Oracle® E-Business Suite Multiple Organizations

Implementation Guide

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Oracle E-Business Suite Multiple Organizations Implementation Guide, Release 12.1

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Preface

Intended Audience

Welcome to Release 12.1 of the *Oracle E-Business Suite Multiple Organizations 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 viii for more Oracle E-Business Suite product information.

Deaf/Hard of Hearing Access to Oracle Support Services

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Related Information Sources

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

- **Release Notes** - For information about changes in this release, including new features, known issues, and other details, see the release notes for the relevant product, available on My Oracle Support.

- **Oracle 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 E-Business Suite 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 E-Business Suite 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 E-Business Suite 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 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 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 E-Business Suite 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 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 E-Business Suite 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 E-Business Suite Patching Procedures and Oracle E-Business Suite Maintenance Utilities.

Oracle E-Business Suite 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 E-Business Suite Patching Procedures and Oracle E-Business Suite Maintenance Procedures.

Oracle E-Business Suite 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 E-Business Suite Maintenance Utilities and Oracle E-Business Suite Maintenance Procedures.

Oracle E-Business Suite System Administrator's Guide Documentation Set:

This documentation set provides planning and reference information for the Oracle Applications System Administrator. *Oracle E-Business Suite 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 E-Business Suite 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 E-Business Suite System Administrator's Guide - Security* describes User Management, data security, function security, auditing, and security configurations.

Oracle E-Business Suite Upgrade Guide: Release 11i to Release 12.1.1:

This guide provides information for DBAs and Applications Specialists who are responsible for upgrading a Release 11*i* Oracle Applications system (techstack and products) to Release 12.1.1. 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 E-Business Suite 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 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 Assets User Guide:

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

Oracle Financials and Oracle Procurement Functional Upgrade Guide: Release 11i to Release 12.1:

This guides provides detailed information about the functional impacts of upgrading Oracle Financials and Oracle Procurement products from Release 11i to Release 12.1. This guide supplements the *Oracle E-Business Suite Upgrade Guide: Release 11i to Release 12.1.1*.

Oracle Financials Concepts Guide:

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

Oracle Financials Glossary:

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

Oracle Financials Implementation Guide:

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

Oracle Payables Implementation Guide:

This guide provides you with information on how to implement Oracle Payables. Use this guide to understand the implementation steps required for how to set up suppliers, payments, accounting, and tax.

Oracle Receivables Implementation Guide:

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

Oracle Human Resources Management Systems Enterprise and Workforce Management Guide:

Learn how to use Oracle HRMS to represent your enterprise. This includes setting up your organization hierarchy, recording details about jobs and positions within your enterprise, defining person types to represent your workforce, and also how to manage your budgets and costs.

Oracle Human Resources Management Systems Configuring, Reporting, and System Administration Guide:

Learn about extending and configuring Oracle HRMS, managing security, auditing, information access, and letter generation.

Oracle Integration Repository User's Guide

This guide covers the employment of Oracle Integration Repository in researching and deploying business interfaces to produce integrations between applications.

Oracle Inventory User's Guide:

This guide contains information on using Oracle Inventory. Oracle Inventory enables you to set up your company's inventory sites and business units defining organizations, locations, subinventories, locators, items and units of measure.

Oracle Order Management User's Guide:

This guide describes how to enter sales orders and returns, copy existing sales orders, schedule orders, release orders, create price lists and discounts for orders, run processes, and create reports.

Oracle Projects Fundamentals:

Oracle Project Fundamentals provides the common foundation shared across the Oracle Projects products (Project Costing, Project Billing, Project Resource Management, Project Management, and Project Portfolio Analysis). Use this guide to learn fundamental information about the Oracle Projects solution. This guide includes a Navigation Paths appendix. Use this appendix to find out how to access each window in the Oracle Projects solution.

Oracle Workflow Administrator's Guide:

This guide explains how to complete the setup steps necessary for any Oracle Applications product that includes workflow-enabled processes, as well as how to monitor the progress of runtime workflow processes.

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 E-Business Suite Data

Oracle STRONGLY RECOMMENDS that you never use SQL*Plus, Oracle Data Browser, database triggers, or any other tool to modify Oracle E-Business Suite 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 E-Business Suite data, you risk destroying the integrity of your data and you lose the ability to audit changes to your data.

Because Oracle E-Business Suite tables are interrelated, any change you make using an Oracle E-Business Suite form can update many tables at once. But when you modify Oracle E-Business Suite data using anything other than Oracle E-Business Suite, 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 E-Business Suite.

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

1

Overview

Multiple Organizations Overview

The Oracle Applications organization model defines organizations and the relationships among them in arbitrarily complex enterprises. This organization model serves as the cornerstone for all of the Oracle Applications products. It dictates how transactions flow through different organizations and how those organizations interact with each other.

Generally, a complex enterprise has several organization structures, such as Internal, Accounting, and Human Resources. You are able to define different structures to customize Oracle Applications according to your business needs.

Basic Business Needs

Oracle Applications provides you with the features you need to satisfy the following basic business needs:

- Use a single installation of any Oracle Applications product to support any number of organizations, even if those organizations use different ledgers.

- Support flexible organizational models.

- Secure access to data so that users can only access relevant information.

- Access one or more operating units using a single responsibility.

  See: Define Security Profile and Multiple Organizations (MO) Profile Options, page 2-12.

- Enhanced reporting capability using the Reporting Level parameter.

  See: Multiple Organizations Reporting, page 3-1.

Major Features

Multiple Organizations in a Single Installation

You can define multiple organizations and the relationships among them in a single installation of Oracle Applications. These organizations can be ledgers, business groups, legal entities, operating units, or inventory organizations.

Secure Access

You can assign operating units to a security profile and then assign the security profile to responsibilities or users. If multiple operating units are assigned to the security profile, then a user can access data for multiple operating units from a single responsibility.

For information on the security profile, see Define Security Profile and Multiple Organizations (MO) Profile Options, page 2-12.

With the ability to access multiple operating units from a single application responsibility, you can enter setup and transaction data and run concurrent programs for the operating units without switching responsibilities. All multiple organizations enabled setup and transaction data user interface, except some interfaces, include the Operating Unit field. The Operating Unit field in the setup and transaction data user interface allows the user to:

• Select the operating unit context for a transaction from a list of values, which displays the operating units the user can access.

> **Note:** The Operating Unit field is displayed across products in Oracle E-Business Suite, such as Receivables, Payables, Purchasing, Order Management, etc. Refer to your product documentation for information on the user interfaces where the operating unit is displayed.

• Query setup and transaction data for one or all operating units that the user can access.

> **Note:** If you do not partition the setup data for multiple organizations, then the operating unit does not appear when you access the setup step.

• Enable faster data setup or transaction entry by copying a record from one operating unit to a different operating unit.

• Default or derive the operating unit context from another operating unit sensitive

attribute.

Data Security

You can limit users to information relevant to their organization. For example, you can limit access for order administration clerks to sales orders associated exclusively with their sales office.

Inventory Organization Security by Responsibility

You can specify the inventory organizations that are available to users in each responsibility. The Choose Inventory Organization window automatically limits available inventory organizations to those authorized for the current responsibility.

See: Overview of Inventory Structure, *Oracle Inventory User's Guide*.

Access to Operating Units

Your responsibility determines which operating units you can access when you use Oracle Applications. If you want a responsibility to access only one operating unit, then set the profile option called MO: Operating Unit. If you want a responsibility to access multiple operating units, then define a security profile with multiple operating units assigned and assign it to the MO: Security Profile profile option. Additionally, if using the MO: Security Profile profile option, you can also set the MO: Default Operating Unit profile option to specify a default operating unit that will default in transaction entry pages.

See: Define Responsibility, *Oracle Applications System Administrator's Guide - Security*.

Receive Goods Into Any Inventory Organization

You can enter purchase orders and assign for receipt any inventory organization. Your purchase order operating unit and receiving inventory organization can be in different ledgers to receive against a purchase order.

Automatic Accounting for Internal Requisitions

You can create an internal requisition (sales order) in one organization, then ship from another organization, with correct Intercompany invoicing.

Multiple Organizations Reporting

You can run your reports at the ledger level, or operating unit level. If you run reports at the ledger level, then the report will submit data for all operating units assigned to that ledger that you have access to as defined by the MO: Security Profile profile option.

Related Topics

Using the Multiple Organization Support Feature in Receivables, *Oracle Receivables Implementation Guide*

Using the Multiple Organization Support Feature in Payables, *Oracle Payables Implementation Guide*

Profile Options for Multiple Organization Support in Payables, *Oracle Payables Implementation Guide*

Types of Organizations

You can define organizations and the relationships among them. You can define security for either an organization hierarchy or list of organizations.

Business Group

The business group represents the highest level in the organization structure, such as the consolidated enterprise, a major division, or an operation company. The business group secures human resources information. For example, when you request a list of employees, you see all employees assigned to the business group of which your organization is a part.

> **Note:** This is true in all applications except the HR applications, which support more granular security by a lower-level organization unit, the security profile.

Multiple ledgers can share the same business group if they share the same business group attributes, including HR flexfield structures.

Legal Entity

A legal company for which you prepare fiscal or tax reports. You assign tax identifiers and other legal entity information to this type of organization.

You can define legal entities using Legal Entity Configurator or Accounting Setup Manager in General Ledger.

See Using the Legal Entity Configurator, *Oracle Financials Implementation Guide*.

Operating Unit

An organization that uses Oracle subledgers, such as Oracle Cash Management, Order Management and Shipping Execution, Oracle Payables, Oracle Purchasing, Oracle Receivables, and related products. It may be a sales office, a division, or a department. Operating units are not associated with legal entities. Operating units are assigned to ledgers and a default legal context. Information is secured by operating unit for these applications using responsibilities. Each user can access, process, and report on data only for the operating units assigned to the MO: Operating Unit or MO: Security Profile profile option. The MO: Operating Unit profile option only provides access to one operating unit. The MO: Security Profile provides access to multiple operating units from a single responsibility.

You can define operating units from the Define Organization window in Oracle HRMS or from Accounting Setup Manager in General Ledger.

Inventory Organization

An organization for which you track inventory transactions and balances, and/or an organization that manufactures or distributes products. Examples include (but are not limited to) manufacturing plants, warehouses, distribution centers, and sales offices. The following applications secure information by inventory organization: Oracle Inventory, Bills of Material, Engineering, Work in Process, Master Scheduling/MRP, Capacity, and Purchasing receiving functions. To run any of these applications, you must choose an organization that has been classified as an inventory organization.

You can create ledgers using the Accounting Setup Manager in Oracle General Ledger and define organizations using the Define Organization window.

HR Organization

HR organizations represent the basic work structure of any enterprise. They usually represent the functional management, or reporting groups that exist within a business group. In addition to these internal organizations, you can define other organizations for tax and government reporting purposes, or for third party payments.

Organizations in Oracle Projects

Oracle Projects allows you to define organization hierarchies to reflect your company's organizations structure. You can add Oracle Projects-specific organization types to the organization hierarchy (for example, projects organizations or Expenditure organizations) to help you manage your project control requirements. You assign project and expenditure hierarchies to operating units.

Asset Organizations

An asset organization is an organization that allows you to perform asset-related activities for a specific Oracle Assets corporate book. Oracle Assets uses only organizations designated as asset organizations

Related Topics

Creating Accounting Setups, *Oracle Financials Implementation Guide*

Operating Units, *Oracle Financials Implementation Guide*

Setting Up Organizations, *Oracle Human Resources Management Systems Enterprise and Workforce Management Guide*

Creating an Organization, *Oracle Human Resources Management Systems Enterprise and Workforce Management Guide*

Defining Organizations, *Oracle Projects Fundamentals*

Asset Organization Overview, *Oracle Assets User Guide*

Information Shared Across Organizations

The following information is global. It must be set up once for the enterprise:

- Flexfield definitions

- Customer Header (customer site is at the operating unit level)

- Supplier Header (supplier site is at the operating unit level)

2

Setup and Implementation

Prerequisites

Before beginning the setup, check that you have the following:

- Access to the Define Organizations and Define Legal Entity Configurator pages, or the Accounting Setup Manager page.

   > **Note:** Accounting Setup Manager is seeded in Oracle General Ledger's Setup menu.

- Access to the Define Security Profile and/or Define Global Security Profile windows that are seeded in Oracle HRMS responsibilities

- Access to the Security List Maintenance program, the Human Resources concurrent program.

Setting Up a Multiple Organization Enterprise

This chapter describes how to implement your organizational structure within the Oracle Applications Multiple Organization model. Before beginning the implementation, be sure you are familiar with the terminology Oracle uses for its business organization model. For more information, see Overview, page 1-1.

These are the steps to follow when implementing the Multiple Organization support feature in Oracle Applications.

1. Develop the Organization Structure, page 2-2

2. Define Accounting Setups, page 2-4

3. Assign Balancing Segment Values by Legal Entity (optional), page 2-5

4. Define Locations, page 2-6

5. Define Business Groups (optional), page 2-7

6. Define Organizations, page 2-8

7. Define Organization Relationships, page 2-9

8. Define Responsibilities, page 2-11

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19. Specify User-Level Multiple Organizations Preferences (optional), page 2-27

Implementing Multiple Organization Support

This section describes the steps to implement Oracle E-Business Suite Multiple Organizations.

Step 1: Develop the Organization Structure

A successful implementation of Multiple Organization support in Oracle Applications depends primarily on defining your organizational structure in the multi-level hierarchy used by Oracle Applications. The levels are:

• Business groups

• Primary ledgers (as defined in Accounting Setup Manager)

- Legal entities

- Operating units

- Inventory organizations

The Organization Structure Example in the figure below illustrates the organization structure.

For more information, see Overview, page 1-1.

For more information, see Organization Hierarchies, *Oracle Human Resources Management Systems Enterprise and Workforce Management Guide*.

Deciding on the Organization Structure

First, you need to decide on the organizations you will use in your multiple organizations implementation. The figure below shows a corporation with two business groups, three legal entities, four operating units, and five inventory organizations. This example organization structure is used throughout most of this chapter.

Organization Structure Example
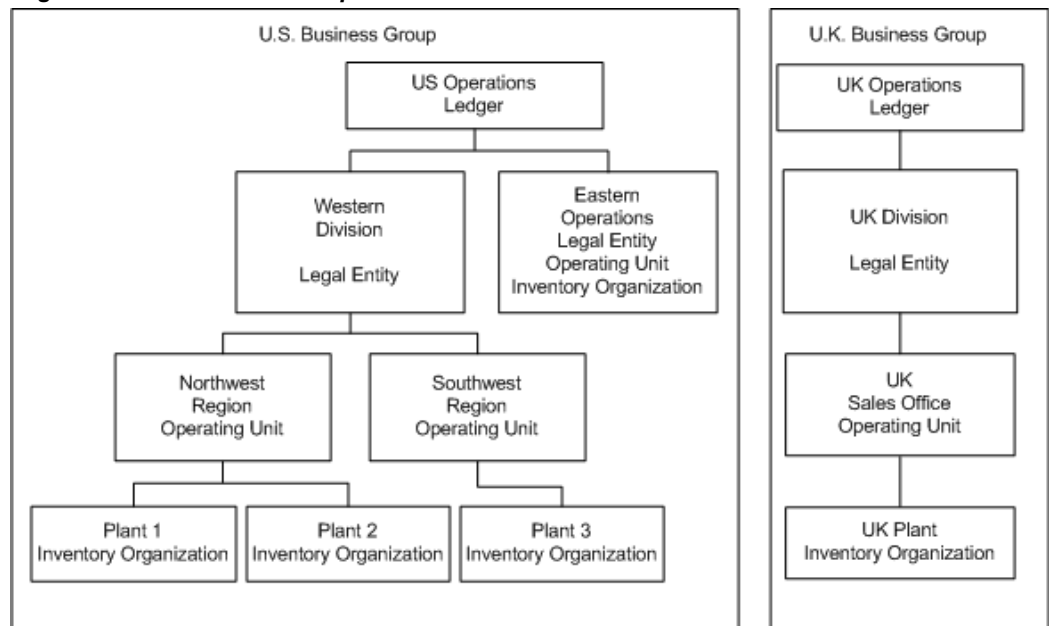
The business groups are U.S. and U.K. The U.S. business group consists of two legal entities - Western Division and Eastern Operations. These legal entities are assigned to the same ledger (US Operations) because they share the same ledger currency, accounting flexfield structure, and calendar. The U.K. legal entity - UK Division - is assigned to a separate ledger (UK Operations) because its ledger currency is different from that of the U.S. legal entities.

The US Western Division legal entity consists of two operating units - Northwest

Region and Southwest Region. The Northwest Region consists of two inventory organizations - Plant 1 and Plant 2. The Southwest Region has one inventory organization, named Plant 3. The US Eastern Operations legal entity is also an operating unit and inventory organization.

The UK Division legal entity has one operating unit, named UK Sales Office. The operating unit has one inventory organization, named UK Plant.

Step 2: Define Accounting Setups

Use the Accounting Setup Manager in Oracle General Ledger to define accounting setups that include the following common financial components:

- One or more legal entities (optional)

- Primary ledger

- Reporting Currencies (optional)

- Balancing segment value assignments (optional)

- Subledger Accounting Options

- Operating Units (available if legal entities are assigned)

- Intercompany Accounts (available if legal entities are assigned)

- Intracompany Balancing Rules (optional)

- Sequencing (optional)

- Secondary Ledger (optional)

To use multiple organizations, you must define an accounting setup with at least one legal entity, a primary ledger that will record the accounting for the legal entity, and an operating unit that is assigned to the primary ledger and a default legal context (legal entity). It is also recommended that balancing segment values be assigned to the legal entity to help you identify legal entity transactions during transaction processing and reporting and to take advantage of Intercompany Accounting.

> **Note:** If your enterprise structure requires that you define a business group, you should define accounting setups before business groups.

The following table explains the ledger parameters for our example.

Ledger Name	Ledger Short Name	Ledger Currency	Chart of Accounts	Calendar	Subledger Accounting Method
U.S. Operations	US_Op	USD	Standard	Standard	Standard Accrual
U.K. Operations	UK_Op	GBP	Standard	Standard	Standard Accrual

For more information, see Using Accounting Setup Manager, *Oracle Financials Implementation Guide*.

Step 3: Assign Balancing Segment Values by Legal Entity (optional)

Assign specific balancing segment values to legal entities using Accounting Setup Manager. This allows users to identify and secure transactions by legal entity. It also allows you to use Advanced Global Intercompany System to enter intercompany transactions between legal entities.

Organization Structure with Balancing Entity Example
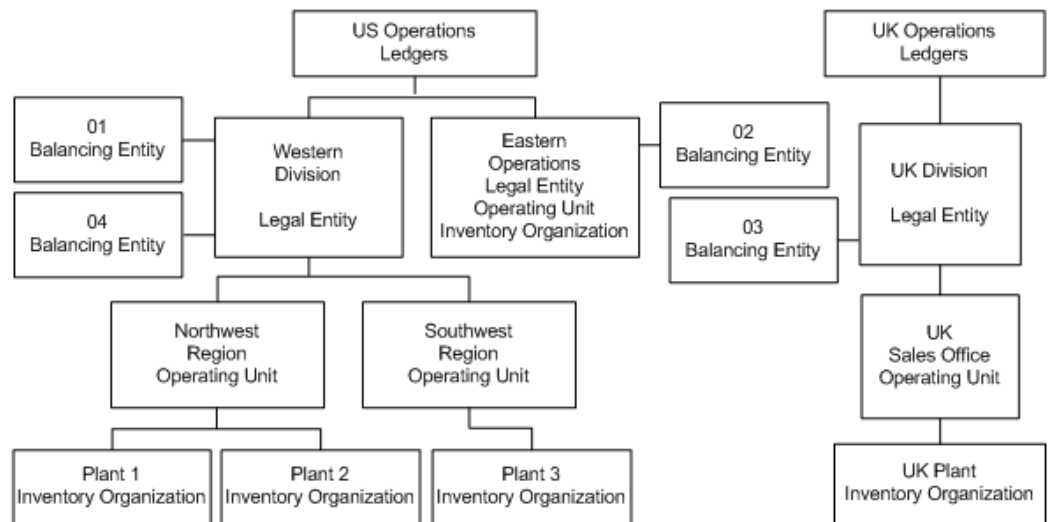
The figure depicts a corporation with two business groups, three legal entities, four operating units, and five inventory organizations. Balancing entities are also shown. The business groups are U.S. and U.K. The U.S. business group consists of two legal entities - Western Division and Eastern Operations. These legal entities are assigned to the same ledger (US Operations). The Western Division is balancing entity 01 and balancing entity 04. Eastern Operations is balancing entity 02. The U.K. legal entity - UK Division - is assigned to a separate ledger (UK Operations) because its ledger currency

is different from that of the U.S. legal entities. The UK Division is balancing entity 03. The US Western Division legal entity consists of two operating units - Northwest Region and Southwest Region. The Northwest Region consists of two inventory organizations - Plant 1 and Plant 2. The Southwest Region has one inventory organization, named Plant 3. The US Eastern Operations legal entity is also an operating unit and inventory organization. The UK Division legal entity has one operating unit, named UK Sales Office. The operating unit has one inventory organization, named UK Plant.

If you need to further secure balancing segment values for each operating unit of a legal entity, you can define segment value security rules and assign them to all responsibilities associated with the relevant operating units. If, for example, you need to restrict the Northwest Region operating unit to balancing segment value 01 and the Southwest Region to balancing segment value 04, because you have two sets of users who process data for each of the legal entities, you can add rules as described in the following table.

Value Set	Security Rule	Type Element	Low Element	High Element
Division	Northwest	Include	01	01
Division	Southwest	Include	04	04

In addition to the previous rule assignments, you can assign the new rules to all responsibilities associated with the two operating units, as illustrated in the table below. When you assign multiple rules to the same responsibility, only the overlapping values of the rules are available to users of the responsibility.

Responsibilities	Value Set	Security Rule
All responsibilities for Northwest Region operating unit	Division	Northwest
All responsibilities for Southwest Region operating unit	Division	Southwest

Step 4: Define Locations

Use the Define Location window to define names and addresses for the locations you use within your enterprise. You define each location once only. This saves you time if you have multiple organizations with the same location. You should define locations for your legal entities and inventory organizations. Oracle Applications products use

locations for requisitions, receiving, shipping, billing, and employee assignments.

Step 5: Define Business Groups (optional)

> **Note:** This section applies to you if you have more than one business group, or if you do not choose to use the predefined business group provided by Oracle Applications.

Oracle Applications secures human resources information, including organization definition, by business group.

You must have at least one business group. For a fresh installation, Oracle Applications provides a predefined business group, Setup Business Group. You can define additional business groups as required for your enterprise. We recommend that you modify the predefined business group rather than defining a new one. If you define a new business group instead of modifying the predefined business group, you need to set the Business Group profile option at the responsibility level for the new business group. Oracle Human Resources automatically creates a security profile with the business group name when you define a new business group.

You should define all your business groups before defining any other type of organization.

> **Note:** If you plan to implement HRMS, you should consider its organization requirements when defining the organization structure. When considering multiple business groups, employee data will have to be entered and maintained for every business group using responsibilities linked to each business group. Consult your HR specialist for more information on HR organization considerations.

To define additional business groups:

1. Set the responsibility from which you define the organizations in the profile option HR: User Type to HR User, to get access to the Define Organizations window. This profile must be set for all responsibilities that use tables from Oracle Human Resources (for example, responsibilities used to define employees and organizations).

2. Define all of your business groups at this step from a responsibility. Do not define any new organizations or organization hierarchies until you have associated each business group with a responsibility. You do this by setting the HR: Security Profile profile option for each responsibility.

    For more information, see Security Profiles, *Oracle Human Resources Management Systems Configuring, Reporting, and System Administration Guide*.

3. After you have correctly associated your business groups with a responsibility, sign

off and sign on again using the correct responsibility for the business group you want to define. For example, if you have a U.S. business group and a U.K. business group, select the responsibility attached to the U.S. business group to define the U.S. organization structure.

> **Note:** Oracle Human Resources automatically creates a view all security profile with the business group name. This enables you to view all records for your business group.
>
> Oracle Human Resources allows you to use a single responsibility security model by enabling the Security Group. This allows you to access more than one business group from a responsibility. You should not use the single responsibility model in Multiple Organization products.

Step 6: Define Organizations

Use the Define Organization window to define organizations, such as operating units and inventory organizations. You can also define operating units and assign them to a primary ledger and default legal context using Accounting Setup Manager in General Ledger.

> **Note:** If you choose to define operating units using the Define Organization window, you can still view them in Accounting Setup Manager by querying the primary ledger of the operating unit.

You can perform this step and the next step (Define Organization Relationships) at the same time. The steps are presented separately to emphasize the difference between the organizational entity and the role it plays in your organizational structure.

To define operating units and inventory organizations:

1. Log in using the responsibility associated with the business group.

2. Define operating units.

3. Define inventory organizations for each operating unit that will have an inventory organization.

   > **Note:** Do not define the inventory parameters at this point.

If you have responsibilities for different business groups, switch responsibilities and define the organization structure.

The following table summarizes information about the different organizations for our example hierarchy.

Organization Name	Operating Unit	Inventory Organization?
Western Division		
Eastern Operations	Yes	Yes
U.K. Division		
Northwest Region	Yes	
Southwest Region	Yes	
U.K. Sales Office	Yes	
Plant 1		Yes
Plant 2		Yes
Plant 3		Yes
U.K. Plant		Yes

For more information, see Define Organization, *Oracle Human Resources Management Systems Enterprise and Workforce Management Guide*.

Step 7: Define Organization Relationships

Use the Define Organization window to define organization relationships by assigning classifications to each organization. The attributes of certain classifications relate organizations and the roles they play. You can classify an organization as any combination of legal entity, operating unit, and inventory organization. Specify your organization classifications in the following order:

1. Operating units

   Attach the operating units to the correct ledger and a default legal context (legal entity).

2. Inventory organizations

   Attach the inventory organizations to the correct operating unit, legal entity, and ledger.

If you have more than one business group, change to the responsibility associated with the other business group and continue defining your organization classification.

The table below shows the information you must enter for each organization classification.

Classification	Information Type	Required Attributes
Business Group	Business group information if Human Resources is installed. Otherwise, None.	Short Name, Employee/Applicant Numbering, Key Flexfield Structures, Default Legislation Code, and Currency
Operating Unit	Operating Unit Information	Primary Ledger, Default Legal Context
Inventory Organization	Accounting Information	Primary Ledger, Legal Entity, Operating Unit

Special Considerations for Inventory Organizations

All the inventory organizations in the above chart have been set up with the minimal amount of information to enable them in the Multiple Organizations environment. This minimal amount is detailed in the table below.

If you plan to implement Oracle Inventory, you must follow the setup procedures for that product.

For more information, see Overview of Setting Up, *Oracle Inventory User's Guide*.

For a standalone Oracle Purchasing installation (without Oracle Inventory), specify the information shown in the following table:

Sequence	Additional Organization Information	Required Information
1	Accounting information	Primary Ledger, legal entity, operating unit
2	Receiving information	Three-character organization code, prefix serial (no dummy)
3	Inventory information	All required accounts

Location: You must specify a location for an organization classified as an inventory organization. You can assign any location that is not assigned to a different inventory

organization, or you can assign a location that is linked to the current inventory organization.

Receiving Information: When you select the Receiving Information type, you navigate to the Receiving Options window. Use the Receiving Options window to define options that govern receipts in your system. You cannot receive items into an inventory organization until you specify receiving options for the organization.

Inventory Information: When you select the Inventory Information type, you navigate to the Organization Parameter window. You must define the control options and account defaults for one inventory organization, the item master organization. Then you can easily assign items to other inventory organizations without recreating all the item information. Use the Organization Parameter window to assign inventory organizations to the item master. The item master organization uses itself as the item master.

There is no functional or technical difference between the item master organization and other inventory organizations. However, we recommend that you limit the item master to just an item definition organization. If you set up new inventory organizations in the future, you can assign the new items to only the item master and the new inventory organization.

> **Note:** You can navigate to the Receiving Options window and Organization Parameter window from the Define Organization window if you use one of the following predefined responsibilities: Purchasing Super User, Inventory, Inventory Item, Project Billing User, Project Costing Super User, Sales and Marketing Super User, and Territory Administrator.

Step 8: Define Responsibilities

Use the Define Responsibility window to define responsibilities for each operating unit by application. When you sign on to Oracle Applications, the responsibility you choose determines the data, forms, menus, reports, and concurrent programs you can access.

You should consider using naming conventions for the responsibility names in a Multiple Organization environment. It is a good idea to use abbreviations of the business function and the organization name to uniquely identify the purpose of the responsibility, for example, Payables Manager Northwest or Western Receivables Super User.

For more information, see Define Responsibility, *Oracle Applications System Administrator's Guide - Security*.

Step 9: Associate Responsibilities with Business Groups (optional)

If you have multiple business groups, you must associate each responsibility to one and only one business group. You associate a business group with a responsibility using the HR: Business Group system profile option. If you are upgrading to Multiple

Organizations, you must also associate previously created responsibilities to the appropriate business group.

> **Note:** This section applies to you if you have multiple business groups, or if you do not choose to use the default business group provided by Oracle Applications.

Step 10: Define Security Profile and Multiple Organizations (MO) Profile Options

Multiple Organizations provides the following security profiles which enables users to access, process, and report data in multiple operating units from a single responsibility:

- **Security Profile:** Allows you to assign multiple operating units for the same business group.

- **Global Security Profile:** Allows you to assign multiple operating units across business groups.

The decision to use the Security Profile or the Global Security Profile depends on your HR implementation and how you want to partition the data. If you want users to access operating units across business groups, then define Global Security Profiles. Otherwise, use the standard Security Profile.

After you define your security profiles and run the Security List Maintenance program, you can assign them to responsibilities or users using the MO: Security Profile profile option. If you set the MO: Security Profile profile option, you can also set the MO: Default Operating Unit profile option to specify a default operating unit.

> **Note:** If the MO: Security Profile is set, then the MO: Operating Unit profile is ignored.

> **Note:** If you are using Journal Tax in General Ledger to enter taxable journal entries, you must set the MO: Operating Unit profile option for General Ledger responsibilities. General Ledger derives the correct tax codes based on the tax setup for the operating unit that is specified in the MO: Operating Unit profile option.

You must set either the MO: Operating Unit or MO: Security Profile profile option for each application responsibility to use Multiple Organizations context sensitive applications.

When you connect to the Oracle Applications, you sign on by entering your user name and password. Then, you choose a responsibility that is available to your user. After you choose your responsibility, there is an initialization routine that reads the values for all profile options assigned to that responsibility. Oracle Applications allows you to see only the information for those operating units that are assigned to your responsibility.

When drilling down on balances from Oracle General Ledger, General Ledger ignores the operating unit profile setting to allow you to drill down to your subledger details, regardless of which operating unit originated the transaction.

> **Note:** If you upgraded from Release 11*i* to Release 12 and you plan to have a single responsibility access multiple operating units, you may need to modify existing segment value security rules. This only applies to companies that use a single, global chart of accounts where different ranges of values, such as accounts or departments, are reserved for specific operating units. For example, if you have departments 100-300 reserved for Operating Unit 1 and departments 500-800 reserved for Operating Unit 2, users may need to modify segment value security rules if a single application responsibility will now be entering data for both Operating Unit 1 and Operating Unit 2.

For more information, see Define Multiple Organization Security Profile, page 2-23.

Multiple Organizations Profile Options

When implementing multiple organizations for Oracle Applications, you must set values for each profile option to specify how each product in Oracle Applications controls access to and processes data.

See: Setting User Profile Options, *Oracle Applications System Administrator's Guide - Maintenance*.

The following are the Oracle Applications multiple organizations profile options and are grouped under the Access Control profile option category:

*   MO: Default Operating Unit, page 2-14

*   MO: Operating Unit, page 2-14

*   MO: Security Profile, page 2-15

Profile Option Category and Profile Options Descriptions

This section describes profile options by category.

The table in this section provides 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 the user 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 the each table is:

- Update: The user can update the profile option .

- View Only: The user can view the profile option but cannot change it.

- No Access: The user cannot view or change the profile option.

Access Control Category

The table below lists the profile options that controls the access to the various organizations, across products in Oracle Applications.

Access Control

Profile Option	Default	User Access	System Administration: Site	System Administration: Application	System Administration: Responsibility	System Administration: User
MO: Default Operating Unit, page 2-14		Update	Update	Update	Update	Update
MO: Operating Unit, page 2-14		No Access	Update	Update	Update	Update
MO: Security Profile, page 2-15		No Access	Update	Update	Update	Update

MO: Default Operating Unit

Use this profile option to specify a default operating unit from the list of operating units assigned to your application responsibility through the MO: Operating Unit or MO: Security Profile.

> **Note:** If the MO: Operating Unit is set or you are assigned only one operating unit in the MO: Security Profile profile option, then the single operating unit becomes your default operating unit.

For more information, see Step 19: Specify User-Level Multiple Organizations Preferences, page 2-27.

MO: Operating Unit

Assign this profile option to an application responsibility to provide a user with this responsibility access to one operating unit.

For more information, see Step 15: Implement the Applications Products, page 2-16.

MO: Security Profile

Assign this profile option to an application responsibility to provide a user with this responsibility access to multiple operating units.

For more information, see Step 15: Implement the Applications Products, page 2-16.

Step 11: Run the Replicate Seed Data Program

A multiple organizations enterprise requires the ability to replicate the seed data to multiple operating units. Use the Replicate Seed Data program to replicate the seed data. The seed data is replicated in the following events:

- Install or upgrade to multiple organizations: The seed data replication program is executed by AutoUpgrade when converting to Multiple Organizations architecture.

- Submit the Replicate Seed Data program: Run this program after you add new operating units and before you implement the application products. You can submit the Replicate Seed Data concurrent program using the system administrator responsibility.

The seed data replication program operates in two modes:

- Single organization: This mode applies when the seed data replication program is executed within the context of a particular operating unit.

- All organizations: This mode applies when the seed data replication program is executed without an operating unit context. The seed data replication program performs different functions depending on the mode in which it is operating, and the value of each operating unit.

Step 12: Verify Order Management System Parameter Settings

If you have different item validation organizations for each operating unit, verify the correct setting for each operating unit in the Order Management system parameter window.

For more information, see Enabling Parameters, *Oracle Order Management User's Guide*.

Step 13: Set Application-Specific Profile Options Specific to Operating Units

Some profile options, including AR: Receipt Batch Source and AR: Transaction Batch Source, reference data that is secured by operating unit. You must set these profile options at the responsibility level. You should choose a value corresponding to the operating unit of the responsibility.

The following profile options need to be set for each responsibility for each operating unit wherever applicable:

- HR: Business Group (all responsibilities)

- HR: User Type

  The HR: User Type profile option limits field access on windows shared between Oracle Human Resources and other applications. If you do not use Oracle Payroll, you must assign the HR User for all responsibilities that use tables from Oracle Human Resources (for example, responsibilities used to define employees and organizations).

- GL: Data Access Set

  Oracle General Ledger uses the GL: Data Access Set profile option to determine the ledgers you have access to. If you want users to access different ledgers for different operating units from the same responsibility, you should define a data access set and then assign it to the GL: Data Access Set profile option for each General Ledger responsibility. You can group multiple ledgers that share the same chart of accounts, calendar, and period type in a data access set or a ledger set.

- INV: Intercompany Currency Conversion

- Tax: Allow Override of Tax Code

- Tax: Invoice Freight as Revenue

- Tax: Inventory Item for Freight

- Sequential Numbering

Step 14: Define Inventory Organization Security (optional)

With inventory organization security you can restrict inventory organization access to specific responsibilities. You may want to restrict your manufacturing users to certain organizations according to your organizational hierarchy. This feature has the following characteristics:

- Until you assign an organization to a responsibility in this window, all responsibilities have access to all organizations. Once you have restricted any responsibilities to certain organizations, you must then explicitly define the organizations that all responsibilities can access.

- This feature does not restrict access once the user is in the product. Users with access to functions that cross multiple organizations (such as ATP, Inter-Organization Transfers, Item Search, Multi Organizations Quantity Report, and so forth) can still specify any valid organization when running these functions.

Step 15: Implement the Applications Products

After the steps above are complete, go into each operating unit and set up the Oracle Applications products. The following products must be set up for each operating unit:

- Oracle Cash Management

- Oracle Order Management and Shipping Execution

- Oracle Payables

- Oracle Projects

- Oracle Property Manager

- Oracle Advanced Collections

- Oracle Purchasing

- Oracle Property Manager

- Oracle Receivables

- Oracle Release Accounting

- Oracle Release Management Integration Kit

- Oracle Release Management

- Oracle Sales Compensation

- Oracle Sales and Marketing

- Oracle Service

- Oracle Financials for Europe

- Oracle Financials for the Americas

- Oracle Financials for Asia/Pacific

> **Note:** This list is not a complete list. Please refer to the product-specific guides if operating unit setup is required.

Oracle Assets, Oracle General Ledger, Oracle Inventory, and Oracle Manufacturing products are set up once for the installation only, not for each operating unit. To setup the products, follow the instructions in the specific user guides.

Define Operating Units

The following setup data must be set up for each operating unit:

Cash Management

- Bank accounts

Order Management

- System parameters

- Hold sources

- Transaction types

- Payment types

Payables

- Supplier sites

- Withholding tax certificates and exceptions

- Distribution sets

- Withholding tax codes and groups

- Payables options

- Reporting entities

- Financial options

- Expense report templates

- Signing limits

- Procurement and credit card
  - Card programs

  - Card profiles

  - GL account sets

  - Code sets

    > **Note:** The procurement and credit card setup is a shared setup for both Internet Expenses and Payables.

Projects

- Maintain PA Period Statuses

- GL Periods for Projects

- Project Templates

- Create Projects

- Search Project

- Personalize Region - Create View

- Current Reporting Period

- Grants - Award Template, Award

- Grants - Implementation Options

- Implementation options

- Bill rate schedules

- Project types

- Project templates

- AutoAccounting

> **Note:** Expenditure types are not operating unit specific but if the expenditure type requires a cost rate, then the rate is operating unit specific.

Purchasing
- Document approval controls

- Change order controls

- Supplier sites

- Financial options

- Control rules/groups

- Purchasing options

- Job/position controls

- Freight carriers

- Document controls

Receivables

- AutoAccounting

- Contact phones

- Customer address

- Customer relationships

- Customer bank accounts

- Distribution sets

- Transaction sources

- Lockbox definitions

- Memo lines

- Receipt sources

- Receivables activities

- Remit to address

- Remittance bank accounts

- Salesperson, sales territories assigned to salespersons

- System options

- Transaction types

Sales and Marketing

- Territories

- Territory types

- Territory groups

- Territory qualifiers

- Territory Accesses

- Interest category sets

- Promotion word processors

- Collateral categories

Services

- Service parameters

- Access control templates

For more information, see the Setup chapter for your product.

The MO: Security Profile allows access to one, many or all multiple organization operating units through a single responsibility. The following diagram illustrates the setup steps for setting up the multiple organization access control.
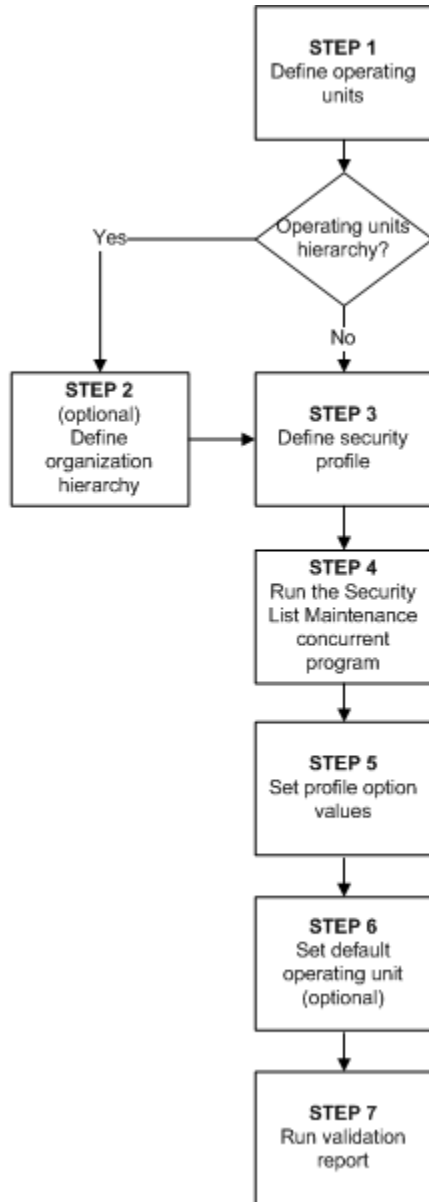
The first step is defining an operating unit following which you must decide if your business requirement needs an operating units hierarchy. If your business requires an operating units hierarchy, define the hierarchy first and then define the security profile. If your business does not require an operating unit hierarchy, you can directly define the Security Profile. After defining the security profile you must run the Security List Maintenance concurrent program. Next, you must set the defined system profile options to the responsibilities and optionally set the default operating unit. Finally, run the Multiple Organizations Setup Validation Report.

Step 1 - Define Organization

Use the HRMS Define Organization window or Accounting Setup Manager in General

Ledger to define operating units and assign operating units to a primary ledger and a default legal context.

Step 2 - Define Organization Hierarchy (Optional)

You can also define an organization hierarchy. You can set up a simple, non-hierarchical list of operating units to include in a Security Profile.

Defining an operating unit hierarchy is dependent on your business requirement. Organization Hierarchies represent the hierarchical relationships between the organizations in the enterprise.

To set up an organization hierarchy:

1. Enter the Name, Version Number and Date From for the hierarchy.

2. Query the top Organization Name in the Organization block.

3. In the Subordinates block, select the immediate subordinates for the top organization.

4. To add subordinates to the organizations listed in the Organization block, click Down. The Organization block now displays the next organization You can add subordinates to this organization. To return to the previous organization, click Up.

> **Note:** The Define Organization Hierarchy form will open up only if you have a Global Security Profile attached to HR.

For more information, see Security Profiles by Organization and Organization Hierarchy, *Oracle Human Resources Management Systems Configuring, Reporting, and System Administration Guide*.

Define Multiple Organization Security Profile

Step 3 - Define Security Profile

You can define Security Profiles based on an organization hierarchy or a list of organizations. Both methods are illustrated with the help of examples.

Security Profile based on Organization Hierarchy:

Creating a Security Profile based on list of organizations is useful when you want to provide access to operating units that exist in an exclusive node together.

To create a Security Profile based on Organization Hierarchy:

1. Enter a unique Name for the Security Profile.

2. Select Secure organizations by organization hierarchy and/or organization list for the Security Type to restrict access by organization hierarchy.

3. Select an existing organization hierarchy (as created in Step 1).

4. Select a top organization. The top organization can be any organization included in the organization hierarchy. Select Include Top Organization to allow access to the top organization. If you don't select this option, users can only access the subordinate organizations of the top organization.

5. Select Exclude Business Group to remove the business group in the list of organizations.

6. Run the Security List Maintenance Program from the standard request submission form.

Security Profile based on List of Organizations:

Creating a Security Profile based on list of organizations is useful when you want to provide access to operating units that do not exist in an exclusive node together.

To create a Security Profile based on List of Organizations:

1. Enter a unique Name for the Security Profile.

2. Select Secure organizations by organization hierarchy and/or organization list for the Security Type to restrict access by list of organizations.

3. Select Exclude Business Group to remove the business group in the list of organizations.

4. To limit the list of to specific organization classification, such as Operating Units, select Operating Unit in the Classification field.

5. In the Organization Name field, select the Operating Unit for which you want access. Repeat this step until you have included all organizations that you need access.

6. Run the Security List Maintenance Program from the standard request submission form.

For more information, see Running the Security List Maintenance Process, *Oracle Human Resources Management Systems Configuring, Reporting, and System Administration Guide*.

Access to All

There are a several options when creating a Security Profile to gain access to operating units. A seeded Security Profile called Setup Business Group is available for this. Each time you create a new business group; HR automatically creates a view all Security Profile with the same name as the business group. The View All Records option is selected for these Security Profiles, which gives access to all organizations within that business group.

You can also define a Global View All Security Profile to access all organizations across business groups. There is a seeded Global View All security profile to create this

security profile. However, you can only have one Global View All Security Profile for one instance. You can create your own View All security profile by selecting the View All Records option or by listing all organizations. The View All in business group and Global Security Profiles are not based on an organization hierarchy.

Set System Profile Options

After defining the Security profile and running the Security List Maintenance program, you must assign it to the MO: Security Profile profile option. The profile option can be set at the responsibility, and site levels.

To set the profile option:

1. Choose System Administrator Responsibility.

2. Navigate to the System Profile Values form and assign the Security Profile to the responsibility.

Make sure that the HR: Business Group profile option matches the assigned Security Profile, else application pages that are activated with multiple organizations will not be accessible. For example, if ABC Corp. is the Business Group for a User's responsibility, then make sure that ABC Corp. is assigned as an operating unit in the Security Profile in step 3.

Default Operating Unit

If you set the MO: Security Profile profile option, you can also set an operating unit as the default operating unit using the MO: Default Operating Unit profile option. This is useful when you transact in multiple operating unit but frequently transact in one operating unit.

You can override the default operating unit values for a transaction, but the values will revert for the next transaction. For example, in the Payables Invoice Workbench the default operating unit will default as well as the relevant values, such as GL Date, Terms, and Payment Method. The operating unit can be overridden, however, when entering the next invoice the values will revert to the default operating unit.

This profile option can be set at responsibility and user levels. Setting this option at the responsibility level is useful when a user wants to work on an operating unit different from the organization to which he is given the responsibility access. Setting this option at a user level is useful when a user wants an operating unit as the default for all responsibilities assigned to the user.

> **Note:** Users can define their own User Preferences to restrict their own list of operating units to a subset of those assigned to the MO: Security Profile. By defining User Preferences, users can specify a different default operating than the one assigned to the MO: Default Operating Unit profile option. For more information on defining user preferences, see Step 19: Specify User-Level Multiple Organizations Preferences (optional), page 2-27.

Step 16: Run the Multiple Organizations Setup Validation Report (recommended)

After you have implemented Multiple Organizations, run the Setup Validation Report to identify any setup problems. Some of the errors that the report finds may be deleted optionally by running this report , while others require that you change your setup. All suggested changes can be confirmed optionally so that you may retain your implementation even if it fails validation.

For more information, see Multiple Organizations Setup Validation Report, page 2-28.

Step 17: Implement Document Sequencing (Optional)

After you have implemented Multiple Organizations and run the Multiple Organization Setup Validation Report, you have the option to set up document sequencing (a common requirement for European countries) for each application that supports document sequencing. Sequence assignments are controlled at the ledger level.

For more information, see Document Sequences, *Oracle Applications System Administrator's Guide - Configuration*.

Step 18: Set Up Conflict Domains (optional)

A conflict domain is an abstract representation of the groupings used to partition your data. When a program is listed as incompatible with another, the two programs cannot run simultaneously in the same conflict domain. Two incompatible concurrent programs may run simultaneously if they are submitted in different conflict domains. To maximize the concurrency in a multiple organization environment, you can set up conflict domains for your operating units.

All programs are assigned a conflict domain when they are submitted. The following determines the conflicts domain you use when you submit a concurrent request:

- The value of the concurrent program parameter which is defined as Conflict Domain parameter

- The value of the Concurrent: Conflicts Domain profile option

If you do not define any conflict domain, the Standard conflict domain is used.

To define a profile option conflict domain:

1. Define Concurrent Conflict Domains

   Any alphanumeric string can be used as a Conflicts Domain name. You can use an operating unit name, a legal entity name, or a ledger name as the domain name. You are allowed to define as many as domains as you need. Since you cannot delete conflicts domains, you should keep the domains to a necessary minimum.

2. Set the Concurrent: Conflicts Domain profile option

   The profile can be set at Site, Application, Responsibility and User levels.

To define a concurrent program parameter as the conflicts domain parameter:

1. Navigate to the Concurrent Program window. Query up the program you want to define conflict domain.

2. Click on the Parameters. Use the Concurrent Program Parameter window to define the conflict domain parameter. You can choose one of the concurrent program parameters as the conflict domain parameter.

For more information, see Concurrent Conflict Domains, *Oracle Applications System Administrator's Guide - Configuration*.

Step 19: Specify User-Level Multiple Organizations Preferences (optional)

The MO: Security Profile controls the list of operating units a user with a specific responsibility can access and the MO: Default Operating Unit controls the default operating unit that defaults in all pages that display the operating unit field. Users can further tailor the number of operating units they want to work with and specify a different default operating unit by using the Multi-Org Preferences page. This allows users to have complete control over their work environment to help them process data more efficiently.

This page can be accessed using the menu function called User Preferences.

Note: If you do not see the User Preferences function from your application, inform your system administrator to add the user preferences function called FNDMOPREFS to your product's submenu. The default operating unit set on the Multi-Org Preferences page will be saved to the MO: Default Operating Unit profile option at the user level.

To define a user preference:

1. Open the Multi-Org Preferences page.

   The following information appears at the header level:

   - **User Name:** The user name of the user

   - **Responsibility Name:** The name of the responsibility that accessed the page.

   - **Security Profile:** The name of the security profile assigned to the MO: Security Profile for the responsibility/user.

2. You can specify a default operating unit. The list of operating units will be limited to those assigned to the Security Profile.

3. You can select one or more operating units and then set them as preferred operating units by clicking the Set as Preferred button.

Changing the Organization Structure

At some point, your company may need to make organization changes. Companies usually make organization changes to better adapt themselves to the new business needs and challenges of the market.

One type of organization change you can make is to discontinue one organization. You can use the Define Organizations window to discontinue one organization by putting an end date in its definition.

You can perform other organization changes by enabling or disabling organization classifications, or changing the classification attributes. When you do that, you must consider the following:

- The Define Organizations window does not re-validate the relationships among legal entities, operating units, and inventory organizations.

- You should not try to move one ledger or legal entity to another because your data may not be valid for the new ledger or legal entity. Instead, you should disable the old organization and create a new one for the appropriate ledger or legal entity. The new organization will contain your new data, and the disabled organization will act as an old or history entity that stores past transactions.

- If you create a new organization, you can still access your historical transactions by logging to the responsibility tied to the disabled organization. To enter new transactions, you must log into the responsibility tied to the new organization. The data for each of the two organizations are kept separate from one another, and must be accessed separately.

Multiple Organization Setup Validation Report

Use the Multiple Organization Setup Validation Report to identify problems in your Multiple Organization setup. If you detect setup problems, you can use the report to help you correct them.

To submit the Multiple Organization Setup Validation Report, use the Submit Request window in the System Administrator responsibility.

Report Parameters

You must enter a value for each of the following parameters:

Active Responsibilities Only: Enter Yes or No to indicate whether you want to validate only the active responsibilities on the report. The default value is Yes.

Correct Customer Attributes: Enter Yes or No to indicate whether you want to correct the customer attributes. If you choose Yes, the report deletes the operating unit-specific data from the Customer records. The default value is No.

Correct Supplier Attributes: Enter Yes or No to indicate whether you want to correct the supplier attributes. If you choose Yes, the report deletes the operating unit-specific data from the supplier records. The default value is no.

Report Sections

The report consists of the following sections:

- Active Responsibilities

- Customers with Operating Unit Specific Attributes

- Suppliers with Operating Unit Specific Attributes

- Profile Option Errors and Warnings

Active Responsibilities Only

The report prints the value of the Active Responsibility Only parameter you specified in the first page of the report.

Customers with Operating Unit Specific Attributes

This section of the report indicates that you have data defined at the customer level that is allowed only at the customer site level. This generally occurs when you convert to Multiple Organization support from a non-Multiple Organization implementation. The report indicates if any data has been entered at the customer level in the following fields by printing an asterisk (*) in the column for a particular customer:

- Salesperson (report data appears under the Primary Salesrep column)

- Order Type

- Dunning Site

- Statement Site

- Tax Code

- Carrier (report data appears under the Ship Via column)

The report warns you that this data exists in the database. If you choose Yes for the Correct Customer Attributes report parameter, the report deletes the operating unit-specific data from the customer records.

Suppliers with Operating Unit Specific Attributes

This section of the report indicates that you have data defined at the supplier level that is allowed only at the supplier site level. This generally occurs when you convert to

Multiple Organization support from a non-Multiple Organization implementation. The report indicates if any data has been entered at the supplier level in the following fields by printing an asterisk (*) in the column for a particular supplier:

- Liability Account

- Prepayment Account

- Distribution Set

- Statement Site

- Invoice Tax Name

- Offset Tax Name

The report warns you that this data exists in the database. If you choose Yes for the Correct Supplier Attributes report parameter, the report deletes the operating unit specific data from the customer records.

Profile Option Errors and Warnings

This section provides information on profile options that may be invalid. All profile option values in question are listed for your review. You need to correct the profile options manually. The report may list any combination of the following violations:

Not all responsibilities in current operating unit have the same option value

All responsibilities in one operating unit must share the same values for the following profile options:

- HR: Business Group

- Tax: Allow Override of Tax Code

- Tax: Invoice Freight as Revenue

- Tax: Inventory Item for Freight

The Validation Report indicates a violation for the operating units with inconsistent profile option values and lists the values, which are set at the responsibility level, or are defaulted from the site or application level.

Sequential Numbering option differs among responsibilities

All responsibilities in one operating unit must share the same sequence numbering option. The Multi-Org Setup Validation Report indicates a violation for the operating units with inconsistent profile option values and lists the values, which are set at the responsibility level, or which are defaulted from the site or application level.

3

Reporting

Overview of Multiple Organizations Reporting

Multiple Organizations Reporting enhances the reporting capabilities of Oracle Applications products by allowing you to report at the following levels:

- Ledger

- Operating unit

The Multiple Organizations Reporting feature includes the following components:

- Reporting Parameters

- Report Types

Reporting Parameters

Two new parameters have been added to the reports that are enabled for Multiple Organizations Reporting: Reporting Level and Reporting Context.

- **Reporting Level:** Allows users to choose the level at which they want to report. The valid options are Ledger, and Operating Unit. If the user chooses Ledger as the reporting level, then the report displays data for the operating units assigned to the ledger that the user can access. If the user chooses Operating Unit, the operating units that can be selected depends on the operating units assigned to the MO: Operating Unit or the MO: Security Profile profile option. If the MO: Security Profile profile option is set, the MO: Operating Unit profile option is ignored.

- **Reporting Context:** Allows users to choose an entity within the reporting level they have selected. Valid options are ledger names, or operating unit names, depending on the reporting level value.

Report Types

Reports can be classified into the following categories:

- Cross Organization Reports

- Multiple Organization Reports

Cross Organization Reports

Cross Organization Reports report data for one or more Operating Units.

MO: Security Profile profile option controls the operating units a user can submit a report for. The Reporting Level and Reporting Context determine the level a user can submit a report for. The possible reporting levels are:

- **Operating Unit:** Report for a single operating unit.

- **Ledger:** Operating units in a ledger.

Cross Organization reports have two possible values: Ledger and Operating Unit. The available value for context is validated against user's access privilege. If the user chooses Ledger as the context level, a report is generated based on data from all operating units assigned to that ledger that the user has access to. If the user does not have access to all operating units that make up a Ledger, then the report output indicates the set of operating unit data that was used for report generation.

Multiple Organization Reports

Multiple Organization Reports report data for one or more multiple operating units from a single responsibility.

With multiple organizations access control, a responsibility could have access to multiple operating units from a single responsibility. Even though the user can access one or more Operating Units, the user can only report data for one operating unit at a time. For example, if the Profile option MO: Security Profile gives access to three Operating Units, the user can choose one of the three operating units when submitting the report.

Multiple Organizations Reporting API

Multiple Organizations Reporting-enabled reports use the Multiple Organizations Reporting API to determine at runtime the operating units for which the report will be run.

Running Reports

To run reports at different reporting levels:

1. Navigate to the Submit Request window.

2. At the Submit Request window, choose the report you want to run.

3. At the Parameters window, choose the reporting level (Ledger, or Operating Unit).

4. Choose the reporting entity.

Example

Assume Acme Inc. has Multiple Organization architecture set up as shown in the figure below. You are an Oracle Applications user connecting to a responsibility that is linked to the Western Division operating unit.
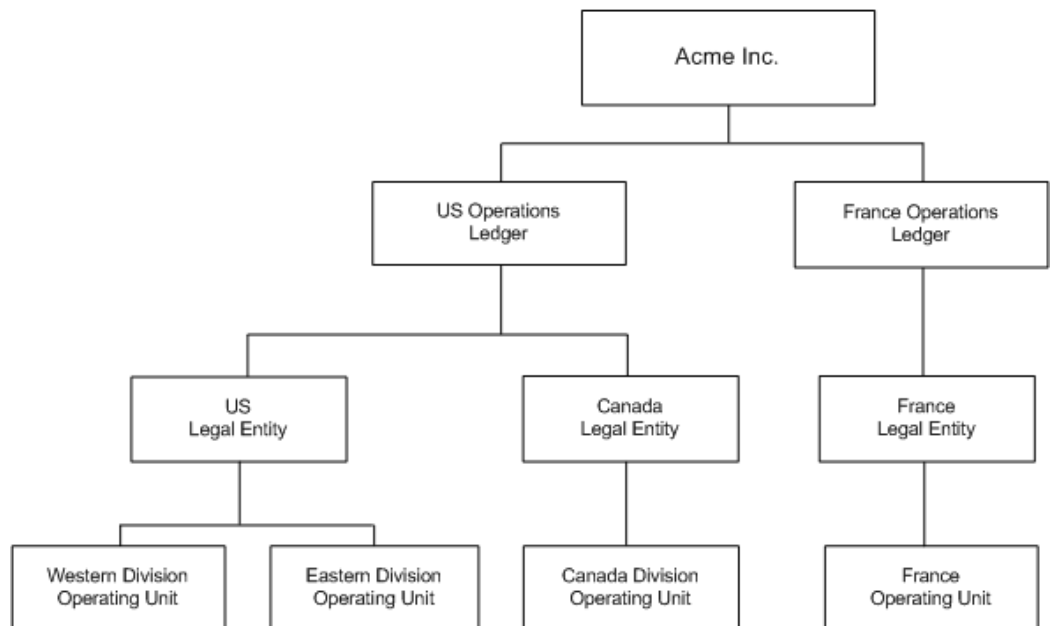
The figure depicts an organization structure that is used as an ongoing example in the Reports chapter of the Multi-Org publication. The top-level box of the organization chart represents the entire organization, and is labeled Acme, Inc. This box splits out into US Operations (ledger) and France (ledger). The France ledger drills down to the transactions entered by the France (operating unit) in the context of the French legal entity.

The US Operations ledger drills down to the transactions entered for the US (legal entity) and Canada (legal entity). US (legal entity) drills down to Western Division (operating unit) and Eastern Division (operating unit). The Canada legal entity drills down to the Canada Division (operating unit).

Reports

You can run the following reports at the ledger, or operating unit level:

Oracle Payables

All standard Payables and Subledger reports can be run for an operating unit.

The following Payables reports can also be run for a ledger or ledger set to report on balances across all operating units assigned to a given ledger or ledger set:

- Payables Posted Invoice Register

- Payables Posted Payments Register for a Ledger or Ledger Set

- Open Account Balances Listing

Oracle Receivables

- Adjustment Register

- Adjustments Journal Report

- Aging - 4 Buckets Report

- Aging - 7 Buckets Report

- Aging - 7 Buckets - By Salesperson Report

- Aging - 7 Buckets - By Collector Report

- Aging - 7 Buckets - By Account Report

- Applied Receipts Journal

- Applied Receipts Register

- AR Reconciliation Report

- AR: Journal Entries Report

- Credit Hold Report

- Cumulative Activity Balance Report

- Customer Credit Snapshot

- Invoice Exception Report

- Miscellaneous Receipts Register

- On Account Credit Memo Gain and Loss Journal

- Other Receipt Applications Report

- Receipt Journal Report

- Receipt Register

- Sales Journal By Customer

- Sales Journal by GL Account Report

- Transaction Register

- Unapplied Receipts Journal

- Unapplied and Unresolved Receipts Register

Oracle E-Business Tax

- Tax Audit Trail

- Tax Register

- Use Tax Liability

- Intra-EU VAT Audit Trail

- U.S. Sales Tax Report

- Tax Reconciliation Report

- Financial Tax Register

- Canadian GST/PST Tax Report

Oracle Financials for Asia/Pacific

- Singaporean GST F5 Report

- Taiwanese Output VAT Report

- Taiwanese Receivables Government Uniform Invoice Report

- Taiwanese Receivables Zero Rate Tax Report

- Taiwanese Payables Sales/Purchase Return and Discount Certificate Report

- Taiwanese Pro Forma 401 Report

- Taiwanese Purchase Return and Discount Report

- Taiwanese Sales Return and Discount Report

- Taiwanese Input VAT Report

- Taiwanese EDI Government Uniform Invoice

Concurrent Programs

A new field Operating Unit Mode is included to the Define Concurrent Programs window which allows users to specify the concurrent programs for multiple organizations. The concurrent programs can be categorized into Single, Multiple or Null. The default value is Null. The concurrent program is used to execute the multiple organizations initialization and also determine when to display Operating Unit field in the Submit Requests window and Schedule Requests window.

There are two categories of Concurrent programs:

1. Single Organization Concurrent Programs

2. Multiple Organization Concurrent Programs

Single Organization Concurrent Programs

Single Organization concurrent programs are non-report programs that report or process data for one Operating Unit only. These programs show data for the Operating Unit specified by MO: Operating Unit profile option. These programs are flagged as Single for Operating Unit mode in the Define Concurrent Programs window.

Multiple Organization Concurrent Programs

The Multiple Organization Concurrent Programs process or report date for multiple operating units specified by the profile option MO: Security Profile. These programs display the operating unit as an optional parameter. The user selects an operating unit and submits the program or leaves it blank. If the parameter is left blank, the concurrent program processes or reports data for the operating units specified in the MO: Security Profile.

The figure below shows an Submit Request window with the operating unit parameter added for the Payables Open Interface Import program. Users may either choose to enter a value for the Operating Unit or leave it blank and submit the request. If you specify the operating units invoices are processed for the respective operating units else invoices are processed for all the operating units in the security profile.

Parameters		✕
Operating Unit		
Source		
Group		
Batch Name	N/A	
Hold Name		
Hold Reason		
GL Date		
Purge	No	
Summarize Report	No	

[OK] [Cancel] [Clear] [Help]

A

Navigation Paths

Multiple Organization Navigation Paths

This section shows the default navigation paths for most of the windows used for Multiple Organizations in Oracle Applications as they are supplied. In addition, the table below provides a page number reference for the description of each window in this manual.

The responsibility that you use determines which of these windows you can use and how you access them. Your system administrator sets up navigation menus and task flows for your responsibility. The system administrator may also create customized versions of some of these windows using different window titles.

Window Name	Navigator Path
Assign Security Rules, page 2-5	Oracle General Ledger: Setup > Financials > Flexfields > Descriptive > Security > Assign
Define Organizations, page 2-8	Oracle HRMS: Setup > Organizations > Organizations or Accounting Setup Manager > Accounting Setups> Accounting Options> Operating Units > Open Organization Form
Define Responsibilities, page 2-11	System Administrator: Security > Responsibility > Define

Window Name	Navigator Path
Define Security Rules, page 2-5	Oracle General Ledger: Setup > Financials > Flexfields > Descriptive > Security > Define or Setup > Financials > Flexfields > Key > Security > Define or Setup > Financials > Flexfields > Validation > Security > Define
Define Security Profile, page 2-12	Oracle HRMS: Security > Profile
Define Global Security Profile, page 2-12	Oracle HRMS: Security > Global Profile
Multi-Org Preferences, page 2-27	User Operating Unit Preferences **Note:** If you do not find the function called User Operating Unit Preferences or User Preferences, ask your system administrator to add the function "User Preferences" FNDMOPREFS to your application menu.
Define Accounting Setups, page 2-4	Oracle General Ledger: Setup > Financials > Accounting Setup Manager > Accounting Setups
Operating Units, page 2-2	Oracle General Ledger: Setup > Financials > Accounting Setup Manager > Accounting Setups> Accounting Options > Operating Units **Note:** The Operating Units step will only appear if legal entities are assigned to an accounting setup.
Update Profile Options, page 2-12	System Administrator: Profile > System

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