Set described in the following table is created to allow them to obtain management results.

Ledger Set: Management Results

Parameter	Description
Ledger Set	U.S. Management Set
Description	Ledger Set for U.S. Management Reporting
Chart of Accounts	Corporate
Calendar/Period Type	Corporate/Monthly
Ledgers	<ul style="list-style-type: none">• Outdoor Outfitters (USD)• Management Ledger (USD)

Security

Data Access Sets

In order to prevent department managers from accessing the data for other departments, Outdoor Outfitters must create data access sets that use the Management segment value access set type.

Assume the parent values for each department as described in the following table:

Department Values

Value	Department
100	Finance
200	Sales

Value	Department
300	Marketing
400	Consulting

To secure data for each of the three department managers, at least three different data access sets need to be created, one to be assigned to each U.S. department manager.

The following tables describe the three data access sets that should be created for each manager's responsibility. The ledger set is assigned and parent segment values ease the creation and maintenance of data access sets.

Data Access Set #1

Parameter	Value
Data Access Set #1	Finance Access
Description	Access to Finance Department
Chart of Accounts	Corporate
Calendar/Period Type	Corporate/Monthly
Ledger Set	U.S. Management Set
Access Set Type	Management Segment Value
Management Segment Values	100
Privileges	Read and Write

Data Access Set #2

Parameter	Value
Data Access Set #2	Sales Access

Parameter	Value
Description	Access to Sales and Marketing Departments Only
Chart of Accounts	Corporate
Calendar/ Period Type	Corporate/Monthly
Ledger Set	U.S. Management Set
Access Set Type	Management Segment Value
Management Segment Values	200, 300
Privileges	Read and Write

Data Access Set #3

Parameter	Value
Data Access Set #3	Consulting Access
Description	Access to Consulting Department Only
Chart of Accounts	Corporate
Calendar/ Period Type	Corporate/Monthly
Access Set Type	Management Segment Value
Ledger Set	U.S. Management Set
Management Segment Values	400
Privileges	Read and Write

The first data access set is assigned to Linda's responsibility, the manager for Finance. She is not able to access the information for any other departments but those assigned to the parent value 100.

The second data access set is assigned to Bernie's responsibility, the manager for Sales

and Marketing. She has read and write access only to her departments.

The third data access set is assigned to Steve's responsibility, the manager of Consulting. He has access only to his departments.

Another data access set that provides full read and write access to the management ledger is required for the controller. The controller can view accounting information across all departments as well as perform certain operations that require full ledger access, such as opening and closing periods, creating budgets, and creating summary accounts. By assigning a ledger set to the data access set, the controller can open and close periods for both ledgers simultaneously.

The following table describes the fourth data access set.

Data Access Set #4

Parameter	Value
Data Access Set #4	U.S. Management Ledger Access
Description	Full Access to U.S. Management Ledger
Chart of Accounts	Corporate
Calendar/Period Type	Corporate/Monthly
Ledger Set	U.S. Management Set
Access Set Type	Full Ledger
Privileges	Read and Write

Definition Access Sets

Because all of the managers are entering their management adjustments to the same ledger, they all have access to each other's definitions, such as each other's Recurring Journals, MassAllocations, and FSG Reports. To prevent one manager from changing, viewing, or using a definition created by another manager, definition access sets should be used and assigned to each manager's responsibility.

Oracle Financials Profile Options

This appendix covers the following topics:

- Profile Options Overview

Profile Options Overview

During implementation, set a value for each Oracle Financials profile option to specify how Oracle Financials controls access to and processes data.

You may also have additional user profile options on your system that are specific to other applications.

Generally, your system administrator sets and updates profile values.

See: Setting User Profile Options, *Oracle Applications System Administrator's Guide - Maintenance*

You can govern the behavior of many of your forms using user profile options. Profile options can be set at the following levels:

- **Site:** This is the lowest profile level. Site level profile option values affect the way all applications run at a given site.
- **Application:** These profile option values affect the way a given application runs.
- **Responsibility:** These profile option values affect the way applications run for all users of a given responsibility.
- **User:** These profile option values affect the way applications run for a specific application user. The values you enter for options at the User level supersede the values that your system administrator has entered for you for these options.

The values that you enter for these options at the user level supersede the preset values that your system administrator has entered for you for these options.

Setup Profile Options Summary

The table below indicates whether you (the "User") can view or update the profile option and at which System Administrator levels the profile options can be updated: at the user, responsibility, application, or site levels.

A "Required" profile option requires you to provide a value. An "Optional" profile option already provides a default value, so you only need to change it if you don't want to accept the default. In the following table, the column User Access applies to any user without system administrator privileges. The next columns, System Admin Access: User, System Admin Access: Resp, System Admin Access: App, and System Admin Access: Site, refer to a user with System Administrator privileges.

The tables in this section provide profile option information as follows:

- The Default column displays either the default profile option value in italics, or No Default if none exists.
- The User Access column indicates whether you can view or update the profile option.
- The System Administration: Site, Application, Responsibility, and User columns indicate at which levels the system administrator can update these profile options.

The key for each table is:

- Update: You can update the profile option.
- View Only: You can view the profile option but cannot change it.
- No Access: You cannot view or change the profile option.

Financials Profile Options

Profile Option	Default	User Access	System Administration: Site	System Administration: Application	System Administration: Responsibility	System Administration: User
Default Country	United States	Update	Update	Update	Update	Update
HZ: Generate Party Number	Yes	Update	Update	Update	Update	Update
LE: Change effectivity	No default	Update	Update	Update	Update	Update

Profile Option	Default	User Access	System Administration: Site	System Administration: Application	System Administration: Responsibility	System Administration: User
LE: Generate Legal Entity Identifier	No default	Update	Update	Update	Update	Update

Default Country

This profile option determines the default value for the territory in the Create Legal Entity page.

HZ: Generate Party Number

This profile option determines whether the organization number is generated automatically or entered manually.

If the profile option is set to Yes, the organization number is generated automatically and the field is not displayed. If the profile option is set to No, the organization number must be entered manually and the main establishment's organization number is the legal entity organization number and ETB (establishment). For example, if the legal entity organization number entered is 12536, the establishment's organization number will be 12536ETB.

LE: Change Effectivity

Use this profile option to define whether the Change Effectivity region must be available on the Update Legal Entities/Establishments Registration pages. If you set this profile option to Yes, the Change Effectivity region is available. See: Updating Legal Entities, *Oracle Financials Implementation Guide* and Updating Establishments, *Oracle Financials Implementation Guide*

LE: Generate Legal Entity Identifier

Use the LE: Generate Legal Entity Identifier profile option to set the Legal Entity Configurator to automatically generate the legal entity identifier. If you set this profile option to Yes, the legal entity identifier is generated automatically based on the International Organization for Standardization (ISO) code of the country of registration, plus the registration number of the identifying jurisdiction, which qualifies an entity to be a legal entity in that particular territory. If you set it to No, you must enter the legal entity identifier manually. The default is No.

For Example:

- Territory: Singapore

- ISO Country Code: SG
- Registration Number of the Identifying Jurisdiction (RCN Number): 23231 (user enterable field)

If the profile option is set to Yes, the legal entity identifier will be SG23231, otherwise you are required to enter the legal entity identifier manually. If you enter an identifier that is not unique, an error message is displayed.

See: Creating a Legal Entity, *Oracle Financials Implementation Guide*

Glossary

This glossary includes terms that are shared by all Oracle Financial Applications products.

See also: Oracle Projects Glossary, *Oracle Projects documentation set*

4-4-5 calendar

A calendar with 12 uneven periods: typically two four-week periods followed by one five week period in a quarter. Calendars are defined in General Ledger and Oracle subledger applications.

Depreciation is usually divided by days for a 4-4-5 calendar. Since a 4-4-5 calendar has 364 days per year, it has different start and end dates for the fiscal year each year.

account

The business relationship that a party can enter into with another party. The account has information about the terms and conditions of doing business with the party.

account combination

A unique combination of segment values that records accounting transactions. A typical account combination contains the following segments: company, division, department, account and product.

account derivation rule

(Oracle Subledger Accounting) A component of the Accounting Methods Builder (AMB) that determines the Accounting Flexfield for the subledger journal entries.

account groups

Fixed asset or long-term liabilities for which governments usually maintain separate accountability. Governments usually maintain these transactions in account groups known as the general fixed assets account group and the general long-term debt account group.

account hierarchy

A hierarchical account structure containing parent and child accounts, where a range of child values roll up to parent accounts. A multi-level parent hierarchy can exist where

higher level parents are parents of lower level parents. Parent hierarchies let you define reports using parent values instead of individual child values in Oracle General Ledger. Parent values also facilitate summary account creation to allow you to view summarized account balances online.

account relationship

A relationship that implies financial responsibility between the owners of the accounts. For example, a customer account relationship lets you apply payments to and create invoices for related customers, as well as apply invoices to related customers' commitments.

account role

The role that a party has in regard to controlling or using an account, for example, owner, authorized user, or contact.

account segment

One of up to 30 different sections of your Accounting Flexfield, which together make up your general ledger account combination. In a commercial context, each segment typically represents an element of your business structure, such as Company, Cost Center or Account.

account segment value

A series of characters and a description that define a unique value for a particular value set.

account site

A site that is used within the context of an account, for example, for billing or shipping purposes.

account structure

See: Accounting Flexfield structure, page Glossary-3

accounting attributes

Placeholders used by Subledger Accounting to store source values that are used to create subledger journal entries. Examples of accounting attributes are Entered Currency Code, Entered Amount, and Party ID.

accounting calendar

The calendar that defines your accounting periods and fiscal years in Oracle General Ledger and subledger applications. Oracle Financial Analyzer will automatically create a Time dimension using your accounting calendar.

accounting chart of accounts

(Oracle Subledger Accounting) In the AMB, the accounting chart of accounts refers to the ledger's chart of accounts which is used to create the Accounting Flexfields for the subledger and journal entries. All journal entries are created in the context of an accounting chart of accounts.

Usually, the transaction and accounting charts of accounts are the same. The transaction and accounting charts of accounts differ only when a primary ledger and any of its associated secondary ledger are defined with different charts of accounts.

See: Transaction Chart of Accounts

accounting currency

In some financial contexts, a term used to refer to the currency in which accounting data is maintained. In this manual, this currency is called ledger currency.

accounting entry

A subledger journal entry in Subledger Accounting or a general ledger entry in General Ledger.

accounting event

See: Business Events.

accounting event entity

(Oracle Subledger Accounting) Accounting event entities group one or more event classes together and often correspond to a database object. The event entity may also logically correspond to a single document which is used as the basis for several related transactions, for example, Payables or Receivables invoices.

accounting event type

(Oracle Subledger Accounting) Accounting event types represent the business operations that can be performed on the transactions. For example, Payables invoices are subject to three types of business operations: Invoice Validated, Invoice Adjusted, and Invoice Canceled, each of them corresponding to a different accounting event type. Accounting event types provide the lowest level of detail for assigning accounting definitions.

accounting flexfield

The code you use to identify a general ledger account in an Oracle Financials application. Each Accounting Flexfield segment value corresponds to a summary or rollup account within your chart of accounts.

accounting flexfield structure

The account structure you define to fit the specific needs of your organization. You

choose the number of segments, as well as the length, name, and order of each segment in your Accounting Flexfield structure.

accounting flexfield value set

A group of values and attributes of the values. For example, in a commercial context, the value length and value type that you assign to your account segment to identify a particular element of your business, such as Company, Division, Region, or Product.

Accounting Methods Builder (AMB)

(Oracle Subledger Accounting) A common module used to define application accounting definitions. Oracle seeds default application accounting definitions in the AMB that cannot be modified. Users use the AMB to create their own application accounting definitions to meet local fiscal or managerial reporting requirements. Components of the AMB include journal entry header and line descriptions, account derivation rules, journal line types, application accounting definitions, journal lines definitions, and subledger accounting methods.

accounting model

A set of selected individual accounts and account ranges. You can assign a name to an accounting model. Once an accounting model is defined for a particular group of accounts, you can reuse that accounting model whenever you want to work on that group of accounts. Use your accounting models to choose the accounts that you want to adjust when you run the inflation adjustment process. Although there are no rules for grouping accounts, you may want to define different accounting models for different kinds of accounts. For example, you can define one accounting model for all of your asset accounts and another accounting model for all of your liability accounts.

accounting representation

(Oracle Subledger Accounting) A consistent representation of the financial situation of an organization expressed in terms of journal entries and account balances. An organization can use multiple primary and secondary accounting representations, each oriented towards a different audience of financial readers. For example, a U.S. organization with a legal entity in France may utilize a French Fiscal accounting representation oriented towards the French auditors. It may also use a U.S. GAAP representation, which is used for consolidating financial statement results with the U.S. operations and read by U.S. investors.

accounting rules

Rules that you can use for imported and manually entered transactions to specify revenue recognition schedules. You can define an accounting rule in which revenue is recognized over a fixed or variable period of time. For example, you can define a fixed duration accounting rule with monthly revenue recognition for a period of 12 months.

accounting sequence

See: Sequence, page Glossary-83

accrual journal entry

(Oracle Subledger Accounting) A journal entry created to record revenue or expenses, which can be incurred over multiple GL periods. Typically, these items are booked into a deferred or prepaid account and later recognized in the periods in which they are incurred with an accrual reversal entry.

ACE

See: adjusted current earnings, page Glossary-6

ACE book

A tax book for Adjusted Current Earnings ("ACE") tax calculations.

ACH (Automated Clearing House)

In Oracle Payments, the network commonly used in the United States for low value electronic funds transfers.

acknowledgment file

In Oracle Payments, a file provided by a payment system in response to a settlement batch or electronic payment instruction, indicating that the payment system has read and can understand the settlement batch or payment instruction.

acquisition

(Oracle Trading Community Architecture) The part of the DQM matching process that matches input record attributes against the attributes in the staged schema to get a smaller group of records that form the work unit. This process narrows down the records that can be scored in the scoring part of the matching process.

acquisition attribute

(Oracle Trading Community Architecture) Attributes used for selecting the most relevant subset of records for matching, or the work unit. For example, to get records based on D-U-N-S Number, you include the D-U-N-S Number attribute for acquisition.

acquisition and disposal category

(Oracle Financial Consolidation Hub) A category that enables users to automate accounting entries or input manual entries as a result of acquisition and disposals.

activity

In Oracle Receivables, a name that you use to refer to a receivables activity such as a payment, credit memo, or adjustment.

In Oracle Advanced Collections, events that occur during a customer interaction, such as taking a payment, submitting a dispute, or sending a dunning letter.

adapter

(Oracle Trading Community Architecture) A device that enables different pieces of software to be compatible. In the context of address validation, adapters facilitate integration between the TCA Registry and a third party or a deploying company data source.

adjusted current earnings ("ACE")

A set of depreciation rules defined by United States tax law. Oracle Assets supports the Adjusted Current Earnings tax rules.

advance

In Oracle Payables, an advance is a prepayment paid to an employee. You can apply an advance to an employee expense report during expense report entry, once you fully pay the advance.

In Oracle Payables, payments made before work commences, which are not necessarily tied to the completion of a task or a milestone.

agent

In Oracle Payables, Receivables and General Ledger, an individual responsible for providing goods or services or authorizing their provision to another government entity or recipient.

In Oracle Cash Management, the customer name or supplier name on a bank statement line.

aggregate balance

The sum of the end-of-day balances for a range of days. There are three types of aggregate balances: period-to-date (PTD), quarter-to-date (QTD), and year-to-date (YTD). All three are stored in the General Ledger database for every calendar day.

aggregation category

The Aggregation category creates consolidated financial results for each consolidation entity. It writes to the consolidation entity the summation of data for all children across all categories.

aging buckets

In Oracle Receivables and Oracle Payables, time periods you define to age your debit items. Aging buckets are used in the Aging reports to see both current and outstanding debit items. For example, you can define an aging bucket that includes all debit items that are 1 to 30 days past due.

In Oracle Cash Management, aging buckets are used to define time periods represented in the forecast. Examples of aging buckets are date ranges or accounting periods.

allocation entry

A journal entry you use to allocate revenues or costs.

AMB

See: Accounting Methods Builder

amount-based order

In Oracle Payables, an order you place, receive, and pay, based solely on the amount of service you purchase.

applicable tax

A tax identified as chargeable for a specific transaction.

application

(Oracle E-Business Tax) In the context of a tax rule, the setting that indicates that a rule only applies to event classes belonging to that application.

application accounting definition

(Oracle Subledger Accounting) The collection of setups or rules that determine how accounting events are processed by the Subledger Accounting program to create subledger and general ledger journal entries. The application accounting definition includes journal line types, account derivation rules, journal entry descriptions, and journal lines definitions. These components are set up in the AMB.

application event class

A category of documents or transactions of an Oracle E-Business Suite application.

application event type

An action on a document or transaction of an application event class. Typical event types include Create, Cancel, and Validate.

application events mapping

A mapping of an application event class to a tax event class.

appropriation

An authorization by a legislative body that permits a government to incur obligations and make payments for specified purposes. An appropriation usually follows enactment of authorizing legislation. Appropriations are limitations on the amounts agencies can obligate during the time specified in the appropriation act.

approval limits

Limits you assign to users for creating adjustments and approving credit memo requests. Receivables enforces the limits that you define here when users enter receivables adjustments or approve credit memo requests initiated from *i*Receivables. When users enter adjustments that are within their approval limit, Receivables automatically approves the adjustment. When users enter adjustments outside their approval limit, Receivables assigns a status of pending to the adjustment.

archive

To archive a fiscal year is to copy the depreciation expense and adjustment transaction data for that year to a storage device.

area code time zone

A time zone that corresponds to a specific area code, used for countries that have multiple time zones.

assessable value

(Oracle E-Business Tax) The deemed price at which a product is valued, by a tax authority, for tax calculation purposes. The same product can have more than one assessable value, as given by different tax authorities.

asset account

A general ledger account to which you charge the cost of an asset when you purchase it. You must define an account as an asset account.

attribute

An Oracle Financial Analyzer database object that links or relates the values of two dimensions. For example, you might define an attribute that relates the Sales District dimension to the Region dimension so that you can select data for sales districts according to region.

(Oracle Trading Community Architecture) Corresponds to a column in a TCA registry table, and the attribute value is the value that is stored in the column. For example, party name is an attribute and the actual values of party names are stored in a column in the HZ_PARTIES table.

attribute group

A group of closely related attributes within the same entity. The values for each attribute in a group must come from the same data source.

authorization

In Oracle Payments, the first of two steps involved in capturing funds from a credit card or a debit card. This step usually involves checking that the credit card has sufficient

funds for payment and reserving the transaction amount for settlement. Once an authorization is obtained, then the second step, settlement, can be performed. For some payment systems, debit card authorization includes the settlement step. Payments works with payment systems to perform authorizations in real time.

AutoAccounting rule

In Oracle General Ledger, rules you define for the Global Intercompany System (GIS) to generate intercompany transactions automatically.

autoallocation set

A group of allocation rules that you can run in sequence that you specify (step-down allocations) or at the same time (parallel allocations).

See also: step-down allocation, page Glossary-88, parallel allocation, page Glossary-60

automatic event

An event with an event type classification of Automatic. Billing extensions create automatic events to account for the revenue and invoice amounts calculated by the billing extensions.

automatic merge threshold

(Oracle Trading Community Architecture) Value used in DQM matching to evaluate match scores. A record with a score that exceeds the automatic merge threshold is by default selected for party merge.

average balance

The amount computed by dividing an aggregate balance by the number of calendar days in the related range.

average exchange rate

An exchange rate that is the average rate for an entire accounting period. General Ledger automatically translates revenue and expense account balances using period-average rates in accordance with FASB 52 (U.S.). And, for companies in highly inflationary economies, General Ledger uses average exchange rates to translate your non-historical revenue and expense accounts in accordance with FASB 8 (U.S.). Also known as **period-average exchange rate**.

back-value transactions

Transactions whose effective date is prior to the current accounting date. Also known as *value-dated transactions*.

balance entity

An organization represented as a balancing segment value in the accounting flexfield. Equivalent of a fund in government organizations. Examples of balancing entities are

companies, strategic business units, and divisions.

balance reports

Reports that print a balance summed by period (range), third party, balancing segment, and accounting segment. A balance report only reports within a fiscal year. A balance is only printed for accounts that are marked as control accounts.

balancing segment

An Accounting Flexfield segment that you define so that General Ledger automatically balances all journal entries for each value of this segment. For example, if your company segment is a balancing segment, General Ledger ensures that, within every journal entry, the total debits to company 01 equal the total credits to company 01.

bank account transfers

In Oracle Payments, a funds capture transaction that captures funds by directly deducting the payment amount from the payer's bank account. Bank account transfers are often used for recurring payments such as utility expenses. Bank account transfers may include an optional step that validates the payer's bank account. See Bank Account Verifications.

bank account verification

In Oracle Payments, an optional first step in a bank account transfer. It varies by payment system and business process, and is not always performed. Rather than reserving funds like credit card authorizations, the bank account verification provides a payee with some assurance that payment will be made, by checking that the account exists, or that it does not appear on black lists.

bank file

In Oracle Receivables and Oracle Payables, the data file you receive from the bank containing all of the payment information that the bank has deposited in your bank account.

In Oracle Cash Management, the electronic statement file you receive from your bank (for example, BAI format or SWIFT940). It contains all transaction information that the bank has processed through your bank account.

bank identification code

Formerly known as SWIFT code, identifies a bank or bank branch for electronic funds and wire transfers.

bank transaction code

The transaction code used by a bank to identify types of transactions on a bank statement, such as debits, credits, bank charges, and interest. You define these codes for each bank account using the Cash Management Bank Transaction Codes window.

base amount

The amount that represents the denominator for the ratio used to determine the amount due. You specify your base amount when you define your payment terms.

Amount Due = Relative Amount/Base Amount * Invoice Amount

base model

The model item from which a configuration item was created.

base organization

(Oracle Financial Consolidation Hub) An organization that is used during consolidation processing as a default for automatic creation of consolidation entries.

base rate modifier

The rate by which a line amount is increased or decreased. To calculate tax on a reduced base, the base rate modifier can be entered as a negative number.

baseline

To approve a budget for use in reporting and accounting.

baseline budget

The authorized budget for a project or task which is used for performance reporting and revenue calculation.

basis reduction rate

Each Investment Tax Credit Rate has a basis reduction rate associated with it. Oracle Assets applies the basis reduction rate to the ITC basis to determine the amount by which it will reduce the depreciable basis. Oracle Assets displays the basis reduction rate with its corresponding investment tax credit rate in the Assign Investment Tax Credit form so you can easily see whether the rate you choose will reduce the depreciable basis of the asset.

batch source

A source you define in Oracle Receivables to identify where your invoicing activity originates. The batch source also controls invoice defaults and invoice numbering. Also known as a **transaction batch source**.

beginning balance

The beginning balance is the balance of the transaction item as of the beginning GL Date that you specified. This amount should be the same as the Outstanding Balance amount of the Aging - 7 Buckets Report where the As Of Date is the same as the beginning GL Date.

BIC

See: bank identification code, page Glossary-10

bilateral netting

In Oracle Payables, when receivables and payables are netted for one trading partner where two entities are the same in the system, such as Customer ABC and Supplier ABC.

bill in advance

An invoicing rule that enables you to record the receivable at the beginning of the revenue recognition schedule for invoices that span more than one accounting period.

See also: invoicing rules, page Glossary-49, bill in arrears, page Glossary-12

bill in arrears

An invoicing rule that records the receivable at the end of the revenue recognition schedule for invoices that span more than one accounting period.

See also: invoicing rules, page Glossary-49, bill in advance, page Glossary-12

Bill of Exchange

In Oracle Cash Management, a method of payment involving the transfer of funds between bank accounts, where one party promises to pay another a specified amount on a specified date.

In Oracle Payables, a method of payment. Also known as a **future dated payment** in some countries, including France.

bills payable

In Oracle Payables, an agreement made with your supplier, in which a promise is made to pay a specified amount on a specific date (called the maturity date) for goods or services.

bill-to address

The address of the customer who is to receive the invoice. Equivalent to **Invoice To Address** in Oracle Order Management.

bill-to site

A customer location to which you have assigned a Bill-To business purpose. You can define your customer's bill-to sites in the Customers windows.

bills receivable

In Oracle Receivables, promissory notes used primarily between companies for business payments.

black box

(Oracle Trading Community Architecture) An abstraction of a device or system in which only its externally visible behavior is considered and not its implementation or inner workings. In the context of TCA adapters for address validation, a black box is a central XML open-standards based functionality that allows integration between the TCA Registry and third party or other data sources, through adapters. The black box accepts requests from callers, sends requests to adapters, and receives the adapters' responses.

blanket purchase agreement

In Oracle Payables, a type of purchase order you issue before you request actual delivery of goods or services.

book

See: depreciation book, page Glossary-28

bridging account

An inventory bridging account is an offset account used to balance your accounting entries. In some European countries, a bridging account is a legal requirement.

broken promise to pay

In Advanced Collections, an unfulfilled promise to pay with a past due promise payment date.

budget

Estimated cost, revenue, labor hours or other quantities for a project or task. Each budget may optionally be categorized by resource. Different budget types may be set up to classify budgets for different purposes. In addition, different versions can exist for each user-defined budget type: current, original, revised original, and historical versions. The current version of a budget is the most recently baselined version.

See also: budget line, page Glossary-13

budget book

A book that you use to track planned capital expenditures.

budget formula

A mathematical expression used to calculate budget amounts based on actual results, other budget amounts and statistics. With budget formulas, you can automatically create budgets using complex equations, calculations and allocations.

budget hierarchy

A group of budgets linked at different levels such that the budgeting authority of a lower-level budget is controlled by an upper-level budget.

budget line

Estimated cost, revenue, labor hours, or other quantity for a project or task categorized by a resource.

budget organization

In Oracle Payables, an entity (department, cost center, division or other group) responsible for entering and maintaining budget data. You define budget organizations for your company, then assign the appropriate accounts to each budget organization.

budget rules

A variety of shorthand techniques you can use to speed manual budget entry. With budget rules you can divide a total amount evenly among budget periods, repeat a given amount in each budget period or enter budget amounts derived from your account balances.

budget worksheet

Oracle Assets holds your budget in the budget worksheet so that you can review and change it before you load it into your budget book. Your budget must be in a budget book before you can run depreciation projections or reports.

In Oracle General Ledger, a worksheet that contains budget data. In the Enter Budget Amounts window in Oracle General Ledger, you can choose the Worksheet mode to enter budgets for several accounts at once. You can also use Applications Desktop Integrator to upload budget data from an Excel worksheet to Oracle General Ledger.

budgetary account

An account segment value (such as 6110) that is assigned one of the two budgetary account types. You use budgetary accounts to record the movement of funds through the budget process from appropriation to expended appropriation.

budgetary account type

Either of the two account types Budgetary DR and Budgetary CR.

budgetary control

An Oracle Financials feature you use to control actual and anticipated expenditures against a budget. When budgetary control is enabled, you can check funds online for transactions, and you can reserve funds for transactions by creating encumbrances. Oracle Financials automatically calculates funds available (budget less encumbrances less actual expenditures) when you attempt to reserve funds for a transaction. Oracle Financials notifies you online if funds available are insufficient for your transaction.

business entity

A person, place, or thing that is tracked by your business. For example, a business entity

can be an account, a customer, or a part.

business events

(Oracle Subledger Accounting) Occurrences of operational significance that are captured and recorded by Oracle applications. They are also referred to as transactions. The nature of business events differs by application. Not all business events create accounting events. Examples of business events that are accounting events include issuing invoices to customers, issuing payments to suppliers, and retiring an asset. An example of a business event which is not an accounting event is receiving a customer call.

business group

An organization representing the consolidated enterprise, a major division, or an operation company used by Human Resources application. A business group (BG) is a highest level in an organization hierarchy.

Business Information Report

(Oracle Trading Community Architecture) A report that provides many of the data elements from the D&B database in a standard report format.

business object

(Oracle Trading Community Architecture) An abstract grouping of Oracle Trading Community Architecture entities to form an operable, logical business unit. Business objects contain attributes specific to that object, as well as embedded business objects, business structures, and granular entities.

See also: business structure, page Glossary-15entity, page Glossary-32

business purpose

(Oracle Trading Community Architecture) Also known as site use, a business purpose describes which functions are performed at a particular customer account site. For example, the address where you ship your goods has a ship-to business purpose, and the address where you will send dunning letters has a dunning business purpose.

business structure

The same as a business object, except that you cannot perform operations and services on them individually, for example with APIs. Business structures can contain embedded business structures and granular entities, but not embedded business objects.

See also: business object, page Glossary-15entity, page Glossary-32

business unit

An organizational group within an enterprise. See also: organization.

buyer

In Oracle Payables, the person responsible for placing item resupply orders with suppliers and negotiating supplier contracts.

calculated tax lines

(Oracle E-Business Tax) The tax lines determined automatically by Oracle E-Business Tax for a given transaction line.

calendar map

(Oracle Financial Consolidation Hub) Is a user-defined mechanism that defines the relationship between the periods of two different calendars.

caller

(Oracle Trading Community Architecture) A source that sends requests to black boxes for data services through integration with adapters. Examples of callers are concurrent programs and APIs.

candidate

A record that Payables selects to purge based on the last activity date you specify. Payables only selects records that you have not updated since the last activity date you specify. Payables does not purge a candidate until you confirm a purge.

candidate record

See: duplicate, page Glossary-31

capital gain threshold

The minimum time you must hold an asset for Oracle Assets to report it as a capital gain when you retire it. If you hold an asset for at least as long as the capital gain threshold, Oracle Assets reports it as a capital gain when you retire it. If you hold the asset for less than the threshold, Oracle Assets reports it as an ordinary income from the retirement.

cash activity date

The date that the cash flow from the source transaction is expected to affect your cash position. When Cash Management generates a forecast, it includes source transactions whose cash activity date falls within the time period you defined.

cash clearing account

The cash clearing account you associate with a payment document. You use this account if you account for payments at clearing time. Oracle Payables credits this account instead of your Asset (Cash) account and debits your Liability account when you create accounting entries for uncleared payments. Oracle Payables debits this

account and credits your Asset (Cash) account once you clear your payments in Oracle Cash Management.

cash-generating unit (CGU)

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

category

(Oracle Financial Consolidation Hub) Categories control how a consolidation is processed and reported. They provide a means of grouping process logic, as well as specifying parameters impacting the output of such logic.

category use

(Oracle Trading Community Architecture) Controls which object can use a given class category. For example, the SIC code 1977 can be used only by parties of type Organization.

certification level

A level that identifies the extent to which a record is certified, according to quality standards that your organization sets. The record is manually evaluated and assigned the certification level.

chart of accounts

The account structure your organization uses to record transactions and maintain account balances.

chart of accounts security

Restricts user access to those charts of accounts associated with that user's responsibility.

chart of accounts structure

See: Accounting Flexfield Structure, page Glossary-3

check

In Oracle Payables, a bill of exchange drawn on a bank and payable on demand. Or, a written order on a bank to pay on demand a specified sum of money to a named person, to his or her order, or to the bearer out of money on deposit to the credit of the maker. A check differs from a warrant in that a warrant is not necessarily payable on demand and may not be negotiable. It differs from a voucher in that a voucher is not an order to pay.

check overflow

A check printing situation where there are more invoices paid by a check than can fit on the remittance advice of the check.

child segment value

A value that lies in a range of values belonging to one or more parent values. You can budget, enter, and post transactions to child values only.

circular relationship

Circular relationships participate in a circle of relationships between entities. For example, Party A is related to Party B, who is related to Party C, who is related to Party A.

claim

A discrepancy between the billed amount and the paid amount. Claims are often referred to as deductions, but a claim can be positive or negative.

class category

Consists of multiple classification codes that allow for broad grouping of entities. Categories can have rules pertaining to a set of class codes, for example, Multiple Parent, Multiple Assignment, and Leaf Node Assignment rules.

class code

Provides a specific value for a class category.

classification

A means of categorizing different objects in Oracle Applications. Classifications are not limited to parties but can include projects, tasks, orders, and so on. Classifications can be user defined or based on external standards, such as the NAICS (North American Industrial Classification System), NACE (European Union's Statistical Classification of Economic Activity), or SIC (Standard Industrial Classification).

class qualifier

(Oracle E-Business Tax) A categorization that further qualifies a tax determining factor that is used in a tax rule. For example, the class qualifier "Ship From" or "Ship To" further qualifies the tax determining factor class of Party Fiscal Classification.

clear

A payment status when the bank has disbursed funds for the payment, and the payment has been cleared but not matched to a bank statement within Oracle Cash Management.

clearing account

An account used to ensure that both sides of an accounting transaction are recorded. For example, Oracle General Ledger uses clearing accounts to balance intercompany transactions.

When you purchase an asset, your payables group creates a journal entry to the asset clearing account. When your fixed assets group records the asset, they create an offset journal entry to the asset clearing account to balance the entry from the payables group.

code (code name)

In Subledger Accounting, uniquely identifies an object. The object code is the internal key used by programs and routines to refer to the object. Because object names are translated, Subledger Accounting uses object codes to uniquely identify the object.

code relationship

(Oracle Trading Community Architecture) Relates various class codes within a category in a hierarchy. For example, IT is a parent of Software.

commitment

In Oracle Receivables, a contractual guarantee with a customer for future purchases, usually involving deposits or prepayments. You can create invoices against the commitment to absorb the deposit or prepayment. Receivables automatically records all necessary accounting entries for your commitments. Oracle Order Management allows you to enter order lines against commitments.

In Oracle General Ledger, an encumbrance type typically associated with purchase requisitions to track expenditures. You can view funds available and report on commitments. Oracle Order Management allows you to enter order lines against commitments.

company values

(Oracle Financial Consolidation Hub) Serves as the linkage between the company segment of General Ledger operational balances and Financial Consolidation Hub entities.

complete invoice

An invoice with a status of Complete. When you enter a new invoice, the status remains incomplete until you actually choose to complete it. To have a status of Complete, the invoice total must be greater than or equal to zero, the invoice must have at least one invoice line, revenue records must exist for each line, revenue records for each line must add up to the line amount, and a tax and revenue credit record must exist for each line.

complete matching

A condition where the invoice quantity matches the quantity originally ordered, and

you approve the entire quantity.

See also: matching, page Glossary-54, partial matching, page Glossary-61

compound tax

A method of calculating tax on top of other tax charges. You can create compound taxes in the Transactions window or with AutoInvoice.

compounded tax

A tax that is dependent on (the tax value of) one or more taxes.

compounding regime

A tax regime used to fully qualify a compounding tax.

compounding rule

A rule used in the context of a tax calculation formula to indicate whether a compounding tax is added or subtracted.

compounding tax

A tax that is used in deriving the value of a compounded tax.

configuration option

The settings for a first party and each tax regime assigned to the party that indicate that the first party is subject to the regime and that designate how the tax and tax rules for the regime are maintained and/or shared.

configuration owner

A legal entity or operating unit that owns the responsibility of maintaining tax content.

consolidation

The process of combining the financial results of multiple companies into one financial statement. See: Global Consolidation System in the *Oracle General Ledger User Guide*.

consolidation entity

(Oracle Financial Consolidation Hub) An entity that contains consolidated balances. A consolidation entity may own other consolidation or operating entities, and aggregates its immediate children.

consolidation global value set combination

(Financial Consolidation Hub) Determines the value set used for consolidation for each dimension.

consolidation hierarchies

(Financial Consolidation Hub) A user-defined, date-effective structure that represents the parent/child relationships of entities that are processed during consolidation.

consolidation hierarchy structure

(Financial Consolidation Hub) The hierarchy structure that comprises consolidation entities, elimination entities, and operating entities. Each entity, other than the top entity, has relationship attributes that define the nature of its association with its one or more parents.

consolidation method

(Financial Consolidation Hub) A mechanism that defines the accounting method applied during consolidation. Consolidation rules are assigned to each consolidation method. A consolidation method is assigned to each parent child/relationship within the Consolidation Hierarchy user interface.

consolidation of balances

Recalculating the balances for a third party is sometimes called consolidation or consolidation of balances. This consolidation is not related to the General Ledger consolidation functionality.

consolidation process

(Financial Consolidation Hub) The process that brings together financial data from disparate sources to create a single, global view of financial information across the entire enterprise.

consolidation rule

(Financial Consolidation Hub) A user-defined mechanism that enables you to automate the creation of consolidation entries during consolidation processing.

consolidation ledger

A ledger into which you consolidate the financial results of multiple companies. You can consolidate actual, average, translated, budget, and statistical balances.

A field in Oracle General Ledger's ledger window that must be enabled in order to consolidate average balances

constant unit of money

A constant unit of money represents the real value of money at the end of a period. Financial statements must be prepared using the constant unit of money. The constant unit of money is independent of any methods used to evaluate a company's assets.

contact

In Oracle Receivables, a representative who is responsible for communication between you and a specific part of your customer's company. For example, your customer may have a shipping contact person who handles all questions regarding orders shipped to that address. Receivables lets you enter contacts for your customers, addresses, and business purposes.

contact point

A means of contacting a party other than postal mail, for example, a phone number, e-mail address, fax number, and so on.

contact preference

Provides information about when and how parties prefer to be contacted. You can specify the subjects on which to contact a party, the number of times to contact a party, and the reason for specifying a contact preference. You can also set preferences for a party's e-mail address or phone number.

contact role

A responsibility that you associate to a specific contact. Oracle Receivables provides 'Bill To', 'Ship To', and 'Statements,' but you can enter additional responsibilities.

contract financing

In Oracle Payables, financing that is paid based on work performed or cost to date. If the contractually specified performance or cost milestones are met, financing is given to aid in the completion of subsequent work prior to the delivery of the contract line item.

contract financing payment

In Oracle Payables, payments that are made before final acceptance of work or products. In the government sector, financing Payments include advances, performance based Payments, and progress payments. In the private sector, only advances are considered financing, while progress Payments are invoiced.

control account

An accounting segment status for an account combination. This type of account is used in subledgers such as Payables or Receivables. Control accounts are used to maintain special balances for third parties per period. You should not change control accounts from a General Ledger responsibility; define and use security to protect your control accounts.

control amount

A feature you use to specify the total amount available for payment of a recurring payment. When you generate invoices for a recurring payment, Oracle Payables uses the control amount and the total number of payments to determine the invoice amount.

control book

A tax book, used for mass depreciation adjustments, that holds the minimum accumulated depreciation for each asset.

controlling entity

(Financial Consolidation Hub) A controlling entity is an operating entity that is associated with a consolidation entity.

conversion

A process that converts foreign currency transactions to your ledger currency.

See also: foreign currency conversion, page Glossary-37

Corporate book

A depreciation book that you use to track financial information for your balance sheet.

corporate exchange rate

An exchange rate you can optionally use to perform foreign currency conversion. The corporate exchange rate is usually a standard market rate determined by senior financial management for use throughout the organization. You define this rate in Oracle General Ledger.

country structure

A hierarchical definition of geography types for a country. For example, the structure for United States is: State, County, City, then Postal Code.

country time zone

A time zone that applies to an entire country.

credit invoice

An invoice you receive from a supplier representing a credit amount that the supplier owes to you. A credit invoice can represent a quantity credit or a price reduction. You can create a mass addition line from a credit invoice and apply it to an asset.

credit items

Any item you can apply to an open debit item to reduce the balance due for a customer. Oracle Receivables includes credit memos, on-account credits, and unapplied and on-account cash as credit items. Credit items remain open until you apply the full amount to debit items.

credit memo

In Oracle Payables, a document that partially or fully reverses an original invoice.

In Oracle Receivables, a document that partially or fully reverses an original invoice. You can create credit memos in the Receivables Credit Transactions window or with AutoInvoice.

cross currency receipt

A receipt that is applied to a transaction denominated in a currency different than that of the receipt. Cross currency receipt applications usually generate a foreign exchange gain or loss due to fluctuating exchange rates between currencies.

cross rate

An exchange rate you use to convert one foreign currency amount to another foreign currency amount. In Oracle Payables, you use a cross rate to convert your invoice currency to your payment currency.

cross site and cross customer receipts

Receipts that you apply across customers and sites and are fully applied. Each of these receipts appears on the statements of the customer site that owns the receipt. The invoice(s) to which you have applied a cross receipt appear on the statement of the customer or site that owns the invoice.

cross-regime compounding

The process whereby taxes from one regime are compounded with taxes of another regime.

cross-validation rules

Rules that restrict the user from entering invalid key flexfield segment value combinations during data entry. For example, you may set up a cross-validation rule that disallows using department segments with balance sheet accounts.

Cumulative Translation Adjustment

A balance sheet account included in stockholder's equity in which Oracle General Ledger records net translation adjustments in accordance with FASB 52 (U.S.). You specify the account you want to use for Cumulative Translation Adjustment when you define each ledger in the ledger window.

customer

(Oracle Trading Community Architecture) A person or organization that the deploying company has a selling relationship with, regardless of whether anything has been purchased or serviced. A selling relationship can be established simply by negotiation terms that will be used if you later sell products.

customer address

A location where your customer can be reached. A customer can have many addresses.

You can also associate business purposes with addresses.

customer bank

A bank account you define when entering customer information to allow funds to be transferred from these accounts to your remittance bank accounts as payment for goods or services provided.

See also: remittance bank, page [Glossary-78](#)

customer class

A method to classify your customers by their business type, size, or location. You can create an unlimited number of customer classes. (Receivables Lookup)

customer contact

A specific customer employee with whom you communicate. Oracle Receivables lets you define as many contacts as you wish for each customer. You can also define contacts for an address and assign previously defined contacts to each business purpose.

customer profile

A method used to categorize your customers based on credit information. Receivables uses credit profiles to assign statement cycles, dunning letter cycles, salespersons, and collectors to your customers. You can also decide whether you want to charge your customers interest. Oracle Order Management uses the order and total order limits when performing credit checking.

customer profile class

A category for your customers based on credit information, payment terms, currency limits, and correspondence types.

customer relationship

An association that exists between customers which lets you apply payments to related customers, apply invoices to related customer's commitments, and create invoices for related customers.

customer site

A site where a customer is located. A customer can have more than one site. Site names can more easily identify a customer address, facilitating invoice and order entry.

See also: location, page [Glossary-53](#)

D&B hierarchy

(Oracle Trading Community Architecture) Contains hierarchical corporate relationships that D&B provides through batch load and the online Enterprise Management Global Data Product (GDP). You can view this corporate structure in a relationship hierarchy.

Data Quality Management (DQM)

(Oracle Trading Community Architecture) A set of tools to keep the TCA registry clean and accurate, with matching, duplicate identification, and merging functionality.

data element

(Oracle Trading Community Architecture) A piece of information in a data product that you can use to identify, contact, and evaluate the credit risk of parties. The complete D&B database includes over 150 key business data elements. Examples of data elements include the D-U-N-S Number, local business ID, and D&B rating.

data product

(Oracle Trading Community Architecture) A fixed set of data elements from D&B containing country-specific information to meet your business decision-making criteria.

data sharing group

Groups information about business entities such as parties, their addresses, contact points, relationships, and the like based on criteria such as classifications, relationship types, or created by modules. For example, one Data Sharing Group might be created for patients, another for employees, and another for parties classified as both patients and employees. A security administrator may then assign privileged access to create, update, or delete information secured by this Data Sharing Group based on the applicable business policy.

data source

The source of the records in the TCA Registry; for example user entered or third party.

date placed in service

The calendar date on which you start using an asset.

debit authorization

In Oracle Payments, a third party payer, in some regions, may need to provide written permission to authorize a first party payee to initiate debits against the payer's bank account. Payments can keep records of these debit authorizations.

debit invoice

In Oracle Payables, an invoice you generate to send to a supplier representing a credit amount that the supplier owes to you. A debit invoice can represent a quantity credit or a price reduction.

debit items

Any item that increases your customer's balance. Oracle Receivables includes invoices, debit memos, and chargebacks as debit items. Debit items remain open until the balance

due is zero.

debit memo

Debit that you assign to a customer to collect additional charges. For example, you may want to charge a customer for unearned discounts taken, additional freight charges, taxes, or finance charges.

debit memo reversal

A reversal of a payment that generates a new debit memo, instead of reopening old invoices and debit memos.

deduction

See: claim, page Glossary-18

default recovery settlement

The default for the moment either when the tax recovery is used to reduce tax due, or when the tax liability becomes due for settlement (typically in the next reporting period). The values are *immediate* (at invoice time) or *deferred* (when, and to the extent, payment is made).

deferred tax

A tax for which the accrual, both due and recoverable, (and therefore the settlement and/or reporting) is delayed beyond the invoice date, based on special tax regulations specified by a tax authority. The deferred tax only applies to a subset of transactions.

delinquency

An open (unpaid) invoice, debit memo, or chargeback with a past due date.

delinquency status

The status of a transaction assigned by a scoring engine. It can be current, pre-delinquent or delinquent.

denomination currency

In some financial contexts, a term used to refer to the currency in which a transaction takes place. In this manual, this currency is called transaction currency.

See also: transaction currency, page Glossary-98

deploying company

The Oracle customer that has or will install, implement, and run all or part of the Oracle E-Business Suite.

deposit

A type of commitment whereby a customer agrees to deposit or prepay a sum of money

for the future purchase of goods and services.

depreciable basis rule

Depreciable basis rules provide a means of calculating the asset bases to which the depreciation rate will be applied. Examples are PA (Period Average Balance), PE (Period End Balance), and YA (YTD Average Balance). You select these rules when defining a depreciation method. The basis rule and depreciation method together determine how the depreciable basis and depreciation expense are derived.

depreciation book

A book to store financial information for a group of assets. A depreciation book can be corporate, tax, or budget. Also known as **book**.

depreciation calendar

The depreciation calendar determines the number of accounting periods in a fiscal year. It also determines, with the divide depreciation flag, what fraction of the annual depreciation amount to take each period. You must specify a depreciation calendar for each book.

depreciation factor

A denominator that is used to derive the depreciation rate for declining methods that function under Polish regulations.

depreciation projection

The expected depreciation expense for specified future periods.

detail budget

A lower level budget whose authority is controlled by a Master budget.

dimension

An Oracle Financial Analyzer database object used to organize and index the data stored in a variable. Dimensions answer the following questions about data: "What?" "When?" and "Where?" For example, a variable called Units Sold might be associated with the dimensions Product, Month, and District. In this case, Units Sold describes the number of products sold during specific months within specific districts.

dimension values

Elements that make up an Oracle Financial Analyzer dimension. For example, the dimension values of the Product dimension might include Tents, Canoes, Racquets, and Sportswear.

disbursement request

In Oracle Payables, a request for payment to a payee that is not a supplier. For example,

a request to disburse funds to a borrower or to refund a Receivables customer.

disbursement type

A feature you use to determine the type of payment for which a payment document is used. For example, computer-generated payments and recorded checks or wire transfers.

discount

In Oracle Payables, the amount or percentage that you allow a supplier to decrease the balance due when making a payment. In Oracle Receivables, you use Payment Terms to define customer discounts and can choose whether to allow earned and unearned discounts.

See also: earned discounts, page Glossary-31, unearned discounts, page Glossary-100, payment terms, page Glossary-66

dispute

In Advanced Collections and iReceivables, disputes about specific invoices or invoice sections are submitted to AR where they can become credit memos.

distribution identifier

(Oracle Subledger Accounting) A distribution identifier corresponds to the sources that form the unique key of transaction distributions. Examples of distribution identifiers include `invoice_distribution_id` and `distribution_id`.

distribution line

In Oracle Assets, information such as employee, general ledger depreciation expense account, and location to which you have assigned an asset. You can create any number of distribution lines for each asset. Oracle Assets uses distribution lines to allocate depreciation expense and to produce your Property Tax and Responsibility Reports.

In Oracle Payables, a line corresponding to an accounting transaction for an expenditure item on an invoice, or a liability on a payment.

distribution link

In Subledger Accounting, a mechanism that ties subledger journal entry lines to their supporting transaction distributions.

distribution set

In Oracle Payables, a feature you use to assign a name to a predefined expense distribution or combination of distributions (by percentage). Payables displays on a list of values the list of Distributions Sets you define. With Distribution Sets, you can enter routine invoices into Payables without having to enter accounting information.

In Oracle Receivables, a predefined group of general ledger accounting codes that determine the debit accounts for other receipt payments. Receivables lets you relate

distribution sets to receivables activities to speed data entry.

distribution total

The total amount of the distribution lines of an invoice. The distribution total must equal the invoice amount before you can pay or post an invoice.

document

The physical base of a transaction, such as an invoice, a receipt, or a payment.

document category

A document category is used to split transactions into logical groups. You can assign a different sequence to each category and, by doing so, separately number each logical group. Each category is associated with a table. When you assign a sequence to a category, the sequence numbers the transactions in that table. Oracle Receivables lets you set up categories for each type of transaction, receipt, and adjustment.

document fiscal classification

A tax classification used by a tax authority to categorize a document that is associated with a transaction.

document payable

In Oracle Payments, a transaction in a source product that is sent to Oracle Payments for payment. An example of a document payable is an invoice in Oracle Payables.

document receivable

In Oracle Payments, a transaction in a source product that requires settlement. An example of a document receivable is an invoice in Oracle Receivables.

document sequence

A unique number that is manually or automatically assigned to documents such as bank statements in Oracle Cash Management, invoices in Oracle Receivables, or journal entries in Oracle General Ledger. Also used to provide an audit trail. Many countries require all documents to be sequentially numbered. Document sequencing can also be used in Public Sector implementations to comply with reporting and audit requirements.

domestic transaction

Transactions between registered traders in the same EU (European Union) country. Domestic transactions have VAT charged on goods and services with different countries applying different VAT rates to specific goods and services.

See also: external transaction, page Glossary-35

duplicate

A record that has been identified as a duplicate of at least one other record.

duplicate set

A group of records (such as parties, addresses or relationships) that has been identified as potential duplicates of one another in appearance and/or function.

earned discounts

Discounts your customers are allowed to take if they remit payment for their invoices on or before the discount date. The discount date is determined by the payment terms assigned to an invoice. Oracle Receivables takes into account any discount grace days you assign to this customer's credit profile. For example, if the discount due date is the 15th of each month, but discount grace days is 5, your customer must pay on or before the 20th to receive the earned discount. Discounts are determined by the terms you assign to an invoice during invoice entry.

See also: unearned discounts, page Glossary-100

effective date

The date a transaction affects the balances in the general ledger. This does not have to be the same as the posting date. Also known as the *value date*.

elimination entity

(Financial Consolidation Hub) The entity that holds entries and adjustments produced during the consolidation process. A unique elimination entity is automatically created for each consolidation entity.

employee organization

The organization to which an employee is assigned.

employee supervisor hierarchy

In Oracle Payables, an approval routing structure based on employee/supervisor relationships.

encumbrance

An entry you make to record anticipated expenditures of any type. Oracle Financials create requisition encumbrances and purchase order encumbrances automatically when encumbrance accounting or budgetary control is enabled. You can also record other encumbrances manually. For example, you can record encumbrances for your payroll.

See also: encumbrance journal entry, page Glossary-32

encumbrance accounting

An Oracle Financials feature you use to create encumbrances automatically for

requisitions, purchase orders, and invoices. The budgetary control feature uses encumbrance accounting to reserve funds for budgets. If you enable encumbrance accounting only, you can create encumbrances automatically or manually; however, you cannot check funds online and Oracle Financials does not verify available funds for your transaction.

See also: budgetary control, page Glossary-14

encumbrance commitment

In Oracle General Ledger and Oracle Payables, an encumbrance type typically associated with purchase requisitions to track expenditures. You can view funds available and report on commitments.

encumbrance journal entry

In Oracle Payables, a journal entry that increases or relieves encumbrances. Encumbrance entries can include encumbrances of any type. If you have enabled encumbrance accounting, when you successfully validate an invoice matched to an encumbered purchase order, Oracle General Ledger automatically creates encumbrance journal entries that relieve the original encumbrance journal entries. General Ledger also creates new encumbrance journal entries for any quantity or price variance between an invoice and the matched purchase order. General Ledger automatically creates encumbrance journal entries for an unmatched invoice when you validate the invoice.

encumbrance type

In Oracle General Ledger, an encumbrance category that allows you to track your anticipated expenditures according to your purchase approval process and to more accurately control your planned expenditures. Examples of encumbrance types are commitments (requisition encumbrances) and obligations (purchase order encumbrances).

end of period's unit of money

The end of period's unit of money is the value that represents money's acquiring power as of period end.

ending balance

The ending balance represents the balance of the transaction as of the ending GL Date that you have specified. This column should be the same as the Outstanding Balance of the Aging - 7 Buckets Report for this item.

entity

(Oracle Trading Community Architecture) A group of related attributes in the TCA Registry; for example Organization Profile, Person Profile, Address, and Contact Point.

establishment

Establishments are 100-percent owned and controlled entities, also referred to as branches, divisions, establishments (domestic or foreign), inventory organizations, and physical locations (for example, manufacturing plants and warehouses). They can be a physical (address) or logical (specific activity) subdivision of the legal entity

In many countries, establishments need to be registered with local regulatory bodies. They have significant existence (their own address, often supporting local taxes and regulations, in some countries a threshold of number of employees per site), or significant business autonomy (for example, they may have their activity code, their own budget, P&L, and handle their own bank accounts). They are not liable to the outside world (and cannot be sued separately in court). They support or represent local or distant registrations of the legal entity. They represent the Dun & Bradstreet Division and Branch.

estimated index value

In some countries, if the index value for a period is not known, you can use an estimated index value. The inflation adjustment process operates the same way as when the exact index value is known.

See also: index value, page Glossary-43

event class

(Oracle Subledger Accounting) Represents the actions possible for a particular transaction type or document. Application accounting definitions, which include journal line types and descriptions, can be assigned by event class. This simplifies setup when the accounting requirements for all event types within a class are the same. Also, sources assigned to an event class are available for the accounting of all event types within that event class.

(Oracle E-Business Tax) A categorization of events within an application, such as Purchasing or Payables. For example, Purchasing event classes include Requisition; Purchase Order and Agreement; and Release.

event class mapping

A mapping that indicates, for an application event class, the tax event class that it is grouped under for tax purposes.

event entity

See: Accounting Event Entity

event entity identifier

(Oracle Subledger Accounting) A mechanism to link an event with its underlying transaction. Event identifiers are stored on accounting events when an accounting event is captured. For example, an identifier of check_id can be used to link a Payables

payment event to the underlying payment transaction.

exact match

Matching method that requires an exact character match, as compared to a search that uses the similarity algorithm.

exchange rate type

The source of an exchange rate. For example, user defined, spot, or corporate rate.

See also: corporate exchange rate, page Glossary-23, spot exchange rate, page Glossary-87

exchange rate variance

The difference between the exchange rate for a foreign-currency invoice and its matched purchase order. Payables tracks any exchange rate variances for your foreign-currency invoices.

exemption certificate

A document obtained from a taxing authority which certifies that a customer or item is either partially or fully exempt from tax. The document details the reason for the exemption and the effective and expiration dates of the certificate.

expenditures

Activities that represent payments, repayments, or receipts for goods or services provided. For some governments, expenditures include anticipated expenses, such as encumbrances, in addition to activity that directly leads to an outlay of cash, such as an invoice. In Oracle Public Sector Financials, the term *expenditures* includes actual expenses and accrued liabilities. Expenditures do not include anticipated expenses, such as encumbrances.

expensed asset

An asset that you do not depreciate, but charge the entire cost in a single period. Oracle Assets does not depreciate an expensed asset, or create any journal entries for it. You can, however, use Oracle Assets to track expensed assets. The Asset Type for these assets is "Expensed".

expensed item

Items that do NOT depreciate; the entire cost is charged in a single period to an expense account. Oracle Assets tracks expensed items, but does not create journal entries for them.

extensions

(Oracle Trading Community Architecture) Extended attributes and their attribute values. These custom attributes extend the TCA Registry. TCA extensions use the

extensibility framework and features from Oracle Product Lifecycle Management (PLM).

external bank accounts

In Oracle Payments, the third party's bank account.

external organization

See: organization, page Glossary-59

external transaction

Transactions between an EU (European Union) trader and a supplier or customer located in a non-EU country. Customers and sites in non-EU countries are tax exempt and should have a zero tax code assigned to all invoices.

See also: domestic transaction, page Glossary-30

extract

In Oracle Payments, an XML file that includes transaction and payment data that is formatted by XML Publisher according to the requirements of the applicable payment system to which it is submitted.

factor

In Oracle General Ledger, data upon which you perform some mathematical operation. Fixed amounts, statistical account balances, account balances, and report rows and columns are all data types you can use in formulas.

In Oracle Payables, the payee of an invoice when the payee differs from the supplier on the invoice. For example, a supplier may have sold their receivables to a financial institution or factor.

factoring

The process by which you sell your accounts receivable to a financial institution (such as a bank) in return for cash. Financial institutions usually charge a fee for factoring.

feeder system

A non-Oracle system from which you can pass information into Oracle Assets. For example, you can pass budget or production information from a spreadsheet into Oracle Assets.

fiduciary funds

A fund type for which the accounting and reporting techniques depend on whether the fund is expendable or nonexpendable. Examples of fiduciary funds include Trust and Agency funds.

final close

In Oracle Payables, a purchase order control you can assign to prevent modifications to or actions against completed documents, lines, and shipments by final closing them. Final-closed documents are not accessible in the corresponding entry windows and you cannot perform the following actions against final-closed entities: receive, transfer, inspect, deliver, correct receipt quantities, invoice, return to supplier, or return to receiving.

financial data item

An Oracle Financial Analyzer database object that is made up of either a variable, or a variable and a formula. For example, a financial data item called "Actuals" would be a variable, while a financial data item called "Actuals Variance" would be made up of a variable (Actuals) and a formula that calculates a variance.

financial institution

In Oracle Payments, the institution where an account is held and that disburses or receives funds. There are various types of financial institutions: commercial banks, building societies, and credit unions. Often, the term Bank is used instead of Financial Institution.

Financial Statement Generator

A powerful and flexible report building tool for Oracle General Ledger. You can design and generate financial reports, apply security rules to control access to data via reports, and use specific features to improve reporting productivity.

first party payee

In Oracle Payments, the deploying company receiving funds for payment. The first party payee receives funds from customers in various ways: by credit card payments, by direct debits to bank accounts, and by bills receivable transactions sent to banks.

first party payer

In Oracle Payments, the deploying company making fund disbursements. The first party payer disburses funds to pay suppliers, customer refunds, and to reimburse employee expenses.

fiscal classification

A classification used by a tax authority. This is further divided into: party fiscal classification, party site fiscal classification, product fiscal classification, transaction fiscal classification, and document fiscal classification.

fiscal classification type

A scheme or system of classification or categorization used by a tax authority. Examples of fiscal classification types are the SIC (Standard Industrial Classification), a party

classification type; and the UNSPSC (United Nations Standard Products and Services Code), a product classification type.

fiscal classification type group

A grouping of fiscal classification types where each type defines a different level of the same fiscal classification.

fiscal document

A legal and/or business document used to support tax compliance.

fiscal representation

(Oracle Subledger Accounting) An accounting representation that typically contains no more than the minimum data required to comply with statutory regulations.

See: Analytical Representation

fixed assets unit

A measure for the number of asset parts tracked in Oracle Assets. You can assign one or more units to a distribution line.

fixed rate currencies

Currencies with fixed exchange rates. No longer applicable to EU member states.

flat tax

A specific amount of tax, regardless of the amount of the item. There is no rate associated with flat taxes. Flat taxes are charged on items such as cigarettes, gasoline, and insurance.

flexible address format

Oracle Applications allows you to enter an address in the format most relevant for the country of your customer, supplier, bank, or remit-to site. This is done by using descriptive flexfields to enter and display address information in the appropriate formats. The descriptive flexfield opens if the country you enter has a flexible address style assigned to it, allowing you to enter an address in the layout associated with that country.

foreign currency

In General Ledger, a currency that is different from the ledger currency you defined for your ledger. When you enter and pay a foreign currency invoice, Oracle Payables automatically converts the foreign currency into your ledger currency at the rate you define. General Ledger automatically converts foreign currency journal entries into your ledger currency at the rate you define.

See also: , accounting currency, page Glossary-3

foreign currency conversion

A process in Oracle Applications that converts a foreign currency transaction into your ledger currency using an exchange rate you specify.

See also: foreign currency exchange gain or loss, page Glossary-38

foreign currency journal entry

A journal entry in which you record transactions in a foreign currency. Oracle General Ledger automatically converts foreign currency amounts into your ledger currency using an exchange rate you specify.

See also: foreign currency, page Glossary-37, accounting currency, page Glossary-3

foreign currency realized gain/loss

Gains or losses on foreign currency transactions due to foreign currency fluctuations. Typically, the gain or loss is tracked for assets or liabilities for a period of time. Oracle General Ledger posts all foreign currency gains or losses resulting from revaluations to the Cumulative Translation Adjustment account defined in your ledger. Oracle Payables determines the foreign currency gain or loss as the difference between the invoiced amount and the payment amount due to changes in exchange rates.

foreign currency revaluation

A process that allows you to revalue assets and liabilities denominated in a foreign currency using a period-end (usually a balance sheet date) exchange rate. Oracle General Ledger automatically revalues your foreign assets and liabilities using the period-end exchange rate you specify. Revaluation gains and losses result from fluctuations in an exchange rate between a transaction date and a balance sheet date. General Ledger automatically creates a journal entry in accordance with FASB 52 (U.S.) to adjust your unrealized gain/loss account when you run revaluation.

foreign currency translation

A process that allows you to restate your ledger currency account balances into a reporting currency. Oracle General Ledger multiplies the average, periodic, or historical rate you define by your ledger currency account balances to perform foreign currency translation. General Ledger translates foreign currency in accordance with FASB 52 (U.S.). General Ledger also remeasures foreign currencies for companies in highly inflationary economies, in accordance with FASB 8 (U.S.).

format

In Oracle Payments, to place data in a data file by using a template that contains prescribed formatting attributes, such as location, font, and font size. Financial institutions, payment systems, and/or countries have specific electronic formatting requirements for payment instructions and settlement batches. For example, Oracle Payments uses Oracle XML Publisher to format electronic payment instructions according to formatting requirements of specific financial institutions.

formula entry

A recurring journal entry that uses formulas to calculate journal entry lines. Instead of specifying amounts, as you would for a standard entry, you use formulas, and Oracle General Ledger calculates the amounts for you. For example, you might use recurring journal entries to do complex allocations or accruals that are computed using statistics or multiple accounts.

full consolidation

(Financial Consolidation Hub) A consolidation method where 100% of the subsidiary's balances are brought into the consolidated statements.

fund

A fiscal and accounting entity with a self-balancing set of accounts in which cash and other financial resources, all related liabilities and residual equities or balances and changes to these balances are recorded. A fund is segregated to carry on specific activities or attain certain objectives in accordance with special regulations, restrictions, or limitations. When you implement Oracle Public Sector Financials, Fund is typically the balancing segment of your Accounting Flexfield.

fund balance

Fund balance is the equity portion of a fund balance sheet. Fund balance may contain one or more of the following subdivisions: **reserved** - A portion of the fund balance not available for expenditure or legally segregated for a specific future use. For example, Reserve for Encumbrances and Reserve for Inventory are reserved portions of fund balance. **Unreserved, designated** - A portion of the fund balance established to indicate tentative plans for the future use of current resources. **Unreserved, undesignated** - Fund balance available for use without predefined restrictions.

funds capture

In Oracle Payments, 1. Receipt of funds. 2. An automated process through electronic payment channels, such as direct debits of bank accounts, credit cards, and remittance of bills receivable, where payment is retrieved from the payer who owes a debt to the payee.

funds capture process profile

In Oracle Payments, a key setup entity that holds rules for funds capture processing. The assignment of a funds capture process profile to a document is determined by the routing rules on the Payee. When a user creates a funds capture process profile, he specifies rules such as the following: 1) how authorization messages are formatted and transmitted, 2) how settlements are aggregated into a settlement batch, 3) how the settlement batch is formatted, and 4) how acknowledgements received from the payment system is processed.

funds capture process request

In Oracle Payments, a request to capture funds that is made by a source product for Oracle Payments' settlement service. The request contains identifying information, optional settlement instructions, and all the settlements. Funds capture process requests originate from Oracle Receivables and contain receipts for electronic funds capture. The funds capture process request includes only settlements. Any necessary credit card authorizations and bank account verification must have been performed before the submission of the funds capture process request.

funds disbursement

In Oracle Payables, a payment sent from the first party payer to the third party payee. A payment can take an electronic form; such as EFT or wire, or a printed form such as a check.

fund group

A general category of funds for which you report fund activity as a whole. Plant funds, restricted funds, and general operating funds are examples of fund groups. Each fund group can have one or more funds associated with it. In Oracle Public Sector Financials, you can summarize funds into fund groups using rollup groups.

fund segment

The segment of your Accounting Flexfield that you use to record fund, appropriation, or other information relating to a fiscal entity. In Oracle Public Sector Financials, *fund segment* is a generic term for the balancing segment you specify when you implement Oracle Public Sector Financials.

fund type

A classification of funds for specifying accounting attributes. GAAP and other accounting authorities specify the fund types in general use and the appropriate accounting method, use of encumbrance, use of budgetary or proprietary accounts, and other attributes. For example, governmental units typically use the following fund types: General, Special Revenue, Capital Projects, Debt Service, Internal Service, Enterprise, and Trust & Agency.

funding budget

A budget against which accounting transactions are checked for available funds when budgetary control is enabled for your ledger.

funds available

In Oracle General Ledger, the difference between the amount you are authorized to spend and the amount of your expenditures plus commitments. You can track funds availability at different authority levels using the Online Funds Available inquiry window, or you can create custom reports with the General Ledger Financial Statement

Generator.

funds checking

The process of certifying funds available.

In Oracle Payables, you can check funds when you enter a requisition, purchase order, or invoice.

In Oracle General Ledger, you can check funds when you enter actual, budget, or encumbrance journals.

When you check funds, Oracle Financials compares the amount of your transaction against your funds available and notifies you online whether funds are available for your transaction. Oracle Financials does not reserve funds for your transaction when you check funds.

funds reservation

In Oracle General Ledger, the process of reserving funds available. You can reserve funds when you enter actual, budget, or encumbrance journals. When you reserve funds, Oracle Financials compares the amount of your transaction against your funds available and notifies you online whether funds are available for your transaction.

In Oracle Payables, the creation of requisition, purchase order, or invoice encumbrance journal entries. Payables reserves funds for your invoice when you validate the invoice. Invoice Validation creates encumbrance journal entries for an unmatched invoice or for price and quantity variances between an invoice and the purchase order to which you match the invoice. Payables immediately updates your funds available balances and creates an encumbrance journal entry that you can post in your general ledger.

funds transfer

In Oracle Payments, any kind of automatic process to perform a transfer of funds from or to a payer's bank account. See Bank Account Transfer, Direct Debit, or ACH.

GL Date

The date, referenced from Oracle General Ledger, used to determine the correct accounting period for your transactions.

In Oracle Payables and Receivables, you assign a GL Date to your invoices and payments when they are created.

global configuration owner

(Oracle E-Business Tax) A special configuration owner that owns tax configuration data that is visible to all legal entities and operating units within an enterprise. The global configuration owner provides central management of enterprise tax configuration data; a legal entity or operating unit makes use of the data by subscribing to the global configuration owner for a tax regime.

See also: configuration owner, page Glossary-20

governmental funds

A type of fund whose objective is to provide services to the public. Governmental funds are concerned with the availability of resources to provide services. Examples of governmental funds are General, Special Revenue, Capital Projects, and Debt Service.

grace period

In Advanced Collections, a defined period of time before a promise to pay is considered broken.

See also: Receipt Acceptance Period, page Glossary-74

grant

Assistance awards in which a government agency provides funding to another government agency or other recipient, and in which the granting agency does not have substantial involvement with the receiving agency or recipient during the performance of the grant activity. For example, a state government might give grants to regional and local governments for various purposes. The regional and local governments administer the grant for the state government.

group asset

A collation of member assets. The cost of a group asset is the sum of the cost of all its member assets.

grouping rule

A rule set you define that AutoInvoice uses to group revenue and credit transactions into invoices, debit, and credit memos.

See also: line ordering rules, page Glossary-52

guarantee

A contractual obligation to purchase a specified amount of goods or services over a predefined period of time.

hierarchical relationship

A relationship in which a party is ranked above the other. The rank is determined by the role that they are taking in a relationship.

historical balances

Historical balances are composed of journal entry line amounts expressed in the units of money that were current when the transactions took place. Historical balances are the opposite of inflation-adjusted balances.

historical exchange rate

A weighted-average rate for transactions that occur at different times. Oracle General Ledger uses historical rates to translate owner's equity accounts in accordance with FASB 52 (U.S.). For companies in highly inflationary economies, General Ledger uses historical rates to remeasure specific historical account balances, according to FASB 8.

historical rates

User-defined rates or amounts for non-monetary assets, non-monetary liabilities, owner's equity accounts, or revenues or expenses associated with non-monetary assets or liabilities.

hold

In Oracle Payables, holds are systematically placed on invoices if the invoices require further review. You can manually place a hold on an invoice or an invoice scheduled payment line. All holds in Payables prevent payment; some holds also prevent accounting.

In Oracle Receivables and Advanced Collections, a feature that prevents an order or order line from progressing through the order cycle. If you place a customer on credit hold in Receivables, you cannot create new orders for this customer in Oracle Order Management. However, you can still create transactions for this customer in Receivables.

identifying jurisdiction

The first jurisdiction an entity must register with to be allowed to do business in a country. If a legal entity needs to register with more than one jurisdiction to commence business, one must be chosen as the identifying jurisdiction.

income tax region

The region or state you assign to paid invoice distribution lines for a 1099 supplier. If you participate in the Combined Filing Program, Payables produces K records for all income tax regions participating in the Combined Filing Program that have qualifying payments.

incomplete invoice

An invoice whose status has not been changed to Complete or that has failed validation. To complete an invoice, several conditions must be met. For example, the invoice must have at least one line and the GL date must be in an Open or Future period.

index values

An index value represents the price level for the period that the value applies to in relation to a fixed base level. Index values are used to calculate the correction factor that represents the inflation rate in the inflation adjustment process.

See also: estimated index value, page Glossary-33

inflation-adjusted balances

Inflation-adjusted balances are composed of the original journal entry line amounts and the inflation adjustment journal entry line amounts. If you use the historical/adjusted option, you maintain inflation-adjusted balances in a separate inflation-adjusted ledger in Oracle General Ledger. If you use the adjusted-only option, you maintain inflation-adjusted balances in your primary ledger.

inflation adjustment date

The inflation adjustment date (Fecha Valor) is the date that each journal entry must be adjusted from, which can be different than the journal entry's effective date. Every journal entry must be adjusted for the period from the inflation adjustment date until the present time. The default value for the inflation adjustment date is the journal entry's effective date.

inflation start date

The inflation start date for an asset specifies when inflation begins to impact an asset. The asset is adjusted for inflation from this date onward. The inflation start date is generally the same date as the date placed in service. You can, however, define an inflation start date that is different than the date placed in service. For example, if you enter an asset that is already in service and that has already been adjusted for inflation, you can set the inflation start date to an appropriate date to begin calculating new inflation adjustments in Oracle Assets.

input tax

A tax incurred by a party on the importation, acquisition, purchase, or movement of a product.

installment

One of many successive payments of a debt. You specify a payment schedule when defining your payment terms.

installment number

A number that identifies the installment for a specific transaction.

intangible asset

A long term asset with no physical substance, such as a patent, copyright, trademark, leasehold, and formula. You can depreciate intangible assets using Oracle Assets.

intended use

A tax classification based on the purpose for which a product is used.

intercompany account

A general ledger account that you define in an Accounting Flexfield to balance intercompany transactions. You can define multiple intercompany accounts for use with different types of accounts payable journal entries.

intercompany category

(Financial Consolidation Hub) The category that eliminates balances from transactions that occur between entities in the consolidation hierarchy.

intercompany elimination entry

(Financial Consolidation Hub) The entries that eliminate balances between entities to ensure that they are not included in consolidated results.

intercompany journal entry

A journal entry that records transactions between legal entities. General Ledger keeps your accounting records in balance for each company by automatically creating offsetting entries to an intercompany account you define.

intercompany rule

(Financial Consolidation Hub) A mechanism that identifies intercompany activity to be matched and eliminated.

intercompany segment

A segment you define in your chart of accounts to track intercompany transactions by company or trading partner.

intercompany transaction

A transaction that involves two or more legal entities within the enterprise.

interest invoice

An invoice that Oracle Payables creates to pay interest on a past-due invoice. Payables automatically creates an expense distribution line for an interest invoice using an account you specify.

interfund account

A general ledger account you define in an Accounting Flexfield to balance interfund transactions. You can define multiple interfund accounts for use with different types of journal entries. You can define multiple interfund accounts and link them with balancing segment values so each fund can have multiple interfund accounts. For example, fund A can have an interfund payable account for fund B and an interfund receivable account for fund B. Fund A can have an interfund payable account for fund C and an interfund receivable account for fund C.

interfund entry

A transaction between two or more funds. For example, an activity funded out of the General Fund that is to be reimbursed by the Plant Fund is an interfund transaction. Oracle Public Sector Financials can automatically create basic interfund entries when you post a journal entry that does not balance by balancing segment value or fund.

interfund journal entry

A journal entry that records transactions between affiliates. Oracle General Ledger keeps your accounting records in balance for each fund by automatically creating offsetting entries to an interfund account you define.

interfund transfer

All interfund transactions except for loans, advances, quasi-external transactions, and reimbursements.

internal organization

See: organization, page Glossary-59

internal requisition

See: internal sales order, page Glossary-46, purchase requisition, page Glossary-73

internal sales order

A request within your company for goods or services. An internal sales order originates from an employee or from another process as a requisition, such as inventory or manufacturing, and becomes an internal sales order when the information is transferred from Purchasing to Order Management. Also known as **internal requisition** or **purchase requisition**.

intracompany category

(Financial Consolidation Hub) The category that eliminates balances from transactions that occur between different organizations within an entity. The Intracompany category is always sequenced before Translation.

intracompany elimination entry

(Financial Consolidation Hub) The entries that offset balances occurring between different business units or companies within the same operating entity.

intracompany transaction

A transaction between different business units belonging to one legal entity.

intraEU, taxed transaction

Transactions between non-registered traders in different EU (European Union) countries. VAT must be charged to customers within the EU if you do not know their

VAT registration number. The destination country and inventory item controls which VAT rate to use.

intraEU, zero rated transactions

Transactions between registered traders in different EU (European Union) countries. An Intra-EU transaction is zero rated if and only if you know the customer's VAT registration number; otherwise, VAT must be charged on the invoice.

intransit inventory

Items being shipped from one inventory organization to another. While items are intransit you can view and update arrival date, freight charges, and so on.

investment tax credit (ITC)

A tax recovery of an input tax that is typically permitted when the purchase is used as an asset.

invoice

In Oracle Payables and Oracle Assets, a document you receive from a supplier that lists amounts owed to the supplier for purchased goods or services. In Payables, you create an invoice online using the information your supplier provides on the document, or you import an invoice from a supplier. Payments, inquiries, adjustments and any other transactions relating to a supplier's invoice are based upon the invoice information you enter.

In Oracle Receivables and Oracle Cash Management, a document that you create in Receivables that lists amounts owed for the purchases of goods or services. This document also lists any tax, freight charges, and payment terms.

invoice batch

In Oracle Payables, a feature that allows you to enter multiple invoices together in a group. You enter the batch count, or number of invoices in the batch, and the total batch amount, which is the sum of the invoice amounts in the batch, for each batch of invoices you create. You can also optionally enter batch defaults for each invoice in a batch. When you use the Invoice Batch Controls profile option, Payables automatically creates invoice batches for Payables expense reports, prepayments, and recurring invoices, as well as all standard invoices. In addition, you can specify a batch name when you import invoices.

In Oracle Receivables, a group of invoices you enter together to ensure accurate invoice entry. Invoices within the same batch share the same batch source and batch name. Receivables displays any differences between the control and actual counts and amounts. An invoice batch can contain invoices in different currencies.

invoice date

In Oracle Assets, the date that appears on a customer invoice. This date is used to

calculate the invoice due date, according to the customer's payment terms.

In Oracle Receivables, the date an invoice is created. This is also the date that Receivables prints on each invoice. Receivables also uses this date to determine the payment due date based on the payment terms you specify on the invoice.

In Oracle Payables, the date you assign to an invoice you enter in Payables. Payables uses this date to calculate the invoice due date, according to the payment terms for the invoice. The invoice date can be the date the invoice was entered or it can be a different date you specify.

invoice distribution line

A line representing an expenditure item on an invoice. A single expenditure item may have multiple distribution lines for cost and revenue. An invoice distribution line holds an amount, account code, and accounting date.

invoice line types

A feature that classifies every invoice line or distribution. For example, item tax, freight, or miscellaneous.

invoice number

A number or combination of numbers and characters that uniquely identifies an invoice within your system. Usually generated automatically by your receivables system to avoid assigning duplicate numbers.

invoice price variance

The difference between the item price for an invoice and its matched purchase order. For your inventory items, Payables tracks any invoice price variances.

invoice quantity variance

The difference between the quantity-billed for an invoice and the quantity-ordered (or received/accepted, depending on the level of matching you use) for its matched purchase order. Payables distributes invoice quantity variances to the Accounting Flexfield for your invoice distribution lines.

invoice related claim

A claim that is due to a discrepancy between the billed amount and the paid amount for a specific transaction

invoice request

In Oracle Payables, an invoice submitted without a purchase order by a supplier via Oracle iSupplier Portal, which is pending review and approval by the appropriate persons within the deploying company.

invoice split amount

See: split amount, page Glossary-86

invoice write-off

A transaction that reduces the amount outstanding on an invoice by a given amount and credits a bad debt account. Submitted in Oracle Advanced Collections as an adjustment for Receivables invoices and as a write-off for Leasing invoices.

invoicing

The function of preparing a client invoice. Invoice generation refers to the function of creating the invoice. Invoicing is broader in the terms of creating, adjusting, and approving an invoice.

invoicing rules

Rules that Receivables uses to determine when you will bill your customer and the accounting period in which the receivable amount is recorded. You can bill In Advance or In Arrears.

See also: bill in advance, page Glossary-12, bill in arrears, page Glossary-12

ITC

See: investment tax credit, page Glossary-47

ITC amount

The investment tax credit allowed on an asset. The ITC amount is based on a percentage of the asset cost. When you change an asset's cost in the accounting period you enter it, Oracle Assets automatically recalculates the ITC amount.

ITC basis

The maximum cost that Oracle Assets can use to calculate an investment tax credit amount for your asset. If you enabled ITC ceilings for the asset category you assigned to an asset, the ITC basis is the lesser of the asset's original cost or the ITC ceiling.

ITC ceiling

A limit on the maximum cost that Oracle Assets can use to calculate investment tax credit for an asset. You can use different ceilings depending on the asset's date placed in service.

ITC rate

A rate used to calculate the investment tax credit amount. This percentage varies according to the expected life of the asset and the tax year.

ITC recapture

If you retire an asset before the end of its useful life, Oracle Assets automatically

calculates what fraction of the original investment tax credit must be repaid to the government. This amount is called the investment tax credit recapture.

item

Anything you buy, sell, or handle in your business. An item may be a tangible item in your warehouse, such as a wrench or tractor, or an intangible item, such as a service.

journal entry batch

A method used to group journal entries according to your ledger and accounting period. When you initiate the transfer of invoice or payment accounting entries to your general ledger for posting, Payables transfers the necessary information to create journal entry batches for the information you transfer. Journal Import in General Ledger uses the information to create a journal entry batch for each ledger and accounting period. You can name your journal entry batches the way you want for easy identification in your general ledger. General Ledger attaches the journal entry category, date, and time of transfer to your batch name so that each name is unique. If you choose not to enter your own batch name when you transfer posting information, General Ledger uses the journal entry category, date, and time of transfer.

journal entry category

A category to indicate the purpose or nature of a journal entry, such as Adjustment or Addition. Oracle General Ledger associates each of your journal entry headers with a journal category. You can use one of General Ledger's pre-defined journal categories or define your own.

For Oracle Payables, there are three journal entry categories in Oracle Projects if you use the accrual basis accounting method: Invoices, Payments, and All (both Invoices and Payments).

journal entry description

(Oracle Subledger Accounting) The description that appears as part of a subledger journal entry header or line. Journal entry descriptions enable users to determine the purpose and scope of a subledger journal entry.

journal entry header

A method used to group journal entries by currency and journal entry category within a journal entry batch. When you initiate the transfer of invoices or payments to your general ledger for posting, Oracle Payables transfers the necessary information to create journal entry headers for the information you transfer. Journal Import in General Ledger uses the information to create a journal entry header for each currency and journal entry category in a journal entry batch. A journal entry batch can have multiple journal entry headers.

journal entry lines

Each journal entry header contains one or more journal entry lines. The lines are the actual journal entries that your general ledger posts to update account balances. The number and type of lines in a journal entry header depend on the volume of transactions, frequency of transfer from Oracle Payables, and your method of summarizing journal entries from Oracle Payables.

journal entry source

Identifies the origin of journal entries from Oracle and non-Oracle feeder systems. General Ledger supplies predefined journal sources or you can create your own.

journal entry status

(Oracle Subledger Accounting) Status of journal entry that includes Draft, Final, Incomplete, Invalid, and Invalid Related Entry.

journal line types

(Oracle Subledger Accounting) A component of the AMB that includes information necessary to convert transaction data into subledger journal entry lines.

journal lines definition

(Oracle Subledger Accounting) A group of account derivation rules, journal line types, and journal entry descriptions that can be shared across application accounting definitions.

jurisdiction

See: tax jurisdiction, page Glossary-93

laser-printed payment documents

In Oracle Payments, payment documents that are numbered as they are printed.

Latin Tax Engine (LTE)

A collection of programs, user-defined system parameters, setup tables, and rules used by Oracle Receivables for Latin America to calculate tax.

leasehold improvement

An improvement to leased property or leasehold. Leasehold improvements are normally amortized over the service life or the life of the lease, whichever is shorter.

ledger

A set of accounting information for a legal or business entity. Each ledger is associated with a chart of accounts, calendar, currency, and subledger accounting method for which accounting information is recorded. There are two types of ledgers: primary

ledgers and secondary ledgers. Each ledger is fully balanced and can be closed independently of other ledgers.

ledger currency

The primary currency of a ledger. A ledger can have multiple currencies: one ledger currency and one or more reporting currencies.

legal authority

A governing legal body that operates within a jurisdiction. The legal authority is responsible for enforcing legislation, collecting fees and taxes, and making financial appropriations within a given physical area for a type of law. For example, the Internal Revenue Service is the legal authority for income tax law in the US.

legal document

A paper document sent to or sent by the customer or supplier. Many countries require that legal documents are stored for up to ten years.

legal entity

A clearly identified entity, which is given rights and responsibilities under commercial law, through registration with a country's appropriate legal authority. These rights and responsibilities are enforceable through the judicial system. A legal entity generally has the right to own property, trade, the responsibility to repay debt, and comply with labor law. Legal entities are responsible to account for themselves to company regulators, taxation authorities, and owners according to rules specified in the relevant legislation.

legal journals

Journals that print all journal entries according to your legal requirements. Entries might include period balances for customers or suppliers. Legal journals vary from country to country.

legal registration

The registration of a party with an authority to ensure that legal and/or commercial rights and responsibilities are upheld.

See also: tax registration, page Glossary-94

lien

See: commitment, page Glossary-19, obligation, page Glossary-58

line item intercompany maps

(Financial Consolidation Hub) Specifies the relationship between a line item value and an intercompany value in the consolidation chart of accounts. Each line item value can be mapped to an intercompany value or no value at all.

line ordering rules

You define line ordering rules for invoice lines that you import into Receivables using AutoInvoice. AutoInvoice uses these rules to order invoice lines when it groups the transactions it creates into invoices, debit memos, and credit memos.

location

In Oracle Assets, a key flexfield combination specifying a particular place. You assign each asset to a location. Oracle Assets uses location information to produce Responsibility and Property Tax Reports.

In Oracle Receivables, a shorthand name for an address. Location appears in address list of values to let you select the correct address based on an intuitive name. For example, you may want to give the location name of *Receiving Dock* to the Ship To business purpose of 100 Main Street.

In TCA, a point in geographical space described by an address.

Location Flexfield

Oracle Assets lets you define what information you want to keep about the locations you use. You use your Location Flexfield to define how you want to keep the information.

LTE

See: Latin Tax Engine, page Glossary-51

manual invoice

An invoice that you enter using either the Transactions or Transactions Summary window.

manual journal entry

A journal entry you create in the Enter Journals window in Oracle General Ledger. Manual journal entries can include regular, statistical, intercompany and foreign currency entries.

manual reconciliation

The process where you manually reconcile bank statement details with the appropriate batch or detail transaction. Oracle Cash Management generates all necessary accounting entries.

See also: reconciliation, page Glossary-75

Many-to-Many attribute

In Oracle Financial Analyzer, a relationship between one or more values of one base dimension with one or more values of a second base dimension. For example, if you have a Many-to-Many attribute definition where the first base dimension is

Organization and the second base dimension is Line Item, then a single organization can be related to several line items, and a single line item can be related to several organizations.

mapping sets

(Oracle Subledger Accounting) Component of the AMB that enables users to assign a specific value to a segment or Accounting Flexfield based upon source values. Mapping sets are used for defining account derivation rules. For example, users can create a mapping set which would indicate that if an invoice is for a supplier type of Services, then use an Accounting Flexfield segment that maps to an account used for services. Mapping sets are similar in concept to Project Accounting lookup sets.

master budget

A budget that controls the authority of other budgets.

match rule

A set of rules that determines which records are matches for an input record. A match rule consists of an acquisition portion to determine potential matches, a scoring portion to score the potential matches, and thresholds that the scores are compared against to determine actual matches.

matching

In Oracle Cash Management, the process where batches or detailed transactions are associated with a statement line based on the transaction number, amount, currency and other variables, taking Cash Management system parameters into consideration. In Cash Management, matching can be done manually or automatically.

(Financial Consolidation Hub) The process of grouping intercompany balances together to consider whether the balances offset completely and therefore require a suspense entry for balancing.

In Oracle Payables and Oracle Assets, the process of comparing purchase order, invoice, and receiving information to verify that ordering, billing, and receiving information is consistent within accepted tolerance levels. Payables uses matching to control payments to suppliers. You can use the matching feature in Payables if you have Purchasing or another purchasing system. Payables supports two-, three-, and four-way matching.

See also: reconciliation, page Glossary-75

matching tolerances

The acceptable degrees of variance you define for matched invoices and purchase orders. If any of the variances between a matched invoice and purchase order exceed the tolerances you specify, validation places the invoice on hold.

maturity date

In Oracle Payables and Oracle Cash Management, the date your bank disburses funds

to a supplier for a future dated payment. Payables displays the maturity date on the future dated payment document to inform your supplier and bank when the bank should transfer funds to the supplier's bank. You can update the payment status from Issued to Negotiable on or after the maturity date.

In Oracle Receivables, a date that determines when funds for an automatic receipt can be transferred from your customer's bank account to your bank account.

maximum depreciation expense

The maximum possible depreciation expense for an asset in a mass depreciation adjustment. The maximum depreciation expense for an asset is the greatest of the depreciation actually taken in the tax book, the amount needed to bring the accumulated depreciation up to the accumulated depreciation in the corporate book, or the amount needed to bring the accumulated depreciation up to the accumulated depreciation in the control book.

merchant ID

A unique identification number used for credit card processing. The merchant ID identifies your business to iPayment, to your customer's electronic payment system and credit card vendor, and to your remittance bank.

meta data

Data you enter in Oracle General Ledger to represent structures in Oracle Financial Analyzer. Meta data consists of the dimensions, segment range sets, hierarchies, financial data items, and financial data sets you define in Oracle General Ledger. When you load financial data from Oracle General Ledger, Oracle Financial Analyzer creates dimensions, dimension values, hierarchies, and variables based on the meta data.

minimum accountable unit

The smallest meaningful denomination of a currency (this might not correspond to the standard precision). While a currency may require a precision of three places to the right of the decimal point, for example, .001 (one thousandth), the lowest denomination of the currency may represent 0.025 (twenty-five thousandths). Under this example, the Minimum Accountable Unit would be .025. Calculations in this currency would be rounded to .025 (the Minimum Accountable Unit), not .001 (the precision).

minimum depreciation expense

The minimum possible depreciation expense for an asset in a mass depreciation adjustment. The minimum depreciation expense for an asset in a tax book is the amount needed to bring the accumulated depreciation up to the accumulated depreciation in the corporate book or control book, or zero, whichever is greater.

minimum interest amount

The amount below which Payables does not pay interest on an overdue invoice.

Payables automatically compares the interest amount it calculates on past due invoices with the minimum interest amount you have defined, and does not create an interest invoice unless the amount of interest exceeds the minimum interest amount.

minority interest category

(Financial Consolidation Hub) The category that holds the consolidation accounting entries needed to recognize non-controlling interest on consolidated financial statements.

miscellaneous receipts

A feature that lets you record payments that you do not apply to debit items, such as refunds and interest income.

model

A set of interrelated equations for calculating data in Oracle Financial Analyzer.

model invoice

An invoice used as a template that you copy to create new invoices.

monetary account

Monetary accounts, such as the Cash, Banks, Receivables, or Payables accounts, are accounts that remain the same through different periods. Monetary accounts are not adjusted for inflation, but these accounts do generate inflation gain or loss.

See also: non-monetary account, page Glossary-57

multiperiod accounting

(Oracle Subledger Accounting) Recognition of revenue or a prepaid expense or revenue across multiple GL periods. Deferred revenue and expense recognition are examples of multiperiod accounting.

NACHA

National Automated Clearing House Association. Payment format that allows users to make electronic payments within the Automated Clearing House (ACH), the largest standardized electronic payment system in the United States.

natural account segment

In Oracle General Ledger, the segment that determines whether an account is an asset, liability, owners' equity, revenue, or expense account. When you define your chart of accounts, you must define one segment as the natural account segment. Each value for this segment is assigned one of the five account types.

natural application

A transaction type parameter that, if enabled, does not let you apply a transaction to a debit item if the application will reverse the sign of the debit item (for example, from a positive to a negative balance). Natural application does not apply to chargebacks and adjustments.

See also: Overapplication, page Glossary-60

nesting

The act of grouping calculations to express the sequence of routines in a formula. Traditional mathematical nesting uses parenthesis and brackets. Oracle General Ledger EasyCalc uses a straightforward and logical nesting method that eliminates the need for parenthetical expressions.

netting

In Oracle Payables, the process where trading partners agree to offset their payables and receivables.

net allocation

Allocation in which you post the net of all allocations to an allocated-out account.

netting agreement

In Oracle Payables, a group of trading partners with their associated business rules that determine the types of transactions to be selected for netting. The Netting Agreement controls how a group of trading partners net Payables and Receivables transactions.

nexus

The amount and degree of business activity that must be present before a tax authority can impose a registration, tax filing, and/or tax collection responsibility on an entity. The amount of activity or connection that is necessary to create nexus tends to vary from jurisdiction to jurisdiction, and consequently, is defined by jurisdiction.

non-invoice related claim

A claim that is due to a discrepancy between the billed amount and the paid amount, and cannot be identified with a particular transaction.

non-monetary account

Non-monetary accounts, such as fixed assets and most expense and revenue accounts, are accounts that are revalued due to inflation or deflation effects. Non-monetary accounts must be adjusted at each period-end to reflect balance changes.

See also: monetary account, page Glossary-56

non-recoverable tax amount

The part of the tax amount on a transaction that cannot be recovered.

non-revenue credit

Revenue credit you assign to your agents that is not associated with your invoice lines. This is revenue credit given in excess of your revenue credit.

non-revenue sales credit

Sales credit you assign to your salespeople that is not associated with your invoice lines. This is sales credit given in excess of your revenue sales credit.

See also: revenue sales credit, page Glossary-81

none consolidation

(Financial Consolidation Hub) A consolidation method where an entity's balances can be used as input into a consolidation rule, but the entity's balances are not brought into the consolidated statements.

object or object classification

A means of identifying transactions by the nature of the goods or services purchased, such as personnel compensation, supplies and material, or equipment. Typically, Object is a segment of your Accounting Flexfield when you implement Oracle Public Sector Financials. Many agencies have standard object classification codes. Objects are also known as "Detail" in some governments.

obligation

An encumbrance you record when you turn a requisition into a purchase order.

A transaction representing a legally binding purchase.

See also: commitment, page Glossary-19, purchase order encumbrance, page Glossary-72, encumbrance, page Glossary-31

offset account

An offset account is used to balance journal entries in your General Ledger. For example, offsetting accounts for a guarantee are the Unbilled Receivables and the Unbilled Revenue accounts.

offset tax

A tax used to calculate and record tax liability on Payables transactions for reverse charges, self-assessments, and, in the United States, Consumer's Use tax.

offset tax rate

A tax rate of an offset tax. An offset tax rate is always negative.

on-account payment

The status of a payment of which you apply all or part of its amount to a customer without reference to a specific debit item. Examples of these are prepayments and deposits.

one time billing hold

A type of hold that places expenditure items and events on billing hold for a particular invoice; when you release that invoice, the items are billed on the next invoice.

One-to-Many attribute

A relationship in Oracle Financial Analyzer where one or more values of a base dimension are related to a single value of an aggregate dimension. For example, if you have a One-to-Many attribute definition where the base dimension is Organization and the aggregate dimension is Level, each organization can be related to only a single level.

open items

Any item, such as an invoice, debit memo, credit memo, chargeback, on-account credit, on-account payment, or unapplied payment, whose balance due is not yet zero.

operating unit

An autonomous organization having business activities corresponding to one of these products: Receivables, Order Management, Payables, Purchasing and Projects. Operating units are related to a primary ledger.

operating entity

(Financial Consolidation Hub) An entity that contains operating balances, which are loaded from General Ledger or other financial systems via data submission. An operating entity may own other consolidation or operating entities, but does not consolidate that ownership structure.

organization

A business unit such as a company, division, or department. Organization can refer to a complete company, or to divisions within a company. Typically, you define an organization or a similar term as part of your account when you implement Oracle Financials.

A government or public sector entity or sub-entity. Organization can refer to an entire agency or to divisions within an agency. For example, an agency might be composed of several bureaus, each of which has several departments. Each department is an organization, as is each bureau and the agency itself. A state university system is an organization, as is each campus within the university system, and each department within each campus. Typically, you define organization or a similar term as part of your Accounting Flexfield when you implement Oracle Public Sector Financials.

organization classification

Organization classifications are set of system-defined attributes that categorize an organization. Examples of classifications include operating unit, project expenditure organization, inventory organization and human resources organization.

organization hierarchy

An organization hierarchy displays hierarchical relationships between organizations in enterprise. Use organization hierarchy to create security profiles.

organization structure

See: organization hierarchy, page Glossary-60

output entity

(Financial Consolidation Hub) A target entity where the results of a consolidation rule or a manual adjustment is written.

output tax

A tax charged by a party on the sale or movement of a product.

out of balance batch

The status of a batch when the control count or amount does not equal the actual count or amount.

overapplication

A transaction type parameter that, if enabled, lets you apply a transaction to a debit item even if it will reverse the sign of the debit item (for example, from a positive to a negative balance). Overapplication applies to debit items such as debit memos, deposits, guarantees, credit memos, and on-account credits.

See also: Natural Application Only, page Glossary-56

overflow record

A type of bank file record that stores additional payment information that could not fit on the payment record. Each overflow record must have a payment record as a parent. Typically, an overflow record will store additional invoice numbers and the amount of the payment to apply to each invoice.

parallel allocation

A set of allocation rules that carries out the rules in an autoallocation set without regard to the outcome of the other rules in the set.

See also: autoallocation set, page Glossary-9, step-down allocation, page Glossary-88

parent asset

A parent asset has one or more subcomponent assets. First you add the parent asset. Then, you add the subcomponent asset and assign it to the parent asset in the Additions form. You can change parent/subcomponent relationships at any time.

parent regime

A tax regime that is used to group other tax regimes.

parent segment value

An account segment value that references a number of other segment values, called child segment values. Oracle General Ledger uses parent segment values to create summary accounts, to report on summary balances, and in MassAllocations and MassBudgeting. You can create parent segment values for independent segments, but not for dependent segments.

Oracle Financial Analyzer uses parent and child segment values to create hierarchies.

partial matching

A condition where the invoice quantity is less than the quantity originally ordered, in which case you are matching only part of a purchase order shipment line.

See also: matching, page Glossary-54, complete matching, page Glossary-19

partial retirement

A transaction that retires part of an asset. You can retire any number of units of a multiple unit asset or you can retire part of an asset cost. If you retire by units, Oracle Assets automatically calculates the cost retired.

party

A person, organization, relationship, or collection of parties that can enter into business relationships with other parties.

party exemption

A full or partial reduction in the tax that is normally charged to a party.

party fiscal classification

A tax classification used by a tax authority to categorize a party.

party fiscal classification type

A classification code used to categorize a party fiscal classification.

party relationship

A binary relationship between two parties, for example a partnership.

party site

A location used by a party.

party site exemption

A full or partial reduction in the tax that is normally charged to a party site.

party site fiscal classification

A tax classification used by a tax authority to categorize a party site.

party tax profile

The profile used to view and maintain tax information for relevant parties, including tax registration and party fiscal classifications.

party type

The type of party; Person, Organization, Group, or Relationship.

pay group

A feature you use to select invoices for payment in a payment batch. You can define a pay group and assign it to one or more suppliers. You can override the supplier's pay group on individual invoices. For example, you can create an Employee Pay Group to pay your employee expenses separately from other invoices.

pay item

In Oracle Payments, scheduled progress for Service Procurement contracts.

pay site

A supplier site that is able to receive payments.

A supplier must have at least one supplier site defined as a pay site before Payables allows payments to be issued to that supplier. You cannot enter an invoice for a supplier site that is not defined as a pay site.

See also: purchasing site, page Glossary-73, RFQ Only Site, page Glossary-81

payer entity

In Oracle Payments, the third party payer, as registered in Payments.

payment

A document that includes the amount disbursed to any supplier/pay site combination as the result of a payment batch. A payment can pay one or more invoices.

Any form of remittance, including checks, cash, money orders, credit cards, and Electronic Funds Transfer.

payment attributes

In Oracle Payments, payment details, such as the payment method, which are used by Payments, payment systems, financial institutions, or central banks to process, categorize, or identify payments. These attributes may exist on documents payable, as well as on payments.

PayGroup

See: Pay Group, page Glossary-62

payment application

This report column represents the payments that were applied to the item within the GL Date range that you specified. If the transaction number corresponds to the item the payment was applied to, then the amount should be positive. If the transaction number is the payment itself, then the amount should be negative. The amount in this column should match the sum of the amounts in the Applied Amount, Earned Discount, and Unearned Discount columns of the Applied Receipts Register Report.

payment batch

In Oracle Payables, a group of invoices selected for automatic payment processing. Payables creates a payment batch when you initiate AutoSelect. Payables builds and formats payments for the invoices in the batch according to the payment method and format you specify for a chosen bank account.

payment cards

In Oracle Payments, a payment instrument that comes in the form of a card. Examples of payment cards include credit cards and debit cards. Payment cards are used in a variety of business scenarios and these tend to vary by geographic region, as well as by industry.

payment creation rules

In Oracle Payments, rules that specify how documents payable are grouped into payments. Some rules are hard coded, while others are user-defined.

payment distribution line

A line representing the liability transaction on a payment. Each payment has at least one liability distribution line, but may have additional lines to record discounts taken and realized gains and losses (foreign currency payments only).

payment document

In Oracle Payables, a medium you use to instruct your bank to disburse funds from your bank account to the bank account or site location of a supplier. With Oracle Payables you can make payments using several types of payment documents. You can send your supplier a check that you manually create or computer-generate. You can

instruct your bank to transfer funds to the bank account of a supplier. For each payment document, you can generate a separate remittance advice. Payables updates your invoice scheduled payment the same way regardless of which payment document you use to pay an invoice. Payables also allows you to instruct your bank to pay in a currency different from your ledger currency, if you enable the multiple currency system option and define a multi-currency payment format.

In Oracle Payments, a set of documents, such as check stock, on which checks and promissory notes can be printed or written. Payment documents usually have security features such as watermarks to prevent fraud.

payment factory model

In Oracle Payments, a payment model that allows operating units to maintain their own accounts payable and other payment administrative functions. The role of the payment factory is to handle communication and transactions with the company's banking partners. Invoice selection can be done in Oracle Payables within a single operating unit. Then a payment factory administrator using Payments can consolidate payments from different operating units into a single payment file for transmission and settlement, thereby reducing transaction costs.

payment format

In Oracle Payables, a definition that determines your payment creation and remittance advice programs for a given payment document. When you define a payment format, you do so for a particular payment method.

In Oracle Receivables, a feature that allows you to make invoice payments using a variety of methods. You can then assign one or more payment formats to a bank account. You can have multiple payment formats for each receipt method. Receivables associates receipt class, remittance bank, and receipt account information with your receipt entries.

payment file

In Oracle Payments, a file that contains instructions for a financial institution to make or collect payments on behalf of the first party payer or first party payee.

payment instruction

In Oracle Payments, a collection of payments, along with aggregate payment information, created during the funds disbursement flow. Depending on the setup, a payment instruction may be converted into a file to be printed onto checks or into a payment file that is transmitted to a payment system for further processing and disbursement.

payment instrument

In Oracle Payments, the entity used for settling a payment. Examples of payment instruments used by Payments are credit cards, company purchase cards, and bank

accounts.

payment method

In Oracle Cash Management, you can assign a payment method to suppliers, supplier sites, invoice payment schedule lines, and payment formats. You can then assign one or more payment formats to a bank account. You can have multiple payment formats for each payment method.

In Oracle Payables, a feature that allows you to make invoice payments using a variety of methods. You can disburse funds using checks, electronic funds transfers, and wire transfers. Oracle Payables updates your payment schedules the same way regardless of which payment method you use. You can assign a payment method to suppliers, supplier sites, invoice payment schedule lines, and payment formats. You can then assign one or more payment formats to a bank account. You can have multiple payment formats for each payment method.

payment method (funds capture)

In Oracle Payments, the medium by which the third party payer chooses to remit payment to the first party payee. By default, Payments supports three payment channels for automated funds capture processing: bank account transfers, credit cards, and PINless debit cards. Payments also supports the recording of payer-initiated channels such as check or wire transfer, but does not perform any processing for these channels.

payment method (funds disbursement)

In Oracle Payments, a payment attribute on a document payable. The payment method indicates the medium by which the first party payer will make a payment to a third party payee. Examples of payment methods are checks printed in-house by the payer, checks outsourced to the bank for printing, and wires.

payment priority

In Oracle Payables, a value, ranging from 1 (high) to 99 (low), assigned to an invoice that determines how Payables selects invoices for payment in a payment process request. You can assign default payment priorities to suppliers, supplier sites, and invoice scheduled payments in Oracle Payables.

payment process profile

In Oracle Payments, a payment attribute assigned to documents payable (and therefore to payments) to specify their handling by Payments. Payment process profiles include several pieces of information, including specifications for formatting and transmission. The selection of a payment profile is driven by the payment method assigned to a document.

payment process request

In Oracle Payments, a request made by a source product for Payments' payment services. The payment process request contains one or more documents payable to be paid, identifying information, and optional payment instructions.

payment program

In Oracle Payables, a program you use to build and format your payment. Oracle Payables provides several payment programs. You can define as many additional programs as you need. Oracle Payables recognizes three payment program types: Build, Format, and Remittance Advice.

payment schedules

The due date and discount date for payment of an invoice. For example, the payment term '2% 10, Net 30' lets a customer take a two percent discount if payment is received within 10 days with the full invoice amount due within 30 days of the invoice date.

See also: scheduled payment, page [Glossary-82](#), payment terms, page [Glossary-66](#)

payment system

In Oracle Payments, a communication system that provides financial settlement services. Companies that deploy Payments choose payment systems to process their funds captures and, sometimes, their funds disbursements. The payment system can be the bank at which the deploying company has its bank accounts or it can be a third party processor that connects companies and financial institutions. The latter is commonly the case for credit card processing.

payment system certification

In Oracle Payments, a certification from a payment system indicating that Payments has built and tested integrations for funds capture transactions. Certifications do not preclude the deploying company from having to test their Payments installation with the payment system issuing the certification.

payment terms

The due date and discount date for payment of a transaction. For example, the payment term '2% 10, Net 30' lets a customer take a two percent discount if payment is received within 10 days; after 10 days, the entire balance is due within 30 days of the invoice date with no applicable discount.

See also: discount, page [Glossary-29](#), scheduled payment, page [Glossary-82](#)

period-average exchange rate

See: average exchange rate, page [Glossary-9](#)

period average-to-date

The average of the end-of-day balances for a related range of days within a period.

period-end exchange rate

The daily exchange rate on the last day of an accounting period. The system automatically translates monetary asset and liability account balances using period-end rates. When you run revaluation for a period, the system uses period-end rates to revalue the ledger currency equivalent balance associated with foreign currency-denominated account balances.

period type

Used when you define your accounting calendar. General Ledger has predefined period types of Month, Quarter, and Year. You can also define your own period types.

place of supply

The tax jurisdiction where the supply of goods or services is deemed to have taken place for a specific tax. The place of supply can differ for different taxes on the same transaction.

planned purchase order

A type of purchase order you issue before you order delivery of goods and services for specific dates and locations. You usually enter a planned purchase order to specify items you want to order and when you want the items delivered. You later enter a shipment release against the planned purchase order to order the items.

positive pay file

In Oracle Payments, a document that the deploying company sends to its payment system to inform it of payments made by check.

Positive Pay Program

Third party or custom software that formats the output file of the Payables Positive Pay Report into the format required by your bank, and transmits it electronically to your bank. This prevents check fraud by informing the bank which checks are negotiable or non-negotiable and for what amount.

posting date

The date a journal entry is posted to the general ledger.

pre-commitment

See: commitment, page Glossary-19

pre-encumbrance

See: commitment, page Glossary-19

pre-lien

See: commitment, page Glossary-19

precedence numbers

Numbers used to determine how Receivables will compound taxes. The tax line with the highest precedence number will calculate tax on all tax lines with a lower precedence number.

prepayment

A payment you make to a supplier in anticipation of his provision of goods or services. A prepayment may also be an advance you pay to an employee for anticipated expenses.

In Payables a prepayment is a type of invoice that you can apply to an outstanding invoice or employee expense report to reduce the amount of the invoice or expense report. You must validate the prepayment and fully pay the prepayment before you can apply the prepayment.

pre-printed payment documents

In Oracle Payments, documents that are pre-numbered.

price correction

An invoice you receive from a supplier that is an adjustment to the unit price of an invoice you previously matched to a purchase order shipment. You can match the price correction to specific purchase order distribution lines or you can have Payables prorate the price correction across all previously matched purchase order distributions. If you receive a price correction that represents a price reduction, you enter the price correction as a Credit invoice. If you receive a price correction that represents a price increase, you enter the price correction as a Standard invoice.

primary agent

The default agent that receives 100% of the revenue credits when you first enter an invoice or commitment.

primary customer information

Address and contact information for your customer's headquarters or principal place of business. Primary addresses and contacts can provide defaults during order entry.

primary ledger

A ledger that acts as the main record-keeping ledger. If used for maintaining transactions for one or more legal entities, it uses the legal entities' main chart of accounts, accounting calendar, currency, subledger accounting method, and ledger processing options to record and report on all of their financial transactions. If used for other business purposes where no legal entities are involved, then the primary ledger is defined with the chart of accounts, accounting calendar, and currency that is suited for the business need. One primary ledger is required for each accounting setup. A primary

ledger can have secondary ledgers and reporting currencies associated with it.

primary role

Your customer contact's principle business function according to your company's terminology. For example, people in your company may refer to accounting responsibilities such as Controller or Receivables Supervisor.

primary salesperson

The salesperson that receives 100% of the sales credits when you first enter an invoice or commitment.

print lead days

The number of days you subtract from the payment due date to determine the invoice date for each installment. You can only specify Print Lead Days when you are defining split payment terms.

prior period addition

An addition is a prior period addition if you enter it in an accounting period that is after the period in which you placed the asset in service. Also known as **retroactive addition**.

prior period reinstatement

A reinstatement is a prior period reinstatement if you enter it in an accounting period that is after the period in which the retirement took place. Also known as **retroactive reinstatement**.

prior period retirement

A retirement is a prior period retirement if you enter it in an accounting period that is after the period in which you entered the retirement. Also known as **retroactive retirement**.

prior period transfer

A transfer is a prior period transfer if you enter it in an accounting period that is after the period in which the transfer took place. Also known as **retroactive transfer**.

priority

(Oracle E-Business Tax) A number assigned to a tax rule, which specifies the order in which the rule is evaluated when the tax engine attempts to retrieve the result of a given process.

process category

(Oracle Subledger Accounting) Mechanism to restrict the events selected for processing by the Subledger Accounting program. A single process category can be assigned to one or more event classes. When users submit the request to run the Subledger Accounting

program, they can opt to limit the selection to a specified process category. As a result, only those event classes with the specified process category are selected for processing.

processing unit

(Oracle Subledger Accounting) Number of transactions processed by Subledger Accounting in one commit cycle.

product exemption

A full or partial reduction in the tax that is normally charged on a product.

product fiscal classification

A tax classification used by a tax authority to categorize a product. Examples of product fiscal classifications under the UNSPSC product fiscal classification types are "40151600: Compressors" and "40151601: Air compressors".

product fiscal classification type

A system of classification or categorization used by a tax authority to classify products. An example of a product fiscal classification type is the UNSPSC (United Nations Standard Products and Services Code).

production capacity

The total number of production or similar units expected from an asset.

production upload

The process by which Oracle Assets loads production information from the Production Interface table into Oracle Assets. You can use the Production Information Upload process to transfer production information from a feeder system, such as a spreadsheet, to Oracle Assets.

program

An organized set of objectives directed towards a common purpose or goal, undertaken or proposed by an agency to carry out its responsibilities. Program can also mean an agency's mission, programs, functions, activities, services, projects, and processes. You can define a segment of your Accounting Flexfield to capture program information when you implement Oracle Public Sector Financials.

promise date

The date on which a customer promises to pay for products or services.

The date on which you agree you can ship the products to your customer, or that your customer will receive the products.

promise to pay

A commitment by a customer to remit amounts due within a specific time period.

prompt payment act due date

The date by which you must pay an invoice to comply with United States Prompt Payment Act regulations. Oracle Payables automatically revises your scheduled payment in accordance with Prompt Payment Act requirements when you validate an invoice.

proposed payment

In Oracle Payments, a grouping of documents payable into payments, which have not yet been approved by the payment administrator or moved into the payment instruction creation phase.

proprietary account

An account segment value (such as 3500) assigned one of the five proprietary account types: Asset, Liability, Owner's Equity, Revenue, and Expense.

proprietary account type

Any of the five account types: Asset, Liability, Owner's Equity, Revenue, and Expense.

proprietary funds

A fund type that uses accounting and reporting techniques similar to commercial enterprises. Examples of proprietary funds include internal service funds, such as a central motor pool or central public works facility, and enterprise funds.

prorate calendar

The prorate calendar determines the number of prorate periods in your fiscal year. It also determines, with the prorate or retirement convention, which depreciation rate to select from the rate table for your table-based depreciation methods. You must specify a prorate calendar for each book.

prorate convention

Oracle Assets uses the prorate convention to determine how much depreciation to take in the first and last year of an asset's life based on when you place the asset in service. If you retire an asset before it is fully reserved, Oracle Assets uses the retirement convention to determine how much depreciation to take in the last year of life based on the retirement date. Your tax department determines your prorate and retirement conventions.

prorate date

Oracle Assets uses the prorate date to calculate depreciation expense for the first and

last year of an asset's life.

proxima payment terms

A payment term you define for invoices due on the same day each period, such as your credit card or telephone bills. This type of payment term is also used with balance forward bills.

purchase cards

In Oracle Payments, a type of credit card, which is typically issued by a company to an employee, but where the company is responsible for payment. These credit cards are often used for low value business procurement purchases.

purchase order (PO)

In Oracle Assets, the order on which the purchasing department approved a purchase.

In Oracle General Ledger, a document used to buy and request delivery of goods or services from a supplier.

In Oracle Payables, a type of purchase order you issue when you request delivery of goods or services for specific dates and locations. You can order multiple items for each planned or standard purchase order. Each purchase order line can have multiple shipments and you can distribute each shipment across multiple accounts.

purchase order distribution

Each purchase order shipment consists of one or more purchase order distributions. A purchase order distribution consists of the Accounting Flexfield information Payables uses to create invoice distributions.

purchase order encumbrance

A transaction representing a legally binding purchase. Purchasing subtracts purchase order encumbrances from funds available when you approve a purchase order. If you cancel a purchase order, Purchasing creates appropriate reversing encumbrances entries in your general ledger. Also known as **obligation**, **encumbrance** or **lien**.

purchase order line

An order for a specific quantity of a particular item at a negotiated price. Each purchase order in Purchasing can consist of one or more purchase order lines.

purchase order requisition line

Each purchase order line is created from one or more purchase order requisition lines. Purchasing creates purchase order requisition lines from individual requisitions.

purchase order revision

In Oracle Payables, a number that distinguishes printed purchase order versions.

Purchasing automatically sets the revision to 0 when you initially create a purchase order. Each purchase order you print displays the current revision number.

purchase order shipment

A scheduled delivery of goods or services from a purchase order line to a specified location. Each purchase order line can have one or more purchase order shipments.

Purchasing defines a purchase order shipment by a purchase order line location you enter in Purchasing. When you perform matching during invoice entry, you can match an invoice to one or more shipments.

purchase requisition

An internal request for goods or services. A requisition can originate from an employee or from another process, such as inventory or manufacturing. Each requisition can include many lines, generally with a distinct item on each requisition line. Each requisition line includes at least a description of the item, the unit of measure, the quantity needed, the price per item, and the Accounting Flexfield you are charging for the item. Also known as **internal requisition**.

See also: internal sales order, page Glossary-46

purchasing site

A supplier site from which you order goods or services. You must enter at least one purchasing site before Purchasing will allow you to enter a purchase order.

purge

To purge a fiscal year is to remove the depreciation expense and adjustment transaction records for that year from Oracle Assets. You must archive and purge all earlier fiscal years and archive this fiscal year before you can purge it.

An Oracle Receivables process where you identify a group of records for Receivables to delete from the database. Receivables purges each record and its related records. Receivables maintains summary data for each record it purges.

quantity-based order

In Oracle Payables, an order you place, receive, and pay, based on the quantity, unit of measure, and price of the goods or services that you purchase.

quarter average-to-date

The average of the end-of-day balances for a related range of days within a quarter.

quota sales credits

See: revenue sales credit, page Glossary-81, non-revenue sales credit, page Glossary-58

rate period

The period for which a specific tax rate and related information is applicable.

receipt acceptance period

The number of days you allow for acceptance or rejection of goods. Oracle Payables uses this to recalculate invoice scheduled payments. You specify receipt acceptance days when you define your Financials options.

receipt batch source

A name that you use to refer to how your company accounts for receipts. Receipt batch sources relate your receipt batches to both the bank and the accounting information required for recording and posting your receipts.

receipt class

Automatic receipt processing steps that you relate to your receipt methods. You can choose whether to confirm, remit, and clear automatic receipts.

receipt currency

The currency in which an expense report item originates.

receipt grace days

A specific number of days that you assign to your customers and sites to effectively extend the due dates for their outstanding debit items.

receipt method

In Oracle Receivables, an attribute that associates receipt class, remittance bank and receipt account information with your receipts. You can define receipt methods for both manual and automatic receipts.

receipt source

Your name for a source from which your company receives cash. Your receipt sources determine the accounting for payments that are associated with them. Receipts that you deposit in different banks belong in different payment sources.

receipts

Payment received in exchange for goods or services. These include applied and unapplied receipts entered within the GL date range that you specified.

In Oracle Payments, funds that Oracle Receivables receives as payments against its invoices.

receivable activities

Predefined Receivables activities used to define the general ledger accounts with which you associate your receivables activities.

reciprocal customer relationship

An equal relationship shared between two customers. Both customers can enter invoices against each others commitments as well as pay each others debit items.

recognition journal entry

See: multiperiod accounting

reconciliation

In Oracle Payables, the process of matching and clearing your bank account statement lines with payments and receipts entered in Payables and Receivables. A reconciled document has been matched to a bank statement line in Cash Management. Oracle Payables inserts a cleared date and amount for all payments that your bank reports as cleared.

In Oracle Receivables, an analysis that explains the difference between two balances. If you are using Cash Management to reconcile receipts, payments are reconciled when they are matched to a bank statement line.

reconciliation tolerance

A variance amount used by Cash Management's AutoReconciliation program to match bank statement lines with receivables and payables transactions. If a transaction amount falls within the range of amounts defined by a bank statement line amount, plus/minus the reconciliation tolerance, a match is made.

record type

A bank file is made up of many different rows or records. Each record must have a type. For example, a record may store information about a payment record or a batch record. Record types help Oracle Receivables determine where different types of data are stored in your bank file.

recoulement

In Oracle Payables, the process of recovering prepaid amounts when invoicing for progress or the final delivery of goods or services, based on specific terms captured in the Services Procurement contract.

recoverable amount

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

recoverable cost

The lesser of the cost ceiling or the current asset cost less the salvage value and ITC basis reduction amount. Recoverable cost is the total amount of depreciation you are allowed to take on an asset throughout its life.

recoverable tax amount

The part of the tax amount on a transaction that can be recovered.

recurring formula

See: recurring journal entry, page Glossary-76

recurring invoice

A feature that lets you create invoices for an expense that occurs regularly and is not usually invoiced. Monthly rents and lease payments are examples of typical recurring payments. You define recurring invoice templates and Payables lets you define recurring invoices using these templates.

See also: recurring rule, page Glossary-76

recurring journal entry

A journal entry you define once; then, at your request, General Ledger repeats the journal entry for you each accounting period. You use recurring journal entries to define automatic consolidating and eliminating entries. Also known as **recurring formula**.

recurring rule

A rule that is applied to the model invoice to determine the invoice dates of the recurring invoices. You can choose Annually, Bi-Monthly, Days, Monthly, Quarterly, Semi-Annually, Single Copy, and Weekly.

recurring schedule

A schedule used to determine the number of recurring invoices created. You specify the recurring rule and number of recurring invoices you want to create.

reexpression coefficient

The reexpression coefficient (revaluation rate or correction factor) is the factor used to adjust cost, accumulated depreciation, and depreciation expense amounts for inflation. Historical amounts are multiplied by the reexpression coefficient to calculate the inflation-adjusted amounts.

reference objects

(Oracle Subledger Accounting) Database objects that can be used to provide sources for creating subledger accounting, even though they do not contain the subledger accounting primary keys. Developers need to provide a joining clause between the

reference objects and the transaction objects. Reference objects also enable sharing of sources across applications.

See: transaction objects

regime-to-rate flow

(Oracle E-Business Tax) The hierarchy of tax configuration details belonging to a tax regime, including all taxes, tax statuses, and tax rates.

registration

The record of a party's identity related details (registration number, legal address, business activity, etc.), along with the appropriate government/legal authorities for the purpose of claiming and ensuring legal and/or commercial rights and responsibilities.

reimbursement

A transaction you reflect once for the government as a whole, such as expenditures you make from a fund that are properly applicable to another fund. For example, if you charge an expenditure to the special revenue fund that is properly chargeable to the general fund, you reimburse the special revenue fund by recording the expenditure in the general fund and reducing the expenditure in the special revenue fund to be reimbursed.

reimbursement currency

The currency in which an employee chooses to be reimbursed for an expense report.

See also: transaction currency, page Glossary-98

relationship

An association you can create between two or more customers in Receivables to make payment applications easier.

See also: reciprocal customer relationship, page Glossary-75

relationship group

A mechanism for grouping similar relationship roles and phrases together. As a general rule, this grouping is used to determine which relationship roles and phrases are displayed in application user interfaces but can also be used to group roles and phrases for other functional uses.

relationship phrase

Defines the role of the subject of a relationship. For example, if an organization is an employer of a person, the Employer Of role describes the subject.

relationship type

A categorization that defines the rules and characteristics of a relationship.

relative amount

The amount that represents the numerator for the ratio used to determine the amount due. You specify your relative amount when you define your payment terms.

Amount Due = Relative Amount/Base Amount x Invoice Amount

release

An actual order of goods or services you issue against a blanket purchase order. The blanket purchase order determines the characteristics and prices of the items. The release specifies the actual quantities and dates ordered for the items. You identify a release by the combination of blanket purchase order number and release number.

release code

The release name Oracle Payables or you assign when releasing a hold from an invoice.

released date

The date on which an invoice and its associated revenue is released.

remittance advice

A document that lists the invoices being paid with a particular payment document. You can create and define remittance advices which you can use with any payment format or you can use a standard remittance advice that Oracle Payables provides.

remittance bank

The bank in which you deposit your receipts.

report center

The unit at which capital costs and expenses are recorded or reported (for example, well, lease, completion, prospect, facility, transport, transport measurement point, division, department, etc.).

reporting currency

Reporting currencies are additional currency representations of primary or secondary ledgers in which accounting and reporting can be performed. This currency can be used for supplementary reporting purposes, like consolidation or management reporting. Reporting currencies can only differ by currency from their source ledger.

reporting entity

The oversight unit and all related component units that combine to form a governmental reporting entity.

reporting hierarchies

Summary relationships within an account segment that let you group detailed values of that segment to prepare summary reports. You define summary (parent) values that reference the detailed (children) values of that segment.

reporting sequence

(Oracle Subledger Accounting) A sequence for subledger journal entries assigned when a GL period is closed. Legal subledger journal entry sequences are used to meet fiscal reporting requirements. Sequence numbers can be retroactively updated when subledger journal entries are used to account for activity in prior periods.

requisition encumbrance

A transaction representing an intent to purchase goods and services as indicated by the completion and approval of a requisition. Purchasing subtracts requisition encumbrances from funds available when you reserve funds for a requisition. If you cancel a requisition, Purchasing creates appropriate reversing entries in your general ledger. Also known as **commitment**, **pre-encumbrance** or **pre-lien**.

responsibility report

A financial statement containing information organized by management responsibility. For example, a responsibility report for a cost center contains information for that specific cost center, a responsibility report for a division manager contains information for all organizational units within that division, and so on. A manager typically receives reports for the organizational unit(s) (such as cost center, department, division, group, and so on) for which he or she is responsible.

restore

To restore a fiscal year is to reload the depreciation expense and adjustment transaction records for that fiscal year into Oracle Assets from a storage device. You can only restore the most recently purged fiscal year.

retainage

In Oracle Payables, the common practice of withholding a fixed amount or percentage of payment until all work under a contract is completed and accepted. Retainage is also called Retention or Contractual Withholds. The intention of retainage is to reduce the risk of an incomplete project.

retainage release

In Oracle Payables, a request to release amounts retained under a Services Procurement Contract when contracted work is completed and accepted.

retroactive addition

See: prior period addition, page Glossary-69

retroactive reinstatement

See: prior period reinstatement, page Glossary-69

retroactive retirement

See: prior period retirement, page Glossary-69

retroactive transfer

See: prior period transfer, page Glossary-69

return reason

Justification for a return of product. Many companies have standard reasons that are assigned to returns to be used to analyze the quantity and types of returns.

revaluation

In Oracle Assets, a feature that allows you to adjust the cost of your assets by a revaluation rate. The cost adjustment is necessary due to inflation or deflation. You can define revaluation rules for accumulated depreciation, for amortization of revaluation reserve, and for revaluation ceilings.

In Oracle Receivables and Oracle General Ledger, a process that restates assets or liabilities denominated in a foreign currency using exchange rates that you enter. Changes in exchange rates between the transaction and revaluation dates result in revaluation gains or losses.

revaluation gain/loss account

An income statement account you define that records net gains and losses associated with the revaluation of foreign currency-denominated accounts, in ledger currency units. You select the appropriate gain/loss account in the Revalue Balances window.

revaluation journal entry

A journal entry that is automatically created when you revalue foreign currency-denominated accounts. The revaluation process creates a batch of revaluation journal entries reflecting changes in market rates for each revalued currency and directs the gain or loss amount to the gain/loss account that you specify.

revaluation status report

A report that summarizes the results of your revaluation. Oracle General Ledger automatically generates this report whenever you revalue foreign asset and liability account balances for an accounting period in your calendar. You can review this report to identify accounts that were revalued in Oracle General Ledger and journal batches and entries that were created because of the revaluation.

revenue recognition

The point at which revenue is recorded. The concept of revenue recognition is central to

accrual-basis accounting. Revenue recognition schedules detail the points at which percent amounts of a sale are recognized as revenue.

revenue sales credit

Sales credit you assign to your salespeople that is based on your invoice lines. The total percentage of all revenue sales credit must be equal to 100% of your invoice lines amount. Also known as **quota sales credits**.

See also: non-revenue sales credit, page Glossary-58, sales credit, page Glossary-82

reversing journal entry

A journal entry General Ledger creates by reversing an existing journal entry. You can reverse any journal entry and post it to any open accounting period.

RFQ Only Site

A supplier site from which you receive quotations.

risk evaluation

In Oracle Payments, a service provided to evaluate the potential for fraud and to flag risky transactions. This service, performed during authorization, incorporates information from the payment system, such as the results of address verification.

rollforward

The process of taking the beginning balance of a period and then accounting for the transactions within that period by attempting to equate the beginning balance with the ending balance for the period.

rollup group

A collection of parent segment values for a given segment. You use rollup groups to define summary accounts based on parents in the group. You can use letters as well as numbers to name your rollup groups.

root node

A parent segment value in Oracle General Ledger that is the topmost node of a hierarchy. When you define a hierarchy using the Account Hierarchy Manager or Applications Desktop Integrators Account Hierarchy Editor, you specify a root node for each segment. Oracle Financial Analyzer creates a hierarchy by starting at the root node and drilling down through all of the parent and child segment values.

See also: parent segment value, page Glossary-61

routing

In Oracle Payments, the process that Payments uses to decide which payment system the authorization is sent.

routing rules

In Oracle Payments, rules that determine which payment system account and which funds capture process profile are used to process funds capture transactions.

rule numbers

A sequential step in a calculation. You use rule numbers to specify the order in which you want Oracle General Ledger to process the factors you use in your budget and actual formulas.

sales credit

Credits that you assign to your salespeople when you enter orders, invoices, and commitments. Credits can be either quota or non-quota and can be used in determining commissions.

See also: non-revenue sales credit, page Glossary-58, revenue sales credit, page Glossary-81

sales tax

A tax collected by a tax authority on purchases of goods and services. The supplier of the good or service collects sales taxes from its customers (tax is usually included in the invoice amount) and remits them to a tax authority. Tax is usually charged as a percentage of the price of the good or service. The percentage rate usually varies by authority and sometimes by category of product. Sales taxes are expenses to the buyer of goods and services.

sales tax structure

The collection of taxing bodies that you will use to determine your tax authority. 'State.County.City' is an example of a Sales Tax Structure. Oracle Receivables adds together the tax rates for all of these components to determine a customer's total tax liability for a transaction.

scheduled payment

A schedule used to determine the amount and date of payment due. You use payment terms to determine your scheduled payment as well as any discounts offered.

See also: payment terms, page Glossary-66

scoring

Assigns value to an object such as a customer, account, bill to location, or delinquency and determines delinquency status.

scoring component

Uses a select statement or function to derive quantifiable values for business questions such as the total number of delinquencies for a customer.

secondary ledger

An optional, additional ledger that is associated with the primary ledger for an accounting setup. Secondary ledgers can represent the primary ledger's data in another accounting representation that differs in one or more of the following: chart of accounts, accounting calendar/period type combination, currency, subledger accounting method and ledger processing options. Secondary ledgers can be maintained at four different data conversion levels: Balance, Journal, Subledger Journal, and Adjustments Only.

segment

In Oracle Advanced Collections, a database view used for scoring and strategies.

The building blocks of your chart of accounts in Oracle General Ledger. You define the structure and meaning of individual segments when customizing a flexfield. Each account is comprised of multiple segments. Commonly used segments include company, cost center, department, account, and product.

See also: Account Combination, page [Glossary-1](#)

senior tax authority

The first tax location in your sales tax structure. This segment does not have a parent location. For example, in the sales tax structure 'State.County.City', State is the senior tax authority.

sequence

Sequence generates numbers for documents or accounting entries. The generated sequence numbers are stored in the database tables registered as Sequence Entity.

sequence assignment

Allows users to control sequence numbering by specifying sequencing rules for a given sequence.

sequence context

The business boundaries for generating sequence numbers for documents or accounting entries may be generated. Examples include Legal Entity, Tax Registration Number, Ledger.

sequence control attribute

An attribute, which is unique to the records of a Sequence Entity.

sequence control attribute combination

Unique set of values for individual sequence control attributes that make up a sequence control attribute structure.

sequence control attribute structure

Corresponds to a collection of sequence control attribute.

sequence control date type

Date type available to a Sequence Entity.

sequence entity

Represents the product table information for documents or accounting entries that are available for being sequence numbered.

sequence event

An event that triggers a document or an accounting entry sequence numbering.

Examples include Payables Invoices approval for document and posting of GL journal entries for accounting entries. Sequence events can be triggered when:

- **Posting:** When GL journal entries are posted to a ledger
- **GL Period Close:** When accounting entries are closed
- **Creation/Commit:** When GL journal entries are created or committed to the database

sequence type

Receivables provides two types of sequences: Automatic and Manual. Automatic numbering sequentially assigns a unique number to each transaction as it is created. Manual numbering requires that you manually assign a unique number to each transaction when you create it. You can skip or omit numbers if desired.

sequence version

Information regarding the series of sequence number and the effective date range of the series.

sequencing context

The business boundaries for generating sequence numbers for documents or accounting entries may be generated. Examples include Legal Entity, Tax Registration Number, Ledger.

sequencing rule

Sequencing rules define the relationships between Sequence Events, Sequence Entities, Sequence Context Types, Sequence Control Attributes, and Sequence Control Date Types.

separate remittance advice

In Oracle Payments, a file or document for each payee that lists the invoices that the deploying company has paid to that payee. This is an optional feature initiated by the deploying company.

service subscription

The settings that let a combination of tax regime and first party use the tax calculation services of a tax service provider in place of Oracle E-Business Tax. The tax calculation services of the tax service provider are used to calculate the applicable taxes of this tax regime for transactions belonging to the first party.

See also: tax service provider, page Glossary-95

settlement

In Oracle Payments, the actual payment in the funds capture flow. Funds are captured against a payment instrument and deposited to the first party payee's bank account. For credit card transactions and for debit card transactions with some payment systems, this is the second step in the funds capture process, after authorization.

settlement batch

In Oracle Payments, a collection of settlements (and sometimes credits), along with aggregate settlement information created by Oracle Payments during the funds capture flow. A settlement batch is usually converted into a payment file to be transmitted to a payment system for further processing and settlement.

settlement batch creation rules

In Oracle Payments, rules that specify how funds capture transactions are grouped into settlement batches. Some rules are hard coded while others are user-defined.

settlement date

The date before which you cannot apply a prepayment to an invoice. Oracle Payables prevents you from applying a temporary prepayment to an invoice until on or after the Settlement Date of the prepayment.

shared use assets

When your accounting entities in the same corporate book share the use of an asset, you can apportion depreciation expense to each by percentage or units used.

ship-to address

The address of the customer who is to receive products or services listed on the invoice or order.

site use

See: business purpose, page Glossary-15

skeleton entry

A recurring journal entry the amounts of which change each accounting period. You simply define a recurring journal entry without amounts, then enter the appropriate amounts each accounting period. For example, you might define a skeleton entry to record depreciation in the same accounts every month, but with different amounts due to additions and retirements.

source

The origin of imported invoices. Import sources for the Payables Open Interface include Invoice Gateway, Oracle Assets, Oracle Property Manager, Credit Card, EDI Gateway (e-Commerce Gateway), ERS, RTS (Return to Supplier), and Internet Supplier Portal. You can define other sources in Payables for invoices you import from other accounting systems. Import sources for the Expense Report Open Interface are Payables Expense Report for invoices you enter in Payables or Internet Expenses, and Oracle Projects for invoices from Oracle Projects.

(Oracle E-Business Tax) An identifier that designates whether a tax registration is explicitly or implicitly defined.

(Oracle Subledger Accounting) The contextual and reference data drawn from the transaction model and included in transaction objects data, which can be used to determine how the event should be accounted. For example, the sources associated with a receipt application can include the trading partner name, trading partner type, receipt method, and bank account name.

source product

Relative to Oracle Payments, a product within the Oracle E-Business Suite that wants to use Oracle Payments for payment processing. Source products are those that accept payment instruments for funds capture, such as Oracle iStore, Oracle Order Management, and Oracle Student System, or for funds disbursement, such as Oracle Payables.

source transaction

For related transactions, the identifying source transaction from which the related items are created.

split amount

A dollar amount that determines the number of invoices over and under this amount, as well as the total amounts remaining. For example, your company generates invoices that are either \$300 or \$500. You choose \$400 as your split amount so that you can review how much of your open receivables are comprised of your \$300 business and how much corresponds to your \$500 business. The split amount appears in the Collection Effectiveness Indicators Report.

split payment terms

A feature used to automatically schedule multiple payments for an invoice. You can split payments using either a flat amount or a percentage of the total amount due.

spot exchange rate

A daily exchange rate you use to perform foreign currency conversions. The spot exchange rate is usually a quoted market rate that applies to the immediate delivery of one currency for another.

standalone asset

An individual asset that does not belong to a group asset.

standard balance

The usual and customary period-to-date, quarter-to-date, or year-to-date balance for an account. The standard balance is the sum of an account's opening balance, plus all activity for a specified period, quarter, or year. Unlike an average balance, no additional computations are needed to arrive at the standard balance.

standard entry

A recurring journal entry whose amount is the same each accounting period. For example, you might define a standard entry for fixed accruals, such as rent, interest, and audit fees.

standard memo lines

A type of line that you assign to an invoice when the item is not an inventory item (for example, 'Consulting Services'). You define standard memo lines to speed data entry when creating your transactions.

standard reversal

A payment reversal where Oracle Receivables automatically updates your general ledger and re-opens the debit items you closed by reversing the original payment.

STAT

The statistical currency Oracle General Ledger uses for maintaining statistical balances. If you enter a statistical transaction using the STAT currency, Oracle General Ledger will not convert your transaction amounts.

statistical journal entry

A journal entry in which you enter nonfinancial information such as headcount, production units, and sales units.

statistical quantity

Statistical information relating to the unit of measure for an invoice distribution line. For example, when you enter invoices for office rent, you can enter Square Feet (or whatever Unit of Measure you define in General Ledger) in the Unit field for an invoice distribution, and the number of square feet in the Statistical Quantity field for an invoice distribution. Oracle Payables includes the statistical quantity in the journal entries it creates for General Ledger during posting. You must use General Ledger in order to define a unit of measure and to be able to enter statistical quantities.

statistics

Accounting information (other than currency amounts) you use to manage your business operations. With Oracle General Ledger, you can maintain budget and actual statistics and use these statistics with budget rules and formulas.

step-down allocation

In Oracle General Ledger, a group of allocations that are ordered so that the posted results of one step are used in the next step of the AutoAllocation set. For example, you might allocate parent company overhead to operating companies based on revenues. You can then use a step-down allocation to allocate overhead to cost centers within the operating companies based on headcount.

strategy

In Advanced Collections strategies are used to manage collections issues with specific customers. A strategy has one or more work items.

subledger

(Oracle Subledger Accounting) A ledger that is subsidiary to the general ledger, representing the accounting for a single Oracle application. Transactions occur in Oracle applications such as Payables and Receivables. To represent the financial impact of these transactions, accounting is created as subledger and general ledger entries. An organization can create several subledger accounting representations to meet the needs of different groups of readers, such as regulatory officials or investors. The AMB creates these representations. Each representation is created using a subledger accounting method, and posted to a distinct ledger. For example, the entries created for Payables can be created once using a fiscal subledger accounting method and a second time using an analytical subledger accounting method. Each of these subledger entries are transferred and posted. However, they are transferred and posted to different ledgers.

Subledger Accounting

Refers to the infrastructure for creating and maintaining subledger journal entries. Subledger Accounting includes the AMB, the Subledger Accounting program, transaction account builder, control and third party control accounts, and the ability to inquire, view, and drill from subledger journal entries. These components enable users

to create flexible application accounting definitions and multiple representations of accounting, which are independent of their transaction models.

Subledger Accounting method

A group of consistent application accounting definitions that determines how accounting events are processed by the Subledger Accounting program. The subledger accounting method is assigned to a ledger.

An example of a subledger accounting method is U.S. GAAP accounting method, which includes a U.S. GAAP application accounting definition for Payables, Assets, and other Oracle applications. This method is assigned to a ledger which uses U.S. GAAP.

Subledger Accounting program

(Oracle Subledger Accounting) A program that processes eligible accounting events to create subledger journal entries. For each accounting event, the Subledger Accounting program retrieves source values from the transaction objects and applies the application accounting definitions to create subledger journal entries. The Subledger Accounting program is also responsible for the transfer of journal entries to the General Ledger.

subledger application

An Oracle application used to create transactions that may require accounting. For example, Oracle Process Manufacturing, Projects, and Assets are subledger applications.

subledger journal entry

(Oracle Subledger Accounting) A journal entry which includes all of the journal lines used to account for an event originating from a subledger application. Several subledger journal entries can be summarized to create a single general ledger journal entry. Users determine whether to summarize subledger journal entries when they create journal line types in the AMB. Because subledger journal entries provide the details for accounting, their corresponding general ledger entries are typically summarized. For example, the entries created to record the approval of a single invoice is a subledger journal entry. Several such entries can be summarized to form a single General Ledger journal entry.

subledger transaction

(Oracle Subledger Accounting) The recording of an action in a subledger application. A transaction is typically created to represent the impact of a business event. It frequently corresponds to a document. However, the transaction should not be identified exclusively by a document, since each document can be used as a basis for multiple transactions. Some transactions generate a subledger journal entry. Examples of subledger transactions that typically generate journal entries include approving invoices, creating expenditure batches, and adding fixed assets.

summary account

An account whose balance represents the sum of other account balances. You can use summary accounts for faster reporting and inquiry as well as in formulas and allocations.

super group

Used to standardize the depreciation method and limits across a range of group assets. When you assign a super group to a group asset, the group asset depreciation is calculated using the depreciation method and the rules defined for the super group.

supplier

A business or individual that provides goods or services or both in return for payment.

supplier invoice

An external supplier's invoice entered into Oracle Payables.

supplier number

A number or combination of numbers and characters that uniquely identifies a supplier within your system.

supplier site

A facility maintained by a supplier for the purpose of conducting business. A supplier may have one or many supplier sites.

Payables maintains supplier information regarding each supplier site you define for a supplier. You may define a supplier site as a pay site only, a purchasing site only, both a pay site and a purchasing site, or as an RFQ only site, in which case it may not have purchase orders entered against it. You can also select one pay site as your primary pay site.

See also: pay site, page Glossary-62, purchasing site, page Glossary-73, RFQ only site, page Glossary-81

tax agent

A party that is responsible for the remittance and/or reporting of taxes to a tax authority on behalf of another taxpayer.

tax amount

The value of a tax for a given tax jurisdiction for a given tax event. Each tax amount that is calculated for a tax may contain both a recoverable tax amount and a non-recoverable tax amount.

tax applicability

The process that identifies all of the taxes to be determined and levied on a transaction.

tax authority

A governmental entity that collects taxes on goods and services purchased by a customer from a supplier. In some countries, there are many authorities (for example, state, local, and federal governments in the U.S.), while in others there may be only one. Each authority may charge a different tax rate.

Tax book

A depreciation book that you use to track financial information for your reporting authorities.

tax calculation

The process and data by which a tax amount is determined for one or more taxes for a tax event.

tax calculation formula

A formula used in tax calculation. The standard tax formula is (tax rate) * (line amount) = tax amount.

tax classification code

A code that represents a migrated tax code, including the tax codes within a tax group, from Release 11*i* tax functionality to Release 12 Oracle E-Business Tax. Payables and Purchasing tax codes migrate as input tax classification codes; Receivables and Projects tax codes migrate as output tax classification codes. A tax classification code is used in tax rules as a determining factor in direct tax rate determination.

tax code

In Release 11*i*, the code that you assign Payables or Receivables transaction tax information, including sales tax or value-added tax rates, tax type, taxable basis, tax controls, and tax accounting. In Release 12, these tax code functions migrate to Oracle E-Business Tax as various codes in the regime-to-rate flow. Payables tax codes for withholding tax still retain the Release 11*i* functionality in Release 12.

See also: regime-to-rate flow, page [Glossary-77](#)

tax condition

A condition that specifies how a transaction value (direct or derived) of a determining factor needs to be compared with the value stored as part of a tax rule.

tax condition set

A group of tax conditions used to define tax rules. A tax condition set is created for

every tax determining factor in the tax determining factor set.

tax content

The master and reference (non-transactional) data necessary to support the determination, recovery, settlement, or reporting of one or more taxes.

tax currency

The currency in which the tax authority expects to be paid and receive reports.

tax date

A date associated to a tax event for a tax. There are three tax dates required: tax determination date, tax point date, and tax exchange rate date.

tax determination

A set of processes and the data that includes these sub-processes: tax applicability, tax status determination, tax calculation, and tax lines determination.

tax determining factor

An input that affects the outcome of a tax calculation process. Tax determining factors are grouped into tax determining factor sets and used to define tax condition sets and tax rules.

tax determining factor class

A categorization used to classify a tax determining factor into pre-defined categories, such as party fiscal classification class, geography class, accounting flexfield class, and registration.

tax determining factor set

A group of one or more combinations of tax determining factors.

tax distribution

A distribution line used to record a sales or VAT tax charge on an invoice.

See also: invoice distribution line, page Glossary-48

tax event

An occurrence of a tax event type on a tax event class.

tax event class

A business classification used to categorize a group of documents (application event classes) of one or more E-Business Suite applications that are essentially the same from the tax perspective, such as an invoice, a purchase order, or an inventory issue.

tax event type

An action on a tax event class, which results in a call to a published tax service.

tax exempt

A customer, business purpose, or item to which tax charges do not apply.

See also: exemption certificate, page Glossary-34

tax formula

A formula used to define the taxable basis and tax calculation for a given tax.

tax formula type

A type that indicates the usage of a tax formula.

tax geography

An implementation of a user-defined geography for tax purposes.

tax geography type

A classification of a tax geography for a specific tax purpose, such as the counties in the US State of California.

tax inclusive

A tax that is included in the sales or cost price of a product.

tax jurisdiction

A geographic area where a tax is levied by a specific tax authority.

tax jurisdiction rate

The tax rate for a given tax jurisdiction.

tax line

A line for a specific tax that is related to one or more transaction lines. A *detail tax line* relates to exactly one item line, whereas a *summary tax line* can relate to one or more item lines within the same transaction. A tax line may have one or more tax recovery schedules associated with it.

tax location

A specific tax location within your tax authority. For example 'Redwood Shores' is a tax location in the Tax Authority California.San Mateo.Redwood Shores.

tax only tax line

A tax line that is not related to any item line on the current invoice. Typically, such lines

figure in tax-only invoices, that pertain to purchases that are invoiced separately.

tax precedence

The order or priority to be observed in a tax calculation of more than one tax. Taxes are ranked in order of calculation because the calculated value of one tax affects the taxable basis of the subsequent tax calculation.

tax rate

The rate specified for a tax status for an effective time period. A tax rate can be expressed as a percentage, a value per unit quantity, or a fixed sum per transaction.

tax rate type

A classification that indicates whether the tax rate is a percentage or a quantity based rate.

tax recovery

The full or partial reclaim of taxes paid on the purchase or movement of a product.

tax recovery rate

The rate specified for the full or partial reclaim of taxes paid on the purchase or movement of a product.

tax recovery type

A classification of tax recovery.

tax regime

The set of tax rules that determines the treatment of one or more taxes administered by a tax authority.

tax regime level

The level at which a tax regime is defined, that is, for a specific country or group of countries.

tax registration

The registration of a party with a tax authority that confers tax rights and imposes certain tax obligations.

tax rule

A user-defined rule that looks for a result for a specific tax determination process, such as determining place of supply or tax registration, in relation to a tax on a transaction. A tax rule comprises a tax determining factor set and one or more tax condition sets. The tax condition sets are evaluated for a match between the rule value and the transaction

line value. If a match is found, the result associated with the matching condition set is used. If a match is not found, the next tax rule in order of priority is processed.

See also: tax condition set, page Glossary-91 tax determining factor set, page Glossary-92

tax service provider

A third party software company that provides tax calculation services to Oracle E-Business Tax via service subscriptions.

tax status

The taxable nature of a product in the context of a transaction for a tax.

tax tolerances

The acceptable degrees of variance you define for the differences between the calculated tax amount on an invoice and the actual tax amount on the invoice. The calculated tax amount is the amount of tax on the invoice as determined by the tax name for the invoice (which has a defined tax rate) and the amount of the invoice. The actual tax amount is the sum of all the tax distribution lines. If the variance between these two amounts exceeds the tolerances you specify, Invoice Validation places the invoice on hold.

tax type

A high-level categorization of taxes that is common across all tax regimes. For example, Canadian GST, French TVA, Spanish IVA, and Brazilian IPI can all use the tax type "Value Added Tax".

tax zone

A geographical area or group of areas (either contiguous or not) within a tax zone type that has a common behavior for one or more taxes.

tax zone type

A geography type, such as state, county, city, or province, that divides the geography of a country into smaller geographic areas for tax purposes.

taxable basis

The value or quantity on which a specific tax is calculated. For a value-based tax, the taxable basis is typically the transaction line amount; for a quantity-based tax, the taxable basis is typically the transaction line quantity. The taxable basis of a value-based tax may differ from the transaction line amount if discounts, charges, compounded taxes, and base rate modifiers need to be considered.

TCA registry

The central repository of party information for all Oracle applications. The party information includes details about organizations and people, the relationship among

the parties, and the places where the parties do business.

template

A pattern that Oracle General Ledger uses to create and maintain summary accounts. For each template you specify, General Ledger automatically creates the appropriate summary accounts.

Terms Date Basis

The method that determines the date from which Oracle Payables calculates an invoice scheduled payment. The terms date basis can be Current, Goods Received, Invoice, or Invoice Received.

territory

A feature that lets you categorize your customers or salespeople. For example, you can categorize your customers by geographic region or industry type.

third party control accounts

(Oracle Subledger Accounting) Natural accounts which only have meaning within the context of a subledger that records a subledger's balance and activity in relation to trading partners. When setting up a third party control account, users can specify whether the account will be used to record activity for suppliers, customers, or both.

Control account balances are updated exclusively by subledger journal entries originating in the subledger applications. Posting to third party control accounts is generally completed in summary mode, as the detail is tracked in the subledger. Examples of third party control accounts include receivables and liability accounts.

third party payee

In Oracle Payments, the external party, such as a supplier, receiving funds disbursements from the first party payer.

third party payer

In Oracle Payments, the external party, such as a customer, remitting funds for payment to the first party payee.

third party subidentification

A generic term for a customer address, a supplier site, or a subinventory.

tolerance

A feature you use to specify acceptable matching and tax variances. You can specify either percentage-based or amount-based tolerances or both for quantity and item price variances between matched invoices and purchase orders. You can also specify percentage-based or amount-based tolerances for your tax variances. Invoice Validation uses the tolerance levels you define to determine whether to hold or validate invoices.

for payment.

See also: Matching Tolerances, page Glossary-54, Tax Tolerances, page Glossary-95, reconciliation tolerance, page Glossary-75

tolerance percentage

The percentage amount by which customers are allowed to exceed their credit limit and still pass the credit check.

trading partner

In Oracle Payables, a single entity that is both a customer and a supplier to the deploying company

transaction

In Oracle Receivables, these include invoices, debit memos, credit memos, deposits, guarantees and chargebacks entered with a GL date that is between the beginning and ending GL dates.

Relative to Oracle Payments, an entity in another product for which money must be collected. For example, in Oracle Order Management, a transaction is a sales order. In Oracle Quoting, a transaction is a quote. In Oracle Receivables, an example of a transaction is an invoice created manually in the transactions workbench or an invoice created via AutoInvoice.

Transaction Account Builder (TAB)

(Oracle Subledger Accounting) A mechanism to derive default accounts for transactions. TAB shares some components with AMB, for example sources and derivation rules.

transaction authorization entity

In Payments, an entity that is used to store information about the authorization portion of a transaction.

transaction batch sources

See: batch source, page Glossary-11

transaction business category code

A business classification used to categorize an Oracle E-Business Suite transaction.

transaction chart of accounts

(Oracle Subledger Accounting) The chart of accounts used to enter Accounting Flexfield information on transactions in subledger applications. For example, when a receivables invoice is recorded in the system, the item, tax, and freight Accounting Flexfields that the user views and enters for the invoice contains values from the transaction chart of accounts.

Note: While the accounting chart of accounts is used to create Accounting Flexfields for subledger journal entries, the transaction chart of accounts is used when subledger transactions are created.

See: accounting chart of accounts

transaction code

In Oracle Cash Management, you define transaction codes that your bank uses to identify different types of transactions on its statements. For example, your bank may use transaction codes T01, T02, and T03 to represent debit, credit, and stop payment.

In Oracle Payables, a feature you use to describe bank transactions prior to initiating automatic reconciliation from a bank tape. You define transaction codes based on those your bank provides, and Oracle Payables uses them to load information from your bank tape. For example, your bank may use transaction codes T01, T02, and T03 to represent debit, credit, and stop payment.

transaction currency

The currency in which a transaction originally takes place. For processing purposes, the reimbursement currency in an expense report is the transaction currency.

transaction extension

In Payments, a row in the Transaction Payment-Extension Entity table that contains the payment attributes of the transaction and an identifier that corresponds to the transaction.

transaction fiscal classification

A tax classification used by a tax authority to categorize a transaction.

transaction intended use

A tax classification that describes the purpose for which a good or a service involved in a transaction is ultimately used. Examples of transaction intended use in a purchase transaction are Consumption and Resale, which can have different implications for tax recovery.

transaction objects

(Oracle Subledger Accounting) Tables or views that contain transaction data sources in a standardized format required by the Subledger Accounting program. Transaction objects enable accounting independence from transaction models. The transaction objects should include all data which may be required to create subledger journal entries from accounting events.

See: source

transaction payment-extension entity

In Payments, an entity that is used to store payment attributes for transactions that require funds capture. Records in this entity are linked one-to-one with the source products' transaction records, and are thought of as extensions of these transactions. Attributes in this table include payment method and payment instrument ID.

transformation rule set

(Financial Consolidation Hub) The rule that transforms the data when it is submitted.

transaction type

In Oracle Assets, the kind of action performed on an asset. Transaction types include addition, adjustment, transfer, and retirement.

In Oracle Cash Management, transaction types determine how Cash Management matches and accounts for transactions. Cash Management transaction types include Miscellaneous Receipt, Miscellaneous Payment, Non-Sufficient Funds (NSF), Payment Receipt, Rejected, and Stopped.

(Oracle E-Business Tax) A sub-classification of a transaction class used to categorize a transaction.

In Oracle Receivables, an invoice control feature that lets you specify default values for invoice printing, posting to the general ledger, and updating open receivable balances.

transformation function

A seeded or user-defined rule that transforms and standardizes TCA attribute values into representations that can assist in the identification of potential matches.

translation

See: revaluation, page Glossary-80, foreign currency translation, page Glossary-38

translation adjustment

(Financial Consolidation Hub) Adjustments done while translating from one currency to the other.

translation category

(Financial Consolidation Hub) The category that picks up all data from a child entity and translates it to the parent's currency.

translation method

(Financial Consolidation Hub) A collection of settings that determines the currency processing that is applied to a parent/child relationship during consolidation.

transmission format

A transmission format defines what data your bank is sending in the bank file, and how that data is organized. In Oracle Receivables, you define a transmission format that identifies what types of records you want to import, what data is in each type of record, and the position in which that data is located on the record.

unapplied payment

The status of a payment for which you can identify the customer, but you have not applied or placed on account all or part of the payment. For example, you receive a check for \$1200.00 and you apply it to an open debit item for \$1000.00. The remaining \$200.00 is unapplied until you either apply the payment to a debit item or place the amount On Account.

unclaimed property

In Payables, payments that have not cleared an internal bank account. Usually this happens when a payee did not receive a check payment, or received it and never deposited it.

unearned discounts

Discounts your customers are allowed to take if they pay for their invoices after the discount date. (The discount date is determined by the payment terms.) You can specify at the system level whether you want to allow customers to take unearned discounts.

See also: payment terms, page Glossary-66

unearned revenue

Revenue received and recorded as a liability or revenue before the revenue has been earned by providing goods or services to a customer.

unidentified payment

The status of a payment for which the customer is unknown. Oracle Receivables retains unidentified payments for you to process further.

unit of measure

A classification created in Oracle General Ledger that you assign to transactions in General Ledger and subledger applications. Each unit of measure belongs to a unit of measure class.

For example, in Oracle Payables, you define square feet as a unit of measure. When you enter invoices for office rent, you can track the square footage addition to the dollar amount of the invoice.

In Oracle Assets, a label for the production quantities for a units of production asset. The unit used to measure production amounts.

See also: statistical quantity, page Glossary-87

unit of measure classes

Groups of units of measure with similar characteristics. Typical units of measure classes are Volume and Length.

UOM

See: unit of measure, page Glossary-100

US Sales and Use tax

Levied on the end consumer, prior stages of supply are exempt by certificate awarded by the state of the recipient. Government and other organizations are exempt by statute. Many taxes may apply to a single transaction, including state, County, City, Transit, and Muni tax. Monthly returns to each state are required only if the operating company is registered for business within that state. Monthly reporting of Sales and Use tax can be on an accrual or cash basis.

use tax

A tax that you pay directly to a tax authority instead of to the supplier. Suppliers do not include use tax on their invoices. You sometimes owe use tax for goods or services you purchased outside of, but consumed (used) within the territory of a tax authority. Use taxes are liabilities to the buyer of goods and services. You can define a tax name for use taxes. When you enter a use tax name on an invoice, Oracle General Ledger does not create an invoice distribution or general ledger journal entry for the tax.

user-defined geography

An implementation of a geography, defined by a party, for specific purposes.

validity period

In Oracle Payments, a period of time for which a credit card funds authorization is valid. The validity period is controlled by the issuing bank.

validation rule set

(Financial Consolidation Hub) A rule set that checks the data when it is submitted.

valuation method

In Subledger Accounting terminology, each monetary valuation of an underlying accounting event is called a valuation method.

In most applications, there is one transaction recorded for each underlying accounting event. Although there may be many possible interpretations of the financial impact of the accounting event and therefore many possible accounting representation, the underlying event has only one monetary value.

However, in some applications, a single underlying business event can produce one or more transactions, each with a different monetary value. For example, a fixed asset may

be depreciated and therefore valued according to corporate rules in a corporate book and according to tax rules in one or more tax books. Each of these asset books represents a different valuation method.

Value Added Tax (VAT)

An indirect tax on consumer expenditure that is collected on business transactions and imports. VAT is charged at each stage (production, distribution, retail) in the supply of products. If the customer is registered for VAT and uses the supplies for "taxable" business purposes, he will typically receive credit for this VAT paid. The broad effect is that the VAT is actually borne by the final consumer of a product.

values set maps

(Financial Consolidation Hub) A map specifies the relationship between dimension members in child value sets to dimension members in the consolidation value set.

VAT

See: value added tax, page Glossary-102

void check stock

A feature you use to void a range of blank check stock.

voucher

A generic term for accounting entries created from a transaction for a document, such as an invoice or credit memo.

voucher number

A number used as a record of a business transaction. A voucher number may be used to review invoice information, in which case it serves as a unique reference to a single invoice.

warehouse

To store approved invoices for payment by a central Treasury or a central accounts payable department.

warrant

In government accounting, an order drawn authorizing payment to a designated payee. Not to be confused with a stock warrant.

weighted-average exchange rate

An exchange rate that Oracle General Ledger automatically calculates by multiplying journal amounts for an account by the translation rate that applies to each journal amount. You choose whether the rate that applies to each journal amount is based on the inverse of the daily conversation rate or on an exception rate you enter manually.

General Ledger uses the weighted-average rate, instead of the period-end, average, or historical rates, to translate balances for accounts assigned a weighted-average rate type.

weighted-average translation rate

The rate General Ledger uses to translate your ledger currency into a foreign currency for your transactions. Oracle Payables provides transaction information based on daily rates you enter in the system and rate exceptions you define for individual transactions. This transaction information allows General Ledger to calculate an accurate weighted-average translation rate.

WIP

See: work in process, page Glossary-103

withholding tax

The withholding of taxes that one party performs on behalf of another or itself, for remittance to a tax authority.

withholding tax group

You can assign one or more Withholding Tax type tax names to a withholding tax group. Assign a withholding tax group to an invoice or distribution line and use Oracle Payables to automatically withhold tax for expense reports and supplier invoices.

withholding tax rate

The rate at which Payables withholds tax for an invoice distribution line that has a Withholding Tax type tax name assigned to it.

word replacement

A word mapping that is used to create synonyms which are treated as equivalents for searching and matching.

work in process

An item in various phases of production in a manufacturing plant. This includes raw material awaiting processing up to final assemblies ready to be received into inventory.

write-off limits

Limits that you set at the system and user levels for creating receipt write-offs. Oracle Receivables enforces the limits that you define when users write-off receipts. Users can only write off receipt balances within their user limit for a given currency and the total cumulative write-off amount cannot exceed the system level write-off limit.

write-on

An event type classification that causes revenue to accrue and generates an invoice for

the amount of the write-on.

year average-to-date

The average of the end-of-day balances for a related range of days within a year.

Index

A

accounting environment types, 2-7
 chart of accounts, 2-12
 comparison, 2-13
 exclusive legal environment, 2-7
 other accounting environment, 2-9
 shared legal environment, 2-8
accounting options
 completing, 3-27
 ledger options, 3-30
 primary ledger setup steps, 3-29
 secondary ledger setup steps, 3-29
 updating legal entities, 3-28
Accounting Options page, 3-5
accounting representations
 defining, 3-23
accounting sequencing, 1-4
Accounting Setup example, A-23
Accounting Setup examples, A-1
 Canadian legal entity, A-11
 North American shared legal environment, A-8
 U.K., A-19
 U.S. legal entities, A-3
 U.S. shared legal environment, A-1
Accounting Setup Manager, 1-4
 accounting options
 ledger options, 3-30
 primary ledger setup steps, 3-29
 secondary ledger setup steps, 3-29
 updating legal entities, 3-28

accounting setup, 3-23
 See also creating accounting setups
 creating, 3-1
 prerequisites, 3-2
 process, 3-2
assigning legal entities, 3-23
assigning reporting currencies to ledgers, 3-46
balancing segment value
 assignments, 3-61
changing conversion rules, 3-57
checklist, 3-6
completing accounting options, 3-27
completing accounting setup, 3-78
consolidation
 using ledger in other accounting setups, 3-74
defining legal entities, 3-14
implementation considerations, 1-1
intercompany accounts, 3-65
intracompany balancing rules, 3-65
journal conversion rule examples, 3-54
legal entities
 balancing segment values, 3-13
 overview, 3-12
overview, 2-1
pages, 3-3
prerequisites checklist, 3-18
primary ledger
 mapping to secondary ledger, 3-82
reporting currencies, 3-45
 adding, 3-58
 disabling conversion, 3-60

journal category conversion, 3-53
journal source conversion, 3-53
subledger level, 3-54
secondary ledgers, 3-66
 adding, deleting, and disabling, 3-79
 consolidated reporting, 3-71
 data conversion levels, 3-67
 subledger accounting options, 3-63
accounting setup prerequisites
 general ledger setup, 3-2
 subledger accounting methods, 3-3
accounting setups
 accounting environment types, 2-7
 chart of accounts, 2-12
 comparison, 2-13
 exclusive legal environment, 2-7
 other accounting environment, 2-9
 shared legal environment, 2-8
 assigning legal entities, 3-23
 checklist, 3-6
 completing, 3-78
 creating, 3-1, 3-23
 defining, 2-1
 defining accounting representations, 3-23
 ledger processing options, 2-2
 example, 2-3
 legal entities, 3-14
 overview, 2-1
 pages, 3-3
 prerequisites, 3-2
 process, 3-2
 reporting currencies, 2-6
 saving the accounting structure, 3-26
 secondary ledgers, 2-4
Accounting Setups page, 3-5
accounting setup structures
 creating, 3-18
accounting structure
 saving, 3-26
AGIS, 1-4
associated business entities, 4-5

B

Balancing
 Intercompany, 5-2
 Intracompany, 5-4

Balancing API, 5-7
balancing segment value
 assignments, 3-61
balancing segment values
 assignments, 3-13
 transaction processing, 3-13
 updating, 3-17
 using, 3-13
business entities
 associated, 4-5

C

Canadian legal entities
 definition access sets, A-15
Canadian legal entity example, A-11
Canadian shared legal entity
 consolidation, A-14
 ledger sets, A-14
Change Main Establishment page, 4-16
chart of accounts
 designing, 2-12
 legal entities, 3-14
checklist
 Accounting Setup Manager, 3-6
conversion rules
 changing, 3-57
Create Establishment page, 4-9
Create Legal Entity page, 4-6
Create Registration page, 4-14

D

data access sets, 6-2, A-6
data conversion levels
 secondary ledgers, 3-67
definition access sets, 6-4, A-6

E

establishments
 about, 4-3
 creating, 4-9
 updating, 4-11
examples
 Accounting setup for Brazil, A-23
 exclusive legal environment, A-16
 Latin American exclusive legal environment,

A-21
Other Accounting Setup, A-26
U.S. management reporting, A-30
exclusive legal environment example, A-16, A-21

G

general ledger setup
See accounting setups, prerequisites

H

home page, 4-6

I

implementation guides, 1-2
Intercompany accounting, 5-1
intercompany accounts
 Accounting Setup Manager, 3-65
Intercompany and Intracompany Balancing
 Overview, 5-1
intercompany transactions, 1-4
Intracompany balancing, 5-1
Intracompany Balancing
 Evaluation Order, 5-9
intracompany balancing rules
 Accounting Setup Manager, 3-65
Intracompany balancing rules, 5-4

J

journal category
 conversion, 3-53
journal conversion rule
 example, 3-54
journal source
 conversion, 3-53
jurisdictions, 4-4
 searching for, 4-16
 setting up, 4-17

L

ledger
 secondary, 2-4
ledger options
 Accounting Setup Manager, 3-30
ledger processing options
 example, 2-3

Ledger Processing Options, 2-2
ledgers
 consolidation
 other accounting setups, 3-74
ledger sets, 6-1
Legal Addresses page, 4-16
legal authorities
 creating, 4-18
 updating, 4-18
legal authority, 4-4
legal entities, 3-12
See also Accounting Setup Manager
about, 4-1
accounting setups, 3-14
assigning in accounting setups, 3-23
balancing segment values
 updating, 3-17
chart of accounts
 designating the balancing segment, 3-14
creating, 4-6
defining using Accounting Setup Manager, 3-14
search pages, 4-6
 updating, 4-13
 updating in Accounting Setup Manager, 3-28
Legal Entities Details page, 4-12
Legal Entities page, 3-4
Legal Entity Configurator, 1-4
Legal Entity Identifier
 generating, 4-5
legal entity pages, 4-5
 home page, 4-6

M

management reporting example
 U.S., A-30

N

North American shared legal environment, A-8

O

operating units
 defining, 3-63
Oracle Advanced Global Intercompany System, 1-4

Oracle General Ledger Security, 6-2
 data access sets, 6-2
 definition access sets, 6-4
organization
 configuring as a legal entity, 4-11
 configuring as an establishment, 4-11
Organization Details page, 4-11
Other Accounting Setup
 consolidation example, A-26

P

pages
 Accounting Options, 3-5
 Accounting Setups, 3-5
 Legal Entities, 3-4
prerequisites
 accounting setups, 3-2
primary ledger
 mapping to secondary ledger, 3-82
profile option categories
 overview, B-1
profile options
 overview, B-1
Profile options
 XLE: Generate Legal Entity Identifier, 4-5

R

registration, 4-3
registrations
 creating, 4-14
reporting currencies, 2-6
 adding, 3-58
 assigning to ledgers, 3-46
 disabling conversion, 3-60
 journal category conversion, 3-53
 journal source conversion, 3-53
 subledger level, 3-54

S

search pages, 4-6
secondary ledger, 2-4
secondary ledgers
 Accounting Setup Manager, 3-66
 adding, 3-79
 consolidated reporting, 3-71

deleting, 3-79
disabling, 3-79
management reporting, A-33
security
 Canadian legal entities, A-15
 U.S. legal entities, A-6
sequencing, 3-66
setup steps
 primary ledger, 3-29
 secondary ledger, 3-29
shared legal environment example, A-1, A-8
subledger accounting methods
 define
 See accounting setups, prerequisites
subledger accounting options
 Accounting Setup Manager, 3-63

U

U.K. Accounting Setup examples, A-19
U.S. legal entities
 data access sets, A-6
 definition access sets, A-6
U.S. legal entities example, A-3
 consolidation, A-5
U.S. shared legal environment, A-1
Update General page, 4-11, 4-13
Update Registrations page, 4-15

X

XLE: Generate Legal Entity Identifier profile option, 4-5