Oracle® Treasury

User Guide

Release 12.1

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Oracle Treasury User Guide, Release 12.1

Part No. E13426-05

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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 Oracle E-Business Suite 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.

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Preface

Intended Audience

Welcome to Release 12.1 of the *Oracle Treasury User Guide.*

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

- The principles and customary practices of your business area.

- Computer desktop application usage and terminology

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

See Related Information Sources on page xiv for more Oracle E-Business Suite product information.

Documentation Accessibility

For information about Oracle's commitment to accessibility, visit the Oracle Accessibility Program website at http://www.oracle.com/pls/topic/lookup?ctx=acc&id=docacc.

Access to Oracle Support

Oracle customers that have purchased support have access to electronic support through My Oracle Support. For information, visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=info or visit http://www.oracle.com/pls/topic/lookup?ctx=acc&id=trsif you are hearing impaired.

Structure

1 Overview
2 Treasury Setup

Related Information Sources

This document is included on the Oracle E-Business Suite 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 E-Business Suite documentation, use only the Release 12 versions of those guides.

For a full list of documentation resources for Oracle E-Business Suite Release 12, see Oracle E-Business Suite Documentation Resources, Release 12, My Oracle Support Document 394692.1.

Online Documentation

All Oracle E-Business Suite 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** - 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

E-Business Suite product. This information helps you convert data from your existing applications and integrate Oracle E-Business Suite data with non-Oracle applications, and write custom reports for Oracle E-Business Suite 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 Alert User's Guide

This guide explains how to define periodic and event alerts to monitor the status of your Oracle E-Business Suite data.

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 E-Business Suite 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 CRM System Administrator's Guide

This manual describes how to implement the CRM Technology Foundation (JTT) and use its System Administrator Console.

Oracle E-Business Suite Developer's Guide

This guide contains the coding standards followed by the Oracle E-Business Suite development staff. It describes the Oracle Application Object Library components needed to implement the Oracle E-Business Suite 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 E-Business Suite. In addition, this guide has information for customizations in features such as concurrent programs, flexfields, messages, and logging.

Oracle E-Business Suite Flexfields Guide

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

Oracle Application Framework Developer's Guide

This guide contains the coding standards followed by the Oracle E-Business Suite development staff to produce applications built with Oracle Application Framework. This guide is available in PDF format on My Oracle Support and as online documentation in JDeveloper 10*g* with Oracle Application Extension.

Oracle Application Framework Personalization Guide

This guide covers the design-time and run-time aspects of personalizing applications

built with Oracle Application Framework.

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 E-Business Suite. It provides instructions for running Rapid Install either to carry out a fresh installation of Oracle E-Business Suite Release 12, or as part of an upgrade from Release 11*i* 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 Multiple Organizations Implementation Guide

This guide describes the multiple organizations concepts in Oracle E-Business Suite. It describes in detail on setting up and working effectively with multiple organizations in Oracle E-Business Suite.

Oracle Application Server Adapter for Oracle E-Business Suite User's Guide

This guide covers the use of Oracle AS Adapter in developing integrations between Oracle applications and trading partners.

Please note that this guide is in the Oracle Application Server 10*g* (10.1.3.1) Documentation Library.

Oracle E-Business Suite Supportability Guide

This manual contains information on Oracle Diagnostics and the Logging Framework for system administrators and custom developers.

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

This documentation set provides planning and reference information for the Oracle E-Business Suite 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 E-Business Suite 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 E-Business Suite 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 User's Guide

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

Oracle E-Business Suite User Interface Standards for Forms-Based Products

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

Oracle e-Commerce Gateway User's Guide

This guide describes the functionality of Oracle e-Commerce Gateway and the necessary setup steps in order for Oracle E-Business Suite to conduct business with trading partners through Electronic Data Interchange (EDI). It also contains how to run extract programs for outbound transactions, import programs for inbound transactions, and the relevant reports.

Oracle e-Commerce Gateway Implementation Manual

This guide describes implementation details, highlights additional setups for trading partner, code conversion, and Oracle E-Business Suite as well as provides the architecture guidelines for transaction interface files. This guide also contains troubleshooting information and how to customize EDI transactions.

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 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 Report Manager User's Guide

Oracle Report Manager is an online report distribution system that provides a secure and centralized location to produce and manage point-in-time reports. Oracle Report Manager users can be either report producers or report consumers. Use this guide for information on setting up and using Oracle Report Manager.

Oracle iSetup User Guide

This guide describes how to use Oracle iSetup to migrate data between different instances of the Oracle E-Business Suite and generate reports. It also includes configuration information, instance mapping, and seeded templates used for data migration.

Oracle Web Applications Desktop Integrator Implementation and Administration Guide

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

Oracle Workflow Administrator's Guide

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

Oracle Workflow Developer's Guide

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

Oracle Workflow User's Guide

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

Oracle Workflow API Reference

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

Oracle XML Gateway User's Guide

This guide describes Oracle XML Gateway functionality and each component of the Oracle XML Gateway architecture, including Message Designer, Oracle XML Gateway Setup, Execution Engine, Message Queues, and Oracle Transport Agent. The integrations with Oracle Workflow Business Event System and the Business-to-Business transactions are also addressed in this guide.

Oracle XML Publisher Report Designer's Guide

Oracle XML Publisher is a template-based reporting solution that merges XML data with templates in RTF or PDF format to produce a variety of outputs to meet a variety of business needs. Using Microsoft Word or Adobe Acrobat as the design tool, you can create pixel-perfect reports from the Oracle E-Business Suite. Use this guide to design your report layouts.

Oracle XML Publisher Administration and Developer's Guide

Oracle XML Publisher is a template-based reporting solution that merges XML data with templates in RTF or PDF format to produce a variety of outputs to meet a variety of business needs. Outputs include: PDF, HTML, Excel, RTF, and eText (for EDI and

EFT transactions). Oracle XML Publisher can be used to generate reports based on existing Oracle E-Business Suite report data, or you can use Oracle XML Publisher's data extraction engine to build your own queries. Oracle XML Publisher also provides a robust set of APIs to manage delivery of your reports via e-mail, fax, secure FTP, printer, WebDav, and more. This guide describes how to set up and administer Oracle XML Publisher as well as how to use the Application Programming Interface to build custom solutions.

Oracle E-Business Suite Installation Guide: Using Rapid Install:

This book is intended for use by anyone who is responsible for installing or upgrading Oracle E-Business Suite. It provides instructions for running Rapid Install either to carry out a fresh installation of Oracle E-Business Suite 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 Upgrade Guide Release 11i to 12.1.1:

This guide provides information for DBAs and Applications Specialists who are responsible for upgrading a Release 11i Oracle E-Business Suite 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 Patching Procedures:

This guide describes how to patch the Oracle E-Business Suite 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 E-Business Suite, a 3-book set that also includes Oracle E-Business Suite Maintenance Utilities and Oracle E-Business Suite Maintenance Procedures.

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 E-Business Suite 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 E-Business Suite, a 3-book set that also includes Oracle E-Business Suite Patching Procedures and Oracle E-Business Suite Maintenance Procedures.

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 E-Business Suite, a 3-book set that also includes Oracle E-Business Suite Patching Procedures and Oracle E-Business Suite Maintenance Utilities.

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 Advanced Collections User Guide:

This guide describes how to use the features of Oracle Advanced Collections to manage your collections activities. It describes how collections agents and managers can use Oracle Advanced Collections to identify delinquent customers, review payment history and aging data, process payments, use strategies and dunning plans to automate the collections process, manage work assignments, and handle later-stage delinquencies.

Oracle Advanced Collections Implementation Guide:

This guide describes how to configure Oracle Advanced Collections and its integrated products. It contains the steps required to set up and verify your implementation of Oracle Advanced Collections.

Oracle E-Business Suite Multiple Organizations Implementation Guide:

This guide describes the multiple organizations concepts in Oracle E-Business Suite. It describes in detail on setting up and working effectively with multiple organizations in Oracle E-Business Suite.

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 Balanced Scorecard User Guide:

This guide describes how to use Oracle Balanced Scorecard to manage performance. It contains information on how to use scorecard views and objective reports.

Oracle Balanced Scorecard Administrator Guide:

This guide describes how to set up and administer Oracle Balanced Scorecard and scorecard systems. For scorecard designers, this guide explains how to design and prototype scorecards and measures. It also explains how to move scorecards into production. For administrators, this guide explains how to generate the database schema; load data; manage user and scorecard security; and migrate scorecards to other instances.

Oracle Balanced Scorecard Install Guide:

This guide describes how to how to install the Balanced Scorecard Architect components.

Oracle Bill Presentment Architecture User Guide:

This guide provides you information on using Oracle Bill Presentment Architecture. Consult this guide to create and customize billing templates, assign a template to a rule and submit print requests. This guide also provides detailed information on page references, seeded content items and template assignment attributes.

Oracle Cash Management User Guide:

This guide describes how to 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 Credit Management User Guide:

This guide provides you with information on how to use Oracle Credit Management. This guide includes implementation steps, such as how to set up credit policies, as well as details on how to use the credit review process to derive credit recommendations that comply with your credit policies. This guide also includes detailed information about the public application programming interfaces (APIs) that you can use to extend Oracle Credit Management functionality.

Oracle Customer Data Librarian User Guide:

This guide describes how to use Oracle Customer Data Librarian to establish and maintain the quality of the Trading Community Architecture Registry, focusing on consolidation, cleanliness, and completeness. Oracle Customer Data Librarian has all of the features in Oracle Customers Online, and is also part of the Oracle Customer Data Management product family.

Oracle Customer Data Librarian Implementation Guide:

This guide describes how to implement Oracle Customer Data Librarian. As part of implementing Oracle Customer Data Librarian, you must also complete all the implementation steps for Oracle Customers Online.

Oracle Customers Online User Guide:

This guide describes how to use Oracle Customers Online to view, create, and maintain your customer information. Oracle Customers Online is based on Oracle Trading Community Architecture data model and functionality, and is also part of the Oracle Customer Data Management product family.

Oracle Customers Online Implementation Guide:

This guide describes how to implement Oracle Customers Online.

Oracle Daily Business Intelligence Implementation Guide:

This guide describes how to implement Oracle Daily Business Intelligence, including information on how to create custom dashboards, reports, and key performance indicators.

Oracle Daily Business Intelligence User Guide:

This guide describes how to use the preseeded Daily Business Intelligence dashboards, reports, and key performance indicators.

Oracle E-Business Tax User Guide:

This guide describes the entire process of setting up and maintaining tax configuration data, as well as applying tax data to the transaction line. It describes the entire regime-to-rate setup flow of tax regimes, taxes, statuses, rates, recovery rates, tax jurisdictions, and tax rules. It also describes setting up and maintaining tax reporting codes, fiscal classifications, tax profiles, tax registrations, configuration options, and third party service provider subscriptions. You also use this manual to maintain migrated tax data for use with E-Business Tax.

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 E-Business Tax Reporting Guide:

This guide explains how to run all tax reports that make use of the E-Business Tax data extract. This includes the Tax Reporting Ledger and other core tax reports, country-specific VAT reports, and Latin Tax Engine reports.

Oracle E-Business Tax: Vertex Q-Series and Taxware Sales/Use Tax System Implementation Guide

This guide explains how to setup and use the services of third party tax service providers for US Sales and Use tax. The tax service providers are Vertex Q-Series and Taxware Sales/Use Tax System. When implemented, the Oracle E-Business Tax service subscription calls one of these tax service providers to return a tax rate or amount whenever US Sales and Use tax is calculated by the Oracle E-Business Tax tax engine. This guide provides setup steps, information about day-to-day business processes, and a technical reference section.

Oracle Embedded Data Warehouse User Guide:

This guide describes how to use Embedded Data Warehouse reports and workbooks to analyze performance.

Oracle Embedded Data Warehouse Implementation Guide:

This guide describes how to implement Embedded Data Warehouse, including how to set up the intelligence areas.

Oracle Embedded Data Warehouse Install Guide:

This guide describes how to install Embedded Data Warehouse, including how to create database links and create the end user layer (EUL).

Oracle Enterprise Performance Foundation User's Guide:

This guide describes Oracle Enterprise Performance Foundation, an open and shared

repository of data and business rules that provides the framework for all of the applications in the Corporate Performance Management set of products. It describes the product features that allow you to manage repository metadata and enable you to generate management reports and perform analyses.

Oracle Enterprise Planning and Budgeting User's Guide:

This guide describes Enterprise Planning and Budgeting, which is an enterprise application that provides rich functionality to control the business processes of planning, budgeting, and forecasting. Enterprise Planning and Budgeting is deployed as a Web based solution using the power of Oracle relational technology to deliver scalable, multi-dimensional analysis and monitoring.

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 Financial Services Reference Guide:

This guide provides reference material for Oracle Financial Services applications in Release 12, such as Oracle Transfer Pricing, and includes technical details about application use as well as general concepts, equations, and calculations.

Oracle Financial Services Implementation Guide:

This guide describes how to set up Oracle Financial Services applications in Release 12.

Oracle Financial Services Reporting Administration Guide:

This guide describes the reporting architecture of Oracle Financial Services applications in Release 12, and provides information on how to view these reports.

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 E-Business Suite 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 Financials Country-Specific Installation Supplement:

This guide provides general country information, such as responsibilities and report security groups, as well as any post-install steps required by some countries.

Oracle Financials for the Americas User Guide:

This guide describes functionality developed to meet specific business practices in countries belonging to the Americas region. Consult this user guide along with your financial product user guides to effectively use Oracle Financials in your country.

Oracle Financials for Asia/Pacific User Guide:

This guide describes functionality developed to meet specific business practices in countries belonging to the Asia/Pacific region. Consult this user guide along with your financial product user guides to effectively use Oracle Financials in your country.

Oracle Financials for Europe User Guide:

This guide describes functionality developed to meet specific business practices in countries belonging to the European region. Consult this user guide along with your financial product user guides to effectively use Oracle Financials in your country.

Oracle Financials for India User Guide:

This guide provides information on how to use Oracle Financials for India. Use this guide to learn how to create and maintain setup related to India taxes, defaulting and calculation of taxes on transactions. This guide also includes information about accounting and reporting of taxes related to India.

Oracle Financials for India Implementation Guide:

This guide provides information on how to implement Oracle Financials for India. Use this guide to understand the implementation steps required for application use, including how to set up taxes, tax defaulting hierarchies, set up different tax regimes, organization and transactions.

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 Financials RXi Reports Administration Tool User Guide:

This guide describes how to use the RXi reports administration tool to design the content and layout of RXi reports. RXi reports let you order, edit, and present report information to better meet your company's reporting needs.

Oracle General Ledger Implementation Guide:

This guide provides information on how to implement Oracle General Ledger. Use this

guide to understand the implementation steps required for application use, including how to set up Accounting Flexfields, Accounts, and Calendars.

Oracle General Ledger Reference Guide

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

Oracle General Ledger User's Guide:

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

Oracle Incentive Compensation Implementation Guide:

This guide provides Compensation Administrators with guidance during implementation of Oracle Incentive Compensation. The procedures are presented in the recommended order that they should be performed for successful implementation. Appendixes are included that describe system profiles, lookups, and other useful information.

Oracle Incentive Compensation User Guide:

This guide helps Compensation Managers, Compensation Analysts, and Plan administrators to manage Oracle Incentive Compensation on a day-to-day basis. Learn how to create and manage rules hierarchies, create compensation plans, collect transactions, calculate and pay commission, and use Sales Credit Allocation.

Oracle Internal Controls Manager Implementation Guide:

This guide describes implementation information for Oracle Internal Controls Manager, a comprehensive tool for executives, controllers, internal audit departments, and public accounting firms to document and test internal controls and monitor ongoing compliance. It is based on COSO (Committee of Sponsoring Organizations) standards.

Oracle Internet Expenses Implementation and Administration Guide:

This book explains in detail how to configure Oracle Internet Expenses and describes its integration with other applications in the E-Business Suite, such as Oracle Payables and Oracle Projects. Use this guide to understand the implementation steps required for application use, including how to set up policy and rate schedules, credit card policies, audit automation, and the expenses spreadsheet. This guide also includes detailed information about the client extensions that you can use to extend Oracle Internet Expenses functionality.

Oracle iAssets User Guide

This guide provides information on how to implement and use Oracle iAssets. Use this guide to understand the implementation steps required for application use, including setting up Oracle iAssets rules and related product setup steps. It explains how to define approval rules to facilitate the approval process. It also includes information on using the Oracle iAssets user interface to search for assets, create self-service transfer requests and view notifications.

Oracle iProcurement Implementation and Administration Guide:

This manual describes how to set up and administer Oracle iProcurement. Oracle iProcurement enables employees to requisition items through a self–service, Web interface.

Oracle iReceivables Implementation Guide:

This guide provides information on how to implement Oracle iReceivables. Use this guide to understand the implementation steps required for application use, including how to set up and configure iReceivables, and how to set up the Credit Memo Request workflow. There is also a chapter that provides an overview of major features available in iReceivables.

Oracle iSupplier Portal User Guide:

This guide contains information on how to use Oracle iSupplier Portal to enable secure transactions between buyers and suppliers using the Internet. Using Oracle iSupplier Portal, suppliers can monitor and respond to events in the procure-to-pay cycle.

Oracle iSupplier Portal Implementation Guide:

This guide contains information on how to implement Oracle iSupplier Portal and enable secure transactions between buyers and suppliers using the Internet.

Oracle Loans User Guide:

This guide describes how to set up and use Oracle Loans. It includes information on how to create, approve, fund, amortize, bill, and service extended repayment plan and direct loans.

Oracle Partner Management Implementation and Administration Guide:

This guide helps Vendor administrators to set up and maintain relationships and programs in the Partner Management application. The main areas include setting up the partner and channel manager dashboards, partner setup, partner programs and enrollment, opportunity and referral management, deal registration, special pricing management, and partner fund management.

Oracle Partner Management Vendor User Guide:

This guide assists vendor users in using Partner Management on a daily basis. This includes interaction with the partner and channel manager dashboards, working with partners and partner programs, managing opportunities and referrals, registering deals, and working with special pricing and partner funds.

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 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 Payables Reference Guide:

This guide provides you with detailed information about the Oracle Payables open interfaces, such as the Invoice open interface, which lets you import invoices. It also includes reference information on purchase order matching and purging purchasing information.

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 Payments User 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 to the Payment Administrator how to monitor the funds capture and funds disbursement processes, as well as how to remedy any errors that may arise.

Oracle Procurement Buyer's Guide to Punchout and Transparent Punchout:

This guide contains necessary information for customers implementing remote catalog content on a supplier's Web site or on Oracle Exchange.

Oracle Procurement Contracts Online Help:

This guide is provided as online help only from the Oracle Procurement Contracts application and includes information about creating and managing your contract terms library.

Oracle Procurement Contracts Implementation and Administration Guide:

This guide describes how to set up and administer Oracle Procurement Contracts. Oracle Procurement Contracts enables employees to author and maintain complex contracts through a self–service, Web interface.

Oracle Profitability Manager User's Guide:

This guide describes Profitability Manager, which provides a rich set of features that support complex models to analyze your business. These features include a powerful

allocation engine that supports many allocation methodologies, Activity-Based Management calculations that provide activity costs, rolled up costs and statistics, activity rates, and cost object unit costs, and customer profitability calculations to consolidate customer accounts, aggregate customer data, and determine profitability results.

Oracle Public Sector Financials User Guide:

This guide describes how to set up and administer Oracle Public Sector Advanced Features. It describes Encumbrance Reconciliation Reports, GASB 34/35 Asset Accounting, and Funds Available Enhancements.

Oracle Purchasing User's Guide:

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

Oracle Receivables User Guide:

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

Oracle Receivables Implementation Guide:

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

Oracle Receivables Reference Guide:

This guide provides you with detailed information about all public application programming interfaces (APIs) that you can use to extend Oracle Receivables functionality. This guide also describes the Oracle Receivables open interfaces, such as AutoLockbox which lets you create and apply receipts and AutoInvoice which you can use to import and validate transactions from other systems. Archiving and purging Receivables data is also discussed in this guide.

Oracle Sourcing Implementation and Administration Guide:

This guide contains information on how to implement Oracle Sourcing to enable participants from multiple organizations to exchange information, conduct bid and auction processes, and create and implement buying agreements. This allows professional buyers, business experts, and suppliers to participate in a more agile and

accurate sourcing process.

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 Supplier Scheduling User's Guide:

This guide describes how you can use Oracle Supplier Scheduling to calculate and maintain planning and shipping schedules and communicate them to your suppliers.

Oracle iProcurement Implementation and Administration Guide:

This manual describes how to set up and administer Oracle iProcurement. Oracle iProcurement enables employees to requisition items through a self–service, Web interface.

Oracle Procurement Contracts Implementation and Administration Guide:

This manual describes how to set up and administer Oracle Procurement Contracts. Oracle Procurement Contracts enables employees to author and maintain complex contracts through a self–service, Web interface.

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 Trading Community Architecture Administration Guide:

This guide describes how to administer and implement Oracle Trading Community Architecture (TCA). You set up, control, and manage functionality that affects data in the TCA Registry. It also describes how to set up and use Resource Manager to manage resources.

Oracle Trading Community Architecture Reference Guide:

This guide contains seeded relationship types, seeded Data Quality Management data, D&B data elements, Bulk Import interface table fields and validations, and a comprehensive glossary. This guide supplements the documentation for Oracle Trading Community Architecture and all products in the Oracle Customer Data Management family.

Oracle Trading Community Architecture Technical Implementation Guide:

This guide explains how to use the public Oracle Trading Community Architecture application programming interfaces (APIs) and develop callouts based on Oracle Workflow Business Events System (BES). For each API, this guide provides a

description of the API, the PL/SQL procedure, and the Java method, as well as a table of the parameter descriptions and validations. For each BES callout, this guide provides the name of the logical entity, its description, and the ID parameter name. Also included are setup instructions and sample code.

Oracle Transfer Pricing User Guide:

This guide contains the information you need to understand and use Oracle Transfer Pricing, including how to generate transfer rates and option costs for your product portfolio and determine account level match-funded spreads.

Oracle U.S. Federal Financials User's Guide:

This guide describes the common concepts for an integrated financial management solution for federal agencies to comply with the requirements of the U.S. Federal government. It describes the product architecture and provides information on Budget Execution, Prompt Payment, Treasury payments, Third party payments, Interagency transactions, Receivables management, Federal reports, CCR Integration, and Year End Closing.

Oracle U.S. Federal Financials Implementation Guide:

This guide describes the common concepts for an integrated financial management solution for federal agencies. It includes a consolidated setup checklist by page and provides detailed information on how to set up, maintain, and troubleshoot the Federal Financial application for the following functional areas: Sub Ledger Accounting, Budget Execution, Prompt Payment, Treasury payments, Third party payments, Interagency transactions, Receivables management, Federal reports, CCR Integration, and Year End Closing.

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 Oracle 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

This chapter covers the following topics:

- About Oracle Treasury

About Oracle Treasury

Treasury is an enterprise treasury solution that helps you effectively manage and control your cash flows, your foreign exchange and money market deals, and your overall risks. It provides comprehensive bank relationship management and settlement features. It also provides flexible position reporting.

This section includes the following topics:

- Cash Management

- Deal Management

- Risk Management

Cash Management

In every organization, the treasury department plays a central role in setting cash policies and managing cash transactions. You can use Treasury to perform a wide range of cash-related treasury responsibilities including:

- Managing domestic and foreign cashflows

- Managing banking relationships

- Managing electronic cash transactions between companies and banks

- Creating short and long term cash forecasts

- Managing in-house banking between companies in your organization

- Reconciling cash transactions against bank statements

Use Treasury to centralize a wide range of internal and external information across your organization, enabling you to make faster and more accurate cash management decisions.

Deal Management

With Treasury, you can conduct and manage a variety of financial transactions that you need to manage your company's investing and borrowing activities. Treasury enables you to perform trades quickly and efficiently and enables you to achieve profitable results in the overall operation of your treasury management processes.

Risk Management

Risk management is a growing part of corporate treasury responsibilities. Using Treasury, you can set policies, limits, and identify exposures for your interest rate, foreign exchange, and commodity risks.

2

Treasury Setup

This chapter covers the following topics:

- Setting Up Oracle Treasury
- Related Product Setup Steps
- Setup Flowchart
- Treasury Setup Checklist
- System Setup
- Currency Holiday Rules
- Portfolio Codes
- System Languages
- Import Sources and Reconciliation
- Confirmation Templates
- Journal Entry Actions
- User Access Levels
- Audit Requirements
- System Parameters
- Deal Setup
- Stock Issues
- Bond Issues
- Bill/Bond Issue Numbers
- Exposure Types
- Payment Schedules
- Hedging
- Defining Hedge Policies

- Defining Hedge Objective Types

- Defining Hedge Strategies

- Party Setup

- Party Types

- Counterparty Profiles

- Company Profiles

- Cash Leveling

- Deal Confirmation Groups

- Default Settlement Accounts

- Default Settlement Actions

- Party Groups

- Policy Setup

- Deal Types and Product Types

- Deal Rate Tolerances

- Currency Details

- Interest Rate Policy

- Limits Setup

- Limits

- Defining Limit Types and Limits Monitoring

- Defining Global Limits

- Limit Weighting

- Defining Term Limits

- Defining Counterparty Limits

- Defining Counterparty Group Limits

- Defining Settlement Limits

- Defining Sovereign Limits

- Defining Currency Limits

- Defining Dealer Limits

- Limits Workflow Notification

- Interest Override Tolerances

- Tax/Brokerage Setup

- Brokerage Schedule and Details

- Tax Schedule and Details

- Rates, Curves, and Market Data Sets Setup

- Current System Rates

- Market Data Curves

- Viewing Market Data Curves

- Market Data Sets

Setting Up Oracle Treasury

This section contains a checklist for use when installing and setting up your Oracle Treasury (Treasury) system.

Before you set up Treasury, perform the following task:

- Set up Oracle Application responsibilities and users for the implementation. You must set up the Treasury Superuser responsibility to implement Treasury. See: Defining a Responsibility, *Oracle E-Business Suite System Administrator's Guide.*

Treasury provides these responsibilities:

- **Treasury Foreign Exchange Dealer.** This responsibility allows the user to access foreign exchange and basic money market deal types, as well as view position windows and market data.

- **Treasury Money Market Dealer.** This responsibility allows the user to access all money market deal types, as well as view position windows and market data.

- **Treasury Equity Market Dealer.** This responsibility allows the user to access all equity market transaction types, as well as view position windows and market data.

- **Treasury Dealer.** This responsibility allows the user to access all deal types, as well as view position windows and market data.

- **Treasury Settlements Administrator.** This responsibility allows the user to process deal settlements, reconcile bank statements, generate accounting entries, perform limited setup functions, and view position windows and market data.

- **Treasury Hedging Manager.** This responsibility allows the user to access hedging windows and deal types available as hedging instruments, as well as view position windows and market data.

- **Treasury Inquiry.** This responsibility allows the user to access all Treasury data in view-only mode.

- **Treasury Back Office Administrator.** This responsibility allows the user to process deal settlements, reconcile bank statements, generate accounting entries, perform

limited setup functions, and view position windows and market data.

The bank statement reconciliation and clearing functionality under this responsibility come from Oracle Cash Management. Please refer to the *Oracle Cash Management User Guide* for more information.

- **Treasury Cash Manager.** This responsibility allows the user to access cash positioning and cash forecasting windows, as well as the cash management related deal types.

  The cash positioning, cash forecasting, and bank statement interface functionality under this responsibility come from Oracle Cash Management. Please refer to the *Oracle Cash Management User Guide* for more information.

- **Treasury Middle Office Administrator.** This responsibility allows the user to access calculators and risk management tools, as well as view all Treasury data.

- **Treasury Setup Administrator.** This responsibility allows the user to access all functional setup in Oracle Treasury.

- **Treasury Superuser.** This responsibility allows the user to access all functionality in Oracle Treasury.

- **Treasury, Cash and Risk Management Superuser.** This responsibility allows the user to access all functionality in Oracle Treasury, Oracle Cash Management and Oracle Risk Management.

  Please refer to the *Oracle Cash Management User Guide* for information about using Oracle Cash Management. Please refer to the *Oracle Risk Management User Guide* for information about using Oracle Risk Management.

If you want to use the Oracle E-Business Suite Multiple Organizations Support Feature with Treasury, additional setup steps are required. For detailed information on setting up Treasury for multiple organizations, see: *Multiple Organizations in Oracle E-Business Suite*.

Related Product Setup Steps

The following steps may need to be performed to implement Treasury. These steps are discussed in detail in the Setting Up sections of other Oracle product user guides. The following tables list the setup steps

Set Up Underlying Oracle E-Business Suite Technology

See the *Oracle E-Business Suite System Administrator's Guide* to complete other setup steps, including:

- performing system-wide setup tasks such as configuring concurrent managers and

printers

- managing data security, which includes setting up responsibilities to allow access to a specific set of business data and complete a specific set of transactions, and assigning individual users to one or more of these responsibilities.

General Ledger Setup Steps

See Setting Up Oracle General Ledger, *Oracle General Ledger User Guide* to complete the following setup steps.

Step Number	Step
Step 1	**Define your chart of accounts.**
Step 2	**Enable the currencies that you plan to use.**
Step 3	**Define your accounting period types and accounting calendar periods.**
Step 4	**Define a ledger. Specify the name for the ledger and assign it a calendar, ledger currency, and a chart of accounts structure.**
Step 5	**If you want to enter foreign currency transactions, define your additional rate types.**
Step 6	**Define a transaction calendar to determine which days are business days to be used in cash forecasting.**

Multiple Organization Support Setup Steps

Use the Setting Up Multiple Organizations section in *Multiple Organizations in Oracle E-Business Suite* to complete the following setup step.

Step Number	Step
Step 1	**Define the legal entities for your companies.**

Oracle Workflow Setup Steps

Use the Setting Up Oracle Workflow section in the *Oracle Workflow User Guide* to complete the following setup step.

Step Number	Step
Step 1	**If you want to use the Limits Notification workflow process, then set up Oracle Workflow.**

Setup Flowchart

Some of the steps outlined in this flowchart and setup checklist are Required and some are Optional. Some optional steps have default values that are pre-seeded in the database; however, you should review those defaults and decide whether to change them to suit your business needs. If you want or need to change them, you should perform that setup step. You need to perform Optional steps only if you plan to use the related feature or complete certain business functions.

Step 1 User Sign-Ons and Passwords	Step 9 Legal Entities	Step 17 Deal Types/ Product Types	Step 25 Bill/Bond Issue Numbers	Step 33 Deal Rate Tolerances	Step 41 Tax Schedule and Details
Step 2 Chart of Accounts	Step 10 User Access Levels	Step 18 Assign Companies and Deals to Users	Step 26 Exposure Types	Step 34 Interest Rate Policies	Step 42 Current System Rates
Step 3 Accounting Periods and Calendar	Step 11 System Parameters	Step 19 Currency Holiday Rules	Step 27 Hedging	Step 35 Limits Policy	Step 43 Market Data Curves and Sets
Step 4 Enable Currencies	Step 12 Currency Details	Step 20 Portfolios	Step 28 Default Settlement Accounts	Step 36 Deal Confirmation Groups	Step 44 System Languages
Step 5 Ledger	Step 13 Counterparty Profiles	Step 21 Journal Entry Actions	Step 29 Default Settlement Actions	Step 37 Deal Confirmation Template	Step 45 Request Sets
Step 6 Additional Rate Types	Step 14 Company Profiles	Step 22 Audit Requirements	Step 30 Party Groups	Step 38 Import Sources	Step 46 Descriptive Flexfields
Step 7 GL Ledger Name profile option	Step 15 Cash Management Security Wizard	Step 23 Stock Issues	Step 31 CE: Bank Acct. Transfers System Profile	Step 39 Payment Schedules	Step 47 Oracle Workflow
Step 8 Transaction Calendar	Step 16 Banks, Bank Branches and Bank Accounts	Step 24 Bond Issues	Step 32 Cash Pools	Step 40 Brokerage Schedule and Details	

Treasury Setup Checklist

The following table lists the Treasury setup steps and whether the step is optional or required. After you log on to Oracle E-Business Suite, complete these steps to implement Treasury.

Some steps build upon information defined in other steps, so you must perform them in the order listed.

Step Number	Required?	Step Description	Window Name(s)
Step 1	Required	**Create application user sign-ons and passwords.** **Context:** Perform this step once per installation. See: Users Window, *Oracle E-Business Suite System Administrator's Guide* or online help.	System Administrator responsibility: Users
Step 2	Required	**Define your chart of accounts.** **Context:** Perform this step once per installation. See: Defining Your Chart of Accounts and Defining Your Account Structure *Oracle General Ledger User Guide* or online help.	General Ledger responsibility: multiple windows
Step 3	Required	**Define your accounting period types and accounting calendar periods.** **Context:** Perform this step once per installation. See: Defining Period Types and Defining Calendars *Oracle General Ledger User Guide* or online help.	General Ledger responsibility: Period Types, Accounting Calendar

Step Number	Required?	Step Description	Window Name(s)
Step 4	Required	**Enable the currencies that you plan to use.** **Context:** Perform this step once per installation. See: Defining Currencies, *Oracle General Ledger User Guide* or online help.	General Ledger responsibility: Currencies
Step 5	Required	**Define a ledger. Specify the name for the ledger and assign it a calendar, ledger currency, and a chart of accounts structure.** **Context:** Perform this step once per installation. See: Defining Ledgers, *Oracle General Ledger User Guide* or online help.	General Ledger responsibility: (Define) Ledger
Step 6	Required	**If you want to enter foreign currency transactions, define your additional rate types.** **Context:** Perform this step once per installation. See: Defining Conversion Rate Types and Entering Daily Rates, *Oracle General Ledger User Guide* or online help.	General Ledger responsibility: Conversion Rate Types

Step Number	Required?	Step Description	Window Name(s)
Step 7	Required	**Use the System Administrator responsibility to set the GL Ledger Name profile option.** **Context:** Perform this step once per installation. See: Overview of User Profiles and Setting User Profile Options, *Oracle E-Business Suite System Administrator's Guide* or online help.	System Administrator responsibility: System Profile Values
Step 8	Optional	**Define a transaction calendar to determine which days are business days to be used in cash forecasting.** **Context:** Perform this step once per installation. See: Defining Transaction Calendars, *Oracle General Ledger User Guide* or online help.	General Ledger responsibility: Transaction Calendar

Step Number	Required?	Step Description	Window Name(s)
Step 9	Required	**Define the legal entities for your companies.** **Context:** Perform this step once per business group. See: Implementing Multiple Organization Support, *Multiple Organizations in Oracle E-Business Suite* .	Organization
Step 10	Required	**Define your user access levels.** **Context:** Perform this step once per installation. See: User Access Levels, page 2-34	User Access Levels
Step 11	Required	**Define your system parameters.** **Context:** Perform this step once per installation. **Defaults:** Each parameter has a default value. See the System Parameters section for a detailed description of the parameters and their default values. See: System Parameters, page 2-36	System Parameters

Step Number	Required?	Step Description	Window Name(s)
Step 12	Required	**Define your currency details.** **Context:** Perform this step once per installation. See: Currency Details, page 2-84	Currency Details
Step 13	Required	**Define your counterparty profiles.** **Context:** Perform this step once per installation. See: Counterparty Profiles, page 2-55	Counterparty Profiles
Step 14	Required	**Define your company profiles, including the accounting process that you want to use for your company.** **Context:** Perform this step once per installation. See: Company Profiles, page 2-64	Company Profiles
Step 15	Required	**Run the Cash Management Security Wizard**	
Step 16	Required	**Banks, Bank Branches and Bank Accounts**	

Step Number	Required?	Step Description	Window Name(s)
Step 17	Required	**Define your deal types/product types.** **Context:** Perform this step once per installation. See: Deal Types and Product Types, page 2-78	Deal Types/Product T+ypes
Step 18	Required	**Assign companies to and authorize deals for your users.** **Context:** Perform this step once per installation. See: User Access Levels, page 2-34	User Access Levels
Step 19	Optional	**Define your currency holiday rules.** **Context:** Perform this step once per installation. See: Currency Holiday Rules, page 2-21	Currency Holiday Rules
Step 20	Required	**Define your portfolios.** **Context:** Perform this step once per installation. See: Portfolio Codes, page 2-23	Portfolio Codes

Step Number	Required?	Step Description	Window Name(s)
Step 21	Optional	**If you want to use journals with Treasury, you must define your journal entry actions.** **Context:** Perform this step once per installation. See: Journal Entry Actions, page 2-31	Journal Entry Actions
Step 22	Optional	**Define your audit requirements.** **Context:** Perform this step once per installation. See: Audit Requirements, page 2-35	Audit Requirements
Step 23	Optional	**If you want to buy or sell equities, you must define your stock issues.** **Context:** Perform this step once per installation. See: Stock Issues, page 2-38	Stock Issues
Step 24	Optional	**If you want to buy, issue, or sell fixed income securities, you must define your bond issues.** **Context:** Perform this step once per installation. See: Bond Issues, page 2-40	Bond Issues

Step Number	Required?	Step Description	Window Name(s)
Step 25	Optional	**If you want to issue fixed income securities, define your bill/bond issue numbers.** **Context:** Perform this step once per installation. See: Bill/Bond Issue Numbers, page 2-45	Bill/Bond Issue Numbers
Step 26	Required	**Define your exposure types.** **Context:** Perform this step once per installation. See: Exposure Types, page 2-46	Exposure Types
Step 27	Optional	**If you want to enter into deals for hedging purposes, perform the necessary setup for hedging.** **Context:** Perform this step once per installation. See: +Hedging, page 2-48	Hedge Policies and Hedge Strategies
Step 28	Optional	**Define your settlement accounts.** **Context:** Perform this step once per installation. See: Default Settlement Accounts, page 2-75	Default Settlement Accounts

Step Number	Required?	Step Description	Window Name(s)
Step 29	Optional	**Define your default settlement actions.** **Context:** Perform this step once per installation. See: Settlement Actions, page 2-76	Settlement Actions
Step 30	Optional	**Define your party groups.** **Context:** Perform this step once per installation. See: Party Groups, page 2-77	Party Group Codes
Step 31	Required	**Define "CE: Bank Account Transfers" System Profile**	
Step 32	Optional	**Define your notional cash pools.** **Context:** Perform this step once per installation. See: Cash Leveling, *Oracle Cash Management User Guide*.	Notional Cash Pools
Step 33	Required	**Define your deal rate tolerances.** **Context:** Perform this step once per installation. See: Deal Rate Tolerances, page 2-82	Deal Rate Tolerances

Step Number	Required?	Step Description	Window Name(s)
Step 34	Optional	**Define your interest rate policies.** **Context:** Perform this step once per installation. See: Interest Rate Policy, page 2-88	Interest Rate Policies
Step 35	Optional	**If you want to use limit checking in Treasury, you must define your limits policy.** **Context:** Perform this step once per installation. See: Limits, page 2-89	Limits
Step 36	Optional	**Define your deal confirmation groups.** **Context:** Perform this step once per installation. See: Confirmation Groups, page 2-74	Deal Confirmation Groups
Step 37	Optional	**If you want to use Treasury to generate deal confirmations, you must define your deal confirmation template.** **Context:** Perform this step once per installation. See: Confirmation Template, page 2-29	Confirmation Templates and User Views

Step Number	Required?	Step Description	Window Name(s)
Step 38	Optional	**If you want to reconcile your bank statements in Treasury, you must define your import sources.** **Context:** Perform this step once per installation. See: Import Sources and Reconciliation, page 2-26	Import Sources
Step 39	Optional	**If you want to create payment schedules for your retail term money deals, you must define your payment schedules.** **Context:** Perform this step once per installation. See: Payment Schedules, page 2-47	Payment Schedules
Step 40	Optional	**Define your brokerage schedule and details.** **Context:** Perform this step once per installation. See: Brokerage Schedule and Details, page 2-111	Brokerage Schedule & Details

Step Number	Required?	Step Description	Window Name(s)
Step 41	Optional	**Define your tax schedule and details.** **Context:** Perform this step once per installation. See: Tax Schedule and Details, page 2-114	Tax Schedule & Details
Step 42	Optional	**Define your current system rates.** Context: Perform this step once per installation. See: Current System Rates, page 2-120	Current System Rates
Step 43	Optional	**If you want to theoretically price or revalue deals, you must define your market data curves and market data sets.** **Context:** Perform this step once per installation. See: Market Data Curves, page 2-125 and Market Data Sets, page 2-133	Market Data Curves Market Data Sets
Step 44	Optional	**Define your system languages.** **Context:** Perform this step once per installation. See: System Languages, page 2-24	System Languages

Step Number	Required?	Step Description	Window Name(s)
Step 45	Optional	**Define your request sets.** **Context:** Perform this step once per installation. See: Request Set Windows, *Oracle E-Business Suite User Guide* or online help.	Request Set
Step 46	Optional	**Define your descriptive flexfields.** **Context:** Perform this step once per installation. See: Defining Descriptive Flexfields, *Oracle E-Business Suite Flexfields Guide* or online help.	System Administrator responsibility: multiple windows
Step 47	Optional	**If you want to use the Limits Notification workflow process, then set up Oracle Workflow.** **Context:** Perform this step once per installation. See: Setting Up Oracle Workflow, *Oracle Workflow User Guide* or online help.	System Administrator responsibility: multiple windows

System Setup

This section contains information that you need to set up the system-related aspects of

Treasury. It includes information for setting up system parameters, user access, and other general codes and options.

Currency Holiday Rules

Holidays can significantly affect the timing of your deal cashflows. If you enter into a deal that has a start, maturity, or settlement date that falls on a holiday, your company's deal cashflow could be delayed by one or more days because banks, brokerages, or counterparty offices are closed. To prevent your company from dealing with delayed cashflows, use the Currency Holiday Rules window to define the holiday dates for each of your authorized currencies.

Once you define your currency holidays, Treasury automatically checks the start, maturity, and settlement dates for each deal against the holiday dates for each currency in the deal. If any deal dates fall on a holiday, you receive a warning, which you can dismiss. The warning does not prevent you from entering the deal, but it does remind you that the deal date can impact your company's cashflow.

In Treasury, you can define three types of holidays:

- **Constant holidays**: Holidays that occur on a fixed date. For example, in countries using USD, New Year's Day is always on January 1.

- **Rule holidays**: Holidays that change from year to year based on a rule. For example, in countries using USD, Labor Day is always the first Monday in September.

- **One off holidays**: Holidays that occur one time only. For example, in countries using GBP, the government may declare a holiday to celebrate the coronation of a new king or queen.

Once you define a constant or rule holiday, the date of that holiday is automatically calculated five years into the future from the current system date. For example, if you define a constant holiday for January 1, 2000, a holiday is automatically created for each January 1 between 2001 and 2004. If you want to calculate the holiday more or less than five years into the future, in the Calculated Date field you can enter another date to which you want the holiday calculated (for example, January 1, 2003). The holiday dates are calculated up to the date you specify.

In Treasury, Saturday and Sunday are considered non-business days. If a holiday falls on a Saturday or a Sunday, the holiday automatically moves to the following Monday. You must edit the calculated holiday dates to accommodate your specific workday adjustments. For example, if you want to move a holiday to the preceding Friday instead of the following Monday, you must edit the date of the calculated holiday accordingly.

Some rule-based holidays, such as those based on the phases of the moon, cannot be calculated and must be defined as a unique, one off, holidays.

GL Calendar

Use the (General Ledger) Transaction Calendar window to define any day of the week as a non-business day. For more information on defining a transaction calendar, see *Oracle General Ledger User Guide*.

Once you define a GL calendar, you can import the GL calendar into Treasury. Importing the GL calendar lets you use the holidays that have already been defined in General Ledger so you don't have to define the holidays again in Treasury.

To import the GL calendar into Treasury

1. Navigate to the Currency Details window.

2. Assign the GL calendar to a currency. Treasury uses the weekend definition of the GL calendar instead of assuming Saturday/Sunday weekend days.

   Once you assign a GL calendar to a currency, you have the option to import holidays from the GL calendar associated with that currency into the Holiday Dates window. This option is only available if a GL calendar is assigned to the currency.

3. Navigate to the Currency Holiday Rules window.

4. Select the currency that you want to import holidays into.

5. Choose the Review Actual Holiday Dates button.

   The Holiday Dates window appears.

6. Choose the Import GL Holidays button.

Defining Currency Holiday Rules

Use the Currency Holiday Rules window to define the holiday rules for each of your authorized currencies.

To define a holiday for a currency

1. In the Currency Holiday Rules window, choose a currency for the holiday that you want to define.

2. In the Description field, enter a description for the holiday.

3. In the Type field, choose a holiday type and do the following:

   - If you choose the Constant holiday type, in the Date field enter a holiday date and in the Month field choose a month. If the holiday is observed for more than one day a year, in the Extra Days field enter the number of additional days that

the holiday is observed.

- • If you choose the Rule holiday type, do the following:

  - • In the Month field, choose the month for the holiday.

  - • In the Num field, enter the week of the month for the holiday. For example, if the holiday occurs in the third week of the month, enter 3.

  - • In the Day field, enter the day of the week that the holiday falls on.

  - • In the Extra Days field, enter the number of additional days, if any, that the holiday is observed.

  - • If the holiday occurs on a weekend, but is observed on a business day, enter the day of the week that the holiday is observed in the Wkd Adj field.

- • If you choose the One-Off holiday type, enter the date, month, and year of the holiday. If the holiday is observed for more than one day, in the Extra Days field enter the number of additional days that the holiday is observed.

4. If you want to calculate the future date of the holiday to a specific date, in the Calculated Date field enter the date. If you do not enter a date, Treasury automatically calculates the holiday date five years into the future from the current system date.

5. Review the list of calculated dates for the holiday by choosing the Review Actual Holiday Dates button. The Holiday Dates window appears.

6. If you want to adjust a holiday date (for example, to move a holiday from a Monday to the preceding Friday), in the Date field adjust the holiday dates as needed.

7. If you want to import holidays from the GL calendar assigned to that currency into the Holiday Dates window, choose the Import GL Holidays button. For more information, see GL calendar, page 2-22.

8. Save your work.

Portfolio Codes

Use *portfolios* to group your deals according to deal activity or according to your company accounting or reporting structure. For example, you might create a portfolio for the following deal activities: operating, service, capital, trading, equities, and hedging.

You must create at least one portfolio for each company that you set up.

Portfolios are essential to the Treasury accounting structure. For each portfolio you create, you must set up an entirely separate set of deals, deal subtypes, and product types within your journal structure. Therefore, adding a new portfolio adds a new level of complexity to your Treasury system.

> **Tip:** Minimize the number of portfolios you create. To make it easier for you to maintain your deals, deal subtypes, and product types, you should only create as many portfolios as you need to support your company accounting practices.

You can create two types of portfolios. *Internal portfolios* are portfolios that are managed directly by your company. *External portfolios* are portfolios that are managed by your company for a third party. External portfolios appear in the Portfolio Codes window only for the counterparties that have the external portfolio.

After you create a portfolio, you must create journal entries for each combination of deal type, deal subtype and product type that uses the portfolio. See: Journal Entry Actions, page 2-31.

Setting up Portfolios

Use the Portfolios window to set up portfolios for your various companies.

To set up a portfolio

1. Navigate to the Portfolios window.

2. Query or enter the Company code that you want.

3. Enter a unique Code and Name for the portfolio.

4. If the portfolio is for an external party, select the External Portfolio check box and enter the external party in the Ext Party field.

5. If you want to set this portfolio as the default internal portfolio, select the Internal check box.

6. Save your work.

System Languages

Use the System Languages window to change text on windows, reports, fields, and buttons. Using this window you can change a text item to meet your business standards. For example, you can change the text for a field from "Company" to "Company Code".

For each text item, the following information appears:

- **Canvas Type:** The type of text currently selected. Types are as follows: Text for Text fields, Window for window titles, Buttons for button texts and Checkbox for checkbox texts.

- **Item Name:** The name of the field to which the text belongs. Treasury provides this information because it is potentially useful for developers to identify and support.

- **Original Text:** The text as it appears in the original Treasury GUI in U.S. English, before any modifications occur. Treasury provides this information as a reference for users, in the event that you modify text and forget how it appeared in the original GUI.

You cannot change the text for radio buttons.

Changing Text Items

Use the System Languages window to change the text for one item at a time. You can apply your changes to all instances of the text in a single module or to all instances of the text in the Treasury product. Note that if you want to update field names in documentation you can also update the HTML. For more information on updating HTML, see Overview in Oracle E-Business Suite Help.

To change a text item

1. In the System Languages window, use a query to locate the window or module that contains the text that you want to change.

2. Place your cursor in the Module Name, Canvas Type, Item Name, or Original Text field and use the up and down arrow keys to scroll to text item that you want to change.

3. Enter the new text in the Position column.

4. If you want to make the same change to all instances of this text in the selected module, choose the Update All Module Duplicates button. For example, if there are four instances of "Company" on a form or report, you can change one instance to " Company Code" and then apply that change to the other three instances by choosing the Update All Module Duplicates button.

5. If you want to make the same change to all instances of this text in Treasury, choose the Update All Duplicates button.

6. Save your work.

Changing Multiple Text Items

Use the All Prompts window to change the text for multiple items at a time.

To change multiple text items

1. If you want to change multiple text items in a module, use a query to locate the module that you want to change and choose the All Prompts for Above Module button. The All Prompts window appears, listing all the text items for the selected module.

2. If you want to change multiple text items throughout Treasury, choose the All Prompts for All Modules button. The All Prompts window appears, listing all of the text items in Treasury in alphabetical order.

3. For each field that you want to change, in the Prompt field enter the new text that you prefer to use.

4. Save your work.

Import Sources and Reconciliation

To reconcile your bank account activities with the Treasury payments and receipts you must define your import sources and reconciliation process.

Defining Reconciliation Passes

A *reconciliation pass* defines the columns and the criteria used to reconcile Treasury transactions against line items from imported bank statements.

For each reconciliation pass, select a set of columns you want to use to reconcile your Treasury transactions and the logic, or criteria, that you want to apply to those columns. For example, to reconcile Treasury transactions against a bank statement exactly, in the Reconcile on Column field select Amount and in the Reconcile Criteria field select Criteria Must Match.

> **Note:** The list of available reconciliation criteria varies depending on the column selected.

To define effective and reusable reconciliation passes, separate your comprehensive and less comprehensive reconciliation criteria into different reconciliation passes.

To set up a reconciliation pass

1. In the Reconciliation Passes region of the Import Sources window, enter a pass code and description for the reconciliation pass.

2. In the Reconcile On Column field, select the columns that you want to use as criteria for your reconciliation.

3. In the Reconcile Criteria field, select the criteria by which you want to reconcile each column. The list of available criteria differs depending on which column you selected.

4. Save your work.

Defining Reconciliation Methods

A *reconciliation method* defines which reconciliation passes you want to use to perform reconciliation and the order by which you want to run those passes. It also defines the type of reconciliation that you want to perform. For retail term money deals, you can set the number of days that you will tolerate receipts before you send dunning letters.

You can define a different reconciliation method for each import source, or you can use the same method for several sources. When you change settings in a reconciliation method you affect every source that uses that method, so if you change a reconciliation method ensure that your changes will not have a negative impact on the import sources that use that method.

Prerequisite

- Set up reconciliation passes. See: Defining Reconciliation Passes, page 2-26

To set up a reconciliation method

1. In the Reconciliation Methods region of the Import Sources window, enter a pass code.

2. In the Seq field, enter the order by which you want Treasury to perform the reconciliation methods.

3. If you are defining a reconciliation method for retail term money deals, in the Days Adjust field, indicate the number of days of tolerance that you want to allow before you want to start sending dunning letters for the outstanding amount.

   > **Note:** Treasury does not generate dunning letters. The Days Adjust field simply provides a tolerance range that you can use to determine when you should start sending dunning letters.

4. If you require that a user verify the match before the reconciliation is confirmed, in the Manual Verification field select Required. If you do not required user verification, select Not Required.

5. Save your work.

Defining Reconciliation Import Sources

Use the Import Sources region of the Import Sources window to define import sources for your bank statement information such as an EDI (Electronic Data Interchange) system. Also, use this region to define an import source when a single regular payment for multiple transactions is made to a bank account. For example, you can define Payroll as an import source if your payroll pays a single amount to your treasury account to cover monthly payments for several staff loans.

Prerequisite

- Establish at least one reconciliation method. See: Defining Reconciliation Methods, page 2-27

To create a source

1. In the Source Name field of the Import Sources region of the Import Sources window, enter a name of an import source. In the Rec Method field select a reconciliation method.

2. Select a company name.

3. Select the bank account number and currency associated with the source.

4. In the Trailer Record region, select one of the following:

   - **Verify Control Total:** Verifies the control total and ensures the accuracy of the import.

   - **Transfer:** Indicates if the totals are to be transferred as a reconcilable item.

   - **Reverse:** Reverses totals if they are being transferred. For example, a script from payroll includes a total for the amount to be credited to the account. To balance, this total must be included in the transfer and reversed so that the single figure on the bank statement can be reconciled against the total. The individual amounts in the transfer are reconciled against the individual amounts in Treasury.

5. If the imported amounts include a decimal point, select the Amounts Include Decimal Point check box.

6. Save your work.

Viewing Reconciliation Methods

You can view the structure of each reconciliation pass in a reconciliation method view

using the Reconciliation Matrix region of the Import Sources window.

Prerequisite

- Define an import source. See: Defining Reconciliation Import Sources, page 2-28

To view the structure of the passes in a reconciliation method

- In the Import Sources window, select the Reconciliation Matrix tabbed region. The matrix shows each pass in the reconciliation method, each column that is reconciled, and the criteria used to reconcile each column.

Confirmation Templates

You can produce one-page confirmations for most deal-related actions and send a print or file version of the confirmation to counterparty. You can print confirmation letters manually or choose to produce them automatically when you confirm a deal.

Confirmation templates define the layout of your deal confirmations. You can create your own template, copy an existing template, or use the standard templates provided with Treasury (FX Initial, NI Initial, FRA Settlement).

You can create different confirmation templates for a particular deal type or deal action. For example, you can create a confirmation template to confirm an initial option deal and another template to confirm the exercise details for the option deal.

You can create more than one template for a deal action, but you can set only one template as the default.

Creating Confirmation Templates

You use the Confirmation Templates and User Views window to create confirmation templates.

To create a confirmation template

1. In the Template Name field of the Confirmation Templates and User Views window, enter a unique template name

2. In the Action Type field, select the deal action that you want to apply the template to. For a complete list of deal actions by deal type, see: Deal Amount Types and Deal Actions by Deal Type, page B-18.

3. In the Column Description fields, enter the text of the confirmation template. Each row in the column description field corresponds to a row of text in the confirmation template. For example, the text that you enter in row one appears on the first line of the confirmation template.

4. If you want to insert common variables, such as the counterparty account number, into your confirmation template, follow these steps:

   • Insert your cursor where you want to insert the variable and choose the list of values.

   • Select the variable that you want from the list in the Select Columns to Copy window, and then choose the Copy button.

5. If you want to copy one line of information to another, select the line that you want to copy and choose the Copy Layout Fields button.

6. If you want to erase all the information in the Column Description fields and start again, choose the Delete Template Details button.

7. If you want the template font to be fixed-width, choose the Fixed option. If you want the font to be proportional, choose the Proportional option.

8. When you have entered all the information for your template, choose the Make Template button.

9. If you want this template to be the default for the selected deal action type, select the Default Template check box.

10. Save your work.

11. To view a list of your default templates, choose the Show Default Templates button. The Default Templates window appears.

Copying Existing Confirmation Templates

Use the Confirmation Templates and User View window to copy an existing confirmation template and use it as the basis for a new template.

To copy an existing confirmation template

1. In the Confirmation Templates and User View window, enter a template name and an action type for the template you want to create.

2. Choose the Copy Existing Template button. A warning appears, stating that all of the existing template details will be deleted. Select Yes to proceed. The Choose an Existing Template to Copy window appears.

3. Select the template you want to copy and choose the Copy button.

4. Change the template as needed and choose the Make Template button.

5. Save your work.

Journal Entry Actions

Use the Journal Entry Actions window to define the General Ledger accounts that are used to generate accounting entries for each combination of deal type, deal subtype, product type, and portfolio within a company. To ensure a balanced ledger, it is critical that accounts and journals are set up completely and correctly.

> **Note:** For some miscellaneous cashflows reported by your bank, you may find the Journal Entry Creation program useful to create journal entries automatically based on information provided in the bank statement. For more information, see: Creating Journal Entries from Bank File, *Oracle Cash Management User Guide*.

Defining General Ledger Accounts

Use the GL Accounts tabbed region of the Journal Entry Actions window to define General Ledger accounts for each company. You can add new accounts and review existing accounts, but you cannot change or delete existing accounts.

The available General Ledger accounts derive from the ledger associated with the company.

To review and define general ledger accounts

1. Navigate to the Journal Entry Actions window.

2. Query the Company that you want.

3. If you want to define a new General Ledger account, enter a General Ledger account alias in the GL Account column. Treasury populates the fields with the General Ledger account number and description.

4. In the Treasury Reference field, you can enter your own description to identify this GL account. The Treasury reference that you enter appears alongside the GL account number in the list of values throughout Treasury.

5. Save your work.

Defining Intercompany General Ledger Accounts

Use the Intercompany Accounts tabbed region of the Journal Entry Actions window to review and update the intercompany accounts for intercompany funding deals within a company. These intercompany accounts are used for intercompany transfers and

interest charges.

The bank code, currency, account number, and account name of each intercompany funding deal is the counterparty bank account that is used in intercompany deals between the company and the counterparty.

To define intercompany general ledger accounts

1. Navigate to the Journal Entry Actions window.

2. Query the Company that you want.

3. Choose the Intercompany Accounts tab. Treasury displays information for each existing intercompany funding deal.

4. In the Principal GL field, enter the General Ledger account that you want to use for posting the principal for that company.

5. In the Interest GL field, enter the General Ledger account that you want to use to posting interest for that company.

6. Save your work.

Defining the Journal Structure

Use the Journal Structures tabbed region of the Journal Entry Actions window to set up your journal structure. You define, for each applicable company name, the daily journal entries that you want to generate automatically for each combination of deal type, deal subtype, product type, and portfolio.

You must update journal entries whenever you create a new product type or portfolio, or when you un-authorize a product type.

> **Important:** To maintain balanced journals, ensure that your debit and credit GL accounts are set up correctly. See: Defining General Ledger Accounts, page 2-31.

To define the journal structure

1. Navigate to the Journal Entry Actions window.

2. Query the Company that you want.

3. Choose the Journal Structures tab.

4. Query the first Deal Type, Deal Subtype, Product Type and Portfolio combination that you want.

5. If the journal values do not appear for the selected combination, you can copy values from another combination that has the same deal type by placing your cursor in the Date Type field and choosing the Copy Journal Details button.

6. Enter or change the Date Type, Amount Type, and Action Code as required.

7. If you want the journal action to refer to the general ledger number related to the company's cash flow bank account, select the Bank GL check box. Otherwise, enter an account number in the GL Account field.

8. If this is an intercompany funding deal, direct journal actions to either the principal or the interest General Ledger account number by selecting the Prin GL or the Int GL check box.

9. These check boxes are only available for non-accrual and non-revaluation date types.

10. Identify the action as a Debit or Credit.

11. If necessary, enter the effective dates for this journal action. You can enter a future date in the Effective From field to pre-define a journal action. You can use the Effective To field to deactivate a journal action after the date you specify.

12. Enter any related Comments.

13. Save your work.

14. Repeat steps 5 to 12 for each GL account that applies to this combination.

15. Repeat steps 4 to 13 for each deal type, deal subtype, product type, and portfolio combination that you want.

Querying General Ledger Accounts

You can review the deal combinations that were set up for a specific General Ledger account.

To query by general ledger account

1. Navigate to the Journal Entry Actions window.

2. Enter the company code of the company whose General Ledger account you want to review and choose the Query by GL Account tab. The Find GL Accounts window appears.

3. Select a General Ledger account and choose the Find button. The journal entry actions for that General Ledger account appear.

Copying General Ledger Accounts

If you are setting up several companies with similar sets of journals, you can copy a set of journals from a company you have already set up.

To copy a general ledger account

1. Navigate to the Journal Entry Actions window.

2. Enter the company code of the company you are setting up and choose the Copy GL Accounts tab.

3. In the Copy From Company field, select the company that has the journals you want to copy.

4. Choose the Copy Journals button.

5. Update the appropriate General Ledger accounts and the effective dates.

6. Save your work.

Defining Hedge Item Accounts

If you are hedging firm commitments, use the Hedge Item Accounts tabbed region to enter the GL accounts to journal the underlying exposure's gains or losses. The accounting for the derivative's offsetting losses or gains will be defined on the Journal Structures tabbed region.

Related Topics

Intercompany Funding, page 4-9

User Access Levels

You can restrict access for a user by company and product type. For example, you may want to restrict users from accessing other companies in your organization, or you may want to restrict them from conducting or validating a specific type of deal, such as purchasing corporate bonds.

For each user ID, you must add and authorize each company that you want the user to have access to. You do not have to grant access to product types. By default, each user has access to all authorized product types. If you do not want a user to access a particular product type to record deals or validate transactions, you must specifically un-authorize this per product type for that user.

You can add, change, or delete access for a user at any time.

Adding Users and Defining User Access Levels

Use the User Access Levels window to add a new user and define the access level for that user.

To add a user and define the user access level

1. Navigate to the User Access Levels window.

2. Enter a user name in the Treasury User field. This user name can be any combination of characters, and it can be the same as a user's Oracle E-Business Suite user id or a unique Treasury user name. In the Description field, enter a description of the user name.

3. Select an Oracle E-Business Suite user ID for the user in the Application User field. An Applications user ID can only be assigned to one Treasury user ID.

4. If you want to allow the user to override the system calculated interest amounts when they input deals, check the Allow Interest Override check box. For more information on overriding interest, see: Interest Override Tolerance, page 2-110.

5. If you want to grant the user access to a specific company, in the Company field, choose the company that you want the user. to have access to and check the Authorized check box.

6. If you want to limit the user's ability to work with a specific product type (for example, if you do not want a user to be able to buy government bonds or to validate government bond transactions), in the Deal Access tabbed region deselect the Input Authorized and/or Validation Authorized check boxes next to the applicable product type.

7. Save your work.

Audit Requirements

Use the Audit Requirements window to select the tables that you want to audit. You can audit every change made to a database table or audit only changes made to specific columns of a table. You can change what you want to audit at any time. Typically, only the database administrator can access this window.

> **Note:** Treasury requires more disk space if you choose this option. The exact amount of disk space depends on the volume of transactions that your company processes. Please consult your Database Administrator if you plan to use this option.

You can also group your treasury events into a single audit report for your company through the Audit Group window. For more information on creating an audit group, see: Creating Audit Groups, page 9-32.

This audit setup is an internal Treasury audit only. It is separate from the Oracle database audit.

For more information on any table see *Oracle Treasury Technical Reference Manual*.

Setting Up Audit Requirements

Use the Audit Requirements window to set up your audit requirements.

To set up audit requirements

1. In the Audit Requirements window, select the Audit check box beside each table that you want to audit.

   > **Note:** You can select or deselect the Audit check box at any time and change your view of your audit data. Treasury collects audit data for all of your tables, but it displays data only for the columns that have the Audit check box selected. If the Audit check box on the Audit Requirements window is selected for the table, then you can query any column at any time.

2. If you want to group several treasury audit events into an audit report, choose the Audit Group button. For more information, see: Creating Audit Groups, page 9-32.

3. If you want to query a specific column in a table, select the table and choose the Audit Columns button. The Audit Columns window appears. Select the Audit check box next to any columns against which you want to perform queries.

4. Save your work.

System Parameters

System parameters define various settings for the operation and control of Treasury. Set your system parameters at implementation time using the Treasury Superuser ID. You can update them after implementation as needed. The database administrator is responsible for setting and maintaining system parameters.

The following system parameters appear on the System Parameters window:

Parameter	Value	Description
Accrual Days Adjustment Type	Forward or Arrears (default).	Sets the range of dates for accruals to either all dates prior to the accrual date (Forward), or to all dates up to and including the accrual date (Arrears).
Days Forwards as Default FX Value Date	Numeric. The default is 2.	The number of days that Treasury uses as a default for the spot date on foreign exchange deals.
Default Company as Drawer, Acceptor, or Endorser	Drawer (default), Acceptor, or Endorser.	If the deal subtype is Issue, Treasury uses Acceptor, Drawer, or Endorser as the default for the company code.
Display Warning After Limit Check	Yes or No (default).	Displays a warning if you exceed a limit.
Validate Deal Input	Yes or No (default).	Validates deal input for correctness before any settlements can be authorized.
Validation Required for Confirmations	Yes or No (default).	Determines whether validated deals or all deals are available for generating confirmation letters.
Validation Required for Accounting	Yes or No (default).	Determines whether the journal process creates journals for validated deals and transactions only or all deals and transactions.
Use Period End Rates for FX Realized Deals	Yes or No (default).	Uses the end-of-month rate for performing settlements rather than the actual rate on the date the deal matures. If you select No, you must maintain your daily GL rates tables.

Parameter	Value	Description
Settlemens: Automatically Authorize Interaccount Transfers	Yes or No	Determines whether inter-account transfers are manually or automatically authorized. If set to Yes, the system automatically authorizes inter-account transfers for settlement. If set to No, you must manually authorize inter-account transfers for settlement.
Limit Checks on Quick Input	Yes (default) or No.	Performs limit checks when creating deals by using the Quick Deal Input window.
Settle to Other than Counterparty Bank Account	Yes or No (default).	If set to Yes, allows settlements to be paid to parties other than the counterparty.
Receive to Other Than Company Bank Account	Yes or No (default).	Allows settlements to be received from or settled to parties/accounts other than the company accounts.
Treasury Report Currency	Currency short form. USD (default).	Sets the standard currency used in Treasury reports.

Deal Setup

This section contains information on how to set up particular deal types in Treasury. It includes information on setting up stocks, bonds, registering certificates available for issue, setting up payment schedules, defining your exposure types, and setting up hedges.

Stock Issues

Use the Stock Issues window to define basic information for your company's stock investments. You can define a stock issue for any stock that your company either trades in or wants to track.

Once you define your stock issues in the Stock Issues window, use the Stocks window to enter your buy and sell stock deals. See: Equities, page 5-1.

You can navigate to the Stocks window directly from the Stock Issues window to enter a deal for the active stock issue by choosing the Deal Input button. The Deal Input button is available if:

- the stock issue is authorized for use;

- your user responsibility includes access to the Stocks window; and

- you accessed the Stock Issues window using Entry mode.

Defining Stock Issues

Set up a stock issue to define the key attributes of a stock. A stock issue definition can, for example, save you time when you enter several deals for the same stock. The stock issue also enables you to track a stock's performance, even if you are not trading that stock.

You must define a stock issue for any stock that you want to purchase.

Prerequisites

- Set up stock issuers as Risk Party counterparties in the Counterparty Profiles window. See: Counterparty Profiles, page 2-55.

- Authorize the currency of the stock issue in the Currency Details window. See: Currency Details, page 2-84.

- (Optional) Use the Application Object Library Lookups window to create additional business sector lookup codes for the lookup type XTR_SECTOR. Oracle Treasury contains a list of seeded lookups for business sectors, based on the global industry classification standard (GICS).

- (Optional) Define and authorize stock product types, and authorize pricing models. See: Deal Types and Product Types, page 2-78.

- (Optional) Define current system rates for stock prices. See: Current System Rates, page 2-120.

- (Optional) Define and authorize market data sets for stock revaluation. See: Market Data Sets, page 2-133.

To enter a stock issue

1. Navigate to the Stock Issues window.

2. Enter a unique Issue Code for this stock issue.

3. In the Issuer Code field, enter the counterparty that issued the stock.

4. To authorize the stock issue for use, enable the Authorized check box.

5. Navigate to the Issue Details region.

6. Enter the Currency of the stock.

7. Enter the Ticker Symbol for the stock. Ticker symbols are assigned by the exchange that trades the stock.

8. If the stock has an ID assigned by an international organization, such as a CUSIP number, enter this number in the Security ID field.

9. In the Exchange field, enter the name of the stock exchange that the stock is traded on.

10. In the Issue Date field, enter the date that the stock was issued to investors (for example, the stock's initial public offering date).

>   **Note:** To enter a stock deal for this stock, the deal date must be on or after the Issue Date.

11. In the Sector field, enter the business sector that the stock belongs to.

12. Enter the stock Product Type.

13. Navigate to the Revaluation Details region to enter revaluation information for stock deals based on this stock issue code.

14. In the Rate Reference field, enter a current system rate for the stock.

    Treasury uses the rate you enter to revalue deals based on this stock issue code and to perform tolerance checks when a deal is saved.

15. Enter the Market Data Set to use to revalue deals based on this stock issue code.

16. Enter the Pricing Model to use to revalue deals based on this stock issue code.

17. Save your work.

18. If available, you can choose the Deal Input button to enter a stock deal based on the issue that you just defined.

Bond Issues

Use bond issues to record static information for long-term securities, such as government bonds, that your company invests in or issues. You must set up a bond

issue before you can enter a deal for that bond.

Adding Bond Issues

Use the Bond Issues window to record static information for your long term securities. You must create a bond issue for every security that you issue. You can also create bond issues for securities that you purchase.

Once you enter and save a new bond issue in Treasury, you cannot delete it; you can only un-authorize it.

Prerequisites

- Set up the companies and counterparties who are bond issuers. For counterparties, ensure that the Risk Party check box is selected. See: Company Profiles, page 2-64 and Counterparty Profiles, page 2-55.

- Ensure that the bond product type is authorized in the Deal Types/Product Types window. See: Deal Types and Product Types, page 2-78.

- Ensure that the currency that you will issue the bond in is authorized. See: Currency Details, page 2-84.

- Define your currency holiday rules. See: Currency Holiday Rules, page 2-21.

To add a new bond issue

1. Navigate to the Bond Issues window.

2. In the Issue Code field, enter a code and a description for the issue. The issue code is user-defined, and is usually the same number as that assigned by the issuer or the marketplace.

3. In the Issuer Code field, choose the bond issuer from the list of values. The bond issuers are defined as risk party counterparties in the Counterparty Profile window. For more information, see: Counterparty Profiles, page 2-56.

4. If you want to authorize the bond issue for use, check the Authorized check box.

5. In the Security Num field, enter the bond identifier, for example, the CUSIP number.

6. In the Currency field of the Main Details region, choose the currency for the bond.

7. In the Product field, choose the product type of the bond.

8. In the Start Date field, enter the start date for the bond.

9. In the Maturity Date field, enter the maturity date.

10. In the Day Count Basis field, select the day count basis for the bond. The day count basis is used to calculate the bond coupon amount or periodic accrual amount. The possible day count bases are: actual/actual, actual/360, actual/365, actual/actual-bond, actual/365L, 30/360, 30E/360, 30E+/360. For more information on how each day count basis is calculated, see: Treasury Terms, page Glossary-1.

11. In the Accrual Basis field, select the basis by which you want to calculate the accrued price for the bond when you enter a deal into the system. After the deal is saved, this parameter no longer has any effect on the deal. This value may be different from the day count basis based on the business convention in your market. The possible accrual bases are: actual/actual, actual/360, actual/365, actual/actual-bond, actual/365L, 30/360, 30E/360, 30E+/360. For more information on how each basis is calculated, see: Treasury Terms, page Glossary-1.

12. In the Calculation Precision field, enter the number of decimal places to which you want to calculate the values for the bond.

13. In the Accuracy field of the Price Display region, enter the number of decimal places you want to use to display the price of the bond.

14. In the Rounding Type field, choose whether you want to truncate or round the price to the number of decimals specified. This field is for display purposes only.

> **Note:** If, when you enter a bond, you *enter the bond's yield* and you want *Treasury to calculate the price*, Treasury will use the price precision you selected in this field.

15. In the Accuracy field of the Yield Display region, enter the number of decimal places you want to use to display the yield rate of a bond.

16. In the Rounding Type field, choose whether you want to truncate or round the yield to the number of decimals specified. This field is for display purposes only.

> **Note:** If, when you enter a bond, you *enter the bond's price* and you want *Treasury to calculate the yield*, Treasury will use the price precision method you selected in this field.

17. Choose the Coupon Details tabbed region.

18. In the Coupon Type field, choose the coupon type for the bond: Compound Coupon, Fixed-Irregular, Fixed-Regular, Floating-Irregular, Floating-Regular, or Zero Coupon.

19. If you choose Compound Coupon or Zero Coupon, the Force Month End check box, the Business Day Convention region, and the First and Last Coupon Date fields are disabled.

20. In the Coupon Frequency (Quasi Coupon Frequency field for Compound Coupon and Zero Coupon types), choose the coupon frequency. The choices are: Monthly, Bi Monthly, Quarterly, Quadrimestrial, Semi Annual, and Annual.

21. To generate month-end dates for fixed or floating coupon maturity dates and due dates, enable the Force Month End check box.

    > **Note:** To ensure month-end dates, you must also set the Business Day Convention Maturity Dates field and Payment Due Dates field to *No Adjustment*. To ensure that month-end dates that fall on weekends or holidays are automatically adjusted to business days, choose another value according to your needs.
    >
    > If an original (without business day convention adjustment) fixed or floating coupon maturity date or due date is the same as the bond maturity date or due date, then these dates are not affected by enabling Force Month End.

22. In the Business Day Convention region, choose a setting for Maturity Dates and/or Payment Due Dates for fixed or floating coupons. Treasury adjusts the dates that fall on non-business days according to the settings that you choose. The choices are: Following, Modified Following, Modified Previous, No Adjustment, and Previous.

    You can apply a separate adjustment to each field:

    • The Maturity Date affects the interest amount.

    • The Payment Due Date is the settlement due date; it is also used as the journal date for the interest payment.

23. In the First Coupon Date field, Treasury populates a value for the maturity date of the first coupon in the bond. You can update this date if necessary.

24. In the Last Coupon Date field, Treasury populates a value that is equal to the maturity date of the bond. If this is a fixed or floating bond, you can update this date if necessary.

25. In the Rate field, enter a rate for the coupon.

    If this is a Compound Coupon, Treasury calculates and displays the Effective Annual Rate. Whenever you change the Rate value or Quasi Coupon Frequency value, Treasury recalculates the Effective Annual Rate.

26. (Floating coupons only) In the Benchmark Rate field, enter the benchmark rate to use to automatically reset the floating rate.

27. (Floating coupons only) In the Margin field, enter the number of basis points above or below the benchmark rate to use when resetting floating coupon rates automatically.

28. (Floating coupons only) In the Rate Fixing Day field, enter the number of business days before the coupon start date to determine the benchmark index value date.

29. Choose the rounding rule that you want to use to calculate interest in the Interest Rounding field. The possible choices are: Nearest, Round Up, or Round Down.

30. Choose the days that you want to include when you calculate interest on the deal in the Interest Includes field. The possible choices are: First Day, Last Day, or Both Days.

> **Note:** If you select Both Days for Interest Includes, you cannot use the 30/360, 30E/360, or 30+/360 day count basis.

31. Save your work.

32. Choose the Coupons button to open the Coupons window and view more details about the bond coupons.

33. Choose the Additional Details tabbed region.

34. In the Rate Reference field, enter a reference rate for the bond. The Rate Reference field links to the current market bond prices, which are used in valuing your bond deals.

35. In the Pricing Margin field, enter the margin for the bond. The margin is applied on top of the yield rate in valuing your bond deals.

36. In the Pricing Model field, choose the pricing model that you want to use to value bond deals for this issue code. The pricing model for the bond issue overrides the default pricing model for the product type.

37. In the Market Data Set field, choose the market data set that you want to use to value bond deals with this bond issue. You must define market data sets in the Current System Rates window before you can choose a market data set. The market data set for the bond issue overrides the company's default market data set.

38. If this is a callable bond, check the Callable Bond box and save your work. This activates the Call Details tabbed region.

39. Choose the Call Details tabbed region to enter details for a callable bond. Use the Call Details tabbed region to maintain bond repurchase details between the issuer and buyer, including the schedule and the price of redemptions prior to maturity.

40. In the Notification Date field, enter the date by which to notify investors of the possible call. A notification date must be on or before its corresponding call date.

41. Enter the Call Date or Call Dates for the bond. A call date must be after the start date and earlier than the maturity date of the bond issue.

42. In the End Date field, enter the date the call expires, if any. The end date must be after its corresponding call date and earlier than the maturity date of the bond issue.

43. In the Price fields, enter the applicable strike price of the call for each corresponding call date.

44. Enter any Comments.

45. Save your work.

Bill/Bond Issue Numbers

Bill and bond issue numbers are used to track the long-term securities that you issue. If you issue securities, you can simplify the process of entering the deal by predefining one or more bond issue numbers.

Setting Up Bill or Bond Issue Numbers

Use the Bill/Bond Issues window to set up serial numbers for bills or bonds that you issue.

To set up a bill or bond issue number

1. In the Bill/Bond Issues window, select the bank code for the issue number.

2. In the Type field, select Bill if you are setting up a bill issue or Bond if you are setting up a bond issue.

3. Enter bond issue numbers as follows:

   • If you want to enter a single bond issue number, enter the serial number in the Serial Number field.

   • If you want to set up a range of serial numbers, choose the Enter a Serial Number Range button. The Serial Number Range window appears.

   Then, in the Serial Number From field enter the first serial number in the range.

The value in the To field is automatically calculated.

Edit the To field as necessary and choose the Accept button to save the range. The serial number range appears as a new record in the Bill/Bond Issue Numbers window.

4. In the Status field, select one of the following statuses for the product.

- **Current:** If the serial number is available for issue or was issued as part of a deal that is still current.

- **Closed:** If the serial number was issued as part of a deal that is mature and, therefore, closed.

- **Cancelled:** If you do not want to make the serial number available for issue.

5. If the serial number was issued as part of a deal, in the Deal Num field, select the deal number that the serial number was issued with. The values in the Issue Date, Parcel Num, Due Date, Currency, and Amount fields will default based on the deal number that you select.

6. Save your work.

Exposure Types

An *exposure* is any cash flow (actual or forecasted) that is not the result of a treasury transaction. Some examples of exposures are wages, sales, purchases, and bank fees. Exposures plus the cash flows that you generate with Treasury deals show the total cash flow requirements of a company.

You record exposures so that you can perform a gap analysis of all cash flows for a company. Most exposures are available to Treasury through the Oracle Cash Management interface, and therefore do not need to be recorded here. For more information see: *Oracle Cash Management User Guide* or Online Help.

Adding Exposure Types

Use the Exposure Types window to add your exposure types.

To add an exposure type

1. In the Exposure Types window, select the company for which you are adding the exposure type.

2. Enter a unique name for the exposure type.

3. Enter a description of the exposure type.

4. In the Freq field, enter the total number of days for the exposure. For example, enter 7 for wages that are paid weekly. If the exposure is infrequent or happens irregularly, leave this field blank.

5. In the GL Account field, enter the General Ledger account number in your accounting system that you want to use to account for this exposure type.

6. Save your work.

Payment Schedules

You can accommodate your different cash flow requirements by defining payment schedules for your retail term money deals. For example, you could set up a different payment schedule for parties that are dependent on seasonal cash flows, such as agricultural businesses. You can create a payment schedule that requires that agricultural businesses make payments in June, July, and August when the business has cash flow, and no payments during December, January, and February when the business has no cash flow.

You can also create multiple schedules for each product type. The cash flows and calculations are determined based on the schedule that you select.

Creating Payment Schedules

Use the Payment Schedule window to create payment schedules by product type and to define the calculation method for interest for each payment schedule.

To create a payment schedule

1. In the Payment Schedule window, query the combination of deal subtype and product type deal for which you want to create a payment schedule.

2. To identify the payment schedule you are creating, enter a unique schedule code and a description.

3. Select a payment frequency and calculation type. The calculation type is the method you want to use to determine regular payments.

4. In the Max Postings field, enter the maximum number of months in the future that you want to generate cash flows.

   For example, when you enter the deal, you do not need to set up cash flows for all 300 months of a 25-year mortgage. You might set the Max Postings field to 36 because you want to set up cash flows for only three years.

5. In the Extend Deal if Trans < field, enter the minimum number of months remaining before you want to extend the cash flows to the maximum number of

postings.

You can extend the cash flows to the maximum number of postings at any time by selecting Extend Transactions from the Tools menu.

6. In the Posting Frequency field, enter the frequency at which the program checks whether the cash flows require extension. For example, if the schedule was extended on July 1, a posting frequency of 2 means that the program will not extend the cash flows before September 1.

7. If you are creating an ad hoc schedule, check each month in which a settlement payment occurs. Use ad hoc schedules for your seasonal cash flows.

8. Save your work.

Hedging

Hedging is a strategy designed to reduce financial risk using derivative instruments. A hedge can help lock in profits or limit losses by reducing the volatility of an asset or liability by mitigating the risk of loss.

If you are entering into deals for hedging purposes, you can use Oracle Treasury to document the reasons for hedging as well as specific components of the hedge. Oracle Treasury lets you track your hedges and document those hedges according to your hedging guidelines, perform revaluation and effectiveness testing, and generate all associated accounting entries.

Companies using derivatives and subject to FAS133 or IAS39 are required to disclose any hedging activities in their financial statements. In Oracle Treasury, you can track your cash flow, fair value, net investment in foreign operations, and economic hedges as defined by these accounting standards.

Setup steps

If you want to record your hedges in Oracle Treasury, you must complete these setup steps:

1. Define Hedge Policies

2. Define Hedge Objective Types

3. Define Hedge Strategies

Once you have completed these setup steps, you can begin to create your hedges by defining hedge attributes and hedge relationships. For more information on defining hedge attributes and relationships, see: Hedge Attributes, page 7-3, or Hedge Relationships, page 7-6.

Defining Hedge Policies

A *hedge policy* contains information that controls the hedge instruments source, such as a treasury foreign exchange forward deal, as well as hedge item sources, such as Oracle Payables and Oracle Receivables.

Treasury provides a set of pre-seeded hedging policies that are based on current hedging practices and generally accepted accounting standards that you can use to start defining your hedges. You can also define a set of custom hedge policies based on new hedge policy regulations and directions as regulations are introduced.

> **Note:** You should set up new hedge policies according to the appropriate accounting standards and hedging guidelines for your company.

By default, all hedge items and hedge instruments are enabled for hedging. Once you define a hedge policy, that policy applies to all companies.

To define a hedge policy

1. Navigate to the Hedge Policies window.

2. Choose the Hedge Instruments tabbed region.

3. Check the Cashflow, Fair Value, and Economic check boxes to use the hedge instrument when you define hedge relationships.

   Hedge instruments available are Foreign Exchange Forward Deals.

   > **Note:** If you do not check the Cashflow, Fair Value or Economic check boxes, no sources are available in the Hedge Relationship window and you cannot create a hedge.

4. Choose the Hedge Items tabbed region.

5. Check the Cashflow, Fair Value, and Economic check boxes to use the hedge item when you define hedge relationships.

   Hedge items available are customer invoices from Oracle Receivables; supplier invoices from Oracle Payables; purchase orders and purchase requisitions from Oracle Purchasing; expense reports from Oracle Internet Expenses; GL encumbrances and GL budgets from Oracle General Ledger; projects budget inflow, projects budget outflow, projects billing events, and projects transactions from Oracle Projects; treasury inflow and treasury outflow from Oracle Treasury; payroll, sales orders, and sales forecasts.

6. Save your work.

Defining Hedge Objective Types

The Hedge Objective Types Lookup table contains user-defined objective codes that are required when you define your hedge strategy. The hedge objective type is the purpose of the hedge. You must enter at least one objective before you can define your hedge relationships.

> **Note:** New hedge objectives should follow the hedging guidelines for your company.

To define a hedge objective type

1. Navigate to the Lookups window.

2. Query on the XTR_HEDGE_OBJECTIVE_TYPES in the Type field.

3. Enter a unique code for the objective in the Code field.

4. Enter a meaning for the objective in the Meaning field.

    The meaning appears in the list of values when you select an objective when defining a hedge strategy.

5. Enter a brief description for the objective in the Description field.

6. Enter the effective dates for the objective in the From and To fields.

7. Check the Enabled check box to authorize the hedge objective for use.

8. Save your work.

Defining Hedge Strategies

A *hedge strategy* defines the overall strategy behind one or more hedge relationships and can apply to a particular company or to all companies.

Hedge strategies are user-defined and let you group the basic information that is required to document a hedge for disclosure purposes, such as the hedge type, hedge objectives, and risk type being hedged. Hedge strategies also let you set up default information for creating new hedges, which makes data entry easier.

When you define a hedge strategy you can choose whether or not you can override the hedge strategy information when you define a hedge relationship.

You create hedge strategies for actual hedges by selecting the economic hedge type. You create hedge strategies for forecast hedges by selecting either the cashflow or fair value hedge type.

You must define at least one hedge strategy before you can define your hedge relationships.

> **Note:** Hedge strategies should follow the appropriate accounting standards and hedging guidelines for your company. You can also attach Microsoft Word or HTML documents as well as spreadsheets to this record. Descriptive flexfields help store additional hedging policy information in specific fields.

Prerequisite

Define a hedge policy. See: Defining Hedge Policies, page 2-49.

To define a hedge strategy

1. Navigate to the Hedge Strategies window.

2. In the Strategy Code field, enter a unique code for the strategy.

3. In the Short Name field, enter a short name for the strategy.

   This name will appear in the list of values when you define a hedge relationship.

4. In the Description field, enter a full description for the strategy.

5. In the Company field, choose the company that you want to define the strategy for. If you leave this field blank, the hedge strategy can be used by any company.

6. In the Expiration Date field, choose the date when you want the hedge strategy to expire. If this date is before or the same as the current system date, the hedge strategy is not available when you define a new hedge relationship.

7. To authorize the hedge strategy for use, check the Authorized check box.

8. In the [ ] field, complete the descriptive flexfield information as necessary.

9. Choose the Main tabbed region.

10. In the Hedge Type field, choose the type of hedge that you want to define: Cashflow, Fair Value, or Economic. This information cannot be deleted and addition of new types is not allowed.

11. In the Risk Type field, choose the type of risk that you are hedging.

12. In the Objective field, choose the objective code used to define the hedge creation purpose.

    All objective codes must be defined first. These objective codes are updatable in the FND_LOOKUP table. For more information on updating lookups, see: *Oracle E-Business Suite System Administrator's Guide*.

13. If you want to reference your hedge exposure percentage guideline when creating hedges, in the Hedge % Guideline field, enter the value as a percentage. For example, if you want to hedge 75% your exposure under a particular strategy, enter 75 in the Hedge % Guideline field and the percentage defaults to the Hedge Attribute level.

14. Enter reference information in the Policy Reference field if you want to provide a reference to a regulation or document that provides additional information about the hedge strategy. The reference can be up to 2000 characters.

15. Enter additional information in the Derivative Disclosure field if you want to provide additional information about why the company is dealing in derivatives.

    > **Note:** If you want to provide more information about a particular hedge strategy, you can also use the Attachments feature to link unstructured data such as text files, documents, or spreadsheets to the strategy.

16. Choose the Effectiveness tabbed region.

17. Define the tolerance levels that you want to use for testing in the Prospective and Retrospective Tolerance Level fields.

18. Enter a number and period for the testing frequencies in the Prospective and Retrospective Test Frequency fields. For example, if you enter a frequency of two months, then the hedge strategy will be tested once every two months. The possible periods are: Days, Weeks, Months, Quarters, and Years.

19. Choose a test method from the list of values In the Prospective and Retrospective Test Method fields.

    There are no pre-seeded values for this field. You can add a test method to the list of values by modifying the XTR_PROSPECTIVE_METHOD or XTR_RETROSPECTIVE_METHOD lookup type in the FND_LOOKUP table. For more information on updating lookups, see: *Oracle E-Business Suite System Administrator's Guide*.

20. Choose either None or Time Value as the Exclusion Item from the list of values. The value determines which amount types are to be used in calculating effectiveness percentages.

21. Choose a user who is responsible for testing the strategy in the Responsible User field.

    If the hedge strategy is for a particular company, you can choose from a list of users who have access to the company. If the hedge strategy is for any company, then you can choose from a list of all Treasury users.

22. If you want to be able to update the hedge strategy values when defining a hedge relationship, then check the Update check box next to each value that you want to be able to update. If you do not select the check boxes, you cannot update hedge strategy values when you enter hedges.

23. Save your work.

Party Setup

The term *party* describes all of the organizations and business concerns set up in Treasury. A party is either set up as a company (an entity that you perform accounting for) or as a counterparty (an entity that you do not perform accounting for and that you do business with). You must set up parties before you can enter any deals or perform other tasks in Treasury.

Once you set up your parties in Treasury, you can define other party-related information such as your bank account, default settlement accounts, default settlement actions, default confirmation groups, and party groups.

Party Types

You can divide all parties into one of two principle party types: company or counterparty. This section defines each party type and describes the various roles that each party can perform in your treasury operation.

Companies

A *company* is a party that initiates deals and can run an in-house bank. You associate a company with a legal entity and a ledger. When a company conducts a treasury deal or transaction, it generates journal entries.

You set up your treasury department as a company.

If your company has a subsidiary and you want to track the treasury positions of that subsidiary, you can also set up that subsidiary as a company.

You can make deals between your companies. That is, it is possible for your company and your subsidiary treasury departments to make deals with each other. When two companies make a deal, the company that initiates the deal is the company and the other company is the counterparty. For more information, see: Intercompany Funding, page 4-9.

Set up companies in the Company Profiles window. See: Company Profiles, page 2-65.

Counterparties

There are two types of counterparties: internal and external.

An *internal counterparty* is any party for which your company acts as a bank. The internal counterparty must be owned by the same corporation that owns your company. Typically internal counterparties are subsidiaries of your company that you do not want to track.

You do not associate counterparties with a ledger, therefore internal counterparties do not generate journal entries.

You set up internal counterparties by cross-referencing them to a company. A company and its internal counterparties together form an *intercompany group.*

Set up internal counterparties in the Counterparty Profiles window.

An *external counterparty* is any party with which your treasury department makes deals (for example, investment banks, foreign exchange banks, brokerage houses). You must identify external counterparties as foreign exchange counterparties, money market counterparties, or both.

You can define limit controls for an external counterparty. You can also define a counterparty group and define a limit for the group as a whole. For example, if you define a main bank and several of its branch banks as external counterparties, you can group these together in a single counterparty group. To define a counterparty group of these banks, cross-reference each branch bank to the main bank. You can place a limit on each of the branch banks and on the group.

Set up external counterparties in the Counterparty Profiles window. See: Counterparty Profiles, page 2-55.

Banks and Bank Branches

You set up the banks that your company and its internal counterparties use to handle treasury-related payments as counterparties. You start by defining banks and bank branches in Cash Management. Then you must set up these bank branches as counterparties in Treasury and link them to the bank branches in Cash Management before you can record the bank accounts of your company and its internal counterparties.

Set up banks and bank branches in Cash Management. Refer to the *Oracle Cash Management User's Guide* for more infomration

Set up banks in the Counterparty Profiles window. See: Counterparty Profiles, page 2-55.

Client

A *client* is a party that you represent in treasury deals as a broker. A client can be an internal, external or other counterparty.

Risk Party

A *risk party* is a party that represents a direct liability to a company, but is not a party with which the company conducts deals. For example, if a company bought securities from an investment bank, then the organization that issued the securities would be a risk party.

Set up risk parties in the Counterparty Profiles window. See: Counterparty Profiles, page 2-55.

Advisor

An *advisor* is a party that provides legal or accounting services to another party.

Set up advisors in the Counterparty Profiles window. See: Counterparty Profiles, page 2-55.

Valuer

A *valuer* is a party that assesses the value of securities that a counterparty gives or guarantees to a company, or that a company gives or guarantees to a counterparty.

Set up valuers in the Counterparty Profiles window. See: Counterparty Profiles, page 2-55.

Third Party

A *third party* is a party to which a company makes payments, but with which no deals are made.

Set up third parties in the Counterparty Profiles window. See: Counterparty Profiles, page 2-55.

Counterparty Profiles

Use the Counterparty Profiles window to set up the internal and external counterparties that your company does business with. You cannot generate journal entries for counterparties.

An *internal counterparty* is any subsidiary that is part of a company group that you do not want to generate journal entries for. For example, a parent company, Vision Corporation, can set up internal counterparties for each of its subsidiaries: Vision North America, Vision Asia Pacific, and Vision Europe.

To designate a counterparty as an internal counterparty you must cross-reference the counterparty to its parent company. This cross-reference creates an *intercompany group*. A parent company can have several internal counterparties assigned to its intercompany group. Once a counterparty is assigned to an intercompany group, it can enter into intercompany funding and inter-account transfer deals with the parent company. The bank accounts for the internal counterparty can also be collected into a notional cash pool.

An *external counterparty* is any other party that a company enters into deals with, for example, banks, brokers, or clients.

If there is a relationship between two or more external counterparties, you can indicate the relationship by cross-referencing the counterparties to one another and creating a *counterparty group*. For example, if a bank owns a brokerage firm and you do business with both parties, then you can indicate the relationship by cross referencing the brokerage firm to the bank. Once you define a counterparty group, you can set limits for the group.

To create a counterparty profile, see the following topics.

- Setting Up Counterparties, page 2-56

- Setting Up Counterparty Groups, page 2-59

- Setting Up Counterparty Settlement Accounts, page 2-59

- Setting Up Deal Contacts, page 2-61

- Setting Up Settlement Contacts, page 2-61

- Setting Up Counterparty Securities, page 2-62

- Setting Up Counterparty Addresses, page 2-63

- Setting Up Counterparty Tax, Brokerage, and Settlement Details, page 2-63

- Setting Up Counterparty Limits, page 2-64

Setting Up Counterparties

Use the Counterparty Profiles window to set up your counterparties.

Prerequisite

- Set up users. See: User Access Levels, page 2-34.

To set up a counterparty

1. In the Party Code field of the Counterparty Profiles window, enter a unique party

code for the counterparty.

2. If you want to define this counterparty as a bank branch that holds your internal bank accounts, choose Bank Branch option.

3. In the Full Name field, enter the full legal name of the counterparty. If you have chosen a Bank Branch option earlier, choose a bank branch defined in Cash Management. This will link the counterparty in Treasury to a bank branch in Cash Management and allow you to create internal bank accounts for use in Treasury.

> **Note:** If you link the counterparty to a bank branch, additional information such as Country and Address will default in based on the bank branch setup in Cash Management and will not be updateable in the Couterparty Profile window in Treasury.

4. In the Short Name field, enter a short name for the counterparty.

5. If you want to authorize the counterparty for use, enable the Authorized check box.

6. In the Country field, select the name of the country where the counterparty operates.

7. In the Account Manager field, select an account manager for the counterparty. The account manager is the person responsible for the general oversight of the business relations between the counterparty and a company.

8. If this counterparty has an economic relationship with a company (for example, if it is a subsidiary) or with another counterparty, in the Cross Reference field choose the company or counterparty that the counterparty has a relationship with. If you cross reference the counterparty to a company, it becomes an internal counterparty and part of the parent company's intercompany group. If you cross reference the counterparty to another counterparty, it becomes part of a counterparty group. For more information on counterparty groups see: Setting Up Counterparty Groups, page 2-59.

9. If the counterparty belongs to a party group, such as a vocational or industry group, in the Party Group field, select the party group from the list of values. Party groups are defined in the Party Group window. For more information, see: Party Groups, page 2-77.

10. Define the role of the counterparty by choosing one or more of the check boxes described below. The check boxes you choose determine the type of deals a counterparty can enter into (foreign exchange, money market, or both) and the role a counterparty plays (banks, clients, or brokers) in those deals. For example, to define a bank that holds both domestic and foreign currency bank accounts, you must select both of the financial transaction options (FX and MM).

Choose one or more of the following options to determine the function of the counterparty:

- FX: The counterparty can enter into Foreign Exchange deals. For example, the counterparty could be a bank holding a foreign currency account, or could be a foreign exchange option broker.

- MM: The counterparty can enter into Money Market deals. For example the counterparty could be a fixed income security broker or could be a bank that holds a domestic currency account.

- Equity Market: The counterparty can enter into Equity deals. Use this option, for example, to define a stock broker.

- Client: The counterparty is a brokerage client of a company.

- Risk Party: The counterparty is a direct liability to a company, but does not enter into financial deals with the company. Use this option to define a stock issuer or bond issuer.

- Advisor: The counterparty is a legal or accounting advisor.

- Valuer: The counterparty is responsible for valuing or appraising assets offered as loan securities.

11. If the counterparty is going to make deposits to a company bank account, in the Deposit Reference field enter a deposit reference. The deposit reference is a common number assigned to the book of deposit slips that are used by a counterparty to deposit funds into a bank account held by a company.

12. Enter the phone number, fax number, and email address of the counterparty contact in the appropriate fields.

13. If the counterparty must send confirmations for the deals it enters into, in the Confirmation Group field choose a deal confirmation group for the counterparty. For example, a company might require the counterparty to send confirmations for every deal it enters into or only for a specific type of foreign exchange deal. Deal confirmation groups are defined in the Deal Confirmation Group window. For more information, see: Confirmation Groups, page 2-74.

14. If the counterparty has a SWIFT ID, enter it in the SWIFT ID field.

15. In the Contact Name field, enter the name of the person who is the principal contact for the counterparty.

16. If the counterparty uses a service provider to match the records of foreign exchange transactions between two businesses, enter in the FX Match ID field the ID that was

assigned to the counterparty by their service provider.

17. Enter any comments as needed.

18. Save your work.

Setting Up Counterparty Groups

Use the Counterparty Profiles window to set up counterparty groups. A *counterparty group* enables you to group several counterparties that are economically linked (for example, one counterparty could be a subsidiary of another). Once you establish a counterparty group, you can define a limit for the group.

> **Note:** Counterparty groups differ from party groups. A counterparty group links counterparties that have an economic relationship with one another. Party groups link any parties who serve similar functions, but do not necessarily have an economic relationship (such as grouping all counterparties that are lawyers or accountants).

To set up a counterparty group you create parent-child relationships between counterparties by cross-referencing one or more child counterparties with a single parent counterparty. For example, you could cross-reference bank branches (the child counterparties) with a main bank branch (the parent counterparty).

Prerequisite

- Set up counterparties. See: Counterparty Profiles, page 2-56.

To set up a counterparty group

1. In the Counterparty Profiles window, query a counterparty.

2. To associate a child counterparty with its parent counterparty, select the parent counterparty in the Cross Reference field.

3. Save your work.

Setting Up Counterparty Settlement Accounts

Use the Settle Account Detail window to record the bank accounts that a company uses to settle deals with the counterparty.

Prerequisite

- Set up the banks that hold the bank accounts of internal counterparties as

counterparties linked to bank branches in Cash Management. However, you do not have to set up the banks that hold the accounts of external counterparties. See: Counterparty Profiles, page 2-55.

To set up a counterparty settlement account

1. In the Counterparty Profiles window, choose the Settle Account Detail button. The Settlement Account Detail window appears.

2. Enter the identifier account number in account number field and IBAN account number in the IBAN Field.

3. In the Currency field, enter the currency for the settlement account.

4. If this account is the default account for settlements in the currency, enable the Default Account check box. Your default settlement account can be a different account than the one you set as the default account in the Bank Accounts region. However, there can be only one default settlement account per currency.

5. If you want to authorize this account for use, enable the Authorized check box.

6. In the Account Name field, enter a name for the settlement account.

   > **Note:** You will see the Account Name value in the Counterparty Account field when you create a deal with this counterparty.

7. In the Legal Account Name field, optionally enter the full legal name of the counterparty's settlement bank account.

8. If the bank account belongs to an internal counterparty, you must enter a bank code. The bank code distinguishes the bank branch at which your account resides.

9. Enter the name of the bank and the address.

10. In the Location field, enter a name for the location of the bank branch where your account resides. For example, if the mailing address for your bank is 1 Main St., but your account resides at a branch on University Avenue, enter University Avenue Branch in the Location field.

11. If your company has debit authority in this account, select the Direct Debit Authorized check box.

12. If this settlement account is a subaccount, enter the subaccount details and the subaccount number in the Subacct Details and Subacct Number fields.

    A *subaccount* is an account to which a correspondent bank directs foreign currency

settlement payments. Typically a *correspondent bank* is a bank that operates in a foreign country (relative to your bank). Correspondent banks handle all settlements in the currency of that foreign country for your bank. For example, you may have your USD settlement account with Citibank in New York, but you might handle your GBP settlements using a subaccount with the Bank of Scotland.

13. If this bank account belongs to an internal counterparty, in the Day Count Basis field, choose the day count basis that you want to use to calculate interest on the account.

14. In the [] field, complete the flexfield information as required.

15. If you want to review the interest rates for the account, choose the Review Interest Rates button. The Bank Account Interest Rates window appears. For more information on bank account interest rates, see: Bank Account Interest Rates, page 8-7.

16. Save your work.

Setting Up Counterparty Deal Contacts

Use the Deal Contacts window to record the contact information of persons at a counterparty you communicate with regarding specific deals, deal subtypes, and product types.

To set up a counterparty deal contact

1. In the Counterparty Profiles window, choose the Deal Contact button. The Deal Contacts window appears.

2. Select the combination of deal type, deal subtype, product type and currency that the contact manages.

3. Enter the contact information for the person who manages the deal, including the person's title, name, email, phone number, fax number, and telex number.

4. Save your work.

Setting Up Counterparty Settlement Contacts

Use the Settlement Contacts window to record the contact information of persons with whom a company can communicate regarding settlements. You identify persons to manage communications for specific types of deals, deal subtypes, currencies, and product types.

To set up a counterparty settlement contact

1. In the Counterparty Profiles window, choose the Settlement Contact button. The Settlement Contacts window appears.

2. Select the currency and the account number that the settlement contact manages.

3. Enter the contact information for the settlement contact, including title, name, phone number, fax number, telex number, and email address. This information is optional.

4. In the Address Name and Address fields, enter the full address for the settlement contact as it should appear on correspondence.

5. Save your work.

Setting Up Counterparty Securities

This section describes setting up counterparty securities.

To set up a counterparty security

1. In the Counterparty Profiles window, choose the Security Details button. The Securities window appears.

2. Enter a description of the security.

3. Enter the legal reference number of the security in the Reference field.

4. Select the company that either issued or registered the security in the Company field.

5. In the Issued By field, select either Company or Party to indicate if a company or a counterparty issued the security.

6. Enter the appraised value of the security in the Valuation field.

7. Select the counterparty who appraised the value of the security in the Valuer field.

8. Select the date on which the valuer appraised the security, in the Valued On field.

9. Enter the registered value of the security, in the Priority Sum field.

10. In the Review Dates section, select a review date on which your company will review the security details.

11. Enter any comments you may have in the Comments field.

Setting Up Counterparty Addresses

Use the Address Detail window to record the postal and physical addresses of a party. This window also stores the name of the parties that provide legal and accounting services for the party.

To set up a counterparty address

1. In the Counterparty Profiles window, choose the Address Details button. The Address Detail window appears.

2. Enter the title of the counterparty contact in the Title field.

3. In the Address Name field, enter the name and the address of the counterparty contact as you want it to appear on any correspondence.

    For example, if your counterparty is a bank with several branches in the same city, you might distinguish between the two locations by entering names such as <Your Bank> - Main Branch or <Your Bank> - University St. Branch in the Address Name field. Replace <Your Bank> with the name of your bank.

4. Enter the physical address of the counterparty in the Physical Address fields.

5. If the counterparty uses a service provider (such as a lawyer or accountant), select the name of the service provider in the Solicitor, Accounting, or Other fields.

Setting Up Counterparty Tax, Brokerage, and Settlement Details

Use the Tax Brokerage Details window to set up the default tax, brokerage, and settlement categories you use for a particular counterparty.

Prerequisite

*   Define your tax, brokerage, and settlement categories. See: Tax/ Brokerage Setup, page 2-111.

To set up a counterparty tax brokerage

1. In the Counterparty Profiles window, choose the Tax Brokerage Detail button.

2. In the Tax Brokerage Details window, enter the number under which the counterparty files tax in the Tax File Number field.

3. If the counterparty has a tax exempt code, enter the tax exemption code.

4. Select a tax, brokerage, and settlement category for your counterparty. See: Tax/

Brokerage Setup, page 2-111.

Setting Up Counterparty Limits

Use the Limit Details window to limit the total amount of money that you can invest with a single counterparty or counterparty group. When you set up and authorize a counterparty limit, you receive a warning whenever you enter a deal that may cause you to exceed that limit. If you receive a warning you can still enter a deal, but you must acknowledge that you exceeded the limit. For more information about counterparty limits, see: Defining Counterparty Limits, page 2-99.

To set up a counterparty limit

1. In the Counterparty Profiles window, choose the Limit Detail button.

2. In the Limit Details window, select the company that is placing the limit on the counterparty.

3. Select the limit code for this counterparty limit.

4. Enter the amount of the limit.

5. Enter the limit sequence number in the Seq Num field.

6. Select the date that the counterparty pays the initial fee for the limit in the Initial Fee Date field.

7. Enter the frequency with which you want to review the limit in the Review Freq field.

8. Select the expiration date for the limit.

9. If you want the system to use the limit, select the Authorize check box.

10. Save your work.

Related Topics

Intercompany Funding Deals, page 4-9

Inter-Account Transfer Deals, page 6-11

Company Profiles

A *company* is a party that initiates deals and that can run an in-house bank. You must create at least one company profile before you can begin using Treasury.

You can set up as many company profiles as you want. For example, if your company has a subsidiary and you want to track the treasury positions of that subsidiary, you can also set up that subsidiary as a company.

A *company profile* associates your treasury department with a ledger. It also defines your company bank accounts, the companies or counterparties who you grant debit authority on your bank accounts, and your principle contacts.

Setting Up Companies

Use the Company Profiles window to set up your company treasury department. You can also use this window to set up any of your subsidiaries of whose positions you want to track.

Prerequisites

- Set up Legal Entities. For more information, see: *Multiple Organizations in Oracle E-Business Suite*.

- Set up Banks. For more information, see: *Oracle Cash Management User Guide*.

- Set up Bank Branches. For more information, see: *Oracle Cash Management User Guide*

- Set up the banks that hold the accounts of your company as parties in the Counterparty Profile window and link them to bank branches created in Cash Management. See: Counterparty Profiles, page 2-55.

- Set up the currencies of your bank account. See: Currency Details, page 2-84.

To set up a company

1. In the Company field of the Company Profiles window, enter a unique code for the company.

2. If you want the company to be the default company in Treasury, enable the Default check box.

3. In the Legal Entity field, select the legal entity that the company belongs to. You can associate only one legal entity with each company.

    A legal entity is associated with a ledger. The journal entries for the company are created using the accounts that are assigned to the ledger that are associated with the legal entity. For more information, see: *Multiple Organizations in Oracle E-Business Suite*.

    The Ledger field is automatically populated based on which legal entity you select. The Currency field is also automatically populated.

4. In the Short Name field, enter a short name for the company. This short name is used in lists of values and reports throughout Treasury.

5. In the Full Name field, enter the full legal name of the company.

6. Save your work.

Setting Up the Company Address

Use the Address tabbed region of the Company Profiles window to set up the address information for your company. The company's address information appears in EFT payment output files. For more information, see: EFT Payment Files, page 9-10.

To set up the company contact information

- In the Address tabbed region, enter the contact information for the company contact person. The contact information can include the contact person's title, name, phone number, fax number, email address, and mailing address.

Setting Up Company Bank Accounts

Use the Bank Accounts button on the Address tabbed region of the Company Profiles window to access Cash Management pages to set up your company bank accounts. You can set up multiple bank accounts for each currency that the company uses. The owner of the bank account in Cash Management must be the legal entity that is linked to your Treasury company. For more details on bank account set up, see: *Oracle Cash Management User Guide*.

> **Note:** Before you can set up a company bank account, the bank that holds the bank account must be set up in Cash Management, a bank branch must be defined for this bank in Cash Management, and a counterparty must be set up in Treasury and linked to a bank branch in Cash Management. Otherwise, Treasury use check box will be disabled when you start creating a bank account in Cash Management.

Setting Up Company Settlement Contacts

Use the Settlement Contact tabbed region of the Company Profiles window to set up the contacts that your company uses to perform settlements. You can set up a settlement contact for each currency or for each settlement account.

To set up the company settlement contact information

1. In the Contact Name field, enter the name of the contact.

2. In the Currency field, choose the currency that the contact is responsible for settling.

3. In the Title field of the Settlement Contact tabbed region, enter the title of the person that performs settlements.

4. In the Account Num field, enter the name of the settlement account that the contact is responsible for settling.

5. In the remaining fields, enter the phone number, fax number, telex number, and email address for the settlement contact.

6. Save your work.

Setting Up Company Deal Contacts

Use the Deal Contacts tabbed region of the Company Profiles window to set up the contacts that your company uses for each deal type. You can set up a deal contact for each deal type, deal subtype, product type, and currency combination.

To set up the company deal contact information

1. In the Deal Type field of the Deal Contacts tabbed region, choose the deal type that the contact manages.

2. In the Deal Subtype field, choose the deal subtype that the contact manages.

3. In the Product Type field, choose the product type that the contact manages.

4. In the Currency field, choose the currency that the contact manages.

5. In the Name field, enter the name of the contact.

6. In the other fields, enter the title, phone number, telex number, fax number, and email address for the contact.

7. Save your work.

Setting Up Debit Authorities

Use the Debit Authorities tabbed region of the Company Profiles window to set up the parties that have debit authority on your company bank accounts. For example, if you want to set up automatic payments between your company and your bank, you can select your bank as a counterparty with debit authorities on a specific company bank account.

To set up the company debit authorities

1. In the Company Account field of the Debit Authorities tabbed region, choose the bank account for which you want to give debit authority.

2. In the Counterparty field, choose the counterparty who you want to allow debit authority on the bank account. The Counterparty Name field is automatically populated.

3. Save your work.

Setting Up Company Parameters

Use the Parameters tabbed region of the Company Profiles window to set up the parameters for revaluation and accounting rules that apply to your company. The following table lists the company parameters, describes the available values, and indicates the default values, if any.

Parameter	Value	Description
Accounting - Perform Deal Revaluation	Yes (default) or No.	Determines whether or not your company must perform Revaluations as part of the accounting process. Choose Yes if you want the company to perform revaluations. Choose No if you do not want the company to perform revaluations.
Accounting - Perform Hedge Effectiveness Testing	Yes or No (default).	Determines whether or not your company must perform hedge effectiveness testing, after performing Revaluation. Choose Yes if you want the company to perform effectiveness testing. Choose No if you do not want the company to perform effectiveness testing.
Accounting - Exchange Rate Type	Spot, Corporate, or custom defined rate type.	Sets the default General Ledger daily exchange rate used by the company.

Parameter	Value	Description
Accounting - Journal Transfer Method	Summary (default) or Detail	Sets the default method the company uses to transfer their journal entries to General Ledger. If you choose Detail, the transaction details are transferred to General Ledger. If you choose Summary, summary amounts are calculated and transferred to General Ledger.
Accounting - Journal Transfer in Closed Period	No Change (default) or Next Open	Sets the default method the company uses to handle journal entries that fall into a closed period. If you choose No Change, the transaction details are left as is and are transferred to General Ledger. You must resolve any errors that occur in General Ledger. If you choose Next Open, the journal entries are placed in the next open period and then transferred to General Ledger.
Accounting - Allow Unbalanced Journal Transfer	Yes (default) or No	Determines whether or not the company wants to allow users to transfer unbalanced journals to General Ledger. f you choose Yes, the Treasury Journal Transfer process leaves the Treasury journals date unchanged, but transfers to the GL Interface Table the start date of the next open GL period.
Accounting - Suspense Account	Custom defined suspense account	Sets the default suspense account used the company uses for suspense journals.

Parameter	Value	Description
Accounting - Trade/Settlement Date Method	Settlement Date Accounting (default) or Trade Date Accounting	Determines which deals are eligible to be selected for revaluation and accrual processes. For example, if the parameter is set to Settlement Date Accounting, a deal whose settlement date falls after the revaluation batch end-date is not revalued. If the parameter is set to Trade Date Accounting, the trade (deal) date of your deals is compared against the batch end-date when determining if they are to be included in the batch or not.
External - Subscriber FX Match ID	Unique, user-entered, subscriber ID	If the company uses a service provider to reconcile foreign exchange settlements between the company and its counterparties, use this parameter to enter the company's FX Match ID. For example, FXAB-12345.

Parameter	Value	Description
Interest - Interest Includes	Both Days, First Day, or Last Day	Determines the number of days to be used in the interest calculation. The default Interest Includes parameter for your company's deals is populated based on your selection here. Day counting options include: • First Day: Interest is charged for the start date but not the maturity date. • Last Day: Interest is charged for the maturity date but not the start date. • Both Days: Interest is charged for both the start date and the maturity date. **Note:** First Day and Last Day produces the same interest amount at the time of deal entry; however, with accruals, they may provide different accrual amounts depending on the accrual batch period selection.
Interest - Interest Rounding	Nearest, Round Down, or Round Up	Determines the rounding method to be used in interest calculation. The default Interest Rounding parameter for your company's deals are populated based on your selection here.
Revaluation - Default Market Data Set	Default Set (default) or custom defined set	Sets the default market data set that the company wants to use for revaluation purposes.

Parameter	Value	Description
Revaluation - Future Dated NI Deal Revaluation	Exclude (default)	This parameter is dependent on the Accounting - Trade/Settlement Date Method parameter. It determines the method the company wants to use to discount negotiable instrument deals with future dated settlement transactions (deals that have a settlement date after the current system date or revaluation date). If the Trade parameter is set to Settlement, then this parameter should be set to No Revaluation before Settlement Date. If the Trade parameter is set to Trade, then this parameter should be set to either Yes Revaluation before Settlement Date to Settlement Date, or to Yes Revaluation before Settlement Date to Revaluation Date.
Revaluation - FRA Discount Method	Physical Start Date or Revaluation Date	Determines which date the company wants to use to discount Forward Rate Agreement deals to calculate gain or loss. You can choose to discount to the deal's physical start date, or to the deal's revaluation date.
Revaluation - FX Discount Method	Settlement Date or Revaluation Date (default)	Determines which date the company wants to use to discount foreign exchange deals to calculate fair value. You can choose to discount to the deal's settlement date or to the revaluation date.

Setting Up Settlement Scripts

If you use settlement scripts to provide payment instructions to your bank either in a

report or an EFT output file, use the Settlement Scripts tabbed region of the Company Profiles window to authorize the scripts. You can set up settlement scripts for an individual currency or all currencies that the company settles.

To set up the company settlement scripts

1. Navigate to the Settlement Scripts tabbed region.

2. In the Script Name field, enter a name for the script.

3. In the Currency field, choose the currency that you want to use for the settlement script, or leave blank to use with all currencies.

4. In the Script Type field, choose the type of script: Report or EFT Script. Choose Report if you want to use a printed report that can be sent to banks to settle deals. Choose EFT Script if you want to use standard payment formats or a custom developed script for electronic funds transfer. For more information, see: EFT Payment Formats, page 9-10.

5. In the Procedure Name field, select the procedure to determine the payment format method for your settlement script.

6. If you selected EFT Script and if you are going to use the payment transmission process in Oracle Payments, select a value in the Payment Transmission Name field.

7. To authorize the script for use, check the Auth check box. If you do not authorize the script you cannot access the script.

8. Save your work.

Setting Up Payment Reports and Payment File Generation

If you want to generate reports or payment output files for your settled deals, you must set up company settlement scripts and then assign the scripts to a bank account.

Create company settlement scripts

1. In the Settlement Scripts tabbed region, define the scripts to be associated with a currency. For more information, see: Setting Up Settlement Scripts, page 2-72.

Assign the settlement script to a bank account

1. On the Cash Management Bank Account page, create or query an existing bank account. For more information, see: Setting Up Company Bank Accounts, page 2-66.

2. Navigate to the Account Access page and choose **Treasury Access Options**.

3. Select the settlement script name in the Settlement Script field. The list of values provides the settlement scripts that have the same currency as the bank account.

4. The settlement script that you select is used to generate payments for any settlement associated with this bank account.

> **Note:** Settlement scripts without a currency specified can be associated with any bank account.

Cash Leveling

If you want to optimize balances of the current business cash accounts held at one or several banks, you can perform cash leveling on a daily basis, transaction by transaction, or by total net end-of-day balances.

To use cash leveling, you need to define a cash pool and assign individual bank accounts to this cash pool. Two types of cash pool are:

- **Notional Pooling.** A type of cash leveling similar to zero balancing without the actual funds movement. The closing balance for a day is calculated as a sum of the individual balances of the bank accounts included in the pool. The interest is calculated on the notional net balance of all accounts included in the pool and then charged/credited to the single master account.

- **Physical Pooling.** A type of cash leveling wherein the user can define cash pools for initiating fund transfers or for mirroring outsourced cash pools. The Cash Position results display the projected closing balance according to the rules of the cash pool.

For more information, see: Cash Leveling, *Oracle Cash Management User Guide*.

Deal Confirmation Groups

A *confirmation* is a document that one party sends to another describing all the relevant details about a transaction. If a deal consists of one or more actions, each of which may require confirmation, you can group several confirmations into a single deal confirmation group. For example, a deal confirmation group for a foreign exchange option may consist of two confirmations: one for the trade and one for exercising the option.

If you want to use confirmations, then you must define at least one confirmation group.

Setting Up Confirmation Groups

Use the Confirmation Groups window to define different groups of transactions that require confirmation. Once defined, you can assign confirmation groups to parties in the Counterparty Profiles window.

To set up a confirmation group

1. In the Confirmation Groups window, in the Group Code field enter a unique value. Enter a description for the group.

2. If you want to create a new confirmation group by modifying an existing confirmation group, then select that confirmation group in the Copy From Group field.

3. Identify which actions require confirmation by selecting the Required check box next to the action.

4. Save your work.

Default Settlement Accounts

The Default Settlement Accounts window defines the bank accounts to which your company generally sends payments to settle deals. You can define several default settlement accounts for a counterparty and set up each account to receive payments for a specific kind of deal. You can associate a combination of deal type, deal subtype, product type, and amount type with a default settlement account. For example, if a counterparty requires you to send settlements for bond deals to one account, and settlements for negotiable securities to another, then you can define two default settlement accounts for that counterparty and associate the bond deal type with one account and the negotiable securities deal type with the other.

You can also define default settlement accounts to accommodate a counterparty that requests that a company send settlement payments for the premiums to one account and settlement payments for exercising the options to another.

If a counterparty has only one account for a currency, then set that account as the default settlement account in the Settle Account Detail window.

Setting Up a Default Settlement Account

Use the Default Settlement Accounts window to define the default accounts which you want to use to perform settlements for a deal.

Prerequisite

- Set up settlement accounts for your companies and counterparties. See: Company Profiles, page 2-64 and Counterparty Profiles, page 2-55.

To set up a default settlement account

1. In the Default Settlement Accounts window, select a party code.

2. Select the currency of the bank account.

3. Select the bank account number.

4. To set this account as the default settlement account for a particular deal type, select a deal type.

5. If the account receives settlement payments for a deal subtype, enter the deal subtype.

6. If the account receives settlement payments for a product type, enter the product type.

7. If the account receives settlement payments for an amount type, enter the amount type.

8. Save your work.

Default Settlement Actions

Use the Default Settlement Actions window to specify the default settlement actions during short term money deals input for a counterparty or client. Settlement action is taken when a short term money deal for a particular counterparty or client is settled. When a deal matures it must be settled as either repaid or renegotiated.

- **Repaid:** the loan is repaid according to the terms of the deal.

- **Renegotiated:** the deal is renegotiated, or "rolled over," and a new deal is created, with new terms.

A *category* is a user-defined means of associating settlement actions with specified subtypes and product types. The settlement defaults are grouped by settlement category. The category is assigned to a counterparty as needed, using the Counterparty Profiles window.

Setting Up Default Settlement Actions

Use the Default Settlement Actions window to define the default actions you want to perform for a particular deal.

To set the default settlement actions

1. In the Default Settlement Actions window, select the default settlement action category, or enter a new unique category.

2. Select a deal subtype.

3. Select a product type.

4. In the Party field, select a counterparty for the deal.

5. In the Default Actions region, select the default principal action you want to take, either Repay or Renegotiate.

6. In the Default Actions region, select the default interest action you want to take, either Repay or Renegotiate. For interest, Renegotiate means to add it to the principal.

7. If you are acting as a broker and your client information is already in the Deal Input window, in the Client Default Settlement region select the principal of the deal. This is the settlement action for the principal of the deal. Then, in the Client Default Settlement region select the interest. This is the settlement action for the interest of the deal.

8. Select the frequency with which you want to settle your interest payments (for example, monthly or quarterly).

9. Save your work.

Party Groups

A *party group* is a user-defined category or classification that you can assign to parties that serve similar functions or that share the same vocational designation. For example, you could define a party group called "Investment Banks" and assign this party group to parties that serve a company as an investment bank.

Party groups give users an additional, narrower criterion with which to query counterparties. For example, if you create a party group for all domestic subsidiaries and another for foreign subsidiaries, then you can easily locate every counterparty that is a domestic or foreign subsidiary.

Once you define a party group, you can assign a counterparty to that group by entering a value in the Party Group field in the Counterparty Profiles window. See: Counterparty Profiles, page 2-56.

Defining party groups is optional.

Setting Up a Party Group

Use the Party Group Codes window to define groups of parties that serve similar functions.

To set up a party group

1. In the Party Group Codes window, enter a unique name for the party group code.

2. Save your work.

3. Enter a description of the party group code.

Policy Setup

This section explains how to set up policies to manage and monitor your risk; authorize different investment and funding products; and set policies for trading limits, interest rates, rate tolerance levels, and bank account signing authorities.

Deal Types and Product Types

Entering deals is a key feature of Treasury. There are 16 different types of deals (for example, bonds, forward rate agreements, options) and 3 other deal-related items (deal orders, exposures, and external exposures) that you can enter in Treasury. Each deal type is a generic version of a financial instrument that is commonly used by treasurers (for example, bonds, stocks, foreign exchange contracts, or negotiable securities). You can use each deal type as is, or combine several deals or deal types to create a more complex deal.

Each deal type has the following attributes associated with it:

- **Deal Subtype:** The *deal subtype* determines the cash flow direction and, as a result, the accounting for each deal. For example, Forward Rate Agreement deals have a deal subtype of either Fund or Invest, whereas Foreign Exchange Option deals have a deal subtype of either Purchase or Sell. For a list of available deal subtypes supplied by Treasury, see: Deal Subtypes by Deal Type, page B-1.

- **Product Type:** The *product type* is a user-defined attribute that you can use to distinguish between similar deals with different accounting methods. You must define at least one product type for each deal type that you intend to use, except for current account balance transactions and intercompany transfer transactions.

- **Deal Status:** Each deal has a set of *deal statuses* that can be assigned to it over the entire life of the deal. For example, current, cancelled, expired, or closed. The deal status can change automatically based on an action taken (for example, exercising an option or reselling a discounted security) or it can be manually changed (for example, changing an option status to Expired). For a list of available deal statuses supplied by Treasury, see: Deal Statuses by Deal Type, page B-11.

- **Date Type:** Each deal has a set of *date types* that are used for settlement, accounting, and reporting purposes. For example, a bond has several dates associated with it:

start date, maturity date, and coupon date. For a list of date types by deal type, see: Date Types by Deal Type, page B-4.

- **Amount Type:** Each deal has a set of *amount types*, such as a deal's principal amount, interest amount, and adjusted interest amount. For a list of available amount types supplied by Treasury, see: Amount Types and Actions by Deal Type, page B-18. You can create additional amount types for retail term money deals only.

- **Action:** Some amount types have a set of *actions* that determine the cash flow accounting for the amount. For example, interest amounts can be paid or received, or an accrual can be an original posting or a reversal. For a list of available amount types supplied by Treasury, see: Amount Types and Actions by Deal Type, page B-18.

- **Pricing Model:** The pricing model is used to calculate the fair value of the deal during a mark to market revaluation. A set of default pricing models is supplied by Treasury. You can create custom pricing models for each deal type. For a list of pricing models supplied by Treasury, see: Pricing Models by Deal Type, page B-35.

Prerequisites

To set up and use deals effectively in Treasury, you must:

- Define at least one product type for each deal type that you trade, except for current account balance transactions and intercompany transfer transactions.

- Un-authorize deal types, deal subtypes, or product types that you do not want users in your company to perform. For example, you can prohibit all Treasury users from selling foreign exchange options by unauthorizing the Sell deal subtype for the foreign exchange deal type.

  > **Note:** When you un-authorize a deal type, deal subtype or product type, you un-authorize it for all users and for all companies that are defined in Treasury. If you un-authorize a deal, deal subtype or product type in the Deal Types/Product Types window, it will override any user authorizations that you previously enabled in the User Access Levels window.

You can also perform these optional steps:

- Edit the code or name of deal types, deal subtypes, product types, dates, statuses, amount types, and actions, as your business practices require.

- Add new pricing models for deal types to distinguish user-entered values from calculated values. You can only define new pricing models for deal types that have

a "Fair Value" pricing model pre-seeded in Treasury. For a list of pricing models supplied by Treasury, see: Pricing Models by Deal Type, page B-35.

- Add new amount types for retail term money deals. For example, if you are charged a fee on a loan, or if you receive a rebate on a loan, you can create new amount types to accommodate these amounts.

After you set up your deal types, you can enter into each of the 16 different deals available in Treasury. For more information on a specific deal type, see: Foreign Exchange Deals and Money Market Deals.

Adding Product Types

A *product type* is a user-defined short code for classifying the different financial products that exist within a particular deal type. Use product types to distinguish between market instruments that are similar, but require different accounting treatment.

When you add a product type, every user who is authorized to use the associated deal type is automatically authorized to use that product type. To un-authorize a product type for all users in your company, uncheck the Authorization check box for the product type in the Deal Types/Product Types window. To un-authorize the product type for selected users, you must modify the user access levels for each user in the User Access Levels window and change the journal structure by updating the Journal Entry Actions window.

You cannot create product types for current account balance transactions or intercompany transfer transactions.

To add a product type

1. In the Deal Types/Product Types window, select a deal type.

2. In a blank row of the Product Types region, enter a unique code for the product type in the Type field. This code is used to identify the product type in the deal input form.

> **Note:** Product types must be unique within a deal type. For the sake of clarity, consider making your product types unique across all deal types.

3. Enter a description for the product type.

4. If the deal type is Negotiable Securities (NI), in the Discount/Yield Basis field, choose whether the deal is quoted by using a discount rate or a yield rate.

5. In the Default Pricing Model field, choose the default pricing model that you want

to use to revalue the deal. For a list of pricing models available for each deal type, see: Pricing Models by Deal Types, page B-35.

6. Enable the Authorized check box to authorize the product type. When you authorize a product type, you authorize it for use by all eligible users in your company.

7. Save your work.

Changing Authorization for Deal Types, Deal Subtypes, and Product Types

Use the Deal Types/Product Types window to authorize or un-authorize a deal type, deal subtype or product type for all users in your company. By default, all deal types, deal subtypes, and product types are authorized.

When you authorize a deal type or a deal subtype, you do not automatically authorize the associated deal subtypes or product types for that deal. You must authorize each product type separately.

You cannot change the deal tolerance levels for your deal subtypes from the Deal Types/Product Types window. If you want to change the deal tolerance level for a deal subtype, use the Deal Rate Tolerances window.

To change authorization for a deal type, deal subtype, or product type

1. In the Deal Types/Product Types window, select the deal type, the deal subtype, or product type that you want to change.

2. Enable or disable the Authorization check box for the selected item.

3. Save your work.

Adding Amount Types

You can only add new amount types for retail term money deals. Use amount types to categorize the different amounts that are not already defined, but that may be associated with your retail term money deals, such as fees and registration costs.

You can define how each amount type is entered in the journal by defining a journal structure in the Journal Entry Actions window. See: Journal Entry Actions, page 2-31.

To add an amount type

1. In the Deal Types/Product Types window, select the Retail Term Money deal type.

2. Choose the Amount Types tabbed region.

3. In a blank row, enter a code for the amount type code and a description.

4. If you want to Select an action code for the amount type.

5. Save your work.

Adding Pricing Models

Use the AOL Lookups window to add new pricing models to the ones provided by Treasury. You can add new pricing models for deal types that have a Fair Value pricing model. You can enter as many new pricing models as you want. For a list of the pricing models for each deal type, see: Deal Pricing Models by Deal Type, page B-1.

After you create the new pricing models that you want, use the Deal Types/Product Types window to assign pricing models to deal types.

To add a pricing model

1. Navigate to the AOL Lookups window.

2. In the Type field, query the lookup type XTR_DEAL_PRICE_MODELS.

3. In a blank Code field, enter a unique code for the pricing model.

4. Enter a Meaning and Description for the pricing model.

5. Check the Enabled box to activate the pricing model.

6. Save your work.

7. Navigate to the Deal Types/Product Types window.

8. In the Deal Types region, choose the deal type that you want.

9. Choose the Pricing Models tabbed region.

10. Use the Authorized box to authorize/un-authorize pricing models.

11. Save your work.

Deal Rate Tolerances

Use *deal rate tolerances* to specify the percent by which you will allow deal rates to fall above or below the current system rate for a specific deal type. For example, you may set the tolerance for foreign exchange spot deals to 1%. That means that when you enter a foreign exchange deal, you deal rate can only be 1% above or 1% below the current foreign exchange spot rates for the currencies in the foreign exchange deal.

Setting a deal rate tolerance level does not prevent you from entering into a deal that

falls outside of the specified tolerance level. If a deal falls outside of the specified tolerance you will receive a warning, but you can continue to enter and save the deal.

You set up tolerances for deal type, deal subtype combinations on the Deal Rate Tolerances window.

Calculating Deal Rate Tolerance

Deal rate tolerance is calculated differently for different deal types.

The deal rate tolerance for foreign exchange transactions is calculated by multiplying the latest system mid rates by the specified deal rate tolerance level. (The mid rate is the sum of the bid rate and the offer rate divided by two). Then, that value is added to or subtracted from the latest system mid rate to determine the range of tolerance.

The deal rate tolerance for money market transactions is calculated by determining the latest system mid rates for the period that is the closest to but that does not go over the term of the deal. The tolerance level is added or subtracted from those rates to determine the range of tolerance.

The deal rate tolerance for equity transactions is calculated by determining the difference between the stock price and the market price table. The tolerance level is added or subtracted from those rates to determine the range of tolerance.

Setting Tolerance Levels

When you set tolerance levels, consider the following:

- How often do you plan to update your current system rates?

- How volatile are the markets?

- What margins do you pay?

If the deal rate tolerance level is too narrow, you will encounter many warnings when you enter a deal. If the deal rate tolerance level is too broad, the tolerance level may not be effective. When you set tolerance properly, the deal rate tolerance warnings will highlight possible data entry errors.

To set deal rate tolerance

1. In the Deal Rate Tolerances window, select the row that contains the deal type, deal subtype combination for which you want to set a deal rate tolerance range.

2. In the Tol% field, enter the percentage by which you are willing to fall above or below the current system rate for the deal type, deal subtype combination. By default, all deal rate tolerance levels are set to 1%.

3. Save your work.

Currency Details

Use the Currency Details window to add and define the characteristics of currencies in Treasury. In the Currency Details window you can set the net maximum exposure for a currency; authorize currencies for use; define and authorize currency combinations for use; and set policy bands for deal maturity periods by currency.

You can also use this window to set up spot rates for your currencies and define data feed codes for your foreign exchange rate sources. For more information on both of these topics, see: Current System Rates, page 8-13.

Defining Currency Characteristics

To deal in a currency, you must define its characteristics, such as its quotation basis and the year basis against the U.S. dollar.

Once you define a currency, you can change its characteristics at anytime by using the Currency Details window. To delete a currency, you must delete it from the Spot Rates, Parties, and Currency Combinations windows before you can delete it from the Currency Details window.

Prerequisite

- Define currencies in General Ledger. See: Treasury Setup Checklist, page 2-7.

To define the characteristics of a currency

1. In the Currency Details window, choose the Add/Maintain Currencies button. The Add/Maintain Currency Details window appears.

2. In the Currency Code field, choose the international code for the currency you want to add. The list of available currency codes is taken from the general ledger currency table.

3. If you want to limit your net exposure for this currency, in the Net FX Exposure field enter the maximum amount of the currency that you want to hold at any time.

   > **Note:** You can also define the net foreign exchange exposure limit in the Limits window. See: Currency Limits, page 2-104.

4. If you want the currency to appear at the top of the list of currencies in the Currency field of the foreign exchange deal input windows, in the FX Sequence field enter a foreign exchange sequence number for the currency. For example, if the top 5 currencies you use in foreign exchange trading are GBP, USD, CAD, JPY, and KRW, enter 1, 2, 3, 4, 5 in the FX Sequence field for the respective currencies.

5. If you want the currency to appear at the top of the list of currencies in the Currency field of the money market deal input windows, in the Cash Flow Display Order field, enter a sequence number for the currency. For example if the top 3 currencies you use for money market trading are USD, DEM, and JPY, then enter 1, 2, 3 in the Cash Flow Display Order field for the respective currencies.

6. In the Quotation Basis Against USD field, choose a quotation basis for the currency. The quotation basis determines how the currency is quoted against the U.S. dollar.

   • **Base unit quote**: Choose base unit quote if you are using the currency as a ledger currency against the USD dollar and for foreign exchange quotes. For example, in a DEM/USD quote, DEM is the ledger currency.

   • **Commodity unit quote**: Choose commodity unit quote if you are quoting the currency against USD, or against another base unit quote currency. For example, in a USD/DEM quote, DEM is the contra currency.

   To check the quotation basis for a currency, divide the commodity unit amount of the currency by the USD exchange rate. If the result is the correct USD amount, choose commodity unit quote; otherwise, choose base unit quote.

7. In the Year Basis field, choose the number of days per year you want to use to calculate forward rates. Most currencies have a year basis of 360 days.

8. In the Rounding Factor field, enter the number of decimal places to round up forward rate calculations.

9. In the Day Count Basis field, enter the convention to use to count the number of days between two dates to calculate forward rates.

10. If you want to assign a GL calendar to a currency, in the GL Calendar field, select a GL calendar to define the non-business days. Currencies without a matching GL calendar will assume Saturday/Sunday weekend days.

11. If you want to calculate the future date of holidays for the chosen currency, in the Holiday Forward Years field enter the number of years into the future that you want to calculate the holidays for the currency.

12. If you do not want to upload the Treasury spot rates for this currency to General Ledger, enable the No GL Upload check box.

13. Save your work.

Authorizing Currencies

If you want to deal a currency, you must authorize that currency for use in Treasury. You cannot authorize a currency unless you have set up a spot rate for that currency

against the U.S. dollar.

Prerequisite

- Define spot rate for currency. For more information see, Current System Rates, page 2-120.

To authorize a currency

1. In the Unauthorized Currencies region of the Currency Details window, choose the currency that you want to authorize.

2. To add this currency to the list of authorized currencies, choose the right arrow button. The unauthorized currency moves to the list of authorized currencies.

3. Save your work.

Setting Currency Combinations

If you want to view the current exchange rate between two currencies or perform deals using those currencies, you must set up and authorize the currency combination in the Currency Details window. A currency does not need to be authorized for you to set up a currency combination.

If you set up a currency combination using unauthorized currencies or if you set up a currency combination and do not authorize the currency combination for use, you can view the exchange rates, but you cannot enter deals for that currency combination.

> **Note:** You must set up a currency combination between every authorized currency and the U.S. dollar.

To set a currency combination

1. In the Currency Details window, go to the Currency Combinations region.

2. To set a currency combination, choose the check box that is in the column of the ledger currency and the row of the contra currency.

> **Important:** The currency combination must be in the correct order for the market practice in your location. For example, in New Zealand, you record NZD/AUD, which results in a rate of .7950. In Australia, you record AUD/NZD, which results in a rate of 1.2579 (the inverse rate).
>
> In general, the U.S. dollar is the ledger currency for the currencies

that are recorded as a commodity unit quote.

3. To un-authorize a currency combination, choose the Combinations Details button and deselect the Authorized check box for the currency combination you want to un-authorize.

4. Enter the factor for the forward points in the Forward Point Factor field. The factor you enter determines the interpretation of the forward points entered on the foreign exchange deal input form for subtype forward deals.

The following table shows examples of forward points:

Forward Point Factor	Forward Points on Deal Input Form	Forward Points Interpreted As	Spot Rate on Deal Input Form	Forward Rate on Deal Input Form
0	25	25	1.4500	26.4500
1	25	2.5	1.4500	3.9500
4	25	0.0025	1.4500	1.4525

5. Save your work.

Setting Currency Policy

You can define your currency policy by setting the minimum and maximum percentage of "cover" (including foreign exchange options and bank balances) that you want in place to cover foreign exchange currency exposures within a specified time period.

To set currency policy

1. In the Currency Details window, choose the currency for which you want to set a policy and choose the Policy Bands button.

2. Define the time period for the policy by entering values in the Period From and Period To fields and choosing the period type. For example, you can specify a time period of 1 to 8 months.

> **Tip:** Leave the To field empty for the last policy band period you define. This lets you cover currency exposures for all periods greater than the date that you specified in the last Period From

field.

3. Enter a description of this policy.

4. Enter a minimum and maximum coverage amount that you want for this period.

5. Save your work.

Interest Rate Policy

Use the Interest Rate Policy window to establish the minimum and maximum percentage of your total funding or investments that you want to associate with a fixed interest rate. You can set up a global interest rate policy for all companies in Treasury, or you can set up interest rate policies for specific currencies. For example, you can set a policy where only 5 to 20 percent of your USD funding deals are allowed to be fixed rate deals.

You can also use the Interest Rate Policy window to establish your maturity profile policy. A maturity profile policy sets the percentage of maturities that you want to occur during certain time periods. For example, you could set a policy where 25 percent of your deals are allowed to mature within a 1 to 3 month period, 50 percent are allowed to mature within 3 to 9 months, and 25 percent are allowed to mature in 9 months or more.

Setting Interest Rate Policy

Use the Interest Rate Policy window to establish your interest rate policies by currency.

To set interest rate policy

1. In the Interest Rate Policy window, select the currency for which you want to establish an interest rate policy. Choose All if you want to set a policy for all currencies.

2. In the Invest/Fund field, choose Invest to set the policy for total investments or choose Fund to set the policy for total funding.

3. In the Min % Fixed and Max % Fixed fields in the Interest Rate Policy region, enter the minimum and maximum percentage of your total investments or funding for which you want to fix interest rates.

4. In the Maturity Profile Policy region, define the maturity profiles for the interest rate policy by doing the following:

Tip: To create an effective maturity profile policy, ensure that you define a policy for all possible maturity time frames. If you define multiple maturity profiles, leave the Period From field in the final maturity profile blank so that Treasury retrieves all maturities.

- In the Period From and Type fields of the Maturity Profile Policy region, define the earliest time for which you want to set the policy. For example, 0 Months.

- In the Period To and Type fields, define the latest time for which you want to set the policy. For example, 3 Months.

- Enter a description of the maturity you are specifying.

- In the Maximum Band field, enter the percent of total maturities that you want to associate with the time frame. For example, enter 10 to allow only 10 percent of your interest funding to have maturities during the specified time frame.

5. Save your work.

Limits Setup

This section describes how to set up limits in Treasury to protect your company from undesirable exposures to various sources of risk. Common sources of risk include counterparties, currencies, countries, and dealers.

Limits

A *limit* defines the total amount of money or exposure you are willing to risk with a counterparty, currency, or country.

Every deal you enter into has an element of risk. For example, if you enter into a fixed interest rate loan, there is a risk that the interest rate will drop; or if you buy a large amount of foreign currency, there is a risk that the currency will lose its value. Use limits to define the tolerance your company has for deal-related risks.

You can define multiple limits for each of these deal-related risks:

- **Global:** limits the total value of deals a company can commit to for a particular limit type. You can define one limit for each limit type. For more information on limit types, see: Limit Types. For more information on global limits, see: Defining Global Limits, page 2-94.

- **Term:** limits the total length of time for a deal with a specific deal type, deal subtype, product type, and counterparty combination. You can define one limit for each possible combination. Time limits apply to all companies defined in Treasury.

See: Defining Term Limits, page 2-99.

- **Sovereign:** limits the total value of deals that a specific company can commit to with parties that are located in a specific country. You can define one limit for each country. See: Defining Sovereign Limits, page 2-103.

- **Currency:** limits the total value of deals in a particular currency for a company. You can define one limit for each currency. Currency limits apply to all companies defined in Treasury. See: Defining Currency Limits, page 2-104.

- **Counterparty:** limits the total value of deals a specific company can enter into with a single counterparty. You can define multiple limits for each counterparty. See: Defining Counterparty Limits, page 2-99.

- **Counterparty Group:** limits the total value of deals a specific company can enter into with a counterparty group. You can define one limit for each counterparty group. See: Defining Counterparty Group Limits, page 2-101.

- **Settlement:** limits the total value of settlements that a specific company can commit to with a single counterparty on a single day. You can define one limit for each counterparty. See: Defining Settlement Limits, page 2-102.

- **Dealer:** limits the total value of a single deal that a dealer can perform. You can define one limit for each dealer. Dealer limits apply to all companies defined in Treasury. See: Defining Dealer Limits, page 2-104.

Tracking and Enforcing Limits

Once you define your limits, you can periodically track limits to see how closely your exposures stay within limit amounts.

Although you can track limits you cannot enforce limits. Treasury does not let you enforce limits, because enforcing limits can prevent dealers from making the best possible deal for your company. Enforcing limits can also slow down your deal-making process. In addition, by the time a user records a deal in the system and receives a limit violation warning, the company and counterparty may have already concluded the deal.

You can use these views and reports to track your limits:

- **View Limits Setup window:** Shows which limits are defined and authorized.

- **View Limit Exceptions window:** Shows which limits have been exceeded, who exceeded each limit, and by how much.

- **View Limit Utilizations window:** Shows how much of your limit amounts are already committed to deals. The difference between the limit utilization amount and the limit amount is the total amount that you can still commit to deals using

that specific limit.

- **Limit Exceptions Log report:** Shows the Limit Exceptions window in printed format.

- **Limit Utilization report:** Shows the Limit Utilization window in printed format.

Use these views and reports in combination with your company policies and dealer self-monitoring to ensure that your deals stay within an acceptable limit exposure.

Producing Limit Warnings

When you enter a deal that exceeds one or more limits, Treasury displays a limit warning. Limit warnings do not force you to comply with limits, but they do force you to accept the limit warning message before you can save the deal. Treasury also creates a log of every limit exception.

When you enter a deal, Treasury checks your deal details against any authorized and monitored limits. If the deal exceeds one or more authorized and monitored limits, Treasury displays a limit warning in the Limit Warning window. Each limit warning contains the following information:

- The limits that the deal exceeds.

- The amount by which the deal exceeds each limit.

- The options that you have to avoid exceeding each limit (for example, a list of other counterparties for which you have available limits).

Limit warnings also appear if no limit is defined. For more information, see: Viewing Limit Excesses, page 8-26.

Authorizing and Monitoring Limits

To check your deals against your limits and to produce limit warnings, you must authorize and monitor your limits.

You authorize limits in the Limits window. Limits are authorized on an individual limit basis. For example, you can choose to authorize a $1,000,000 limit for the Bank One counterparty. You authorize a limit by enabling the Authorized check box for the limit. If there is no Authorized check box available for the limit (for example, currency limits do not have an Authorized check box), then the limit is automatically authorized.

You monitor limits in the Limit Types window. You cannot monitor limits individually; limits monitoring applies to all limits that control a particular risk factor. For example, you cannot monitor settlement limits for Counterparty A but exclude Counterparty B. Treasury only checks your deals against and produces a limit warning for limits that are both authorized and monitored. For more information, see: Limit Types, page 2-93.

Calculating and Exceeding Limits

A deal exceeds a limit when you enter a deal amount that is greater than the difference between the total limit amount and the amount of the limit that has already been committed to other deals. This differential is called the *limit utilization amount* for this deal. Treasury recalculates the limit utilization amount for a given limit each time you enter into a new deal, by subtracting the deal amount from the total limit amount for each authorized and monitored limit that applies to the deal. When a limit's limit utilization amount is greater than the total limit amount, you have exceeded your limit. Treasury calculates limit utilization amounts in your company reporting currency.

Limit amounts apply to the cumulative total of all deals, and are not the result of debits and credits. For example, if your company has deals that require you to pay a total of $400,000 to counterparties located in a specific country, and has deals that require counterparties in that same country to pay a total of $300,000 to you, then your total limit utilization for that country is $700,000. If your company has deals that require you to pay a total of $200,000 to a specific counterparty, and has deals that require that counterparty to pay a total of $200,000 to you, then your settlement limit utilization for that counterparty is $400,000.

Treasury only calculates limit utilization amounts if you authorize the limit for use when you define your global limits. If you authorize the limit for use after you have already entered deals, you must run the Update Limit Utilization concurrent to ensure that all deals are included when Treasury calculates your limit utilizations.

See also:

Defining Global Limits, page 2-94

Update Limit Utilization, page 10-18

Viewing Liquidity and Limit Types

You can identify your available funds in the View Limits Liquidity window. This window calculates your liquidity using the limit utilization figures of the global limits to which you have assigned funding limit types or investment limit types. To ensure that you have the most accurate and complete liquidity information, assign funding limit types to all of your global funding limits, and assign investment limit types to all of your global investment limits. See: Viewing Liquidity Positions, page 8-21.

Setup Steps for Defining Limits

This section provides an overview of the steps to use to define limits.

Complete these steps in the order listed below

1. **Define limit types.** See: Defining Limit Types and Limits Monitoring, page 2-93.

2. **Define global limits.** See: Defining Global Limits, page 2-94.

3. **Define limit weightings.** See: Limit Weighting, page 2-95.

4. **Define term limits for deals.** See: Defining Term Limits, page 2-99.

5. **Define other limits as needed:**

   - Defining Sovereign Limits, page 2-103

   - Defining Currency Limits, page 2-104

   - Defining Counterparty Limits, page 2-99

   - Defining Counterparty Group Limits, page 2-101

   - Defining Settlement Limits, page 2-102

   - Defining Dealer Limits, page 2-104

6. **Define Limits Workflow Notifications**, if you have installed Oracle Workflow. See: Limits Workflow Notification, page 2-105.

Defining Limit Types and Limits Monitoring

Use the Limit Types window to define limit types. You use *limit types* to group your limits into broad categories of deals and other Treasury activities. You can use the Limit Utilization Report to review your use of specific limit types.

Every global limit and counterparty group limit must have a limit type assigned to it. When you define a limit type, you assign it one of these categories:

- Foreign Exchange (FX)

- Invest (IN)

- Fund (F)

- Overdraft (OD)

For example, you can define two limit types in the Fund (F) category for facilities (lines of credit), one for committed funding and another for uncommitted funding. When you define your global and counterparty group limits, you can assign the committed funding and uncommitted funding limit type to these limits. You can also define separate global limits for committed funding and uncommitted funding.

You also use the Limit Types window to choose which limit controls you want Treasury to monitor.

To define limit types and limits monitoring

1. Navigate to the Limits window.

2. Choose the Limit Types button. The Limit Types window appears.

3. In the Limit Controls region, enable the Alert check box for each limit that you want Treasury to monitor.

4. In the Limit Types region, select the first limit that you want to define.

5. Select a category for the limit type.

6. Save your work.

7. Repeat steps 4 to 6 for each limit type.

Defining Global Limits

Use the Global Limits tabbed region of the Limits window to define global limits for a company and assign each global limit a limit type and limit amount. A *global limit* defines the amount of money or exposure you are willing to risk on a specific deal or activity, regardless of counterparty. For example, you can create a set of global limits for these limit types:

• Foreign Exchange

• Committed Funding

• Uncommitted Funding

• Derivatives

• Investments

You can also create global limits to group your investments by credit ratings, for example:

• AAA Investments

• AA Investments

• BB Investments

The limit utilization for a global limit is recalculated every time you enter the specific limit type. For example, if you define a global limit of 1,000,000 USD for funding deals, Treasury calculates the total limit utilization for funding deals by adding the limit

utilization of each new funding deal to the limit utilization of any outstanding funding deals, regardless of counterparty. If you exceed a global limit, you receive a warning.

Prerequisites

- Define limit types. See: Defining Limit Types and Limits Monitoring, page 2-93.

- If you are defining global limits that include descriptive flexfield information, define the descriptive flexfields that you need. See: Defining Descriptive Flexfields, *Oracle E-Business Suite Flexfields Guide*.

To define a global limit

1. Navigate to the Limits window.

2. Choose the Global Limits tab.

3. Query or enter the Company that you want.

4. Enter a unique Limit Code and Limit Name for the global limit.

   > **Note:** Use generic names for global limits so that you can use them with your counterparties.

5. Assign a Limit Type to the global limit.

6. To use this limit, enable the Authorized check box.

   > **Important:** If you authorize the limit for use after you have already entered deals, you must run the program Update Limit Utilization to ensure that all deals are included when Treasury calculates your limit utilization. See: Update Limit Utilization, page 10-18.

7. In the Limit Amount field, enter the maximum amount you are prepared to risk on this type of deal. Enter limit amounts in the reporting currency.

8. In the [] field, complete the descriptive flexfield information as necessary, such as to enter facility information.

9. Save your work.

Limit Weighting

Limit weighting is the percentage of a deal that you consider at risk. Limit weighting is

used to calculate the limit utilization for a deal type. The weighted limit utilization for each deal is calculated by multiplying the deal amount by the limit weighting for the deal type, and then dividing that value by the current exchange rate between the deal currency and your reporting currency.

Set your limit amounts on the actual amount you are prepared to risk, since limits are weighted.

Examples of Limit Weighting

Short Term Money Limit Weighting

This table shows what the limit utilization of a short term money (STM) deal would be if:

- The limit weighting is 100% at all times.

- The deal currency is the same as your reporting currency.

Deal Type	Face Value	Limit Weighting	Exchange Rate	Limit Utilization
Short Term Money	100,000	100%	1.000	100,000

Negotiable Securities Limit Weighting

This table shows what the limit utilizations of a negotiable instrument would be if:

- The limit weighting is 100% at all times.

- The deal currency is EUR and your reporting currency is USD, with the given exchange rates at times T1 and T2.

Time	Deal Type	Face Value	Limit Weighting	Exchange Rate	Limit Utilization
T1	Negotiable Instrument	EUR 100,000	100%	1 USD = 1.1 EUR	USD 90,909.09

Time	Deal Type	Face Value	Limit Weighting	Exchange Rate	Limit Utilization
T2	Negotiable Instrument	EUR 100,000	100%	1 USD = 1.2 EUR	USD 83,333.33

Foreign Exchange Limit Weighting

This table shows what the limit utilization of a foreign exchange deal would be if:

• The limit weighting is 15% when the deal is six months or more from maturity.

• The limit weighting is 10% when the deal is less than six months but more than three months from maturity.

• The limit weighting is 5% when the deal is less than three months but has not reached the maturity date.

• The deal currency is GBP and your reporting currency is USD, with the given exchange rates at times T1, T2, and T3.

Time	Deal Type	Months from Maturity	Face Value	Limit Weighting	Exchange Rate	Limit Utilization
T1	Foreign Exchange	6 or more	GBP 100,000	15%	1 USD = 0.8 GBP	18,750
T2	Foreign Exchange	3 to 6	GBP 100,000	10%	1 USD = 0.7 GBP	14,285.72
T3	Foreign Exchange	0 to 3	GBP 100,000	5%	1 USD = 1.2 GBP	5555.56

Interest Rate Swaps Limit Weighting

Limits weighting works differently for interest rate swaps than for any other deal type. For these deals, limits apply to both the borrowing and the investment portion of the swap. For example, if you make a $900,000 fixed/float deal, then the limit is applied against the borrowing side at $900,000 and the investment side at $900,000. Hence, the

total limit utilization for this deal, with 100% weighting, is $1,800,000. Therefore, when you define the weightings for interest rate swap deals, determine the total weighting that you want for those deals and then reduce the value by one-half to achieve the proper limit.

Defining Limit Weightings

Use the Weightings window to define limit weightings for your deal type and deal subtype combinations. Limit weightings specify the percentage of the face value of a deal type and deal subtype combination that you consider at risk.

You can define multiple weightings for a deal type and deal subtype combination to specify different risks, as the terms of a deal move towards maturity. For example, you can define the risk factor of a foreign exchange contract to be 15% for deals six months or more from maturity; 10% for deals less than six and greater than three months from maturity; and 5% for deals less than three months from maturity. The table below illustrates how you would define this:

Deal Type	Months	Weighting
FX	6	15
FX	3	10
FX	0	5

To define a limit weighting

1. Navigate to the Limits window.

2. Choose the Weightings button. The Weightings window appears.

3. Enter the combination of Deal Type and Deal Subtype that you want.

4. Enter the number of Months from maturity you want the weighting to control, if you want to base the weighting on the remaining term of deals. Otherwise, leave the default value of 0.

5. Enter the Weighting, as a percentage of the face value of the deal type and deal subtype combination you consider at risk.

6. If you are defining multiple weightings for this deal type/deal subtype combination, repeat steps 4 and 5.

7. Save your work.

Defining Term Limits

Use the Deal Time Restrictions window to define term limits for your deal types, either alone or in combination with deal subtypes, product types, or counterparties. *Term limits* determine the maximum time until maturity for a given deal. Term limits apply to all companies defined in Treasury.

Once you set a term limit, you cannot enter deals that have terms that extend beyond the limit.

Prerequisites

•   Define global limits. See: Defining Global Limits, page 2-94.

•   Define weightings. See: Limit Weightings, page 2-95.

To define term limits

1. Navigate to the Limits window.

2. Choose the Time button. The Deal Time Restrictions window appears.

3. Enter the Deal Type that you want.

4. To create a more specific term limit, select a deal Subtype, Product Type, and/or Counterparty.

5. Define the term limit by entering the Maximum Length for this deal type combination and the Period Type to which the value refers. You can specify Days, Weeks, Months, or Years.

6. Save your work.

Defining Counterparty Limits

Use the Cparty Limits tabbed region of the Limits window to define counterparty limits for a company. A *counterparty limit* specifies the maximum amount a company is willing to risk when making deals with a particular counterparty.

You define counterparty limits by assigning a global limit to a counterparty and specifying the amount you are willing to risk on the counterparty. For example, you could assign a global funding limit to a counterparty with which you make funding deals, and specify a 500,000 USD limit. When you make a funding deal with this

counterparty and assign the funding limit to the deal, Treasury automatically calculates the limit utilization of the deal and adds this number to the existing limit utilization total of that counterparty limit. If a deal causes you to exceed the 500,000 USD counterparty limit you specified, you receive a warning.

When you enter deals, you can only choose the limits associated with the counterparty. Assigning a limit to a deal leads to utilization of both the counterparty limit and the global limit associated with that counterparty limit. Because of this, the limit utilization of a deal is charged to both the counterparty limit and the global limit, and the deal may cause either or both limits to be exceeded.

> **Note:** The limit utilization of the deal is charged against the other limits that you have activated, such as currency limits or daily settlement limits. However, you do not specify these limits when you make a deal.

The global limits from which you can choose when you create a deal are also restricted by the type of deal:

- FX category limits are available across all deal types and subtypes.

- Fund category limits are available on subtype Fund deals.

- Invest category limits are available on subtype Invest deals.

- Overdraft category limits are available on Current Account Balances only.

You can define multiple counterparty limits for a counterparty by assigning the corresponding global limits, for example, defining two funding limits and an investment limit for a counterparty.

Prerequisites

- Define global limits. See: Defining Global Limits, page 2-94.

- If you are defining global limits that include descriptive flexfield information, define the descriptive flexfields that you need. See: Defining Descriptive Flexfields, *Oracle E-Business Suite Flexfields Guide*.

To define a counterparty limit

1. Navigate to the Limits window.

2. Choose the Cparty tab.

3. Query or enter the Company that you want.

4. In the Cparty field, enter the counterparty to which you want to assign a

counterparty limit.

5. In the Limit Code field, enter the global limit to use for this counterparty limit.

6. If necessary, enter an Expiration Date for this counterparty limit.

7. To use this limit, enable the Authorized check box.

8. In the Limit Amount field, enter the maximum amount you are prepared to risk on this counterparty for this limit type. If this counterparty limit represents a facility, enter the credit line for the facility. Enter limit amounts in the reporting currency.

9. In the [] field, complete the descriptive flexfield information as necessary, such as to enter facility information.

10. If necessary, use the Attachment function to attach a document to this counterparty limit, such as a facility agreement document.

11. Save your work.

Defining Counterparty Group Limits

Use the Group Limits tabbed region of the Limits window to define limits for a counterparty group. A *counterparty group limit* specifies the total amount a company is willing to risk on the counterparty group as a whole.

Treasury calculates counterparty group limit utilization by adding the outstanding limit utilization for all members of the counterparty group for that limit type.

Prerequisites

- Define counterparty groups. See: Counterparty Profiles, page 2-55.

- Define limit types. See: Defining Limit Types and Limits Monitoring, page 2-93.

- Define counterparty limits for the counterparties in the group. See: Defining Counterparty Limits, page 2-99.

To define a counterparty group limit

1. Navigate to the Limits window.

2. Choose the Group Limits tab.

3. Query or enter the Company that you want.

4. In the Cparty field, enter the parent counterparty that identifies the counterparty group that you want.

5. Enter the Limit Type to use for this counterparty group limit.

6. If necessary, enter an Expiration Date for this counterparty group limit.

7. To use this limit, enable the Authorized check box.

8. In the Limit Amount field, enter the maximum amount you are prepared to risk on this counterparty group for this limit type. Enter limit amounts in the reporting currency.

9. Save your work.

Defining Settlement Limits

Use the Settlement Limits tabbed region of the Limits window to specify the maximum daily cash settlement limits for your company and specific counterparties. Treasury calculates the limit utilization for daily settlement limits by adding potential payments to potential receivables. For example, if on a specific day you are scheduled to pay a counterparty $500,000 and that counterparty is scheduled to pay you $100,000, your daily settlement limit with this counterparty must be at least $600,000 to complete these transactions.

> **Important:** The limit utilization for daily settlement limits is not calculated using limit weightings, but rather the actual cash settlement amounts.

Prerequisites

• Define counterparties. See: Counterparty Profiles, page 2-55.

• Define global limits. See: Defining Global Limits, page 2-94.

To define a daily settlement limit

1. Navigate to the Limits window.

2. Choose the Settlement Limits tab.

3. Query or enter the Company that you want.

4. Enter the Counterparty Code for the counterparty that you want to create a daily

settlement limit with this company.

5. If necessary, enter an Expiration Date for this company and counterparty combination.

6. To use this limit, enable the Authorized check box.

7. In the Limit Amount field, enter the maximum amount you are prepared to receive from and pay to this counterparty on any single day. Enter limit amounts in the reporting currency.

8. Save your work.

Defining Sovereign Limits

Use the Sovereign Limits tabbed region of the Limits window to define sovereign limits for a particular country. A *sovereign limit* is the total amount a company is willing to risk on all of the counterparties that reside in a certain country. Defining sovereign limits enables you to monitor risks such as government intervention and regional instability. Sovereign limits are weighted.

Prerequisites

• Define counterparties and corresponding country information for the countries that you want to create sovereign limits. See: Counterparty Profiles, page 2-55.

• Define global limits. See: Defining Global Limits, page 2-94.

• Define weightings. See: Limit Weightings, page 2-95.

To define a sovereign limit

1. Navigate to the Limits window.

2. Choose the Sovereign Limits tab.

3. Query or enter the Company that you want.

4. Enter the Country for which you want to create a sovereign limit.

5. If necessary, enter an Expiration Date for this company and country combination.

6. To use this limit, enable the Authorized check box.

7. In the Limit Amount field, enter the maximum amount that you are prepared to risk on counterparties that reside in this country. Enter limit amounts in the

reporting currency.

8. Save your work.

Defining Currency Limits

Use the Currency Limits tabbed region of the Limits window to define the currency limits for your company. A *currency limit* specifies the total amount a company is willing to risk on deals in a particular currency. Currency limits apply to all companies defined in Treasury.

The limit utilization of a currency limit is calculated by adding the value of the limit utilizations for deals in the currency. For example, if a company has deals that require you to pay a total of 500,000 EUR to counterparties, and deals that require counterparties to pay a total of 300,000 EUR to you, then your currency limit utilization for EUR is 800,000 EUR.

Currency limits are weighted.

Prerequisites

- Set up currencies. See: Currency Details, page 2-84.

- Define global limits. See: Defining Global Limits, page 2-94.

- Define weightings. See: Limit Weightings, page 2-95.

To define a currency limit

1. Navigate to the Limits window.

2. Choose the Currency Limits tab.

3. Enter the Currency Code that you want.

4. In the Limit Amount field, enter the maximum amount that you are prepared to risk on deals in this currency.

5. Save your work.

Defining Dealer Limits

Use the Dealer Limits tabbed region of the Limits window to define dealer limits. A *dealer limit* specifies the maximum size of a deal that a given dealer can enter into. You define dealer limits for different deal types. You can also define dealer limits for deal type and product type combinations. Dealer limits apply to all companies defined in

Treasury.

Prerequisites

- Set up dealers. See: User Access Levels, page 2-34.

- Set up deal types and product types. See: Deal Types and Product Types, page 2-78.

To define a dealer limit

1. Navigate to the Limits window.

2. Choose the Dealer Limits tab.

3. Query or enter the Dealer that you want.

4. Enter the Deal Type.

5. If necessary, enter the Product Type to go with this deal type.

6. To use this limit, enable the Authorized check box.

7. In the Limit Amount field, enter the maximum amount that you want the dealer to have available when making deals. Enter limit amounts in the reporting currency.

8. Save your work.

Limits Workflow Notification

If you have installed and use Oracle Workflow, you can generate workflow notifications to designated users whenever a limit is exceeded. You can design event assignments to generate notifications for specific limits violations. This can include, for example, combinations of specific deal types, companies, counterparties, and limit amounts.

To set up for limits workflow notification, you must:

- Update Workflow user notification preferences. Treasury uses the preferences settings to properly format and route notifications.

- Set up limits notifications. You define rules that specify when users are notified about limit violations.

Whenever a deal is recorded that violates one of the rules that you defined, Treasury generates an event limit notification. Because Workflow sends notifications to designated roles, all users assigned to the Limits Notification role receive these notifications.

See also:

Setting Up Oracle Workflow, *Oracle Workflow User Guide*.

Defining Workflow Preferences

Use the General Preferences window to modify user notification preferences. For the purposes of limits workflow notifications, you must update the method to use to receive e-mail notifications.

Each user who is eligible to receive limits workflow notifications should define or update Workflow preferences.

Prerequisites

- Install and set up the Oracle Workflow Background Engine. See the *Oracle Workflow User Guide* or online help.

- To receive an e-mail notification, you must also install and set up the Oracle Workflow Notification Mailer. See the *Oracle Workflow User Guide* or online help.

To define Workflow user preferences

1. Navigate to the Workflow General Preferences page.

2. In the Send Me Electronic Mail Notifications field, select a notification preference:

   - HTML mail

   - Plain text mail with HTML attachments

   - Plain text mail

   - Plain text summary mail

   - Do not send me mail

3. Complete the other fields in the Workflow General Preferences page as necessary, then click the Apply button.

Setting Up Limits Notifications

Use the Event Assignment window to assign users to the Limits Notification role and define the criteria for sending limits workflow notifications.

You define criteria by creating one or more notification filters. A *notification filter* is a combination of values that, when exceeded, triggers a limits workflow notification. Treasury compares the notification filters that you enter with actual event values. You

can define multiple notification filters for a single user, and use priority values to order the importance of each event comparison. In general, you should assign more restrictive filters a higher priority than more general filters.

The table below provides an example of event assignments. In this example, the highest priority (10) filter triggers a limits notification when a short term money funding deal between Vision Corporation and Bank Inc. exceeds a limit by $100,000.00. The lower priority (20), filter triggers a limits notification when a short term money investment deal between Vision Corporation and Bank Inc. exceeds a limit by $50,000.00.

Priority	Deal Type	Deal Subtype	Company	Counterparty	Limit Amount
10	Short term money	FUND	Vision Corp.	Bank Inc.	$100,000.00
20	Short term money	INVEST	Vision Corp.	Bank Inc.	$50,000.00

Prerequisites

- Set up limits. See: Limits, page 2-89.

- Set up workflow preferences. See: Defining Workflow Preferences, page 2-106.

To define criteria for limits workflow notifications

1. Navigate to the Event Assignment window.

2. Query or enter the application user Name that you want to receive notifications.

3. Enter a unique Priority for this filter. Treasury uses the priority value when there are multiple notification filter rows.

    > **Note:** Assign the most specific filters a higher priority, since these notification events generally contain line item information that require more immediate action.

4. In the Role Name field, enter *Limits Notification*.

5. Enter or select a value for each unique condition that you want to define for this notification filter:

- Company

- Portfolio

- Deal Type

- Deal Subtype

- Product Type

- Counterparty

- Dealer

- Limit Check Type

6. If you enter a Limit Amount, the value you enter is the minimum amount that must be exceeded before Treasury triggers a notification for this event filter.

7. Save your work.

Limits Workflow Notification Activities

This section provides a description of each activity in the Limits Workflow Notification process, listed by the activity's display name.

This workflow process diagram lists the display name of each activity or process.
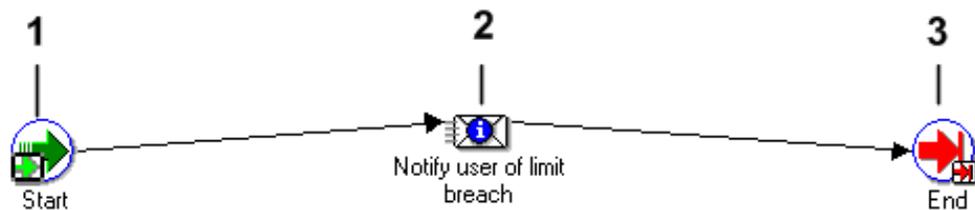
Start (Node 1)

This is a Standard function activity that marks the start of the process.

Function	WF_STANDARD.NOOP
Result Type	None

Function	WF_STANDARD.NOOP
Required	Yes
Prerequisite Activities	None
Item Attributes Set by Function	None
Item Attributes Retrieved by Function	None

Notify User of Limit Breach

This process sends the designated user a Workflow notification or sends an e-mail notification indicating a limit breach.

Function	WF_STANDARD.NOOP
Message	Limit breach message. This message warns the user that an XTR limit has been breached.
Result Type	None
Required	Yes
Prerequisite Activities	None
Expand Roles	No
Notification Function	PL/SQL

End

This activity marks the end of the process after a limits notification is generated.

Function	WF_STANDARD.NOOP
Result Type	None

Interest Override Tolerances

You can set up an *interest override tolerance* to determine the amount tolerance and percentage tolerance by which a company allows a user to override the calculated interest amount for a specific combination of counterparty, deal type, and currency. You can set up a single override tolerance for a company, or define specific override tolerances for combinations of counterparties, deal types, and currencies.

When a user tries to override system calculated interest amounts in a deal input window, the system checks the difference between the original system calculated amount and override amount, and compares the difference with the interest override tolerance that was set up. If the difference exceeds the tolerance, the system does not allow the user to override the amount.

Only users who have the Allow Interest Override check box checked in the User Access window can override interest (see: User Access Levels, page 2-34). If the user enters an interest amount that falls outside of the specified tolerance level, the user cannot save the deal.

You define the interest override tolerances in the Interest Override Tolerances window.

Defining Interest Override Tolerances

Use the Interest Override Tolerances window to define the percent by which you want users in each company to be able to override calculated interest amounts for deals.

To define the interest override tolerance

1. Navigate to the Interest Override Tolerances window.

2. In the Company field, choose the company that you want to define the override tolerance for. The ledger currency for the selected company appears in the Function Currency field.

3. If you want to define a specific combination of counterparty, deal type, and currency, complete the appropriate fields.

4. Enter the amount tolerance in the Amount field.

5. In the % field, enter the percentage tolerance for the interest override. For example if you enter 1, then the user will be allowed to override the calculated interest amount by 1%. The overridden interest amount can be either 1% greater than or 1% lower than the calculated interest amount.

6. Check the Authorized check box to activate the tolerance.

7. Save your work.

Tax/Brokerage Setup

This section contains information on how to set up the default tax and brokerage rates as well as the tax and brokerage schedules that apply to your deals. It also contains information on how to apply these schedules to your counterparties, and how to set up settlement accounts for your brokerage fees and taxes.

Brokerage Schedule and Details

A *brokerage rate* is the rate that is paid to the broker for brokered deals. Use the Brokerage Schedule and Details window to organize your rates into rate schedules, create brokerage categories for different deal types, and define how you want to perform settlements for your brokerage fees.

You can only define brokerage rates for bills, bonds, foreign exchange, retail term money, short term money, and wholesale term money deals.

Brokerage fees are settled separately from the deals to which they are linked. Brokerage fees do not alter the ultimate settlement amount for the deals.

Defining Brokerage Rates

Use brokerage rates and rate groups to define the set of rates that a brokerage firm charges for its services. Each rate group can contain one or more brokerage rates. Each brokerage rate can apply to range of values. For example, you can define one rate for deals under $1,000,000.00, and another rate for deals over $1,000,000.00.

To ensure that your brokerage rates are calculated correctly, leave as small a gap as possible between each rate in the rate group. For example, if the maximum value for one rate is $1,000,000.00, the minimum value for the next rate should be $1,000,000.01.

Prerequisite

- Define a counterparty as a Risk Party in the Counterparty Profiles window. See: Counterparty Profiles, page 2-55.

To define a brokerage rate or rate group

1. If you want to define a new brokerage rate group, in the Rate Group field, enter a unique name for a rate group. If you want to add a brokerage rate to an existing rate group, select a rate group from the list of values.

2. In the Effective From field, select a date from which you want the brokerage rate group to become effective.

3. In the Brokerage rates section, for each rate that you want to define, enter a

minimum and a maximum amount that you want the brokerage rate to apply to.

> **Note:** Leave as small a gap as possible between each rate in the rate group. For example, if the maximum value for one rate is $1,000,000.00, the minimum value for the next rate should be $1,000,000.01.

4. In the Brokerage Rate field, enter the brokerage rate as a percentage.

5. Save your work.

Defining Brokerage Schedules

Use brokerage schedules to define the relationship between a brokerage rate group and a payee, deal type, and calculation type. Brokerage schedules are used to calculate the appropriate brokerage fees for a particular deal type and payee. You can create multiple schedules for each deal type or payee.

Prerequisite

- Define a brokerage rate and rate group. See: Defining Brokerage Rates and Rate Groups, page 2-111.

To define a brokerage rate schedule

1. In the Schedule field of the Schedule tabbed region, enter a unique code for the brokerage schedule.

2. In the Rate Group field, select a rate group.

3. In the Payee field, select the counterparty that is going to receive the brokerage fee.

4. In the Deal Type field, select the deal type that you want to calculate the brokerage fee for.

5. In the Calculation Type field, select the calculation type that you want to use to calculate the brokerage fee.

> **Note:** The list of available calculation types differs depending on which deal type you selected. For example, for equity deals, you can only select Consideration - Flat Basis.

6. In the Applicable Amount field, enter the amount of the deal that the brokerage fee is applicable to (for example, 1,000,000.00).

7. To authorize this schedule for use, check the Authorized check box.

8. Save your work.

Defining Brokerage Categories

Use brokerage categories to define the default brokerage schedule for a particular combination of deal type, deal subtype, product type, and counterparty. Brokerage categories can be generic (for a particular deal type) or more specific. For example, you might want to create one schedule for all short term money funding deals with ABC bank, and another schedule for all wholesale term money funding deals with XYZ bank. You can choose to override a default brokerage category when you enter a deal.

Prerequisite

- Define a brokerage schedule. See: Defining Brokerage Schedules, page 2-112.

To define a brokerage category

1. In the Category and Description fields of the Category tabbed region, enter a unique brokerage category code and description.

2. For each brokerage category that you define, in the Brokerage Details region do the following:

   - In the Deal Type field, choose the deal type that you want to define a default brokerage schedule for.

   - In the Schedule field, choose the default brokerage schedule for the deal type.

   - If you want the brokerage schedule to apply to a particular combination of deal subtype, product type, or counterparty, complete those fields as necessary.

   - Save your work.

3. To allocate a brokerage category to one or more counterparties, do the following:

   - Choose the Allocate to Cparties button. The Counterparty Profiles window appears.

   - Query the counterparty that you want to assign the brokerage category to.

   - Choose the Tax/Brokerage Detail button. The Tax/Brokerage Details window appears.

   - In the Categories Brokerage field, choose the brokerage category. You can override this default brokerage category during deal input.

- Save your work.

Defining Brokerage Settlements

Use the Settlement Codes tabbed region of the Brokerage Rates and Schedules window to define which GL account you want to use to settle brokerage fees for a company.

To define brokerage settlement details

1. In the Company field of the Settlement Codes tabbed region, choose the company whose brokerage settlements you want to define.

2. In the Settlement Code and Description field, enter a unique code and description for the brokerage settlement.

3. In the GL Account field, select the GL Account that you want to apply the settlement to.

4. Save your work.

Tax Schedule and Details

Taxes can be charged on deals when:

- A deal is entered into

- Periodic income is earned or paid while holding an investment

- A deal is concluded

Treasury lets you calculate and apply two types of taxes on your Treasury deals: one on the principal component, either on a flat or annual basis, and one on the income component of the same deal.

You can apply taxes to the following deal types and components:

- Equities (STOCK): consideration amount and dividend income.

- Fixed Income Securities (BOND): principal amount and coupon.

- Short Term Money (ONC): principal amount and interest.

- Discounted Securities (NI): principal amount and interest.

- Wholesale Term Money (TMM): principal amount and interest.

To use taxes in Treasury, you must set up the following:

- *Tax rate:* The tax rate is the rate the tax authority imposes on your deals.

- *Tax schedules:* The tax schedule defines the relationship between a tax rate, payee, deal type, and calculation type. You use tax schedules to calculate the appropriate taxes for a particular deal type and payee. You can also define what rounding rule and precision you want to apply to calculated tax amounts and how you settle the taxes.

- *Tax categories*: The tax category defines which default tax schedule is applied to a particular combination of deal type, deal subtype, product type, and counterparty. Tax categories can be generic (for a particular deal type, deal subtype combination) or more specific. For example, you can set up a tax schedule to apply to all equity sales, or you can set up a schedule to apply to all equity sales with a specific counterparty. You have the ability to override the default tax schedules during deal input.

- *Settlement codes:* The tax settlement codes are used as exposure types for tax exposure transactions and let you define the GL accounts that your tax exposure transactions are posted to.

Tax rates that are effective on the deal's start or settlement date are used in the calculations. If a tax rate changes after a deal is saved, the changed rate does not affect the saved deal, only future deals. For dividends of Equity deals, the tax rate effective on the dividend declaration date is used. If the tax rate changes, the changed rate does not affect existing dividends, but only future dividends.

Once a deal is saved, you cannot insert or update the tax schedule for the deal.

Defining Tax Rates

Use tax rates to define the rates and effective dates for the taxes that you want to apply to your Treasury deals. You must define at least one tax rate before you can define a tax schedule.

To define a tax rate

1. Navigate to the Tax Schedule and Details window.

2. In the Rate Codes tabbed region, select a blank row and enter a unique code for the tax rate.

3. In the Effective From field, select the first date you want the tax rate to be effective.

4. In the Percentage Rate field, enter the tax rate as a percentage.

5. Save your work.

Defining Tax Schedules

Use tax schedules to define how you want to calculate the taxes for a unique combination of tax rate, payee, deal type, and calculation type. You must define at least one tax rate before you can define a tax schedule.

Prerequisite

- Define a tax rate. See: Defining Tax Rates, page 2-115.

To define a tax schedule

1. Navigate to the Tax Schedule and Details window.

2. In the Schedule field of the Schedule tabbed region, enter a unique name for the tax schedule in a blank row.

3. In the Rate Code field, select a tax rate code.

4. In the Payee field, select the party who will receive the tax payments.

5. In the Deal Type field, select a deal type that you want to apply the tax schedule to. For the list of deals that you can create tax schedules for, see: Tax Schedules and Details, page 2-114.

6. In the Calculation Type field, select a calculation type. Note that the list of available calculation types differs depending on the deal type you selected.

   - Equities (STOCK): Tax on consideration amount (CON_F), tax on dividend amount (DIV_F).

   - Discounted Securities (NI): Flat tax on interest amount (INS_F), annual tax on consideration amount (CON_A), flat tax on consideration amount (CON_F), annual tax on maturity amount (MAT_A), flat tax on maturity amount (MAT_F).

   - Fixed Income Securities (BOND): Flat tax on interest amount (INS_F), flat tax on consideration amount (CON_F), flat tax on maturity amount (MAT_F), annual tax on maturity amount (MAT_A).

   - Short Term Money (ONC): Flat tax on interest amount (INS_F), annual tax on principal amount (PRN_A), flat tax on principal amount (PRN_F).

   - Wholesale Term Money (TMM): Flat tax on interest amount (INS_F), annual tax on outstanding principal (PRN_A), flat tax on starting principal amount (PRN_F), flat tax on starting principal and subsequent principal increases

(PRN_INC_F), flat tax on principal repayments (PRN_DEC_F), flat tax on maturity amount (MAT_F).

7. In the Rounding Rule field, choose how you want to round your calculated taxes. The possible choices are: Nearest, Round Up, or Round Down.

8. In the Precision field, choose the type of precision you want to use to calculate your taxes. The possible choices are:

   • Units: Rounds to the last digit or decimal place according to the decimal accuracy of the deal currency. This is the default precision for all schedules.

   • Ones: Rounds to the first digit before the decimal.

   • Tens: Rounds to the second digit before the decimal.

   • Hundreds: Rounds to the third digit before the decimal.

   • Thousands: Rounds to the fourth digit before the decimal.

   • Tenths: Rounds to the first decimal place.

   • Hundredths: Rounds to the second decimal place.

      Note: The level of precision is affected by the level of precision that is possible for the currency of the deal. For example, if you choose a precision of Hundredths, and the deal currency is Japanese Yen (a currency that does not have decimal places) then the precision you select in this field will be overridden by the nearest precision possible for the currency (Ones).

9. In the Settlement Method field, choose the method that you want to use to settle the tax for the schedule. The possible choices are:

   • One-Step Gross Amount (for principal and income): Settle gross principal and tax amount directly from the Settlements window.

   This method creates tax exposure transactions automatically based on the details of the amount that the tax is calculated on. Such exposure transactions have the same settlement party, settlement date, and settlement account as on the deal.

   In order to have the exposure transaction created automatically, you need to assign one-step settlement codes to your companies and tax schedules. If you do not assign one-step settlement codes to your companies and tax schedules, the one-step gross amount settlement method operates like the two-step gross amount settlement method. This means that you need to create the exposure

transactions manually in the Tax/Brokerage Settlements window. See: Defining Tax Settlement Codes, page 2-119.

- Two-Step Gross Amount (for principal and income): Settle the tax amount in the Tax/Brokerage window and settle the gross income or principal amount in the Settlements window. You create the tax exposure transactions in the Tax/Brokerage Settlements window by defining the settlement party, settlement date, and settlement account. This is the default settlement method for all tax schedules.

- Netted Income Amount (for income): Settle net income amount in the Settlements window. If necessary, settle the tax amount in the Tax/Brokerage window. This method automatically deducts the tax from the interest coupon income amount. The amount that is settled is net of the tax. This settlement method is only available for taxes on the income component of a INS_F deal.

10. To authorize the tax schedule for use, check the Authorized check box.

11. Save your work.

Defining Tax Categories

Use tax categories to define the default tax schedules that you want to apply to a combination of deal type, deal subtype, product type, and counterparty. Categories can be as generic or as specific as you want. You must define at least one tax schedule before you can define a tax category. After you define and assign a category to your counterparty, the tax schedule defaults in on the deals you conduct with that specific counterparty. You can override the default schedule in the Deal window.

Prerequisite

- Define a tax schedule. See: Defining Tax Schedules, page 2-116.

To define a tax category

1. Navigate to the Tax Schedule and Details window.

2. In the Code field of the Categories tabbed region, enter a unique tax category code. In the Description field, enter a description for the category.

3. In the Tax Details region, define the details of the tax category by selecting a deal type and a deal subtype. Optionally, you can also select a product type and counterparty for the tax category. Only counterparties that are defined as FX, MM, and Equity counterparties, and all companies appear in the list of values for counterparty.

4. If you want to apply tax to the principal amount, in the Principal Schedule field, select the tax schedule that you want to apply. The tax rate for the schedule appears in the Principal Rate field. There must be a value either in this field or in the Income Schedule field to save the tax category.

5. If you want to apply tax to the income component (interest or dividend amount) in the Income Schedule field, select the tax schedule that you want to apply. The tax rate for the schedule appears in the Income Rate field. There must be a value either in this field or in the Principal Schedule field to save the tax category.

6. Save your work.

7. If you want to assign the tax category as the default tax category for a counterparty, do the following:

   • Choose the Allocate to Counterparties button. The Counterparty Profiles window appears.

   • Query the counterparty that you want to assign the tax category to.

   • Choose the Tax/Brokerage Detail button. The Tax/Brokerage Details window appears.

   • In the Categories Tax field, choose the tax category. You can override this default tax category during deal input.

   • Save your work.

Defining Tax Settlement Codes

Use the Settlement Codes tabbed region of the Tax Schedule and Details window to define settlement codes. You use settlement codes when you generate exposure transactions for tax settlements.

Tax exposure transactions that are created either automatically under the one-step settlement method, or manually in the Tax/Brokerage Settlements window, are posted to the GL accounts that are defined in the Settlement Codes tabbed region. An exposure transaction becomes eligible for journal entry creation only after the settlement is authorized in the Main Settlements window. The journal date is the settlement date of the transaction.

To define tax settlement codes

1. Navigate to the Tax Schedule and Details window.

2. In the Company field of the Settlement Codes tabbed region, select a company whose settlement details you want to define.

3. In the Settlement Code field, enter a unique code for the settlement.

4. In the Description field, enter a description for the tax settlement.

5. In the GL Account field, select which GL Account you want to apply the tax settlement to.

6. If you defined a tax schedule with the One-Step Gross Amount settlement method, choose the One-Step Settlement Codes button and do the following:

   • In the Company field of the One-Step Settlement Codes window, choose the company, the tax schedule, and the tax settlement code that you want to use to settle your tax amount. You can define a generic settlement code by leaving the tax schedule field blank. If you leave the tax schedule field blank, the generic settlement code is used for all your tax schedules with one-step gross amount settlement method.

   For more information on the different ways that you can settle deals (one-step, two-step, and netted income amount) in Treasury, see: Defining Tax Schedules, page 2-116.

7. Save your work.

Rates, Curves, and Market Data Sets Setup

This section describes how to set up your current system rates, your market data curves, and your market data sets.

Current System Rates

Current system rates are the market rates that Treasury uses to validate each deal. Every time you enter a deal, Treasury compares the rates that you enter for the deal against the current system rates and verifies whether or not the deal rates falls within the company's deal rate, interest rate, and foreign exchange rate policies.

Current system rates are also used as the default rates when you perform revaluations, as the benchmark rates when you reset floating rate deals, and for calculating limit utilization.

Current system rates can be updated as frequently as you require and can be entered manually, or using an electronic rate feed.

The following rates are current system rates:

• **Spot rates**: Spot rates are used when you enter into an agreement to deliver some amount of one currency for another currency in two business days. There can be exceptions to this rule depending on the local market conventions and the currency combination. For example, the Canadian dollar, when traded against the US dollar,

settles in one business day.

> **Note:** Foreign exchange cross rates are automatically calculated for each currency combination using the spot rates you enter for currencies against the USD.

- **Forward rates**: Forward rates are used when you enter into an agreement to deliver some amount of one currency for another currency at a time in the future (a date more distant than the spot settlement date of 1 or 2 days). For example, if a company in the United Kingdom needs to purchase USD $1,000,000 in three months time, the company may enter into a forward contract to exchange GBP for USD at the 3-Month forward rate. The rate is calculated by taking the GBP/USD spot rate plus a premium or discount. Defining forward rates for authorized currencies is optional.

- **Volatilities:** A volatility is a measure by which an exchange rate or interest rate is expected to fluctuate or has fluctuated over a given period. Volatility figures are expressed as a percentage per annum.

- **Interest rates:** Interest rates are used in money market deals such as interest rate options, FRAs, and discounted securities. To enter deals in Treasury, you must set up at least one interest rate for each currency. However, for accounting purposes, it is recommended that you set up as many different interest rates as you can for each currency (for example, a 3 month rate, a 6 month rate, and a 1 year rate). The more interest rates you define the more accurate your revaluations and deal rate tolerance calculations will be. For more information on revaluations, see: Revaluations, page 9-15. For more information on deal rate tolerances, see: Deal Rate Tolerances, page 2-82.

- **Bond prices:** Bond prices are the current market prices for a bond. Bond prices are used to calculate the deal rate tolerance for bond deals, to revalue bond deals, and to calculate limit utilization for bonds.

- **Stock prices:** Stock prices are the current market prices for a stock. Stock prices are used to calculate the deal rate tolerance for stock deals and to revalue stock deals.

When you set up Treasury, you must set up the following rate information in the Current System Rates window:

- A reference code for each rate you are defining.

- A spot rate for each authorized currency against the USD.

- An interest rate for each authorized currency

Once you set up your current system rates, you can return to the Current System Rates window at any time to enter new rates or to modify existing rates.

Setting Up Current System Rate Data Feed Codes

Use the Data Feed Codes tabbed region of the Current System Rates window to define reference codes for each rate you are going to use.

If you use an electronic data feed to import rate information, you must define a reference code, a feed source, and an external reference code for each rate. The external reference codes and feed sources must match the data that is imported with the market data import file.

If you enter rates manually, you only need to define a reference code for each rate. If you want to track the source of your rate information, you can also enter a feed source.

To define a reference data code for a system rate

1. Navigate to the Current System Rates window.

2. Choose the Data Feed Codes tabbed region.

3. In the Reference Code field, enter a unique reference code to identify the rate, for example, *GBP Spot* or *USD 1M*. This code appears in the list of values of the Reference Code field in the Current Rates tabbed region.

4. In the Description field, enter a description for the rate. For example, a US dollar 1 month interest rate.

5. If you are using an electronic data feed to import the rate, or if you want to track the source of a manually entered rate, in the Feed Source field enter the name of the rate source.

6. If you are using an electronic data feed to import the rate, in the External Reference Code field enter the rate code from the external rate source.

7. Save your work.

Entering Current System Rates

Use the Current System Rates window to enter current system rates in Treasury. Treasury uses current system rates to determine if your deals comply with your company's deal rate tolerances and rate policies, and to calculate revaluations.

Current system rates are forward rates, interest rates, spot rates, volatilities, bond prices, or stock prices.

You can enter current system rates manually, using the Current System Rates window, or you can import rates into Treasury using an electronic data feed.

> **Note:** To use an electronic data feed to import rates, you can use the data exchange programs provided or you can create a script to import the rates from the feed source into the appropriate Treasury tables. For more information on the data exchange programs provided with Treasury, see: Data Exchange Programs, page 10-21.

When you set up your current system rates you must define a spot rate (against the USD) and at least one interest rate for each authorized currency. You can enter as many rates as you want, but other than the rates previously mentioned, all others are optional.

Prerequisite

- Set up reference codes for each rate in the Data Feed Codes tabbed region. For more information, see: Setting Up Current System Rate Data Feed Codes, page 2-122.

To enter a system rate

1. Navigate to the Current System Rates window.

2. Choose the Current Rates tab.

3. In Ref Code field, choose the reference code for the rate. The description of the rate automatically appears in the Ref Description field.

4. Define a period and term for the rate. For example, "1 Month" for a 1-month interest rate or "2 FX Spot" for a 2-day foreign exchange spot rate.

   - In the Period field, enter a period for the rate. If you are defining a bond price, leave the period field blank. If you are defining a spot rate, the default period is 2 because spot rates are generally quoted on a 2-day basis; however, you can change the value if you want.

   - In the Term Type field, select a term type for the rate. The term type you select determines the type of rate you are defining.

     The following table lists the rates you can define and the possible term types for each rate.

Rate	Term Type
Interest rate	Day, Month, or Year

Rate	Term Type
Volatility	Opt Vol(Days) or Opt Vol(Mths)
	Note: If you are defining an exchange rate volatility, you must define both the base and the contra currencies in the exchange. If you are defining an interest rate volatility, you only need to define the ledger currency.
Spot rate	FX Spot
	Note: The term for a spot rate is calculated in days. Therefore a period of 2 FX Spot is equivalent to 2 days.
Forward rate	FX Fwd(Days) or FX Fwd(Mths)
Stock Price	Stock Price
Bond Price	Bond Price

5. In the Ledger Currency field, select a currency for the rate. If you are entering an interest rate, interest rate volatility, bond price or stock price, this is the currency for the rate, volatility, bond price or stock price. If you are entering a spot or a forward rate, this is the ledger currency for the rate.

> **Note:** You must record one spot rate for each currency against the USD.

6. If you are entering a spot or forward rate, in the Contra Currency field, select a contra currency for the rate. If you are entering an interest rate, interest rate volatility, or bond price, leave this field blank.

7. In the Bid Price field, enter the bid price for the rate. The *bid price* holds the bond interest rate, currency rate, bond price, current stock price, or volatility.

8. In the Ask Price field, enter the ask price for the rate. The *ask price* holds the bond interest rate, currency rate, bond price, current stock price, or volatility.

> **Additional Information:** The difference between the bid price and the ask price for a currency combination is the price *spread*. The

spread depends on two things: the risk associated with each currency, and the liquidity of the currencies in the combination. If you want to change the price spread between two currencies, you can edit the ask price at any time.

9. In the Day Count Basis field, select the day count basis that you want to use for the interest rate. For more information on how each day count basis is calculated, see: Treasury Terms, page Glossary-1.

10. Save your work.

Defining Archive Parameters for Current System Rate

Use the Archive Parameters tabbed region of the Current System Rates window to define the frequency that you want to use to archive your current system rates. By default, rates are archived every time they are updated.

To archive rates

1. In the Archive Parameters tabbed region of the Current System Rates window, select the rate that you want to archive.

2. In the Archive Frequency fields, define an archive frequency for the rate.

3. Save your work.

4. If you want to view your archived rates, see: Viewing Current and Archived System Rates, page 8-16.

Market Data Curves

Use the Market Data Curves window to create a group of similar rates. For example, you can group all of your US dollar interest rates (1-Month, 3-Month, 6-Month, and 12-Month US rates) into a market data curve.

Treasury uses the rates in a market data curve to calculate interest rates for dates when no interest rate is quoted. These calculated rates are used to value deals.

In Treasury, you can define three type of market data curves:

• **Yield curves:** A yield curve defines a term structure of interest rates for a single currency.

• **Interest rate volatility curves:** An interest rate volatility curve defines a term structure of interest rate volatilities used in option pricing models.

- **Exchange rate volatility curves:** An exchange rate volatility curve defines a term structure of interest rate volatilities for foreign exchange option pricing models.

> **Important:** Oracle Treasury assumes that market curve forward spot rates entered into the system are zero coupon rates, not par rates.

These curve types can be grouped into market data sets. For more information on Market Data Sets, see: Market Data Sets, page 2-133.

Yield Curves

A *yield curve* defines a term structure of interest rates for a single currency. Examples of yield curves include LIBOR and US Treasury.

You can create a yield curve by defining the grid points in the curve and by specifying an interpolation method.

- *Grid points* are the points in time when an interest rate is known (for example, USD 1-Month).

- An *interpolation method* is the method by which rates are calculated for unknown dates (for example, cubic spline is an interpolation method).

The grid points and the interpolation method are used to calculate a set of interest rates for the dates when no interest rate is quoted. For example, if the yield curve contains a 1-Month and a 3-Month interest rate, Treasury uses an interpolation method to calculate the rates for any date that falls between those two known rates.

Treasury uses yield curves to:

- **Value a future cash flow:** If a deal has a future cash flow, Treasury needs a discount factor to calculate the present value of the cash flow. Treasury derives the discount factor from the yield curve and then calculates the present value of the cash flow.

  For example, if you want to know the present value of an term money deal, you must calculate the present value of all of the future cash flows in the deal by using a discount factor or an interest rate that corresponds to the value date of the cash flow.

  The total value of the term money deal is the sum of all of the present values of the future cash flows.

- **Calculate theoretical forward rates for deals with future interest reset:** Deals that have future interest reset such as Interest Rate Swap, FRA, or Interest Rate Option deals.

  For example, in an Interest Rate Swap deal that swaps a fixed to a floating interest

rate, the floating interest rate is tied to an index rate such as the Libor USD 3M rate. To correctly revalue this deal, you must calculate the forward rates for the future coupon dates. You can use the yield curve to derive these forward rates.

- **Calculate the forward exchange rate:** The forward exchange rate is the exchange rate between two currencies for a specified future date. The forward exchange rate is calculated using the spot exchange rates and the interest rates for the currencies involved. The interest rates are derived from the yield curve for the currencies.

Each market rate has a Bid and Ask value. In general, the yield curve has a Bid/Ask structure too. When you use the curve, you can use either the Bid or the Ask value depending on what action you are performing. For example, when you value deals using yield curves, you can use the Bid side of the curve for the long position (when you are investing or selling currency), and the Ask side of the curve for the short position (when you are borrowing or buying currency). In some cases, however, you might want to refer to a particular side of the curve. For example, for an Interest Rate Swap deal with floating interest, you may want to value your position based on a Mid rate rather than a Bid/Ask rate. Treasury enables you to set the side that you want to use for the market data curve.

Example - Choosing Data Sides for a Yield Curve

The following table illustrates how choosing the data side can affect a yield curve. This example uses the London Interbank Rate with a Bid rate of 6.47 and an Ask rate of 6.59. Four different yield curves are shown. Note how the rates differ for each curve.

Rate/Curves	Rate or Curve Type	Data Side	Bid Rate	Ask Rate
Market Rate	London Interbank Rate	N/A	6.47 (LIBID)	6.59 (LIBOR)
Yield Curves	LIB/London Interbank	Bid/Ask	6.47 (LIBID)	6.59 (LIBOR)
N/A	LIBOR/London Interbank Offer Rates	Ask	6.59 (LIBOR)	6.59 (LIBOR)
N/A	LIBID/London Interbank Bid Rates	Bid	6.47 (LIBID)	6.47 (LIBID)

Rate/Curves	Rate or Curve Type	Data Side	Bid Rate	Ask Rate
N/A	LIMEAN/London Interbank Mean Rates	Mid	6.53 (LIBOR + LIBID)/2	6.53 (LIBOR + LIBID)/2

You may want to use different curves to revalue your deals. For example, if you are valuing your portfolio for risk management purposes, you might use a LIBOR yield curve. If you are valuing your portfolio for accounting purposes, you might use a US Treasury curve.

To define a yield curve in Treasury, you must define the following:

- **Curve code.** The code used to identify the curve. For example, LIBOR-USD or US Treasury.

- **Curve type:** The type of curve. For example, Yield, Exchange Rate Volatility, or Interest Rate Volatility.

- **Currency.** The currency of the curve. For example USD or GBP.

- **Market data side.** The type of rates used in the curve. For example, BID/ASK, BID, or ASK.

- **Interpolation method.** The method used to calculate unknown grid points. The following interpolation methods are:

  Cubic Spline: uses polynomial functions to model a yield curve. This is the default interpolation method for yield curves.

  Exponential: uses two known points on a yield curve, which are then converted to points on a discount factor curve. The discount factor is used for exponential interpolation.

  Linear: uses a straight line between two points of a yield curve to estimate a rate between those points. This is the default interpolation method for volatility curves.

  The following graph shows the difference between a curve that uses linear or cubic spline interpolation methods.
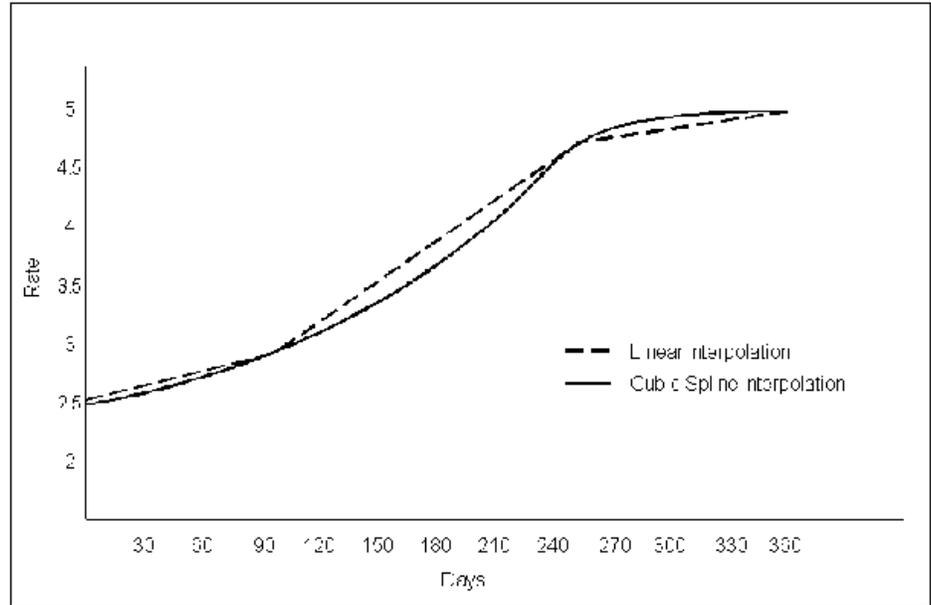
- **Grid points.** The known rates that you want to use for the curve. For example, if you are defining a USD curve, you may want to use the USD 1M, 3M, and 6M interest rates as grid points.

Once you define the curve, you can value or revalue your deals. The Bid rate is used for long positions. The Ask rate is used for short positions. If you want to use a Mid rate you must define a Mid curve.

If you are valuing a deal for a historical date, then you must work with rates that were valid for that date. In this case, a historical yield curve is calculated using the latest rate for the date you are valuing the deal. For example, if no rate exists for the date, then Treasury uses the most recent rate prior to that date. For example, if you are revaluing a deal for a historical date of January 15 and you archived 5 USD interest rates on that date, the first rate at 9 AM and the fifth rate at 5 PM, then Treasury would use the USD interest rate that was archived at 5 PM to perform revaluations. Alternately if you did not archive a rate on January 15, Treasury would use the last rate archived before that date (for example, a rate that was archived on January 14). Note that the frequency with which rates are archived depends on the archive parameters you set up for your current system rates. For more information, see: Current System Rates, page 8-13.

Interest Rate and Exchange Rate Volatility Curves

In Treasury, you can define two different types of volatility curves: an interest rate volatility curve or an exchange rate volatility curve.

An *interest rate volatility curve* defines a term structure of interest rate volatilities for option pricing models. The interest rate volatilities in the curve must all be for a single currency and can be entered for different periods.

An *exchange rate volatility curve* defines a term structure of exchange rate volatilities for foreign exchange options. The exchange rate volatilities in the curve must all be for the same currency combinations and can be entered for different periods.

Volatility curves are created using the same method used to create yield curves.

When you value a deal using volatility curves, you can use either *volatilities by maturity* or *flat volatilities*. When you value a deal using volatilities by maturity, you must predefine a curve that has many grid points. Treasury chooses a volatility from the curve and calculates the rate for the unknown date from the chosen curve. When you value a deal using flat volatilities, you must predefine a curve with only one grid point. Treasury uses the curve to generate the same volatility for any date.

Bid volatility rates are used for option sell deals and Ask volatility rates are used for option buy deals.

Defining Market Data Curves

Use the Market Data Curves window to define the market data curves that you want to use to value your deals. You can use this window to define yield curves, interest rate volatility curves, and exchange rate volatility curves.

Prerequisite

- Define one rate for the currency and curve type you are defining. For more information, see: Entering Current System Rates, page 2-122.

To define a market data curve, do the following

1. Navigate to Market Data Curves. The Market Data Curves window appears.

2. In the Curve Code field, enter a curve code for the curve you want to define.

3. In the Description field, enter a description of the curve you want to define.

4. In the Type field, select the curve type you want to define. You can choose Yield, Interest Rate Volatility, or Exchange Rate Volatility. If you choose Exchange Rate Volatility, the Contra Currency field will appear.

5. In the Market Data Side field, choose the side that you want to use to calculate the curve rates. You can choose Bid/Ask, Bid, Ask, or Mid.

6. In the Default Interpolation field, choose the default interpolation method that you want to use to calculate any missing rates.

    If you are defining a *yield curve*, you can choose Linear, Exponential, or Cubic Spline.

    If you are defining a *volatility curve*, you can choose Linear or Cubic Spline.

7. In the Currency field, choose the currency for the curve.

8. If you are defining an Exchange Rate Volatility curve, in the Contra field choose the contra currency for the curve.

9. Enable the Authorized check box if you want the curve to be available for use.

10. If you want to define each rate in the curve separately, in the Rate Code field, choose a rate code. The Rate Description, Period, and Term Type fields are automatically populated based on the rate code. The rate codes are defined in the Current System Rates window.

11. If you want to automatically populate the Market Data Curve window with all of the rates for the chosen currencies and rate type, choose the Auto Populate button. All of the valid rates for the curve appear. Remove any records for rates that you do not want to use in the curve.

    If you are defining a yield curve, only rates with the term of Days, Months, or Years will be populated. If you are defining a volatility curve, only rates with the term of Opt Vol (Days), or Opt Vol (Months) will be populated.

12. Save your work.

Assigning Curves to Market Data Sets

Once you define a curve and a market data set, you can assign a curve to a market data set from the Market Data Curve window. For information on defining market data sets, see: Market Data Set, page 2-133.

Prerequisites

- Define a market data curve. See: Market Data Curves, page 2-125.

- Define a market data set. See: Market Data Sets, page 2-133.

To assign market data curves to market data sets, do the following

1. Navigate to Market Data Curves. The Market Data Curves window appears.

2. Query the market data curve that you want to assign to a market data set.

3. Choose the curve, then choose the Assign button. The Assign Curve to Market Data Set window appears. The Curve field is automatically populated.

4. In the Market Data Set field, choose the market data set you want to assign the curve to and choose either the Assign button or the Assign and Open button. If you choose the Assign and Open button, the Market Data Set window appears and you

can view the details of the market data set that you are assigning the curve to.

5. Save your work.

Copying Curves

Once you define a curve for one currency, you can copy the structure of that curve to create other curves. Copying curves is particularly useful if you want to set up the same type of curve for several different currencies. Treasury will automatically try to populate the curve with the same grid points as the original curve. When you copy curves you must create a new curve with the copy, you cannot copy a curve to modify an existing curve.

For example, if have a USD yield curve that contains the USD 1M, 3M, and 6M interest rates as its grid points, you can copy that curve and change the currency to GBP. Treasury will automatically try to populate the curve with the GBP 1M, 3M, and 6M interest rates.

Prerequisite

• Define a market data curve. See: Market Data Curves, page 2-125.

To copy market data curves, do the following

1. Navigate to Market Data Curves. The Market Data Curves window appears.

2. Query the market data curve that you want to copy.

3. Choose the Copy button. The Copy Curve window appears, with the chosen curve in the From Curve field.

4. In the To Curve field, enter a curve code for the new curve that you want to create with the copy.

5. In the Currency field, choose the currency for the new curve.

6. Choose the Copy button to copy the curve and save your work.

Viewing Market Data Curves

Use the Show Market Data Curves window to view the discount factors and raw rates for a market data curve. You can also use this window to view the rates in a market data curve for different day count bases.

To view market data curves, do the following

1. Navigate to Market Data Curves and query a curve.

2. Choose the Show button. The Show Market Data Curves window appears.

3. In the Show field, choose the type of rate that you want to view. You can choose one of the following:

    *   **Raw Rates:** The rates as they appear in the Current System Rates window.

    *   **Discount Factors:** The discount factors that correspond to the yield curve rates.

        You can also choose to view the curve rates converted to the following day count bases: Actual/360, Actual/365, 30/360, Modified 30/360, Actual/Actual, Actual/365L, Modified+ 30/360. For more information on day count bases, see: Treasury Terminology, page Glossary-1.

4. Close the window.

Market Data Sets

Market data sets enable you to group your market data curves (yield curves, interest rate volatility curves, and exchange rate volatility curves), so you can apply them as a set when you revalue deals. For example, you can group all of your LIBOR curves for different currencies into a single market data set, or you can group curves of different currencies into a set to revalue a specific deal type, such as Cap or Floor deals.

When you define a market data set you can also flexibly define which side of the market (Bid/Ask, Bid, Ask, or Mid) and which interpolation method you want to use for the curves when you use them as part of a market data set. For example, if you group all of your yield curves into a market data set, but each curve in the set uses a different side or interpolation method, you can choose a single market data side and interpolation method for each type of curve (yield curve, interest rate curve, and exchange rate curve) in the set.

Once you define your market data sets, you can set up the default market data set that you want to use to revalue each deal type and product type combination. For more information on setting up default market data sets for deal revaluation, see: Deal Type/Product Types, page 2-78.

Defining Market Data Sets

Use the Market Data Sets window to assign a group of yield curves, interest rate volatility curves, and exchange rate volatility curves to a market data set.

Market data sets enable you to flexibly define which side of the market (Bid/Ask, Bid,

Ask, or Mid) should be used to price or revalue a deal with a particular market data set.

Prerequisite

- Define at least one market data curve. For more information, see: Defining Market Data Curves, page 2-130.

To define a market data set, do the following

1. Navigate to the Market Data Sets window.

2. In the Set Code field, enter a code for the market data set.

3. In the Description field, enter a description for the market data set.

4. Enable the Authorized check box if you want to authorize the market data set for use.

5. In the [ ] Descriptive flexfield, enter flexfield information as required.

6. To add market data curves to the market data set, in the Curve field of a blank row in the Yield Curves, Exchange Rate Volatility Curves, or Interest Rate Volatility Curves tabbed regions, choose a market data curve that you want to add to the market data set.

   > **Note:** If you want to add a curve to a market data set that already is defined in the system, you can add the curve directly from the Market Data Curves window. For more information, see: Defining Market Data Curves, page 2-130.

7. If you are going to value Foreign Exchange, Bond, or Equity deals using the market data set, in the Other Market Data tabbed region, do the following:

   - If you are going to value Foreign Exchange deals, in the FX Spot field, choose the default side you want to use to value the deals. You can choose Bid/Ask, Bid, Ask, or Mid. The default value is Mid.

   - If you are going to value Bond deals, in the Bond Price field, choose the default side you want to use to value the bond price. You can choose Bid/Ask, Bid, Ask, or Mid. The default value is Mid.

   - If you are going to value Equity deals, in the Stock Price field, choose the default side you want to use to value the stock price. You can choose Bid/Ask, Bid, Ask, or Mid. The default value is Mid.

8. To set the market data side or interpolation method for each curve type in the

market data set, do the following:

- Choose the Set Parameters button on the Yield Curve, Interest Rate Volatility Curve, or Exchange Rate Volatility Curve tabbed region. The Set Parameters window appears.

  > **Note:** The list of parameters that appears depends on which tabbed region you activated the Set Parameters window from.

- In the Market Data Side field, choose the side that you want to use for the curve type. You can choose from the following values: Curve Default, Bid/Ask, Bid, Ask, or Mid.

- In the Interpolation Method field, choose the interpolation method that you want to use for the curve type. The choice of interpolation methods depends on which curve type you are defining the parameters for.

9. Choose the OK button to save the parameters or Cancel to close the window without saving. You return to the Market Data Sets window.

10. If you want to view the details for a curve in the market data set, choose the curve, then choose the Curve Details button. The Market Data Curve window appears, populated with the details for the chosen curve.

11. Save your work.

3

Foreign Exchange Deals

This chapter covers the following topics:

- Foreign Exchange
- Spot and Forwards
- Foreign Exchange Options
- Rollovers and Predeliveries

Foreign Exchange

This section explains how to enter foreign exchange deals, including spot and forward deals. It also describes how to roll over or predeliver your foreign exchange deals.

You must authorize the individual currencies, and then authorize the specific currency combinations that you want to exchange before you can enter a foreign exchange deal. For more information see: Currency Details, page 2-84.

Spot and Forwards

Use the Foreign Exchange Spots/Forwards window to enter spot trades or your forward foreign exchange deals. You can enter several different types of spot or forward deals:

- **Standard**: A foreign exchange deal between your company and a counterparty.

- **Swap:** A foreign exchange swap.

- **Contra company:** A foreign exchange deal between your company and another company.

- **Subsidiary:** Multiple foreign exchange deals between your company and its subsidiaries.

You can also use the Quick Deals window to quickly enter several spot and forward

deals at the same time. See: Quick Deals, page 6-1.

Entering Standard Spot or Forward Deals

Create standard spot or forward deals to track foreign currency deals between your company and a counterparty.

To create a standard spot or forward deal

1. Navigate to the Foreign Exchange Spot/Forwards window.

2. In the Dealer field, choose the foreign exchange dealer.

3. In the Company field, choose the company for the deal.

4. In the Counterparty field, choose the other party for the deal.

   If you want to create a *contra company deal*, choose a company from the list of values.

   If you want to create a *standard spot or forward deal* or a *swap deal*, choose a counterparty from the list of values.

5. If you are making the deal on behalf of a client, in the Client field, choose the client.

6. In the Portfolio field, choose a portfolio for the deal.

7. In the Limit field, choose a limit that you want to apply to the deal.

8. In the [ ] field, enter the descriptive flexfield information as required. For information on descriptive flexfields, see: *Oracle E-Business Suite Flexfields Guide*.

9. In the Deal Subtype and Product Type fields of the Main Details tabbed region, select a deal subtype and product type for the deal.

10. In the Value Date field, enter the date on which the exchange of currencies is to take place.

11. In the Buy Currency field, choose the currency being bought. In the Buy Amount field, enter the amount of currency being bought.

12. In the Sell Currency field, choose the currency being sold. In the Sell Amount field, enter the amount of currency being sold.

13. The current system rate for the currency pair entered in the Buy Currency field and Sell Currency field defaults into the Reference Spot Rate field. You can override this rate.

14. If you are entering a *forward deal*, in the Forward Points field, enter the forward points for the deal. Forward points are the premium or discount from the current

spot exchange rate and are calculated based on the difference between the reference spot rate and transaction rate.

15. In the Transaction Rate field, enter the spot or forward rate for the deal.

> **Note:** If you enter any two values for the calculation (reference spot rate, forward points, or transaction rate), the system calculates the third rate.

16. In the Additional Details tabbed region complete the following fields as required.

    - Company Buy Account: Choose the company account that you are using for the buy currency.

    - Company Sell Account: Choose the company account that you are using for the sell currency.

    - Pricing Model: Choose the pricing model that you want to use to value the deal. The pricing model chosen overrides the default pricing model for the deal type, subtype, and product type combination.

17. For information about other foreign exchange or money market deals that are related to your foreign exchange spot or forward deal, see the Related Deals tabbed region.

18. If you used a broker for your foreign exchange spot or forward deal, complete the fields in the Brokerage tabbed region.

19. Save your work.

20. To view a list of your foreign exchange quick input deals, choose the Review Quick Inputs button. For more information on foreign exchange spot or forward deals using the Quick Deals window, see: Quick Deals, page 6-1.

Entering Spot or Forward Swap Deals

Use the Swap Deal window to enter foreign exchange swap deals.

When you swap your spot or forward deals, you enter the first leg of the deal completely using the steps described in Entering Standard Spot or Forward Deals (see: Entering Standard Spot or Forward Deals, page 3-2).

After you enter the first leg of the deal, but before you save the deal, choose the Create Swap button to enter the second leg of the deal. Some information for the second leg of the deal is automatically populated based on the deal information you entered previously. Use the Swap Deal window to edit the details for the second leg of the deal as needed.

To enter a spot or forward swap

1. Enter the first leg of the swap deal using the steps described in Entering Standard Spot or Forward Deals. See: Entering Standard Spot or Forward Deals, page 3-2.

2. To create the second leg of the swap deal, choose the Create Swap button. The Swap Deal window appears. The following fields are automatically populated based on the information entered for the first leg of the deal: Deal Subtype, Value Date, Buy, Buy or Sell Amount, Sell, Buy Acct Num, Sell Acct Num, Reference Spot Rate, Counterparty Account, and Pricing Model.

3. In the Facility Limit field, select a limit for the deal.

4. In the Sell or Buy Amount field, enter the amount of currency sold or bought or enter the rate to automatically calculate the missing amount.

5. If the second leg of the swap is of subtype Forward, enter the forward points for the swap in the Forward Points field.

6. In the Transaction Rate field, enter the rate for the second leg of the swap deal.

   Note: If you enter any two values for the calculation (reference spot rate, forward points, or transaction rate), the system calculates the third rate.

7. In the Internal Comments field, enter comments about the deal as needed.

8. Choose the Done button to close the Swap Deal window.

9. Save your work.

Entering Spot or Forward Contra Company Deals

Use the Contra Company Deal window to enter into a spot or forward deal with another company. When a Contra Company Deal is created, both companies involved in the transaction will be able to post this deal in their respective ledgers.

To enter a spot or forward contra company deal

1. Enter the deal details using the steps described in Entering Standard Spot or Forward Deals. See: Entering Standard Spot or Forward Deals, page 3-2.

2. To enter the contra company details for the deal by choosing the Create Contra Company button. The Contra Company Deal window appears. The following fields are automatically populated based on the information previously entered: Dealer,

Buy Currency, Sell Currency, Buy Account, Sell Account, and Pricing Model.

3. In the Portfolio field, choose a portfolio for the deal.

4. In the Sell Acct Num field, choose the contra company account from which you are selling currency.

5. In the Facility Limit field, choose a limit for the deal.

6. In the Comments field, enter comments about the deal as needed.

7. Choose the Done button to save your work.

Entering Spot or Forward Subsidiary Deals

Use the Multiple Subsidiary Deals window to enter multiple spot or forward deals between your company and its subsidiaries when you conduct an open market transaction on behalf of your subsidiaries.

To enter multiple spot or forward subsidiary deals

1. Enter the deal details using the steps described in Entering Standard Spot or Forward Deals. See: Entering Standard Spot or Forward Deals, page 3-2.

2. To create multiple subsidiary deals, choose the Create Subsidiary button. The Multiple Subsidiary Deals window appears.

3. In the Party field of a blank row, select the subsidiary with whom you are entering into the deal. The default buy and sell currencies for that subsidiary automatically appear in the Buy and Sell fields.

4. In the Buy Amount or the Sell Amount fields, enter either the buy amount or the sell amount for the deal.

5. Enter the rate for the deal. The amount that you did not enter earlier is automatically calculated and populated in the appropriate Amount field.

6. In the Limit field, choose a limit for the deal.

7. Repeat steps 3 through 6 for each deal you want to enter.

8. Choose the Done button to save the deals.

Importing Spot or Forward Deals

If you need to enter spot or forward deals frequently and the deal details are available in an electronic source such as a bank file or a third party application, you can use the

XTR_DEALS_INTERFACE table and the Deal Interface Summary window to import the deal details into Treasury. For more information, see: Importing Deals into Treasury, page 6-17.

Viewing Spot or Forward Deal Details

Use the View Spots/Forwards window to view the details for a single spot or forward deal.

To view details of a spot or forward deal

1. In the View Foreign Exchange Spot/Forwards window, query a deal that you want to view.

2. To view the history of the selected deal, choose the Contract History button.

Foreign Exchange Options

Use the Foreign Exchange Options window to enter various types of foreign exchange options including put or call options, American or European style options, and knock in or knock out options.

Knock in options do *not* have value until the spot rate hits a pre-set value. *Knock out* options have value until the spot rate hits a pre-set knock out level. The value of the knock depends on whether the option is a put or a call.

Use this window to track information about your options, including the break-even rate, which is automatically calculated for every option, and the date that you exercise an option.

When you exercise a foreign exchange option, you automatically create a foreign exchange deal.

To revalue a foreign exchange option, you must have either exercised an option, changed the option status to Expired, or the option must have value if it is a knock in or knock out option.

Entering Foreign Exchange Options

Use the Foreign Exchange Options window to enter foreign exchange option deals.

To enter a foreign exchange option

1. In the Dealer field of the Foreign Exchange Options window, select the dealer who is managing the option.

2. In the Company field, choose the company for the deal.

3. In the Counterparty field, choose the party for the deal.

4. If you are entering into the option on behalf of a client, in the Client field choose the client.

5. In the Portfolio field, choose a portfolio for the option.

6. In the Limit field, choose a limit to apply to the option.

7. In the [ ] field, enter the descriptive flexfield information as required. For information on descriptive flexfields, see: *Oracle E-Business Suite Flexfields Guide*.

8. In the Deal Subtype and Product Type fields of the Main Details tabbed region, select a deal subtype and product type for the option.

9. In the Foreign Currency field, select the currency being optioned.

10. In the Option Type field, select the type of option being entered. Select *Put* if you want the option to sell a currency at a specified rate. Select *Call* if you want the option to buy a currency at a specified rate.

11. In the Domestic Currency field, choose the contra currency for the option. The Buy Currency and Sell Currency fields are automatically populated based on the default currencies for the selected company.

12. In the Strike Rate field, enter the rate at which you can buy or sell the currency being optioned.

13. If the deal is an American-style option, in the Start Date field enter a start date. Leave the field blank if the deal is a European-style option. If you enter a start date for the option, the Option Style field automatically changes to American. If you leave the field blank, the Option Style field stays as European.

14. In the Expiration Date field, enter an expiration date for the option.

15. In the Buy Amount and the Sell Amount fields, enter the amount of currency being optioned, and the amount being sold.

16. Enter information about the option premium in the Premium Details tabbed region. This region contains the following fields.

    • Action: The action field is automatically populated with the Deal action based on the deal subtype and product type selected.

    • Currency: Enter the currency of the premium.

    • Date: Enter the date on which the premium was paid. The default date is the current system date.

- Amount: Enter the amount of the premium.

- Company Account: Choose the company account used to pay the premium. The default value is the company's default bank account for the premium currency.

- Counterparty Account: Choose the counterparty account the premium was paid to.

17. Complete the fields in the Additional Details tabbed region as needed.

18. To create a knock in or knock out option, in the Knock In/Knock Out tabbed region, do the following:

- In the Knock Type region, choose the Knock In or Knock out option.

- In the Level field, enter the amount at which you want to activate the knock in or knock out option.

> **Note:** When you set the level for the knock, note that the level you set will depend on the Option Type you selected in the Foreign Currency field and whether the option is a put or a call.
>
> To exercise a foreign exchange knock in or knock out option, see: Exercising a Knock In or Knock Out Foreign Exchange Option, page 3-8.

19. Save your work.

Exercising a Knock In or Knock Out Foreign Exchange Option

You can exercise a foreign exchange option that is a knock in or a knock out option if the option has value.

To exercise a knock in or knock out foreign exchange option

1. Query the option that you want to exercise.

2. Choose the Execute Knock In/Out button. The Enter Knock Date window appears.

3. In the Knock Execute Date field, enter the date that you want to exercise the option. The execute date must be between the deal date and the option expiration date.

4. Choose the Save button. A decision window appears.

5. Confirm that you want to exercise the option by choosing the OK button.

When you confirm the knock the date is populated in the Knock Execute Date field in the Knock In/Knock Out tabbed region and the Execute Knock In/Out button is disabled.

Viewing a Summary of Foreign Exchange Options

Use the Transaction Summary window to view a summary of your foreign exchange options.

To view a summary of foreign exchange options

- In the Foreign Exchange Options window choose the Summary button. The Transaction Summary window appears. All of your foreign exchange options are listed.

Viewing Foreign Exchange Options

Use the View Foreign Exchange Options window to view the details for a single foreign exchange option or a summary of your foreign exchange options.

To view the details of a foreign exchange option

1. In the View Foreign Exchange Options window, query the option you want to view. The option details appear in the window.

2. If you want to view a summary of all of your foreign exchange options, choose the Summary button. The View Transaction Summary window appears. All of your foreign exchange options are listed.

Rollovers and Predeliveries

When a foreign exchange deal reaches maturity, you can roll it over into another foreign exchange deal or you can take a cash settlement.

You can also pre-deliver a foreign exchange deal before it reaches maturity. Use the Foreign Exchange Rollover/Predelivery window to view the before and after details of any deal you roll over or predeliver.

Rolling Over or Predelivering Foreign Exchange Deals

Use the Foreign Exchange Rollover/Predelivery window to roll over or predeliver one or more foreign exchange deals at a time.

To roll over or predeliver a foreign exchange deal

1. In the Find Deals window, if you want to roll over or predeliver a single deal, select the Single Deal option. If you want to roll over or predeliver multiple deals, choose the Multiple Deals option.

2. Complete the fields in the Find Deals window as needed to find the deal you want to roll over or predeliver. Choose the Find button. The Foreign Exchange Rollover/Predelivery window appears.

3. To roll over deals, select the deals that you want to roll over and choose the Rollover button.

   To predeliver one or more deals, select the deals you want to predeliver and choose the Predeliver button.

   The Rollover/Predelivery Details window appears. The fields in the window are automatically populated based on deals selected.

   > **Note:** If you roll over multiple deals into a single deal, you cannot view a history for the resulting rollover deal.

4. In the Limit field, choose a limit for the deal.

5. To link this deal to another deal, in the Link Code field select a link code.

6. To enter comments about the roll over, complete the Internal Comments and External Comments fields.

7. Insert your cursor in the Deal Date field. The current system date appears in the field.

8. Insert your cursor in the Deal Number field. The details for the deals you selected automatically appear.

9. In the Trans Rate field, enter the new rate for the rolled over or predelivered deal. The sell amount for the new deal is automatically calculated and entered in the Sell Amount field.

10. Save your work.

Viewing the Rollover History of Foreign Exchange Deals

Use the View Foreign Exchange Rollovers/Predeliveries window to view the history of your rolled over foreign exchange deals. You cannot view the history for multiple deals that are rolled into a single deal.

To view the rollover history of a deal

- In the Find Deals window, complete the fields as needed and choose the Find button. The View Foreign Exchange Rollovers/Predeliveries window appears.

    Note: If you rolled over multiple deals into one deal, you cannot view the rollover history for the resulting deal.

4

Money Market Deals

This chapter covers the following topics:

- Money Market Deals
- Short Term Money
- Common Details for Short Term Money Deals
- Transaction Details for Short Term Money Deals
- Intercompany Funding
- Wholesale Term Money
- Retail Term Money
- Negotiable Securities
- Discounted Securities
- Fixed Income Securities
- Derivatives
- Forward Rate Agreements
- Interest Rate Swaps
- Options
- Bond Options
- Interest Rate Options
- Interest Rate Swaptions

Money Market Deals

This section explains how to enter money market deals, including:

- Short Term Money

- Retail Term Money

- Wholesale Term Money

- Intercompany Funding

- Negotiable Securities

- Derivatives

These deal types are the basic building blocks for any treasury deal. You can use each deal type as is, or you can combine several deal types to create a more complex deal.

Short Term Money

This section describes the deals that you perform when you borrow or invest funds on a short-term basis.

Short term money, also referred to as *call cash*, is money that is either loaned or borrowed for a very short period of time, such as short term funding, straight loan, money market, and overnight cash. For short term money deals, a party to the deal can request payment with same day, one day, or two days notice.

Each time you renegotiate or rollover a deal, you can repay all or part of the principal, increase the principal, or reset the interest rate and term. You can also choose to settle or compound the interest.

Each short term money deal can consist of one or more transactions. The window contains two main regions:

- The Common Deal Details region of the window contains general information that identifies the deal.

- The Current Transactions for Above Cparty and the Trans History for Above Cparty tabbed regions list individual transactions associated with the deal that you identify in the Common Deal Details area of the window.

See the following topics to define and manage your short term money deals.

- Common Deal Details for Short Term Money Deals, page 4-3

- Transaction Details for Short Term Money Deals, page 4-3

  - Entering Short Term Money Deals, page 4-4

  - Entering Short Term Money Quick Deals, page 4-6

  - Completing the Details for Short Term Money Quick Deals, page 4-6

- Consolidating Transactions in Short Term Money Deals, page 4-7

- Renegotiating Short Term Money Deals, page 4-7

- Viewing Short Term Money Deals, page 4-9

Common Details for Short Term Money Deals

Before you can work with a short term money deal, you must identify or enter the common deal information in the Common Deal Details region of the window. To identify predefined short term money deals, query the combination of deal subtype, company, counterparty, portfolio, client, year basis, and currency for a deal. If you query a specific combination and find it does not exist, you can enter that combination in the Common Deal Details region and continue to work with the deal.

Identifying or Entering Common Deal Details for Short Term Money Deals

Use the Short Term Money window to identify or enter the common deal details for a short term money deal.

To identify or add short term money deals

1. In the Common Deal Details region of the Short Term Money window either query the short term money deal or complete the fields as required.

   Any deals that match either your query criteria or the fields you completed, appear in the Current Transactions for Above and Trans History for Above Cparty tabbed regions of the window.

2. If no pre-existing deal matches the fields you entered, then a short term money deal with that criteria does not exist. To create a short term money deal with the specified criteria, save your work.

   Once you query or add the common deal details you can enter the details for your short-term money deals. See: Transaction Details for Short Term Money Deals, page 4-3.

Transaction Details for Short Term Money Deals

After you query or save the common deal details for a short term money deal, you can work with the transactions that comprise the deal. You can enter the transaction details for short term money deals using the Short Term Money window or the Quick Deals window.

Entering Short Term Money Deal Transactions

Use the Short Term Money window to enter the transaction details for your short term money deals.

For short term money (ONC), you can calculate flat tax on the interest amount (INS_F), annual tax on the principal amount (PRN_A), and flat tax on the principal amount (PRN_F).

Prerequisite

• Identify or add general deal information. See: Common Details for Short Term Money Deals, page 4-3.

To enter a short term money deal transaction

1. Navigate to the Short Term Money window.

2. In the Common Deal Details region, choose the deal that you want to enter a transaction for, then choose the Transactions button. The Transaction Details window appears. The Dealer field is automatically populated based on the application user login. The Deal Status field is CURRENT for new deals, and the Deal Date field is populated with the current system date.

3. Tab through the Deal Subtype, Company, Counterparty, Client, Currency, Day Count Basis, and Portfolio fields. The data from the Common Deal Details region of the Short Term Money window appears.

4. Choose the Main Details tabbed region.

5. In the Security Type field, choose the security type for the short term money deal. The possible security types are Secured or Unsecured.

6. In the Product Type field, choose a product type for the deal.

7. In the Settlement Date field, enter a settlement date for the deal.

8. If the transaction has a pre-set maturity date, in the Maturity Date field, enter the maturity date. The Days field displays the number of days between the settlement date and the maturity date.

9. If you want to link the transaction to another transaction or group of transactions, in the Link Code field choose a link code. For more information on Link Codes, see: Deal Linking Codes, page 6-10.

10. In the Principal Amt field, enter the principal amount for the transaction.

11. If you want to apply a limit to the transaction, in the Limit field choose a limit.

12. Choose the Interest Details tabbed region and complete the following fields as necessary:

- **Interest Rate:** Enter the interest rate that applies to the transaction.

  > **Note:** The interest rate field is mandatory. Once you save the short term money transaction details, you cannot change the deal interest rate unless the deal interest rate is zero. Therefore, if you do not know the deal interest rate at the time of deal entry, enter an interest rate of zero. Then, when you find out the interest rate, you can re-query your transaction, enter the interest rate and re-save.

- **Interest Amount:** If you want to override the system calculated interest amount, enter a new interest amount. You can only add an interest amount if a Maturity Date is specified for the deal. Maturity Dates are specified in the Main Details tabbed region.

  > **Note:** You can only override interest amounts if you have the appropriate user access levels. See: User Access Levels, page 2-34.

- **System Interest:** The total accrued interest for the transaction as calculated by the system.

- **Interest Rounding:** The interest rounding method. The possible choices are: Nearest, Round Up, or Round Down.

- **Interest Includes:** The values that you want to include in your interest calculations. The possible choices are: First Day, Last Day, or Both Days.

  > **Note:** The Interest Rounding and Interest Includes fields display the information that you entered in the Common Deal Details region and cannot be changed.

- **Prepaid Interest check box:** Enable this option if you intend to settle the interest on this deal on the deal start date. You can only enable this option if a Maturity Date is specified for the deal.

- **Interest Due On:** (Display only) This field displays the date interest is due to be settled. If you enable the Prepaid Interest option, the field displays the deal start date. Otherwise it displays the deal maturity date.

- **Prepaid Interest Refund:** (Display only) If you enable the Prepaid Interest option and later renegotiate the deal, this field displays a refund due on the renegotiated prepaid interest deal prior to maturity and after interest was paid.

13. Choose the Additional Details tabbed region and complete the fields as needed.

14. In the Brokerage/Tax tabbed region, complete the fields as needed.

15. Save your work.

16. To add another transaction for this deal, choose the New Transaction button.

Entering Short Term Money Quick Deals

You can also use the Quick Deals window to enter short term money deals. Using this window you can enter the most important information when you make the deal and then return to the quick input deal and complete the deal details when you have more time.

You must complete the deal details before you can view your short term money quick deals in the View Short Term Money or View Deals windows.

Prerequisite

- Identify or add general deal information. See: Common Details for Short Term Money Deals, page 4-3.

To enter a short term money deal quickly

1. In the Common Deal Details region of the Short Term Money window, query or enter the common deal details for the deal that you want to enter quick transactions for. Then, choose the Quick Input button. The Quick Deals window appears.

2. Enter the deal details. For information on how to enter quick deal details, see: Quick Deals, page 6-1.

Completing Short Term Money Quick Deals

You must complete the details for a short term money deal to view your short term money quick deals in the Transaction Details window.

To complete a short term money quick deal

1. In the Common Deal Details region of the Short Term Money window, query the common deal details for the deal that you want to complete. Then, choose the Quick Input button. The Quick Deals window appears.

2. Select the deal transaction that you want to complete and choose the Complete Details button. The Transaction Details window appears, displaying the information that you already entered on the Quick Deals window.

3. To complete the remaining fields, see: Entering Short Term Money Deals, page 4-4.

Consolidating Transactions in Short Term Money Deals

You can consolidate short term money transactions with similar details. Consolidating transactions minimizes the need to repeat the same actions. For example, if a deal contains three separate deposits with the same counterparty, you can combine them into a single deposit to avoid renegotiating the transactions separately.

To consolidate short term money transactions

1. In the Short Term Money window, query the common deal details of the transactions that you want to consolidate.

2. Choose the Consolidate button. The Renegotiation Criteria window appears.

3. In the Criteria For Reneg Repay region, define the criteria you want to use to select the transactions to renegotiate by entering or changing information.

4. In the Default Details For New Renegs region, enter the default values for the consolidated transaction.

5. Use the following buttons, as needed, to consolidate your transactions:

   • Open Transactions. The Open Transactions for All Counterparties window appears. This window lists all of the open short term money transactions that have not yet been consolidated and groups the transactions that are eligible for consolidation.

   • Default Details. The Select Renegotiations Criteria window appears. Use this window to define the default details for the transactions that you are going to renegotiate.

   • Get Records. Use this button to populate the Open Transactions window with the list of all open short term money transactions.

6. Save your work.

Renegotiating Short Term Money Deals

Use the Renegotiation Details window to renegotiate the repayment terms for transactions in a short term money deal. You can enter information related to the

increase or repayment of principal on short term money transactions, as well as the new interest rate and maturity date.

If your transaction includes the prepaid interest option and the interest amount has been authorized for settlement or journalized, renegotiating such a transaction before the maturity date will result in an interest refund.

To renegotiate a short term money deal

1. In the Common Deal Details region of the Short Term Money window, query and then select the deal that you want to renegotiate.

2. In the Current Transactions for Above Deal tabbed region, choose the transaction that you want to renegotiate and choose the Select Above Row for Reneg button. The details for the transaction appear in the Renegotiation Details window.

3. To consolidate and renegotiate a transaction, check the Reneg check box next to the transaction. If you want to renegotiate all of the transactions at the same time, check all of the check boxes. Only the records that have the Reneg check box checked are saved.

4. In the Reneg Date field, enter the date that you want to renegotiate the deal transaction. The default date is either the transaction maturity date or the current system date.

5. In the Accrued Interest field, the total amount of accrued interest appears. You can override this calculated interest amount by entering a new interest amount. The System Interest field shows the original interest amount calculated by the system.

   > **Note:** You can only override interest amounts if you have the appropriate user access levels. See: User Access Levels, page 2-34.

6. In the Interest Action field, select the action you want to perform for the interest that has accrued to date. If the transaction has prepaid interest, the interest action defaults to None and is not updateable.

7. In the Client Settle Via field, choose a method that the client will use to settle the interest on the transaction.

8. In the Principal Action field, choose the action that you want to perform on the principal. The choices are:

   • **Increase.** Increase the principal balance.

   • **Decrease.** Decrease the principal balance.

   • **None.** Perform no action.

9. If you chose Increase or Decrease in the Principal Action field, in the Principal Adjustment field enter the amount to increase or decrease the principal. The balance is recalculated and appears in the Balance Carry Fwd field. If the Prepaid Interest option is enabled, Treasury recalculates the prepaid interest on the new principal.

   If you increase the principal, Treasury calculates the principal tax, interest tax, and brokerage fee according to the schedule. The Brokerage Amount field displays the brokerage fee. The Brokerage/Tax tabbed region of the Transaction Details window displays the principal and interest tax.

10. In the Client Principal Via field, choose a method that the client will use to settle the principal on the transaction.

11. In the Rate field, enter the rate that applies from the renegotiation date onward.

12. If necessary, choose the new Product Type.

13. If necessary, update the Maturity Date. You must enter a date if the transaction includes prepaid interest.

    The Prepaid Interest check box indicates whether the original transaction included prepaid interest. If the transaction included prepaid interest, the Interest Due On field displays the renegotiation date. Otherwise it displays the deal maturity date.

14. In the Brokerage Amount field, you can manually enter a brokerage amount if you want to override the system-calculated brokerage amount for the transaction.

15. Save your work.

Viewing Short Term Money Deals

Use the View Short Term Money window to view the details of a short term money deal.

To view a short term money deal

1. In the View Short Term Money Deal window, query the deal you want to view.

2. If you want to view a list of short term money quick input deals, choose the Quick Input button.

Intercompany Funding

Use *intercompany funding* deals to centrally manage the debt and investment relationships between a company and the parties (either companies or counterparties) that are part of its intercompany group.

If you enter into an intercompany funding deal with another company, journal entries are automatically created for both companies. If you enter into an intercompany funding deal with a counterparty, journal entries are only created for the company.

> **Note:** If you enter into a company to company intercompany funding deal, and the two companies in the deal use a different chart of accounts structure, those companies will generate very different journal entries. If you plan to enter into company to company intercompany funding deals, ensure that you define the journal entry actions for the IG deal type for each company correctly. Consult a functional accounting person to determine the correct journal entry structure for your company to company intercompany funding deals.

You define the way that journal entries are generated for each company in the Journal Entry Actions window (see: Journal Entry Actions, page 2-31). All journal entries that are generated for intercompany funding deals can be posted to General Ledger using the Daily Journals window (see: Daily Journals, page 9-25).

Setting Up Intercompany Interest Rates

Use the Bank Account Interest Rates window to set up the default interest rates that you want to use for your intercompany funding deals. There are two types of intercompany interest rates that you can define:

- **Global interest rates** are the default intercompany funding interest rates for a company and account balance range.

- **Specific interest rates** are the default intercompany funding interest rates for a combination of company, party, currency, and account balance range. If an applicable specific interest rate exists, that rate is used in place of any global interest rates that may exist.

To set an intercompany interest rate

1. In the Intercompany Funding window, choose the company that you want to define an intercompany interest rate.

2. If you want to define a global interest rate, choose the Global Interest button. The Bank Account Interest Rates window appears.

3. If you want to define a specific interest rate, choose the party and the currency that you want to set a rate for and choose the Specific Interest button. The Bank Account Interest Rates window appears.

4. In the Effective Date field, enter the date that you want the rate to become effective on.

5. In the Account Balance Low and the Account Balance High fields, specify the balance range that you want the interest rate to apply to. For example, 100 to 1,000,000.00.

> **Tip:** To effectively set up intercompany interest rates, ensure that the value in the Account Balance Low field as close as possible to the value in the Account Balance High field of the preceding rate. For example, if you set the Account Balance High value for one range as $1,000,000.00, set the Account Balance Low value for the following range as $1,000,000.01.

6. In the Interest Rate field, enter the default interest rate for the balance range.

7. Repeat steps 1 to 6 for each global or specific intercompany interest rate you want to set up.

8. Save your work.

Entering Intercompany Funding Deals

Use the Intercompany Funding window to record intercompany funding deals between a company and parties that are part of the company's intercompany group.

To enter an intercompany funding deal

1. Navigate to the Intercompany Funding window.

2. In the Company field, choose the company for the deal. The default bank account number, currency, day count basis, interest rate and portfolio for the company are automatically populated in the appropriate fields. The Transfer Date field is automatically populated with the current system date.

3. In the Intercompany Party field, choose the deal party. The party must be part of the company's intercompany group.

   If you choose another company, journal entries are generated for both companies in the deal. The default bank account number for the intercompany party appears in the Party Account field.

4. If you do not want to use the default account, currency, day count basis, or interest rate for the deal, change the values as required.

   The default interest rate for an intercompany funding deal defaults in based on the predefined global interest rate (for a company and balance combination), or on a specific interest rate (for a company, party, currency, and balance combination). To view the global interest rates for the company, choose the Global Rates button. To

view the specific interest rates for the company, choose the Specific Rates button. For more information on setting up global and specific interest rates, see: Setting Up Intercompany Interest Rates, page 4-10.

5. Choose the Main Details tabbed region.

6. In the Action field, select the action for the intercompany funding deal. Choose PAY, if the company is transferring funds *to* the intercompany party. Choose REC if the company is transferring funds *from* the intercompany party.

7. In the Principal Adjust field, enter the amount transferred.

   In the Balance field, the balance of funds transferred between the company and the intercompany party appears. If the intercompany party owes the company, then the balance is positive. If the company owes the intercompany party, then the balance is negative.

8. In the Accrued Interest field, the total amount of accrued interest for the intercompany funding deal appears. You can override this calculated interest amount by entering a new interest amount. The System Interest field shows the original interest amount calculated by the system.

   > **Note:** You can only override interest amounts if you have the appropriate user access levels. See: User Access Levels, page 2-34.

9. Enter the date that the interest is settled in the Interest Settlement Date field if you want to settle interest on the deal.

10. Enter the amount of interest that is settled in the Interest Settled field.

11. In the Interest Rounding field, choose the rounding rule that you want to use for calculating interest on the deal. The possible choices are: Nearest, Round Up, or Round Down.

12. In the Interest Includes field, choose the days that you want to include when the interest is calculated on the deal. The possible choices are: First Day, Last Day, or Both Days.

    > **Note:** If you select Both Days for Interest Includes, you cannot use the 30/360, 30E/360, or 30+/360 day count basis.

13. Choose the Company Details tabbed region.

14. In the Portfolio and Product Type fields, choose a product type and a portfolio type for the deal.

15. In the Pricing Model field, enter the pricing model for this deal. Choose Face Value if you want the revaluation process to calculate currency gains and losses or No Revaluation to turn off revaluation.

16. In the Funding Limit field, choose a counterparty limit code that will apply to negative balances. In the Investment Limit field, choose a counterparty limit code that will apply to positive balances.

    Funding and Investment limits are defined in the Limits window. See: Limits, page 2-89.

17. In the [ ] Descriptive Flexfield, complete the flexfield as necessary. For information on descriptive flexfields, see: *Oracle E-Business Suite Flexfields Guide*.

18. If the intercompany party that you entered is defined as a company, navigate to the Intercompany Party Details tabbed region. Enter portfolio, product type, pricing model, funding limit, investment limit, and comments for the intercompany party.

19. Save your work.

20. If you want to view principal and interest amount settlements associated with an intercompany funding deal, choose the Transaction Summary button. The Transaction Summary window displays a history of the principal and interest amount settlements.

Importing Intercompany Funding Deals

If you need to enter intercompany funding deals frequently, and the deal details are available in electronic sources such as bank files or other third party applications, you can use the XTR_DEALS_INTERFACE table and the Deal Interface Summary window to import the deal details into Treasury. For more information on importing intercompany funding deals, see: Importing Deals into Treasury, page 6-17.

Managing Interest Actions for Intercompany Funding Deals

If you settle or compound interest on several deals at the same time, use the Deal Management window to define the bulk processing for interest actions associated with your intercompany funding deals.

If you want to take the same interest action for all of the intercompany funding deals for a particular company, you can set global interest actions for that company in the Deal Management window.

If you want to pool all of the interest for your intercompany funding deals, see: Creating Intercompany Cash Pools, page 4-14.

To manage interest for intercompany funding deals

1. In the Intercompany Funding window, choose the Deal Management button. The Find Deals window appears.

2. Complete the appropriate fields to find the intercompany funding deal or deals that you want to manage interest for. The deals appears in the Deal Management window.

3. Choose the Interest Management tab.

4. To define the interest action for a particular deal, do the following:

   • To settle interest, choose the deal and in the Interest Actions field, choose Settle.

   • To compound interest, choose the deal and in the Interest Actions field, choose Compound.

   • To exclude a deal from an interest action, choose the deal and tin the Interest Actions field, choose None.

5. To define the interest action for all of the deals displayed in the Deal Management window, choose the Set Global Interest Actions button. The Global Interest Actions window appears. Choose an interest action, either Settle, Compound, or None and then choose the Apply button.

6. If you want to only take action on part of the accrued interest, in the Interest Amount field, you can change the amount accordingly.

7. Change the other updatable fields in the Interest Management and Interest Management Additional Details tabbed regions.

8. Choose the Apply button or save your work to generate the settlement and compound interest transactions.

9. If you want to view a summary of the principal and interest amounts associated with an intercompany funding deal, choose the Transaction Summary button. The Transaction Summary window appears.

Creating Intercompany Cash Pools

You can use *intercompany cash pools* to group the intercompany accounts for a company and collectively calculate interest on those accounts. An intercompany cash pool is a nominal setoff account. A cash pool can only group accounts of the same currency for parties in the same intercompany group. To create an intercompany cash pool, create a notional cash pool for your intercompany group. For more information, see Cash Leveling in Oracle Cash Management.

Wholesale Term Money

Wholesale term money deals are used to borrow large amounts from banks and institutions, rather than from small investors. Examples of wholesale term money deals include promissory notes and private debt placements. These types of deals can be fixed or floating rate and are generally not exchanged.

You can automatically reset the floating rates in your wholesale term money deals by setting a benchmark rate and a margin and then running the Reset Floating (Benchmarked) Rates program. For more information, see: Reset Floating (Benchmarked) Rates, page 10-14.

Entering Wholesale Term Money Deals

Use the Wholesale Term Money window to enter you wholesale term money deals.

For Wholesale Term Money (TMM), you can calculate flat tax on the interest amount (INS_F), annual tax on the outstanding principal (PRN_A), flat tax on the starting principal amount (PRN_F), flat tax on the starting principal and subsequent principal increases (PRN_INC_F), flat tax on principal repayments (PRN_DEC_F), and flat tax on the maturity amount (MAT_F).

To enter a wholesale term money deal

1. Navigate to the Wholesale Term Money window.

2. Choose a company and counterparty for the deal in the Company and Counterparty fields.

3. If you are acting as a broker for a client, in the Client field choose a client.

4. In the Portfolio field, choose a portfolio for the deal.

5. If you want to apply a limit to the deal, in the Limit field choose a limit.

6. In the [ ] Descriptive Flexfield, complete the flexfield as required. For more information on descriptive flexfields, see: *Oracle E-Business Suite Flexfields Guide*.

7. Choose the Main Details tabbed region.

8. In the Deal Subtype and Product Type fields, select a deal subtype and a product type for the deal. The brokerage details appear for the selected product.

9. In the Currency field, choose a currency for the deal.

10. In the Principal Amount field, enter a principal amount for the deal.

11. In the Day Count Basis field, select the day count basis that you want to use to calculate interest on the deal.

12. In the Start Date and the Maturity Date fields, enter a start date and a maturity date for the deal.

13. Choose the Interest Details tabbed region.

14. In the Initial Basis field, select the type of rate for the deal, either Fixed or Float.

    • If you selected *Fixed*, in the Fixed Until Date field, enter the date up to which you want to fix the rate. On this date, the deal rate will change from fixed to floating.

      If you want the deal rate to stay fixed until maturity, in the Fixed Until Date, enter the same date as you entered in the Maturity Date field.

    • If you selected *Float* and you want to be able to automatically reset the floating rate, enter values for the benchmark rate and the margin.

15. In the Interest Rate field, enter an interest rate for the deal.

16. Enable the Prepaid Interest check box if you intend to settle the interest on the start date of each transaction rather than the maturity date.

17. Enter a rate in the Benchmark Rate field. Choose a rate that you want to use as the benchmark for resetting the floating rate. For example, if you want to reset the floating rate based on the U.S. dollar 1-Month rate as the benchmark, choose the reference code that you set up for U.S. dollar 1-Month in Current System Rates.

18. Enter a margin for the deal in the Margin field. The margin is used for resetting the floating rate and should be entered in basis points and can be positive or negative. For more information on resetting floating rates, see: Reset Floating (Benchmarked) Rates program, page 10-14.

    > **Note:** You can leave the Benchmark Rate and Margin fields blank and adjust your floating interest rates manually.

19. To generate month-end dates for maturity dates and corresponding interest due on dates, enable the Force Month End check box.

    > **Note:** To ensure month-end dates, you must also set the Business Day Convention Maturity Dates field and Interest Due On Dates field to *No Adjustment*. To ensure that month-end dates that fall on weekends or holidays are automatically adjusted to business days, choose another value according to your needs.

The Force Month End option does not affect the maturity date of the deal.

20. In the Business Day Convention region, choose a setting for Maturity Dates and/or Interest Due On Dates. Treasury adjusts the dates that fall on non-business days according to the settings that you choose. The choices are: Following, Modified Following, Modified Previous, No Adjustment, and Previous.

    You can apply a separate adjustment to each field:

    • The Maturity Date affects the interest amount.

    • The Interest Due On Date is the settlement due date; it is also used as the journal date for the interest payment.

21. In the Payment Frequency field, choose an interest payment frequency for the deal. Possible frequencies are Weekly, Monthly, Quarterly, Semi-Annual, or Annual.

22. In the First Transaction Maturity field, you can update the maturity date of the first transaction based populated by Treasury. Treasury populates this date based on the values of Start Date, Force Month End, Business Day Convention Maturity Date, and Payment Frequency. If you change the populated date, then Treasury will base future maturity dates and interest due on dates on this modified date rather than the deal's start date.

23. Choose the rounding rule that you want to use to calculate interest in the Interest Rounding field. The possible choices are: Nearest, Round Up, or Round Down.

24. Choose the day that you want to include when you calculate interest on the deal in the Interest Includes field. The possible choices are: First Day, Last Day, or Both Days.

    > **Note:** If you select Both Days for Interest Includes, you cannot use the 30/360, 30E/360, or 30+/360 day count basis.

25. In the Additional Details tabbed region, complete the fields as necessary.

26. In the Brokerage/Tax tabbed region, complete the fields as necessary.

    > **Note:** For both principal and interest tax, the tax rate effective on the settlement date of the deal is used in the calculations. Any change that occurs in the tax rate is not reflected.

27. Save your work. The deal is checked against the applicable limits and the

Transaction Details window appears. This window lists the details of each transaction or payment period in the wholesale term money deal.

28. If you have deals with floating interest rates and you want to reset the floating interest rates based on the benchmark rates and margins, run the Reset Floating (Benchmarked) Rates concurrent program. For more information, see: Reset Floating (Benchmarked) Rates program, page 10-14.

29. In the Interest Due On field, Treasury populates the settlement due date. You can update the populated date, if necessary.

    This date is used as the journal date of the interest payment.

30. Save your work.

Adjusting Principal for Wholesale Term Money Deals

You can adjust the principal on one or more transactions in a wholesale term money deal at any time during the period of the deal. For example, you can add a payment in the middle of a payment period.

You can enter either a single adjustment or create a schedule of multiple adjustments. For multiple adjustments, you can review and recalculate your adjustment schedule before saving.

To enter principal adjustments for a wholesale term money deal

1. In the Wholesale Term Money window, query the deal you want to adjust.

2. Choose the Principal Adjustment button. The Principal Adjustments window appears.

3. Enter the Adjustment Amount.

4. Select the Principal Action, either Increase or Decrease.

5. Select an Adjustment Type of Single or Multiple.

6. Enter the Effective date for the adjustment.

7. If you are creating a single adjustment, save your work.

8. If you are creating multiple adjustments, select the adjustment Frequency. The choices are: Weekly, Monthly, Quarterly, Semi-Annual, or Annual.

9. Enable the Force Month End check box to generate month-end dates for the adjustment effective dates.

10. In the Business Day Convention field, select a setting for the Effective dates that fall on non-business days. The choices are: Following, Modified Following, Modified Previous, No Adjustment, and Previous. The setting you choose affects both the adjustment effective dates and the maturity date of the preceding transaction.

   If you enable the Force Month End check box, enter *No Adjustment*.

11. Choose the Review Schedule button to open the Review Schedule window. Use this window to review your principal adjustments.

   The Non Business Day column indicates the adjustment dates that fall on non-business days. The Existing Adjustment column indicates the adjustments that already exist for this deal.

12. If necessary, you can update the Amount and corresponding Action of any adjustment date. You can also delete any principal adjustment that is not pre-existing. Choose the Recalculate button to review the new principal adjustments.

13. Save your work.

Adjusting Interest for Wholesale Term Money Deals

You can adjust the interest on a wholesale term money deal at any time during the period of the deal.

To adjust the interest rate for a wholesale term money deal

1. In the Wholesale Term Money window, query the deal you want to adjust.

2. Choose the Interest Adjustment button. The Interest Rate Adjustments window appears.

3. Enter a new interest rate.

4. Select a period in which you want the interest rate to take effect.

5. If you want the interest rate to expire on a certain date, enter the date in the Applies Until field. If you do not enter a date in this field, the rate applies to every period after the effective date.

6. Save your work.

Settling Interest for Wholesale Term Money Deals

Use the Transaction Details window to settle interest for specific transactions in a wholesale term money deal. You can also specify the date on which you want to settle

your payments.

To settle interest for a wholesale term money deal

1. In the Wholesale Term Money window, query the deal you want to settle.

2. Choose the Transaction Details button. The Transaction Details window appears.

3. In the Gross Interest field, the total amount of gross interest for the wholesale term money deal appears. You can override this calculated interest amount by entering a new interest amount. The System Interest field shows the original interest amount calculated by the system.

   > **Note:** You can only override interest amounts if you have the appropriate user access levels. See: User Access Levels, page 2-34.

4. If necessary, update the corresponding Maturity Date.

   If this transaction includes prepaid interest, the displayed Interest Due On date is equal to the transaction start date. Otherwise, the displayed date is equal to the transaction maturity date.

5. For each transaction that you want to settle, check the Settle Interest check box.

   If you deselect the Settle Interest check box, the interest for that payment will be added to the settlement for the following payment.

   If this transaction includes prepaid interest, the Interest Refund displays either the refund amount issued after the principal decrease or the amount of additional prepaid interest issued after the principal increase.

6. Save your work.

Viewing Transaction Details for Wholesale Term Money Deals

Use the Transaction Details window to view the individual transactions that are part of a wholesale term money deal.

To view the transaction details for a wholesale term money deal

1. In the Wholesale Term Money window, query the deal that you want to view.

2. Choose the Transaction Details button. The Transaction Details window appears listing all of the transactions for that deal.

Viewing Wholesale Term Money Deals

Use the View Wholesale Term Money window to view the details for a wholesale term money deal.

To view a wholesale term money deal

1. In the View Wholesale Term Money window, query the deal that you want to view.

2. If you want to view the individual transactions that make up the wholesale term money deal, choose the Transaction Details button. The View Transaction Details window appears.

Retail Term Money

Retail term money is a deposit or loan that has regular payments over a period of time, such as interest only, or principal and interest. Some retail term money deals have other fees, such as establishment fees that can increase the total amount of the deal. This increase does not generate cash flows, but it does increase the amount of the deal. Mortgages, sinking funds, and hire purchases are all examples of retail term money deals.

Repayment terms for retail term money differ from all other deal types. The due dates for retail term money deals are only forecast dates (except for principal adjustments). The forecast date and the split between the interest and the principal are calculated automatically, so when you actually receive funds, the split is recalculated to apply funds to outstanding interest up until the date when the funds are received. The balance is then applied to the outstanding principal. The repayment of funds is tracked through the bank reconciliation process, which automatically updates the transaction rows for retail deposits and advances, and sets the dates for settlement. The transaction is then ready to post journal entries.

Entering Retail Term Money Deals

Use the Retail Term Money window to enter your retail term money deals.

To enter a retail term money deal

1. Navigate to the Retail Term Money window.

2. Select the company and counterparty for the deal in the Company and Counterparty fields.

3. If you are acting as a broker for a client, select the client.

4. Select a portfolio for the deal.

5. In the Deal Subtype and Product Type fields in the Main Details region, select a deal subtype and product type for the deal respectively.

6. In the Currency field, choose a currency. The default bank accounts for selected currency for the company and counterparty automatically appear in the Additional Detail region.

7. In the Principal Amount field, enter the principal amount for the deal.

8. In the Day Count Basis field, choose the day count basis for the deal. The day count basis determines the number of days in a year used to calculate accrued interest on the deal. The possible day count bases are: actual/actual, actual/360, actual/365, actual/actual-bond, actual/365L, 30/360, 30E/360, 30E+/360. For more information on how each day count basis is calculated, see: Treasury Terms, page Glossary-1.

9. In the Start Date and Maturity Date fields, enter a start date and a maturity date respectively.

10. Choose the Interest Details tabbed region.

11. Select a payment schedule for the deal in the Payment Schedule field. For more information on setting up payment schedules, see: Payment Schedules, page 2-47.

12. In the Initial Basis field, select the type of interest rate, either Fixed or Floating, for the deal.

13. In the Interest Rate field, enter the interest rate. The deal payments are calculated using this rate and are automatically entered into the Repayments field.

14. Choose the rounding rule that you want to use to calculate interest on the deal in the Interest Rounding field. The possible choices are: Nearest, Round Up, or Round Down.

15. Choose the days that you want to include when you calculate interest on the deal in the Interest Includes field. The possible choices are: First Day, Last Day, or Both Days.

> **Note:** If you select Both Days for Interest Includes, you cannot use the 30/360, 30E/360, or 30+/360 day count basis.

16. In the Repayment Amount field, enter the amount of the deal that you are repaying.

17. In the Additional Details region, complete the necessary fields.

18. In the Brokerage region, complete the necessary fields.

19. Save your work.

Adjusting Principal for Retail Term Money Deals

You can adjust the principal on your loans as needed. For example, you may need to increase the loan amount or add a repayment in the middle of a roll period.

You can only decrease principal through an adjustment if the decrease occurs on a date that is not an existing settlement date. Otherwise, the outstanding principal is automatically adjusted during reconciliation.

When you write off a balance, you create a journal entry that corresponds to the amount of interest and principal that you write off. The amount of the write off/write on applies against the principal amount, and the amount of interest applies against the amount of interest written off.

To adjust principal for a retail term money deal

1. In Retail Term Money window, identify the deal for which you want to adjust principal.

2. Choose the Transactions button. The Transactions window appears, listing all of the transactions for the deal.

3. Choose the Principal Adjustment button. The Do Adjustments/Writeoffs window appears.

4. Enter a date on which you want the adjustment to take effect.

5. Select an amount type for the adjustment. For more information on defining amount types for retail term money deals, see: Deal Types and Product Types, page 2-78.

6. In the Type of Adjustment field, select the type of adjustment that you want to make. The list of values available in this field differs depending on the amount type you selected.

7. In the Adjustment Amount field, enter the amount by which you want to adjust the principle.

The adjusted starting balance for the deal appears in the New Starting Balance field. The adjusted sum of the principal and interest payments for the deal appears in the New Principal And Interest fields.

8. If you want to keep the value of your deal repayments constant and apply the principal adjustment to your final repayment only, select the Keep PI Constant check box. The value of your final repayment is automatically recalculated.

> **Note:** If you increase the principal of a retail term money deal and you want to extend the length of a deal to accommodate more repayments, you can manually extend the length of the deal.
>
> If you want to adjust the value of all of your repayments, do not select the Keep PI Constant check box. The value of each of your repayments is automatically recalculated.

9. Save your work.

Adjusting Interest for Retail Term Money Deals

You can use the Interest Adjustment window to adjust the interest of your loans or deposits as needed.

To adjust the interest rate for a retail term money deal

1. In the Retail Term Money window, query the deal for which you want to adjust the interest.

2. Choose the Transactions button. The Transactions window appears.

3. Choose the Interest Adjustment button. The Interest Adjustment window appears.

4. Enter a new rate for the deal.

5. Enter a date on which you want the new rate to take effect.

   The starting balance for the deal appears in the New Starting Balance field. The adjusted sum of the principal and interest payments for the deal appears in the New Principal And Interest fields.

6. If the deal is a fixed rate deal, enter a date until which you want the new rate fixed.

7. If you want to keep the value of your deal repayments constant and apply the interest adjustment to your final repayment only, select the Keep PI Constant check box. The value of your final repayment is automatically recalculated.

   > **Note:** If you increase the interest of a retail term money deal and you want to extend the length of a deal to accommodate more repayments, you can manually extend the length of the deal.
   >
   > If you want to adjust the value of all of your repayments, do not select the Keep PI Constant check box. The value of each of your repayments is automatically recalculated.

8. Save your work.

Changing Payment Schedules for Retail Term Money Deals

Use the Schedule Change window to adjust the payment schedule or change the maturity date for a retail term money deal.

Prerequisite

- Set up payment schedules. See: Payment Schedules, page 2-47.

To change the payment schedule for a retail term money deal

1. In the Retail Term Money window, query the deal for which you want to change the payment schedule.

2. Choose the Schedule Change button. The Schedule Change window appears.

3. If you want to change the maturity date of your deal, in the Maturity Date field, enter a date from which you want the payment schedule change to take effect.

4. If you want to change the payment schedule for your deal, in the Schedule Code field, select a payment schedule.

   The number of payments remaining is recalculated and appears in the Num of Pymts Remaining field. The value of each repayment is also recalculated and appears in the New Principal and Interest field.

5. Save your work.

Printing Confirmation Letters for Retail Term Money Deals

You can print the confirmation letters for principal adjustments and payment schedule change only through the Retail Term Money window. You can print confirmation letters for interest rate adjustments through the Retail Term Money window or through the Retail Transaction Rates window. See: Retail Transaction Rates, page 8-17.

Prerequisite

- Set up a default confirmation template for retail term money deals. See: Confirmation Template, page 2-29.

To print confirmation letters for changes to retail term money deals

1. In the Retail Term Money window, query the deal for which you want to print a confirmation.

2. Choose the Print Letters button. The Print Confirmations window appears.

3. Select the template that you want to use for the confirmation letter.

4. Choose Submit to launch the concurrent process and print the confirmation letter.

Viewing Retail Term Money Deals

Use the View Retail Term Money window to view the details of a retail term money deal.

To view a retail term money deal

1. In the View Retail Term Money window, query the deal that you want to view.

2. If you want to print a confirmation letter for the selected deal, choose the Print Letters button. For more information on printing confirmation letters for retail term money deals, see: Printing Confirmation Letters, page 4-25.

3. If you want to view the settlement details for the selected deal, choose the Settlements button. The View Settlement Summary window appears.

4. If you want to view the transactions that make up the selected deal, choose the Transactions button. The View Transactions window appears.

5. If you want to view the repayment history of the selected deal, choose Transactions button. Then, in the View Transactions window, choose the Repayments button.

Viewing Transactions for Retail Term Money Deals

Use the Transactions window to view a list of transactions for your retail term money deals.

To view a summary of retail term money deals

1. In the Retail Term Money window, query the deal for which you want to view a summary of transactions.

2. Choose the Transactions button. The Transactions window appears. This window lists every transaction or payment period in the selected retail term money deal.

Viewing a Settlement Summary for Retail Term Money Deals

Use the Settlement Summary window to view a summary of your settlements for a retail term money deal.

To view a settlement summary for a retail term money deal

1. In the Retail Term Money window, query the deal for which you want to view your settlement summary.

2. Choose the Settlements button. The Settlement Summary window appears.

Viewing a Repayment History for Retail Term Money Deals

Use the Repayment History window to view a history of your deal repayments. This window lists the amount of each repayment, the average amount repaid, the number of overdue repayments, the total number of overdue for all repayments, and total amount of remaining repayments.

To view a history of repayments for a retail term money deal

1. In the Retail Term Money window, query the deal for which you want to view your repayment history and choose the Transactions button. The Transactions window appears.

2. Choose the Repayments button. The Repayment History window appears. This window lists every repayment for the selected retail term money deal.

Negotiable Securities

Negotiable securities are any investments that are negotiable in price such as discounted securities and fixed income securities.

This section describes how to issue, purchase, short sell, and resell negotiable securities such as bank bills, promissory notes, commercial papers, certificates of deposit, and treasury bills.

Discounted Securities

Discounted securities are securities that trade for less than their face value or than their value at maturity. Each discounted security has one interest amount, which is included in the face value of the security. Interest on discounted securities can be calculated on a straight discount or on a yield basis.

Issuing, Buying, or Short Selling Discounted Securities

Use the Discounted Securities window to issue, buy, or short sell discounted securities.

Prerequisite

If you issue securities, set up the bill/bond issue numbers. See: Bill/Bond Issue Numbers, page 2-45.

To issue, buy, or short sell a discounted security

1. Navigate to the Discounted Securities window.

2. In the Company and Counterparty fields, choose a company and counterparty, respectively, for the deal.

3. If you are conducting the deal for a client, in the Client field choose the client.

4. In the Portfolio field, choose a portfolio for the deal.

5. If you are performing a trade and only expect one cash flow from the security at a set date in the future, check the Trade Bill check box. The transaction rate is automatically set to zero. You cannot override this rate.

    > **Note:** Selecting this check box affects the list of available deal subtypes.

6. In the [ ] Descriptive Flexfield, complete the descriptive flexfield information as required. For information on descriptive flexfields, see: *Oracle E-Business Suite Flexfields Guide*.

7. In the Deal Subtype field of the Main Details tabbed region, choose a deal subtype for the deal. Select the Sell deal subtype only if you want to short sell a security. If you want to sell a security you already own, see: Reselling Discounted Securities, page 4-30.

    > **Note:** If you checked the Trade Bill check box and you expect a positive cash flow, you must select the Buy deal subtype, which indicates that you will receive cash in the future (for example for delivering goods). If you checked the Trade Bill check box and you expect a negative cash flow, then you must select the Issue deal subtype, which indicates that you must make a payment in the future.

8. In the Product field, choose a product type for the deal. The default discount basis for the select product type automatically appears in the Discount/Yield Basis field. For more information on setting the default discount basis see: Deal Types and Product Types, page 2-78.

9. In the Currency field, choose a currency for the deal.

10. In the Day Count Basis field, choose a day count basis for the deal. The day count basis is the number of days per year used to calculate interest on the deal. The possible day count bases are: actual/actual, actual/360, actual/365, actual/actual-bond, actual/365L, 30/360, 30E/360, 30E+/360. For more information on how each day count basis is calculated, see: Treasury Terms, page Glossary-1.

11. In the Start Date field, enter a start date and in the Maturity Date field, enter a maturity date for the deal.

12. Choose the Interest Details tabbed region.

13. In the Discount/Yield Basis field, select Discount or Yield to indicate whether the deal is quoted on a discount rate or yield rate.

14. In the Trans. Rate field, enter the rate for the deal.

15. Choose the rounding rule that you want to use for calculating interest on the deal in the Interest Rounding field. The possible choices are: Nearest, Round Up, or Round Down.

16. Choose the days that you want to include when the interest is calculated on the deal. The possible choices are: First Day, Last Day, or Both Days.

> **Note:** If you select Both Days for Interest Includes, you cannot use the 30/360, 30E/360, or 30+/360 day count basis.

17. Complete the fields in the Additional Details tabbed region as needed.

18. If you use mandatory limit checking, select a limit for the deal in the Risk Party Details tabbed region.

> **Note:** The limit you select must apply to either the Acceptor, Drawer, or Endorser of the deal. You must complete at least one of those fields in the Additional Details region to activate the list of values for the limit field.

19. Choose the Brokerage/Tax tabbed region and complete the necessary fields.

20. To enter the parcel details for the deal, choose the Parcel Details button. The Parcel Details window appears.

21. In the Parcel Details window, enter the details of the various securities you bought, sold, or issued as part of the discounted security deal. Enter the details for one type

of security in each row. If you buy or sell multiple securities of the same type, enter the details for the security once, then indicate the number of securities you bought or sold using the Size field. If you issue multiple securities of the same type, enter the details for each security you issue in a separate row.

To enter the parcel details, do the following:

- In the Size field, enter the number of securities you bought, sold or issued. If you issue securities, you can only enter a size of 1.

- If the security is discounted on a yield basis, enter either the face value or the consideration value of the security. The other value is automatically calculated. If the security is discounted on a straight discount basis, enter only the face value of the security.

- In the Interest field, the total amount of interest for the discounted securities deal appears. You can override this calculated interest amount by entering a new interest amount. The System Interest field shows the original interest amount calculated by the system.

    > **Note:** You can only override interest amounts if you have the appropriate user access levels. See: User Access Levels, page 2-34.

- If you are issuing a security, select the serial number of the security you are issuing from the list of values in the Serial Number field. The issuing bank automatically appears in the Issue Bank field.

- Select Done. You return to the Discounted Securities window.

22. Save your work.

Importing Discounted Securities

If you need to enter discounted securities frequently and the details are available in an electronic source such as a bank file or a third party application, you can use the XTR_DEALS_INTERFACE table, XTR_TRANSACTIONS_INTERFACE table, and the Deal Interface Summary window to import Buy and Issue deal subtypes into Treasury. For more information, see: Importing Deals into Treasury, page 6-17.

Reselling Discounted Securities

Use the Discounted Securities Resale window to sell your discounted securities.

To resell a discounted security

1. In the Find Discounted Security Resales window, query the security you want to resell. The Discounted Securities Resale window appears, listing all securities that match your query.

2. Select the security to resell and choose the Parcel Details button. The Parcel Split Details window appears.

3. In the Sell field, enter the number of securities that you want to sell. If the number you enter is greater than the number of securities listed in the Remaining field, you will short sell the difference of the securities.

4. Choose the Done button. You return to the Discounted Securities Resale window.

5. Choose the Create Resale Deal button. The Discounted Securities window appears with the part of the resale deal details already completed.

6. Complete the details for the discounted security resale deal as needed.

7. Save your work.

Viewing a Summary of Bill/Bond Issue Numbers

Use the Bill/Bond Issue Numbers window to view a list of your bill bond issue numbers.

Prerequisite

Set up bill/bond issue numbers. See: Bill/Bond Issue Numbers, page 2-45.

To view a summary of your bill/bond issue numbers

1. In the Discounted Securities window, choose the Bill Issues button. The Bill/Bond Issue Numbers window appears.

2. If you want to add a range of bill/bond issue numbers, choose the Enter Serial Number Range button. The Bill Bond Issue Numbers window appears. For more information on adding bill/bond issue numbers, see: Bill/Bond Issue Numbers, page 2-45.

Viewing a Summary of Short Sold Discounted Securities

Use the Short Sales window to view a summary of the discounted security deals you short sold.

To view a summary of short sold discounted securities

- In the Discounted Securities window, choose the Short Sales button. The Short Sales window appears.

Viewing Discounted Securities

Use the View Discounted Securities window to view the details of a discounted security deal.

To view a discounted security

1. In the View Discounted Securities window, query the discounted security deal that you want to view.

2. If you want to view the list of securities that make up the selected discounted security deal, choose the Parcel Details button. The Parcel Split Details window appears.

3. If you want to view a summary of all of your short sale discounted security deals, choose the Short Sales button. The Short Sales window appears.

Fixed Income Securities

A *fixed income security* is a long term tradable instrument that pays a regular coupon or interest at a fixed rate. Such securities are commonly called bonds, and include government stocks, and corporate bonds. They are generally issued by governments or blue chip companies.

You can automatically reset floating bond coupon rates by running the Reset Floating (Benchmarked) Bond Issue Rates program. For more information, please refer to Chapter 10, **Inquiries and Reports**.

Buying and Issuing Fixed Income Securities

Use the Fixed Income Securities window to input the purchase and issue of fixed income securities. You can also query and review the records once they are entered.

Prerequisite

- Set up bond issues. See: Bond Issues, page 2-40.

To enter a fixed income security

1. Navigate to the Fixed Income Securities window.

2. In the Company field, choose the company for the deal.

3. In the Counterparty field, choose the counterparty.

4. If you are acting as a broker for a client, in the Client field choose the client for the deal.

5. In the Portfolio field, choose the portfolio for the deal.

6. In the [ ] Descriptive Flexfield, complete the descriptive flexfield information as required. For information on descriptive flexfields, see: *Oracle E-Business Suite Flexfields Guide*.

7. Choose the Main Details tabbed region.

8. In the Deal Subtype field, choose a deal subtype for the deal. Choose the Sell deal subtype only if you want to short sell the deal. For information on selling fixed income securities, see: Reselling Fixed Income Securities, page 4-35.

9. In the Issue Code field, choose a bond issue code for the deal. Issue codes are defined in the Bond Issues window.

   The Settlement Date, Issue Type, Currency, Maturity Date, Coupon Rate, Coupon Frequency, Next Coupon, Day Count Basis, and Security ID fields are automatically completed based on the issue code selected.

10. You can choose the View Bond Issue button to display the View Bond Issues window with the details of the bond issue. For more information about bond issues, see: Bond Issues, page 2-40.

11. If you want to change the settlement date, in the Settlement Date field, enter a new settlement date for the deal.

12. In the Face Value field, enter the face value of the deal.

13. Enter one of the following prices or rates, and the other prices or rate are automatically calculated:

   • **Clean Price:** The price of the bond excluding accrued interest. The clean price is quoted on a price per $100 basis.

   • **Total Price:** The clean price of the bond plus accrued interest.

   • **Yield Rate:** The clean price of the bond quoted on a yield basis.

   • **Discount Margin (floating coupons):** The rate used to discount the cash flows of floating coupons.

      The accrued price and consideration amount is automatically calculated based

on the values you enter.

14. Choose the Interest Details tabbed region.

15. In the Coupon Status field, select one of the following coupon statuses.

   - **Cum-dividend:** The buyer receives the next coupon amount that is due. The seller must be compensated for the amount of accrued interest for the current coupon period.

   - **Ex-dividend:** The seller receives the next coupon amount that is due. The buyer must be compensated for the amount of interest remaining in the coupon period.

     If the bond issue is Compound Coupon, Treasury sets the non-updateable coupon status to Cum-dividend.

16. Choose the rounding method you want to use to calculate interest on the deal in the Interest Rounding field. The possible choices are: Nearest, Round Up, or Round Down.

17. Choose the days that you want to include when you calculate interest on the deal in the Interest Includes field. The possible choices are: First Day, Last Day, or Both Days.

   > **Note:** If you select Both Days for Interest Includes, you cannot use the 30/360, 30E/360, or 30+/360 day count basis.

18. Complete the fields in the Additional Details tabbed region and Brokerage/Tax tabbed region as needed.

19. Choose the Coupon Summary tabbed region.

20. In the Gross Coupon field, the total amount of interest for the fixed income security appears. You can override this calculated interest amount by entering a new interest amount. The System Coupon field shows the original interest amount calculated by the system.

   > **Note:** You can only override interest amounts if you have the appropriate user access levels. See: User Access Levels, page 2-34.

21. Save your work.

Reselling and Repurchasing Fixed Income Securities

You can make a full or partial resale of a fixed income security buy deal anytime before the deal reaches its maturity date. You can also make a full or partial repurchase of existing fixed income security issue deals before the maturity date.

Use the Fixed Income Securities For Resale/Repurchase Summary window to resell or repurchase a fixed income security.

Prerequisites

- Update your journal structure to account for the resale and repurchase of fixed income securities. See: Defining the Journal Structure, page 2-32.

- Update the user access levels for the deal subtypes Repurch and Sell. See: User Access Levels, page 2-34.

To resell or repurchase a fixed income security

1. Navigate to the Find Fixed Income Securities For Resale/Repurchase window. query the security you want to resell.

2. To resell a fixed income security, choose the Buy Deals for Resale radio button. To repurchase a fixed income security, choose the Issue Deals for Repurchase radio button.

3. Enable the Include Matured Deals check box to include deals that have matured prior to the system date.

4. Complete the Find Fixed Income Securities For Resale/Repurchase window and query the deals that you want. The Fixed Income Securities for Resale or Repurchase Summary window appears, listing all of the deals that match your criteria.

5. In the Amount field of each deal that you want to resell or repurchase, enter the resale or repurchase amount. The resale or repurchase amount must be less than or equal to the remaining face value of the deal.

   Note: You can group more than one issue deal in the same resale or repurchase, provided that all issue deals have the same issue code, product type, and portfolio code.

6. Choose the Complete Details button. The Fixed Income Securities window appears with some of the deal resale or repurchase details already completed.

7. Complete the details for the resale or repurchase deal.

8. Save your work.

Viewing the Coupons for a Fixed Income Security

Use the Coupons window to view a summary of the coupons for a fixed income security deal.

To view a fixed income security deal

1. In the Fixed Income Securities window, query the security for which you want to review the coupon summary.

2. Choose the Coupons button. The Coupons window appears.

Viewing Fixed Income Securities

Use the View Fixed Income Securities window to view the details for a fixed income security deal.

To view a fixed income security deal

1. In the View Fixed Income Securities window, query the deal that you want to view.

2. If you want to review the coupon summary for the selected deal, choose the Coupons button.

Derivatives

Derivatives include a broad range of risk management instruments, such as options and swaps.

This section describes how to manage derivatives.

Forward Rate Agreements

A *forward rate agreement* (FRA) is an agreement between two parties that determines an interest rate that applies to a notional loan or deposit at a future date.

When you make the agreement, you set the notional amount, term, and rate with the other party. You can enter one agreement at a time or enter several deals to cover your interest rate exposure for a longer deal, such as a loan.

When the agreement expires, you can settle the difference between the current interest rate and the agreed upon notional interest rate.

Entering FRAs

Use the Forward Rate Agreements window to enter the details of one or more FRAs.

To enter a FRA

1. Navigate to the Forward Rate Agreements window.

2. In the Company and Counterparty fields, select a company and counterparty for the agreement.

3. If you are acting on behalf of a client, in the Client field choose a client for the agreement.

4. In the Portfolio field, choose a portfolio for the agreement.

5. In the Deal Subtype and Product Type fields, choose a deal subtype and product type for the agreement.

6. In the Currency field, choose a currency and in the Face Value field, enter the face value of the agreement.

7. In the Start Date and Maturity Date fields, enter a start date and maturity date for the agreement. The number of days covered by the agreement is automatically calculated using these dates and is entered in the Calculated Days field.

8. In the Day Count Basis field, choose a day count basis for the agreement. The day count basis determines the number of days per year used to calculate interest on the deal. The possible day count bases are: actual/actual, actual/360, actual/365, 30/360, 30E/360, 30E+/360. For more information on how each day count basis is calculated, see: Treasury Terms, page Glossary-1.

9. Choose the Interest Details tabbed region.

10. In the Interest Rate field, enter an interest rate for the agreement.

11. In the Reset Date field, enter the date on which both parties agree to reset the rate. As a default, the reset date is the deal start date.

12. Choose the rounding rule that you want to use for calculating interest on the deal in the Interest Rounding field. The possible choices are: Nearest, Round Up, or Round Down.

13. Choose the days that you want to include when interest is calculated on the deal in the Interest Includes field. The possible choices are: First Day, Last Day, or Both Days.

Note: If you select Both Days for Interest Includes, you cannot use the 30/360, 30E/360, or 30+/360 day count basis.

14. Complete the fields in the Additional Details tabbed region as needed.

15. Save your work.

Entering Multiple FRAs

If you want to enter multiple FRAs that share the same company, counterparty, deal subtype, product type, currency, and face value, use the Multiple FRA Deals window. Typically, you enter multiple FRAs to hedge the interest rate for the entire length of another, longer term deal.

To enter multiple FRAs

1. In the Forward Rate Agreements window, enter the details for the first FRA in the series. Follow steps 1 to 8 in Entering FRAs. See: Entering FRAs, page 4-37.

2. Choose the Multiple FRAs button. The Multiple FRA Deals window appears.

3. In a blank row, begin entering the details for the second FRA in the series by entering a start date and a maturity date for the agreement.

4. In the Interest Rate field, enter an interest rate for the agreement.

5. In the Reset Date field, enter the date on which both parties have agreed to reset the rate. As a default, the reset date is the deal start date.

6. Repeat steps 2 to 5 for each FRA you want to add to the series.

7. Save your work.

Settling FRAs

Use the Settlement Details region of the Forward Rate Agreements window to enter the settlement details for your FRAs. You cannot settle an FRA before the reset date or after the maturity date.

To enter the settlement details for a FRA

1. In the Forward Rate Agreements window, query the FRA that you want to settle.

2. Choose Yes to confirm that you want to settle the details for this FRA.

3. Enter the date on which you want to settle the deal.

4. In the Settlement Rate field, enter the rate that both parties agree to use to settle the FRA. The amount of the settlement is calculated using the deal currency and the settlement rate.

5. Choose the rounding rule that you want to use to calculate interest in the Interest Rounding field. The possible choices are: Nearest, Round Up, or Round Down.

6. Choose the days that you want to include when you calculate interest on the deal in the Interest Includes field. The possible choices are: First Day, Last Day, or Both Days.

7. In the Settlement Amount field, the total amount of the settlement appears. You can override the settlement amount by entering a new amount. The System Settlement Amount field shows the original settlement amount calculated by the system.

   > **Note:** You can only override interest amounts if you have the appropriate user access levels. See: User Access Levels, page 2-34.

8. Select the company account to which you want to apply the settlement.

9. Select the counterparty who you want to receive the settlement.

10. Save your work. The FRA deal status changes to Settled.

11. If you want to view the settlement details for the FRA, in the Forward Rate Agreements window, query the record and select the Settlement Details region.

12. If you receive a verification of the settlement from the counterparty, check the Settlement Validated check box in the Settlement Details region. Save your work.

Viewing a Summary of FRAs

Use the FRA Transaction Summary window to view a summary of all of your current and settled FRAs.

To view a summary of all FRAs

- In the Forward Rate Agreements window, choose the Summary button. The FRA Transaction Summary window appears.

Viewing FRAs

Use the View Forward Rate Agreements window to view the details for a FRA.

To view a forward rate agreement

1. In the View Forward Rate Agreements window, query the agreement that you want to view.

2. If you want to view a summary of all your FRAs, choose the Summary button. The View FRA Transaction Summary window appears.

Interest Rate Swaps

An *interest rate swap* is an agreement to swap interest rate exposures from floating to fixed or from fixed to floating.

You can enter into either nominal or physical swaps. A *nominal swap* is where only the interest cash flows are exchanged. A *physical swap* is where both principal and interest amounts are exchanged.

You can automatically reset the floating rates in your interest rate swap deals by setting a benchmark rate and a margin and then running the Reset Floating (Benchmarked) Rates program. For more information on the Reset Floating (Benchmarked) Rates program, see: Reset Floating (Benchmarked) Rates, page 10-14.

Entering Interest Rate Swaps

Use the Interest Rate Swaps window to enter the paying and the receiving sides of your interest rate swap deals.

To enter an interest rate swap

1. Navigate to the Interest Rate Swaps window.

2. Enter a unique reference to identify the swap in the Swap Reference field.

3. In the Company and Counterparty fields, select a company and counterparty for the swap.

4. Select a portfolio for the swap in the Portfolio field.

5. If you want to apply a limit to the swap, in the Limit field, select a limit.

6. In the Product Type field, select a product type for the swap.

7. If you want to link the swap to another deal or group of deals, in the Link Code field, select a deal group.

8. In the Start Date and the Maturity Date fields, enter a start date and maturity date respectively.

9. In the Pricing Model field, choose the pricing model that you want to use to value the deal. The pricing model chosen will override the default pricing model for the deal type and company.

10. In the Market Data Set field, choose the market data set that you want to use to value the deal. The market data set chosen will override the default market data sets for the deal type and company.

11. If the principals of the interest rate deals are being physically swapped, check the Principal Cashflows check box.

12. Choose the Swap Details button. The Swap Details window appears. This window contains a region for the paying and the receiving side of the swap.

13. In the Paying Details tabbed region, enter the details about the paying side of the swap as follows:

    • Enter the Currency of the paying leg.

    • Enter the Face Value of the paying leg.

    • Choose a Day Count Basis for the paying leg.

    • In the Initial Basis field, choose Fixed or Floating as the interest rate basis.

    • In the Interest Rate field, enter the interest rate of the deal being swapped.

    • If you want to automatically reset the floating rate for the deal, in the Benchmark Rate field, enter a benchmark rate and in the Margin field, enter a margin. The margin should be entered in basis points and can be positive or negative.

        Note: Both the Benchmarked Rate and Margin fields are optional. You can leave these fields blank and adjust your floating interest rates manually.

        For more information on resetting the rate by running the Reset Floating (Benchmarked) Rate program. See: Reset Floating (Benchmarked) Rate, page 10-14.

    • To generate month-end dates for rollover dates and corresponding interest due on dates, enable the Force Month End check box.

        Note: To ensure month-end dates, you must also set the Business Day Convention Rollover Dates field and Interest Due On Dates field to *No Adjustment*. To ensure that month-end

dates that fall on weekends or holidays are automatically adjusted to business days, choose another value according to your needs.

The Force Month End option does not affect the maturity date of the deal.

- In the Business Day Convention region, choose a setting for Rollover Dates and/or Interest Due On Dates. Treasury adjusts the dates that fall on non-business days according to the settings that you choose. The choices are: Following, Modified Following, Modified Previous, No Adjustment, and Previous.

  You can apply a separate adjustment to each field:

  - The Rollover Date affects the interest amount.

  - The Interest Due On Date is the settlement due date; it is also used as the journal date for the interest payment.

- In the Rollover Freq field, enter the frequency, in months, with which you want to roll over the swap.

- In the First Interest Date field, you can update the rollover date of the first transaction populated by Treasury. Treasury populates this date based on the values of Start Date, Force Month End, Business Day Convention Rollover Date, and Rollover Frequency. If you change the populated date, then Treasury will base future rollover dates and interest due on dates on this modified date rather than the deal's start date.

- In the Interest Rounding field, choose the rounding rule that you want to use for calculating interest on the deal. The possible choices are: Nearest, Round Up, or Round Down.

- In the Interest Includes field, choose the days that you want to include when the interest is calculated on the deal. The possible choices are: First Day, Last Day, or Both Days.

  > **Note:** If you select Both Days for Interest Includes, you cannot use the 30/360, 30E/360, or 30+/360 day count basis.

14. In the Receiving Details tabbed region, repeat step 13 and enter the details for the receiving side of the swap.

15. Complete the Additional Details tabbed region.

16. Save your work.

17. Choose the Paying Details button.

    The Paying Transaction Details window appears.

18. In the Interest Amount field, the total amount of interest for the paying side of the swap appears. You can override this calculated interest amount by entering a new interest amount. The System Interest field shows the interest amount calculated by the system.

    > **Note:** You can only override interest amounts if you have the appropriate user access levels. See: User Access Levels, page 2-34.

19. In the Interest Due On field, Treasury populates the settlement due date. You can update the populated date, if necessary.

    This date is used as the journal date of the interest payment.

20. Choose the Receiving Details button.

    The Receiving Details window appears.

21. In the Interest Amount field, the total amount of interest for the receiving side of the swap appears. You can override this calculated interest amount by entering a new interest amount. The System Interest field shows the interest amount calculated by the system.

    > **Note:** You can only override interest amounts if you have the appropriate user access levels. See: User Access Levels, page 2-34.

22. In the Interest Due On field, Treasury populates the settlement due date. You can update the populated date, if necessary.

    This date is used as the journal date of the interest payment.

23. Save your work. Treasury notifies you if you have exceeded any limits and applies the swap.

Viewing Interest Rate Swap Payment Transactions

Use the Paying Transaction Details window to view the details of the payment transactions in an interest rate swap deal.

To view the payment transactions for an interest rate swap

- In the Swap Details window, choose the Paying Details button. The Paying

Transaction Details window appears, listing all of the transactions in the payment side of the interest rate swap.

Viewing Interest Rate Swap Receipt Transactions

Use the Receiving Transaction Details window to view the details of the receipt transactions in an interest rate swap deal.

To view the receipt transactions for an interest rate swap

- In the Swap Details window, choose the Receiving Details button. The Receiving Details window appears, listing all of the transactions in the payment side of the interest rate swap.

Viewing Interest Rate Swaps

Use the View Interest Rate Swaps window to view the details of an interest rate swap deal.

To view an interest rate swap

1. In the View Interest Rate Swaps window, query the swap that you want to view.

2. If you want to view the paying and receiving sides of the swap, choose the Swap Details button. The View Swap Details window appears.

3. If you want to view the transaction details for the paying side of the swap, in the View Swap Details window, choose the Paying Details button. The View Paying Transaction Details window appears.

4. If you want to view the transaction details for the receiving side of the swap, in the View Swap Details window, choose the Receiving Details button. The View Receiving Details window appears.

Options

An *option* accords the right, but not the obligation, to buy or sell a specific amount of an instrument at a specified price and within a predetermined time period.

You can create put and call options for bonds, interest rates, and interest rate swaps. You can also create foreign exchange options. For more information on foreign exchange options, see: Foreign Exchange Options, page 3-6.

You can only exercise an option if it is profitable to do so. You must also exercise an option while it is still active. You can only exercise American options when the current date is later than the option start date and earlier than or equal to the expiration date.

You can only exercise European options when the current date is equal to the expiration date.

To revalue an option, you must have either exercised an option, changed the option status to Expired, or the option must have value if it is a knock in or knock out option.

This section describes how you can enter, exercise, and review your options.

Bond Options

A *bond option* accords you the right to buy or sell a bond at a specific price over a specified time period.

Entering Bond Options

Before you enter a bond option, you must pre-approve the bond that underlies the option.

Prerequisite

- Set up the bond issue for the bond you want to option. See: Bond Issues, page 2-40.

To enter a bond option

1. In the Company and Counterparty fields of the Bond Options window, select a company and counterparty for the deal.

2. If you are acting as a broker for a client, in the Client field select the client.

3. In the Portfolio field, select a portfolio for the option.

4. If you want to apply a limit to the deal, in the Limit field choose a limit for the deal.

5. In the [ ] Descriptive Flexfield, complete the descriptive flexfield information as required. For more information on descriptive flexfields, see: *Oracle E-Business Suite Flexfields Guide*.

6. In the Deal Subtype and Product Type fields of the Main Details region, select the deal subtype and product type for the deal.

7. If the option is a European style option, in the Expiration Date field enter the expiration date for the option. If it is an American style option, in the Start Date and Expiration Date fields, enter both a start date and an expiration date for the option. The Option Style field is automatically populated with the appropriate option style.

8. In the Strike Price field, enter the price at which the parties agree to either buy or sell the bond.

9. In the Bond Issues field, select the bond being optioned. The pre-approved bond information automatically appears in the Bond Product Type, Physical Start Date, Maturity Date, Coupon Rate, and Coupon Status fields.

10. In the Face Value field, enter the face value of the bond.

11. In the Next Coupon Date field, enter the next coupon date for the bond.

12. In the Amount field in the Premium Details region, enter the amount of the bond premium.

13. Complete the fields in the Premium Details and Additional Details regions as needed.

14. Save your work.

Exercising Bond Options

Use the Settlement Details window to exercise a bond option. When you exercise an option you can take a cash settlement or rollover your settlement into another bond.

To exercise a bond option

1. In the Bond Options window, query the bond option that you want to exercise.

2. Choose the Exercise button. The Settlement Details window appears.

3. Enter the date you want to exercise the bond.

4. Enter the rate at which the parties agree to exercise the option.

5. Enter the amount of the bond.

6. If you want to roll over your settlement into another bond, check the Create Bond check box.

   The Fixed Income Securities window appears with the complete details for the new bond option.

   • Enter a new settlement date for this bond and save your work.

     The reference number for the bond you created appears in the Bond Ref field in the Settlement Details window.

7. If you want to take your settlement in cash, select the company account that you want to receive the settlement.

8. Save your work.

9. If you want to view the exercise details for the bond option, in the Bond Options window, query the record and select the Exercise region of the window.

Viewing a Summary of Bond Options

Use the Transaction Summary window to view a summary of your current and exercised bond options.

To view a summary of bond options

- In the Bond Options window, choose the Summary button. The Transaction Summary window appears, listing your current and exercised bond options.

Viewing Bond Options

Use the View Bond Options window to view the details for a bond option deal.

To view a bond option

1. In the View Bond Options window, query the option that you want to view.

2. If you want to view a summary of your current and exercised bond options, choose the Summary button. The View Transaction Summary window appears.

Interest Rate Options

An *interest rate option* allows you to receive a specific interest rate on a specific type of financial instrument over a specified time period.

Entering Interest Rate Options

Use the Interest Rate Options window to enter your interest rate option deals.

To enter an interest rate option

1. In the Company and Counterparty fields of the Interest Rate Options window, select a company and counterparty for the option.

2. If you are acting as a broker for a client, in the Dealer field select the client you are acting as a dealer for.

3. In the Portfolio field, select a portfolio for the option.

4. If you want to apply a limit to this option, in the Limit field select a limit.

5. In the [ ] Descriptive Flexfield, complete the descriptive flexfield information as required. For more information on descriptive flexfields, see: *Oracle E-Business Suite Flexfields Guide*.

6. In the Deal Subtype and Product Type fields of the Main Details tabbed region, select a deal subtype and product type for the option.

7. In the Currency field, select a currency for the option.

8. In the Option Amount field, enter an amount for the option.

9. In the Expiration date field, enter an expiration date for the option. If you are entering an American style option, in the Start Date field, you must also enter a start date for the option. The Option Style field is automatically populated, with European or American, based on the dates you enter.

10. In the Physical Start Date field, enter a date on which you want interest to begin to accrue. For European options, the physical start date is the same as the expiration date.

> **Note:** You can change the physical start date when you exercise the option. If you change the physical start date, the settlement will be discounted to the date you actually received the settlement.

11. In the Maturity Date field, enter a maturity date for the option.

12. In the Strike Rate field, enter the rate at which you can buy or sell the option.

13. In the Day Count Basis field, choose a day count basis for the deal. The day count basis determines the number of days per year used to calculate interest on the deal. The possible day count bases are: actual/actual, actual/360, actual/365, 30/360, 30E/360, 30E+/360. For more information on how each day count basis is calculated, see: Treasury Terms, page Glossary-1.

14. In the Amount field of the Premium Details region, enter the amount of the option premium. Then, in the Company Account field, select the account to which you want to direct the premium.

15. Complete the fields in the Premium Details and Additional Details tabbed regions as needed.

16. Save your work.

Exercising Interest Rate Options

Use the Exercise Details window to exercise your interest rate options.

To exercise an interest rate option

1. In the Interest Rate Options window, query the interest rate option that you want to exercise.

2. Choose the Exercise button. The Exercise Details window appears.

3. In the Settlement Rate field, enter the rate at which you exercise the option.

4. Enter the date on which you exercise the option.

5. Save your work. You return to the Interest Rate Options window.

6. If you want to view the exercise details for the interest rate option, in the Interest Rate Options window query the record and select the Exercise region of the window.

Viewing a Summary of Interest Rate Options

Use the Premium/Settlement Details window to view a list of all of your interest rate options.

To view a summary of interest rate options

- In the Interest Rate Options window, choose the Summary button. The Premium/Settlement Details window appears.

Viewing Interest Rate Options

Use the View Interest Rate Options window to view the details of an interest rate option.

To view an interest rate option

1. In the View Interest Rate Options window, query the option that you want to view.

2. If you want to view a summary of your interest rate options, choose the Summary button. The View Premium/Settlement Details window appears.

Interest Rate Swaptions

An *interest rate swaption* is an option for two parties to swap interest rates.

When you exercise a swaption you can settle in cash or enter into another swap agreement.

Entering Interest Rate Swaptions

Use the Interest Rate Swaptions window to enter your interest rate swaption deals.

To enter a swaption

1. In the Company and Counterparty fields in the Interest Rate Swaptions window, select a company and counterparty for the swaption.

2. In the Portfolio field, select a portfolio for the swaption.

3. If you want to apply a limit to the swaption, in the Limit field select a limit.

4. If you are acting as a broker for a client, in the Client field select the client you are acting as a broker for.

5. In the [ ] Descriptive Flexfield, complete the descriptive flexfield information as required. For more information on descriptive flexfields, see: *Oracle E-Business Suite Flexfields Guide*.

6. In the Deal Subtype and Product Type fields of the Main Details region, select the deal subtype and product type for the swaption. When you select the deal subtype, you determine which part of the swap is fixed rate.

7. In the Swap Curr Fixed Leg field, select the currency for the fixed leg of the swaption.

8. In the Face Amount field, enter the face amount of the swaption.

9. In the Expiration Date field, enter a expiration date for the swaption. If this is an American style swaption, enter a start date and an expiration date for the swaption. The Option Style field is automatically populated, with European or American, based on the dates you entered.

10. In the Physical Start Date field, enter a start date.

11. In the Maturity Date field, enter a maturity date.

12. In the Fixed Rate field, enter the fixed rate for the swaption.

13. In the Day Count Basis field, enter the day count basis for the deal. The day count basis determines the number of days per year used to calculate interest on the deal. The possible day count bases are: actual/actual, actual/360, actual/365, 30/360, 30E/360, 30E+/360. For more information on how each day count basis is calculated, see: Treasury Terms, page Glossary-1.

14. In the Interest Freq field, enter the length of each interest accrual period in months.

15. In the Action field, indicate whether you pay or receive the interest in the option by selecting either Pay or Rec.

16. Complete the fields in the Premium Details and Additional Details tabbed regions as needed.

17. Save your work.

Exercising Interest Rate Swaptions

Use the Exercise Details window to exercise your interest rate swaptions.

To exercise an interest rate swaption

1. In the Interest Rate Swaptions window, query the swaption that you want to exercise.

2. Choose the Exercise button. The Exercise Details window appears.

3. In the Settlement Rate field, enter the rate at which you exercised the swaption.

4. Enter the exercise date for the swap.

5. Enter the amount for the swap.

6. If you want to roll over your option into another swap, check the Create Swap check box. The Interest Rate Swaptions window appears and contains the default data for the swap you are exercising. Enter the new settlement date for the swaption and save your work. The reference number for the swaption appears in the Swap Ref field in the Exercise Details window.

7. Save your work. You return to the Interest Rate Swaptions window.

8. If you want to view the exercise details for the interest rate swaption, in the Interest Rate Swaptions window query the record, and select the Exercise region of the window.

Viewing Interest Rate Swaptions

Use the View Interest Rate Swaptions window to view the details for an interest rate swaption deal.

To view an interest rate swaption

• In the View Interest Rate Swaptions window, query the swaption that you want to view.

5

Equities

Equity Market Deals

This section explains how to purchase and resell equity deals.

Equities

In Treasury, an *equity* is a share of stock that your company either invests in or wishes to track. You use the equities deal type and related windows to set up stock issue information, purchase, track and resell shares of stock, process cash dividends, and settle, revalue, and account for stock investment activities. You can also enter and maintain stock information for clients of your company.

> **Note:** The purpose of the Treasury equities functionality is to manage your company's investment or trade in stocks issued by other companies. The Treasury equities functionality is not designed to administer your company's own stock offerings, nor is it intended to be used by a brokerage firm to manage high trading volumes.

Purchasing Stocks

Use the Stocks window to record purchases and sales of stock. You can also use the Stocks window to access other windows to view cash dividend transactions, deal summaries, or the history of your equity deals.

Deal Status

The status of an equity deal can change in these ways:

- The default status is *Current*.

- If the deal subtype is BUY and the deal has not been settled, journalized, or partially resold, you can change the deal status to *Cancelled*.

- When there are no longer any shares remaining in the deal, the status changes to *Closed*.

  Cancelled and Closed deal records are read-only.

Prerequisites

- Define portfolio codes for trading in stocks. See: Portfolio Codes, page 2-23.

- Set up stock brokers as Equity Market counterparties in the Counterparty Profiles window. See: Counterparty Profiles, page 2-55.

- Set up stock issues for the stocks that you want to buy or sell. See: Stock Issues, page 2-38.

- (Optional) Set up the limits that you want to apply to your equity deals. See: Limits Setup, page 2-89.

- (Optional) Define deal link codes to link your deals to other deals. See: Deal Inking Codes, page 6-10.

- (Optional) Define brokerage information for counterparties. See: Tax/Brokerage Setup, page 2-111.

- (Optional) Set up tax schedules and related tax information for your equity deals. See: Tax Schedule and Details, page 2-114.

To purchase stocks

1. Navigate to the Stocks window.

2. Enter the Dealer for this stock deal.

   The dealers that you can choose from the list of values are the users in your company who are authorized to engage in stock transactions.

3. If necessary, update the Deal Date. The deal date must be on or after the stock issue date.

4. Enter the Company that is purchasing the stock.

5. Enter the stock broker for this deal in the Counterparty field.

6. If you are purchasing the stock on behalf of a client, enter the Client name.

7. Enter the Portfolio for the deal.

8. Choose the Main Details tab. Treasury automatically populates the Buy Deal Subtype.

9. Enter the stock Currency. If you leave this field blank, the field is populated when you enter an Issue Code.

10. Enter the stock Issue Code. If you already entered a currency, the list of available issue codes is limited by the currency you entered.

11. Enter a Product Type for this stock issue. Treasury populates this field with the product type assigned to the stock issue, if there is one, but you can change it.

> **Note:** You can only enter product types that you have authorization to use.

12. Enter a Settlement Date for this deal. The settlement date must be on or after both the system date and the stock issue date.

13. Enter the Price per Share that you are buying. The value in this field can have a maximum of six decimal places.

> **Note:** You can increase the number of outstanding shares by purchasing additional shares at a price of zero as a method to support stock dividends or stock splits. The system properly accounts for positions, settlements, and accounting of the stock at the stock issue level. It is important to note that the individual deals reflect the actual purchase prices, so revaluation gains or losses may be overstated for one deal and understated for the other. The net effect should be correct since you can set up the accounting entries for both deals of the stock issue to post to the same GL accounts.

14. Enter the Number of Shares that you are buying.

15. Treasury populates the Shares Remaining and Consideration fields. Consideration is the calculated consideration price for the shares. The number of decimal places displayed in the Consideration field depends on the number of decimal places specified for the price and the maximum number of decimal places for the currency of the stock.

16. Complete the necessary fields in the Additional Details tabbed region.

17. Use the Comments fields to enter any comments about the deal. Use the Reference

fields to enter reference information, such as a deal number or dealer number.

18. Enter a Link Code if you want to link this deal to other deals.

19. If necessary, enter a Limit for this deal. You can enter a limit code from any authorized counterparty limit that matches the company and issuer for this deal.

20. Complete the necessary fields in the Brokerage/Tax tabbed region.

21. Save your work.

22. To resell this stock, choose the Resales button. See: Reselling Stocks, page 5-4.

23. To view dividends for this stock, choose the Dividends button. See: Viewing Cash Dividends, page 5-7.

24. To view summary information for this stock, choose the Deal Summary button. See: Viewing Deal Summary, page 5-7.

25. To view the transaction history for this stock, choose the Deal History button. See: Viewing Resale and Dividend History, page 5-8.

Reselling Stocks

Use the Stock Resales window to resell stocks.

Prerequisite

• Record stock buy deals. See: Purchasing Stocks, page 5-1.

To resell an equity

1. Navigate to the Stock Resales window. The Find Stocks for Resale window appears.

2. In the Find Stocks for Resale window, query the stocks that you want to resell.

The Stock Resales window appears with the stocks that match your query.

3. In the Resale Shares field, enter the number of shares that you want to resell. The value you enter must be less than or equal to the number of shares in the Number of Shares field.

> **Note:** You can decrease the number of outstanding shares by reselling shares at a price of zero as a method to support reverse stock splits. The system properly accounts for positions,

settlements, and accounting of the stock at the stock issue level. It is important to note that the individual deals reflect the actual purchase and resale prices, so revaluation gains or losses may be overstated for one deal and understated for the other. The net effect should be correct since you can set up the accounting entries for both deals of the stock issue to post to the same GL accounts.

4. In the Resale Price field, enter the price to resell the shares.

    Treasury populates these fields automatically:

    - **Total Number of Shares:** The total number of shares that are currently held for the stock issue code.

    - **Currency**: The currency of the stock.

    - **Average Cost of Total Shares:** (Number of Shares * Price Per Share)/Sum of Number of Shares for all displayed records.

    - **Total Resale Shares**: The total number of shares that have been resold.

    - **Resale Consideration:** Total Resale Shares * Resale Price.

    - **Average Cost of Resale Shares:** (Number of Shares * Price Per Share)/Sum of Number of Shares for rows where Resale Shares field is populated.

    - **Resale Profit/Loss:** The realized profit or loss on the Total Resale Shares. This value is calculated using the individual buy prices, not the average price.

5. Save your work. The Complete Sale Details button is activated.

6. To complete the resale, choose the Complete Sale Details button. The Stocks window appears, with deal subtype SELL and the stock resale details populated.

7. If necessary, update the Settlement Date, Counterparty, Client, or System Date.

8. Save your work. Treasury updates the original purchase deals in this way:

    - Profit/Loss field is populated with the realized profit or loss of the sold portion.

    - Shares Remaining field is updated with the number of shares available after the resell.

Entering Cash Dividends

Use the Cash Dividends by Issue Code window to enter cash dividends for stock issues

and generate dividend transactions. You can also use this window to view the complete list of cash dividends for a stock issue.

Recording and generating cash dividends is a system-wide process that applies to all companies, regardless of the access level of the user entering the dividend. However, users can only view dividend transactions belonging to the companies for which they have appropriate authorization.

> **Note:** When you delete a cash dividend record for a stock issue, Treasury deletes all related dividend transactions across all companies that have not been settled or journalized.

Prerequisite

- Set up stock issues. See: Stock Issues, page 2-38.

To record cash dividends and generate dividend transactions

1. Navigate to the Cash Dividends by Issue Code window. The Find Cash Dividends by Issue Code window appears.

2. In the Find Cash Dividends by Issue Code window, query the records that you want, or choose New to enter a new record. The Cash Dividends by Issue Code window appears with the records that match your query, or a blank window for entering a new record.

    Existing records are displayed in descending order according to the generation status (records that have not had transactions generated are listed first), issue code, and declare date. The Generated box is checked for records that have transactions generated.

3. Enter the stock Issue Code. Treasury populates the Currency field with the stock issue currency.

4. Enter the dividend Declare Date. You must enter a date that is on or before the system date.

5. Enter the dividend Record Date. A stock purchase deal is eligible for a cash dividend if the settlement date is on or before the Record Date.

6. In the Payment Date field, enter the cash dividend distribution date.

7. In the Dividend per Share field, enter the value of the dividends per share.

8. Choose the Generate Transactions button to create cash dividend transactions for eligible deals.

9. Save your work.

10. Repeat steps 3 to 9 for each record that you want to generate dividend transactions. The Generate Transactions button is disabled once all records in the window have had transactions generated.

11. To view the list of cash dividends by deal, select the record that you want and choose the View button. You can only select records that have transactions generated.

Viewing Cash Dividends

Use the View Cash Dividends by Deal window to view the cash dividends for one or more deals.

Prerequisite

• Enter and generate dividends. See: Entering Cash Dividends, page 5-5.

To view cash dividends

1. You can navigate to a cash dividends view in either of these ways:

   • Select a deal in the Stocks window and choose the Dividends button; or

   • Select a record in the Cash Dividends by Issue Code window and choose the View button.

      The Find Cash Dividends window appears.

2. In the Find Cash Dividends window, query the dividends that you want to view. If you leave all of the fields blank, Treasury displays all of the deals with dividend transactions, listed in descending order by company, issue code, declare date.

      The View Cash Dividends by Deal window appears with the result of your query.

3. Use the scroll bar to view record values. You can also run new queries in the View Cash Dividends by Deal window.

Viewing Deal Summary

Use the View Deal Summary window to view summary information for your stock deals.

Prerequisites

- Record stock purchase deals. See: Purchasing Stocks, page 5-1.

To view summary information for equity deals

1. Navigate to the Stocks window.

2. Query or enter the deal that you want.

3. Choose the Deal Summary button. The Find Deals window appears.

4. In the Find Deals window, query the deals that you want to view.

   The Deal Summary window appears with the result of your query.

5. Use the scroll bar to view record values. You can also run new queries in the Deal Summary window.

Viewing Resale and Dividend History

Use the View Resale/Dividend History window to view the resell and dividend history for your stock buy deals.

Prerequisites

- Resell stocks. See: Reselling Stocks, page 5-4.

- Enter and generate dividends. See: Entering Cash Dividends, page 5-5.

To view equity resales and dividend transaction history

1. Navigate to the Stocks window.

2. Query or enter the buy deal that you want.

3. Choose the Deal History button. The View Resale/Dividend History window appears.

4. Choose the Resales tab to view resale information for the deal. Choose the Cash Dividends tab to view dividend history information for the deal.

5. You can run new queries in the View Resale/Dividend History window. Choose the deal that you want in the Deals region, then use the tabbed regions to view detailed information.

6

Other Deal Items

Other Deal Items

This section contains general information on how to manage your deals.

Quick Deals

A *quick deal* is a short term money or foreign exchange deal that is not yet complete. You can use quick deals to enter principal details for several short term money or foreign exchange deals at the same time. You can also use quick deals to collect quotes for these types of deals.

To make such deals eligible for settlement and accounting, you must return to your quick deals at a later time and complete the deal entry.

You can enter quick deals only for short term money or foreign exchange deals.

Entering Quick Deals

Use the Quick Deals window to enter short term money or foreign exchange deals or to collect quotes for those types of deals. You can enter one or more quick deals for the same company and deal type.

To enter a quick deal

1. In the Quick Deals window, select a company and deal type for the quick deals.

> **Note:** All the quick deals you enter must be for the company and deal type combination you select.

2. In the Value Date, Portfolio tabbed region, select a deal subtype.

3. Select the counterparty with whom you are entering into the quick deal. Data automatically appears in the Value Date, Product, and Portfolio fields.

4. In the Currency, Amount tabbed region, select a currency.

5. In the Reference Amount field, enter the amount of the quick deal.

6. In the Maturity Date, Interest tabbed region, enter a maturity date.

7. If the interest on this deal is to be paid on the deal start date, enable the Prepaid Interest check box. You must enter a maturity date to enable this option. When you accept the deal, Treasury includes prepaid interest in the cash flows on the start date of the transaction.

8. Select the day count basis that you want to use to calculate interest on the deal in the Day Count Basis field.

9. Choose the rounding rule that you want to use to calculate interest in the Interest Rounding field. The possible choices are: Nearest, Round Up, or Round Down.

10. Choose the day that you want to include when you calculate interest on the deal in the Interest Includes field. The possible choices are: First Day, Last Day, or Both Days.

> **Note:** If you select Both Days for Interest Includes, you cannot use the 30/360, 30E/360, or 30+/360 day count basis.

11. In the Rate, Deal Number tabbed region, enter a rate.

12. If you are acting as a broker for a client, select the client.

13. In the Dealer, Deal Date tabbed region, select the dealer.

14. Save your work.

15. If you want to accept a quick deal quote and change it into a deal, in the Status field of the Value Date, Portfolio tabbed region, select Accepted. Save your work.

Entering Multiple Quick Deal Quotes

To enter multiple quotes for the same deal, use the Counterparty Deal Quotes window.

For short term money deals, you must complete the Deal Type, Deal Subtype, Product, Currency, Date, and Reference Amount fields in the Quick Deals window before you enter quotes.

For foreign exchange deals, you must complete the Deal Type, Deal Subtype, Value

Date, Currency, Sell Currency, and Reference Amount fields before you enter quotes.

To enter multiple quotes

1. In the Quick Deals window, complete the Deal Type, Deal Subtype, Product, Buy Currency, Date, and Reference Amount fields.

2. Choose the Enter Quotes button. The Counterparty Deal Quotes window appears.

3. Select a counterparty for the quote.

4. In the Trans Rate field, enter the rate the counterparty quoted.

5. Repeat steps 3 and 4 for each quote you receive.

6. Save your work.

7. If you want to accept a quote, check the Accepted check box next to the quote you want to accept. The quote is converted into a deal and is checked against the appropriate deal limit and counterparty limit.

Completing Quick Deals

If you enter a quick deal, you must return to that quick deal to complete the details at a later time. Typically users make this part of their daily routine by completing their quick deals at the end of the day when they are less busy.

Prerequisite

• For short term money deals, define the common deal details for the deal in the Short Term Money window. See: Common Details for Short Term Money Deals, page 4-3.

To complete the deal details for a quick deal

1. In the Quick Deals window, query the quick deal you want to complete. A list of deals that match your criteria appears.

2. Select the deal you want to complete.

3. In the Status field of the Value Date, Portfolio tabbed region, select Accepted.

4. Choose the Complete Details button. If it is a foreign exchange quick deal, the Foreign Exchange Spot/Forwards window appears. If it is a short term money quick deal, the Short Term Money window appears.

5. Complete the deal details. For information on completing a foreign exchange deal,

see: Entering Foreign Exchange Spot or Forward Deals, page 3-1. For information on completing a short term money deal, see: Completing Short Term Money Quick Deals, page 4-6.

Viewing Quick Deals

Use the View Quick Deals window to view the details of a quick deal.

To view a quick deal

1. In the View Quick Deals window, select the company and the deal type for the quick deals you want to view.

2. Insert your cursor in the tabbed region of the window and query the quick deal you want to view.

Exposure Transactions

An *exposure* is any transaction that affects your cash position but does not originate in Treasury. Your company payroll, for example, is an exposure. You can enter and monitor your exposures in the Exposure Transactions window or the Exposure Transactions Quick Input window.

Example - Anticipated End-of-Year Taxes Exposure

As your profits increase during the year, so will your end-of-year taxes. You can budget for an anticipated increase in taxes by recording the increase as an exposure in the Exposure Transactions Quick Input window. At the end of the year, when you determine the actual tax amount, you can also enter the actual amount in the Exposure Transactions window.

Use the Exposure Transactions window to enter actual or estimated amounts and dates for each transaction that creates an exposure. If you enter exposures transactions using this window, the values are included in your cash flow position reports.

Use the Exposure Transactions Quick Input window to enter estimated amounts and dates for each exposure transaction. The values of estimated exposure transactions are not included in your cash flow position reports.

Entering Exposure Transactions

Use the Exposure Transactions window to enter the details for your actual or estimated exposure transactions. For estimated exposures, you can classify your exposures as either firm or indicative.

Prerequisite

- Set up exposure types. See: Exposure Types, page 2-46.

To enter an exposure transaction

1. In the Company field of the Exposure Transactions window, select the company for the exposure. The default portfolio and currency for the company are populated in the appropriate fields.

2. In the Exposure Type field, select an exposure type.

   You can add an exposure type to the list of values by setting up a new exposure in the Exposure Types window. See: Exposure Types, page 2-46.

3. If you are entering an estimated exposure, in the Firm/Indicative field, indicate if the estimated exposure is firm or indicative. Select Firm if you are certain of the exposure date and amount. Select Indicative if you are uncertain about either the exposure amount or date.

4. In the Portfolio field, if you do not want the exposure accounted for in the default company portfolio, select a different portfolio for the exposure.

5. In the Action field, select Pay if the exposure is a payment; select Receive if the exposure is a deposit.

6. In the currency field If the currency of this exposure differs from your reporting currency, in the Currency field select the currency of the exposure. The current exchange rate between the selected currency and your reporting currency appears in the Exchange Rate field.

7. In the Company Account field, select the company bank account that the exposure is paid or deposited to.

8. If you are entering an indicative exposure, in the Estimate Amount and the Estimate Date field, enter the estimated amount and date of the exposure.

9. If you are entering a firm exposure, in the Actual Amount and the Actual Date field enter the amount and date for the exposure.

   > **Note:** If you are uncertain about either the date or the amount of the exposure, change the exposure type to Indicative and enter the values in the Estimated Date and Estimated Amount fields instead of the Actual Amount and the Actual Date fields.

10. If you are entering a Firm exposure, and you want to be able to settle the deal in

Treasury, check the Treasury to Settle check box. When you select this check box, the settlement information for this exposure (dates and amounts) cannot be updated. If you want to update the settlement information, de-select the check box.

To settle exposure amounts, see: Settlements, page 9-4.

11. In the [ ] field, complete the descriptive flexfield as required.

12. If you are entering a Firm exposure, and you selected the Treasury to Settle check box, then in the Counterparty field, choose the counterparty that you want to settle the exposure with. In the Counterparty Account field, you can choose the counterparty settlement account that you want to use for settling the exposure.

13. In the Comments Internal and Comments External fields, enter any comments that you want to record for the deal. Note that external comments appear on any reports you generate for the exposure deal.

14. If you want to link the exposure to other deals, in the Link Code, choose a Deal Linking Code for the deal.

15. If you want to view a summary of all of the exposure transactions, choose the Summary button. The Exposure Transaction Summary window appears. See: Viewing a Summary of Exposure Transactions, page 6-7.

16. If you want to enter several exposure transactions at the same time, choose the Quick Input button. The Exposure Transactions Quick Input window appears. See: Entering Quick Input Exposure Transactions, page 6-6.

17. Save your work.

Entering Quick Input Exposure Transactions

Use the Exposure Transactions Quick Input window to enter multiple estimated exposure transactions at the same time.

Quick input exposure transactions are not included in your cash flow reports. You must complete the details for a quick input exposure transaction in the Exposure Transaction window before it is included in your cash flow reports.

To enter an exposure transaction using quick input

1. In the Exposure Transactions window, choose the Quick Input button.

2. Select a company for the exposure.

3. Select an exposure type.

4. In the Action field, select Pay if the exposure is a payment. Select Receive if it is a

deposit.

5. If the currency of the exposure differs from your reporting currency, select a currency.

6. In the Company Account field, select an account from which the exposure is paid or deposited.

7. Select a portfolio for the exposure.

8. In a blank row, enter an estimated date and estimated amount for the exposure.

9. If you want to automatically create a payment for this exposure, select the Settle option. Then select the party to which you want to send the payment, and a settlement account.

10. In the Firm/Indicative field, select Firm if you know that the transaction will occur on the estimated date and for the estimated amount; select Indicative, if you are uncertain about either the exposure amount or date.

11. Repeat steps 8 to 10 for each exposure you want to enter.

12. Save your work.

Importing Exposure Transactions

If you need to enter exposure transactions frequently and the details are available in an electronic source such as a bank file or a third party application, you can use the XTR_DEALS_INTERFACE table and the Deal Interface Summary window to import the deal details into Treasury. For more information, see: Importing Deals into Treasury, page 6-17.

Viewing a Summary of Exposure Transactions

Use the Exposure Transaction Summary window to view the details of an exposure transaction.

To view a summary of exposure transactions

1. In the Exposure Transactions window, choose the Summary button.

2. In the Find Exposure Transactions window, complete the fields as needed to locate the exposure transactions you want to view.

3. Choose the Find button. The Exposure Transaction Summary window appears, listing all of the exposure transactions that meet your criteria.

Viewing Exposure Transactions

Use the View Exposure Transactions window to view the details of an exposure transaction.

To view an exposure transaction

1. In the View Exposure Transactions window, query the transaction you want to view.

2. To view a summary of your exposure transactions, choose the Summary button.

3. In the Find Exposure Transactions window, complete the fields as needed to locate the exposure transactions you want to view.

4. Choose the Find button. The View Exposure Transaction Summary window appears, listing all of the exposure transactions that meet your criteria.

Deal Orders

A *deal order* defines a deal and the market conditions upon which you want to execute that deal. You can use deal orders to place conditional deals with your dealers. The dealers execute the deal when and if the market reaches the conditions you specify in the deal order. You can also use deal orders to record the conditional deals that your subsidiaries or clients place with you. Your company must execute the deal if or when the market reaches the conditions specified by the deal order from your subsidiary or client.

Entering Deal Orders

Use the Deal Orders window to define a deal and the specific set of market conditions that you want met before you or a dealer can execute the deal.

To enter a deal order

1. In the Firm/Indicative field of the Deal Orders window, select Firm if you want to order a firm deal. Select Indicative if you want to order an indicative deal.

2. In the Company and Counterparty fields, select a company and a counterparty for the deal.

3. In the Company Dealer field select your company dealer for the deal. If the counterparty uses a dealer, in the Counterparty dealer field enter the name of the counterparty's dealer.

4. In the Placed On Date field, enter the date and time at which you place the deal order.

> **Note:** Use 24-hour time format.

5. If you want the deal order to expire on a certain date, in the Valid Until field enter an expiration date for the deal order.

> **Note:** Use 24-hour time format.

6. In the Current Mkt Rate field, enter the current market rate for the deal at the time you place the deal order.

7. In the Currency field, select a currency.

8. In the Order Rate field, select the rate at which you want to execute the deal.

9. In the When Market Rate Is field, select Above, if you want to execute the deal when the market rate is equal to or greater than the order rate. Select Below if you want to execute the deal when the market rate is equal to or less than the order rate.

10. In the Deal Type and Deal Subtype fields, select a deal type and subtype.

11. In the Product Type field, select a product type.

12. In the Order Details field, enter comments as needed.

13. Save your work.

14. If you execute a deal order and you receive confirmation of the deal from the counterparty dealer, you can record that the confirmation was received by doing the following:

    • Query the deal order.

    • In the Confirmed by Cparty Dealer field, enter the name of the person at the counterparty who confirmed the deal.

    • Save your work.

15. If you want to view a summary of deal orders, choose the Summary of Orders button. For more information, see: Viewing a Summary of Deal Orders.

Viewing a Summary of Deal Orders

Use the Order Summary window to view a summary of deal orders.

To view a summary of deal orders

1. In the Deal Orders window, select the Summary of Orders button. The Order Summary window appears.

2. Place your cursor in the window and execute a query to display a summary list of your deal orders.

3. To view the comments for a particular deal order, select the deal. The comments you entered in the Order Details field of the Deal Orders window appear in the Details field.

Viewing Deal Orders

Use the View Order Summary window to view the details for a deal order.

To view a deal order

1. In the View Order Summary window, query the deal order that you want to view.

Deal Linking Codes

Use *deal linking codes* to link your related deals into a deal group for reporting and reference purposes. For example, you can link deals that are of the same deal type, are for the same counterparty, or have some type of dependence on one another that you want to monitor.

Linking Deals

Use the Deal Linking Codes window to link your related deals.

To link related deals

1. To create a new deal group, in the Code field of the Deal Linking Codes window enter a code. Then, in the Description field, enter a description for the deal group. The code you enter appears in the list of values for deal linking codes throughout the system.

2. Save your work. You can link new deals to this code through the deal input forms.

Viewing Linked Deals

Use the View Deal Linking Codes window to view a list of transactions that are linked by a deal linking code.

To view linked deals

1. In the View Deal Linking Codes window, query the deal linking code that you want to view. A list of deals linked to this code appears in the Transactions Linked By Code region.

Inter-Account Transfers

You can perform *inter-account transfers* to transfer cash between your company accounts. Use inter-account transfers to concentrate your company cash in a single account, or to provide funds to an account for special circumstances.

If you set the Settlements: Automatically Authorize Interaccount Transfers parameter to Yes, the inter-account transactions are automatically authorized for settlement in the Settlements window. If you set the parameter to No, you must manually authorize the settlements in the Settlements window. For more information, see: System Parameters., page 2-36

Entering Inter-Account Transfers

Use the Inter-Account Transfers window to transfer funds between two company accounts.

To transfer funds between two company accounts

1. In the Inter-Account Transfers window, select the dealer and the company, and enter the date for the transfer.

2. To transfer the actual cash flow balance from the Bank Account Balances window, select the Actual check box. To use the projected cash flow balance, select the Projected check box. The projected balance is the actual cash flow balance plus all cash flows that occur between the last statement date and the transfer date.

3. To a review the current transfers, choose the Review Transfers button.

4. Insert your cursor in the Account Balances region. The closing balances for each company account appears.

5. In the From Bank Code field, select the bank code for the account from which you want to transfer funds. The bank account name appears in the From Account Name field. If you have more than one account at the same bank, in the From Account

Name select the bank account name.

6. In the Pay Amount field, enter the amount of funds you want to transfer.

7. Select a portfolio for the transfer.

8. Select a product type for the transfer.

9. In the To Bank Code field, select the bank code for the account to which you want to transfer funds. The name of the bank account that is held at the selected bank appears in the To Account Name field.

10. If you have more than one account at the same bank, in the To Account Name field select the name of the bank account to which you want to transfer funds.

11. Save your work.

Viewing Inter-Account Transfers

Use the Inter-Account Transfer Transactions window to view a list of your inter-account transfers.

To view an inter-account transfer

1. In the Transfer Date field of the Inter-Account Transfers window, enter a date for which you want to view your inter-account transfers.

2. Choose the Review Transfers button. The Inter-Account Transfer Transactions window appears, listing all inter-account transfers for the specified date.

Deal Data Import

If you are importing deals into Treasury, you can use the Deal Interface Summary window to view the data that is loaded in the XTR_DEALS_INTERFACE table, but that has not been imported into Treasury.

This section provides an overview of the deal import process, and describes how to view, import, and update import data.

Overview of the Deal Import Process

If you have external applications that contain treasury-related deals, you can import that information into Treasury and centralize your treasury management by using the deal import process.

To import deals into Treasury, you can use the Deal Interface Summary window or the Import Deal Data concurrent program. For more information, see: Importing Deals into

Treasury, page 6-17, and Import Deal Data, page 10-11.

The following figure shows how the deal import process works.
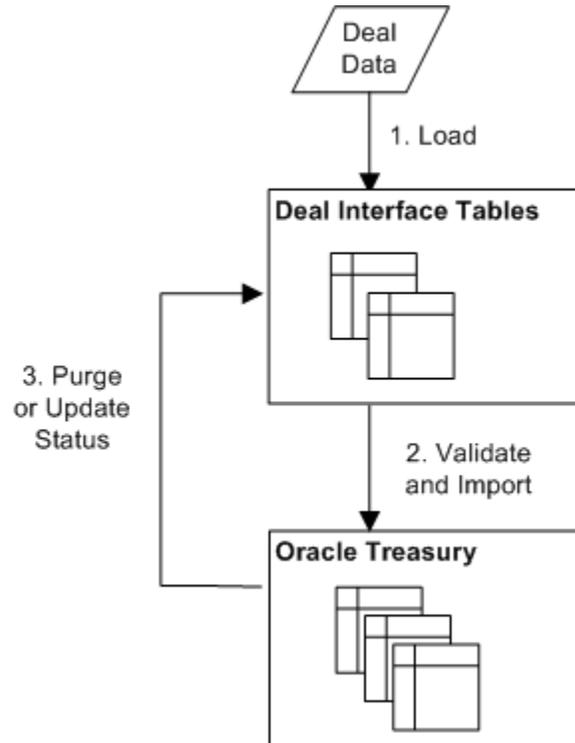
The deal import process works as follows

1. Deals are loaded from an external source into the XTR_DEALS_INTERFACE table using SQL*Loader or other data transfer method. Parcel information for Discounted Securities (NI) deals should be loaded into the XTR_TRANSACTIONS_INTERFACE table using the same transfer method. The deal status of the newly loaded deals is "New". For information on how to load deals into interface tables, see: Understanding Open Interface Tables, page C-1.

2. The Import Deal Data concurrent program imports all deals from the XTR_DEALS_INTERFACE table into the appropriate Treasury table. When deals are in the process of being imported, the deal status is changed to "Submitted". During import, deals are given unique deal numbers, validated, and checked against any applicable limits.

3. If a deal was successfully imported into Treasury, the deal is purged from the XTR_DEALS_INTERFACE table. For Discounted Securities (NI) deals, parcel information is purged from the XTR_TRANSACTIONS_INTERFACE table.

   If a deal was not successfully imported into Treasury, the status for the deal is changed to "Error", "Duplicate Deal Error", or "Invalid Deal Type Error" status. For

more information on deal errors and how to fix them, see: Updating Deals for Import, page 6-16.

> **Note:** Data resides in the XTR_DEALS_INTERFACE table if it has been loaded, but not imported and has the status "New", if it has been imported but generated an error and has one of the following statuses: "Error", "Duplicate Deal Error", or "Invalid Deal Type Error", or if it has generated an error, but the record has been updated either before import or after an error was generated and has the status "Updated".

To successfully import a deal into Treasury, the deal must pass several levels of validation:

- **Deal Type:** The deal type must be supported for import. Only foreign exchange (FX), intercompany funding (IG), discounted securities (NI), or exposure (EXP) deals can be imported into Treasury. If you try to import a deal that is not an FX, IG, NI, or EXP deal, the import will fail and the deal's import status will be changed to Deal Type.

- **Deal ID:** The external deal ID must be unique. If the external deal ID is not unique, then the import will fail and the deal import status will be changed to Duplicate Deal. In addition, intercompany funding deals must have a unique combination of company code, intercompany party, currency, transfer date, action, principal adjust, company account, and party account, or the import will fail. For more information on validating intercompany funding deals, see: Validating Intercompany Funding Deals During Import, page 6-14.

- **Additional Criteria by Deal Type:** The deal data must be validated against any additional criteria for the deal type. For example, foreign exchange deals must have two currencies and intercompany funding deals must have two parties that belong to the same intercompany group. If the deal does not meet the additional criteria for the deal type, the import will fail and the deal's import status will be changed to Error. For more information on the specific validations required for each deal type, see: XTR_DEALS_INTERFACE, page C-4.

Validating Intercompany Funding Deals During Import

If you import a company to company intercompany funding deal, Treasury assumes that you are importing only one side of the deal, and it automatically creates the other side of the deal. For example, if you import an intercompany funding deal where Company A pays $100 to Company B, then Treasury automatically generates the other side of the deal, where Company B receives $100 from Company A. To prevent the same deal from being imported twice, Treasury uses strict criteria for determining the uniqueness of an intercompany funding deal. Intercompany funding deals must have a unique deal ID and a unique combination of company code, intercompany party,

currency, transfer date, action, principal adjust, company account, and party account. If the deal does not have a unique combination of these attributes, then the deal will not import successfully and the deal's import status will be changed to Duplicate Deal.

Deal Import Statuses

The import status for each deal is updated throughout the deal import process. The following table lists the possible deal import statuses, and what each status means.

Deal Status	Description
New	Indicates that the deal was loaded into the interface table, but has not been imported. Any deal with New status is included in the next batch of deals being imported. If a deal with New status is not successfully imported, the deal's import status will change to Error, Deal Type, or Duplicate Deal.
Updated	Indicates that the deal was updated after it was loaded into the interface table. A deal can be updated before or after import. Any deal with Updated status is automatically included in the next batch of deals being imported. If a deal with Updated status is not successfully imported, the deal's import status will change to Error, Deal Type, or Duplicate Deal.
Error	Indicates that the deal was imported, but that the import failed because it did not meet one of the additional criteria required for the deal type (for example, the deal has an incorrect counterparty).
	To successfully import the deal, you must fix the errors by choosing the Update Details icon, and editing the deal details.

Deal Status	Description
Duplicate Deal	Indicates that the deal was imported, but that the import failed because a duplicate deal exists. A deal can be a duplicate deal if a deal with the same external deal ID already exists or an intercompany funding deal already exists with the same combination of company code, intercompany party, currency, transfer date, action, principal adjust, company account, and party account.
	You cannot fix a duplicate deal error in Treasury. You must delete the deal from the interface table, change the deal ID in the external source application, and reload the deal into the interface table.
Deal Type Error	Indicates that the deal was imported, but that the import failed because the deal has an invalid deal type assigned to it or the deal type cannot be imported (the deal is not an FX, IG, NI, or EXP deal).
	To successfully import the deal, you must fix the errors by choosing the Update Details icon and editing the deal type.
Submitted	Indicates that the deal is in the process of being imported. Continue to refresh your browser to see if the import was successful (the deal is removed from the interface table), or a failure (the deal status changes to Error, Deal Type, or Duplicate Deal).

Viewing Deals for Import

Once deals are loaded into the XTR_DEALS_INTERFACE table, you can use the Deal Interface Summary window to view the deals before import.

The table contains deals that have not yet been successfully imported into Treasury: deals that are newly loaded or that you attempted to import, but that failed due to an error. Once a deal is successfully imported into Treasury, it is immediately purged from the interface table. To view a summary report of deals that were successfully imported, see Import Deal Data Report, page 10-11.

Prerequisites

- Load deals into the XTR_DEALS_INTERFACE table. See: XTR_DEALS_INTERFACE, page C-4.

- Load NI parcel data into the XTR_TRANSACTIONS_INTERFACE table. See: XTR_TRANSACTIONS_INTERFACE, page C-22.

To view deals before import, do the following

1. Navigate to the Deal Interface Summary window.

2. Query the deals that you want to review.

   > **Note:** For more information on the complete set of validations required for each deal type, see: XTR_DEALS_INTERFACE, page C-4.

3. If you want to import the deals, choose the Import button. For more information on how to import deals, see: Importing Deals into Treasury, page 6-17.

4. To update the deals, choose the Update Details icon. For more information on updating deals, see: Updating Deals for Import, page 6-18.

Importing Deals into Treasury

Once you have loaded deal data into the XTR_DEALS_INTERFACE table, you must import that data into Treasury. Only foreign exchange (FX), intercompany funding (IG), discounted securities (NI), or exposure (EXP) deals can be imported into Treasury.

> **Note:** It is recommended that the first few times you load data into the interface table that you review it before importing it into Treasury. By reviewing your data, you can ensure that the data was loaded and will import properly.

Prerequisites

- Load deals into the XTR_DEALS_INTERFACE table. See: XTR_DEALS_INTERFACE, page C-4.

- Load NI parcel data into the XTR_TRANSACTIONS_INTERFACE table. See: XTR_TRANSACTIONS_INTERFACE, page C-22.

To import deals into Treasury, do the following

1. In the Deal Interface Summary window, choose the Import button, or from the concurrent program manager, run the Import Deal Data concurrent program.

   The Import Deal Data concurrent program does the following:

   • Validates the deals and imports them into the appropriate destination tables.

   • Generates a report that summarizes which deals were successfully imported.

   • Purges any deals that were successfully imported from the interface table.

   • Changes the status of any deals that *were not* successfully imported. The deal status is changed from New or Updated to Error, Duplicate Deal, or Deal Type.

2. To view a summary report of deals that were successfully imported, see: Import Deal Data Report, page 10-11.

3. To see a list of the deals that *were not* successfully imported, go to the Deal Interface Summary window. For more information on how to update and re-import those deals, see: Updating Deals for Import, page 6-18.

Updating Deals for Import

If a deal was incorrectly loaded into the interface table, or if a deal generated an error during import, you must update the deal details before you can successfully import the deal. You can use the Update Deal Details window to update the details for any deal in the XTR_DEALS_INTERFACE table.

For example, if a deal is loaded with the wrong deal type, you can update the deal type before you import it. Also, if you tried to import a deal, but it generated an error, such as an invalid counterparty, you can update the deal and then re-import the deal.

Anytime you change the details of a deal, the deal status changes to Updated. Once a deal status is changed to Updated, Treasury will attempt to import that deal the next time you run the Import Deal Data concurrent process.

> **Note:** If a deal has several errors, and you update the details for one of the errors, the deal status will change to Updated, even if you have not fixed all of the errors. Therefore, do not assume that all deals with Updated status will successfully import into Treasury. You must ensure that you have fixed all of the errors before you can successfully import the deal.

To update deals for import, do the following

1. In the Deal Interface Summary window, query the deal that you want to update.

2. If the deal status is New, Error, or Duplicate Deal ID Error, choose the Update Details button, or click on the error link in the Deal Status column. The Update Deal Details window appears.

   If the deal status is Duplicate Deal ID Error, return to the deal's source application, change the deal ID to a unique number, and reload the deal into the XTR_DEALS_INTERFACE table. For more information on loading deals, see: XTR_DEALS_INTERFACE, page C-4.

3. In the Update Deal Details window, update the deal details as required.

4. Save your work.

   The deal status changes to Updated and the next time the Import Deal Data concurrent program runs, Treasury will attempt to import the deals.

7

Hedges

Hedging

Hedging is a strategy designed to reduce financial risk using derivative instruments. A hedge can help lock in profits or limit losses by reducing the volatility of an asset or liability by mitigating the risk of loss. For example, a U.S.-based company that receives revenue in a foreign currency has a foreign exchange exposure against the U.S. dollar. To manage this exposure, the U.S. company would likely implement a hedging strategy to protect itself against foreign exchange risk.

Companies using derivatives and subject to FAS133 or IAS39 are required to disclose any hedging activities in their financial statements. In Oracle Treasury, you can track your cash flow, fair value, net investment in foreign operations, and economic hedges as defined by these accounting standards.

Within these major hedge categories, the system supports the following approaches:

Actual Hedges

With an actual hedge, you create your hedge based on your company's actual Receivables/Payables position as of the current system date for hedge items retrieved from Oracle Receivables and Oracle Payables. You can create actual hedges to hedge your foreign exchange exposures for:

- Customer invoices

- Supplier invoices

Once you have created an actual hedge, your open positions and modify the assigned hedge instruments to cover any changes.

Forecast Hedges

With a forecast hedge, you define your hedge for anticipated invoices before they are

actually entered into the system. A forecast hedge is created to hedge anticipated hedge items that may or may not occur for some future period. The formal documentation of these hedges is important in order to qualify for preferential hedge accounting treatment of gains and losses on your assigned foreign exchange forward contracts. You can create forecast hedges for:

- Anticipated revenues within a specified time period such as a month, a quarter, or a year.

- Anticipated expenditures within a specified time period such as a month, a quarter, or a year.

When you define a forecast hedge, you determine the selection criteria on how to fulfill the forecast hedge by retrieving Oracle Receivables and Oracle Payables invoices. For example, You can view these hedge items periodically to monitor the hedge fulfillment process. For example, you can view these hedge items daily to see what invoices have been added to the forecast hedge.

Hedges

The first step in creating a hedge is setting up hedge policies. *Hedge policies* define the exposure sources (known as hedge items) that you want to hedge and the financial instruments (known as hedge instruments) that you want to use to hedge those items using foreign exchange spot/forward deals. For example, if you want to hedge your open foreign receivables using foreign exchange spot/forward deals, you can use the Hedge Policies window to select receivables-customer invoices as a hedge item subsource and foreign exchange forward deals as a hedge instrument subsource. For more information on setting up hedge policies, see: Defining Hedge Policies, page 2-49.

After you set up your hedge policies, you must set up your hedge strategies. *Hedge strategies* define the reasons that you are hedging your exposures. You can use hedge strategies to define all of the accounting-related reporting information that you require as well as to set up any default information that you want when you create a hedge. Every hedge must be associated with an underlying hedge strategy. You can define as many hedge strategies as you want and each hedge strategy can have multiple hedges associated with it. You can define hedge strategies for a single company or for all companies. For more information about setting up hedge strategies, see: Defining Hedge Strategies, page 2-50.

Once setup is complete, you can begin to create hedges. To create a hedge you must define the following:

- *Hedge Attributes:* Defines the basic information about the hedge, such as the company the hedge is for, and the start and end date of the hedge. The hedge attribute is where you select the strategy that determines the actual or forecast hedge approach.

- *Hedge Relationships:* Define the relationship between the hedge items and the hedge

instruments. The hedge relationship is where you assign the hedge derivative to the hedge item.

A hedge is complete when you have defined both elements of the hedge and changed the hedge status from Designate to Current. For more information on the various hedge statuses, see: Deal Statuses by Deal Type, page B-11.

You can track the success of your actual hedging activities by looking at your hedge position. The hedge position lets you view your open exposures and your outstanding hedges in the same window. Using this information, you can determine whether or not you need to create additional hedges or terminate existing hedges.

You can track the fulfillment of your forecast hedging activities by performing a real time query in the Current Hedge Items window, or by running the Positions - Forecast Hedge Items Fulfillment Report. For more information, see: Positions - Forecast Hedge Items Fulfillment Report, page 10-26.

This section explains how to define your hedge attributes, hedge relationships and the hedge fulfillment process. It also explains how to view your hedge position.

Hedge Attributes

Hedge attributes define the fundamental information for a hedge. Hedge attributes define the company that is involved in the hedge, the hedge strategy, the start and end dates of the hedge, the currency and notional amount of the hedge, the hedge approach, and the type of hedge. Other key characteristics of the hedge are defined by clicking the Hedge Relationship button.

- *Hedge items* are single assets or liabilities (exposures) that are imported from external applications that you want to hedge. In Oracle Treasury, you can hedge these exposures by defining a hedge relationship between the exposure (the hedge item) and a financial instrument used to hedge the exposure (known as a hedge instrument). For example, exposures available for use as a hedge item are customer invoices from Oracle Receivables or supplier invoices from Oracle Payables. You can include hedge items in a hedge only if they are enabled in the hedge policy.

- *Hedge instruments* are the Treasury deal types that you can include when you define a hedge. Hedge instruments available are Foreign Exchange Spot/Forward Deals. You can include hedge instruments in a hedge only if they are defined as part of the hedge policy.

The hedge attribute contains the actual or forecast hedge approach and determines which eligible hedge items are selected to be assigned under the hedge relationship. An actual hedge approach implies that you want to create a hedge for your actual outstanding exposures. A forecast hedge approach implies that you want to create a hedge for your anticipated exposures that may or may not occur in some future period.

A hedge is fully defined when you assign the attributes to the hedge relationship. For more information on defining a hedge relationship, see: Hedge Relationships, page 7-

.

Entering Hedge Attributes

Use the Hedge Attributes window to define the basic information about a hedge.

> **Note:** You can attach Microsoft Word or HTML documents as well as spreadsheets to the records in the Hedge Attributes window. Descriptive flexfields help store additional hedging policy information in specific fields.

Prerequisites

- Define a hedge policy.

- Define a hedge strategy.

To define a hedge attribute

1. Navigate to the Hedge Attributes window.

2. The status Designate defaults in the Status field.

3. Enter a description for the hedge in the Description field.

4. In the Company field, choose the company that you want to define the hedge for.

5. In the Strategy field, choose the strategy that you want to apply to the hedge. The default information for the hedge defaults into the Hedge Type, Risk, Objective, Hedge % Guideline and Hedge Approach fields based on the hedge strategy selected.

6. Click in the [ ] field to complete the descriptive flexfield information.

7. Choose the Main tabbed region.

8. Choose the currency for the hedge in the Hedge Currency field.

9. Enter the notional amount of exposure being hedged in the Hedge Amount field.

10. The hedge approach defaults in the Hedge Approach field based on the strategy code.

11. Choose the effective date when you want the hedge to start in the Start Date field. The start date must be the same as or earlier than the current system date.

12. Choose the date when you want the hedge to end in the End Date field. The end date is optional and must be later than the start date.

> **Note:** The Discontinue Date is a display only field which is available for entry only when setting the status from Current to Dedesignated or Failed.

13. The Final Fulfilled Amount field displays the final hedge item fulfilled amount found in the Current Hedge Items window. The final fulfilled amount is created when you select the Complete Fulfillment button in the Current Hedge Items window.

> **Note:** The Final Fulfilled Amount is a display only field which is only enabled when hedge approach is Forecast and when the hedge status is Fulfilled.

14. Choose the Effectiveness tabbed region.

15. Enter new or edit the default prospective or retrospective testing information as necessary.

> **Note:** The ability to change effectiveness testing information for a hedge attribute is based on how the hedge strategy was defined. For more information on setting up a hedge strategy, see: Defining Hedge Strategies, page 2-50.

16. For cashflow hedges, choose the Reclassification tabbed region.

17. View the remaining hedge balance in the Hedge Balance field. This field displays the absolute value of original the hedge amount less the sum of Reclassification Hedge Amounts whose Reclassification Date is earlier than this specific record's date.

> **Note:** The original hedge amount is the Hedge Items Total in Hedge Currency from the hedge relationship when hedge approach is Actual.

18. In the Reclassification Hedge Amount field, enter an amount greater than zero and smaller than or equal to the remaining hedge amount (Hedge Balance). You cannot update this field if reclassification date is earlier than the latest revaluation batch end date. This is the reference amount that the reclassified gain/loss amount will be calculated on.

19. In the Reclassification Date field, enter the date, not earlier than the latest revaluation batch end-date for the hedge company and the hedge start date. You cannot update this field if the reclassification date is earlier than the latest revaluation batch end date. This is the date that the reclassified gain/loss amount will be available for accounting.

20. View the gain or loss amount in the Reclassified Gain/Loss field, after the revaluation and effectiveness processes automatically generate reclassification amounts for the record entered.

21. Enter any data in the Comments field.

22. Choose the View Receivables/Payables button if you want to view the list of hedge items that are available to be hedged.

23. Choose the Hedge Relationship button if you want to define the hedge relationship. For more information on defining hedge relationships, see: Hedge Relationships, page 7-6.

Hedge Relationships

Hedge relationships define the link between the assigned instruments and items in the hedge.

A hedge is fully defined when you assign the attributes to the relationship that is linked by the hedge number.

Entering Actual Hedge Relationships

Use the Hedge Relationship - Actual window to define the relationship between hedge instruments and hedge items in an actual hedge. You must define the hedge attributes for a hedge before you can define the hedge relationship.

Prerequisites

- Define a hedge policy.

- Define a hedge strategy.

- Define a hedge attribute.

To enter an actual hedge relationship

1. Navigate to the Hedge Relationship - Actual window, either from the Hedge Attributes window or from the View Open AR/AP - Hedge Positions window.

2. Choose the type of hedge item that you want to include in the hedge in the Source Type field.

3. Enter the hedge item amount in the Amount field.

4. Enter any comments about the hedge item as necessary in the Comments field.

5. Click in the [ ] field to complete the descriptive flexfield information.

6. Select a deal from the list of values in the Hedge Instruments region.

   The deals included in the list are selected based on the company and currency indicated in the hedge attributes. You can allocate a deal to the hedge relationship in part or in full by entering a percentage value in the Original % field or entering the Original Ref Amount directly. . Also, you can assign more than one deal to the hedge relationship.

   The deal number list in the Hedge Instruments region does not include deals with deal date later than the hedge start date. This list only shows deals that have a value date equal to or later than the hedge end date.

7. Review the hedge relationship and hedge summary to ensure your positions are offsetting.

Actual Hedge Positions

Hedge positions let you view outstanding actual positions in Oracle Receivables or Oracle Payables that are open as of the current system date and compare those positions to your outstanding actual hedges. You can use hedge positions to determine whether or not you need to create or modify hedges to cover your open positions.

Finding Open Positions for Actual Hedges

Use the Find Receivables/Payables window to view your outstanding foreign denominated Receivables, Payables, or both, for a specific company or for all companies you have access to. Once you have identified your open position exposures, you can include these open positions in creating an actual hedge.

In the Find Receivables/Payables window, instead of viewing the hedge positions online, you can choose to submit the Positions - Outstanding Receivables/Payables report using the parameters that you selected in the Find Receivables/Payables window. To submit the report, choose the Generate Report button. If you submit the report, the View Open AR/AP - Hedge Positions window closes and no search results are displayed online. You need to use the report to review the open AR/AP hedge positions.

> **Note:** Submitting the Positions - Outstanding Receivables/Payables report streamlines the query process by generating a concurrent request.

You can also submit the Positions - Outstanding Receivables/Payables report using the Submit Request window. For more information, see Positions - Outstanding Receivables/Payables report, page 10-27.

To find open positions for hedging

1. Navigate to the Find Receivables/Payables window.

2. If you want to use an existing criteria set, choose the name of the set in the Criteria Set field. See: Criteria Set, page 7-12.

3. In the Source field, choose the source that you want to use to find open positions. The possible choices are: Receivables, Payables, or Both. The default value is Receivables.

4. In the Currency field, choose the currency of the open positions that you want to find.

5. In the Company field, choose a company for the open positions that you want to find.

6. If you choose a company, the Ledger Currency field defaults to the ledger currency of the company. If you do not choose a company, you can select a currency and perform a search for all companies that have their ledger in this currency, and that you have authorization to access.

   > **Note:** If you do not choose a company, your search may result in a long query.

7. If you selected a source of Payables or Both, then in the AP Discount field, choose the type of discount that you want to find for your Payables supplier invoices. The possible choices are: None, Minimum, or Maximum.

8. Select a date range in the Due Date fields.

9. Check the Include Unapplied Prepayments (Payables) if you want to include unapplied payments in your open positions.

10. Check the Include Unapplied Receipts (Receivables) if you want to include unapplied receipts in your open positions.

Note: The system default for the check boxes is unchecked to enhance the query process.

The following table shows the additional criteria that you can query against, depending on the source that you choose in the Advanced tabbed region.

Source	Item
Receivables	Receivables Transaction Type
	Receivables Source
	Receivables Customer
	Operating Unit
Payables	Payables Source
	Payables Invoice Type
	Payables Supplier
	Operating Unit
Universal	All of the above

Note: The results of your query depends on which source you use to define the query. For example, if you select items with the Receivables or Payables source, the query will use an OR relationship for the items. If you select items with the Universal source, the query will use an AND relationship for the items.

11. If you want to generate the Positions - Outstanding Receivables/Payables report, choose the Generate Report button. If you choose the Generate Report button, the Find Receivables/Payables and the View Open AR/AP - Hedge Positions windows close and no search results are displayed online. You must use the report to review your open positions.

12. Choose the Find button. All of the open net positions that match your query conditions appear in the View Open AR/AP - Hedge Positions window.

Viewing Open Positions and Outstanding Actual Hedges

Use the View Open AR/AP - Hedge Positions window to view your open positions and outstanding hedges in the same window. This window lets you identify whether or not you need to create or modify hedges based on your net hedge position. The data that appears in this window is read-only.

> **Note:** There are several different ways to navigate to the View Open AR/AP - Hedge Positions window. The navigation path that you choose will affect the tasks that you can perform on this page. See the instructions below for more information.

To view open positions and outstanding hedges

1. Query the open positions in the Find Receivables/Payables window.

2. Use the following information to determine whether or not you need to create or modify hedges based on your net hedge position.

   - **Actual Open Position:** This region contains summarized information about the open Receivables or Payables transactions that match your query criteria.

   - **Actual Hedge Position Summary:** This region contains specific information about outstanding hedges that match the Company, Currency, and As of Date specified in your query.

   - **Under Applied:** This region contains information about whether or not the open positions accurately match the outstanding hedges. The possible values are:

If net position status is . . .	One of the following conditions exist . . .	Example
Even	The absolute value of the outstanding amount and the actual hedge position are equal, and the values have opposite signs; Or, both values are zero; Or, the outstanding amount is zero, and the actual hedge position is null.	For example, the outstanding amount is 10,000.00 and the actual hedge position is -10,000.00.

If net position status is . . .	One of the following conditions exist . . .	Example
Over Applied	The absolute value of the outstanding amount is less than the absolute value of the actual hedge position and the values have opposite signs; Or, the outstanding amount is zero, and the actual hedge position has a positive number.	For example, the outstanding amount is 8,000.00 and the actual hedge position is -10,000.00.
Under Applied	The absolute value of the outstanding amount is greater than the absolute value of the actual hedge position and the values have opposite signs; Or, both values have the same signs; Or, the outstanding amount has value, and the actual hedge position is null.Or, the outstanding amount has value, and the actual hedge position is zero.	For example, the outstanding amount is 10,000.00 and the actual hedge position is -8,000.00 or both values are negative.
Null	The outstanding amount is null.	

3. To view details about the open position records, choose the open position that you want to view, and then choose the AR/AP Details button.

   If the open position is from Receivables, the View Open AR Details window appears. If the open position is from Payables, the View Open AP Details window appears.

4. If you accessed this window from the Hedge Attributes window, you can view the Hedge Relationship window by choosing the Hedge Relationship button.

   The Hedge Relationship window appears. For more information, see: Hedge Relationships, page 7-6.

5. If you accessed this window from the Find Receivables/Payables window and you

want to create a new hedge based on one of the open positions, choose the Create Actual Hedge button.

A new Hedge Attributes window appears. For more information, see: Hedge Attributes, page 7-3.

Criteria Set

You can save the search criteria that you enter in the Find Receivables/Payables window into a criteria set. You can allow other users to have access to your criteria set by making it public, or you can choose to not make it public.

To create a criteria set

1. Navigate to the Find Receivables/Payables window.

2. Enter a name for the criteria set in the Criteria Set fields.

3. If you want to make the criteria set available to other users, check the Public check box. If you do not check the Public check box, the criteria set can only be used by you.

4. Complete the query fields as required.

    Note: The due date range can be saved as part of the search criteria, but instead of absolute calendar values, the dates are saved as relative values to the system date.

5. Choose the Save Criteria Set button.

You can update a criteria set and choose the Save Criteria Set button to save the changes. The new criteria set overrides the existing one.

To delete a criteria set

1. In the Criteria Set field of the Find Receivables/Payables window, select the criteria set that you want to delete.

2. Choose the Delete Criteria Set button.

Entering Forecast Hedge Relationships

Use the Hedge Relationship - Forecast window to define the relationship between hedge instruments and fulfilled hedge items in a forecast hedge. You must define the

hedge attributes for a hedge before you can define the hedge relationship. To fulfill the hedge items, use the Hedge Item Criteria region to create and store the fulfillment rules and criteria information in order for the system to retrieve eligible hedge item transactions from Oracle Payables or Oracle Receivables.

Prerequisites

- Define a hedge policy.

- Define a hedge strategy.

- Define a hedge attribute.

To enter a forecast hedge relationship

1. Navigate to the Hedge Relationship - Forecast window, either from the Hedge Attributes window or from the View Open AR/AP - Hedge Positions window.

2. Choose the type of hedge item that you want to include in the hedge in the Source field.

3. Enter the from and to dates in the Transaction Date fields.

    > **Note:** The from date cannot be earlier than the start date on hedge attribute or equal to or later than hedge end date. The to date cannot be later than the end date on hedge attribute or earlier than or equal to the hedge start date.

4. Select a deal from the list of values in the Hedge Instruments region.

    The deals included in the list are selected based on the company and currency indicated in the hedge attributes. You can allocate a deal to the hedge relationship in part or in full by entering a percentage value in the Original % field or directly entering the Original Ref Amount. Also, you can assign more than one deal to the hedge relationship.

5. Review the hedge relationship that you created and identify your instruments and amounts in the Hedge Summary region.

6. Choose the Hedge Items button.

    The Current Hedge Items window opens and the system initiates the hedge item fulfillment process by retrieving eligible transactions from Oracle Payables or Oracle Receivables.

Hedge Fulfillment Process

When you define a forecast hedge, you enter hedge item criteria such as source information and transaction dates. You can also enter advanced criteria such as payable invoice type, payables source, supplier, receivables transaction type, receivables source, customer, and operating unit. Once you have entered the criteria, you start the hedge item fulfillment process by either running the Positions - Forecast Hedge Items Fulfillment Report or querying the information in the Current Hedge Items window.

After you have defined a hedge, the system fulfills the forecast hedge by retrieving transactions from Oracle Receivables and Oracle Payables based on the criteria that you entered. You can view the hedge item transaction details periodically in the Current Hedge Items window to monitor the hedge item fulfillment process. The Current Hedge Items window displays individual transaction details and a summary position of your total current hedge items fulfilled compared to your original hedge amount.

You can also view your fulfillment information by running the Positions - Forecast Hedge Items Fulfillment Report. Using this report, you can review either summary hedge level or detail hedge item transaction information for all outstanding forecast hedges. You can also use the Positions - Forecast Hedge Items Fulfillment Report to check for duplicate hedges to see if the same hedge item transaction is included in more than one hedge. For more information, see: Positions - Forecast Hedge Items Fulfillment Report, page 10-26.

To stop the hedge item fulfillment process, you select the Complete Fulfillment button in the Current Hedge Items window. When you select the button, the system updates the Final Fulfilled Amount in the Hedge Attribute window and freezes the current hedge items retrieved from Oracle Payables and Oracle Receivables. The system also changes the hedge status from Current to Fulfilled in the hedge attribute. You can review the fulfillment information and adjust the percentages on individual hedge items before you commit the fulfillment.

Viewing Forecast Hedge Fulfillment Items

Use the Current Hedge Items window to view your forecast hedge fulfillment items.

To view the forecast hedge fulfillment items

1. Navigate to the Current Hedge Items window.

   The Current Hedge Items window provides the details of your fulfillment.

2. The following selected information is displayed.

   • **Current Hedge Items/In Hedge Currency:** The sum of notional amounts of all hedge item transactions in the hedge amount rows.

- **Current Hedge Items/In Set of Books Currency:** The set of books currency equivalent of the notional sum amounts of all hedge item transactions in the hedge amount rows.

- **Over/Under/In Hedge Currency:** The difference between the original hedge amount and the current hedge items.

- **Over/Under/In Set of Books Currency:** The set of books currency equivalent of the difference between the original hedge amount and the current hedge items.

- **%:** The calculated percentage value of the individual hedge item transaction amount. The field is enabled for update only when you select the Calculate Hedge Amount button as part of the Complete Fulfillment process.

  You can change the percentage value in cases where hedges have the same or overlapping hedge item selection criteria. For example, you may want to adjust the % allocation on an individual hedge item transaction from 100% to 50%, which would make the remaining 50 % available for other hedges.

Completing the Forecast Hedge Fulfillment Process

Use the Current Hedge Items window to initiate the steps to complete the forecast hedge fulfillment process.

To complete the hedge fulfillment process

1. Navigate to the Current Hedge Items window.

2. Choose the Calculate Hedge Amount button to initiate the complete fulfillment process. When you select the Calculate Hedge Amount button, the system checks against all hedges with a status of Fulfilled and defaults the correct % value available for each transaction and calculates the individual hedge amounts and total amount.

   With the % column enabled, you can do a final review of the hedge items and change the percentage values on an individual hedge item transaction before you commit the fulfillment.

3. Enter additional information supporting any changes made to the hedge item transactions in the Comments field.

4. Choose the Complete Fulfillment button to close the fulfillment process for this hedge.

   > **Important:** The Complete Fulfillment button is enabled only after

the Calculate Hedge Amount button is selected.

When you select the Complete Fulfillment button, the system updates the Final Fulfilled Amount in the Hedge Attributes window and freezes the current hedge items retrieved from Oracle Payables or Oracle Receivables. The system also changes the hedge status from Current to Fulfilled in the Hedge Attribute window.

Note: The fulfillment process for this hedge is eligible to be closed based on the hedge status and hedge end date stored on the hedge attribute.

8

Balances, Positions, Rates, and Limits

Calculators

This section describes how to calculate the value of fixed rate securities and annuities and describes how to calculate the regular payment amount for annuities.

Annuities Calculator

The annuities calculator is a tool that you can use to determine the value of a loan or investment for your company. You use the annuities calculator to calculate the payment amounts that you must make to pay the balance of an annuity at a set time in the future. For example, you can use the annuities calculator to calculate the monthly payment amount for a 5-year, $10,000 mortgage at 10% interest.

Using the annuity calculator, you can determine whether or not you should enter into a new loan or investment; or you can compare the actual value of your existing loans and investments against their current value.

Calculating Annuity Payments

Use the Annuity Calculator window to calculate the amount of your annuity payments.

To calculate an annuity payment amount

1. In the Annuity Calculator window, choose the Loan Repayment or Investment option.

2. In the Start Amount field, enter the principal amount of the annuity.

3. Enter a current, applicable interest rate for the annuity.

4. Enter the start date and maturity date for the annuity.

5. In the Payment Freq field, select how often you intend to make payments.

   The Payments per Year, Next Interest Date, Number of Years, and Total Payments field values are automatically calculated. Use these fields only for verification purposes.

6. Choose the rounding rule that you want to use to calculate interest in the Interest Rounding field. The possible choices are: Nearest, Round Up, or Round Down.

7. Save your work.

   The calculated annuity payment amount appears in the Payment Amount field in the Calculation Result region.

Calculating Annuity Starting Amounts

Use the Annuity Calculator window to calculate the starting amount of an annuity.

To calculate the start amount of an annuity

1. In the Annuity Calculator window, choose the Loan Repayment or Investment option button.

2. Leave the Start Amount field blank.

3. In the Payment Amount field, enter a payment amount for the annuity.

4. In the Interest Rate field, enter an interest rate for the annuity.

5. Enter a start date and a maturity date for the annuity.

6. Select a payment frequency for the annuity.

   The Payments per Year, Next Interest Date, Number of Years, and Total Payments field values are automatically calculated. Use the values in these fields for verification purposes only.

7. Choose the rounding rule that you want to use to calculate interest in the Interest Rounding field. The possible choices are: Nearest, Round Up, or Round Down.

8. Save your work.

   The calculated start amount appears in the Start Amount field in the Calculation Result region.

Fixed Income Securities Calculator

The fixed income securities calculator is a tool you can use to calculate the current value

of a fixed income security.

Calculating the Value of Fixed Income Securities

Use the Fixed Income Securities Calculator window to calculate the current value of a fixed income security.

To calculate the current value of a fixed income security

1. If you want to calculate the current value of a fixed income security that you have already entered in the Bond Issues window, in the Bond Issue field, select a bond issue code.

    The information for the specified bond issue automatically appears. For more on bond issues, see: Bond Issues, page 2-40.

2. If you want to calculate the current value for a new fixed income security, leave the Bond Issue field blank and do the following:

   • In the Coupon Type field, choose a coupon type.

   • In the Calculation Precision field, choose a calculation precision type.

   • In the Day Count Basis field, choose a day count basis for the deal. The day count basis is the number of days per year used to calculate interest on the deal. The possible day count bases are: actual/actual, actual/360, actual/365, actual/actual-bond, actual/365L, 30/360, 30E/360, 30E+/360. For more information on how each day count basis is calculated, see: Treasury Terms, page Glossary-1.

   • In the Settlement Date field, enter a settlement date for the deal.

   • If the coupon type is Compound Coupon, in the Start Date field enter a start date for the bond.

   • In the Maturity Date field, enter a maturity date for the bond.

   • In the Coupon Rate field, enter the coupon rate that is applicable for the bond.

   • In the Face Value field, enter the face value for the security.

   • In the Coupon Frequency field, choose the frequency that the bond pays a coupon. The choices are: Monthly, Bi Monthly, Quarterly, Quadrimestrial, Semi Annual, and Annual.

   • In the Coupon Status field, choose a coupon status for the deal. If the bond issue or the coupon type is Compound Coupon, Treasury sets the non-updateable coupon status to Cum-dividend and disables the Previous and

Next Coupon Date fields. If the bond issue or coupon type is Zero Coupon, the Coupon Status field is disabled.

The previous coupon date and the next coupon date are automatically calculated using Settlement Date, Maturity Date, Frequency and Coupon Status and appear in the Previous Coupon Date and Next Coupon Date fields.

- In the Accuracy field of the Price Display region, enter the number of decimal places you want to display for the price.

- In the Rounding Type field of the Price Display region, choose the rounding rule that you want to use to display the price. The possible choices are: Nearest or Round Down.

- In the Accuracy field of the Yield Display region, enter the number of decimal places you want to display for the yield.

- In the Rounding Type field of the Yield Display region, choose the rounding rule that you want to use to display the yield. The possible choices are: Nearest or Round Down.

3. Enter one of the following values, and the other values are automatically calculated:

- **Clean Price:** The clean price quoted on a price per $100 basis.

- **Accrued Price:** A price component used to calculate the accrued interest dollar amount per $100.

- **Total Price:** The clean price plus accrued price.

- **Yield Rate:** The clean price quoted on a yield basis.

  Using the price you enter, the clean price and the consideration amount for the security are automatically calculated. If this is a floating coupon, this field is called Discount Margin.

4. Choose the day that you want to include when you calculate interest on the deal in the Interest Includes field. The possible choices are: First Day, Last Day, or Both Days.

> **Note:** If you select Both Days for Interest Includes, you cannot use the 30/360, 30E/360, or 30+/360 day count basis.

At the bottom of the Fixed Income Securities Calculator window, several pieces of information also appear.

- The Number of Coupons Remaining field displays the number of coupons that

remain for the security.

- The Prev Coupon Date Until Settlement (in days) field displays the number of days that remain between the previous coupon date and the settlement date.

- The Settlement Date to Next Coupon Date (in days) field displays the number of days from the settlement date to the next coupon date.

Bank Accounts

This section describes how to manage your account balances and interest rates, perform inter-account transfers, and reconcile your bank accounts.

Bank Account Balances

Use the Bank Account Interest Settlement window to view your bank account balances and to settle the interest accrued on your interest bearing bank accounts

Bank balances are collected from your company, intercompany group, and interest setoff bank accounts. These balances are used to calculate your cash position. See Cash Positioning in Oracle Cash Management.

Assigning Portfolios, Pricing Models and Limits to Bank Accounts

Before you can start working with bank balances in Treasury, you must assign a portfolio and a pricing model to each bank account. Portfolios are necessary for calculating interest on the bank account balance. Pricing models are used in the revaluation process. Limits are optional and used to calculate the limit utilization. Normally, you would complete this step during the company bank account setup. For more information on portfolios,, see: Portfolio Codes, page 2-23.

To assign portfolio, pricing model and limits to a bank accoun

1. On the Cash Management Bank Account page, create or query an existing bank account. For more information, see Setting Up Company Bank Accounts, page 2-66

2. Navigate to the Account Access page and choose Treasury Access Options..

3. Select the Portfolio Code.

4. Select the Pricing Model.

5. Select Investment Limit Code and Funding Limit Code.

6. Save your work.

Updating Day Count Basis, Basis, Interest Rounding and Interest Includes

Use the Cash Management's Interest Rate Schedules to assign day count basis, basis, interest rounding and interest includes for a company or intercompany group bank account. For more information, see the *Oracle Cash Management User Guide*

Settling Bank Account Balance Accrued Interest

Use the Bank Account Interest Settlement window to settle accrued interest on a company or intercompany group bank account.

Prerequisites

- Set up bank accounts for a company and the parties in the company's intercompany group. See: Company Profiles, page 2-64 and Counterparty Profiles, page 2-55.

- Assign portfolios for your bank accounts. See: Assigning Portfolios to Bank Accounts, page 8-5.

- Assign an Interest Rate Schedule to your bank accounts. See the *Oracle Cash Management User Guide*.

- Record bank account balances in Cash Management. See the *Oracle Cash Management User Guide*

To settle accrued interest on a bank account

1. Navigate to the Find Bank Accounts window and complete the fields as needed to locate the bank account that you want to update. Choose the Find button. The Bank Account Interest Settlement window appears.

2. Select the account you want and choose the Maintain Balances button. The Bank Account Balances window appears.

3. In the Accrued Interest field, the total amount of accrued interest appears. You can override this calculated interest amount by entering a new interest amount. The System Interest field shows the accrued interest amount calculated by the system.

   > **Note:** You can only override interest amounts if you have the appropriate user access levels. See: User Access Levels, page 2-34.

4. If you want to settle the accrued interest, check the Settle check box. The amount of interest settled appears in the Settle Interest field

5. Save your work.

Importing Bank Account Balances

In you need to enter bank balances frequently and the balance details are available in an electronic source such as a bank file or a third party application, you can do so using the Cash Management's bank statement import functionality. See the *Oracle Cash Management User Guide*.

Entering or Updating Bank Account Interest Rates

Use the Cash Management's Interest Rate Schedules to set up and maintain the interest rates for your company and intercompany group bank accounts. Using this page you can set up different rates for different account balances effective on different dates. For example, you can create credit and overdraft rates for each account. See the *Oracle Cash Management User Guide*.

Bank Statement Input

If in Cash Management you have defined bank accounts for use in Treasury, you can enter the bank statements for such bank accounts manually in Treasury

It is recommended that you import or enter manually bank statements for reconciliation in Cash Management, see "Bank Statement Import" in the *Oracle Cash Management User Guide*. However, if you want to reconcile the Retail Term Money deals, you will need to record bank statements in Treasury.

Entering Bank Statements Manually

Use the Manual Statement Input window to manually enter bank statement information. You can also use this window to enter a sub-statement for a transaction on your bank account. For example if your statement includes an employee loans item, you can create a sub-statement to break that item down into individual loan amounts, by employee.

You can only input one bank statement per date for each account number.

You can add information to or change a statement anytime before it is transferred for reconciliation. Once you transfer a statement for reconciliation you cannot make any further changes.

To enter a bank statement manually

1. In the Source field of the Manual Statement Input window, select the bank account for which you are entering information. Values appear in the Account Name, Account Number, Currency, and Created By fields based on the account you selected and your user id.

2. In the Value Date field, enter the date the statement was issued. The date in the

Created Date field is the current system date.

3. For each transaction on the statement, enter the transaction details as follows:

- Complete either the Cparty field or the Particulars field. If the bank statement lists the counterparty for the transaction, in the Cparty field, select the counterparty. If the bank statement does not list the counterparty but does list another way to identify the transaction, such as a deal number, in the Particulars enter that value.

- Select a transaction type.

- In the Amount field, enter the amount of the transaction.

- Enter comments for the transaction as needed.

4. Save your work. The total amount of debits and credits appears in the Trailer region of the window. This region also displays the total number of transactions in the statement.

Transferring Bank Statements

If you want to reconcile your bank statements in Treasury, you must run a concurrent request to transfer those bank statement.

To transfer a statement for reconciliation

1. In the Manual Statement Input window, query the statement you want to transfer.

2. Choose the Transfer File button. A concurrent process transfers your bank statements for reconciliation.

3. If your bank statement transfer is unsuccessful you must correct the statement in the Manual Input Statement window and re-transfer it. Once a bank statement is successfully transferred you cannot make any further changes to it.

Viewing a Summary of Unsuccessfully Transferred Bank Statements

Use the Transfer Errors window to view a list of bank statements that were not transferred successfully.

To view a list of statements which were not transferred successfully

- In the Manual Statement Input window, choose the Show Errors button. The Transfer Errors window appears, listing details for each incorrect record and a description of each error.

Viewing Bank Statements

Use the Manual Statement Input window to view the details for a bank statement. You can only view bank statements that have not yet been transferred for reconciliation.

To view the details for a bank statement

- In the Manual Statement Input window, query the bank statement you want to view.

Bank Account Reconciliation

In general, all bank account reconciliation is done in Oracle Cash Management. For information on how to perform bank account reconciliation in Cash Management, see "Reconciliation" in the *Oracle Cash Management User Guide*.

However, at this time it is not possible to reconcile retail term money deals in Cash Management. Therefore, you must reconcile retail term money deals in Treasury. When you reconcile a retail term money deal, the transactions that make up the deal are updated to reflect the date they were settled and the principal and interest amounts are adjusted accordingly. Once you reconcile an amount for a retail term money transaction, you cannot reverse it.

Treasury reconciliation can be set up so that Bank account reconciliations in performed automatically, automatically with manual confirmation, or manually. For information on how to set up bank account reconciliations, see: Import Sources and Reconciliation, page 2-26.

Before you can begin to reconcile a bank account you must either enter the bank statements into Treasury and then you must transfer those bank statements. For more information on entering, importing and transferring bank statements, see: Bank Statement Input, page 8-7.

Reconciling Bank Statements Automatically

Use a concurrent process to reconcile your bank statements automatically.

Prerequisites

- Define your import sources for automatic reconciliation. See: Import Sources and Reconciliation, page 2-26.

- Transfer your bank statements for reconciliation. See: Transferring Bank Statements, page 8-8.

To reconcile a bank statement automatically

1. In the Current Bank Account Balances window, select Requests from the View menu. The Find Requests window appears.

2. Choose the Submit a New Request button. The Submit a New Request window appears.

3. Select the Single Request option and choose OK. The Submit Request window appears.

4. In the Name field, select Program - Bank Statement Reconciliation.

5. Complete the program parameters as needed. Choose OK. The concurrent request reconciles your bank statements against your Treasury transactions.

Confirming Automatically Reconciled Bank Statements Manually

If you chose to perform automatic reconciliations with manual confirmation, you must confirm your automatically reconciled bank statements.

Prerequisites

- Define your import sources for automatic reconciliation with manual confirmation. See: Import Sources and Reconciliation, page 2-26.

- Transfer your bank statements for reconciliation. See: Transferring Bank Statements, page 8-8.

To confirm an automatically reconciled bank statement manually

1. In the Bank Statements window, select the record that you want to confirm. Choose the Confirm button.

2. In the Find Confirmed window, complete the fields as needed to locate the bank statement that you want to confirm. The Reconciliation Process window appears.

3. Save your work.

Reconciling Bank Statements Manually

Use the Manual Reconciliation window to manually reconcile your bank statements.

Prerequisites

- Define your import sources for manual reconciliation. See: Import Sources and

Reconciliation, page 2-26.

- Transfer your bank statement for reconciliation. See: Transferring Bank Statements, page 8-8.

To reconcile a bank statement manually

1. In the Find Bank Statements window, complete the fields to identify the bank account for which you want to perform a reconciliation. Choose the Find button. The Bank Statements window appears.

2. Select the bank statement that you want to reconcile and choose the Manual Reconciliation button. The Find Available window appears.

3. Complete the fields to identify the transactions that you want to manually reconcile. The Manual Reconciliation window appears.

    > **Note:** The Unreconciled Records area of the Manual Reconciliation window contains information from the bank statement. The Transaction Records area of the window contains information from Treasury.

4. In the Unreconciled Records area, check the Sel field beside those records that you want to select for reconciliation. The reconciliation balance is shown at the bottom of the window.

5. In the Transaction Records area of the window, check the Sel field beside those records that you want to reconcile against the selections you made in the Unreconciled Records area.

    > **Note:** For retail term transactions, you can match only one transaction record against the records in the Unreconciled Records area.

6. If your statement information does not reconcile, save your work and correct the unreconciled items. For more information, see: Reconciling Bank Statements Manually, page 8-10.

7. When you finish reconciling all the records for this account, choose the Reconcile button.

Reviewing and Unreconciling Reconciled Items

Use the Reconciliation Process window to review reconciled items. You can also use this

window to unreconcile any previously reconciled items. Note that you cannot unreconcile retail term money deal transactions.

Prerequisite

- Perform an automatic or manual reconciliation. See: Reconciling Bank Statements Manually, page 8-10, or Reconciling Bank Statement Automatically, page 8-9.

To review an automatic reconciliation

1. In the Find Bank Statements window, complete the fields as needed to find the bank account that you want to review. The Bank Statements window appears.

2. Choose the bank statement you want to review and choose the Reconciled button.

3. In the Find Reconciled window, complete the fields as needed to find the statement that you want to review. The Reconciliation Process window appears.

4. If you want to unreconcile an automatically reconciled item, in the Review Unreconciled Items region check the Unreconciled check box beside each item you want to unreconcile.

5. Save your work.

Reconciling Unreconciled Items

Use the Manual Reconciliation window to reconcile any items that were not successfully reconciled during an automatic reconciliation.

Prerequisite

- Perform an automatic reconciliation. See: Reconciling Bank Statement Automatically, page 8-9.

To reconcile unreconciled items

1. Reconcile each unsuccessfully reconciled item manually. See: Reconciling Bank Statements Manually, page 8-10.

2. If you cannot manually reconcile an item, enter an adjusting transaction as an exposure. See: Interest Rate Exposures, page 8-19.

3. Save your work.

Viewing Reconciliation Import Sources

Use the Import Sources window to review bank statement import sources you defined for reconciliation purposes. The Import Sources window contains information about your import sources, reconciliation methods, reconciliation passes, and reconciliation matrixes.

To view your import source information

1. In the Bank Statements window, choose the Review Source/Process button. The Import Sources window appears.

To correct errors in a bank statement

1. In the Manual Statement Input window, query the bank statement you want to correct.

2. Choose the Delete File button. The transaction details for this bank statement are deleted from the window.

3. Re-enter the bank statement information. See: Entering Bank Statements Manually, page 8-7.

4. Re-transfer the bank statement for reconciliation. See: Transferring Bank Statements, page 8-8.

Rates

This section describes how to enter and manage your current system and retail transaction rates.

Current System Rates

Current system rates are the market rates that Treasury uses to validate each deal. Every time you enter a deal, Treasury compares the deal rates against the current system rates to check whether or not the deal falls within your company's deal rate, interest rate, and foreign exchange rate policies. Treasury also uses current system rates as the default rates when you perform revaluations, and to calculate your total limit utilization.

Current system rates can be updated as frequently as you require and can be entered manually or using an electronic rate feed. The archive schedule for each rate determines how frequently the rate is updated. You can archive rates every time they are updated or at less frequent intervals.

Entering or Modifying Current System Rates

Use the Current System Rates window to enter or modify current system rates in Treasury. Treasury uses current system rates to determine if your deals comply with your company's deal rate tolerances and rate policies, and to calculate revaluations.

Current system rates can be any of the following: forward rates, interest rates, spot rates, or volatilities. Current system rates can also be bond prices or stock prices. For more information on rates, volatilities, bond prices, and stock prices see: Current System Rates, page 2-120.

You can enter current system rates manually using the Current System Rates window, or you can import rates into Treasury using an electronic data feed. For more information on importing rates into Treasury, see: XTR_MARKET_DATA_INTERFACE, page C-2.

> **Note:** To use an electronic data feed to import rates, you can either use the data exchange programs provided or create a script to import the rates from the feed source into the appropriate Treasury tables.

For each authorized currency, you must define a spot rate against the USD and at least one interest rate. Any other rates are optional.

Prerequisite

• Set up reference codes for each rate. See: Setting Up Current System Rate Data Feed Codes, page 2-122.

To enter a system rate

1. In Ref Code field of the Current Rates tabbed region of the Current System Rates window, choose the reference code for the rate, volatility, or price. The description of the rate automatically appears in the Ref Description field.

2. Define a period and term type for the rate. For example, "1 Month" for a 1-month interest rate or "2 FX Spot" for a 2 day spot rate.

   • In the Period field, enter a period for the rate. If you are defining a bond price, leave the period field blank. If you are defining a spot rate, the default period is 2 because spot rates are generally quoted on a 2-day basis; however, you can change the value if you want.

   • In the Term Type field, select a term type for the rate. The term type you select determines the type of rate you are defining.

     The following table lists the rate types you can define and the terms for each rate type.

Rate Type	Terms
Interest rate	Day, Month, or Year
Volatility	Opt Vol(Days) or Opt Vol(Mths)
	Note: If you are defining an exchange rate volatility, you must define both the base and the contra currencies in the exchange. If you are defining an interest rate volatility, you only need to define the base currency.
Spot Rate	FX Spot
	Note: The term for a spot rate is calculated in days. Therefore, a period of 2 FX Spot is equivalent to 2 days.
Forward Rate	FX Fwd(Days) or FX Fwd(Mths)
Stock Price	Stock Price
Bond Price	Bond Price

3. In the Base Currency field, select a currency for which you want to define the rate. If you are entering a spot or forward rate or an exchange rate volatility, this is the base currency for the rate.

> **Note:** You must record at least one spot rate for each currency against the USD.

4. If you are entering a spot or forward rate or an exchange rate volatility, in the Contra Currency field, select a contra currency. If you are entering an interest rate, interest rate volatility rate, stock price, or a bond price, leave this field blank.

5. In the Bid Price field, enter the bid price for the rate. The *bid price* holds the bid interest rate, currency rate, stock price, bond price, or volatility.

6. In the Ask Price field, enter the ask price for the rate. The *ask price* holds the ask interest rate, currency rate, stock price, bond price, or volatility.

> **Additional Information:** The difference between the bid price and

the ask price for a currency combination is the price *spread*. The spread between a currency combination depends on two things: the risk associated with each currency, and the liquidity of the currencies in the combination. If you want to change the price spread between two currencies, you can edit the ask price at any time.

7. In the Day Count Basis field, select the day count basis that you want to use. For more information on how each day count basis is calculated, see: Treasury Terms, page Glossary-1.

8. Save your work.

Viewing Current System Rates

Use the Current System Rates window to view your current system rates.

To view a current system rate

*   In the Current Rate region of the Current System Rates window, select a rate that you want to view and scroll to the Bid Price and Ask Price fields.

Viewing Current and Archived Cross Rates

Use the Review Historic Rates window to view your current and archived cross rates.

To view current and historic cross rates

1. In the Current Rate region of the Current System Rates window, choose the Cross Rates button. The Review Historic Rates window appears, listing all of the current and archived cross rates.

2. Query the cross rate you want to view.

Viewing Current and Archived Spot Rates

Use the Review Historic Rates window to view your current and archived spot rates.

To view current and historic spot rates

1. In the Current Rate region of the Current System Rates window, select the spot rate for which you want to view the current and archived rates. Choose the Spot Rates button. The Review Historic Rates window appears listing all of the current and archived spot rates.

Viewing Current and Archived Interest Rates and Volatility Rates

Use the Review Historic Rates window to view your current and archived interest rates and volatility rates.

To view current and historic interest rates and volatility rates

- In the Current Rate region of the Current System Rates window, select the interest rate for which you want to view the current and archived rates. Choose the Spot Rates button. The Review Historic Rates window appears listing all of the current and archived interest rates and volatility rates.

Retail Transaction Rates

Retail Transaction Rates are the default interest rates used for retail term money deals. For each retail transaction rate you set up, you must specify the deal type, subtype, product type, amount, term, and effective date to which you want to apply the rate.

Use the Retail Transaction Rates window to enter or update retail transaction rates for your existing deals. You can apply the updated rate on either the effective date for the rate or the next rollover date for the deal.

Entering Retail Transaction Rates

Use the Retail Transaction Rates window to enter new retail transaction rates.

To enter a product rate

1. In the Retail Transaction Rates window, select a deal subtype and product type for the rate.

2. If you want to add a new rate, place your cursor in a blank row. If you want to update an existing rate, select the rate.

3. In the Curr field, select a currency for the rate.

4. In the Effective Date field, enter the date on which you want the rate to become effective.

5. In the Minimum Amount field, enter the minimum amount to which you want to apply the rate. In the Maximum Amount field, enter the maximum amount to which you want to apply the rate.

6. If you want to establish two rates for the same amount range, in the term field enter a unique term for the rate.

7. Enter either the interest rate or the interest period and margin for the rate.

8. Choose the Update Transaction Rates button. The Update Transaction Rates window appears.

9. If you want the rate to become effective on the next rollover date, check the Effective on Next Rollover check box. If you do not check this, the rate will be applied to all deals as of the Effective Date.

10. If you want to keep the principal and interest amounts constant for your existing deals, check the Keep PI Constant check box.

11. Choose the Submit Request button. A concurrent request enters your retail transaction rates.

Printing Confirmation Letters for Updated Retail Transaction

When you change a retail transaction rate, you can send the parties with whom you conduct retail term money deals a confirmation letter outlining the details of the rate change. Use the Retail Transaction Rates window to print the confirmation letters for rate changes. For more information on confirmation letters for retail term money deals, see: Printing Confirmation Letters for Retail Term Money Deals, page 4-25.

Prerequisite

• Set up default confirmation templates. See: Confirmation Templates, page 2-29.

To print a confirmation letter for an updated product rate

1. In the Retail Transaction Rates window, select the rate for which you want to print a confirmation letter. Choose the Print Letters button. The Print Confirmation Letters window appears.

2. Select the rate for which you want to print a confirmation letter. Choose Submit to launch the concurrent process and print the confirmation letter.

Positions

This section describes how to view your company positions.

Average Rates

The View Average Rates window displays the following information:

• Weighted daily average amounts and rates over a specified period

- Total number of outstanding transactions per day

- Total range for your deal amounts and rates

The information on this window is grouped by deal type and subtype currency combination.

Viewing Average Rates

Use the View Average Rates window to review your average rates for any period by deal type and by party.

To view your average rate position

1. In the Find Average Rates window, complete the fields as needed to locate the average rates you want. Choose the Find button. The View Average Rates window appears.

2. If you want to view detailed information for a particular rate, select the rate and choose the Deal Details button. The View Deal Details window appears.

3. If you want to view a different set of average rates, choose the Requery button.

Interest Rate Exposures

You can view your interest rate exposures as a split between your physical deals and derivatives as well as a split between your fixed interest and floating interest rates. In addition, you can compare your actual fixed and floating positions to your interest rate policies and variances from the Interest Rate Policy window, see: Interest Rate Policy, page 2-88.

Viewing Interest Rate Exposures

Use the View Interest Rate Exposures window to view your interest rate exposures for a specified company, portfolio, currency, or any combination of these three criteria.

To view interest rate exposure information

1. In the Calculation Criteria region of the View Interest Rate Exposures window, select a company whose interest rate exposures you want to view.

2. If you want to view the interest rate exposures for a particular portfolio, in the Portfolio field select a portfolio.

3. If you want to view the interest rate exposures for a particular currency, in the Currency field select a currency.

4. If you want to view your interest rate exposures grouped by type, check the Group By Types check box.

5. If you want to include inter-company deals, check the Include Inter-company check box.

6. In the Rate Details region, insert your cursor. The interest rate exposure information for the calculation criteria you specified appears.

7. Choose the Policy/ Variances tabbed region to view information on your policies and variances. For more information on policies and variances, see: Interest Rate Policy, page 2-88.

8. If you want to submit this as an interest rate exposure report, choose the Submit Report button. A concurrent process submits your report.

Viewing Interest Rate Schedules

Use the View Funding/Investment Schedule window to view your interest rate schedules.

To view interest rate schedules

1. In the View Interest Rate Exposures window, select the View Schedules button. The View Funding/Investment Schedule window appears.

2. Indicate which schedules you want to view by completing the fields in the Selection Criteria region of the window.

3. In the Schedule Summary region of the window, insert your cursor in a field. Your interest rate schedule information appears.

4. If you want to view all of the deals for a particular deal type, select a deal type and choose the View Deal Type Summary button. The View Deal Type Summary window appears.

   - If you want to view all of the transactions for a particular deal, select a deal and choose the View Transaction Details button. The View Transaction Details window appears.

   - If you want to view the details for a transaction, select the transaction and choose the More Details button. The view deal form for that transaction appears with the complete deal details.

5. If you want to view the balances for particular bank account, select a bank account. Choose the View Account Balance button. The View Transaction Details window appears.

- If you want to view the details for a particular transaction, select the transaction and choose the More Details button. The view deal form for that transaction appears with the complete deal details.

Viewing Interest Rate Maturity Profiles

Use the View Maturity Profile window to view the maturity profiles for your interest rates.

To view interest rate maturity profiles

1. In the View Interest Rate Exposures window, select a deal type.

2. Choose the View Maturities button. The View Maturity Profile window appears.

3. If you want to view the maturity profiles for the default period, choose the Default Period option. If you want to view the maturities for the period you defined in the Interest Rate Policy window, choose the User Period option. For more information see: Interest Rate Policy, page 2-88.

4. If you want to view a description of your maturities instead of the period, in the Interest Rate Exposure Period section of the View Maturity Profile window select Description.

Liquidity

You can view your liquidity position and identify the total amount of your readily available funds from your available limit facilities, cash, bank overdrafts, and sellable securities. If your limit structure permits, you can also use this window to view the amount of available facilities for which your company has a commitment to provide.

> **Important:** To view accurate liquidity results, you must apply your limits accurately to every deal at deal input. For example, an accurate funding limits liquidity value depends on you applying a funding limit to every funding deal. Also, if you input a deal without applying a limit, your liquidity results will not take that deal into account and therefore, be incorrect.

Viewing Liquidity Positions

Use the View Limits Liquidity window to view your liquidity position.

To view your liquidity position

1. In the View Limits Liquidity window, select the company for which you want to view liquidity information. Your limit facilities for the selected company appear.

   > **Note:** Only fund and invest limit categories are available. Overdraft or foreign exchange limit categories are not available. See: Limit Types, page 2-93.

2. If you want to include a limit in your liquidity position, check the Select Limit check box next to each limit that you want to include.

3. Choose the Start Process button. Your liquidity position is automatically calculated and appears in the Liquidity Summary region of the window. Also, depending on which deals and limits are included in your liquidity position, the following buttons may appear: Liquidity Details, Investment Details, and Security Details.

   The *Committed Investment Limits* field in the Liquidity Summary region contains the sum of available limits that you selected to include in the liquidity position.

Viewing Liquidity Details

Use the Liquidity Details window to view the details of your liquidity position.

To view liquidity details

1. View your liquidity position. See: Viewing Liquidity Positions, page 8-21.

2. In the View Limits Liquidity window, choose the Liquidity Details button. The Liquidity Details window appears. The Liquidity Details window contains a summary of your total available funding, your total bank account balance for your company accounts, and your total short term money investments.

3. If you want to view the parties associated with a limit, in the Available Funding area of the window select the limit you want to view and choose the Funding Details button. The Investment Details window appears, showing the availability of each limit by counterparty.

4. In the Overdraft and Short Term Money region of the Liquidity Details window, you can view your balances, transfers, and total liquidity.

5. If you want to view your bank account details by bank code, currency, and account number, choose the Account Details button.

6. If you want to view a list of all short term money invested, choose the Short Term Money Details button.

Viewing Investment Details

Use the Investment Details window to view your total commitment for investment deals.

To view investment details

1. View your liquidity position. See: Viewing Liquidity Positions, page 8-21.

2. In the View Limits Liquidity window, choose the Investment Details button. The Investment Details window appears.

3. If you want to view the deal details for a specific investment limit, select the limit and choose the Investment Details button. The Limit Details window appears, listing all of your investment deals and the limit utilization for each deal.

Viewing Security Details

Use the Sellable Securities window to view a list of securities that you own and calculate the realize value of those securities.

To view a list of securities that you own

1. View your liquidity position. See: Viewing Liquidity Positions, page 8-21.

2. In the View Limits Liquidity window, choose the Securities Details button. The Sellable Securities window appears.

3. If you want to calculate the current amount realized for a deal, select the deal and then choose the Calculator button. The Negotiable Securities Calculator window appears.

4. In the Interest Rate field, enter the current interest rate for the deal. The realized value for the security appears in the Realized Value field.

Currency

You can view your company position for your authorized currencies. The Currency Position window lists each currency combination, the number of transactions for each combination, and the total value of those transactions for your base and contra currencies.

Viewing Currency Positions

Use the Currency Position window to view your company position by currency.

To view your currency position

1. In the Currency Position window, select the company whose currency position you want to view.

2. In the Amount Unit field, enter the unit measurement that you want to use to view your currency position.

3. In the As of Date field, enter the date to which you want to view your currency position.

4. Choose the Query button. The currency position information for the selected company appears.

   The currency combinations displayed are the combinations that you defined in the Currency Details window. For more information of defining currency combinations, see: Currency Details., page 2-84

   The currency combinations are displayed in order of importance, as defined in the Currency Details window, and then alphabetically.

   Monitored currency combinations appear in bold. For each monitored currency combination you can see the amount of base currency and the amount of contra currency that your company holds.

5. If you want to monitor a currency combination, place your cursor in the currency field and choose the Monitor button. If you want to stop monitoring a currency combination, place your cursor in the monitored currency field and choose the Unmonitor button.

6. If you want to view more currency combinations, choose the More Combinations button. Once you select the More Combinations button, you cannot view the earlier currency combinations. To view the earlier currency combinations you must repopulate the Currency Details window by choosing the Query button.

Net Transaction Summary

Use the Net Transaction Positions window to review your transaction positions, as of the current system date.

You can drill down through a summary of transactions by deal type to obtain the following types of information:

- Summary of your total net positions, or your positions for a specific deal type

- Deals outstanding with particular counterparties

- Summary of deals for a specific position

- Detailed information for a specific deal

Viewing Net Transaction Summaries

Use the Net Transaction Positions window to review your net position for all treasury deals.

To view your net transaction position

1. In the Find Transaction Positions window, complete the fields as needed to locate the positions you want to view. Choose the Find button. The View Net Transaction Positions window appears, listing position information by deal type.

2. If you want to view a deal type row broken down by counterparty, select the deal type and choose the Net Positions button. The Net Transaction Positions window appears.

   - If you want to view individual deals for a counterparty, select the deal and choose the Details button. The View Position Details window appears.

   - If you want to view the complete details a deal, select the deal, and choose the Deal Details button. The view window for the selected deal appears with the full details.

Limit Utilization and Excesses

This section describes how to view information about your limits, limit utilization, limit excesses, and limits notifications.

For more information on limits, see: Limits, page 2-89.

Viewing Limit Utilization

Use the View Limit Utilizations window to view a list of your limits, the amount that your deals have utilized and the amount that is still available. For each limit utilization, you can view a list of the individual deals that are used to calculate the limit utilization amount. You can also use this window to view the details of any deals that caused you to exceed a limit.

> **Important:** To ensure that your limit utilization information is accurate, you must consistently apply limits to your deals. If you do not apply limits to your deals, those deals will not be calculated as part of your limit utilization.

Prerequisite

- Set up limits. See: Limits, page 2-89.

To view limit utilization

1. In the Settlement Limits From field of the View Limit Utilizations window, enter the earliest date for which you want to view your limit utilizations.

   > **Note:** The Settlement Limits From date must be equal to or later than the current system date.

2. In the To field, enter the latest date for which you want to view your limit utilizations.

3. In a blank row, query the limit utilizations that you want to view. The list of limits that match the type, settlement date range, and other criteria you specified appear.

   The following selected information is displayed for each limit.

   - **Available:** The total amount available for the limit. This value is calculated by subtracting the weighted limit utilization from the limit amount. If the value in the Available field is negative and red, you exceed the limit. See: Limit Weightings, page 2-95.

   - **Utilized:** The total utilization of the limit.

4. To view the deal details for a specific limit, select the limit and insert your cursor in the Deal Num field of the Limit Details region. A list of deals used to calculate the specified limit utilization amount appears. If the value in the Available field is negative and red, you exceed the limit.

5. To view the deal details for an exceeded limit, select the exceeded limit and choose the View Excesses button. The View Limit Exceptions window appears. See: Viewing Limit Excesses, page 8-26.

Viewing Limit Excesses

If your deals have a combined value that is greater than the available amount of a limit, you have exceeded that limit. Use the View Limit Exceptions window to view a list of the limits you have exceeded and the deals which caused you to exceed them.

> **Important:** To ensure that your limit excess information is accurate, you must consistently apply limits to your deals. If you do not apply limits to your deals, those deals will not be calculated and included in your

limit excess amounts.

Prerequisite

- Set up limits. See: Limits, page 2-89.

To view a limit exception

- In the View Limit Exceptions window, query the limits for which you want to view your excesses. The list of deals that match your criteria appears.

Viewing Limits Notifications

You can optionally receive automated notifications when you exceed established limits. Based on your notification preferences, you can receive an e-mail notification that informs you of a limit breach. You will receive a single e-mail that lists all the limits exceeded by a particular deal. You can also view your limit excesses directly from a worklist.

Prerequisites

- Set up limits. See: Limits, page 2-89.

- Install the Oracle Workflow Background Engine. If you want to receive an e-mail notification, you must install the Oracle Workflow Notification Mailer and select a General Preference option that generates an e-mail. See the *Oracle Workflow User Guide* or online help.

- Define limits notifications. See: Setting Up Limits Notifications, page 2-106.

To view a worklist limits notification

1. In the Notifications Worklist window, you can view a list of notifications that require an action.

    > **Important:** If you selected a notification preference that generates an e-mail notification in HTML format, you might be able to take action directly from your e-mail viewer. If you selected a notification preference that sends a plain text e-mail or summary e-mail, you must view the notifications and take action from the Notifications Worklist.

2. Click on each subject hyperlink to drill down to the Notification Details.

9

Settlements and Accounting

Settlements

You must create adjustments to settle your tax and brokerage fees before you can create your journals and transfer them to General Ledger. As part of your settlement process, you can validate your deal transactions or print confirmation letters for your deals.

You can automatically change settlement bank accounts on multiple deals by running the Update Settlement Bank Account Program. For more information, please refer to Chapter 10 **Inquiries and Reports**.

Transaction Validation

You should validate your deal transactions before settling them. Validating your transactions is mandatory if you choose the Validate Deal Input option in the System Parameters window. See: System Parameters, page 2-36.

If you validate a wholesale term money deal or retail term money deal and then go back and make a principal or interest adjustment on the deal, the validation is removed. You need to confirm that the deal is correct and validate the deal again before you can settle the transactions.

Validating Transactions

Use the Transaction Validation window to validate your transactions before making them available for Settlement and/or allowing cash journal creation.

> **Note:** You can only validate transactions for the deal, deal subtype, and product type combinations that you have validation authorization. See: User Access Levels, page 2-34.

To validate transactions

1. In the Transaction Validation window, select the Not yet Validated option to select your unapproved transactions.

2. Select a company whose transactions you want to validate.

3. In the Validate From field enter the earliest date from which you want to validate transactions. If you want to validate all transactions, leave the field blank. The unvalidated transactions appear in the Deal Details tabbed region of the window.

4. Select a transaction and choose the Review Details button. The Review Details window appears.

5. If you want to view additional deal details, choose the Full Details button. The deal input form for the selected deal appears.

6. To validate a transaction, check the Transaction Validated check box.

7. If you received a transaction confirmation letter from the transaction's counterparty party, check the Confirmation Checked check box.

8. Save your work.

Confirmation Letters

You can create confirmation letters to confirm the details of a deal or a transaction with another party. A deal can have multiple transactions, each of which requires a separate confirmation. For example, an Interest Rate Option deal might require two confirmation letters, one when the deal is initiated, and another confirmation when the option is exercised.

The deals that you can generate confirmation letters for depends upon the setting of the Validation Required for Confirmations system parameter. If the parameter is set to Yes, you can only generate confirmation letters for validated deals. If the parameter is set to No, you can generate confirmation letters for all deals.

Printing Confirmation Letters

Use the Print/Reprint Confirmation Letters window to print or reprint confirmation letters for specific deals. You cannot print confirmation letters for retail term money adjustments through this window. For more information on how to print confirmation letters for retail term money adjustments, see: Retail Term Money, page 4-21.

Prerequisites

- Set the Validation Required for Confirmations system parameter according to your requirements. See: System Parameters, page 2-36 for more information.

- Set up confirmation templates. See: Confirmation Templates, page 2-29.

- Set up confirmation groups. See: Confirmation Groups, page 2-74.

- Assign confirmation groups to your counterparties. See: Counterparty Profiles, page 2-55.

To print confirmation letters

1. In the Find Deals Requiring Confirmation Letters window, choose the type of deal confirmations that you want to print by choosing the Not Yet Printed, the Already Printed, or the Both option button.

2. Set the Include Manual Confirmations? option to Yes to include deals with counterparties that do not belong to any confirmation group.

3. Complete the other fields in the Find Deals Requiring Confirmation Letters window as needed and choose the Find button.

   > **Note:** If you chose the Already Printed or the Both options, you must enter at least one date range.
   >
   > All the deals that match your criteria, and that meet the requirements that you established on the Confirmation Groups window appear.

4. Select the deals for which you want to print confirmation letters in one of the following ways:

   - To select only a few deals, check the check box beside each deal that you want to print.

   - To select most of the deals, check the Select All to Print check box, and deselect any deals that you do not want to print.

   - To select all deals on the window, check the Select All to Print check box.

5. Choose the Print All Selected Letters button. A concurrent process submits a request to print the letters.

Settlements

Using the Settlements window, you can also manage your settlement process. You can pre-authorize future settlements, change the default settlement details for a deal, split a settlement between different accounts or parties, or net all the settlements between your company and another party. In addition, you can generate payment instructions and transmit payments electronically.

Authorizing Settlements

Use the Settlements window to identify, query, validate, and authorize your settlements. You cannot initiate payment instructions until you authorize settlements for the deals. For Exposure transactions, you also cannot generate journal entries until you authorize the settlements for the transaction.

Prerequisites

- Set up default settlement accounts. See: Default Settlement Accounts, page 2-75.

- Set up default settlement actions. See: Default Settlement Actions, page 2-76.

To authorize settlements

1. In the Settlements window, select the company for which you want to authorize settlements.

2. Enter the date on which you expect the settlement to occur in the Due/Settle Date field.

3. If you want to authorize settlements that occurred on or before the Due/Settle Date, check the Unauthorized Prior to Due Date check box.

4. In the Transaction region of the window, indicate the type of transactions you want to display. Select the Validated option to display only validated transactions. Select the Unvalidated option to display only unvalidated transactions. Select the Both option to display all transactions.

5. In the Settlement region of the window, indicate whether the type of settlements you want to display. Select the Authorized option to display only authorized settlements. Select the Unauthorized option to display only unauthorized settlements. Select the Both option to display all settlements.

6. In the Settlement Summary region, indicate the type of settlements you want to authorize. Select the Payment Only option if you want to validate only payment settlements. Select the Receipts Only option to validate only receipt settlements.

Select the Both option to validate all settlement types.

7. If you want to view or change a specific transaction before you authorize it, select the settlement and choose the Maintain Settlements button. The Settlement Actions window appears. Modify the settlement information in the Settlement Actions window as needed. Note: If you select one of the split settlement transactions and choose Maintain Settlements, you will first see the split settlement transaction with the lowest settlement number in the split group. To navigate to other settlements that are a part of the same group, you select the down arrow key or page down key.

8. Check the Authorized field to authorize the settlement. Your user id and the current system date automatically appear in the Authorized By and Settlement Date fields.

9. Save your work.

Netting Settlements and Choosing a Payment Method

After you authorize your settlements, you can net them and choose a payment method.

You can net multiple cash flows for any transactions that have the same currency, counterparty, and value date. Net your payments when you have several transactions with a counterparty. For example, if you owe a counterparty $100,000 and the counterparty owes you $50,000, you can net those transactions and issue only one payment of $50,000, instead of generating a payment for $100,000 and a receipt for $50,000.

Prerequisite

- Authorize settlements. See: Authorizing Settlements, page 9-4.

To net settlement amounts and choose a payment method

1. In the Netting region of the Settlements window, define how you want to group your settlements by checking one of the following check boxes:

   - **Netoff:** Calculates the total payments and receipts as either one payment or one receipt.

   - **Sum:** Produces a total for all receipts and a total for all payments.

   - **None:** Does not perform any netting. Each amount is handled separately.

   - **Not set:** Each amount is handled separately. Select this option if you haven't grouped your settlements yet.

2. If you want to remove the a settlement grouping, select the row of the grouped settlement in the Maintain Details area of the window and delete the value in the

Group Ref field.

3. Choose one of the following payment methods for the settlement:

    • **Check:** Enable the check box if you are using a check to pay the settlement.

    • **Direct Debit:** Enable the direct debit check box if the counterparty will take the payment directly from your company bank account.

    • **EFT:** Enable the EFT check box if electronic payment information needs to be created for the settlement.

        The settlement amounts appear in the Maintain Details region of the window.

4. Save your work.

Splitting Settlements

Use the Split Settlements window to divide your settlements between one or more companies or counterparties, or between one or more bank accounts. You cannot change the total settlement amount by splitting it. If you split a settlement, the sum of the split amounts must equal the original amount before the split.

To split a settlement

1. In the Settlements window, select the settlement that you want to split and choose the Maintain Settlements button. The Maintain Settlements window appears.

2. Choose the Split Settlements button. The Split Settlements window appears.

3. For each part of the settlement split, do the following.

    • In the Define Settlement Splits region, enter the amount of the settlement that you want to split.

    • Select the party whom you want to receive the split part of the settlement.

    • In the Settlement Account field, select the account that you want to use for the split part of the settlement.

    • In the GL Account field, select the General Ledger account to which you want to apply the settlement.

    • Enter any comments about the split as needed.

4. Save your work.

Pre-Authorizing Settlements

Use the Settlements window to pre-authorize future settlements.

To pre-authorize settlements

1. In the Due/Settle Date field, enter a future date for which you want to pre-authorize your settlements.

2. Authorize your settlements. See: Authorizing Settlements, page 9-4.

Viewing Future Settlements

You can use the Next 14 Days region of the Settlements window to view a list of settlements for the next 14 dates on which settlements occur from a specified date.

To view a future settlement

*   In the Start Date field of the Next 14 Days region of the Settlements window field, enter a date from which you want to view a list of your settlements. Choose the Find Next 14 Days button. A list of settlements appears.

Creating Settlement Vouchers

Use the Vouchers window to record settlement vouchers for your reference.

To create a settlement voucher

1. In the Settlements window, select the settlement for which you want to create a voucher. Choose the Maintain Settlements button. The Maintain Settlements window appears.

2. Choose the Vouchers button. The Vouchers window appears.

3. In the Reference field, enter a reference number for the voucher.

4. In the Amount field, enter the amount for the voucher.

5. In the Comments field, enter any comments about the voucher.

6. Save your work.

Tax Brokerage Settlements

You can settle your tax and brokerage fees at the same time you authorize your deal

settlements.

Settling Tax or Brokerage Fees

Use the Tax Brokerage Settlements window to authorize the settlement of your brokerage fees and taxes with two-step gross amount settlement method.

To settle a tax or brokerage fee

1. Navigate to the Tax/Brokerage Settlements window.

2. In the Settlement Type field, select the Tax option if you want to create a settlement for a tax fee. Select the Brokerage option if you want to create a settlement for a brokerage fee.

3. If you want to view your settled and unsettled fees, check the Settled Transactions check box. If you want to view only your unsettled fees, do not check the Settled Transactions check box.

4. In the Payee field, select the party who is receiving the settlement.

5. In the Tax/Brokerage Code field, select the tax or brokerage code for that party.

6. In the Payer field, select the party who is paying the settlement.

7. Select the currency for the settlement.

8. In the Period From field, enter the earliest date from which you want to settle your fees. In the To field, enter the latest date to which you want to settle your fees. A list of matching records appears.

9. Select the record that you want to settle and choose the Settle button.

   You can select multiple records and create one single payment. The payer (company), the payee, and the currency must all be the same on the selected records.

10. In the Settlements window, enter the party, settlement date, settlement code, and the settlement account.

11. Choose the Commit Settlement button.

    Based on this information, the system creates an exposure transaction (EXP) that needs to be authorized for settlement in the Main Settlements window before the payment can be made. For more information on authorizing settlements, see: Authorizing Settlements, page 9-4.

12. If you want to review your tax information, choose the Tax Setup button. For more

information on setting up your taxes, see: Tax/Brokerage Setup, page 2-111.

13. If you want to review your brokerage information, choose the Brokerage Setup button. For more information on setting up your brokerage information, see: Tax/Brokerage Setup, page 2-111.

Generating Payment Instructions and Transmitting EFT Payment Files

Use the Settlements window to generate payment instructions in a report or an EFT payment file. If you choose to generate payment instructions in an EFT payment file, you can optionally use the payment transmission process of Oracle Payments to transmit the output file to your bank

Once you transmit the output file to your bank, you can run the Retrieve Payment File Confirmations program in Treasury. This program retrieves confirmation files from your bank's directory, saves the confirmation files in your local directory, and sends a transmission status notification email to the specified user.

To generate payment instructions and optionally transmit EFT payment files

1. Navigate to the Settlements window.

2. Authorize the settlement that you want to generate the payment for by selecting the Authorized check box in the Maintain Settlements window. After you select each settlement that you want to authorize, you need to re-query the settlements in the Settlements window.

3. Select the Generate Report/Script button.

> **Note:** At least one settlement transaction must be authorized and your cursor must be on an authorized transaction row before the Generate Report/Script button is activated.

> The Submit Report/Script window appears.

4. Select the company that is making the payment in the Company field.

5. Select the counterparty that is the payee in the Counterparty field.

6. Enter the currency of the settlements to be paid in the Currency field. If you do not enter a value here, settlements of all currencies are eligible to be included in the payment file.

7. Enter the account name in the Account Name field.

8. Enter the settlement date in the Settlement Date field.

9. Select the script name in the Script Name field.

10. Enter the settlement amount in the Settlement Amount field. Two fields are provided to offer a range of nominal values for the settlements. If you do not enter amounts, all nominal values of settlements are eligible to be included in the payment file.

11. Choose Yes or No in the Transmit Payment field to indicate whether to automatically submit the EFT payment file to your bank. If you select Yes, the system generates and transmits the payment file based on the Payment Transmission Name associated with the script you selected. If you select No, the system does not transmit the EFT payment file; it only generates the file.

> **Note:** The value Yes is available only if a Payment Transmission Name is assigned to the settlement script that you select. If no Payment Transmission Name is assigned to the settlement script, the value defaults to No.

12. Check the Re-run Previous check box to include previously processed settlements to your bank. If you do not want to include previous processed settlements, uncheck the box.

13. Choose the Submit button. The system creates payment instructions according to the settlement script. If you chose Yes in the Transmit Payment field, the Transmit Payment File Program automatically transmits the EFT payment file to your bank. You can confirm if the payment instructions were generated by viewing the output file in the Requests window. See: Monitoring Requests, page 10-6.

14. You can confirm if the payment file was successfully transmitted to your bank by submitting the Retrieve Payment File Confirmations program in Treasury. The Retrieve Payment File Confirmations program retrieves confirmation files from your bank's directory, saves the confirmation files in your local directory, and sends a transmission status notification email to the specified Treasury user.

EFT Payment Files

In Oracle Treasury, you can use electronic funds transfer (EFT) to send an electronic file to your bank that instructs the bank to transfer funds from your account to your counterparty's account. You can use standard payment formats or a custom developed format. These electronic payment formats are available in Oracle Treasury:

- Bank of New Zealand Format

- SWIFT MT 100 Format

- ANSI X12 820 Format

> **Note:** The EFT payment formats only relate to outgoing payments in Oracle Treasury.

Once you have generated an electronic payment format, you can use the payment transmission process of Oracle Payments to optionally transmit the output file to your bank. See: Generating Payment Instructions and Transmitting EFT Payment Files, page 9-9.

Accounting

The Treasury accounting process creates company journal entries and transfers journal entries from Treasury to General Ledger. This process comprises the following steps, some of which are optional:

- Prospective hedge effectiveness testing (optional)

- Perform revaluations (optional)

- Retrospective hedge effectiveness testing (optional)

- Generate accruals and amortizations

- Generate daily journals

- Transfer journals to General Ledger

You can automate the Treasury accounting process by running the Accounting Streamline Processing concurrent program. You can link any of the four steps together in a sequence and the program can be scheduled during non-business hours without any user intervention. The program also lets you run the accounting process in batch mode for either a single company or for all the companies available based on your user access level. For more information, see: Streamline Accounting Process, page 9-30.

This figure illustrates the Treasury accounting process.

Accounting Batch Process in Treasury

Batch Period: 01-Mar-2002 to 31-Mar-2002

Delete Retrospective
Effectiveness Testing

Unauthorize and Delete
Revaluation Details and
Batch

Unauthorize and Delete
Retrospective
Effectiveness Testing

Unauthorize and Delete
Accruals

Delete Journals

**Prospective
Effectiveness Testing
(Optional)**

- Record prospective
  effectiveness testing results

**Revaluations
(Optional)**

- Capture and adjust
  revaluation rates
- Calculate revaluation details

Authorize

**Retrospective
Effectiveness Testing
(Optional)**

- Run retrospective
  effectiveness testing

Authorize

**Accruals and
Amortization**

- Create period adjustments

Authorize

Daily Journals

- Generate journals
- Adjust journal entries
- Reallocate suspense journals

Transfer to General Ledger

General Ledger

You can post journal entries for cashflow amounts (that is, non-revaluation and non-accrual journal entries) on a daily or weekly basis, and post journal entries for your revaluation/accrual deals on a separate timeline. The posting of cashflow amounts does not require performing revaluations or generating accruals prior to generating daily journals.You choose, for each company in Treasury, whether to start the accounting process at revaluations or accruals by setting the Accounting - Perform Deal Revaluations company parameter. For more information on setting company parameters, see: Company Profiles, page 2-64. If you set the Accounting - Perform Deal Revaluations company parameter to Yes, then you must perform revaluations.

If you choose to perform revaluations, you can additionally choose whether to perform hedge effectiveness testing as a part of your accounting process by setting the Accounting - Perform Hedge Effectiveness Testing company parameter. For more information on setting company parameters, see: Company Profiles, page 2-1. If you set the Accounting - Perform Hedge Effectiveness Testing company parameter to Yes, then

you must start your accounting process with prospective hedge effectiveness testing.

You choose to create journal entries either for all transactions or for validated transactions only by setting the Validation Required for Accounting system parameter. See: System Parameters, page 2-36 for more information.

Accounting Batches

You start the accounting process by creating an accounting batch. An *accounting batch* consists of a batch ID, a batch period (date range for the transactions included in the batch), and a set of transactions that fall within the batch period. If you perform revaluations, the set of transactions that fall within the batch period depends on the accounting method your company uses. For more information on choosing an accounting method, see: the Accounting - Trade / Settlement Date Method company parameter in Company Profiles, page 2-64.

You can create an accounting batch and generate journals in one step for non-revaluation and non-accrual journal entries. If you are performing revaluations and/or generating accruals, then after you create an accounting batch, you must authorize the batch at each step of the accounting process. For example, once you complete revaluations you must authorize the batch before you can begin accruals for that same period. Similarly, the accruals batch must be generated and authorized before you can generate any journals for that date range.

Changing or Deleting Accounting Batches

You cannot change or delete an authorized accounting batch because it may affect the accounting process. If you have authorized the revaluations and accruals for a batch, you can only delete the batch or make any changes to the revaluations for the batch after you un-authorize both the revaluations and accruals. If you want to make changes to the accruals, you must first un-authorize the accruals.

> **Important:** Once a batch has been transferred to General Ledger, you cannot un-authorize, make changes, or delete the batch.

The table below lists the statuses that must exist before you can change or delete an accounting batch. For example, if you want to change revaluations for an accounting batch, the batch can have revaluations generated for it but the revaluations cannot be authorized.

To Change or Delete an Accounting Batch at . . .	Status of Revaluations	Status of Accruals	Status of Daily Journals
Revaluations	Generated - Yes	Generated - No	Generated - No
	Authorized - No	Authorized - No	Transferred - No
Accruals	Generated - Yes	Generated - Yes	Generated - No
	Authorized - Yes	Authorized - No	Transferred - No
Daily Journals	Generated - Yes	Generated - Yes	Generated - Yes
	Authorized - Yes	Authorized - Yes	Transferred - No

Defining Batch Periods

The start and end dates of the batch period are automatically populated based on the end date of the previous batch and the length of the periods that are defined in the company accounting calendar. Typically a period is one month. You can edit the period end date as required. For example, you can create a batch period of one day or two weeks in length. The first time you create a batch, the start date for the batch period is the date of the oldest transaction and the end date is the current system date.

The dates covered by batch periods must be consecutive, unique and gapless. Each date must appear in a batch, and the same date cannot appear in two different batches. For example, if you create a batch for the period June 1 to June 15, you cannot create another batch for the period June 1 to June 30, or start the next batch on June 17. Instead, you must either create another batch that covers all of the remaining dates (for example, a batch for June 16 to June 30) or delete the existing batch and create a new batch that covers all of the dates (June 1 to June 30).

Prospective Hedge Effectiveness Testing

Hedge Effectiveness Testing is required by FAS 133 and IAS 39 only when accounting for financial derivatives designated as hedge instruments. This is an optional step in the accounting process and may be excluded via a company level parameter.

Prospective Hedge Effectiveness Testing

Prospective Effectiveness Testing is a forward looking test. It determines whether your hedge will continue to be effective in the future. You only qualify for hedge accounting treatment if this test passes. You can enter your test results performed externally in the

Prospective Effectiveness Tests window. You can attach any electronic files or documents that may contain the test details for audit purposes. In the case where a hedge fails prospectively, Oracle Treasury will set the status of the hedge to Fail as of the test date. Those hedges will not qualify for hedge accounting treatment as of that date, and any previously deferred derivative gains or losses associated with the hedge are available for accounting once the hedge amount is reclassified. Prospective tests are required with a frequency defined on the hedge attributes. You will be prevented from running Retrospective Effectiveness tests if a Prospective test is required and not available.

Revaluations

Revaluation is the process of adjusting the rates and prices of your financial instruments to reflect the current market value and calculate the realized or unrealized profit and loss.

Revaluation is an optional step in the accounting process. If you set the Accounting - Perform Deal Revaluations company parameter to Yes, you must perform revaluations as part of the accounting process. If you set the parameter to No, you cannot perform revaluations. For more information on setting company parameters, see: Company Profiles, page 2-64.

When you perform revaluations, you:

- Define the end date for the accounting batch period. If this is your first ever accounting batch for this company, you will also need to define the batch start date.

- Capture the rates that you want to use to revalue the batch from the Current System Rates window.

- Review and adjust the revaluation rates, as required.

- Calculate your mark-to-market and currency gain or loss revaluations. The currency gain or loss is calculated using the GL daily rate.

- Authorize the revaluations.

The rates that you capture to revalue your financial instruments (interest rates, bond and stock prices, foreign exchange spot rates, or volatility rates) are collectively called *revaluation rates*. Revaluation rates are captured from the Current System Rates window for the specified batch period. For more information on rates, see: Current System Rates, page 2-120.

Once you capture the revaluation rates, you can review and adjust the rates as required. You can either calculate revaluations using the captured rates, or you can enter different Bid and Ask rates.

Financial instruments are revalued using either mark-to-market or currency gain or loss revaluation. *Mark to market* revaluation calculates the fair value, or current replacement

cost, for the financial instrument. *Currency gain or loss* revaluation calculates the value of foreign currency holdings. For example, if you have a foreign currency bank account and the exchange rate fluctuates, you will experience a currency gain or loss. The method of revaluation used depends on the type of financial instrument being revalued. For more information on the revaluation methods used for each financial instrument, see: Price Models by Deal Type, page B-35.

The following financial instruments are revalued using both *mark-to-market* and the *currency gain or loss* revaluation.

- Bond Option (BDO)

- Bonds (BOND)

- Equities (STOCK)

- Foreign Exchange Options (FXO)

- Foreign Exchange Spot or Forward Deals (FX)

- Forward Rate Agreements (FRA)

- Interest Rate Option (IRO)

- Interest Rate Swap (IRS)

- Interest Rate Swaption (SWPTN)

- Negotiable Securities (NI)

- Wholesale Term Money (TMM)

The following financial instruments are revalued by calculating only the *currency gain or loss*.

- Current Account Balances (CA)

- Intercompany Transfers (IG)

- Short Term Money (ONC)

Hedge item gains/losses are also calculated by the revaluation process.

You can recalculate revaluations as often as you want. Once you are satisfied with the revaluation results, you must authorize them before you can move to the next step in the accounting process. You cannot change revaluations once they are authorized.

To change authorized revaluations, you must first reverse any authorizations that exist for the batch. For example, if you authorized the revaluations and accruals for a batch, then you must un-authorize the accruals and revaluations before you can change the revaluations for the batch. You cannot recalculate revaluations for a batch once you

have transferred the daily journals for the batch to General Ledger.

Capturing and Adjusting Revaluation Rates

Use the Revaluations window to set the start and end dates for the accounting batch period and to capture and adjust the rates you want to use to revalue the batch.

Prerequisite

- Set up current system rates. See: Current System Rates, page 8-13.

To review and adjust a rate for revaluation

1. Navigate to the Revaluations window.

2. Choose a Company.

3. Choose an existing Batch ID or, if this is a new batch, adjust the Period From and To dates.

   If this is the first time you create a batch, the Period From and Period To fields are automatically populated. The Period From date is the date of the earliest deal for the company. The Period To date is the current system date.

   If you previously created an accounting batch, then the Period From date is automatically populated based on the Period To date of the previous accounting batch. The Period To date is automatically populated based on the accounting calendar for the company. You can set the Period To date to any date that is equal to or earlier than the current system date.

4. To capture the revaluation rates, choose the Capture Rates button. The revaluation rates for the specified period are captured from the Current System Rates window.

   If you are capturing rates for historical periods, the accuracy and type of rates that are captured depend on how frequently you obtain or enter your current system rates. For more information on archiving rates, see: Archiving System Rates, page 2-125.

   If this is a new batch, Treasury automatically populates a Batch ID.

5. If you want to adjust the captured rates, you can enter adjusted bid and ask rates in the Overwrite Bid and Overwrite Ask fields. Treasury uses the rates that you enter in these fields to calculate your revaluations. If you do not enter rates in these fields, then the rates you captured earlier are used to calculate your revaluations.

6. If you want to recapture the revaluation rates from the Current System Rates window, choose the Recapture Rates button. If you recapture rates, this deletes any rates that you previously entered in the Overwrite Bid and Overwrite Ask fields.

7. If you want to delete the batch, first ensure that the revaluations for the batch have not been authorized, then choose the Delete Batch button. For more information on deleting batches, see: Accounting Batches, page 9-13.

Calculating Revaluations

After you capture and adjust your revaluation rates, use the Revaluation Details window to calculate your revaluations. A different formula is used to calculate the revaluations for each financial instrument. For more information, see: Pricing Models by Deal Type, page B-35.

Prerequisite

- Capture and adjust revaluation rates. See: Capturing and Adjusting Revaluation Rates, page 9-17.

To revalue your deals

1. Navigate to the Revaluations window.

2. Choose the Company for which you want to calculate your revaluations.

3. Choose the Batch ID of the batch that you want to calculate revaluations. Depending on how much information has been saved for the batch, a batch can have one of these statuses:

   - **Null:** Revaluation rates for the date are saved, but revaluations are not yet calculated. You can calculate revaluation rates for a batch with the status of Null.

   - **Generated:** Revaluation rates are saved and revaluations are calculated. You can recalculate revaluation rates for a batch with the status of Generated.

   - **Authorized:** Revaluation rates have been authorized. You cannot modify revaluation rates if they have been authorized.

4. Choose the Revaluation Details button. The Revaluation Details window appears.

5. To calculate revaluations for the batch, choose the Calculate Revaluations button. A concurrent process calculates your revaluations based on the revaluation formulas for the financial instruments and the revaluation rates you specified in the Revaluations window.

   A message appears stating whether or not a concurrent request to calculate revaluation was successful. If the calculation was not successful, check the log file for details on why the calculation failed (for example, no rate was found, the deal was not exercised, the deal has expired, and so on).

For more information on the revaluations formulas used for each financial instrument, see: Pricing Models by Deal Type, page B-35.

> **Note:** If you are recalculating revaluations, the existing revaluations are replaced with the new calculations.

6. If the concurrent process is successful, close and reopen the Revaluation Details window. The Revaluation Details window appears populated with the calculated revaluations.

7. If you want to view the original deal details for a revalued deal, select the revalued deal and choose the Goto Input Form button. The deal input form appears and shows the full deal details for the selected deal.

8. To overwrite the calculated revaluations:

    *   In the Overwrite Type field, choose the overwrite type. You can choose either Fair Value or your own pricing model, if you defined your own pricing models. For more information on defining pricing models, see: Adding Pricing Models, page 2-82.

    *   In the Overwrite Value field, enter the revaluation calculation that you want to use for the overwrite.

        > **Note:** You must enter values in both the Overwrite Type and Overwrite Value fields. If you do not, the revaluation for the affected record is considered incomplete and the Incomplete check box is checked.

    *   In the Reason for Overwrite field, you can optionally enter a reason for the overwrite.

9. To recalculate your revaluations:

    *   Choose the Delete Revaluations button.

    *   Close the Revaluation Details window.

    *   In the Revaluations window, capture and adjust your rates as described in Capturing and Adjusting Revaluation Rates. See: Capturing and Adjusting Revaluation Rates, page 9-17.

    *   Repeat steps 3 to 5 in Calculating and Re-calculating Revaluations.

> **Note:** You cannot recalculate revaluations if they are authorized. To recalculate revaluations that have been authorized, first choose the Un-authorize button to un-authorize the revaluation, then choose the Delete Revaluations button.

10. If the Incomplete check box is checked for a financial instrument, use the scroll bar to review the fields and determine what is incomplete. You can also review the concurrent request log to identify what prevented the deal from being successfully revalued.

Authorizing and Un-authorizing Revaluations

Revaluation Details window to authorize your revaluations. You must authorize your revaluations before you can proceed to accruals (or Retrospective Hedge Effectiveness Testing), the next step in the accounting process. See: Accruals and Amortizations, page 9-22. and Retrospective Hedge Effectiveness Testing, page 9-21

You cannot authorize a batch if the batch contains incomplete deals. An example of when you might have an incomplete deal is when you revalue bond or equity deals where there is no price from the current system rate assigned to the issue. You must resolve the issues that caused the incomplete deal revaluation, and then delete and re-generate the revaluation details before attempting to authorize the revaluations.

If you want to adjust revaluations after they have been authorized, you must first un-authorize the revaluations. You cannot un-authorize a revaluation once you transfer the daily journals for the batch to General Ledger.

Prerequisite

- Calculate revaluations. See: Calculating and Recalculating Revaluations, page 9-18.

To authorize revaluations

1. Navigate to the Revaluations window.

2. Query the batch that you want to authorize for transfer, then choose the Revaluation Details button. The Revaluation Details window appears.

3. To authorize the revaluations for the batch, choose the Authorize button. Once you authorize the revaluations, you can proceed to the next step in the accounting process, Accruals (or Retrospective Hedge Effectiveness Testing).

4. To un-authorize a revaluation, navigate to the Revaluations window and query the batch that you want to un-authorize. Choose the batch, then choose the Revaluation

Details button. In the Revaluation Details window choose the Un-authorize button.

> **Note:** The Un-authorize button is available only if the selected revaluation has already been authorized.

Retrospective Hedge Effectiveness Testing

Hedge Effectiveness Testing is required by FAS 133 and IAS 39 only when accounting for financial derivatives designated as hedge instruments. This is an optional step in the accounting process and may be excluded via a company level parameter.

Retrospective Hedge Effectiveness Testing

Retrospective Effectiveness Testing is a comparison of the past gains or losses on your hedge instruments versus to the past losses or gains your hedge items. Oracle Treasury supports several methods of Retrospective Effectiveness calculations based on Revaluation results including Period Offset, Cumulative Offset, Shortcut / Fully Effective, Manual Entry, and No Testing.

The Retrospective Effectiveness percentage is calculated automatically based on the test method defined on each hedge and the gains and losses on the hedge instrument and hedge item. The system determines whether this percentage effective for each hedge is within the minimum and maximum tolerances to be considered effective during the accounting period. Oracle Treasury then automatically allocates the total derivative gain or loss needed for accounting purposes. Unrealized gains/losses of hedging instruments are split into effective, ineffective, and excluded amounts so that journal postings are done to the proper accounts. Similarly, Oracle Treasury calculates any gain or loss reclassification from prior periods which require recognition during the current period.

To perform retrospective hedge effectiveness testing

1. Navigate to the Retrospective Hedge Effectiveness Testing window.

2. Select your company and the accounting batch.

3. Select Run Test button. A concurrent request will be submitted.

   > **Note:** The concurrent request will process each outstanding hedge in accordance with the selected retrospective hedge method

   - **Cumulative Offset:** The program will add up all the hedge instrument gains/losses since the hedge inception and compare them to all the hedge item losses/gains. If the percentage offset

falls within the predefined tolerance level, the hedge will pass the test and the derivative gains/losses will be split into effective and ineffective parts. If the percentage offset does not fall within the predefined tolerance level, the hedge will fail the test and the derivative gains/losses will be deemed ineffective.

- **Manual Entry:** Rather than have the system calculate it, you will have to enter the effectiveness percentage manually. If the entered percentage offset falls within the predefined tolerance level, the hedge will pass the test and the derivative gains/losses will be split into effective and ineffective parts. If the entered percentage offset does not fall within the predefined tolerance level, the hedge will fail the test and the derivative gains/losses will be deemed ineffective.

- **No testing:** The hedge is not picked up for effectiveness testing.

- **Period Offset:** The program will compare the hedge instrument gains/losses in the current batch to the hedge item losses/gains in the current batch. If the percentage offset falls within the predefined tolerance level, the hedge will pass the test and the derivative gains/losses will be split into effective and ineffective parts. If the percentage offset does not fall within the predefined tolerance level, the hedge will fail the test and the derivative gains/losses will be deemed ineffective.

- **Shortcut/Fully Effective:** The system assumes 100% effectiveness of the hedge without making any calculations and deems 100% of the hedge instrument gains/losses to be effective.

4. Once the concurrent request is complete, re-select the company and the batch number in the Retrospective Hedge Effectiveness Testing window. The testing results will be displayed.

5. Once you are satisfied with the retrospective effectiveness testing results, select Authorize button to authorize this batch.

Accruals and Amortizations

You can generate amortizations and accruals adjustments, split by revenue and expense, for all money market products. These adjustments include amounts for settling derivatives, such as FRAs and options.

Amortization and accruals adjustments are calculated for each batch period, rather than

as an accumulating amount for multiple periods. Reversal entries are not required.

There are two types of accruals supported by Treasury.

- **Straight Line Accruals:** This type relies on a constant accrual amount and is used to calculate accruals for all deals except discounted security deals.

- **Effective Interest Accruals:** This type relies on a constant accrual rate and is used to calculate accruals for discounted security deals only. Effective interest amortizes the discount on a discounted security deal over the life of the deal so that a constant rate of interest is used. Effective interest accruals are necessary to properly account for discounted securities, especially when a deal is resold. If the discounted security deal is not held until maturity, the proper accounting entries are generated unless the effective interest accruals method is used.

The accrual methods calculate the accounting period discount by multiplying the Yield to the Maturity rate at the time of purchase, and by multiplying that to the beginning accounting period cost basis.

Accruals are the first mandatory step in the accounting process. If your company set the Accounting - Perform Deal Revaluations company parameter to Yes, then you must perform revaluations before you can perform accruals. See: Revaluations, page 9-15.

You cannot perform accruals on individual deals. Instead, you must perform accruals in batches. For each batch that you accrue, you must:

- Define the start and end dates for the batch, unless the batch is already defined.

- Create the period adjustments for the accrual.

- Authorize the accrual for the batch.

You can adjust the accruals for a batch up until the point when you transfer your daily journals to General Ledger. For more information, see: Transferring Journals to General Ledger, page 9-28. You must authorize your accruals adjustments before you proceed to the next step in the accounting process, Daily Journals. See: Daily Journals, page 9-25 .

Creating Period Adjustments

Use the Accruals window to create a period adjustment for your accounting batch.

Prerequisite

- If you set your Accounting - Perform Deal Revaluations company parameter to Yes, you must revalue and authorize the revaluation for the batch before you can start the accruals process. For more information, see: Revaluations, page 9-15.

- If you set your Accounting - Perform Hedge Effectiveness Testing company

parameter to Yes, you must perform retrospective hedge effectiveness testing and authorize the results for the batch before you can start the accruals process. For more information, see: Retrospective Hedge Effectiveness Testing, page 9-21

To create a period adjustment

1. Navigate to the Accruals window.

2. Choose a Company.

3. Choose an existing Batch ID or, if this is a new batch, adjust the Period From and To dates.

   If you perform revaluations as part of your company accounting process, an authorized batch already exists for the period that you want to create a period adjustment.

   If this is the first time you create a batch, the Period From and Period To fields are automatically populated. The Period From date is the date of the earliest deal for the company. The Period To date is the current system date.

   If you have not performed revaluations but previously created an accounting batch, then the Period From date is automatically populated based on the Period To date of the previous accounting batch. The Period To date is automatically populated based on the accounting calendar for the company. You can set the Period To date to any date that is equal to or earlier than the current system date.

   If this is a new batch, Treasury automatically populates a Batch ID.

4. To create the period adjustments for the batch, choose the Calculate button. The accrual and amortization details for the financial transactions in the specified period appear. You can view and delete these period adjustments, but you cannot change them. For more information, see: Viewing Period Adjustments, page 9-25 and Deleting Period Adjustments, page 9-25.

Authorizing Period Adjustments

Use the Accruals window to authorize the accruals for your batch. You must authorize your accruals before you can proceed to generating daily journals. See: Daily Journals, page 9-25.

You can delete period adjustments for a batch until you transfer the daily journals for the batch to General Ledger.

To authorize a period adjustment

1. In the Accruals window, select the company and batch that you want.

2. Choose the Authorize button.

3. If you want to un-authorize accruals, choose an authorized batch and choose the Un-authorize button.

> **Note:** You can only un-authorize accruals that have been authorized but have not had daily journals generated.

Deleting Period Adjustments

Use the Accruals window to delete a period adjustment. You cannot delete a batch that has been authorized or that has been transferred to General Ledger.

To delete a period adjustment

1. In the Accruals window, select the company and batch that you want.

2. Choose the Delete Details button.

Viewing Period Adjustments

Use the Accruals window to view your adjustments for a previous batch period.

To view a period adjustment

1. In the Accruals window, select the company and the batch that you want. The period adjustments for the batch appear.

2. Choose the Summary button to view a summary of the adjustments.

Daily Journals

Use the Daily Journals window to generate the daily journals for an accounting batch, view the generated journal entries, change the dates or GL accounts for your journal entries, and reallocate suspense journal entries to a GL account.

After you enter and verify all accounting changes for the journal, use the Transfer Journals to GL window to transfer your journals from Treasury to General Ledger. Once you transfer your daily journals to General Ledger, you cannot change any of the accounting for the batch in Treasury.

Generating Daily Journals

Use the Daily Journals window to generate daily journal entries for an accounting batch. Daily journals are generated based on the deals in the accounting batch and the journal entry actions that you set up in the Journal Entry Actions window. See: Journal Entry Actions, page 2-31.

Daily journals are generated using the transaction foreign currency and ledger currency equivalent. You can generate journal entries for batches created from revaluation/accrual and cashflow amounts, or for batches created from cashflow amounts only.

After you generate journal entries, you can use the Maintain/Review Journal Details window to review and update your generated journal entries.

Prerequisites

- Set the Validation Required for Accounting system parameter. See: System Parameters, page 2-36.

- Set up journal entry actions. See: Journal Entry Actions, page 2-31.

To generate daily journals

1. Navigate to the Daily Journals window.

2. Choose the Generate Journals button. The Submit Process to Generate Journals window appears.

3. Choose a Batch Source of Non-Revaluation/Non-Accrual or Revaluation/Accrual related journals.

4. Choose a Company.

5. If this is a non-revaluation/non-accrual batch, you can change the default Cutoff Date for which Treasury creates journal entries.

6. If this is a revaluation/accrual batch, enter a Batch ID from an authorized accrual batch.

7. Choose the Submit button. A concurrent request generates the daily journals.

   If this is a non-revaluation/non-accrual batch, Treasury automatically generates a Batch ID.

Viewing or Changing Journal Entries

Use the Maintain/Review Journal Details window to view daily journals or change generated journal entries. You can only change generated journal entries for daily journals that have not been transferred to General Ledger.

If you set the Validation Required for Accounting system parameter to Yes, then the accounting batch process only creates cash flow related journals for validated transactions. The accounting batch log file records the transactions that are not validated and therefore did not have cash flow related journal entries created. If the batch creates journal entries for revalued and accrued transactions but related cash

transactions are not validated, the log file indicates the creation of unbalanced journal entries. To correct unbalanced journal entries, you must rollback the journal entries created, validate the relevant transactions, and run a new accounting batch.

Prerequisite

- Generate daily journals. See: Generating Daily Journals, page 9-25.

To view or change a journal

1. Navigate to the Daily Journals window.

2. Query or enter the journals that you want.

   If you use the Find Journals window to query journals, check or uncheck the Include Batches Created from Revaluation/Accrual box to include or exclude Revaluation/Accrual batches.

   > **Note:** If you query batches using the Find Journals window, subsequent queries that you run in the Daily Journals window only operate on these batches.

3. Choose the journal that you want to view or change, then choose the Maintain/Review Journal Details button. The Maintain/Review Journal Details window appears.

4. If the journal was not transferred to GL, you can update the Journal Date or the GL Account. If you update the Journal Date, Treasury recalculates the ledger Debit and Credit Amounts.

   Updating the Journal Date carries these restrictions:

   - You cannot enter a date on which there is no daily exchange rate available in your company's exchange rate type between the transaction currency and the ledger currency.

   - You cannot enter a date that falls within a closed GL period.

5. Add or change Comments as needed.

6. Save your work.

Reallocating Suspense Journal Entries

If you want to reallocate entries from a company suspense journal to a General Ledger account, use the Suspense Journals window. For more information on suspense journals, see: Company Profiles, page 2-53.

Prerequisite

- Create a suspense journal. See: Company Profiles, page 2-53.

To reallocate a suspense journal

1. Navigate to the Daily Journals window.

2. Query the company for which you want to reallocate the suspense journals.

3. Choose the Reallocate Suspense Journals button. The Suspense Journal window appears with a list of all journal entries posted to the suspense account.

4. Choose the journal entry that you want to reallocate.

5. In the Allocate to GL Account field, enter the General Ledger account number that you want to reallocate the entry to.

6. Save your work.

Transferring Journals to General Ledger

After successfully completing all of the steps in the accounting process, transfer your daily journal batches to General Ledger. Before you perform this step, you must ensure that you have entered and verified all accounting changes. Once a journal is transferred to General Ledger you cannot make any further changes. If a deal changes after you transfer to GL, you must create a reversal and a replacement journal.

If your journal batch contains entries with journal dates that fall into a closed GL period, you can optionally post these entries to the next open GL period. If you choose this option, Treasury maintains a record of both the actual journal date and the new posting date.

You can choose to allow the transfer of unbalanced journals to GL. You control this option by setting the company parameter Accounting - Allow Unbalanced Journal Transfer (Yes/No) in the Company Profiles window.

The system will also issue a warning if the journal batch that you are about to transfer spans more than one accounting period defined in General Ledger.

Daily journals are transferred to General Ledger in both the transaction currency and the ledger currency equivalent. The rate used to calculate the ledger currency equivalent is fetched from the GL Daily Rates table. This calculation takes place when you generate daily journals.

Prerequisites

- Set the company parameters Accounting - Journal Transfer in Closed Period and

Accounting - Allow Unbalanced Journal Transfer. See: Company Profiles, page 2-64
.

- Generate daily journals. See: Generating Daily Journals, page 9-25.

To transfer a journal batch to General Ledger

1. Navigate to the Daily Journals window.

2. Click on Transfer Journals button.

3. Select your company and batch ID that you would like to transfer. Move the cursor to the Transfer to General Ledger region. The journal entries that are a part of the batch will be shown.

> **Important:** Once a batch has been transferred to General Ledger, you cannot un-authorize, make changes, or delete the batch or modify deals included in this batch. Make sure you are completely satisfied with the journal entries before transferring them to General Ledger.

4. If your journal batch contains entries with journal dates that fall into a closed GL period, use the Journals in Closed Period choice list to control the posting of these entries. Choose *Next Open* to post these entries to the next open GL period, or *No Change* to post these entries with the closed period date.

   The default value in the choice list depends on the setting of the company parameter Accounting - Journal Transfer in Closed Period in the Company Profiles window. You can change the default value.

5. Choose the Transfer Journals button. If you are transferring an unbalanced journal, Treasury displays a warning message. If you set the company parameter Accounting - Allow Unbalanced Journal Transfer to Yes, you can allow the transfer of the unbalanced journal. A concurrent process transfers the accounting batch to General Ledger. You can view the progress of the transfer in the Requests window. For more information on concurrent requests, see: Reports and Inquiries, page 10-1

Viewing Journal Structures

Use the Journal Entry Actions window to view the set up information for your daily journals.

To view the structure of a daily journal

- In the Daily Journals window, select the Setup Journals button. The Journal Entry

Actions window appears. For more information, see: Journal Entry Actions, page 2-31.

Streamline Accounting Process

Use the Streamline Accounting Process to automate the routine accounting closing process for deal revaluation, hedge effectiveness testing, accruals, generating journals, and transferring journals to the general ledger into a single process. You can link any or all of the steps together in a sequence and run in a concurrent program which executes each individual accounting process for the specified company or companies. You can schedule the concurrent program in batch mode during non-business hours without any user intervention.

You can run the Streamline Accounting Process for either a single company or for all the companies available based on your user access level. A separate concurrent request is submitted for each company you have access to. Each company has its own concurrent request log which lists warning messages and error messages. If there are any warning messages or error messages, you need to review the concurrent request log to determine the error.

Use the Submit Request window to run the Accounting Streamline Processing Program. For more information, see: Submitting Requests, page 10-5.

<u>Report Parameters</u>

Company: The treasury companies you have access to as defined by the User Access Level. If the field is left blank, the system processes all treasury companies that you have access to.

Batch End Date: The batch ending date. The default is the current system date.

Start Process From: The starting point for the accounting process. The choices are:

- Revaluations: Start process from revaluation rates capture.

- Retrospective Testing: Start process from retrospective hedge effectiveness testing.

- Accruals: Start process from accrual generation.

- Daily Journals - Generation: Start process from journal generation.

- Daily Journals - Transfer to GL: Start process from journal process.

> **Important:** The company parameter Accounting - Perform Deal Revaluation affects the results of the Streamline Accounting Process. If you set the parameter to No, no revaluations would be performed by the program.

End Process After: The ending point for the accounting process. The choices are:

- Revaluations: End process after revaluation details are authorized. This value can be selected if the Start Process From is Revaluations.

- Retrospective Testing: End process after retrospective hedge effectiveness testing details are authorized. This value can be selected if the Start Process From is Revaluations or Retrospective Testing.

- Accruals: End process after accrual details are authorized. This value can be selected if the Start Process From Revaluations, Accruals or Retrospective Testing.

- Daily Journals - Generation: End process after journals are generated. This value can be selected if the Start Process From is Revaluations, Accruals, Retrospective Testing or Daily Journals - Generation.

- Daily Journals - Transfer to GL: End process after journals are transferred. This value can be selected for any of the Start Process From options.

  > **Warning:** Verify your work before you transfer the journal entries to General Ledger. It is important to review the accounting information before you transfer journals, because once a journal is transferred to General Ledger, you cannot make any changes to the journal.

Journals in Closed Periods: Sets the method to handle journal entries that fall into a closed period. This field is enabled only if the End Process After parameter is set to Daily Journals - Transfer to GL. The choices are:

- No change: The journal entry date is left as is and transferred to General Ledger.

- Next open: The journal entry is the first date of the first open accounting period and then transferred to General Ledger.

Auditing

You can use the audit summary report and the canceled transactions report to audit your Treasury transactions. Before you can use the audit reports, you must set up your audit requirements.

Setting Up Audit Requirements

Use the Audit Requirements window to set up which treasury events you want to appear on your audit reports.

To setup your audit requirements

1. In the View Audit Summary window, choose the Setup Audit Events button. The Audit Requirements window appears, listing all of the treasury events available for audit.

2. If you want to view audit information for a treasury event, check the Audit check box next to the event. As a default, all of the audit information for an event is collected regardless of whether you choose to include that event in your audit reports or not. You can add or remove treasury events from your audit reports at anytime, without loosing the audit information.

3. Repeat step 2 for each treasury event you want to include in your audit reports.

4. If you want to restrict the type of audit information collected for specific events, choose the event that you want to restrict information and choose the Audit Columns To Display button. The Audit Columns window appears.

5. If you want to edit a specific column, check the Display check box next to the column. If you do not want to audit a column, leave the check box blank. Audit information for the event will be collected only for the selected columns.

6. Repeat steps 3 and 4 for each event for which you want to restrict the audit information.

7. Save your work.

Creating Audit Groups

Use the Audit Groups window to group treasury audit events into audit reports for your company.

Prerequisite

- Set up audit requirements. See: Setting Up Audit Requirements, page 9-31.

To create an audit group

1. In the Audit Requirements window, choose the Audit Group button. The Audit Group window appears.

2. Enter a unique name for the audit group in the Audit Group field.

3. In a blank row, select a treasury event that you want to include in the audit group.

4. If the treasury event is not currently audited, and you want to include that event in

your audit reports for this group, update your audit requirements. See: Setting Up Audit Requirements, page 9-31.

5. Repeat step 3 and 4 for each treasury event that you want in the audit group.

6. Save your work.

Viewing Summary Audit Reports

Use the audit summary report to view a list of all or some of your treasury events for auditing purposes. You can customize this report by selecting the events and data columns you want to include in the report, as well as the dates that you want the report to cover.

Prerequisite

• Set up audit requirements. See: Setting up Audit Requirements, page 9-31.

To view an audit report of your treasury events

1. In the View Audit Summary window, in the Period From field enter the earliest date for which you want to view a summary of treasury events. In the To field enter the latest date for which you want to view a summary of treasury events.

2. Select which events you want to include in your audit report by checking the Review check box next to each event.

3. Choose the Review Audits button. The Update Audit Summary concurrent program generates the summary of treasury events for the specified period and events. The Review Audits window appears, listing a summary of all the selected events.

Viewing Canceled Transactions Audit Reports

Use the Review Canceled Transaction window to view a summary of Treasury transactions that were canceled during a specific time period. From this summary report, you can drill down and view the complete details for individual transactions.

To view a list of canceled transactions

1. In the Review Canceled Transactions window, in the Period From field enter the earliest date for which you want to view your cancelled transactions. In the To field, enter the latest date for which you want to view your cancelled transactions. A list of cancelled transactions for the specified period appears.

2. If you want to view the details for a specific cancelled transaction, select the

transaction and choose the View Deal Details button. The Review Contract Details
window appears. This window contains all of the details for the selected deal.

10

Inquiries and Reports

Inquiries

This section describes how to use the View windows to query your deal, limit, and system information in Treasury.

Performing Inquiries

Use the View windows to query information about your deals, limits, positions, and system.

To perform an inquiry

1. Navigate to an available view window.

2. Query the specific record that you want to view. If you want to view a summary list of records, enter a generic query. Any records that match your criteria and that you are authorized to view appear in the View window.

3. Close the window to exit the View window.

Available Inquiries

The following is a list of the available view windows on which you can perform inquires:

Inquiry Window	Description
Review Deals	Use this window to view multiple deals that meet your specified criteria, such as deal type, deal subtype, product type, or dealer.
	If you want to view the deal details for one of the deals, you can select the deal in the Review Deals window and choose the Deal Details button. The View Deal Details window appears, listing the complete details for the selected deal.
View Bill/Bond Issue Numbers	Use this window to see the bill/bond issue numbers you set up.
View Bill/Bond Issues	Use this window to see the various fixed income securities you set up.
View Bond Options	See: Viewing Bond Options, page 4-47
View Brokerage Schedule and Details	Use this window to view your various brokerage schedules and rates.
View Company Profiles	Use this window to view the profile details for your companies.
View Counterparty Profiles	Use this window to view the profile details for your counterparties.
View Currency Holiday Rules	Use this window to view the holiday schedule you defined for a particular currency.
View Deal Confirmation Groups	Use this window to view the deal confirmation actions for a deal confirmation group.
View Deal Details	Use this window to view the deal details for a single deal.
View Deal Linking Codes	See: Viewing Linked Deals, page 6-11
View Deal Orders	See: Viewing Deal Orders, page 6-10

Inquiry Window	Description
View Default Settlement Accounts	Use this window to view the default accounts that you have set up for your settlements.
View Discounted Securities	See: Viewing Discounted Securities, page 4-32
View Exposure Transactions	See: Viewing Exposure Transactions, page 6-8
View Fixed Income Securities	See: Viewing Fixed Income Securities, page 4-36
View Forward Rate Agreements	See: Viewing FRAs, page 4-39
View Intercompany Funding	See: Viewing Intercompany Funding Deals.
View Interest Rate Options	See: Viewing Interest Rate Options, page 4-49
View Interest Rate Swaps	See: Viewing Interest Rate Swaps, page 4-44
View Interest Rate Swaptions	See: Viewing Interest Rate Swaptions, page 4-51
View Limit Exceptions	See: Viewing Limit Exceptions, page 8-26.
View Limit Utilizations	See: Viewing Limit Utilizations, page 8-25.
View Limits	Use this window to view the details for your limits.
View Limits Notifications	See: Viewing Limits Notifications, page 8-27.
View Options	See: Viewing Bond Options, page 4-47, Viewing Interest Rate Options, page 4-49, or Viewing Interest Rate Swaptions, page 4-44.
View Payment Schedules	Use this window to view the payment schedules you have set up for your retail term money deals.
View Retail Transaction Rates	Use this window to view the various rates you set up for your retail term money transactions.

Inquiry Window	Description
View Quick Deals	See: Viewing Quick Deals, page 6-4
View Retail Term Money	See: Viewing Retail Term Money Deals, page 4-26
View Rollover History	See: Viewing the Rollover History of Foreign Exchange Deals, page 3-10
View Short Term Money	See: Viewing Short Term Money Deals, page 4-9
View Spot and Forward Deals	See: Viewing Spot and Forward Deal Details, page 3-6
View Tax Schedule and Details	Use this window to view your various tax schedules and rates.
View Wholesale Term Money	See: Viewing Wholesale Term Money Deals, page 4-21

Reports and Programs

You can use concurrent processes to produce reports on your Treasury activities or launch programs.

The Treasury reports are divided into the following report and program types.

- Administration Reports, page 10-8

- Bank Statement Programs, page 10-20

- Data Exchange Programs, page 10-21

- Hedging Reports, page 10-24

- Intercompany Reports, page 10-28

- Positions Reports, page 10-29

- Revaluations Reports, page 10-35

- Settlements Reports, page 10-37

- Term Money Reports, page 10-39

Automatic Reports

You can run the following reports from windows in Treasury.

- Bank Statement Reconciliation, page 8-9

- Bank Statement Transfer, page 8-8

- Generate Journals, page 9-25

- Update Audit Summary, page 9-33

You generate reports or listings of your data by submitting single requests or request sets from the Request Set window. Once you submit a request you can continue working in Treasury as the concurrent request manager processes your request in the background. You can use the Requests window to monitor the progress of your concurrent requests, or to cancel requests before they are completely processed.

Submitting Requests

To submit a standard request or request set from the Submit Request window.

1. In the Submit a New Request window choose Request or Request Set. Press OK to go to the Submit Requests window.

2. Enter the name of the request or request set that you want to submit.

3. If the request or request set has parameters, enter the parameters in the Parameters window. Choose OK to save the parameters.

4. Choose Submit. You can review the status of your request in the Concurrent Requests Summary or the Requests window.

    If your request has output, you can see detailed information on that output in the Selected Report heading section of the request description or in the Common Report Headings section, see: Common Report Headings, page 10-7.

Cancelling Requests

To cancel a request

1. In the Concurrent Requests Summary window, query the concurrent request number for your request.

2. Select your request and choose the Cancel Request button.

Monitoring Requests

To monitor the status of a request

- You can view the status of your request in the Requests window by choosing View My Requests from the Help Menu

Defining Request Sets

From the Submit Request window, you can submit a single request or run several reports as a group. To run several reports as a group, you must define a request set.

See Also

Defining Request Sets *(Oracle E-Business Suite User's Guide)*

Submitting a Request *(Oracle E-Business Suite User's Guide)*

Submitting a Request Set *(Oracle E-Business Suite User's Guide)*

Overview of Reports and Programs *(Oracle E-Business Suite User's Guide)*

Changing Request Options *(Oracle E-Business Suite User's Guide)*

Common Report Parameters

The following is a list of the common Treasury report parameters.

Company: Your organization.

Counterparty: The other organization or party with whom the deal is being transacted.

Currency: The country-specific monetary unit of the transaction.

Deal Subtype: A sub type or category of a specific deal type. Examples might include: sell, issue, buy cap, buy floor, sell floor, and so on

Deal Type: The type of financial deal; for example, bond, exposure, options, FRA, and so on.

Exposures: Any cash flow, actual or indicative, which is not the result of a treasury transaction. This includes cash flows from accounts payable and accounts receivable.

Factor: The factor that you want to use to display your report values. You can select unit, thousand, million, or billion.

Period From: Beginning date of the time period in which you are interested.

Period To: Ending date of the time period in which you are interested.

Portfolio: A user-defined category used to group deals according to accounting, reporting or trading strategies.

Product Type: A user-defined category to sub sort a deal type. You use product types to distinguish between market instruments that are the same except for their marketability due to risk factors. There can be more than one product type per deal type. Examples of product types might include: bank bill, commercial bills, and promissory notes.

Rate: The interest rate, or the foreign exchange rate, of the deal.

Common Report Headings

The report headings at the tope of each report provide general information about the contents of your report or listing, such as the name of your ledger, the report title, the date and time you ran your report, and the page number.

In addition to this information, the first page of the report lists the parameters you specified when you submitted the report request.

Amount Type: The purpose that the money will be used for. Every amount in a transaction has a type, for example, face value, option, premium, accrual, and so on. The amount types can be found in the Deal Types/Product Types/Deal Subtypes window.

Company: Your organization.

Counterparty: The other party with whom the deal is being transacted.

Currency: The country-specific monetary unit of the transaction.

Deal Ref: The identification number of the deal, assigned automatically. You can see the Deal Ref in the deal input window.

Deal Subtype: A sub type or category of a specific deal type. Examples might include: sell, issue, buy cap, buy floor, sell floor, and so on

Deal Type: The type of financial deal; for example, bond, exposure, options, FRA, and so on.

Exposures: Any cash flow, actual or indicative, which is not the result of a treasury transaction. This includes cash flows from accounts payable and accounts receivable.

Maturity: The date that the deal matures, finishes, or comes due.

Period From: Beginning date of the time period in which you are interested.

Period To: Ending date of the time period in which you are interested.

Portfolio: A user-defined category used to group deals according to accounting, reporting or trading strategies.

Product Type: A user-defined category to sub sort a deal type. You use product types to distinguish between market instruments that are the same except for their marketability due to risk factors. There can be more than one product type per deal type. Examples of product types might include: bank bill, commercial bills, and promissory notes.

Rate: The interest rate, or the foreign exchange rate, of the deal.

Administration Reports and Programs

Treasury provides various administration reports and programs. Use these reports and programs to perform tasks such as viewing events and transactions, importing deal data, and uploading bank balances.

Audit Report

Use this report to view a history of events.

Event Group: The group of events that you want to audit.

Audit Date From: The beginning date for the time period which you want to audit the event.

Audit Date To: The ending date for the time period which you want to audit the event.

Audit Summary Report

Use this report to view a history of your changed transactions.

Event Type: The event type that you want to audit.

Transaction Reference: The reference number of the transaction you want to audit. If you want to audit every transaction, leave this field blank.

Column Changed: The name of the column that was changed.

Updated From: The ending date for the time period which you want to produce the report.

Updated To: The beginning date for the time period which you want to produce the report.

Average FX Rates Report

Use this report to view a history of the average foreign exchange rates your company receives for its authorized currency combinations, currency groups, or for a specific currency combination.

This report lists the total cash value of and the average rates for the buy and sell portions of your deals for each currency combination. It also lists the overall average rate for your currency combinations. If you want a more detailed report, you can choose to include a list of the transactions used to calculate these rates for each currency combination.

Selected Report Parameters

Ledger Currency: The ledger currency for which you want to view average rates. If you want to view the average rates for every currency combination, leave this field empty.

Contra Currency: The contra currency for which you want to view average rates. If you want to view the average rates for every currency combinations, or if you want to view the average rates for a particular currency group (for example, the average rates for all deals with a reference currency of GBP), then leave this field empty.

Reference Date From: The beginning of the time period for which you want an average foreign exchange rate report. This date must be earlier than the current system date.

Reference Date To: The ending of the time period for which you want an average foreign exchange rate report.

Show Contracts: If you want to display the transactions used to calculate the average rates for each currency combination, select Yes. If you do not want to view the deal details, select No.

Date Type: The date you want to use to calculate your average rates. You can choose either the maturity date, which is the rate on the date the deal matures, or the deal date, which is the market rate the date the deal occurred.

Selected Report Headings

Currency Combination: The currency combination that the report covers.

Buy Currency: The buy currency of the currency combination.

Buy Amount: The total amount of currency bought in your reporting currency.

Sell Amount: The total amount of currency sold in your reporting currency.

Average Buy Rate: The average rate at which you bought the currency.

Sell Base Amount: The amount of ledger currency sold.

Buy Contra Amount: The amount of contra currency bought.

Average Sell Rate: The average rate at which you sold the currency.

Calculate Revaluations

Use this program to calculate the revaluations for a accounting batch. For more information on how revaluations are calculated, see: Revaluations, page 9-15.

Selected Report Parameters

Batch ID: The ID of the accounting batch that you want to calculate revaluations for.

Cancelled Transactions Summary Report

Use this report to view a list of your cancelled deals and transactions. You can create a cancelled transactions report for a particular deal or you can create a report on a specified deal type or user.

The report lists the deal type and number of each cancelled transaction, the person who

cancelled it, and the dates the transaction was created and cancelled.

Selected Report Parameters

Cancelled By: Who cancelled the transaction. If you want to view a list of all cancelled transactions for the time period, leave this field empty.

Cancelled Date From: The beginning of the time period during which transactions were cancelled.

Cancelled Date To: The ending of the time period during which transactions that were cancelled.

Selected Report Headings

Cancelled On: The date the transaction was cancelled.

Cancelled By: The user who cancelled the transaction.

Created On: The date the transaction was created.

Created By: The user who created the transaction.

Cancelled Date: The date the transaction was cancelled.

Type: The deal type of the cancelled transaction.

Trans Ref: The transaction number.

Clear Journals

Use this program to clear journals that you created in the Daily Journals window. Once you run the program to generate daily journals, you can clear the journals using this program and then regenerate.

Program Parameters

Company: The company that you want to clear journal entries for.

Batch ID From: The starting batch ID number.

Batch ID To: The ending batch ID number.

EFC - Listing of Companies by Ledger

Use this report to generate a list of all of the companies in Treasury by ledger. There are no parameters for this report.

EFC - Treasury Verification Report

Use this report to verify the journal entries that were generated in Treasury for a specific ledger.

Selected Report Parameters

Journal Date (Low): The earliest date for which you want to view journal entries.

Journal Date (High): The latest date for which you want to view journal entries.

Generate Accruals

Use this program to generate accruals for an accounting batch. For more information on generating accruals, see: Accruals and Amortizations, page 9-22.

Import Deal Data

Use this program to import deal data from the XTR_DEALS_INTERFACE table into Treasury. When you import deals, you can choose to use or to override deal limits when the deals are created. Once the deals are imported into Treasury, the resulting report lists the total number of deals, by deal type, that were imported. It also lists the deals that were imported successfully and unsuccessfully imported, and, if necessary, lists the reasons why a deal was unsuccessfully imported.

To use this program you must have already imported deal data from a third party application into the XTR_DEALS_INTERFACE table. For more information, see: XTR_DEALS_INTERFACE, page C-4.

Selected Program Parameters

Company: The company for the deal.

Deal Type: The type of financial deal.

External Deal ID From: The lowest range of ID that you want to import into Treasury.

External Deal ID To: The highest range of ID that you want to import into Treasury.

Load Status: Choose the status of the deals that you want to load into Treasury.

Import Deal Data Log File

Use the Import Deal Data concurrent program log file to view details of the deals that were imported or rejected. The log file is produced during deal import and you can review it once the import is completed. There are no parameters for this report.

The log file lists the details of the individual deals that were successfully or unsuccessfully imported.

Selected Headings

Details of Successful Transfers

Deal Type: The financial deal type of the deal being imported.

Number: The reference number for the deal.

Subtype: The subtype for the deal.

Product: The product for the deal.

Company: The company for the deal.

Counterparty: The counterparty for the deal.

Currency: The currency for the deal.

Amount: The amount of the deal.

Details of Unsuccessful Transfers

Deal Type: The financial deal type of the deal being imported.

External ID: The deal ID from the external application.

Subtype: The subtype for the deal.

Product: The product for the deal.

Company: The company for the deal.

Counterparty: The counterparty for the deal.

Currency: The currency for the deal.

Amount: The amount of the deal.

Limit Exceptions Log Report

Use this report to view a list of all deals and transactions where you exceeded a limit.

This report lists the limit, the dealer who exceeded the limit, and a description of the limit exception.

Selected Report Parameters

Limit Code: Enter the global limit for which you want to review limit exceptions, or leave blank to submit the report for all global limits.

From Date: The earliest date from which you want to know your limit exceptions.

Selected Report Headings

Deal Number: The number of the deal that exceeded a limit.

Limit: The limit code of the global limit.

Limit Party: The party that owns the limit that was utilized.

Amount Date: The date until which time the limit will be utilized by this deal.

Reporting Curr Amount: The amount of the limit utilized for this deal, in the reporting currency.

Limit Amount: The amount of the limit.

Dealer: The person who made the deal that exceeded a limit.

Description of Exception: The currency, the country, other details.

Loan Securities Report

Use this report to review the security offered in exchange for a loan. Examples of security are a mortgage, a negative pledge (a promise not to use your assets as security for another transaction without getting permission from the counterparty), or any other asset.

The report lists details about the security and the account manager handling the transaction. The report is sorted by counterparty and by account manager.

Selected Report Parameters

Valuer: The name of the assessor that valued the security.

Valuation Before Date: The date by which to validate (or review, or value) the security.

Valuation Amount: The minimum amount of security that you want to include in the report.

Priority Sum: The amount of the security, plus interest, plus cushion that will be repaid when the loan matures. This is the amount that the counterparty making the loan has rights to, and is usually larger than the loan amount.

Account Manager: The manager that is handling the account.

Selected Report Headings

Party Name: The counterparty offering the security in exchange for a loan.

Party Acct Mgr: The account manager handling the transaction.

Value Date: When the security is to be assessed (valued, or reviewed).

Sec Description: Description of the security, user defined.

Security Reference: An identifying number given by the governmental agency that registers the security.

Company: Your organization.

Issued By: The organization making the loan.

Valuer: The name of the assessor that valued the security.

Security Value: The assessed value of the security.

Priority Total: The amount of the security, plus interest, plus cushion that will need to be repaid when the loan matures. This is the amount that the counterparty making the loan has rights to, and is usually a portion of a larger amount.

Monthly Average Rates/Amounts Report

Use this report to calculate the average interest rate for deals in a selected time period. It is used to analyze performance of your deals.

Selected Report Parameters

Group by Deal Type: Groups your monthly average rates by deal type.

Group by Product: Groups your monthly average rates by product.

Group by Portfolio: Groups your monthly average rates by portfolio.

Show Rate/Amount: Shows your monthly average amounts or rates.

Non-Revaluation/Non-Accrual Related Journal Processing

Use this program to generate journal batches for non-revaluation/non-accrual activities for a given cutoff date. You also have the option of transferring successfully generated journal batches to the GL Interface table.

Program Parameters

Company: The company that you want to generate non-revaluation/non-accrual journal batches for.

Batch Cutoff Date: The end date of the batch.

Processing Option: The processing options for the journal batches.

Journals in Closed Period: The method to handle previously created journal entries that fall into a closed period.

Reset Floating (Benchmarked) Rates Program

Run this program to automatically reset any floating rates that are based on a benchmark rate and margin. This program only resets floating rates in Wholesale Term Money and Interest Rate Swap deals that you specified a benchmark rate and a margin for.

A *benchmark rate* is any interest rate that a floating rate is based on. A *margin* is the difference between the specified interest rate and the adjusted floating rate. Margins are expressed in basis points and can be positive or negative.

When you run the Reset Floating Benchmarked Rates program, all transactions in floating rate wholesale term money and interest rate swap deals are adjusted using the following calculation.

- **Adjusted Floating Rate** = (Benchmark Rate + Margin)

For example, assume that you enter an interest rate swap deal with a margin of 100, and

a benchmark rate of CDOR1M. The benchmark rate details are as follows:

Rate Code	Bid Price	Ask Price	Date Time
CDOR1M	1.96	1.96	January 9

The resulting interest periods for the deal would be as follows:

Interest Period	Rate Fixing Date	Start Date	Maturity Date
1	January 9	January 9	February 9
2	February 9	February 9	March 9
3	March 9	March 9	April 9

When you run the Reset Floating Benchmarked Rates program, the floating rate would be adjusted as follows:

- 1.96 + 1.00 = **2.96**

The program updates the first interest transaction for the above deal to the adjusted rate of 2.96. Subsequent transactions are also updated with the same interest rate for cash forecasting purposes. When the starting date of the second (or any subsequent) interest transaction approaches, then you must run the Reset Floating Benchmarked Rates program again.

> **Note:** To adjust floating rates correctly, the deal's Rate Fixing Date must be the same as the benchmark rate's Date Time. For example if the Rate Fixing Date for a deal is January 9, then the Date Time for the benchmark rate must be January 9 too.

For more information on the floating rate deals that are affected, see: Wholesale Term Money, page 4-15 and Interest Rate Swaps, page 4-40.

Selected Report Parameters

Reset Date Adjustment: The number of days from the Rate Reset Date that you want to search for a historical benchmark rate for each transaction in a wholesale term money or interest rate swap deal. For example, enter 7 if you want to find any benchmark rates that are up to 7 days earlier than the current system date. Enter a value of 1 or greater in this field. If you leave this field blank, the system looks for a rate where the Rate Reset Date of the transaction and the Date Time of the benchmark rate are an exact match. If there are no historical benchmark rates recorded for the dates in question, the rates will

be not be adjusted.

Benchmark Rate: The interest rate that you want to use as a benchmark for resetting the floating rates in your wholesale term money or interest rate swap deals. A benchmark rate can be any interest rate that is defined in the Current System Rates window.

Reset Floating (Benchmarked) Bond Issue Rates

Run this program to automatically reset Bond Issue floating rates that are based on a benchmark rate and a margin. A *benchmark rate* is any interest rate that a floating rate is based on. A margin is the difference between the specified interest rate and the adjusted floating rate. Margins are expressed in basis points and can be positive or negative.

When you run the Reset Floating (Benchmarked) Bond Issue Rates program, all eligible coupon rates on the floating rate Bond Issues are adjusted using the following calculation.

• **Adjusted Floating Rate** = (Benchmark Rate + Margin)

The coupon amounts on the outstanding Fixed Income Security deals are also recalculated automatically at the same time.

> **Additional Information:** This program applies only to floating rate Bond Issues. It does not apply to fixed rate Bond Issues.

For example, assume that you buy a three-year floating rate bond that pays a semi-annual coupon based on a benchmark rate CDOR1M plus a margin of 100. The benchmark rate details are as follows:

Rate Code	Bid Price	Ask Price	Date Time
CDOR1M	1.96	1.96	January 9

The bond coupon periods will be as follows:

Coupon Period	Rate Fixing Date	Maturity Date
1	January 9, Year 1	July 9, Year 1
2	July 9, Year 1	January 9, Year 2
3	January 9, Year 2	July 9, Year 2
4	July 9, Year 2	January 9, Year 3

Coupon Period	Rate Fixing Date	Maturity Date
5	January 9, Year 3	July 9, Year 3
6	July 9, Year 3	January 9, Year 4

When you run the Reset Floating (Benchmarked) Bond Issue Rates program, the coupon rate would be adjusted on January 9, Year 1 as follows:

- 1.96 + 1.00 = **2.96**

The program updates the first bond coupon to the adjusted rate of 2.96. The coupon amount on the fixed income security deal is also simultaneously re-calculated. Subsequent coupon periods are also updated with the same interest rate for cash forecasting purposes. When the starting date of the second (or any subsequent) coupon period approaches, you must run the Reset Floating (Benchmarked) Bond Issue Rates again.

> **Note:** To adjust floating rates correctly, the bond issue's Rate Fixing Date must be the same as the benchmark rate's Date Time. For example if the Rate Fixing Date for a bond issue is January 9, then the Date Time for the benchmark rate must be January 9 too.

Selected Report Parameters

Reset Date Adjustment: The number of days from the Rate Fixing Date that you want to search for a historical benchmark rate for each coupon period. For example, enter 7 if you want to find any benchmark rates that are up to 7 days earlier than the coupon's Rate Fixing Date. Enter a value of 1 or greater in this field. If you leave this field blank, the system looks for a rate where the Rate Fixing Date of the coupon and the Date Time of the benchmark rate are an exact match. If there are no historical benchmark rates recorded for the dates in question, the rates will be not be adjusted.

Bond Issue Code: The bond issue code that you want to update.

Benchmark Rate: The interest rate that you want to use as a benchmark for resetting the floating Bond Issue rates. A benchmark rate can be any interest rate that is defined in the Current System Rates window.

Recalculate Overwritten Coupon: Subject to certain setup, users can manually overwrite the coupon amounts that are calculated by the system. If you want to exclude such coupons from a rate reset program, set this parameter to No. Otherwise, the user entered coupon amounts will be recalculated based on the new benchmark rate value and the margin.

Retrieve Payment File Confirmations

Use this program to generate a confirmation file for the payment transmission process. The program retrieves confirmation files from your bank's directory, saves the confirmation files in your local directory, and sends a transmission status notification email to the specified user.

Report Parameters

Transmission Code: The AP transmission code associated with the script that you transferred.

Record Type: Retrieve either Payables or Treasury payment confirmations.

Revaluation/Accrual Related Journal Processing

Use this program to generate journal entries for authorized revaluation/accrual batches. You also have the option of transferring successfully generated journal batches to the GL Interface table as well as transferring a specific range of previously created journal batches.

Program Parameters

Company: The company that you want to generate journal entry revaluation/accrual batches for.

Batch ID From: The starting batch ID number.

Batch ID To: The ending batch ID number.

Processing Option: The processing options for the journal batches.

Journals in Closed Periods: The method to handle previously created journal entries that fall into a closed period.

Transfer CE Bank Statement to Treasury

Use this program to transfer bank account balances from the CE Interface table to the Treasury Interface table. This program has no parameters.

Update Limit Utilizations Program

Run this program to update your limit utilizations. The program clears all existing limit utilized amounts and refreshes the amounts based on the current deals or transactions. You should run this program if you have some incorrect data and you find that the utilized amount in the Limits window and the sum of the utilized amounts in the Limit Details window are not the same. You should also run this program if you authorize a limit for use after you have entered deals. Running the program ensures that all deals are included when Treasury calculates the limit utilization.

Update Limit Weightings Program

Use this program to update your limit weightings. This program releases the limit utilized amount for all the matured deals/transactions and calculates the limit weighted amount based on the current weightings for a deal type, deal subtype, or product type. It then converts the limit weighted amount, using the latest rates, to the reporting/limit currency and updates the limit utilized amount accordingly. Typically, you run this program every night.

Update Settlement Bank Account Program

Use this program to update settlement bank accounts on the deal-related cash flows.

A settlement bank account is captured when you first create a deal. Many deals can have multiple payments or receipts associated with them for many years in the future. For example, a bond that you buy today and decide to hold until maturity may be paying coupons twice a year for the next ten years. The originally captured bank account serves as a default bank account during the settlement process. In addition, in your cash forecast, all the future-dated cash flows are also associated with this bank account. However, as you manage your banking relationships over the years you may decide to close certain bank accounts to optimize your banking structure. If that happens, use this program to redirect all future cash flows that are now associated with a closed bank account to a new bank account.

> **Note:** This program will not change the bank account shown on the deal. It will only change bank account shown in the Settlement window. Cash flows that are already authorized for settlement are excluded by this program.

Selected Report Parameters

Party: The company or counterparty that wants to redirect the cash flows. Note that this program works not only for your own internal bank accounts but for your counterparty bank accounts as well. If you counterparty notifies you that as of a certain date they discontinue using a particular bank account and ask you to redirect all the payments in the future to another bank account, choose the counterparty name in this field.

Old Bank Account: The bank account that belongs to the selected Party and that you want to discontinue using.

New Bank Account: The bank account that belongs to the selected Party and that you want to use instead of the Old Bank Account. Note that both Old Bank Account and New Bank Account must be in the same currency.

Starting Cash Flow Date and Ending Cash Flow Date: The date range within which the cash flows will be updated with a new settlement bank account. If you leave the second date null, all the cash flow on or after the starting date will be updated.

Include Journalized Cash Flows (Yes/No): Depending on your setup, your bank accounts can be associated with different GL accounts. If you have already journalized the cash flows based on the old bank account GL account and do not want those cash flows updated, set this parameter to No to exclude such cash flows from processing.

Update Settlement Bank Account Execution Report

This report lists all updates performed by the Update Settlement Bank Account Program. It is always executed automatically after the Update Settlement Bank Account Program. In addition, you can run it on its own on the ad hoc basis.

Update Today's Average Rate Program

Use this program to update the average rate for the current date. Typically this program is run at the beginning of every day.

Upload Bank Balances

Use this program to upload a bank balance into Treasury. Bank balances are used to calculate the Cash Position in Treasury. There are no parameters for this program.

Bank Statement Programs

Treasury provides various bank statement programs. Use these programs to reconcile your bank account statements and settle transactions.

Bank Account Reconciliation Program

Use this program to automatically reconcile your bank account statements. You activate this form through the Bank Account Reconciliation window.

Selected Report Parameters

Value Date From: The beginning date of the reconciliation period.

Value Date To: The ending date of the reconciliation period.

Include Retail Term Money: Includes settlement information for your retail term money deals. If you select this option, the program may take a significant amount of extra processing time.

Bank Statement Transfer Program

Use this program to send a letter to a deal counterparty when you intend to settle a transaction on a specified day. The bank statement transfer is usually sent on the day of, or the day before, the intended settlement.

Selected Report Parameters

Source: The source of the bank statement information. You defined the source in the Import Sources window.

Creation Date: The date on which you want to send the bank statement transfer.

Data Exchange Programs

Treasury provides various data exchange programs. Data exchange programs are used to perform the electronic data feed for treasury market rates.

Market Data Sample File Loader Request Set

The Market Data Sample File Loader request set is a set of programs that you can use to load the sample market data file provided.

The Market Data Sample File Loader request set is a sample request set that is provided to show you how the electronic data feed functionality works. The request set is comprised of the following programs:

- Market Data Load Sample File Program

- Market Data Load Sample File

- Market Data Transfer Program

- Market Data Transfer Report

- Transfer FX Rates to GL

You can use this sample request set if your market data import file is similar in format to the sample market data file provided.

You can use the Market Data Sample File Loader request set to feed data (such as interest rates, foreign exchange rates, and so on) electronically from a broker into the Current System Rates window. Once the rates are fed into Treasury, they can be used to calculate whether or not a deal falls within your rate policies or to revalue your existing deals.

Market Data Load Sample File Program

The Market Data Load Sample File program works specifically with the sample file provided. Use the Load Sample File program to specify the name of the sample market data file. For information on the sample file provided, see: Market Data Transfer Sample File, page 10-22

Report Parameter

Market Data Import Filename: The name of the sample market data file that you want to import into Treasury.

Market Data Transfer Sample File

The market data load sample file is an example of the type of file that you can import into the Treasury interface table by calling SQL*Loader. This file works with the Market Data Load Sample File Program (sample.ctl), which can be found at the following path XTR_TOP/bin/sample.ctl. The sample file and the sample load program were developed for a specific file format. If you want to import a data file that uses a different format than the sample file, you must create your own SQL*Loader concurrent program for that format. Use the sample load program, listed below, as an example of how to create one.

$Header: sample.dat$,Bid,Ask,Time B 01/04/01 Govt,5.72,5.71,12/05/2000 9128273S9 Govt,100.4375,100.46875,12/05/2000 912810FH6 Govt,102.4375,102.5,12/05/2000 912810FM5 Govt,111.84375,111.875,12/05/2000 B 03/15/01 Govt,5.88,5.87,12/05/2000 B 11/29/01 Govt,5.39,5.38,12/05/2000 JPY Curncy, 111.1200028,111.199997,12/05/2000 DEM Curncy,2.22294998,2.22294998,12/05/2000 EUR Curncy,0.87919998,0.88020003,12/05/2000 GBP Curncy,1.43359995,1.4346,12/05/2000 US0001W
Index,#N/A,N.A.,6.58500004,12/05/2000 US0001M
Index,#N/A,N.A.,6.76875019,12/05/2000 US0003M
Index,#N/A,N.A.,6.67750025,12/05/2000 DM0001W
Index,#N/A,N.A.,4.82687998,12/05/2000 DM0001M Index,#N/A,N.A.,5,12/05/2000

Market Data Transfer Program

Use the Market Data Transfer program to specify how you want to transfer your market data into Treasury.

Report Parameters

Update When Date/Time Missing: Choose one of the following options.

- **Always:** Choose Always if you want to update the market data file with the date the Market Data Sample File Loader request set was run.

- **Never:** Choose Never if you want to update the market data file with the date the Market Data Sample File Loader request set was run.

- **Only if Changed:** Choose Only if Changed if you want to update the market date file only if the date for a rate has changed.

Allow History Updates: Choose Yes if you want to allow updates to historic market data. Choose No if you do not want historic market data update.

Market Data Transfer Report

Use the Market Data Transfer report to view the results of your market data import.

Report Parameter

Report Errors Only: Choose Yes if you want to report only errors in your market data import. Choose No if you want a complete report of your market data import.

Upload FX Rates to GL

Use the Data Exchange - Upload FX Rates to GL programs to upload Treasury currency spot rates to General Ledger. The programs upload data in the Treasury XTR_SPOT_RATES table to the General Ledger GL_DAILY_RATES table.

There are two programs: Data Exchange - Upload FX Rates to GL Using Relative Dates and Data Exchange - Upload FX Rates to GL Using Absolute Dates. These programs collect spot rates from Treasury during the date range specified and populates the corresponding dates in General Ledger. The Data Exchange - Upload FX Rates to GL Using Relative Dates program specifies a date range in number of days relative to the system date. The Data Exchange - Upload FX Rates to GL Using Absolute Dates program specifies specific calendar start and end dates.

> **Note:** The Data Exchange - Upload FX Rates to GL programs will not upload rates for currencies with the No GL Upload option enabled in the Add/Maintain Currency Details window. See: Currency Details, page 2-84.

Report Parameters

Data Exchange - Upload FX Rates to GL Using Relative Dates

End Date (number of days ago): The number of days before the system date for the end of date range.

Start Date (number of days ago): The number of days before the system date for the start of date range. This value must be greater than or equal to the End Date value.

Data Exchange - Upload FX Rates to GL Using Absolute Dates

Start Date: The start date for the date range.

End Date: The end date for the date range.

Both Reports

Treasury Rate Calculation: The method Treasury uses to calculate the daily rate for each currency for each day in the date range. Choose one of these options:

- **End of day:** Treasury uses the last rate of the day as the rate. If the system date is included in the date range, Treasury uses the last rate known at the time the program is run.

- **Daily average:** Treasury collects all rates for the currency during the course of a day and takes an unweighted average to calculate the daily rate.

Market Data Side: The method Treasury uses to calculate the cross rate for each currency. Choose one of these options:

- **Ask:** The offer rate of each currency against the US dollar.

- **Bid:** The bid rate of each currency against the US dollar.

- **Mid:** The average of the bid and offer rates of each currency against the US dollar.

GL Rate Type: The Gl rate type to use for conversion.

Overwrite Existing GL Rates: Enter *No* to prevent Treasury from uploading cross rates to GL if the rate is already specified for the cross rate, conversion date, and rate type. Enter *Yes* to upload all cross rates and overwrite any existing cross rates in GL for that conversion date and rate type.

Hedging Reports

Treasury provides various hedging reports. Use these reports to view hedge information such as hedge positions and hedge attribute details.

Positions - Derivatives Disclosure by Hedge Type Report

Use the Positions - Derivatives Disclosure by Hedge Type report to view high-level hedge related information grouped by hedge types.

The Positions - Derivatives Disclosure by Hedge Type report is a key qualitative report that displays high-level company profile, strategy, and hedge attribute summary information to support the required quarterly Qualitative Disclosure statement as presented in a company's Notes to Consolidated Financial Statements.

The Positions - Derivatives Disclosure by Hedge Type report contains text and descriptive flexfield information from the hedge strategy and hedge attribute levels. The report is run on an as of date basis, grouped by company and hedge type.

Report Parameters

Company: The company that the hedge belongs to. If you leave the field blank, the report prints data for all companies that you have access to.

Risk Type: The risk type of the hedge.

Hedge Type: The hedge type assigned to the hedge attribute.

Hedge Objective: The objective of the hedge attribute.

Hedge Strategy: The strategy of the hedge attribute.

Hedge Status: The status of the hedge.

As of Date: The date from which you want to view your hedge information.

Report Currency: The currency that the transaction amounts are converted into.

Factor: The number of digits that you want to use to display your report values.

Positions - Derivatives Disclosure by Hedge Attribute Report

Use the Positions - Derivatives Disclosure by Hedge Attribute report to view detailed level hedge related information per hedge identification number.

The Positions - Derivatives Disclosure by Hedge Attribute report is a key qualitative report that displays detailed-level hedge attribute information per hedge number to support the required quarterly Qualitative Disclosure statement as presented in a company's Notes to Consolidated Financial Statements.

Report Parameters

Company: The company that the hedge belongs to. If you leave the field blank, the report prints data for all companies that you have access to.

Hedge Type: The hedge type assigned to the hedge attribute.

Hedge Number: The hedge identification number.

Hedge Status: The status of the hedge.

As of Date: The date from which you want to view your hedge information.

Factor: The number of digits that you want to use to display your report values.

Positions - Outstanding Hedge Instruments Report

Use the Positions - Outstanding Hedge Instruments report to view summary information for derivative and non-derivative instruments assigned to outstanding hedges, as well as any derivative not assigned to a hedge in part or in whole. You can group information by hedge type, hedge objective, or hedge strategy.

The Positions - Outstanding Hedge Instruments Report is a key qualitative report that displays information to support the required quarterly Qualitative Disclosure statement as presented in a company's Notes to Consolidated Financial Statements. You run the report at the company level on an as of date basis. The report displays all Current status derivative and non-derivative deals designated as instruments on hedges, and all other derivative deals with a Current status.

Report Parameters

Company: The company that the hedge belongs to. If you leave the field blank, the report prints data for all companies that you have access to.

Hedge Type: The hedge type assigned to the hedge attribute.

Hedge Objective: The objective of the hedge attribute.

Hedge Strategy: The strategy of the hedge attribute.

As of Date: The date from which you want to view your hedge information.

Report Currency: The currency that the transaction amounts are converted into.

Factor: The number of digits that you want to use to display your report values.

Positions - Forecast Hedge Items Fulfillment Report

Use the Positions - Forecast Hedge Items Fulfillment report to review all forecast hedges outstanding with either a Current, Fulfilled, or Failed status. The report shows the original hedge amount and the amount of the current hedge item transactions that have been fulfilled against the hedge.

You can run the Positions - Forecast Hedge Items Fulfillment report to display either summary hedge level or detail hedge item transaction information for all outstanding forecast hedges.

Report Parameters

Company: The company that the hedge belongs to. If you leave the field blank, the report prints data for all companies that you have access to.

Strategy: The strategy code of the hedge.

Hedge Number: The hedge identification number.

Status: The status of the hedge.

Show Transactions: Determines if the hedge information displayed is in summary or detail. If you select No, the hedge information is displayed in summary level only. By selecting Yes, the hedge information is displayed in both summary and detail level including individual hedge item transactions that have been fulfilled against the hedge.

> **Note:** The report name depends on the Yes/No selection. If Yes, the report header is Forecast Hedge Items Fulfillment Details Report. If No, the report header is Forecast Hedge Items Fulfillment Summary Report.

Check Duplicates: Determines if you want the system to check all Current and Fulfilled status hedges for possible duplicate hedge item transactions that have been assigned to more than one hedge.

Hedge Currency: The currency of the hedge.

Start Date From: The beginning start date period for the hedges you want to include in the report.

Start Date To: The ending start date period for the hedges you want to include in the report.

End Date From: The beginning end date period for the hedges you want to include in the report.

End Date To: The end of the date period for the hedges you want to include in the report.

Factor: The number of digits that you want to use to display your report values.

Positions - Outstanding Receivables/Payables Report

Use the Positions - Outstanding Receivables/Payables report to review your open AR/AP hedge positions. The Positions - Outstanding Receivables/Payables report displays the same search results that can also be done online in the Find Receivables/Payables window. You can search either by using an existing criteria set or by providing basic search criteria.

Report Parameters

Search By: The search option that you want to use. You can select Advanced and use a saved criteria set or select Basic and provide information for a search.

If you select Advanced, the only parameters that are enabled are Criteria Set, Due Date From, Due Date To, and Show Transaction. If you select a basic search, all fields except Criteria Set are enabled.

Criteria Set: The existing criteria set that you want to use for your search.

Source: The source of the open positions that you want to find.

Currency: The currency of the open positions that you want to find.

Company: The company that has the open positions that you want to find.

Ledger Currency: The Ledger currency of the company that you selected in the Company field.

AP Discount: The type of discount that you want to find for your Payables supplier invoices.

Factor: The number of digits that you want to use to display your report values.

Due Date From: The beginning due date for your transactions.

Due Date To: The ending due date for your transactions.

Include Unapplied Prepayments: Determines if Unapplied Prepayments are included in the basic search.

Include Unapplied Receivables: Determines ifUnapplied Receivables are included in the basic search.

Show Transactions: Determines if the transactions are displayed on the report. If you select Yes, the report output consists of three sections: Title Page, Summary View, and Transaction View. If you select No, the report output consists of two sections: Title Page and Summary View.

Intercompany Reports

Treasury provides various intercompany reports. Use these reports for interest settlements, confimation letters, and statements.

Interest Settlement Report

Use this report to view a history of interest settlement actions between your company and its intercompany parties.

Selected Report Parameters

From Date: The beginning date for which you want to view your interest settlement history.

Letters Report

Use this report to generate confirmation letters for a specified intercompany party.

Selected Report Parameters

Period From: The beginning date for which you want to generate intercompany letters.

Period To: The ending date for which you want to generate intercompany letters.

Intercompany Party: The intercompany party for which you want to generate confirmation letters.

Statements

Use this report to generate statements for your intercompany transfer transactions between your company and its intercompany parties.

This report lists the date of the transfer, account that the transfer was made to, the inter-company bank account balance, the interest rate, and the amount of settled interest.

Selected Report Parameters

Intercompany Party: The intercompany party for which you want to view transaction activity for a specified period.

Positions Reports

Treasury provides various positions reports. Use these reports to view cash flows and deal information.

Positions - Treasury Cashflows by Account Report

Use this report to view your daily cash flows by bank account. This report is one of the most basic and important forecasting tools available in Treasury. With it you can estimate when to borrow, and when to invest, to use your funds most efficiently.

The report lists the cash flows by source and total cash flow, negative or positive, sorted by currency for selected time periods. It also shows the total account balance by date. You can choose to summarize this report by day, week, or month.

Selected Report Parameters

Bank Account Number: The bank account for which you want to produce a cash flow report.

Exposure Type: The nature of an exposure. The four options are:

- **Firm:** Actual, not estimated or uncertain.

- **Indicative:** Estimated, not actual or certain.

- **None:** Don't select exposures.

- **All:** Select all types.

Include FX Option Buy/Sell: Include foreign exchange options in the cash flow report.

Include Indicative Exposure: Include indicative exposures in the cash flow report.

Summarize By: The time period by which the summary is sorted. The Day option covers each day. The Week option covers a calendar week. The Month option covers a calendar month.

Settlement Date From: The beginning of the time period that the summary covers.

Settlement Date To: The end of the time period that the summary covers.

Selected Report Headings

Curr: The currency by which the cash flows are sorted.

- The asterisk in the Curr column is noted as Current Cash Dep/Advs. This means that there are "call cash" balances, or short term funds available for that currency. They are shown in the Net MM Cash Flows column, and are not included in the Acct Balances column.

Date or Week/Month ending: Ending date of the time period covered by the Summary.

Net FX Cash Flows: The total cash flows from foreign exchange.

Net MM Cash Flows: The total cash flows from Money Markets, plus any premiums and settlements from synthetics (synthetics are also known as derivatives).

Net Exposure Cash Flows: The total cash flows from exposures.

Net Cash Flow: The sum of Net FX, MM, and Exposure cash flows.

- **Opening Balance:** This is the bank account cash flow balance at the start of the specified time period, as recorded in the Cash Flow Balance column in the Account Balances module.

Net of C/Flows: The number of cash flows included in Net Cash Flow. This value gives you an idea how busy you will be on that day.

Acct Balance: The sum of the Acct Balance of the previous row, and the Net Cash Flow of the selected row. The first row contains the opening balance in the Acct Balance column.

Positions - Treasury Cashflows by Currency Report

Use this report to view your daily cash flows by currency. This report is one of the most basic and important forecasting tools available in Treasury. With it you can estimate when to borrow, and when to invest, to use your funds most efficiently.

The report lists the cash flows by source and total cash flow, negative or positive, sorted by account. It also shows the total account balance by date. You can choose to summarize this report by day, week, or month.

Selected Report Parameters

Exposure Type: The nature of an exposure. The four options are:

- **Firm:** Include actual exposures, not estimated or uncertain.

- **Indicative:** Include estimated, not actual or certain exposures.

- **None:** Do not include exposures.

- **All:** Include all types of exposures.

Include Intra-Day Transactions: Include intra-day transactions in the cash flow report.

Include FX Option Buy/Sell: Include foreign exchange options in the cash flow report.

Summarize By: The time period by which the summary is sorted. The Day option covers each day. The Week option covers a calendar week. The Month option covers a calendar month.

Settlement Date From: The beginning of the time period that the summary covers.

Settlement Date To: The end of the time period that the summary covers.

Selected Report Headings

Curr: The currency by which the cash flows are sorted.

- The asterisk in the Curr column is noted as Current Cash Dep/Advs. This means that there are "call cash" balances, or short term funds available for that currency. They are shown in the Net MM Cash Flows column, and are not included in the Acct Balances column.

Date or Week/Month ending: Ending date of the time period covered by the Summary.

Net FX Cash Flows: The total cash flows from foreign exchange.

Net MM Cash Flows: The total cash flows from Money Markets, plus any premiums and settlements from synthetics (synthetics are also known as derivatives).

Net Exposure Cash Flows: The total cash flows from exposures.

Net Cash Flow: The sum of Net FX, MM, and Exposure cash flows.

- **Opening Balance:** This is the bank account cash flow balance at the start of the specified time period, as recorded in the Cash Flow Balance column in the Account Balances module.

Number of Cash Flows: The number of cash flows included in Net Cash Flow. This value gives you an idea how busy you will be on that day.

Acct Balance: The sum of the Acct Balance of the previous row, and the Net Cash Flow of the selected row. The first row contains the opening balance in the Acct Balance column.

Positions - Treasury Consolidated Cashflows Report

Use this report to view the consolidated cashflows for all bank accounts, currencies, and companies.

Selected Report Parameters

Include Intra-Day Transactions: Include intra-day transactions in the cash flow report.

Include FX Option Buy/Sell: Include foreign exchange options in the cash flow report.

Summarize By: The time period by which the summary is sorted. The Day option covers each day. The Week option covers a calendar week. The Month option covers a calendar month.

Settlement Date From: The beginning of the time period that the summary covers.

Settlement Date To: The end of the time period that the summary covers.

Discounted Securities Register

Use this report to view all of your discounted security deals or only the deals for a specific combination of company and counterparty.

Selected Report Parameters

Acceptor Code: The code representing the person who is responsible for paying the deal at maturity. The acceptor code is defined in the Discounted Securities window.

Issued/Purchased: Include all discounted securities in the report or include only the discounted securities issued or purchased by you.

FX Exposures Report

Use this report to view your net foreign exchange exposures, and your exposures for specific currencies.

This report lists the total amount of all foreign exchange deals and options, your foreign exchange bank account balances, the total amount of currency required to cover your cash flows including your exposures, and your net exposure.

Selected Report Parameters

Include Intercompany: Include intercompany transactions in the FX exposures report.

Interest Rate Exposures Report

Use this report to view your net interest rate exposures.

Selected Report Parameters

Fund/Investment: The type of transaction for which you want to create an interest rate exposure report.

Include Intercompany Trans: Include intercompany transactions in the interest rate exposures report.

Date From: The beginning date for the time period covered by the report.

Date To: The ending date for the time period covered by the report.

Interest Rate Hedges Report

Use this report to review your hedges against interest rate fluctuations, showing fixed versus floating interest positions. Interest rate hedges are synthetic, and are used to reduce the risk of interest rate fluctuations on your physical loans.

The report lists the hedges and shows how they are spread out for a selected time period, sorted by currency and by deal type.

Selected Report Parameters

Date From: The beginning date for the time period covered by the report This report includes hedge information only for deals that fall after this date.

Portfolio: Groups your hedge information by portfolio.

Selected Report Headings

Amount: The amount of the deal.

Date: The beginning date for the time period for which you want to view interest rate hedge information.

Date: The ending date for the time period for which you want to view interest rate hedge information.

Months: The months in which the interest rate hedges are active.

Limit Utilization Report

Use this report to identify the available amounts of your limits.

Selected Report Parameters

Limit Type: Enter the limit type for which you want to review limit utilization, or leave the the field blank to submit the report for all limit types.

Available Amount From: Enter the minimum available amount that you want Treasury to include in this report. Treasury does not display any limits that have available amounts less than the amount you enter here.

Available Amount To: Enter the maximum available amount that you want Treasury to include in this report. Treasury does not display any limits that have available amounts greater than the amount you enter here.

Limit Code: Enter the global limit for which you want to review limit utilization, or leave the field blank to submit the report for all limit types.

Selected Report Headings

Limit Party: The party whose limit was utilized.

Limit: The limit code of the global limit.

Limit Group: The type of limit.

Country: The country of the counterparty.

Currency: The currency of the limit.

Effective Date: The effective date of the limit.

Limit Amt: The amount of the limit.

Utilized: The amount of the limit that has been utilized.

Available: The amount of the limit that is available.

Maturities by Counterparty Report

Use this report to review all deals outstanding with each counterparty. This report is almost identical to the Maturities by Date report, except it is sorted by counterparty instead of date. It is often used when reviewing the positions held with a counterparty, and also for audit confirmation. You can print this report for all counterparties or for a single counterparty.

This report sorts each deal by counterparty and lists basic information about each deal including the amount, interest rate, currency, and maturity date.

Selected Report Parameters

Client: The third party on whose behalf you have transacted business. This occurs when you act as a broker.

As Principal: Money that is invested by a counterparty directly with you, as opposed to money that is handled by you for a client.

Selected Report Headings

Value Date: The date when the deal matures, or when an action is required. For example, it could refer to a coupon payment date.

Amount: The total amount of money due when the deal matures, or when an action is required.

Maturities by Date Report

Use this report to review basic information about your outstanding deals. You will probably run this report and the cash flow reports daily to see when deals will be transacted, and how much money you need to borrow or lend to use your funds most efficiently.

The report sorts each deal by maturity date and lists information about each deal including the amount, interest rate, and currency.

Selected Report Parameters

Client: The third party on whose behalf you have transacted business. This occurs when you act as a broker.

As Principal: Money that is invested by a counterparty directly with you, as opposed to money that is handled by you for a client.

Selected Report Headings

Maturity Date: The date when the deal matures, or when an action is required. For example, it could refer to a coupon payment date.

Status: The present state of a deal. It can be current, which is still open, or exercised, which is transacted.

Amount: The total amount of money due when the deal matures, or when an action is required.

Revaluations Reports

Treasury provides various reports for revaluations purposes. Use these reports to calculate fair value and currency gains and losses on your outstanding treasury transactions.

Currency Gain/Loss Revaluation Report

Use this report to get detailed information on your currency gains or losses.

Selected Report Parameters

Range of Batch IDs: The batch IDs that you want to run the report for.

Range of Dates: The range of dates that you want to run the report for.

Realized/Unrealized: Choose Realized if you want the report to display only realized gains or losses. Choose Unrealized if you want the report is display only unrealized gains or losses.

Currency: The currency that you want the report to appear in.

Primary Grouping: The item that you want to use to order the report. For the Mark to Market Revaluation Summary report, the choices are: Company Code, Revaluation Currency, Group By parameter, or Reference Number.

Factor: The monetary unit that you want to use to display the revaluations. The choices are Unit, Thousand, Million, or Billion.

Selected Report Headings

Order By: The item by which the report content is ordered. The choices are: Company Code, Revaluation Currency, Group By parameter, or Reference Number.

Reference: This column displays the bank account numbers for Current Account Balances, the swap reference number for interest rate swap deals, or the deal number for all other deals.

Deal End Date: For unrealized deals, this column displays the maturity date of the deal. For realized deals, this column displays the deals' settlement or sale date.

Buy Curr./Curr: For foreign exchange deals and options, this column displays the buy currency. For all other deals, this column displays the transaction currency.

Sell Curr: For foreign exchange deals, this column displays the sell currency. For all other deals, this column is blank.

Buy Transaction Amount: The reference amount for the deal. For foreign exchange deals and options, this is the buy currency of the deal.

Period Start: The start date of the period that the calculated gain or loss is for.

Period End: The end date of the period that the calculated gain or loss is for.

Fair Value: The fair value of the deal on the period end date for the accounting period. For deals that are not Short Term Money, Current Account Balances, Intercompany Transfers, or Wholesale Term Money, if the gain or loss is realized, then it is the fair value of the deal on the period end date; if the gain or loss is unrealized, then it is the initial fair value for the deal.

Beginning GL Rate: The GL daily exchange rate on the period start date.

Ending GL Rate: The GL daily exchange rate on the period end date.

Gain/Loss: The summarized gain or loss amount for the accounting period.

Mark to Market Revaluation Summary Report

Use this report to get detailed information on your mark to market revaluations.

Selected Report Parameters

Range of Batch IDs: The batch IDs that you want to run the report for.

Range of Dates: The range of dates that you want to run the report for.

Realized/Unrealized: Choose Realized if you want the report to display only realized gains or losses. Choose Unrealized if you want the report is display only unrealized gains or losses.

Currency: The currency that you want the report to appear in.

Primary Grouping: The item that you want to use to order the report. For the Mark to Market Revaluation Summary report, the choices are: Company Code, Revaluation Currency, Group By parameter, or Reference Number.

Factor: The monetary unit that you want to use to display the revaluations. The choices are Unit, Thousand, Million, or Billion.

Selected Report Headings

Order By: The item by which the report content is ordered. The choices are: Company Code, Revaluation Currency, Group By parameter, or Reference Number.

Reference: This column displays the bank account numbers for Current Account Balances, the swap reference number for interest rate swap deals, or the deal number

for all other deals.

Deal End Date: For unrealized deals, this column displays the maturity date of the deal. For realized deals, this column displays the deals' settlement or sale date.

Buy Curr./Curr: For foreign exchange deals and options, this column displays the buy currency. For all other deals, this column displays the transaction currency.

Sell Curr: For foreign exchange deals, this column displays the sell currency. For all other deals, this column is blank.

Buy Transaction Amount: The reference amount for the deal. For foreign exchange deals and options, this is the buy currency of the deal.

Beginning Fair Value: The fair value of the deal from the previous accounting period. If this is the first time the deal is being revalued, then this column displays the initial fair value of the deal.

Ending Fair Value: The fair value of the deal on the period end date for the accounting period.

Gain/Loss: The summarized gain or loss amount for the accounting period.

Settlement Reports

Treasury provides various settlement reports. Use these reports to create and review settlement information.

Confirmation Letters Report

Use this report to create letters to counterparties confirming transactions. You can also create reports that list the confirmation letters you have created.

Use the confirmation template in setup system to format the letters.

Selected Report Parameters

Test Mode: Creates an entry in the file that prevents rerunning the letter, since there should be only one confirmation of a transaction.

Deal Number: Same as the Deal Ref, a number identifying the deal.

Transaction Number: A sub category of a deal number, identifying a transaction, which is part of a specific deal.

Confirmation Party Code: Indicates who receives the confirmation letter.

Action Type: The action that the letter confirms. For example, the letter may confirm a settlement, a rate change, and so on.

Template Type: The template associated with the action type. This controls the format of the letter, and is user defined.

Selected Report Headings

The letters are formatted according to the confirmation template, which is in the setup system window. It is user-defined.

Daily Payments/Receipts Letters Report

Use this report to generate confirmation settlement instructions to counterparties.

Selected Report Parameters

Counterparty: The counterparty that you want to send the settlement letter to.

Period From: The beginning period that you want to settle transactions for.

Daily Payments/Receipts Report

Use this report to instruct your bank to make certain payments to settle a deal. This is usually done by fax.

The report lists the instructions to debit your account and to pay the various parties for which settlement is due. It also lists the amounts your company expects from other counterparties. If a settlement is pre-authorized, this report can be printed prior to the maturity date.

Selected Report Parameters

Settlement Party: The bank to which you pay the cash to settle the deal.

Bank Account Number: The account number from which you get the cash to settle the deal.

Settlement Date: The date the payment will be made to settle the deal.

Include Previously Actioned: If the report is run more than once, this parameter prevents the inclusion of actions that were listed previously.

Journals by Date Report

Use this report to see a listing of journal entries created by Treasury. You can use this list to manually enter the journal entries into General Ledger if you do not have the General Ledger interface.

Selected Report Parameters

Deal Number: The identification number for the specific deal for which to view information

Journal Date From: The beginning journal date for which you want to create the report.

Journal Date To: The ending journal date for which you want to create the report.

Amount Type: The amount type of a transaction in the journal.

GL Account: The specific GL Account for which to view data. When you choose the list of values for this field, the Operations Accounting Flex window appears.

Status Report

Use this report to review the status of your settlements. It indicates which settlements have been authorized, and is used for control purposes.

This report lists the settlement date, currency, company account, company code, beneficiary of the settlement, deal type, deal subtype, product type and deal or transaction number that created the settlement, the settlement amount and the person who has authorized the settlement.

Selected Report Parameters

Bank Account Number: The bank account for which you want to view the settlement status.

Settlement Date From: The beginning date of the time period covered by the report.

Settlement Date To: The ending date of the time period covered by the report.

Authorized/Unauthorized: Include authorized settlements, unauthorized settlements, or all settlements.

Beneficiary: The person who will receive the settlement payment.

Term Money Reports

Treasury provides various term money reports. Use these reports to view retail term money deal information.

Calculate Retail Term Money Maturity Date Extensions

Use this program to recalculate transaction details on a retail term money deal based on payment schedule posting parameters that you have defined.

Selected Program Parameters

Deal Subtype: The retail term money deal subtype for which you are calculating transaction details.

Product Type: The retail term money product type.

Payment Schedule: The payment schedule that you want to use for recalculating transaction details.

New/Settled Retail Term Money Report

Use this report to view your current and settled retail term money deals.

This report lists the deal start date, deal number, counterparty, maturity date, principal and interest amounts due per payment, the face value amount, the initial interest rate and the payment frequency for new deals. It also lists the deal details for settled retail term money deals.

The report lists transactions by deal number or by counterparty.

Selected Report Parameters

New Deal Date From: The beginning date of the time period for which you want to view new retail term money deals. This option is not available if you select Settled in the New/Settled field.

New Deal Date To: The ending date of the time period for which you want to view new retail term money deals. This option is not available if you select Settled in the New/Settled field.

Deals Repaid Date From: The beginning date of the time period for which you want to view settled retail term money deals. This option is not available if you select New in the New/Settled field.

Deals Repaid Date To: The ending date of the time period for which you want to view settled retail term money deals. This option is not available if you select New in the New/Settled field.

New/Settled: Include new retail term money deals, settled retail term money deals, or both.

Sort By: The field by which you want to sort the report. You can select Client or Date.

P&I Amount: The total amount of principal and interest for the deal.

Face Value Amount: The face value of the deal.

Initial Interest Rate: The initial interest rate for the deal.

Payment Frequency: For new deals, the frequency of payment.

Retail Term Money Aging Report

Use this report to review overdue repayments. The report lists the total amount of payments overdue for a deal, and the overdue principal and interest. It also lists a total amount of payments overdue by product type.

The report lists aging of overdue amounts into these groupings:

•   Under 30 days

•   30-60 days

- 60-90 days

- Over 90 days

Deal Number: The number of the deal that you want.

As of Date: The date from which you want to view your overdue repayments.

Sort By: The field by which you want to sort your report. You can select Client or Date.

Retail Term Money Overdues Report

Use this report to review transactions where the settlement for rollover transactions is overdue. You can order the report by client name, overdue amount, or product type.

This report lists the outstanding amount of the deal, the overdue principal and interest amounts, the most recent rollover date, and the counterparty.

Deal Number: The number of the retail term money deal for which you want a report.

Include Previously Actioned: Include overdue retail term money deals that were previously actioned in the report.

As of Date: The date from which you want to view a list of overdue retail term money transactions.

Sort By: The field by which you want to sort the report. You can select Client, Overdue amount, or Product type.

Amount: The amount of the deal.

Principal: The amount of principal that is overdue.

Interest: The amount of interest that is overdue.

Rollover Date: The most recent date that the transaction was rolled over.

Loan Type: The type of loan.

Retail Term Money Statements Report

Use this report as a statement for your retail term money deals that you can send to your counterparties. The report includes the address of the counterparty and the deal number. It starts each deal on a separate page, listing the details of each transaction. Note that this report will only generate output if you select a counterparty that contains retail term money statement data for the specified date range.

Counterparty: The counterparty that you want to include in the statement.

Amount: The initial amount of the deal.

Start Date: The date the deal occurred.

Principal: The sum of the principal settled to date for the deal.

Interest: The sum of the interest settled to date for the deal.

Settlement Amount: The amount required to settle the deal in full as of the statement date.

Summary Term Current Balances Report

Use this report to review a summary of current balances for a retail term money deal. You can choose to create the report for a range of balances or for all current retail term money balances.

The report lists basic information about the deal, such as initial deal amount, start and maturity dates, repayment amount, and the total principal repaid and interest paid. It also lists transactions for the deal according to date parameters that you specify.

Deposit/Advance: Include either deposit or advance.

Balances From: Enter the beginning date of a date range that indicates the transactions you want to include in the report.

Balances To: Enter the ending date of a date range that indicates the transactions you want to include in the report.

As of Date: The date from which you want to view.

Initial Amount: The initial amount of the deal.

Repayment: The amount required for repayment as of the report date.

Principal: The total actual amount of principal repaid as of the report date.

Interest: The total interest paid as of the report date.

Term Average Rates Report

Use this report to review for each product type, the average rate, average principal amount outstanding, and average loan amount outstanding. This report also lists the number of current deals.

You can choose to show the details of the deals used to calculate the average rates.

Deposit/Advance: The type of transaction for which you want to produce a statement.

As of Date: The date from which you want to view your term average rates.

Show Contracts: Enter Y to include the deal details including the deal numbers, counterparties, and amounts for each deal that forms part of the summarized total.

Average Rate: The average interest rate for current deals.

Average Principal: The average principal amount outstanding on current deals.

Average Loan: The average loan amount outstanding on current deals.

Term Money By Type and Product

Use this report to the review current retail term money transactions, by deal type and

product. For each transaction, the report lists the start and maturity dates, the accrued interest to the As of Date, and the principal amount outstanding. It also lists the total of accrued interest and current principal for each deal type/product type combination.

You can produce the report for only transactions that exceed a specified amount, and for only those transactions with a current maturity date that is overdue.

As of Date: The date from which you want to view your term money deals.

Deposit/Advance: The type of transaction on which you want to report.

Balances From: Enter the date from which you want to view your term money deals.

Account Manager: The name of the person who is managing the transactions.

Overdue Amounts Only: Include only term money transactions with an overdue maturity date.

Interest: The accrued interest to the As At Date for the deal.

Principal: The principal amount outstanding for the deal.

Total Interest: The total of accrued interest for the deal type/product type combination.

Total Principal: The total of principal for the deal type/product type combination.

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Navigation

Treasury Navigator Paths

Although your system administrator may have customized your navigator, typical navigation paths include the following:

Window Name	Navigation Path
Accruals	Accounting:Accruals
Add/Maintain Currency Details	Setup:Policies:Currency Details.
	Choose the Add/Maintain Currencies button.
Address Detail	Setup:Parties:Counterparty Profiles.
	Choose the Address Detail button.
All Prompts	Setup:System:System Languages.
	Choose the Update All Prompts button.
Annuities Calculator	Calculators:Annuities
Audit Columns	Setup:System:Audit Requirements.
	Choose the Audit Columns button.
Audit Requirements	Setup:System:Audit Requirements

Window Name	Navigation Path
Audit Groups	Setup: System: Audit Requirements.
	Choose the Audit Groups button.
Balance Summary	Money Market Transactions:Intercompany Funding.
	Choose the Balance Summary button.
Bank Account Interest Settlement	Banking Activities:Bank Account Interest Settlements.
	Choose the Maintain Balances button.
Bank Account Interest Rates	Money Market Transactions:Intercompany Funding.
	Choose the Global Interests button.
Bank Statements	Banking Activities: Bank Statements and Reconciliation
Bill/Bond Issue Numbers	Setup:Deals:Bill/Bond Issue Numbers
Bond Issue	Setup:Deals:Bond Issues
Bond Options	Money Market Transactions:Derivatives:Bond Options
Brokerage Schedule and Details	Setup:Tax/Brokerage:Brokerage Schedule & Details
Cash Dividends by Issue Code	Equity Market Transactions:Cash Dividends
Choose an Existing Template to Copy	Setup:System:Confirmation Template.
	Choose the Copy Existing Template button.
Company Profiles	Setup:Parties:Company Profiles
Confirmation Templates and User Views	Setup:System:Confirmation Template
Confirmation Letters	Settlements:Confirmation Letters

Window Name	Navigation Path
Contra Company Deal	Foreign Exchange Transactions:Spot/Forwards. Choose the Create Contra Company button.
Counterparty Deal Quotes	Other Deal Items:Quick Deals. Choose the Enter Quotes button.
Counterparty Profiles	Setup:Parties:Counterparty Profiles
Currency Combination Details	Setup:Policies:Currency Details. Choose the Combination Details button.
Currency Details	Setup:Policies:Currency Details
Currency Holiday Rules	Setup:System:Currency Holiday Rules
View Currency Position	View:Positions:Currency
Current System Rates	Rates:Current System Rates
Daily Journals	Accounting:Daily Journals
Deal Confirmation Groups	Setup:Parties:Deal Confirmation Groups
Deal Contact	Setup:Parties:Counterparty Profiles. Choose the Deal Contact button.
Deal Linking Codes	Other Deal Items:Deal Linking Codes
Deal Orders	Other Deal Items: Deal Orders
Deal Rate Tolerances	Setup:Policies:Deal Rate Tolerances
Deal Time Restrictions	Setup:Policies:Limits. Choose the Time button.
Deal Types/Product Types/Deal Subtypes	Setup:Policies:Deal Types/Product Types

Window Name	Navigation Path
Default Settlement Accounts	Setup:Parties:Default Settlement Accounts
Default Settlement Actions	Setup:Parties:Default Settlement Actions
Default Templates	Setup:System:Confirmation Template. Choose the Show Default Templates button.
Discounted Securities	Money Market Transactions:Negotiable Securities:Discounted Securities
Discounted Securities Resales	Money Market Transactions:Negotiable Securities:Discounted Securities Resales
Exercise Details	Money Market Transactions:Derivatives Interest Rate Options. Choose the Exercise button.
Exposure Transaction Summary	Other Deal Items:Exposure Transactions. Choose the Summary button.
Exposure Transactions	Other Deal Items:Exposure Transactions
Exposure Transactions Quick Input	Other Deal Items:Exposure Transactions. Choose the Quick Input button.
Exposure Types	Setup:Deals:Exposure Types.
Find Average Rates	View:Positions:Average Rates
Find Bank Accounts	Banking Activities: Bank Account Interest Settlement
Find Deals	Foreign Exchange Transactions: Rollovers/Predelivery
Find Deals Requiring Confirmation Letters	Settlements:Confirmation Letters
Find Discounted Security Resales	Money Market Transactions:Negotiable Securities:Discounted Security Resales

Window Name	Navigation Path
Find Exposure Transaction	Other Deal Items:Exposure Transactions. Choose the Summary button.
Find Fixed Income Security Resales	Money Market Transactions:Negotiable Securities:Fixed Income Security Resales
Find GL Accounts	Setup:System:Journal Entry Actions. Choose the Query by GL Accounts region.
Find Transaction Positions	View: Positions: Net Transaction Positions
Fixed Income Securities	Money Market Transactions:Negotiable Instruments:Bond/Fixed Income Securities
Fixed Income Securities Calculator	Calculators:Fixed Income Securities
Fixed Income Securities for Resale/Repurchase	Money Market Transactions:Negotiable Securities:Fixed Income Security Resales/Repurchases
Fixed Income Security Resales Summary	Money Market Transactions:Negotiable Securities:Fixed Income Security Resales
Foreign Exchange Options	Foreign Exchange Transactions:Foreign Exchange Options
Foreign Exchange Rollover/Predeliveries	Foreign Exchange Transactions:Rollovers/Predeliveries
Foreign Exchange Spots/Forwards	Foreign Exchange Transactions:Spot/Forwards
Forward Rate Agreements	Money Market Transactions:Derivatives:FRAs
FRA Transaction Summary	Money Market Transactions:Derivatives:FRAs Choose the Summary button.
FX Policy Bands	Setup:Policies:Currency Details. Choose the Policy Bands button.

Window Name	Navigation Path
Hedge Attributes	Hedging:Hedge Attributes
Hedge Relationship - Actual	Hedging:Hedge Relationship:Actual
Hedge Relationship - Forecast	Hedging:Hedge Relationship:Forecast
View Open AR/AP-Hedge Positions	Hedging:Positions
Holiday Dates	Setup:System:Currency Holiday Rules Choose the Review Actual Holiday Dates button.
Inter-Account Transfer Transactions	Other Deal Items:Inter-Account Transfers. Choose the Review Transfers button.
Inter-Account Transfers	Other Deal Items:Inter-Account Transfers
Intercompany Funding	Money Market Transactions:Intercompany Funding
Interest Adjustment	Money Market Transactions:Retail Term Money. Choose the Interest Adjustment button.
Interest Rate Options	Money Market Transactions:Derivatives Interest Rate Options
Interest Rate Policies	Setup:Policies:Interest Rate Policies
Interest Rate Swaps	Money Market Transactions:Derivatives:Interest Rate Swaps
Interest Rate Swaptions	Money Market Transactions:Derivatives:Interest Rate Swaptions

Window Name	Navigation Path
Investment Limits	View:Positions:Liquidity.
	Choose the Liquidity Details button. In the View Limits Liquidity window, choose the Investment Details button.
Journal Entry	Setup:System:Journal Entry Actions
Limit Detail	Setup:Parties:Counterparty Profiles.
	Choose the Limit Details button.
Limit Details	View:Positions:Liquidity.
	Choose the Start Process button. Choose the Liquidity Details button. In the View Limits Liquidity window, choose the Call Investment Details button.
Limit Types	Setup:Policies:Limits or View:Limits:Limits Setup.
	Choose the Limit Types button.
Limits	Setup:Policies:Limits
Limit Utilizations	View:Limits:Limit Utilizations
Liquidity Details	View:Limits:Liquidity.
	Choose the Liquidity Details button.
Maintain Settlements	Settlements:Settlements.
	Choose the Maintain Settlements button.
Maintain/Review Journal Details	Accounting:Daily Journals.
	Choose the Maintain/Review Journal Details button.
Market Data Curves	Setup: Market Data: Market Data Curves
Market Data Sets	Setup: Market Data: Market Data Sets

Window Name	Navigation Path
Multiple FRA Deals	Money Market Transactions:Derivatives:FRAs. Choose the Multiple FRAs button.
Multiple Subsidiary Deals	Foreign Exchange Transactions:Spot/Forwards. Choose the Create Subsidiary button.
Negotiable Securities Calculator	View:Positions:Liquidity. Choose the Liquidity Details button. In the View Limits Liquidity window, choose the Security Details button. In the Sellable Securities window, choose the Calculator button.
Net Transaction Positions	View:Positions:Net Transaction Positions. Choose the Net Positions button.
Notification Setup	Setup:Notification:Event Assignment
Order Summary	Other Deal Items: Deal Orders. Choose the Summary of Orders button.
Parcel Split Details	Money Market Transactions:Negotiable Securities:Discounted Securities. Choose the Parcel Split Details window.
Party Group Codes	Setup:Parties:Party Group Codes
Paying Transaction Details	Money Market Transactions:Derivatives:Interest Rate Swaps. Choose the Swap Details button. In the Swap Details window, choose the Paying Details button.
Payment Schedules	Setup:Deals:Payment Schedules
Portfolio Codes	Setup:System:Portfolio Codes

Window Name	Navigation Path
Premium/Settlement Details	Money Market Transactions:Derivatives Interest Rate Options.
	Choose the Summary button.
Principal Adjustment	Money Market Transactions:Wholesale Term Money.
	Choose the Principal Adjustment button.
Print Confirmation Letters	Settlements:Confirmation Letters
Quick Deals	Other Deal Items:Quick Deals
Reallocate Suspense Journals	Accounting:Daily Journals.
	Choose the Reallocate Suspense Journals button.
Receiving Details	Money Market Transactions:Derivatives:Interest Rate Swaps.
	Choose the Swap Details button. In the Swap Details window, choose the Paying Details button.
Reconciliation Process	Bank Accounts:Bank Account Reconciliation.
	Choose the Verify Reconciled or the Reconciled button.
Renegotiation Criteria	Money Market Transactions:Short Term Money.
	Choose the Consolidate button.
Renegotiation Details	Money Market Transactions:Short Term Money.
	Select a transaction and choose the Select Above Row for Reneg button or choose the Transactions button, select a transaction then choose the Select for Renegotiation button.

Window Name	Navigation Path
Repayment History	Money Market Transactions:Retail Term Money.
	Choose the Transactions button. In the Transactions window, choose the Repayments button.
Retail Term Money	Money Market Transactions:Retail Term Money
Retail Transaction Rates	Rates:Retail Transaction Rates
Revaluation Details	Accounting:Revaluations.
	Choose the Revaluation Details button.
Revaluations	Accounting:Revaluations
Review Audits	View:Audits:Summary.
	Choose the Review Audits button.
View Cancelled Transactions	View:Audits:Cancelled Transactions
Review Contract Details	View:Audits:Cancelled Transactions.
	Choose the View Deal Details button.
Review Deals	View:Deal Details
Review Historic Rates	Rates:Current System Rates.
	Choose the Cross Rates, Spot Rates, or Interest Rates buttons.
Schedule Change	Money Market Transactions:Retail Term Money.
	Choose the Schedule Change button.
Securities	Setup:Parties:Counterparty Profiles.
	Choose the Securities Details button.

Window Name	Navigation Path
Security Detail	Setup:Parties:Counterparty Profiles.
	Choose the Security Detail button.
Segment Values	Setup:Miscellaneous:Flexfields:Descriptive Values or choose Setup:Miscellaneous:Flexfields:Key Values
Select Quick Input	Money Market Transactions:Short Term Money.
	Choose the Quick Inputs button.
Select Renegotiation Criteria	Money Market Transactions:Short Term Money.
	Choose the Consolidate button, then choose the Default Details button.
Sellable Securities	View:Positions:Liquidity.
	Choose the Liquidity Details button. In the View Limits Liquidity window, choose the Security Details button.
Settlement Contacts	Setup:Parties:Counterparty Profiles.
	Choose the Settlement Contact button.
Settlement Summary	Money Market Transactions:Retail Term Money.
	Choose the Settlements button.
Settlements	Settlements:Settlements
Short Sales	Money Market Transactions:Negotiable Securities:Discounted Securities.
	Choose the Short Sales button.
Short Term Money	Money Market Transactions:Short Term Money

Window Name	Navigation Path
Short Term Money Details	View:Positions:Cash Book.
	Choose the Short Term Money Details button.
Show Market Data Curves	Market Data: Market Data Curves.
	Choose the Show button.
Split Settlement	Settlements:Settlements.
	Choose the Maintain Settlements button. In the Maintain Settlements window, choose the Split Settlements button.
Stock Issues	Setup:Deals:Stock Issues
Stock Resales	Equity Market Transactions:Stock Resales
Submit Process to Generate Journals	Accounting:Daily Journals.
	Choose the Generate Journals button.
Submit Process to Clear Journals	Accounting:Daily Journals
	Choose the Clear Journals button
Summary of Calculation	Accounting:Accruals.
	Choose the Accruals button.
Summary of Coupons	Money Market Transactions:Negotiable Securities:Bond/Fixed Income Securities.
	Choose the Review Coupon Summary button.
Reallocate Suspense Journals	Accounting:Daily Journals.
	Choose the Reallocate Suspense Journals button.
Swap Details	Money Market Transactions:Derivatives:Interest Rate Swaps.
	Choose the Swap Details button.
System Languages	Setup:System:System Languages

Window Name	Navigation Path
System Parameters	Setup:System:System Parameters
Tax Schedule and Details	Setup:Tax/Brokerage:Tax Schedule & Details
Tax/Brokerage Details	Setup:Parties:Counterparty Profiles Choose the Tax/Brokerage Detail button
Tax/Brokerage Settlements	Settlements:Tax/Brokerage Settlements
Transaction Details	Money Market Transactions:Short Term Money. Choose the Quick Inputs button, select a transaction then choose the Complete Details button.
Transaction Summary	Foreign Exchange Transactions:Foreign Exchange Options. Choose the Summary button.
Transaction Validation	Settlements:Transaction Validation
Transactions	Money Market Transactions:Retail Term Money. Choose the Transactions button.
Transfer Errors	Bank Accounts:Manual Statement Input. Choose the Show Errors button.
Transfer Journal to GL	Accounting: Daily Journals. Choose the Transfer Journal button.
Update Transaction Rates	Rates:Retail Transaction Rates. Choose the Update Transaction Rates button.
User Access Levels	Setup:System:User Access Levels
View Audit Summary	View:Audits:Summary

Window Name	Navigation Path
View Average Rates	View:Positions:Average Rates
View Balance Gaps	View:Positions:Cash Book. Choose the Generate Gapping button.
View Bill/Bond Issue Numbers	View:System:Bill/Bond Issue Numbers
View Bill/Bond Issues	View:System:Bill/Bond Issues
View Bond Options	View:Money Market Transactions:Derivatives:Bond Options
View Brokerage Schedule and Details	View:System:Brokerage Schedule & Details
View Cash Dividends by Deal	Equity Market Transactions:Cash Dividends Choose the Find button then choose the View button.
View Company Profiles	View:System:Company Profiles
View Counterparty Profiles	View:System:Counterparty Profiles
View Currency Holiday Rules	View:System:Currency Holiday Rules
View Currency Positions	View:Positions:Currency Position
View Current System Rates	View:System:Current System Rates
View Deal Confirmation Groups	View:System:Deal Confirmation Groups
View Deal Details	View:Other Deal Items:Review Deal Details
View Deal Linking Codes	View:Other Deal Items:Deal Linking Codes
View Deal Orders	View:Other Deal Items:Deal Orders
View Deal Summary	Equity Market Transactions:Stocks Choose the Deal Summary button then choose the Find button.

Window Name	Navigation Path
View Deal Time Restrictions	View:Limits:Limits Setup.
	Choose the Time button.
View Deal Type Summary	View:Positions:Interest Rate Exposures
	Choose the View Deal Type Summary button.
Review Deals	View:Other Deal Items:Review Deals by Criteria
View Default Settlement Accounts	View:System:Default Settlement Accounts
View Discounted Securities	View:Money Market Transactions:Discounted Bills/ Securities
	View:Discounted Securities
View Exposure Transaction Summary	View:Other Deal Items:Exposure Transactions.
	Choose the Summary button.
View Exposure Transactions	View:Other Deal Items:Exposure Transactions
View Fixed Income Securities	View:Money Market Transactions:Bonds/Fixed Income Securities
View Foreign Exchange Options	View:Foreign Exchange Transactions:Options
View Foreign Exchange Rollovers/Predeliveries	Foreign Exchange Transactions:Rollover History
	View Foreign Exchange Transactions:Rollover History
View Foreign Exchange Spot/Forwards	View:Foreign Exchange Transactions:Spot/Forwards
View Forward Rate Agreements	View:Money Market Transactions:Derivatives:FRAs

Window Name	Navigation Path
View FRA Transaction Summary	View:Money Market Transactions:Derivatives:FRAs. Choose the Summary button.
View Funding/Investment Schedule	View:Positions:Interest Rate Exposures. Choose the View Schedules button.
View Intercompany Funding	View:Money Market Transactions:Intergroup Funding
View Interest Rate Exposures	View:Positions:Interest Rate Exposures
View Interest Rate Options	View:Money Market Transactions:Derivatives:Interest Rate Options
View Interest Rate Swaps	View:Money Market Transactions:Derivatives:Interest Rate Swaps
View Interest Rate Swaptions	View:Money Market Transactions:Derivatives:Interest Rate Swaptions
View Limit Exceptions	View:Limits:Limit Excesses
View Limit Utilizations	View:Limits:Limit Utilizations
View Limits	View:Limits:Limits Setup
View Limits Liquidity	View:Positions:Liquidity
View Maturity Profile	View:Positions:Interest Rate Exposures. Choose the View Maturities button.
View Net Transaction Positions	View:Positions:Net Transaction Positions
View Order Summary	View:Other Deal Items:Deal Orders. Choose the Summary button.

Window Name	Navigation Path
View Paying Transaction Details	View:Money Market Transactions:Derivatives:Interest Rate Swaps.
	Choose the Swap Details button. In the Swap Details window, choose the Paying Details button.
View Payment Schedules	View:System:Payment Schedules
View Position Details	View:Positions:Net Transaction Positions.
	Select a transaction, then choose the Details button.
View Retail Transaction Rates	View:System:Retail Transaction Rates
View Quick Deals	View:Other Deal Items:Quick Deals
View Receiving Details	View:Money Market Transactions:Derivatives:Interest Rate Swaps.
	Choose the Swap Details button. In the Swap Details window, choose the Receiving Details button.
View Resale/Dividend History	Equity Market Transactions:Stocks
	Choose the Deal History button.
View Retail Term Money	View:Money Market Transactions:Retail Term Money
View Settlement Summary	View:Money Market Transactions:Retail Term Money.
	Choose the Summary button.
View Short Term Money	View:Money Market Transactions:Short Term Money
View Swap Details	View:Money Market Transactions:Derivatives:Interest Rate Swaps
	Choose the Swap Details button.

Window Name	Navigation Path
View Tax Schedule and Details	View:System:Tax Schedule & Details
View Transaction Details	View:Money Market Transactions:Wholesale Term Money.
	Choose the Transaction Details button.
View Transaction Summary	View:Foreign Exchange Transactions:Options.
	Choose the Options button.
View Transaction Summary	View:Money Market Transactions:Derivatives:Bond Options.
	Choose the Summary button.
View Transactions	View:Money Market Transactions:Retail Term Money.
	Choose the Transactions button.
View Wholesale Term Money	View:Money Market Transactions:Wholesale Term Money
Vouchers	Settlements:Settlements.
	Choose the Maintain Settlements button. In the Maintain Settlements window, choose the Vouchers button.
Weightings	Setup:Policies:Limits.
	Choose the Weightings button.
Wholesale Term Money	Money Market Transactions:Wholesale Term Money

B

Deal Type Components

Deal Subtypes by Deal Type

Deal subtypes are predefined for each deal type. Deal subtypes determine the cash flow direction for each deal.

Deal Type	Deal Subtype
Bond Option (BDO)	**SFLOOR:** Sell Option - Put
Bond Option (BDO)	**SCAP:** Sell Option - Call
Bond Option (BDO)	**BFLOOR:** Buy Option - Put
Bond Option (BDO)	**BCAP:** Buy Option - Call
Bond (BOND)	**BUY:** Buy investment
Bond (BOND)	**ISSUE:** Issue debt
Bond (BOND)	**SELL:** Sell investment
Bond (BOND)	**SHORT:** Short Sell
Bond (BOND)	**REPURCH:** Repurchase debt

Deal Type	Deal Subtype
Current Account Balance (CA)	**FUND:** Funding - Interest Received
Current Account Balance (CA)	**INVEST:** Investment - Interest Paid
Deal Orders (DO)	Not Applicable
Equities (STOCK)	**BUY:** Buy stocks/shares
Equities (STOCK)	**SELL:** Sell stocks/shares
Exposures (EXP)	**FIRM:** Firm Exposure
Exposures (EXP)	**INDICATIVE:** Indicative Exposure
Forward Rate Agreements (FRA)	**FUND:** FRA Cap
Forward Rate Agreements (FRA)	**INVEST:** FRA Floor
Foreign Exchange Contracts (FX)	**SPOT:** FX Contract - Spot
Foreign Exchange Contracts (FX)	**FORWARD:** FX Contract - Forward
Foreign Exchange Options (FXO)	**BUY:** FX Option - Purchase
Foreign Exchange Options (FXO)	**SELL:** FX Option - Sale
Interaccount Transfers (IAC)	**FIRM:** Firm

Deal Type	Deal Subtype
Intercompany Transfers (IG)	**FUND:** Intercompany Funding
Intercompany Transfers (IG)	**INVEST:** Intercompany Investing
Interest Rate Options (IRO)	**BFLOOR:** Buy Option - Put
Interest Rate Options (IRO)	**BCAP:** Buy Option - Call
Interest Rate Options (IRO)	**SFLOOR:** Sell Option - Put
Interest Rate Options (IRO)	**SCAP:** Sell Option - Call
Interest Rate Swaps (IRS)	**FUND:** Funding - IRS payments
Interest Rate Swaps (IRS)	**INVEST:** Investment - IRS Receipts
Negotiable Securities (NI)	**BUY:** Purchase
Negotiable Securities (NI)	**SELL:** Sell
Negotiable Securities (NI)	**ISSUE:** Issue
Negotiable Securities (NI)	**COVER:** Cover Short Sell
Negotiable Securities (NI)	**SHORT:** Short Sell
Short Term Money (ONC)	**FUND:** Funding (Deposit)
Short Term Money (ONC)	**INVEST:** Investment (Advance)

Deal Type	Deal Subtype
Retail Term Money (RTMM)	**FUND:** Funding (Deposit)
Retail Term Money (RTMM)	**INVEST:** Investment (Advance)
Interest Rate Swaption (SWPTN)	**BUY:** Buy Swaption
Interest Rate Swaption (SWPTN)	**SELL:** Sell Swaption
Wholesale Term Money (TMM)	**FUND:** Funding (Deposit)
Wholesale Term Money (TMM)	**INVEST:** Investment (Advance)

Date Types by Deal Type

Different dates are associated with each deal type. The following table lists the date types that are available for each deal and provides a definition for each date type.

Deal Type	Date Type
Bond Option (BDO)	**Expiry:** The date on which the option expires.
Bond Option (BDO)	**Mature:** The date on which the option matures.
Bond Option (BDO)	**Premium:** The date on which the premium is paid.
Bond Option (BDO)	**Settle:** The date on which the option is settled.
Bond Option (BDO)	**Accrual:** The date on which the bond coupon accrues.
Bond Option (BDO)	**Commence:** The underlying start date for the option.

Deal Type	Date Type
Bond Option (BDO)	**Dealt:** The date on which the bond option was bought or sold.
Bond Option (BDO)	**Reval:** The date on which the bond was last revalued.
Bond (BOND)	**Accrual:** The date on which the bond coupon accrues.
Bond (BOND)	**Commence:** The underlying start date for the bond.
Bond (BOND)	**Coupon:** The date on which the coupon is paid.
Bond (BOND)	**Dealt:** The date on which the bond was bought or sold.
Bond (BOND)	**Mature:** The date on which the option matures.
Bond (BOND)	**Reval:** The date on which the bond was last revalued.
Current Account Balance (CA)	**Accrual:** The date interest accrued on the balance.
Current Account Balance (CA)	**Balance:** The date of the balance.
Current Account Balance (CA)	**Settle:** The date the balance is settled.
Current Account Balance (CA)	**Reval:** The date on which the balance was last revalued.
Deal Orders (DO)	**Reval:** The date the deal order was last revalued.
Equities (STOCK)	**Dealt:** The date the deal was entered into.
Equities (STOCK)	**Reval:** The date the deal was last revalued.

Deal Type	Date Type
Equities (STOCK)	**Settle:** The date the deal was settled.
Equities (STOCK)	**Declare:** The date the dividend was declared.
Equities (STOCK)	**Payment:** The date the dividend was paid.
Exposures (EXP)	**Dealt:** The date the exposure was entered.
Exposures (EXP)	**Value:** The date the exposure occurred.
Exposures (EXP)	**Reval:** The date the exposure was last revalued.
External Sources (EXT)	**Reval:** The date the external source was last revalued.
Forward Rate Agreements (FRA)	**Accrual:** The date interest accrued on the principal of the forward rate agreement.
Forward Rate Agreements (FRA)	**Commence:** The underlying start date for the agreement.
Forward Rate Agreements (FRA)	**Dealt:** The date on which the forward rate agreement was entered into.
Forward Rate Agreements (FRA)	**Mature:** The date the forward rate agreement matures.
Forward Rate Agreements (FRA)	**Rateset:** The date the rate for the forward rate agreement is set.
Forward Rate Agreements (FRA)	**Reval:** The date the forward rate agreement was last revalued.
Forward Rate Agreements (FRA)	**Settle:** The date the forward rate agreement is settled.
Foreign Exchange Contracts (FX)	**Dealt:** The date on which the foreign exchange contract was entered into.

Deal Type	Date Type
Foreign Exchange Contracts (FX)	**Reval:** The date the foreign exchange contract was last revalued.
Foreign Exchange Contracts (FX)	**Rollpre:** The date on which the original deal was rolled over or predelivered.
Foreign Exchange Contracts (FX)	**Value:** The date the foreign exchange contract is settled.
Foreign Exchange Options (FXO)	**Accrual:** The date interest accrued on the principal of the foreign exchange option.
Foreign Exchange Options (FXO)	**Dealt:** The date on which the option was bought or sold.
Foreign Exchange Options (FXO)	**Expiry:** The date on which the option expires.
Foreign Exchange Options (FXO)	**Premium:** The date on which the premium is paid.
Foreign Exchange Options (FXO)	**Reval:** The date the foreign exchange option was last revalued.
Foreign Exchange Options (FXO)	**Settle:** The date the option is settled.
Foreign Exchange Options (FXO)	**Value:** The date the foreign exchange contract was settled.
Interaccount Transfers (IAC)	**Value:** The date the interaccount transfer occurred.
Interaccount Transfers (IAC)	**Reval:** The date the account transfer was last revalued.
Intercompany Transfers (IG)	**Accrual:** The date interest accrued on the principal of the intercompany transfer.
Intercompany Transfers (IG)	**Balance:** The date of the intercompany account balance.
Intercompany Transfers (IG)	**Commence:** The underlying date of the intercompany transfer.

Deal Type	Date Type
Intercompany Transfers (IG)	**Dealt:** The date the intercompany transfer was agreed on.
Intercompany Transfers (IG)	**Intcomp:** The date the interest is compounded.
Intercompany Transfers (IG)	**Reval:** The date the account transfer was last revalued.
Intercompany Transfers (IG)	**Settle:** The date the interest is settled for the intercompany transfer.
Interest Rate Options (IRO)	**Accrual:** The date interest accrued on the principal of the intercompany transfer.
Interest Rate Options (IRO)	**Commence:** The underlying date of the intercompany transfer.
Interest Rate Options (IRO)	**Dealt:** The date the intercompany transfer was agreed on.
Interest Rate Options (IRO)	**Expiry:** The date the option expires.
Interest Rate Options (IRO)	**Mature:** The date the option matures.
Interest Rate Options (IRO)	**Premium:** The date the premium is paid.
Interest Rate Options (IRO)	**Reval:** The date the deal was last revalued.
Interest Rate Options (IRO)	**Settle:** The date the option is settled.
Interest Rate Swaps (IRS)	**Accrual:** The date interest accrued on the principal of the interest rate swap.
Interest Rate Swaps (IRS)	**Commence:** The underlying date of the interest rate swap.
Interest Rate Swaps (IRS)	**Dealt:** The date the interest rate swap occurred.

Deal Type	Date Type
Interest Rate Swaps (IRS)	**Rateset:** The date the rate for the swap was set.
Interest Rate Swaps (IRS)	**Reval:** The date the swap was last revalued.
Interest Rate Swaps (IRS)	**Settle:** The date the interest rate swap is settled.
Negotiable Securities (NI)	**Accrual:** The date interest accrued on the principal of the negotiable instrument.
Negotiable Securities (NI)	**Commence:** The underlying date of the negotiable instrument.
Negotiable Securities (NI)	**Dealt:** The date the negotiable instrument was bought or sold.
Negotiable Securities (NI)	**Mature:** The date the negotiable instrument matures.
Negotiable Securities (NI)	**Reval:** The date the negotiable instrument was last revalued.
Short Term Money (ONC)	**Accrual:** The date interest accrued on the principal of the short term money deal.
Short Term Money (ONC)	**Commence:** The underlying date of the short term money agreement.
Short Term Money (ONC)	**Dealt:** The date the short term money agreement was bought or sold.
Short Term Money (ONC)	**Mature:** The date the short term money agreement matures.
Short Term Money (ONC)	**Reval:** The date the amount was last revalued.
Short Term Money (ONC)	**Settle:** The date the short term money agreement is settled.
Retail Term Money (RTMM)	**Accrual:** The date interest accrued on the principal of the short term money deal.

Deal Type	Date Type
Retail Term Money (RTMM)	**Commence:** The underlying date of the short term money agreement.
Retail Term Money (RTMM)	**Dealt:** The date the short term money agreement was bought or sold.
Retail Term Money (RTMM)	**Forecast:** The forecasted settlement date for the retail term money deal.
Retail Term Money (RTMM)	**Rateset:** The date the rate for the retail term money deal was set.
Retail Term Money (RTMM)	**Settle:** The date the retail term money deal was settled.
Interest Rate Swaption (SWPTN)	**Accrual:** The date interest accrued on the principal of the swaption.
Interest Rate Swaption (SWPTN)	**Commence:** The underlying date of the swaption.
Interest Rate Swaption (SWPTN)	**Dealt:** The date the swaption was entered into.
Interest Rate Swaption (SWPTN)	**Expiry:** The date the swaption expires.
Interest Rate Swaption (SWPTN)	**Mature:** The date the short term money agreement matures.
Interest Rate Swaption (SWPTN)	**Premium:** The date the premium is paid for the swaption.
Interest Rate Swaption (SWPTN)	**Settle:** The date the interest rate swaption is settled.
Interest Rate Swaption (SWPTN)	**Reval:** The date the interest rate option was last revalued.
Wholesale Term Money (TMM)	**Accrual:** The date interest accrued on the principal of the wholesale term money deal.

Deal Type	Date Type
Wholesale Term Money (TMM)	**Commence:** The underlying date of the wholesale term money deal.
Wholesale Term Money (TMM)	**Dealt:** The date the wholesale term money deal was entered into.
Wholesale Term Money (TMM)	**Mature:** The date the wholesale term money deal matures.
Wholesale Term Money (TMM)	**Rateset:** The date the rate is set for the wholesale term money deal.
Wholesale Term Money (TMM)	**Settle:** The date the wholesale term money deal is settled.
Wholesale Term Money (TMM)	**Reval:** The date the amount was last revalued.

Deal Statuses by Deal Type

Specific statuses are associated with each deal type. Some of these statuses are automatically assigned to deals based on the actions you take in Treasury. For example, when you enter an interest rate option deal, the initial deal status is Current. Then, when you exercise the interest rate option deal, the status is automatically changed to Exercised. Other statuses must be manually assigned to deals. For example, if an interest rate option deal expires before you exercise that option, you must manually change the deal status to Expired. The table below lists the statuses that are associated with each deal type and provides a definition of each status.

Deal Type	Deal Status
Bond Option (BDO)	**Cancelled:** The deal was terminated before it matured or was exercised.
Bond Option (BDO)	**Current:** The deal is open and has not yet matured, closed, or expired.
Bond Option (BDO)	**Exercised:** The deal was exercised.

Deal Type	Deal Status
Bond Option (BDO)	**Expired:** The deal expired before it could be exercised. You must manually change the deal status to Expired.
Bond (BOND)	**Cancelled:** The deal was terminated before it matured or was exercised.
Bond (BOND)	**Closed:** The deal has closed or matured.
Bond (BOND)	**Current:** The deal is open and has not yet matured, closed, or expired.
Current Account Balance (CA)	Not Applicable
Deal Orders (DO)	**Cancelled:** The deal was terminated before it matured.
Deal Orders (DO)	**Closed:** The deal has matured.
Deal Orders (DO)	**Current:** The deal is open and has not yet matured, closed, or expired.
Deal Orders (DO)	**Expired:** The deal expired before it could be exercised.
Deal Orders (DO)	**Actioned:** The deal order has been filled.
Equities (STOCK)	**Cancelled:** The deal was terminated before it matured.
Equities (STOCK)	**Closed:** The deal has matured.

Deal Type	Deal Status
Equities (STOCK)	**Current:** The deal is open and has not yet matured, closed, or expired.
Exposures (EXP)	**Current:** The deal is open and has not yet matured, closed, or expired.
Forward Rate Agreements (FRA)	**Cancelled:** The deal was terminated before it matured.
Forward Rate Agreements (FRA)	**Current:** The deal is open and has not yet matured, closed, or expired.
Forward Rate Agreements (FRA)	**Settled:** The deal was settled.
Foreign Exchange Contracts (FX)	**Cancelled:** The deal was terminated before it matured.
Foreign Exchange Contracts (FX)	**Closed:** The deal has matured, rolled over, or been predelivered.
Foreign Exchange Contracts (FX)	**Current:** The deal is open and has not yet matured, closed, or expired.
Foreign Exchange Options (FXO)	**Cancelled:** The deal was terminated before it matured or expired.
Foreign Exchange Options (FXO)	**Current:** The deal is open and has not yet matured, closed, or expired.
Foreign Exchange Options (FXO)	**Exercised:** The deal was exercised.
Foreign Exchange Options (FXO)	**Expired:** The deal expired before it could be exercised. You must manually change the deal status to Expired.

Deal Type	Deal Status
Hedge Attributes	**Current:** The hedge attribute is open and has been designated as part of a hedge. You must manually change the status of the hedge attribute to current. Once you change the status of the hedge attribute to current, you cannot update the hedge attribute.
Hedge Attributes	**Designate:** The hedge attribute is open and is ready to be designated as part of a hedge. All hedge attributes are automatically set to Designate status.
Hedge Attributes	**Cancelled:** The hedge attribute was terminated before it was designated as part of a hedge. You must manually designate a hedge as cancelled.
Hedge Attributes	**Failed:** The hedge attribute is designated as part of a hedge, but that hedge filed the prospective test. You must manually change the status of the hedge to failed.
Hedge Attributes	**Dedesignated:** The hedge attribute was designated as part of a hedge, but then was removed from that hedge.
Hedge Attributes	**Fulfilled:** The hedge item fulfillment process is complete. You can change the status from Fulfilled to Current to make any final adjustments to the individual hedge item transactions.
Interaccount Transfers (IAC)	Not Applicable.
Intercompany Transfers (IG)	Not Applicable.

Deal Type	Deal Status
Interest Rate Options (IRO)	**Cancelled:** The deal was terminated before it matured or expired.
Interest Rate Options (IRO)	**Current:** The deal is open and has not yet matured, closed, or expired.
Interest Rate Options (IRO)	**Exercised:** The deal was exercised.
Interest Rate Options (IRO)	**Expired:** The deal expired before it could be exercised. You must manually change the deal status to Expired.
Interest Rate Swaps (IRS)	**Cancelled:**The deal was terminated before it matured or expired.
Interest Rate Swaps (IRS)	**Closed:** The deal has matured.
Interest Rate Swaps (IRS)	**Current:** The deal is open and has not yet matured, closed, or expired.
Negotiable Securities (NI)	**Cancelled:** The deal was terminated before it matured or expired.
Negotiable Securities (NI)	**Closed:** The deal has been sold, repurchased, or matured.
Negotiable Securities (NI)	**Current:** The deal is open and has not yet matured, closed, or expired.
Short Term Money (ONC)	**Cancelled:** The deal was terminated before it matured or expired.
Short Term Money (ONC)	**Closed:** The deal has matured.

Deal Type	Deal Status
Short Term Money (ONC)	**Current:** The deal is open and has not yet matured, closed, or expired.
Retail Term Money (RTMM)	**Cancelled:** The deal was terminated before it matured or expired.
Retail Term Money (RTMM)	**Closed:** The deal has matured.
Retail Term Money (RTMM)	**Current:** The deal is open and has not yet matured, closed, or expired.
Interest Rate Swaption (SWPTN)	**Cancelled:** The deal was terminated before it matured or expired.
Interest Rate Swaption (SWPTN)	**Current:** The deal is open and has not yet matured, closed, or expired.
Interest Rate Swaption (SWPTN)	**Exercised:** The deal was exercised.
Interest Rate Swaption (SWPTN)	**Expired:** The deal expired before it could be exercised. You must manually change the deal status to Expired.
Wholesale Term Money (TMM)	**Cancelled:** The deal was terminated before it matured or expired.
Wholesale Term Money (TMM)	**Closed:** The deal has matured.
Wholesale Term Money (TMM)	**Current:** The deal is open and has not yet matured, closed, or expired.

Hedge Statuses

Hedge Attribute	Hedge Status
Hedge Attributes	**Current:** The hedge is open and available for revaluation, effectiveness testing, and accounting. You must manually change the status of the hedge to Current once you have completed designation, including attribute and relationship setup. Once you change the status of the hedge to Current, you cannot update most hedge details.
Hedge Attributes	**Designate:** The hedge is being defined and will be excluded from further processing until the status is changed to Current.
Hedge Attributes	**Cancelled:** The hedge was terminated before any processing took place. You must manually update the hedge to Cancelled.
Hedge Attributes	**Failed:** The hedge was current but failed the fulfillment process. Not enough invoices matching the forecast hedge relationship were entered during the life of the hedge. Any previously deferred gains or losses will be available for accounting during the current period once the full hedge amount is Reclassified.
Hedge Attributes	**FailedTest:** The hedge fails the Prospective Effectiveness Test, indicating that hedge accounting discontinues. It is set automatically by the system upon recording a prospective test with FAIL result. Discontinue Date becomes mandatory and is populated with the test failure date.
Hedge Attributes	**Dedesignated:** The hedge was discontinued during its life. Discontinue Date becomes mandatory when you manually change the status to Dedesignated.
Hedge Attributes	**Fulfilled:** The hedge item fulfillment process is complete. You can change the status from Fulfilled to Current to make any final adjustments to the individual hedge item transactions.

Deal Amount Types and Deal Actions by Deal Type

Specific amount types and actions are associated with each deal type. The following table shows the amount types associated with each deal type and the deal actions that are associated with those amount types.

Deal Type	Amount Type	Deal Action
Bond Option (BDO)	**FACEVAL:** The face value of the underlying bond.	Not Applicable.
Bond Option (BDO)	**CCYREAL:** The currency exchange realized gain or loss.	Gain: The bond is revalued as a realized gain. Loss: The bond is revalued as a realized loss.
Bond Option (BDO)	**CCYUNRL:** The currency exchange unrealized gain or loss.	Gain: The bond is revalued as an unrealized gain. Loss: The bond is revalued as an unrealized loss.
Bond Option (BDO)	**REAL:** The realized gain or loss.	Gain: The amount of realized gain. Loss: The amount of realized loss.
Bond Option (BDO)	**PREMADJ:** The amortized premium amount.	Pos: Post the amortized premium amount to journals.
Bond Option (BDO)	**SETTLE:** The settlement amount.	Pay: The company pays the option premium. Receive: The company receives the option premium.
Bond Option (BDO)	**UNREAL:** The unrealized gain or loss.	Gain: The amount of unrealized gain. Loss: The amount of unrealized loss.

Deal Type	Amount Type	Deal Action
Bond Option (BDO)	**PREMIUM:** The original premium amount.	Pay: The company pays the option premium. Receive: The company receives the option premium.
Bond Option (BDO)	**SLDISC:** Straight line discount.	POS: Post the amortized settlement amount to journals.
Bond Option (BDO)	**SLPREM:** Straight line premium.	POS: Post the amortized settlement amount to journals.
Bond (BOND)	**COMENCE:** The consideration amount of the bond.	Not Applicable.
Bond (BOND)	**COUPON:** The coupon amount of the bond.	Not Applicable.
Bond (BOND)	**BAL_FV:** The balance of the original face value of the bond.	Not Applicable.
Bond (BOND)	**CCYAMRL:** The realized currency gain or loss that has been amortized.	Gain: The realized gain. Loss: The realized loss.
Bond (BOND)	**CCYREAL:** The realized currency gain or loss.	Gain: The realized gain. Loss: The realized loss.
Bond (BOND)	**CCYUNRL:** The unrealized currency gain or loss.	Gain: The unrealized gain. Loss: The unrealized loss.

Deal Type	Amount Type	Deal Action
Bond (BOND)	**CPMADJ:** The straight-line adjusted coupon amount.	Pos: Post the amount to journals. Rev: Reverse the amount out of the journals after the amount has been posted.
Bond (BOND)	**DISC:** The discount amount of the bond.	Not Applicable.
Bond (BOND)	**EFDISC:** The effective amount of the bond discount.	Pos: Post the amount to journals. Rev: Reverse the amount out of the journals after the amount has been posted.
Bond (BOND)	**EFPREM:** The effective amount of the bond premium	Pos: Post the amount to journals. Rev: Reverse the amount out of the journals after the amount has been posted.
Bond (BOND)	**INT:** The interest amount accrued on the bond.	Not Applicable.
Bond (BOND)	**INT_FV:** The face value of the bond interest.	Not Applicable.
Bond (BOND)	**PREMIUM:** The premium amount of the bond.	Not Applicable.
Bond (BOND)	**REALMTM:** The realized mark to market gain or loss.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Bond (BOND)	**REALAMC:** The realized gain or loss that has been amortized.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.

Deal Type	Amount Type	Deal Action
Bond (BOND)	**SLDISC:** The straight-line discount amount of the bond.	Pos: The amount is posted to journals. Rev: The amount is reversed after the amount has been posted.
Bond (BOND)	**SLPREM:** The straight-line premium amount of the bond.	Pos: Post the amount to journals. Rev: Reverse the amount out of the journals after the amount has been posted.
Bond (BOND)	**SLUAMD:** The unamortized balance of discount.	Rev: The amount is a reversal.
Bond (BOND)	**SLUAMP:** The unamortized balance of premium.	Rev: The amount is a reversal.
Bond (BOND)	**UNREAL:** The unrealized gain or loss on the bond.	Loss: The amount is a loss. Gain: The amount is a gain.
Bond (BOND)	**TAX:** The amount of withholding tax.	Not Applicable
Current Account Balance (CA)	**BAL:** Current balance amount.	Not Applicable.
Current Account Balance (CA)	**INTADJ:** Adjusted interest amount.	Pos: Post the amount to journals.
Current Account Balance (CA)	**CCYREAL:** The realized gain or loss for the account balanced.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.

Deal Type	Amount Type	Deal Action
Current Account Balance (CA)	**CCYUNRL:** The unrealized gain or loss for the account balanced.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Current Account Balance (CA)	**INTSET:** Settled interest amount.	Pay: Amount is paid by company. Rec: Amount is received by company.
Deal Orders (DO)	Not Applicable.	Not Applicable.
Equities (STOCK)	**COMENCE:** The consideration amount of the stock/share.	Not Applicable.
Equities (STOCK)	**COMENCE:** The consideration amount of the stock/share.	Not Applicable.
Equities (STOCK)	**DIVSET:** The actual dividend amount of the stock/share.	Not Applicable.
Equities (STOCK)	**DIVEXP:** The expected dividend amount of the stock/share.	POS: The amount is posted. REV: The amount is reversed.
Equities (STOCK)	**REAL:** The realized gain or loss.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Equities (STOCK)	**UNREAL:** The unrealized gain or loss.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.

Deal Type	Amount Type	Deal Action
Equities (STOCK)	**CCYREAL:** The currency exchange realized gain or loss.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Equities (STOCK)	**CCYUNRL:** The currency exchange unrealized gain or loss.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Exposures (EXP)	**AMOUNT:** The exposure amount.	Pay: Amount is paid by company. Rec: Amount is received by company.
Forward Rate Agreements (FRA)	**FACEVAL:** The notional face value of the deal principal.	Not Applicable.
Forward Rate Agreements (FRA)	**CCYREAL:** The realized gain or loss for the account balanced.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Forward Rate Agreements (FRA)	**CCYUNRL:** The unrealized gain or loss for the account balanced.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Forward Rate Agreements (FRA)	**INTADJ:** Interest adjustment.	POS: Post the amortized settlement amount to journals.

Deal Type	Amount Type	Deal Action
Forward Rate Agreements (FRA)	**REAL:** The realized gain or loss.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Forward Rate Agreements (FRA)	**SETTLE:** The settlement amount.	Pay: Amount is paid by the company. Rec: Amount is received by the company.
Forward Rate Agreements (FRA)	**UNREAL:** The unrealized gain or loss amount.	Loss: The amount is a loss. Profit: The amount is a gain.
Foreign Exchange Contracts (FX)	**BUY:** The amount of foreign currency bought.	Not Applicable.
Foreign Exchange Contracts (FX)	**CCYREAL:** The realized gain or loss for the account balanced.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Foreign Exchange Contracts (FX)	**CCYUNRL:** The unrealized gain or loss for the account balanced.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Foreign Exchange Contracts (FX)	**REAL:** The realized gain or loss amount.	Loss: The amount is a loss. Profit: The amount is a gain.
Foreign Exchange Contracts (FX)	**SELL:** The amount of foreign currency sold.	Not Applicable.
Foreign Exchange Contracts (FX)	**UNREAL:** The unrealized gain or loss amount.	Loss: The amount is a loss. Profit: The amount is a gain.

Deal Type	Amount Type	Deal Action
Foreign Exchange Options (FXO)	**FXOBUY:** The amount of foreign currency that you have the option to buy.	Not Applicable.
Foreign Exchange Options (FXO)	**FXOSELL:** The amount of foreign currency that you have the option to sell.	Not Applicable.
Foreign Exchange Options (FXO)	**CCYREAL:** The realized gain or loss for the account balanced.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Foreign Exchange Options (FXO)	**CCYUNRL:** The unrealized gain or loss for the account balanced.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Foreign Exchange Options (FXO)	**PREMIUM:** The premium amount.	Pay: Amount is paid by the company. Rec: Amount is received by the company.
Foreign Exchange Options (FXO)	**REAL:** The realized gain or loss.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Foreign Exchange Options (FXO)	**UNREAL:** The unrealized gain or loss amount.	Loss: The amount is a loss. Profit: The amount is a gain.
Foreign Exchange Options (FXO)	**PREMADJ:** The adjusted premium amount.	Pos: The amount was posted to the general ledger.

Deal Type	Amount Type	Deal Action
Interaccount Transfers (IAC)	**AMOUNT:** The amount transferred.	Pay: Amount is paid by the company. Rec: Amount is received by the company.
Intercompany Transfers (IG)	**BAL:** The intercompany balance.	Pay: Amount is paid by the company. Rec: Amount is received by the company.
Intercompany Transfers (IG)	**CCYREAL:** The realized gain or loss for the account balanced.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Intercompany Transfers (IG)	**CCYUNRL:** The unrealized gain or loss for the account balanced.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Intercompany Transfers (IG)	**COMPOND:** The amount of interest compounded.	Pay: The interest amount is owed to the company. Rec: The interest amount is owed by the company.
Intercompany Transfers (IG)	**INTADJ:** The adjusted interest amount.	Pos: The amount was posted to the general ledger.
Intercompany Transfers (IG)	**INTSET:** The amount of interest settled.	Pay: Amount is paid by the company. Rec: Amount is received by the company.

Deal Type	Amount Type	Deal Action
Intercompany Transfers (IG)	**PRNFLW:** The amount transferred.	Pay: Amount is paid by the company. Rec: Amount is received by the company.
Interest Rate Options (IRO)	**FACEVAL:** The face value amount of the option.	Not Applicable.
Interest Rate Options (IRO)	**CCYREAL:** The realized gain or loss for the account balanced.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Interest Rate Options (IRO)	**CCYUNRL:** The unrealized gain or loss for the account balanced.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Interest Rate Options (IRO)	**INTADJ:** Interest adjustment.	POS: Post the amortized settlement amount to journals.
Interest Rate Options (IRO)	**PREMADJ:** The amortized premium amount.	Pos: The amount was posted to the general ledger.
Interest Rate Options (IRO)	**PREMIUM:** The premium amount.	Pay: Amount is paid by the company. Rec: Amount is received by the company.
Interest Rate Options (IRO)	**REAL:** The realized gain or loss.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.

Deal Type	Amount Type	Deal Action
Interest Rate Options (IRO)	**UNREAL:** The unrealized gain or loss.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Interest Rate Options (IRO)	**SETTLE:** The settled amount.	Pay: Amount is paid by the company. Rec: Amount is received by the company.
Interest Rate Swaps (IRS)	**FACEVAL:** The face value amount of the option.	Not Applicable.
Interest Rate Swaps (IRS)	**CCYREAL:** The realized gain or loss for the account balanced.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Interest Rate Swaps (IRS)	**CCYUNRL:** The unrealized gain or loss for the account balanced.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Interest Rate Swaps (IRS)	**INTADJ:** The accrued interest amount.	Pos: The amount was posted to the general ledger.
Interest Rate Swaps (IRS)	**INTSET:** The amount of interest settled.	Not Applicable.
Interest Rate Swaps (IRS)	**INITIAL:** The initial principal.	Incrse: The amount is an increase.
Interest Rate Swaps (IRS)Interest Rate Swaps (IRS)	**PRINFLW:** The principal amount transferred.	Decrse: Amount is a decrease. Incrse: Amount is an increase.

Deal Type	Amount Type	Deal Action
Interest Rate Swaps (IRS)	**REAL:** The realized gain or loss.	Gain: The amount is a realized gain.
		Loss: The amount is a realized loss.
Interest Rate Swaps (IRS)	**UNREAL:** The unrealized gain or loss.	Gain: The amount is an unrealized gain.
		Loss: The amount is an unrealized loss.
Negotiable Securities (NI)	**BAL_FV:** The face value amount.	Not Applicable.
Negotiable Securities (NI)	**BALCOM:** The balance on the original consideration amount for the instrument.	Not Applicable.
Negotiable Securities (NI)	**COMENCE:** The underlying consideration amount of the instrument.	Not Applicable.
Negotiable Securities (NI)	**DISCREV:** The balance of the remaining unamortized discount	Not Applicable.
Negotiable Securities (NI)	**EFFINT:** The effective interest from the last accrual to the current accrual.	Pos: The amount posted to the general ledger.
		Rev: The amount reversed from the general ledger after the amount was posted.
Negotiable Securities (NI)	**CCYREAL:** The realized gain or loss for the account balanced.	Gain: The amount is a realized gain.
		Loss: The amount is a realized loss.

Deal Type	Amount Type	Deal Action
Negotiable Securities (NI)	**CCYUNRL:** The unrealized gain or loss for the account balanced.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Negotiable Securities (NI)	**INT:** The interest amount.	Not Applicable.
Negotiable Securities (NI)	**INTL_F:** The initial face value interest amount.	Not Applicable.
Negotiable Securities (NI)	**INTADJ:** The adjusted interest amount.	Pos: The amount posted to the general ledger. Rev: The amount reversed from the general ledger after the amount was posted.
Negotiable Securities (NI)	**REAL:** The realized gain or loss amount.	Loss: The amount is a loss. Profit: The amount is a gain.
Negotiable Securities (NI)	**ORIGCOM:** The original consideration amount of parcels.	Not Applicable.
Negotiable Securities (NI)	**UNREAL:** The unrealized gain or loss amount.	Loss: The amount is a loss. Profit: The amount is a gain.
Short Term Money (ONC)	**INTADJ:** The accrued interest amount.	Pos: The amount posted to the general ledger.
Short Term Money (ONC)	**CCYREAL:** The realized gain or loss for the account balanced.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.

Deal Type	Amount Type	Deal Action
Short Term Money (ONC)	**CCYUNRL:** The unrealized gain or loss for the account balanced.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Short Term Money (ONC)	**INTSET:** The settled interest amount.	Compgrs: The compound gross interest. Compnet: The compound interest net of tax. Settle: The interest amount is settled. None: No interest is settled.
Short Term Money (ONC)	**INTRFND:** The settled prepaid interest refund.	Not Applicable.
Short Term Money (ONC)	**MATURE:** The amount at maturity.	Not Applicable.
Short Term Money (ONC)	**PRINFLW:** The principal amount.	Decrse: Amount is a decrease. Incrse: Amount is an increase.
Short Term Money (ONC)	**TAX:** The amount of withholding tax.	Not Applicable.
Retail Term Money (RTMM)	**BALOUT:** The current balance.	Decrse: Amount is a decrease.
Retail Term Money (RTMM)	**CAP_FEE:** The capitalized fee for the deal.	Incrse: The amount is an increase.
Retail Term Money (RTMM)	**FACEVAL:** The face value amount.	Not Applicable.
Retail Term Money (RTMM)	**INTADJ:** The adjusted interest amount.	Pos: The amount posted to the general ledger.

Deal Type	Amount Type	Deal Action
Retail Term Money (RTMM)	**INTSET:** The settled interest amount.	Not Applicable.
Retail Term Money (RTMM)	**PRINFLW:** The principal amount.	Incrse: Amount is an increase. Decrse: Amount is a decrease.
Retail Term Money (RTMM)	**REAL:** The realized gain or loss.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Retail Term Money (RTMM)	**UNREAL:** The unrealized gain or loss.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Retail Term Money (RTMM)	**SETTLE:** The settlement amount.	Incrse: Amount is an increase. Decrse: Amount is a decrease.
Retail Term Money (RTMM)	**WRITEINT:** The total amount of interest written off or on.	Not Applicable.
Retail Term Money (RTMM)	**WRITEOFF:** The amount of interest written off.	Decrse: Amount is a decrease.
Retail Term Money (RTMM)	**WRITEON:** The amount of interest written on.	Incrse: Amount is an increase.
Interest Rate Swaption (SWPTN)	**FACEVAL:** The face value amount.	Not Applicable.
Interest Rate Swaption (SWPTN)	**CCYREAL:** The realized gain or loss for the account balanced.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.

Deal Type	Amount Type	Deal Action
Interest Rate Swaption (SWPTN)	**CCYUNRL:** The unrealized gain or loss for the account balanced.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Interest Rate Swaption (SWPTN)	**INTADJ:** Interest adjustment.	POS: Post the amortized settlement amount to journals.
Interest Rate Swaption (SWPTN)	**PREMADJ:** The amortized premium amount.	Pos: The amount posted to the general ledger.
Interest Rate Swaption (SWPTN)	**PREMIUM:** The premium amount.	Pay: Amount is paid by the company. Rec: Amount is received by the company.
Interest Rate Swaption (SWPTN)	**SETTLE:** The settlement amount.	Pay: Amount is paid by the company. Rec: Amount is received by the company.
Interest Rate Swaption (SWPTN)	**REAL:** The realized gain or loss.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Interest Rate Swaption (SWPTN)	**UNREAL:** The unrealized gain or loss.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Wholesale Term Money (TMM)	**FACEVAL:** The face value amount.	Not Applicable.

Deal Type	Amount Type	Deal Action
Wholesale Term Money (TMM)	**CCYREAL:** The realized gain or loss for the account balanced.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Wholesale Term Money (TMM)	**CCYUNRL:** The unrealized gain or loss for the account balanced.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Wholesale Term Money (TMM)	**INITIAL:** The initial principal amount of the deal.	Incrse: The amount is an increase.
Wholesale Term Money (TMM)	**INTADJ:** The accrued interest amount.	Pos: The amount posted to the general ledger.
Wholesale Term Money (TMM)	**INTRFND:** The settled prepaid interest refund.	Not Applicable.
Wholesale Term Money (TMM)	**INTSET:** The settled interest amount.	Not Applicable.
Wholesale Term Money (TMM)	**REAL:** The realized gain or loss.	Gain: The amount is a realized gain. Loss: The amount is a realized loss.
Wholesale Term Money (TMM)	**UNREAL:** The unrealized gain or loss.	Gain: The amount is an unrealized gain. Loss: The amount is an unrealized loss.
Wholesale Term Money (TMM)	**PRINFLW:** The principal amount.	Incrse: Amount is an increase to the principal. Decrse: Amount is a decrease to the principal.

Deal Type	Amount Type	Deal Action
Wholesale Term Money (TMM)	**TAX:** The amount of withholding tax.	Not Applicable

Deal Pricing Models by Deal Type

Deal pricing models are predefined for each deal type. You can define new pricing models for any deal type that has a Fair Value pricing model.

Deal Type	Deal Pricing Model
Bond Option (BDO)	**Fair Value:** User entered fair value. **No Revaluation**
Bond (BOND)	**Fair Value:** User entered fair value. **Market:** Calculates the value of the bond using the revaluation rate. (Revaluation Rate/100) * Face value of deal. **No Revaluation**
Current Account Balance (CA)	**Face Value:** Balance. **No Revaluation**
Deal Orders (DO)	**No Revaluation**

Deal Type	Deal Pricing Model
Equities (STOCK)	**Fair Value:** User entered fair value. **Market:** Calculates the value of the bond using the revaluation rate. **No Revaluation**
Exposures (EXP)	**No Revaluation**
Forward Rate Agreements (FRA)	**Fair Value:** User entered fair value. **FRA Discount:** Present value of the deal using the contract and implied forward/settlement rate. Note that this pricing model is used for FRA deals priced in Australia or New Zealand dollars. **FRA Yield:** Present value of the deal using the contract and the implied forward/settlement rate. **No Revaluation**
Foreign Exchange Contracts (FX)	**Fair Value:** User entered fair value. **Market-Deal:** Compares the current market rate to the transaction rate. **GL-Deal:** Compares the GL daily exchange rate to the transaction rate. **No Revaluation**

Deal Type	Deal Pricing Model
Foreign Exchange Options (FXO)	**Fair Value:** User entered value. **Garman Kohlhagen (Modified Black-Scholes)** (Hull, John C. *Options, Futures, and Other Derivatives.* 3rd ed. Prentice Hall, 1997): **No Revaluation**
Interaccount Transfers (IAC)	**No Revaluation**
Intercompany Transfers (IG)	**Face Value:** Balance of deal. **No Revaluation**
Interest Rate Options (IRO)	**Fair Value:** User entered fair value. **Black (Black-76)** (Hull, John C. *Options, Futures, and Other Derivatives.* 3rd ed. Prentice Hall, 1997) **No Revaluation**
Interest Rate Swaps (IRS)	**Fair Value:** User entered fair value. **Discounted:** Calculates the net present value of the deal using the discount rates from the yield curve. **No Revaluation**
Negotiable Securities (NI)	**Fair Value:** User entered fair value. **Discount:** Calculates the value of the deal using the current market discount rates from the yield curve. Note that effective interest is deducted from calculated gain or loss. **No Revaluation**

Deal Type	Deal Pricing Model
Short Term Money (ONC)	**Face Value:** Balance of the deal. **No Revaluation**
Retail Term Money (RTMM)	**No Revaluation**
Interest Rate Swaption (SWPTN)	**Fair Value:** User entered fair value. **No Revaluation**
Wholesale Term Money (TMM)	**Discounted Cashflow:** Calculates the net present value of all future cash flows including principal changes and coupon payments adjusted by the current accrual balance. **Fair Value:** User entered fair value. **No Revaluation**

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Open Interface Tables

Treasury Open Interface Tables

Open interface tables store information that is loaded into Treasury from external sources using Oracle SQL*Loader. You can use concurrent programs to import data such as bank balances, current market data (such as interest rates, foreign exchange rates, bond prices, and so on), deal details, and external exposure details from the open interface tables into Treasury.

Understanding Open Interface Tables

The Treasury open interface tables act as a staging area between your third-party application data and your Treasury data. You can use SQL*Loader to load third-party application data into Treasury. Once the data is loaded into the open interface tables, you can use concurrent programs to import the data from the open interface tables into Treasury tables. For a complete technical definition of all Treasury tables, see the eTRM.

Using SQL*Loader to Populate the Treasury Open Interface Tables

Use the Bank Statement Import or the Exposure Import windows, or SQL*Loader to load information into the Treasury open interface tables.

NOT NULL Columns

You must enter values for all NOT NULL columns in the interface tables to successfully save your data. If you do not enter a value in a NOT NULL column, then you cannot save the record in the interface table.

Required Columns

If you do not enter a valid value in a Required field, then the record will be rejected during import.

NULL Columns

Leave these columns null or the import process will fail. For example, during import the concurrent process updates the values of the columns to create a bank statement. Treasury does not support importing any data from these columns and you should leave these columns null for the records you load into the table.

Conditionally Required Columns

You have to enter values in a conditionally required column only if you have entered a value in another column that the conditionally required column is dependant on.

Optional Columns

You can use some columns in the interface tables to import additional information. Treasury imports the data that you load into these columns provided that the information passes the validation checks during the import process.

Internal ID Columns

These columns contain values that Treasury uses internally and that the user never sees. You can obtain these values only by looking in the Treasury tables. These ID columns correspond to other columns in the interface table. You do not need to enter a value for any of these ID columns if you enter a value in the corresponding column. For example, if you enter a BANK_NAME, you do not need to enter a BANK_ID.

If you enter values for both columns and the values do not match, the record will be rejected during import.

Reviewing and Correcting Import Errors

If you receive any errors when you import data from the open interface tables to Treasury, those errors are listed in the Deal Interface Summary window. You can use the Deal Interface Summary window to review and correct those errors. See: Deal Interface Summary, page 6-12.

Table Descriptions

The following section lists the columns in the Treasury Open Interface tables and indicates which columns require values to import information into Treasury.

Although columns are validated against columns in other tables, the tables have no foreign key relationships.

XTR_MARKET_DATA_INTERFACE

Use the XTR_MARKET_DATE_INTERFACE table to import market rates, such as interest rates, foreign exchange rates, and bond prices, from external sources into the

XTR_MARKET_PRICES table. Rates are imported as current or historical rates based on their time stamps. There are several sample programs that are provided with Treasury that you can use as a basis for transferring data from your external sources into the XTR_MARKET_DATA_INTERFACE table, see: Data Exchange Programs, page 10-21.

Once market rates are imported into Treasury they can be viewed in the Current System Rates window, see: Current System Rates, page 2-120.

SOURCE

The source of the market data. If you have not already defined the market data source in the Current System Rates window, set it up before import.

Validation: The source must be an existing, authorized import source in the Current System Rates window.

Destination: XTR_MARKET_PRICES

EXTERNAL_REF_CODE

The code used to identify the source of the market data.

Validation: The code must be an existing, authorized code in the Current System Rates window.

Destination: XTR_MARKET_PRICES

DATETIME

The date and time that the rate was last updated.

Validation: The date and time must be in valid date and time formats.

Destination: XTR_MARKET_PRICES

BID, ASK, MID, and SPREAD

The bid, ask, mid, and spread quotes for the rate.

Validation: None.

Destination: XTR_MARKET_PRICES

RETURN_CODE

The return code for the transfer.

Validation: None.

Destination: XTR_MARKET_PRICES

REF_CODE

The reference code for the market rate.

Validation: The code must be an existing, authorized rate in the Current System Rates window.

Destination: XTR_MARKET_PRICES

CREATED_BY

The user who loaded the market rate into the interface table.

Validation: None.

Destination: XTR_MARKET_PRICES

CREATION_DATE

The date the market rate was first entered into the interface table.

Validation: None.

Destination: XTR_MARKET_PRICES

LAST_UPDATED_BY

The user who last updated the market rates.

Validation: None.

Destination: XTR_MARKET_PRICES

LAST_UPDATED_DATE

The date the market rates were last updated.

Validation: None.

Destination: XTR_MARKET_PRICES

LAST_UPDATED_LOGIN

Standard Who Column

Validation: None.

Destination: XTR_MARKET_PRICES

XTR_DEALS_INTERFACE

The XTR_DEALS_INTERFACE table is used to import deals from external sources into Treasury. The XTR_DEALS_INTERFACE table is capable of holding data for many different deal types; however, since each deal type uses a different set of values (for example, foreign exchange deals use two currencies, whereas intercompany funding deals use one), each deal type is imported into Treasury using a different deal transfer package.

The basic definition, validation, and destination for each column is documented in the following section.

For additional definition, validation, and destination information for a specific deal type, see the individual deal transfer packages:

- FX Deal Transfer Package, page C-17

- IG Deal Transfer Package, page C-19

- EXP Deal Transfer Package, page C-20

- NI Discounted Securities Package, page C-21

ACCOUNT_NO_A

The first account number of the deal.

Validation: The account number must be a defined, authorized account for a company or counterparty.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ACCOUNT_NO_B

The second account number of the deal.

Validation: The account number must be a defined, authorized account for a company or counterparty.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ACTION_CODE

The action code for the deal.

Validation: The action code must be a valid action code for the deal type.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

AMOUNT_A

The first amount for the deal

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

AMOUNT_B

The second amount for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

AMOUNT_C

The second amount for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

AMOUNT_TYPE

The amount type for the deal.

Validation: The amount type must be a valid amount type for the deal type.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

AMOUNT_HCE

The deal amount in the reporting currency.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE_CATEGORY

The category for the descriptive flexfield attached to the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE1

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE2

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE3

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE4

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE5

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE6

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE7

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE8

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE9

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE10

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE11

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE12

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE13

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE14

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

ATTRIBUTE15

Flexfield attribute.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

BANK_CODE_FROM

The bank account number that the amounts are being transferred from.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information

BANK_CODE_TO

The bank account number that the amounts are being transferred to.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

BROKERAGE_CODE

The brokerage party of the deal.

Validation: The brokerage party must be a counterparty that is authorized for the deal type and currency of the deal.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

BROKERAGE_CURRENCY

The currency code for the brokerage amount of the deal.

Validation: The brokerage currency must be an authorized currency.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

CLIENT_CODE

The client code for the deal.

Validation: The client code must be an authorized counterparty.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

COMMENTS

The internal comments for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

COMPANY_CODE

The company code for the deal.

Validation: The company code must be an authorized company.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

CPARTY_ACCOUNT_NO

The counterparty account number.

Validation: The counterparty account number must be a defined, authorized account for a company or a counterparty.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

CPARTY_CODE

The counterparty for the deal.

Validation: The counterparty code must be an authorized counterparty.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

CPARTY_REF

The counterparty account reference code.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

CREATED_BY

Standard who column.

Validation: None.

Destination: no destination.

CREATION_DATE

Standard who column.

Validation: None.

Destination: no destination.

CURRENCY_A

The first currency for the deal.

Validation: The currency must be an authorized currency.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

CURRENCY_B

The second currency for the deal.

Validation: The currency must be an authorized currency.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

DATE_A

The first date for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

DATE_B

The second date for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

DEAL_LINKING_CODE

The deal linking code for the deal.

Validation: The deal linking code must be a defined deal linking code.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

DEAL_TYPE

The Treasury deal type (for example, FXO) of the deal being imported. The values for many other columns in the XTR_DEALS_INTERFACE table are dependant on the value in this field.

Validation: The deal type must be an authorized, defined deal type in the Deal/Product Type window.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

DEAL_SUBTYPE

The deal subtype for the deal.

Validation: The deal subtype must be an authorized subtype of the deal type for the deal.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

DEALER_CODE

The dealer code for the deal.

Validation: The dealer code must be an authorized counterparty.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

DUAL_AUTHORIZATION_BY

The vasodilator who must provide dual authorization for the deal.

Validation: The vasodilator must be a valid Treasury user.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

DUAL_AUTHORIZATION_ON

The date that the deal was authorized.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

EXPOSURE_TYPE

The exposure type for the deal.

Validation: The exposure type must be a defined, authorized exposure type.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

EXTERNAL_DEAL_ID

The deal ID from the external application.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

EXTERNAL_COMMENTS

The external comments for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

EXTERNAL_CPARTY_NO

The external counterparty for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

INTERNAL_TICKET_NO

The internal reference number for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

LAST_UPDATED_BY

Standard who column.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

LAST_UPDATED_DATE

Standard who column.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

LAST_UPDATE_LOGIN

Standard who column.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

LOAD_STATUS_CODE

The status of the deal being uploaded. For more information, see: Deal Import Statuses, page 6-15

> **Note:** Note that if the status column is blank, it is treated as if the status is NEW.

Validation: None.

Destination: no destination.

LIMIT_CODE

The first limit that is applied to the deal.

Validation: The limit must be a defined, authorized limit.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

LIMIT_CODE_B

The first limit that is applied to the deal.

Validation: The limit must be a defined, authorized limit.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

MARKET_DATA_SET

The market data set used to revalue the deal.

Validation: None.

Destination: XTR_INTERGROUP_TRANSFERS

MIRROR_DEAL

Flag that indicates whether the deal is the mirror side of an intercompany funding deal (Y) or not (N).

Validation: None.

Destination: XTR_INTERGROUP_TRANSFERS

MIRROR_DEAL_NUMBER

The deal ID for one side of a company to company intercompany funding deal. Combined with the MIRROR_TRANSACTION_NUMBER, this column forms a unique ID for each side of a mirror deal.

Validation: None.

Destination: XTR_INTERGROUP_TRANSFERS

MIRROR_TRANSACTION_NUMBER

The transaction number for one side of a company to company intercompany funding deal. Combined with the MIRROR_DEAL_NUMBER, this column forms a unique ID for each side of a mirror deal.

Validation: None.

Destination: XTR_INTERGROUP_TRANSFERS

MIRROR_LIMIT_CODE_FUND

The fund type limit code for the mirror side of an intercompany funding deal.

Validation: None.

Destination: XTR_INTERGROUP_TRANSFERS

MIRROR_LIMIT_CODE_INVEST

The invest type limit code for the mirror side of an intercompany funding deal.

Validation: None.

Destination: XTR_INTERGROUP_TRANSFERS

MIRROR_PORTFOLIO_CODE

The fund type limit code for the mirror side of an intercompany funding deal.

Validation: None.

Destination: XTR_INTERGROUP_TRANSFERS

MIRROR_PRODUCT_TYPE

The product type for the mirror side of an intercompany funding deal.

Validation: None.

Destination: XTR_INTERGROUP_TRANSFERS

NO_OF_DAYS

The number of days per year used to calculate interest on the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

OVERRIDE_LIMIT

A flag indicating whether you want to override the limits that are applied to the deal (Y), or not (N).

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

PORTFOLIO_CODE

The date the market rates were last updated.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

PRICING_MODEL

The pricing model for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

PRODUCT_TYPE

The product type for the deal.

Validation: The product type must be a defined, authorized product type for the deal type.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

RATE_A

The first rate for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

RATE_B

The second rate for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

RATE_C

The third rate for the deal.

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

SETTLE_ACTION_REQD

A flag indicating whether you want to settle the transaction in Treasury (YES), or not (NO).

Validation: None.

Destination: For most deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

STATUS_CODE

The status for the deal. The default status is CURRENT.

Validation: The status must be a valid status type for the deal type.

Destination: For all deals, XTR_DEALS. See individual deal transfer package descriptions for more information.

FX Deal Transfer Package

When you import foreign exchange spot and forward deals, the FX Deal Transfer package requires certain unique values.

The destination column is listed for some of those values. If no destination column is listed, then the destination column has the same name as the column in the

XTR_DEALS_INTERFACE table. The unique values required for FX deals are as follows:

- ACCOUNT_NO_A: The buy account number. This account must be a valid bank account for the company and buy currency. The destination for this value is the BUY_ACCOUNT_NO column of the XTR_DEALS table.

- ACCOUNT_NO_B: The sell account number. This account must be a valid bank account for the company and the sell currency. The destination for this value is the SELL_ACCOUNT_NO column of the XTR_DEALS table.

- BROKERAGE_CODE: The brokerage party must be authorized for foreign exchange deals.

- BROKERAGE_CURRENCY: The brokerage currency must either be null or be the same as the buy (CURRENCY_A) or sell (CURRENCY_B) currencies.

- CPARTY_ACCOUNT_NO: The counterparty account number for the sell currency (CURRENCY_B).

- CPARTY_CODE: The counterparty must be authorized for foreign exchange deals.

- CPARTY_REF: The counterparty must be cross referenced to the company (part of the company's intercompany group) and be authorized to sell the sell currency (CURRENCY_B).

- CURRENCY_A: The buy currency. This currency must be authorized and must be part of a valid, authorized currency combination in conjunction with CURRENCY_B. The destination for this value is the CURRENCY_BUY column of the XTR_DEALS table.

- CURRENCY_B: The sell currency. This currency must be authorized and must be part of a valid, authorized currency combination in conjunction with CURRENCY_A. The destination for this value is the CURRENCY_SELL column of the XTR_DEALS table.

- DATE_A: The deal date. This date cannot be later than the system date or the value date (DATE_B). The destination for this value is the DEAL_DATE column of the XTR_DEALS table.

- DATE_B: The value date. This date must be earlier than the deal date (DATE_A). The destination for this value is the VALUE_DATE column of the XTR_DEALS table.

- DEAL_TYPE: The deal type must be FX.

- STATUS_CODE: The deal status must be CURRENT.

IG Deal Transfer Package

When you import intercompany transfer deals, the IG Deal Transfer package requires certain unique values.

The destination column is listed for some of those values. If no destination column is listed, then the destination column has the same name as the column in the XTR_DEALS_INTERFACE table. The unique values required for IG deals are as follows:

- ACCOUNT_NO_A: The company account number. This account must be a valid bank account for the company and currency. The destination for this value is the COMPANY_ACCOUNT_NO column of the XTR_INTERGROUP_TRANSFERS table.

- ACCOUNT_NO_B: The party account. This account must be a valid bank account for the cross referenced company or counterparty and currency. The destination for this value is the PARTY_ACCOUNT_NO column of the XTR_INTERGROUP_TRANSFERS table.

- ACTION_CODE: The action type must be PRINFLW. The destination for this value is the PRINCIPAL_ACTION column of the XTR_INTERGROUP_TRANSFERS table.

- AMOUNT_A: The principal adjustment amount. This amount cannot be negative. The destination for this value is the PRINCIPAL_ADJUST column of the XTR_INTERGROUP_TRANSFERS table.

- CPARTY_ACCOUNT_NO: The counterparty account number for the transaction currency. The destination for this value is the PARTY_ACCOUNT_NO column of the XTR_INTERGROUP_TRANSFERS table.

- CPARTY_CODE: The counterparty must be authorized counterparty or company that is cross referenced to the company (part of the company's intercompany group). The destination for this value is the PARTY_CODE column of the XTR_INTERGROUP_TRANSFERS table.

- DATE_A: The internal transfer date. This date cannot be the same as or earlier than the system date. The destination for this value is the TRANSFER_DATE column of the XTR_INTERGROUP_TRANSFERS table.

- DEAL_TYPE: The deal type must be IG.

- LIMIT_CODE_A: The fund limit. This limit must be authorized. The fund type must be either F or X.

- LIMIT_CODE_B: The invest limit. This limit must be authorized. The fund type

must be either I or X. The destination for this value is the LIMIT_CODE_INVEST column of the XTR_INTERGROUP_TRANSFERS table.

EXP Deal Transfer Package

When you import exposure deals, the EXP Deal Transfer package requires certain unique values.

The destination column is listed for some of those values. If no destination column is listed, then the destination column has the same name as the column in the XTR_EXPOSURE_TRANSACTIONS table. The unique values required for EXP deals are as follows:

- ACCOUNT_NO_A: The company account number. This account must be a valid bank account for the company and currency. The destination for this value is the ACCOUNT_NO column of the XTR_EXPOSURE_TRANSACTIONS table.

- ACCOUNT_NO_B: The party account. This account must be a valid bank account for the cross-referenced company or counterparty and currency. The destination for this value is the CPARTY_REF column of the XTR_EXPOSURE_TRANSACTIONS table.

- ACTION_CODE: The action type is either PAY or REC. The destination for this value is the ACTION_CODE column of the XTR_EXPOSURE_TRANSACTIONS table.

- AMOUNT_A: The estimate amount. The destination for this value is the ESTIMATE_AMOUNT column of the XTR_EXPOSURE_TRANSACTIONS table.

- AMOUNT_B: The actual amount. The destination for this value is the AMOUNT column of the XTR_EXPOSURE_TRANSACTIONS table.

- CPARTY_ACCOUNT_NO: The counterparty account number for the transaction currency.

- CPARTY_CODE: The counterparty. The destination for this value is the THIRDPARTY_CODE column of the XTR_EXPOSURE_TRANSACTIONS table.

- CURRENCY_A: The currency of the deal. This currency must be authorized and must be part of a valid, authorized currency. The destination for this value is the CURRENCY column of the XTR_EXPOSURE_TRANSACTIONS table.

- DATE_A: The estimate date. The destination for this value is the ESTIMATE_DATE column of the XTR_EXPOSURE_TRANSACTIONS table.

- DATE_B: The actual date. The destination for this value is the VALUE_DATE column of the XTR_EXPOSURE_TRANSACTIONS table.

- DEAL_TYPE: The deal type must be EXP.

- DEAL_SUBTYPE: Firm/Indicative. The destination for this value is the DEAL_SUBTYPE column of the XTR_EXPOSURE_TRANSACTIONS table.

- RATE_A: Exchange rate. The destination for this value is the AVG_RATE column of the XTR_EXPOSURE_TRANSACTIONS table.

- SETTLE_ACTION_REQD: Treasury to Settle check box. The destination for this value is the SETTLE_ACTION_REQD column of the XTR_EXPOSURE_TRANSACTIONS table.

- STATUS_CODE: The deal status must be CURRENT.

NI Deal Transfer Package

When you import exposure deals, the NI Deal Transfer package requires certain unique values.

The destination column is listed for some of those values. If no destination column is listed, then the destination column has the same name as the column in the XTR_DEALS_INTERFACE table. The unique values required for NI deals are as follows:

- ACCEPTOR_CODE: The risk party acceptor.

- AMOUNT_A: The margin amount. The destination for this value is the MARGIN column of the XTR_DEALS table.

- AMOUNT_C: The brokerage amount. The destination for this value is the BROKERAGE_AMOUNT column of the XTR_DEALS table.

- BASIS_TYPE: The discount/yield basis. The destination for this value is the CALC_BASIS column of the XTR_DEALS table.

- CPARTY_ACCOUNT_NO: The counterparty account number for the transaction currency.

- CURRENCY_A: The currency of the deal. This currency must be authorized and must be part of a valid, authorized currency. The destination for this value is the CURRENCY column of the XTR_DEALS table.

- DATE_A: The deal date. The destination for this value is the DEAL_DATE column of the XTR_DEALS table.

- DATE_B: The start date. The destination for this value is the START_DATE column of the XTR_DEALS table.

- DATE_C: The maturity date. The destination for this value is the MATURITY_DATE column of the XTR_DEALS table.

- DRAWER_CODE: The risk party drawer.

- ENDORSER_CODE: The risk party endorser.

- OPTION_A: Use the default tax schedule. The destination for this value is the TAX_CODE, INT_TAX_CODE column of the XTR_DEALS table.

- RATE_A: The transaction rate. The destination for this value is the INTEREST_RATE column of the XTR_DEALS table.

- RATE_C: The brokerage rate. The destination for this value is the BROKERAGE_RATE column of the XTR_DEALS table.

- SCHEDULE_A: The principal tax schedule. The destination for this value is the TAX_CODE column of the XTR_DEALS table.

- SCHEDULE_B: The interest tax schedule. The destination for this value is the INT_TAX_CODE column of the XTR_DEALS table.

- SECURITY_ID: The security ID.

- SETTLE_ACTION_REQD: The client settlement. The destination for this value is the PRINCIPAL_SETTLED_BY column of the XTR_DEALS table.

XTR_TRANSACTION_INTERFACE

This table is designed to hold common transaction information and is a temporary staging area for deal data awaiting transfer to the actual transaction tables.

This table is used to store NI data.

AMOUNT_A

The size of the parcel.

Validation: The value must be greater than zero.

Destination: No mapping, gives number of parcels. The number here equals the number of times the row information is duplicated in the XTR_ROLLOVER_TRANSACTIONS table.

AMOUNT_B

The face value.

Validation: See table below.

Destination: For NI deals, the BALANCE_OUT column of
XTR_ROLLOVER_TRANSACTIONS.

AMOUNT_C

The consideration.

Validation: See table below.

Destination: For NI deals, the INITIAL_FAIR_VALUE column of
XTR_ROLLOVER_TRANSACTIONS.

AMOUNT_D

The interest.

Validation: See table below.

Destination: For NI deals, the INTEREST column of
XTR_ROLLOVER_TRANSACTIONS.

DEAL_TYPE

The deal or instrument type.

Validation: The deal type must be an authorized, defined deal type in the Deal/Product
Type window.

Destination: For NI deals, XTR_ROLLOVER_TRANSACTIONS.

EXTERNAL_DEAL_ID

Stores the external unique primary identifier for each deal.

Validation: None

Destination: For NI deals, XTR_ROLLOVER_TRANSACTIONS.

OPTION_A

Used for NI to indicate if a parcel is available for resale.

Validation: None

Destination: For NI deals, XTR_PARCEL_SPLITS.AVAILABLE_FOR_RESALE column
of XTR_ROLLOVER_TRANSACTIONS.

TRANSACTION_NUMBER

The transaction number.

Validation: None

Destination: For NI deals, XTR_ROLLOVER_TRANSACTIONS.

VALUE_A

The serial number for NI.

Validation: Only relevant for Issue subtypes.

Destination: For NI deals, XTR_PARCEL_SPLITS.SERIAL_NUMBER column of XTR_ROLLOVER_TRANSACTIONS.

Validation

The system performs validation on the values in the XTR_TRANSACTION_INTERFACE table. The rules to decide which values are calculated and which values are imported are explained below.

If an interest value is specified, the interest rate must fall inside established tolerances defined by the interest override feature and the interest value is imported. If the interest value is not specified, then treasury calculates it.

If the Discount/Yield basis is Discount, then you must provide a face value.

If the Discount/Yield basis is Yield, then you must provide either face value or consideration. If one of these values is specified, then the other is calculated. If both these values are specified, the system produces an XTR_INV_CONSIDERATION error message.

The table below lists the results when each of the specific values are provided.

Face Value	Consideration	Interest	Discount (D) or Yield (Y)	Result
X	X	X	Y	Invalid
X	X	N/A	Y	Invalid
X	N/A	X	Y	If interest falls inside tolerance, face value and interest are imported and consideration is calculated.

Face Value	Consideration	Interest	Discount (D) or Yield (Y)	Result
X	N/A	N/A	Y	Face value is imported, consideration and interest are calculated.
N/A	X	X	Y	If interest falls inside tolerance, consideration and interest are imported and face value is calculated.
N/A	X	N/A	Y	Consideration is imported, face value and interest are calculated.
N/A	N/A	X	Y	Invalid
N/A	N/A	N/A	Y	Invalid
X	X	X	D	Invalid
X	X	N/A	D	Invalid
X	N/A	X	D	If interest falls inside tolerance, face value and interest are imported and consideration is calculated.
X	N/A	N/A	D	Face value is imported, consideration and interest are calculated.

Face Value	Consideration	Interest	Discount (D) or Yield (Y)	Result
N/A	X	X	D	Invalid
N/A	X	N/A	D	Invalid
N/A	N/A	X	D	Invalid
N/A	N/A	N/A	D	Invalid

Glossary

accretion of discount

Accrual process for a discount received. This process recognizes that as you get closer to the maturity data of the deal you have "earned" a portion of the discount between original cost and face value even if you have not "received" the actual payment in the form of cash settlement.

amortization of premium

Accrual process for a premium paid. This process recognizes that as you get closer to the maturity date of the deal you have "expensed" a portion of the premium between face value and original cast even if you "paid" the entire premium in the form of cash settlement at the time you entered the deal.

forward and arrears

Sets the range of dates for accruals to either all dates prior to the accrual date (Forward), or to all dates up to and including the accrual date (Arrears).

actual/actual bond:

A day count basis convention where the numerator is the actual number of days between two dates. The denominator is the actual number of days in the coupon period times the coupon frequency resulting in values ranging from 362 to 368 for semiannual bonds.

actual/360 bond:

A day count basis convention where the numerator is the actual number of days between two dates. The denominator is 360.

actual/365:

A day count basis convention where the numerator is the actual number of days between two dates. The denominator is 365.

actual/365L bond:

A day count basis convention that is used for some GBP floating rate notes. The numerator is the actual number of days between two dates. If the next coupon payment

date falls within a leap year, the denominator is 366. If not, use 365.

30/360:

A day count basis convention where the numerator is calculated using the following formula:

D days= D2 - D1 + 30 (M2 - M1) + 360 (Y2 - Y1)

Where M1/D1/Y1 is the first date and M2/D2/Y2 is the second date.

If D1 falls on the 31st, change it to 30. If D2 falls on the 31st, change it to 30 only if D1 falls on either the 30th or the 31st.

The denominator is 360.

There are three different ways to apply the 30/360 rule: 30/360, 30E/360, and 30e+/360.

30E/360:

A day count basis convention where the numerator is calculated using the following formula:

D days= D2 - D1 + 30 (M2 - M1) + 360 (Y2 - Y1)

If D1 falls on the 31st, change it to 30. If D2 falls on the 31st, change it to 30.

30E+/360:

A day count basis convention where the numerator is calculated using the following formula:

D days= D2 - D1 + 30 (M2 - M1) + 360 (Y2 - Y1)

If D1 falls on the 31st, change it to 30. If D2 falls on the 31st, change it to 1 and increase M2 by 1.

advisor

A party that provides legal or accounting services to a company.

american option

An option which may be exercised at any time prior to expiration. See also European option.

ask

The price at which the currency or instrument is offered.

base rate

1) A rate used by banks to calculate the interest rate to borrowers. Premium borrowers pay a small amount over the base rate. 2) The spot rate from which grid points are added or subtracted to produce the forward rate.

bid

The price at which the currency or instrument is bought.

bills

A discounted negotiable instrument that is tradable. Generally for terms less than nine months. Bank Bills are issued by banks, Commercial bills are issued by companies, Treasury bills are issued by governments, Trade bills are issued between companies as part of a sales process to sell goods.

Black-Scholes model

An option pricing formula initially derived by Fisher Black and Myron Scholes for securities options and later refined by Black for options on futures. It is widely used in the currency markets.

bonds

Long term tradable instruments that pay a regular coupon (interest), that is normally at a fixed rate. Generally for periods of 5 to 30 years. Normally issued by governments or blue chip companies.

book

The summary of currency positions held by a dealer, desk, or room. A total of the assets and liabilities. If the average maturity of the book is less than that of the assets, the bank is said to be running a short and open book.

broker

An agent who executes orders to buy and sell currencies and related instruments either for a commission or on a spread. Brokers are agents working on commission and not on principals or agents acting on their own account. In the foreign exchange market brokers tend to act as intermediaries between banks bringing buyers and sellers together for a commission paid by the initiator or by both parties. There are four or five major global brokers operating through subsidiaries affiliates and partners in many countries.

call

1) An option that gives the holder the right to buy the underlying instrument at a specified price during a fixed period. 2) A period of trading. 3) The right of a bond issuer to prepay debt and demand the surrender of its bonds.

call money

Overnight funds lent by banks form issued by a commercial bank as evidence of a deposit with that bank which states the maturity value, maturity date, and interest rate payable.

call option

An option granting the right to buy the underlying futures contract. Opposite of a put option.

company limit

The exposure you are willing to risk on a company.

company

The name in which the treasury department undertakes the transactions in with the bank. Journal entries are created only for those the general ledger of the company.

confirmation

A memorandum to the other party describing all the relevant details of the transaction.

constant holiday

A holiday that occurs on the same date every year.

correspondent bank

The foreign banks representative who regularly performs services for a bank which has no branch in the relevant center for example to facilitate the transfer of funds.

counterparty group limit

The exposure you are willing to risk on a counterparty group.

counterparty limit

The exposure you are willing to risk on a counterparty.

counterparty risk

The risk that a debtor will not repay.

counterparty

The other organization or party with whom the deal is being transacted.

country risk

The risk attached to a borrower by virtue of its location in a particular country. This involves examination of economic, political, and geographic factors. Also known as sovereign risk.

coupon value

The annual rate of interest of a bond.

cross rates

Rates between two currencies, neither of which is the USD.

currency limit

The exposure you are willing to risk on a currency.

day count basis

The convention used to count the appropriate number of days between two dates to calculate accrued interest, yield, and odd coupon amounts. For each rule, the numerator indicates the number of days between the dates and determines what happens if one of the dates falls on the 31st of the month. The denominator indicates how many days are considered in a year. The available day count bases are: actual/actual, actual/360, actual/365, actual/365L, actual/actual-bond, 30/360, 30E/360, and 30E+/360.

deal date

The date on which a transaction is agreed upon.

deal number

A number to uniquely identify the deal. In Treasury, deal numbers are system generated.

deal rate tolerance

The acceptable minimum and maximum value for a deal.

dealer limit

The exposure you are willing to risk on a dealer.

derivatives

A broad term relating to risk management instruments such as futures, options, and swaps. The contract value moves in relation to the underlying instrument or currency.

discount

1) An option that is trading for less than its intrinsic value. 2) A bond which fixed coupon rate is at a lower than the current market rate for that period 3) the difference between the face value and consideration paid when the consideration is less than the face value. This is always the case with a discounted securities deal, since this discount is essentially the interest that you earn by holding the investment.

discounted security

A security that has a market value lower than its face value or its value at maturity.

effective interest method

Accrual method where the premium or discount is recognized such that the implied interest rate during each accounting period stays constant. In simplistic terms, the implied interest rate is the recognized revenue or expense divided by the carrying cost and adjusted for the time period. Each period's accrual adjusts the carrying cost - increasing or decreasing in the case of discounts or premiums, respectively. The period accrual amounts must likewise increase or decrease to maintain a constant implied interest rate.

european option

An option that can be exercised only on its expiration date rather than before that date.

exercise value

For a call option, this is the amount by which the strike price is below the underlying investment; for a put option, it is the amount by which the strike price is above the underlying investment.

expiration date

1)For options, the date after which the option can no longer be exercised. 2) For bonds, the date on which the bond matures.

exposures

In Oracle Treasury, any cash flow (either actual or indicative) that is not the result of a Treasury transaction. Exposures are recorded so that all cash flow of the company can be used for the gap analysis (cash flow gaps).

face value

Also called maturity value. The amount the issuer agrees to pay at the deal maturity date.

firm quotation

The price given in response to a request for a rate at which the quoting party is willing to execute a deal for a reasonable amount for spot settlement. Screen quotes are indicative.

fixed exchange rate

Official rate set by monetary authorities. Often the fixed exchange rate permits fluctuation within a band.

fixed income security

A long term tradeable instrument that pays a regular coupon or interest rate.

floating exchange rate

An exchange rate where the value is determined by market forces. Even floating currencies are subject to intervention by the monetary authorities. When such activity is frequent the float is known as a dirty float.

foreign exchange

The purchase or sale of a currency against sale or purchase of another.

forward

A method for accruing financial transactions for accounting purposes. If you choose to use the forward method, then all financial transactions for dates up to but not including the accounting period end date will be accrued.

forward contract

Sometimes used as synonym for "forward deal". A deal with a value date greater than the spot value date.

forward deal

A deal with a value date greater than the spot value date.

forward rate agreement

A forward rate agreement (FRA) is an agreement between two parties that determine the interest rate that will apply to a notional loan or deposit at a future date. The notional amount, term, and rate are set at the time of the contract. On the expiration date of the contract the difference between the current interest rate for the term and the notional interest rate must be settled between the parties.

forward rate

Forward rates are quoted in terms of forward points, which represent the difference between the forward and spot rates. In order to obtain the forward rate from the actual exchange rate the forward points are either added or subtracted from the exchange rate. The decision to subtract or add points is determined by the differential between the deposit rates for both currencies concerned in the transaction. In the forward market, the ledger currency with the higher interest rate, is said to be at a discount to the lower interest rate quoted currency and therefore the forward points are subtracted from the spot rate. Similarly, the lower interest rate base currency is said to be at a premium, and the forward points are added.

futures contract

A contract traded on a futures exchange which requires the delivery of a specified quality and quantity of a commodity, currency or financial instruments on a specified future month. A deposit if between 5 to 10 percent is required to be paid when purchasing a contract. The deposit is held by the Futures Exchange.

FX

 Foreign Exchange

gap

 A mismatch between maturities and cash flows in a bank or individual dealers position book. Gap exposure is effectively interest rate exposure.

global limit

 The exposure you are willing to risk on a deal.

going long

 The purchase of a stock or commodity for investment or speculation.

going short

 The selling of a currency or instrument not owned by the seller.

inclusion components

Inclusion components are components of fair value that are related to a hedgeable risk. You can identify one or more inclusion components to measure effectiveness for changes in fair value that are related to the risk you are hedging, as long as you are not hedging the entire fair value change of your hedged items.

indicative quote

 A market-marketer's price. This price is not firm.

inter-account transfer

 A transfer of funds between two accounts that belong to the same company.

inter-company party

 A subsidiary of the company with which the treasury department manages cash surpluses or shortfalls.

interest rounding

interest rounding options are as follows: nearest, round up, round down.

interest rate cap

 An agreement that provides the buyer of a cap with a maximum interest rate for future borrowing requirements.

interest rate floor

 An agreement which provides the buyer of the floor with a minimum interest rate for

future lending requirements.

interest rate swaps

 An agreement to swap interest rate exposures from floating to fixed or vice versa. If the currency is the same for both sides there is no swap of the principal. It is the interest cash flows that are exchanged.

knock in

 A process where a barrier option (European) becomes active as the underlying spot price is in the money. Knock out has a corresponding meaning although the option may permanently cease to exist.

LIBOR

 The London Interbank Offered Rate. The rate charged by one bank to another for lending money.

limit

 The amount of money or exposure you are willing to risk on a particular party, country, currency, dealer, or group.

limit utilization

 The total amount of a limit used by deals.

limit weighting

 The percent of a deal that you consider at risk. The limit weighting is used to calculate the utilization of a limit.

long

 The holding of an excess position.

market amount

 The minimum amount conventionally dealt for between banks.

maturity date

 1) The last trading day of a futures contract. 2) The date on which a bond matures, at which time the face value will be returned to the purchaser.

money market

 A market consisting of financial institutions and dealers in money or credit who wish to either borrow or lend.

negotiable securities

An investment that is negotiable in price, such as discounted or fixed income securities.

netting

The method of settling under which the payments and receipts due in the same currency on the same date are summed together and only the differences are settled with the counterparty.

note

A financial instrument consisting of a promise to pay rather than an order to pay or a certificate of indebtedness, as are the case with bills.

notional cash pool (setoff account)

A bank account that is combined with other bank accounts in a nominal account for the purpose of calculating interest on the combined balance.

one-off holiday

A holiday that occurs only once. For example a holiday to celebrate the coronation of a new king or queen.

option

A contract conferring the right, but not the obligation to, buy (call) or sell (put) a specified amount of an instrument at a specified price within a predetermined time period.

payment date

The date on which a dividend or bond interest payment is scheduled to be paid.

portfolio

A high level grouping of deals for accounting, reporting, or trading strategies. In Oracle Treasury, these would be used to separate hedging transactions from speculative transactions.

position

The netted total commitments in a given currency. A position can be either flat or square (no exposure), long (more currency bought than sold), or short (more currency sold than bought).

premium

1) The amount by which a forward rate exceeds a spot rate. 2) The amount by which the market price of a bond exceeds its par value. 3) The price a buyer of an option must pay the seller of the option. 4) The difference between the face value and consideration

paid when the consideration is greater than the face value. Premiums do not apply to discounted securities deals. For example, for a bond deal, you pay a premium when the stated coupon rate is greater than the prevailing interest rates in the market for instruments or similar characteristics.

product type

A user-defined type to organize deal types. Many market instruments are the same except for their marketability due to risk factors, for example a commercial bill is the same as a bank bill but carries a higher risk. Product types allow for this distinction.

put option

A put option confers the right but not the obligation to sell currencies instruments or futures at the option exercise price within a predetermined time period.

quote

An indicative price. The price quoted for information purposes but not to deal.

rate

1) The price of one currency in terms of another, normally against USD. 2) Refers to interest rate.

retail term money

A deposit or loan that has regular payments over a period of time.

revaluation rate

The rate for any period or currency which is used to revalue a position or book.

risk position

An asset or liability which is exposed to fluctuations in value through changes in exchange rates or interest rates.

risk premium

Additional sum payable or return to compensate a party for adopting a particular risk.

rollover

An overnight swap, specifically the next business day against the following business day (also called Tomorrow Next, abbreviated to Tom-Next).

security

A piece of paper proving ownership of financial instruments such as stocks or bonds.

selling rate

Rate at which a bank is willing to sell foreign currency.

settlement account

The bank account with which cash settlements is to take place.

settlement date

See: Value date.

settlement price

The official closing price for a future set by the clearing house at the end of each trading day.

settlement risk

Risk associated with the non-settlement of the transaction by the counterparty.

shared bank account

A bank account that is defined in Oracle Cash Management and that is shared between Oracle Treasury and other Oracle applications.

short position

A shortage of assets. See short sale.

short sale

The sale of a currency or money market instrument not owned by the seller at the time of the trade. Short sales are usually made in expectation of a decline in the price.

short term money

Also referred to as call cash is money that a bank lends for a very short period of time. The bank can request payment of short term money with the same day, one day or two days notice.

sovereign limit

The exposure you are willing to risk on a country.

sovereign risk

1) Risk of default on a sovereign loan. 2) Risk of appropriation of assets held in a foreign country.

spot

1) The most common foreign exchange transaction. 2) Spot or Spot date refers to the

spot transaction value date that requires settlement within two business days, subject to value date calculation.

spot price/rate

The price at which the currency is currently trading in the spot market.

spread

The difference between the bid and ask price quoted.

square

Purchase and sales are in balance and thus the dealer has no open position.

straight line method

Accrual method when the premium or discount is recognized evenly over the term of the total premium. For example, if you purchase a 3-month discounted security deal and you receive a discount of $300. If you have monthly accounting, then you would accrue $100 each month. If you perform accounting twice monthly, then you would accrue $50 in each accounting period.

strike price

Also called exercise price. The price at which an options holder can buy or sell the underlying instrument.

subaccount

A bank account to which a correspondent bank directs foreign currency settlement payments.

swap

An arrangement whereby two parties lend to each other on different terms. A swap deal can be in different currencies or for different interest rates or both.

swaption

An option to conduct a swap.

synthetics

A financial instrument that can use only nominal principal and not physical principal. For example, options, futures, FRAs.

term limit

The maximum time you are willing to hold a deal.

transaction rate

In Oracle Treasury, the rate at which the deal was dealt.

treasury bills

Short term obligations of a Government issued for periods of one year or less. Treasury bills do not carry a rate of interest and are issued at a discount on the par value. Treasury bills are repaid at par on the due date.

treasury bonds

Government obligations with maturities of ten years or more.

treasury notes

Government obligations with maturities more than one year but less than ten years.

treasury only bank account

A bank account that is only defined in Oracle Treasury.

value date

The date of cash flow settlements. For a spot transaction it is two business banking days forward in the country of the bank providing quotations which determine the spot value date. The only exception to this general rule is the spot day in the quoting center coinciding with a banking holiday in the countries of the foreign currency. The value date then moves forward a day.

valuer

A party that assesses the value of securities.

volatility

A measure of the amount by which an asset price is expected to fluctuate over a given period. Normally measured by the annual standard deviation of daily historic price changes.

wholesale term money

Money borrowed in large amounts from banks and institutions rather than from small investors.

yield curve

The graph showing changes in yield on instruments depending on time to maturity. A system originally developed in the bond markets is now broadly applied to various financial futures. A positive sloping curve has lower interest rates at the shorter maturities and higher at the longer maturities. A negative sloping curve has higher interest rates at the shorter maturities.

zero coupon bond

A bond that pays no interest. The bond is initially offered at a discount to its redemption value.

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